

Update

What have a
N.S. Bordello
P.E.I. Court House
New Brunswick Convent
 in common?

Answer: Turner Drake

**TURNER DRAKE
 + PARTNERS LTD.**
 real estate consultants and appraisers
 6182 north street
 halifax, n.s. b3k 1p5
 tel. (902) 429-1811

Although only \$87 million of the \$0.65 billion worth of real estate we have valued to date comprises residential real estate, we are still occasionally asked if we undertake non-residential work. In point of fact, 88% of the approximately \$150 million of real estate we value annually falls into the latter category. To be sure, much of it comprises income producing property such as shopping centres, offices, hotels, apartment buildings, etc., and the enquiries are directed to the more esoteric types of real estate such as nursing homes, harness racing tracks, rock quarries, and so forth; but we do in fact embrace a wide spectrum of real estate in our work. Even types of property with which we may not be familiar initially, tend to fall within distinct groups. For

example, a harness racing track has fiscal aspects in common with a motel, despite the fact that the two are physically disparate. There is also a body of specialists, many of them clients, who can assist in "filling the gaps" in our expertise for those property types which are new to us.

Our computer has thoughtfully compiled the following list of property types that we have appraised over recent years:

- | | | |
|---------------------------|---------------------|--------------------|
| Acreage | Car Park | Discount Store |
| Agricultural Facility | Car Wash | Dormitory |
| Aircraft Hanger | Church | Drag Strip |
| Apartments | Club | Drug Store |
| Armed Forces Base | Cold Storage Plant | Dry Cleaning Plant |
| Automobile Dealership | College | Duplex |
| Automotive Service Centre | Commercial Building | Easement |
| Bank | Computer Centre | Extended Care Home |
| Barn | Condominium | Factory |
| Beach | Container Pier | Farm |
| Bordello | Convenience Store | Fast Food Outlet |
| Bowling Alley | Convent | Fire Hall |
| Building Supply Outlet | Cottage | Fish Plant |
| Camp Ground | Court House | Foundry |
| Car Care Centre | Department Store | Fourplex |

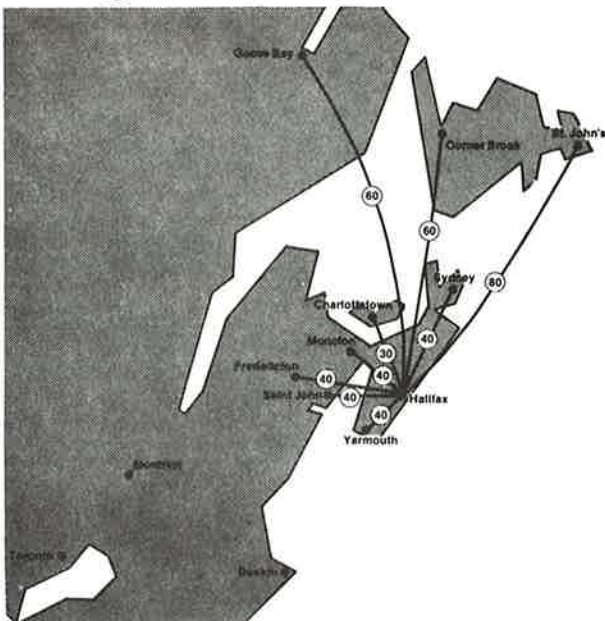
Freezer Plant
 Fruit Depot
 Funeral Home
 Gas Station
 Golf Course
 Government Building
 Grandstand
 Gravel Pit
 Hanger
 Harness Racing Track
 Heavy Water Plant
 Hotel
 House Survey
 Industrial Building
 Industrial Park
 Laundromat
 Legion Hall
 Liquor Store
 Lot
 Lumber Yard
 Marine Terminal
 Marsh
 Marshalling Yard
 Maximum Security Warehouse
 Meat Packing Plant
 Medical Clinic
 Mobile Home
 Mobile Home Park
 Motel
 Movie Theatre
 Naval Base

Newspaper Plant
 Nunnery
 Nursing Home
 Office
 Oil Bulk Storage
 Orchard
 Park
 Parkade
 Parking Lot
 Performing Arts Theatre
 Police Club
 Police Station
 Polyclinic
 Post Office
 Printing Plant
 Professional Centre
 Quarry
 Race Track
 Recreational Land
 Rental Survey
 Repair Garage
 Restaurant
 Retail Building
 Riding Stables
 Right of Way
 Rooming House
 Rural
 Sales & Service Garage
 Salvage Yard
 School
 Scrap Yard

Service Station
 Shopping Centre
 Single Family Residence
 Sports Club
 Stables
 Store
 Subdivision
 Supermarket
 Supply & Demand Survey
 Tank Farm
 Tavern
 Television Studio
 Theatre
 Tire Depot
 Townhouse
 Trailer Park
 Transit Garage
 Transit Warehouse
 Transmission Repair Centre
 Transport Terminal
 Triplex
 Truck Terminal
 University
 University Residence
 Veterinary Hospital
 Warehouse
 Water Lot
 Wharf
 Woodland
 Yacht Club

We Know Atlantic Canada

Minutes flying time from Halifax.



Although we have always appraised property throughout Atlantic Canada, the trend appears to be increasing.

Mulling it over, it occurs to us that there are two possible explanations why so much of our work is out of Province: (1) that our reputation has spread throughout the Atlantic Provinces, or (2) that our reputation has spread throughout Nova Scotia, but not the other Atlantic Provinces.....we prefer the former.

Or again it could be neither of those. It may be due to the fact that Halifax is increasingly the regional capital with an excellent air service to all parts of the region. Much of the prime real estate too is owned by national or international companies with head offices in Toronto, Montreal, Calgary

and Edmonton. Initially they tend to employ appraisal firms located in those cities too. However, with continued ownership, comes the realization that Atlantic Canada differs from the remainder of the country. Property sales data is not public knowledge here since it is not recorded in the Registry Office: indeed many municipalities do not have deed transfer tax.

A regional economy per se does not really exist so far as real estate is concerned. Instead there exists a jigsaw of micro-economics which often results in one part of the region booming, whilst another wallows in the economic doldrums.

It's a source of mild amusement to discover ashen faced appraisers from Upper Canada and points west, camped on our doorstep seeking succour. Having discovered that the sales data they sought at the Registry Office does not exist, they desperately make the rounds of local appraisers attempting to procure *their* opinion on what the property was worth.

An Offer They Cannot Refuse?

A sinking dollar, higher interest rates, a burgeoning Federal deficit, increased income taxes after the election, another recession in 1985 (some of us backward souls didn't realize the last one had ended!), it's becoming difficult to stick to our philosophy of addressing only the lighter, brighter side in Newsletter. Cheer up! We have the solution too!

The problem, it appears, is simple. Both the United States and our own Federal governments are living beyond their means. Now, we can't do anything about the U.S. (not this week anyway), but we do have a solution for our own country. Ruthlessly suppressing the humble and reticent side of our nature, we make bold to offer up the following advice to whoever takes office in Ottawa: casting our pearls before the swine as it were (figuratively speaking of course).

We, like many readers of Newsletter, come into contact with the Federal Government in our professional capacity: the Realty Services Division of Public Works Canada is but one example. We are quite confident *that there would be a cost saving of 30% to 50% if work undertaken by most of the government departments was tendered out to the private sector instead.* This type of privatization is now underway in the United Kingdom and we viewed it first hand during a recent business trip there. In fact there is local precedent with the City of Halifax's decision to contract out its garbage collection. The significant cost savings they achieved has not resulted in any deterioration in service; quite the reverse.

We would be willing today to take over the real estate consulting (appraisal and negotiation) operations of any Federal Government department in Halifax on a "cost less 30% basis", as long as their costs were first established by an independent firm of Chartered Accountants. We suggest that many other private firms would jump at a similar opportunity, not only in the real estate field, but throughout the whole spectrum of work currently undertaken by the civil service.

The Federal deficit would be eradicated overnight.

Legislative Licentiousness

Two Acts were passed in the recent sitting of the Nova Scotia legislature.

Last Nail in the Coffin


We reviewed the report of the Commission of Inquiry on Rents, in Newsletter, Volume 2, No. 10. The Commission, headed by retired Supreme Court Justice Thomas H. Coffin made recommendations, all but one of which had been accepted by the

Provincial Government. The only recommendation which would have stimulated badly needed residential rental construction was that calling for the phasing out of rent review. It was rejected by the government. Most of the other recommendations passed into law on the 11th June 1984. Some were not addressed in the Act, presumably because they concerned the modus operandi of the Rent Review Commission, eg. the fact that the Commission now has to operate in an open and non-secretive manner. The recommendation that security deposits should be paid to the Residential Tenancies Board instead of the landlord in trust, was also ignored. Security deposits have now to be held in an approved trust account.

We strongly advise any clients who have not taken our earlier advice to review their residential rental property portfolio, to do so now. In general, apartment buildings have experienced sluggish growth in value since rent control (sorry review!) was introduced. Whilst apartments in the Halifax-Dartmouth area experienced a surge in value earlier this year, we do not consider the rally will be sustained and still view them as a poor long term investment.

Many apartment buildings are overassessed for real estate tax purposes. If you have not yet done so, you should ask us to review the assessment, with a view to appealing it in January.

~~This~~
The Law is an Ass

<h1>Assessment Appeals</h1>	
<h2>Ask Us!</h2>	
	<p>TURNER DRAKE + PARTNERS LTD. real estate consultants and appraisers 6182 north street halifax, n.s. b3k 1p5 tel. (902) 429-1811</p>

We have long held the suspicion that the country is governed by the civil service for its own benefit, rather than by the people for the people. The most recent, puerile, amendment to the Assessment Act confirms it and underscores recent newspaper reports of Nova Scotian politicians sleeping or reading during legislative sessions.

The 1983 landmark decision by Judge O'Hearn in the Scotia Square case (The Director of Assessment & Halifax Developments Limited) did much to add flesh to the bare bones of the Assessment Act. In particular, his ruling that the appropriate way to achieve uniformity of assessment was to use the *general level of assessment method*, cleared away many of the inequities in the Act.

Under this method, the assessments of all of the properties sold in the Municipality during the preceeding year are compared with their sale prices during that year, to derive a sale price/assessment ratio. The ratio thus derived is then multiplied by the value of the property, at the date the assessment rolls closed, to arrive at the assessment. It is the only fair and equitable way to arrive at the assessment of a non-residential property. Unfortunately, the Assessment Department does not like it since it creates more appeals. Since Judge O'Hearn's decision, they have attempted to "differentiate" each appeal from the Scotia Square case. Now, through this sneaky piece of legislation, they have effectively nullified this portion of Judge O'Hearn's decision.

This ass of an Assessment Act amendment asks to be amended. If it is not, every owner and occupier of commercial, industrial and apartment property will suffer.