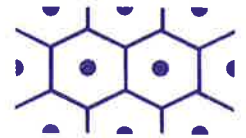


newsletter



Volume 2, No. 19

Winter 1985

Getting the Right Mix



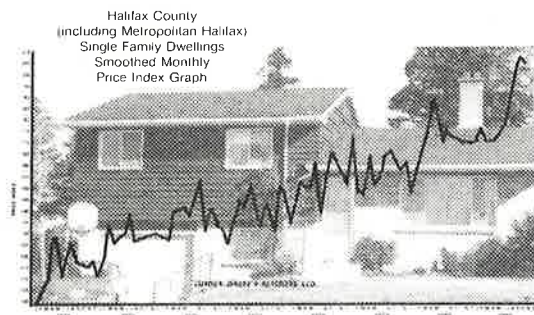
Many thanks to all of you who responded (many humourously) to our competition. The apartment mix which maximised the profit was:

- 7 x 1 Bedroom units
- 23 x 2 Bedroom units
- 14 x 3 Bedroom units
- 6 x Penthouse units

Non-linear

Congratulations to Wayne Myers, Trizec Equities Ltd. for sending us the first correct answer. Congratulations as well to all those of you who got it right even though you did not win. As far as the rest of you...better luck next time! Although the correct mix was capable of solution with a little trial and error, the easiest way of solving it was by linear programming. If your company needs to optimise a solution e.g. maximise a profit subject to constraints, of a more complex nature, than the example illustrated by our competition, we can be of assistance. Whether it is a case of optimizing the mix of apartments in a building, tenants in a shopping centre or land uses in a subdivision, the problem is susceptible to solution as long as the relationships are linear.

Residential Report - (Halifax/Dartmouth, N.S.)



Each month our computer tracks single family house price movements throughout Halifax County, including the Halifax/Dartmouth metropolitan area.

Although the results for the 11 months ending 30th November 1985 indicated a 5.8% increase over the same period a year earlier, several of the sub-markets were very soft. The market for homes over \$100,000 was especially

soft in the suburban areas of Cole Harbour and Bedford, as well as parts of Dartmouth. The resale prices of several homes in these areas indicated that they traded at lower figures than in 1984. The loss in value ranged from \$1,000 to \$10,000. Cole Harbour and some areas of Dartmouth were especially hit by the low selling prices of new dwellings developed by Lakeshore Homes in Portland Estates. The sales of those homes had its greatest impact on resale homes in the \$90,000 to \$150,000 range. Lakeshore Homes reduced their prices by \$5,000 in November/December and Portland Estates Ltd. are now marketing their lakefront lots. It is expected that these moves will continue to exert downward pressure on the price of resale homes in the area. Notwithstanding the foregoing, this sub-market did record a gain of 3% over the year earlier. Homes over \$100,000 in Bedford also proved difficult to sell though this sub-market achieved a marginal gain of 1% over the year earlier.

Condominiums

The glut of condominium apartments has created a soft market in both Halifax and Dartmouth. Some developers are now deferring condominium projects until the market achieves equilibrium again. The market for higher priced condominiums (>\$125,000) is especially soft throughout the metropolitan area, particularly for multi-level (townhouse type) units. The main market for condominiums in this price bracket appears to be the upper age group rather than working couples. Some developers have now downsized their proposed units to aim at the under \$100,000 market.

Us

What do you do.....?



What do we do? It's a question often asked by potential clients, intrigued no doubt by the gentle air of somnolence that pervades our offices.

One of the things we appear to spend a lot of time doing is telling people what we do; either through this Newsletter or through a battery of brochures. (The one entitled an "Escort Service for Property Owners" is popular but not as exciting as it sounds). However, if you would like a brochure on expropriation, property assessment, fire insurance, mortgage appraisals

....or us...give Linda a call at (902) 429-1811. But since most of you are too timid to call, we're going to tell you anyway. As well as appraising real estate for the usual purposes, eg. financing, share valuation, expropriation, assessment appeal, etc., we continue on where most appraisal firms stop. For example, with an assessment appeal, we will initially tell you whether an appeal is advisable, whether you require an appraisal and, if it is a 'go' situation will undertake the entire appeal including negotiations with the assessor and appearance at Court. In the case of a property acquisition, we can also undertake the negotiations as well as the appraisal. A similar situation pertains with respect to Capital Gains or other tax cases.

If you request us to value your property for share valuation and we discover you are underinsured for fire, or over-assessed for property taxes, we'll tell you.

In the case of investment properties, we can undertake financial modelling; particularly useful if you are considering the purchase or sale of a property or are attempting to evaluate the marginal effect of a property on your portfolio. We were one of the first real estate consulting firms in Canada to utilize computers for this purpose and are constantly testing new financial modelling packages as well as commissioning our own software, so are at the cutting edge of this technology.