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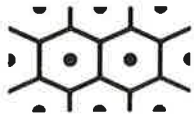
Winter 1986/87

Update

1987 is here! Reassessment year in Nova Scotia. If you have not received your property reassessment in the mail yet...brace yourself. If you have; take a deep breath, count to 10...and read on.

Assessment Appeals

**\$ Millions & \$ Millions Saved
Assessment Appeals
Ask us!**



**TURNER DRAKE
+ PARTNERS LTD.**
real estate consultants
and appraisers

6182 north street
halifax, n.s. b3k 1p5
tel (902) 429-1811
We know
Atlantic Canada

Every three years in Nova Scotia the Provincial Department of Municipal Affairs reassesses all real estate in the province for both realty and occupancy tax purposes. It was last done in 1984: so 1987 is a reassessment year. The Realty Assessment is the basis on which your real estate taxes will be calculated. The Occupancy Assessment is the basis on which your occupancy taxes will be calculated. How-

ever, if your assessment has increased, it does not necessarily mean that your taxes will increase. If your assessment has increased in the same proportion as everybody else, then your taxes will remain the same, assuming of course that your Municipality does not require a larger budget this year, than last.

First Things First

You have received your realty assessment notice: what should you do now? Sit down, relax, pour yourself a fresh cup of coffee and take a considered look at the assessment. It is meant to represent the market value of your property as at the 1st January 1986. If you don't think that you could have sold your property for that price, then you may be overassessed. If there is any doubt in your mind at all **complete the notice of appeal immediately...**you only have 21 days from the date of receipt of your notice, to appeal. For the grounds of appeal, you can use the following or similar wording:- "the assessment is excessive, unfair, not uniform with other assessments and any other grounds that may appear".

If the property is assessed at less than its market value but is not uniformly assessed, you could still be overassessed. If in doubt...appeal...you can always withdraw the appeal later.

Business Occupancy Assessment

The business occupancy assessment is based on a percentage of the real property assessment. Consult the enclosed brochure to ascertain the correct percentage. Please note that the term "motor vehicle dealers" has been interpreted recently by the courts to include dealers in farm and other machinery. Once again, if in doubt...appeal.

The A-Team

We are fully geared up to meet the challenge of the assessment year, computers at the ready, appraisers straining at the leash. However if past experience proves true, we will be besieged with enquiries as soon as the assessment notices are delivered. If you are already a client and wish us to handle your appeal, or if you are not sure whether to appeal, just send us your assessment notice and we will deal with it from there on. If we haven't appraised your property before, please appeal if you are uncertain about either the realty or occupancy assessments. If you wish us to advise you, send us a copy of your notice together with a letter addressed to the assessor indicating that we are acting on your behalf and authorizing him to release your assessment records to us.

What Does It Cost?

Generally we invoice our time on an hourly basis plus out of pocket expenses. The actual cost will vary depending on the time involved and whether we have appraised your property before. However if you wish to proceed on a contingency basis, we can base our fee on the amount of taxes we save you. In other words, if we determine that you have no grounds to appeal, or if we think there are grounds but are unsuccessful in obtaining tax relief, then it costs you nothing at all. However, we will not accept any assignment on the basis of reporting a predetermined estimate of value. In other words, we will not undertake an appeal unless we are satisfied that there are proper grounds for that appeal.

Poacher Turned Gamekeeper...or the Other Way Round



Tom was born several years ago in Dartmouth, N.S. For the past 12 years, he has pursued a career as an assessor, first with the County of Halifax and from August 1979 as Assistant Regional Director of Assessment for the Dartmouth City Assessment Region. In the latter position, he was responsible for assessing commercial properties.

In 1985/86 Tom became Co-ordinator Assessment Manuals and Special Properties and was in charge of training for the Provincial assessment department as well as being Technical Co-ordinator for all court work and special properties.

He joined us late in 1986 and has already brought his experience to bear in exposing wrinkles in the assessment procedures of which we were unaware. He looks forward to a busy year...

Appraisals Are Often a Necessary Evil...and Expensive Too...

...right? Right! You probably view appraisals in the same light as your annual audit...so how can you turn the situation to your advantage?

The natural response is to limit your loss by phoning around for the appraisal costing the least amount of money. The labour component accounts for about 65% of the cost of any appraisal and most accredited appraisers charge roughly the same rate (about \$70-\$80/hour). Since an appraisal is simply an opinion...and all of us have opinions...appraisal opinions can cost a lot or a little. Of course the validity of any opinion depends on the amount of time (hence cost) of gathering the raw data and processing that raw data into an opinion of value. However, if you are not concerned with the validity of the opinion... then your optimum strategy should be to minimize cost by locating an appraiser who is willing to spend the least amount of time appraising your property.

Quo Vadis?

Many times, of course, you will be concerned with the validity of the appraisal, or you may face a court action e.g. assessment appeal, where the report and its author will have to stand the test of scrutiny. If you are not already working with an appraisal consulting firm that you trust, you face the dilemma of choosing an appraisal company that will give you a well supported and accurate opinion at the lowest price. When choosing a lawyer or accountant you at least have the security of knowing that they have a minimum amount of training...not so with appraisers. There are no Federal or Provincial standards for appraisers (although the Ontario Securities Commission and the Federal Superintendent of Insurance have recently drafted legislative standards) and whilst there are trade associations that provide courses and attempt to set standards there is, in our opinion, no such thing as a countrywide, or even a regional standard.

Not Just An Appraisal!

In our view, an appraisal should be much more than just an estimate of the property value. We view the initial appraisal as the commencement of a consulting relationship with the client. Our initial appraisal consists of a fiscal and physical audit of your property. After all, the property is probably the most valuable asset you own. During the course of the appraisal, we expect to uncover items which may save you money, now or in the future. As far as we are concerned, the purpose of the appraisal is irrelevant: we approach each assignment in the same manner...our own Standard Code of Practice...

...Saving You Money

How can we save you money...while spending your money?

Well, where possible we personally inspect the Provincial assessor's worksheets... not just the assessment...the actual worksheets. That is how we found a \$0.5 million error in the Clinton Building assessment in Halifax.

We insist on reading all of the leases...not just the lease synopsis. It is surprising how often landlords don't recover their operating expense recoveries until we tell them they can; we've uncovered recoveries in a shopping centre in Moncton, an office building in Sydney...

We read the legal descriptions, reconcile them with the survey plans, plot the boundaries, easements and rights of way onto a Provincial map so that you can see what you own. We recently had to tell a client that he owned not 100 acres of land with extensive road frontage in rapidly expanding Cole Harbour, but only 47 acres of backland accessible via a right of way.

We physically measure every tenant space using the appropriate standard method of measurement (B.O.M.A., U.L.I., C.R.E.A.). In our experience, it is not unusual to find that 50% of the areas shown in leases are incorrect or have been measured using non-standard methods. This can result in the same space having a rental rate of \$16.82/ft.2, \$15.00/ft.2, \$14.89/ft.2, \$13.33/ft.2 and \$12.74/ft.2.....simultaneously ...because it is measured using a non-standard method. Imagine how that adds to the confusion if you are attempting to strike a competitive market rate for your space. At a rental rate of \$15.00/ft.2 net absolute, every 1000 ft.2 you 'lose' reduces the capital value of your property by approximately \$130,000.

We check the planning as well as the zoning, interview the planner responsible where necessary and alert you to any planning changes that are going to adversely affect your property. We were recently able to advise Canrep Morse and were successful in preventing a downzoning of their Halifax property.

We inspect the entire building, unless it is an apartment building with over 50 units, in which case we inspect at least 50% of the units chosen at random. We can find items of deferred maintenance that, unless repaired now, presage expensive repair bills in the future...like windows leaking, but only in the corner apartments; furnaces that don't deliver heat, but only on certain floors; roofs that leak, but only in certain places.

You get copies of the floor plans, indicating the tenant spaces, for use as a source document to aid in your management and leasing...even for use in your leases.

We provide plans showing each tenant space together with a lease synopsis so that you have a ready reference guide; no more missed rental reviews or overlooked options to renew...

...and we keep all of the details on our computer so that we can update the appraisal more rapidly and at a lower cost next time round.

We describe all the floor, wall and ceiling finishes in each major space plus the plumbing, heating, airconditioning, fire protection and heaven forbid, if you do have a major fire, there is then a complete record available...

...meanwhile all that information is stored in our computer so that we can provide you with a yearly update for fire insurance purposes, inexpensively.

We use the Public Works Canada Report Format so that all of the information on your property is in a report, concise, yet comprehensive (no boiler plate), accurate and readily available...a single source document on your most valuable asset.

One day, everyone will do it our way...but in the meantime...