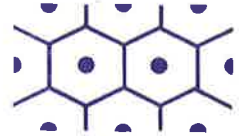


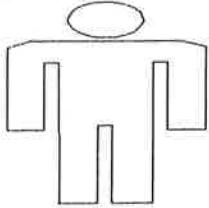
newsletter



Vol. 2, No. 26

Fall 1987

Update

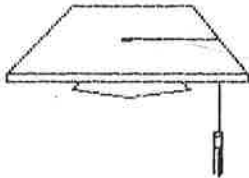


We are **E X P A N D I N G** again. We have formed a new division, Turner Drake Commercial, which will concentrate on the brokerage of I.C.I. property. Our analysts, consultants and appraisers meanwhile, will continue to offer you an expanding range of consulting services through our other division, Turner Drake Consulting. All of this is going to require more space so our office building is undergoing a major expansion. This expansion will provide us with a much larger library to accommodate our large mapping

base, aerial photographs, geographic resource bases and technical literature; as well as more office and filing facilities. This will ensure that our consulting and brokerage teams can serve you better wherever your property is located in Atlantic Canada.

Appraising - Setting the Standard

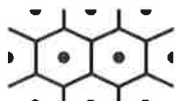
Ho hum! So another Trust Company has gone bankrupt; the victim of overvalued property, just another in a litany that is threatening to become commonplace. In our opinion, it won't be the last; appraisal standards (standards?!) are pitiful and government action appears to be directed to papering over the cracks rather than tackling the real problem. Well, what the heck ... if the industry itself won't do it, if government cannot do it, we'll do it ...



... All of our I.C.I. appraisers operate to our own standard Code of Practice. The enclosed brochure is a synopsis of that Code of Practice, what it is, why we do it and how it benefits you. Use it for "comparative shopping"; it will help you make an informed choice of your real estate consultant.

Property Protection Plus

PROPERTY PROTECTION PLUS



**TURNER DRAKE
+ PARTNERS LTD.**

real estate consultants
and appraisers

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

We value
your security

"Property Protection Plus is a relatively inexpensive method of obtaining annual property appraisals and is available to clients owning preferential properties" so saith the back panel of the enclosed brochure. Property Protection Plus TM is designed for companies and individuals who take asset management seriously. Each year it provides them with the

market value of their property together with the fire insurance value and value for assessment purposes.

Our original thought in marketing Property Protection Plus TM was that it would appeal to individuals and companies whose major asset was their property. Once we had prepared a Master Report the annual updates could be used for the purposes mentioned and for other reasons such as balance sheet, financing or just cosy reading on a cold winter evening. There was the additional advantage that we could cast a professional eye over the asset and warn the property owner if proposed zoning changes threatened to adversely affect the value or if we anticipated a dramatic shift in property values in the neighbourhood. We are glad to record that discerning clients have indeed recognized the value of Property Protection Plus TM. Moreover the Ontario Securities Commission now require annual appraisals of projects falling under their jurisdiction whilst the Life Insurance Companies are currently faced with amendments to the Investment Valuation Regulations that contemplate periodic revaluation of their real estate assets. Catch the wave ...

Assessment Appeals

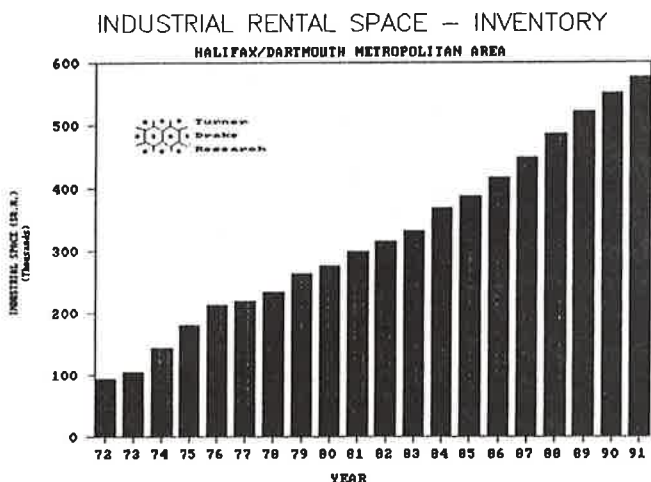


Our intrepid specialist on the spot for assessment matters, Tom Mills, and his computer have been busy again. Tom random sampled twenty-two apartment buildings in the City of Dartmouth. All had been sold around about January 1st, 1986, the 'base date' utilized by the Provincial Assessment Department for computing the 1987, 1988 and 1989 assessments. The City of Dartmouth has a residential sale price/assessment ratio of 93.5% so that any apartment building which has an assessment in excess of 93.5% of its January 1st 1986 market value, is overassessed. 'Market value' is synonymous with 'sale price'. Tom found that 68% of the apartment buildings were overassessed!

In our last Newsletter (Vol. 2 Nov. 25) we mentioned that a random sample of single family homes in the South end of Halifax Peninsula indicated that 68% were overassessed.

Does this mean that over two thirds of the property in the Province is overassessed? Wait for the next chilling installment of **Assessment Appeals** brought to you exclusively by Turner Drake & Partners your friendly assessment consultants...

Market Surveys



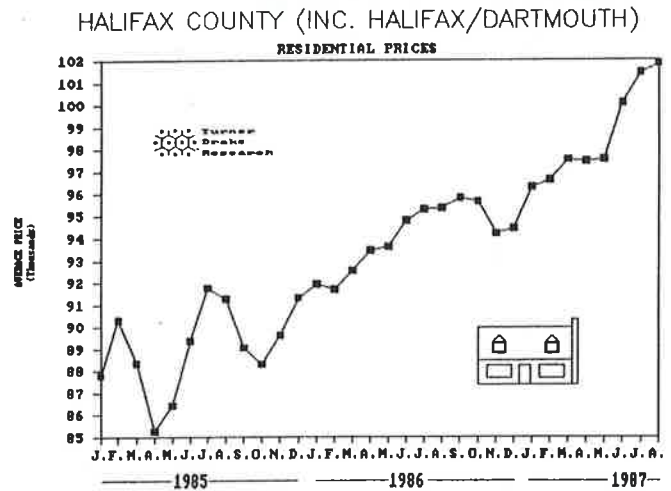
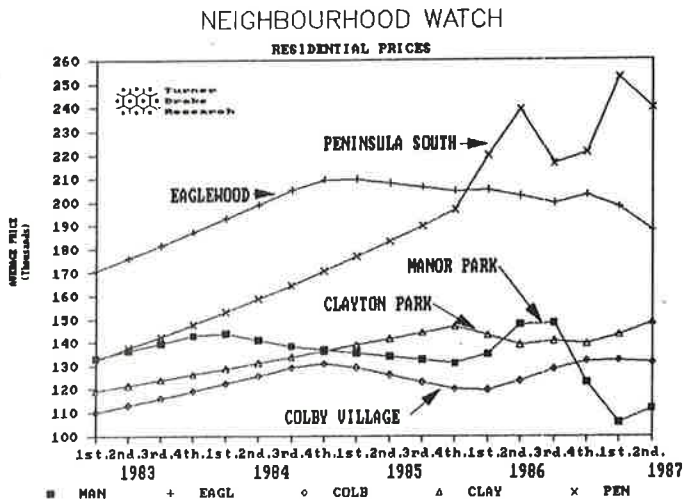
Our specialist on the spot for market surveys, Lee Weatherby, is much in demand (and supply too). He has recently completed a market survey of industrial space in the 9 industrial parks in and around Metropolitan Halifax.

He also used his crystal ball to peer into the future. Actually, between you and I, his crystal ball is none other than our trusty computer. He informs us that all he

and it do, is to use Adaptive Response Rate Single and Double Exponential Smoothing together with linear regressions taken over all of the data and the last half of the time series. The results are then amalgamated and adjusted for seasonal variations. Simple isn't it! Of course it does involve about 250,000 calculations; which can be a little time consuming if you restrict yourself to pen and paper.

Residential Report

Although we don't mention much about residential property in Newsletter, we do have a very active residential appraisal department with 9 appraisers. Two of them are AACI's (Accredited Appraisers Canadian Institute) and they specialize in the more challenging residential assignments, particularly those that may require a court appearance e.g. estate settlement, divorce, etc. One of the major tools they have at their disposal is COMPUVAL™, our own computer system. Since sales data is not public knowledge in the Maritimes, we have made arrangements with five real estate brokers and use their exclusive sales data to supplement the data supplied to us by the real estate boards. We analyse all of the raw data ourselves and verify it or correct errors where necessary. In addition, COMPUVAL™ monitors sales data on a neighbourhood basis (Neighbourhood Watch) and can run sales histories on specific properties, or groups of properties. We are confident that it gives us a "handle on the market" which is unmatched by any other firm in the area. Since a picture is worth a thousand words, we asked our computer to draw some for you:-



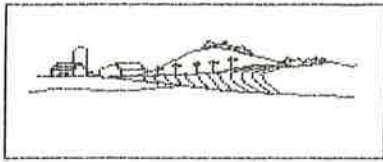
Agriculture - Finding our Roots



Meet Rick Escott, our agricultural specialist on the spot. Squash player, father of two, and builder of the finest little outhouse this side of Texas, Rick is a member of our team of valuation specialists.

He holds a Bachelor of Environmental Studies degree from the University of Waterloo and is an Accredited Appraiser Canadian Institute. He has given expert testimony on valuation matters before the Regional Assessment Appeal Court of Nova Scotia, the Regional Assessment Review Board of New Brunswick, the Nova Scotia Municipal Board and the Supreme Court of Nova Scotia.

Farm Valuation



Rick tells us that farm valuation is a little more complicated than donning jeans, workboots and walking the land. He insists that he uses the mirror stereoscope to interpret aerial photographs (we thought it was Playboy magazine) and he can be observed in our library pouring over soil survey, forest inventory and orthophoto maps as

well as the Canada Land Inventory, statistical information and texts (and the occasional cup of coffee).

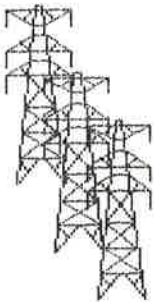
Since there is no public disclosure of sales information in the Maritime Provinces, information on farm, forest and other rural properties is gathered from a variety of sources. He generates much of the data during appraisal assignments. It is then placed in our databank. During an appraisal, sales data gathered for previous assignments, from other sources or during the assignment itself, can be utilized in the valuation. This results in substantial cost savings to the client.



Rick's expertise is not confined to farm valuations. During a particularly hot part of the summer he was engaged in the appraisal of four hog raising operations. This required a comprehensive inspection of the buildings. It was some weeks before we could be persuaded to let him back into our offices. He has also appraised other types of agricultural operations such as a feed mill, which involved identifying the income and

cost centres and establishing a discounted cash flow statement, as well as ascertaining the depreciated cost of the plant and machinery. Nor do gravel pits or rock quarries crush (sorry!) his enthusiasm for the rural life. His assignments have ranged from an operating quarry producing 200,000 metric tons of crushed rock per year to gravel pits producing very little.

I 'ears Yer an I Spits!



"Less dams, more clams" might well be the cry in Nova Scotia's Annapolis Valley these days. The Nova Scotia Power Corporation's Annapolis Royal tidal power project was meant to generate information (and electricity) which would have assisted in the development of a major tidal power project in the Bay of Fundy. Instead it has generated a good deal of animosity and not a little despair and is proving to be an environmental disaster to many property owners. Owners of properties along the Annapolis River are experiencing large scale erosion of their riverbank as the river levels are adjusted rapidly in response to the headpond generating demands of the turbines. Owners of cultivated and highly fertile marshland report declining crop yields due, they say, to increased salinity and also flooding during the spring run-off from the North Mountain. Clam diggers are having problems too as sediment is dumped on their meaty morsels.

It gives one pause to think. What if this scheme was the offspring of a private company instead of a crown corporation? Conceived for the purposes of profit instead of inflating the egos of politicians? One can imagine the self righteous indignation of our elected officials in those circumstances!