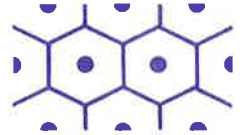

newsletter



Vol. 2, No. 29

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Update

We have now divided our company into brokerage and consulting divisions. **Turner Drake Commercial** is our sales and leasing arm. **Turner Drake Consulting** provides I.C.I. and residential appraisal services, market surveys, and real estate consulting advice.

Turner Drake Commercial



Landon Mallery

Meet Landon Mallery, I.C.I. sales and leasing specialist. Landon is a CFA*, having slipped ashore one dark summer night from the Yarmouth ferry. We understand that there is no truth to the rumour that the severe grilling of Employment and Immigration Canada was only terminated when they agreed to buy Manhattan Island: the Reichmanns already own it.

Landon has 12 years' experience selling, leasing and developing investment, commercial and industrial real estate mainly in Boulder, Colorado and Chicago, Illinois. He is no stranger to Halifax having been here on business and vacation trips many times over the past 10 years. We understand that the clincher in his deciding to settle here was our weather, and we notice that he is experiencing some difficulty in finding his way around, now that the fog/rain has temporarily lifted ...

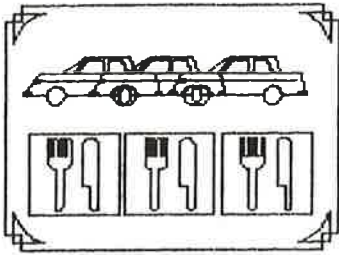
(*CFA - Colloquial Newfoundlandese; a term of endearment used by inhabitants of the rock to describe persons from Canada and other foreign lands.)

And Now For Something Entirely Different

TURNER DRAKE COMMERCIAL

Since we now have another mouth to feed, more rent to pay, extra telephone bills, etc. etc. we'd like you to pull your socks up and embark on a buying/selling frenzy (with us as your broker of course). **Please pay attention, this is important to us.** Turner Drake Consulting, our consulting and appraisal division not only has a well deserved reputation for excellence but are also a good looking bunch too. We are determined to bring the same degree of attention to detail and professionalism to our brokerage division too. Our resource base and computer facilities are second to none and we have one of the strongest I.C.I. analytical teams in Atlantic Canada. **We are interested in brokering I.C.I. property in excess of \$0.5 million and are particularly interested in meeting the needs of the small investor seeking opportunities in the \$1.0 million to \$2.0 million range.** We have a number of properties for sale in this price range at the present time and would be interested in hearing from clients who wish to explore the matter further.

And ... while we are on the subject



We have an excellent commercial site available with exposure to Kempt Road, Halifax. The acknowledged gourmet centre of the city, this area boasts such purveyors of culinary delights as McDonalds, Wendys, Swiss Chalet, Harveys and more. The site is also in the heart of the automobile district with no less than eleven dealerships in the immediate vicinity. The area has witnessed some startling increases in land values in recent years (40% per annum). In our opinion it will continue to experience good growth as a commercial district.

Turner Drake Consulting



Real estate is usually the most valuable asset a firm or individual owns. It is surprising therefore that the management of this, the most valuable of fiscal assets, often receives much less attention than it deserves. Think about this for a moment. You have a stock broker or other financial adviser to manage your stocks and shares; doesn't it make sense therefore to have an adviser to help you manage your real estate assets too? Property is very vulnerable. It burns easily, can fall dramatically in value as the result of downzoning, gobbles up money if it is overassessed, and can lock up capital that could be more profitably employed elsewhere. In fact, unless it is managed with the same

attention and respect as other fiscal assets it will not perform at maximum profitability. Enter our Property Asset Management System. We will accord your property the attention it deserves. Our Master Appraisal Report is a physical, fiscal and legal audit of your property; an invaluable reference source on your most important asset. Our Property Protection PlusTM program ensures that you have up to date information on your proper fire insurance coverage, real estate assessment and market value. It forewarns you about deleterious actions such as downzoning which can reduce your property's value. Our PPP program reviews your leases and operating costs to determine if they are reasonable. It focuses on the highest and best use of your property to alert you to sale, leasing or redevelopment opportunities. Should you then decide to reposition your property our brokerage division, Turner Drake Commercial, can advise you on the optimal course of action.

Assessment Appeals



Our eagle eyed assessment expert, Tom Mills, was doing his banking the other day when he spotted that the car park was partly leased to a neighbouring bingo hall. Now, financial institutions in Nova Scotia are more heavily assessed for business occupancy tax than anybody else. A financial institution's business occupancy assessment is based on 75% of the real estate assessment versus 50% for everybody else other than tourist related industry. Since the majority of the parking was leased to a non-financial institution it should have been properly assessed at the lower rate. Tom won't tell us if he is now getting a better rate on his bank loan but we do know that he has been successful in saving clients \$10 in taxes for every \$1 they spend with us in fees. You

shouldn't wait until the assessment notices appear in January though before you review your property assessment: the time to do so is now! If you wait until January, you will then have to appeal the notice because you only have 21 days in which to do so, or forfeit your right for that year. If you are underassessed there is a chance that the provincial assessor might discover this before we have a chance to withdraw your appeal. Your assessment would then increase! It is therefore far safer to let us take a look at your assessment before the appeal period starts.

Specialist on the Spot



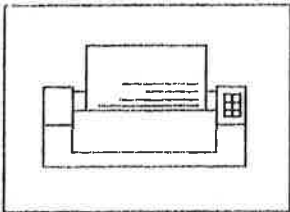
Bill Chappell

Meet Bill Chappell, stereo connoisseur, bon vivant and the worst golfer in the kingdom: a member of our team of valuation specialists.

Our apartment expert, Bill can spot a MURB from an ARP before you can say "rent review". He is equally at home using our computer to manipulate and project cash flows on apartment projects as he is negotiating rent increases with the Rent Review Commission.

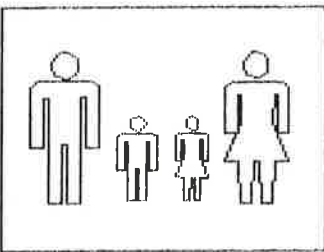
Bill gained his Bachelor of Business Administration (B.B.A.) and Bachelor of Education (B.Ed.) degrees from Mount St. Vincent University in Halifax. He joined us in 1985 and is now a Senior Valuation Specialist with particular responsibility for apartment properties.

The Fax of Life



We've capitulated! After receiving at least two telephone calls per day from clients wishing to fax material to us, we have given in and installed a facsimile machine. It wasn't in the budget so get busy faxing work and wealth to us at (902) 429-1891.

The Facts of Life



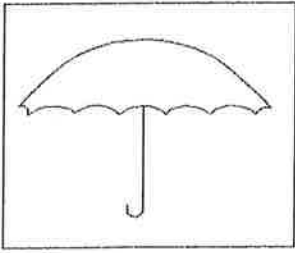
Did you get a chance to see the recent performance of that famous farce "No Sex Please, We're Haligonian" by Halifax City Council? The performers, a well known amateur group play to less than capacity audiences every other Thursday in Council Chambers, an intimate theatre designed to look like the control room of Star Trek. The subject of the recent performance: a couple of sex shops (horror of horrors; in Halifax?!). City fathers, concerned that such establishments might corrupt the local citizenry passed an amendment to the

zoning by-law (an everchanging script some of the performers have difficulty following) to the effect that sex shops were henceforth only to be allowed in "C6 Zones". There are no "C6 Zones" in Halifax. Aha! Cunning stuff! Put away the exotic lingerie girls, out with the flannel nighties. No slap and tickle tonight in Halifax town...

Not to be outdone the Feds then stepped into the limelight and closed Halifax's Citadel Hill after dark because "officials have had problems with people performing sexual acts in cars" (imagine that!). Not to worry though, they reversed that decision the next day.

Halifax has only one professional theatre - no wonder; these amateur groups are tough competition.

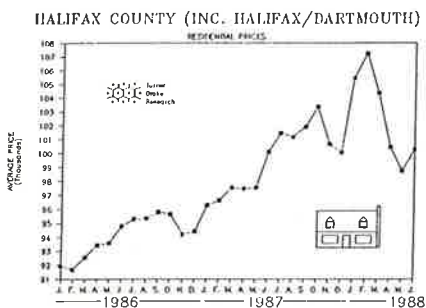
To Err is Human ...



We have made reference, in previous Newsletters to the lack of appraisal standards and the generally pitiful level of appraisal practice. The problem appears to stem from the fact that our universities provide little education in real estate. The industry is fragmented and undercapitalized, its personnel often poorly trained and inadequately equipped. A similar situation exists in the U.S.A. and a frustrated Congress has now stepped in with a bill to license appraisers. Our government meanwhile, continues to fiddle (and faddle) while Rome burns. However the Appraisal Institute of Canada (A.I.C.) an association representing some appraisers is now attempting to mitigate the misery by establishing a fund to cover losses suffered as a result of negligence by its members. Apparently some A.I.C. appraisers did not carry professional liability insurance because it was too costly. The A.I.C. insurance scheme is now in effect. Of interest to many clients will be the fact that the fund also covers A.I.C. members who are assessors. At present, a municipality does not refund real estate or occupancy taxes, even when an assessment is successfully appealed, if the overpayment related to preceding tax years. This has always struck us as being blatantly unfair. However, it should now be possible to recover that money from the insurance fund if the assessment was negligently prepared by an A.I.C. assessor. (The A.I.C. lays down standards for its members so it should be relatively easy to establish if negligence existed).

It would appear too that anybody who suffers, or has suffered, a loss due to the collapse of a financial institution, limited partnership, etc. will also be able to recoup that part of the loss which can be attributed to a faulty appraisal by the A.I.C. member. Since the insurance is on a "claims made" basis it is even possible to secure compensation for losses incurred prior to the implementation of the scheme.

Residential Report



Things are less than jolly on the residential front in Atlantic Canada. Each month our **Compuval**TM appraisal system tracks the residential market in the Halifax/Dartmouth metropolitan area. This market is now very soft. The average selling time for a property sold through the Halifax/Dartmouth Real Estate Board's MLS system is 123 days. This is much slower than in previous years and shows little improvement over January, traditionally a slow selling month. The cumulative sales at the end of June 1988 were well below those of 1987, even though there were more properties

for sale. It is not surprising therefore that property values have been trending downwards since the beginning of the year.

Will the Real Michael Turner Please Stand Up!

Our Mike Turner wishes to point out that he is not the Michael Turner currently referred to in local newspaper advertisements in connection with the foreclosure action and Sheriff's sale of M.J.T. Construction Limited's property. He does not have, nor has he ever had, any connection with this company.

Especial Thanks ...

... to the gentleman from the "Bank of !!!!, Ottawa, Canada" for speaking so slowly and carefully when you phoned our office the other day. We understood most of what you were saying and promise to work hard at our English before you phone again. Thanks too for explaining where Ottawa was; we have often wondered.