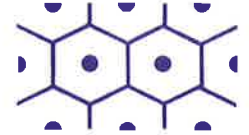


newsletter

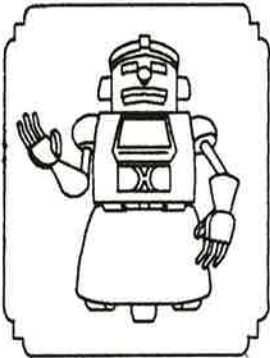


Vol. 2, No. 31

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UPDATE

WILL THE REAL PEOPLE PLEASE STAND UP



A rapid and insidious invasion of the western world is upon us. Machines are on the march. Legions of them. Fax, exotic telephone systems, digitised voices, cellular phones, computers, copiers...all hell bent on rendering us poor humans, obsolete. In so doing they are slowing down business, increasing costs and creating a maelstrom of paper which tears around at increasingly dizzying speed. A Luddite reaction...and from a firm that prides itself on being at the leading edge of computer technology?! Well consider this, the latest episode of man versus machine...

We had finished upgrading (yet again!) our computer systems and needed software driver sets for our new colour printer. In our quest we called Lotus Development Corporation. As usual their telephone was answered by a machine that advised us to "press a number from one to five on your touch tone phone" to select the appropriate party to respond to our query. We did so and, as usual, were answered by another machine that directed us to press "one or two on your touch phone dial". We did so and, as usual, were answered by another machine that advised us that no humans "were available to talk to us at the present time". A patient wait, at long distance rates, produced a real person who, after consulting with other real persons, announced that we would have to call Phoenix Technologies, another company readily available at the end of another costly telephone call. We dialled the number she had given us and were immediately suspicious...the telephone was answered by a human. The usual language difficulties prevailed; like Lotus, Phoenix Technologies reside in the U.S. The human was helpful but confused, hospitals don't sell many software driver sets. Back to Lotus for the correct number, 3 machines and one human do the trick. Dial Phoenix Technologies again...this time a digitized voice advises us that "THE AREA CODE YOU HAVE DIALLED HAS NOW BEEN CHANGED...". Dial again, ah success, a machine announces that we have reached our goal...but wait...Phoenix Technologies' number has been changed. Dial again, another machine, "those tiresome humans are too busy to come to the phone again". We'll wait! We'll wait! Aha! A real person; success at last! But what's she saying "driver sets are no longer handled by this office...just call this number...?!"

During office hours **our** telephones are manned by **real people**. Outside office hours they are answered by a machine that answers in a friendly human voice, (Mike liked it so much, he married her...the human, not the machine). Our machine passes your message to real people at 9:00 AM the next working day. **Our real people then respond to your call immediately**. If they don't do so, let Mike Turner know. He will make sure that they will do so next time. He will also send you an apology and a bottle of wine to soothe the savage breast; both of which will be delivered by a real person.

H A V E A T E R R I F I C 1 9 8 9 , A T L A N T I C C A N A D A .

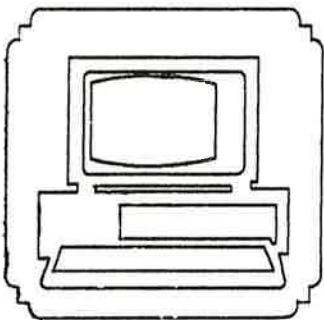
THAT WAS THE YEAR THAT WAS



1988 was an exciting year for us. We moved into our expanded premises in March. Our consulting and brokerage operations depend for their success on a constant supply of high quality information. However, even with computers and micro fiche, information still demands a good deal of paper storage for files, maps, reports, background data, etc. We have appraised over \$1 billion of property since we opened for business in 1976. As we enter our thirteenth year we are able to draw on a gold mine of information carefully catalogued, filed, referenced and cross referenced during the last 12 years. Our expanded premises give us the space to store that information so that it is readily accessible. They will also allow us to double in size in the future.

1988 also saw us undertaking a major upgrade of our computer systems. We purchased 3 more computers, carried out hardware upgrades to 3 of the others, and upgraded our software to all 7 systems. The supplier has even got most of it working now ... if we could just get our hi-tech printer to stop sulking ... does anybody out there speak Japanese ...?

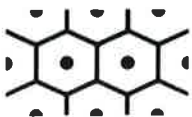
TURNER DRAKE CONSULTING ...



Our computer aided design (CAD) system installed in July was replaced again in December with an even more sophisticated system able to capitalize on the capabilities of our new colour printer. Christopher Claymore again upgraded their already superb analytical programmes, REEP (Real Estate Evaluation Programme) and REDAP (Real Estate Development Programme). This, and other upgraded software, provides us with some of the best real estate appraisal and analytical capability in North America. Our real estate appraisal and consulting division, Turner Drake Consulting can now draw on resources, unsurpassed in Atlantic Canada...and probably anywhere else.

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

Yes siree! It's that time of year again. The season of jollity is behind us: now it is time to pay the piper. Fresh assessment notices will soon thud on desks throughout Nova Scotia bringing bad tidings of little joy to property owners throughout the Province. (You lucky folks in New Brunswick will have to wait until March 1st for the bad news ... expect on average 4% increase over last year). Worry not! We stand on guard for thee. Our assessment specialist Tom Mills, AACI has had many successes over the past year ... and some failures too, but we're not going to spoil the party by recounting those!

So far he has saved our clients \$10 in taxes for every \$1 spent in consulting fees. Som

of the savings have been quite spectacular and he's ready, willing and able to do it again in 1989. Pay attention Nova Scotia. Your notices will be in the mail on January 16th. You only have 21 days in which to appeal, so take down the following information... (1) **If you are still waiting to have your 1988 appeal heard, you must also appeal your 1989 assessment.** If you do not do so, and are successful with your 1988 appeal, the reduction in your assessment will **not** flow through to 1989. (2) **January 1st 1989 is the base date for the 3 year revaluation** which will come into effect in 1990. You should therefore retain details of any current transactions, appraisals, or other information that will assist in establishing your property's value at that date. Our Assessment Monitor will be on guard to protect you once the 1990 assessments are published. (3) **If you wish to appeal your Business Occupancy Assessment** you should also appeal the Realty Assessment too in order to get a full assessment review. You must inform the owner by registered letter that you are appealing the realty assessment. (4) **Your 1989 assessment should reflect the physical state of your property on the date the rolls closed i.e. 1st December 1988.** (5) **Don't be shy, if in doubt give us a shout.**

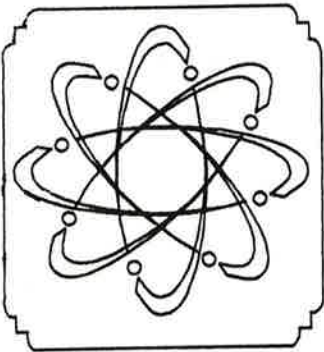
TURNER DRAKE COMMERCIAL

TURNER DRAKE COMMERCIAL

This was the year we got our feet wet in the I.C.I. brokerage field.

It proved to be an interesting and instructive experience. We have 10 years' experience in using computers for data processing and our resources, contacts, analytical and appraisal capabilities give us considerable momentum. However, in our opinion, these of themselves are not enough. To succeed we have to follow the example of our consulting division and build a better mousetrap. We are committed iconoclasts. We believe we have the management, financial and marketing programs in place to provide a new approach to brokerage ICI real estate in Atlantic Canada.

REAL ESTATE BROKERAGE - A FRESH APPROACH



The Globe and Mail Magazine article on real estate brokers must have struck an echoing chord with anybody who has attempted to buy or sell a property. There can be few in the industry who would disagree with the article's conclusion that real estate brokerage as presently practiced ill serves the consumer. Nor too can there be many who will disagree that the present commission system of "no sale, no fee" lies at the root of the problem. Vendors and purchasers complain that brokers lack commitment and have an attention span that rarely lasts longer than the next telephone call. Brokers respond that vendors and purchasers have little loyalty and treat their services as though they are free, often flitting between broker and broker. The result is frustration on both sides and commissions which have to be scaled to cover the cost of a very inefficient system.

We don't pretend to have the entire solution. In our opinion the commission system is here to stay. It is too deeply embedded to be removed, even though it breeds overcapacity and inefficiency. We do think, however, that there is a better way of brokering ICI real estate. **We have therefore devised a listing agreement which clearly delineates our contractual obligations to the vendor, rather than just the other way around.** It specifies our step by step marketing program and the time constraints within which each phase of the program is to be completed. It ensures that the vendor is notified at specified time intervals of the progress of the program. **It commits us to expend resources, personal (salaried) and marketing materials, to that marketing program and to provide to the vendor**

an accounting, on a monthly basis, of the monies spent so that he/she can gauge the effort being expended on the marketing program. In fact our listing agreement specifies the amount we are willing to spend to market the property so that the vendor will have a clear benchmark against which to gauge our marketing effort.

If you have an Investment, Commercial or Industrial property located in the Halifax/Dartmouth area, worth in excess of \$0.5 million that you seriously wish to sell, join the iconoclasts, give Mike Turner a call (429-1811).

Property Investors Club

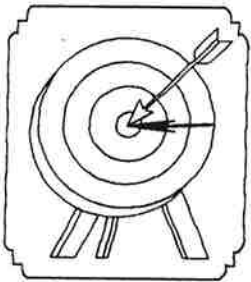


If you are already a member of our Property Investors Club (PIC) possess your soul in patience. It is taking longer than we anticipated to get fully rolling. Computerland tell us that the teething problems with our equipment should be fixed shortly ... we'll let you know in our next Newsletter if they were right (they are now on our mailing list too). Our Consulting division on whose expertise we draw for the analysis are a trifle busy at the moment ... apparently the world is going to end on January 31st so everybody is putting their affairs in order by getting their property appraised in

the interim. Meanwhile if you invest, or would like to invest, in income producing real estate, worth in excess of \$0.5 million in the Halifax/Dartmouth area and would like to become a P.I.C. member, please call Bonnie (429-1811) for an application form. There is no membership fee nor will we contact you other than by mail if you tick the "privacy box" on the form. We analyze real estate investment opportunities and present them to P.I.C. members on an ongoing basis.

At the present time over 40 firms and individuals belong to our Property Investors Club. We are familiar with most of them, many are clients of our consulting division. They are serious purchasers with the intent and financial ability to acquire substantial property. If you intend to sell your property and wish to expose it to P.I.C. please give Mike Turner a call (429-1811).

Residential Report



In June 1985 we turned our attention to the bizarre world of residential mortgage appraisals; a field we had abandoned in 1978 because the then abysmal fees threatened to beget abysmal appraisal standards. We were convinced then that the major financial institutions did not take appraisals seriously but simply ordered them because they were required to do so by the Federal Government. We are even more convinced this is the case today: and the fact that appraisal fees have fallen by 40% over the last 10 years gives us little confidence that we are wrong. Nevertheless the situation appeared challenging and we had nothing better to do, so with the aid

of our own **COMPUVAL**TM Appraisal System we established **Sprint**TM an appraisal service designed expressly for mortgage lenders such as banks, credit unions, trust and finance companies. Members of our **Sprint**TM team work from home, and are tied into our computer system **COMPUVAL**TM via their own terminals. We put the resultant cost savings in office overhead into data processing and a quality control program. In August 1988 we decided to test the success of **Sprint**TM by comparing our appraisals during the previous 20 months with the sale price of the property, where the sale had occurred within 12 months of the appraisal date. Our average margin of error was just 1.34%. Next time you need a residential mortgage appraisal in the Halifax/Dartmouth area insist your mortgage manager uses **Sprint**TM after all you are the one paying for the appraisal.