TURNER DRAKE
& PARTNERS

Real Estate Counsellors,
Brokers & Valuers
Registration to ISO 9001:2008

Newsletter

Turner Drake & Partners Ltd.

6182 North Street,
Halifax, N.S.
B3K 1P5
Tel: (902) 429-1811

Suite 221, 12 Smythe Street,
Saint John, N.B.
E2L 5G5
Tel: (506) 634-1811

Toll Free: (800) 567-3033
Fax.: (902) 429-1891
E-Mail: tdp@turnerdrake.com
Internet: www.turnerdrake.com

Very Late Spring 2010 Vol. 2 No. 92 (ISSN. 1203-1410)

FOCUS ON FREDERICTON

Photograph Courtesy of the City of Fredericton

In the Beginning

Competing demand for land in Fredericton's Central Business District (CBD) first found voice almost 300 years ago. Atlantic Canadian cities are conceived by the sea: born of turbulent times Fredericton entered their world in 1732 when French Acadians fleeing British forces settled there. They were not the first to take advantage of the mighty Saint John River as a transportation route. These Acadians displaced the Maliseet and Micmac who for centuries, had utilized the river's broad banks to hunt, fish, grow corn and squash. However the Acadians barely had time to unpack before the British, having captured the French Fortress of Louisbourg in 1762, swept up the Saint John River valley and expelled them, settling at Ste. Anne's Point (the terminus of the bridge in the above photograph). The Indians promptly booted the British out, so they moved sixteen kilometres down river to Maugerville. Not for long! Six years later they were back; three English families, who earned their living by trading, settled there in 1768. On July 4th 1776 the American colonies severed ties with Britain: in 1783 the latter abandoned any claims to the former. 34,000 Americans loyal to the British crown poured into what is now Canada; 2,000 souls settled at Ste. Anne's Point. Many, lacking shelter other than canvas tents, perished during their first winter. The hardy survivors however soldiered on and in 1784 successfully petitioned Governor Barr in Halifax to create the Province of New Brunswick by calving off the area north of the Bay of Fundy from Nova Scotia. Thomas Carlton, who had helped evacuate the Loyalists from New York, was appointed Lieutenant Governor and it was he who decreed Ste. Anne's Point become the site of Fredericton. (Originally he named it "Fredericstown" in honour of Frederick, second son of the mad monarch George III, but after manfully stumbling over this awkward moniker for ten years gave in to the inevitable and accepted "Fredericton" instead when the town was chosen as the provincial capital on April 25th 1785). The settlement, picked because it was 112 kilometres up river from the Bay of Fundy, and therefore secure from sea borne attack, was also a relatively safe 127 kilometres from the American border as well. Nevertheless the Lieutenant Governor wisely stationed troops in Fredericton to thwart any colonial ambitions still harboured by those damn Yankees. In so doing he created a legacy in the shape of soldiers' barracks dating back to 1827, which today form an interesting counterpoint to the adjacent high rise condominium and office buildings in the CBD.

IN THIS ISSUE

Central Business District

A Central Business District is the community's

(Continued on page 2)

(Continued from page 1)

soul, a place of commerce and discourse; the focal point where its citizens meet, socialise, interact and trade their wares. The CBD lies at the community's heart: it defines its character and expresses its personality. In Europe, from medieval times to modern day, the focal point of a village has been its green, flanked by shops, anchored at either end by church and pub, it satisfies the spiritual and temporal aspirations of the community. In cities, cathedrals replace the parish church, markets the village green; and an eclectic array of coffee houses, pubs, restaurants, hotels, apartments and offices provide vibrancy and commercial activity. Cities in Canada are shaped by the sea; even inland cities owe their raison d'être to water transportation. Their Central Business Districts were often an outgrowth of their waterfront, the initial focus of their commercial activity. However as the importance of water transport has been eclipsed by the rise of rail, road and air, commercial waterfront activity has declined and many of these areas are experiencing a metamorphism from industrial to residential use. The challenge facing many cities is how to accommodate this change whilst satisfying the aspirations of a time stressed, automotive centric, and increasingly urban population … and avoid destroying the city's soul, its Central Business District. Fredericton has responded by allowing retail development to occur in its suburbs whilst attempting to retain the office component in its core. Its Municipal Development Plan, adopted in January 2007, included the following statement as part of its future vision for the city: *"Fredericton will be a liveable City with a small town ambiance. This will continue to be one of its most cherished qualities. Growth and development will have occurred at a human scale and in a manner compatible with the City's rich heritage and natural attributes. The main focus of the City will be the downtown, the centre of business, government, social and cultural activity."* What policies has the city implemented in pursuit of this objective, and how successful have they been? We took a look.

Every six months our Economic Intelligence Unit surveys every office building (≥ 10,000 ft.2) and industrial property (≥ 20,000 ft.2) available for rent in each of the six major urban areas in Atlantic Canada. In aggregate our survey covers 372 office buildings with a total net rentable area of 21 million ft.2 located in Fredericton, Moncton, Saint John, Charlottetown, Halifax Regional Municipality and St. John's. It is the most comprehensive survey ever conducted in the region. The data is collected and analysed by our own research team using a survey instrument and database designed and tested specifically for this project. So how successful is Fredericton in retaining its office inventory in the CBD? The table below tells the tale. Like Halifax, Fredericton is losing the battle to preserve its Central Business District's role as the main focus of commercial activity in the area. During the past ten years our market survey has recorded 6 new office buildings totalling 258,485 ft.2 in the Greater Fredericton area, of which only 1 building, totalling 95,000 ft.2, was located in the CBD. During that same period 6 buildings totalling 301,734 ft.2 were removed from the rental inventory, of which 3 buildings with a net leasable area of 195,644 ft.2 were located in the CBD. The

Location	Total		CBD		CBD as % of Total NLA
	# Bldgs.	NLA	# Bldgs.	NLA	
Greater Charlottetown	26	852,878 ft.^{2}	22	718,741 ft.^{2}	84%
Greater Moncton	63	2,955,653 ft.^{2}	47	2,262,783 ft.^{2}	77%
Greater St. John's	58	2,629,426 ft.^{2}	20	1,473,970 ft.^{2}	56%
Greater Saint John	39	2,216,801 ft.^{2}	19	1,212,259 ft.^{2}	55%
Greater Fredericton	48	2,041,544 ft.^{2}	20	1,060,996 ft.^{2}	52%
Halifax Regional Municipality	138	10,294,966 ft.^{2}	39	4,632,836 ft.^{2}	45%
Total	372	20,991,268 ft.^{2}	167	11,361,585 ft.^{2}	54%

Source: Economic Intelligence Unit June 2010 Survey

incremental loss in rentable office space to the CBD was 100,644 ft.2 versus an incremental gain of 57,395 ft.2 for areas outside the CBD. It should be emphasised that our survey does not cover owner occupied space and this may skew the results since Fredericton hosts many provincial government offices and the University of New Brunswick. However there is a dichotomy, apparent in most Atlantic Canadian cities, characterised by strong statements asserting the prominence of the downtown … and polices which favour suburban development in government owned industrial parks. Working age population is declining in Atlantic Canada, and with it the demand for office space. The impact has yet to make itself felt in a substantive manner, but when it does, the impact on

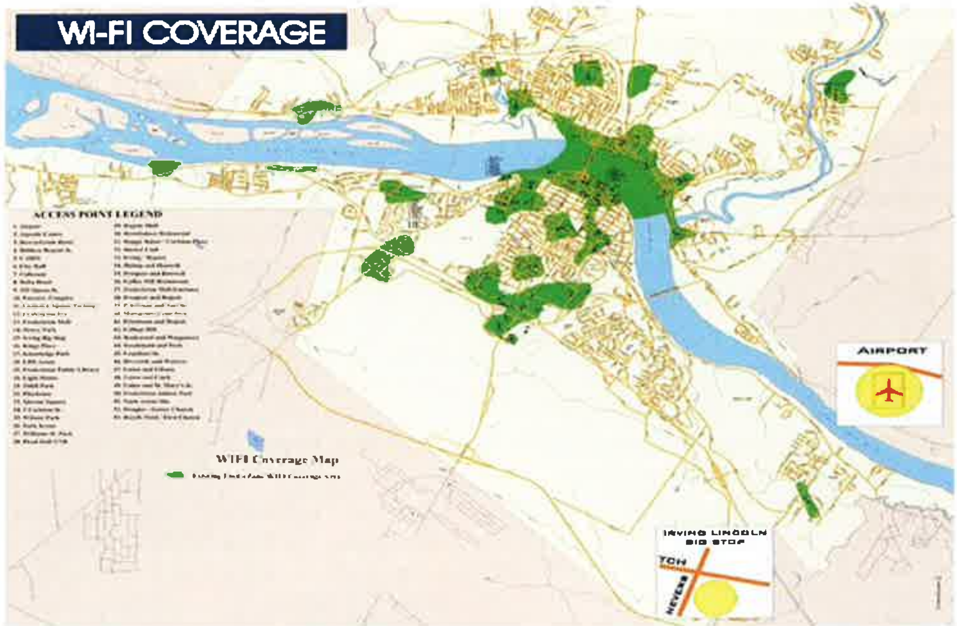
(Continued on page 3)

(Continued from page 2)

downtowns will be severe because the older building stock is located there. In Fredericton, the current average age of the office accommodation, on a space weighted basis, is 25.17 years versus 9.20 years for offices located outside the CBD. In our experience many of the region's municipalities have a schizophrenic attitude to office development. They equate it with employment, so the municipality is pleased to encourage it in its industrial parks albeit at the downtown's expense, and notwithstanding their declared objective to maintain the latter as the centre of commerce. The situation is exacerbated because municipalities frequently act as developers, creating industrial parks and selling the land after they have installed the primary services. The municipality is therefore in a conflict of interest position in which its own ownership stakeholder interest may favour planning and infrastructure investment in the industrial parks, over the downtown where the properties are privately owned. In many centres in the region, the municipality aided by the province, then attempt to rebalance the equation by subsidising development in the CBD: convention centres are now the saviour of the month. Fredericton's convention centre, currently under construction, is scheduled to open in December 2010. It will also add 180,000 ft.2 to the office inventory.

Fred—eZone

In 1999, the City of Fredericton frustrated by the fact that internet carriers were focusing their efforts on the major Canadian cities, took matters into its own hands and formed e-Novations: ComNet Inc., a utelco, to operate a fibre optic network. Spurred on by its desire to connect 15 of its own facilities, and convinced that fortune favours the brave, the City engaged its citizenry and formed the Fredericton Community Network to utilize the e-Novations network. BrunNet, at that time the largest internet service provider in the province, and the University of New Brunswick, agreed to prepay three years' membership fees. Smartforce, an e-learning company, provided a forgivable loan, and the City advanced e-Novations a three year loan, to get them started. Initially e-Novations rented its fibre optic network but in 2001, started to construct its own, partnering with a Community Member interested in connecting two of its major sites, to build out the first 8 kilometres.



Map Courtesy of the City of Fredericton

In 2002 e-Novations started to purchase off site internet bandwidth in bulk for the Community Network. By mid year most of the City's large institutions were connected to the fibre ring and the City, in partnership with the airport, started to explore options for connecting small users and those located outside existing broadband coverage areas. Canopy, Motorola's wireless broadband was adopted as the solution. In order to meet demand from home offices and residential customers the City initiated an RFI. As a result, two organisations agreed to become Community Network members and offer their customers portions of their bandwidth and Internet allocation. The foundations had been laid for Fred-eZone.

In the fall of 2003 the City embarked on Fred-eZone: a project short on pronounceability but long on vision: online, anytime, anywhere, for free. Providing this type of Intellectual Infrastructure would, City Council reasoned, foster a community of productive professionals willing, able and eager to compete worldwide. Over the next two years the City deployed close to 300 Wi-Fi access points covering the downtown, business corridors, malls, city facilities and a large chunk of the Saint John River (see map). Pursued by their email, workers would no longer linger unprofitably over their cappuccino. Nor could they secure solace in the city's parks; no time, no more, to smell the roses while the Internet's magic carpet beckoned. In truth the City's commitment, first to the establishment of a fibre optic network, and then to build on it with Fred-eZone, was a bold move … albeit lamentably lacking linguistically. Has it borne fruit? Our Economic Intelligence Unit set to work to find out. We looked at the following indicators: demand for office and industrial space, employment, investment, household income, and unemployment; and benchmarked Fredericton's progress against Saint John and Moncton.

Year	Occupied Office Space (June)						
		Fredericton		Saint John		Moncton	
	Total sf	sf	% Total	sf	% Total	sf	% Total
2010	6,624,411	1,926,875	29.09%	2,026,935	30.60%	2,670,601	40.31%
2009	6,521,762	1,932,850	29.64%	2,024,668	31.04%	2,564,244	39.32%
2008	6,329,669	1,809,067	28.58%	1,980,459	31.29%	2,540,143	40.13%
2007	6,345,471	1,918,639	30.24%	1,931,935	30.45%	2,494,897	39.32%
2006	5,835,805	1,874,298	32.12%	1,573,907	26.97%	2,387,600	40.91%
2005	5,093,916	1,845,440	36.23%	1,214,255	23.84%	2,034,221	39.93%
2004	5,229,546	1,781,963	34.07%	1,461,322	27.94%	1,986,261	37.98%
2003	5,007,467	1,679,470	33.54%	1,409,033	28.14%	1,918,864	38.32%
2002	5,073,814	1,700,044	33.51%	1,457,302	28.72%	1,916,468	37.77%
2001	5,037,846	1,613,492	32.03%	1,477,112	29.32%	1,947,242	38.65%

Source: < Year 2006 Cushman & Wakefield LePage Market Survey
≥ Year 2006 TDP Economic Intelligence Unit Market Survey

(Continued on page 4)

(Continued from page 3)

There is no evidence to suggest that Fredericton has been able to capture a greater percentage share of the occupied office pool for all three cities. Since 2006 the City's share has declined steadily.

Year	Occupied Industrial Space (June)						
		Fredericton		Saint John		Moncton	
	Total sf	sf	% Total	sf	% Total	sf	% Total
2010	3,303,381	338,489	10.25%	327,196	9.90%	2,637,696	79.85%
2009	3,205,786	323,756	10.10%	331,409	10.34%	2,550,621	79.56%
2008	3,155,385	267,311	8.47%	333,284	10.56%	2,554,790	80.97%
2007	2,886,936	310,550	10.76%	325,383	11.27%	2,251,003	77.97%
2006	2,859,980	232,895	8.14%	398,183	13.92%	2,228,902	77.93%
2005	1,944,266	216,696	11.15%	168,472	8.67%	1,559,098	80.19%
2004	1,506,274	191,319	12.70%	34,644	2.30%	1,280,311	85.00%
2003	1,524,525	187,350	12.29%	143,626	9.42%	1,193,549	78.29%
2002	1,368,824	196,819	14.38%	94,310	6.89%	1,077,695	78.73%
2001	1,100,438	193,145	17.55%	106,549	9.68%	800,744	72.77%

Source: < Year 2006 Cushman & Wakefield LePage Market Survey
≥ Year 2006 TDP Economic Intelligence Unit Market Survey

During the five years our Economic Intelligence Unit has undertaken the market surveys, Fredericton has been successful in capturing a slightly greater share of the industrial demand generated in the three cities surveyed.

Year	Employment						
	Grand Total	Fredericton		Saint John		Moncton	
		Total	% Total	Total	% Total	Total	% Total
2009	191,410	51545	26.93	66,986	35.00	72,878	38.07
2008	188,087	49774	26.46	65,055	34.59	73,258	38.95
2007	184,988	49573	26.80	65,988	35.67	69,417	37.53
2006	178,067	46900	26.34	61,574	34.58	69,594	39.08
2005	176,735	46500	26.31	61,497	34.80	68,738	38.89
2004	176,220	46700	26.50	61,789	35.06	67,731	38.44
2003	172,946	46800	27.06	59,217	34.24	66,929	38.70
2002	172,680	44641	25.85	61,870	35.83	66,169	38.32
2001	161,402	41905	25.96	57,830	35.83	61,667	38.21
2000	161,395	40562	25.13	60,953	37.77	59,879	37.10

Source: Statistics Canada Labour Force Survey

Fredericton has been able to capture a slightly greater percentage of the employment for all three cities surveyed.

Year	Investment (Building Permits)						
		Fredericton		Saint John		Moncton	
	Grand Total	Total	% Total	Total	% Total	Total	% Total
2009	$540,704,000	$122,260,000	22.61	$103,630,000	19.17	$314,814,000	58.22
2008	$561,034,000	$157,124,000	28.01	$154,586,000	27.55	$249,324,000	44.44
2007	$472,595,000	$119,547,000	25.30	$121,041,000	25.61	$232,007,000	49.09
2006	$441,868,000	$132,411,000	29.97	$ 68,235,000	15.44	$241,222,000	54.59
2005	$366,500,275	$ 93,408,275	25.49	$ 47,979,000	13.09	$225,113,000	61.42

Source: Cities of Fredericton, Saint John, Moncton

Over the past five years Fredericton's percentage share of the building investment in the three cities surveyed has declined.

Year	Household Income/Unemployment							
	Saint John /Moncton		Fredericton		Saint John		Moncton	
	Average Hse. Income	Unempl. Rate (%)	Average Hse. Income	Unempl. Rate (%)	Average Hse. Income	Unempl. Rate (%)	Average Hse. Income	Unempl. Rate (%)
2010	$71,272	6.10	$73,119	5.60	$69,424	6.6	$68,819	4.70
2009	$68,804	5.20	$70,939	4.60	$66,668	5.8	$67,494	4.20
2008	$66,427	5.50	$69,134	5.10	$63,720	5.9	$63,925	4.90
2007	$65,273	6.40	$67,791	6.00	$62,755	6.8	$62,762	5.80
2006	$60,048	6.45	$62,019	6.10	$58,076	6.8	$58,729	5.80
2005	$59,782	7.20	$62,001	6.80	$57,562	7.6	$57,374	6.60
2004	$59,927	7.40	$62,061	7.00	$57,793	7.8	$57,413	6.80
2003	$54,285	8.20	$57,237	6.90	$51,332	9.5	$53,691	6.80
2002	$52,837	8.40	$54,567	7.10	$51,106	9.7	$52,613	7.00
2001	$51,621	7.85	$53,772	6.20	$49,469	9.5	$51,289	6.00
2000	$48,354	8.35	$49,734	7.50	$46,974	9.2	$45,551	10.60

Source: Financial Post Survey of Markets

Although Fredericton has consistently enjoyed a higher average household income than either Saint John or Moncton, the latter has narrowed the gap from 9% in year 2000, to 6% today. Unemployment is lower too in

Moncton.

And the Answer Is?

Disappointedly we could find no hard evidence that the City of Fredericton's broadband initiative had made the city more competitive. The corollary of course is whether the obverse applies: would the city have continued to advance at its present rate without Fred-eZone? Perhaps not … it was certainly a gutsy move and the message it sent … may be as significant as the messages it sends.

The Manager of our Economic Intelligence Unit, Alexandra Baird Allen is a native of Pocologan, New Brunswick. She graduated from the University of New Brunswick in Fredericton with a Bachelor of Arts degree (Major History, Minor English). Alex continued her post graduate studies at the Centre of Geographic Sciences (COGS) in Lawrencetown, Nova Scotia, graduating with an Advanced Diploma in Geographic Information Systems for Business, and joining Turner Drake in 2006. Her team of trained researchers has just completed their semi-annual survey of the Atlantic Region's thirty three million square feet of office and industrial space. You can order any or all of the surveys through our website at www.turnerdrake.com *→Corporate Site→Contact Us*

FOR QUALITY MONITORING PURPOSES …

… this call may be recorded … so we are going to place you on hold, but not before advising you that all our operators are too busy helping other customers … to help you. But please don't hang up because calls are taken in sequence, so if you try later, you'll have to start all over again. Rest assured though, your business is important to us which is why, in a few more minutes, we may offer you a menu of choices, none of which will fit the reason for your call. Don't fret though, it won't help when you do speak to us; you chose the wrong option. Better try later, after we've closed for the day.

Sound familiar? Not when you call us. We don't record *your* calls for quality monitoring purposes, we ask you, our clients, to rate *our* performance. Each March and September we ask *every* client for whom we have undertaken an assignment during the prior six month period, to rate our performance over several dimensions, on a five point scale (Poor, Fair, Average,

(Continued on page 5)

(Continued from page 4)
Good, Excellent). Almost 30% respond to each survey. *Every* response is entered into a database specifically designed for the survey, and the unexpurgated results are exported to our web site. Apart from the data entry, no human hand intervenes. Any adverse comments are logged in our ISO 9001:2008 Quality System and are investigated by our Quality Manager Mike Turner with the objective of (1) rectifying the complaint, and (2) initiating preventive action to forestall a similar situation in the future. We received only plaudits in our March survey, but previous questionnaires have produced complaints and suggestions that have proved helpful in identifying our systemic weaknesses. We welcome your input: your business is important to us.

... Read the results of our March 2010, and previous surveys, at www.turnerdrake.com→Quality Ratings.

VALUATION DIVISION

During the past three years our Valuation Division has provided advice to the public and private sectors on 300,000 acres of waterfront and woodland acreage. The advice was sought by conservation groups anxious to preserve areas of outstanding natural beauty, or the habitat of endangered species; provincial governments wanting to increase their publicly owned land base; and private landowners wishing to sell, or to ascertain the value of holdings for asset management purposes. The sheer size of some of the land holdings, the necessity to break them into "marketable" parcels, and their heterogeneity in terms of land type, topography, timber cover, development potential and water frontage necessitated a new approach to valuing the properties. From the private property owners' perspective, it was not only cost prohibitive to value their entire holdings, it was also futile. The land holdings were so large, no single purchaser would acquire them and until the land owner knew which parts of their portfolio were marketable, it was not practical to value them. Some land owners needed to allocate values to their land holdings themselves, as the need arose.

Property Inspection

In order to meet the constraints (weather, accessibility, cost) implicit in this type of assignment and to ensure that the value is accurate, our Valuation Division has developed specialist methodologies for inspecting and valuing resource property. In so doing we have relied heavily on the use of Geographic Information Systems (GIS), and our proprietary Compuval™ information technology platform. Island inspections usually require access by helicopter, boat or canoe, so minimising time on the ground whilst capturing the "critical to value" features of the property, is essential. Mainland inspections have their own challenges, not the least of which consists of locating property boundaries for real estate which may be situated a ten kilometre hike from the public highway. Our personnel use GPS in their vehicle to guide them to the nearest roadside access. They then utilise handheld GPS to guide them to the property and to locate the site boundaries. Using GPS, and coloured aerial or satellite photographs layered with the site boundaries, we are spared the embarrassment of viewing the wrong property, hiking another twenty kilometres, or misplacing the occasional valuer. To undertake the inspection efficiently we have developed a survey instrument that captures 53 critical to value characteristics, and up to 106 attributes of the parcel. Using our GIS we are able to produce site inspection maps rendered with the type of land (or water), tree type and height, and topography, to aid in the inspection process.

Valuation

Property valuation is challenging, partly because the sales prices of comparable properties, on which the process depends, are not available from public sources in Nova Scotia and Prince Edward Island. These two provinces are unique in Canada in refusing to provide public access to this information. New Brunswick started to provide the information in 2009 as the result of a lambasting by the provincial ombudsman, but does so in a format that is difficult to access efficiently. Newfoundland also provides sales information but its property record system is archaic. Much of the sales data must instead be gathered from sources such as vendors, purchasers, and the Multiple Listing Service® (MLS®). It is costly and time consuming and information has to be gathered from multiple sources on each property sold. The land areas shown in deeds and the provincial property on-line services, are frequently wrong, as are site boundaries. Unfortunately real estate agents, and appraisers, often rely upon them so while we are a member of MLS®, the information has to be verified using other sources such as timber cut lines on aerial and satellite imagery. The sparsity of the sales data; the heterogenity of each property in terms of land type, topography, timber cover, and development potential; and the fact that much of the value lies in its water frontage, renders the "standard" appraisal technique impotent. This technique analyses sale prices on a "per acre" basis, and then attempts to "adjust" them for the difference between the property sold and the parcel being valued. It frequently fails to produce a reliable and accurate result … more often than not the outcome is nonsensical. We have therefore developed a methodology for analysing sales, and valuing the property, on a "component" basis, breaking out the basic land value, waterfront benefit, road front benefit, and unit land value, keyed to the type of land, timber cover and degree of maturity. This

(Continued on page 6)

(Continued from page 5)
methodology has now been "blessed" by our judicial system: it has been relied on by the courts in expropriation cases. We have also designed software to analyse sales on a component basis. We completed the testing phase and integrated the software into our Compuval™ family of intelligent databases in June.

View it

We believe that our system places us on the cutting edge in the valuation of resource and recreational property. It combines thirty four years' practical experience and research, multi-variate regression analysis (an advanced statistical technique), our Geographic Information System, and Compuval™, our platform of intelligent databases. The basic procedure is illustrated on our web site at www.turnerdrake.com/products/v-rural.asp and was exhibited at the Canadian Land Trust Alliance national conference in Halifax in September 2009. Rick Escott and Nigel Turner, Vice President and Manager respectively of our Valuation Division, will present the full Monty at the Alliance's 2010 national conference in Banff, British Columbia this September.

Our Valuation Division provides valuation advice on all types of real estate, other than single family homes, located anywhere in Atlantic Canada. You can Place an Order, or Get a Fee Quotation, on line, anytime, through our website www.turnerdrake.com → Contact Us ... or call Mike at 1-800-567-3033 Ext. 312

LASERCAD DIVISION

Daniel Slipp B. Comm.

We are pleased to announce the appointment of Daniel Slipp as Manager of our Lasercad™ Space Measurement Division. A native of Woodstock, New Brunswick, Dan is a finance major with a Bachelor of Commerce degree from Saint Mary's University, Halifax. He joined us upon graduation in 2009 and we immediately pitched him headlong into the University of British Columbia's Diploma in Urban Land Economics (DULE), and Bachelor of Business in Real Estate Degree (BBRE). He is consuming the courses in record time.

Dan has worked in our Economic Intelligence Unit as part of the team gathering information on office and industrial space for the semi-annual surveys we conduct throughout the Atlantic Region. He is heavily involved in the analysis of investment property (hotels, apartments, offices, shopping centres, industrials) for our Compuval™ family of intelligent databases. He is putting that knowledge to good use in the valuation of investment property using Argus discounted cash flow (DCF) software in our Valuation Division. Our Property Tax Division is keeping Dan occupied too, inspecting property in connection with tax appeals. He's a busy lad.

Dan has extensive experience in our Lasercad™ Division measuring office, industrial, retail and residential space to the appropriate BOMA, BOMA/SIOR, ULI, and CREA Standards. He currently supervises our measurement team.

Shopping Centre Property Managers

The new BOMA Retail Standard was published this month. Mark Turner, our Lasercad™ Division Vice President was the Canadian member of the 23 person international committee charged with designing the Standard. We currently use the Urban Land Institute (ULI) Standard for shopping centre space. However the BOMA Retail Standard builds on and amplifies the ULI Standard so we do not anticipate that much confusion will occur during the transition. But then again ... Mark is updating our website as we speak.

Office Building Property Managers

The new BOMA 2010 Office Standard was published in April. It allows landlords to recover more rent on their Storage Space, whilst providing a more equitable way of calculating Rentable Area in heritage buildings and any property with rentable Storage Areas. Those of you without a life can read all about it on our web site at www.turnerdrake.com→Corporate Site →Lasercad Space Measurement →Office. If you are a client, access the easy read Action Alert! "*BOMA 2010, Worth the Upgrade*" article… or peruse the following thumbnail version (potential clients are welcome to do so too).

BOMA 2010 effectively releases landlords from their obligation to take a bath on the gross up portion of their rental storage areas. Under BOMA 96, storage areas were required to assume their share of the Building and Floor Common Areas. Under BOMA 2010, the share of these Common Areas, formerly borne by the Storage Space, is instead reallocated to the Office Areas in the building. This is significant because the latter are usually rented on a "net absolute" basis (i.e. the *tenant* pays the Common Area Maintenance and Realty Taxes)… while the storage areas are often rented on a "gross" basis (i.e. the landlord pays the CAM and Realty Taxes). Landlords usually rent storage areas at a loss because their share of the CAM and Realty Taxes exceeds the gross rent they get for the space. The new Standard alleviates this situation, particularly in small office buildings. BOMA 2010 is worth adopting too, if you manage a heritage building where the Floor Common Areas vary extensively by floor. It is a much more equitable Standard than BOMA 96 because it allows landlords to (optionally) use a single gross up factor. Effectively, Floor Common Area is aggregated with Building Common Area, and is then apportioned to all tenants, using a Single Load Factor.

Our Lasercad™ Division provides space measurement and certification services on office, retail, industrial and residential space located anywhere in Atlantic Canada. You can Place an Order, or Get a Fee Quotation, on line, anytime, through our website www.turnerdrake.com→Corporate Site →Contact Us ... or by calling Dan at 1-800-567-3033 Ext. 328.

Please notify us by snail mail, email, fax, telephone or foot if you would like to be removed from, or added to, our mailing list.