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BUBBLE BUBBLE TOIL AND TROUBLE



Model Courtesy of Daniël Trottier, Terriland Border Terriers, P.Q.

"Recurrent speculative insanity and the associated financial deprivation and larger devastation are, I am persuaded, inherent in the system. Perhaps it is better that this be recognised and accepted."

A Short History of Financial Euphoria. John Galbraith, Penguin Books, 1993.

Irrational Exuberance

In 1636 a Dutch sailor added an onion to his lunchtime meal of fine red herring and was promptly jailed by its enraged owner. The "onion" it transpired, was really a common-or-garden tulip bulb then worth about \$52,000 (USD) in today's money. Tulipomania, the first recorded example of crowd inspired speculation was at its peak. Pity the poor fellow, less than a year later he could, had he wished, have supplemented his bread and water with tulip bulbs costing 95% less. Timing then, as now, is everything.

As with all bubbles, Tulipomania's genesis was the emergence of a new product (tulip bulbs) which captured the public imagination. In 1554

tulips were brought to Vienna from the Ottoman Empire (Turkey) and thence found a home in Holland. The Low Countries' soil and climate proved ideal for growing tulips. They were colourful and exotic, but slow to reproduce. Growing from seed took seven to twelve years and the mother bulb only produced two or three clones annually. By 1634 a surge in demand from the French forced up prices and speculators entered the market. Since tulips only flower for a couple of weeks each year a futures market developed at various Stock Exchanges in Holland where contracts to purchase the bulbs were traded. This then was a financial construct, the bulbs themselves did not change hands, only the contracts were traded. Word spread, prices escalated as more purchasers piled into the market: "crowd think" took control. Only the timid refused to participate. During the winter of 1636-37 trading in futures became frantic ... some contracts changed hands ten times a day. Everybody made money ... this was the new economy, wealth without end. Then, in February 1637 the bubble burst, Tulipomania was killed, rather appropriately, by the Black Death. A bulb auction in the Dutch town of Haarlem was spurned by tulip contract buyers; the community had been gripped by the bubonic plague. Common sense reasserted itself, prices for bulb contracts crashed!

Tulipomania was dead but its ghost marched on; a parade of bubbles striding confidently down the centuries unimpeded by lessons learned, facilitated by memories lost. The seeds were the same: a creative commercial or financial

(Continued on page 2)

IN THIS ISSUE

Bubble Bubble Toil and Trouble.....	1
Valuation Division	3
Property Taxes: Ontario.....	4
Property Taxes: New Brunswick.....	5
Property Taxes: Nova Scotia	5
Egg Heads	6
LaserCAD™ Division	6
Not Yet Nunavut.....	6

product which promised wealth without effort seized the public interest and fed its greed. Real estate often played a starring role. In 1716 a convivial Scot, John Law, promised to solve the debt problems of Louis XV, a gentleman with extravagant tastes and little interlect, by issuing bank notes backed by gold deposits in Louisiana. The deposits proved lacking, as did Law. In the early 18th century the emergence of the joint stock company with inventions such as a machine gun, which fired round or square bullets depending on the religion of the recipient, excited the public imagination. Then there was the South Sea Company. It was formed to "liberate" the wealth of South America and put it to use in Britain. Our own continent joined the party in 1690 when Sir William Phips and his merry men of Massachusetts failed to capture the fortress of Quebec and rescue its wealth to pay for their adventure. The colonial government made up the shortfall by issuing paper notes. Once that particular genie was out of the bottle it proved impossible to get it back. The North American colonies issued bank notes with abandon, and south of the border they funded a revolution. A bankrupt United States used them to finance the War of 1812 and rashly attempted to annex Canada, hoping no doubt to repatriate some of the latter's riches.

It is easy to dismiss these bubbles as evidence of an earlier, unsophisticated age: possible even to snicker at the Knickerbocker Trust; today even its name would evoke mirth. However in 1907 the Trust was a pillar of the establishment and when its strategy of cornering the copper market failed, the New York Stock Market went down with it, the Dow Jones Industrial Average losing 48% in 23 months. Human memory is short, about two decades; excess following the First World War, the Roaring Twenties, and rampant speculation fuelled by the conviction that the Stock Market would continue to rise ad infinitum, spawned the Wall Street Crash of 1929. That gave birth to the Great Depression; a decade of misery for many.

Of more recent memory, and closer to home, was the 1997 Bre-X Minerals Ltd. scam, a Canadian company that claimed to have discovered a vast gold deposit at Busang, Indonesia. By the time the company had gone bankrupt,

three major Canadian public sector pension plans (Ontario Municipal Employees Retirement Board, Quebec Public Sector Pension Fund, Ontario Teachers Pension Plan) had lost a total of \$215 million.

Real Estate Bubbles

Real estate inspired bubbles found form in the United States' Savings and Loan crisis in the 1980s; Canada's encore performance, the Trust Company debacle in the early 1990s; and the worldwide financial meltdown of 2007, as yet escaped by our own country.

Atlantic Canada is particularly prone to real estate bubbles: we have witnessed a steady and unrelenting procession of them during the past four decades. The majority have been created by the provincial governments, often abetted by the Federal government. Some are the result of municipal action. There is an eagerness, urge, compulsion to divert public funds to compete with, or supplant the private sector, driven by the conviction that the latter lacks the "right stuff". Real estate is ripe for intervention since it provides concrete evidence of "progress". The mantra "build it and they will come" never grows stale, despite overwhelming evidence of its futility. Few sectors are spared, despite the fact that the damage, as evidenced by misdirected resources, over supply and excess taxes, lingers long after the program has been abandoned: car assembly plants, heavy water facilities, oil refineries, hydroponic greenhouses, hospitality (hotels & motels), industrial properties, call centres, golf courses, steel mills, convention centres, industrial parks, retail parks, fish plants, amusement parks; the list is endless. In a way though, these are side shows. Real estate bubbles initiated by the private sector are so brutal they often provoke country, and sometimes worldwide, recessions.

The late Dr. Galbraith suggested that all bubbles "have involved debt that, in one fashion or another has become dangerously out of scale in relation to the underlying means of payment". Easy access to capital, and the belief that an opportunity has been created by a new product, or financial instrument, feeds the buying frenzy ... which in turn increases prices and "creates wealth" drawing more buyers into what

becomes a self fulfilling prophesy ... until an event occurs which reveals the absurdity of the buyers' behaviour. Retribution is fast and brutal: prices collapse, buyers go belly up.

Bubble Bio (1990)

"Those who cannot remember the past are condemned to repeat it."

Jorge Agustin Nicolás Ruiz de Santayana y Borrás aka George Santayana December 16, 1863 to September 26, 1952.

The bubble which burst in the late 1980s had its North American origin in the election of Ronald Reagan to the Presidency of the United States in 1980. That country embarked on a regime of tax cuts and financial deregulation, policies designed to stimulate the economy by unleashing the country's entrepreneurial drive. They succeeded, GDP grew at almost twice the rate of the previous decade. Much of that wealth was invested in real estate, particularly home ownership, following deregulation of the Savings and Loans industry in 1982. Unfortunately due to lax, or non-existent underwriting standards, purchasers assumed debt they were unable to service. It mattered not, so long as prices increased: owners could remortgage their home and service the debt from the increase in capital value. American exuberance spilled over the border into Canada. Here, our Trust Companies embarked on a program of expansion into residential real estate, often purchasing residential real estate brokers to provided a source for their loans. Nor was easy credit confined to the residential sector. The Trust Companies enthusiastically competed with the banks and life companies to place commercial mortgages. The result, in many areas of Atlantic Canada, was a rapid expansion in the supply of commercial space, particularly downtown office space. It was to come on stream just as the bubble bust in 1990. The American bubble collapsed first. The results were truly awful: over 1,000 Savings and Loans Associations failed at a total cost of \$160 billion, \$124.6 billion paid for by the American taxpayer. The tsunami hit Canada in two waves, the first in the late 1980s which virtually wiped out our Trust Companies, some of whom had been in business for 100 years and enjoyed the stature, visibility and

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reverence then accorded the “big six” banks. Their names live on today only in the marketing programs of those banks who were persuaded to sweep up their ashes. In 1989 the commercial real estate market bubble started to deflate. It burst in May 1990 when the recession started, itself triggered by a real estate bubble that exploded first in Thailand and travelled around the world. Confidence in real estate as an asset class collapsed worldwide. (Professors Richard Herring and Susan Wachter of the Wharton School, University of Pennsylvania produced an excellent research paper in 1998 on the Asian Twin Financial Crisis). Panic ensued:

- (1) The banks and other sources refused to provide mortgage financing to facilitate property transactions.
- (2) Owners of investment real estate, such as the pension funds, liquidated their portfolios at knock down prices.
- (3) Limited Partnerships, the forerunners of many of today’s REITs were unable to meet the demands of their investors who attempted to “cash out”, and were forced to convert to “closed end” funds.
- (4) The owners of trophy buildings such as Purdy’s Wharf in Halifax cut their rents dramatically in order to capture whatever weak demand existed, forcing competing buildings to follow suit.

By 1995 industrial real estate in areas outside the major centres was literally worthless: in some cases it had a negative value. Hotels/Motels throughout the Atlantic Region plunged in value, on average by 50%. Industrial properties lost between 25% to 75% (average 44%) of their value if they were located in the Region’s largest park, Dartmouth’s Burnside Park, and between 50% and 80% of their value in other metropolitan areas. The office sector in Halifax’s Central Business District was devastated, losing about 55% of its value. (In the smaller urban CBDs the impact was much more muted: property owners were local business people and they refused to undercut each other on rental rates). The apartment buildings in areas of high rental demand such as Halifax Peninsula dropped 5% to 10% in value, 30% to 50% elsewhere. Retail, shuddering under the twin impact of the recession and the growth in “big box” merchandising, also suffered badly. (Some municipalities had encouraged the growth of big box retail in the 1980s by providing them with free land).

Some shopping centres fell in value by 35% (Neighbourhood) to 55% (Community). Many never recovered and were redeveloped, repositioned or repurposed. It was not a happy time to be a real estate owner ... or consultant ... somewhat akin to the priest who discovers there is no God.

The aftermath was painful. It took 10 to 15 years for property values to recover to their 1989 pre-recession values. Most of that recovery in value results from the fall in interest, and hence capitalisation rates, rather than an increase in net operating income. It is surely the supreme irony, that this fall in interest rates results from an effort to rescue the world from yet another financial crisis in 2007-2008, itself caused by the massive flood of money into real estate (a “Niagara of Capital”) which started in 1997. John Kenneth Galbraith must be turning in his grave.

Bubble Recognition

“Anyone taken as an individual is tolerably sensible and reasonable—as a member of a crowd, he at once becomes a blockhead.”

Johann Christoph Friedrich Von Schiller
November 10, 1759 to May 9, 1805.

Bubbles are always evident in retrospect: recognising them as they occur is a little more tricky. However they do have the following common characteristics:

- (1) They can be sectorial (effect only one type of real estate), local, regional, national or international in scope. Sectorial bubbles are frequently created by provincial governments enamoured by the touching, albeit misguided, belief that “if we build it they will come”.
- (2) Excess liquidity—easy access to debt for those wishing to enter the market.
- (3) A “new” type of real estate or financial instrument creating the belief that an opportunity exists to amass wealth. Financial innovations are frequently hailed with an enthusiasm best reserved for the Messiah. In reality, every financial “innovation” is a variant on the same theme: the creation of debt secured by real estate. Their recurrent emergence is a tribute to memory myopia: their innovation a salute to opacity, complexity and the ability to relieve the unwashed of their

wealth. Financial memory is brief; about two decades.

- (4) Growing and rampant speculation: new entrants into the market contribute to a feeding frenzy buttressed by the belief that since everybody else is getting rich it must be right (“crowd think”).
- (5) The specious association of money and intelligence e.g. “a pension fund of their size would not invest in this if it was not a good deal” ... “a developer of their gravitas would not build unless they were sure there would be a demand for the units”.
- (6) A reluctance to consider end user demand—the belief that end users will materialise once the product is brought to market (aka “build it and they will come” syndrome). Supply expands well ahead of demand.
- (7) Capital values increasing much faster than rental rates or income growth. Servicing the debt load is dependant on subsidising it from the capital value growth i.e. by remortgaging at even higher levels of debt to “liberate” capital value for use in debt servicing.

🔗 (To be continued in the next issue of Newsletter ... or download the entire article now at www.turnerdrake.com → News & Research → Research).

ATLANTIC PROVINCES

Valuation Division

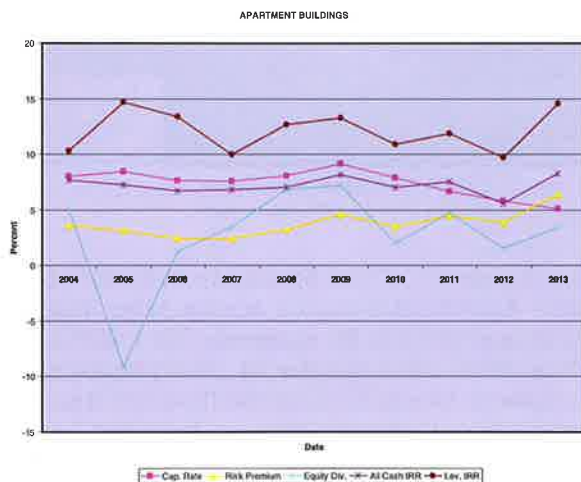
The capitalisation rate (Year 1 Net Operating Income ÷ Sale Price) 100 is the most utilised method of calculating the Market Value of investment property ... and the most misused, especially by financial institutions. It had the merits of simplicity and ubiquity in an age of data deprivation. No more! The past few years have yielded an avalanche of information. Five years ago it was difficult to obtain sales and income data. In the Maritime Provinces sales information was hoarded by government agencies who refused to release it to the private sector. Most municipalities even declined to put their zoning information on the web. Job preservation was the order of the day! Members of a real estate board had access to Multiple Listing Service sales information but often only that of the area in which their Board had jurisdiction. Since investment property was, and is, rarely marketed through organised real estate, little sales information was available through these sources anyway. Getting information

(Continued on page 4)

(Continued from page 3)

was a hard scrabble exercise contacting owners, vendors, purchasers and commercial brokers. We were able to generate it as well through consulting assignments. It forced us to squeeze every morsel of information from the data and was the raison d'être of our Compuval™ Knowledge Base, our proprietary family of intelligent data bases. However the increased requirement for transparency following the 2007 financial meltdown, and the acceptance by politicians that prosperity requires open data, has resulted in an avalanche of income and sales information. The four Atlantic provincial governments now release sales information albeit in a raw format and usually at great cost. Some municipalities have adopted an open data policy and publish zoning, building footprint and other data on the web. Technologies such as satellite and three dimensional aerial imagery with a resolution of 15 cm. provide us with a plethora of information. We have invested well over a million dollars building out the capability of our Compuval™ Knowledge Base to acquire, clean, process and analyse this treasure trove of information and marry it with income, expense and physical property data already on file. It affords clients an insight into the various property markets that is unmatched by any government agency or private company.

Capitalisation Rates



Source: Compuval™ Knowledge Base 2013

Utilising a capitalisation rate as the sole metric to process cash flow into Market Value is analogous to using horse power as the only performance criteria for the purchase of an automobile. There is no unique capitalisation rate for a property type ... it also varies by property age, construction, occupation, appearance, size, location, competition and sale date ... every variable that impacts on the quantity and quality of the income stream. This is particularly true in Atlantic Canada because there are so few purchasers of large investment property. The impact of one large purchaser shifting their focus from older to newer apartment buildings will immediately be reflected in higher capitalisation rates for the sector no longer in demand and lower rates i.e. higher prices, for the newer buildings because supply is inelastic. In 2011 for example, the various capitalisation rates for the thirty six transactions analysed for the Apartment graph (shown earlier) averaged 6.63%, but ranged between

- 4 -

3.53% and 8.34%. Capitalisation rates vary over time as returns on competing investments and the cost of debt changes.

Every month our Investment Committee investigates and analyses every shopping centre, office, hotel and multi-tenanted industrial, transaction in the region. They investigate the property to determine if there is excess land; and if the sale was part of a larger transaction, whether the price included a Portfolio Premium. The Committee sources income and debt service data for the ten years post purchase. Using proprietary software, part of our Compuval™ Knowledge Base, we subject the transaction to a battery of tests to extract five key sets of yield data. They comprise the ten year All Cash IRR, Leveraged IRR, Equity Dividend, Risk Premium, and the overall Capitalisation Rate. All paint a different face of the sale (see graph) and taken together scrutinise the upside potential and downside risk inherent in the transaction. These key indicators can then be utilised by our Valuation Division to compute the Market Value of other, similar, investment property.

For more information on our Valuation Division, visit our web site www.turnerdrake.com → Corporate Site → Valuation & Appraisal. Clients can now access their own property records through their Client Area → Property Portfolio.

PROPERTY TAX DIVISION

Ontario



Nursing Home, Toronto, Ontario
\$151,064 - 39% in tax savings

If you own property in Ontario you should have received your 2014 Assessment Notice on November 15th 2013. You have until March 31st 2014 to file a "request for reconsideration". This is the second year of the four year assessment cycle so your assessment should not have changed from last year unless you undertook work to your property. The basis for your Year 2014 assessed value is your property's Market Value on January 1st, 2012 (the "base date") having regard to its physical state.

Nursing Homes

One of the biggest challenges facing nursing homes in the province is the shift in the way banks view them in

(Continued on page 5)

(Continued from page 4)

terms of risk. Traditionally nursing homes applied annually for their licence renewal: the banking sector regarded the process as little more than a formality and paid little regard to it. However in 2010 the Long Term Care Homes Act 2007 was proclaimed and new inspection standards, criteria and policies were implemented. The policy of annual licence renewals was abandoned in favour of fixed licence terms of 25 years (Class A nursing homes) and 15 years (Class B and C nursing homes). Nursing homes do not find out if their licence will be renewed until 3 years prior to licence expiry. The banks have reacted to the additional uncertainty by reducing the mortgage amortisation period from 25 years to 15 years or less. The shorter amortisation period has increased the debt service payments substantially and reduced the cash flow available to service the equity. As a result the Market Value of nursing homes is much diminished ... a circumstance not yet fully understood by some assessors employed with Municipal Property Assessment Corporation (MPAC) the body charged with assessing property province wide.

📍 *If you own a nursing home and are concerned about your property tax load, call Mark Turner 1-800-567-3033. He will be happy to discuss if, and how, we may be able to help you.*

New Brunswick



Shopping Mall, New Brunswick
\$111,000/annum - 25% in tax savings)

New Brunswick is suffering from the same symptoms as the other Maritime Provinces: a rapidly aging population, a work force poised to start shrinking, and the abandonment of rural areas as its population migrates to urban centres such as Greater Moncton (Moncton, Riverview, Dieppe). The economy is undergoing a major structural change, effectively de-industrialising as the pulp and paper industry and extractive industries continue to decline; the old faithful, tourism, struggles. Some municipalities are buckling under the financial strain but there is little reason to expect things will get better unless fortune smiles and technologies such as fracking unlock natural riches. The Province is in the second year (2014) of the phase down in its share of property tax but unless assessments remain unchanged expect your total tax burden to increase. The best advice we can offer is that you focus on your property assessment ... the tax rate is beyond your control. The 2014 Assessment Notices

will not be published until March 1st 2014. There will then be a 30 day period in which to file a Request For Review. The basis for your Year 2014 assessed value is your property's Market Value on January 1st, 2014 (the "base date"). Unlike the other Atlantic Provinces, New Brunswick does not recognise the "uniformity" principle, so it is possible for two identical properties to have completely different assessed values. If they do not exceed Market Value there may be no legal grounds on which to appeal. "Uniformity" is widely recognised throughout Canada and its absence in New Brunswick undercuts the validity of the property tax system. Nevertheless it has been our experience that any assessor worth their salt will recognise the necessity for uniformity even if such recognition is implicit rather than explicit ... so don't be discouraged.

📍 *If you think your property is over-assessed, appeal ... or give André Pouliot, the head of our New Brunswick tax team a call at (506) 634-1811 or toll free 1-800-567-3033.*

Nova Scotia



Boat Yard, Baddeck, Nova Scotia
(\$8,413/annum—54% tax savings)

If you own property in Nova Scotia, expect to receive your 2014 Assessment Notice on January 13th. You have 31 days in which to file an appeal. The basis for your Year 2014 assessed value is your property's Market Value on January 1st 2012 (the "base date") but having regard to its physical state on December 1st 2013 (the "state date"). There is a twist however. Several court decisions have established beyond doubt, that the property has to be valued in its "existing use" not its "highest and best use". This is a message yet to be accepted by some of the assessors employed by the Property Valuation Services Corporation (PVSC), the provincial body charged with calculating assessments. The Cape Breton Boat Yard in Baddeck is one such example. Utilised as a boat yard for almost 80 years, it is improved with several wood frame buildings used for boat maintenance and storage. The property fronts onto the Bras d'Or Lake, an achingly beautiful inland sea lying at the heart of Cape Breton Island. Baddeck, a pretty village alive with tourists and the dancing waters of the Bras d'Or during the summer, is rather bleaker in the winter. The lake is brackish but freezes over so boat owners store their pride and joy in the boat yard. The site is zoned for commercial use. Despite the foregoing the PVSC assessor increased the 2013 assessment by 78% claiming the property had been underassessed in the past. She based her estimate of

(Continued on page 6)

Market Value on the assumption that the site could be subdivided into three residential lots ... and for good measure also added the value of the boat docks and buildings. The property was not zoned for residential lots, was not subdivided into lots at the "state date", partly comprised a waterlot, and was utilised as an operating boat yard. We represented the owner in the appeal but despite our best efforts the PVSC assessor refused to negotiate with us so we took the matter to the Nova Scotia Assessment Appeal Tribunal. The court not only rolled back the increase but reduced the assessment below the level of prior years.

Farewell to Nova Scotia

Our Spring/Summer Newsletter (Vol. 2 No. 96) "coming of age" article recounted the dramatic demographic shift sweeping Atlantic Canada. The report was the outcome of a study by our Economic Intelligence Unit for a national client. It charted the region's aging population and shrinking work force. The study documented the denuding of the countryside of people, particularly working age population, and their emigration to urban areas. Other forces are at work which adversely impact rural Nova Scotia. The province is losing population to other areas of Canada ... and the economy is undergoing a major structural shift. The pulp and paper industry collapsed in 2013: mills closed, or remained open due only to taxpayer funded subsidies and loans. The Internet has reduced demand for newsprint. Tourism too continues to decline. As a result of the foregoing much property is now over-assessed and should be appealed. The assessments of all property located in a community that has lost a major industry should be reviewed. Life style properties such as seasonal motels, restaurants, marinas, vineyards, golf courses, etc. are probably over-assessed and should be appealed.

🌐 If your property is enrolled in our PAMS™ Property Tax Manager program we will automatically review your assessment and file an appeal where necessary. If your property is not yet PAMS™ protected and you would like advice on whether to file an appeal, call our Nova Scotia Tax Team, Giselle Kakamousias, Mark Turner or Alison Grant at (902) 429-1811 or toll free 1-800-567-3033. They will be pleased to help you: or visit our web site

www.turnerdrake.com → Corporate Site
→ Property Tax.

EGG HEADS



Matthew Smith
B. Comm.



Alex Baird Allen
BA, Adv. Dip. GIS,
DULE



Mark Farrow
B. Comm., DULE

Our trainees are a hardy bunch. After completing their undergraduate degree they join us ... and promptly embark on our seven year training regime, a gruelling program consisting of the University of British Columbia's Diploma in Urban Land Economics (DULE) and Bachelor of Business in Real Estate (BBRE) degree, 25 in house training modules spanning 400 hours, and carefully choreographed "on the job" training under the guidance of a mentor. We are proud of them; they regularly top the charts Canada wide in the UBC courses.

This year Matthew Smith took top honours in UBC's Real Estate Finance in a Canadian Context (Fall Session); Real Estate Development I (Fall Session); and Assessment Administration (Summer Session); courses. He also won the Thomas A. Garvey prize for the 2012 Winter session.

Alex Baird Allen took top honours in UBC's Real Estate Finance in a Canadian Context (Spring Session).

Mark Farrow won the Nova Scotia Real Estate Appraisers Association award for the highest mark in an appraisal course at UBC during 2012.

Congratulations, a wonderful effort guys!

LASERCAD™ DIVISION

In January 2013, we passed the 10,000,000 ft.² mark for building measurement in Atlantic Canada. We offer this service from our offices in St. John's, Halifax, Charlottetown and Saint John. All of the work is governed by a quality management system registered to ISO 9001:2008 the only space measurement governed by this standard in this region. In addition our work

product is now formally regulated by the Royal Institution of Chartered Surveyors (RICS). The RICS are part of a global coalition, the International Property Measurement Standards Coalition (IPMSC), spearheading the drive for uniform standards worldwide. IPMSC, including the RICS, came together on May 1st and 2nd at the World Bank in Washington, D.C. to address the creation of international property measurement standards. Their stated objectives are (1) greater global financial stability, (2) more accurate and consistent financial reporting, (3) stronger investor confidence, and (4) reduced risk of fraud. In Spain for example floor areas have included outdoor swimming pools; in parts of the Middle East they include the hypothetical maximum number of floors that could be built on existing foundations; and in Australia, outdoor parking spaces that did not physically adjoin the property.

NOT YET NUNAVUT



Although we undertake the majority of our assignments in the Atlantic Provinces, from our offices in Halifax, N.S.; St. John's, N.L.; Charlottetown, P.E.; and Saint John, N.B. our services are increasingly sought elsewhere ... a reflection perhaps on our reputation within the region ... or outside it. Place whichever interpretation you like on it, we are currently undertaking work in every province and territory other than Nunavut. Not that we have anything against Nunavut: nobody has yet asked us there. Our Brokerage (Sales & Leasing) services are confined to the Maritime Provinces but we can offer them throughout North America via NAI Global. We directly provide Valuation, Property Tax, Counselling, Lasercad™ space measurement and Economic Intelligence (Market Surveys, Trade Area Analysis, Site Selection) in many jurisdictions.

🌐 Check out our web site www.turnerdrake.com for details of the specific services we offer in each geographic region.

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Commercial Real Estate Services, Worldwide

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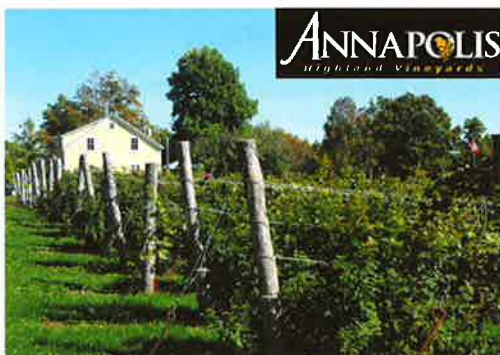
And 55 Countries
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For Sale:
31 Glendale Ave, Lower Sackville, NS

Immaculate, turnkey Apple Auto Glass Franchise with a 7,500 square foot commercial building. Successful business and expansion opportunity. 5 bays (one being extra-large to service heavy equipment and large trucks), a glass shop, upholstery shop and a screen shop are all included.

Sale: \$1,350,000



For Sale:
2635 Clementsvald Rd, Bear River, NS

Annapolis Highland Vineyard boasts 114+ acres of land with 10 acres under vine and a lot of room for expansion. Annapolis Highland Vineyard corks 30,000+ bottles every year with a solid customer base including the Five Fisherman, Delta Halifax & White Point Beach Resort.

Sale: \$1,190,000

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Leasing



Verna Turner
Sales



Scott Hearn
Sales



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Representation

Landlord
Representation

Vendor
Representation

Purchaser
Representation

Looking to sell your property? "Vendor Representation"

Vendor representation occurs when the vendor retains the broker to sell their property. Our primary focus is industrial, commercial and investment property. In order to obtain the highest possible price for a vendor it is necessary to (1) reduce the risk of the transaction to the purchaser to the greatest degree possible and, (2) expose the property to the broadest range of qualified, potential purchasers. Purchasers discount for uncertainty.



Cemanco Properties Limited

We successfully negotiated the sale of a 21,500 ft.² office building in Bedford, NS.

UFCW Local 361

We successfully negotiated the sale of a 11,623 ft.² warehouse/office building in Halifax, NS.

Offices in:

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Worldwide.

Committed to Canada. Connected to the World.

Our NAI Commercial Edmonton partner:



Our Edmonton partner, NAI Commercial Edmonton serves the needs of clients throughout the Greater Edmonton Area. Their office houses highly trained professionals that exemplify excellence in the real estate sector. With years of combined experience their account executives have been involved in every aspect of Industrial Leasing, Retail Leasing, Office Leasing, Investment Properties, Land Sales,

Acquisitions/Dispositions for owner users, Build to Suit Developments, Business Condominiums and Business Sales in the Greater Edmonton area.

4601-99th Street, Edmonton, AB T6E 4Y1 — (780) 436-7410 www.naiedmonton.com

You have questions, we've got answers...

What do you do if you are faced with renting an 80,000 ft.² warehouse? That was the question posted by the owner of this industrial property. In order to maximise their rental revenue and minimise their tenant leasehold cost, they had to find a tenant, or tenants, whose use was compatible with the existing bay heights, widths and sizes . . . electrical and mechanical constraints, and revised regulations regarding usage. They turned to NAI Turner Drake for help.

NAI Turner Drake already had a substantial amount of information on the building: their Property Tax and Valuation Divisions had provided consulting advice on the property for many years. Their Lasercad™ Division was dispatched to create "as built" drawings detailing the exact location of every steel pillar and loading door in the warehouse space . . . and every partition and door location in the office section. These plans, together with the building specifications already on file in NAI Turner Drake's Valuation Division, were used to compile a comprehensive Leasing Flyer to be utilised for target marketing to their inventory of prospective tenants. In order to broaden their marketing reach NAI Turner Drake installed "For Lease" signage on the property, established a co-broker network and distributed details of the space to them. The premises were also listed on five commercial property web sites.

NAI Turner Drake were able to secure two tenants to fill the space without the necessity for major adjustments to the electrical and mechanical systems. Leases were negotiated for five and seven year terms respectively.