TURNER DRAKE & PARTNERS

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

Newsletter

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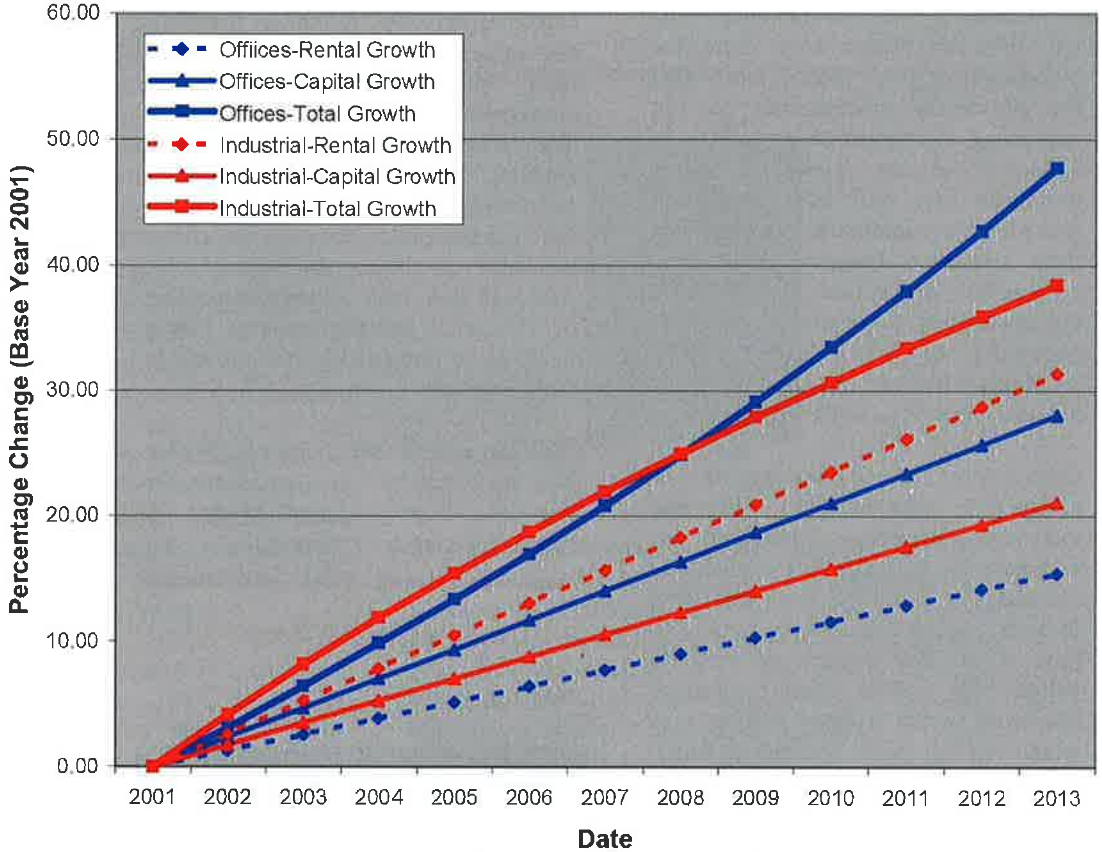
MEASURING DOWNSIDE RISK



Our article, "Bubble Bubble Toil and Trouble" (Newsletters Fall/Winter 2014 and this Issue) chronicled the history of bubbles from the Middle Ages to modern times … from the sad story of the unfortunate Dutchman jailed for eating a tulip bulb in 1636, to the financial crisis in 2007, whose perpetrators alas, failed to suffer a similar fate.

Since our Valuation Division is now required, when valuing real estate for financing, to advise the bank or financial institution if the property is likely to fall in value during the term of their loan, the possible presence of a market bubble looms large in our thoughts. As our article indicated, identifying a bubble is tricky … until it bursts. However since bull markets have the same impact, differentiating bubbles from bulls is simply semantics.

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Any property market, whose growth in value is driven by Capital rather than Fundamental Markets, is doomed ultimately to fail since space supply outpaces demand. If the area has an aging demographic the decline in value will be terminal unless the market draws its demand from that source e.g. condominium apartments, extended care facilities. If however, space demand is contingent upon an expanding workforce e.g. offices, industrial properties, etc. wailing and gnashing teeth is a likely consequence. The foregoing criteria allows us to forecast which markets are likely to fall in value. The office market in Halifax Central Business District is one such example: capital values continue to rise fuelled by low priced finance, overseas purchasers and hope … whilst rents fall and vacancies rise. The (rental) apartment market in many locations in Atlantic Canada is overpriced … capital values continue to increase, while rents struggle and usually fail, to keep pace with increased operating costs. In many areas, capital values (sale prices) are so high the only rationale for purchasing property is capital growth driven by market demand rather than rental increase. Equity Yield rates (return on equity investment plus mortgage principal pay down) are positive because the cost of finance is artificially low courtesy of

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quantitative easing. This Financial Leverage will turn negative once mortgage rates increase. Converting rental units to condominium apartments will offer an escape route from the blood bath in some areas … provided the provincial governments do not implement legislation to prevent it, as happened in the 1980s. (Some provinces may still have legislation preventing condominium conversion in their arsenal). Unfortunately taking preventative action now by converting the apartments to condominiums, but continuing to rent them, is cost prohibitive because their property tax assessments will increase substantially.

Conversion to condominiums is unlikely to offer relief to office and industrial properties. Fortunately we now have the tools and data available to calculate the likely fall in capital value in those markets that are over built. We have shown the increase in property values for office and industrial properties in the Atlantic Region as a whole, on the graph (preceding page). We have also shown the increase in value due to Capital versus Fundamental (Rental) Market forces. The Capital Market growth, delineated by the solid arrow lines, is simply the reciprocal of the overall Capitalisation Rate i.e. Sale Price ÷ Net Operating Income. This is based on data captured by our Investment Committee: they investigate and analyse every office, multi-tenant industrial, shopping centre and hotel transaction in Atlantic Canada. The information is stored in our Compuval™ Knowledge Base. The Fundamental (Rental) Market forces, shown by the dotted lines, reflect the effective net rents (net rents - vacancy) for the 36 million ft.^{2} of space we survey every six months for the Federal Government. The properties are located in St. John's HRM, Charlottetown, Moncton, Saint John and Fredericton. The Total Growth in value, delineated by the solid bold lines, is the product of the net effective rent divided by the overall capitalisation rate.

The contribution to growth from 2001 to 2013 has been as follows:

Property Type	Contribution to Capital Growth		
	Fundamental (Rental)	Capital (Quantitative Easing)	Total
Offices	15.44%	28.06%	47.78%
Industrial	31.37%	21.07%	38.46%

Source: Compuval™ Knowledge Base 2014

Taking the Atlantic Region as a whole, the *office* market is much more risky than the *industrial* sector since 65% of its growth in value is due to the fall in capitalisation rates. It is likely therefore that values will fall by 21% as interest rates rise unless there is a commensurate increase in rental rates. The latter is very unlikely in most markets. Only 40% of the growth in *industrial* property value is due to the fall in capitalisation rates and rents have increased at twice the *office* rate. Although *industrial* values may decline by 11% when interest rates rise, this is likely to be mitigated by the growth in rental income.

This article and "Bubble Bubble Toil and Trouble" are available for download at www.turnerdrake.com → News & Research → Research.

PROPERTY TAX DIVISION

New Brunswick

Industrial Property, New Brunswick
($19,536/annum - 54% in tax savings)

If you own property in New Brunswick you should have received your 2014 Assessment Notice: it was mailed on March 3rd 2014. You had 30 days in which to file a Request for Review a.k.a. appeal. If your property was enrolled in our PAMS™ Property Tax Manager program we have already reviewed your property assessment and have filed an appeal if the opportunity exists to reduce your tax burden. If you filed the appeal yourself, bear in mind that the basis for the 2014 Assessment, as mandated by the Assessment Act, is your property's Market Value on January 1st 2014 (the "base date"). You can estimate the Market Value by comparing your property with the sale prices of similar properties that sold within six months of the base date. Service New Brunswick (SNB), the provincial assessment authority, now publishes sales prices on their web site www.snb.ca → Property Assessment → Search Property → Assessments → Search Now, a response to severe criticism by provincial Ombudsman Bernard Richard ("Levelling The Playing Field, February 2008"). Mr. Richard's report included recommendations "aimed at enhancing fairness, accessibility and transparency in the property appeal process" … a radical concept yet to be whole heartedly embraced by assessing authorities in Atlantic Canada. Nevertheless SNB stepped up to the plate, professed to welcome Mr. R's recommendations, and started to publish sales information dating from January 1st 2009. It is probably carping criticsm, but SNB do not make it easy. You will find comparison difficult: searches can only be conducted by location, property account and identification number, a tortuous, teeth grinding process. www.propertize.ca, a private site funded by donation, does a much better job, though the province has recently attempted to deny it access to their data. Many sales prices too are reported by SNB as "$1" or "Not Available". The world may recognise that open data is the pathway to prosperity but in this region the public service grimly guards opacity as its guarantee of job security.

If your property is assessed at, or less than, its Market Value, you do not have legal grounds for appeal, even though comparable properties carry lower assessments. Whilst this is patently unfair the New Brunswick Assessment Act is very unusual in that it does not include a "uniformity" provision i.e. require that like properties be similarly assessed. However it has been our experience that the more competent, and confident, SNB assessors are prepared to recognise the inequity and address it.

André Pouliot heads our New Brunswick tax team. He can be reached at (506) 634-1811 (Saint John) or toll free at 1-800-567-3033. Visit our web site www.turnerdrake.com → Home → Property Tax → Tax Appeals *for more information.*

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Prince Edward Island

Multi Use Property, Prince Edward Island
($189,100/annum - 49% in tax savings)

If you own property in Prince Edward Island expect to receive your 2014 Assessment Notice at the beginning of May. You will then have 90 days in which to file an appeal. (If your property is enrolled in our PAMS™ Property Tax manager program we will review your assessment and file an appeal if there is an opportunity to have it reduced). The legislated basis for your 2014 Assessment is your property's Market Value on January 1st 2014. The first test therefore is to estimate your property's Market Value on January 1st 2014, i.e. the price it would fetch had it been offered for sale during the last six months of 2013. The most direct way of estimating Market Value is to look at the sale prices of comparable properties. Unfortunately sales information is not readily available from the provincial assessment authority as is the case in Nova Scotia or New Brunswick. It is only available on the "subscription only" provincial Geolink site and there is no way to search for sold properties … although prices are recorded if the properties have been sold. Searches therefore are ad hoc, expensive and time consuming. In November 2013 we asked the Minister of Finance, Mr. Sheridan, if he would make the information available since it would assist in enhancing fairness, accessibility and transparency in the property assessment process. He in turn referred the matter to Deputy Minister David Arsenault, Provincial Tax Commissioner Beth Gaudet and Real Property Services Manager, Paul Olscamp. We understand that the matter is slowly grinding its way through this review process and will keep you posted. Sales information is widely available from public sources throughout Canada and the United States and open data is increasing the sine qua non of a modern, competitive economy…

If you have any questions about your Assessment, or other real estate matter give Mark Farrow, our Charlottetown Office Manager a call at (902) 368-1811 Ext. 324 or toll free 1-800-567-3033 Ext. 324.

Nova Scotia

Office Building, Nova Scotia
($17,960/annum - 21% in tax savings)

On March 6th 2014 the Town of Springhill announced that it had run out of cash and was going to dissolve itself, becoming part of Cumberland County on April 1st 2015. Some of the 70 citizens who packed the council chamber were reported to be surprised. Really? The town had a declining population of just 3,800 … and a municipal staff of 65 (42 full time) including its own 20 member police force: a staggering burden for taxpayers, 40% of whom were reportedly in arrears. There is something faintly ludicrous about this scenario; yet it is repeated throughout Atlantic Canada. Little communities, villages in all but name, with their own administrations duplicating contiguous communities a few minutes away, some with their own police forces equipped with stations, cells, dispatch centres … even pursuit cars and mobile incident units. Rural population meanwhile continues to decline under the twin impact of an aging demographic and a world wide migration to large urban centres. About 60% to 70% of municipal budgets are consumed by staff salaries and these have continued to escalate well in excess of those in the private sector (who pay for them) and the inflation rate. In Halifax (HRM), the region's largest municipality, for example, staff compensation increased by 82% between 2000 and 2010 … a period during which inflation grew by just 24%. In part this was because the municipality's staff complement continued to balloon. Competition forced the private sector to innovate: to do more with less. The public sector faced no such pressure. But largely it occurred because the average salary of HRM's full time employees rose from $47,301 to $76,821 a rise of 62% over those ten years. In the admittedly few cases where we have been able to make a direct comparison, HRM salaries appear to be about 40% higher than those in the private sector (this does not take into account the lower work load, shorter hours, defined benefit pension plan, lack of accountability) and they set the benchmark for the other municipalities. In 2005 the Province "capped" increases in residential property assessments, purportedly to protect "Nova Scotia families and seniors … concerned they could be forced out of their homes because they could not afford fast-rising property taxes" … a cynically hypocritical ploy because only *assessments* were capped, not the *tax rate*. As a result municipal salary increases continued unchecked causing budgets to increase and thus the tax load. Since the capping only applied to *existing* owners of residential properties, the tax load was tilted towards commercial properties (their assessments were not capped) and young residential owners. The latter are particularly hard hit because they are first time and upwardly mobile home buyers. *Capping therefore penalises two key elements of economic growth: businesses and young workers.*

There is little that young workers can do to combat the inequity of capping (rental property assessments are not capped either) other than move to provinces that have not implemented it. However commercial property owners can take steps to alleviate their tax burden. In 2013 our Property Tax Division saved clients in the Maritimes $200 million in property tax assessment … money that can be invested in their businesses to grow the economy and create jobs. The Appeal Period closed at midnight on February 13th 2014. If you failed to file an appeal you should consider taking a pro-active stance for 2015. We may be able to agree your 2015 assessment with the Property Valuation Services Corporation (PVSC), the provincial assessment authority, prior to the 2015 assessment roll being finalised this year. If you have already appealed your 2014 assessment give us a call, our Nova Scotia tax team can usually advise you whether the opportunity exists to reduce your tax burden.

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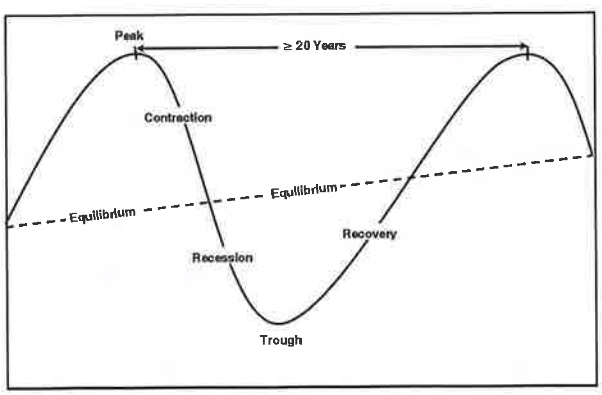
ECONOMIC INTELLIGENCE UNIT

Bubble Bubble Toil and Trouble (Continued from Newsletter Vol. 2 No. 97)

Real Estate Cycles

Financial amnesia encourages real estate bubbles every twenty years. In the United States the last two bubbles occurred in 1987 and 2007. It is a consistent feature of a bubble's aftermath that legislators search diligently for the architect, ignore the real cause, jail the more egregious beneficiaries (in Canada such enthusiasm is relegated to apportioning blame) and propose legislation to ban them forever. The Appraisal Institute of America, stung by criticism that its members failed to identify the bubbles and their aftermath, have struggled to find the answer that has so far evaded The Fed. Their solution attempts to address the dichoctomy presented by an appraisal completed for financing or purchase purposes. The appraisal measures Market Value at loan origination, or date of purchase: however the recipient expects to utilise it to mitigate their risk over the loan term, or ownership period. That is a problem since property values fall as often as they rise, and do so precipitously when a bubble bursts. So of course do share and bond values, but for some reason wailing, gnashing of teeth and finger pointing ensue when real estate is the culprit. The Appraisal Institute's solution has merit and in the interest of harmony and dental conservation we are happy to share it with you.

FUNDAMENTAL MARKET CYCLE



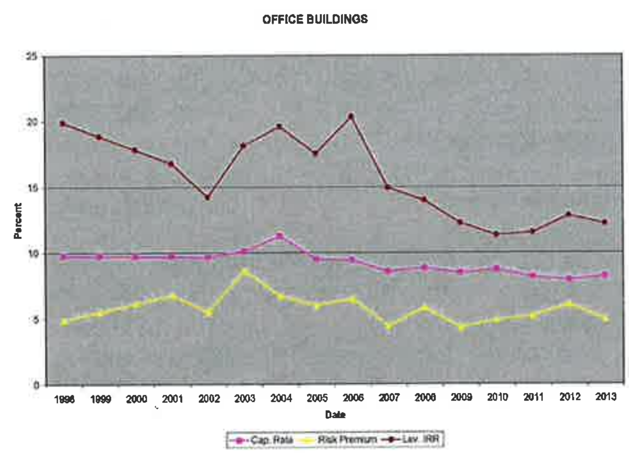
Source: The Appraisal Journal Summer 2013 Page 212: Kerry M. Jorgensen, MAI and Stephen F. Fanning MAI, CRE, AICP and Turner Drake & Partners Ltd. Dec. 2013

Supply and demand are rarely in equilibrium. A typical market cycle is twenty years or so from peak to peak. However developers and their financiers, fingers badly burnt at the bottom of the cycle, wait until the recovery is well underway before embarking on new projects. Since it takes about two years to bring a major project to market, supply expands rapidly just before the top of the demand cycle and space continues to come on stream as demand contracts. Demand typically contracts faster than it expands so the downward side of the cycle is steeper than the recovery. If the sector has enjoyed a bubble, expansion in supply will have been magnified, and the impact of a contraction in demand will be precipitous. Since property values track the market cycle it is possible to forecast whether they will rise or fall during the mortgage term, or holding period. In order to determine the property's location on the market cycle it can be analysed from two viewpoints: (1) Capital Markets (property externalities) and (2) Fundamental Markets (space in the property).

Bubbles are frequently caused by changes in the Capital Markets, particularly the availability and cost of debt, facilitated by the emergence of a "new" financial instrument e.g. mortgage backed securities, or monetary policy e.g. quantitative easing. They stimulate supply as developers take advantage of easy and cheap access to debt to erect buildings the value of which is driven up by increased demand, itself fuelled by the cheaper, easier credit. Capitalisation rates fall, properties increase in value, more purchasers enter the market, more supply is built … eventually the bubble bursts. Tracking the rise or fall in capitalisation rates, their rate of change over time, their variance with their equilibrium, the quantum of their "risk premium", and their "compression" (differential with other types of real estate) indicate's the current stage of the market cycle.

The Fundamental Markets frequently act as the canary in the coal mine signalling the presence of a bubble, and the imminence of a burst, via building utilisation metrics such as the quantum of vacancy and rental rates, and the direction and rate of their increase or decrease, benchmarked against their long term equilibrium.

Identifying Downside Risk



Source: Compuval™ Knowledge Base 2013

Bubbles are caused by purchasers acquiring property for its anticipated capital growth … price gains driven not by the increase in net operating income, but rather by speculators continuing to drive up values. We have a number of Capital Market tools available to determine if this is occurring. Each month our Investment Committee investigates and analyses every shopping centre, office, hotel, and multi-tenant industrial, transaction in Atlantic Canada. The sales are analysed using proprietary software we have developed as part of our Compuval™ Knowledge Base. Six

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metrics are deployed, three of which are shown in the graph.

Change in the overall Capitalisation Rate (Year 1 Net Operating Income ÷ Sale Price) can signal speculative capital growth. Office property capitalisation rates have been falling since 2004. As investors moved from the stock market into property they bid up the price of office real estate by accepting lower returns. The price/ ft.^{2} of building area has increased by 37%, on average, over that period: 31% is due to the fall in overall capitalisation rates. Our Economic Intelligence Unit surveys 25 million square feet of office space semi-annually for the Federal Government. Net Operating Income has increased by just 13% over that period: slightly less than the inflation rate (15%). The Risk Premium, the portion of the All Cash IRR (Risk Adjusted Yield) in excess of the return on Government of Canada 10 Year Bonds has also declined as purchasers discount risk. The most telling statistic however is the Leveraged Ten Year Internal Rate of Return which measures the anticipated return over the ten years post purchase. That return has been declining since 2006 despite the fact that the cost of debt is at an all time low and has nowhere to go but up.

When the market correction occurs, as it will, triggered in all probability by rising interest rates, the fall in office property values should be about 21% as measured by the adjustment in overall capitalisation rates to their long term equilibrium. However experience from the 1990 debacle has shown that the rate at which values plunge initially is effected by the liquidity of the debt market and the resolve of long term investors, such as the pension funds and REITS, to keep their head when all around them others are losing theirs. Their track record in this regard is not reassuring. All of the foregoing assumes that the Fundamental Market factors such as net rents and vacancy rates remain stable. There is no reason to assume that such will be the case. Lock in your debt long term or cash out!

Bubble Avoidance

How do you differentiate a bubble from a bull market … and does it matter? Robert Shiller of Yale University has an enviable record of spotting bubbles. He describes them as *"a psycho-economic phenomenon. It's like a mental illness. It is marked by excessive enthusiasm, participation of the news media and feelings of regret among people who weren't in the bubble"*. Both bubbles and bull markets result in an over supply of real estate usually financed by easy credit. The difference in impact then between a bubble and bull market is really just one of degree … both in the rise and then subsequent fall in property value. In our view both should be regarded with caution … tears flow when they end. The fall in property values is the result, in the main, of over supply resulting from over-building, rather than fall in demand. This is key: before you build or buy verify that you are not about to participate in an over supplied market. Fortunately our Economic Intelligence Unit does just that …

Our Economic Intelligence Unit provides Market Surveys, Trade Area Analysis, Site Selection, and Supply and Demand Analysis on Office, Industrial, Retail, Apartment and Sub-division property. Consult our web site www.turnerdrake.com for more details … or call Alex Baird Allen toll free at 1-800-567-3033 Ext. 323.

PLANNING DIVISION

Neil Lovitt
B. CD (Hons.)

Over the past four decades we have painstakenly built a team of professionals, a smorgasbord of complementary skills whose whole is greater than the sum of its parts, able to provide clients with a unique synergistic solution to their real estate problems: Valuation and Appraisal, Property Tax, Economic Intelligence (GIS), Counselling, Lasercad ™ Space Measurement, Brokerage (Sales & Leasing) … Divisions staffed by professionals who, in addition to the specialist skills they bring to the table, are also the product of our seven year training program. We have now added Planning to that mix: welcome aboard Neil!

Neil has a technical diploma in Geographic Information Systems (GIS) and Urban Planning from Fanshawe College, London, Ontario and a Bachelor of Community Design (Hons. Urban Design Studies) from Dalhousie University, Halifax, Nova Scotia. Prior to embarking on his planning education he completed three years of study in mechanical engineering at the University of Ontario Institute of Technology, Oshawa, Ontario.

Neil has undertaken GIS internships at the Halifax Regional Municipality, NS; the Kawartha Region Conservation Authority, Lindsay, ON; and the Upper Thames River Conservation Authority, London, ON. While studying for his planning degree at Dalhousie, he and a fellow graduate, operated a consulting company undertaking document design and 3D modelling. For the last three years he held a planning position with a wind farm developer and was primarily responsible for navigating the municipal regulatory approval processes and managing related activities such as stakeholder consultation, easement rights acquisition, environmental assessment, and public engagement, across a diverse portfolio of large scale wind energy projects.

The planning applicants we interviewed were an impressive bunch: we are confident that Neil has the

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professional skills and personal attributes to move us forward into the planning field. We appreciate that there are already private sector firms doing an excellent job. However we offer a different perspective and approach. We are not engineers: we approach property utilisation from on economic viewpoint. Nine years ago we established a relationship with the Centre of Geographic Sciences (COGS), Lawrencetown, NS, started to sponsor a major research project each year, and hired a GIS graduate Alex Baird Allen (strictly speaking she was then a mere Alex Baird). At the time it was a shot in the dark. Today it would not be possible to undertake many of our assignments without Alex and her GIS team of COGS grads. They have enabled us to undertake assignments encompassing thousands of acres and hundreds of property ownerships … and because they are enrolled in our training program they understand the forces that create and destroy real estate value.

Existing approaches to planning are focussed on maximising density … or limiting it in response to perceived community interest. It is an adversial process which rarely optimises the value of the property to the owner or community. Canada's demographic and economic base is changing: the Atlantic Region is on the cusp … our population is aging faster and our economy de-industrialising more rapidly. Every municipality faces the same problem: a declining tax base and expanding demand for services. The impact is exacerbated in rural communities by emigration, and is masked in urban centres by immigration. We believe that it will be necessary for planning to embrace an economic as well as a physical perspective … and by marrying planning with the skills already inherent in our Property Tax, Valuation, Counselling, Brokerage and Economic Intelligence, Divisions we can do just that … for private *and* public sector clients.

If you have a planning problem, try us we may have a solution. Call Neil Lovitt at 429-1811 Ext. 349 (HRM) or toll free at 1-800-567-3033 Ext. 349.

LASERCAD™ DIVISION

Regulated by the RICS

Last year our Lasercad™ Division measured 2,200,000 ft.^{2} of space from our offices in St. John's, Halifax, Charlottetown and Saint John. We are the only space measurement company in the region whose work is governed by a quality system registered to ISO 9001:2008. In addition, in 2013, we successfully applied for registration with the Royal Institution of Chartered Surveyors (RICS) as a "regulated firm". All of our activities are now regulated by the RICS www.rics.org/ca/regulation/regulation-americas/ for quality assurance.

Why Bother?

Having space measured and certified to the relevant BOMA standard creates value by putting the landlord-tenant relationship on a sound footing at the outset of the lease, reduces the opportunity for future disputes and frequently uncovers space that would be otherwise omitted. There are BOMA standards for office, industrial, retail and mixed use … and a CREA standard for residential space. Relying on an industry standard, certified by an independent third party governed by an international quality assurance program, reduces the risk of tenant disputes in an increasingly litigious world. There are instances where we have been retained to settle disputes, often at the eleventh hour, after much back and forth between the two sides, where the tenant was threatening to sue for rental overpayments extending back several years because of inaccurate measurement … or where the tenant broke the lease before taking possession because the landlord's measurements and "certified" areas kept changing. Whilst these disputes are often resolved without the necessity for a court appearance they inevitably poison the landlord-tenant relationship. They could have been avoided at the outset if the space had been certified by a professional familiar with the appropriate Standard Method of Measurement. In reality the cost of measuring and certifying the space is often borne by the tenant … most landlords undertaking their own measurement often forget to include half the width of demising walls … recovering a "missing" 9 ft.^{2} on a 4,000 ft.^{2} unit leased for five years, easily covers the cost of employing a professional space measurement firm.

On Line All The Time

We now provide access to plans and space certificates 24/7 to clients through their personal Client Area on our web site www.turnerdrake.com. Geneviève Lecour will walk you through your Client Area should you so desire. Gen can be reached at 429-1811 Ext. 345 (HRM) or toll free at 1-800-567-3033 Ext. 345.

EGG HEADS

Matthew Smith
B. Comm. DULE

Mark Farrow
B. Comm. DULE

"A"s all the way … no wonder we are proud of them! They join us the ink hardly dry on their undergraduate degree, and we ruthlessly pitch them into our seven year training program … a hardy diet of study courtesy of the University of British Columbia's BBRE real estate degree, 25 (shortly to be 26) "in house" training modules spanning 400 hours, and choreographed "on the job" training under the guidance of a mentor. The program is unique in Canada … and it is tough! We now have fifteen hardy souls in the program and it is a tribute to their enthusiasm that they regularly top the charts in UBC's degree courses.

In January, Mark Farrow, the Manager of our Charlottetown office, won the Nova Scotia Real Estate Appraisers Association's 2013 award for the provincial student with the highest mark in UBC's appraisal course.

That same month, Matthew Smith, the Manager of our St. John's office, won the Real Estate Board of Vancouver's 2013 award for the student with the highest mark in UBC's Real Estate Finance course.

Fantastic effort guys!

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

Turner Drake & Partners Ltd.

Commercial Real Estate Services, Worldwide

Tenant Representation

Landlord Representation

Vendor Representation

Purchaser Representation

Looking to purchase a property? "Purchaser Representation"

Purchaser representation occurs when the purchaser retains the broker to act on the purchaser's behalf. The broker is legally obligated to act in the best interest of the purchaser; however the broker's fee is recoverable from the vendor.
Purchaser representation is particularly pertinent for industrial, commercial, investment (I.C.I.) real estate because this type of property is often not listed for sale on co-operative listing systems such as the MLS® operated by the various real estate boards. Our Purchaser Representation Agreement details our obligations to our client the purchaser, in a concise and unambiguous manner. We identify the client's purchase criteria, locate suitable properties, prepare and submit Offers of Purchase, and then negotiate the most advantageous terms for the purchaser.

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And 55 Countries Worldwide.

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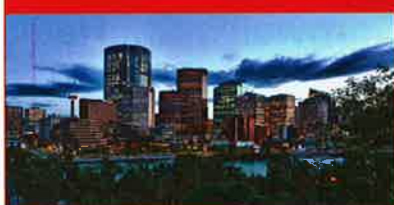

NAI Advent Advantage's goal is to maximize value for each and every one of their clients by providing a collaborative, client focused experience. They do this by leveraging their extensive expertise in all commercial and industrial real estate disciplines: Property Management, Group Investment, Industrial Real Estate Leasing and Sales, Project Management and Development.

833 34 Avenue SE, Calgary, AB T2G 4Y9 — (403) 984-9800 www.naidvent.com

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

This family owned company had assembled an extensive portfolio of woodland, widely scattered throughout Halifax Regional Municipality. Some properties had attractive lake frontage: some were easily accessible, others remote. The properties had been acquired over several decades and the family were uncertain as to their boundaries, size or value. They had appraisals on file for some properties, but they were out of date. A local developer had made an offer for several properties but had later withdrawn it. The family turned to NAI Turner Drake for help.

Our Valuation Division gathered together all of the information in the family's possession and started to assemble the jigsaw. Using the Provincial Property Online system, and information supplied by the family, we painstakingly assembled a picture of the portfolio. Most of the properties had not been surveyed. Our Valuation Division superimposed the Property Online PID layer onto aerial photographs so that "hard" boundaries such as roads, old rail rights of way, lake and river frontages, could be used to match the legal descriptions with the PID boundaries: adjustments were made as necessary. "Soft" boundaries were established using the legal description, PID layer, and woodland "cut" lines. Once the correct boundary lines had been established our Valuation Division was able to accurately value each parcel and advise the vendor which properties should be sold together as a package, and which should be sold separately, to realise the maximum aggregate value.
The twenty properties were assembled into six packages for marketing purposes. Our Brokerage Division successfully sold them all.

NAI Turner Drake & Partners Ltd.

Commercial Real Estate Services, Worldwide

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Featured Properties

For Sale:
5450 Cornwallis St., Halifax, NS

Office building within walking distance of the C.B.D. 12,359 ft.^{2}, easily subdivided into separate suites. Built to accommodate two additional floors. On-site parking.

Sale: $2,100,000

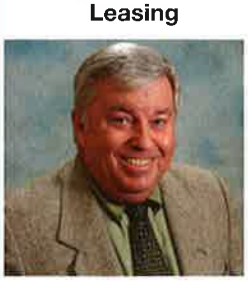
For Lease:
144 Ilsley Ave., Burnside, NS

9,739 ft.^{2} of ground floor office and warehouse space. Grade and dock loading, fenced in secure rear yard. Ample on-site parking.

Lease Rate: $10/ft.^{2} + $4.50/ft.^{2} operating

YOUR SOLUTIONS TEAM

Russ Allen
Leasing



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