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

Newsletter

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TAXING TIMES TORONTO!

And not just in Toronto … time to pay the Piper if you own or occupy property anywhere in Ontario. On October 18th MPAC, the provincial assessment authority, is scheduled to publish its proposed commercial property assessments for the new four year cycle (residential home assessments were published in May) so pay attention unless you really relish paying property taxes! Opportunity beckons, so close the door, turn off the phone and invest a few minutes in reading this article.

This year, for the first time in its history, the Municipal Property Assessment Corporation (MPAC) is publishing a property tax ***pre-roll*** before the official rolls are submitted to the municipal taxing authorities. It provides you, or us should you decide to retain our services, with the opportunity to negotiate your property assessment for the four year cycle commencing 2017 before they are set in stone. We have over 40 years' experience in assessment appeals, 17 of them involving pre-roll negotiations in Nova Scotia, hitherto the only province to utilise the pre-roll process. That province started to publish a pre-roll in 1999 following a meeting with the then Minister of Municipal Affairs and senior members of our Property Tax Division. Our tax appeals had wreaked havoc on some municipal budgets and the province was anxious to restore stability by ensuring that assessment reductions occurred *prior* to the municipality basing their budgets on them. Such clarity and forward thinking rarely permeates the political establishment and we would be happy to report that the Minister was suitably rewarded, but actually voters dumped her at the next available opportunity. However it was not for nought; her policy lives on and now Ontario too has seen the light. We have found it advantageous because negotiations on the pre-roll have proven to be more flexible and cost effective than appealing the official roll. Once the latter is published the assessor is aware that the municipality is looking over his/her shoulder and often "digs in" to defend the assessment. The municipality too can make themselves party to the appeal and resist a reduction. Pre-roll negotiations are not encumbered with this burden. Kudos then to MPAC for seeing the light. However the window for negotiations is narrow. MPAC originally intended to publish the pre-roll for all properties in May but only residential real estate made the cut. We understand that MPAC intends to deliver the official assessment roll to the municipalities on December 13th, so time is pressing.

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Basis for Your Assessment

The legislated basis for your 2017 assessment is

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the current value (effectively market value) of the fee simple interest in your property as of the 1st January 2016. If as is likely, the assessment has increased since the last assessment cycle the increase will be phased in over four years. So this is the first test you should apply. If your property's market value is less than its assessed value (at the end of the phase in period), it is over assessed. Bear in mind that only the realty is assessable. If you have an automotive dealership, fast food outlet, motel, or any type of property that derives part of its value from the "branding", this portion should not be assessed. This can really change the water on the beans. You have to step back and consider what your property would be worth without the benefit of its "flag". Since it is usually a condition of the franchise that the property have certain amenities or visual features, its value without the flag is usually substantially less. It is the latter that is assessable.

Another important point to consider is that the "highest and best" use is assessable … not the "existing" use. If for example you own an industrial property which is now located in an area of highway commercial property, the assessed value will be based on its redevelopment value for commercial use … not its existing use as an industrial property … provided that the value of the land for commercial purposes exceeds the value of the land and buildings for industrial use. Assessors frequently value industrial property by the Cost Approach. They add the land value to the depreciated value of the buildings and use the land values prevailing in the neighbourhood. If the latter is a commercial area, an industrial property situated on commercial land is often erroneously assessed at the aggregate of its (commercial) land value and the depreciated industrial building cost. To complicate matters further the Minister does have the power to make regulations providing that property should be assessed only on its current use not its highest and best use.

Bear in mind too that property is frequently over assessed if it is over 15 years old and/or was constructed in phases since there may be deficiencies due to poor yard configuration, restricted circulation around the building, inadequate loading, poor road access, ceiling heights which no longer meet modern storage requirements, interior circulation that is functionally obsolete... If the building would no longer be built today in its existing configuration it is almost certainly over-assessed.

However there is a second and more important test (we never promised this would be easy). Many provincial Assessment Acts also mandate the principle of "uniformity" i.e. that like properties should carry the same tax burden. This principle is meant to prevent assessment authorities from under-assessing property relative to its market value, thus depriving taxpayers of their right of appeal. Although the Assessment Act does not expressly require MPAC to assess property in a *uniform* manner i.e. ensure that similar properties bear comparable assessments, the Act implicitly contemplates that such should be the case. Paragraph 44(3) requires the Assessment Review Board to "*have reference to the value at which similar lands in the vicinity are assessed and adjust the assessment of the land to make it equitable with that of similar lands in the vicinity if such an adjustment would result in a reduction of the assessment of the land.*" The word "land" includes the buildings erected on it. So, even if your property is assessed at more than its current (market) value you would will still have grounds to get the assessment reduced provided that it carries a higher assessment than comparable properties.

So much for the assessment. However the taxes you pay are the product of multiplying the assessment by the tax (mill) rate and the latter is a function of your property's "classification". Broadly speaking a property is classified in accordance with its use on June 30th (its classification date) prior to the taxation year i.e. June 30th 2016 for the 2017 tax year. So if your use changes during the four year assessment cycle its classification will probably change too. Section 7(1) of the Assessment Act provides for seven major property classes - residential, multi-residential, commercial, industrial, pipe line, farm and managed forests. There are also several sub-classes.

If your social life is a little lacking visit MPAC's web site www.mpac.ca. It used to be replete with pictures of smiling property owners, workers joyfully toiling for the Supreme Leader, happy that their taxes were about to rise again, but that has now been replaced with more information about the assessment process than any well-adjusted Ontarian would ever want to know. So if your sex life is dithering in the doldrums, dig in. It's actually pretty good. It contains a wealth of information, a video and information about public information sessions. Alternatively you can keep your social life intact and hire us…

The Next Step

We will send you a set of Decision Rules as soon as your Assessment Notice arrives in the mail. Use them to decide if you are over assessed. If you think such is the case you can:

(1) Review the information MPAC have on file to ensure it is correct by logging onto their web site at www.aboutmyproperty.ca. You will have to register first using the Roll Number and Access Key supplied on your Property Assessment Notice for the 2017 to 2020 property taxation years. (If you are a Property Income and Expense Return user you can continue to use the login information MPAC mailed to you in January 2016).

(2) Determine the market value of your property by comparing it with the sales of similar properties in the area (being careful to bear in mind the rules outlined earlier).

(3) Compare your property's assessment with the assessment of similar properties in the area. If you ask them nicely, MPAC will provide you with information on up to six properties they believe are comparable … of course their choice may not be entirely free of bias.

(4) Pour yourself a stiff drink, consider all of the evidence and, if you think that you are over assessed, square your shoulders, file a "Request for Reconsideration" and pray (really, really, hard). You will have 120 days to file the Request for Reconsideration but do not procrastinate. It can take months, if not years, to get your assessment issue resolved and you tie up capital due to overpayment of your taxes during that period. There is some danger in filing an appeal if you are under assessed, for example if you have buildings or renovations that have escaped MPAC's notice …

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Alternatively you can call our Ontario Tax Team, Rick Escott, Andre Pouliot, Greg Kerry or Chris Jobe at 416-504-1811 (GTA) or 1-800-567-3033 (toll free). They will be pleased to help and may be able to determine whether you have valid grounds for appeal by asking a few questions about your property and its assessment, and comparing it with information on comparable properties in our sales and assessment databases. You can then either return to (4) above or request information on the cost of our conducting the appeal for you. This is a genuine offer, no large men with big boots will come to call.

Taxing Times Ontario

Distribution Centre (212,000 ft.2), Ontario
($121,000 in tax savings)

We were originally retained by a local franchisee in New Brunswick after the tax advisor for this national retailer insisted that there were no grounds for reducing their assessment in that province. After Andre Pouliot, Manager of our Property Tax Division successfully negotiated a reduction in the assessment, the franchisee recommended to the franchisor that we be retained to handle their property tax work in Atlantic Canada. As a result of our success in mitigating their tax load in the region the franchisor asked if we would be interested in expanding our property tax work to Ontario and take over from their tax advisor there too. Following that success the retailer requested that we fulfill their property tax advisory requirements countrywide.

Taxing Times Nova Scotia

Salvation Army, Halifax, Nova Scotia
($18,930/annum in tax savings)

For 151 years, in 127 countries, speaking 175 languages, The Salvation Army has helped those in need find their feet again. An international Christian church that helps everyone, regardless of faith, the "Sally Ann" has been active in Canada for 134 years. Our company president is a big supporter of the Sally Ann ever since a military looking lady thrust her collecting box between his mouth and beer decades ago in an Australian bar. (The guilt still lingers). Last year the Army assisted 1.85 million people in Canada and Bermuda. Its Centre for Hope on Halifax's Gottingen Street is a surprisingly cheerful place. Completed in 2011 it houses administrative offices, a men's shelter, addictions facility, chapel, dining hall, as well as a family services division including clothing, a food bank and various community programs. One floor is leased out to a federal tenant as a half-way house. As a charity, the Centre for Hope is exempt from tax, including property tax. However the top floor, because it is leased out, recently attracted taxable status, raising a red flag for the Army. Not only did it become taxable, but it was incorrectly classified as "commercial"; the leased portion was used as a men's dormitory and should therefore have been classified as "residential".

Giselle Kakamousias, Vice President of our Property Tax Division handled the file. She conducted a full on-site inspection, accompanied by the client and a representative of the Property Valuation Services Corporation (PVSC) the provincial assessment authority. As the result of subsequent negotiations with PVSC the "commercial" space was reclassified as "residential" and the value was reduced to correct errors in PVSC's costing model. Because of the nature of the incorrect classification, we were able to have the previous year's assessment reclassified under a separate section of the Assessment Act (s. 56 & 67) even though no appeal had been filed, thus gaining retroactive savings for 2015.

Construction Woes

Halifax's Central Business District is awash with cranes, evidence of a construction boom partly financed by government but largely the result of an ageing population foregoing grass

cutting and single family home maintenance in favour of apartment and condominium living. The construction has had a major, sometimes fatal, impact on businesses struggling to survive the disruption, and on landlords now facing a 14% office vacancy rate destined to rise substantially as new product pours onto the market. Seven businesses impacted by the construction of the Nova Centre, the soon to be opened convention centre, have now taken the unusual step of banding together in a class action suit claiming compensation from the developer, municipality, provincial and federal governments. However many businesses and property owners throughout the downtown are adversely impacted by the construction. In reality its main beneficiaries are HRM staff, the mayor and city councillors, since it will increase the tax base … and about two thirds of all property taxes are required to fund their salaries. (HRM, under pressure from the provincial government has just published its "sunshine list" for employees earning over $100,000/annum. The results are eye watering … about 25% to 40% above those in the private sector and higher than those of provincial government employees). Two small buildings we manage are also adjacent to new construction which is anticipated to take three or four years to complete, and will pay HRM $225,500 in property taxes over that period. We therefore suggested to City Council, that a possible solution would be for HRM to reduce the tax load of all effected landlords and their tenants, for the period of the construction. A response has not yet been forthcoming …

So if you own a building in the downtown area, or indeed anywhere in the province, what can you do to control your tax load and municipal budgets (the two are highly correlated, our studies have shown that municipal spending increases in lock step with the

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expansion in the tax base …)? Thankfully quite a lot. The Property Valuation Services Corporation (PVSC), the provincial assessment authority, is changing the "Base Year", the date it uses to calculate the assessed values, to *one* year prior to the taxation year (previously it was *two* years). Taxation Year 2017 assessed values will therefore be based on the property's market value on January 1st 2016, instead of January 1st 2015 as would have been the case prior to the change. This is much fairer since assessments should now reflect more current conditions (New Brunswick and Prince Edward Island use January 1st of the taxation year … but apparently this was too large a leap for PVSC). If you own a building in Halifax's Central Business District its 2017 assessed value has to reflect the impact of the new construction, the disruption caused by it and the increased vacancy as new office space continues to flood the market. The latter is unlikely to be a temporary phenomenon. Our working age population (20 to 64 years) peaked in 2016 and aggregate demand for office, industrial and retail space will now start to decline. It peaked in the Atlantic Region as a whole in 2011 and demand for industrial space has fallen steadily since 2012. Office demand plateaued, probably because office workers were able to extend their working years, but it will start to fall. The present glut of office and industrial space in the Halifax Regional Municipality will not be absorbed, as was the case in the past, by a growing population, because there is no cohort of similar size to replace the Baby Boomers as they retire. Instead the vacancy rate will only fall as older buildings are demolished, repurposed or abandoned. This is likely to be a lengthy process lasting a decade or more.

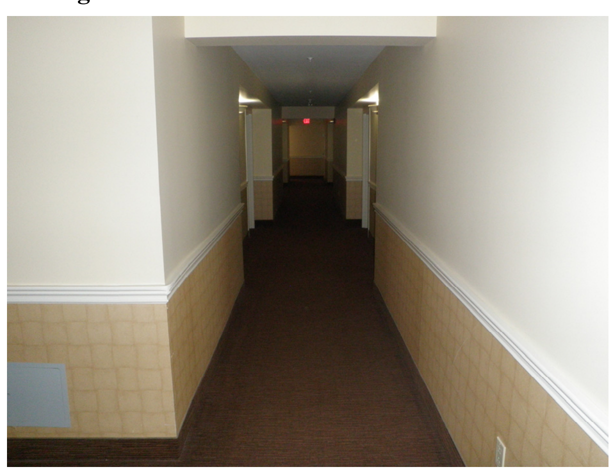
If you own a commercial or apartment property anywhere in the province where there is a large amount of vacant space you should consider reviewing your 2017 assessment. You will receive your Assessment Notice in January 2017, however in previous years PVSC has usually published a "pre-roll" albeit sometimes for selected property types in the latter part of the prior year. It has been our experience that negotiations on the pre-roll are much more flexible and cost effective than the official appeal process. Once the official roll is published it is used by the municipality for budgeting purposes: the assessor is aware that an assessment reduction may incur their wrath so may prefer to leave the Appeal Court to wear the fallout. Having effectively spent the money based on the assessed value the municipality too may wish to intervene and make themselves party to the appeal. If your property is enrolled in our PAMS® Property Tax Program, and the pre-roll becomes available, we will review your proposed 2017 assessment and where appropriate will negotiate a reduction. If your property is not yet enrolled in the program please contact our Nova Scotia Tax Team, Giselle Kakamousias or Mark Turner at 902-429-1811 (HRM) or 1-800-567-3033 (toll free).

Taxing Times Newfoundland

Little Port Harmon, Stephenville, Newfoundland
($141,444 in tax savings)

Situated at Stephenville on Newfoundland's west coast, this property was part of the former Abitibi newsprint mill site. A casualty of the internet and reduced demand for newsprint, the mill was officially closed in December 2005 and most of the buildings were then demolished. Part of the site included a few remaining small buildings, wharves, 2 acres of dry land and a 900 acre lagoon. The latter was originally an inland lake which was connected to the ocean in the 1950s to create a sheltered port. In 2015 the assessment was increased from $797,100 to $4,173,300 to reflect the inland lake which had been omitted from the prior years' assessments. The next year the assessment was increased again to $4,899,700. The owner had filed an appeal but was not satisfied with their tax agent's progress and contacted Mark Turner of our Property Tax Division seeking his assistance. The provincial assessor had valued the entire water lot at 25% of the upland value. We researched the market in Atlantic Canada and located the sale of a similar property in Nova Scotia. The matter had been scheduled for an Appeal Court hearing but, presented with the evidence, the assessor agreed to reduce the assessment from $4,899,700 to $2,542,300.

Taxing Times New Brunswick



Independent Hotel Chain, New Brunswick
($69,380/annum in tax savings)

This successful local chain of four hotels was not affiliated with any of the national brands. The owner had built the brand from scratch, strategically locating

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his properties in major centres to give province wide coverage. A "hands on" operator he had handled his own property tax appeals but as his managerial responsibilities grew and competition intensified he looked at all strategic options to grow revenue and cut costs. He contacted Andre Pouliot, Manager of our Property Tax Division for assistance. He was successful in negotiating assessment reductions on all four properties reducing their respective tax loads by 6% to 35% and their total assessment from $7.0 million to $5.4 million.

COUNSELLING DIVISION

HST Self Supply Rules: Is CRA On The Warpath?

Builders of multiple-unit residential apartment buildings will be all-too familiar with the GST/HST self-supply rules administered by Canada Revenue Agency under the Excise Tax Act. Engaging with CRA at any level is a knee-trembling experience that is best avoided if at all possible, so spare a thought for apartment builders, who have no choice but to engage every time they finish a new project. The self-supply rules require that builders volunteer the value of their completed asset, remit the GST/HST due, then wait to be told if they got it right. Welcome to the unnerving world of self-supply.

Based on the number of calls we have been getting of late, CRA is growing increasingly suspicious of the values being declared by builders in this new age of ultra-low discount rates and ultra-high property values. They smell profit and want a bigger piece of it. If you've been targeted for scrutiny, it's time to call for reinforcements.

For those who are unfamiliar with the process and want to follow along, this is how it works. Generally speaking, "used" residential property is exempt from GST/HST and no liability arises when it is sold in the marketplace. But new residential property is taxable upon completion, and for rental property the liability usually arises when the first unit is occupied, at which time GST/HST becomes payable based on the "Fair Market Value" of the asset. The most common situation, of course, is newly constructed rental apartment buildings, but the self-supply rules apply to other types of residential property, including condominiums if the builder chooses to rent rather than sell them, an increasingly likely scenario in markets where the demand for condominiums has dried up. So on that happy day when the first unit is rented, the builder is deemed to have sold and repurchased the property at its declared (i.e. self-assessed) "Fair Market Value", and gets to celebrate the occasion by remitting the required GST/HST.

The purpose of the GST/HST self-supply rules is to ensure the builder does not escape paying tax on value-added components of the project, such as the value of employed labour, financing costs and profit, the value of which would have been taxable had the asset been sold rather than rented upon completion. According to the official CRA publication (GST/HST Memoranda series 19.2.3, paragraph 5), the stated purpose of the self-supply rules is to create a "level playing field" and remove the potential tax advantage a builder would otherwise have in constructing a residential complex for rent.

Fair enough, but what constitutes "Fair Market Value" and how should it be calculated? CRA's Policy P-165R gives some guidance, and basically interprets it as the highest price that can be achieved in an unrestricted market – much the same as the industry-standard definition of Market Value. It also recognises the three traditional methods for determining Market Value, colloquially known as the "three approaches to value", being the Cost, Income and Direct Comparison approaches. Whilst the CRA Policy statement does say that no particular method should be excluded categorically, the Tax Court of Canada has tended to favour the Cost Approach in its rulings on GST/HST self-assessment cases. The most recent Tax Court ruling to cross our desk (Beaudet v. The Queen, 2014 TCC 52) adopted the Cost Approach method in favour of the other methods to establish the Fair Market Value of a residential apartment complex, but only after giving careful consideration to each of the other methods. So don't be fooled into thinking the other valuation methods have no relevance: on the contrary, CRA will expect all the relevant valuation approaches to be examined and reconciled. They are deeply suspicious that reliance solely on the Cost Approach method conceals genuine profit, whereas the Income Approach method uncovers it. They might be right, but buildings which sell in the marketplace and generate those ultra-low discount rates are cash flow vehicles, delivering stable revenues backed up by full occupancy and a track record of success. New-builds have neither full occupancy nor a track record and must be valued accordingly for self-supply purposes.

Whether or not the final result matches other market valuations done on the same property for other purposes – typically mortgage financing – does not appear to distract the Court, which remains firmly focused on the specific issue at hand. That was perhaps most clearly expressed in an earlier Tax Court decision (Sira Enterprises v. The Queen 98-2463-GST-G) when it said *'The Court's duty is to determine the fair market*

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value of the properties for the purpose of the GST. The Court is not interested in the fair market value of these properties for the purpose of sale, and indeed there might be many factors which might have to be considered if the court were required to determine the fair market value for the purpose of sale, which may not be relevant for GST purposes".

Our advice to builders is to be pre-emptive; have an independent assessment of the Fair Market Value done upon – or even in advance of – completion to support the self-assessed value being reported for GST/HST purposes. That puts you in the best possible position to defend a future challenge, and will undoubtedly help you sleep at night.

If you, or someone close to you, is losing sleep at the prospect of engaging with CRA, give our Counselling Division a call at 902-429-1811, or 1-800-567-3033 (toll free), or email Lee Weatherby at lweatherby@turnerdrake.com

PLANNING DIVISION

Planning Pays!

What can you build on your property? The answer to this is determined by interpreting the local planning policy and regulation. However these are living documents, and project timelines are often measured in years. Thus, it is essential to not only look at the present-day context, but peer into the future for additional opportunities. This is precisely why all our Planning Policy and Regulatory Review reports contain a Long-term Outlook section.

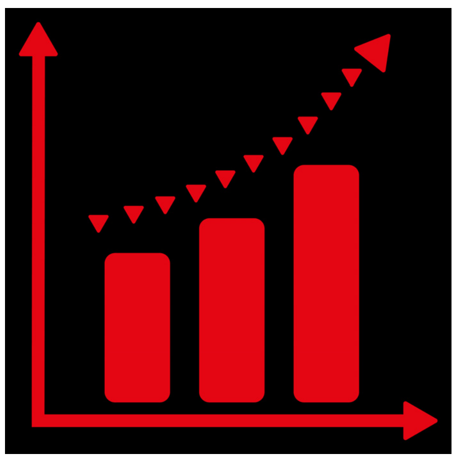
For a recent client, this feature paid dividends. For their property, the desired outcome would have required multiple amendments and the negotiation of a Development Agreement under present requirements; an expensive and risky process overall. However, by casting a wider gaze in our investigation, we identified an opportunity to pursue the same goals through a larger policy update the municipality was preparing to make. While this didn't save our client any time, it lowered the risk, and greatly reduced the cost.

We're finding our Planning Division lends vital assistance to our other areas of operation, improving the detail and delivery time of Valuation, Counselling, Economic Intelligence, Property Tax and Brokerage assignments. More importantly, it creates value for our clients, aiding with development projects big and small.

Whether you're musing about options or working towards a clear goal, ask Neil Lovitt, our Planning Division Manager, how we can help: (902) 429-1811 in Halifax, 1 (800) 567-3033 elsewhere, or nlovitt@turnerdrake.com

ECONOMIC INTELLIGENCE UNIT

TDP Trends



Every month our EIU disembowels a chicken and studies its entrails the better to assist clients (and us) understand the trends that fashion the world of real estate. EIU are a busy bunch. The results of their prognostications are published for your viewing pleasure on our web site www.turnerdrake.com > corporate site > News & Research > TDP Trends. Over the past sixteen months TDP Trends has studied an eclectic array of subjects including the following:

June 2015 – "Two Thirds of Everything" looked at Atlantic Canada's ageing population.
July 2015 – "It Ain't Over 'Till the Fat Lady Sings" considered the impact of Baby Boomer retirement on real estate in the Atlantic Region.
August 2015 – "Only So Many Golden Eggs" reviewed the impact of rural to urban migration across Canada and in the four major centres in Atlantic Canada.
September 2015 – "Soft Landing" measured when rural to urban migration would end in each of the four Atlantic Provinces.
October 2015 – "Pig in a Python" explored the Baby Boomer generation's changing demands for real estate as they slide gracefully into their golden years.
November 2015 – "Apartment Prices Peaked" analysed the trend in Overall Capitalisation Rates to determine whether apartment prices had peaked.
December 2015 – "Investment Grade Industrials" analysed the trend in Overall Capitalisation Rates to determine whether industrial prices had peaked.
January 2016 – "Investment Grade Office Properties" analysed the trend in Overall Capitalisation Rates to determine whether office prices had peaked.
February 2016 – "Office Demand Tipping Point" reviewed data on Total Population, Working Age Population, Over 64 Age Population, from 2001 to 2011 and Statistics Canada's projections to 2036 and looked at the impact of population on office space demand.
March 2016 – "Industrial Demand Tipping Point" reviewed data on Real GDP, Exports, Imports and Unemployment Rates from 2006 to 2014, projected them to 2038 and looked at the impact of these economic metrics on industrial space demand.
April 2016 – "Residential Tipping Point" reviewed data on population age groups under Low, Medium and High growth scenarios and projected the impact on Total, Single Detached, Semi-Detached, Row and Condominium housing demand.
May 2016 – "Atlantic Region Rental Housing Market" reviewed the impact of immigration on the rental market.
June 2016 – "Where are all the Boomers Moving?" studied migration patterns in each of the three Maritime Provinces by age group and determined the location of choice for seniors.
July 2016 – "Should Atlantic Millennials Rent or Buy?" answered the question in each of the four Atlantic provinces.
August 2016 – "Offices to the 'Burbs and Back Again?" traced the migration of office demand from the Central Business District to the suburbs and its possible return.
September 2016 – "Does School Quality Influence Home Values?" investigated the correlation between school district performance and residential property values.

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Featured Development Opportunities:

Residential

ADDRESS	Various Parcels
CITY	Hilden, NS
LOT SIZE	~ 160 acres
ZONING	Residential/ Restricted Residential

SALE PRICE	$679,000
PRICE/ACRE	$4,244
ASSESSMENT	$204,300
CONTACT	ASHLEY URQUHART, x340
	RUSS ALLEN, x329

Commercial

ADDRESS	Queens Crossing
CITY	Liverpool, NS
LOT SIZE	~ 11.5 acres
ZONING	Highway Commercial

SALE PRICE	$2.95 psf
PRICE/ACRE	$128,502
ASSESSMENT	$1,540,000
CONTACT	ASHLEY URQUHART, x340
	RUSS ALLEN, x329

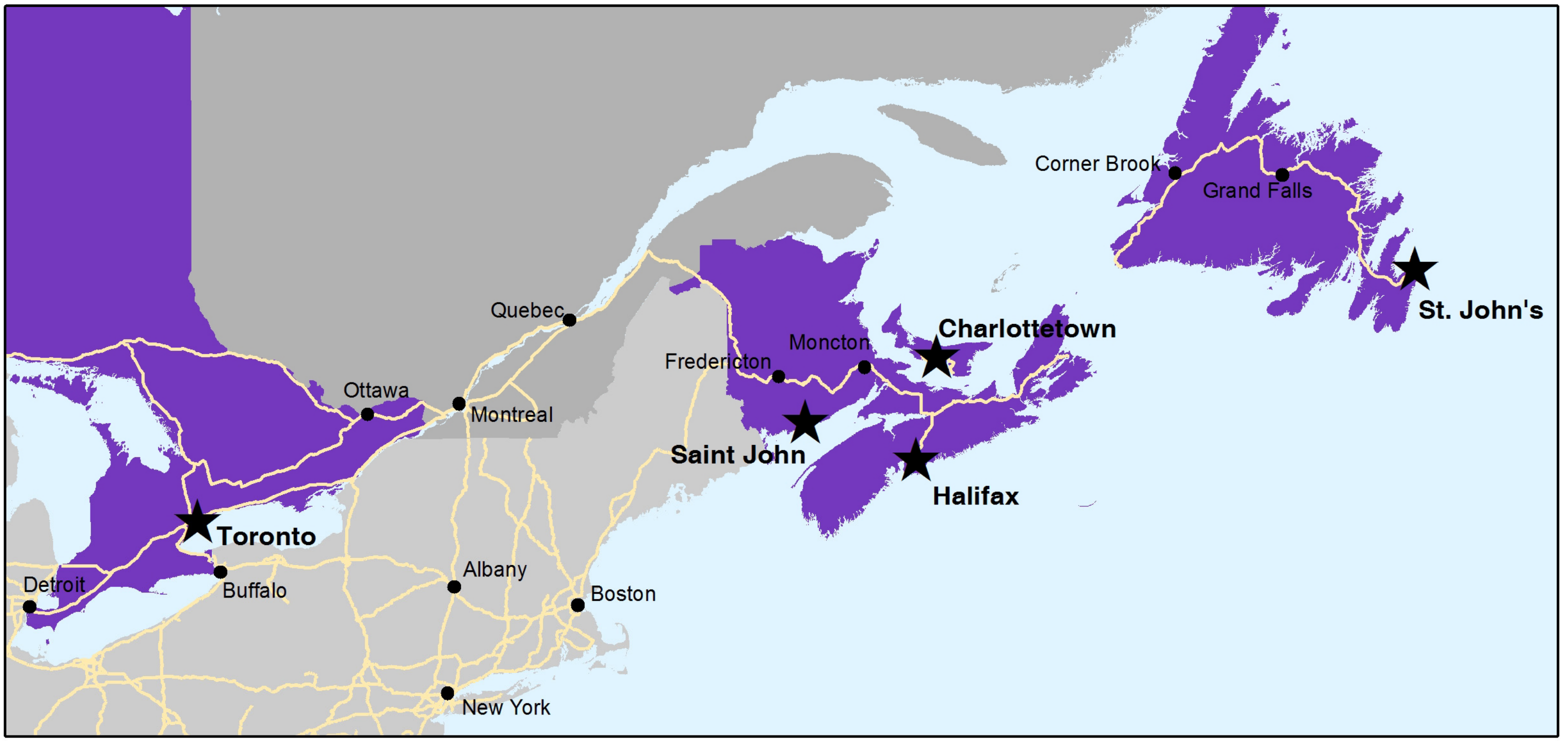
We have solutions to your real estate problems:

Challenge: Home to “Fred” a high end hair salon and coffee bar, this former bank building is located on the main approach to the MacDonald Bridge which links Halifax and Dartmouth. It is situated on a prominent corner in Halifax’s groovy north end (our head office is close by … what more can we say). The owner, Fred Connors, community activist and trend setter, had purchased the property with his long time partner Joel Flewelling in the fall of 2003 after Hurricane Juan had torn the city apart and with it their downtown business. Fred contributed to the local ambience that saw the neighbourhood transition from seedy to sexy with a funky vibe. The owners wanted to see their building continue to contribute to that transition. They turned to Turner Drake for help.

Turner Drake’s Approach: The property is located on a prominent corner and had been upgraded since its days as a banking hall. The owners wanted to capitalise on their investment while finding a use that would be compatible with the neighbourhood. They were sensitive too that a “for sale” sign might send the wrong message … this was their community and they had been a pivotal part of its renaissance. They wanted to retain a business presence in the neighbourhood but their salon had also expanded to New York so they preferred to liquidate their investment rather than entertain a vendor take back mortgage. There were some challenges with the property: the building occupied almost all of the lot so there was no onsite parking or loading. Our Brokerage Division rolled up its collective sleeves and went to work. They undertook a detailed inspection of the property, gathered information on every stick and brick, legal and fiscal attribute, and compiled it into a Master Sales Prospectus. They scoured our database of prospective purchasers and circulated details to the target market. In order to give the property the widest exposure our Brokerage Division established a co-broker network and exposed the property to the local brokerage community. Our unique Listing Agreement is structured to encourage offers from other brokers by rendering the sales compensation “broker neutral” i.e. our commission on sale is identical whether we sell the property in-house or with the aid of another broker. There is therefore no temptation for us to “double end” the commission nor will we engage in “transaction brokerage”. We focus solely on one objective: sell the property at a price and within the time frame that best fits the vendor’s objectives.

Winning results: We located a tenant, a young couple whose use as a cidery would contribute to the ambience of the area. However the vendors preferred to liquidate their holdings to invest in their business rather than provide a purchase option or vendor take back mortgage. Working with another commercial broker we secured an investor, a colourful character who owns a vineyard in Nova Scotia’s Annapolis Valley. He purchased the property and leased it to the cidery tenant. All that was left was to provide the cheese.

Local Presence: A Regional Outlook



Your Brokerage Solutions Team

Russ Allen
Leasing

Ashley Urquhart
Sales & Leasing

Verna Turner
Sales & Leasing

List of Services

Brokerage
Vendor Representation
Purchaser Representation
Landlord Representation
Tenant Representation

Counselling
Feasibility Studies
Expropriation
Mediation & Arbitration
Infrastructure Acquisition

Lasercad® Space Measurement
Space Certification
"As built" Plans

Economic Intelligence
Market Surveys
Site Selection
Trade Area Analysis
Supply & Demand Analysis
Demographic Studies

Development Planning
Regulatory Review
Development Analysis
Development Approval

Property Tax
Assessment Audits
Negotiation
Appeal Board
PAMS ® Property Tax Manager

Valuation
Reserve Fund Studies
Commercial
Industrial
Investment
Development
Rural
PAMS® Property Portfolio Manager

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