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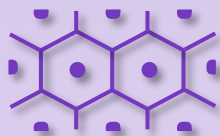
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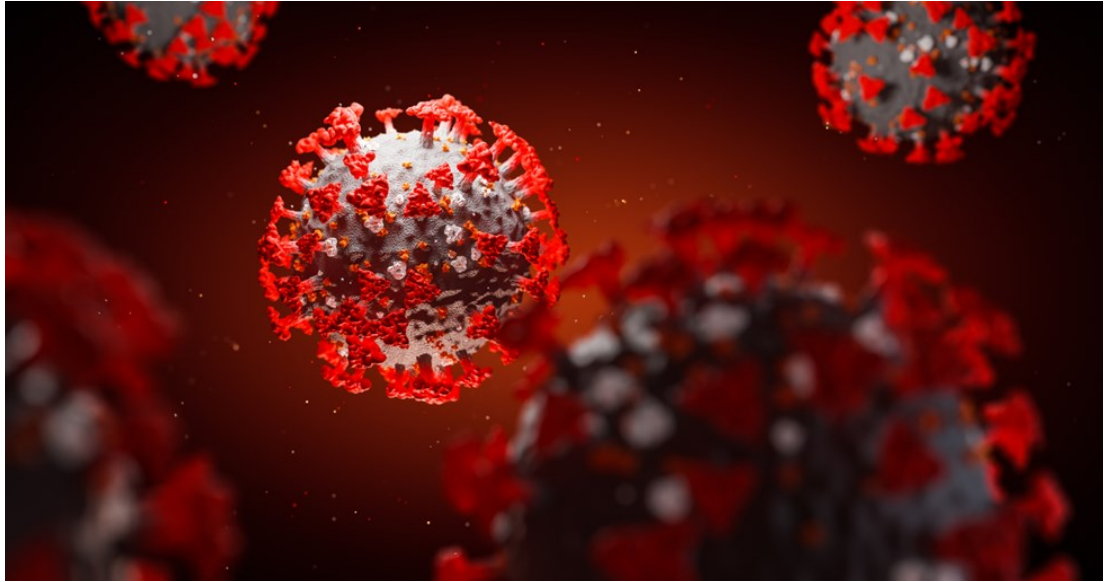
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COVID-19: Impact on Commercial Property Values



hoto Credit: Maksim Tkachenko (istock Photo)

On March 18th 2020 Newfoundland and Labrador became the first province in Atlantic Canada to declare a state of emergency under the Health Act to enforce Covid-19 measures. They were quickly followed by the other three provinces and the Region was able to quickly curtail the spread of the virus. It is premature to declare success, and crass to declare victory amidst the heartache, but the region is now catching its breath and starting tentatively to move towards its “new normal”. What is that likely to be and how will it impact commercial property markets in the Atlantic Region?

Living With Covid-19

Until there is an effective vaccine and/or treatment the world will inhabit a twilight zone, fearful that Covid-19 in its various mutations will flare up again. There appears to be optimism from those close to the process, such as Bill Gates of the Bill and Melinda Gates Foundation, that some of the 100 vaccines or so currently under development will be successful, and the modest expectation that self-interest, if not basic human decency, will enable all who want to be vaccinated to receive the benefit. Optimistically development of an effective vaccine or vaccines could be achieved in about 12 months, pessimistically in 36 months, most probably in 24 months, according to our literature and media review. Prior to the development of an effective vaccine, travel and economic activity will be restricted. During this period sporadic bursts of Covid-19 activity are likely to occur possibly causing further “lockdowns”. These spikes in virus activity will be coincident with conditions

favourable to its spread: cold dry environmental conditions such as those occurring in the Fall and in industries like meat packing plants, relaxation of “social distancing” due to the over enthusiastic opening of the economy (especially in the United States), a public wearied of their lack of social contact and restrictions on their freedom of movement, familiarity breeding contempt, the necessity to earn a living....

After an effective vaccine, and/or successful course of treatment has been developed, the world will probably have to live with Covid-19. It is unlikely to be eliminated entirely, but as it mutates it could become less virulent. Perhaps it will become like influenza, an ever present threat during the winter months; the risk of contracting it reduced, but not eliminated, by a yearly flu shot.

Economic Impact

Most of the world, including Canada, is now in a recession caused by the Covid-19 shut down. Much of the industrialized world are cautiously restarting their economies whilst keeping a wary eye on the virus in the expectation that it will flare up again. In Canada, Quebec was hit the hardest by Covid-19, the result of sun seekers bringing it back from Florida after an early Spring break, followed by Ontario. All provinces are now racing to establish sufficient testing and contact tracing capability to contain Covid-19 flare ups as they open up their economies. Unfortunately, south of our border, some States have already opened up their economies without the necessary testing and contact tracing infrastructure in place, encouraged by a federal administration paralyzed by partisanship, governing by fiat, sober thought transduced by tweet. Who would have thought that democracy could have such shallow roots? The Canadian government has

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recently announced that the international border will remain closed to non-essential traffic until June 21st; presumably it would then re-open unless Covid-19 exploits the opportunity presented by premature relaxation of social distancing requirements and erupts again.

In the Atlantic Region; Prince Edward Island, New Brunswick and Newfoundland have imposed restrictions to entry, whilst Nova Scotia kept its border open but imposed a 14 day quarantine. The border restrictions have been successful in curtailing the spread of Covid-19 but cannot be imposed forever and it is difficult to see how they could be sustained once the Canada-United States border is re-opened. The detrimental impact on the economies of all four provinces will intensify after the tourist season starts on June 1st; the season only lasts 4.5 months and visitors treat the three Maritime Provinces and to some degree Newfoundland, as a single destination. Prince Edward Island will be particularly hard hit because it relies heavily on visitors from Quebec and Ontario.

Local provincial border restrictions aside, what is the likely impact of Covid-19 on the country's economy? We are now in a severe recession, the result of the pandemic, rather than lack of demand. How long will the recession last? If the results of our literature and media review are to be believed we face an alphabet soup of options; the recession will be "V", "U", "W" or "L" shaped... which just about covers every eventuality! Many commentators have focused on the fact that this crisis is unique, not because it is a pandemic but rather because of the lack of international co-operation. In past crises the United States took the leadership role: this is not the case today. Add to that the rise of China, a totalitarian regime anxious to conceal its failings rather than subject them to public scrutiny, and the world is ill equipped to face any type of widespread crisis.

An Alphabet of Recessions

Our research reveals the following potential, and mutually exclusive, economic outcomes of the present Covid-19 pandemic (*the comments with respect to Atlantic Canadian commercial property values are our own*):

(1) "V" Shaped Recovery – a sharp recession lasting for about three months during the initial period required to contain the virus followed by a rapid

bounce back in the second half of 2020. There will be second-order effects such as bankruptcies and unemployment but these will be ameliorated by the Federal and Provincial Government fiscal response in providing income support; and Bank of Canada (and other central banks, most notably the United States' Federal Reserve) monetary actions in lowering interest rates and increasing liquidity. This is the scenario favoured by *most* of the major real estate brokers in North America. The Conference Board of Canada is a little less bullish, they expect the economy to start its recovery in the second half of 2020 with a rebound in 2021. *The impact on commercial property values will be minimal and transitional.*

(2) "U" Shaped Recovery – a sharp recession followed by a gradual recovery during the one to three years the Covid-19 vaccine is being developed; the impact of the recession will end when the vaccine is brought to market in sufficient quantity to inoculate the country's population and that of our major trading partner, the United States. This is the scenario favoured by *some* of the major real estate brokers in North America and the Bank of Canada. *The adverse impact on commercial property values will be selective and mainly reversed in three years' time.*

(3) "W" Shaped Recovery – a sharp recession followed by a moderate recovery in the latter half of the year with another recession when Covid-19, fed by the dry cold weather of winter, rears its ugly head again and triggers another lockdown. This pattern will be repeated until an effective vaccine is developed and deployed over the next three years or so. This scenario has little appeal to the real estate community in North America, possibly because it is too awful to contemplate, but has been promulgated by European and Far Eastern real estate commentators. It is however the scenario most favoured by the *health community* in North America, including Canada's Chief Public Health Officer Dr. Tam, and is informed by the history of the 1918 Spanish Flu pandemic which circulated for three years. *The repeated stop/start will erode commercial property values on a selective basis and the recovery to pre-Covid-19 levels will extend well beyond the deployment of an effective vaccine. The values of some property types such as retail, offices and hotels may never recover to their pre-Covid-19 level.*

(4) "L" Shaped Recovery – a sharp recession followed by a slow recovery

extending for two to three years beyond the development and deployment of an effective vaccine. This is the scenario favoured by a *minority* of major real estate brokers and some economists in North America. *All commercial property values will be adversely impacted though the degree will not be apparent until landlords are forced to sell under-performing assets starting two years' hence. The degree of erosion in values will be a function of liquidity. Property types that cannot be re-financed at rates their cash flow will support, will suffer a large fall in value. If properties are dumped onto the market, and lenders panic at the erosion of their mandated "loan to value ratio", resulting in even more liquidations, values of that property type will free fall. The values of some property types such as offices and hotels will take 20 years to recover to their pre-Covid-19 level. Others, such as some retail properties, may never recoup their lost value.*

Historical Data Points

To determine what will happen to values, by property type, under the various recession scenarios we have researched the effect of similar crises on property in Atlantic Canada and have used the corresponding data points to extract and extrapolate the impact on values. Although there have been six pandemics during the past 100 years none have had the economic impact of Covid-19. However there are three significant events which changed the course of history in North America and had the potential to adversely impact real estate: the Global Financial Crisis (2008), Nine Eleven (2001), and the Global Recession (1990).

Property values are the function of just two variables, the *Income* generated by the property and the *Risk* that the income will not be sustained over the time horizon the investor expects to hold their investment. There are a number of ways of measuring Income and Risk but the most commonly used metrics are Net Operating Income (NOI) and the Overall Capitalisation Rate (OCR) respectively. The NOI is the income remaining after all operating expenses (other than mortgage debt service and depreciation) have been deducted from the Effective Gross Income (the rental income collected by the landlord). The OCR is the ratio of the anticipated first year's NOI (post purchase), to the purchase price, expressed as a percentage i.e. $OCR = (NOI \div \text{Purchase Price}) \times 100$. If the NOI decreases, or the OCR rises, the

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property value will fall... and vice versa, unless there is a compensating movement in the other variable. Although the OCR primarily measures risk it also reflects the strength or weakness of supply and demand for the property... if the demand weakens for that particular property type, prices will fall and the OCR will rise.

The Global Financial Crisis (2008) – had its roots in the United States. The financial community, in a moment of mental aberration happily loaned billions of dollars to home owners who lacked the fiscal capacity to pay them back. They then packaged these sub-prime mortgages with less dodgy loans and sold bits to gullible investors worldwide. Initially it proved a great success so Wall Street, impressed with its own brilliance and rewarded with fat commissions, repeated the process with commercial mortgages... only to discover that, while you can put lipstick on a pig, it is still a pig. Eventually residential property values stopped increasing, home owners found it impossible to continue refinancing to repay loans they could not afford, and the defaults started. This proved embarrassing to financial institutions holding paper they had not yet resold. Meanwhile the inflexibility inherent in a commercial mortgage that had been repackaged with other loans, subdivided and resold to many different lenders, reared its ugly head. Once the genie was out of the bottle it was difficult to get it back in again if (when) the mortgagor wanted to re-finance mid-term. By the end of September 2007, the crisis over asset backed commercial paper (ABCP) hit the windshield in Canada. During 2008 stock markets continued to crash, Lehman Brothers, a US bank, went bankrupt and governments around the world rushed to shore up their banks with loans, guarantees and/or outright nationalization. The banking system in Canada was the exception that proved the rule and emerged relatively unscathed. *The commercial property markets in Atlantic Canada saw retrenchment by some investors such as ING Real Estate, who in 2010 sold the industrial portfolio they had acquired in 2006, at a loss. However sectorial purchasers such as Killam (apartments), some REITs and pension plans, continued to acquire property in the region. We have analysed the sale prices in Atlantic Canada on a per unit basis before, during and immediately after the crisis (a four year period in total): industrial and apartment prices continued to increase at an annual compound rate of 2% and 4% respectively; hotels, offices*

and retail fell in value by 3%, 5% and 7% respectively compounded yearly.

Nine Eleven (2001) – on September 11th 2001, terrorists attacked four targets in the United States. Almost 3,000 people were killed and over 25,000 injured. The effect of the attacks was immediately felt in Atlantic Canada as air traffic destined for American airspace was diverted to airports around this region. The economic impact occurred shortly thereafter as cross border traffic slowed to a crawl impeding imports and exports; as cruise ship passengers cancelled trips during the busy Fall season; as tourists stayed home; and as the airline industry struggled to adjust to the new reality. We then experienced a second economic disruption as industries not directly impacted by the cutbacks in air travel, tourism and cross border trade, experienced the knock-on effect. Businesses placed expansion plans on hold and some started to lay off staff. Some of this decline in economic activity was coming anyway but the events of September 11th escalated the downturn and deepened it. The anthrax contamination in the United States had already started to dampen economic activity in this region too, often to the point of absurdity... buildings in Halifax were evacuated because of dust on a civil servant's keyboard, in a workmen's boot and on a laundry room floor. Economists, ever accommodating, postulated either (1) a short "V" shaped recession lasting two quarters, a flat quarter, then a rapid recovery or (2) a recession which was deeper and more prolonged. Neither occurred and dusty civil servants, dirty boots and washing powder on laundry room floors rapidly became events of unremarkable significance too. *So how did the property markets in this Region react? They sauntered through it. We again analysed the sale prices in Atlantic Canada on a per unit basis before, during and immediately after the crisis (a four year period in total): industrial and apartment prices each continued to increase at an annual compound rate of 5%; hotels by 9%, offices by 1% and retail by 14%.*

The Global Recession (1990) – was triggered by the cataclysmic failure of property markets worldwide. The initiating event was the collapse of Thailand's currency, the baht, the result of over exuberant property lending by that country's banks. The contagion spread around the world and found fertile ground in North America. Following financial deregulation and tax cuts in the United States, American Gross Domestic Product grew by 72%

during the 1980s. Much of that money was invested in real estate, particularly home ownership, aided by lax lending by their Savings and Loan Industry. American exuberance spilled over the border into Canada. Here, our Trust Companies embarked on a program of expansion into residential real estate, and also into commercial mortgages where they enthusiastically competed with the banks and life companies. Atlantic Canada was a beneficiary and in the mid-1980s, developers embarked on an orgy of real estate expansion, enthusiastically building shopping centres, office buildings, hotels, industrials and apartments. In large part this building activity was fuelled by easy access to credit, rather than demonstrated demand.

Between 1986 and 1989, the United States' residential property market collapsed, then credit dried up for commercial lending. By the late 1980s our own Trust Companies had started to fail, falling like nine pins. The commercial property markets in Atlantic Canada started to feel the pinch in 1989 as credit dried up. The latter was key. The commercial market meltdown was a three year event which had its beginnings in 1989 (as evidenced by reduced sales volume, but not lower prices), gathered pace during 1990 and 1991 (few sales, little credit), and produced some evidence of falling values in 1992 (foreclosure sales, but some less knowledgeable purchasers still buying at 1989 prices if financing was available). By 1993 there were sufficient "distress" sales occurring that all but the obdurate, had to accept that property values had shifted dramatically downwards. *This was no minor price adjustment. 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 situated in Burnside, the region's largest park, located in Dartmouth, Nova Scotia. In Nova Scotia, the further one moved away from the Halifax/Dartmouth area, the greater the drop in value. Industrial properties located in places such as Amherst lost between 50% and 80% of their value. The office sector in the Halifax Central Business District was devastated, losing about 55% of its value. The apartment market dropped 5% to 10% on Halifax Peninsula, 50% in Dartmouth's Highfield Park, and 30% to 50% elsewhere in Metro. Retail, shuddering under the twin impacts of the recession and the growth in "big box" merchandising, also suffered badly. Some Shopping Centres fell in value by 35% (Neighbourhood) to 55% (Community). Sales activity, other than*

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foreclosure sales, really did not start again until 1995 led by hotels/motels, then apartments (1997), industrials (1997/1998), offices (1998) and retail (1999). The recovery in prices took much longer; 19 years for some properties to recapture the nominal value they lost in 1990; and most of that recovery occurred post 2000... and was due in large part to the decline in interest rates, and the concomitant reduction in the return investors were willing to accept, rather than rising rents.

Covid-19 Crystal Ball

Whatever form the recession takes, “V”, “U”, “W” or “L” shaped, its impact in terms of value erosion is likely to occur, in ascending order of magnitude on Apartment, Industrial, Office, Retail and Hospitality real estate. At present this is what we see in our crystal ball:

“V” Shaped Recession – *Apartment values* will continue to rise, albeit at a slower rate than recently until an effective vaccine is deployed and immigration can recover again. The value will “pause” or fall, in areas favoured by university renters because of the reduced rental demand from overseas students; it will start rising again once a vaccine is widely available and overseas students return. *Industrial values* will stabilise until the recession ends and the recovery picks up pace, thereafter they will continue their present increase propelled in part by the desire to hold more inventory close at hand. Buildings designed and purposed for logistics i.e. distribution, will continue to increase in value. *Office values* will decrease somewhat concomitant with the reduction in their Net Operating Income (NOI); but the rates of return demanded by investors e.g. Overall Capitalisation Rate (OCR) will rise only marginally for Class A and B buildings. Low rise buildings (3 stories or less) will be favoured over high rise structures as the challenge of moving people at the start and end of the workday, while practicing social distancing in elevators, becomes apparent. (Some building managers estimate that this will add an additional two hours to the work day in high rise buildings). Some Class C buildings will be retired from service, perhaps repurposed for apartments or demolished. *Specialty office* buildings designed for call centre, information technology or other “high density” occupancy will suffer large falls in value unless they have strong tenant covenants in place to “bridge” the two year gap or so before a vaccine is available. *Retail values* will fall to reflect any reduction in their Net Operating Income (NOI) and a modest increase in the OCR... the latter a response to their vulnerability from on-line shopping and the impetus so provided by Covid-19. Retail OCRs bottomed out in 2010 and have been increasing by about 77 basis points per decade since then, as on-line shopping takes its toll. Even a short recession will force some retailers to the wall e.g. Reitman’s, who are now seeking creditor protection, and cause others to reconsider their distribution network e.g. Newfoundland Chocolate Company, now closing its three Nova Scotia stores. The weaker malls will close, perhaps to be redeveloped for residential use. *Hospitality values* will fall substantially concomitant with the reduction in their NOI and the increase in their OCR until an effective vaccine is widely available. They will recover most of their lost value when people feel comfortable about travelling again (probably in five years or so). Hotels catering to the

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business traveller will be less badly impacted than those focused on discretionary travel but will not recover all of the value they lost as a result of Covid-19 because the virus will change travel habits and encourage the use of video conferencing. In the interim some resort hotels will benefit from former guests of Airbnb who prefer the security of professionally sanitized accommodation.

“U”, “W” and “L” Shaped Recessions – Any recession, other than a short “V” shaped economic slowdown, will place upward pressure on OCRs and hence a decline in property values, as well as adversely impacting NOI as businesses retract, fail or reposition their space requirements. Recessions are normally the response to the demand/supply disequilibrium and persist until that situation is resolved. A recession can be a significant emotional event which produces profound behavioural change, usually coloured by economic considerations. The 1990 recession, for example, though relatively mild was global in scope. It forced a rethink of office space, “productivity” replaced “presence”. Prestige office space gave way to more utilitarian buildings housing “back office” functions in industrial parks instead of Central Business Districts, and space utilisation decreased from 250 ft² per employee to 110 ft² or less. This change was enabled by technology: desk top computing became ubiquitous and cheap, the Internet burst on the scene, as did cell phones, rendering physical location less important... even irrelevant. Since the present recession is a response to a public health crisis rather than lack of demand it should be vanquished by a vaccine. However there is a danger that the economy will be sufficiently scarred by responses to the virus, such as closing provincial and national borders, that any recession will be deepened and extended. This danger is exacerbated by the erratic and contradictory behaviour of President Trump promoting activity which is counter productive to reducing the spread of Covid-19 in the United States, whilst inciting trade wars globally, and the United Kingdom’s Prime Minister Boris Johnson’s insistence on Brexit which will weaken both the United Kingdom and the European Union.

The longer the recession the greater the adverse impact on property values and the more pronounced the change in tenant and consumer behaviour. At its extreme the recession and recovery could have the same cataclysmic impact on property values as The Global Recession (1990): substantial falls in value for every property type. In our view that is possible rather than probable at the moment; our Federal and Provincial governments, echoing the response globally, have taken steps to promote liquidity. Some businesses are already starting to fail and many are reducing discretionary spending having had to shoulder the burden of closing their operations, or refocusing their expenditures during Covid-19. *We believe that the impact on property values will mirror those anticipated for a “V” shaped recession but that they will be deeper and more prolonged.*

The fly in the ointment is the necessity, sometime in the future, to recover the enormous sums spent by the Federal and Provincial governments on fighting the virus, including the income and rental support. Presumably this will have to be recaptured by

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increased taxation, borrowing or inflation... or a combination thereof. How and when that occurs will also impact property values.

🌐 Due to space limitations this article has been abbreviated. For the Full Monty visit our web site www.turnerdrake.com/newsresearch/research.asp >
Covid-19: Impact on Commercial Property Values.

PROPERTY TAX DIVISION

New Brunswick Heavy Industry



On Wednesday September 4th, 2019, André Pouliot, Senior Manager of our Property Tax Division and Vice President, New Brunswick, was asked to make a presentation to the New Brunswick Standing Committee on Law Amendments regarding the assessment and taxation of heavy industry in New Brunswick, a somewhat contentious topic and one that had caused considerable angst last year. It was also the cause of some misunderstanding. This is his report:

“I was pleased to see such a high level of interest from Committee members in understanding how property tax assessments (which are based on market value) are calculated.

Fair assessments start with accurate estimates of a property’s value. In a market value assessment system, there are no “breaks” or “deals” for property owners. Assessment professionals take their cues from the market and adjust their models so all assessments approximate market value.

Understanding the assessment system means understanding market value and the factors that influence it. Most of us have a reasonable understanding of the factors that influence the value of our homes. We understand that a strong housing market drives higher values for all houses. We understand that a property with features that purchasers desire (e.g. great kitchen; open concept design; a finished basement) will have a higher value than one that lacks these features or is in a state of disrepair. We understand “location, location, location”, and the benefit of being close to amenities like parks and schools, and the disadvantage of being located next to negative influences like landfills or flood zones.

Although the market for heavy industrial properties is global as opposed to local, the factors that influence their value are not dissimilar. When markets are strong

(i.e. there is a balance between the number of buyers and sellers), values can be stable. When markets are weak (there are more sellers than buyers), values will fall. Individual facilities can become less appealing to buyers as they get older, or if the building design and layout will not accommodate the most efficient technology or process. Location also applies. Instead of proximity to parks and schools, ask if the facility is located close to its raw material, or close to where it sells its final product? Does the location offer a competitive advantage or disadvantage in terms of the cost of inputs to production?

The 2013/2014 re-assessment of pulp and paper mills in New Brunswick generated questions from the Committee and provides an excellent case study for the factors that impact the market value of heavy industrial properties generally. If you understand the factors that impact housing values, consider the following scenario. Imagine an older neighborhood with houses built up over a period of 100 years. The market is poor, and there are significantly more sellers than buyers. When you look up and down the streets, approximately 1/3rd of the houses are vacant and boarded up while they wait to be demolished. Demand is weak generally, but the houses in this neighborhood are especially less appealing than newer houses because they are older and are lacking in amenities that purchasers require. The purchasers themselves have concluded that it would be much less expensive to build a new house than to modernize the older structures. In fact, the houses are so functionally obsolete, there are builders constructing houses across town, with all of the amenities purchasers demand, for less than half the cost of reconstructing replicas of the homes in the older neighborhood.

This was the state of the market for pulp and paper mills at the time of the reassessment. Maritimers will recall closure of mills in Bathurst, Dalhousie, Miramichi, Brooklyn, and Port Hawkesbury; all but one were subsequently demolished. Assessors and Appeal Boards in assessment jurisdictions across the country were tasked with coming up with an estimate of the market value of these assets. Many experts provided testimony, and Appeal Boards in contested hearings in Ontario ordered assessment reductions ranging from 60% to 75%. It shouldn’t be surprising that experts tasked with determining the values of mills in our region came to similar conclusions.

To be clear, the assessment process is about ensuring that assessments reflect market value, not about providing a “break” or a “deal” on property taxes.”

🌐 *André Pouliot, the Manager of our Property Tax Division, holds professional designations in Valuation with the Appraisal Institute of Canada and the Royal Institution of Chartered Surveyors. He has more than 20 years of experience in the assessment and valuation of heavy industrial, commercial, and investment properties. He can be reached at 506-634-1811 Ext.321 (1-800-567-3033 toll free) or by email at apouliot@turnerdrake.com. For more information on our Property Tax services visit our dedicated web site www.turnerdrake.net or our Corporate web site www.turnerdrake.com → Corporate Site → Property Tax.*

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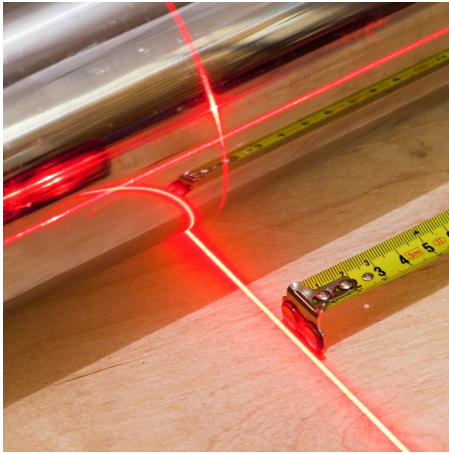
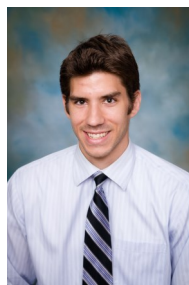
Measuring Up

Photo Credit: Bigstock Photos

Time marches on and the Standard Methods of Measurement continue to evolve! If you have not yet had your office building measured and recertified to the 2017 BOMA Standard Method of Measurement you should consider doing so particularly if it has not been measured since 1995. The 1996 BOMA Standard Method of Measurement for space in office buildings took a big leap forward by allowing building owners to allocate their building Common Areas (lobbies, washrooms, corridors, etc.) between the various tenant suites when computing Rentable Area. On average it allowed landlords to capture an additional 3% of rentable space and was a much more equitable way of distributing the rent. The 2010 revision to the BOMA Office Standard further changed how this Common Area was allocated within the building, and allowed landlords to redistribute it from the (lower rent) storage areas to the (higher rent) office space. The 2017 revision to the BOMA Office Standard continued to refine it by replacing the term "Usable Area" with the more intuitive "Occupant Area" to describe the space actually occupied by the tenant. It also tweaked the way Occupant and Rentable Areas were calculated. The amendments reduce the way the dominant portion of the wall height is calculated; allow amenity areas to be allocated to the tenants who benefit from them; render additional clarification on the measurement and allocation of doorway setbacks; and provide the option to cap a single tenant's load factor (the method of allocating Common Area), rather than basing it on the entire building. The thrust of the changes is to render the measurement of Rentable Area more intuitive, logical and equitable to both landlord and tenant. For landlords, the danger of not keeping current is that their space may appear to be less competitive from a rental perspective if it

is compared to similar space measured to the 2017 BOMA Standard. Some landlords may prefer to defer moving to the most recent Standard on the grounds that they risk upsetting their present leases. However deciding whether or not to implement the 2017 BOMA Standard immediately is really moot. Far better to move to the 2017 BOMA Standard now and defer implementation until the lease is renewed or the space is re-leased. That way new leases are brought within the framework of the 2017 Standard as they are executed. The other reason for procrastinating is that there may be further changes to the Standard in the future. This is true of course, but the most recent changes have focussed on clarifying the measurement process and making it more equitable; essentially codifying solutions that may have been resolved in the past on an ad hoc basis and which inevitably and ultimately result in landlord/tenant disputes.

🌐 *Patrick Mitchell is Vice President of our Lasercad® Space Management Division. Whether you are in the preliminary design stages of new construction, or renovating an older building, he can assist you with your Fire Emergency Floor Plans and Fire Evacuation Plans, or optimising your building's efficiency using the most recent BOMA standard. Pat can be reached at 902-429-1811 Ext. 314 or by email pmitchell@turnerdrake.com. For more information on our Lasercad® Space Management service visit our web site at www.turnerdrake.com > Corporate Site > Lasercad Space Measurement.*

EGG HEAD AWARDSChris Jobe BBA,
DULE, BBRE,
MRICSJames Stevens
B.Sc., Adv. Dip.
GIS, P.Ag., MRICS


We are pleased to announce that our Chris Jobe and James Steven have been admitted to the Royal Institution of Chartered Surveyors (RICS), the international body of the property profession.

Chris joined Turner Drake in 2012 directly upon graduating with a Bachelor of Business and Administration degree, with a Co-op Designation and a Major in

Accounting, from Saint Francis Xavier University, Antigonish, Nova Scotia. He received a Diploma in Urban Land Economics (DULE) from the University of British Columbia in 2015 and their Bachelor of Business in Real Estate (BBRE) degree in 2019. He has experience in our Lasercad® Space Measurement Division but for the past seven years he has been active in our Property Tax Division, where he is a Manager, conducting assessment appeals on his own account throughout Atlantic Canada, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia, and assisting on appeals in Quebec. The North West Territories and Nunavut have so far eluded him, but he is anxious to add these notches to his belt too. Chris was promoted to Manager of our Toronto, Ontario, office last year.

James joined Turner Drake in 2013 directly upon graduating with an Advanced Diploma in Geographic Information Systems (GIS for Business) from the Centre of Geographic Sciences in Lawrencetown, Nova Scotia. He graduated from the University of Guelph, Ontario, in 2011 with a Bachelor of Science in Environmental Sciences (Honours) degree, majoring in Natural Resource Management with a minor in GIS and Environmental Analysis. He was granted a Diploma in Urban Land Economics (DULE) from the University of British Columbia in 2016 and is currently enrolled in their Bachelor of Business in Real Estate (BBRE) degree. He holds a Professional Agrologist (P.Ag.) designation through the Nova Scotia Institute of Agrologists. For several years he was active in our Economic Intelligence Unit integrating primary research with GIS. He is now employed in our Valuation Division where he utilises his GIS, valuation, soil and resource management knowledge to evaluate farm and resource property. James is Manager of our Charlottetown, PEI office.... and no, he is not sporting a Covid-19 haircut.

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