

Turner Drake & Partners Ltd.
6182 North Street,
Halifax, N.S., B3K 1P5
Tel.: (902) 429-1811

St. John's, N.L.
Tel: (709) 722-1811

Charlottetown, P.E.
Tel: (902) 368-1811

Moncton, N.B.
Tel: (506) 389-1811

Saint John, N.B.
Tel.: (506) 634-1811

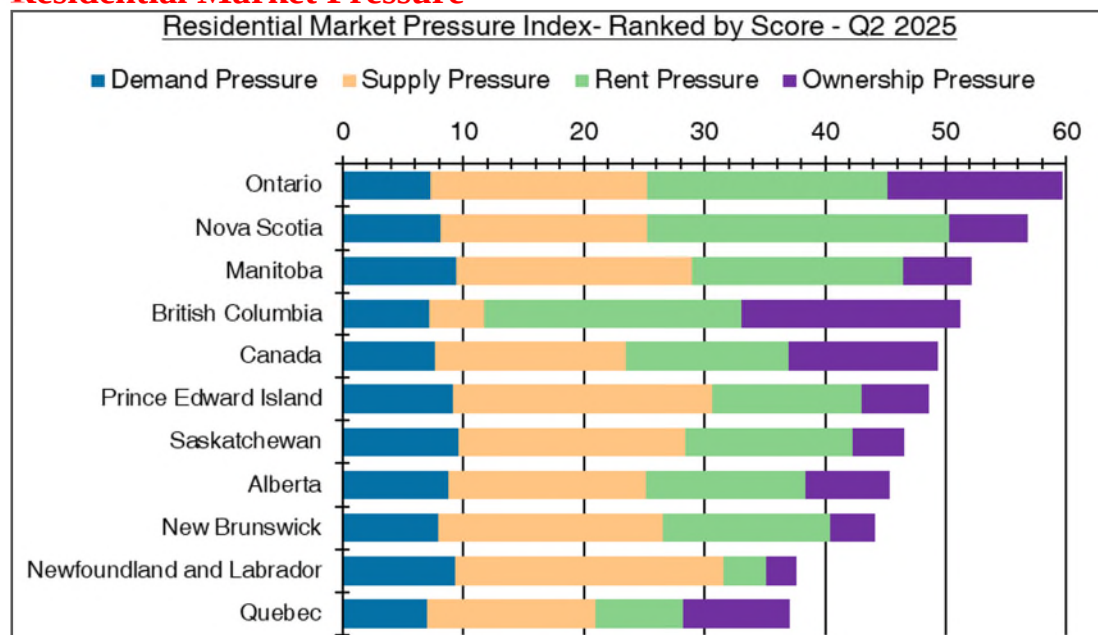
Toronto, ON.
Tel.: (416) 504-1811

Toll Free: (800) 567-3033
Fax.: (902) 429-1891

E-Mail: tdp@turnerdrake.com
Internet: www.turnerdrake.com



Residential Market Pressure



Source: Turner Drake & Partners Ltd. and Statistics Canada

Conventional and social media across the country are awash with stories of the housing crisis. Everybody, it seems, has an opinion on how bad the situation is, its causes and resolution. Our Spring 2025 Newsletter (Vol. 2 No. 133) took a deep dive into its cause in Atlantic Canada, but just how dire is the situation in the various provinces, cities, towns and communities across the nation? The housing crisis has many faces. Its most heart rendering are the impromptu encampments in parks and roadside strips in the larger communities, something most of us formerly associated with the United States rather than our country. Less visible, but no less disturbing, is the rapid rise in rents and house prices which most adversely affect young people as they leave the family home for university, community college or other post-secondary education, or to embark on a career. The difficulty of finding suitable, or any accommodation, at a price they can afford, adds an additional layer of worry to what is already a stressful juncture in their lives. This continues as they later look to move out of rental accommodation to find a house they can call their own. Rather like the blind person describing an elephant the crisis presents itself to individuals in different ways. Alas, there is no standard method for measuring the housing crisis so we decided to rectify that sorry state of affairs by developing a Residential Market Pressure Index (RMPI) a.k.a. "rimpee"; a single index that evaluates housing

market pressure by combining four key forces: demand, supply, rent burden, and ownership burden. By sourcing data from multiple sources, the RMPI distills a complex housing landscape into one clear measure of market tension. It answers the central question: *why, despite record housing investment, do Canadians still feel the squeeze?* The RMPI provides an answer by quantifying how much pressure markets remain under, even as population growth slows and completions improve.

A Single Answer to Multiple Questions

The keen minds in our Economic Intelligence Unit (EIU) are nothing if not ambitious: RMPI is more than just a national indicator; it's a decision tool that offers insight that professionals across the housing ecosystem (their words!) can apply directly to their work:

Municipal and provincial policymakers can use the RMPI to pinpoint where intervention is most needed. High-pressure scores highlight areas where new housing delivery must accelerate, where zoning reform may be warranted, and where affordability programs can have the greatest impact.

Developers and builders can use it to identify emerging opportunities, reduce their risk and increase their profit margin. Markets with sustained pressure signal unmet demand and potential higher returns on new supply, especially in medium-density, purpose-built rental segments.

Lenders and financial institutions can use the RMPI to assess regional exposure and investment timing. Tracking how pressure shifts across provinces helps gauge risk, forecast market cooling, and anticipate credit conditions.

(Continued on page 2)

IN THIS ISSUE

Residential Market Pressure.....	1
Economic Intelligence Unit	6
Valuation Division: The Buck Stops Here	7
Saint Mary's Steps Up.....	7
This Could Be Your Best Investment This Year	8
Join A Select Group	8

(Continued from page 1)

Housing advocates and non-profit providers can use the RMPI to strengthen evidence-based advocacy. The index quantifies affordability stress across tenure types, giving local organizations a credible, data-backed way to frame their community's challenges.

Journalists, researchers, and think tanks can use it to interpret the national housing narrative (and appear even more knowledgeable). The RMPI provides a single, comparable benchmark that turns abstract affordability trends into clear, quantitative stories explained with a single number.

Investors and asset managers can use it to compare regional market dynamics and balance portfolios toward long-term, stable markets.

In a word (well several words) RMPI is the greatest thing since sliced bread because it helps each of these groups translate complexity into clarity. Whether the goal is to plan, build, finance, or advocate, the index provides a measurable starting point for understanding where the housing system is under the most stress, and why. It's a minor miracle nobody created it before us.

Reading the RMPI

Each province's RMPI score ranges from 0 to 100, providing a standardized way to compare housing conditions across regions and over time. Scores of:

- **0 to 25 indicate low pressure**, typically associated with ample supply, stable affordability, and balanced population growth.
- **26 to 50 reflects moderate pressure**, where affordability risks and local supply constraints begin to emerge.
- **51-75 signals high pressure**, characterized by widespread affordability challenges and delayed housing delivery.
- **above 75 indicates severe pressure**, where housing demand, rents, and prices outstrip available supply—conditions that are structural rather than cyclical.

Unlike a single price or rent measure, the RMPI shows how these factors reinforce one another. A province may have moderate demand but still register high pressure if supply fails to keep pace or affordability erodes. This makes the RMPI a concise yet comprehensive tool: a single number that captures the health of a housing market, distilling a complex system into a clear signal for policymakers, developers, and the public alike.

Housing Pressure (Q2 2025)

The Residential Market Pressure Index chart on Page 1 captures the state of the nation in 2025 (Second Quarter) by summarising housing pressure on a province-wide basis and identifying the cause of that pressure. Study it carefully, an exam may follow. So, what does each component measure and what is their trend?

Demand pressure reflects the pace at which population growth outstrips new housing completions. After several years of rapid escalation, demand pressure has fallen notably over the past two quarters, driven by slower population inflows linked to tighter immigration caps and restrictions on international student admissions. This marks the first sustained cooling in underlying demand since the pandemic period.

Supply pressure captures the conversion gap between building permits and actual housing starts. British Columbia records the lowest supply pressure in Q2 2025, suggesting that new projects are moving from approval to construction more efficiently than in most other provinces. Elsewhere, administrative delays, financing constraints, and workforce shortages continue to widen the gap, keeping the supply pipeline under strain despite strong permitting activity.

Rent pressure remains high nationwide, led by Nova Scotia and British Columbia, where surging demand has collided with low vacancy rates and rapidly rising asking rents. In both provinces, household incomes have not kept pace with the cost of renting, leaving renters more financially vulnerable even as wage growth modestly improves. The persistence of rent pressure underscores how affordability challenges now extend beyond high-growth urban markets.

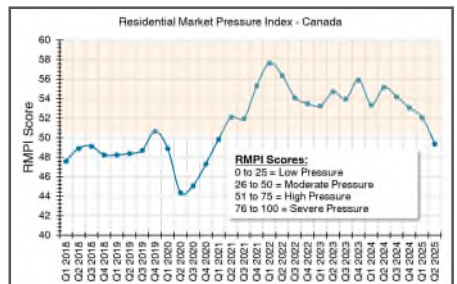
Ownership pressure, driven by high home prices relative to earnings, remains strongest in British Columbia and Ontario. In both provinces, home values have climbed well above the national average, stretching affordability for middle-income buyers. Mortgage rate increases since 2022 have compounded the issue, as higher borrowing costs have effectively locked many prospective buyers out of ownership, prolonging rental demand and feeding back into overall market stress.

Canada's housing market remains under sustained pressure, but the story varies sharply by region. As of Q2 2025, the

RMPI shows national pressure pushing the high range, at roughly 49.3 points, signalling that overall stress in the housing system remains elevated even as conditions have begun to cool slightly from recent peaks i.e. countrywide we have a housing crisis of moderate proportions. The RMPI chart shows that even as demand cools, affordability has taken centre stage – a structural challenge that no longer fades with the economic cycle. Across the provinces, Ontario continues to register the highest pressure, followed closely by Nova Scotia and Manitoba. These markets combine rapid population growth with tight supply pipelines and worsening affordability for both renters and purchasers. At the other end of the spectrum, Quebec and Newfoundland and Labrador record the lowest composite scores, reflecting relatively balanced market conditions and slower demand growth.

With customary modesty we proffer the following analysis and recommendations... whilst disclaiming any responsibility if they prove to be wrong (PM Carney and Provincial Premiers kindly take note):

Canada



Canada must stay laser-focused on affordability as market pressure remains structurally high. Even as the national RMPI eased to 49.3 in Q2 2025, the housing system continues to strain under chronic affordability gaps. Demand has cooled with lower immigration and fewer international students, but supply remains gridlocked, and labour bottlenecks persist. Rent burdens have overtaken population growth as the main source of stress, while ownership costs remain stubbornly high. Canada must convert policy momentum into sustained delivery: build faster, finance smarter, and align housing supply with demographic policy.

Ranked drivers (avg, last 4 quarters):

1. Supply: approvals still outpacing starts.
2. Rent: renters' budgets remain stretched.
3. Ownership: high price-to-income

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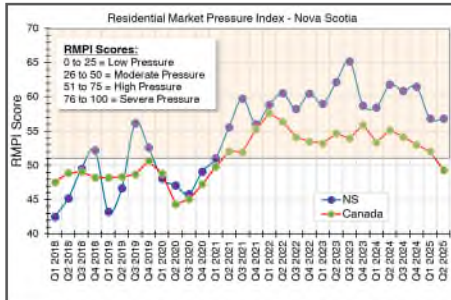
multiplier.

4. Demand: easing from recent peaks.

Outlook

Market pressure will remain **moderate-to-high** nationally. Growth in completions and easing mortgage rates could help stabilize the RMPI below 50 by 2026.

Nova Scotia



Nova Scotia must confront entrenched affordability challenges to restore balance. With an RMPI of 56.8 in Q2 2025, pressure remains among the highest in Canada. Population growth has eased, yet rents continue to rise and ownership remains elusive. Limited construction capacity and cost inflation have slowed new supply, leaving vacancy rates near historic lows. Rent burdens now dominate provincial pressure, showing how affordability has replaced demand as the core problem.

Nova Scotia must pair aggressive housing delivery with affordability safeguards like targeted rent supports, faster permitting, and incentives for middle-income ownership.

Ranked drivers (avg, last 4 quarters):

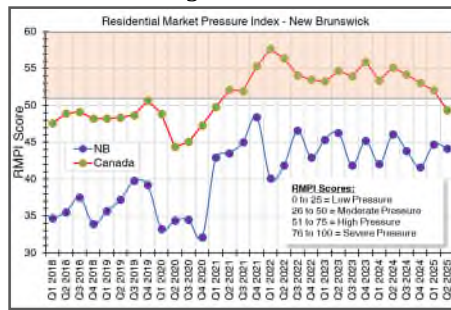
1. Rent: rental costs have surged faster than incomes.
2. Supply: construction has not kept up with approvals or demand.
3. Demand: still strong but moderating after rapid post-pandemic growth.
4. Ownership: improving slightly, though prices remain high.

Outlook

Pressure will remain **high** in the short term but may ease if construction pipelines accelerate in Halifax and secondary centres.

New Brunswick

New Brunswick's RMPI of 44.1 in Q2 2025 reflects a comparatively balanced housing market, though emerging signs of supply strain, warrant attention. Construction has kept pace with population growth, and rent burdens remain moderate.



However, supply pressure has crept upward as building approvals accelerate faster than starts, pointing to capacity or financing constraints. Maintaining balance will require reinforcing regional construction pipelines, and addressing skilled labour shortages, to ensure approvals translate into homes.

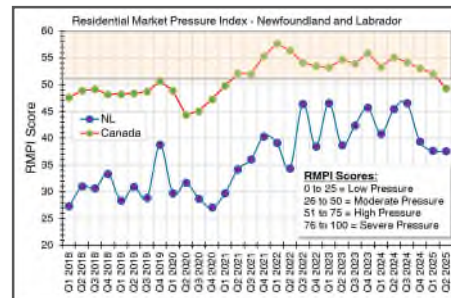
Ranked drivers (avg, last 4 quarters):

1. Supply: elevated as approvals increasingly outpace starts.
2. Rent: rising modestly, reflecting gradual urban market tightening.
3. Demand: sustained but manageable migration inflows.
4. Ownership: lowest burden among Atlantic provinces.

Outlook

The RMPI will likely remain **stable**. Continued population growth could tighten conditions slightly by 2026.

Newfoundland and Labrador



Newfoundland and Labrador's RMPI of 37.6 in Q2 2025 indicates the least housing market pressure in Atlantic Canada. While overall affordability remains stable, supply pressure is high, reflecting an expanding gap between approvals and starts rather than overheating demand. This suggests underutilized construction potential that could be leveraged for renewal and growth.

Ranked drivers (avg, last 4 quarters):

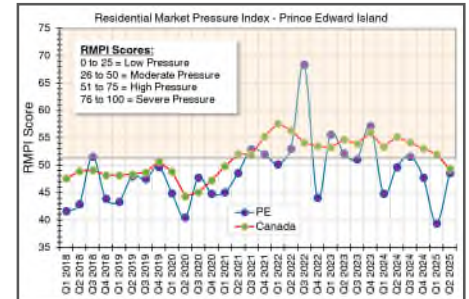
1. Supply: high pressure signals under-delivery relative to approvals.
2. Demand: modest but steady growth

- keeps the market active.
3. Rent: among the most affordable rental markets in Canada.
4. Ownership: homeownership remains broadly attainable.

Outlook

Low demand will keep the RMPI in the **moderate** range, but future affordability could be challenged by underinvestment in new supply.

Prince Edward Island



Prince Edward Island's RMPI of 48.6 in Q2 2025 reflects a persistent imbalance between strong population growth and limited construction capacity. The province's small-scale development ecosystem leaves it vulnerable to labour shortages and project delays.

Elevated supply pressure shows that many projects remain stuck at the approval stage, while rent and ownership burdens continue to climb. Accelerating project delivery through targeted incentives and modular construction could help narrow the gap and stabilize affordability.

Ranked drivers (avg, last 4 quarters):

1. Supply: consistent permitting, but lagging starts, continue to limit output.
2. Rent: elevated relative to household incomes.
3. Demand: population growth remains high for a small province.
4. Ownership: affordability slipping gradually.

Outlook

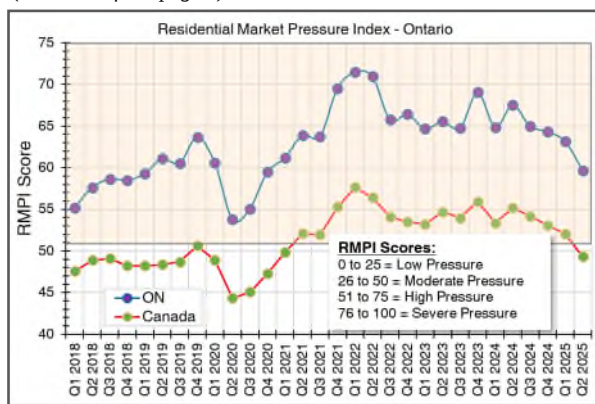
PEI will stay **moderate-to-high**. Without sustained investment in rental supply, affordability may continue to erode.

Ontario

Ontario's RMPI sits at 59.7 in Q2 2025, the highest in Canada. The province continues to experience strong population inflows, but conversion from approvals to starts remains sluggish. Despite provincial housing targets and municipal zoning reforms, construction costs, financing constraints, and labour shortages are limiting output.

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Rent and ownership burdens are now structural, with households spending record shares of income on shelter. Easing interest rates and renewed housing incentives could stabilize market pressure, but progress depends on dramatically improving construction throughput.

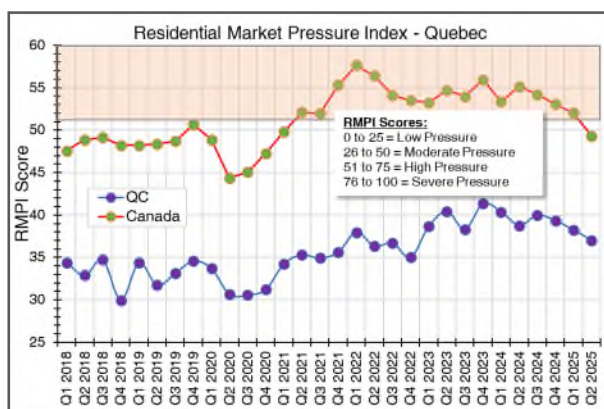
Ranked drivers (avg, last 4 quarters):

1. Supply: delivery lags persist despite high approval volumes.
2. Ownership: prices remain high relative to income and mortgage interest rates.
3. Rent: affordability deteriorates in key metros.
4. Demand: easing slightly but still strong due to job and population growth.

Outlook

Pressure will stay **high** into 2026. Improved financing conditions may stabilize ownership costs, but demand remains intense.

Quebec



Quebec's RMPI, at 37.0 in Q2 2025, remains among the lowest nationally, underscoring relative market balance. Population growth has been steady but moderate, allowing the housing system to keep pace. Supply pressure is mostly contained and affordability has held better than elsewhere.

Rent and ownership burdens have risen only modestly, supported by stable income growth and strong rental regulation. Continued discipline in approvals and targeted redevelopment in high-demand areas will help sustain Quebec's equilibrium over the coming years.

Ranked drivers (avg, last 4 quarters):

1. Supply: manageable, with delivery largely keeping pace.

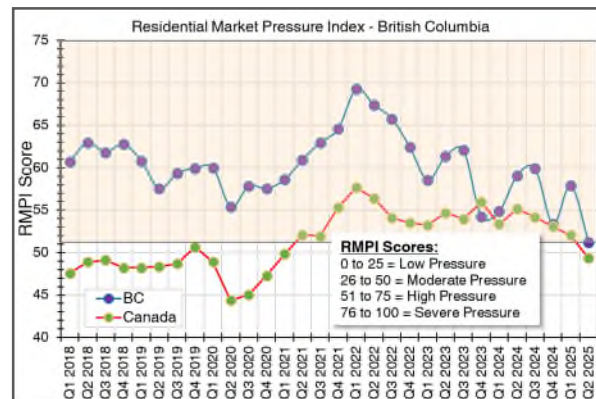
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2. Ownership: affordability gradually tightening.
3. Demand: modest population growth supports balance.
4. Rent: limited escalation due to stable regulation.

Outlook

Quebec is expected to remain Canada's most balanced major market through 2026.

British Columbia



British Columbia's RMPI sits at 51.2 in Q2 2025, reflecting persistent stress driven primarily by rents and ownership costs. The last four quarters show low supply pressure with approvals-to-starts gap narrowed materially, so the near-term constraint isn't conversion; it's that even with better conversion, the absolute level of new supply still isn't enough to offset years of underbuilding and very high shelter costs.

Demand momentum has cooled, but households remain squeezed by high rents and price-to-income multiples. BC needs to push execution on recently enabled multi-unit reforms and preserve rental production financing, but recognize that affordability relief, not just pipeline efficiency, must be the focus.

The province needs to scale non-market and below-market rental, fast-track missing-middle projects, and protect renters in tight submarkets.

Ranked drivers (avg, last 4 quarters):

1. Rent: affordability stretched even in suburban markets.
2. Ownership: high price-to-income ratios remain entrenched.
3. Demand: moderating as migration slows, but remains positive.
4. Supply: lowest supply pressure in the country.

Outlook

High pressure will persist until large-scale housing delivery materializes post-2026.

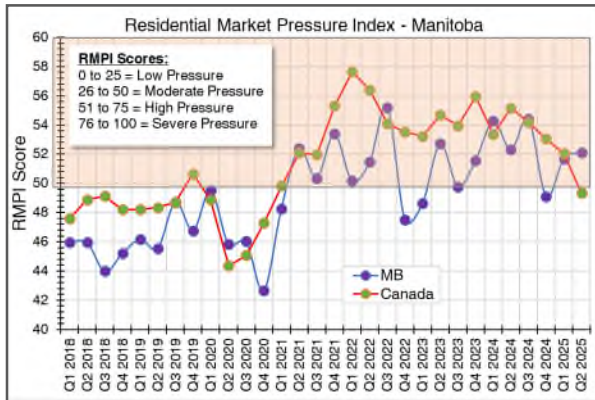
Manitoba

Manitoba's RMPI of 52.1 in Q2 2025 reflects steady but mounting pressure as construction timelines lengthen. The province's housing supply is increasingly constrained by financing costs and labour shortages, pushing supply pressure higher.

Rents have risen sharply in Winnipeg, where purpose-built development has struggled to keep pace with population growth. While ownership affordability remains comparatively stable, demand is strengthening,

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underscoring the need for renewed housing investment. Manitoba's moderate position masks growing vulnerabilities beneath its balanced exterior.

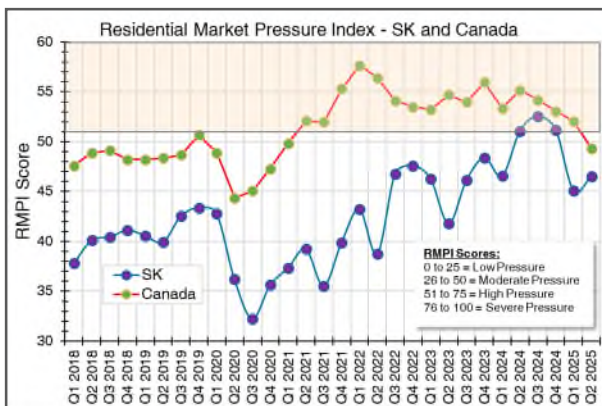
Ranked drivers (avg, last 4 quarters):

1. Supply: significant delays between approval and completion.
2. Rent: affordability steadily worsening.
3. Demand: resilient growth sustaining tight markets.
4. Ownership: remains relatively stable.

Outlook

Manitoba will remain at the **low end of high pressure**. Supply growth will be key to affordability stability.

Saskatchewan



Saskatchewan's RMPI, at 46.5 in Q2 2025, indicates moderate housing pressure underpinned by strong demand momentum. Interprovincial migration and job creation have boosted housing needs, but completions continue to lag.

Supply pressure is rising sharply, with developers facing cost and capacity hurdles that limit starts. Rent and ownership remain affordable compared to national averages, but the trend line is upward. Without faster delivery, today's moderate pressure could tip into sustained affordability loss by 2026.

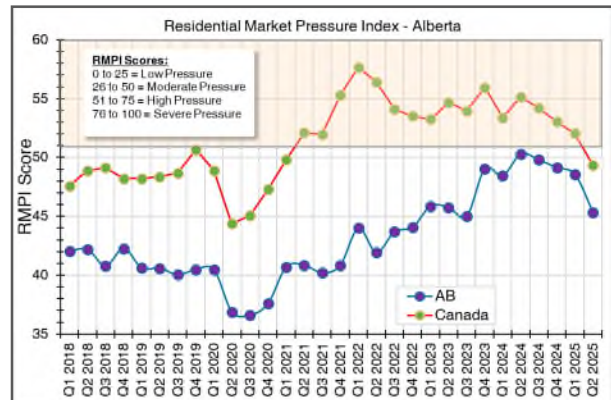
Ranked drivers (avg, last 4 quarters):

1. Supply: pronounced delivery gap emerging across major centres.
2. Rent: moderate but rising.
3. Demand: population growth stabilising.
4. Ownership: affordability remains an anchor of stability.

Outlook

Pressure will stay **moderate**, but supply delivery must accelerate to avoid long-term affordability erosion.

Alberta



Alberta's RMPI of 45.3 in Q2 2025 points to moderate and manageable housing pressure. Strong population inflows from other provinces continue, but the province's larger housing stock and lower costs have softened the impact.

Supply pressure has, however, increased with delivery times lengthening and starts falling short of approvals as builders face financing challenges. Rent burdens are rising quickly in Calgary and Edmonton, though ownership remains relatively affordable by national standards.

Alberta's advantage lies in capacity: policies that unlock labour and financing could keep it among Canada's most stable housing markets.

Ranked drivers (avg, last 4 quarters):

1. Supply: rising delivery strain as starts trail approvals.
2. Rent: affordability slipping amid tightening vacancy.
3. Demand: migration-driven growth sustaining momentum.
4. Ownership: still accessible, though trending upward.

Outlook

Alberta will remain **moderate**, though continued migration may add pressure through 2026.

Overall Conclusions of the RMPI

Canada's housing market remains under sustained structural pressure. While population growth has cooled and completions are rising, affordability remains the dominant challenge across nearly every province. The RMPI underscores one truth: **solving the housing crisis requires not just more homes, but homes that people can afford.** Comparisons between provinces highlight that progress is uneven. Ontario, British Columbia, and Nova Scotia remain under the greatest strain, while Newfoundland and Quebec demonstrate what balance looks like. The next phase of policy action must bridge that divide through faster delivery, smarter zoning, and affordability-first programs.

Understanding the RMPI (Nerdy Section)

The Residential Market Pressure Index (RMPI) distills housing stress into a single comparable score by combining four equally weighted components: **Demand Pressure, Supply Pressure, Rent Burden,**

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and **Ownership Burden**. Each captures a different dimension of how housing markets respond to population dynamics, construction activity, and affordability challenges. Together, they reveal whether housing markets are expanding in balance with need, or tightening under strain.

Demand Pressure Formula: $\text{Population Growth} \div \text{Housing Completions}$

What it measures: Demand pressure quantifies how fast population growth is outpacing the delivery of new housing units. A high ratio signals that population growth (from births, migration, or both) exceeds the rate at which new homes are being added to the market.

Why it matters: When the population grows faster than completions, households must compete for limited housing stock. This pushes up rents, house prices, and creates overcrowding, especially in fast-growing provinces. Persistent demand pressure suggests structural imbalance rather than temporary overheating.

Interpretation:

High ratio: Indicates intense demand and emerging shortages.

Low ratio: Suggests housing delivery is keeping up with, or surpassing, population needs.

Supply Pressure Formula: $\text{Inverse of Housing Starts} \div \text{Permits Issued}$

What it measures: Supply pressure reflects how efficiently housing permits are converted into actual construction activity. The inverse relationship captures the idea that when a large share of approved projects fails to break ground, the supply pipeline is congested.

Why it matters: A sluggish conversion rate points to barriers like high construction costs, labour shortages, zoning delays, or developer uncertainty. This measure serves as a barometer for how responsive the construction sector is to policy incentives and market demand.

Interpretation:

High ratio (low starts-to-permits): Indicates bottlenecks and unrealized supply.

Low ratio (high starts-to-permits): Suggests strong follow-through from approval to delivery.

Rent Burden Formula: $\text{Average Rent} \div \text{Average Income}$

What it measures: Rent burden captures the share of household income required to cover average rent payments. It directly gauges affordability pressure for tenants.

Why it matters: Renters are the most immediate victims of market tightening. As rent burdens rise, disposable incomes fall, savings decline, and eviction risks

- 6 -

increase. Tracking rent burden allows policymakers to assess short-term affordability stress and identify where rental supply or subsidies are most needed.

Interpretation:

High ratio (>0.5): Renters spend over half their income on housing; significant affordability strain.

Low ratio (<0.3): Rent levels are more manageable relative to local incomes.

Ownership Burden Formula: $\text{Average Home Price} \div \text{Average Income}$

What it measures: Ownership burden expresses how many multiples of average annual income are required to purchase a typical home. It captures long-term affordability and access to ownership opportunities.

Why it matters: When ownership burdens rise, homeownership rates fall, first-time buyers are priced out of the market, and wealth inequality widens. This metric also signals potential risks in credit exposure and financial stability, as households stretch to meet mortgage obligations.

Interpretation:

High ratio (>0.6): Indicates severe affordability barriers and possible overvaluation.

Low ratio (<0.3): Suggests accessible homeownership relative to income levels.

Integrating the Four Dimensions

- Each dimension contributes 25% to the overall RMPI.
- **Demand and supply** reflect *market fundamentals*; i.e., the physical balance between people and dwellings.
- **Rent and ownership burdens** capture *affordability outcomes*; i.e., how those imbalances manifest themselves in household budgets.
- By integrating both availability and affordability, the RMPI provides a holistic view of housing market stress that neither prices nor construction data alone can fully reveal.

🌐 For more information on the RMPI and its availability countrywide at the provincial and municipal level, contact Jigme Choerab, Manager, Economic Intelligence Unit, by email at jchoerab@turnerdrake.com or 1-800-567-3033 Ext. 323. Our EIU, in conjunction with our Planning Division, has undertaken housing assessment studies across the country. They also undertake primary and secondary research to provide clients with practical real estate solutions to problems they face in today's rapidly changing world (market surveys, site selection, trade area analysis, supply

and demand analysis, demographic reports, impact and economic analysis). Visit our web site at <https://www.turnerdrake.com/services/economic-intelligence/> for a detailed look at the services EIU provides.

Economic Intelligence Unit



Maria Largo B.Econ, MEC, MDE

We would like to welcome Maria Fernanda Largo Lievano as a colleague (belatedly... she joined us over a year ago!). Maria has already made her mark as an economist and a data scientist in our Economic Intelligence Unit (EIU). She has provided valuable assistance on a number of diverse assignments. These include an *Economic Impact Study* of a major sports and entertainment facility in Cape Breton, Nova Scotia; a *Housing Needs Assessment Study* in New Brunswick; a *Student Housing Needs Assessment Study* in Prince Edward Island; and a *Community Profile* for a rapidly growing municipality in Nova Scotia. These "in depth" assignments involved the collection, analysis and integration of economic, demographic, housing and social data from public and private sources across multiple years. This is exciting stuff; these studies arm clients with the knowledge to make informed decisions, instead of flying by the seat of their pants! The more efficient the process, the less likely that public and private funds will be deployed ineffectively.

At present she is working on a Research and Knowledge Initiative (RKI) to enhance the efficiency and relevance of housing needs assessments through the development of improved methodologies,

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analytical tools and data frameworks, using Prince Edward Island as a pilot case. (Housing needs assessments are essential instruments for guiding housing policy, urban planning and investment decisions. They provide insights into current and future housing demand, affordability challenges and demographic trends. However, traditional housing needs assessments often face limitations. This project seeks to establish an improved and standardized framework to promote consistency in methodologies and strengthen the evidence base for decision-making).

Maria is also automating our internal processes so that we can provide clients with a faster and more effective service at lower cost. Working with our Property Tax Division she has created an application to extract and compile property assessment data relevant to the appeal process, automating a manual process and transferring the burden to our in-house server. Since a significant portion of our property tax appeal process is invoiced on a "time and expenses" basis this will significantly reduce the cost to clients in provinces where the data is publicly available.

She holds a Bachelor's Degree in Economics and International Business and a Master of Economics, both from the Universidad Icesi, Cali, Colombia, together with a Master of Development Economics degree from Dalhousie University, Halifax, Nova Scotia. It is wonderful to have her as a colleague. She joins the Economic Intelligence Unit's other economist, Jigme, and two experts in Geographic Information Systems (GIS), that currently comprise the EIU. Together they work with our Planning Division on assignments coast to coast, providing cost effective, practical solutions for our public and private sector clients. Maria can be reached at mlargo@turnerdrake.com.

Valuation Division

The Buck Stops Here!



Photo Credit: BigStock Photo

Social media has provided a platform for misinformation and misstatement; in so

doing it has devalued the truth, a sorry state of affairs amplified by the antics of the current administration in the United States. Once trusted sources, such as the BBC, have joined the fray, as evidenced by their "doctored" version of President Trump's January 6th 2021, Washington D.C. "call to action". A speech so egregious, it is difficult to understand why the BBC's Panorama program bothered to distort it. In the current milieu, it is tempting to assume that everything, including the truth, is negotiable and that misrepresentations of it carry no consequences. Happily, such is not the case, but it is sometimes difficult for some parties to distinguish between arguments used in negotiations for property tax, HST, conservation easements, Capital Gains Tax, etc. and those in a valuation or appraisal report prepared for an ensuing court action (should it come to that). Or that their efforts to influence the property value, if enacted upon, constitute fraud. The United States court system, like that in the United Kingdom, has always been stricter than our own when it comes to white collar crime, happily throwing appraisers in jail if their reports stray from the straight and narrow. We were reminded of that recently when the Appraisal Institute (of America), a professional body that partially governs our conduct (along with other organisations), thoughtfully sent us details of a U.S. Tax Court case, "*Paul-Adams Quarry Trust, LLC v. Commissioner*". This case involved a "conservation easement" on 207 acres in Elbert County, Georgia. Conservation easements are widely used in Canada, as well as the United States, to protect, restore or enhance land that contains rare or outstanding species or important habitats, by preventing its development or changes to its environment. The land owner continues to have title to the property but must adhere to the terms of the conservation easement. In return he, she or it, can claim a tax deduction equivalent to the difference in value between the property sans easement and encumbered by it. In Canada conservation easements are administered by the Nature Conservancy of Canada, Ducks Unlimited Canada and the various provincial Nature Trusts. In the Paul-Adams case the land had been purchased a decade earlier for \$429,875 USD and briefly operated as a granite quarry before being abandoned. The appraiser for the taxpayer supported a reduction in value resulting from the Conservation Easement of \$10.3 million USD, by valuing the property based on its "highest and best use" as an active granite mine, despite years of unprofitable operations. The Internal Revenue Service (IRS), the equivalent of our CRA, valued the land at

\$612,000, and slapped the unfortunate taxpayer with a 40% gross valuation misstatement penalty. The Tax Court Judge upheld the IRS position in full, calling the taxpayer's valuation "*utterly unsupportable*", noting that while the appraisal report itself met all technical standards its "*analysis lacked credibility*"... the claimed value increase from under \$0.5 million to over \$10 million was "*unsupported by reality*". There is no record of action, if any, being taken against the appraiser but presumably he, or she, is now contemplating another career.

Saint Mary's Steps Up



There are about eight universities in Canada that offer real estate degrees, or majors, at an undergraduate or post graduate level focusing on property valuation. None are in Atlantic Canada, a glaring gap in the education system given the explosion of demand over the past decade and the prominence of national companies such as Crombie REIT, Killam Apartment REIT, Plaza REIT et al that started here. A number of Atlantic Canadian universities have taught individual courses from time to time, including Saint Mary's University in Halifax, but none that have developed them into a full degree. Saint Mary's started last year to offer two courses and may expand to three courses next year. Is it too much to hope that this may expand into something more ambitious in the future? We hope so, the University has a reputation of offering courses that meet local demands and have a practical bent, a policy favoured by President Emeritus and former Dean of Commerce Dr. J. Colin Dodds. At present Saint Mary's offers "Principles of Real Estate and Appraisal (FINA 3362)" and "Real Estate Investment Decisions (FINA 4462)". The former is an introduction to the study of real estate markets, property valuation and investment analysis. The course applies financial and economic principles to the examination of investment and financing decisions in real estate markets. Topics include a discussion of the unique characteristics of real estate assets and markets, commercial project valuation, financing and market analysis with a particular focus on cash flow. A similar course was formerly taught by Phil Fraser, now CEO of Killam REIT and Mike Turner, our Chairman. The Real Estate Investment Decisions course includes an introduction to real estate capital markets, asset valuation and

(Continued on page 8)

(Continued from page 7)

investment analysis including real estate investment vehicles, on the equity and debt sides, REITs, mortgage-backed securities and private real estate funds. It also includes investing strategies and market analysis. We also hear rumours that Dalhousie University is exploring the idea of a Masters Degree in real estate.

This Could be Your Best Investment This Year!



Photo Credit: Turner Drake

It is an uncomfortable thought but these roadside tents, or others located in "temporary" encampments elsewhere in the City, probably house somebody you know... a former colleague, neighbour, friend or relative. Somebody like you who once had a stable job, career prospects, happy family life... who never thought for one minute that they would be so down on their luck they would be reduced to subsistence living. The distance between the two lifestyles is much narrower than most of us care to contemplate.

This Fall we are again partnering with the Brunswick Street Mission in Halifax by matching your financial donations made through the Mission's web site at www.brunswickstreetmission.org/turnerdrake up to an aggregate amount of \$5,000 (if you are located elsewhere and prefer to donate to a charity in your home town email us your receipt and we will match your donation without derogating from our Brunswick Mission commitment).

This is not charity for charity's sake. Our joint response will assist the Mission help people get back on their feet and into the workforce if they are able to work. Through their tax clinic, available to individuals earning \$35,000 or less a year, the Mission helps those who have a job, pay their taxes.... and amongst other things, access benefits such as Employment Insurance, Social Security and the Child Benefit. The Mission files over 1,000 tax returns for clients every year.

Most of us need a helping hand at times; family, friends, colleagues, neighbours or organisations like the Mission. This will

- 8 -

give you a glimpse of that:

Andrew came to the Mission while experiencing years of homelessness. At first, he was just looking for support in our ID Clinic to get his birth certificate.

He quickly became a regular: grabbing breakfast in the morning, cleaning his laundry, using our Food Bank, and joining in different activities, including our music group.

Our social workers helped Andrew fill out the forms and pay for his birth certificate and MSI card.

Having the proper identification opens up a range of other necessary opportunities for someone like Andrew - social security, tax filing, and even housing.

With his ID in hand, we got to work helping Andrew find a place to live. Soon he was connected with a local agency who could provide him with safe, secure shelter.

Through your support, Andrew is now off the street and safely housed. He still uses our Food Bank and spends time in our Café -- critical services for someone who is rebuilding their life.

He's grateful for the help he received through your generosity, telling us, "You guys listen to the community and support where it's really needed."

The Mission provides a hot breakfast during the week, a "choice model" food bank, a tax clinic and access to a social worker through their Outreach Program. Their food programs have experienced a dramatic increase in demand in the past two years, with over 18,000 breakfasts served and 4,195 food bank visits in 2024 (up from 11,000 breakfasts and 3,576 food bank visits in 2023).

It may not be widely understood, but charities such as the Mission depend on you and I, not government, for all but a tiny portion of their budgets (the Mission gets no government funding at all). *Donating may be the best investment you will make this year.* Not only is your donation tax deductible but you are also helping somebody get back on their feet again and possibly back into workforce. If you would like more information about the Mission, visit their web site at www.brunswickstreetmission.org.

JOIN A SELECT GROUP

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are not yet a regular subscriber but wish to rectify that sorry circumstance, you can register for your free subscription at <https://sub.turnerdrake.com/Signup>.

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