

VALUATION CASE STUDY ISLAND TREASURE

Nova Scotia Natural Resource's Challenge

Situated on Nova Scotia's Atlantic Coast, Mahone Bay is an area of breathtaking beauty: 365 islands lie cradled in its arms. Named after the low lying craft favoured by the pirates who, 330 years ago, hid among these green jewels adrift on a carpet of blue, the area is famous now as the hiding place of Captain Kidd's treasure. During the summer the bay is dotted with the sails of boaters who freely use the islands to picnic, shelter overnight, and camp. Backman's Island is particularly beautiful and offers spectacular recreational opportunities with its long sand spit, two beaches and a large sheltered cove at its centre. It was offered for sale on the open market. Conservation groups were already fully committed financially, purchasing other islands, so the Province of Nova Scotia stepped up to the plate. They turned to Turner Drake for valuation advice.

Turner Drake's Approach

Backman's Island lies two kilometres off shore. The Province commissioned the assignment in February, the coldest month of the year. Fortunate then that they agreed to furnish a helicopter. Turner Drake's valuer took advantage of the lack of summer foliage to inspect the interior of the island from the air, before landing on the beach to catalogue the recreational attributes of the 3 kilometre, ice encrusted shoreline. It was, he later recalled, a little chilly. Turner Drake had developed a method of recording, and scoring, the recreational potential of the inshore, foreshore, backshore, bluff, beach frontage and back up land, to ensure that nothing was missed during the all important site visit. The fun stuff over, the real work began. Uniquely in Canada, sales information is not public knowledge in the Maritime Provinces so Turner Drake has painstakingly assembled the most comprehensive storehouse of sales in the region, gathered over a period of 30 years. Their Compuval™ family of interactive databases contain extensive details on 160,000 transactions, each dynamically linked to aerial and photographic imagery, site specific photographs, topographic mapping and web based government sources. However each valuation assignment is unique: Compuval™ must be supplemented with sales information coaxed from purchasers, vendors and real estate brokers. This time consuming research paid off, Turner Drake's valuer was able to secure details of every recent island sale in Mahone Bay. These sales then had to be inspected, catalogued and rated using aerial and satellite photography; topographic, forest cover, and Canada Land Inventory, mapping. Fortunately he was a keen kayaker and had already visited many of the islands. The results were then analysed and Backman's island was valued using regression analysis, a statistical modelling technique.

Winning Results

Turner Drake furnished a Valuation Report, containing comprehensive information on Backman's Island, the supporting sales data, a detailed analysis, and their valuation, to Nova Scotia Natural Resources for use in their negotiations.

