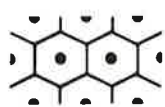


Volume 2, No. 18

Fall 1985

Nova ScotiaBetter Buys at Eatons?

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| <b>Assessment Appeals</b>  |  |
| <b>Ask Us!</b>   |  |
|  | <b>TURNER DRAKE<br/>+ PARTNERS LTD.</b><br>real estate consultants and appraisers<br>6182 north street<br>halifax, n.s. b3k 1p5<br>tel. (902) 429-1811 |

In our Winter 1984 issue of Newsletter (Volume 2, No. 15) we drew attention to the then recent decision of the Nova Scotia Municipal Board in the matter of an appeal by the T. Eaton Co. Ltd. respecting their **business occupancy assessment**.

The case involved the Mic Mac Shopping Centre, Dartmouth, N. S., a regional centre anchored by Eaton's and Simpson's Department Stores.

The Board decided that:

- (1) The Mall Common Areas could not be assessed for business occupancy tax at all.
- (2) The Mall Car Parking area had to be assessed for business occupancy tax purposes to the **owner of the mall**.
- (3) The "synergistic" effect of the mall, i.e. the additional value which accrues to all of the stores as a result of their being located in close proximity to each other rather than being dispersed throughout the city, was not assessable for business occupancy purposes.
- (4) The only property that could be assessed for business occupancy purposes to Eatons was the portion of the building they actually occupied and the land directly beneath that building.

The Provincial Department of Municipal Affairs appealed the Board's decision to the Supreme Court of Nova Scotia (Appeal Division) in May...and lost. If you appealed your Business Occupancy Assessment in 1984 or 1985 and have not yet agreed to it with the Assessor...hang in there...we understand that there is much head scratching at Munificent Affairs as they try to work out how to apply the decision in practice (perhaps a little "synergism" might help?!).

Commercial Comment

Oops!

Did you spot our not so deliberate error (Comparing Apples with Apples Newsletter Volume 2, No. 17)? The latest B.O.M.A. standard method of measurement **does** include the janitor, electric and fan rooms in the area for full office floors provided that they are specific to the floor. Thanks to those of you who wrote pointing it out...we are covered in confusion.

Those of you who didn't spot it...smarten up, Canada expects better of you.

Getting the Right Mix



It's a known fact (now anyway) that readers of Newsletter occupy the higher strata of intelligence. Lest anyone doubt this, we are putting it to the test; the proof of the pudding being in the eating.

We are offering a bottle of bubbly as a prize for the first correct answer (real champagne you understand...not a facsimile). Out of town winners will be rewarded with coin of the realm...they can chose their own poison.

Now that we have your attention, here is the problem:

NOTE

You have decided to build condominium apartments (who isn't?) and, having commissioned the distinguished firm of Turner Drake & Partners are advised that your development will sell out within 6 months providing you stick with the following apartment mix and selling prices:

(1) Selling Prices of Condominium Apartments

| <u>Type of Unit</u> | <u>Selling Price/Unit</u> | <u>Estimated Cost/Unit</u> |
|---------------------|---------------------------|----------------------------|
| 1 Bedroom           | \$100,000                 | \$ 81,000                  |
| 2 Bedroom           | \$115,000                 | \$100,000                  |
| 3 Bedroom           | \$130,000                 | \$113,000                  |
| Penthouses          | \$126,000                 | \$110,000                  |

(2) Recommended Mix

- (a) 1 Bedroom Units - should not exceed 15% of total units.
- (b) 2 Bedroom Units - should comprise at least 35% of total units.
- (c) 3 Bedroom Units - should not exceed 50% of the total of the 2 bedroom and penthouse units
- (d) Penthouses - minimum of 4 units  
- maximum of 6 units
- (e) Total # Units - maximum of 50 units

(3) Problem

What mix will optimise your profit?

Closing date for your entry is the 13th December 1985 (Friday the 13th!). The bottle of bubbly for the first correct answer will be delivered in time for the festive season.