

IPOANS – Law Amendments Hearing – Bill 38 RTA Amendments

~~Mr. Chairman~~ *MADAM CHAIRPERSON*

~~Mr. Chairman~~, committee members, my name is Kevin Russell. I am here in my capacity as Executive Director of IPOANS, the Investment Property Owners Association of Nova Scotia. ~~Thank you~~

IPOANS members represents 46,000 apartment units in Nova Scotia. According to a 2015 KMPG study, the Multi-Unit Residential Industry contributes \$1.7 billion to Nova Scotia's GDP.

IPOANS is pleased with the government's decision to go where previous governments have failed to go, the modernization of the RTA, the Residential Tenancies Act.

The act in its current form is regressive and negatively impacts both landlords and the 300,000 Nova Scotians who have chosen their home to be in a rental environment.

IPOANS' expectation is for this government and successive governments to go beyond these initial steps taken in Bill-38 and continue to modernize the RTA to improve operations for landlords and the lives of Nova Scotian renters.

IPOANS is appreciative of governments attempt to ~~increase~~ *introduce* alternative document delivery options.

There is however, concern with alternative delivery options for Director documents.

Service of Documents, Clause 15 (2) Reads: Service of all documents, except documents relating to application to the Director under Section 13 and documents relating to an appeal to the Small Claims Court, must be served by a landlord on a tenant.

Landlords must have the ability to deliver "Application to Director" documents in same manner prescribed for other documents in Clause 13, 15(1) to ensure documents are and can be delivered in a timely manner.

It should be noted placing of Director documents in tenants' mailboxes ~~is~~ noted as an alternative delivery method is not an option for landlords ^{For} ~~as~~ the majority of buildings' mailboxes have "crown locks" meaning only Canada Post personnel can assess mailboxes.

Landlords preference is to replace the mailbox option with having the ability to post Director documents in a conspicuous place as alternative delivery option.

In addition, the ability to serve Director documents by email is by far the preference for alternative delivery which is not being proposed in current amendments ^{FOR DIRECTOR DOCUMENTS}

Widening alternative delivery options to include posting and email aligns with provincial RTAs in Ontario, Alberta, Manitoba, Saskatchewan.

IPOANS is appreciative of government's decision to tighten guarantor agreements, however, IPOANS cannot agree with proposed amendment clauses 5, 8K (2).

***Clause (5) Reads:** A guarantor **may terminate a guarantee agreement** upon receipt of a notice of rental increase by providing written notice to the landlord at least three months before the effective date of the rental increase by a method of service provided for in Section 8D.*

***Clause 8K (2) Reads:** Where the landlord consents to a subletting, the guarantor has no obligations under the guarantee agreement for the duration of that subletting unless the guarantor enters into a written guarantee agreement with the landlord that is specific to that sublet.*

Given these clauses are associated to other clauses within the Act, IPOANS consider these clauses ambiguous and as such could be misinterpreted by all parties including landlords, tenants, Residential Hearing Officers and Small Claims Court Adjudicators.

IPOANS requests these clauses be looked at in more detail to find ways to clarify interpretation to ensure clauses are applied fairly.

In addition, these clauses have potential to negatively impact first time renters' and students' ability to rent.

Landlords will have to assess the risks associated with these clauses and if uncomfortable with the associated risk, a landlord might decide:

- a) Not to rent to renters requiring a guarantor, or
- b) instead of offering 12-month periodic leases, offer 12-month fix term leases that automatically terminates on a lease's expiry date.

Fix term leases will result in tenants having to move-out on a lease's expiry date or be confronted with signing a new fix term lease with a qualified guarantor.

IPOANS is appreciative for reducing abandoned property holding requirement from 60 days to 30 days.

Abandoned Property Clause 3 (b) Reads: striking out "sixty" in the sixth line and substituting "thirty".

IPOANS preference for NS is to follow the lead of Newfoundland and Manitoba. *DEFINING*
CLASSIFICATION FOR ABANDONED PROPERTY.
IN **Manitoba**

A landlord may decide that the items have limited monetary value. This means that if the items were sold, the sale proceeds would not cover the costs of moving, storing and selling them. In this case, the landlord must make a reasonable effort to contact the tenant about picking up their property. The landlord must also list the items on a form. Once the landlord completes the form, they send it to Residential Tenancies. The landlord must also send a copy to the tenant at the last known address (this may be the address of the rental unit). Once the landlord has done this, they can give the items to a charitable organization or dispose of them at an appropriate disposal facility.

If a landlord believes the items have no monetary value, or are unsanitary or unsafe to store, the landlord may dispose of them, without authorization from the Residential Tenancies, with one exception. If a tenant leaves personal papers or photographs, the landlord must hold them for 60 days before disposing of them. The landlord must also complete the inventory form and send it to Residential Tenancies and the tenant:

In closing, annually there are an estimated 5,000 Director applications or in other words 4.5% of the provinces 110,000 rental units are negatively impacting landlords' operational costs which in turn are past onto tenants through higher rents.

Interesting, between 85 and 90 percent of applications filed are for non-payment of rent.

Instead of penalising, isn't it time for governemnt to begin rewarding professional landlords who obey the rules and regulations and Nova Scotians living in the 105,000 rental units who pay their rent on time and obey the rules.

Conversations during consultations revealed the gap between stakeholders' positions is not insurmountable. *Therefore Modernizing the RTA is Doable.*

And, there is consensus maintaining the status quo is unacceptable, unsustainable and unfair.

The multi-unit residential industry has matured to where there is a recognition, problems being experienced are with a minority group of landlords and tenants.

Therefore, to meet the demands of today's rental market there is urgency to completing the modernization of RTA to reward those who play by ^Arules.

Thank you for allowing me the time to speak today.