

**From:** kinburn@eastlink.ca  
**Sent:** April 12, 2022 8:19 AM  
**To:** Office of the Legislative Counsel  
**Subject:** Law Ammendments Submission  
**Attachments:** Law Ammendments Submission - Non- resident taxation.docx

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Good morning ,

Please present the attached letter to committee members in advance of April 13 meeting.

Respectfully

Norman

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April 12, 2022

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Dear Members,

Re: Nova Scotia Non-Resident Property Tax and Non-Resident Provincial Deed Transfer Tax.

I am writing to express my concern and offer comments regarding the pending tax measures brought forward in the recently announced budget.

It is my opinion that the **unintended consequences** of this legislation will negatively impact our local economy and lifestyle in unforeseen ways and do little to generate new housing opportunities, whether affordable housing or even attainable housing outside of HRM.

Non-resident property ownership is the highest form of tourism that we as a province offer and provides a promising future to many people who wish establish a life here.

I have been very fortunate to have been able to live in Mahone Bay, a community in which we have been a part of since 1754. It was my choice to return here after university and several years of travel. Since returning in 1984, I have almost exclusively worked in the real estate, property management and for the past 24 years in residential construction industry.

I have worked creating opportunities through land development, building and maintained housing stock as well as manage properties. In life, I have welcomed non-residents as immediate neighbours. These owners have contributed in many tangible and intangible ways: as tax payers, employers, consumers and supporters of local business, charitable organizations and cultural experiences. They have willingly mentored many young Nova Scotians who have benefitted from a new point of view and respect Nova Scotia's on-going commitment to environmental and ecological practices. They have become our biggest promoters!

These owners do not burden the health care system or rely on public education. Their commitment to our communities has fueled economic growth in the service, hospitality and cultural sectors.

I assure you that any slow down in the non-resident marketplace will be felt immediately as it was for many during the COVID-19 border closures. Talk to retailers, tradesman, artisans, restaurant owners and almost every creator of jobs in our region and they will share stories of the importance of non-resident, second home owners.

Many Nova Scotians had to leave the province to reach their potential. Out migration has been a challenge for Nova Scotia since confederation. Many of these Nova Scotians maintain long held properties with and plan to return or preserve properties for future generations.

As a former Mahone Bay Town councillor I know that levelling of taxation based on property valuations is a municipal matter. In my opinion this new legislation is setting a dangerous precedent at a time when the province and municipalities don't have a clear understanding on what to do with the CAP assessment model.

A property tax of \$2 per \$100 of assessed value of residential properties owned by non-residents on top of the existing municipal rates will more than double ownership costs and do nothing create more housing.

Properties owned by non-residents are except from the capped assessment program and many of only benefit from seasonal garbage collection and poor road maintenance. Non-resident ownership already pays more and receive less services.

Whereas the province does not have a beneficial ownership data base we will not know if owners are Nova Scotia residents. I predict that many non-resident owners and buyers will have good legal and accounting advisors to help them circumnavigate the legislation.

Many non-resident owners already have addresses in Nova Scotia and continue to benefit from capped assessments when they don't reside here. New residents of Nova Scotia are retaining addresses in other provinces to keep access to health care and to avoid disadvantaged income tax levels. The issues are many. Solutions complicated

In my opinion a more impactful and immediate measure is more regulation and expanded taxation on of vacation home rentals (Airbnb, VRBO, etc.). These measures need to apply to all ownership including Nova Scotians. It is a complex issue affecting primarily Canadian non-resident ownership as international tax law covers income earned by non-residence of Canada.

A property tax structure that would increase the burden on multi-national companies that own hundreds of thousands of acres of provincial woodlands would be another preferred place to start to raise property tax revenue.

Mahone Bay, like other municipal units in the province have benefitted from the implementation of a deed transfer tax legislation. Money raised through deed transfer tax stays in the community in which it is collected.

I support a non-resident deed transfer tax in principle, with a rate to be determined, but would direct all funds to the Western Regional Housing Authority to increase and improve their housing portfolio. Money collected in this region needs to stay here.

I feel it is a fair, equitable consumption tax and the cost of doing "business". It may impact one's ability to finance a property through a lender and will lead to downward price adjustments as the value of the hard asset may fall.

Finance Minister MacMaster and his team may think that the increased taxes will bring in enough revenue to make housing more available to Nova Scotians and support those struggling to find a place to live but more units are on their way.

If he means more subsidized housing, he should say that.

There are currently over 1,000 residential units in the planning stages in Lunenburg and Queens County. They cannot happen fast enough and due to factors out of our immediate control such as planning and zoning restrictions, increasing demands of building code regulations driving construction costs up, inflation, labour shortages and supply change issues it is going to take awhile.

As you are aware these challenges are not only a Nova Scotian problem !

Thank you for your consideration.

Norman Whynot

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