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**From:** Tom Eisenhauer [REDACTED]  
**Sent:** April 13, 2022 10:11 PM  
**To:** Office of the Legislative Counsel  
**Subject:** Submission re non-resident tax proposal  
**Attachments:** 2022-04-01 Letter re Proposed Prop Tax[5].pdf

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Please consider the attached letter in relation to the Law Amendments Committee's review of the non-resident tax proposal.

Thank you

Tom Eisenhauer

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Lunenburg NS | Toronto ON  
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*Tom Eisenhauer*

Toronto, Ontario, [REDACTED]  
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April 1, 2022

Delivered via email:

The Honourable Tim Houston, Premier of Nova Scotia, [premier@novascotia.ca](mailto:premier@novascotia.ca)  
The Honourable Allan MacMaster, Deputy Premier, Minister of Finance and Treasury Board,  
[FinanceMinister@novascotia.ca](mailto:FinanceMinister@novascotia.ca)  
The Honourable Susan Corkum-Greek, Minister of Economic Development, MLA for Lunenburg  
[susancorkumgreekmla@gmail.com](mailto:susancorkumgreekmla@gmail.com)

Dear Sirs/Madame:

I am writing to urge you to cancel your government's ill-advised plan to levy a property tax surcharge on non-resident homeowners.

The planned tax will not achieve its stated policy objective of increasing housing supply. The NS Department of Finance's own statistics show that non-resident home ownership is negligible in the primary population centres where housing supply is critically short, such as in the Halifax region. The planned tax will not materially increase housing availability in these densely populated areas for the simple reason that very few homes are owned by non-residents in these areas.

Conversely, many rural areas which have higher rates of non-resident home ownership (such as Cape Breton and Shelburne counties), do not have significant housing supply problems. Moreover, the economies of these rural areas are heavily dependent upon spending and investment from seasonal non-residents. By discouraging seasonal ownership by these non-residents, the proposed tax will cause significant harm to the economic viability of these rural areas of the province.

Not only will the planned property tax surcharge fail to increase housing supply and harm rural economies, it fails to recognize the unique historic and cultural nature of most of the non-resident home ownership in Nova Scotia. In other regions of Canada where non-resident home ownership has been a challenge (such as British Columbia and Ontario) home ownership by non-residents is typically driven by investment speculation or by tourism from non-Canadians. Non-resident home ownership in Nova Scotia, by contrast, is driven by the large, ex-pat community of people who grew up in Nova Scotia, have family connections to the province, or who have historic cultural ties to the area. This large community of ex-pat non-resident homeowners bring far greater benefits to Nova Scotia than the more transient non-resident homeowners common in other parts of Canada. The Nova Scotian ex-pat community tends to support the provincial economy and act as economic and cultural ambassadors for the province to a far great extent than non-residents elsewhere in Canada.

Take my own situation as just one such example. I am an 8<sup>th</sup> generation Lunenburger, and while I have spent most of my working life in Toronto, I have always considered myself a native Nova Scotian and have maintained a second home in the province for almost three decades. I, like many Nova Scotian ex-pats, direct the majority of my economic, philanthropic and volunteer activities back to the province. If

the proposed property tax is implemented as currently proposed, I would almost certainly cease to do so. The impact would be immediately felt by the many grass roots organizations and charities that I annually support including the Lunenburg Academy Foundation, Saint John's Anglican Church, University of King's College, Mahone Islands Conservation Association, Nova Scotia Nature Trust, Lunenburg Academy for Music Performance, South Shore Health Services Foundation, among many other local sport and community organizations. Moreover, if the proposed tax is implemented I, like many ex-pat Nova Scotians, would stop volunteering for organizations in the province. In my own case, I would no longer act as a "Scotian" ambassador for Nova Scotia Business Inc. and I would resign my long held volunteer positions with the Board of Governors of the University of King's College and as the Chair of its Investment Committee. I would also be disinclined to support the many local businesses and community facilities in the province.

In short, in my own individual case, the direct economic loss to the province of Nova Scotia from the imposition of the proposed non-resident property tax would greatly exceed the additional revenue it would generate. And this pattern would undoubtedly be multiplied many times over by the 27,000 non-resident homeowners whose economic, philanthropic, and volunteer activities are so critically important to the wellbeing of the province – especially in rural areas.

I urge your government to reconsider this tax proposal, just as British Columbia did when it proposed a similar tax in 2018 but decided against it because of the negative economic and reputational impacts it would have on their province. In BC's case, they decided instead to charge levies on non-Canadian home speculators and non-Canadians who leave properties lie vacant, but only in specific metropolitan areas that are suffering from low housing availability. BC remains open and welcoming to seasonal home ownership by other Canadians without discriminatory property taxes.

The BC example would be a much better model for Nova Scotia to adopt as it would more directly address the specific policy goal of increasing housing availability in densely populated areas without damaging the province's reputation abroad or the economies of rural areas that depend on seasonal home owners.

I urge you to cancel this ill-advised property tax proposal.

Respectfully,



Tom Eisenhauer  
Toronto, ON & Lunenburg, NS

Copies to:

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The Editor, SaltWire Magazine