

From: Andy [REDACTED] >
Sent: April 14, 2022 10:38 AM
To: Office of the Legislative Counsel
Subject: RE: Submissions to Law Amendments Thursday April 14, 2022
Attachments: Bill 149 - Submissions on behalf of Pure Nature Development Limited.pdf

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Dear Legislative Counsel

Thank you for your acknowledgement of my prior email. Further to my conversation with your office this morning please find attached the more detailed submissions we spoke of.

As indicated in the submissions, we would ask to be permitted an appearance before the Committee to provide further details and ensure that all questions are answered.

I look forward to your further procedural guidance.

Andy



Andrew S. Nickerson Q.C.

Nickerson Jacquard Russell

phone: [902-749-1995](tel:902-749-1995)

site: yarmouthlaw.ca

email: nickerson@yarmouthlaw.ca

address: 77 Water Street | PO
Box 117, Yarmouth, NS, B5A 4B1



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From: Office of the Legislative Counsel [<mailto:legc.office@novascotia.ca>]

Sent: April 14, 2022 9:13 AM

To: Andy

Subject: RE: Submissions to Law Amendments Thursday April 14, 2022

Thank you for your submission, it will be sent to the members of the Law Amendments Committee.

Office of the Legislative Counsel

CIBC Building, Suite 802

1809 Barrington Street

Halifax NS B3J 3K8

tel 902 424 8941

www.nslegislature.ca

From: Andy [REDACTED]
Sent: April 13, 2022 9:21 PM
To: Office of the Legislative Counsel <legc.office@novascotia.ca>
Subject: Submissions to Law Amendments Thursday April 14, 2022

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Dear Legislative Counsel

I request the opportunity to make submissions to the Standing Committee on Law Amendments Bill No. 149 – Financial Measures (2022) Act. I am in Yarmouth and understand that I am able to appear virtually. I ask that you provide me with information as to that facility.

I represent, Pure Nature Developments Limited, a Nova Scotia development company that develops and sells a significant number of lots on lakes in Southwestern Nova Scotia to Europeans. It is also often is contracted to build cottages. Virtually all of these buyers are financially well off and build quality cottages. They do not affect the housing market because these are seasonal dwellings and are only occupied 30 to 60 days a year. They are not used for short term rentals. In addition to providing construction jobs, these owners come here, and spend significant money on seadoos, 4-wheelers and other “toys”. Many buy vehicles. They frequent restaurants and generally spend money in the local economy.

In effect, the non-resident tax in its current form, will put this company out of business. In fact, they have had lot holders decline to proceed to build. Interest in buying lots from European clients has virtually ceased.

While supportive the Government’s policy in introducing the non-resident tax, we suggest that it would be appropriate, and not contrary to the policy objectives, to provide an exemption for these types of seasonal properties. These owners do not take housing away from Nova Scotians and the owners of these lots generate a significant economic activity and employment in Southwestern Nova Scotia.

Thank you

Andrew Nickerson



Andrew S. Nickerson Q.C.

Nickerson Jacquard Russell

phone: [902-749-1995](tel:902-749-1995)

site: yarmouthlaw.ca

email: nickerson@yarmouthlaw.ca

address: 77 Water Street | PO
Box 117, Yarmouth, NS, B5A 4B1



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NICKERSON JACQUARD RUSSELL

Barristers | Solicitors

Andrew S. Nickerson Q. C.
Email nickerson@yarmouthlaw.ca

Raymond B. Jacquard
Email jacquard@yarmouthlaw.ca

Sinead M. Russell
Email russell@yarmouthlaw.ca

Regan S. W. Murphy
Email murphy@yarmouthlaw.ca

Patricia E. Caldwell Q. C.
Counsel
Email caldwell@yarmouthlaw.ca

April 14, 2022

Standing Committee on Law Amendments
Red Chamber
Province House
1726 Hollis Street
Halifax

Dear Honourable Chair and Committee Members:

RE: Submissions of Pure Nature Developments Limited, Go-Canada Development Limited and Canada Dream Development Ltd. Regarding Bill No. 149 – Financial Measures (2022) Act.

I present these submissions on behalf of Pure Nature Developments Limited, Go-Canada Development Limited and Canada Dream Development Ltd., all Nova Scotia companies.

I emphasize that we do not speak in opposition to the legislation in principle. In fact, my clients support the policy objectives of Bill No. 149, but we believe there are unintended consequences that drastically affect these businesses deserving of your consideration.

These are all Nova Scotia development companies, all owned by the same group of shareholders. They engage in a unique niche market that develops and sells a significant number of lots on lakes in Southwestern Nova Scotia almost exclusively to Europeans. They are also often contracted to build cottages. They have been in business for approximately 25 years. They have sold over 225 cottage lots on lakes mostly to Europeans, generating approximately \$9,000,000 in assessment (\$40/lot on average). These lots are developed in subdivisions usually involving 30 or 40 lots on lakes in Yarmouth, Digby and Annapolis Counties, well away from areas used by Nova Scotians for residential purposes. They have built over 35 cottages. These are quality cottages, usually valued at \$200,000 creating approximately \$7,000,000 in assessment. They employ up to 20 people.

Street Address: 77 Water Street, Yarmouth, Nova Scotia B5A 1L4
Mailing Address: P. O. Box 117, Yarmouth, Nova Scotia B5A 4B1

Telephone: (902) 749-1995 • Facsimile: (902) 749-1996 • www.yarmouthlaw.ca

Virtually all of these European buyers are financially well off and build quality cottages. They do not affect the housing market because these are seasonal dwellings, and are only occupied 30 to 90 days a year. They are not used for short term rentals. In addition to providing construction jobs, these owners come here, and spend significant money on seadoos, 4-wheelers, boats and other “toys”. Many buy motor vehicles. They frequent restaurants and generally support local business and spend money in the local economy. Most have developed social relationships with Nova Scotians.

In effect, the non-resident tax in its current form, will put these companies out of business. In fact, they have had lot holders, who have recently purchased, decline to proceed to build due to the non-resident tax. Interest in buying lots from European clients has ceased since the announcement of this legislation. Current lot holders have expressed intent to sell their existing properties and we expect an exodus of the current property owners. These properties are generally not suitable for use as dwellings by Nova Scotians. We suggest this is an unintended consequence of Bill 149.

While supportive of the Government’s policy objectives in introducing the non-resident tax, we suggest that it would be appropriate, and not contrary to the policy objectives, to provide an exemption for these types of seasonal properties. These developments do not take housing away from Nova Scotians and they generate significant economic activity and employment in Southwestern Nova Scotia. Taxing this type of property does nothing to advance the policy objective of making housing more affordable for Nova Scotians, and does extreme harm to Nova Scotia business.

What we ask will have no impact on the policy objectives of the Bill. We only seek an exception for an industry and companies that are devastated by the Bill. The Deed Transfer Tax is an impediment, but the 2% non-resident tax virtually ends these companies’ businesses. We believe there is a way to support the bill and yet save these businesses.

We suggest that an exemption could involve the following kinds of restrictions:

- Seasonal recreational properties only with occupancy less than 90 days per year
- No use for short term rentals like AirBnB and similar services
- A geographical restriction
- A restriction to non-urban properties
- An exemption approval procedure to ensure the specific subdivision will not harm the Nova Scotia housing market

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We submit that such an exception would be consistent with the policy objectives of the Bill and at the same time save a productive Nova Scotia business that has added significant benefits to the economy of Nova Scotia.

While the above is the essence of the submissions we make, we ask that we have the opportunity to appear before the Committee to provide further information and answer the Committee's questions. I will have a principal of the companies with me at that time to ensure all questions can be answered.

Thank you for your consideration

A handwritten signature in black ink, appearing to read 'A. Nickerson', with a long horizontal flourish extending to the right.

Andrew S. Nickerson Q. C.

ASN:dIm

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