

From: Hebb, Gordon
Sent: April 19, 2022 8:25 AM
To: Office of the Legislative Counsel
Subject: FW: Out of Province Landowners Tax



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From: Damian MacInnis <colindaleconsulting@gmail.com>
Sent: April 19, 2022 8:20 AM
To: Hebb, Gordon <Gordon.Hebb@novascotia.ca>
Subject: Out of Province Landowners Tax

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Solutions to the out of province landowners tax regime

I'm writing in response to the recent tax regime the Conservative government has put on out of province home owners. My company is a Solutions company developed to help businesses and organizations with development, strategy and management.

Recently, I have been contacted by a number of homeowners that are living outside of Nova Scotia. It seems just like yesterday we were crying for people to move to our province. Then the pandemic hit and we had a surge of people flock into our backyards. We have been seeing real estate boom. People from everywhere now want to have a piece of the special place we have always known we had. They came here, purchased and renovated homes, built new ones and visited here throughout the year contributing millions of dollars to the economy. The government are now pointing fingers at these individuals for the reason to the shortage of rentals in the province, specifically affordable housing. As someone who has devoted his entire career to finding solutions to rental shortages, particularly in Rural Cape Breton, I can assure you that this is not a realistic view. The shortage has everything to do with the cost of building and the ability to build a business case that works to charge an affordable rate. Others like to put blame on small business owners who use homes for short term rentals and focus on the property management online platform Airbnb. What government and local residents need to understand, these property management online platforms are a tool to run these small businesses. It helps bring people from across the world to our local grocery stores, shops, restaurants and potentially exposing people to become future Nova Scotia residents. Some of these small business owners that purchase these homes are from out of province, no different than an out of province investor who purchases a hotel, motel, cottages or traditional B&B. The Nova Scotia government has already made these small business owners who purchased homes to use as short term rentals to register their units no different than hotel, motels, cottages or traditional B&Bs. Now they are adding more taxes which cuts into their business profits. All that extra cash they were making is now being used to pay the tax instead of completing upgrades to their rental, taking away from local contractors, and taking away any

opportunity for expansions to add more units to their property. Do you see the government doing this to any other business?

It's not just short term rental businesses that are feeling this. It is former Nova Scotians and seasonal residents that spend every summer here. I personally know hundreds of people who live in Ontario, Alberta and abroad that either own a property or are planning to own a property in Nova Scotia and they have come out and said that they are either planning to sell or not build or purchase a home here any more because it does not make sense. The misconception of out of province property owners is that they have lots of money. This is not always the case. Some property owners were handed down a family home and the only way they can pay for it is to rent it out while they are living and working in another location. This allows them to upkeep the home and come back to their family home when they book their vacation.

This is a very short sighted policy imposed by a new government. Some are saying that they needed to find an answer to pay for promises made to fix the healthcare issues, some say they think this will fix the rental shortages. Whatever it is, this is not a solution. I've been paying close attention to the Facebook group "Tax Fairness for Nova Scotia Non-Resident Property Owners" and there are a number of solutions being presented as well as some grim realities of people not wanting to live or buy here. If our current government wants to hit a population of 2 million, how is this welcoming? One solution that made the most sense was to tax out of province individuals who own vacant land. If they do not develop a piece of land within the year after purchasing it, or the deed being transferred, then the tax that they are implementing should be imposed. At least this will continue to help stimulate the economy.

The other major concern is the provincial government dipping into the role of municipal government. Historically, it has always been the municipalities jurisdiction to collect land and property tax. If the tax was going directly back to the municipality, that would allow each municipality to transfer that new tax to non profits focused on the development of affordable rentals in that area. If the provincial government are truly concerned about housing, then this money should be directly allocated to the cause.

With the amount of work being lost for local contractors, property managers, and the hit this will make on tourism, I am asking that either the Bill be rescinded or at the very least adjusted to meet the needs of our rural communities across Nova Scotia.

Kind regards,

Damian MacInnis

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