

**Peter Polley**  
**Polycorp Properties Inc.**

**Law Amendments Committee**  
**Nova Scotia Legislature**  
**October 31, 2022**

Bill 212 Public Utilities Act

I am happy to be here today to speak in favour of Bill 212.

I live in Nova Scotia. I pay taxes in Nova Scotia. Through my company, Polycorp, I provide quality, reasonably priced rental housing for Nova Scotians.

I am a customer of Nova Scotia Power.

Bill 212 will help our rental housing business navigate very difficult times for our own portfolio and the rental housing industry as a whole.

This coming winter is going to be painful for those that own rental properties.

Polycorp owns some properties where furnace oil alone will cost us more than 50% of the total gross rental receipts collected.

Heating costs will be up by several hundred percent from the previous highs in previous bad winters.

On top of the furnace oil, we have water, insurance, maintenance, property taxes and other operating costs that are increasing approximately 5 to 10% per year, compounded annually.

Then, there is our mortgage.

Our mortgage will see its interest rate triple when it is renewed in December.

These properties will be losing money, even when one adds back the mortgage principal reduction.

We do not have much for overhead or head office expenses, and we certainly don't charge the little that we have back to the properties when we are talking about these operating losses.

We don't charge the properties from non-arms length sister companies for routine maintenance that is intrinsic to building operations to skim a separate level of profit out of the property operations to report these losses.

We don't accumulate interest to ourselves for our investment in the properties, or previous years' operating losses and having to subsidize them in previous years, albeit it to a lesser degree.

I am talking about actually losing money.

The old fashioned way - actually losing cash money.

Or burning cash - so that there is no ambiguity. In a sizeable way.

There are no management fees, no salary for me or our accountant, no charge back for a fancy office. Real, actual operating losses at the property level that we need to subsidize from other business units in our organization.

We used to seek opportunities to have more of these older properties that provided a reasonable return, that were low risk, and that we could rent out at reasonable rent levels.

We can't afford to do that anymore.

In the past, we held the rent down for seniors and other residents on low or fixed income because we could afford to do so.

Now we can't and don't anymore.

Government policy that unfairly targets rental housing providers is actually making the housing crisis worse.

There are fewer affordable rental homes for more people looking for a place to live.

Because rental housing providers like me and many others cannot afford to lose money because of the rent cap.

Our company would be absolutely ecstatic to get what Nova Scotia Power is receiving under Bill 212.

Our company - like many other rental housing providers - would love to be able to recover energy costs from our customers, our residents, like Nova Scotia Power still can under Bill 212.

But we can't in the rental housing industry.

We aren't allowed because of the rent cap imposed by the previous government and extended by the current government.

There's no fuel adjustment mechanism for residential rental housing providers.

We applaud the government for capping the cost of electricity under Bill 212.

Affordable housing is dying a death by 1000 cuts.

Bill 212 will make one of those cuts not quite as deep as it could have been.

The government was not worried about us and our future capital requirements when the rent cap was put in place.

Those same buildings need new roofs.

To pay for a new roof, we will just have to dig deeper and pay for it out of our other resources, decreasing our business's equity. Equity that we worked for thirty years to build, taking risks that would be unfathomable to most people. Equity slowly accumulated with unguaranteed results and returns.

This is the way that most businesses need to suffer when times are tough, like they are in the rental housing business in Nova Scotia now.

We know that the government is in a tough spot trying to fix the housing supply mess while juggling a lot of other priorities.

We recognize that Nova Scotia Power and Emera are now less likely to invest in solutions to meet our renewable energy targets by 2030.

I have a solution. Let rental housing providers make investments in our properties to get off carbon.

Let us install solar to make electricity to heat these properties, and to help back-feed the grid.

If Nova Scotia Power is no longer able to sufficiently invest in renewables to comply with 2030 targets, create a regulatory framework to let the rental housing sector make the investment.

We can reduce the operating costs in these properties and help the province meet its renewable energy requirements simultaneously.

Some people claim: “Nova Scotia’s electric grid can’t afford large scale solar power for apartment buildings.”

My response is: “Our apartments can’t afford the Nova Scotia electric grid’s electricity”.

I can’t afford a tree falling on a building due to a hurricane.

We all can’t afford spending billions of dollars in provincial infrastructure to mitigate future damages due to climate change.

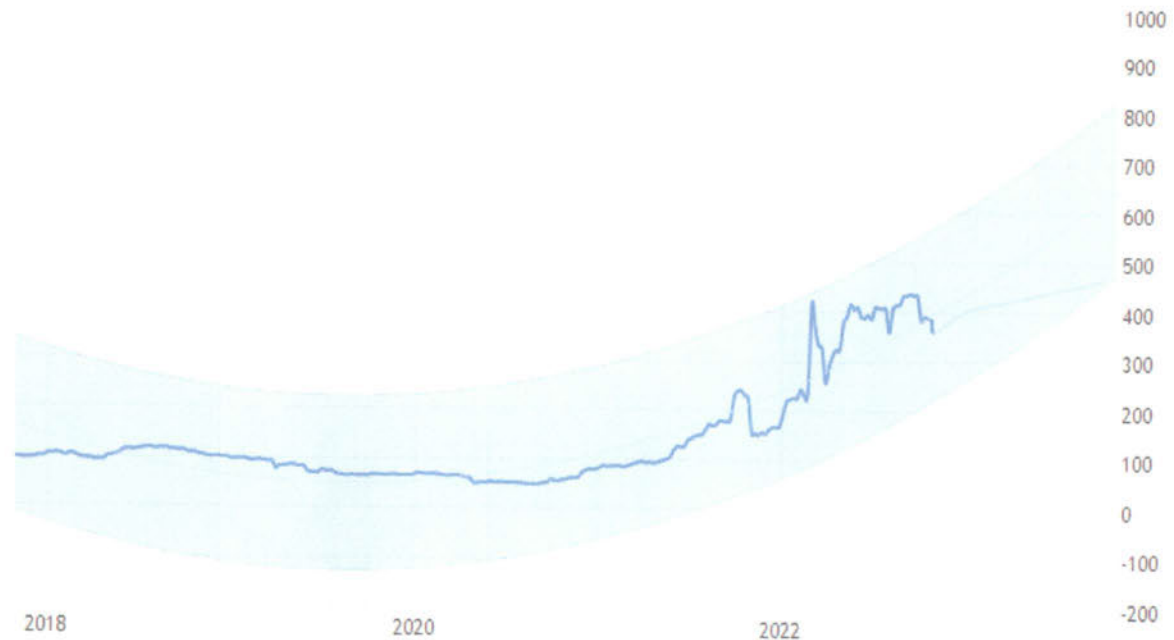
Companies like ours can do so more to increase solar energy use.

We don’t have to put all our hopes with Nova Scotia Power and Emera.

We don’t have to the watch the world burn down around us.

I’ve seen the graphs for the projections of the future price of coal. Let’s take a minute to look at the graph below:

## Coal Price Forecast:



Source: [Coal - 2022 Data - 2008-2021 Historical - 2023 Forecast - Price - Quote - Chart \(tradingeconomics.com\)](https://tradingeconomics.com)

While Bill 212 is good to limit the increase to 1.8% per year, the shape of that graph is scaring me as it appears that we are all going to have to face this graph for years to come.

Let's put companies beyond Nova Scotia Power to work on making major investments by businesses like ours in solar and other renewables to change things for the better!

Thank you