

Remarks on Bill 339**Law Amendments Committee****October 23, 2023****Presenter: Kevin Russell, Executive Director, The Investment Property Owners Association of Nova Scotia**

Mr. Chair and members of the Law Amendments Committee:

Thank you for the opportunity to speak today on Bill 339, amendments to the Financial Measures Act.

It's an honour to speak on behalf of the Investment Property Owners Association of Nova Scotia – more commonly known as IPOANS.

IPOANS members are women and men who work hard to provide quality rental housing to Nova Scotians.

Private sector rental housing providers are the largest single source of rental housing in Nova Scotia...

And they are the largest single source of affordable rental housing in Nova Scotia.

Many rental housing providers are struggling in Nova Scotia.

Every day I get phone calls and emails from rental housing providers.

They are tired. They are hurting. They feel ignored by their government.

They feel targeted by politicians that want to use them as scapegoats to win votes.

Remember – more than 80% of rental housing providers are sole proprietors.

They own and operate their buildings.

And they are struggling because rent control causes them to lose money.

While the government has capped rents – against the recommendation of the 2021 Affordable Housing Commission report and breaking the promise made by the Premier during and after the last election...

Rental housing providers are forced to pay skyrocketing costs – insurance, energy, labour, mortgage payments, property taxes.

There's no rebate program for rental housing providers. They are left to pay all of the extra carbon tax costs.

It's not lost on rental housing providers when the Nova Scotia government rolls out a Heating Assistance Rebate Program, there's no such help for them.

Rental housing providers are abused by bad tenants that don't pay the rent, that damage property, that threaten staff and other tenants.

Rental housing providers also struggle to get any help to enforce compliance of the Residential Tenancies Act.

Tenants can and do live rent free for months on end.

Another financial hit on the rental housing provider who have to personally make up the revenue shortfall to pay the bills.

Yet there is no help from the government to bring in a compliance and enforcement unit.

Apparently, there's a report from Davis Pier.

A report that we participated in, but a report that we haven't seen.

All of this financial pressure on rental housing providers has made the housing crisis worse.

Two years ago, I warned this committee that the financial crisis caused by government's rent control and skyrocketing costs would result in property owners being forced out.

As I said then, quote:

"Selling units will result in current renters without a home and further reduce rental housing stock."

Many rental housing providers are selling, not to turn a profit.

They are selling to stop the bleeding - bleeding caused by damaging government policy – supported by every MLA and every political party.

What type of rental properties are being sold?

Single-family homes. Duplexes. Triplexes. Townhouse. The vast majority providing affordable homes with backyards to renters with families and pets.

Other rental properties being sold are ones that offer single room occupancies, which are the most affordable rental housing in our communities.

What happens when these properties are sold? The new owner moves into the home with their family displacing the renting family into a rental market with less than a one percent vacancy rate.

This is the direct result of rent control, combined with the lack of any financial support programs for rental housing providers.

Rent control has created financial distress among rental housing providers and it has made the housing crisis worse.

Since rent control has come to Nova Scotia, rents have actually increased at a higher rate than before it was introduced. These are the facts according to Statistics Canada.

Since rent control has come to Nova Scotia, we have more tent cities and more Nova Scotians without a home.

These are facts, according to the Affordable Housing Association of Nova Scotia.

Why do I say these things?

Because Bill 339 was a missed opportunity to help rental housing providers deliver affordable housing.

To be clear, our members support the federal and provincial governments agreeing to an HST rebate on new construction.

Many have asked us for this kind of support for years.

In fact, we don't know why the rebate wouldn't apply to existing projects that began prior to the mid-September effective date proposed in this legislation and its mirror legislation before Parliament?

While the HST rebate will support new construction, it doesn't help the much larger number of existing affordable housing providers who are pleading for help.

Here are proposed solutions we have already advanced.

Solution #1: The government should introduce an Affordable Housing Emergency Rebate for Rental Housing Providers. Any rental housing provider that's charging rent of a \$1,000 or less should get a rebate from the government to pay for increased costs.

Solution #2: extend the residential Capped Assessment Program to include rental apartments. Mobile homes, condos and single-family homes are covered by the Capped Assessment Program. It's time to bring property tax fairness to rental apartments. I would note that this is an ask, not only for our members, but of not-for-profit housing providers like Dartmouth Housing.

Solution #3: Provide a rebate on the provincial portion of the HST for apartment building expenses. This would be application based and give apartments a break on their skyrocketing costs.

Solution #4: Create an emergency rent bank, as is done in other provinces including New Brunswick, so that tenants in need are able to pay their rent.

We know that government legislation, especially for Bills that are financial in nature, are almost never amended.

My hope here today is that as elected officials, you will start to recognize three things:

First: the damage rent control is causing to rental housing providers; and

Second: how rent control has made the housing crisis worse and increased homelessness; and

Third: that rental housing providers are desperate for financial help – without financial help, you can count on the housing crisis becoming even worse.

Thank you for your attention.