

Speaking notes for Suzanne Gravel
Provincial Deed Transfer Tax
March 17, 2025
Public Bills Committee Presentation

Good morning everyone

My name is Suzanne Gravel, incoming President of the Nova Scotia Association of REALTORS® (NSAR).

We are the professional association for REALTORS® in Nova Scotia and the voice of real estate in our province.

There are 2,100 REALTORS® across the province working with thousands of property buyers and sellers each year.

REALTORS® have data and expertise on housing issues that are valuable to the government.

We work with several government departments on policies and programs related to housing, including the Down Payment Assistance Program, economic development opportunities, and increasing housing supply.

I'm here to talk to you today about the increase in Provincial Deed Transfer Tax or PDTT.

After this increase was quietly announced in the budget, NSAR heard from concerned members, clients, and partners across the province about the negative impacts it will have.

NSAR has reached out to the Premier, Minister of Finance, and Minister of Growth and Development on this but have had no response.

So, NSAR has been facilitating a letter-writing campaign to the province to help Nova Scotians express their concerns about PDTT.

I must be over 1000 by now
~~Over 500~~ people, including REALTORS®, local business people, investors, economic development partners, and municipal leaders, have sent letters to the Premier, Minister of Finance and Minister of Growth and Development opposing this tax.

We understand the province is looking for additional revenue sources; however, this punitive tax makes us the only province adding a tariff on other Canadians who want to own property in our province.

Doubling the PDTT is counterproductive to the province's efforts to reduce inter-provincial trade barriers.

It is a tariff on the trade in real estate at a time when we're actively fighting against tariffs and working to open inter-provincial trade.

Increasing the Provincial Deed Transfer Tax hurts communities outside Halifax the most.

We have heard from partners in rural Nova Scotia, including Cape Smokey Holdings, who have serious concerns about how this will negatively impact their rural projects.

Rural communities rely extensively on the economic contributions of property owners.

Seasonal homeowners already pay a higher tax rate, as they do not benefit from a cap on property assessments.

They contribute to local economies and provide increased funds for community improvements, small businesses, and local services.

They also invest in local charities, support small businesses, and bring in tourism dollars.

These contributions are substantial, and this tax will divert away potential economic benefits from these communities.

This tax will impact not only out-of-province buyers but also local sellers, particularly in rural areas.

With smaller local markets, these sellers often rely on non-residents to purchase their properties.

An increase in PDTT will drive these buyers elsewhere to purchase their seasonal and/or retirement homes, pulling revenue and buyers away from our towns and rural communities.

The PDTT does not provide affordable housing as these seasonal owners are buying cottages and other properties in remote areas that local buyers are not looking for.

You may think this only impacts wealthier Canadians in other provinces, but families in our province will feel the impact of increased PDTT.

This includes families conducting estate planning, such as transferring family cottages to children out of the province.

These children, now responsible for managing a generational property, will be burdened with increased taxation simply because they do not live here year-round.

It will also impact parents buying homes for their children to attend post-secondary institutions in Nova Scotia, whether within Halifax, Wolfville, Antigonish, Sydney or other communities.

Did you know that, on average, 10-15% of new condos and new housing developments have purchasers or investors from other parts of Canada and abroad?

These people will stop investing in our projects with this additional tariff, jeopardizing these projects and reducing housing for Nova Scotians.

PDTT is a trade barrier that drives away capital investment in our province.

At a time when we are trying to remove inter-provincial trade barriers, PDTT is counterintuitive.

And there have been no public economic studies or reviews to demonstrate that this is a financially viable solution.

The government has shown no evidence that this will improve our housing situation or contribute substantially to the economy.

In fact, today you've heard from myself and other Nova Scotians who can demonstrate that increasing the PDTT will not help increase access to housing or economic activity.

PDTT sends the message that Nova Scotia is closed.

We're closed for business.

We're closed for seasonal residents.

We're closed for children and students.

I urge you to reconsider and repeal the PDTT.

It's the right thing to do for Nova Scotians.

Thank you.

Suzanne Bravel

James Wooder
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March 11, 2025
The Honourable Tim Houston, M.L.A.
Premier of Nova Scotia
Office of the Premier
7th Floor, One Government Place
1700 Granville Street
P.O. Box 726
Halifax, NS B3J 2T3
Canada

Via email: premier@novascotia.ca

Subject: Opposition to the Increase in the Non-Resident Deed Transfer Tax

Dear Premier Houston,

Where to start? If it was a bad idea the first time around, which was to your government's credit duly recognized and acted on, it is a demonstrably far worse idea the second time around. Somewhat ironically, this latest resurrection comes at a time when the government is pursuing a far more enlightened public policy to eliminate inter-provincial trade barriers (something widely accepted as destroying value and having negative impacts to growth) and aggressively proclaiming that the province is "open for business". Why can't the government connect these dots and maintain a policy direction that is consistent? Why risk being perceived as talking out of both sides of the proverbial mouth when proclaiming that Nova Scotia is open for business, seeking investment and welcoming of newcomers when at the same time doing something that suggests the opposite? And the inevitable conclusion we are being encouraged to draw is what, exactly? That people who don't live here on a year round basis but have chosen to invest in the province, in the vast majority of cases in relatively expensive recreational properties in RURAL Nova Scotia, are somehow responsible for a dearth of affordable housing stock in URBAN Nova Scotia? Really? Or perhaps we are to be comforted by the government's most recent effort to defend the tax, Minister's Lohr's musings that he wants Nova Scotians to have a "leg-up" when competing for properties, which of course ignores the issue of where these properties are located or the real possibility that this tax grab will depress property values with unintended consequences of negatively impacting the municipal tax base and destroying value for those property owners who may wish to sell at some point in the future. In fact, it is not at all a stretch to say that this is a tax on rural Nova Scotia property owners who will in all likelihood end up having to reduce their price to accomplish a non-resident sale (as opposed to giving a "leg-up" to Minister Lohr's non-existent buyers); the buyer gets nothing in return for the punitive tax so of course will seek to discount the purchase price to accommodate it.

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Did the government's economic impact analysis consider the cost to municipalities for the inevitable reduction in taxable values that will result from this and from the overall reduction in demand that will be caused by the negative messaging to "come from aways"? I note that realtors are already complaining of lost sales as both the unfairness of the tax and its unwelcoming message make buyers revisit their desire to invest here.

The fact that this time around the bad idea was limited to deed transfer tax alone doesn't elevate its standing, nor that the opposition this time around is perceived by some to be less widespread make it any better an idea. As a landowner with strong connections in Kingsburg, I have been copied with some of the correspondence already sent to you and am reliably advised that there are hundreds, perhaps as many as four hundred letters sitting on your desk the sum of which make a compelling case for not proceeding with this tax. Surely public policy in the province isn't to be driven by the volume of pushback, but the cogency of its argument.

I am not going to repeat at length the well articulated points of others that have emphatically refuted the government's suggestion that this tax will do anything to increase the availability of housing for Nova Scotians or that it will do anything but negatively impact investment and economic activity in rural economies that rely on "non-resident" homeowners for local business support and job creation. Nor will I dwell on the fact that the government has offered zero support in terms of an economic analysis for its bold claim that this tax is somehow going to provide a net economic benefit to Nova Scotia; a bit like Presidents Trump's vacuous proclamation that tariffs will somehow magically create wealth for the citizens of the United States. If the detailed economic analysis exists to support the claim that this tax will somehow provide a net benefit to Nova Scotia, please produce it. In its absence, we are left with lazy, unsubstantiated public policy that would appear to be nothing more than a poor attempt at a tax grab with unhelpful messaging that Nova Scotia has created a two-tiered system that is discriminatory and discourages investment from out of province buyers.

I would also ask you to further consider the more qualitative impacts of penalizing not only Canadian citizens but discouraging Americans from continuing their longstanding tradition of investing in Nova Scotia. Fintan O'Toole's recent opinion piece in the Irish Times references the substantial America brain trust driving science and innovation that is being systematically disenfranchised by Musk's great government efficiency strategy and makes a compelling case for rolling out the carpet and literally "picking American brains". Rather than putting up barriers to Americans looking to establish a part time residency here, why not do something really progressive and consistent that tangibly demonstrates your "open for business" proclamation and ELIMINATE the deed transfer tax for out of province buyers altogether? If the province of Nova Scotia is serious about doubling its population, finding the labour that will allow the province to successfully embrace new labour-intensive industries like offshore wind and doing everything reasonably possible to reverse the demographic train wreck we have in this province, then we should be encouraging all comers. The fact that they may initially choose to live here on a part-time basis as a justification for discouraging them seems enormously short-sighted. As others have fairly stated, their contributions to the province extend far beyond the substantial financial stake they take by investing here. And to be honest Mr. Premier, as highlighted in a webinar last Thursday hosted by Marine Renewables Canada that demonstrated the need for an alliance with New England to create a coordinated electricity transmission grid that will

help drive investment in our offshore wind assets, Nova Scotia is simply too small a player to go it alone on almost anything. Your proposed elimination of inter-provincial trade barriers is an exemplar of that. We need all the help we can get. New ideas, new contacts, new alliances, new investments (examples being the incredible transformations happening in Ingonish at Cape Smokey and Inverness at Cabot Links - where did the vision and money originate for these investments and who is buying up the associated properties rejuvenating the local economies?), a big tent approach that extolls the virtues of this wonderful place. We should applaud and encourage those who want to take a stake in and become vested in Nova Scotia, not present them with an additional tax that has yet to be demonstrated as capable of achieving its stated objectives and which sends a message that we don't really mean what we say about being open and welcoming. Given what is going on south of the border, how you are perceived matters, especially at a time like this.

Please consider pausing the implementation of this tax, undertake an appropriate economic impact analysis in partnership with the Nova Scotia Association of Relators that considers all relevant aspects of the issue and make it available to Nova Scotians with the rationale for your ultimate decision.

Your truly,
James Wooder

Suzanne Gravel

Dear XXXX

The increase of the Provincial Deed Transfer Tax (PDTT) is a Tariff against our fellow Canadians and is egregious and needs to be dealt with as soon as possible. This change was slid into the budget without consultation.

The PDTT should be cancelled for Canadians as we are the only province doing this against our fellow Canadians at a time when we should be opening our borders to interprovincial trade, which should include the trade in real estate.

For foreigners - the PDTT should be reduced to 2.5% like other provinces (Ontario and Quebec). NS has long been home to many foreigners from the time our history began, and they give back to these communities in such far-reaching ways and often have generational ties to NS.

As you will see when you review the below arguments, this is not a matter of politics or real estate; this is an economic matter which will harm not just rural NS but urban centres as well.

The PDTT does not provide affordable housing as these seasonal owners are buying cottages, and other properties in remote areas that our NS buyers are not looking for. This will only further hurt the economies of NS communities and sends a message to our fellow Canadians (many with roots in NS) and our European partners that they are not welcome.

At a time when we are trying to remove inter-provincial trade barriers, this is counterintuitive and so harmful not just to the rural economies, but to our secondary institutions, charity organizations, affordable housing development, small business owners and to our reputation as an open province. All of this having been done without evidence as to why, no statistical facts and from a fiscal perspective, will likely reduce the amount that the PDTT brings in from the 11.5 million in the past year to a much lesser amount.

Please review the multiple reasons below why the government needs to cancel the PDTT for Canadians and reduce it to 2.5% for foreigners as other provinces do.

NS is placing a Tariff on our Fellow Canadians - First and foremost, **we are the ONLY province taxing our fellow Canadians who wish to buy seasonal real estate**, at a time when the Premier is opening the border to trade?

NS is placing an exorbitant Tariff on Europeans and other Foreigners - These folks who support our rural communities, and who are a huge part of our heritage, many of whom have significant ties to NS and the communities they support. If we must levy a tax on them, **let it be commensurate with other provinces at 2.5% NOT 10%.**

Economic Ramifications to Rural NS - Whether it is from the revenue generated from the initial purchase of land and housing, the devastation to rural economies is far-reaching and moves into every sector of rural NS harming municipalities who collect taxes and businesses as these owners contribute to the local economies from restaurants, property improvements, grocery stores, (every facet of rural NS economies).

Our Reputation – This egregious taxation (tariff) simply sends the message that we are not “open for business” and is contrary to everything we stand for.

Fellow Nova Scotians - Many buyers who purchase have strong ties to NS, many of which grew up here or plan to move back here from other Canadian cities, and other countries where they currently live and work. So this tax punishes Nova Scotians who may not, at present, live and work in Nova Scotia.

The PDTT does not open housing for Nova Scotians - This tax was meant to open more housing for Nova Scotians, but it does not. It is a money grab that has gone too far. These buyers are purchasing seasonal properties in rural NS communities, and not affordable housing.

Post Secondary Institutions - Many parents must purchase housing (due to lack of rentals) for their children to come to NS and take their post-secondary education. This happens both inside HRM and in rural NS. This 10% PDTT will turn those students (and parents) to other provinces, reducing attendance and tuitions at our post-secondary institutions.

Seasonal Owners Pay Higher Taxes - Let's not forget that these seasonal residents pay a higher tax rate already, (no cap on assessment) yet they do not use schools, local infrastructure and many other services like healthcare. Yet, their tax dollars benefit Nova Scotians.

Charity - Many of these “seasonal residents” (whether Canadian or out of country) are active members in their communities and very generous with local charities that need help. Not only do they donate their time and energy, but they also generously give to the communities they belong to.

Tourism - This 10% PDTT will harm tourism directly, as individuals will not want to invest their tourism dollars in a province that shuts its housing borders. Moreover, when word gets out that NS has closed its borders, there will be fewer folks coming to experience our province **just on principle**.

Closing our Border to Canadians - This 10% PDTT comes at a time when Canadians are coming together all over our beautiful country to eliminate interprovincial barriers to trade. Our history and our heritage have been one of welcoming our Canadian neighbours and foreigners in.

Violation of the Canadian Charter of Rights - Isn't this a violation of Charter 6 which should allow Canadians to move freely within our country, and not be discriminated against?

New Developments – On average, 10-15% of new condo and new housing developments have purchasers/investors from other parts of Canada and abroad. These purchasers will stop investing in our projects with this additional tariff of 10%, putting these often-affordable housing projects in jeopardy and reducing affordable housing for Nova Scotians. This is a **trade barrier** that drives away capital investment in our province.

Existing Homeowners - The homes that the 10% PDTT targets are not typical NS homes, but seasonal properties located primarily in rural NS. This tax will now seriously harm those owners from selling their properties, so the people paying the price will be Nova Scotian home sellers.

Transfer of Property Ownership – Many Nova Scotian seniors wish to transfer their properties to their children and if they do not work in NS at present, the too are taxed 10%. These children are Nova Scotian's and their rights are ignored.

PDTT Increase Will Provide Less than the 5% - The government is anticipating revenues of 26M versus 11.5M under the 5% tax previously levied, but these funds will not be realized. For a \$250,000.00 seasonal home, that equates to \$25,000.00 on top of the Municipality's Deed Transfer Tax. Make no mistake, this will stop the movement of property.

The government needs to re-visit this egregious policy which will harm ALL Nova Scotians, and detrimentally affect the small rural communities economically, culturally, and socially.

The PDTT should be abolished for Canadians, not increased to 10%, and reduced to 2.5% for foreigners. When word gets out and Nova Scotian's realize what effect this policy will have, nt to mention our provincial counterparts, the damage to the province will be done and very difficult to reverse.