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Higher inflation continues to pound away at private sector rental housing providers

Private sector rental housing providers are calling on the Nova Scotia government for emergency help as new inflation numbers continue to highlight an industry in crisis.

According to new data released by Statistics Canada today, year-over-year inflation increased by 8.1% across Canada and 9.3% in Nova Scotia.

“Everything is more expensive for those who own and operate apartment buildings in Nova Scotia – insurance, energy, building supplies, labour and taxes,” said Kevin Russell, Executive Director of the Investment Property Owners Association of Nova Scotia (IPOANS).

“Unfortunately, the Nova Scotia government has singled out this sector with rent control that stops everyone from raising the funds they need to pay for all these increased costs caused by skyrocketing inflation. Rental housing providers need help from the government, and they need it now.”

Because of the financial impact of rent control policies imposed by the previous Liberal government and maintained by the current PC government:

- Smaller rental housing providers can no longer afford to maintain their properties and are selling to new owners who are moving in, leaving existing tenants without a place to live;
- Fewer rental housing providers will mean less competition and ultimately higher rents; and
- To generate revenue lost by rent control, rents for newly built units are being charged at a higher level, making new rental housing less affordable and attainable.

“I sold one of my rental properties for one reason and one reason only – I can no longer afford to provide rental housing at an affordable price with rent control and other policies put in place by the provincial government,” said Amanda Knight, who recently sold affordable rental units in Colchester County. *“Many of us told MLAs this would happen last fall, but the politicians just didn’t listen. Not only is rent control pushing out small operators in rural Nova Scotia like me, but it actually makes the affordable housing crisis worse.”*

Russell renewed the call of IPOANS for government to work with those who provide rental housing to find real solutions that will work, instead of making the housing crisis worse. Every rental housing provider that is forced out of business puts another household at risk of homelessness.

One possible solution is to extend the Nova Scotia Capped Assessment Program (CAP) to include rental apartments with five or more rental units. The program currently covers single-

family, condominium and manufactured homes (more commonly known as mobile homes). In 2008, the provincial cabinet expanded the CAP to cover mobile homes, but didn't include apartments with 5 units or more.

"This is an easy step to bring some property tax fairness to apartment buildings that are getting squeezed by rent control and skyrocketing inflation," added Russell.

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