

For Immediate Release

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New survey shows fixed term leases support affordable rental housing

The majority of fixed term leases go to first-time renters accessing rental housing in Nova Scotia.

That's one of the findings of a new survey conducted by the Investment Property Owners Association of Nova Scotia (IPOANS). The survey was conducted April 18-26, 2023, with 208 rental housing providers responsible for 43,711 rental units responding to the survey.

The survey included the following highlights:

- 55.6% of fixed term leases are for first-time renters;
- 87.24% of fixed term leases are being used for reasons other than Nova Scotia's rent cap;
- Top five reasons cited for rental housing providers offering fixed term leases are risk management, allowing time to develop the tenant relationship, first time renters, limiting property damage, lack of tenant credit history;
- Tenants on fixed term leases are more likely to pay their rent and respect the Residential Tenancies Act; and
- More timely dispute resolution under the Residential Tenancies Act would reduce the use of fixed term leases.

"All of the public discussion on fixed term leases has based on anecdotes, not data," said Kevin Russell, Executive Director of IPOANS. "With government putting in place a rent cap that made the affordable housing crisis worse, it's important that government not make the same mistake in scrapping or restricting fixed term leases."

Among the positive tenant behaviour that results from fixed term leases, according to the survey:

- Tenants on fixed term leases are three times more likely to pay their rent on time, compared with those who have tenure in their leases;
- Non-payment of rent increases when tenants switch from fixed term leases; and
- Tenants switching from fixed term leases are almost twice as likely to violate the Residential Tenancies Act.

"Fixed term leases help keep rental housing accessible to tenants who, without this kind of lease, would not be able to find a place to live. It's now clear that fixed term leases also contribute to tenants who are more likely to pay their rent on time and follow the law," added Russell. "We urge the government to keep the right balance in place with fixed term leases being part of the solution."