

Current housing crisis worse because of 2% rent cap

It is not surprising that more of our most vulnerable people are having trouble finding a place to live in Nova Scotia.

This is a crisis made worse by politicians and activists that believe that rent control is a solution.

In the fall of 2021, when the Houston government decided to legislate and extend the 2% rent cap created by the previous Liberal government, rental housing providers lined up to warn politicians of the consequences of what they were doing.

We warned them that the rent cap would financially cripple many small rental housing providers.

We warned them the rent cap would mean rental housing providers would no longer be able to provide low-cost housing.

Without the ability to charge rent to pay for skyrocketing costs to own and operate buildings, small rental housing providers would sell their buildings to stop the financial bleeding caused by the rent cap, renovate their buildings to make the money they need to survive or move into the buildings they own.

All three situations have happened and that has reduced the affordable housing supply.

Our warnings were ignored and that means less affordable housing for tenants.

Now, we have the NDP and other activist groups running around falsely claiming about fixed term leases being a loophole.

The fact is fixed term leases are the only way that many newcomers, students and others with a poor credit history would be able to rent.

Getting rid of fixed term leases is not getting rid of a loophole, it's getting rid of the only path for many people to rent.

No fixed term leases and there will be fewer rental units available for students, newcomers, seniors and others.

Just as we warned everybody about the consequences of the rent cap, mark our words about fixed term leases.

So, having identified the problem – what are the solutions?

First, rental housing providers need to be able to recover their skyrocketing costs. The 2% rent cap prevents that and that means there is less affordable housing available.

Second, rental housing providers need emergency financial help from the provincial government to pay for energy costs, insurance costs and other costs. The government caused this part of the housing crisis and we are hopeful they will come to the table with solutions.

Third, extend the province's Capped Assessment Program (CAP) to include rental apartments. Apartment owners need protection from the provincial government against municipal governments using increased assessment values as a cash cow to spend, spend, spend. A former PC government extended the CAP to mobile homes 15 years ago. It's long since time to bring the same level of protection to apartment owners that's enjoyed by residential home owners.

Kevin Russell is executive director of the Investment Property Owners Association of Nova Scotia (IPOANS), which has been the voice of residential rental property owners since 1978. IPOANS members collectively have more than 45,000 residential housing units under management across Nova Scotia.