

OPINION



Kevin Russell, IPOANS

Halifax - The Nova Scotia Utility and Review Board approved a rate increase for Nova Scotia Power of 14% over the next two years.

In its 203-page decision, the regulator said:

"The board cannot simply disallow N.S. Power's reasonable costs to make rates more affordable. These principles ensure fair rates and the financial health of a utility so it can continue to invest in the system providing services to its customers... N.S. Power's costs must be reflected in the rates."

Unfortunately, the same principle that allows Nova Scotia Power to raise its rates does not exist for 6,000 Nova Scotians (including 5,000 who are sole proprietors without any employees) who provide rental housing in this province.

Thanks to the rent cap imposed by the former Liberal government, extended by the current PC government and perennially championed by the NDP, nobody cares about the financial problems faced by thousands of Nova Scotians owning rental properties.

Unlike Nova Scotia Power, rental properties can't charge reasonable rates to pay for our higher costs.

Unlike Nova Scotia Power, there is no consideration of the financial distress of rental housing providers and its impact on providing affordable housing or the ability to invest in its assets.

Unlike Nova Scotia Power, rental housing providers are prevented by Nova Scotia law to reflect costs in the rates they charge.

Unlike Nova Scotia Power, rental housing providers aren't allowed to increase rents to meet a profit target set by the regulator.

Unlike Nova Scotia Power, rental housing providers do not have the luxury of a fuel adjustment mechanism supported by government and the regulator that allows them to pass along energy costs to their customers.

It's a sad twist of the fate that the double-digit rate increase approved by the Nova Scotia Utility and Review Board and allowed to go forward by the Nova Scotia government will be one more financial hit on the rental housing sector.

And people wonder why there is a housing crisis when the largest providers of rental housing in the province, including affordable housing, are under constant attack by politicians, activists and media.

There will be no solution to the housing crisis until rental housing providers are included as part of the solution, instead of being unfairly targeted as the problem.

That's the real power imbalance that needs attention.

Kevin Russell is the 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.