

Time for housing solutions that work, not schemes that make things worse

As the Nova Scotia legislature resumes on September 5, we expect to hear a lot more talk about housing.

Unfortunately, politicians of all persuasions tend to bring more heat than light when it comes to housing solutions that will help Nova Scotians.

First, it's important to give credit where it's due.

Premier Tim Houston's government has delivered the largest investment in new public housing in more than 30 years – reversing generational inaction by previous Liberal, NDP and PC governments.

Spending on homelessness programs has increased by more than 360 per cent in the last three years.

The Houston government is investing in student housing at universities and the Nova Scotia Community College.

Nova Scotia matched the federal government's HST rebate on new construction.

The provincial government has given itself the power to set aside bad decisions at the municipal level that are roadblocks to housing delivery.

In recent weeks, the provincial government has created a program to support not-for-profits in buying housing and changed the fee structure around condominiums to make their development slightly more affordable.

Rent control has been in place in this province since September 2020.

Despite all this action, why is the housing crisis getting worse, not better?

Because politicians keep failing to listen to the number one provider of affordable rental housing in this province – the private sector.

Private sector rental housing providers are diverse.

They come in all different sizes. They have the most expertise in providing housing.

More than 90 per cent of rental housing providers in this province are sole proprietors. They aren't large companies.

But they are often among the first – especially in small town, rural Nova Scotia – to step up and help their friends and neighbours find housing.

These people own and operate housing for tens of thousands of Nova Scotians.

They face the same cost pressures as everyone else – inflation, interest rates, property taxes, the carbon tax.

Yet, there is no financial help for these small rental housing providers, as they suffer to stay afloat under a rent control regime that starves small players from the cash they need to pay their bills.

Despite all this experience in delivering affordable housing, the insights of rental housing providers are either generally ignored or worse.

The housing crisis is getting worse in Nova Scotia for the following reasons:

- Rent control ultimately doesn't work, because it forces new construction to be priced at a higher level. As we told everyone years ago, the data in Canada and the United States is clear: jurisdictions with rent control almost always have more expensive rents than those jurisdictions that don't have rent control.
- Rent control also pushes many smaller rental housing providers to sell their properties, putting many tenants at risk of homelessness. Our surveys reveal that small rental housing providers have sold properties removing over 3,000 rental units from the market since the implementation of rent control.
- The Nova Scotia government does nothing to ensure any real enforcement of the Residential Tenancies Act that governs those tenants and rental housing providers that break the law.

Despite some of the progress advanced by the Houston government to solve the housing crisis, some politicians and activists are proposing more bad ideas that will just worsen the housing crisis and create more, not less, homelessness.

Let's talk fixed term leases.

Fixed term leases are used by many small rental housing providers to provide housing to students, newcomers, those with poor or no credit history, people using rent supplements, people on income assistance, people being placed for housing by supportive housing organizations like housing.

As Michael Kabalen of the Affordable Housing Association of Nova Scotia told MLAs in December 2023:

“As a not-for-profit provider, for example, we're often dealing with individuals who have been housing insecure for a long time. And so, we often will start with a fixed term lease... So to broadly say fixed term leases are a problem, I think there are lots of good reasons that a fixed term should be used... to say they are all bad, is also an overstep.”

We have surveyed rental housing providers twice in the last 18 months. Their message is clear.

Any move to end or restrict fixed term leases will result in less housing for our most vulnerable.

A lot less housing.

So where do we go from here?

Politicians need to stop attacking the private sector and working with the private sector to find solutions that work, not schemes that fail.

We are ready to answer the call. Let's get to work.

Kevin Russell
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Investment Property Owners Association of Nova Scotia.