

**For Immediate Release
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Proposed municipal tax hike another shot at investment property owners

Halifax Regional Municipality's proposal to increase residential and commercial property taxes by 5.9% will be one more blow against rental housing providers, especially small business owner/operators.

Kevin Russell, executive director of Investment Property Owners Association of Nova Scotia, said investment property owners are already struggling with the impact of increased COVID-19 costs, the provincial government breaking its promise and capping rents for three years and higher insurance rates. The proposed municipal tax hike will just be one more reason for investment property owners to get out of the delivery of housing.

"How out of touch can politicians and bureaucrats be to think it's a good time to raise taxes right now?" asked Russell. "Do they not realize that thousands of rental units are likely going to be sold because Halifax and Nova Scotia has become so hostile to rental property owners? Raising taxes just make a bad situation worse."

Russell noted that Halifax Regional Municipality's own report recommending the tax hike noted that the municipality is getting a windfall in tax revenues from the Deed Transfer Tax and that "commercial taxpayers have a significantly higher rate than residents and available research suggests that they help subsidize residential property taxes." In 2021-2022, Halifax Regional Municipality held the line on taxes, approving only a 0.9% average property tax increase.

"Before councillors and staff ask taxpayers to pay more, maybe they need to lead by example and show some discipline in their own spending?" asked Russell.

Contrary to claims by Halifax Regional Municipality, data compiled by Altus Group in its Canadian Property Tax Rate 2021 Benchmark Report shows that Halifax's tax climate is among the worst in the country. The report concluded:

- Halifax's commercial-to-residential tax rate ratio – at 2.85 – is above the Canadian average and higher than in Calgary, Edmonton, Ottawa, Winnipeg, Regina and Saskatchewan;
- Estimated commercial property taxes for 2021 in Halifax – at \$33.94 per \$1,000 of assessment – is higher than every other major city in Canada, except Montreal and Quebec City;
- Estimate residential property taxes for 2021 in Halifax – at \$11.89 per \$1,000 of assessment – is higher than every other major city in Canada, except Winnipeg.

“The facts are clear – Halifax municipal tax rates are out of control compared to most places in Canada,” concluded Russell. “Hopefully, Councillors will do the right thing and reject this punishing tax hike.”

Nova Scotia’s Capped Assessment Program (CAP) also places an unfair burden on rental housing providers. The CAP only applies to residential properties, resulting in commercial properties paying a greater share of municipal taxes. While Halifax Regional Municipality is working on its own program to bring balance to residential and commercial properties, in the absence of any provincial action, municipal officials aren’t putting the same sense of urgency to this program as they are to raising taxes.

The Investment Property Owners Association of Nova Scotia (IPOANS) 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.