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Sent: September 16, 2024 6:55 PM
To: Office of the Legislative Counsel
Subject: Law Amendments Committee Bill 467

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Law Amendments Committee - bill 467

A bit about myself - I am self-employed and have no pension plan - My rental properties were meant to be my retirement and am nearing that stage of life in the next 10 years.

I have 2 issues that relate to Residential Tenancy and possible changes to the Act:

1. I own a house on the Halifax peninsula that was divided into 2 units prior to me buying it over 20 years ago. I used to live in front portion (main house). The back portion is a small 2 bedroom unit - leaving the front occupant with no exit / access to backyard or driveway. I always planned on moving back into the house / putting it back together as one single dwelling and enjoying my own house with access to backyard and driveway. The back unit has always been affordable / suitable for student, young singleton or couple. The back unit is coming vacant for the first time in 10 years and I would like to re-rent it until end of school year 2025 (maybe a bit longer) on a Fixed Term lease so that I can be assured I am to have my house back when I'm ready for it, except I'm afraid that I somehow will have that Fixed Term right taken from me after I rent it - and be forced to keep the new tenant forever. Recent events in small claims court have denied owners their right to take back their property for their own use and if I can not have the assurance that I can rent for Fixed Term, I will have to leave it vacant. I prefer to fill the vacancy but unless I have the right as a property owner to have a termination date I can count on / not an automatic renewal, I can not re-lease it as a long term option.
2. My second issue is the other property that I bought as a rental in 2012, also affordable rents as I inherited the tenants and their periodic leases - one of the original tenants is still there. It is 3 units - however only one furnace / oil tank which serves the 3 units (each with their own thermostat). As well the hot water heaters are oil-fired and as is usual there is only one Halifax water / sewer service for the 3 units. Suffice to say - the rents / leases include Heat / hot water and water / sewer service . I obviously have property taxes and insurance costs. I have a sizeable closed variable rate mortgage on this property. For more than a year I have been in a negative amortization position. As you no doubt know, negative amortization happens when your monthly set mortgage payments are no longer enough to cover the cost of the interest. The unpaid interest is added to the mortgage balance, increasing rather than decreasing, the amount owed on the property. Added to this equation are

repairs / maintenance and any other unforeseen happenstance. I feel that the rent caps are unfair to small landlords (particularly those who's leases include heat / hot water / water). The mounting costs (heating fuel / water / insurance / property taxes / increased mortgage rates) do not afford me the ability to float this property while tied to a 5% max increase on already low rents. Had I known pre-pandemic (2020) that a crippling 2% rent cap was in the cards for me,(followed by 5% cap til 2027), I would have adjusted the rents accordingly when I had the ability to do so. It was often the custom for small landlords - in an effort to keep good tenants - to not increase the rents until costs dictated such or the unit turned over. Units do not turn over as they once did because tenants will not vacate the under-market rents they are enjoying - regardless of whether the unit suits their current living situation or not. Oddly enough, all of my tenants in both my rental properties currently make more money than I do - yet I am legislated to subsidize them.

At the very least - the percentage of the rent cap should be a 2 tiered amount - 5% for leases with nothing included and a higher percentage for those where heat / hot water / water etc. are included.

I believe the system would inevitably become more balanced if the cap were removed - tenants would again move freely on to another rental as their needs changed or those who can afford it would buy their own homes instead of being incentivized, by low rent caps, to remain renters forever.

Thank you for your consideration,

Leah Sinnott