

Introducing Protection for Renters and a New Affordable Housing Commission

Government introduced today, November 25, 2020, a two per cent cap on rental increases and a ban on renovations. The province also announced it is creating the Affordable Housing Commission.

Here are the highlights:

Rent Caps

- Rents can't increase by more than two per cent
- The rent cap is retroactive to September 1, 2020
- This change is being made under the Emergency Management Act and will be in place until February 1, 2022, or until the state of emergency is lifted whichever comes first.

What does this mean for tenants?

- Rents can't be increased by more than two per cent annually.
- If a tenant had their rent increased by more than two per cent since September 1, 2020, their landlord will have to credit them the amount above the two per cent on their next rental payment.
- If the tenant doesn't live there anymore but has paid the higher rent in September, October or November then their landlord will have to reimburse them the overpayment amount.
- If tenants are not reimbursed, they should make an application to the Residential Tenancies Program www.novascotia.ca/rta.
- The rent cap does not apply to new leases that started between September 1, 2020 and November 30, 2020.
- Rental units that are currently vacant due to renovations can have rents set at market value for new tenancies. The two per cent rent cap will apply for any future rental increases.

Tenants and Landlords are always encouraged to work together to resolve disputes. If an agreement cannot be reached, tenants and landlords can apply to the Nova Scotia Residential Tenancies Program for assistance. It's important for both tenants and landlords to know their rights and responsibilities.

Resources:

<https://beta.novascotia.ca/documents/residential-tenancy-guides>

<https://beta.novascotia.ca/programs-and-services/residential-tenancies-program>

What does this mean for landlords?

- For existing tenants:
 - If a landlord increased a tenant's rent, since September 1, 2020, by more than two per cent, they must reimburse the difference compared to the previous rent.
- For new tenants with leases starting December 1, 2020 or later:
 - Rents can't be set to more than two per cent over the previous rent.
- For new tenants that had new leases starting between September 1, 2020 and November 30, 2020:
 - The rent cap does not apply.
- New units coming into the marketplace can have the initial rent set at market value. Subsequent rental increases and/or rental amounts for new lease agreements must comply with the new rent cap requirements.
- Rental units that are currently vacant due to renovations can have rents set at market value for new tenancies. The two per cent rent cap will apply for any future rental increases.

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Renoviction Ban

- Effective immediately, landlords will not be able to get an eviction order for renovations
- This change is being made under the Emergency Management Act and will be in place until February 1, 2022, or until the state of emergency is lifted, whichever comes first

What does this mean for tenants?

- Tenants can't be evicted for the purpose of renovations unless their landlord has an eviction order that has already been issued by the Residential Tenancies Program.

What does this mean for landlords?

- Landlords can't evict tenants for the purposes of renovations unless an eviction order has already been issued by the Residential Tenancies Program.
- Landlords can still evict tenants for situations permitted under the Residential Tenancies Act such as:
 - Rental arrears
 - Safety and/or security risk (i.e., physical assaults)
 - Abuse of landlord rules (i.e., continued smoking in a non-smoking building)
 - Non-compliance with tenant obligations under *Residential Tenancies Act* (ie. subletting without the landlord's permission)
 - Damage/destruction to property
 - Property owners wish to move back into their home
 - Early termination is required for a new property owner to take possession of their new home.
 - A property is foreclosed on by a financial institution.

Affordable Housing Commission

- The Affordable Housing Commission will engage with experts and stakeholders across the province to examine the current state of affordable housing in Nova Scotia and identify meaningful, sustainable, and actionable strategies and opportunities.
- The Commission will make recommendations to the Minister of Municipal Affairs and Housing (DMAH) relating to strategies to increase the supply of and access to affordable housing.
- The Commission will provide recommendations to the Minister of DMAH on how to address the challenges associated with affordable housing and increase the supply of a diverse range of affordable housing in Nova Scotia. These recommendations will be made on a consensus basis. The first set of recommendations is due on or before May 31, 2021.

