

Nova Scotia Association of REALTORS®

*Nova Scotia Capped Assessment Program
(CAP)
May 11, 2018*



Who we are

The Nova Scotia Association of REALTORS® (NSAR) represents approximately 1,500 real estate brokers and salespeople across the province. The Association's mission is to enhance REALTORS®' success by providing services and representation to enable them to best serve the public in real estate transactions. The Association also acts as the voice for real estate in Nova Scotia.



Commitment to quality of life



Ensuring Economic Vitality

Providing Housing Opportunities
Because the real estate

industry impacts our
Preserving our Environment

province economically,
Protecting Property Owners

environmentally and socially,
Building Better Communities

NSAR and its members have
a responsibility to recognize
this in all aspects of what we
do.



CAP Background

- In place since 2005
- Increases limited to Consumer Price Index (CPI)
- CAP applies to single family homes, apartments up to four units that are owned 50%+ by a Nova Scotian
- New construction is not capped
- Additions or renovations to existing properties are not capped in the first year, but added in future years



Why NSAR is concerned

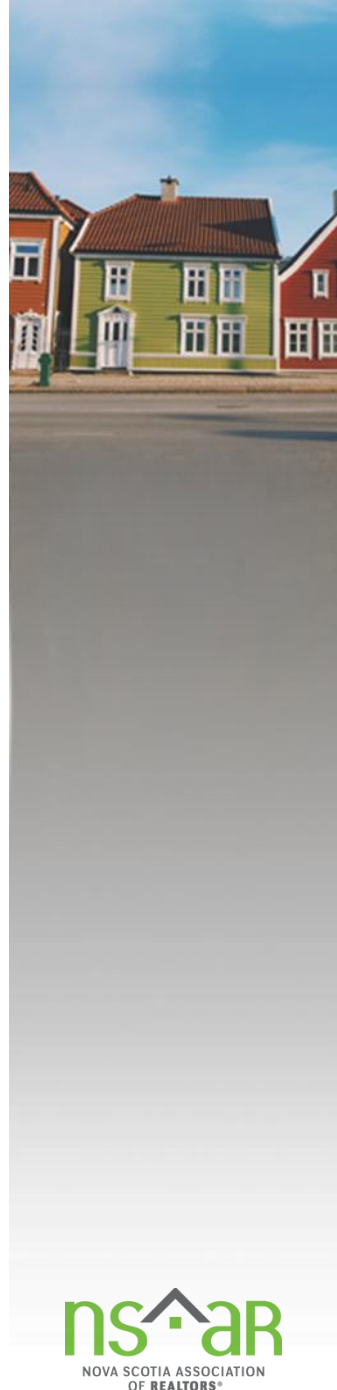
- Unintended consequences of the CAP have impacted homeowners, buyers and sellers in our market
- Created disparity in neighbourhoods – neighbours in similar homes paying drastically different property taxes
- Impacting first time homebuyers, young families and seniors
- CAP makes it more expensive to purchase a home in your community



Examining the data

Property tax shifts under the CAP, by property type in HRM*

Type of property	Total number of properties	Lower taxes %	Higher Taxes %	Average impact
Single family home	102,710	59%	41%	-\$68
Condos	10,427	29%	71%	\$113
Mobile homes	5,020	67%	33%	-\$81
Sub totals	118,157	56%	44%	-\$53
Multi-units:				
Two-Three dwellings	15,207	58%	42%	-\$44
Four+ dwellings	58,308	1%	99%	\$118



2018 Market Information

- 3,745 properties sold or conditional so far in 2018
- Canadian Real Estate Association outlook predicts a modest increase in sales and prices – approximately 10,620 homes sold
- Sale price has little to do with market assessments.



Neighbour example



House A

Owned for six years

\$108,000 market value

\$90,000 capped value

\$1,080 – Market tax bill (1.000%)

\$997 – Capped tax bill (1.108%)

Shift in taxes of -\$83



House B

New purchase

\$103,000 market value

\$103,000 capped value

\$1,030 – Market tax bill (1.000%)

\$1,140 – Capped tax bill (1.108%)

Shift in taxes of +\$110



Time to take action

- Call for Provincial Working Group to examine and address the CAP
- Stakeholders calling for change –
 - NSAR
 - Canadian Mortgage Brokers Association-Atlantic
 - Real Estate Lawyers of Nova Scotia
 - Nova Scotia Real Estate Appraisers Association



Solutions must include

- Spike protections
- Protections for low income homeowners
- Easy to understand
- A phased-in process
- Education for taxpayers



Next steps

- Working together
- Tax payer education
- Expressions of support

Thank you

