

Nova Scotia Association of REALTORS®

*Capped Assessment Program (CAP)
All-party committee
January 2020*

Who we are

We are the professional Association for REALTORS® in Nova Scotia, representing approximately 1,500 real estate brokers and salespeople across the province.

Commitment to Quality of Life Values



Ensuring Economic Vitality

Providing Housing Opportunities

Preserving our Environment

Protecting Property Owners

Building Better Communities

Why we are concerned

- Unintended consequences of the CAP
- Created disparity in neighbourhoods
- Impacting first time homebuyers, new Canadians, young families and seniors.
- CAP makes it more expensive to purchase a home in your community.

2019 Housing Market Information

- A record of 12,266 homes sold
- \$3.14 billion in sales
 - \$523 million spin-offs
- Average price 2019 = \$256,103
 - Sale price not reflective of market assessments used for property taxes.
- Housing supply at the lowest levels in more than 15 years.

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	102,710	50%	41%	-\$68

Type of prop.	Total prop.	Lower taxes	Higher taxes	Average impact
Condos	10,427	29%	71%	\$113

Multi-units:				
Two-Three dwellings	15,207	58%	42%	-\$44
Four+ dwellings	58,308	1%	99%	\$118

Neighbour example



CBRM House A
Owned for 23 years

\$190,400 market assessment

\$143,100 capped assessment

\$3,242 current tax bill



CBRM House B
New owners

\$190,400 market assessment

No capped assessment

\$4,314 current tax bill

**New owners paying \$1,072
more than neighbours.**

Impact on housing

- CAP disproportionately impacts first-time buyers, young families, new Canadians, and seniors.
- Fewer new builds - lower supply of housing.
- CAP system is hard to understand and defend.
- Disclosure can lead to disappointment

REALTOR® Recommendations

- Phasing out the CAP in 10-15 year period
- Provincial program to monitor & prevent sudden and dramatic spikes
- Implementing property tax relief options
- Revenue-neutrality for province and municipalities

Questions?