

Understanding Fixed Term Lease Use in Nova Scotia

In February of 2024, the ACORN Tenant Union put out a survey of people on Fixed Term Leases to get a clearer idea of who is renting on these leases and how this practice is affecting tenants.

After receiving 243 responses from across the province, this report presents the first look at the extent and impact of Fixed Term Lease use in Nova Scotia.

Defining the Issue

Fixed Term Leases are a type of lease that allow landlords and tenants to rent for specific periods of time, at the end of which, the lease ends and a tenant must move out. While this type of lease exists in every province and territory in the country, it is only in Nova Scotia that these leases have come to dominate the rental market.

As soon as a tenant signs a Fixed Term Lease they are agreeing to leave, regardless of whether or not they actually want to continue renting. A landlord and tenant can choose to sign another lease, but in a rental market with a vacancy rate of 1.1% [1] this often means landlords decide whether or not to continue a tenancy. This allows landlords to evict tenants without cause at the end of their lease, effectively removing the right to security of tenure.

These leases erase a decade of gains in tenants' rights and force Nova Scotian tenants to live without the protections guaranteed to tenants in almost every other province in this country.

Tenant testimonials and information from rental applications show this practice is widespread, and tenants are forced to sign away their rights in order to secure rental housing because there is such a shortage of affordable housing. As our testimonials show, this is causing significant instability for tenants and exacerbating housing insecurity in our community.

“Living on a fixed-term lease doesn't feel like stable housing – having a roof over my head means a lot, but without a permanent rent cap or eviction protection nothing is guaranteed”

About the Report

This report and survey were prepared by members of the ACORN Tenant Union - a union of tenants and low- and moderate-income people fighting for social and economic justice.

Our survey was active from February-August 2024 and was released through posters across the Halifax Regional Municipality, promotion over social media, and via email to our Nova Scotia membership. We had responses from across Nova Scotia, giving us the first look into how widespread the use of Fixed Term Leases are across the province.

We received responses from:

- Avonport
- Bedford
- Bridgewater
- Dartmouth
- Digby
- Greenwood
- Halifax
- Kentville
- North Brookfield
- Sackville
- Spryfield
- Sydney
- Truro
- Wolfville

[1] CMHC 2023 Rental Market Report

The survey was designed to only capture people who are currently renting on Fixed Term Leases, and not tenants on a Periodic Lease, and therefore cannot provide direct information on how widespread the use of Fixed Term Leases is. However, a survey of active rental listings showed that these leases are being used almost exclusively by landlords across all rental types. This finding is supported by tenant testimonials and data collected in our survey.

Testimonials have been edited for length and clarity, and identifying details have been obscured or removed.



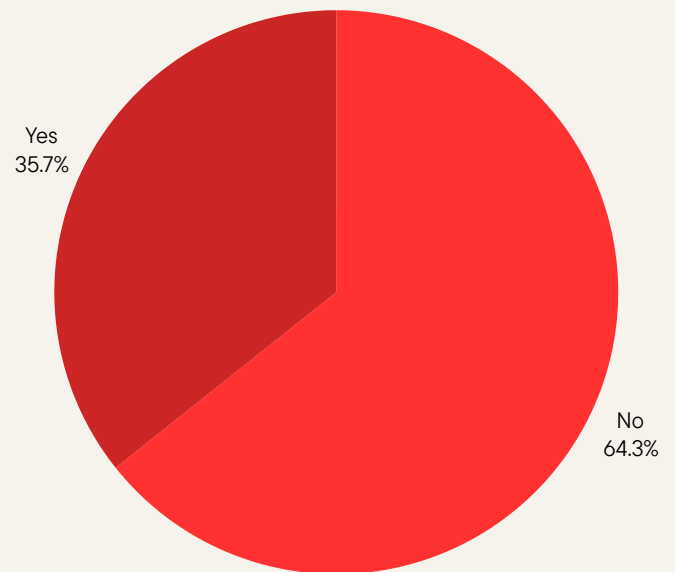
Key Findings

Fixed Term Leases Increase Housing Instability

Our survey shows that 35.7% of tenants who are currently on a Fixed Term Lease have been evicted on a Fixed Term Lease before. This does not account for people who are currently on a Periodic Lease or who were evicted into homelessness - though recent counts show that 1 in 5 people currently sleeping rough in Halifax were evicted on a Fixed Term Lease or re-evicted [2].

To understand the magnitude of this statistic, in 2021 only 6.3% of renters in Nova Scotia reported having been evicted before [3]. **In three years, this represents a 466% increase in the number of tenants who have been evicted from Fixed Term Leases alone.**

Have you ever been evicted on a Fixed Term Lease?



“The uncertainty of a fixed term lease has greatly impacted my mental health. The anxiety of whether I’ll have a place to live next year is something that comes up every day. For years I’ve asked to switch to a periodic lease but have been denied. Now the landlord is refusing to renew the lease for anyone who isn’t paying “market rate”. No upgrades/updates are being done, the units are simply being rented out for more money to someone else

“The last time I moved, the only affordable option I could find was a fixed term lease - and now I’ve just learned that they will not be renewing my lease so that they can raise the rent. There have been no renovations at all to justify this increase. I moved here because it was all I could afford, and now a year later I’m forced to move again when all my options are even more expensive than before. What’s happening in this province is simply unjust.

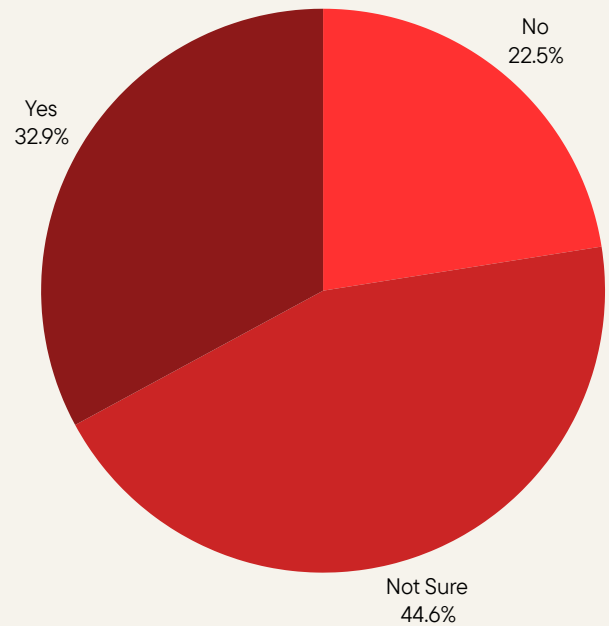
[2] July 2023 Halifax Sleeping Rough Survey

[3] Report from UBC titled ‘Estimating No-Fault Evictions in Canada’

This is consistent with our other survey results. **When asked why they moved from their most recent apartment, 6.6% said they were evicted through the Residential Tenancy Board, but 15.4% said they were evicted on a Fixed Term Lease.**

Being able to be evicted without cause is causing tremendous instability for tenants. **When asked if they thought they would be forced to move at the end of their lease, only 22.5% said no; 44.6% said they weren't sure, and 32.9% of tenants said yes.**

Do you think you will be forced to move at the end of your lease term?



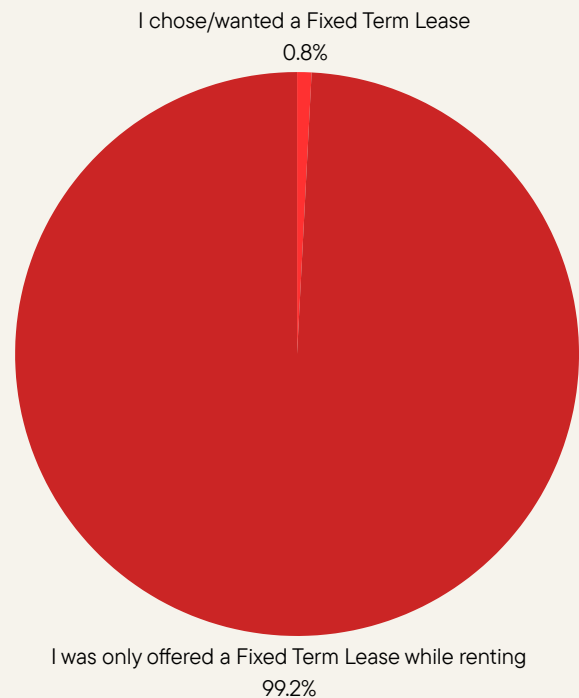
In 11 years I've lived in 10 different apartments. Every time I've moved it's because I've been renovicted or evicted on a fixed term lease.

These Leases are Widespread, and Replacing Periodic Leases

Fixed Term Leases are meant to allow people to rent for limited periods of time, like in short term rentals. While this survey can't provide direct information on how widespread the use of Fixed Term Leases is - a scan of active rental listings showed that these leases are being used almost exclusively by landlords across all rental types. When asked why they signed their Fixed Term Lease, **only 2 tenants out of 243 said they chose or wanted to rent on a Fixed Term Lease.**

More and more these leases are being used to replace Periodic Year-to-Year Leases; **95.9% of tenants on a Fixed Term Lease are signing 12-month leases.** The longest lease reported was a 36 month (3 year) fixed term, and the shortest were tenants reporting having to sign a new lease every month.

Why did you sign a Fixed Term Lease



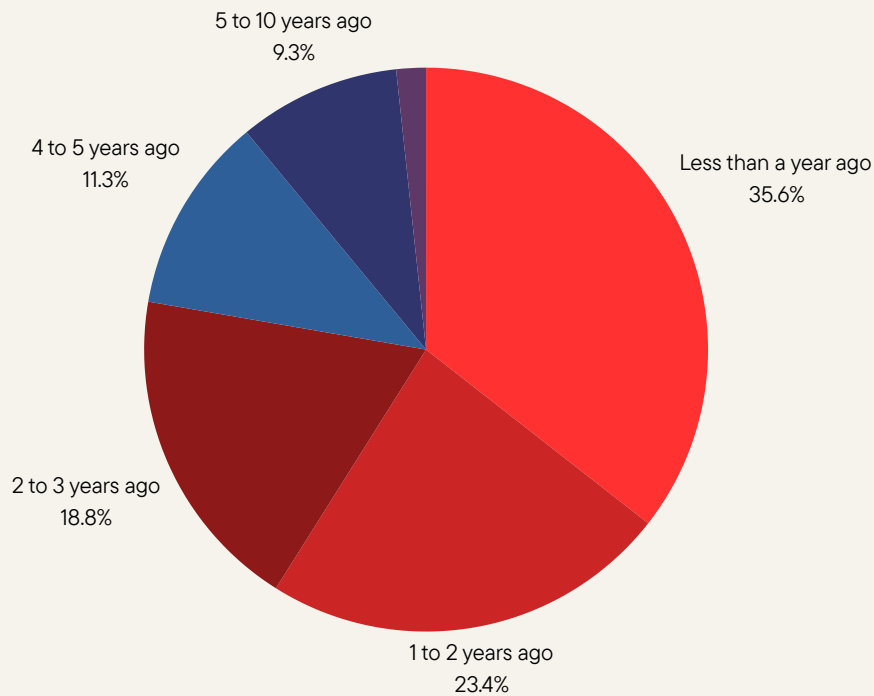
I have been living in the same apartment in Halifax for almost 10 years. I have been a great tenant. There is no reason I shouldn't have a yearly renewing lease, yet every year I have to wait to find out if I will be offered another one-year lease. What looks like rental stability feels incredibly unstable.

Landlords claim that they need these leases to create a "trial period" to vet new tenants [4], but **64.4% of tenants on Fixed Term Leases have been living in their apartment for over a year. And 10.9% have been living in their apartment for over five years.**

[4] Investment Property Owners Association of Nova Scotia November 2023 Survey

“ Our landlords decided not to re-offer our fixed term lease after we lived there for years. They said we were great tenants but just “needed” to raise the rent. We had to secure a new place, with a 3-month probationary fixed term lease, that is wildly more expensive. But we still accepted it because we don’t have much choice. I had to increase my hours at work and take on a second job just to make ends meet.

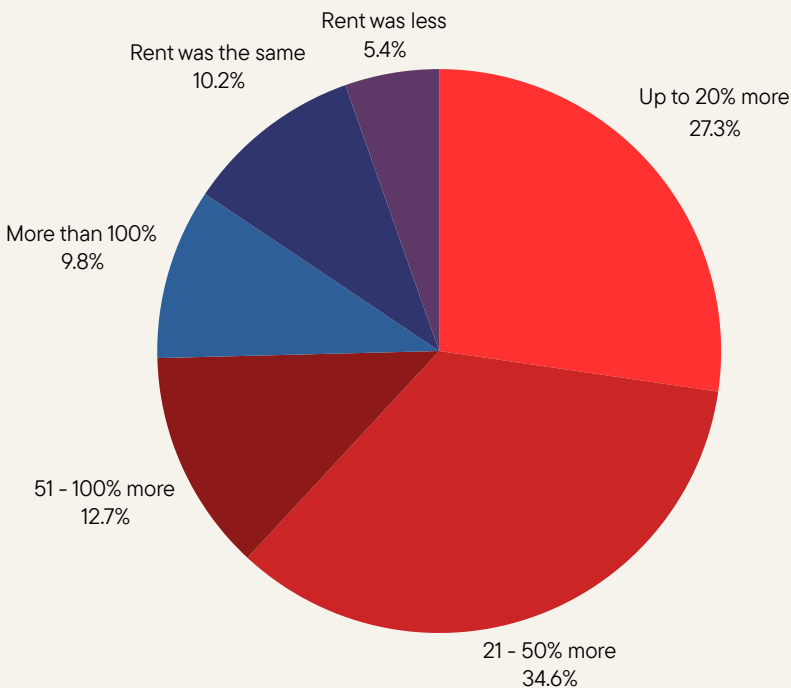
When did you move into your current apartment?



Fixed Term Leases are Contributing to High Rents

The high rate of Fixed Term Lease evictions alone shows that these leases are contributing to rising rents, but our data shows just how much. **Of the tenants who have moved in the last 5 years, 84.4% are paying more in rent than they were in their previous apartment.** Because the rent cap does not include vacancy control and Halifax has some of the fastest rising rents in the country, landlords are incentivized to evict tenants, both long term and otherwise, to raise the rent.

If you have moved in the last 5 years, how much more was rent in your new apartment?



“ We moved units with our landlord and signed a Fixed Term Lease on the condition that we accept an illegal \$300 rent increase. Soon after, the landlord sold the building and we were evicted to turn it into an Airbnb. After almost being homeless we eventually found another place, also a Fixed Term Lease, but we’re paying \$1000 more for a smaller apartment.

“ When we started renting here in 2021 the rent was under \$2000, now the landlord is saying we have to accept an increase to over \$3000 otherwise they will refuse to give us a new lease and find tenants who are willing to pay. We called the Tenancy Board and they said we have no legal recourse.

We also know that landlords are using Fixed Term Leases to avoid the rent cap. Disconcertingly, **18.7% of tenants said in their testimonial that they were forced to accept an illegal rent increase to avoid being evicted at the end of their Fixed Term Lease.** Some of these rent increases were as high as \$1,200 more than they were paying before. Because this was information given voluntarily as part of a testimonial, and our survey did not explicitly ask, **we suspect this number might be higher.**

“ My landlord only uses fixed term leases, so I have had to sign one-year leases for years at a time. I have asked for year-to-year leases, as I have proved to be a long-term responsible tenant, but the landlords refuse. The rent has gone up more than the rent cap every year but we are still staying, because where else can we go? I am grateful we can afford not to leave, but these leases are exploitative. Rent caps should be tied to the property, not the tenant.

In their testimonials, six people said they had been renting on a Periodic Lease, but were coerced or tricked into signing a new Fixed Term Lease. Four of them were then forced to accept an illegal rent increase in order to stay in the unit. All four of these tenants had been renting in their unit for over 5 years. Two have been renting the same unit for over a decade. One was later evicted when their landlord refused to renew the lease.

“ The landlords just told everyone in our building that they will not be renewing anyone’s lease. They offered to let us move into a unit in a different building, but we have to accept a \$700 rent increase.

“ I have lived in 5 apartments over the last 6 years due to rent gouging or being forced to move due to fixed term leases.”

“ My landlord moved me from my old unit where I paid less than \$900 a month because he said he was selling the building. I had to accept a \$350 rent increase just for moving, and the old building was never sold. Now someone is paying \$1000 more than I was for my old unit and I’ve been told that they won’t be renewing my fixed term lease. I have never missed a rent payment or received any complaints. The landlord said they didn’t have to give me any reason, and they’re doing this to other tenants in my building.

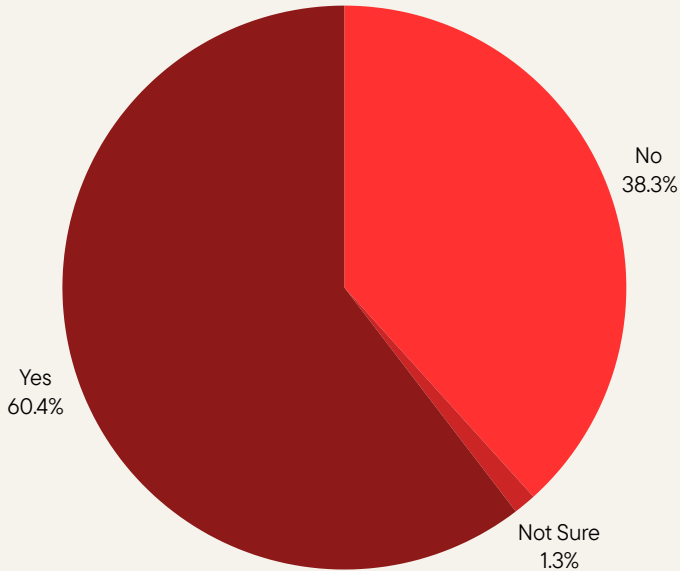
Tenants are Living with Unaddressed Repairs

Tenants on Fixed Term Leases often say they are afraid to pursue maintenance issues because they do not want to be seen as a difficult tenant. Other times, tenants say that landlords are dismissive of maintenance issues because they know they can evict the existing tenants and find new ones who will put up with the repairs, or eventually renovate the building to do cosmetic repairs.

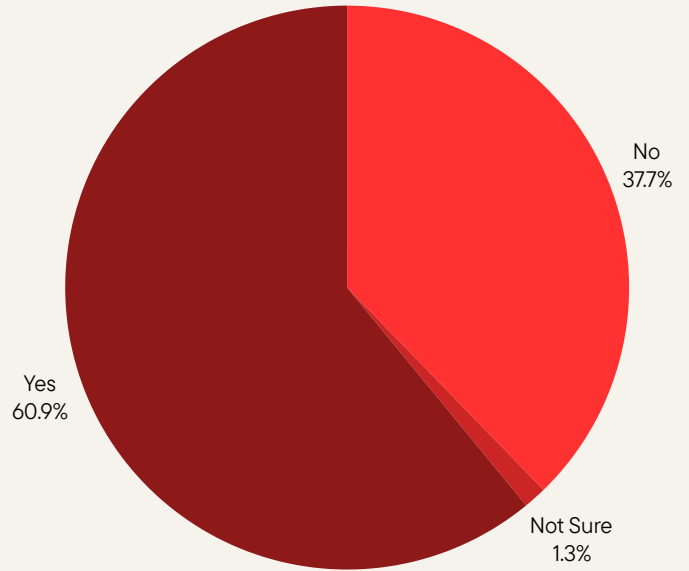
“ As with everyone else I know on fixed term leases, we love our apartment, we want to stay. We rarely contact our landlord with maintenance requests as we are nervous that if we are seen as “too needy”, we will not be able to sign on for another year and will not be able to afford rent anywhere else.

Regardless of the reason, the data shows that landlords who use Fixed Term Leases are not doing repairs. **Of the tenants surveyed, 60.4% said they had maintenance issues when they moved in, and 60.1% said they have maintenance issues now.**

Did you have maintenance issues when you moved into your apartment?



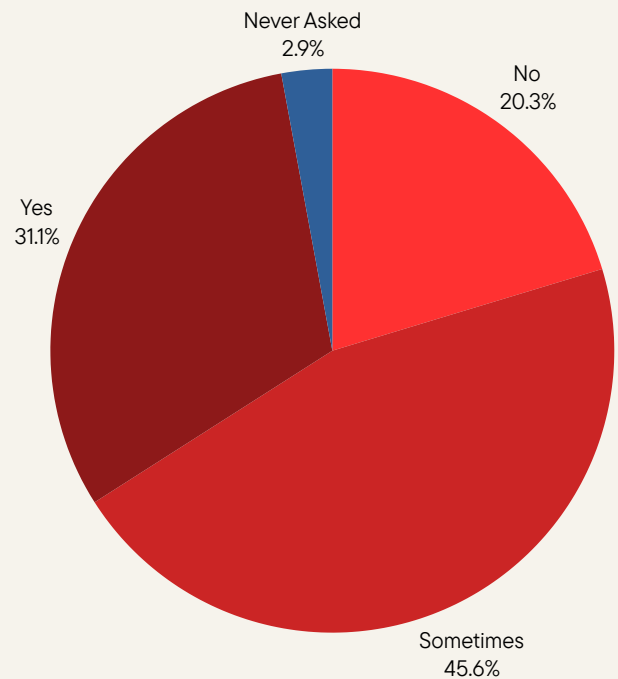
Do you currently have maintenance issues in your apartment?



For people who had maintenance issues when they moved in - 68% still need repairs. And 16.6% developed new maintenance issues that are currently being unaddressed.

When asked if their landlord is responsive to maintenance requests, only 31.1% said yes, 45.6% were inconsistent with responding to repairs, and 20.3% didn't respond at all. Only 2.9% of tenants had never asked for repairs and maintenance.

Is your landlord responsive when you put in maintenance requests?



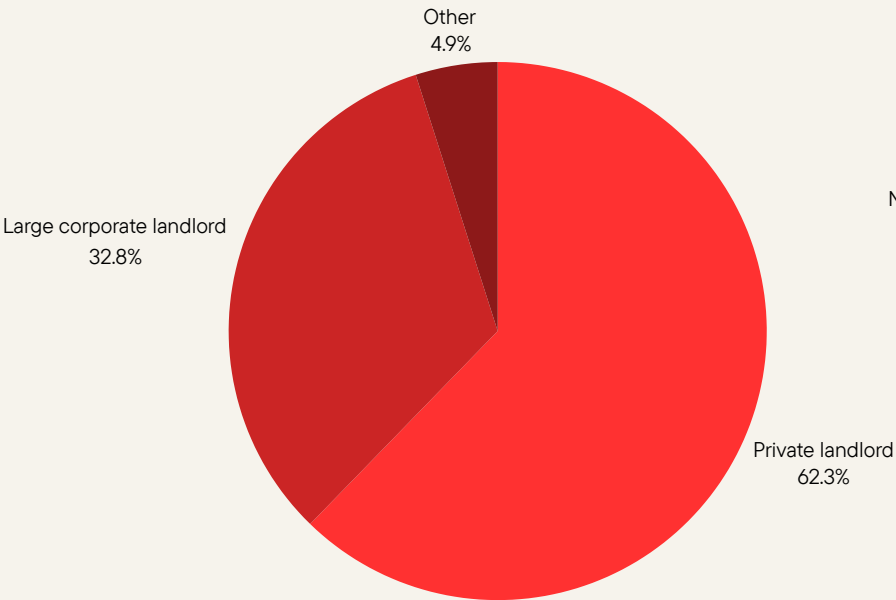
I'm cautious to even bring maintenance requests to the landlord to avoid seeming like a "problem" and getting evicted at the end of the fixed term.

Demographics

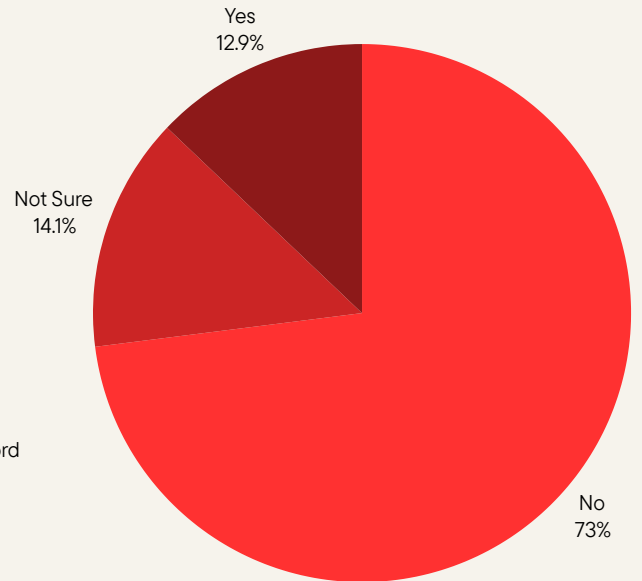
When we look at who is renting on Fixed Term Leases, the data shows that this is widespread across rental types and landlords, and generally matches other demographic data about renting in Nova Scotia.

Luckily there is hope for renters, **of the 243 people surveyed 57% wanted to learn more about organizing a tenant union in their building**, and ACORN has since been in touch to organize and involve the majority.

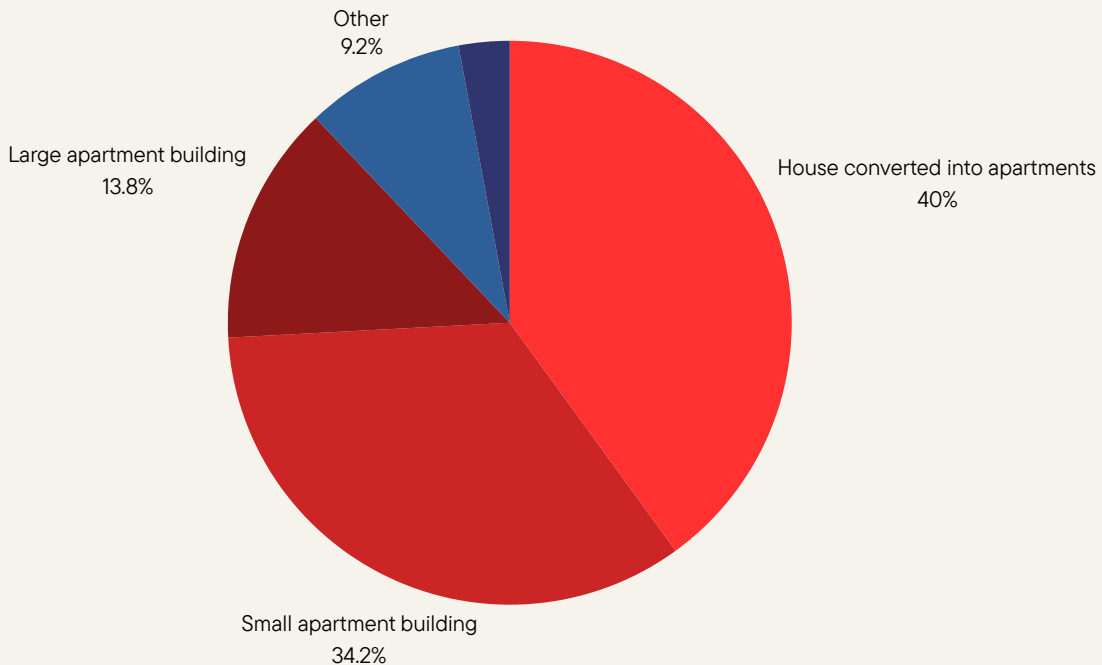
What type of landlord do you have?



Has your apartment recently been sold to a new landlord?



What type of building do you live in?



Call to Action

What is ACORN?

Nova Scotia ACORN (Association of Community Organizations for Reform Now) is a multi-issue, membership-based community union of low- and moderate-income people. We believe that social and economic justice can best be achieved by building community power for change. Each member has a vote, and only members speak for the organization and have the authority to set the policy and determine the tactics of each group.

We are a union of people with disabilities, low-income people, community members, and the largest fighting tenants' union in the province, representing over 12,000 tenants across Nova Scotia.

Demands

ACORN is calling on the government to close the fixed-term lease loophole so that all tenants can enjoy the security of tenure and legislative rights set out in the Residential Tenancies Act. We are demanding the government pass legislation to ensure that when a Fixed Term Lease expires, the lease automatically becomes a Month-to-Month Lease unless a tenant submits a Notice to Quit. This should include all current Fixed Term Leases, to ensure existing tenants aren't evicted. Landlords seeking to evict a tenant after the fixed term would need to evict the tenant with cause, just like a tenant on a Periodic Lease.

This would bring Nova Scotia in line with provinces like BC, which closed the Fixed Term Lease loophole in 2018 after tenants were facing similar circumstances.

“The stress of having the threat of homelessness always hanging over you is harrowing. It is clear that our representatives don't give a damn about us.”

Thank you to the organizations who signed on in support of our demands, including...

Amanda1312
Canadian Centre for Policy Alternatives Nova Scotia
Canadian Federation of Students Nova Scotia
Dalhousie Legal Aid Service
Ecology Action Centre
Halifax Workers' Action Centre
Wellness Within

