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Province's rebate changes could mean higher costs, rents: property managers group

Budget ends education tax rebates on residential, commercial properties in 2025

Steve Lambert || April 3, 2024



Newer infill housing sits alongside older homes in Winnipeg. The Professional Property Managers Association says it could face higher costs and have to raise rents under changes in Manitoba's budget. (Trevor Brine/CBC)

The Manitoba government faced concerns Wednesday that its new budget, delivered a day earlier, could be a financial hit to landlords and delay the construction of several schools.

The Professional Property Managers Association said the government's plan to replace education tax rebates for residential and commercial properties with credits available only to homeowners will hurt landlords and tenants.

"If the government takes away the (rebate), we will have to raise rent to cover this significant increase in our operating expenses," Avrom Charach, spokesperson for

the association, wrote in an email. Charach added that he was looking for more information on the government's plan.

A group that represents commercial landlords expressed similar concerns.

"It appears that commercial properties — office buildings, retail, light industrial in particular — are being asked to pay more," said Tom Thiessen, executive director with the Building Owners and Managers Association.

The budget makes sweeping changes to the province's education property tax. It eliminates, as of next year, two rebates — a 50 per cent refund for residential properties and a 10 per cent rebate for commercial ones.

The budget replaces the rebates with a flat \$1,500 credit for homeowners, which leaves out people who own apartment buildings or commercial properties. The changes are forecast to bring the government an extra \$148 million a year.

Finance Minister Adrien Sala said the government is revamping the way the education system is funded and will come up with a way to help at least some property owners left out of the new credit.

"We're going to be bringing forward news on that later, and that will highlight how we're going to ensure that we support small businesses and others," Sala said.

"We're going to make sure small businesses are protected."

Sala did not provide details or say how the government would define small businesses.

Premier Wab Kinew also said new help will be available "for small businesses and others."

The NDP government also faced questions about its budget announcement that two new schools are to be built this year — one in northwest Winnipeg and the other in the city's southeast — which had been planned a few years ago.

No mention of 9 schools promised by PCs

The budget made no mention of nine other schools promised last year by the former Tory government, which were to be built under a so-called P3 system in partnership with the private sector and to be open by the fall of 2027. The schools were slated for Winnipeg, Brandon, Neepawa, West St. Paul and Ste. Anne.

The Tory plan would have had a private contractor design, construct and maintain the buildings. In exchange, the province would have signed a 30-year agreement, including payments for ongoing maintenance.

The Tories had said their plan would allow the schools to be built quickly and would save money. But the NDP said the Tories never set aside money to pay for the schools.

"They were never properly budgeted for. They did not have the funding needed to get built," said Minister of Education and Early Childhood Learning Nello Altomare.

The NDP criticized the private-sector involvement while in Opposition and, shortly after winning last year's provincial election, put the P3 program under review to see whether it offers better value than traditional financing.

That examination is still underway. Altomare would not commit Wednesday to a timeline to build the schools.

"When we announce a school, it'll be there and funded properly so it can be built."

The Tories said the schools are needed because student populations are growing.

"This NDP government is ... admitting that they have no plan to get that done in a realistic time frame," said Opposition Tory education critic Grant Jackson.