

Iqaluit Condominium Corporation Collective
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April 13, 2021

Hon. Margaret Nakashuk
Minister Responsible for Nunavut Housing Corporation
minnakashuk@gov.nu.ca

Hon. George Hickes
Minister of Finance
ghickes@gov.nu.ca

Tabled Document 392-5(2)

June 1/21

RE: Concerns about increasing condominium insurance premiums

Dear Ministers Nakashuk and Hickes,

We are an informal collective of Iqaluit condominium corporations writing to you about recent significant increases in insurance premiums for multi-unit residential buildings, specifically condominiums.

Under the *Condominium Act*, Nunavut condominium corporations have a duty to insure for the repair of the structure and all common elements. Over the past two years, we have collectively experienced an increase to our insurance premiums, with some of us receiving quotes as high as a 285% increase. In addition to this, some condominium corporations are starting to face challenges securing insurance at all. We fear that if something does not change, this situation will have a serious impact on homeownership options in Nunavut.

For many first-time home buyers, condominiums reflect a more affordable and accessible option to standalone single-family homes. While increases in condominium insurance premiums is a concern across Canada, it is particularly troublesome in Nunavut, as condominiums reflect a critical component of the housing continuum in the territory, and an appropriate entry point for first-time buyers. Additionally, condominiums support higher density housing in locations where there are limited lots.

We are told that the sharp and significant rise in insurance premiums is happening for several reasons: damage from climate-related disasters (such as windstorms), rising construction costs, and the fact that emergency events in multi-unit buildings, such as flooding or fires, usually affect multiple units. These are all contributing factors to insurance premiums, and insurers are raising premiums to cover their own costs. There is growing concerns among Iqaluit condominium corporations that insurance costs will soon become unsustainable.

Even more alarming, is that in some cases, insurers are starting to pull out of higher risk markets like Nunavut and discontinuing coverage all together. It is a very real possibility that we may soon be faced with an inability to get insurance at all.

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These insurance-related factors contribute to an increasing sense of risk when investing in a condominium as a housing option. Too, potential buyers are becoming aware that monthly condominium fees are rising to cover insurance costs. This will soon become a disincentive for many first-time buyers, may impact the resale value of condominiums, and ultimately negatively impact the robustness of our housing continuum.

We turn you, as Ministers for the Government of Nunavut, to:

- Publicly acknowledge the issue, and its potential to negatively impact homeownership and the broader housing continuum in Nunavut;
- Meaningfully engage condominium corporations to develop options to sustainability manage rising insurance costs, now and into the future;
- Initiate and lead a multi-stakeholder cross-sectoral dialogue pertaining to rising insurance costs for multi-unit residential buildings, specifically condominiums;
- Explore regulatory mechanisms to support condominium corporations with acquiring and affording insurance.

We look forward to hearing from you soon and to work together on this urgent issue.

Sincerely,

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Michael Murphy, President, Iqaluit Condo Corporation No 5
Adam Chubbs, President, Iqaluit Condo Corporation No 6
Amanda Wells, President, Iqaluit Condo Corporation No 7
Thor Simonsen, President, Iqaluit Condo Corporation No 8
Jordan Mercure, Treasurer, Iqaluit Condo Corporation No 9
Matthew Crossman, President, Iqaluit Condo Corporation No 10
Alison Taylor, Secretary, Iqaluit Condo Corporation No 11
Tracey Oram, President, Iqaluit Condo Corporation No 12

Cc: Mr. Joe Savikataaq, Premier of Nunavut
Ms. Pat Angnakak, MLA for Iqaluit-Niaqunnguu
Mr. Adam Arreak Lightstone, MLA for Iqaluit-Manirajak
Hon. Elisapee Sheutiapik, MLA for Iqaluit-Sinaa, Minister of Family Services
His Worship, Kenny Bell, Mayor of Iqaluit
Hon. Mumilaaq Qaqqaq, MP for Nunavut
Hon. Dennis Patterson, Senator for Nunavut

Encl: Contact list for Iqaluit Condominium Corporations

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