

Anti-Competition Policy Brief

Grocery retailers are using property controls to prevent healthy competition and more affordable prices.

The Problem

Competition in the grocery market is important because it means that people have more choice about where they buy their groceries. When people have more choice, retailers are more likely to lower their prices to draw more customers in.

When one grocery store is the community's only choice, food can be sold at higher prices because there is no alternative there to create competition.

Property controls can prevent or restrict competition for grocery stores. There are two kinds of property controls that are currently used by grocery retailers in Nova Scotia to restrict grocery competition. A **grocery restrictive covenant** is a legal rule a supermarket places on property they own or lease, which prevents future buyers or tenants from selling groceries in that space. A **grocery exclusivity clause** is an agreement in a property lease that stops a landlord from renting space in the same building to a competing grocery store, meaning it acts like a protective bubble around the original store since it doesn't have to face competition nearby.

Property controls raise prices at grocery stores and can also add future risk to communities: if a grocery store closes and a restrictive covenant or exclusivity clause stays on the property, the future of community access to affordable food is impacted.

Provincial governments have the power to void and ban property controls by grocery retailers.

Our Demand

Feed Nova Scotia is calling on the Government of Nova Scotia to void existing, and ban the future use of, food-related restrictive covenants and exclusivity clauses in Nova Scotia, to ensure fair grocery competition and protect access to food.

Why?

- Two major retailers run most grocery stores across Nova Scotia, many of which have property controls in place that the public doesn't know about.
- Communities should have access to competitive food prices.

- A template for this work already exists: in 2025, the Government of Manitoba banned and voided anti-competitive property controls province-wide.

Impact

How will this policy change make a difference?

Banning the use of grocery property controls would increase the potential for grocery competition and provide more opportunity for community access to affordable grocery prices. It would also protect communities, particularly in rural areas, who could be at risk of losing food access altogether if their grocery store closes and the property controls in place restrict a new one from opening.

What will happen if the Government of Nova Scotia does not make this change?

Without government intervention, communities across Nova Scotia will continue to be vulnerable to rising food costs due to a lack of competition as well as a lack of access to food if their grocery store closes.

Have questions or want to learn more? Contact us at advocacy@feednovascotia.ca