

# OLLRA News

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## Editor's Update

### Welcome to our newest members!

Recently, new members from life lease communities in Markham, Richmond Hill, Scarborough, Listowel and Stouffville have joined us! Including the three original cities in Niagara, we're now in 8 cities! Spread the word – OLLRA is growing, but we need LOTS more voices.

### OLLRA Facebook page goes live...

Check out our new Facebook™ Group: unsurprisingly, it's called "Ontario Life Lease Residents Association." Let's share the best things our life lease community offers as well as our frustrations. But please – be respectful! Posts will be moderated.

### Life lease issues get national attention

A recent article in the Globe & Mail highlighted a worrying issue for Alberta life lease residents who are unable to get their money back to help pay for long term care. We support Kim Mischuk and the **Alberta Life Lease Protection Association** in their efforts to get consumer protection.

### What's happening with Bill 141?

Only Manitoba has life lease legislation in place, but Saskatchewan is close behind with their Life Lease Act (given parliamentary assent in 2022, but not yet enacted). Will Ontario catch up to these

provinces and pass Bill 141—A Life Lease Act? We'll have to wait and see, as it still hasn't made it to second reading.

### 'Life Lease Primer' for those new to life lease

It's been said that "If you've seen one life lease property, you've seen one life lease property..." There are so many different types of life lease communities in Ontario, and each of them has its own contract terms.

I recently wrote an article on life lease housing for the Canadian Association of Retired Persons (C.A.R.P.). If you're new to life lease housing, take a look at "A Life Lease Primer" on page 3.

### Executive goals for late 2024 and 2025

OLLRA's Executive team has been busy deciding on our focus for the rest of 2024 and 2025. For membership, we have two goals: 1) develop and roll out a process for the October renewal of membership dues and 2) create a plan for increasing membership in a big way in 2025.

We also hope to incorporate as a charity so we can issue tax receipts for donations (*thanks so much to those members who have donated \$\$ on top of your member dues!*). Stay tuned...

– Lois Marsh-Duggan, Editor

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## Government Affairs Committee Update

### Hear all about it: We aren't tenants or renters!

A recent ruling by the Ontario Landlord and Tenant Board confirmed that life lease does NOT fall under its jurisdiction. It states that we are not tenants because we have made a capital contribution and pay property taxes.

This ruling should confirm for the Standing Committee members studying *Bill 141—A Life Lease Act* that life lease does not belong under the Residential Tenancies Act.

### Life Lease needs a better dispute resolution process...

The Ontario government's own life lease guide from the Ministry of Municipal Affairs states:

*"...there is no legislation in Ontario that specifically regulates life lease housing. The terms and conditions of occupancy are governed by contract law, and any provisions set out in individual life lease agreements would apply in the event of a dispute before the courts."*

An Ontario Superior Court review in 2013 came to the same conclusion.

This latest case brought before the Landlord and Tenant Tribunal used the above examples to come to its decision.

Court cases are a lengthy and costly way to resolve disputes between life lease residents and developers or operators. Ontario's life lease legislation needs to place this form of housing within a government ministry with its own dispute review process, and the choice is obvious. OLLRA Co-Chair Dave Wellock recently wrote and distributed a position

paper to the Standing Committee on Bill 141. It responded directly to the Committee's concerns about where life lease legislation "belongs". Dave stated the logical "home" for Bill 141 is the same place as the laws for condominiums and cooperative housing: the **Ministry of Public and Business Service Delivery**. This ministry is responsible for consumer protection.

A logical home for Bill 141 already exists — now we need to keep pushing for passage of the bill with two changes: 1) Put responsibility for Bill 141 under the same ministry as condos, and 2) Require that all residents qualify as voting corporation members, as is already the case in some life lease communities.

This would give dispute resolution a home, and residents, as corporate members, would have recognized rights under ONCA, the Ontario Nonprofit Corporations Act.

### How can we get our MPPs to move Bill 141 along?

This summer, we hope to hold a virtual town hall meeting with MPP Matthew Rae who is responsible for Bill 141. This will be your chance to ask questions about what he's doing to push the bill forward. Up to 40 OLLRA members can participate — details to follow soon.

We also plan a letter-writing campaign by OLLRA members to their MPPs asking them to support Bill 141. I'll be sending out a list of MPPs with their email and postal addresses and suggested text for your letters. Let's get this bill passed!

— Ron Leamen,  
Chair, Government Affairs Committee

**"A more logical "home" for Bill 141 is the same place as the laws for condominiums and cooperative housing: the Ministry of Public and Business Service Delivery. This ministry is responsible for consumer protection..."**

## A Life Lease Primer: Great Idea, But Watch the Small Print!

Reprinted from Niagara C.A.R.P.'s July newsletter, written by Lois Marsh-Duggan

*“Why did the life lease “condo” buyer bring a detective to the contract signing?*

*Because they wanted to investigate the fine print!”*

Life lease housing is an ideal solution for Ontario seniors, creating vibrant communities that offer many benefits. This unique approach to housing is often at a lower cost than comparable options. It also offers freedom from heavy home maintenance chores and access to recreational activities. Just as importantly, it helps avoid isolation – known to be a serious risk to seniors’ health. You are part of a welcoming community of people with a similar lived experience and you’re always welcome to join in as much or as little as you like in shared activities.

### So, what is a Life Lease?

Unlike a condo, a life lease is purchased for a lump sum but rather than owning the property, you own the right to occupy your home ‘for life’, usually a term of 50 years. Life lease units are usually priced lower than traditional condos in the same area. Land transfer tax does not apply to the sale of a life lease, so there are some savings there. The cost of maintenance of your unit and the common areas are typically paid for by a combination of investment earnings from your initial capital contribution (entrance fee) and monthly maintenance fees.

### It’s not always perfect...

On the downside, few people understand this unique housing option and there are some risks you should be aware of. Most importantly, you need to know that life lease is the only form of housing in Ontario

with no consumer protection legislation.

Most life lease Board members, management and staff work very hard and in the best interests of residents – but they are human, and mistakes can happen.

Here are a few risks to be aware of:

- There has been a case of seniors not being repaid their deposits for a life lease construction project that never got built.
- Unless your contract allows you to become a voting member of the corporation, you have no right to see corporation information or to vote on key financial decisions.
- If you need to move out urgently, getting back your capital (entrance fee) could take a year or more, so you could end up paying both maintenance fees on your life lease unit and the cost of your other accommodation.
- If your property owner mismanages its finances, you could see an unexpectedly high rise in monthly maintenance fees.
- With a fixed value life lease, your capital (entrance fee) may or may not be protected in a trust account and could potentially be borrowed from to cover operating expenses or big-ticket maintenance items if the reserve fund is inadequate.
- There may be restrictions on when you can sell your market-value unit to get back your capital. This is a problem in Alberta, as reported recently by the Globe & Mail newspaper.

***“On the downside, few people understand this unique housing option and there are some risks you should be aware of ...”***

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## Ontario Life Lease Residents Association (OLLRA)

**For more information, see our website at [ollra.ca](http://ollra.ca)**

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## Life Lease Primer continued...

### **Resident involvement in managing the community**

Life lease properties in Ontario are all, to date, owned by non-profit corporations. They are governed by the Ontario Nonprofit Corporations Act. But unless residents in your community are legal “members” of the corporation, they have no say in the running of your community or any right to information about Board or management activities and decisions.

The Board of Directors may allow residents to sit on the Board or they may not. It may have open communications with residents or offer very little information.

There may be an adequate reserve fund to cover future major maintenance items, or there may be no reserve at all. If older life lease communities fall into disrepair, it may be hard to re-sell units – meaning you might wait a long time to get your money back. Unlike condos, life lease Boards are not required to share their financial statements or meeting minutes with residents, although the best ones do.

### **Before you sign a contract or purchase agreement...**

Ask about the corporation’s financial health and how open the Board and management are about

communicating with residents. Ask for a copy of the audited financial statements. Popular life lease communities have long waiting lists, and often there is pressure for potential residents to decide quickly if they want in. I only had 72 hours!

If at all possible, have a lawyer or someone you trust go through the terms and conditions of the sales contract or lease BEFORE you sign it or hand over a deposit. Remember, there’s no law requiring that a life lease corporation allow a “cooling off period” after the deal is signed. Read the “fine print” carefully!

Below is a poem from an OLLRA member that you might enjoy:

*Here is a poem to remember:*

*Ink on paper, a binding deal,  
But hidden clauses, a trap to conceal.*

*Fine print whispers “Read me with care...”*

*That tiny text holds a world of facts.*

*So slow down, and read with great might*

*For in the details, your rights reside!*

*And a careful read will be your guide.*

### **Disclaimer**

**The content in this newsletter is general in nature and is for information purposes only. The information is provided by non-experts on a best effort basis. It should not be considered expert advice, and as such, it is recommended that you seek legal advice regarding your individual needs and requirements.**