

FREE BUYER'S GUIDE AND CHECKLIST

Life Lease Communities in Ontario

How life lease works, what it costs, the questions to ask before you sign, and worksheets to compare communities across Ontario.

Prepared by Kevin Flaherty, Real Estate Broker

38 years of experience since 1988 | Over \$500M sold

Call or text Kevin direct: 226-270-6433

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Inside: the life lease model explained, the market value model, cost and fee worksheets, a sponsor due diligence checklist, a community comparison worksheet, and a plan for selling your current home first.

How Life Lease Works in Ontario

A life lease community is a housing development, usually built and operated by a non-profit or charitable sponsor, where you purchase the right to occupy a suite for your lifetime rather than owning the property itself. Ontario has roughly 150 life lease projects with about 12,000 suites, making it one of the most established forms of seniors housing in the province.

The sponsor owns the land and the building. You purchase a life lease interest, which is a contractual right to occupy your suite and use the shared amenities. You pay an upfront purchase price, typically \$200,000 to \$600,000, plus a monthly maintenance fee that generally runs \$400 to \$900.

The Market Value Model

Most Ontario life lease communities use the market value model. You buy your interest at current market value, and when you leave you (or your estate) sell it at the new market value. You keep the equity growth, minus an administrative transfer fee that typically ranges from 3% to 10% of the sale price. Other models exist (fixed value, declining balance, zero balance), but they are far less common.

Key Differences from a Condo

- You hold a contractual right to occupy, not title to real estate.
- Life leases are not governed by the Condominium Act. The occupancy agreement is the rulebook.
- No land transfer tax applies when you buy a life lease interest.
- Traditional mortgages are generally not available. Most buyers pay cash from a home sale.
- The sponsor must approve incoming residents, keeping the community age-exclusive.

Kevin's Tip

Because you cannot mortgage a life lease, the sale of your current home is the engine of the whole move. Get a firm number for your home's value before you fall in love with a suite. Call or text Kevin direct at 226-270-6433 for a free evaluation.

Costs and Fees Worksheet

Use this worksheet to record the numbers for each community you visit. Ask the sponsor's office for exact figures. Vague answers are a warning sign.

Upfront Costs

- Purchase price of the life lease interest: \$ _____
- Deposit required and deposit protection arrangements: \$ _____
- Lawyer's fee for reviewing the occupancy agreement: \$ _____
- Land transfer tax: \$0 (life lease interests are exempt in Ontario)
- Moving, downsizing, and storage costs: \$ _____

Monthly Costs

- Monthly maintenance fee: \$ _____
- What the fee covers (utilities, insurance, reserve fund, amenities): _____
- Property tax billing: included in the fee or billed separately? _____
- In-suite utilities you pay directly (hydro, internet, phone): \$ _____
- Contents insurance for your suite: \$ _____
- Optional services (meals, housekeeping, parking, storage locker): \$ _____

Exit Costs

- Transfer or administration fee on resale (get the exact percentage): _____ %
- Refurbishment or redecoration charges on move-out: \$ _____
- Who handles the resale: sponsor's list, open market, or your own Realtor? _____
- Typical time to resell a suite in this community: _____

Budget Rule

Add the monthly maintenance fee, property taxes, and in-suite utilities together, then check the total against your fixed retirement income. A comfortable target is keeping total housing costs under 35% of monthly income.

Sponsor Due Diligence Checklist

Because there is no dedicated life lease legislation in Ontario, the financial strength and governance of the sponsor organization is your main protection. Work through this list before signing anything.

The Organization

- Confirm the sponsor is an established non-profit, charity, or religious organization.
- Ask how long the sponsor has operated this community and any others.
- Ask whether residents sit on the board of directors or an advisory committee.
- Request the two most recent audited financial statements.

The Reserve Fund

- Ask for the most recent reserve fund study and its date.
- Confirm the current reserve fund balance and annual contributions.
- Ask about any planned major repairs (roof, elevators, windows) and how they will be funded.
- Ask whether any special assessments or large fee increases have occurred in the past five years.

The Occupancy Agreement

- Have your own lawyer review the full occupancy agreement before signing.
- Confirm the resale model in writing (market value, fixed value, or declining balance).
- Confirm the exact transfer fee percentage and any other exit charges.
- Check the rules on subletting, guests, pets, and extended absences.
- Confirm what happens to the lease on death, and how quickly the estate is paid out.
- Ask how deposits are protected if you buy a suite in a new development before construction is complete.

Why This Matters

Life leases are not covered by the Condominium Act or the Residential Tenancies Act. Your rights come from the contract you sign, so the fine print deserves professional review.

Community Comparison Worksheet

Ontario life lease communities range from small-town bungalow projects to mid-rise buildings with restaurants and wellness centres. Well-known examples include Townsend Meadows in Forest, The Gardens by Maranatha in Burlington, St. Paul's Terrace in Scarborough, The Gallery at Bennett Village in Georgetown, The Meadows of Aurora, and Christie Gardens in Toronto. Use this grid to score up to three communities side by side from 1 (poor) to 5 (excellent).

Criteria	Community 1	Community 2	Community 3
Community name			
Location and distance to family			
Purchase price			
Monthly fee			
Transfer fee on resale			
Suite size and layout			
Building amenities			
Social activities and clubs			
Access to care or support services			
Financial strength of sponsor			
Resale track record			
Overall gut feeling			

Visit Twice

Tour each shortlisted community at least twice: once on a weekday to see activities in full swing, and once on a weekend or evening to gauge noise, parking, and atmosphere.

Step 1 Is Selling Your Current Home

Life lease purchases are cash purchases for most buyers. That means the price your current home sells for determines which communities and suites are within reach. Selling well is not optional; it is the foundation of the plan.

Your Home Sale Checklist

- Get a professional evaluation of your current home before touring communities.
- Ask your Realtor how the home will be marketed online, where buyers shortlist homes first.
- Plan the timing: many sponsors allow a closing date that lines up with your home sale.
- Declutter and pre-pack early. Downsizing a long-held family home takes longer than expected.
- Budget for bridge financing or a line of credit in case closing dates do not align perfectly.
- Keep sale proceeds liquid until your life lease purchase closes.

How Kevin Helps Downsizers

Kevin Flaherty has been selling homes across south-central Ontario since 1988, with over \$500M sold. His Video Narrated VR Animated Online Showings walk buyers through both the property and the surrounding area amenities online, so the buyers who book in-person showings are already serious. That exposure is how long-held family homes get top dollar, and top dollar is what funds the life lease suite you actually want.

Ready to Find Out What Your Home Is Worth?

Free, no-obligation home evaluation. No pressure, no strings attached.

Call or text Kevin direct: 226-270-6433

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