

Life Lease vs Freehold vs Land Lease

The Complete Ownership Models Comparison Guide for Ontario 55 Plus Communities

Choosing between freehold, condominium, land lease, and life lease is the single biggest financial decision in your move to a 55 plus community. This guide breaks down what you own, what you pay, and what happens to your equity under each model, with worksheets and checklists you can fill in as you tour communities across Ontario.

Kevin Flaherty, Real Estate Broker

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Inside: The four ownership models explained | Side-by-side comparison table | The five life lease payback models | Cost and fee worksheet | Questions to ask before you sign | Community tour checklist

The Four Ownership Models Explained

Ontario 55 plus communities use four main ownership structures. Each one changes what you own, what you pay every month, and how much equity you build. Here is what each model really means.

1. Freehold: You Own the Home and the Land

You hold the deed to both the house and the lot. You pay property taxes and handle your own maintenance, but there is no mandatory lot rent. Freehold offers the strongest long-term equity growth and the fewest restrictions. Purchase prices typically range from \$500,000 to over \$1.2 million. Examples on AdultCommunities.ca include Cobble Beach (Grey County) and Jeasnic Estates (Bruce County).

2. Condominium: You Own the Unit, Share the Rest

You own your unit and hold a shared interest in common elements such as grounds, recreation facilities, and exteriors. A condo corporation manages the community and collects monthly fees, typically \$300 to \$800. Prices generally range from \$400,000 to \$900,000. Sophie's Landing in Orillia is a common-elements condominium example.

3. Land Lease: You Own the Home, Rent the Land

You purchase and own the physical house but pay monthly rent for the lot it sits on, generally \$500 to \$1,200 per month. Purchase prices typically run \$200,000 to \$500,000, which frees up significant equity from your previous home sale. Land lease communities such as Sandycove Acres in Innisfil are governed by Ontario's Residential Tenancies Act.

4. Life Lease: You Own the Right to Live There

You do not own the home or the land. Instead, you pay an upfront entrance fee, typically \$200,000 to \$600,000, for the right to occupy a unit for life, usually from a non-profit or charitable sponsor. Monthly maintenance fees generally run \$400 to \$900 and often include property taxes. Ontario has roughly 150 life lease projects. Examples include The Gardens by Maranatha and Townsend Meadows.

Side-by-Side Comparison

Use this table to compare the four models at a glance, then circle the column that fits your goals.

Feature	Freehold	Condominium	Land Lease	Life Lease
What you own	Home and land	Unit plus share of common elements	Home only	Right to occupy for life
Typical price	\$500K to \$1.2M+	\$400K to \$900K	\$200K to \$500K	\$200K to \$600K
Monthly fees	None mandatory	\$300 to \$800 condo fees	\$500 to \$1,200 lot rent	\$400 to \$900 maintenance
Property taxes	Paid directly	Paid directly	Often in lot rent	Often in monthly fee
Equity growth	Full market growth	Full market growth	Home only, slower	Depends on payback model
Mortgage access	Standard mortgage	Standard mortgage	Difficult, chattel loans	Difficult, specialized loans
Estate outcome	Heirs inherit fully	Heirs inherit fully	Heirs inherit the home	Estate gets payback value
Governing rules	Municipal bylaws	Condominium Act	Residential Tenancies Act	Contract law (lease terms)

The Five Life Lease Payback Models

Every life lease contract uses one of five economic models recognized in Ontario. The model determines what you or your estate receive when the lease ends. Confirm which one applies before you sign.

Model	What happens when you leave or pass away
Market value	You or your estate sell the lease at current market price and keep the gain, minus a transfer fee to the sponsor. The most common model in Ontario.
Price index	The sponsor buys the lease back at your original price plus an annual indexed increase, usually tied to the Consumer Price Index.
Fixed value	The sponsor buys the lease back at exactly what you paid. No loss if the market drops, but no growth either.
Declining balance	Your refund shrinks by a set percentage each year until it reaches zero. It works like prepaid rent.
Zero balance	The cheapest entry price, but the lease returns to the sponsor with no payment to your estate.

Your Cost and Fee Worksheet

Fill in this worksheet for each community you visit. Comparing true monthly carrying costs, not just purchase prices, is the only way to compare models fairly.

Item	Community 1	Community 2
Community name		
Ownership model		
Purchase price / entrance fee		
Monthly lot rent / condo / maintenance fee		
What the monthly fee includes		
Property taxes (included or extra?)		
Utilities (approximate monthly)		
Transfer or administration fee on resale		
Annual fee increase history		
Estimated total monthly carrying cost		

Budget Reality Check

- I know exactly how much equity my current home sale will free up (get a free evaluation at Flaherty.ca/homeeval).
- I have compared the total monthly carrying cost of each model, not just the purchase price.
- I have asked how much monthly fees have increased over the past five years.
- I have confirmed whether property taxes are included in the monthly fee or billed separately.
- I have budgeted for moving costs, legal fees, and any community entrance charges.

Questions to Ask Before You Sign

Bring this checklist to every sales office and lawyer meeting. Check off each question as you get a clear written answer.

For Any Ownership Model

- What exactly do I own, and what do I have the right to use?
- What are all mandatory monthly and annual fees, and what do they cover?
- How are fee increases decided, and what were the last five years of increases?
- Are there age restrictions, guest rules, pet rules, or rental restrictions?
- What happens if I need to sell or move within the first five years?

For Land Lease Communities

- How long is the land lease term, and what happens when it ends?
- Is the community covered by the Residential Tenancies Act?
- Who owns the community, and what is their track record on fee increases?
- Can I finance the home purchase, or do I need cash from my home sale?

For Life Lease Communities

- Which of the five payback models does this lease use?
- What transfer or administration fees apply when the lease is sold?
- Who is the sponsor, and how financially stable is the organization?
- What happens to my deposit if the project is not yet built?
- Can my estate sell the lease, and how long does resale typically take?

For Condominium Communities

- Has my lawyer reviewed the status certificate and reserve fund study?
- Are any special assessments planned or under discussion?
- What do the condo rules say about renovations, parking, and visitors?

Your Move, Step by Step

Most buyers fund their 55 plus community purchase with the equity from their current home. Because land lease and life lease purchases are hard to mortgage, maximizing your sale price matters more than ever. Here is the proven sequence.

Step 1: Get your home evaluated

Find out what your current home is worth before you fall in love with a community. A free evaluation tells you exactly how much buying power you have. Start at Flaherty.ca/homeeval.

Step 2: Shortlist your ownership model

Use the comparison table and worksheet in this guide to decide which model fits your cash flow, lifestyle, and estate goals.

Step 3: Tour communities with your checklist

Visit at least three communities. Ask the questions on page 5 and get every answer in writing.

Step 4: Have your lawyer review everything

Land lease agreements, life lease contracts, and condo status certificates all need professional legal review before you commit.

Step 5: Sell your home for top dollar

Kevin's Video Narrated VR Animated Online Showings present your home and its surrounding area to buyers across Ontario, so the showings you host are with serious, pre-qualified buyers.

Step 6: Coordinate closing dates

Align the sale of your current home with your community purchase so you move once, with your equity ready.

Ready to Talk It Through?

Kevin Flaherty has helped Ontario downsizers since 1988. Call or text 226-270-6433, book a call at Flaherty.ca/kevinscalendar, or start your free home evaluation at Flaherty.ca/homeeval.

AdultCommunities.ca | Every 55 plus community listing in Ontario, updated daily