

Frequently Asked Questions

Get to know Pennock Village better! Please take some time to read through the following questions and answers, or contact us with additional inquiries you may have.

What is Life Lease Housing?

Life Lease Housing is a form of real estate tenure geared towards mature adults and seniors, generally 55+. Residents purchase an exclusive interest in a home and can occupy the home for life.

There are an estimated 150 Life Lease projects in Ontario, representing over 10,000 residential units/homes, with many more throughout Canada. The Life Lease agreement used here in Thunder Bay at N.W.O. Rural Christian Seniors Village Inc. (NWORCSV), or commonly referred to as the “Sponsor”, is based on fixed market price and has no termination date. This means that, upon death, the interest can be passed on to the Resident’s family, or sold back to NWORCSV.

What is a Fixed Market Price Life Lease?

With the purchase of a unit, the Resident can have confidence in their investment and know exactly what they will receive when their Life Lease is terminated. The selling price of their Life Lease unit is predetermined and outlined in the purchase agreement the day they buy their unit. After a notice period, they will receive their original purchase price back, less a refurbishment and a marketing fee. This is also outlined in the purchase agreement.

The Sponsor (NWORCSV) buys the Life Lease back, which eliminates realtor fees and any required updates or maintenance, so that it becomes a hassle-free sale.

What are the benefits of Life Lease Housing?

The largest benefit is that the Resident retains the equity in their home/unit, unlike typical retirement communities where a monthly rent fee is paid without the opportunity to preserve equity. This structure also ensures that the community will remain age-exclusive for 55+ residents. The Resident will be able to enjoy a maintenance-free lifestyle, including worry-free travel at their convenience, without the additional responsibilities associated in maintaining a family home.

Who can live in a Life Lease community?

Age criteria may vary slightly between communities, but most are structured to individuals 55+ years of age and older who are still capable of independent living. This is also the age requirement for Pennock Village.

In cases where one spouse or partner is not of the required age, the spouse/partner of that Resident will still be able to reside in the unit.

Children may also purchase a Life Lease interest for their parents, but may not occupy the home until they reach the age of requirement.

Who owns and operates the Pennock Village community?

NWORCSV is a Not-for-Profit corporation which owns title to Pennock Village, and oversees the

day-to-day operation. NWORCSV is a Not-for-Profit organization, overseen by a volunteer Board of Directors comprised of local individuals interested in providing housing to seniors. It is the responsibility of NWORCSV to administer the Life Lease arrangements while maintaining the buildings, common areas, grounds and overall Pennock Village community.

What happens to the Life Lease on death?

Upon the death of one spouse or partner, the Life Lease interest automatically transfers to the surviving spouse or partner. Upon the death of both spouses or partners, the Life Lease interest transfers to the Resident's estate as per their will. Their beneficiaries/family may decide to retain the unit/Life Lease interest, or transfer the unit back to NWORCSV by the process outlined in the Life Lease.

Can the children of a Resident purchase a unit?

A Resident's children, who must be of direct lineal descendant of the "Resident" (son or daughter), can take ownership of the unit via a transfer of their will and provisions of their estate. A Resident's child/children must meet the qualifications of Pennock Village to take up residency in the unit.

Likewise, any family member can be listed on the Life Lease Agreement as the "Purchaser" or owner of the Life Lease interest. However, only those noted as "Residents" can occupy a unit, and must meet the qualifications of Pennock Village to take up residency in that unit.

Note: There may be income tax consequences for children. Consulting with a lawyer or accountant is strongly suggested.

How does a Resident sell or complete a transfer?

The details of the transfer are outlined in the Life Lease Occupancy Agreement. It can be as easy as giving NWORCSV notice to end the Life Lease. Then, as outlined, the Resident will receive money back from their unit within 45 to 120 days. Under conventional circumstances, there is no delay for a unit to be transferred back to NWORCSV.

What is the monthly Occupancy Charge?

Each resident pays a monthly Occupancy Charge based on the size of their unit. The occupancy fee is calculated similarly to a condominium fee and includes HST. NWORCSV will arrange for service contracts related to the repair, maintenance and replacement of mechanical systems, along with yard and street maintenance. Using group/bulk buying power helps to reduce monthly operating costs by receiving favourable service rates.

Certain items, however, will not be covered in the Monthly Occupancy Charge. These must be paid separately by the Resident, and include things like hydro, heating, and cable/internet services.

Can the monthly Occupancy Charge increase?

The monthly Occupancy Charges are designed to break-even on an annual basis for Pennock Village. An annual budget will be set each year and reviewed annually. The goal is to sustain the monthly Occupancy Charge as low as possible, while responding to cost-of-living increase and needs. Annual budgets and reconciliations of annual costs will be shared annually with the Resident.

Who is responsible for house insurance?

The Not-for-Profit corporation, NWORCSV, will use its bulk buying power to negotiate house insurance for all residents and provide a basic contents package for each resident. Should a resident wish to increase their contents coverage, they can buy additional coverage to top up their policy.

Who is responsible for the maintenance and management of the development?

Each resident pays the monthly Occupancy Charge which covers the cost of administration and maintenance. This will be overseen by the Not-for-Profit corporation, NWORCSV. A Replacement Reserve Fund is established within the Occupancy Budget to cover replacement and repair of major capital components. General repairs and replacement of finishes and fixtures within each unit are the responsibility of each resident. However, NWORCSV can assist with completing these items on a cost plus basis.

Do Life Lease communities fall under the Condominium Act?

Life Leases are not governed by the Condominium Act or the Residential Tenancies Act of Ontario. There is no specific Ontario legislation that regulates life leasing. The terms and conditions of occupancy are governed by

contract law, with any provisions set out in the individual life lease agreements. There is a Life Leasing Housing Guide, prepared by the Ontario Government under Ministry of Municipal Affairs, which can be viewed at ontario.ca/document/life-lease-housing

Does a Land Transfer Tax need to be paid as part of a purchase?

The Land Transfer Tax Act, R.S.O. 1990, clarifies that life lease buyers do not have to pay a land transfer tax when: (1) the buyer plans to live in the residence; (2) the project is built and operated by a Non-Profit organization; and (3) if the unit is acquired through a son or daughter for their parents – direct lineal descendants. NWORCSV is registered as a Not-for-Profit organization.

Transitioning into retirement involves many decisions. We offer a unique and worry-free approach for when you're ready to begin that journey.

*Connect with us today on any specific inquiries related to Life Leasing at Pennock Village:
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