Condos, Co-ops, Co-ownership, Land Lease, Life Lease: *What's the Difference?*

As the number of individuals over the age of 55 continues to increase, so does the number of housing options offering adult lifestyle and maintenance free living. There are many types of ownership and tenure models available today for mature adults and seniors. The following description provides a look at the difference between such options.

Condominium

When you buy a condominium unit, either a townhouse or apartment, you own that unit in the same way you would own a house. You have title to your unit and non-exclusive use of the common amenities in the project. Each condominium owner is a member of the Condominium Corporation and these members elect or appoint a board of directors to oversee the operation of the development. Owners wishing to sell may sell their unit on the open market to whomever they wish at market value.

Co-operatives

Rather than individual title, co-operative residents purchase shares in their project and collectively function as their own landlords sharing in monthly operating costs. The residents' shares provide them with exclusive use of their unit and non-exclusive use of common facilities and vary depending on whether they wish to purchase shares equal to, less than, or greater than the selling price of their unit.

Co-ownership

Co-ownership projects are similar to co-operatives, except that owners are deeded a percentage interest in the building and become a tenant-in-common with the other owners. That means you can mortgage your own interest in the property, or sell it unlike co-operatives where this is not possible.

Land Lease

Land Lease tenure allows residents to buy their own unit but that unit is on land owned by a landlord. Because the land is owned and controlled by a landlord, as a tenant you are obliged to pay rent and adhere to the terms of a lease. Leases may also specify who and how many people may reside in a dwelling.

(continued, page 02)

Condos, Co-ops, Co-ownership, Land Lease, Life Lease: *What's the Difference?*

Life Lease

Life Lease housing more readily responds to the needs of a particular group of persons having common interests like seniors, who may be quite independent today but may require support services tomorrow. With Life Lease, there is only one owner of the project, usually a not-for-profit or charitable corporation, which manages the operation on behalf of all the Residents.

Sponsor groups of Life Lease projects have included churches, multi-cultural groups, nursing and retirement home operators, municipalities, and private developers. Actual ownership and title of the Life Lease project remains in the name and protection of this non-profit organization.

The owners of an individual life lease unit have the exclusive right to occupy the unit they select and to use the amenities of a development for as long as they desire or are able. Owners purchase their lease, normally at fixed value, and once they take possession of their unit, they pay a monthly fee, which represents the resident's share of common costs including interior and exterior maintenance, management and insurance. When the owner, or their estate, wish to sell or transfer their lease, they receive the agreed predetermined fixed value of their unit.

What makes Life Lease projects attractive is the sense of community, the ability to become directly involved. Most Life Lease projects create a setting allowing a mixture of independence and support services that respond to the resident's changing needs.

Life Lease housing can be closely compared to condominium ownership in terms of tenure, and resident participation in the management of the project. However, Life Lease projects have the added benefit of greater control over membership, benefit from land transfer fee exemptions and enjoy that greater sense of Community.

Copy based on materials from Zock & Associates Inc

500 Dandelion Drive, Rosslyn, ON P7K OW8 info@pennockvillage.ca | **PennockVillage.ca**