



Law Reform
Commission of
Saskatchewan

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Re: Tentative Recommendations on Life Lease Legislation for Saskatchewan

The Law Reform Commission of Saskatchewan is considering whether to recommend that Saskatchewan implement legislation dealing with life leases.

In March 2019, the Commission published its consultation paper on life leases, containing 37 questions on several matters that could potentially be addressed in life lease legislation (<https://lawreformcommission.sk.ca/Life-Lease-Consultation-Report.pdf>). Based on the responses received to the consultation paper thus far, the Commission has formed tentative recommendations on life lease legislation. The Commission is seeking responses to these tentative recommendations before including them in the final report on life lease legislation to the Minister of Justice.

1. Saskatchewan should adopt life lease legislation in order to clarify certain aspects of life leases for the benefit of both purchasers and sponsors.

Do you agree with this recommendation?

Why or why not?

2. Life lease legislation should contain provisions on **pre-lease payments and entrance fees**, specifying that:
 - a. Pre-lease payments should be required to be held in trust by a trustee and should be credited to the entrance fee once a lease agreement is executed.
 - b. Pre-lease payments should be immediately refunded to the prospective tenant if the complex is not completed on the promised date or once all the units in the complex are covered by life lease agreements.
 - c. Entrance fees should be refunded immediately upon cancellation of the offer to lease during the cooling-off period and within a set period of days following termination of the life lease agreement.

- d. Entrance fees can only be used to: pay for development of the complex; refund entrance fees; and fund the refund fund.

Do you agree with these recommendations?

Why or why not?

- 3. Life lease legislation should require life lease developers to **disclose prescribed information** to prospective tenants prior to entering into a lease agreement and prior to collecting a deposit or pre-lease payment. If the disclosure requirements are not met, tenants should be entitled to rescind the life lease agreement without penalty with a full refund of any deposit or pre-lease payment.

Do you agree with this recommendation?

Why or why not?

- 4. Life lease legislation should provide for a pre-possession **rescission, or “cooling-off” period** of at least seven days after signing a life lease agreement. The prospective tenant should be entitled to a full refund of any payments made.

Do you agree with this recommendation?

Why or why not?

- 5. Life lease operators should be required to maintain a **reserve fund** to pay for major repairs and other capital expenditures.
 - a. Similar reserve fund rules as those that are applicable to condominiums corporations should apply to life lease operators.

Do you agree with these recommendations?

Why or why not?

6. Life lease legislation should require a lengthy **notice period**, of not less than 3 months, prior to an increase to monthly occupation fees.

Do you agree with this recommendation?

Why or why not?

7. Life lease legislation should allow tenant representatives to place matters on **board meeting** agendas and to speak to these items at meetings, but the legislation would not require that tenants have representation on the board. In addition:

- a. Tenants should be able to obtain on request copies of board meeting minutes.
- b. Tenants should be able to obtain on request copies of financial statements.
- c. Life lease legislation should include requirements for annual meetings between the board and the tenants, at which the financial statements and board decisions are on the agenda.

Do you agree with these recommendations?

Why or why not?

8. Life lease legislation should allow tenants to **assign** their life lease agreement with prior consent of the landlord. This consent can only be refused on reasonable grounds, as set out in the life lease contract.

Do you agree with this recommendation?

Why or why not?

9. Life lease legislation should require **new owners** of life lease developments to honour existing life leases and refund entrance fees to all tenants upon termination of the life lease.

Do you agree with this recommendation?

Why or why not?

10. Life lease legislation should require life lease developers and operators to maintain all necessary **insurance**, and the insurance should contain a loss payee clause in favour of the tenants up to the amount of their entrance fees to ensure recovery of the entrance fee should the complex be destroyed or become inhabitable.

Do you agree with this recommendation?

Why or why not?

11. Life lease legislation should require life lease contracts to include a **dispute resolution mechanism**, and allow disputes to be referable to the Office of Residential Tenancies upon a request by either party.

Do you agree with this recommendation?

Why or why not?

12. Life lease legislation should not require life lease developers to be **non-profit organizations**.

Do you agree with this recommendation?

Why or why not?

The Commission would appreciate hearing your views on these tentative recommendations by November 30, 2019. You can return this form via email to director@lawreformcommission.sk.ca, or by mail. Thank you for your input.