



# Life Leases





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The Centre for Public Legal Education Alberta, also known as CPLEA, is a not-for-profit, non-government organization committed to making the law understandable for Albertans. We offer free legal information and learning resources in plain language.

Our resources increase awareness and understanding of the law and empower Albertans to take action and, ultimately, gain better access to justice.

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## FUNDERS AND PARTNERS

We would like to thank the Alberta Real Estate Foundation for generously funding the Housing Law Information Project.



We thank the Alberta Law Foundation and the Department of Justice Canada for providing operational funding, which makes resources like this possible.



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Reviewed: December 2024

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# Life Leases

When you enter into a life lease agreement (or “life lease”), you buy the right to occupy a unit in a particular development. Life leases are typically for life or until you leave, requiring an entrance fee (upfront lump sum) plus a monthly payment. This publication will help you understand the basics of life leases in Alberta.

## What laws in Alberta apply to life leases?

As of May 12, 2024, Alberta’s Bill 12: *Consumer Protection (Life Leases) Amendment Act, 2024*, introduced consumer protection laws for life leases, which became part of Alberta’s *Consumer Protection Act*. The *Consumer Protection Act* (sections 41.1 to 41.6) now has rules and definitions about life leases.

While the *Consumer Protection Act* contains some protections for life leases, you may not have the same legal protection as renters in typical rental agreements or condominium owners when you enter a life lease. For example, life leases are not considered rental properties in Alberta, so the *Residential Tenancies Act* may not apply to them.

However, some laws that apply to other forms of housing, such as contract law, common law, human rights, Minimum Housing and Health Standards, and municipal bylaws, may apply to life lease housing.

The terms and conditions of a life lease can vary widely. Before entering a life lease, make sure you are familiar with the laws applying to you and get legal advice.

## What is a life lease?

Under the *Consumer Protection Act*, a “**life lease**” is a written agreement where there is an **entrance fee** (paid or payable) for a residential dwelling and a leaseholder (the person under the life lease) with the exclusive right to occupy the dwelling and use common areas. The agreement is for life or until the **lease operator** or **leaseholder** terminates (ends) it.

The *Consumer Protection Act* also defines other key terms related to life leases:

- **Entrance fee**  
Initial payment from the leaseholder to the lease operator, not including occupancy fees.
- **Lease operator**  
The person granting the leaseholder exclusive occupancy rights to a residential dwelling and the right to use common areas under a life lease.
- **Leaseholder**  
The individual with exclusive occupancy rights to a residential dwelling and the right to use common areas under a life lease.
- **Occupancy fees**  
Payments made by the leaseholder to cover operations, maintenance, services, and upkeep of the dwelling and its cleanliness.
- **Pre-lease payment**  
The deposit to reserve a dwelling before entering a lease.
- **Trustee**  
Person or entity the lease operator appoints to receive, manage, and disburse funds on their behalf.

## What information does a life lease have to include?

The *Consumer Protection Act* says that life leases entered on or after May 14, 2024, must include the following information:

- **Entrance fees**, including their collection, use, and return
- **Cancellation rights**, including a minimum 10-day cancellation period after signing and cancellation notice requirements and conditions
- **Termination rights**, including notice requirements and conditions
- **Occupancy fees**, including fee increase rules, notice requirements, and allowable increase frequency
- **Lease operator obligations**
- **Leaseholder obligations**
- **Compliance with the *Consumer Protection Act***, including Section 41.5 (which addresses the standard content of agreements, forms, and other documents) and related regulations

A lease operator must also use a life lease form that meets the *Consumer Protection Act's* requirements and regulations.

## If I enter a life lease, do I own my unit?

No. When you enter into a life lease agreement, you do not own your unit or any part of the life lease complex. You can occupy the unit for the time outlined in your life lease agreement.

## What services would I get when I buy a life lease?

Services vary depending on the life lease agreement. In all cases, you would get exclusive use of your unit. As with a condominium or apartment building, you may also get shared use of facilities and common areas and building maintenance such as snow removal.

## **Can a life lease be passed on to my spouse or family?**

This depends on the terms of the life lease agreement. A life lease can sometimes be passed to a family member upon death. In other cases, the agreement may specify that the rights to the unit are passed back to the building's owner.

## **Can I cancel a life lease after signing it?**

If you entered a life lease on or after March 14, 2024, you have at least 10 days to cancel a life lease after signing it. Check your life lease for more on your cancellation rights, including cancellation notice requirements and conditions.

## **How do I terminate (end) a life lease?**

If you entered a life lease on or after March 14, 2024, your lease must have information on how to end it. Check your life lease for termination rights, including termination notice requirements and conditions.

## **Can I get my entrance fee back?**

Whether you can get your entrance fee back from a lease operator depends on when you entered your life lease agreement, plus the return timing and conditions under the life lease.

There is a 180-day return period for entrance fees entered on or after May 14, 2024, and those already existing on May 14, 2024 and ending after that date. Lease operators must return the leaseholder's entrance fee within 180 days of the life lease ending. If the lease operator does not return all or part of the entrance fee within that time, interest will accrue on any unreturned amount. However, this return rule does not apply retroactively to life leases that ended before May 14, 2024.

For example, if you entered a life lease on or after May 14, 2024, a life lease operator must return all or part of your entrance fee to you within 180 days of the life lease termination. The same 180-day return rule applies if you have an existing life lease on May 14th and ending after that date. However, if your life lease ended on April 30, 2024, this rule requiring a lease operator to return your entrance fee (or part of it) within 180 days does not apply.

**Tip:** The *Life Leases Interest Rate Regulation* has more information on the interest that will accrue on any unreturned amount, including when it must be paid. The current interest rate under the regulation (until October 31, 2028) is simple interest at 9% per year.

## What happens when a lease operator doesn't follow the *Consumer Protection Act*?

If a lease operator does not follow the rules in the *Consumer Protection Act*, they are guilty of an offence, and there are consequences. They may have to pay a fine of up to \$300,000 or three times the amount they earned by breaking those rules, whichever amount is more. The lease operator could also go to jail for up to two years. If you have concerns about life lease operators, contact the [Consumer Investigations Unit](#) for more information on filing a complaint.

### Key takeaways

Before signing a life lease agreement, you should:

- Clarify how your life lease agreement works and consider whether it's right for you.
- Carefully read over the terms and conditions.
- Consider different possibilities with the life lease ending. For example, what happens if your plans change, and you no longer want to live in life lease housing? What happens to the life lease when you pass away?
- Know your rights - review the *Consumer Protection Act* and related regulations about life leases.
- **Get legal advice.**

# Resources

To **find a lawyer**, the Law Society's online Lawyer Directory is available:

## Law Society of Alberta Lawyer Directory

This database allows people to **find a lawyer** using certain search criteria. Individuals can find a lawyer by name, location, practice areas, language(s) spoken, gender, and whether a lawyer offers limited-scope retainers.

Website: [www.lawsociety.ab.ca/public/findalawyer/](http://www.lawsociety.ab.ca/public/findalawyer/)

## Government of Alberta

Webpage on life leases: [www.alberta.ca/life-leases](http://www.alberta.ca/life-leases)

## Service Alberta's Consumer Investigations Unit (CIU)

Investigates potential violations of consumer protection and tenancy laws in Alberta.

Website: [www.alberta.ca/file-consumer-complaint](http://www.alberta.ca/file-consumer-complaint)

Toll-free: 1-877-427-4088

Phone: 780-427-4088

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This project was made possible through a grant from the  
Alberta Real Estate Foundation.



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