

## Residential Lease Parcel Directive (2019)

LMB approved these policies on January 14, 2019

Goals	Policies
Ensure C/TFN Citizen are provided an affordable opportunity to acquire a leasehold interest for residential use	<b>Price of Leasehold:</b> The price for the first residential leasehold for a C/TFN Citizen will be Development Cost. Any parcel granted thereafter will be at Market Value or Development Cost – whichever is higher.
Discourage quick-flip of parcels received at Development Cost	<b>Early Lease Transfer Fee:</b> If a Leasehold acquired at Development Cost is sold within five (5) years of signing the lease agreement, the Lessee is required to pay GC/TFN the difference in price by which the Market Value surmounts the Development Cost at the time the Lease is transferred.  Lease agreements approved on the basis of a development agreement, not upon approval of a mortgage, will include a condition that the leasehold can only be sold back to GC/TFN within the first five (5) years. The price will be the one the parcel was acquired at plus any cost for cleanup, if necessary.
Give leaseholders the opportunity to taking advantage of favourable financing options for the installation of services.	<b>Additional Local Service Charges:</b> GC/TFN can enter into agreements with YG on behalf of leaseholders to assist with the financing of services, such as well, electricity and telephone (e.g., Rural Electrification and Telecommunications Program). Any charges related to these agreements will be charged back to the Lessee in full on an annual basis. <sup>1</sup>
Leaseholders will pay the property taxes applicable to their parcel	<b>Property Taxes:</b> All leaseholders will be charged the annual property tax invoiced by Government of Yukon (YG). <sup>2</sup> Leaseholders are responsible to ensure that the YG property assessment is correct in terms of the existing development on the parcel and the proposed value of all structures.
Ensure leaseholds are to be developed within three (3) years of granting the mortgage	<b>Non-development Fee:</b> If a leasehold has not been developed within three (3) years of signing the lease, the Lessee is required to pay a <b>non-development fee of \$2,500 for year 4, \$3,500 for year 5 and \$5,000 for any year thereafter</b> annually to GC/TFN in addition to the annual property taxes.
Ensure GC/TFN benefits from the income tax lessee holders pay to Canada and Yukon	<b>Primary Residence Grant:</b> The Primary Residence Grant reduces the amount of property tax for a leasehold that has been declared a principal residence in an annual tax return with the Canada Revenue Agency (CRA).  Eligible individuals can receive up to 20% of the property taxes (not including local improvement charges) owing up to a maximum of \$400.

<sup>1</sup> Consistent with EC decision from April 21, 2010.

<sup>2</sup> Consistent with EC decision from July 26, 2017.