

# LEASING TIMES

## Key leasing phrases and topics to think about.

### ***Planning Act* Flap – Part II**

Where a lease has a term, including renewals, of 21 years or more, it may contravene Section 50 of the *Planning Act*. As indicated in our January, 2008 edition of *Leasing Times*, Section 50 begins with a general prohibition against such leases and then lists numerous exceptions. These exceptions include: leases of part of a building, leases to the Queen or to a municipality, leases of the landlord's entire property (without excluding any adjoining landlord property,) leases of whole lots on a subdivision plan or leases where a part lot exemption by law is in effect. These are the most common exceptions. If none of them applies, you should consider making an application for consent under the *Planning Act*. Without consent, your lease may, in effect, be invalid. Most long term leases include a provision deeming the term to be less than 21 years until a consent is obtained and, in many cases, making the lease conditional on obtaining consent. Make sure such a provision is included to avoid *Planning Act* risks. Think about it.

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