



COURSE - 2

LAND STRUCTURES

UPDATED-2018



SUMMARY
NOTES



DETAILED
ANSWERS



3 MOCK
EXAMS



MATH
SOLUTIONS

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**Orea Real Estate Exam
Study Notes & Practice Questions**

UPDATED – 2018 Exams

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PART I – SUMMARY NOTES

1. PROPERTY OWNERSHIP

1.1 Ownership

Types of Estates

- The *Feudal System of Tenure* refers to holding of land by Lords of land (*Principal Tenants/Tenants-in-Chief*) without owning it and for a temporary period.
- The *Fee Simple Estate* provides maximum rights with minimum restrictions. It is also known as Absolute Right.
- *Fee Simple with Conditions* automatically terminates when some condition on use is violated.
- *Leasehold Estate* flows from some other larger estate, is smaller than that and is for a definite time period.
- *Estate to Uses* is a type of *Trust Ownership* given by the owner based on a deed or will. No longer in use.
- *Life Estate* is granted to someone for lifetime. It ceases upon death of that person. When Life Estate ends, it may revert to grantor (*Reversion*) or it may go to a third party (*Remainder*).
- *Future Estate* is related to Life Estate. When the estate goes to a third party (e.g. son/daughter) after the death of Life Estate holder, it is a Future Estate for that party when Life Estate starts.
- Both *Life Estate* and *Future Estate* start simultaneously but the Future Estate holder cannot use the estate till the time Life Estate exists.

Concurrent Ownership

- Concurrent ownership refers to simultaneous ownership of land by two or more persons.
- This is of two types – (i) *Joint Tenancy*, and (ii) *Tenancy-in-Common*.
- *Joint Tenancy* is specifically created at the time of registration and must have *Four Unities*:
 - *Time* – each joint tenant gets ownership at the same time.
 - *Title* – each joint tenant gets ownership by same title (document).
 - *Interest* – each joint tenant has equal interest in the property.
 - *Possession* – each joint tenant has undivided possession of the property.
- *Tenancy-in-Common* has only one unity of *Possession* whereby everyone holds undivided possession of property. Tenants-in- Common may have different interests and may acquire them at different times or different ways.
- The *Right of Survivorship* exists only in Joint Tenancy where upon death of one joint tenant, the entire interest transfers to the surviving joint tenant(s).

Compiled Plans

- They were visual depictions of land required to clarify the Metes and Bounds descriptions.
- They are used for general information and guidance only.
- They are not treated as Plan of Survey.

2.1 Surveys

Legal Description of Land

- Precise land description is necessary so that properties can be identified clearly.
- The primary and reliable sources of obtaining land description are the *Deed* or the *Survey*.
- Property tax documents also provide legal description but these may not be reliable.
- A Survey has four essential components: *Research*, *Measurement*, *Monumentation* and, *Plan* or *Written Report*.
- The four types of surveys commonly found are: *Reference Plan*, *Plan of Survey*, *Plan of Sub-division* and *Surveyor's Real Property Report*.

Reference Plan (R-Plan)

- *R-Plan* is a graphic illustration (visual description) of land which is less complex and has shorter description than Metes and Bounds.
- It may be used to replace the complicated *Metes and Bounds* written description.
- An example of legal description of land using R-Plan would be: *Part 1 of Lot 2, Concession III, Township of Anytown, and Deposited in Land Registry Office of Anycounty.*
- It is written as *Plan 88R-1075*. The letter 'R' is called *pre-fix* to *R-Plan* number and indicates a *Reference Plan*.
- R-Plan is *deposited* and not registered in Land Registry Office as it is for descriptive purposes only.
- It has no effect on land until there is a transaction according to R-Plan.
- An R-Plan may show more than one property.

Plan of Survey

- A *Plan of Survey* has a format similar to Reference Plan but does not have any certification.
- It is provided only to the client and describes *only one* specific property.
- It is specifically prepared for the client to describe his property.
- It is *Part 1* of Surveyors *Real Property Report*.

Surveyor's Real Property Report

- This type of survey has two parts: *Part 1 – Plan of Survey*, and *Part 2 - A Written Report (and Certification)*.
- It shows municipal address and designation under Land Registry or Land Titles.
- Dimensions and bearings of all property boundaries and designation of adjacent properties are included on the survey.
- This survey also shows improvements on land, easements, right-of-way and, any encroachments.

Plan of Sub-division

- A *Plan of Sub-division* is usually approved by *Upper Tier Municipality (Region)* and *registered* in *Land Registry Office*.
- Upon registration a sequential number is assigned to the plan.
- It is written as *Registered Plan 88M-165*. Letter 'M' is called *Pre-fix* to plan number and indicates a subdivision.
- It divides land into numbered or named units such as lots, blocks and roads.
- It creates new geographic identity for parcel of land.

2.3 Geographic Information System

Mapping and Data Maintenance

- *Geographic Information System (GIS)* refers to the software used for surveying (mapping) of lands and maintaining data.
- Advantages – (i) better planning and decision making, (ii) lower administration costs, and (iii) fewer redundancies (duplicate data).
- Data may be displayed in either *Vector* or *Raster* method.
- Vector method shows only township boundaries, roads, property boundary lines, etc.
- Raster refers to images or bit-mapped visual description where landscaping or terrain is clearly visible.
- *Spatial Data* includes maps of buildings and streets.
- *Tabular Data* includes mapping features such as buildings permits.
- *Image Data* includes visual images using satellites or aerial photographs.

2.4 Condominium Corporation

Condominiums (*The Condominium Act*)

- Condominium is called a *Creature of Statute* and is created after registration of *Declaration* and *Description*
- These two documents create the legal structure of the condominium corporation.
- Once the condominium is registered, individual units can be registered separately.

- It is the *Freehold (Fee Simple)* or *Leasehold* ownership of a specified amount of space (*Unit*) in a multiple-dwelling building with *Tenancy-in-Common* ownership of *Common Elements*.
- Condominium enables a person to share in the ownership and operation of a residential or commercial complex, while having negotiable title to an individual unit.
- A condominium building consists of *Units* (defined space) and *Common Elements* (all property except Units).
- Unit owners have exclusive ownership of their units and also have *Tenancy-in-Common* of common elements with other unit owners.
- The costs related to the performance of objects and duties are paid for by unit owners through *Common Expenses (Maintenance Fees)*.
- The corporation does not provide limited liability to unit owners because they are personally responsible for debts of the corporation.
- Any default in payment of common expenses of Condominium Unit results in a *lien* against the Title of the unit.
- This is called *Condominium Lien* and it can be enforced in the same way as the *Mortgage Lien*.

Declaration

- This document is referred to as constitution of the condominium corporation.
- It sets out the responsibilities of the owners and the corporation.
- It includes information on –
 - Statement that the *Condominium Act* is the governing law.
 - Consent of the mortgagees.
 - Proportionate share of each unit owner in the common elements and their common expenses.
 - Common areas given exclusively to any unit owner.
 - Obligations to maintain units and common elements in case of significant damage.
 - Conditions or restrictions on use of units and common elements.

Description

- Description is a diagrammatic representation of the property.
- It includes plan of survey, architectural plans, structural plans, boundaries of units, shape/size and dimensions of each unit, certificate of Ontario land surveyor, etc.

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2. LAND DESCRIPTION

2.1 Historic Methods

Chains and Links

- Land was divided into *Counties*, *Townships*, *Concessions* and *Lots*.
- Most county boundaries were marked on the banks of rivers or lakes. Most townships were square or rectangular in shape.
- Land was measured using *Chains* and *Links* method.
- One chain had 100 links and was 66 feet in length.
- The length of 80 chains was equal to 1 mile.
- *Concessions* are strips of land, separated by a *Road Allowance* that make up a *Township*.
- Concessions had a frontage of 100 Chains and the road allowance was 1 chain (66 feet) between concessions.
- Any parcel of land could be completely described legally like *Lot 3, Concession II, Anytown, Anycounty*.

Township Structures

- In a *Single Front* township system land was divided into lots of 200 acres with each lot having dimensions of 20 chains by 100 chains.
- In a *Double Front* township system land was divided into lots of 200 acres with each lot having dimensions of 30 chains by 66.67 chains. Each lot had *two half lots* of 100 acres each.
- In the *Sectional* township system, a section consisted of 1000 acres divided into 10 lots of 100 acres each.

Metes and Bounds

- *Metes* (distances) and *Bounds* (directions) is a method of written land description (not a survey, but a part of *Survey*).
- Land could be described by indicating a *Point of Commencement* and proceeding to indicate the perimeter of the parcel.
- Angle bearings were from *North* and *South* only while directions are towards East and West only. The first direction is always True North or True South.
- A boundary line could be described as *North 45 Degrees East, 120 Feet* meaning that it is at 45 degrees with North and runs between North and East directions.
- Each line could have two descriptions, one in each direction, showing which direction to follow.
- Some (not all) measurements may have the words '*More or Less*' to allow for minor errors.