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## Bill 55 – Shifting the Cost into the Hands of the Average Homeowner

By Martin St-Onge

Ontario's Bill 55, the *Strong Action for Ontario Act (Budget Measures)*, 2012 contains proposed changes to many existing statutes. As a real estate lawyer, I am primarily interested in any new legislation that may result in changes to the land registry system or generally something that would impact the way I can provide cost-effective services to my clients. Bill 55 received Royal Assent on June 20, 2012, but still must be proclaimed before becoming law. The Bill will include changes to the *Land Registration Reform Act*, the *Land Titles Act*, and the *Land Transfer Tax Act*. Many professionals working in the real estate industry have expressed concerns that the wording of the Bill suggests that the Ontario Government will centralize (in other words, close down) many of Ontario's Land Registry Offices ("LROs"). More specifically, the proposed changes would give a senior government bureaucrat, the Director of Titles, the power to close some of the current 53 LROs, without regulation or consultation, therefore making it much easier for this to happen. You may be asking yourself what, if any, impact this proposed change would have on the average Ontarian?

Under the current real property registration system, real estate professionals and members of the public can use a variety of methods to access title documents and other land registry information. Lawyers can use the Teraview system of digitized documents, or, when the information is not digitized, improperly referenced, or simply not current, lawyers (and the general public) can go to their local LRO to access the physical documents. If all LROs are centralized, it will likely become more difficult for lawyers, their staff or agents, and the general public to attend a LRO in person, thereby creating increased delays and increased costs to the end users - Ontario homeowners.

The Teraview system, a privately owned system owned by Teranet, Inc., while helpful in many ways, has its own limitations. Casting aside the general technical limitations, which in fairness have improved over the years, one must remember that not everything has been digitized, and perhaps not everything can be. Even if everything can be digitized, there will be no more "thumbing through" cabinets filled with large plans, maps or old instruments to find related data that could be of vital importance to the transaction at hand. Rather, the public will lose the ability to walk into a LRO in search of a document and lawyers will often end up spending more time and money (generally at their clients' ultimate expense) finding required documents and plans relating to a transaction. If the lawyer's task becomes more difficult and time consuming, it will result in a cost savings to the Government of Ontario (who will no longer have to cover the rent on many of the existing LROs) but it will result in cost increases to the average homeowner. For example, when lawyers, surveyors and developers need to spend more time looking for something (because it is much more difficult to find on line) or when they must wait for a



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central LRO to make a document available to them, the result is inevitably an increase in costs which will have to be passed on to the average homeowner in Ontario. This is of great importance, as providing a high level of service in a reasonable amount of time and at a reasonable cost is always a going concern for members of the real estate community.

These changes will also result in losing another great asset provided by local LROs: their people. Many regions of Ontario's vast territorial expanse possess quirks that do not exist elsewhere. Local LRO staff are intimately aware of these characteristics. Centralizing the system, which may result in a cost savings to the Government of Ontario, may also result in lost benefits and cost savings that the local LROs provide. Local LROs know the "lay of the land"—in both the geographical and the documentary sense. Furthermore, the loss of such knowledge will contribute to increased delays, which will in turn increase costs to all homeowners.

So again, what impact would these changes bring? The Government of Ontario may realize some significant savings, but it appears that the resulting costs would be absorbed by consumers who will, in turn, have to pay for the increased delays and costs. While I am generally a supporter of progress, advancement and government initiatives to reduce costs, we also have to consider the other effects of possible LRO closures: the increased costs to the average homeowner.

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