

Ontario Works Policy Directives

4.3 Real Property

Legislative Authority

Section 7(3) of the Act.

Sections 32, 38, 39 62(3) and 85 of Regulation 134/98.

Audit Requirements

All real property assets, exceptions to these assets, and transfer of these assets are documented and on file.

Asset levels for real property are adhered to and transfer of asset rules are applied consistently and fairly in accordance with provincial standards.

Copies of a Transfer/Deed or a mortgage for a property, valuations or appraisals by realtors, Land Titles or Land Registry records can be used to verify ownership and value of property and should be kept on file.

Random file reviews are completed to ensure that the above information is documented and filed accordingly.

Application of Policy

An interest in real property is considered an asset in the determination of eligibility for assistance, with the following exceptions:

- The principal residence for the benefit unit.
- The portion of an interest in property that the Administrator determines is reasonably attributable to the principal residence.
- The portion of the sale price of an applicant's or recipient's property that is applied or, where the Administrator approves, that will be applied to the purchase price of a principal residence for the benefit unit. The Administrator may approve the purchase of a principal residence even where it will result in increased shelter costs if the Administrator is satisfied the purchase is in the best interests of the benefit unit.
- An interest in property of a child in temporary care, if that property is not used as the child's principal residence and the Administrator has approved it as necessary for the child's health or welfare.
- An interest in property of a dependent child, other than an interest in the principal residence, if reasonable efforts are being made to sell the property.

Principal Residence

An applicant or recipient's principal residence is exempt as an asset provided that they live at that residence 12 months of the year. If recipients do not live at a residence year-round, it is treated as a second property for the purposes of determining eligibility for assistance. Eligible applicants applying from institutions or participants entering an institution who own a principal residence may have the principal residence treated as a second property after the participant's stay in an institution is longer than six months.

Second Property

An applicant or recipient's interest in a second property is considered an asset. This includes property outside Ontario and Canada, time-sharing condominiums or properties, and cooperatives. Only the portion of the property attributed to the applicant or recipient is considered.

The Administrator must determine the current value of the second property based on the current tax assessment value minus any debts (e.g., mortgage principal or other encumbrances against the property such as a loan or a lien). In determining the value of the property, the Administrator should also consider factors such as the location of the property and the current condition of the local market (i.e., the demand for the property) and the value of similar properties.

If the property is located outside Ontario or Canada, the applicant or recipient must provide documentation so that the Administrator can make a determination about its value.

Where an applicant or recipient has left the matrimonial home as a result of relationship breakdown, the matrimonial home is considered a second property. In these situations, the applicant or recipient is expected to pursue access to this resource.

In situations of family violence, the Administrator may grant a temporary waiver of recognition of the second property for a period of three months. In these circumstances, assistance may be granted or continued without regard to joint financial resources or assets. An extended temporary waiver period of up to 12 months may be considered where family violence is determined or if, in the opinion of the Administrator, a period of longer than three months would be more reasonable.

If money may become due and owing to an applicant or recipient from the sale of a second property, it is considered income for the purposes of calculating assistance. The Administrator may require the applicant or recipient to agree in writing to reimburse all or part of the assistance paid once the proceeds from the sale are received. If the proceeds from the sale of the second property are being

used to purchase a principal residence or an asset that is deemed necessary for the health and welfare of a benefit unit member, the Administrator may determine such proceeds to be exempt.

First Nations Property

The Administrator may exempt a second property that is located on a First Nations reserve. In determining whether or not to exempt the second property, the Administrator should consider any restrictions on the sale of the property, its ownership and whether the property would generate income as a result of selling or transferring the property to another band member.

Children's Property

Interest in real property of a dependent child, other than an interest in the principal residence, is exempt as an asset if reasonable efforts are being made to sell the property. If reasonable efforts are not being made to sell the property, then the property is included as an asset, and the Administrator will need to make a determination as to its value.