

October 25, 2023

Purchasing the property next door? Information on merged property titles

Exercise caution when purchasing a property abutting an existing property you own. Property titles can merge automatically. Merged property titles occur when multiple parcels of land are combined into a single title.

Ontario has two property registration systems, Land Titles and Land Registry. Parts of the province, particularly the north, have always been under the Land Titles system, while much of the province was under the older Land Registry system. An unfortunate feature of lands under the Land Registry system is that the titles of abutting properties held in exactly the same name or names are merged. Despite this merger, the owner may continue to receive separate tax notices, under separate roll numbers. However, the owner may discover that the titles were automatically merged without their consent when it comes time to sell one or both parcels.

Property title mergers can have significant legal and financial implications. For farmers with merged titles, the process to “unmerge” them can be time-consuming, and costly. In some instances, their efforts are unsuccessful, particularly if the municipality has established a minimum farm lot size in its Official Plan or Zoning By-laws.

Not every farmer, who bought the farm next door, ends up with the titles merged. OFA strongly recommends that members seek professional advice. Consulting with a knowledgeable lawyer, accountant, and/or a real estate expert can help you understand your options and make informed decisions. By doing so, you can protect your agricultural assets and investments for the long term.

OFA continues to call on the Ontario Government to change the Land Registry System under the *Planning Act* so that the practice of automatic merging is discontinued.

The above information is provided by OFA to support our members and ensure they have the information and resources needed to protect their agricultural interests.