

Land Lease Pricing and Fees

How Pricing Works

There are two different land systems in the Northwest Territories: Commissioner's Land and Territorial Lands. Each land system has its own pricing mechanism.

On Commissioner's Land, land is priced using assessed value. Assessed values for each parcel are determined by the Department of Municipal and Community Affairs under the *Property Assessment and Taxation Act*. Annual lease rent is typically calculated as a percentage of the assessed land value.

On Territorial Lands, land is priced using appraised value. Typically, appraised value considers various factors including existing market rates and would fluctuate based on site specific factors. However, given that a limited

number of markets exist in the NWT, there are challenges with using conventional appraisal methods and so an appraised value per hectare for all Territorial Land, is used to price land. Annual lease rent is typically calculated as a percentage of the appraised land value.

Recreational lease rents will shift from a percentage of the land value to fixed annual amounts depending on the level of access.

Revised Pricing for Leases

Existing lessees will see <u>changes to lease rents</u> at their next scheduled rent review, which is typically every five years. All new issuances will be subject to the below pricing effective August 28, 2023.



Recreational Lease Pricing

A three-tiered system is applied to recreational lease rents, with fixed annual amounts depending on access to the leased parcel, as determined by an inspector. No lease rent minimums are applied to this fixed-rate system.

Tier 1	Leased parcel is less than 1km from a highway	\$600 annually
Tier 2	Leased parcel is more than 1km but less than 30kms from a highway	\$400 annually
Tier 3	Leased parcel is more than 30kms or more from a highway	\$300 annually

This approach will ensure that recreational leases with limited and seasonal access will pay less than those with year-round access.

Residential Lease Pricing

The percentage of assessed value charged to residential lessees is 2.5% of assessed land value on Commissioner's Land, and 10% of appraised value on Territorial Lands.

		Minimum Lease Rent
Commissioner's Land	2.5 % of land value (assessed value)	\$800 annually
Territorial Land	10% of land value (appraised value)	\$800 annually

Commercial or Industrial Lease Pricing

Lease rents for industrial and commercial leases remain at 10% of the of the land value on both Commissioner's and Territorial lands.

		Minimum Lease Rent
Commissioner's Land	10 % of land value (assessed Value)	\$800 annually
Territorial Land	10% of Land Value (appraised Value)	\$800 annually

When Minimums Are Applied

As of August 28, 2023, the annual lease rent minimum is \$800 on all GNWT lands, which includes both Territorial and Commissioner's Land. When a lease rental amount is calculated and is equal to or less than \$800, the lease holder is charged the minimum lease rent.

Administrative Fees

The Department of Environment and Climate Change's administrative fees are found in regulations under both the *Commissioner's Lands Act* and *Northwest Territories Lands Act*. Administrative fees are separate from lease rent. These fees relate to the administration of each Act, for lease application fees, lease renewals, registration, document preparation, etc.

Payments

Payments are due annually on the anniversary of the start date of the surface disposition.

Please contact the Department of Environment and Climate Change at lands@gov.nt.ca or call 1-855-698-5263, if you have any questions.

Recreational Lease Arrears for Indigenous Lessees

If you are an Indigenous person with a recreational type lease, and if your lease is in an area where you have asserted or established Aboriginal and/or Treaty rights to harvest, and you have lease rent arrears from before August 2023, you may be eligible for the pausing of collections and/or the forgiveness of your lease rent arrears. Lessees should contact the Department of Environment and Climate Change to request and confirm eligibility for this program. Please note, property tax arrears are not included in this program.

Northwest Territories Public Land Act Regulations

The *Public Land Act* (the PLA) received assent on August 21, 2019. The PLA is not yet in force but will be brought into force once regulations are finalized. Prices and fees are subject to change when the Public Land Act comes into force.