



Questions to Children on Cottage Succession Planning

1. Are you interested in owning the cottage, and why?
2. Have you told your parents or siblings that you want the cottage?
3. Do you think that you could own the property together with your siblings? If so, what would happen if one of your siblings dies or wants to sell?
4. Do you think that you and your siblings can agree on a usage schedule that works for everyone?
5. Would you be able to afford to purchase the cottage now? Can you afford to maintain it now?
6. If you are interested in owning the property, but cannot afford to purchase it, do you have a financial strategy in place that will allow you to purchase it by the time your parents die?
7. Can you afford to pay your share of upkeep (property taxes, repairs, utilities etc.)?
8. Do you have the time to contribute to the work necessary to maintain the cottage?
9. Were you aware that you are deemed to sell everything you own at fair market value when you die, and that as a result once your parents die the cottage may attract a large capital gains tax liability?
10. Are there any other issues that could impact your ownership of the cottage?
 - a) Are you married? Do you have any children? Does your spouse's family have a cottage?
 - b) Do you have debt issues?
 - c) Does your job involve moving often?
 - d) Are you a resident of Canada?
 - e) Unequal contribution of labour to maintain the cottage property?



Questions to the Parent on Cottage Succession

1. How important is it to you that the cottage be dealt with while you are alive?
2. Can you retire on your assets without relying on the equity in the cottage? Can you afford the cost of maintaining the cottage until your death?
3. As matters stand now, what happens to your cottage when you die? Can your estate absorb the cost of capital gains tax on the cottage?
4. Is it your wish that the cottage remains in the family?
5. Are there financial or relationship issues that would prevent your children from holding the property together?
6. Who wants the cottage? Can they afford to maintain it in the long term? Does anyone else use it?
7. Would it be a problem to transfer the cottage to one or more of your children but exclude others?
8. Do you have reason to believe there will be conflict over planning the succession?
9. Are there any special issues regarding your children that need to be taken into consideration (marital issues, not Canadian residents, debt issues, special needs)?
10. Do you think that a written agreement would help your children operate the cottage together?
11. Are there any other issues (for example, extended family members) that need to be considered?
12. Will your family co-operate in making time in their schedules to discuss the cottage issues?



INFORMATION A LAWYER REQUIRES TO HELP YOU PLAN

1. Is the property owned or leased?
 - a. If leased, give the particulars of the lease

2. Whose name is the property/lease in?

3. Family Status: includes
 - a. Number and age of children/grandchildren
 - b. Are any children/grandchildren Canadian resident?
 - c. Do the children/grandchildren own their own residence?
 - d. Marital Status of children/grandchildren

4. When was the property acquired?
 - a. If acquired pre-1994, was the capital gains exemption election done in 1994?

5. What was the price paid for the property when it was acquired?
 - a. Amount of capital improvements and do you have receipts?

6. What is the current Fair Market Value?
 - a. If owned pre-1972 was a V-Day Election made?

7. What are your long-term intentions for the property? Keep in the family or sell?
 - a. To all children/grandchildren?
 - b. Only to those that use it?
 - c. Other.

8. Who uses the property and how often?

9. Access issues: are there easements on the property, road associations, issues with aboriginal rights etc.?

10. Your current residence:
 - a. Who owns the property/title?
 - b. How long have you owned it?
 - c. What is the cost base?
 - d. What is the current Fair Market Value

11. Who is your accountant?

12. Is the property Lake Front?
 - a. If so, do you own the shoreline?
 - b. Do you have Dock approval?

13. Are there other buildings on the property?

14. What is the size of the lot?

15. What septic system is in use on the lot?

16. Contact information.
 - a) Full Legal Names: _____

b) Home Address: _____

c) Cottage Address: _____

d) Home Tel. No.: _____ Cell No. _____

Work Phone No: _____

Fax. No.: _____ E:Mail: _____