

# ACPNS LEGAL CASE REPORTS SERIES

This series compiles short summaries of significant cases involving charitable, philanthropic, nonprofit and social enterprise organisations in Australia and overseas.



## Royal Canadian Legion (Shalom Branch No. 178) v. Maple Crest Housing Society, 2024 BCSC 215

Supreme Court of British Columbia, Duncan J, 20 February 2024

The Court continued an undocumented tenancy of a meeting hall due to proprietary estoppel.

**Key words: Property, British Columbia, Canada, Meeting Hall, Proprietary Estoppel**

1. The Royal Canadian Legion, Shalom Branch #178 (Shalom Branch) came into existence through the efforts of a group of Jewish ex-servicemen. It is a legal entity, and a branch of the Royal Canadian Legion (the Legion) under [An Act to Incorporate the Royal Canadian Legion, S.C. 1948, c. 84](#). The Shalom Branch fundraised to support veterans and a wide range of charities.
2. In the early 1970s, the Shalom Branch constructed a 110-unit apartment building for low-income seniors, particularly Jewish war veterans.
3. The Shalom Branch oversaw the creation of the Maple Crest Housing Society (the Society), formerly the Shalom Branch #178 Building Society, as a legal entity to obtain financing, oversee construction, and run the apartment building.
4. The Shalom Branch used the apartment's social room for meetings, and later built a meeting hall with a common wall between the two structures.
5. The Society sought a declaration that the Shalom Branch was a licensee or tenant of the meeting hall under a terminated or revoked licence, or right of occupancy, and a writ of possession.
6. The Shalom Branch sought a declaration that the meeting hall was held in trust by the Society for the Shalom Branch, that the Shalom Branch owned the beneficial interest in the meeting hall, and that it was entitled to the use and quiet enjoyment of it.
7. After hearing evidence and reviewing documentary materials, the Court was satisfied on a balance of probabilities that the Shalom Branch was granted the use of space in the apartment building for its meetings by the Society. The two entities were, at that time, nearly inextricably intertwined from a membership perspective, although legally distinct. When the space was insufficient, the Society agreed to add the meeting hall for the Shalom Branch for a low recurring rent, with no contemplated time limit. This was a handshake deal or assurance or promise that the Shalom Branch could use the meeting hall for a low recurring rent, with no temporal restrictions contemplated.

8. The Society failed to prove on a balance of probabilities that it had a landlord-tenant relationship with the Shalom Branch.
9. The Shalom Branch argued that eviction should not be allowed because of a range of equitable principles that could be applied, such as a purchase money resulting trust, a constructive trust, an express trust, and proprietary estoppel.
10. The Court found that proprietary estoppel applied as the Society assured or promised the Shalom Branch that it would have the right to use the meeting hall adjacent to the apartment building for a low recurring rent. The Shalom Branch relied on this assurance by paying low amounts of rent to the Society, and suffered detriment as the Shalom Branch periodically paid for repairs and upkeep to the meeting hall in the belief that it had the right to use the space, and had the responsibility for its upkeep. The Shalom Branch also made periodic donations to the Society.
11. The Court ordered that the Society could continue to use the meeting hall at a low rent adjusted annually for inflation. If the Shalom Branch were required to join with another branch of the Legion or were dissolved, then the right to use the meeting room would cease.

## COMMENT



This dispute might have been avoided if there had been some documentation of the agreement between the parties. The Court noted that (at [107]):

These petitions represent an unfortunate dispute between two entities who have done a great deal of good for many people over the years of their existences. They were once very closely aligned, their memberships intertwined. It is regrettable that they could not have come to some kind of accommodation without the intervention of this Court.

## VIEW THE CASE



This case may be viewed at: <https://www.canlii.org/en/bc/bcsc/doc/2024/2024bcsc215/2024bcsc215.html>

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