

CRASH COURSE IN REAL ESTATE



QUARRY PARK LAW

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3 Phases of a Deal

1. Contract signed

- Conditional, Deposits paid

2. Conditions removed

- Firm deal, Deposits used as part of purchase price

3. Closing

What does a lawyer do?

1. Pre-Execution

2. Post-Execution

Pre-Execution

- Negotiate and draft contract
- Terms, representations, warranties, price
- Due diligence
 - Taxes
 - HOA or condo fees
 - RPR Compliance

Post-Execution

- Good Title
- Proper execution of documents
- Registration
- Funds Transfer

- What you hope I don't have to do:
 - Fix Problems
 - Enforcement

Representations and Warranties

What are you promising when selling?

- Building envelope complies with bylaws and does not encroach onto neighboring properties
- Canadian residence
- Use complies with bylaws
 - Secondary suites
 - Permits!

Conditions and Deposits

The usual conditions

- Obtaining financing
- Inspection
- Sale of buyer's home

Deposits

- when do you lose them?

Real Property Report (RPR)

Do you need a new one?

- Any new structures on the land?
- Fences, decks, window wells, air conditioners?
- Cost
- Compliance
- Condominiums have special requirements

Condominiums

Major things to consider:

- Special Assessments
- Bylaws
- Parking and Storage Units
- Also please buy/sell the correct unit

Adjustments

- Periodic payments are split fairly between buyer and seller
- You pay for the portion of the year (or month) which you hold possession.
- Items needing adjustment:
 - City tax
 - Condo fees
 - Homeowner's Association Fees
 - Rent & Security Deposits

Timing Issues

- Buying/selling close together
 - Potential temporary homelessness
- Never ever, EVER have the moving trucks waiting outside at noon on the Closing Date!
- Insurance – do not cancel until closing complete
- Examples
 - Mortgage funding can be delayed
 - Seller doesn't vacate
 - Keys lost

Mortgages

Mortgage fraud

- DO NOT LIE by commission or omission
- Straw buyer
- Employment misrepresentation
- Criminal offence

Mortgages

- CMHC liability for high-ratio mortgages
 - Conventional vs. Collateral
 - Mortgage vs. HELOC
 - Guarantees
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- Know what you are signing up for

Thank you

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