

FAQs

Buying a Home

I am buying a home. When do I need to deliver the balance of my funds?

Typically, your lawyer will need to meet with you about 7 days before the closing. Though there are factors that affect this timing, plan on having your funds ready on or about that timeframe.

I have been pre-approved for a mortgage. Is this enough to waive conditions?

No, you have to make sure that the property you are purchasing also passes the mortgage company's or lender's financial test. Once the lending institution approves both you and the property on which you have made an offer, then you can waive your financing condition.

What costs make up my legal bill?

There are 3 major items that make up your legal bill: disbursements, GST (and PST if applicable) and legal fees. Disbursements are the hard costs such as registration fees at Land Titles Registry, tax searches and other payments to third parties. GST is applicable to fees and most disbursements. Legal fees compensate the Real Estate legal team for their work and excellent client care!

When can I expect to meet my real estate lawyer?

Typically, you will meet with your real estate lawyer at least 1 week before the possession date. This gives your lender, realtor and lawyer enough time to complete all the required documentation and registration in order to conclude your purchase on time.

What do I own when I buy a condominium?

When you buy a condominium unit, you acquire space that is often bounded by walls, floors and ceilings. In some circumstances you also buy a parking stall. In a "bare land" unit, you buy an interest in the actual land and anything built on it.

Should financing be a condition of my offer to the Seller?

Yes. When you are preapproved this simply means that you personally are approved. However, this does not mean that the financing institution has approved the property you are planning to buy. The lender's own appraisal of the property will determine how much you can borrow.

The financing has been approved for the property. Is there anything else I need to do?

You may have to provide a number of support documents prior to the mortgage being fully approved. Typically, you are approved for financing subject to the provision of the documentation on which your broker or mortgage company relied to approve the mortgage. Check with your mortgage specialist well in advance of the closing date to make sure they have everything they need to proceed.

FAQs

Selling a Home

My Real Property Report is more than 6 months old, is it sufficient?

The Offer to Purchase states that the Seller needs to provide a Real Property Report showing the current state of the improvements on the property. This includes extensions, decks, fences, sheds, hot tubs, play structures etc. If the RPR you have shows the current

When can I expect to meet with my Lawyer?

Typically you should meet with your real estate lawyer at least 10 days or more prior to the Completion Date to allow for registration with the Land Titles and subsequent delivery of the documents to the purchasers' lawyer.

Do I need a Real Property Report (RPR) for my condo?

Typically, you do not need an RPR when you sell a condo. However, if the condo you are selling is a "Bareland Condominium" you will likely need an RPR as you have an interest in the land itself. Your lawyer will address this issue with you.

When will I receive my proceeds?

Ideally, you obtain the proceeds of your sale on the day of closing. However, in Alberta there is potential for delayed registration at the Land Titles Office, and this may mean that your proceeds will be delayed by a few days. It is important to ensure that your proceeds have actually been deposited into your account.

What is an Estoppel Certificate?

For the Seller of a condominium, an estoppel certificate is a formal confirmation that there are no contributions, assessments or fees of any kind that are outstanding from the owner of the unit. Your lawyer will obtain this is a certificate on your behalf from the condominium management corporation.

How are property taxes adjusted?

Property taxes are adjusted by your lawyer as part of the Real Estate transaction process. You are only responsible for the Property Taxes for the number of days that you own your property this calendar year.

Should I let someone assume my mortgage?

For the most part, mortgages are only assumable if the buyer pre-qualifies with your mortgage company and receives written consent for the assumption of the mortgage. While mortgage assumptions occurred quite frequently in previous years, new mortgage fraud rules make it much more difficult to qualify and therefore much less common.

Who pays the Realtors?

Under most Real Estate listing contracts, the Seller is responsible for paying all real estate commissions and GST. The listing contract directs your lawyer to pay the commissions directly from the proceeds of sale.

Adapted from LeClair Thibeault Barristers and Solicitors, Calgary.