

MIKE STEWART

Yaletown, Downtown, the West End and Coal Harbour



Cell: 604-763-3136

Email: mike@mikestewart.ca

Web: www.mikestewart.ca

Great Tips for First Time Buyers

For most of us buying a residential property is the largest financial investment of our lives. The last step in the buying process is signing the purchase documents at the notary's office. As a result of constant changes in real estate law, the number of documents required to finalize your purchase as smoothly as possible are numerous. As your real estate notary, it is my duty to fully advise you what documents are required to complete your purchase, to review with you the purpose of each document, and advise you what your obligations are by signing.

1. GENERAL PURCHASING INFORMATION

The following is a summary of general purchase information and documentation:

A. The Contract of Purchase and Sale

Presumably, you have signed a Contract of Purchase and Sale, offering to buy a property from the seller for a certain price and with set completion, possession and adjustment dates subject to various conditions. Your offer, together with the seller's acceptance, governs your purchase. The Offer to Purchase and the Acceptance (collectively, the Contract of Purchase and Sale) governs the rights and obligations of both yourself as the buyer and the registered owner as the seller. Changes to this document can only be made if you and the seller are in full agreement. Usually the Offer to Purchase is completed by the buyer with a qualified realtor and without the assistance of a notary. Patricia Wright will, however, be happy to review this contract with you and clarify any concerns that you may have.

B. Land Title Search

The office of Patricia D. Wright, Notary Public, will conduct a title search at the Land Title Office with regard to the property you are buying. Patricia D. Wright, Notary Public, will ensure that you are aware of all of the encumbrances/charges on the title to your property. The search will set forth:

the legal description of the property;

MIKE STEWART

Yaletown, Downtown, the West End and Coal Harbour



Cell: 604-763-3136

Email: mike@mikestewart.ca

Web: www.mikestewart.ca

the name of the registered owner;

what encumbrances are registered against the title - both financial and non-financial

Some of these encumbrances (such as easements and rights of way) may remain on the title; some encumbrances (such as the seller's mortgage) may not. The office of Patricia D. Wright will discuss these items with you. Should you be purchasing a strata unit, the office of Patricia D. Wright will also do a title search on the common property as you will become a common owner of this property as well and should be aware of any charges registered thereon.

C) Property Tax Search

The offices of Patricia D. Wright, Notary Public, will conduct a tax search at the local municipal or city tax office with regard to the property you are buying. The purpose of this search is to ensure that if there are any outstanding property taxes, they are paid up to date and you will not assume any of the seller's taxes. This search will set forth:

what the current year's taxes are;

whether the current year's taxes are paid or not;

if the current year's taxes are not paid, what the amount owing is.

The office of Patricia D. Wright, Notary Public, will review with you who is responsible for the current year's taxes and why. In the City of Vancouver there are two tax billings each year, one in January - payable on or about February 2nd, and one in June - payable on or about July 1st. In most other cities and municipalities there is only one annual tax billing payable in the middle of the year and covering the taxes for the year from January 1st to December 31st. In some municipalities, owners may pay monthly payments towards the upcoming taxes and the offices of Patricia D. Wright, Notary Public, will need to be aware of this arrangement so as they can

MIKE STEWART

Yaletown, Downtown, the West End and Coal Harbour



Cell: 604-763-3136

Email: mike@mikestewart.ca

Web: www.mikestewart.ca

prepare any required adjustments between you and the purchaser or seller.

The tax search should also reflect if the City or Municipality has a separate utility billing for such items as water, sewer and garbage that the offices of Patricia D. Wright, Notary Public, will ensure are paid up to date and adjusted for accordingly.

D) SURVEY CERTIFICATE AND ZONING

Survey Certificate

Most mortgage companies require a Survey Certificate of the property to be secured before advancing the mortgage funds. The survey indicates that the house and any other permanent buildings (such as a garage), are located on the land you are purchasing and not encroaching on adjoining land. The survey report is certified by the surveyor who prepared the certificate. The survey that the seller may have, may not show all the improvements located on the property you are purchasing and may not be acceptable to your lender or to you. Patricia D. Wright strongly recommends that you consider obtaining a current Survey Certificate for your new property showing the current exact dimensions of the property and the location of all improvements.

Statutory Declaration

Most lenders will not accept any old survey or a survey that does not show the location of all the present buildings. Some lenders will accept a statutory declaration from the seller stating that they have compared the old survey to the present location of the buildings and that in their opinion the old survey is a correct representation. The office of Patricia D. Wright, Notary Public, will prepare this document, if required. If there is a garage on the property or additions to the house not shown on the survey or if the statutory declaration of the vendor regarding the existing survey is not acceptable to your lender, a new Survey Certificate must be obtained at your cost, before any mortgage funds will be advanced.

E) STRATA INFORMATION

MIKE STEWART

Yaletown, Downtown, the West End and Coal Harbour



Cell: 604-763-3136

Email: mike@mikestewart.ca

Web: www.mikestewart.ca

Please note that we are currently awaiting new legislation in respect of the Condominium Act and the new Strata Property Act will take effect shortly - we will be updating our website accordingly.

Condominium Act By-Laws

Should your property be a condominium or strata complex, you should ensure that you have received and read the bylaws and financial statements of the strata corporation. You may wish to obtain a copy of the Condominium Act, which is the statute governing condominiums, and refer to it should you have any questions. Patricia D. Wright wishes to point out that there have been numerous amendments to this Act in the past and accordingly it may be necessary for you to check that no amendments have been made to a particular section. The Strata Corporation may, by by-law, limit the number of residential Strata Lots in a Strata Plan which may be rented out by the owners. Should it be your intention to rent out your property, I encourage you to check with the Strata Corporation to ensure you are able to do so. It is also imperative that you are aware of the parking stalls, storage lockers, etc. that come with the Condominium and whether these items are common property or limited common property.

Maintenance & Insurance

The office of Patricia D. Wright will contact the Property Management Company with regard to the common area maintenance of the property to determine the monthly levy and to ensure the account is current. It is also important to determine if any special levies have been passed or are being contemplated prior to purchasing your home. One of the duties of the Strata Corporation is to obtain and maintain insurance on the buildings, common property and any insurable improvements owned by the Strata Corporation to the full replacement value thereof. It is important, though, that you are aware that the occupants of the Strata Lot should have a tenants package fire insurance and public liability insurance coverage. The Strata Corporation no doubt, has a common liability insurance policy, the cost of which is included in your maintenance payments but it is up to each owner to insure his condominium and contents and to obtain any liability insurance for their unit.

Parking Stalls and Lockers

You should be aware of where your lockers and parking spaces are and ensure that they have been properly assigned to you. You should also determine whether they are common property or limited common property.

MIKE STEWART

Yaletown, Downtown, the West End and Coal Harbour



Cell: 604-763-3136

Email: mike@mikestewart.ca

Web: www.mikestewart.ca

F) Conflict Form

Patricia D. Wright, Notary Public, may be acting for both you (on your purchase) and your lender (on the preparation of your mortgage documents). You must be made aware that if there is a dispute between you and your lender, that cannot be reconciled before the mortgage funds are advanced, Patricia D. Wright, Notary Public, will not be able to act for either party. In our experience such conflicts are rare. However, pursuant to the Rules of the Notary Society and in the interest of proper legal practice, you are required to be informed. In addition, as the office of Patricia D. Wright, Notary Public, is acting for both you and the lender, any relevant information we receive from you must be passed onto the lender and likewise any relevant information we receive from the lender must be passed onto you.

G) Non-Residency

Should the seller be a Non-Resident of Canada within the meaning of Section 116 of the Income Tax Act, Patricia D. Wright, Notary Public, will take the necessary steps to ensure that the required holdback of funds from the seller is obtained and not released until the necessary Non-Resident Clearance Certificate is obtained and delivered to our offices by the vendor's notary or solicitor. The office of Patricia D. Wright, Notary Public, will ensure you are provided with the Purchaser's copy of the Non-Resident Income Tax Clearance Certificate issued by Revenue Canada for your records. In the event you are a Non-Resident of Canada, please ensure you have discussed the tax implications of your property disposition with your prior to the actual disposition. There is a significant holdback of monies from any Non-Resident Seller until such time as a Non-Resident Clearance Certificate is obtained from Revenue Canada, which, at present, takes several weeks.

H) Statement of Adjustments setting out Funds Required - Your Closing Costs

The Statement of Adjustments sets forth the total costs of your purchase. Patricia D. Wright, Notary Public, will itemize all costs for you so you will know exactly what you are paying for and why. The Statement of Adjustments required for your transaction will be prepared from information provided by provincial and municipal government offices, realtors, mortgage companies and others. Although believed to be correct, its accuracy cannot be guaranteed; if the figures received by our office are in error, further adjustments will be required between the seller and the buyer. Accordingly, the Statement of Adjustments should be read carefully to verify its accuracy. Errors and Omissions are excepted.

2. THE IMPORTANCE OF THE DATES OF YOUR CONTRACT

MIKE STEWART

Yaletown, Downtown, the West End and Coal Harbour



Cell: 604-763-3136

Email: mike@mikestewart.ca

Web: www.mikestewart.ca

Avoid Fridays and month's end

When you purchase a home, the completion, possession and adjustment dates are very important. Each date must be clearly spelled out in the offer and adhered to or the transaction may collapse. Time is of the essence with respect to your Contract of Purchase and Sale.

The most important date to both buyers and sellers is the closing date. This is the date when the monies change hands and title is transferred.

The possession and adjustment dates are usually the same and represent the dates you may take possession of the property and the dates for which all adjustments for the property are made to. The time of possession is normally 12:00 noon on the possession date.

It is always a good idea not to have your completion and possession dates the same as the seller will normally not allow the release of the keys until the seller has received the funds. The duties of Patricia Wright as your notary on the completion date, are many, including receiving and reviewing the seller's documents from their solicitors, pre registration checks at the land title office, the filing of the documents at the appropriate land title office, reporting to the lenders to provide them with registration particulars, receiving mortgage funds at the offices of Patricia Wright as your notary, depositing the same into the trust account of Patricia Wright, preparing all the pay out reporting letters to the vendor's notary or solicitor, realtors, lenders, etc. and prior to release of funds, a final post registration check at the land title office. As you can see, there are numerous steps to be done on the completion date. It may not always be possible to complete these prior to 12:00 noon and normally, completion would take place one day before possession.

Whenever possible, avoid closing the transaction on a Friday, the end of a month and before long weekends. Buyers who close then often face delays getting keys, and often a higher moving bill. Sellers discharging a mortgage can face additional interest payments to their lenders. If the funds reach the lender late after a Friday closing, three extra days interest is payable - four on a long weekend.

MIKE STEWART

Yaletown, Downtown, the West End and Coal Harbour



Cell: 604-763-3136

Email: mike@mikestewart.ca

Web: www.mikestewart.ca

Whenever possible, steer clear of last days of the month when choosing a closing date. During peak times at the land title office there can be long delays in the actual filing of the documents and in receiving your mortgage funding from Lenders who may be funding many mortgages on the same date.

Finally, never have the completion date of the sale of your existing home and the completion date of the purchase of your new home on the same date. You would normally be dependant on your the funds from your sale to complete your purchase. Normally a contract provides that the purchaser of your home has until 12:00 midnight to deliver their monies to you as the seller. On the other hand, you as Purchaser of your new home, must have the required purchase funds in the office of Patricia D. Wright as your notary prior to 2:30 pm so that registration can be completed prior to the Land Title Office closing at 3:00 pm.

Waiver and Disclaimer

Please note that the information provided on this website is meant for general information purposes only and not as legal advice or notarial advice. This information on the site is provided to assist both our present and future clients. Each transaction and its surrounding circumstances are unique and each file handled by our firm is treated as such. Hopefully, you will find our website contains useful information that will assist you when you are planning to purchase a property or when you require a Mortgage, Will or other Notarial Service. By entering into our site, you fully release Patricia D. Wright, Notary Public, and her office of any and all liability that may arise from your use of the information contained therein. Again, this is not legal advice or notarial advice. You are further notified that any dissemination, distribution or copy of this site is strictly prohibited.