

# BUYER'S GUIDE

BUYING A PROPERTY,  
STEP BY STEP

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# BUYER'S GUIDE

This guide will take you through all the steps of buying a property with confidence with the help of a real estate broker.

## BUYING A PROPERTY, STEP BY STEP

Ready to buy a property? Even if this is not your first purchase, this guide will help you make sure you have all the information you need.

### Overview of the guide

This guide, the result of many years of experience in answering your questions, is intended to be concrete and practical. It summarizes what you need to know at each step and in the most common situations when buying or selling a residential property, in the form of clear, simple and direct answers.

The guide is divided into three clearly identified sections:

### **BEFORE** you buy

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Making sure you are well prepared

### **DURING** the purchasing process

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Interested in a property ?

### **AFTER** the transaction

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The steps following the Promise to purchase

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# BEFORE



## MAKING SURE YOU ARE WELL PREPARED

Whether this is your first home purchase or whether you've been through this process before, making sure you get the support and advice you need throughout this exercise is a wise decision. Moreover, doing it this way enables you to benefit from the protection mechanisms provided **under the Real Estate Brokerage Act.**

To make sure you are well prepared, we recommend that you first learn about a broker's duties and obligations. It is the broker's responsibility to inform and advise you properly, in accordance with his skills and his code of ethics. You may ask him any question that comes to mind; that's what he's there for.

### For example:

- **What is the Declarations by the seller of the immovable form?**
- Do I have to get a mortgage pre-approval before I start looking for a property?
- Who are the professionals with whom I will be dealing during the transaction process?

You must clearly identify your needs and the features you are looking for in your future home in order to establish a realistic budget. Armed with this information and your broker's support, you will be in the best position to make the right decisions and cross the threshold of your new home with complete confidence.

### Contract or no contract?

By signing an Exclusive brokerage contract – Purchase, you make sure that your broker's obligations are defined and that he will fulfil them. The contract can also stipulate what type of follow-up will be done by your broker. In addition, if the seller of the property you are considering is not represented by a broker, your broker will make all the necessary verifications that would otherwise be the responsibility of the seller's broker. This contract also allows the broker to canvass and solicit for properties that are not on the market.

### NO BROKER?

Be aware that if you carry out your transaction yourself, or if you use the services of a for-sale-by-owner company, you will not be eligible for the protections provided under the Real Estate Brokerage Act. To find out more, read the section entitled **“Duties and obligations of a real estate broker” in this guide.**

# BEFORE



## THE ROLE OF THE REAL ESTATE BROKER

In order to establish a bond of trust with your real estate broker at all stages of the transaction, it is important to know what is his role.

Once a broker has completed his basic training and obtained his licence, he is required to maintain his knowledge and skills up to date. The OACIQ also oversees his practice by developing mandatory forms designed to standardize real estate transactions.

### DUTIES AND OBLIGATIONS OF A REAL ESTATE BROKER

- **Inform and verify**
- **Act with transparency Disclose**
- **Be loyal to you**
- **Advise you properly Be available**
- **Use OACIQ forms Protect your interests**

# BEFORE



## INFORM AND VERIFY

Your broker must make the necessary verifications and be able to demonstrate the accuracy of the information he gives you, and provide all related documentation. Among other things, he will:

- Validate the accuracy of the information regarding the area of the property;
- Verify municipal and school tax amounts;
- Verify the details of any leases provided by the seller (income properties);
- Take steps to discover any factor that may affect the immovable; this includes the municipality's conditions regarding services such as water, septic tanks, etc., or whether a right (such as a right-of-way) is registered against the immovable in the land register.

## ACT WITH TRANSPARENCY

Your broker must act with transparency and integrity at all times. He has an obligation to keep all parties to the transaction informed of any factors that could affect the transaction, including by:

- Telling you if the property you are considering has ever been used to grow cannabis and informing you about the potential problems related to the purchase of this type of property, even if this particular property has since been rehabilitated;
- Collaborating with all other brokers involved in the transaction and, where applicable, informing you of any remuneration sharing agreement he has concluded.

# BEFORE



## DISCLOSE

Your real estate broker must avoid placing himself in a conflict of interest. If a conflict cannot be avoided, he must disclose it in writing without delay to all the parties involved in the transaction. For instance:

- He must notify you if he holds an interest in the property you are interested in (for example if the property is owned by him, his spouse or a relative, such as his parents, if he represents them);
- He must inform you if he receives a benefit of any kind for referring you to a third party (e.g. an evaluator or a financial institution).

## BE LOYAL TO YOU

Your real estate broker is bound by a strict obligation of loyalty towards you, his client. He must promote your interests and protect your rights, while acting fairly towards all parties to a real estate transaction, for example by:

- Presenting you with all the properties on the market that meet your requirements and, if he decides not to show you one, explain why;
- While remaining loyal to you, acting fairly and equitably towards each of the other parties to the real estate transaction.

# BEFORE



## ADVISE YOU PROPERLY

Your real estate broker has a duty to advise and inform you objectively. For instance, he will:

- Explain all the clauses of the forms he is asking you to sign, such as the Exclusive Brokerage Contract – Purchase, the Promise to purchase, the Declarations by the seller of the immovable and the Counter-proposal, if applicable;
- Advise you as to the price you wish to offer on your promise to purchase and the conditions you should include for your protection; (e.g. zoning verification, chimney inspection, other expert evaluations to be done due to the location of the property, including pyrrhotite);
- Make sure the content of the forms reflects your wishes;
- Recommend that you have a pre-purchase inspection done on the property and, where the situation requires, that you use the services of a recognized expert (e.g. if the certificate of location shows anything that is not compliant or doesn't match, he will recommend that you consult with a notary);
- Provide you with a list (containing more than one name) of professionals or building inspectors who meet the requirements of the Real Estate Brokerage Act.

## BE AVAILABLE

Your broker must be available to represent you. He must take appropriate action and follow-up on all communications received, by:

- Informing you as quickly as possible when a counter-proposal is received;
- If he is not available to respond within a reasonable time frame, designate another broker to replace him. The executive officer of his agency can also handle this for him.



# BEFORE



## USE OACIQ FORMS

To protect your interests, the OACIQ has designed a number of forms and contracts which brokers are required to use depending on the situation. When a broker presents you with an OACIQ form (bearing the OACIQ logo), you may be assured that this form has been validated at every stage and is constantly being updated.

## PROTECT YOUR INTERESTS

A broker's duties and obligations are all aimed at one thing: protecting your interests in a transaction.

Each broker must be covered by professional liability insurance in case of fault, error or omission in the course of a transaction.

And finally, all brokers are required to pay into the Real Estate Brokerage Indemnity Fund or FICl, which protects you in case of fraud, dishonest tactics or misappropriation of funds by a broker or agency.

### GOOD TO KNOW

When the seller does not seem to be represented by a broker, your broker must, among other things:

- Verify whether, despite appearances, the property is actually being offered through a broker;
- Confirm the identity of the seller, since the latter is not represented by a broker;
- Inform the seller that he has an obligation to protect and promote your interests, but that he will still treat the seller fairly (e.g. your broker may help the seller to complete the transaction documents properly, with all the necessary clauses, and make sure the seller understands the documents he is having him sign);
- Tell the seller that he has the right to be represented by a broker of his choice;
- If the seller does not wish to be represented by a broker of his choice, your broker must ask him to complete the form Declarations by the seller of the immovable. If the seller refuses to do so, your broker must advise you to the best of his knowledge.

# BEFORE



## CHOOSING YOUR BROKER AND YOUR PROPERTY

Identifying your needs will help you look for a broker who will be able to help you find a property that meets your priorities.

### **Real estate agency, agency executive officer, real estate broker: there is a difference**

A real estate agency: a legal person or a company that carries out a brokerage transaction through a real estate broker.

Agency executive officer: When you do business with a broker who is affiliated with an agency, you are also doing business with the agency's executive officer (AEO). The AEO is responsible for making sure your transaction goes smoothly. He can act as mediator in case of disagreement with your broker, or refer you to other resources if necessary. Do not hesitate to contact the AEO if you wish to clarify something, if you can't get a hold of your broker, or in case of emergency.

A real estate broker: the person who will handle your transaction, working on his own account or on behalf of an agency.

### **Remuneration**

A broker's rate or percentage of remuneration is not set by the Real Estate Brokerage Act or the OACIQ, or by any other legislation.

A broker's remuneration is based on free competition. It is generally set as a percentage of a property's selling price and normally paid out at the signing of the deed of sale. It can also be a lump sum or an hourly rate, and paid as soon as the services are rendered. It all depends on your broker's business model. This is something you will discuss with him, as this information must be spelled out right from the start in your contract.

### **GOOD TO KNOW**

The broker undertakes to collect any remuneration due to him by another agency or broker. This amount is then deducted from the remuneration payable by you under your brokerage contract to purchase. It is possible, therefore, that you will not have to pay the remuneration indicated in your brokerage contract to purchase!

# BEFORE



## CHOOSING YOUR BROKER AND YOUR PROPERTY

### CHOOSING A BROKER

- Does the broker have a valid OACIQ licence?
- Does he specialize in the type of property you are looking for?
- How do his services differ from those of other brokers?
- Does he work alone or as part of a team?
- Does his record contain administrative notes or has he been the subject of disciplinary action?
- Is he knowledgeable about the area or sector where you wish to purchase?
- Is he available?
- What costs should you expect to pay?

### GOOD TO KNOW

To help you choose a broker, verify the validity of his licence and his history using the tool Check a broker's record. There you can check his areas of expertise and whether he has been the subject of disciplinary action or a licence suspension.

# BEFORE



## CHOOSING YOUR BROKER AND YOUR PROPERTY

### CHOOSING YOUR PROPERTY

Here some questions to ask in order to define your needs. This exercise will help you look for a property that meets your priorities:

**- What type of property are you looking for?**

(Single-family, income property, co-ownership property, new, resale)

**- What is your preferred environment?**

(City, country, suburb, newer neighbourhood, older neighbourhood)

**- What nearby services are a must for you?**

(Schools, public transit, hospital, fire or police, shopping mall, close to work, etc.)

**- What are your priorities inside the property?**

(Number of rooms/bedrooms/bathrooms, type of heating [electric, gas, oil, dual energy], storage space, brightness)

**- Are you willing to do some renovation work?**

(Kitchen, layout, exterior finish, etc.)

**- What exterior aspects are important to you?**

(Parking, garage, yard, pool)

**- Do you plan to operate an office or business in the property?**

(Accounting firm, psychologist's office, hairdresser's, etc.)

**- Will your parents be living with you?**

(Intergenerational property)

# BEFORE



## ESTABLISHING YOUR BUDGET AND YOUR BORROWING CAPACITY

Before you begin your search for a new home, there is one vital step you must complete, which is to establish a realistic budget that takes into account:

- **your lifestyle**
- **your goals**
- **your down payment**

This will enable you to set a reasonable purchase price based on your situation, and help you focus your search to avoid being tempted by a property that is beyond your means.

### MORTGAGE PRE-APPROVAL

Although a mortgage pre-approval is optional, it has many advantages:

- **it allows you to determine the maximum price you may consider based on your borrowing capacity and your down payment;**
- **it allows you to lock in a mortgage rate;**
- **it shows your legitimacy as a potential buyer.**

#### GOOD TO KNOW

You will still need to obtain a final mortgage approval based on the terms of your Promise to purchase.

# BEFORE



## ESTABLISHING YOUR BUDGET AND YOUR BORROWING CAPACITY

### CALCULATING YOUR MONTHLY HOUSING BUDGET

This budget is the amount you have available to live in, finance and heat your future home, once you have fulfilled all your other financial obligations, taking into account:

- **Your net household income;**
- **Your debts (student loan, car loan, etc.);**
- **Your current expenses (food, clothing, insurance, miscellaneous expenses, etc.)**

The difference between your net monthly household income and your total monthly current expenses (including your debts) is your monthly housing budget. This amount must cover your monthly mortgage payment (principal plus interest), property taxes and heating costs (and, if applicable, 50% of your co-ownership fees).

### CALCULATING YOUR DOWN PAYMENT

The amount you have as a down payment will have a direct impact on the amount you will need to borrow to purchase your new home. Remember that the higher your down payment, the lower your mortgage payments will be. However, you must also have money for expenses to acquire, install and furnish your new home.

If your down payment represents less than 20% of the purchase price, your mortgage loan will have to be insured by a company that provides this type of insurance, such as:

- **The Canadian Mortgage and Housing Corporation (CMHC);**
- **Canada Guaranty;**
- **Genworth Canada.**

The premium for this insurance can be paid in cash or added to the amount of the loan based on a percentage that varies according to risk. The provincial tax on this premium is payable at the time of signing before the notary.

# BEFORE



## ESTABLISHING YOUR BUDGET AND YOUR BORROWING CAPACITY

For an income property, you may be required to make a larger down payment.

For a secondary residence, a minimum 20% down payment is usually required.

### HOW MUCH TO BORROW?

To calculate the loan amount required, you need to know the purchase price and the amount of your down payment:

#### **Purchase price**

The remuneration payable to your broker under your Exclusive Brokerage Contract – Purchase can be added to the purchase price and included in the amount of the loan, subject to certain conditions.

#### **Down payment amount**

The down payment is the cash you have in hand toward the purchase of your property: you can subtract it from the purchase price since you will not need to borrow that sum.

# BEFORE



## ESTABLISHING YOUR BUDGET AND YOUR BORROWING CAPACITY

### CALCULATING INDIRECT COSTS

When calculating your down payment, remember to consider the cash you will need for indirect costs and expenses such as:

Building inspections and other expert reports\$	
Legal and notary fees\$	
GST/QST (new construction or other taxable properties)\$	
Property transfer tax (welcome tax)\$	
Adjustments and tax distribution\$	
Water quality and quantity certification (artesian well)\$	
Tax on mortgage insurance premium\$	
Moving expenses\$	
Renovations and repairs\$	
Furniture, appliances, carpets, paint, etc.\$	
Utility hookup (new construction)\$	
Other (ex. Bell, Videotron, etc.)	
<b>Total \$</b>	

### INTEREST

The interest is calculated on the amount of your loan and based on your credit history, at current market rates. Interest rates are influenced by multiple economic factors, and their behaviour is difficult to predict.

Under CMHC's recently introduced mortgage stress test, the borrower must demonstrate that he is able to repay the mortgage at the higher of the rate on his loan agreement plus 2% or the five-year fixed rate posted by the Bank of Canada. If mortgage loan insurance is required (by CMHC for example), the premium is taxable. This premium will be added to the amount of the mortgage loan, increasing the amount you will have to repay to the lender.



# BEFORE



## ESTABLISHING YOUR BUDGET AND YOUR BORROWING CAPACITY

### **AMORTIZATION, TERM AND PAYMENTS**

**Amortization:** The number of years required to repay the entire loan, usually between 10 and 25 years.

**Term:** The period for which the conditions of the loan (rate, repayment terms) are valid, generally between six months and five years.

**Payments:** They can be monthly, bi-weekly or weekly and are established based on the term, amortization and interest rate of the loan.

### **TYPES OF LOANS**

Different types of mortgage loans are available on the market: open, closed, variable, fixed... You need to determine which type best fits your needs. Do not hesitate to seek help at this step.

### **HOME BUYERS' PLAN (HBP)**

If you are buying your first home, or if you have not owned a principal residence in the last five years, the Home Buyers' Plan (HBP) may offer an interesting avenue for you. For more details regarding the HBP, visit the [Canada Revenue Agency website](#).

# BEFORE



## THE EXCLUSIVE BROKERAGE CONTRACT – PURCHASE

When you choose to do business with a broker for the purchase of a property, the OACIQ recommends the use of the form Exclusive Brokerage Contract – Purchase for the purchase of:

- **A residential immovable containing less than 5 dwellings**
- **A divided co-ownership property**
- **An undivided co-ownership property**

Like all other forms created by the OACIQ and which brokers are required to use, this one was designed to offer you maximum protection while clearly establishing the terms under which the broker will act. It specifies, among other things:

- **The essential features of the desired property;**
- **The desired price and terms of purchase;**
- **The respective obligations of the buyer and the broker, including as regards the remuneration of the buyer's broker (which can be paid directly by the buyer or added to the purchase price offered for the property and included in the mortgage loan).**

### GOOD TO KNOW

By signing an Exclusive brokerage contract – Purchase, you make sure that your broker's obligations are defined and that he will fulfil them. The contract can also stipulate what type of follow-up will be done by your broker. In addition, if the seller of the property you are considering is not represented by a broker, your broker will make all the necessary verifications that would otherwise be the responsibility of the seller's broker. This contract also allows the broker to canvass and solicit for properties that are not on the market.

# BEFORE



## THE EXCLUSIVE BROKERAGE CONTRACT – PURCHASE

### REMUNERATION

The amount and terms of your broker's remuneration must be specified in your brokerage contract.

If the seller has also opted to do business with a broker, remuneration sharing conditions will be discussed. A portion of the remuneration amount indicated on the seller's brokerage contract will be paid to your broker and will be deducted from the remuneration stipulated in your brokerage contract to purchase.

You will not have to pay your broker if the remuneration sharing conditions on the seller's brokerage contract are equivalent to the remuneration stipulated in your brokerage contract to purchase.

If the remuneration sharing conditions on the brokerage contract to sell are below what is stipulated in your brokerage contract to purchase, you will be required to pay the difference directly to your broker, or to include it in your financing.

In the latter case, the difference in the amount payable will be added to the purchase price offered (and therefore added to the amount of the mortgage loan), and your broker will be paid by the notary from the sums available for the transaction, with the rest being paid to the seller.

If the seller is not represented by a broker, you will need to pay to your broker the entire amount stipulated on your brokerage contract to purchase or include it in your financing. In the latter case, the total remuneration payable to your broker will be added to the purchase price offered (and therefore added to the amount of the mortgage loan), and your broker will be paid by the notary from the sums available for the transaction, with the rest being paid to the seller.

### DETAILED DESCRIPTION SHEET OF THE IMMOVABLE

The detailed description sheet provided by your own broker or by the seller's broker will help you review the features of a property you are considering. It contains a detailed description of the property in its current condition, including all the details liable to have an impact on your decision, including asking price, type of property (e.g. single-family, co-ownership, intergenerational, income property), number of rooms, exterior cladding, etc.

**Ready to see some properties?**

**Read the article COVID-19: Its impact on your real estate transactions to learn more about the OACIQ's recommendations in the current context.**

# BEFORE



## THE EXCLUSIVE BROKERAGE CONTRACT – PURCHASE

### FACT SHEET

It is possible that you will visit several properties in one day. Will you be able to remember the features of each one? This is where fact sheets can come in really handy!

Here are some of the elements which your broker can verify and bring to your attention during your visits:

- **General condition of the exterior (roof, gutters, siding, paint, etc.);**
- **Heating costs, insulation;**
- **Air quality and flow;**
- **Signs of mould or water infiltration;**
- **Stuck windows or uneven floors (which can be signs of structural issues);**
- **Water supply;**
- **Water pressure (by flushing the toilets and turning on the faucets);**
- **Septic system;**
- **Soil quality (flood or landslide zone);**
- **Anything else that comes to mind as you visit the property.**

In addition, for an income property:

- **Amount of rents;**
- **Details of current leases.**



# BEFORE



## THE EXCLUSIVE BROKERAGE CONTRACT – PURCHASE

### GOOD TO KNOW

Your broker will inform you of all the factors that have come to his attention when he reviewed the Declarations by the seller of the immovable form and that could have an impact on the value of the property.

For example, if certain clues are identified, your broker may recommend that you have a recognized expert check for one or more of these issues:

- **dry rot;**
- **pyrite;**
- **radon;**
- **contaminated soil; ou**
- **cannabis.**

In the event that the risk is confirmed, discuss it with your broker; he will help you make an informed decision about the options available to you. For more **information, read our article entitled Contaminated soil, dry rot, radon, cannabis, etc.: How to protect yourself.**

He must also inform you of all the factors that could have an impact on your decision, such as a death having occurred in the property or the presence of an unexplained phenomenon. Look for more details in our article **Factors that may affect the decision of a buyer.**

### AVOID MAKING A BAD DECISION

When you see a property you like, it can be tempting to want to proceed quickly and overlook certain details. Here are some of the main regrets expressed by first-time buyers a short time after their purchase:

- **House too small or layout not suited to needs;**
- **Underestimated installation and maintenance costs;**
- **Unpleasant neighbours;**
- **Yard too small or difficult to maintain.**

To avoid these problems, take the time to get the information you need and stick to your budget, **while keeping some flexibility (see section Establishing your budget and your borrowing capacity).** Your broker can help you with this process.

## DURING



### INTERESTED IN A PROPERTY?

You have found a property you would like to buy?

You are now ready for your broker to draft a Promise to purchase. By so doing, you undertake to purchase the seller's property at the price and under the conditions indicated in your offer. By accepting your promise to purchase, the seller undertakes to sell it to you, probably subject to certain conditions on both parts (financing, inspection, etc.).

**62%** of new buyers who expressed regrets following a transaction cited choosing a home that was too small or not suited to their needs. (Trulia 2017)

# DURING



## THE PROMISE TO PURCHASE

Depending on the type of property, your broker will use one of these mandatory Promise to purchase forms designed by the OACIQ:

- Chiefly residential immovable containing less than five dwellings excluding co-ownership
- Undivided co-ownership – Share of a chiefly residential immovable held in undivided co-ownership
- Divided co-ownership – Fraction of a chiefly residential immovable held in divided co-ownership
- Mobile home situated on leased land
- Public curator

### TALK IT OVER WITH YOUR BROKER

Ask him to explain all the clauses to make sure you understand them clearly.

### GOOD TO KNOW

If you are looking to buy a new residential property built or on plans from a real estate developer or builder, the Civil Code of Québec requires the use of a preliminary contract in lieu of the Promise to purchase, which is used by brokers for resale transactions. Your broker has a duty to require the use of a preliminary contract where appropriate. When this type of contract is drafted, he must also **make sure that the form GST-QST New Housing Rebate Application: Rebate Granted by a Builder is duly completed.**

# DURING



## THE COUNTER-PROPOSAL

Once your broker presents your Promise to purchase to the seller's broker, the latter will discuss it with his client, who may accept it, refuse it or make a Counter-proposal using the form Counter-proposal to a promise to purchase. On this form the seller can indicate that he is refusing your offer, but that he may accept it under certain conditions, for example:

- By including or excluding certain items (or making a minor clarification);
- By changing the selling price or timelines such as the date of occupancy;
- By making any other change to the offer.

Once your broker has explained the clauses contained in the Counter-proposal, if you wish to make a new offer, he will again use the mandatory Counter-proposal form.

### GOOD TO KNOW

A Counter-proposal has the effect of cancelling all previous Counter-proposals made by either the buyer or the seller. The last Counter-proposal must include all inclusions and exclusions that are not mentioned in the initial Promise to purchase (regardless of any previous counter-proposals).

The agreement that will bind you to the seller consists in the Promise to purchase as amended by the last Counter-proposal, without regard to any previous Counter-proposals.

### DEADLINES

Like in the Promise to purchase, each Counter-proposal contains a clause specifying the deadline (date and time) by which the other party must accept. During this period, the counter-proposer cannot withdraw his counter-proposal. This deadline is important, because if it is not respected, the Counter-proposal becomes null and void.

As for the Promise to purchase, you may withdraw your Counter-proposal between the time when you sign it and the time when it reaches the seller. A cancellation that reaches the seller before the Counter-proposal is presented renders the Counter-proposal null and void.



# DURING



## THE DECLARATIONS BY THE SELLER OF THE IMMOVABLE

The form Declarations by the seller of the immovable is a kind of report card on the property. On this form the seller provides, in good faith and to the best of his knowledge, everything he knows about the condition of his property. This form will allow you to make an informed decision regarding your purchase. It is automatically used when the seller does business with a broker. If not, your broker can add a condition to your Promise to purchase to the effect that this form must be completed by the seller.

The form Declarations by the seller of the immovable will provide you with all the details you need regarding the property, including:

- **Year of construction and year of purchase of the property;**
- **Current mortgage status;**
- **Servitudes;**
- **Any water damage that occurred in the past;**
- **Soil contamination;**
- **Presence of ochre or pyrite deposits;**
- **Condition of the roof, plumbing, heating;**
- **Any repair or renovation work done, with documentation if possible.**

This form is a valuable tool to help your broker meet his verification obligation and discover any factor that could affect the transaction. When reviewing this form and making the necessary verifications, if your broker has a doubt on any factor that could have an impact on the transaction, he must disclose this fact to you. He may also advise you to add other conditions to a Promise to purchase (e.g. a soil test if there are signs of contamination).

### TALK IT OVER WITH YOUR BROKER

Take the time to review the information contained in the Declarations by the seller of the immovable with your broker. Your broker can draw your attention to the main points, for example damage by water or fire, a carpenter ant infestation and the repairs that have been made, a death, etc.

# DURING



## THE DECLARATIONS BY THE SELLER OF THE IMMOVABLE

### DIVIDED CO-OWNERSHIP

When the purchase concerns a divided co-ownership property, a seller who is working with a broker will have completed the mandatory form **Declarations by the seller of the immovable – Divided co-ownership. Among other things, this** form will contain information on the syndicate of co-owners' contingency fund, the area of the private portion you are considering, any work done or planned on the immovable, supplemental assessments expected, etc.

# DURING



## THE INSPECTION

It is highly recommended to have the property under consideration inspected. For your protection, the OACIQ has entered into agreements with various associations of building inspectors who have undertaken to follow pre-established criteria.

Your broker has an obligation to recommend that you have the property inspected. He may provide you with a list of inspectors or professionals (e.g. architect, building technologist or structural engineer) who meet the following requirements:

- Have professional liability insurance covering fault, errors and omission;
- Use a recognized inspection service agreement;
- Perform inspections according to recognized building inspection standards;
- Submit a written report to the party that requested the inspection services.

The inspector you choose will evaluate everything that is visible: structure, roof, plumbing, electrical, etc. When you receive the inspection report, review it carefully and ask the inspector any questions you may have.

Sale without legal warranty of quality: An inspection is all the more necessary. It will complement the information contained in the Declarations by the seller of the immovable by going deeper. It will also show that you acted prudently.

# DURING



## THE INSPECTION

### GOOD TO KNOW

If you refuse the pre-purchase inspection, your broker will indicate this on your Promise to purchase. However, if a problem occurs with the property and you wish to take legal action, the court will question whether you acted diligently, and the fact that you refused the inspection could work against you.

### Divided co-ownership

You may limit the inspection to the private portion, but it is highly recommended to have the common portions inspected as well.

### Income property

It is recommended to have all the dwellings inspected. If there is a service basement, it should also be inspected. Depending on the age of the building or the area, the inspector may suggest additional verifications.

### New construction

It is just as important to have it inspected, because an inspection could uncover problems that you can then have the builder or developer correct.

# AFTER



## THE STEPS AFTER THE PROMISE OF PURCHASE

Once the Promise to purchase or the Counter-proposal to the promise to purchase has been accepted, you must make sure all the conditions they contain are fulfilled, including the pre-purchase inspection, receiving all the documentation concerning the property, and obtaining your mortgage financing. It is important to understand clearly the steps to fulfilling the conditions contained in your promise to purchase and to make sure you meet the deadlines.

When all this is done, you will sign the deed of sale before a notary before moving into your new house or co-ownership property.

### GOOD TO KNOW

When two or more real estate transactions are interrelated (for example when you must sell your home in order to purchase a new one), your real estate broker has a duty to allow a reasonable time frame between the dates of signing of the deeds of sale for the various transactions to take place.

**3%**

of the value of the property is basically the minimum you should budget to cover the cost of taking possession of and moving into your new home. Example: For a \$250,000 home, budget \$7,500.

# AFTER



## YOUR APPOINTMENT AT THE NOTARY

The notary plays an important role in the successful completion of a real estate transaction, including by examining the titles. One of the notary's main responsibilities is to draw up the deed of sale and the deed of loan.

To this end, the notary will verify, among other things, whether:

- **The seller is the real owner;**
- **He has the right and the ability to sell;**
- **His spouse or another person must consent to the sale;**
- **The lot measurements are accurate;**
- **Any rights-of-way exist, etc.**

### GOOD TO KNOW

If you had to finance your purchase, you must provide proof that you have taken out home insurance for an amount equal to or greater than the mortgage.

Once the deed of sale is signed, the notary will register the transaction in the land register, which will make public your ownership right and the rights held by your mortgage lender.

# AFTER



## MOVING IN

You did your homework, went through all the steps, and now you are ready to take possession of your new home.

A few days prior to the registration of the sale in the land register (after the signing of the deed of sale), you will receive the property titles; make sure you review these documents to make sure everything is correct.

When you move in:

- Make sure everything that was included in the Promise to purchase is there;
- Check that all the inclusions work properly.

**BERKSHIRE  
HATHAWAY**  
HOMESERVICES<sup>MC</sup>

QUÉBEC