
Buying a Home - What You Need to Know



TAYLOR McCAFFREY LLP

Trust Taylor McCaffrey LLP
with your real
estate transaction.

Taylor McCaffrey LLP is a Manitoba law firm so we know the Winnipeg market like no one else. When it comes to the largest purchase of your life, we will be there for you through the entire transaction, including closing.

Hiring the right lawyer early in the process can reduce your risk while saving you time, and likely money. Our lawyers help you understand what's happening every step of the way. Taylor McCaffrey LLP is transparent, responsive and accurate. We want what's best for you and your new home and our service reflects that.

WHAT YOU PAY WHEN PURCHASING A PROPERTY

WHAT IT COSTS TO CLOSE

The following is a list of costs that might be incurred in a typical real estate transaction:

LAND TRANSFER TAX

This is paid to The Property Registry when you register your transfer of land. This cost is based on a formula. The Property Registry offers an online land transfer tax calculator that helps you determine the amount of land transfer tax payable on your purchase at the time of closing. Visit www.tprmb.ca, select Manitoba Land Titles, and then Land Titles Fees to calculate land transfer tax.

BUILDING LOCATION CERTIFICATE

Your lawyer will determine if an existing building location certificate can be used. If anything has been added to the property, or the certificate isn't available, a new certificate may be required.

ZONING MEMORANDUM

A zoning memorandum is required to verify whether the property complies with municipal zoning regulations as they apply to yards and alignments. A current building location certificate is needed if you want a zoning memorandum.

TITLE INSURANCE

Instead of a building location certificate and zoning memorandum, your lender may accept title insurance which would insure both you, and your lender, in the case of survey defects or non-compliance with zoning requirements.

TAX CERTIFICATE

This document may be required to verify if there are any unpaid realty taxes. In the event that there is a tax lien on the property, you will want to involve your lawyer as it changes the scope of the transaction.

TITLE SEARCHES

Your lawyer will search your title to make sure it is in good standing, and may order copies of encumbrances registered against the title if there are any.

COURIER CHARGES

Mortgage instructions, transfer documents, monies and keys are normally delivered through the use of couriers. The costs range from \$50 and up depending on how many deliveries are required.

MISCELLANEOUS EXPENSES

Photocopies, postage and office supplies may range from \$40 to \$60.

ADJUSTMENTS TO THE PURCHASE PRICE

Sometimes there can be adjustments to the purchase price after the offer is signed.

A) CREDITS FOR PROPERTY TAXES PAID

Although realty taxes are based on the calendar year (January 1 to December 31), they are payable in Winnipeg by June 30 each year, unless the owner is enrolled under the TIPP program with the City of Winnipeg. The party who actually pays the taxes is entitled to compensation by the other party by way of a credit. For example, if possession date is May 1, the buyer will be entitled to a four month credit to cover the seller's share of realty taxes from January 1 to April 30. The buyer will then be responsible for payment of the entire calendar year's taxes. However,

if the possession date is September 1, and the seller paid the entire calendar year's taxes on June 30, then the seller will be entitled to a four month credit to cover the buyer's share of realty taxes from September 1 to December 31. The same principles apply to property outside Winnipeg, although payment dates may differ.

B) INTEREST

If you are buying a property with a new mortgage, it is likely that your lender may not release the money until the transfer is registered with The Property Registry. This could take up to two to three weeks after the official possession date of the transaction. This means the seller has had to carry interest costs after the possession date. As the buyer, you will be required to compensate the seller at the same interest rate as your mortgage lays out.

Lawyers will normally require you to have one month's worth of interest payments available to ensure you can satisfy your potential obligation to the seller.

LEGAL FEES

Depending on the lawyer, the property and situational factors, fees can change. Since we are a Manitoba-based mid-sized firm with highly qualified lawyers, we offer competitive pricing on real estate transactions. Taylor McCaffrey LLP drafts custom documents (including the agreement of purchase and sale, as well as the title and closing documentation), and provides your due diligence so you can focus on moving, not making sure everything gets taken care of.

As a rule of thumb, legal fees increase as the cost of the house is higher and depending on the level of complexity to close the transaction.

We would be happy to provide you with a quote with respect to your purchase. Please feel free to contact a lawyer in our office for your quote.

HERE ARE SOME CONSIDERATIONS THAT IMPACT OR FURTHER INCREASE FEES:

- If you purchase a house that's under construction, and the contract requires progress advances to the builder, your legal fees will increase and include stage payments.
- There is an additional fee for the purchase of a tenant occupied house (revenue property) as additional searches and closing documents are required.
- An additional fee may be charged if the offer to purchase or mortgage instructions are received by the lawyer's office less than seven days before closing.

YOU'RE A HOMEOWNER! NOW WHAT?

A house is one of the most valuable assets you will acquire in your lifetime, so it is also a great time to review your Will.

Wills don't need to be complex, but they're important to have, especially once you become a homeowner.

Wills help protect your loved ones. We can take your values and vision for the future, and put them on paper for you. Consider it legally-binding peace of mind. Ask your Taylor McCaffrey LLP lawyer about reviewing your Will at the same time you buy or sell your home.