Things you need to know before selling a house

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Do you have questions about the Offer to Purchase? You can call us *before* you sign the Offer!

What does my lawyer need from me?

- Copy of accepted Offer to Purchase;
- Most recent Property Tax Bill;
- Most recent Water bill;
- Duplicate Title to the Property (if any);
- Survey of the Property (if you have one);
- Your *current* mailing address, phone number(s), and occupation(s); and
- Your *new* mailing address and phone number(s) (if they will be changing).

How often will I have to meet with my lawyer?

All of the paperwork is usually prepared at the same time, allowing you to make one appointment to get everything signed.

You may need to stop into our office to drop certain paperwork off if required.

How long does this process take?

On average, once all conditions of the Offer to Purchase are satisfied, it will take us around 2 weeks to get your paperwork ready to sign.

You will need to sign the Transfer papers with a lawyer. We will contact you to make a signing appointment.

On the Possession Date, the Transfer papers are sent to the Land Titles Office for registration. Registration usually takes 3 to 4 weeks.

When we are ready to release the net sale proceeds, we will report to you.

When can I expect to receive the sale proceeds?

It is impossible to say exactly when you will be receiving the net sale proceeds. However, typically the proceeds are available between **2 and 4 weeks** after the Possession Date.

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This time period can be shorter or longer depending on the circumstances of the sale.

In some cases, you might receive interest from the Buyer, if the Buyer does not pay all funds before the Possession Date.

Rest assured, we will notify you as soon as we are in a position to release the funds to you.

Can the Buyer and Seller share a lawyer?

If everyone agrees, yes. Usually, both the Buyer and Seller will receive their own bill detailing the legal fees. The Buyer's fees are typically higher, because more work is involved with preparing the Mortgage paperwork. Land Transfer Tax and registration fees are a cost to only the Buyer.

Advantage of using same lawyer:

Generally the sale is completed faster, because no documents have to be mailed to another lawyer.

Potential disadvantage of using same lawyer:

If a dispute develops between you that the lawyer cannot resolve, the lawyer may not be able to act for either side. If that happens both sides will need new lawyers thus running the risk of higher legal costs or taking more time to be completed.

What does my lawyer do?

- Reviews the Offer to Purchase and conditions;
- Contacts your Mortgage lender to obtain a payout figure for your Mortgage;
- Receives purchase funds from Buyer’s lawyer;
- Holds funds in a secure trust account;

Prepares Transfer documents and meets with you to sign them;

- Pays any applicable Realtor commission, final water bill, Mortgage, and overdue property taxes, out of the sale proceeds;
- Arranges for the removal of your Mortgage from the Title to the property;
- Ensures your interests are protected; and
- Updates your Will, if you would like.

Who is responsible for paying the Mortgage and Realtor’s commission?

We will arrange to pay any Mortgages or other liens that are registered against the property.

We will provide you with a detailed Statement of Receipts and Disbursements explaining where and what the funds were used for. The balance of the sale proceeds will be paid to you

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with our reporting letter.

When should I arrange final meter readings for the utilities?

It is your responsibility to pay all final utility accounts up to the Possession Date.

On or shortly before the Possession Date, you should contact Manitoba Hydro and the municipal water department (if applicable) to request a final meter reading and to provide your forwarding address for the final utility bills.

How are property taxes adjusted?

If the Possession Date is ***before*** the date the taxes are due in your municipality, a tax adjustment is usually ***deducted*** from the purchase price.

We will prepare the tax adjustment for you. It is calculated as:

[Net Taxes/365 days] X [# of days in the year *before* Possession Date]. For example:

February 1 is the Possession Date
January 1 to February 1 = 31 days
Net taxes for year are $1,200
[$1,200/365] X 31 = $101.92

If the Possession Date is ***after*** the tax due date, a tax adjustment is usually ***added*** to the purchase price.

The tax adjustment is calculated as:

[Net taxes/365 days] X [# of days in the year *including and after* Possession Date]. For example:

December 1 is the Possession Date
December 1 to December 31 = 31 days
Net taxes for year are $1,200
[$1,200/365] X 31 = $101.92

When do I cancel my house insurance?

It is your responsibility to keep house insurance in place up to the Possession Date.

You should contact your insurance agent ***before*** the Possession Date, to tell them the house is going to be sold.

Out of an abundance of caution, we suggest you wait until ***after*** you receive the sale proceeds before you cancel the insurance.

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Your insurance company might not let you cancel your insurance until your Mortgage lender has provided a release of insurance, which can sometimes take several weeks after the Possession Date.

If the house will be vacant for more than 4 days, we suggest you consult your insurance agent to ensure that the vacancy will not affect your coverage in the event of loss or damage.

When do I give the Buyer the house keys?

If you used a Realtor to sell the house, give your Realtor a set of house keys before the Possession Date. The Buyer's Realtor will deliver those keys to the Buyer on the Possession Date. You can leave any remaining house keys in the house where the Buyers will find them.

If no Realtors were involved, you should bring a set of keys to our office before the Possession Date for us to send to the Buyer's lawyer, or release the keys directly to the Buyer ***after*** we have advised you to do so.

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