



Common Conditions to Include in a Contract

The process of buying or selling a house seems to involve a million details. It is important that you educate yourself on as much of the process as possible—this knowledge could mean the difference of thousands of dollars in your pocket the long-run. The legal issues involved in the process are often particularly intricate, ranging from matters of common knowledge to subtle details that might escape the untrained eye. Any of these issues, if not handled properly, could develop into larger problems.

With so many legal issues to consider, your first step should be to seek out experienced professionals to help educate you and represent your best interests. Begin with an experienced real estate agent, who can help guide you through the initial details of either listing your home or finding a home and writing an offer. Get connected with a reputable local real estate lawyer (or notary) to assist you in all legal matters involved in the purchase or sale of your home.

While there are countless legal details involved in a real estate transaction, some can at times pose larger complications than others. I've outlined a few of the legal clauses that are common (and worth noting) in many contracts.

Common Conditions:

Property Inspections

- After an offer is accepted, arguably one of the most important next steps would be to do your due diligence and research on a property to ensure you understand in detail what you're potentially buying.

Buyer Financing

- While many buyers are prequalified, most contracts still tend to include a condition to provide time for the buyer to organize their financing for a purchase. This is generally for the sole benefit of the buyer.

State of Property Title

- It is important to thoroughly review the title of a property to make sure (as a buyer) you understand any encumbrances and charges that come with the land.



Insurance

- Insurance can be difficult to attain on specific properties, and it is imperative to involve an insurance broker early in the process in case this is the situation. If for some reason you cannot get insurance on a property – mortgage financing may also subsequently be an issue. An example of properties that may be more difficult to insure include:
 - o Historic homes (with rubble foundations, knob and tube wiring, etc.)
 - o Co-op's
 - o Condominiums in buildings with a history of water damage claims
 - o Mobile Homes

Removing All Refuse and Chattels

- While it's not overtly common, it is always a frustrating process to move into a new home and find the sellers have left a bunch of garbage or unwanted furniture. Including a clause that stipulates the seller will leave the property in a reasonably clean condition (and more importantly, that they will indemnify the buyer for any costs that result in a breach of this condition) will help give you a bit more piece of mind.

GST & Tax Implications

- There are many tax implications when buying or selling a home, and it's essential to understand how each tax could affect you in a transaction. This should be discussed with your agent and if necessary, an accountant, prior to writing an offer.

Cannabis

- Especially since the legalization of cannabis, it's now becoming more common to include a condition which stipulates that a seller warrants the property has not been used for the illegal growth of any substance.