

LP

RELOCATION

CANADA

7 - Purchasing

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The buying sequence

The real-estate market is very structured : a large majority of transactions are handled by **authorized real estate brokers** (they are formally trained, and are bound by a rigorous statute, and are members of the **OACIQ** – the Quebec Association of Real Estate Brokers and Agents). They are **responsible** should any problem arise with the sale.

Private transactions or transactions made on the internet are possible, but quite uncommon.

❖ All properties are listed on a professional listing service (known as *Centris*) of which all the real-estate brokers have a special access to. **Choosing one broker to represent you is sufficient**, but best to choose well.

Properties listed on <http://www.centris.ca/> are accessible to everyone, but Professional Brokers have access to a more detailed information.



The seller's broker places a **sign** outside the property to be sold (highly visible with the name of the real estate broker on it and sometimes accompanied by their picture). Real estate brokers typically join a **real-estate company**. A few of the main ones are **Re/Max, Sutton, Royal LePage and KW Urbain**.

Normally two real estate brokers will be present at visits—one on behalf of the seller and the other on behalf of the buyer. The **sale commission** (paid by the seller) is usually 5%, and is then shared between the two brokers.

The purchasing procedure is as follows: the buyer's broker makes an official '**offer to purchase**' on an official form, signed by the buyer. This offer (often a price lower than the asking price), can include many types of extra clauses imaginable, and some termination clauses (building inspection, finance acceptance, second visit by spouse, sale of the buyer's property...).

Canada follows Common law regime, in which the contract terms are completely binding which is different from European Civil Code (for example in France) regimes, where the law determines everything.

The back-and-forth of counter-offers is quite common.

It is highly recommended to have a **technical inspection** carried out by a professional Building Inspector, to be paid by the buyer (approximately \$500). If the inspection reveals serious problems with the property, the buyer may cancel his offer, as long as it was previously specified on the "Offer to Purchase". Before making an offer, ask to see **heating invoices** and **property tax receipts** (municipal and school taxes).

❖ If the "Offer to Purchase" is **accepted** by the seller, then the offer is deemed firm and final.

The sale then goes before a Notary. The timing at this stage is not excessive, and will take about 2 weeks. The buyer must pay the "**Welcome Tax**", between 1 and 2 %.

