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Standard Residential Conveyance: What is a standard residential conveyance and what services are included

While clients frequently ask what we charge for a standard residential conveyance (\$1,350 when acting for a buyer and \$900 when acting for a vendor), rarely do they ask what a “standard” residential conveyance is and what legal services do we provide to complete a standard residential conveyance. For the more inquisitive minded clients, here is the answer to those two questions.

A “standard” residential conveyance means a conveyance meets the following criteria:

1. the contract is the BC Real Estate Association approved standard form residential contract of purchase and sale, has been signed by both parties, there are no outstanding subject conditions and the purchase price is below \$1.5 million dollars;
2. the completion date is two weeks or longer from the time we agree to act for you;
3. the seller is/are Canadian resident(s);
4. the seller or buyer, whoever is our client, is able to attend at our offices to sign the closing documents and has current and valid personal identification documentation;
5. when acting for a buyer, the buyer is obtaining only one mortgage to close the transaction and the lender is a Canadian bank or a credit union (not a private lender or foreign bank) and, if the buyer is a first time home buyer, the buyer does not require our assistance is to apply for or to meet the criteria of any government first time home buyer program or loan;
6. when acting for a seller, there is only one seller’s mortgage to be discharged post-closing and the mortgage is registered on title in an favour of a Canadian bank or credit union (not a private lender or foreign bank) and there are no other creditor or lien claimant payouts;
7. neither the seller or buyer are executors, administrators or a trust;
8. a court order is not required to complete the transaction (such as for foreclosure proceedings or a property that is subject to bankruptcy or similar type proceedings);
9. the transaction does not involve the transfer of shares in a company or a leasehold interest in lands;
10. the transaction involves no closing holdbacks or a vendor take back mortgage;

11. there are no additional charges to be registered when the transfer and first mortgage are submitted to the Land Title Office for registration and there are no liens, charges or encumbrances other than the seller's mortgage to be discharged post-closing;
12. when acting for a buyer, there are no more than five (5) non-financial charges registered on title;
13. the transaction does not involve the termination of any residential tenancies; and
14. no amendments to the contract of purchase and sale, extensions of the completion date or assignment of the contract of purchase and sale are required to complete the transaction.

While we can assist clients to complete residential conveyances with any of the above features, the transaction would not be a "standard" residential conveyance and our fixed fee quote for a standard residential conveyance would not apply.

Onto the second question and the services we provide for a fixed fee to complete a standard residential conveyance.

Services That Are Included:

1. **Review of Contract of Purchase and Sale.** We will review the contract of purchase and sale to confirm all subject conditions have been removed, that there are no outstanding issues to be settled between the parties and confirm the key transaction terms with you: the purchase price, closing date, possession date, etc. While we recommend to clients they provide the contract of purchase and sale to us before removing subject conditions, in 95% or more cases we do not receive the contract of purchase and sale until after subject conditions are removed.
2. **Review of Land Title Office Search.** We will obtain an online Land Title Office search of the subject property to confirm title is consistent with title as described in the contract of purchase and sale. If there are issues with respect to title to the property or any problematic charges registered on title we will promptly bring those to the client's attention.
3. **Municipal Property Taxes.** We will obtain a property tax search of the property to determine if property taxes are in arrears and to calculate the appropriate adjustment at closing for the current year's property taxes. When acting for sellers, and if necessary, we will coordinate a special metre reading so an adjustment can be made on closing to determine the amount owing for municipal water or utility accounts.
4. **Strata Forms B and F.** If the property being purchased is a strata lot (condo), when acting for buyers we will contact the property manager or owner representative for the strata corporation and obtain a Form F [Certificate of Payment] and, in most instances, will also obtain a Form B [Information Certificate]. The Land Title Office requires that it receive a signed Form F, which is evidence that the monthly strata payments are current, before it will accept an application to transfer title to a strata lot. The Form B contains additional information about the strata corporation and is often requested by a buyer's lender.

5. **Transaction Closing Documents.** When acting for buyers, we prepare most of the transaction closing documents, including the Form A Transfer to transfer title to the property, the Property Transfer Tax Return and the buyer's lender's mortgage and security documents, if applicable. We will pay to the Land Title Office the registration fees to register the transfer and the mortgage. For sellers, we will review the closing documents prepared by the buyer's lawyer or notary and will prepare the discharge, if required, of any seller's mortgage registered on title.
6. **Statement of Adjustments.** When acting for the buyer, we will prepare a buyer's statement of adjustments that shows all of the adjustments to the purchase price. The most common adjustments are: (a) municipal property taxes; (b) provincial property transfer taxes; (c) strata fees (if applicable); and (d) legal fees. When acting for the seller, we will review the seller's statement of adjustments prepared by the buyer's lawyer and also the mortgage payout statement(s) received from the seller's lender(s).
7. **Buyer's Lender – Evidence of Insurance.** If the buyer will be obtaining a mortgage, the buyer's lender will insist on receiving evidence that the property is insured and that the lender is recorded as a loss payee on the insurance policy. This is something we will coordinate with the buyer's insurance advisor or the strata corporation's insurance advisor and provide to the buyer's lender.
8. **Title Insurance or Survey Certificate.** We recommend to our buyer clients that they obtain title insurance. A number of lenders now insist that the buyer obtain title insurance. Sometimes a buyer may obtain a survey certificate instead of title insurance. This decision is generally driven by the lender's requirements, time constraints and costs. Whatever the buyer client selects, we will submit the application for the title insurance policy or coordinate the survey of the property on the buyer's behalf.
9. **Meet with Client and Witness Signing of Closing Documents.** We will meet with buyer clients to review and discuss the closing documents and, if the buyer is obtaining a mortgage, to discuss the terms of the mortgage, such as the interest rate, the term of the mortgage, the mortgage payment amounts and the mortgage prepayment privileges. Depending on how familiar the client is with real estate transactions this meeting can take anywhere from thirty minutes to an hour and a half. Meetings with seller clients are usually shorter and focused on the seller's statement of adjustments and the payout amounts for the seller's mortgage(s) (if any).
10. **Closing.** We will oversee the registration of documents at the Land Title Office on the completion date with the lawyer or notary representing the seller or buyer, as applicable, and attend to the disbursement of closing funds as approved by the parties in the statement of adjustments after the land title documents are noted as pending applications on title to the property. On receipt of the sale proceeds from the buyer's lawyer, we will attend to the payout to any seller client's lender who has a mortgage registered on title.
11. **Coordinate Payment of Realtors.** When acting for buyer clients, we will coordinate and, where necessary, attend to the payment of commission to the listing agent (the agent who acts for the seller) and the selling agent (the agent who acts for the buyer).

12. **Report to Client.** We will report to our client after the transfer and the buyer's mortgage, if applicable, is fully registered at the Land Title Office and the seller's lender's mortgage, if any, is discharged from title. As it can take 60-90 days after the completion date before the seller's lender's mortgage is discharged from title, our final report may not be issued until three or four months after the completion date.

Services That Are Not Included:

The following services are not included in the fixed fee quote we provide for a standard residential conveyance:

1. **Tax Planning and Estate Planning Services.** This would include advice about holding a property in trust to minimize property transfer tax on future transfers, ownership structures to minimize probate fees or to protect from Wills Variation Act applications, or advice to protect (secure) a gift, early inheritance or loan to a family relation who is married or in a long term relationship, where the gift, early inheritance or loan is to assist the couple with the purchase of a family home.
2. **Searches of Municipal Records.** Searches with the applicable municipal office to confirm the zoning of the property, that a final occupancy permit was issued for the constructed residence or any subsequent major renovation, or if there are any outstanding work orders. This would also include inquiries to see if any secondary suite in the residence complies with applicable municipal bylaws. A search of municipal records will sometimes disclose other important information, such as the presence of underground fuel tanks, whether the property has been used as a grow-op, if permits were obtained for any dock attached to the property, or if the property has a heritage designation. A search of municipal records can take 2-3 weeks to complete or longer. Accordingly, in a seller's favourable market, there is often not sufficient time for a buyer to obtain the municipal search results before the deadline to submit an offer to purchase the property. Some of these potential risks can be covered by title insurance.
3. **Review of Strata Bylaws and Minutes.** A due diligence review of the strata bylaws, minutes of strata meetings and the annual strata operating budget with respect to: (a) rental restrictions; (b) pet restrictions; (c) references in the strata minutes concerning structural issues or overdue capital repairs, such as a building envelope leak, roof repairs or re-painting of the strata building(s); (d) the strata depreciation report; (e) the size and adequacy of the contingency reserve fund; or (f) the general health of the strata corporation's finances.
4. **Encroachments and Set Backs.** Investigations to determine if the constructed residence or any structure or improvement on the property (such as a garage, driveway, fence, deck, underground pool or shed) is located entirely within the legal boundaries of the property or if a similar structure on a neighbouring property encroaches onto the property to be purchased. Nor do we investigate if the building complies with municipal setbacks from the street or shared property lines with neighbouring properties. Buyers can obtain a survey certificate or title insurance to minimize the risks of these issues.
5. **Building Inspection Report.** We do not coordinate any inspection of the property by a residential building inspector or, for the purchase of a pre-sale unit, an inspection of the newly constructed unit to prepare a pre-closing deficiency list with the seller/developer.

6. **Environmental Searches or Inspections.** We do not perform any searches of any government databases or offices with respect to potential environmental contamination of the property or adjacent properties, including the existence of underground fuel storage tanks or asbestos insulation. Most building inspection reports will include a section that provides comments, based on a visual inspection of the property (but not any physical testing), if any underground storage tanks or asbestos insulation was observed or is suspected.
7. **Geotechnical Reports.** We do not coordinate any searches with respect to the stability of the lands including, but not limited to, the existence of any underground streams or aquifer; presence of a septic tank, storm drainage runoff management issues, if the property is located within a flood plain or, if the property is beside a lake, river or other body of water, whether the size of the property has been impacted by erosion or accretion.
8. **Booking of Elevator.** If the property is a strata lot in a multi-storeyed building, the seller and buyer should contact the property manager to coordinate booking and payment of fees to secure the building moving elevator for move-out and move-in purposes.
9. **Transfer of Keys and Security Cards.** After the transaction closes, the realtors coordinate transfer of the keys, security passwords and garage opener devices (the clicker) between the seller and buyer.
10. **Arrangements to Open and Close Utility Accounts.** We do not attend to the opening or closing of general utility accounts for the property, including such things as electricity (BC Hydro), natural gas (Fortis BC), telephone, or cable or internet services.
11. **Payment of Property Taxes.** Unless the completion date is in close proximity to the due date for payment of municipal property taxes (which is the first business day in July for most municipalities except Vancouver, which also has an early installment payment due in February), it is the buyer's responsibility to arrange for the payment of municipal property taxes, including the setup of equal monthly payment installments if that is the buyer's preferred payment option.
12. **Payment of Monthly Strata Fees.** The buyer should contact the strata property management company or strata corporation, as applicable, to make arrangements for the future payment of monthly strata fees after the completion date.

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