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## Assemble your own 'dream team'

### Decision is so crucial you can't be too prepared

#### *Experts can give advice on every aspect of buying*

For most people, buying a home is the most expensive purchase they will ever make. With the average resale home or condominium in the Toronto area selling for more than \$300,000, it's a purchase that requires careful planning and assembling a group of qualified experts to assist in the process.

By the time the purchase is closed and the lawyer is ready to hand over the keys, the new owner will have dealt with a handful of people, each of whom has an important role to play in the transaction.

Toronto real estate lawyer Shawn Zuckerman is also a licensed real estate agent with Bosley Real Estate on Merton St. He is one of a very small group of professionals who have a foot in both the legal world of real estate, and the practical world of buying and selling.

"Assemble your dream team of experts at the start of any search for a resale home," says Zuckerman. "It's impossible to be too well prepared for a house purchase which now averages more than \$300,000."

Whether the market is frenzied or stable, Zuckerman recommends assembling a dream team at the start of any search for a resale home. If the experts are not gathered up front, valuable advice may not be available in time, and a mad scramble could take place at the last minute.

As a minimum for any house purchase, Zuckerman suggests creating a team which includes

- a knowledgeable real estate agent
- a competent real estate lawyer
- a mortgage broker or banker
- a qualified home inspector
- an insurance agent, and
- a land surveyor.

**The real estate lawyer.** The quarterback of the dream team is a qualified real estate lawyer. When looking for a lawyer - or any other member of the purchaser's team - ask family, friends or colleagues for a recommendation, or search on the Internet or in places like the Yellow Pages.

Make sure the lawyer chosen is one who devotes a significant percentage of his or her legal practice to real estate law.

The lawyer reviews the agreement of purchase and sale, hopefully before it is signed and not after. As well, he or she will search the title, arrange title insurance, prepare all the purchase and mortgage documentation, check for tax and other arrears, and arrange for the signing of document authorizations to enable electronic closing and registration by computer.

Each document will be carefully explained to the purchaser at the time of signing, and the flow of money from the mortgagee and the purchaser to the vendor will be reviewed in detail.

Of equal importance, the lawyer will co-ordinate all the other players on the purchaser's team, and make sure that they are in game position on the playing field at the time and place they are needed for closing the transaction smoothly.

**The mortgage broker or banker.** In order to clarify the amount of mortgage a purchaser can carry, a banker or mortgage broker should be consulted very early in the process.

A pre-approved mortgage will let the buyer know exactly how much house and how big a mortgage he or she qualifies for, but it's not necessarily a guarantee that financing will be provided. If the purchaser's financial circumstances change before closing, or if the house is appraised for less than actual the purchase price, the mortgage financing can easily disappear or be reduced to an amount lower than the original approval.

**The real estate agent.** There is no shortage of information available to the public on resale houses being offered for sale, but in most cases a real estate agent will be involved in the sale and purchase of a property. A well-prepared agent will have colour brochures describing the house available to prospective buyers, and will help stage the house so it shows its best side to the buying public.

A buyer's agent will assist the client in narrowing down the choices and negotiating the final price and contract terms.

When the same person is a dual agent and represents both buyer and seller, he or she will explain to the clients where the dual role begins and ends, and how conflicts of interest are avoided.

**The home inspector.** Typically an offer to purchase contains several conditions, including one allowing a home inspection. After the offer is accepted, a home inspector will conduct a detailed home inspection in the presence of the purchaser, explaining the significance of any discovered defects, and often - since no house is perfect - giving ballpark figures on repair costs.

Purchasers should be aware, however, that home inspectors do not inspect sealed or inaccessible areas, and do not comment on any environmental issues, like urea formaldehyde foam insulation, asbestos, vermiculite insulation, radon gas or soil contamination.

Home inspections take two or more hours, and represent a few hundred dollars well invested.

**The insurance agent.** An insurance agent is an important part of the team, and purchasing fire and liability insurance should not be left until the day of closing.

In recent years it has become increasingly difficult to arrange home insurance, and some insurers are not interested in new customers with no insurance record. In many cases it is difficult to obtain insurance for homes with old fuel oil tanks, or knob and tube wiring. Sometimes a mortgage lender will want higher coverage

than an insurer is willing to provide.

In all these cases, early contact with the insurance agent can avoid last minute problems.

The agent will also explain the various levels of coverage available, and assess the purchaser's comfort level with the recommended policy.

**The surveyor.** If the house has no existing survey, or an old or illegible land survey, the savvy purchaser will retain an Ontario land surveyor to prepare a new one.

A survey shows the full extent and dimensions of the property being purchased, and the location of all buildings and improvements on the land. It can reveal whether there are any encroachments of neighbouring buildings or fences on the land, and whether the house, garage or fences being purchased stray beyond the limits of the property boundaries.

Despite the fact that title insurance may protect a purchaser from some of the losses resulting from the lack of a current survey, it will not compensate for the grief involved in correcting the problem. Many lawyers suggest using a land surveyor when appropriate.

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By the time the lawyer hands the keys to the purchaser, every member of the team will have played a critical role in getting the deal closed.

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