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BNI Sunrise

Real Estate Lawyer Seat

**G. GORD MOHAN**  
Barrister & Solicitor

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FORM 13  
STATUS CERTIFICATE (UNDER SUBSECTION 76 (1) OF THE CONDOMINIUM ACT, 1998)  
Condominium Act, 1998

..... (Name of condominium corporation) Condominium Corporation No. ....  
Known as the "Corporation" certifies that as of the date of this certificate:

**Instruction for a common elements condominium corporation**  
(If the Corporation is a common elements condominium corporation, change all references in this certificate to terms in Column 1 in references to the terms in Column 2.)

Column 1	Column 2
unit(s)	common interest(s) in the Corporation
unit owner(s)	the owner(s) of a common interest in the Corporation

**General Information Concerning the Corporation**

- Mailing address: .....
- Address for service: .....
- Name of property manager: .....
- Address: .....
- Telephone number: .....

4. The directors and officers of the Corporation are:

Name	Position	Address for service	Telephone Number
.....	.....	.....	.....

**Common Expenses**  
(If the Corporation is any condominium corporation but a common elements condominium corporation:  
5. The owner of Unit ..... Level ..... (Suite number ..... address .....  
.....) of ..... (Identify condominium plan),  
registered in the Land Registry Office for the Land Titles (or Registry) Division of .....

(If the Corporation is a common elements condominium corporation:  
The owner of the common interest in the Corporation attached to ..... (provide  
description, as set out in Schedule D to the declaration, of the parcel of land to which the common interest in the  
Corporation is attached), registered in the Land Registry Office for the Land Titles (or Registry) Division of  
..... (Known as the "Parcel")

(Strike out whichever is not applicable:  
is not in default in the payment of common expenses.

# BUYING CONDOMINIUMS

## Importance of Status Certificates

- Ask your lawyer verify and ensure that the Agreement matches with the Status Certificate
  - Same amount of parking spots and locker (if applicable)
- Check in the status certificate
  - If there are any lawsuits against the corporation
  - If there are any special assessments or planned condo fee increases
- Important to understand what you actually OWN when buying a condo and what is common element/ exclusive use only
- Condo Insurance: Very important to get, regardless of the condominium insurance for the building



# PURCHASING NEW BUILD HOMES

Before signing the Agreement:

- Check to confirm all the deposits required and when they must be made
- Ask the builder when the “cooling off” period ends and ensure to have your Agreement of Purchase and Sale reviewed by a lawyer before it becomes firm
  - Lawyer will check for adjustments to be capped on final closing, fees that the builder will charge
  - Whether house/unit can be assigned
  - Whether you can rent during occupancy (if applicable)
- Understanding builder’s allowance for extensions and when you have a right to receive your deposit back



# HST Eligibility with New Builds

- HST New Housing Rebate
  - Available to anyone in Ontario who purchases a new home or condo from a builder OR hires a builder to construct a new house.
  - When purchasing a new home or condo to live in, or for a family member to live in, the Ontario HST rebate is usually assigned to the vendor on closing who consequently lowers the purchase price by the rebate amount.
    - This allows the home builder or condo developer to effectively advertise a lower "sticker price", increasing sales, and enables a buyer to qualify more easily for a mortgage large enough to afford the property
- Ontario New Residential Rental Property Rebate (NRRPR)
  - When purchasing a new condo or home to rent out, the Ontario NRRP Rebate can only be applied for by the buyer after closing and never by the vendor.
  - Important to note as this can be a large financial burden if not prepared
    - Anyone buying a brand new rental property is forced to pay the full purchase amount including HST upfront and eat the interest costs until he or she is granted the rebate
    - Anyone who buys a new home or condo as an investment property should promptly apply for the rebate.

- Who is eligible to receive the HST rebate?

- A new house or condo unit must be used as the primary place of residence by the purchaser or their immediate family (meaning people related by blood, marriage, common-law partnership, or adoption).
- Factors CRA considers: how long the individual has lived in the unit, whether the person considers the house as their main residence, and if they have used that address on any personal or public records such as a driver's license.

- What is the maximum HST rebate ?

- As of summer 2010, new home buyers in Ontario are charged 13% HST on their purchase, which consists of a 5% federal tax and 8% provincial tax. The new home HST rebate in Ontario essentially kicks back 75% of the Ontario portion of the HST, up to a new home purchase amount of \$400,000.
- This results in a maximum rebate at a provincial level of \$24,000 ( $\$400,000 \times 0.08 \times 0.75$ ).
- It is also possible to obtain a federal rebate of up to \$6,000.
- In other provinces, the new home rebate is clawed-back for any house purchase over \$450,000. This is not the case in Ontario, however, where the provincial rebate is never clawed back it simply only applies to the first \$400,000 meaning the largest rebate possible even for a million dollar home is \$24k provincially. The maximum rebate possible federally is an additional \$6,000.

# COMMERCIAL PURCHASE

- Prior to firm offer, ask your lawyer to review agreement and any existing leases in place, as well as any agreements to be assumed (elevators/escalator contracts, etc.)
- Speak to your lender ahead of time to gather all the documents they require for mortgage to be finalized
- Environmental testing: pros & cons (do not open up a can of worms if not necessary)
- Prior to closing, ensure your lawyer has completed ALL corporate searches against vendor and buyer corporations (Bank Act, PPSA, etc - to ensure they are in good standing) as well as building/zoning/taxes searches



# Title Insurance

- What is it?
  - Form of insurance used to insure a buyer (Owner's Policy) and their lender (Lender's Policy) against loss or damage due to title defects.
  - A "title defect" is anything registered on title that doesn't give the owner clear title to the property. "Clear title" means there are no liens, writs, or notices of security interest as a result of prior owners on the title documents. Title defects make it harder for owners of a property to utilize the equity in their property and even sell the property.
- Is it mandatory?
  - Not mandatory in Ontario, unless a mortgage is obtained
  - Title insurance is intended to protect homeowners and minimize their risk in real estate transactions (purchase or refinancing)
  - Title insurance is a popular option for many people because it only requires a one-time payment (called a "premium") and its coverage lasts for as long as you own the property.

# Title Insurance – what does it cover

- Survey issues
  - If a property does not have an accurate survey, a purchaser may face all sorts of problems including their neighbour encroaching on their property. This could be by way of a fence built on what they thought was their property line or even a paved driveway.
- Title fraud
  - Most often occurs when a someone forges documents or uses stolen personal information to transfer a property's title, without the owner's knowledge, to themselves or someone they know in order to register a mortgage on the property.
- Legal use of a property or zoning problems
  - A property may have restrictions on its use. For example, a multi-unit residential property may be allowed to be used only for residential purposes and not retail purposes although it has been used for it in the past.
- Public record errors
  - In 1999, the government began to convert paper title documents from Land Registry to the Land Titles System. This required the assistance of conveyancers (most new to the profession) and unfortunately, errors occurred. If you purchase a property and there is a public record error, you will be protected by title insurance.
- Encroachment issues
  - Encroachment describes a situation where a person who does not own a piece of land builds a structure over or extending into your property. This can be an extension to a home or the construction of an in-ground pool.
- Legal coverage
  - If a problem with title is discovered after purchasing a property, a title insurance company may pay for legal expenses incurred in defending the property's title.

Thank you for listening to my presentation

