

## Buying a Home in Alberta

The process of buying a home in Alberta is complicated. There are, however, a number of real estate professionals and tools that you will come to depend on to help you through the maze that buying a home is.

Typically, there are two methods of buying a home in Alberta; with a real estate agent or from a "for sale by owner" (FSBO). The majority of homes are sold through agents but the growth of the FSBO market is undeniable. No matter how you proceed, the most important part of your purchase is the actual negotiation with the seller.

### **Negotiating the Purchase**

The key fact to understand in any negotiation is that the terms of the Alberta real estate purchase contract are not set in stone. If you are buying through an agent, you will most likely be submitting your offer on one of any version of standardized contracts used in your locale. These contracts have been reviewed by Alberta real estate lawyers and are a good starting point though you will likely have to make some amendments and additions to the terms and conditions sections.

The important difference between terms of a contract and the conditions to a contract is that a condition is something that must be satisfied before a contract comes into effect and a term is something that must be satisfied after it has come into effect.

Certain conditions such as your financing approval, a home inspection, review of condominium documents must be inserted into your purchase contract. In Alberta, they are vital to ensuring that you can ultimately close the transaction or that you are actually purchasing what you bargained for.

Other items such as ensuring that the sellers cleans carpets before leaving are best left as terms of the contract because even though they are important to you, they do not justify the loss of the transaction if they are not completed.

### **Mortgaging the Purchase**

Once you have settled on the purchase price, you will need to address the issue of financing. The grand majority of purchasers in Alberta require some level of financing to close the transaction.

In order to ensure that financing does not create a barrier to your closing you will need to ensure that the approval of your financing is a condition of your offer to purchase. If you are dependent on financing to purchase the Alberta property making it a condition is not recommendation; it is a requirement!

You must remember that there are two parts to a financing approval: the approval of you as a credit risk and the approval of the Alberta property as valid and sufficient security for the loan. Even if you are preapproved, the lender will likely require a formal appraisal of the property. It will be important that the condition date by which you have to secure financing is far enough into the future to give your lender time to obtain the necessary background documents complete an appraisal and confirm their approval of your loan.

### **Hiring and Meeting Your Alberta Real Estate Lawyer**

In Alberta, you will undoubtedly be required or have it recommended that you use the services of a real estate lawyer to close your house purchase. This is a virtual certainty if you are placing any type of financing on the Alberta property.

This shouldn't concern you but should, in fact, comfort you. Alberta real estate Lawyers play important roles in every house transaction including, amongst other things:

- Determining whether the Alberta real estate conforms to local development rule
- Confirming title to the Alberta property is properly transferred to you
- Reviewing documents registered on the title to the Alberta property
- Ensuring that your funds are protected against potential frauds
- Registering and funding the mortgage and
- Enforcing the obligations of the seller.

To assist your Alberta real estate lawyer, ensure that the real estate purchase contract is delivered to your chosen real estate lawyer as soon as possible and certainly after the conditions to your contract are formally waived. Also, advise your mortgage company or broker as to the name of your real estate lawyer so that the required documents can be delivered to their office.

Once the real estate lawyer receives the contract and financing documents you will be asked to attend at the real estate lawyer's office to complete the required documentation to give effect to your purchase. Typically, this meeting should occur within 7 to 10 days of closing to ensure that there is sufficient time to register the title in your name, register the mortgage on the title, to obtain mortgage money and then close the transaction.

On the possession day, you will meet with the Alberta real estate agent or the owner (in FSBO deals) to obtain the keys to the property and to conduct the customary walk-through. If issues do arise during the walk-through, contact your real estate lawyer immediately to determine what, if anything can be done to help rectify the problem.