

Important tips for home buyers



By the time most home buyers hire a real estate lawyer, they've already signed an Agreement of Purchase and Sale. But signing that agreement without legal advice can be risky in today's housing market. Since you'll need a lawyer to handle the closing, why not hire him or her before you're legally bound to go through with the purchase?

Once an Agreement of Purchase and Sale is signed, you're on the hook. In a hot real estate market, there's pressure on buyers to make unconditional offers to win a bidding war. If you do win and it turns out that you can't get financing, or a home inspection reveals serious trouble, you're stuck.

"Purchasers may forget, in the scramble to put forward a successful offer, a contract is a contract: once you've signed, you can't get out of the deal unless the contract itself gives you a legal escape hatch," says Ray LeClair of LAWPRO®.

A chance to confirm things is what conditions are for, but unconditional offers are becoming increasingly common. As house prices rise, the stakes escalate. "Retaining a lawyer before the purchase allows you to get advice about whether or not to waive conditions, or about other ways to minimize risk. Legal fees are a small investment compared to the price of the house. If you'll be hiring a lawyer anyway, it makes sense to do it before you've assumed the risks of the transaction."

Offer conditions aren't the only issue you'll face. Among other things, a lawyer can find out whether there are open work orders issued against the property; whether permits were obtained for renovations; and whether the property is zoned for how you plan to use it.

The Real Simple Real Estate Guide™ webpage offers tips on protecting your property and current information for homebuyers. Remember, getting legal advice before signing on the dotted line is a smart way to manage your investment risk.

This article is from the TitlePLUS® Real Simple Real Estate Guide. Visit titleplus.ca/rsreg for more information for homebuyers.

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