



Barristers & Solicitors

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- PERSONAL INJURY
- ICBC CLAIMS
- FAMILY LAW
- MEDIATION
- CORPORATE & BUSINESS
- WILLS & ESTATES
- ESTATE LITIGATION
- EMPLOYMENT LAW
- CONSTRUCTION LAW
- PROFESSIONAL MALPRACTICE
- REAL ESTATE & MORTGAGES

I Wish I Would Have Known... when I bought the house.

1. **Just because you are a first time home buyer, doesn't mean you are exempt from paying the Property Transfer Tax.**

Please take a look at the link to [Property Transfer Tax Exemption for First Time Home Buyers](#) on our website. There are a few qualifications other than never owning a home. If you haven't lived in BC for the last year, you may not qualify.

2. **The purchase price may not be exactly what you think it is.**

For a newly constructed home, has the GST been calculated correctly and clearly on your Contract of Purchase and Sale? On a recent client's contract, the purchase price included GST but not the 2% B.C. Transition Tax. Our client understood both taxes were included, which resulted in the client having to pay over \$6,000 more than he anticipated. Not a good thing to find out a few weeks before the Completion Date.

3. **A lender may holdback an amount for the annual property taxes.**

A client bought a house in May with a mortgage. The client knew that each month he would pay, in addition to his mortgage payments, a portion of the annual property taxes to the lender. In July, the lender would then make the tax payment on behalf of the client. When our office received the mortgage instructions from the lender in May, we advised our client that the lender would hold back the amount of the whole years' taxes as they were due in only 1 month. So, the client received \$4,500 less from the mortgage advance than he budgeted.

4. **Independent Legal Advice means higher closing costs.**

Your parents are guaranteeing your mortgage and your broker told you your parents may have to get Independent Legal Advice, or "ILA". What does this mean? It means you and your parents have separate and different legal interests with respect to the mortgage. As such, it would be a conflict of interest for our firm to represent both "interests". In a practical sense, it means we prepare all the documents for you *and* your parents. You will sign with us and your parents take the documents we prepare to another lawyer who will advise them with respect to the documents they are signing. This lawyer will charge either an hourly rate or a flat fee, which will need to be paid at the time of the appointment.



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5. “The Buyer will have vacant possession on the Possession Date at 12:00pm”... maybe.

If the Possession Date (when you move in) is the same as the Completion Date (when the money changes hands), please don’t schedule to be at the new house with the moving company at 12:00pm.

On the Contract of Purchase and Sale there is a time beside “Possession Date”, such as 12:00pm. Possession by that time may not be possible because the purchase may not be completed until after 12:00pm on the Completion Date. On the Completion Date, the mortgage funds will be deposited by the lender into our trust account. From then, it takes at least 2 hours of processing to get the sale proceeds to the seller into the seller’s lawyer’s trust account. The seller’s lawyer will then tell your realtor you have paid for the house and the realtor will give you the keys. A problem arises if the mortgage funds don’t arrive at our office early.

6. “I signed everything at the bank”

When you get your mortgage at a bank, as opposed to going to a mortgage broker, you often sign many documents at the bank – but not all the documents. The bank will send mortgage details to us, and we will prepare our documentation based on the mortgage terms. We will also perform all the due diligence required to satisfy the bank’s lending requirements. The lender will rely on us to provide you with legal advice as to your rights and obligations with respect to the mortgage.

7. “I’m not getting a mortgage, just a line of credit”

A secured line of credit and a mortgage both show as a “Mortgage” charge on Land Title documents. A secured line of credit and a mortgage are treated the same when it comes to securing them against your property.