

TIPS Before Signing A Purchase Agreement

1. Never sign an unconditional agreement of purchase and sale until it has been reviewed by a lawyer.
2. Find out who pays the Tarion (new home warranty) enrolment fee. How much is it? In most cases the buyer gets stuck with the cost, even though the warranty program charges the fee to the builder.
3. Identify all known and hidden charges: **(Which can run into thousands of dollars. Most builders will cap them on request)**
 - New taxes or levies
 - Connection charges for hydro
 - Connection charges for water
 - Tree planting
 - Driveway paving
 - Connection charges for gas
 - Education levies
5. Every builder offer contains a clause that statements made in the sales office are not part of the deal- PUT IT IN WRITING IN THE AGREEMENT OF PURCHASE AND SALE. Some sales offices hand out a separate list of extras, but they are not binding unless they are added as a schedule to the offer.
6. Attach all floor plans as a schedule to the Agreement.
7. Attach the final exterior design of the home. Make sure that the sketches of the home are attached to the offer as a schedule.
8. Find out what the interior usable floor space is.
9. Most offers allow the builder:
 - To change the house size. The Tarion warranty program has a guideline - that any size reduction should not be greater than 2%. Make sure that your agreement contains a clause guaranteeing the minimum house size is delivered..
 - To alter the interior house layout without buyer's consent or knowledge
10. Identify what the premium lot will have such as:

- Larger size
 - Better location
 - Better view
 - Proximity to a golf course
 - Proximity to a park or ravine
11. Have the builder install and connect all appliances. Put obligation in the agreement.
 12. Ensure that the offer requires the builder to complete any extras and upgrades that were ordered. Read the small print on the extra pages - it allows the builder to omit the extra or upgrade and refund the extra cost.
 - Extras or upgrades should be contractually binding and not a mere request.
 13. Consider the builder's ability to extend closing. For a house, it can be 250 days from the closing date in the offer. For a condominium, occupancy extensions can often run 2 years.
 14. Insist on a contract clause allowing 3 or 4 visits before the house is finished.
 15. Make sure that you are pre-approved for a mortgage before buying a home.

Your lawyer will quarterback the entire transaction and is absolutely essential in the co-ordination and completion of the transaction.

EVERYTHING MUST BE IN WRITING