



25 YRS. SERVING BARRIE & SIMCOE COUNTY

FULL SERVICE LESS COMMISSION\* 705-733-4756 DIRECT

Proud Members of the ....



Now is the time for home closing protection insurance...

Home closing protection insurance, can solve many of the problems associated with delayed closings.

Due to the growing possibility of buyers being declined their financing at the last minute, sellers need some protection in the event their closing is delayed or cancelled and they are forced to carry two homes for an extended period of time.

One company that provides this coverage is Canadian Home Shield. Their President, James Vlachos, who is an insurance broker, advises that for as little as \$99, sellers can purchase a \$25,000 insurance policy that will cover all mortgage payments, real estate taxes, utilities and insurance premiums up to a total of \$25,000 in the event that the deal does not close through no fault of the seller.

Buyers can also purchase breakdown insurance protection for their home systems and appliances. Since most real estate contracts provide that sellers only warrant their systems and appliances to the date of closing, this provides buyers with the opportunity to purchase additional insurance protection for a year after closing.

For further information, please see the attached website:

http://www.canadianhomeshield.com/

http://www.thestar.com/business/personal\_finance/2013/08/16/bridge\_financing\_can\_ease\_closing\_day\_stress.html



The MinCom team would like to thank Mark for these articles.

What your home insurance won't cover...

When you hide something from your buyers, chances are you are going to have to pay for it after closing, as well as paying lawyers. And don't expect your home insurance to cover your legal fees. Insurance companies will not protect you if you deliberately mislead a buyer. Remember that your neighbours know a lot that has happened to your house whether you like to think so or not and many buyers will speak to the neighbours whenever they or their REALTOR are doing due diligence about any home.

Neighbours will tell you things that the owner will not volunteer. Also, if it is important to your client, ask the seller or the seller's agent point blank about it. If a seller is asked a question, they must respond truthfully.



Why condo owners need insurance coverage...

A recent study commissioned by Allstate Insurance demonstrated that many new condominium buyers are confused about the need to obtain a separate insurance policy to cover their unit and belongings after closing. These buyers believe that the condominium insurance policy will protect them. This is not true. While the condominium insurance will cover the building and the common elements, it does not generally cover any improvements you make to your unit, your contents, any liability if someone gets injured in your unit or if a damage such as a leak starts in your unit and damages another unit. In addition, you may still be responsible for any deductible amount in your condominium building coverage as well.

The good news is that there are policies of insurance that can be obtained to protect against all of the above noted occurrences, including coverage against certain special assessments that may be imposed as a result of damages to the common elements.



# The Anticipation of Closing Day:

## A checklist for Sellers and Buyers

Closing day in a house deal is a milestone for both the seller and the buyer. To make it go smoothly, it is very important that both buyer and the seller are properly prepared.

### SELLERS' CHECKLIST

1. Make sure you have given your lawyer a copy of any deed, mortgage, survey and current property tax bills. You should have received these from your lawyer when you bought the house.

2. Do not cancel your household insurance policy until you have heard that the deal has closed. Also, if you are moving out more than 30 days before closing, you need to notify your insurer that the home will be vacant. This way, you will still be covered if anything happens in the home up to the closing date.

3. You will visit your lawyer a few days before closing to sign the papers. Make sure you give one set of keys to give to your lawyer, which will be passed on to buyer's lawyer at closing.



4. If you are a non-resident of Canada, you must obtain a certificate from Canada Revenue Agency regarding any income tax payable, or else the buyer will be holding back 25 per cent of the sale price until you do get it. Non-resident means you have not lived in Canada at least 183 total days in the past year before the closing day. This can take up to two months so let your

lawyer know right away so that the proper application can be filed.

5. Have all your utility meters read on the day of closing. That way you will only be responsible for your share of utilities. Also notify your cable and telephone provider so that your service can be disconnected. If your house is heated with an oil tank, you need to make arrangements to fill the tank on the closing day.

6. Cancel any pre-authorized or postdated cheques at your bank, to make sure you don't pay for anything after closing.

7. As you have to be out of the property when it closes, arrange to move out before 5 p.m.

### BUYERS' CHECKLIST

1. Schedule your pre-closing visit shortly before closing, so that you can conduct your final inspection to make sure that the home is in the same condition as when you signed the offer.

2. Arrange moving time late in the afternoon, as that is likely when the seller will have moved out. If it is a condominium, and you need use of the elevator, contact the management company well in advance of closing to reserve the elevator.

3. Fire insurance must be arranged for the full replacement cost of the home. If it is a condominium, you need a policy to protect your contents and liability. Do not leave this to the last minute.

4. If you are arranging a mortgage for less than 20 per cent down, the bank will be deducting certain costs, such as mortgage insurance, appraisal fees and HST. Find out early what all these deductions will be, as you will have to come up with any difference needed to close your deal. Make sure you have provided the lender with all required proof of income, or down payment well in advance so that it does not delay the money.

5. Your lawyer will be receiving a statement of adjustments just before closing. This could add to your closing costs if the seller has prepaid some expenses, especially property taxes. Find out exactly what this is as it can add up to 0.5 per cent more to what you may owe.

6. You will need to deliver, at least 2 days before closing, the balance of money needed for your lawyer to close the deal, by certified cheque, money order or bank draft.

7. Let the lawyer know how you will be taking title to the property. If you take as joint tenants and one of you passes away, the other party immediately becomes the owner. If you take as tenants in common, you can transfer your interest to a beneficiary under your will.

8. Tell your lawyer to order title insurance for you. This will protect your property against title defects, survey issues, work orders and frauds while you own the property.

Continued on page 3



**Barbara Roueff**  
Broker-Owner  
705.733.4756  
Barbara@MinComBarrie.ca  
MIN COM Real Estate Inc. Brokerage  
www.MinComTeam.ca

**Paul Blundell**  
Broker of Record-Owner  
705.623.2814  
Paul@MinComBarrie.ca  
MIN COM Real Estate Inc. Brokerage  
www.MinComTeam.ca

**Paul Roueff**  
Sales Representative-Owner  
705.796.2616  
PaulR@MinComBarrie.ca  
MIN COM Real Estate Inc. Brokerage  
www.MinComTeam.ca

Cont. from page 2

9. Arrange for your cable and telephone providers to install service on the day of closing or immediately after closing.

10. Contact the utility companies, to make sure they read the meters on closing, so that you are only responsible for charges after you move in.

Being prepared in advance will ease the stress of closing day and hopefully begin the creation of happy memories for you and your family.



This article was written Mark Weisleder, lawyer, author and speaker to the real estate industry. Mark can be reached at [mark@markweisleder.com](mailto:mark@markweisleder.com)



## Is a buyer entitled to a PRE-CLOSING INSPECTION?

By Mark Weisleder Toronto Star Aug. 2013

The recent flooding around the country has raised important legal questions about homes that were supposed to close at the time.

I was recently asked whether a buyer could refuse to close a deal when they suspected the home had been damaged by flooding before closing. The seller refused to let them in, since the agreement did not provide any more home visits or inspections.

Here are the questions:

1. Does a buyer have an automatic right to inspect a home before they close their purchase to find out if there have been damages since the date they signed the offer?
2. Does a buyer have the right to cancel the deal if there has been a flood in the home prior to closing?

The standard Ontario real estate contract says the buyer accepts the condition of the home on the date that they sign the offer, but the seller is responsible for any damage between the date of the offer and final closing. It goes on to say that if substantial damage occurs prior to closing, then the buyer has the right to cancel the contract or take the proceeds of any insurance policy and close the deal.

Many real estate agents will insert an extra clause into the agreement that gives the buyer the right to visit or inspect the property on one or more occasions prior to closing. The purpose could be to do with measurements, bringing in contractors or just to make sure that there has been no damage to the home since the date they signed the offer.

However, what if there is nothing written in your contract permitting you to do a pre-closing inspection? There was a case in 1979 called Harkness vs. Cooney, where a judge ruled that a buyer did have the right to inspect a home before closing. This is even though there was no additional inspection clause in the agreement. This is not a full right to completely inspect the home, but it is a limited right to make sure that no major damages had occurred. In my opinion, this case could be used to assist a buyer when a seller refuses to permit them into a home to check to see whether there may have been a flood on the property before closing.

## PRE CLOSING INSPECTIONS continued...

Would a flood be sufficient to permit a buyer to cancel the deal completely? This is not a simple answer, and would of course depend on the cause of the flood and the resulting damage. Sewage backup was perhaps one of the leading causes of a lot of the flooding that occurred in the GTA. Experts will tell you that even a few inches of water over the baseboard can result in substantial damage to a home, if the sewage touches the drywall above the baseboard or gets under the floor. The costs to remedy the mould damage alone can be thousands of dollars, not to mention the re-construction costs of the entire basement.

If a seller knows about damage to their home before closing, then the buyers should be informed immediately. Steps should be taken to repair the damages and the buyer should be given the opportunity to inspect the repairs to make sure that they were done properly. Or another solution may be to hold back sufficient money on closing to complete the repairs after closing.

Buyers should always include a clause to give them the right to inspect a home just prior to moving in, to make sure that there has been no damage that occurred since the date you signed your contract.

## Seller pre –SELLING Home Inspections...

If you are listing your home for sale, consider having a pre-selling Home Inspection.

- Give potential buyers more confidence about purchasing your home.
- Show them why you demand the money you do for your home.
- Remain transparent to potential buyers about your house.

**\*\*When you list your home & buy a home with THE MINCOM PRO REALTY TEAM contracted under our FULL SERVICE PLAN We will include a SELLER HOME INSPECTION... by Canadian Property Inspections.**

## General Home Inspection Checklist Items

- Structural Elements.
- Exterior Evaluation.
- Roof and Attic.
- Plumbing.
- Furnace & Air Unit
- Electrical.
- Garage.



## Real Estate Marketing



This chart illustrates that the most important considerations are **PRICE , MARKET CONDITIONS and MARKETING**

**All Realtors ® are NOT created equal**

**Ask about the following....**

- Real Estate Experience
- Negotiating Skills
- Marketing Strategies
- Presentation and Communication
- WE PROVIDE
- MAXIMUM SERVICE for MINIMUM COMMISSION

**NEW!...**

**MINI SAVE AS YOU GO  
COMMISSION PLAN.**

List your home for as low as  
**\$1,499. listing fee & YOU CHOOSE  
the fee to the co-operating Broker\***

\* options are available in this plan & fee listed is the basic listing fee.

[www.mincombarrie.ca](http://www.mincombarrie.ca) or [admin@mincombarrie.ca](mailto:admin@mincombarrie.ca)

**The MinCom Pro Realty Team 705 725-1055**

# FULL SERVICE % COMMISSION PLANS

## LISTED & SOLD BY

## THE MINCOM PRO REALTY TEAM

- This refers to any a scenario that currently transpires in 1 of 4 MinCom Team transactions ... BASED ON STATS FROM MARCH 2010 TO PRESENT DAY

# 2.9%

## Total Commission Payable on closing

When Listed & Sold by: Our MinCom Pro Realty Team

### COMMISSION IN A 2 BROKERAGE TRANSACTION

# 1.5%

MinCom's  
Listing Broker  
Fee

[www.mincombarrie.ca](http://www.mincombarrie.ca)

# +

**YOU  
CHOOSE**  
The Co-operating  
Brokerage Fee  
**2.5?**

The Selling Brokerage Fee is for you to decide at the time of signing your listing contract.

We are NOT implying or suggesting what fee you should choose.

Commission payable could be any of the following based on the Sellers' choice of co-op commission

$1.5\% + 1.5\% = 3\%$

$1.5\% + 2\% = 3.5\%$

$1.5\% + 2.05\% = 3.55\%$

$1.5\% + 2.25\% = 3.75\%$

$1.5\% + 2.5\% = 4\%$  this is the maximum scenario