



Closing the deal

It's an exciting time. Your offer has been accepted. You can't wait to move into your new home. But don't start celebrating yet. There is one final stage involved in purchasing a home -- closing the deal.

Closing is the point at which ownership and usually possession of the property is transferred from the seller to you. It takes place after the parties involved agree that all legal and financial obligations have been met. Your lawyer and your Realtor will do much of the work, but here's a checklist that will show you what to expect as the process unfolds:

- Make sure a copy of the signed Agreement of Purchase and Sale is sent to your lawyer right away. Your Realtor will usually do this for you. Your lawyer needs to see any conditions that exist, and the date you and the seller have agreed to close. The lawyer will ask you how you (and others involved in the purchase) want to be registered on the title to the property.
- Immediately begin satisfying any of the conditions of the agreement that require your action. These have definite dates attached to them and if you miss one you may have to arrange an extension or possibly risk losing the entire deal. As each condition is met, the Realtor will fill out a waiver form for signatures. Note that most lawyers won't be doing many of the tasks they need to do for closing until the conditions are waived.
- Upon your direction and after the conditions have been met, your lawyer will begin searching title to the property. This is an exercise of going back through government records to ensure a clear title that is transferable. Electronic registration and title insurance have significantly changed the way titles on properties are transferred.
- If you decide to have the home inspected, your offer should contain a condition that the property passes inspection.
- If no current land survey exists on the property, arrange for one soon. Your lender may require it, and you'll want it for your own peace of mind, anyway.
- Contact your lending institution to begin the process of finalizing mortgage documents. Ask if your lawyer can draw up the documents; this will usually save money.
- Your lawyer will contact the seller's lawyer with any questions or issues regarding title and costs.
- Your lawyer will check with local utilities (hydro, gas, water) to ensure there are no outstanding claims and to get final meter readings on the day of closing. You should contact the utilities and telephone and cable companies well in advance to arrange for services in your name.

- Meanwhile, your lawyer is busy making sure that property taxes on your new home are up-to-date, local zoning and building restrictions have been met and there are no liens on personal property, such as appliances, to be sold with your house. You want your lawyer to make sure that what you've agreed to buy is what you'll get -- nothing more or less.
- Well before closing; contact your insurance agent to arrange homeowner's insurance coverage to become effective on the date of closing. Your agent can give you a "binder" letter, certifying coverage is in place. If you're moving from your current owned (rather than rented) home to another, your agent will handle the homeowner's insurance transfer for you.
- Your lawyer will review and verify the draft deed, statement of adjustments and other closing information provided by the seller's lawyer, and will deal with any problems as they arise.
- A day or two before closing, you'll meet with your lawyer to go over and sign the closing documents. Bring the certified cheque(s) to cover costs involved. Your lawyer will let you know the amounts in advance.

The big day arrives. You don't need to be present, usually. The lawyers for both parties exchange documents, keys and cheques and then register the deed and mortgage. Soon thereafter you'll be given the keys to your new home.

Now the celebration begins.