

Do I need a lawyer to buy a house?

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published 12 June 2023

A common question asked by those who are looking to buy a house is whether or not they need a lawyer to assist them. For some lawyers, the answer to that question depends on whether or not the client, as a purchaser, is getting a mortgage from a lender to help them in purchasing their home. At Meighen Haddad LLP, our advice to every purchaser, whether they are getting a mortgage or not, is that it is essential to have a real estate lawyer assist them.

Here are six reasons why you need a lawyer when buying a house:

- 1) The lawyer will help you review the offer to purchase to ensure it meets your needs. Upon receiving the offer, the lawyer will contact you to obtain your personal information required to properly represent you in one of the most important transactions of your life.
- 2) Checking the title to the property is a crucial step in the purchasing process. A real estate lawyer will determine if any caveats, liens or mortgages are registered against the title and identify registrations that will need to be discharged by the seller. You certainly do not want to inherit any liens, caveats or mortgages that are not attributable to you.
- 3) The lawyer will explain the annual property tax process when you make the purchase, as this is often a very confusing part of the transaction. They will review the annual property taxes to confirm that there are no arrears of property taxes which you, as their client, will become liable for. A Statement of Adjustments will also be prepared to make sure that the seller and purchaser proportionally share any annual property taxes.
- 4) The lawyer will receive the loan instructions from your lender and will review the terms with you. This is done so that you understand the mortgage and ensure that the instructions received from your lender properly reflect the agreement you made with the financial institution.

At Meighen Haddad LLP, we are retained by both the purchaser and the lender as we are required to act in both the purchaser's and the lender's best interest to properly register the mortgage against the title to our client's new property.

5) Once the lawyer receives the loan instructions, they will send you a closing costs statement which will set out the amount of money you will need to provide the lawyer's office to purchase your home. This amount will include the down payment, legal fees, taxes, land titles registration fees and land transfer tax, a tax charged by the Province of Manitoba based on the purchase price of your home.

The lawyers at Meighen Haddad LLP believe that it is important for you to be aware of the closing costs prior to the date of possession so that you have time to organize your funds and ask questions. We will also confirm that you have proper fire insurance before moving in. We will then prepare all the required closing documents that lenders, the Land Titles Office and the seller's lawyer will require in order to finalize the transaction.

6) The lawyer will work with you on the possession date and the days thereafter. In case there are any issues with your new home or there are breaches with the purchase contract, the lawyer will be able to help you address these matters. Finally, you will receive a comprehensive report from the lawyer's office that reviews all the steps of the purchase transaction.

Purchasing a home is one of the most important investments a person makes in their life. It can also be one of the most stressful and time-consuming things to do. At Meighen Haddad LLP, our goal is to help our clients throughout the entire process, help them understand what to expect, and help them navigate their home buying journey and make it a memorable experience.

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