

SaleOfAHome.com

This is designed to help our clients gain access to Frequently Asked Questions. Selling a home can be a daunting experience, especially the first time. With the assistance of Meredith Kaminsky (VERICO One Link Financial), The Michael Leclerc Home Selling Team (Royal LePage) & David Vincent, (Tacium, Vincent, and Associates Law Office), we have identified the most frequently asked questions and have answered them as best as we can on this page. If you do not find an answer to your question below, feel free to use the request form at the very bottom to email us. We will respond ASAP. Of course you can also call us any time.

1) The Qualification & Mortgage Process—Meredith Kaminsky: VERICO One Link Financial 204.955.4222 meredith@onelinkmortgage.com

2) Going on the Market, Working with your Agent--Michael Leclerc: The Michael Leclerc Home Selling Team Royal LePage Top Producers 204.792.6453 michael@michaelleclerc.com

3) Legalities, Process, and Costs—David Vincent: Tacium, Vincent, and Associates Office. 204.989.4226 dgv@taciumvincent.com

1) Buyer and Mortgage Questions.

❖**How do I know the Buyer coming through my house is qualified to do so?** The buyer coming to view your home should be pre-approved for financing prior to viewing your property. This ensures that they are serious and can actually present an offer to purchase when ready.

❖**Can I assist the buyer with financing?** Our mortgage specialist can provide you with information sheets to help potential buyers understand the payment options that may be available to them if they purchase your home.

❖**What happens after the sale and it is conditional on financing?** Once an offer is accepted with a condition of financing, the buyer's mortgage specialist must get the mortgage company's final approval of the property by way of a property appraisal or CMHC approval. This can take a couple of days. Once final approval is in place, the buyer will release the condition of financing and the sale will be finalized.

❖**Is there a penalty on my mortgage after I sell my home?** If you have sold your home and you are going to fully repay the current mortgage on the home, then your mortgage company will, in most cases, charge a pre-payment penalty for early repayment. Sometimes, this penalty can be avoided if your mortgage has the option of "porting" or simply transferring it to your new home.

❖**How do I find out the pre-payment penalty?** Simply contact your mortgage company and a customer service operator should be able to tell you what your penalties are if any.

❖**How are the prepayment penalties determined?** Pre-payment penalties are determined one of two ways. Your penalty will be the greater of an Interest Rate Differential (IRD) or three months interest – whichever is more. Each lender calculates their IRD penalties differently, which can cost you a lot more when paying out your

mortgage. It is important to understand how your lender calculates your penalty. Your Mortgage Professional should be able to explain it to you.

❖ **What is a typical example of portable penalties?** There should be no penalty to keep your mortgage with the same company and simply PORT it to your new property. You will want to clearly understand the procedure for porting a mortgage prior to deciding whether to move it at all. It may make mathematical sense to simply pay the penalty and begin a new mortgage if the interest rate and term of a new mortgage is substantially better.

2) Going on the Market.

❖ **How do I know where my house is being marketed?** Upon listing your home, your listing agent will provide you with a marketing plan outlining exactly where your property will be marketed.

❖ **Will I have a sign at the corner of my street and other streets?** Although the signs on street corners and boulevards can be effective advertising tools, they are also in violation of a city bylaw and for this reason alone, we do not use them.

❖ **When will I get feedback on showings?** Our customer service coordinator follows up on all showings if possible. In certain cases, it may be impossible to follow up on all showings especially when we experience a large volume in a short period of time. Upon receiving the feedback from the agent(s), the customer care coordinator will call you a minimum of once a week to update you with the feedback. This info can also be sent via e-mail. We are currently working on a strategy to allow you access to all the feedback at a page specifically designed to be accessed through the internet.

❖ **When can I expect to see all pictures on the internet, Matrix, Realtor.ca, Wren, WREB and WinnipegRelocationSystem.com?** Typically it takes approximately 24-48 hours for all of the photos to migrate through the system to the above mentioned sites. If the home is already listed and we have not taken pictures to date, the time will be delayed again to 24-48 hours from the time the pictures are taken.

❖ **When do we start showing?** The strategy in today's market place is to list a property and to hold back showings for a few days to allow all of the marketing to get in place. Typically showings will start within a week of being put on the MLS system.

❖ **When do we start showings in the A.M.?** This can vary from anytime when a property is vacant to whatever time suits the lifestyle of your family. Each strategy is different and will depend on your lifestyle, children, elders, shift workers and home businesses. The common time to begin is around 10 am.

❖ **When do we end showings in the P.M.?** See the answers above. Depending on the time of year, showings can go as late as 10 pm. The common time is 8:30 pm.

❖ **Should I stay in the house? Do I need to stay in the house?** No, you should not stay in the house. The purchaser prospect needs to feel at ease when viewing your home. If possible we recommend you leave the home for all showings. Whenever possible, leaving the home for a weekend or for a day at a time is a great strategy. It can be very stressful and taxing to come home and go out a few times a day and in a spring market, it is not

uncommon to see as many as 25 showings a day. You do not need to stay in the house. Simply leave the lights on with some mellow music and allow the purchaser to view it in a peaceful setting.

❖ **I cannot leave the house, what should I do?** This is not an uncommon situation due to children, health, weather and many other reasons. Although we recommend leaving the home for all showings, this may not be possible for everyone. When it is not possible to leave, then simply allow the parties into the home and let them be guided by the agent through the home. Keep in mind that the agent with the purchaser has an obligation to the purchaser and represents their best interest, so do not take offence to comments made while visitors are in your home.

❖ **How will the agents gain access to my home?** In the majority of the situations, a Key Safe will be placed on your home in an easily accessible location for the agents to retrieve the keys and gain access. If a Key Safe is not being used, we will call you to make an appointment. When the agent and their clients show up, the agent will provide you with a business card identifying themselves.

❖ **What do I do if an agent shows up with a client and I was not aware of it?** As mentioned above, we will call to confirm EVERY appointment. If someone shows up unannounced or unconfirmed, DO NOT LET THEM IN, it could be anybody with a realtor's business card. We take your security very seriously and we suggest that you keep a log of when and who is coming to your home.

❖ **Will the agents leave a card?** All the agents that show your home are required to leave a card when showing your home.

❖ **When will we deal with offers?** This is a strategic part of the marketing of your home. Each situation presents a separate set of circumstances and your listing agent will go over the strategy for your individual requirements. The time frame can be as little as immediately and as long as a couple of weeks.

❖ **What happens after I accept an offer?** Your home will be classed as a conditional sale, or a finalized sale. In the case of a conditional sale, we must go through the process of identifying the conditions and the time frame involved to satisfy the conditions. This can range from 1 day to 2 weeks. All of the documentation will be forwarded to your lawyer immediately and upon satisfaction of the conditions, you will be advised that the sale is final. If it is a final sale with no conditions, your lawyer gets the documents immediately and the SOLD sign goes up and copies of all the associated paperwork are mailed to you followed by a call from our customer care person to identify any questions or concerns.

❖ **Do I need to call a lawyer?** As mentioned above, your lawyer receives all of the documentation from us immediately. If you do not have a lawyer, we can help you identify one for your unique situation. Ultimately you need a lawyer to handle trust conditions and to ensure a smooth transition.

❖ **Should I make acceptance of offers subject to lawyers approval?** This is not a bad idea if you have the ability to do so. We recommend it whenever possible and whenever it will not jeopardize the sale of your home.

- ❖ **How many showings should I expect?** This will depend on the time of year, location of property, status of the market place and price. We have seen as many as 80 showings in a 4 day period. There is also the possibility that there will be no showings.
- ❖ **Will they take their shoes off?** It is customary for most people to remove their shoes, but if you insist that shoes must be taken off for all showings we would recommend you make us aware and we will make the agents and their clients aware, but it is not a bad idea to have a sign at the entrance to remind people that this is your wish.
- ❖ **What Security precautions should I take?** We strongly recommend that you store valuables out of plain sight. This would include items such as money, jewelry and financial documents. Though all agents are bonded and trained to be security conscious during showings, you can avoid being the victim of a "crime of opportunity" by keeping valuables out of plain sight.
- ❖ **When do I pay realtor fees?** You pay no fees until the home is sold and the buyer takes possession and the title goes through the land titles office. Upon receipt of the proper documentation, your lawyer makes the necessary adjustments and sends us a release of deposit money and or a cheque to cover our fees.
- ❖ **GST- Do I pay it on sale?** You pay no GST on the sale of your property unless you are selling vacant land. The only GST payable is for services which include the commission.
- ❖ **How long does a showing take and how will I know the agents have been through?** A showing typically takes anywhere from 5 minutes to 1 hour. The agent showing the home will leave a card. It is possible that some showings will be delayed or cancelled altogether for different reasons. We recommend that you allow 30-45 minutes as a standard rule for a showing.

3) The Legal Process

- ❖ **When will my lawyer contact me?** Your lawyer will contact you upon receiving the contract from the Real Estate Agent in the form of a written letter, usually 5-7 working days after the Offer to Purchase has been received.
- ❖ **When will I receive my money?** You will receive the net proceeds of your sale about 2-3 working weeks after possession date when Land Titles has put home in the purchaser's name. You will get net proceeds after the mortgage (if any) has been paid, the legal fees, the realtor's fees and any adjustment for property taxes.
- ❖ **How will I get paid?** You will get paid in the form of a certified cheque payable to yourselves consistent with title and it will be with a full report from your lawyer.
- ❖ **What is the cost?** For more information in regards to the legal fees on the sale of a home please click on the link below: <https://www.taciumvincent.com/sale>

❖ **What about paying my mortgage?** The lawyer takes care of asking your mortgage company for the amount that you owe on your mortgage and paying it out.

❖ **What about paying any outstanding hydro loan?** The same thing applies for hydro loans. The lawyer requests the discharge amount from Manitoba hydro and takes care of paying that loan. In some cases the hydro loan is assigned to a new address and the vendor continues to make payments on that loan. That is negotiable by the vendor.

❖ **Alarm, water, septic ect... How are these paid?** Again, the lawyer representing the seller would again if the alarm is included in the purchase price, pay out the balance owing on the contract, if not, these contracts are assumed by the purchaser.

❖ **Title Search?** Part of the vendor's disbursements is to search the title to verify what is on the title and what needs to be discharged. The vendor's lawyer takes care of ordering the title search and any issues that arise.

❖ **Why does the purchaser get in on possession date & I don't get my money for 14-28 days later?** The reason is our Land Titles system allows for trust conditions being exchanged between the lawyers in order to guarantee the seller that they receive their money upon possession. The money is not released until 14-28 days later simply because the purchaser does not get title nor can they complete the purchase until that point.

❖ **What is the difference between cash offer & an offer with a mortgage being arranged?** A cash offer or an offer with a mortgage being arranged essentially does not change the structure of the deal. In fact, it is advantageous for an offer with a mortgage because the vendor earns interest on the proceeds they don't receive on possession date at the rate the purchaser would have had to pay on their mortgage which is most often higher than any interest rate they could earn if the cash was invested at a bank or institution.

❖ **What do I pay GST on?** You don't pay GST on anything but the services that you have received, so on legal fees there is a service, on realtor fees there is a service. On any other items there are no service component and no GST applicable. In used residential property you do not collect, nor remit GST.

❖ **When should I read the utility meters?** You should read the utility meters as close as possible to the possession date, preferably on the date of transfer.

❖ **When should I cancel my home owner insurance?** You should leave your old home insurance in place until all the proceeds of the sale have been received by you. You have an insurable interest in the home until that time. It is again, usually 14-28 days after the possession date.