

# Sale of a Home

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Please see reverse for information on Purchase of a Home

The major costs of the sale of a home include real estate commission fees, legal fees, disbursements, property taxes, mortgage penalties, GST and PST.

### Real Estate Commission

Real estate brokers' standard commissions range from 4% to 8% of the sale price of the property.

### Legal Fees

Our reduced flat-rate fee for a "standard" residential real estate transaction is \$290. Non-standard transactions include commercial properties, employee relocations, cottages, out of city properties, as well those which involve the removal of liens, judgments and encroachments. For these types of transactions, please call for a fee quote.

### Disbursements

Disbursements are out-of-pocket expenses that the lawyer typically pays on the seller's behalf and then recovers from the seller. Examples of these include title search fees, property tax search, couriers, mortgage discharge fees at land titles, postage, file materials, archival fees, photocopying and fax charges, etc. These charges generally range from \$280 - \$300.

### Property Taxes

There are two ways in which property taxes are paid to the City or Municipality: yearly or monthly. For those who pay yearly, the due date is June 30 for Winnipeg properties. For those who are enrolled in the Tax Installment Payment Plan (T.I.P.P.), the due date is the first of each month.

Typically, the Buyer will have to reimburse you, the Seller, for the number of days remaining in the year in which property taxes have already been paid by you. If the property taxes are paid on a yearly basis and the Buyer takes possession before June 30, you will have to credit the Buyer for the number of days you had lived in the property.

### Mortgage

If there is a mortgage on the property, the balance owing will have to be paid out of the sale proceeds. Unless the term of your mortgage is at an end or it is an "open" mortgage, if the date of possession falls short of the last payment date, a mortgage penalty may be assessed against you by the lender. This penalty varies depending on the term of the mortgage and the time of its discharge.

As well, the lender will impose a mortgage discharge fee between \$275 and \$350. Lastly, you may be required to make your mortgage payments up to the date your bank receives the mortgage balance. You will be required to provide the banks address and mortgage account # to the law office.

### Personal Loans

Any outstanding balance owing under your personal loans may have to be paid out of the sale proceeds. If a "caveat" or a "collateral mortgage" is registered against the property as security for your loans, the balance owing must be paid out of the sale proceeds and the caveat or collateral mortgage discharged.

### Home Improvement Loans

Any loans obtained by you through a utility company or government agency will have to be paid out of the sale proceeds.

### Other Encumbrances

These include liens or Judgments registered against your title for money owing by you or a person having an interest in your property. These encumbrances will have to be discharged by first paying the creditors in full and then obtaining from them a registerable discharge.

### Interest

If the mortgage proceeds are released after the possession date, the Buyer will have to pay you the interest at the mortgage interest rate for the number of days the Buyer has taken possession of the property.

### GST & PST

GST and PST are payable on legal fees and most disbursements, but not on Land Titles Office fees.

### Free Consultation

Please call for a free consultation regarding any questions relating to information provided in this pamphlet, or any questions about an Offer to Purchase subject to certain conditions.

### Caution

This pamphlet provides general information on typical real estate sale transactions only. It is not meant to cover every type of transaction. Also, this pamphlet is not meant to solicit those who already have a lawyer.