

# Rolling the Property Dice – Helping Buyers Understand BC Foreclosures

Presented by: Peter D. Borszcz



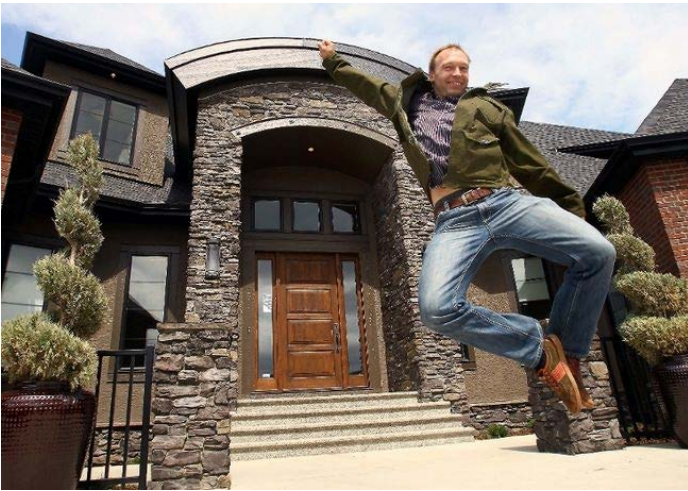
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Is It ---

Winning the Lottery?

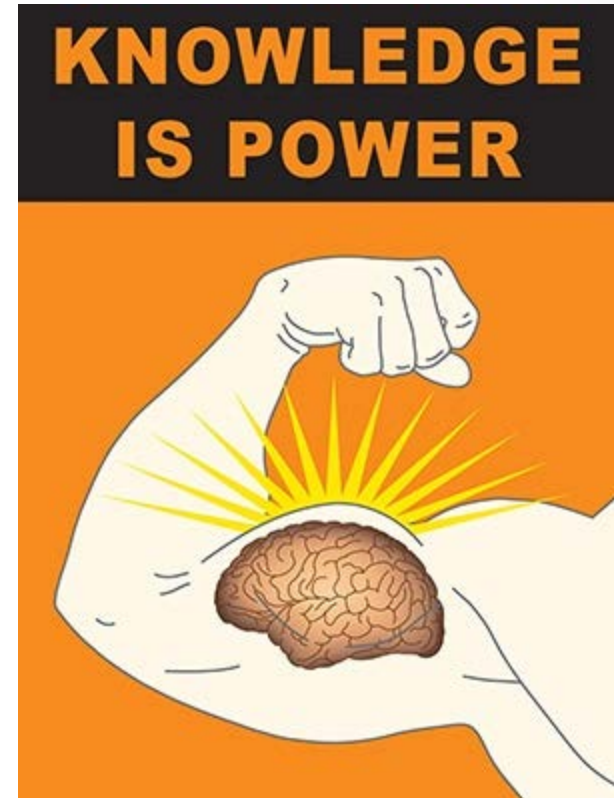
Or – Losing Your Shirt?



# Key Points for BUYERS

## OVERVIEW

1. Offer is Subject to Court Approval.
2. No Other Subject Conditions
3. As-Is
4. Be prepared for Court
5. Possession Issues
6. Liability Issues



# Key Points for BUYERS

1. Offer is Subject to Court Approval.
  - a) Lender Acceptance Does NOT Mean “You Have a Deal”.
  - b) Home Owner may still payout before court date.
  - c) No “referential offers”
  - d) Court is able to reject all offers
  - e) Court Process May be:
    - Uncontested
    - Contested by Home Owner
    - Contested by Another Offer
  - f) Judge has absolute discretion.



# Key Points for BUYERS

2. No Other Subject Conditions When Submitting Offer
  - a) Financing in place
  - b) All due diligence completed
    - Expensive - Costs incurred without knowing offer moving forward.
    - Usually secondary inspections are needed (ie; environmental)
  - c) Once Court “accepts” an offer the Buyer is Legally Obligated to complete.



# Key Points for BUYERS

## 3. As-Is

- a) Property May change after the VIEWING date
- b) Appliances and other Personal Property Items maybe removed prior to closing.
- c) PDS is not attached
- d) Property may not comply with BYLAWS
  - Check Occupancy Certificate
- e) Extra items (Garbage) left on Property are Buyers issue.



# Key Points for BUYERS

## 4. Being prepared for Court

- a) Date set 2-6 weeks following acceptance by Bank
- b) Initial Offer is Public
- c) Lender does not advocate for Buyer
- d) Get the right information
  - Correct Legal Names on Contract of Purchase (cannot be changed or assigned later)
  - Correct Interest Acquired (Leasehold v. Freehold, Legal Descriptions)
- e) Have written instructions on your “BEST OFFER” and any appraisal information with you.
- f) Deposit (bank draft) attached to any offers.
  - a) Tip: Have Deposit “payable immediately upon acceptance by Court”



# Key Points for BUYERS

## 5. Possession Issues

- a) No Guarantee of Possession on Closing Date
- b) Court Order maybe defected or appealed
- c) Bank's only required to "use reasonable efforts to obtain a writ of possession"
  - Long Process (~4 weeks)
- d) Property condition may not be as viewed
  - Removed Items
  - Damage
  - Garbage
  - Illegal Activity





# Key Points for BUYERS

6. Buyer's Potential Liability Issues
  - a) Unexpected Site/ Property Issues
  - b) Unexpected "Tenants"
  - c) No statement of residency
  - d) No statement of GST status
  - e) Approved Strata Assessments



# Realtor Reminders

1. Careful not to “engage in the practice of law”
2. Ensure Listing Info correct for cooperating commissions
3. Submitting offers for more than one Buyer in Court would breach an Agents duty of loyalty.
4. Remember duties to:
  - disclose latent defects.
  - report illegal activity



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# Thank you for listening...



- Questions are always welcome...
- 250-762-5434 (ext. 209)
- [Peter.Borszcz@pihl.ca](mailto:Peter.Borszcz@pihl.ca)



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