

Law/tax

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Q:We are buying our first home. Should I obtain an up-to-date survey of the property from the vendor before signing the offer to purchase?

A:If you are buying a new home, a survey showing the location of the residence and other structures on the property will usually comprise part of the package offered by your builder. Problems can arise when buying an older property.

Normally, the Agreement of Purchase and Sale simply requires the vendor to provide you with whatever survey, if any, in his or her possession. Should there be no survey or, if only an old one is available, this can entail a substantial cost to you even if the title insurance route is followed in an attempt to solve the problem.

In my view, the importance of having an up-to-date survey is often underestimated. The survey not only gives lot size and dimensions, it locates the buildings on the land and shows any encroachments, road widenings, easements, rights of way -- need I go on any further? Make sure you find out if a recent survey exists before signing the offer to purchase and have delivery of it to your solicitor forthwith made a condition of the agreement.

If mortgage financing is required, most financial institutions will require this document, along with the lawyer's report on title, before any money will be advanced.

If a survey is not available or if it is too old to be useful, consider reducing the purchase price by the amount it will cost to have the job done by a fully qualified Ontario land surveyor.

An alternative solution is for the vendor and purchaser to each pay half of the cost if a new survey is needed.