

**Firm hopes to ease home deals: Closing centre offers single stop for house buyers**

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First Canadian Closing Centre wants to change the way Nova Scotians buy their homes.

To that end, it has opened the region's first "closing centre" in Dartmouth.

Company president Patrick Chetcuti said the centre is intended to become a one-stop shopping area for consumers, lawyers, lenders and real-estate agents.

"We took the existing system, which has been around for hundreds of years with little or no change, and looked at what it was we could do for all those participants," he said.

The main product at a closing centre will be title insurance, a practice fairly new to Canadian real estate; but one that has been around for more than 100 years in the United States, where it covers virtually every property transaction.

70,000 policies

Parent company First Canadian Title Company Limited -- which is owned by First American Title Insurance Limited -- began selling title insurance in Canada in 1991. Last year it sold nearly 70,000 policies.

Title insurance eliminates the need for a lawyer to issue a "letter of opinion on title" and for an updated property survey, saving the average home buyer between \$300 and \$500 on closing costs.

Not surprisingly, the practice ran into opposition from real-estate lawyers protective of their lucrative turf. In time, however, these lawyers became competitors in the same business, as has happened in Ontario where the Law Society of Upper Canada established its own title insurance company.

"Now that we've been in business for quite some time ... more and more lawyers are realizing that we're not there to put them out of business, but to give them a tool to help them deliver a better product," Chetcuti said, adding that buyers still must use a lawyer to access the closing centre's services.

Michael LeBlanc, head of the Dartmouth office, said the company has had meetings with the Nova Scotia Barristers Society, but the two sides have not reached a full agreement on practices and procedures.

Under current practices, real-estate lawyers are insured if their opinions are in error. Clients are on their own.

"Should (home buyers) have a problem with their title; they are insured, they don't need to sue a lawyer to prove negligence," Chetcuti said.

If there then is a problem with the title, the company fights the battle.

Land surveyors also have opposed title insurance. LeBlanc said title insurance should not be that big a hit for surveyors to take, since in his practice as a real-estate lawyer only about 30 per cent of clients bothered getting a new survey.

Chetcuti said all parties in a real-estate transaction can benefit from the "centralization" offered by a closing centre.

He said consumers buying the main product -- title insurance -- get wider "protection" of their interests.

Clients can also buy a home warranty and get discounts on moving-related products and services.

## Degree of protection

Lawyers can reduce their costs by eliminating a "back office" of title searcher and other clerical staff.

For real-estate agents using the office, it means a degree of protection, such as a limited sales-commission guarantee should the sale not go through for some reason. But the closing centre will be there to make sure that does not happen Chetcuti said.

"We can ensure that most, if not all, transactions will close," he said.

With just one other office open, the company's goal, while straightforward, is highly ambitious.

"Our target is to title insure every property transaction in the province," LeBlanc said.