



Unlicensed Realtors by Doug Paterson, Q.C.

Over the last five years, a new option is on the horizon for buying or selling real estate.

The digital age of the internet has made this option possible. Several national/international companies with local franchise owners are doing business in Westman. The names PIN, the Property Guys and Comfree come to mind and probably more are out there.

These firms allow buyers to surf the Net for properties and get the basic particulars of what the vendor is offering. Pictures and even virtual tours are very common.

Like any purchase being considered, its buyer beware. Ask lots of questions; keep good notes; comparison shop; visit and tour the property; a building inspection is a good idea and survey certificates, tax statements and utility bills should be reviewed.

Basically, these companies provide a connection between a willing buyer and a willing seller without a licensed realtor being involved. For this

service, a vendor pays a flat fee. Different firms have different price structures and provide different features and services in their contracts.

The results after using such an internet service probably can be expected to vary widely. Sophisticated, experienced buyers should have little trouble, but many factors can enter the equation. Quality of the structure and location and use are important factors in affecting the result. If no realtor is involved, buyers are strongly urged to consult their lawyer at an early stage – certainly before signing an offer to purchase.

Vendors may want to really consider using a licensed realtor if they are inexperienced, or it's a tough property to value, it's an awkward or difficult property, or if a quick sale is needed.

From a lawyer's point of view, a deal involving such an "internet realtor" takes more time and effort. Therefore extra legal fees can be anticipated. Usually, where there is no

licensed realtor, the buyer's lawyer draws the offer to purchase and if accepted, the deal proceeds normally.

Under this new option, a vendor expects to save on realty commission but may lose money if the sale price is not at market. As well, the vendor can expect to do more work to show the property, negotiate and so on – and that's worth something. Also, purchasers know there is no realty commission and usually want to have the vendor share the wealth by lowering the price even more.

If a buyer follows a prudent path of inquiry – with lawyers, inspectors, utility bills, etc. there should be no real surprises.

Welcome to the 21st Century but be careful.