



HOW THINGS CAN GET DELAYED

IN RESIDENTIAL REAL ESTATE TRANSACTIONS

THE CHALLENGE

Residential real estate transactions are sometimes delayed in law offices for two reasons:



Timelines between the removal of conditions and possession date have become shorter, leaving too little time for lawyers to do their due diligence and obtain financing instructions from lenders.

Conveyancing instructions are not provided until shortly before possession dates, despite condition removal occurring weeks in advance of the date conveyancing is provided.

The short timelines lead to possible financial and reputation challenges for both the Realtor and the legal professional due to:



Delayed possession dates



Dissatisfied clients



Delays in funding for purchases



Delays in releasing funds



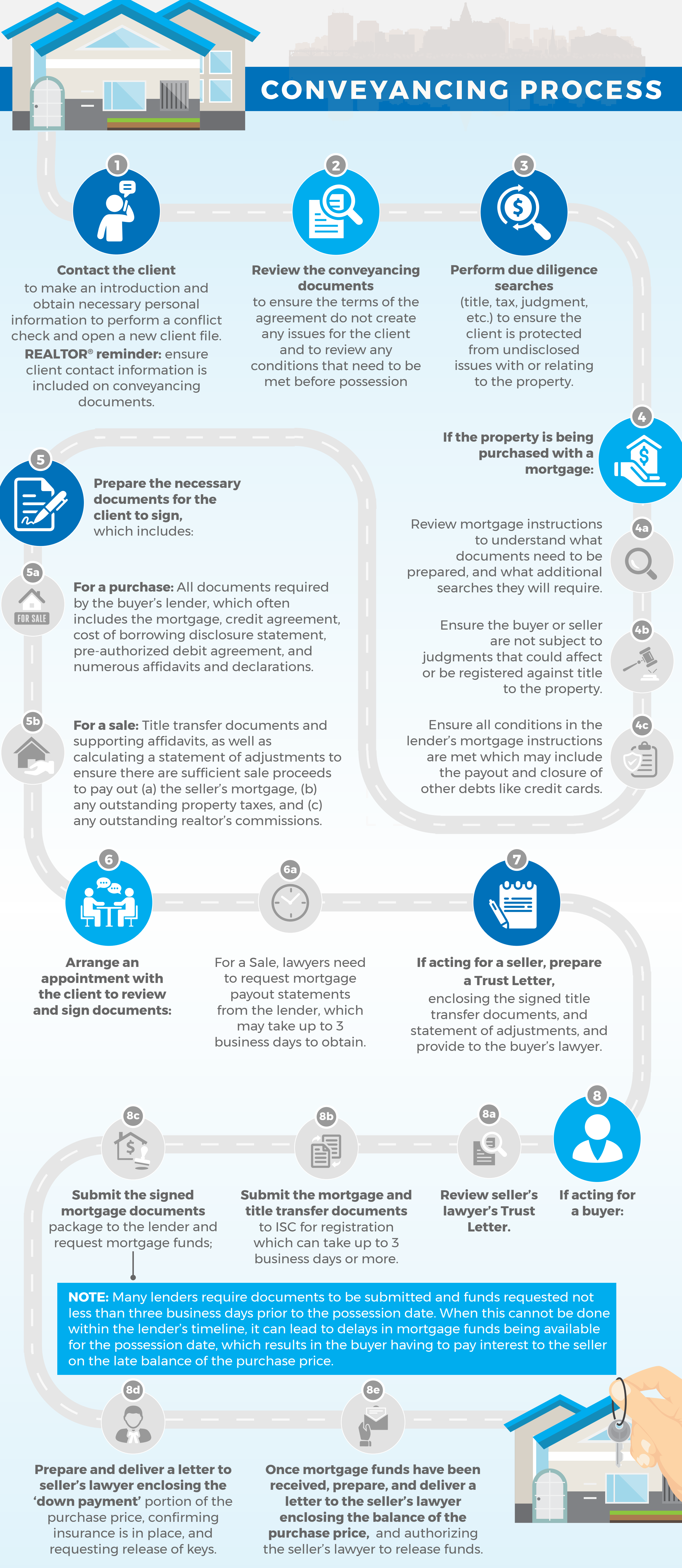
Delays in payment of real estate commissions



THE GOAL

We hope **Realtors**® will better understand the law office conveyance process so that they can help avoid delays which could negatively impact their bottom line and their client's overall satisfaction with the transaction.

CONVEYANCING PROCESS



NOTE: Many lenders require documents to be submitted and funds requested not less than three business days prior to the possession date. When this cannot be done within the lender's timeline, it can lead to delays in mortgage funds being available for the possession date, which results in the buyer having to pay interest to the seller on the late balance of the purchase price.

COMMISSION DELAYS

- Did You Know

There is a strong correlation between the timing of conveyancing delivery, and the payout of commissions.

During peak seasons, ISC can take up to four business days to process title transfers. As a result, delivery of the balance of the purchase price is often delayed, and only after delivery of the balance occurs, can the seller's lawyer proceed to pay out real estate commissions.

In most instances, delays in paying out real estate commissions either come because of law office resources being dedicated to other closings with short timelines or are a consequence of the delays caused from the outset due to the late delivery of conveyancing documents.

THE SOLUTION

Now that you see how many steps are involved in conveyancing for the legal profession,



Set a minimum timeline of 24-48 hours within which conveyancing instructions must be provided to the lawyer's office following removal of conditions;

Set a minimum timeline of 7-10 business days between the removal of conditions and the possession date, wherever possible; and

Avoid scheduling possession dates on statutory holidays and weekends due to the closure of banks and law offices during these times.

