

Private Property Sales

Buying or selling land between two people is best done with the help of a lawyer or real estate agent.

However, document templates for personal use can be found online through Service Alberta at servicealberta.gov.ab.ca/LandTitles.cfm. Most of the documents have info boxes which help you fill them in correctly. These forms can be filled in online, and then printed.

The procedures manual is very helpful for explaining how to fill out documents.

The MD does not prepare legal documents for buying or selling private property.

Municipal District of Opportunity No. 17

<http://www.mdopportunity.ab.ca/>

For more information contact a Lands Administrator at the Wabasca Administration office.

Municipal Offices

Wabasca :

Box 60, Wabasca Alberta, T0G 2K0

Ph: 1-888-891-3778

Fax: 1-780-891-4283

Red Earth Creek:

Box 50, Red Earth Creek, Alberta T0G 1X0

Ph: 1-780-649-3427

Fax: 1-780-649-3440

Calling Lake:

Box 22, Calling Lake, Alberta T0G 0K0

Ph: 1-780-331-3860

Fax: 1-780-331-3950

Other Resources:

Financial Consumer Agency of Canada

<http://www.fcac-acfc.gc.ca/>

Service Alberta - Land Titles

<http://www.servicealberta.gov.ab.ca/LandTitles.cfm>

Canada Revenue Agency

Administrates the Home Buyers Plan

www.cra.gc.ca

Provided by:

Lands, Planning and Development Department.



Buying and Selling Property

Buying Land from the Municipal District

The Municipality may sell raw land for commercial or industrial use if the MD has no plan to develop or use the land in question.

Raw Land is MD owned land which is in its natural state, with no man made improvements, including survey or infrastructure.

Requests to purchase raw land from the MD are brought to Council for approval. These requests must consist of at least a letter of proposal, a map of the area, and a \$150.00 application fee.

Proposed developments must conform to the MD's Land Use Bylaw, Engineering Standards and any and all other regulations which may apply to the property. It is a standard policy of the MD to sell land at fair market value.

The MD will advertise when there is residential land which is ready to be sold. This land is sold on a first-come-first-served basis. Preference is given to applicants who reside in the community in which they are purchasing land, and those who would be first time home-owners. When purchasing residential land from the MD, a deposit of at least 10% of the purchase price is required to hold the land. The remainder of payment is due within 21 banking days.

To ensure development occurs, the Municipality places a stipulation on the sale, which states the land must be built upon in a set time frame. Usually, the deadline is one year after the land has transferred. This requirement to build is registered on title by caveat until construction is complete.

If the development of land purchased from the MD does not occur, the MD holds the right to buy back the land at 80% of what was originally paid.

A purchaser whose proposal includes large scale development components such as subdivision or service extensions will be required to provide a monetary security to guarantee the completion of the project.

Common Land Documents

Transfer of Land - Used to transfer ownership from one person to another. Must list who is buying, who is purchasing, and what is being paid for the land. can also be used to add or remove a person from title.

Affidavit of Execution - This must accompany the transfer to make it valid. It gets signed by the witness of the transfer to declare that they do know the person selling land, and witnessed them signing the transfer.

Foreign Ownership - A declaration of Canadian citizenship, landed immigrant status, etc. This document is signed by the person purchasing the land. The government records which lands are controlled by foreign citizens.

Dower - Used to declare whether the seller is married or not. A spouse has rights to the property, even if their name is not on title. However, common-law does not apply.

Affidavit of Value - In this document, the buyer states what they feel the land is valued at versus what is being paid. This is important, as land can be transferred for consideration other than money. For example, "\$1.00, love, and affection" as the consideration, or a "gift". These are must often used between family members.

Caveat - A document which is used when another party has interest in the land. For example, a mortgage or a 'right-of-way' where the utilities run through. If someone registers a caveat, it will show on the title along with who registered it, and why.

Mortgage Info

Mortgages can be offered by banks, insurance, trust, loan or mortgage companies, or credit unions. Another option is to deal with a mortgage broker.

A minimum down payment of 5% is required by most mortgage lenders, however, some require more. Purchases with a down payment of less than 20% require (by law) to have 'mortgage default insurance', which is added into the cost of the final mortgage.

Down payment funds can come from chequing or savings accounts, Canada Bonds, GICs and investments, Tax-Free Savings, RRSPs, or other assets.

The larger the down payment, the less money needs to be borrowed, and the less interest you will have to pay.

In Canada, the Home Buyers Plan allows you to withdraw money from an RRSP, without paying tax on it, to make a down payment on a home. Visit the Canadian Revenue Agency's website for more info.

Mortgages come in two types, 'Open' and 'Closed'. An open mortgage allows you to make extra payments at any time, or pay it off early without any penalty fees. However, the rate for an open mortgage is usually higher. Closed mortgages can have a lower rate, but making changes to your agreement often results in a penalty fee.

In a mortgage, a 'fixed rate' means your interest rate will never change, while a 'variable rate' can go fall, or rise, with the market.

A great resource before buying a home is the Financial Consumer Agency of Canada.

Mortgages aren't just for buying a home that's ready to move into. 'Builder's Mortgages' can be used to buy vacant land and build your dream home.