

Western Conveyancing Protocol

Prepared For: Legal Education Society of Alberta

Running Your First Real Estate Transaction

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For Presentation In:
Edmonton – September 18, 2013
Calgary – September 25, 2013

INTRODUCTION

The purpose of this paper is to provide some background information regarding the Western Law Societies Conveyancing Protocol (the “Protocol”) to set the stage for brand new practitioners dealing with their first real estate transactions.

Scope

This paper will be organized to cover the following specific topics:

1. A background about the options available for closing real estate transactions in Alberta;
2. The basic description of the “Protocol”, including what it applies to, and what it does not apply to.
3. The key steps in the Protocol;
4. What is “covered” and not covered by the Protocol;
5. How to make following the Protocol easy;
6. What to do if you have questions;
7. Tips.

TOPIC 1 – BACKGROUND TO CLOSING REAL ESTATE TRANSACTIONS IN ALBERTA

Closing Methods - Background

The challenge presented by real estate transactions in Alberta is that it is simply not possible to exchange cash for the property. That is, you cannot hand over the cash to purchase a property and be provided immediately with title to the property in question. It is not like handing over a bank draft for a Bill of Sale for a vehicle with immediate effect.

Lawyers for Buyers and Sellers address this issue by exchanging documents for cash pursuant to trust conditions and undertakings. The issues associated with proper trust conditions are addressed by another presenter at this seminar and will not be addressed further in detail.

However, the bottom line is that the Seller provides documents to the Buyer’s lawyer on conditions designed to protect the seller’s interest (to ensure that the seller will be paid), and with undertakings to payout and discharge the Seller’s financial registrations against title.

The Buyer’s lawyer complies with those trust conditions by ensuring that documents are not used until such time as the Buyer is prepared to close the transaction. The Buyer’s lawyer similarly relies