

AREA Purchase Contract Changes – July 18, 2017

Forms affected:

- Residential Purchase Contract
- Country Residential Purchase Contract
- Residential Resale Condominium Property Purchase Contract

Clause 2.4

Current clause:

- **2.4** On Completion Day, the Property will be in substantially the same condition as when this contract was accepted and the attached and unattached goods will be in normal working order.

Change:

- **2.4** **The seller represents and warrants that** on Completion Day, the Property will be in substantially the same condition as when this contract was accepted and the attached and unattached goods will be in normal working order.

Why?

- Feedback indicated that AREA's move of the items addressing the state of the property and included goods to Section 2 – Purchase Price and Completion Day, meant they were no longer warranted, but rather a term. The distinction is that a warranty carries on beyond Completion Day while a term does not. The change to add the wording, "*The seller represents and warrants*", is a simple one that changes the clause from a term to a warranty.

How does this affect my practice?

- Just make sure your seller understands they must ensure these warranties are met. If they are not, the seller will continue to be responsible beyond the Completion Day.