

## AREA Purchase Contract Changes – July 18, 2017

### Forms affected:

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

### Clause 6.1(e)(i)

#### Current clause:

- **6.1** The seller represents and warrants to the buyer that:
  - (e) the location of the buildings and land improvements:
    - (i) is on the land and not on any easement, right-of-way or neighbouring lands unless there is a registered agreement on title

#### Change:

- **6.1** The seller represents and warrants to the buyer that:
  - (e) the location of the buildings and land improvements:
    - (i) is on the land and not on any easement, right-of-way or neighbouring lands unless there is a registered agreement on title **or, in the case of an encroachment into municipal lands or a municipal easement or right of way, the municipality has approved the encroachment in writing.**

#### Why?

- Since the 2016 contract was published, AREA has learned that some approved municipal encroachments are not registered on title in order to allow a municipality the option to alter their policies in the future. Because these types of encroachments are not completely dealt with in the clause, the additional wording offers a solution.

#### How does this affect my practice?

- There is no effect on your practice other than to continue to encourage your sellers to get a Real Property Report early in the process so that any potential issues can be dealt with.