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NEW DEVELOPMENTS IN BUYING AND SELLING CONDOS

Condominium development in Canada is at its highest level in history. Real estate lawyers across Canada, especially in urban centres in Ontario, are being forced to keep pace with technology. Competitive pricing and technological innovation have made it difficult for traditional real estate practitioners to stay in business unless they embrace this constantly emerging technology.

When did all of this start? Lawyer Mitchell Brown developed “The Conveyancer” owned by Do Process Software Ltd. Over the years, Do Process strategically aligned The Conveyancer with value added partners to simplify and systemize the conveyancing process. Stewart Title Guaranty Company was one of the first and today, through The Conveyancer, it is possible to purchase an insurance policy electronically and automatically with not only Stewart Title Guaranty Company, but also First Canadian Title, Travelers Guarantee Company of Canada and Chicago Title Insurance Company.

During this same period, Teranet Enterprises Inc. was rapidly completing the conversion of properties in Ontario through its Teraview software. Electronic title searching meant that realtors could easily search properties for the purposes of obtaining comparisons or obtaining other important information required during the sales cycle.

The wide-spread popularity of The Conveyancer resulted in Teranet acquiring Do Process Software Ltd. and its related company Lawyer Centric Enterprises Inc. in February 2008.

While Do Process and Teranet were developing their solutions, Emergis (a Telus company) was developing an automated mortgage solution for Quebec notaries. By 2006, Emergis had market saturation in Quebec and looked to the other provinces to expand. Emergis hired renowned real estate lawyer Alan Silverstein to promote its new “Assyst Real Estate” package. Assyst, introduced in 2007, allows Ontario lawyers to close a mortgage transaction from a desktop computer.

After Teranet acquired Do Process, it launched the integration of The Conveyancer with Assyst. Lawyers can now obtain mortgage documents electronically from Assyst through The Conveyancer. Mortgage advances can be requested on-line and reporting letters forwarded electronically immediately after closing, thus eliminating the need to enclose copies of signed documents. This allows lawyers to work more effectively and efficiently and reduce the risk of error and fraud.

LawyerDoneDeal Corp. offers a similar service through its LDD WebDocumentRetrieval services. Mortgage instructions posted on the website by participating lenders can be

downloaded by lawyers who have enrolled in the service. Lawyers can also make use of online mortgage document preparation, electronic request for funds, purchase of title insurance as well as online reporting.

For new condominiums, lawyers are often asked to review the Agreement of Purchase and Sale and a disclosure package. In Alberta, websites such as *cdicinspections.com*, *condo-check.com*, *condodiagnosics.com* and *condosmart.net* offer purchasers of new and resale condominiums the service of reviewing the condominium documents, many of which can be obtained online.

On occupancy and final closing of a condominium unit, the Ontario real estate lawyer traditionally received a package of documents from the vendor's lawyer, some of which the purchaser had to sign. Today, LawyerDoneDeal, through its WebDocumentRetrieval service, and Lawyer Centric Enterprises Inc. through its *convey.ca* website, enable purchasers' lawyers to access all of this documentation online. It eliminates time consuming and costly photocopying, collating and courier charges.

Recently, Teranet has introduced Closure technology. The Closure service enables lawyers to securely manage the transfer of real estate closing funds online reducing the need for certified cheques, bank drafts, direct deposits and couriers. Lawyers can now send closing proceeds to Closure participants directly from their computers.

Technology also assists consumers purchasing or selling their condominium unit. Most realtors use the Multiple Listing Service ("MLS") to assist their clients. Technology now permits a realtor to profile a customer so that everyday the realtor's customer can obtain the latest listing from MLS that best suits his or her criteria. Realtors no longer have to physically search these listings to forward to their customers. For the customer, they simply click on a link and can immediately be taken to a virtual tour of a condominium unit and complex.

Technology is creating new opportunities for lawyers to generate revenue from non-traditional sources. The Lawyers Web Property Shop (*propertyshop.ca*) allows the consumer to use their lawyer to sell their property in place of the realtor which in turn allows lawyers earn far more than the traditional fees generated by a purchase or sale transaction. Lawyer Centric has also launched the Lawyers Mortgage Affiliate Program whereby lawyers can earn fees by assisting clients in arranging a mortgage.

In a resale condominium sales cycle, the most time sensitive obstacle has been the acquisition by the purchaser of the Status Certificate. Condominium Corporations have 10 days to deliver the Status Certificate. Realtors must order the Certificate, pick it up and deliver it to their client and/or lawyer. In July 2008, D-Tech Consulting Inc., the software company that brought us the online condominium community software "Nexus," introduced **Conduit**. **Conduit's *statuscertificate.com*** enables anyone to order and receive electronically a Status Certificate from participating Condominium Corporations. It reduces the turn-around time and eliminates photocopying and travel time for real estate agents.

In Western Canada, companies such as Condopapers, which operates *condopapers.com*, and Gateway Property Management Corporation, make available all condominium documents for participating condominium corporations online for a fee. Therefore, documents such as minutes of monthly board meetings, budgets, financial statements, insurance certificates, declarations, by-laws and reserve fund studies, are all available. Purchasers looking to buy into a particular complex now have access to a variety of electronic resources.

A new initiative in the works by condominium lawyers in Toronto is *Condolawyers.ca*. *Condolawyers.ca* will be a network of independent condominium conveyancing lawyers across the GTA that will provide and collectively promote a standardized conveyancing service for consumers utilizing the systems and technology that is offered by software such as The Conveyancer, Teraview, Assyst, LawyerDoneDeal, Convey.ca, Closure and **Conduit**.

These are the new developments that exist today-tomorrow something new and exciting will likely emerge.