



BHC SELLER'S GUIDE

EQUITY SHARE PROPERTIES



The Banff Housing Corporation Seller's guide serves as a reference to providing BHC owners with an understanding of the process of selling their BHC home through the Registered Resale List (RRL). This guide is designed for current BHC homeowners who may be preparing for the future sale of their home or those considering joining the RRL. It provides essential information about the selling process and key information that will be important for the seller.

This guide is designed to complement the advice sellers receive from professionals involved in the selling process, such as legal representation.

It is essential to understand that the BHC does not represent the seller or buyer in the resale process. The BHC facilitates the resale process as a neutral party, and it cannot offer advice to either party beyond its facilitation role. Sellers and buyers are strongly encouraged to seek independent legal advice.

1.0 INITIATE THE PROCESS

BHC will send you a letter of intent to sell, which must be signed by all titleholders and returned to the BHC with a non-refundable payment of \$500 + GST (\$525). This payment allows us to engage an appraiser to initiate the sale process. Payments can be made by cash or cheque, or we can invoice you through QuickBooks for credit card payment.

Once BHC receives the signed intent letter and deposit payment, the Registered Resale List (RRL) will freeze on that date. This freeze date determines the point allocation for current RRL applicants who attend the open house and wish to move forward with negotiations. Anyone who joins the RRL after the freeze date and expresses interest in property will join the list at the bottom of the negotiation list by order by points – they are not permitted to enter the negotiation process until the ‘frozen’ list has been exhausted.

The listing period is valid for 90 days.

Appraisals and how the list price is determined

Two appraisals are required to determine the listing price of your home. You are responsible for arranging and payment of one appraisal, while BHC will coordinate the second. Below are the appraisers available in the Bow Valley:

- Apex Appraisal: Jim Abelseth | 403-762-2072 | abelseth@telusplanet.net
- Accumark Appraisals: Rolanda Bernard-Docker | 403-678-1748 | accumark@telus.net
- Appraisal Solutions: Joda Cybulsky | 403-679-1213 | joda@appraisalsolutions.ca

Once you’ve selected an appraiser, let us know, and we will engage a different appraiser. Please allow up to six weeks for the appraisal reports to be completed. Due to the limited number of appraisers in the Bow Valley, they may experience capacity challenges from time to time, depending on market demands.

The listing price limits will be calculated as follows applying the bookend policy:

- The base market value is the average of the two appraisals.
- If the appraisals differ by more than 8%, there will be a 48-hour review period while the homeowner and the Banff Housing Corporation discuss and decide whether either party wishes to obtain a third appraisal. Should either party obtain a third appraisal (at their own cost, unless both parties deem it necessary in which case the costs will be shared equally) the “Base Market Value” is the average of the three appraisals.

The price range is established:

- Upper limit: 6% above the base market value or 3% above the higher appraisal (whichever is lower).
- Lower limit: 6% below the base market value or 3% below the lower appraisal (whichever is higher).
- We will provide you with the upper and lower limit to which you can choose a listing price within this range. Your equity share portion in the property is then applied to your chosen listing price to determine the price to buyer. **Please note that the listing price does not guarantee the final sale price.**

2.0 PREPARE TO ADVERTISE

Collection of property information

To effectively present your home to the Registered Resale List (RRL), we require detailed information about the property. You will receive a property specification sheet, which should be completed as thoroughly and accurately as possible. This will include but is not limited to the following areas:

- Type and configuration of property
- Age of water tank and last service date
- Age of furnace and last service date
- Age of roof, windows, deck, siding (anything exterior) etc.
- Last inspection/cleaning date of the fireplace
- Any issues/concerns that have been addressed, i.e., sewer backups, leaks.
- Any upgrades that have been made to the property
- Age of appliances
- Inclusions to the sale (appliances, blinds, etc.)
- Estimated cost of monthly utilities and condo fees (if applicable)

Condominium Corporation information

If the property is part of a condominium corporation, it's imperative to advise your Board that you will be selling, as you will be asked to provide specific condo documents to buyers for review.

Property photos

We will schedule a time (plan for 1-3 hours) to take photos of your home for the listing. You can provide additional images, such as outdoor shots or seasonal views, to showcase the property's features. To optimize the presentation, we recommend:

- Select a sunny day for better lighting when possible.
- Decluttering and removing non-essential items.

Prepare the listing information

BHC will compile information from the property form and appraisal reports to create the property listing and spec sheet including photographs, detailed descriptions, relevant information (e.g., recent upgrades, condo fees, taxes), and floor plans (where possible). Once the homeowner has approved this, the listing will be shared with the RRL and featured on the BHC website.

3.0 OPEN HOUSE

The BHC requires a minimum of five days' notice sent to the RRL before the scheduled open house date. We recommend scheduling mid-week (e.g., Tuesday, Wednesday, or Thursday) to which BHC will recommend an appropriate time slot to accommodate varied work schedules. While rare, early morning showings may be requested and we encourage you to accommodate these should they arise. You can choose to be present during the open house or vacate during the scheduled times.

Post Open House Process

After the open house, the BHC will send an 'expression of interest' email to all attendees, with a request for response by 4:00 PM the following day should they wish to move forward with negotiations with the seller.

Interested buyers then have **seven (7) days** to submit a mortgage pre-approval to BHC, demonstrating their ability to secure financing.

On the **eighth (8) day** (or the next business day if the 8th is a weekend or statutory holiday), the BHC will determine the order of negotiations based on the following criteria:

1. First-Time Homebuyers: Ranked by points (highest points to least points).
2. All Other Buyers: Ranked by points (highest points to least points).
3. **New applicants***, First-Time Homebuyer Priority: Ranked by points (highest points to least points).
4. **New applicants***, all Other Buyers: Ranked by points (highest points to least points).

New applicants* - When a homeowner starts the process of selling their home, the Registered Resale list will be frozen at that time. Any new applicants who apply after that point and express interest in the property will be added to the end of the current negotiation order.

4.0 EXCLUSIVE NEGOTIATION TIMEFRAME

Before entering negotiations, it's essential for sellers to establish your ideal selling price and fallback position. Buyers may expect some back-and-forth, so a counteroffer can demonstrate a willingness to negotiate. While counteroffers are optional, they can be crucial in keeping potential buyers engaged.

The BHC does not share the number of interested buyers with the seller. **We encourage all prospective sellers and buyers to enter discussions in good faith and work towards a viable agreement.** The buyer at the top of the negotiation list will have an exclusive 48-hour* period to negotiate directly with the seller. The seller may choose to extend this time frame at their discretion.

*The 48-hour period is to be used as a guideline only. Other factors may affect this time frame.

Negotiation Process

Here are essential points to outline during the your discussions with a potential buyer:

- **Sales Price**
- **Amount of deposit:** Typically, a seller will require an initial deposit made in good faith after a verbal agreement has been made. The buyers will provide this initial deposit, which will be held in trust by the seller's lawyer and become part of the total purchase price of the property. Deposits are typically in the form of a bank draft.
- **Purchase conditions:** The buyer will want to establish a list of conditions that may include financing approval, selling a current asset, reviewing condominium documents (if applicable), or completing a home inspection.
- **Inclusions:** Specify what is included in the sale, such as appliances, blinds, or other fixtures.
- **Possession date:** Agree on a possession date that works for both parties.

Should the buyer and seller come to a verbal agreement during the negotiation timeframe, the sales process will freeze to allow time for all parties to meet conditions. This is the period where the clauses outlined in the offer to purchase need to be met before a sale can close. This is a busy time for buyers and managing timelines and documentation is key. This period allows potential buyers to perform their due diligence to ensure they can purchase the property, such as drafting a purchase agreement, securing financing, reviewing condominium documents (if applicable), and having a home inspection complete. A predetermined period is permitted to complete these tasks (this can range anywhere from 14-30 business days).

At any point, if the sellers and potential buyers are not able to come to an agreement, the negotiating process will move to the next interested buyer on the list as determined by the negotiating order. This order will continue until the seller accepts a buyer's terms or the list of interested buyers is exhausted.

As sellers and buyers navigate the negotiation process, we will keep any RRL members waiting in line informed to the best of our ability regarding estimated wait times or any delays due to a pending agreement.

During negotiations, the BHC must be notified of all offers and conditions presented to the seller.

If the homeowner later accepts an offer with pricing and conditions that are equal to or less favorable than a previously declined offer, the BHC will reach out to the original applicant who submitted the higher or equivalent offer. That applicant will be given the opportunity to confirm whether they are still interested in purchasing the property under their original terms.

If the applicant confirms their interest, BHC reserves the right to exercise its Right of First Refusal (ROFR), purchase the property at offer price, and may resell it to the original applicant at the price and terms they initially offered.

5.0 OFFER TO PURCHASE

The buyer must consult with their preferred law firm to draft an Offer to Purchase. This offer will include the agreements made during discussions. The seller should retain legal representation who will hold funds in trust and review the offer to purchase when prepared.

While we have provided the contact details for the two law firms located in Banff below, sellers and buyers are able to engage with any law firm of their choice.

Highline Law Office
403-762-3438
info@lawbanff.ca

Stringham Law
403-762-4206

6.0 SELLER RESPONSIBILITIES DURING THE CONDITIONS PERIOD

While the buyer is working through waiving conditions, the seller has an obligation to assist in the process to help meet deadlines.

- **Appraisal request:** The buyer's lender will schedule a time to complete an appraisal of the property. Sellers will need to provide access to the home for this or provide BHC with access on their behalf.
- **Home Inspection:** The buyer will schedule a time with the seller to have a home inspection completed. It is the buyer's responsibility to ensure:
 - The home inspector and inspection business are licensed by the Government of Alberta.
 - The home inspection business is bonded and has Errors and Omissions insurance.

Condominium Associations (if applicable) should be prepared to provide upon request:

- Bylaws
- Current budget and condominium fees
- Reserve fund study
- Most current audited financials
- Certificate of insurance
- AGM minutes and any associated minutes from the Board of Directors meetings of the past year
- The Estoppel certificate for the unit
- Management agreement (if the association is managed by a Property Management Company)

7.0 WAIVE CONDITIONS

Once buyers are satisfied with the outcomes of the conditions outlined in the purchase agreement, including home inspection results, condo document review results, financing has been approved, and the offer to purchase has been signed off by both the sellers and buyers, conditions will have been deemed waived, and the sale is deemed to be firm and binding.

The Banff Housing Corporation will provide deferral of equity notification for the sale along with the following forms to the respective law firms once mortgage instructions have been sent to administration.

- **Mortgage Consent:** Confirmation that the mortgage amount being registered on title does not exceed 95% of the owner's equity portion in the property, provided to Parks Canada.
- **Sublease Assignment Consent:** Confirming new purchasers name(s) associated with the Sublease Agreement, provided to Parks Canada
- **Subordination Agreement:** A legal contract between the Banff Housing Corporation and the buyer's mortgage provider (if applicable), provided to the lender.

8.0 CLOSE THE SALE

It is the responsibility of the seller and the buyer to coordinate with their law firm to sign legal documents, pay any additional fees, and coordinate critical timelines to ensure the closing date is met.

The sellers are responsible for arranging to provide keys directly to the buyer by noon on the agreed-upon possession date. All keys should be provided for entry, garbage rooms, and common areas, if applicable.

Please advise the BHC of the agreed date and time so a representative can be present. Sellers should ensure they provide the buyer with clean and vacant possession of the property on the possession date.

9.0 WHAT ARE THE SELLER'S COSTS ASSOCIATED WITH A HOME SALE?

- **Sales fee** - 1% + GST of the final price to buyer. The initial \$500 deposit paid is deducted from this fee, paid at closing to the BHC.
- **Outstanding BHC Administration Fees** - BHC will also charge all applicable administration fees that the homeowner may have outstanding, including any penalties and interest, paid at closing to the BHC.
- **Sublease Assignment Consent** - \$350 + GST, paid to the BHC at closing.
- **Legal fees** – any associated legal fees as outline by your law firm, paid at closing to your lawyer.

10.0 WHAT HAPPENS IF MY HOUSE DOES NOT SELL?

Should the BHC exhaust the existing RRL and all new applicants to the RRL from the time the property first went for sale without the homeowner accepting an offer for their property, the BHC will go through the list of interested buyers a second time.

Should the house not sell within the 90-day listing period, or the sellers decide to take down the listing, the \$500 initial deposit paid is forfeited and retained by the BHC.

Should the seller decide to relist within a twelve (12) month period, a \$1000 relisting fee will be payable at the time of closing in addition to the sales fee and other costs listed above. Should the seller decide to relist at any time after twelve months, this is considered a new listing and a non-refundable deposit of \$500+GST is payable to initiate the sales process.

We're here to help! If you have any questions or would like to set up a meeting to explore the sale of your home, don't hesitate to reach out to us. We're excited to support you every step of the way and look forward to working with you.