



Creative Real Estate Strategies

Barry C. McGuire

Veteran Real Estate Lawyer

Best Selling Author

Teacher

I Wear A Lots of Hats!



- ✓ **Full Time Real Estate Lawyer**
- ✓ **Investor** (24 doors & 5 JVs)
- ✓ **Best Selling Author** (97 Tips for Canadian Real Estate Investors)
- ✓ **Teacher** (Barry McGuire's Focus Series)
- ✓ **Blogger** (investorlawyer.ca)

And I teach a lot of Creative Strategies



- ✓ Options
- ✓ Assignments
- ✓ Fix & Flip
/Fix & Re-Fi
- ✓ Joint
Ventures
- ✓ Rent To Own
- ✓ Agreements
Of Sale (AFS)

**Last Month:
Agreements For Sale (AFS)**

**Tonight:
Wholesaling (aka Assignments)**

Assignments – Shadow Flipping



Assignments – Special Edition

Definition

The transfer of rights from one party (the assignor) to another party (the assignee)

Assignments – Special Edition

Christy Clark promises an end to shadow flipping in BC real estate

News 1130

Still legal in Alberta

Assignments – Special Edition

New rules will require original seller to give informed consent for multiple sales, profits to go back to seller.

News 1130

Not in Albera

Assignments – Special Edition

What can you assign?

- **Offer to purchase**
- Option
- **Agreement For Sale**
- RTO

Assignments – Special Edition

Know Your Provinces

- BC – seller can prohibit assignment
- **AB – seller cannot prohibit assignment**
- **ON - ??**

Assignments – Special Edition

Alberta s.154(1) Land Titles Act

Any contract in writing for the sale and purchase of any land, mortgage or encumbrance is assignable notwithstanding anything to the contrary contained in it

Assignments – Special Edition

Assignments Basics

- Negotiate offer
- **Negotiate assignment**
- Sign the assignment document
- **AND...!!!!**

Assignments:



Assignments – Special Edition

But, BIG BUT!

- If your assignee doesn't close, you have to close!
- **You need a Plan B**

Assignments – Special Edition

Assignments Basics

- Collect assignment fee
- **Assignee serves notice on seller**
- Seller closes with assignee

Assignments – Special Edition

Don't be offside Real Estate Act – RECA Enforcement

- s.17 Can't trade in real estate unless you are a real estate broker or you have an interest in the property

Assignments – Special Edition

Don't be offside Real Estate Act – RECA Enforcement

- Control property with offer

Assignments

Do not use:

Buyer: “John Jones and/or assignee”

Assignments

**Banks do not like
“and/or assignee”**

Assignments – Essential Phrases:

**INSTEAD: In 'Terms' section of
offer to purchase**

“Buyer reserves the right
to unilaterally amend/change
buyer’s name”

Assignments – Essential

Phrases:

Also in 'Terms' section or separate schedule / addendum. Modify for your situation.

“Buyer discloses to seller, buyer may move into property, rent out to tenants or sell at a profit to a third party before or after closing. Seller will, in all respects, cooperate with buyer to facilitate sale to a third party buyer.”

Assignments – Where They Work Best:

- **Cash purchases**
- Where buyer is okay with financing based on original price less assignment

Summary:

- **Shadow Flipping?**
- Different provincial rules
- **Deceptively simple, learn the process**
- Assignor remains liable
- **Have a plan 'B'**

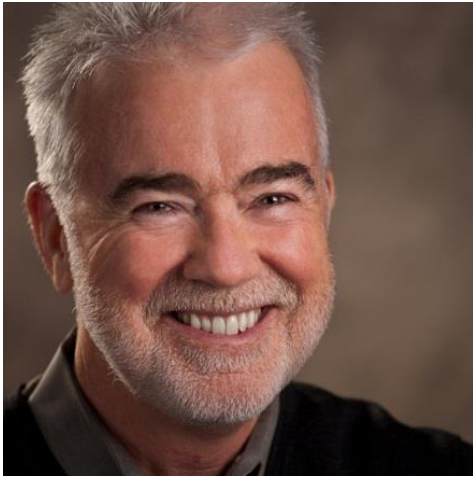
Assignments – Special Edition

Sophisticated Investor Strategy

- Not recommended for beginners

Mogul Bonus

**For a copy of the Assignment
form, email
donna@barrymcguire.ca**



- Basic deals...
- Creative deals...

I'm Your Guy!!

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