

Purchase of a Commercial Industrial Property

Task-line

A step-by-step guide to show how Practical Law Canada supports you



Abstract: A task-line from Practical Law Canada written by our lawyer-editors to help you carry out a purchase and sale of commercial real property.

Scenario

Your firm has been retained by a purchaser to represent its corporation in the purchase of an industrial property located in Ontario. The proposed transaction is in its early stages, and the parties are negotiating finalizing the letter of intent.

Your firm has been asked to review the letter of intent as quickly as possible and, once executed, to begin drafting the agreement of purchase and sale with a view to commencing the appropriate due diligence and preparation of draft closing documents. The transaction is scheduled to close in 90 days. The client/purchaser has advised you that it will be incorporating a new corporation after the execution of the agreement of purchase and sale to hold registered title to the property.

Challenges



Client Expectations

- Your client needs to settle and execute the letter of intent as soon as possible in order to secure the property.
- The purchaser wants the agreement of purchase and sale drafted and ready to sign as soon as possible after the letter of intent has been executed by both parties because the transaction is scheduled to close in 90 days, and it needs to commence its due diligence to ensure there is sufficient time to get back all necessary reports and responses prior to close.



Managing Time and Costs

- Your client has indicated that the legal costs associated with the transaction have been a sensitive point in its negotiations with the purchaser, and your firm has agreed to cap its fees at the lower end of its range for similar transactions.
- While you have extensive expertise in the purchase of commercial industrial properties, time constraints and cost considerations demand that you leverage junior lawyers in your group to get the deal done quickly and within budget.
- This is your first time acting for this client and you want to impress them by delivering documentation and practical advice early and within your quoted cost.



Expertise

- A full team effort is required to complete due diligence, assemble, and negotiate all documentation required to close the transaction on schedule.
- While your firm has an extensive collection of documents from prior deals for you to draw on, the task of conforming documents and defined terms in documents sourced this way has been time-consuming in the past. You want to spend as much of your time as possible focused on material transaction terms instead of conforming documents.



Click on the resources listed to see how Practical Law Canada supports you when purchasing a commercial industrial property.

PREPARE AND DRAFT AGREEMENT OF PURCHASE AND SALE

Standard Document, Agreement of Purchase and Sale (Investment/Commercial/Industrial, Long Form)

Standard Document, Agreement of Purchase and Sale (Investment/Commercial/Industrial, Short Form)

Standard Clause, *Planning Act* Provisions

Practice Note, *Planning Act* Consents

MANAGE AND ORGANIZE CLOSING STEPS

Standard Document, Closing Agenda, Commercial Real Estate Purchase and Sale

Checklist, Closing Documents Checklist

Practice Note, Purchase and Sale of Commercial Real Estate: Closing

Practice Note, Title Insurance Policy (Owner): Overview

CLOSING AND REGISTRATION

Practice Note, Land Registration: Overview

Standard Document, Document Registration Agreement (Two-Party)

Standard Document, Flow of Funds Memorandum (Acquisitions): Commercial Real Property

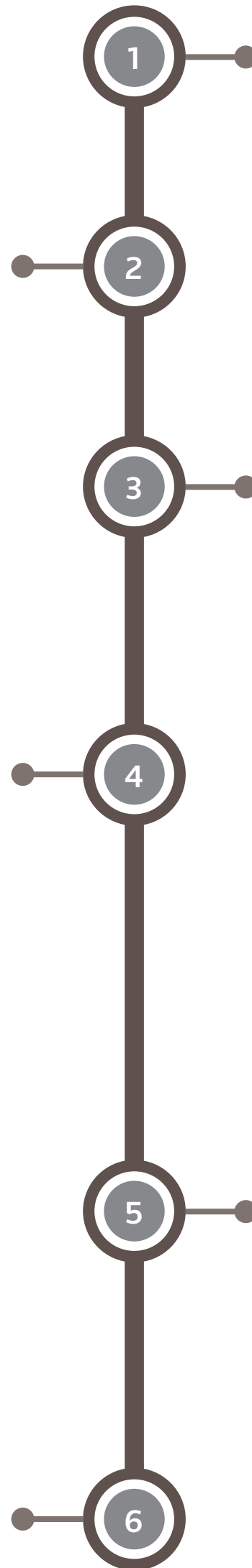
Standard Document, Direction re: Funds and Redirection re: Funds for a Commercial Real Estate Acquisition

Standard Document, Direction re: Title

Practice Note, Land Transfer Tax: Overview

Standard Document, Post-Closing Undertaking

Standard Document, Receipt re: Payment of Closing Funds



REVIEW AND COMMENT ON LETTER OF INTENT

Standard Document, Letter of Intent (Commercial Real Estate Purchase and Sale)

ASSESS THE PROPERTY AND COMMENCE AND CARRY OUT DUE DILIGENCE

Practice Note, Due Diligence: Acquisitions (Purchaser)

Standard Document, Due Diligence Request List (Acquisitions): Commercial Real Property

Checklist, Title and Off-Title Searching Checklist

Standard Document, Off-Titles Authorization

Standard Document, Due Diligence Summary Template (Acquisitions): Vendor's Documents

Standard Document, Due Diligence Summary Template (Acquisitions): Commercial Leases

Standard Document, Due Diligence Memo (Acquisitions): Commercial Real Property

Standard Document, Notice of Waiver or Satisfaction of Condition (Agreement of Purchase and Sale)

PREPARE AND DRAFT CLOSING DOCUMENTS

Practice Note, Bare Trusts and Nominees

Standard Document, Nominee Agreement

Standard Document, Board Resolution for Purchaser: Commercial Real Property Acquisition

Standard Document, Assignment and Assumption of Purchase and Sale Agreement

Standard Document, Officer's Certificate: Bring-Down Certificate (Purchaser)

Standard Document, Officer's Certificate: Bring-Down Certificate (Vendor)

Standard Document, Non-Merger Agreement

Standard Document, Assignment and Assumption of Contracts (Acquisitions)

Standard Document, Assignment and Assumption of Permitted Encumbrances (Acquisitions)

Standard Document, Assignment of Due Diligence Materials

Standard Document, Purchaser's GST/HST Declaration and Indemnity

Standard Document, Statutory Declaration of Vendor re: Due Diligence Materials

Standard Document, Vendor 116 Statutory Declaration

Standard Document, Escrow Agreement (Acquisitions)

Standard Document, Statement of Adjustments

About **Practical Law Canada**

Practical Law Canada helps lawyers increase efficiency, serve clients and business partners more effectively, tackle unfamiliar topics, and keep up with legal developments. Our expert team of lawyer-editors creates and maintains up-to-date, practical resources that reflect the latest law and practice.

To get full access to the resources listed, request a free trial at

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