Sample Residential Purchase Retainer Agreement

This document should be adapted to suit your practice and the matter for which it is being used. See endnote.

[LETTERHEAD]

[Date]

VIA E- MAIL: [email address]

[Purchaser]
[Address]
[Address]
[Address]

Dear **[Purchaser]**:

Re: ***[Purchaser] purchase from [Vendor]***
[Property address]
[Legal description]
[Closing date]
Our File Number [File Number]

We are in receipt of your Agreement of Purchase and Sale for the above-noted transaction and are pleased to act for you with respect to your purchase. Thank you for the opportunity to assist you with this matter. This letter has important information in it. Please read it all thoroughly. Failure to deal with the items set out below might mean your purchase cannot be completed on its scheduled closing date.

We require some preliminary information from you regarding your purchase and we therefore request that you complete the enclosed questionnaire ***[remove this if your firm does not have a questionnaire]*** and return it to us at your earliest convenience.

Should you have any questions in connection with this transaction, please telephone me or **[law clerk/legal assistant]**, the real estate clerk assisting me in this transaction. **[law clerk]**'s telephone number is **[phone number]**.

CLOSING DATE

The transaction is scheduled to close on **[closing date]**. If this date is incorrect, please advise us immediately. We will do all that we can to complete the transaction as early in the day as possible, but the Vendor's lawyer has until **[time]**pm on the date of closing to complete the transaction, so you cannot be assured of receiving the keys to your new home until the end of the day. Please keep this in mind when making moving arrangements.

REGISTRATION OF APS (New home construction only, applicable to agreements signed after *January 1, 2026*)

Purchasers of new homes in Ontario should register their Agreement of Purchase and Sale (APS) with Tarion Warranty Company as soon as possible after signing to ensure they receive full deposit protection and are formally recognized under Ontario's new home warranty program. Registration creates an official

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record of the purchase, confirms the builder's licensing status, and secures access to Tarion's protections if the builder fails to complete the home or goes bankrupt. Starting January 1, 2026, purchasers who register **within 45 days of signing the Agreement of Purchase and Sale** will qualify for the maximum available deposit coverage, while late registrants may face reduced protection. Registration can be completed online through Tarion's MyHome portal here:

myhome.tarion.com/s/purchase-agreement-registration.

LEGAL FEES AND DISBURSEMENTS

We confirm that our legal fees for the completion of a standard purchase of average complexity are $[**XXX]**, plus disbursements and HST (typically between $**XXX** and $**XXX**), excluding Land Transfer Tax (see below). This fee includes services rendered in a standard purchase transaction with up to one mortgage ***[insert if fees are different for A-lenders versus B-lenders and/or private mortgages].*** Legal fees for the preparation or registration of agreements, additional mortgages, powers of attorney, transmission or survivorship applications or for negotiations or transactions that are complex or out of the ordinary will be charged in addition to the standard fees quoted above.

We note that additional fees of $[**XXX]** + HST will be applicable if mortgage instructions are received by our office within **[XX]** hours of the closing date.

LAND TRANSFER TAX

Land Transfer Tax is generally the single largest disbursement, and based upon a purchase price of $ **[purchase price]** the amount of Land Transfer Tax payable by you will be **[LTT amount]** ***[alternatively, provide the client with calculator for LTT and other disbursements]***.

If you are a first-time home buyer, you may qualify for an exemption of all or part of the tax. If you think that you may qualify under this exemption, please contact our office and will confirm this with you.

FINANCING/MORTGAGE

If you intend to secure a mortgage in order to purchase this property, please ensure that you have completed the application process with the financial institution of your choice and received approval. Once you have provided the financial institution with our contact information, we should receive the mortgage instructions and we will proceed to complete the required documents in a timely manner to ensure that the mortgage funds will be available for the scheduled closing date. It is the responsibility of your lender to send these instructions in a reasonable time prior to closing. Please be advised that we will not be responsible in the event that the bank delays their funding.

Please confirm with my office if you are purchasing with a mortgage and the name of the lender.

BALANCE OF PURCHASE FUNDS

Once we have received the Statement of Adjustments from the Vendor's solicitor and instructions for any mortgage you may arrange, we will provide you with the exact figure required to close.

We will also require you to provide us with proof of funds, which includes a copy of the bank statement. This is part of a new requirement by the Law Society of Ontario. If you have any questions, please refer to the lso.ca website.

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FRAUD ALERT

To prevent fraud and ensure the safe and accurate receipt, release, and transfer of any funds, the following steps will always be taken to safeguard such assets:

1. We will only accept funds from you by way of:
   - ☐ Electronic funds transfer to our trust account numbered _____
   - ☐ Wire transfer to our trust account numbered _____
   - ☐ Certified cheque delivered to us at _____
   - ☐ Additional method of funds or asset transfer_____

2. We will only transfer funds to you by way of:
   - ☐ Electronic funds transfer to your account numbered _____
   - ☐ Wire transfer to your account numbered _____
   - ☐ Certified cheque delivered to you at _____
   - ☐ Additional method of funds or asset transfer_____

3. You should not expect to receive any revised instructions for the transfer of funds from us. If you receive any written communication advising of such a change that appears to come from us, immediately contact us at **[insert telephone number]** to verbally confirm these changes.

4. If we receive any changes to your contact information, or any changes to the instructions for the transfer of funds as set out above, we will not act on these changes until we have verbally confirmed the new instructions in-person or by calling you at the following phone number: **[insert phone number]**

We regularly communicate with our clients by email, and it is important to appreciate that email is not a secure means of communication. This means an unauthorized person may be able to intercept an email while it is transmitted over the internet. If you are not comfortable with the use of unsecure emails on your matter, then please speak to us about providing a security solution for email transmissions.

JOINT RETAINER

It is common for a home purchaser's lawyer to perform certain legal work for the bank or mortgage lender. That work would include providing the bank with a legal opinion regarding the title you will hold and ensuring that the bank will have a valid mortgage on the property according to the mortgage agreement. While this arrangement saves duplication of legal expenses and is most convenient for all parties, it means that this firm will act for both you and the bank.

We must therefore advise you that in acting for both you, as purchasers and borrowers, and the bank, as lender, any information we receive from either you or the bank regarding the purchase or mortgage transaction cannot be kept confidential from the other parties. Should a conflict of interest arise between yourselves or you and the bank that cannot be resolved, it may be necessary for us to stop acting for the bank and/or you. We will be asking you to sign an acknowledgement of this joint retainer as part of the closing documents. Please advise if you do not want us to act for the bank as well as yourselves.

TITLE

We will need to know the manner in which you wish to take title to your new property. You must provide us with the legal names you want on the Transfer/Deed. Please note that initials cannot be used. We will also require your date(s) of birth.

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Where more than one person is to take title, you can be registered as "joint tenants" or "tenants in common". With joint tenants, all parties own an equal share and in the event of the death of one of the joint tenants, the survivor(s) will own the entire property by right of survivorship. For a married or partnered couple, this is the most common and convenient way to deal with the property when one of the spouses or partners dies. With tenants in common, upon the death of one co-owner, that person's interest will pass to his or her beneficiary under his or her Will or in accordance with the intestacy legislation if there is no Will.

INTENDED USE OF THE PROPERTY

Please advise us as soon as possible if your plans for the property include uses other than owner-occupied residential (e.g. rental property) and/or if you plan on making any additions and/or substantial renovations.

Please also advise as to whether the property is located on a waterfront, highway, ravine, escarpment, or is subject to or near any hydro installations. This information may affect the scope of the enquiries we may need to make on your behalf.

We do not generally contact the City with respect to the zoning of the property. Please be sure that you make the necessary inquiries regarding your intended use, or any change of use, of the property to ensure that there are no issues in that regard.

RENOVATIONS/IMPROVEMENTS

Please advise us immediately if you are aware of any recent improvements or renovations that have been carried out at the property.

TITLE INSURANCE

In Ontario, there are now several approaches to assuring good title to your new property: a lawyer's opinion on title and title insurance. **We recommend that title insurance be obtained as most lenders will require title insurance. If you opt out of title insurance, your fees will increase substantially and will be no less than $**[AMOUNTS]**.**

If you opt for a lawyer's opinion on title, after your transaction has been completed, you will receive from us an opinion as to whether you have good and marketable title to your property. Our opinion will be based on the title and off-title inquiries that we make on your behalf and the availability of an up-to-date survey showing the location of the buildings and boundaries. Our opinion of course will be subject to the accuracy of the information that we are provided with from the various governmental offices, and the currency and accuracy of any survey provided to us (which we have already discussed above) for review. Unlike a title insurance policy, which is discussed below, we cannot provide you with any opinion or protection from losses with respect to title fraud.

If you opt to purchase a title insurance policy, we do not provide you with a lawyer's opinion on title; instead, we give our opinion to the title insurer who in turn issues a policy to you.

FREEHOLD

We generally recommend that our clients obtain a policy of title insurance. There will be a significant cost savings to you by choosing title insurance rather than a cost of a new survey. In addition, title insurance provides coverage against title or mortgage fraud during the entire time you own the property. If title insurance is obtained, then a current survey is not required, and we are not required to obtain reports for zoning and building compliance or utility arrears.

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OR

CONDOMINIUM

We generally recommend that our purchasers obtain a title insurance policy. There will be a significant cost savings to you by choosing title insurance. If title insurance is obtained, then an updated status certificate may not be required prior to closing, and we are not required to obtain reports for zoning and building compliance or utility arrears. In addition, title insurance provides coverage against title or mortgage fraud during the entire time you own the property.

If you are planning to alter the existing use of a property, it is important that you let us know, as some of the off-title searches not required by title insurance may be necessary and you may want to obtain a new survey in addition to obtaining title insurance. Additionally, if the property contains more than one residential unit, please advise us as additional searches may be required, such as fire department retrofit compliance.

As with all insurance products, title insurance does not cover defects of which you are aware prior to closing, including issues disclosed in a home inspection report or a seller property information statement, or to which you may have agreed in the Agreement of Purchase and Sale. All title insurance policies are subject to exclusions and exceptions, including but not limited to environmental matters and native land claims.

We are recommending that your transaction be completed by way of title insurance, and in the event that our firm does not hear from you to the contrary, we will be ordering a policy from one of the several title insurance companies in Ontario or the mortgagee's preferred title insurance company. Title insurers are obligated to collect and disclose certain information about you and your transaction in accordance with FINTRAC's anti-money laundering and anti-terrorism requirements. To ensure the transaction is not delayed, you will sign an Acknowledgment confirming the manner in which you have chosen to insure your title and confirming our right to disclose relevant information to the title insurer.

FIRE INSURANCE

Prior to closing, you must arrange for fire insurance to be placed on the property as of the closing date. If you are obtaining a mortgage, the lender must also be noted as loss payee on the policy and you will want to ensure that the policy provides for "guaranteed replacement cost" as this is a requirement of most lenders. Your insurance agent will need to provide us with a Binder Letter or Certificate of Insurance showing that the insurance is in place prior to closing. Please make the necessary arrangements for this as soon as possible.

TAX/UTILITIES

Our office will not be notifying the utility providers of your purchase. We recommend that you contact each utility to arrange for them to read the meters and set up new accounts in your name. If the property is heated by fuel oil, or is serviced by well or septic, please advise us.

KEYS

Prior to closing, we will confirm whether keys will be available from the realtor, via lockbox, or whether they will be delivered to our office. If the keys are provided to our office, we will contact you immediately following closing to advise that they are available to be picked up. Please provide our office with any alternate contact numbers so that we may advise as soon as possible.

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SIGNING AND IDENTIFICATION

We will meet with you shortly before your closing date to review your file and to have you sign documents. We will need to meet with each person whose name will appear on the Transfer. If any person whose name will appear on the Transfer will not be available at that time, please advise us as soon as possible as alternative arrangements may have to be made.

If you have not already completed a virtual ID verification, please do so immediately. If you have not received the notification to complete the ID verification, please advise. Please note that we are required to keep copies of your identification and verification in our file and we may be required to send copies to your mortgage lender and the title insurer.

EXCLUSION OF FAMILY LAW ADVICE

Please note our services in this matter are limited to acting for you in connection with the purchase of the subject property. We are **not** providing advice regarding family law matters.

If you require advice about how this purchase may affect your respective rights or obligations as **[an individual] [couple]**, we recommend that you consult with a family law lawyer.

We look forward to assisting you in the completion of your purchase transaction. Buying a property is one of the most significant purchases that most people make and it is our goal to ensure that your transaction proceeds smoothly. Please do not hesitate to contact us if you have any questions along the way.

Yours truly,

[LAW FIRM]

Per: [Lawyer]
/
Encl

The undersigned has read and understood the terms of this Retainer Agreement and by signing below agrees to be bound by such terms.

Legal name of clients:
Signatures:

Date:
Mailing address:

Name of Primary Contact:

Conflict check:
(List the names of all other parties involved
in the transaction or matter)

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NOTE & DISCLAIMER: Model retainers are provided by LAWPRO for your consideration and use when you draft your own documents. They are NOT meant to be used "as is." Their suitability will depend upon a number of factors, such as the current state of the law and practice in each area of law, your writing style, your needs, and the needs and preferences of your clients. These documents may need to be modified to correspond to current law and practice. These documents do not establish, report, or create the standard of care for lawyers. The material is not a complete analysis of any of the topics covered, and readers should conduct their own appropriate legal research.

Retainer letters or agreements should include reference to the following:

- identity of the lawyer and the client;
- scope of service (is your work to be limited in any way?);
- obligations of client;
- delegation of work;
- expected chronology;
- fee arrangement;
- billing format;
- rate changes;
- withdrawal or termination of services; and
- conflicts of interest.

This template is based on a retainer agreement originally drafted by MacLennan Serratore LLP, with input from Anurag Gupta Professional Corporation's retainer agreement. LAWPRO revised it with permission and gratefully acknowledges the contributions of both law firms.

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