

What are Property Assignments?

An Assignment is a legal sales transaction whereby the Original Purchaser (the "Assignor") of a property sells, and thereby transfers, their rights and obligations under the original contract to a new Purchaser (the "Assignee"). An Assignment takes place from the time an original Agreement for Sale has occurred between the Developer (the "Vendor") and the Original Purchaser, and PRIOR to Completion of the Property.

Imagine that one is stepping into the shoes of the Original Purchaser for a fee in order to purchase the desired property.

The "Assignee" assumes all of the "Assignor's" duties and obligations under the original Agreement of Sale. These rights and obligations are stated in the original Agreement of Sale and include terms such as deposits, included items, Completion date and required disclosure statements. Upon Completion, the "Assignee" is granted the Title to the real property.

An Assignment is legally permitted unless otherwise expressed in writing. An Assignment fee may be charged by the Developer and is normally a cost borne by the "Assignor" (the Original Purchaser).

Remember, the Developer is the legal owner of the interest in the real property until a legal transfer of Title has occurred upon Completion. In all cases, written consent from the Developer (the "Vendor") will be required for an Assignment transaction.

Example of a Property Assignment

To simplify, an example of an Assignment transaction is provided below:

Mary (the "**Assignor**") entered into an agreement to purchase an apartment for **\$200,000** from the Developer (the "**Vendor**") as a 'Pre-Sale'.

As part of the Agreement for Sale, she paid a total deposit of **25% = \$50,000**.

Six months later and prior to Completion of the apartment, Mary decides to sell, and thereby transfer, her contractual rights and obligations to purchase the apartment for **\$28,000**.

Fred (the "**Assignee**") missed his chance to purchase an apartment when the Developer was 'pre-selling'. The building is now sold out. He wants to purchase Mary's rights and obligations for her asking price of **\$28,000**.

Fred pays to Mary **\$28,000 PLUS** replacement of her deposit of **\$50,000** which equals a total of **\$78,000**.

When the building is Complete, Fred owes the "Vendor" (the Developer) the balance of the Agreement for Sale which is \$150,000 (being the original price less the original deposit).