

"We buy homes for cash" scams

Mario Fazio - September 2020

In the last few years multiple companies and individuals have been advertising "We Buy Houses for Cash". We see signs and postings everywhere, and while most people just take a glance and carry on, some people do call.

The concept of buying houses this way originated in the USA about 20 years ago, and has recently come to Canada. These individuals and companies are not regulated nor licensed by the government, and should not be dealt with without the advice of your Realtor, appraiser, lawyer or accountant. Typically they offer quick cash sales, but often with steep value discounts of up to 50% of market value. Often elderly sellers get taken advantage of by this unregulated industry. Other times it's scared or desperate sellers who may have issues with banks, job loss or other family problems that get taken advantage of. Realtors, Appraisers, Accountants and Lawyers are highly regulated and monitored by governing agencies, and most operate with the best interests of their clients in mind. These other opportunists only have their own best interests to consider. The "we buy houses for cash" individuals and companies write up the offer forms, and offer to pay any fees. They make it seem easy. Unfortunately, people often realize too late that they have signed over their home at a deeply discounted value. Some people don't realize that if you do not use the licensed professionals in real estate transactions, and choose to act privately, you are subject to "buyer or seller beware" laws, leaving you little recourse if you've been taken advantage of.

Sometimes unusual circumstances warrant taking less for your home in exchange for a quick, uncomplicated sale. However always seek the advice of one of the local experienced professionals involved daily in real estate transactions, to ensure fair pricing, and proper paperwork, before you sign.

