

Manitoba Association of Cottage Owners



Purchasing a Cottage? Pre-Purchase Recommendations



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Background to the Issue:

- Many people purchase a cottage with little or no experience in doing so
- MACO has often been asked for information and advice on the issue
- Many people have had bad experiences
- Proper investigation can avoid a majority of the surprises and pitfalls of a bad purchase
- A wise purchase can be a great investment in the long run

Cautionary Notes:

- Failing to do pre-purchase investigations can lead to major problems and expenses
- The process can take a few days or longer to collect all the information
- Some problems can ensue when getting insurance, making it difficult to get, or cause it to be cancelled or refused upon a claim
- Failure to be aware of issues can cause problems with existing neighbours
- Correction costs of unknown issues can be pursued in the courts, and there is a full disclosure law in Manitoba, but it can take a very long time to recover and go through the process

Budget Implications:

- Budget implications will vary with problems encountered.
- Corrections can be huge and may be time imposed by authorities causing financial hardship for a new owner
- Involvement with lawyers can get very expensive while not even accomplishing the fixes

Policy or Program Implications: What is current Policy or Program for this issue?

- Avoid purchasing a cottage without doing your homework
 - Are you purchasing outright, or are there leases, co-op fees or rent involved?
 - Check prices of other similar properties in the area (other than provided by realtor)
 - Have any water system tested for water quality prior to purchase
 - Have any wastewater and water system inspected for operation to codes by both Provincial and Municipal laws by licensed contractors or officials -not word of mouth
 - Check with the area Planning department for any caveats, shared services, and shared accesses for private or public use
 - Check for building permits and lot plans with the Planning Department. If buildings are not the same sizes and locations, you could have tax surprises and restrictions looming on your first permit. What are you paying taxes on? This should tell you the same thing you see. Have there ever been complaints on the property?

- If you ever want to improve the property, know what the restrictions are. Some lots are already fully developed to current regulations, and may not allow for additional buildings or major changes. Sometimes there are huge setback lines, preventing building expansion or a future rebuilding from being suitable for you
 - Know the bylaws: what activities are restricted? Are any of them ones you want to partake in at the cottage? Can power boats or ATV's etc. be used, and where?
 - Be sure that you have a current property survey. Old surveys are no longer accepted by courts and some mortgagers, and will often be inaccurate. Many property sizes are exaggerated at sale and buildings may not be within proper boundaries. Sometimes they are completely off the actual property.
 - Ask existing residents questions and get a feel for the location. Nobody else will know better. Who are the trustworthy real estate agents for the area? Are there any local concerns like water levels or activities or services?
 - Know about any service fees, and services provided in advance for water systems, membership fees for associations, and whether the current residents were up to date with their fees. Are there re-connection fees or buy-in required?
 - Ask local service providers their fees for services yourself. Know who they are.
 - Is there access all year, or is it seasonal only? If you are planning on using it all year be sure that it is insulated and the water is winterized. This can affect future decisions and insurance
 - Where is your fire protection, police protection or ambulance coming from?
 - Have the building(s) inspected for mould, leaks, structural integrity, wood stove compliance, electrical safety, and what needs repair
 - Can you get insurance for all your needs?
- Use a real estate agent you know to act on your behalf to accomplish these tasks
 - Where do you swim, boat or do other activities. How do you get there?
 - Is there internet service available if you want it? Know who actually provides service
 - Know any road or access restrictions or concerns by season or otherwise
 - Make sure that Hydro or other third parties do not have any restriction on your plans

Action Taken by MACO:

- Publication of this pre-purchase guide on the website and to have it available on request

MACO's Recommendations for the Future:

- Check on any bylaws and restrictions before planning or building anything to avoid any conflict with neighbours or authorities to avoid fines, variances, or worse

Position of MACO

- Follow all local and provincial standards and codes
- Consider the environment and wildlife in your area before making any changes
- Be active in a local cottager's association to stay on top of local issues, promote issues of concern for all and avoid being blind-sided by upcoming changes

- Vote in local municipal elections where possible and know the issues as well as the qualifications of the candidates
- Be considerate to your neighbours at all times and be a good citizen to enrich the cottage experience
- Encourage membership with MACO by your local cottager's association, or be an individual member