

What You Need to Know About POTL

Selling a property that features a Parcel of Tied Land (POTL) can impact a real estate transaction for the buyer, seller and the REALTORS[®] involved.

As a TRREB Member, whether you are representing a seller or a buyer, you must familiarize yourself and engage in best practices by :

- Informing your prospective buyer about a POTL and what they entail;
- Using Form 111; and
- Disclosing the POTL and the monthly fee within the associated mandatory fields on TRREB's MLS[®] System.

Read on to learn what a POTL is, how you can retrieve information about a POTL to share with your clients and also how to reflect a POTL on TRREB's MLS[®] System.

WHAT IS A PARCEL OF TIED LAND (POTL)?

A Parcel of Tied Land (POTL) is a freehold property with a common element that is registered under the *Condominium Act*.

Examples of features that could be included in a common elements condominium are:

- Parking areas
- Roadways
- Sidewalks
- Parks
- Playgrounds
- Trails
- Community centres
- Garbage and Snow removal, Lawn care

An example of a POTL is a single family, detached dwelling with a roadway (common element).

WHAT IS THE DIFFERENCE BETWEEN A STANDARD CONDOMINIUM CORPORATION AND A COMMON ELEMENTS CONDOMINIUM CORPORATION?

If your buyer wishes to purchase a unit in a standard condominium corporation, they will be required to pay a common element fee for the maintenance of hallways, elevators, etc.

Whereas, a common elements condominium corporation consists of common elements like roads or parks that are considered a parcel of tied land permanently attached to the property.

This type of corporation requires owners to fund their maintenance and repair of these common elements through monthly POTL fees.

HOW DO YOU KNOW IF THERE IS A POTL ATTACHED TO THE PROPERTY?

You can refer to the legal description easily through [Public Records](#) and discover if a POTL is attached to the property.

The legal description will identify the common element and the Condominium Corporation Number.

See below to familiarize yourself with how a legal description that contains a POTL will appear:

Part of Lot 12, Plan 69, T/W an undivided common interest in Rainy River, Common Elements Condominium Corporation No. 1970.

WHY SHOULD YOU OBTAIN A STATUS CERTIFICATE FOR YOUR CLIENTS?

A Status Certificate should also be obtained for your prospective buyers.

The Status Certificate will provide critical information surrounding the POTL, including the common element fee that the homeowner will be required to pay.

This also means each POTL is unique and the monthly fee can vary.

TRREB Members can access Status Certificates from any one of three property management service providers through the Condo Corner under Maps and Tools on Stratus, or by [clicking here](#).

HOW CAN A POTL AFFECT YOUR CLIENT?

As a Salesperson, you must inform your clients of their responsibility for sharing the expenses related to the operation and maintenance of common elements.

To ensure you engage in best practices, consider disclosing that the property cannot be sold separately from the common element as described in the Status Certificate.

WHAT FORM SHOULD YOU USE?

As a Salesperson you must use [Form 111](#) Agreement of Purchase and Sale – POTL, if there is a POTL attached to the property.

Form 111 requires information about the POTL, including the legal name of the Condominium Corporation and the monthly common element fee as described in Clause No. 28.

WHERE SHOULD THE POTL BE REFLECTED IN YOUR LISTING?

If you are a Listing Salesperson and have a listing with a POTL, you must select “yes” in the drop-down field and include the monthly POTL fee in the mandatory “POTL MONTHLY FEES*” field on the MLS Data Information Form. This field can be found in the Exterior section of the Data Form under “Type”.

POTL MONTHLY FEES*

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***Mandatory if POTL**

The Client Remarks field is viewable by consumers who search GTA listings on TRREB.ca and REALTOR.ca. Mentioning the condominium component in this field ensures the consumer will be aware of the common element.

If the property you are listing has a POTL and you do not fill in the mandatory POTL monthly fee field, your Listing Brokerage may be subject to Professional Standards for review.

To engage in best practices, you may also find it helpful to review the below MLS® Rule:

R-301

The Listing Brokerage is responsible for the accuracy of all information submitted by the Listing Brokerage to TRREB's MLS® System. TRREB is not obligated to or responsible for reviewing the accuracy or propriety of any MLS® Data Information Form, MLS® Listing Agreement or Document Attachments. It is the Listing Brokerage's responsibility to verify the accuracy of the photograph, information and documentation and to correct any inaccuracy or notify TRREB of any inaccuracy immediately of same as may be necessary in the circumstances.

Lastly, to be fair to all consumers (buyers and sellers), a property with a POTL should be advertised as freehold with a condominium component.