



City of Yorkton

POLICY TITLE SALE OF RESIDENTIAL LOTS		ADOPTED BY City Council	POLICY NO. 10.180
ORIGIN/AUTHORITY City Manager	JURISDICTION City of Yorkton	EFFECTIVE DATE September 14, 1987 Amended June 23, 2014 Amended Nov. 25, 2014 January 31, 2022	PAGE # 1 of 3

1. **PURPOSE**

To establish a procedure for the selling of inventoried residential lots in the City of Yorkton

2. **DEFINITIONS**

2.1 **INDIVIDUAL** for the purposes of this policy, shall mean any party or person unable to provide a corporate or business name registration valid in Saskatchewan, and who:

2.1.1. is not licensed by the City of Yorkton as a General Contractor engaged in the construction of houses for the purpose of resale as their primary business activity; and

2.1.2. has not built any houses in the City of Yorkton in the preceding calendar year.

2.2 **CONTRACTOR** for the purposes of this policy, shall mean any party, person or business with an active Saskatchewan corporate or business name, and who:

2.2.1 is licensed by the City of Yorkton as a General Contractor engaged in the Construction of houses for the purpose of resale as their primary business activity; and

2.2.2 has either built at least one dwelling in the City of Yorkton, or maintains a current Yorkton Chamber of Commerce membership.

2.3 **AGREEMENT** for the purposes of this Policy shall mean an Offer to Purchase Residential Property Agreement.

3. **PRICING**

3.1 Prices for City-developed residential lots shall be set by Council resolution.

3.2 Prices for infill residential lots, including tax title properties, shall be set by either:

3.2.1 Tax title procedures prescribed in *The Cities Act*;

3.2.2 The valuation of a current market appraisal, no greater than one year old, provided by a qualified professional;

3.2.3 The valuation of a previous market appraisal, adjusted to current prices through application of the Consumer Price Index; or

3.2.4 Applying the same price per square metre of a comparable property which has had a value determined by the other options prescribed in this section.

POLICY TITLE	POLICY NO.	PAGE #
SALE OF RESIDENTIAL LOTS	10.180	2 of 3

4. **HOLDS**

- 4.1 Any party may place a lot on hold without payment of any fee upon providing a contact name(s) and phone number(s) in case the hold is called in. The holding party must be prepared to release the hold or enter into an agreement to purchase the lot within 24 hours if the hold is called in. A hold on a lot does not give the right of possession or any legal claim to that lot. It is intended to allow for a maximum period of 30 days right of first refusal on a lot to allow potential purchasers a short period of time to finalize their decision to purchase. The City will call the phone numbers that are given at the time a lot is placed on hold; however the City accepts no responsibility if they are unable to contact the party at the number(s) provided.
- 4.2 If a party wishes to put more than one lot on hold – they may do so subject to payment of \$5,000 per lot (maximum 5 lots) which will be deposited into the City of Yorkton bank account. The City Manager may designate certain lots that cannot be placed on hold.
- 4.3 If another party wishes to call in a hold on a lot – they must provide a cheque equal to 10% of the purchase price plus GST. The City will then call the holding party, and if they wish to purchase the lot, then the cheque is returned back to the party who called in the hold. Where a party has paid the \$5,000 to put more than one lot on hold – if they release the hold rather than proceeding to purchase the lot, the City will keep \$500 from the \$5,000 deposit and return the balance, otherwise the \$5,000 deposit will be applied to the price of the lot.
- 4.4 A party may exercise a second hold term as provided for in Clause 4.1 immediately following the expiration of the first hold term on the same property. After the second hold period of time (30 + 30 = 60 days) the applicant must then wait a period of one year to re-apply for a hold on that same property.

5. **PURCHASE OF A LOT – TERMS AND CONDITIONS**

- 5.1 Lots will be sold on a first come first serve basis.
- 5.2 Upon the signing of an Agreement, an amount equal to 10% of the purchase price of the lot plus GST is payable to the City.
- 5.3 The balance owing is due:
 - 5.3.1 For Individuals, within 30 days from the date of the signed Agreement.
 - 5.3.2 For Contractors intending to build a spec home, within 24 months from the date of signed Agreement.
- 5.4 If the Agreement is cancelled within 3 days of signing, the City will keep \$500 and refund the balance and once again offer the property for sale to the general public.
- 5.5 If the Agreement is cancelled after 3 days but prior to 30 days, the City will keep \$1,000 and refund the balance and once again offer the property for sale to the general public.
- 5.6 Upon payment of the lot in full, the City will collect additional ISC title transfer fees (currently 0.3% of title value);
- 5.7 Once title is transferred the Purchaser is responsible for taxes at the vacant land rate until such time as the home is built and ready for occupancy (90 days after the vapour barrier inspection the property reverts to a residential rate for tax purposes).

POLICY TITLE	POLICY NO.	PAGE #
SALE OF RESIDENTIAL LOTS	10.180	3 of 3

6. CONSTRUCTION TIMELINES

- 6.1 Construction may not commence:
 - 6.1.1 For Individuals, until the lot is paid in full and a building permit is issued;
 - 6.1.2 For Contractors intending to build a spec home, until a building permit is issued.
- 6.2 For Individuals or Contractors who pay for their lot in full, there are no time lines for construction to begin.
- 6.3 For Contractors who intend to start construction of a dwelling prior to paying the full amount of the purchase price:
 - 6.3.1 The City will remain the titled owner until full payment of the lot.
 - 6.3.2 Construction must begin within 4 months of placing a deposit;
 - 6.3.3 Full payment of the lot must be provided to the City within 24 months of placing the deposit, at which time title will be transferred to the Contractor.
 - 6.3.4 If a Contractor fails to pay the full balance of the lot within 24 months, the City will take any action necessary to firstly to recover outstanding purchase fees, and cover additional administrative and legal costs. Remaining funds will be dispersed to the Contractor and/or to their debtors, as the case may be.

7. ADVERTISING ON LOTS

- 7.1 Upon signing an Agreement and paying the deposit, a Contractor may place one sign on the subject lot to advertise their services.
- 7.2 Signs shall be removed:
 - 7.2.1 Upon transfer of the property to an Individual buyer; or
 - 7.2.2 At any time deemed reasonable by the City.

8. RESALE OF LOTS:

- 8.1 Once the lot is paid for in full and the title has been transferred into the name of the purchaser, the purchaser may sell the lot rather than build. No lots may be signed for sale until an Agreement is signed.

9. RESPONSIBILITY:

- 9.1 The Director of Planning, Building & Development or their designate shall be responsible for administering the sale of lots and the allocation of lots to Individuals and Contractors.
- 9.2 Review of and recommendations in change of policy shall be the responsibility of City Council on the recommendation of the City Manager and may be changed at the City's sole discretion.