

The City of Humboldt

Policy Title Residential Lot Sales and Conditions of Sale Policy		Adopted By Council	Policy Number 4430	
Origin/Authority Administration	Jurisdiction City of Humboldt		Effective Date May 9, 2011 Amended:	Page 1(5)
Reviewed By Council				

Statement:

The City of Humboldt, as a public land developer, hereby sets out the methods and process employed by the City for marketing, selling and disposal of City owned residential lots to prospective purchasers.

Principles:

- Residential lots may be marketed to potential purchasers by land sale draw, RFP, tender, or as otherwise determined by Council.
- Residential lots shall be sold to purchasers in a fair and timely and consistent manner.
- A purchaser shall complete the development of a residential lot within a specified period of time.
- The process and general terms for purchasing a residential lot shall be set out in this policy.

City’s Responsibilities:

- To conduct residential lot sales in accordance with this policy.
- To determine whether a returned residential lot should be sold either by land sale draw or on a first-come first-served basis.
- To grant, if deemed necessary, extensions to the deadline to commence construction for a residential lot.
- To process the sale of residential lots in accordance with the terms and conditions of the land sale agreement.

Purchaser’s Responsibilities:

- To review and investigate all encumbrances, engineering elevation designs, utility line locations, zoning regulations, easements, existing or proposed vicinity or adjacent developments, and be familiar with the conditions and regulations regarding the purchase of a residential lot.
- To grant any necessary encumbrances required by the City.

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- To consult with appropriate City, government departments or agencies in order to determine the feasibility of the purchaser’s proposed development.
- To complete the purchase and development of a residential lot in accordance with the land sale agreement.
- To comply with all conditions or requirements, and their duties under this policy.

Procedures:

1. Procedures for Offering Residential Lots for Sale

When a subdivision or residential lot is ready to be registered and utility services or improvements have been made or are in place to allow development or future development, or are otherwise ready to be sold, and Council has approved, residential lots will be advertised and sold by one of the following procedures:

- Land Sales Lottery, or
- First-come first-served basis, or
- As otherwise determined by Council.

Council, at its discretion, may identify procedures other than those outlined above for sales of residential lots and for unsolicited specific development proposals received by the City.

2. If a Land Sale Lottery is conducted, the following regulations shall be followed:

- a. In order to ensure that the land sales draw is conducted in a manner, which is fair to all participants, private individuals and contractors will enter their name only once for each lottery draw that is made available.
- b. No person shall represent a contractor or a contractor as an individual at the same land sales draw.
- c. Only one (1) individual from each household or contractor business may be eligible to enter their name for the draw unless acting as an individual’s delegate provided the individual being represented has provided the signed proxy documentation to the delegate at a land sales draw.

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- d. No individual shall participate in any land sale lottery unless it is the intention of the individual to construct a residential family dwelling, for their own personal use, on a residential lot purchased at a land sales draw.
- e. No contractor shall participate in any land sale lottery unless it is the intention of the contractor to construct a residential family dwelling, for their own personal use, or as a spec home.
- f. Any individual or contractor who does not adhere fully to the rules of the land sales draw regulations will not be permitted to enter or remain in the draw, and any residential lot they have selected or placed a deposit on will be returned to the land sales draw or open market, and any deposit already paid shall be forfeited.
- g. Individuals or contractors selecting a residential lot must make the deposit at the time of selecting the residential lot. Failure to make the deposit forthwith will result in the lot being returned to the market.
- h. The City reserves the right at its sole discretion to disallow any participant from entering the lot draw in the event of a violation of the rules and regulations of the lottery process.

3. Execution of an Agreement for Sale of Land and Payment of a Deposit

- An eligible purchaser wishing to purchase a residential lot shall execute a land sale agreement.
- An **eight-thousand dollar (\$8,000)**, non-refundable deposit, shall be made on all residential lot purchases plus GST, **except where full payment has been received.**
- A purchaser of a residential lot must make full payment **within thirty (30) days of the sale, or at the time the lot has been serviced and is ready for development, whichever is later.**
- The land sale agreement shall be terminated, at the discretion of the City and the deposit will be withheld if the purchaser fails to pay the balance of the purchase price.
- The Purchaser is required to execute a transfer back in favor of the City which shall be held in trust pending satisfactory completion of this condition.

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- **The City will register an interest against the title to protect its right to repurchase.**

4. GST

- The purchaser is responsible for paying any GST in relation to the purchase of a residential lot.
- Purchasers must pay applicable GST at the time making a deposit or full payment of the residential lot.

5. Commence Construction

If the lot has been serviced and is ready for development, the Purchaser is required to obtain a building permit within **three (3)** months from the date the Agreement for Sale of Land is issued; if the lot is not ready for development the timeline for obtaining a building permit shall be determined by the City. Full payment of the lot price must be paid prior to the issuance of a building permit.

In the event the Purchaser has not obtained a building permit by the specified time or if construction has not commenced within six (6) months of the building permit being issued, the land sale agreement may be deemed null and void and the City may exercise its option to transfer the land back into the name of the City and one hundred percent (100%) of the Deposit amount will be retained by the City of Humboldt.

6. Extensions to Commence Construction

The City may, at their discretion, grant one (1) extension of six (6) months for the deadline to commence construction for a residential lot.

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7. Residential Lot Returns

Should the purchaser not complete the purchase with full payment of the balance outstanding or return the lot back to the City, the City shall render the land sale agreement void and one hundred percent (100%) of the deposit shall be retained by the City unless an extension of time has been granted by the City.

8. Transfer of Title

The City shall not be required to transfer title of a residential lot to a purchaser unless and until the full payment has been made and the purchaser agrees to pay the costs of registration and release of the interest.

The City shall release the interest upon receipt of a signed Occupancy Permit for the property.

Transfer to any other party other than those specifically named in the land sale agreement will not be permitted.

Title to all residential lots sold by the City shall be subject to all encumbrances registered against the certificate of title. It is the purchaser's responsibility to investigate the certificate of title.

Upon completion of sale, land taxes will be adjusted to the date of the Agreement for Sale of Land.