

Request to Sell City-Owned Property – Kensington Neighbourhood Phase 6 Lots and Multi-Unit Parcels

ISSUE

Saskatoon Land is requesting approval to price and reoffer lots and parcels in Phase 6 of the Kensington neighbourhood. Pricing is being adjusted for lots that were previously offered through a pre-sale pilot and did not sell. Parcel L is being offered for the first time as it was not included as part of the initial pricing and sales report.

RECOMMENDATION

1. That Administration be authorized to allocate and sell Lots 1-28, Block 233; Lots 1-11, Block 234 to qualified builders and individuals through a Lot Draw sales approach and Parcels R, N and L Plan 102408320 through an open market standard terms sales process;
2. That Administration be authorized to make minor adjustments to the approved list pricing that may be necessary to account for changes in servicing costs, rezoning requests and parcels being returned;
3. That Administration be authorized to administer architectural controls on the subject properties; and
4. That the City Solicitor be requested to prepare the appropriate agreements and that His Worship the Mayor and the City Clerk be authorized to execute the agreements under the Corporate Seal.

BACKGROUND

City Council, at its meeting on June 23, 2014, approved the Kensington Neighbourhood Concept Plan (Appendix 1). The Kensington neighbourhood is approximately 512 acres in area and will accommodate an estimated population of 8,299 persons living within 3,394 dwelling units. The City of Saskatoon (City) initially owned and would develop 44% of the Kensington development. Since the original Concept Plan was approved, Saskatoon Land has made two further land acquisitions including the former Yarrow Youth Farm and the Launch Equities Corporation lands. With these new acquisitions, the City now owns and will develop 63% of the Kensington neighbourhood. Area grading, deep services and roadways for Phase 6 are complete and utility installations will commence in fall of 2023 and is expected to be fully completed by the end of the construction season.

All parcels within this offering except Parcel L were previously released through a pilot Presale Allocation. One application for potential purchase was received during the pilot release, however the applicant decided not to move forward at the time.

DISCUSSION/ANALYSIS

Lot Pricing

Saskatoon Land is requesting approval to reoffer and sell 39 lots in the sixth phase of Kensington through a lot draw. Lot sizes range from 7.91 metres (26 feet) to 9.69 metres (31 feet) in width (Appendix 2). These lots have been subdivided at widths to accommodate two-unit dwellings, semi detached dwellings or entry level single-unit dwellings. While Saskatoon Land does have single unit inventory available in Kensington, the inventory lots do not accommodate semi detached and two-unit dwelling types.

The general characteristics of the 39 lots are as follows:

- 11 lots backing on to a stormwater parcel and featuring decorative rear-yard fencing;
- 28 detached and/or semi-detached lots that may accommodate two-unit dwellings; and
- Located in close proximity to the recently completed Kensington Village square (Mahoney Park).

Lot prices have been determined based on 2022 prepaid rates and an examination of current lot prices for comparable properties in the Saskatoon market. A base unit price of \$13,115 per front metre is being recommended, with adjustments made to the base price to account for lot location and specific characteristics. The lot prices range from \$103,740 to \$140,843 and the average lot price for this area is \$116,647. Appendix 3 provides a list of individual lot prices.

Payment Terms

Specific payment terms applicable to 39 Phase 6 lots are as follows:

- A minimum down payment of 10% of the purchase price together with all applicable taxes is required by the time of possession;
 - Lots sold with a delayed possession would require a 5% deposit upon selection and remaining 5% deposit upon possession which would be granted when servicing is complete;
- No interest would be charged for the first 24 months following possession;
- After 24 months, interest at the rate of 8% per annum will be charged on the remaining balance; and
- After the first 24 months, the purchaser can apply for an extension to payment terms. If approved, a further payment of 5% of the purchase price would be required to extend for a maximum of four months, with interest continuing to accrue for the duration of the extension. Full payment of the lot would then be due in 28 months from possession.

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Landscaping and Front Driveway

The 39 lots being offered through this allocation will require front yard landscaping and driveway to be completed as part of purchase. The requirement will be administered and enforced through the Kensington architectural controls.

Multi-Unit Parcels

Saskatoon Land is also requesting approval to offer parcels N, R and L through an Open Market standard terms process. Parcels N and R were previously offered through pre-sale allocation with limited interest.

If approved, the parcels will be offered publicly at the list price below and interested parties will have a designated period to submit non-binding offers on the parcels. If these parcels are not sold through the open market process, they will be placed for sale over the counter on a first-come, first-served basis.

Pricing for the offering of these parcels is established on a per-acre basis and determined based on a comparable analysis of similar parcels in the Saskatoon market, as well as the unique site and situational characteristics of each parcel. Recent increases in prepaid servicing rates of 15.63% have also been factored into proposed pricing. Proposed parcel pricing, zoning, and additional details are in the table below:

Parcel	Plan No.	Zoning	Area (ac)	Price per Acre	List Price
R	102408320	Currently RMTN (Proposed rezoning to RM3)	4.86	\$ 950,000	\$4,626,000
N	102408320	RMTN1	2.78	\$ 875,000	\$2,442,000
L	102408320	RMTN1	1.79	\$ 875,000	\$1,575,000
Total					\$8,643,000

Currently inventory of multi-unit parcels in Kensington are limited and the offering of these parcels would provide additional opportunity for market oriented purpose-built rental or owner-occupied dwellings.

Architectural Controls

Administration is recommending that architectural controls be administered for the 39 phase 6 lots and multi-unit parcels in this phase of development in order to:

- enhance the character within the neighbourhood;
- strengthen the streetscape;
- harmonize the interface between various housing forms; and
- encourage non-repetitive building forms on adjacent lots.

These architectural controls are structured to encourage the construction of compatible dwellings with exterior architectural detailing and with the use of a variety of exterior

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building materials. Architectural controls are consistent with the previous phases and include the following noteworthy details:

- All dwellings will require a minimum of two different exterior building materials on the front elevation;
- Highly visible or corner lots will require a minimum of two different exterior building materials on side or rear elevations;
- Saskatoon Land will receive and evaluate each house plan for compliance prior to submission for building permit; and
- Saskatoon Land's interpretation and decision regarding architectural controls will be final.

Saskatoon Land will administer multi-unit architectural controls to Parcels L, N, and R, which is consistent with all Saskatoon Land developed and marketed multi-unit parcels, which are in place to strengthen the neighbourhood vision and streetscape. This process will be used to assist in forming the bases of detailed site planning, building design, and landscaping for each parcel.

FINANCIAL IMPLICATIONS

Proceeds from the sale of these lots will be deposited into the Kensington Neighbourhood Land Development Fund. Estimated lot and parcel revenue for this release is \$13.15 million.

OTHER IMPLICATIONS

There are no privacy, legal, social, or environmental implications identified.

NEXT STEPS

Saskatoon Land will offer the 39 lots for sale through a lot draw process to individuals and Eligible Contractors in good standing later this year; and offer the multi-unit parcels through an open market – standard terms process once the zoning amendments are considered by City Council later this fall. Prior to release, the land offering will be advertised in the newspaper and on our website for a minimum of two weeks.

APPENDICES

1. Kensington Neighbourhood Land Use Concept Plan
2. Kensington Phase 6 Lot Information Map
3. Kensington Phase 6 Proposed Price List

REPORT APPROVAL

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