

Request to Adjust the Sales Terms and Conditions for Single Unit Sales in the Parkridge Neighbourhood

Since the original release of Parkridge lots in 2014, sales have been slower than expected. With the ability to offer flexible payment terms, Administration can renew interest in the remaining lots and explore alternative sale arrangements to better meet the needs of potential purchasers.

RECOMMENDATION

1. That Administration be authorized to negotiate terms and conditions on a per transaction basis to facilitate sales of Parkridge lots to eligible contractors;
2. That Administration be authorized to amend previously approved Open Market Sales Approach Terms and Conditions for the potential sale of Parkridge single unit lots as set out in this report and in accordance with contractor negotiations; and
3. That the City Solicitor be requested to prepare the appropriate agreements and that her Worship the Mayor and the City Clerk be authorized to execute the sale agreements under the Corporate Seal.

BACKGROUND

Administration received approval to release 174 single-unit lots at the [October 6, 2014](#) Standing Policy Committee on Finance meeting. Administration subsequently received approval at the [December 4, 2017](#) Standing Policy Committee on Finance meeting to reoffer the Parkridge single-unit using an open market sales approach that has defined payment terms and conditions such as deposit percentage amounts and repayment terms. A further report was approved by Standing Policy Committee on Finance in January 2020 that extended repayment terms and provided discounts for lots in Parkridge (Appendix 1).

DISCUSSION/ANALYSIS

As noted above, when Parkridge was initially released in 2014 there were 174 lots available. As of the date of the 2017 report to reoffer the remaining inventory in Parkridge there were 145 lots available. Saskatoon Land has continued to see slow sales in the Parkridge neighbourhood since the 2017 report, as is evident with there currently being approximately 113 lots available (Appendix 2).

More recently, Administration has been approached by several builders about potential offers for multiple lots in the Parkridge neighbourhood; however, negotiating amenable terms for multiple lot purchases has been challenging due to the fixed payment terms for deposits at 13% and lot payouts of 24 months. With additional flexibility to negotiate payment terms at amounts less than 13% deposit and payout dates longer than

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24 months on a portion of the lots purchased, Administration is confident that additional lot sales in the Parkridge area will be possible.

As an example, when builders are requesting to purchase 10 or more lots at one time, they have indicated a desire to have later closing dates on a portion of the lots to provide time to work through the inventory based on current market conditions. Lower deposits would free up cash flow for potential purchasers to initiate marketing plans to promote their home models through MLS Agents on the relevant lots. Administration would ensure consistency for each prospective purchaser in the Sale Agreement terms, taking the number of lots and the type of lots being purchased into account.

Proposed changes to the Approved Open Market Standard Terms are in Appendix 3.

FINANCIAL IMPLICATIONS

Proceeds from the sales received through this lot release will be deposited into the Parkridge Neighbourhood Land Development Fund.

OTHER IMPLICATIONS

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

NEXT STEPS

Saskatoon Land will communicate with builders which have previously expressed interest in purchasing single-unit lots in the Parkridge neighbourhood about the changes to our terms and conditions and post revised Terms and Conditions on the Saskatoon Land website.

APPENDICES

1. Open Market Sales Approach – Terms and Conditions
2. Map Showing Current Parkridge Lot Inventory
3. Proposed Amended Terms and Conditions

REPORT APPROVAL

Written by: Matt Noordhof, Finance and Sales Manager
Reviewed by: Frank Long, Director of Saskatoon Land
Approved by: Clae Hack, Chief Financial Officer

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