

# CITY OF SASKATOON COUNCIL POLICY

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NUMBER  
C09-015

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<b>POLICY TITLE</b> <i>Real Estate Commissions – Sale of City-owned Land</i>	<b>ADOPTED BY:</b> <i>City Council</i>	<b>EFFECTIVE DATE</b> <i>December 16, 1991</i>
		<b>UPDATED TO</b> <i>February 11, 2013</i>
<b>ORIGIN/AUTHORITY</b> <i>City Commissioner Report No. 33-1991; Land Bank Committee Reports 7-2011 and 1-2013</i>	<b>CITY FILE NO.</b> <i>CK. 4214-0 and 1600-4</i>	<b>PAGE NUMBER</b> <i>1 of 2</i>

## 1. PURPOSE

To allow the City to be competitive in marketing City-owned land by paying appropriate real estate commissions.

## 2. DEFINITIONS

2.1 Real Estate Commission - fee paid to a **licensed** real estate agent for selling City-owned land. The commission is paid only upon ~~satisfactory~~ completion of the sale **in accordance with the terms of this policy**.

## 3. POLICY

The City may, subject to Section 3.12 below, pay a real estate commission on the sale of City-owned **land**. ~~Industrial, Commercial, and Institutional land sold either through a Public Tender or from current inventory.~~ Real estate **commission** fees will not be paid on **the sale of** City-owned ~~Residential~~ **residential** land.

### 3.1 Commission Rates

The amount of the real estate commission shall be based on the zoning of the land and shall be the following percentages of the selling price:

- a) **Industrial/Commercial Zoned Land-zoned land**
  - 5% ~~on for~~ the first \$1 million;
  - 3% **on the second \$1 million (on portion of sale price from \$1 million to \$2 million); and for any amounts above \$1 million to a maximum payment of \$150,000**
  - 1% **on the balance (on portion of sale price above \$2 million)**

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to a maximum commission payment of \$150,000.

- b) **Other zoning classifications (except residential)**
  - Other land parcels

To be determined when the land is approved for sale. If payment of a commission is recommended, the proposed rate is to be considered and approved by the Standing Policy Committee on Finance.

~~3% of the land portion only of the selling price~~
- c) **Residential zoned land** - **No real estate commission paid**
  - ~~Single Family lots~~

Notwithstanding the foregoing, the City has the right to use alternate commission rates for any specific City-owned properties that are offered to the market and/or engage the services of a Licensed Real Estate Brokerage firm to assist in marketing City-owned land. Alternate commission rates and the engagement of a licensed brokerage firm will be considered and approved by the Standing Policy Committee on Finance.

### 3.2 Negotiation Through Licenced Real Estate Agent(s)

To be eligible to receive a commission, a purchaser must notify the City of an appointed real estate agent at the time their bid or offer to purchase is submitted. All subsequent communication must take place through the licenced real estate agent for the agent to be eligible to receive a commission, unless otherwise agreed to by the parties in advance.

### 3.3 Related Companies

Licenced real estate agents involved in the transaction that are directors, shareholders, or immediate family members of the company

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or individual(s) purchasing the property will not be eligible to receive a commission.

#### 3.24 Financing

The real estate commission shall be financed from the Property Realized Reserve **or the Neighbourhood Land Development Fund.**

#### 3.35 Industrial Land Land Incentives Program

Real estate commissions under the Industrial Land Incentives Program are paid only upon completion of a building foundation consistent with the nature of the lessee's operations.

### 4. RESPONSIBILITIES

#### 4.1 City Council

- a) Receive and consider recommendations from the **Standing Policy Committee on Finance** ~~Land Bank Committee~~ for amendments to this policy.
- b) Approve amendments to this policy when and as required.

#### 4.2 Standing Policy Committee on Finance ~~Land Bank Committee~~

- a) **Approve commission rates in accordance with Section 3.1 when required.**
- ab) Receive and consider recommendations from **Saskatoon Land** ~~the Land Branch~~ for amendments to this policy.
- bc) Recommend changes to this policy, when required, to City Council.

#### 4.3 Saskatoon Land ~~Land Branch~~

- a) **Recommend to the Standing Policy Committee on Finance the**

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**proposed commission rates to be offered on specific land sales,  
in accordance with Section 3.1.**

- ab) Administer the payment of sales commissions to **licenced** real estate agents in accordance with the terms and conditions set out in this policy.
- bc) Recommend changes to this policy, when required, to City Council through the **Standing Policy Committee on Finance**. ~~Land Bank Committee.~~