

BUILDERS' RESIDENTIAL Lot Sale Policy

OBJECTIVE

The purpose of this policy is to establish clear guidelines for building contractors regarding the sale of residential lots. This policy is subject to discretionary use by Lands Branch relating to inventory levels.

PURPOSE

This policy is intended to provide clear direction and consistency in responding to builders who wish to acquire more than one residential lot.

The policy allows a builder to purchase numerous residential lots, where appropriate, in order to operate on a competitive basis and realize the benefit of economies of scale.

Yukon Housing Corporation administers the agreement for sale program in relation to this policy and is responsible for ensuring that Builders comply with all terms and conditions of the agreement for sale.

AUTHORITY

- ✓ *Yukon Lands Act*, Section 3, provides authority to the Minister and to Lands Branch, to sell land.
- ✓ *Yukon Lands Regulations*, Section 23 & 24, provides for sale of residential land to the public.

ELIGIBILITY

- ✓ Applicant/Purchaser must be a registered company, corporation, partnership or sole proprietor. A Company, Corporation or Partnership shall be registered as a limited or incorporated entity in order for title to be raised in the Land Titles Office. The applicant shall provide Lands Branch with a valid Incorporation Certificate (corporation) or Confirmation of Registration (partnership or sole proprietor) from Consumer and Corporate Affairs, Community Services stating that they are in good standing and identifying the principals/agents of the entity authorized to sign legal agreements.
- ✓ An individual may be considered a builder under this policy if they hold a valid business licence with the City of Whitehorse. A copy of the business licence will be required by Lands Branch upon sale of the lot for furtherance to Yukon Housing.
- ✓ Must be in good standing with Yukon Government, Consumer & Corporate Affairs.

BACKGROUND

- ✓ Yukon Government is the primary developer of serviced residential lots within the City of Whitehorse. A large number of new homes are built by private contractors for resale purposes.
- ✓ Lands Branch receives regular requests from builders for purchase of more than one lot. In absence of this policy, builders could only access one agreement for sale. Purchase of a second lot would only occur after building and selling the home on the first lot.
- ✓ Contractors who wish to construct homes on several contiguous lots to achieve economies of scale would otherwise have to pay 100% of the purchase price for each additional lot, if they still hold an agreement for sale on the first lot.
- ✓ *Lands Regulations* do not prohibit an individual or company from holding more than one residential agreement for sale.
- ✓ Section 23 of the *Lands Regulations* state that residential lots shall first be made available to qualified individuals for their own residential purposes, then to other registered applicants and finally by general sale. "Other registered applicants" include local builders.
- ✓ Section 24 defines a qualified individual as: "one who is purchasing a lot for the purpose of constructing accommodation for themselves and does not already hold an agreement for sale in the community where the lot is located". This does not apply to registered applicants such as builders.
- ✓ Sections 45 & 58 *Lands Regulations* state that no individual developer, building contractor or realtor may hold more than one agreement for sale for 'country' or 'rural' residential class lots. This is not the case for lots zoned residential.

DEFINITIONS

RESIDENTIAL LOT:

A fully serviced lot zoned for residential purposes, located within a municipal boundary or a planned subdivision. This definition does not include country residential or rural residential properties.

DISPOSITION TERMS:

- ✓ Each lot sold to a builder shall have a separate agreement for sale.
- ✓ Builders can access the 1st lot under this policy through a 5-year agreement for sale (2yr to build), if they do not hold any other agreement for sale in the class of land being purchased. All other lots (2nd to 20th) purchased are subject to the following terms.
 - ✓ Agreement for sale for a 1-year term. One year to pay outstanding balance and interest charged on the balance;

- ✓ 20% down payment of purchase price and 7 % GST payable on purchase price;
- ✓ Application fee of \$26.75 (\$25.00 & GST) with a maximum of up to 20 lots can be purchased on one application;
- ✓ Requirement to construct a single family residential building within 1 year. Must be clad to the weather and conform to zoning bylaw requirements, building codes and approved by Yukon Housing Corporation; and
- ✓ Property will be forfeited, if the building commitment or purchase is not completed within the terms of agreement.

POLICY PARAMETERS FOR BUILDER APPLICANTS:

- ✓ Builders may only select lots after they have first been offered for sale through public lottery to the general public.
- ✓ Builder applicants are eligible to purchase up to a maximum of 20 lots.
- ✓ Lands Branch may limit the number and location of lots a builder can purchase, to ensure adequate lots are available for sale to general public.
- ✓ Any restriction on application of this policy, in a subdivision development, will be communicated to potential applicants through written notification at least 30 days prior to coming into effect.
- ✓ Yukon Housing Corporation will not enter into an agreement for sale with a builder if any of his/her current agreements for sale are in default.
- ✓ A builder may request that a lot be purchased in the builder's name to facilitate financing and construction. Any request of this type will be reviewed and approved by Yukon Government Lands Branch and Yukon Housing Corporation prior to sale.

AUTHORITIES Acts / Regulations

Area Development Act/Regulations
Municipal Act & Bylaws
Yukon Lands Act/Regulations
Highways Act/Regulations

POLICY

Yukon Housing Policy