

Frequently Asked Questions For New Subdivision Lot Draw Procedure

1. How does the City sell its residential lots?

When a new phase of a subdivision is introduced, it is usually offered by way of a "lot draw". The lot draw will be advertised in the City Page of the Saturday Prince Albert Herald and City Web Page at least 2 - 3 weeks prior to the draw. Any individual or contractor wishing to purchase a lot, may make a single application to participate in the lot draw by applying during the timeframes given prior to the lot draw.

2. How does the lot draw work?

In a lot draw, all Individual names are placed in one drum and the names of Contractors are placed into another drum. Individual names will be drawn first, selected at random by a Chartered Accounting firm, followed by Contractor names, done in the same manner. The names will then be placed in a 1:2 sequence with the first Individual name drawn being first and the first two Contractor names drawn following. This is the order in which the applicants will choose their desired lots. After the names are drawn, the Individual applicant will be notified of their appointment, (which will commence the morning following the lot draw in order of Individual names drawn) during which time the applicant will select their lot and sign an Option to Purchase Agreement. Between Individual appointments, lots will be allocated to the Contractors next in sequence from the Contractor Lot Preference List that was filled out with their application. Contractors will be contacted for appointments after the individual appointments have occurred. This process will continue until either all lots are sold or there is no further interest.

3. How do I know when the lot draw will occur?

Notification of the lot draw will be placed on the City of Prince Albert website and in the City Page of the Saturday Prince Albert Herald 2 – 3 weeks prior to the lot draw taking place. This will occur just prior to completion of the servicing of the lots for sale.

4. Where can I find information on the lots that will be in the draw?

When available, lot lists, lot sizes, site maps, prices, etc. for the lots in question can be found on the City of Prince Albert website or at the Economic Development and Planning Department at City Hall.

5. Who can apply to purchase a lot?

Both contractors and individuals may both apply for the opportunity to purchase a lot, but only one entry can be made for each business or family. At the time of registration all applicants registering must do so in person and provide identification which reflects the current mailing address. No family representative, solicitor, or executor will be able to stand in for the applicant.

Each individual applicant will also be required to complete an Affidavit of Purchaser stating that they understand the policies and procedures under which the lot draw will operate.

Contractors must provide, along with the application to purchase lots as a contractor, articles of incorporation, a photocopy of their current and valid business license (contractor's license), and proof of membership with a new home warranty program that is accepted by CMHC and has the authority to operate in the Province of Saskatchewan.

NOTE: "Family" pertains to the immediate family (spouse, father, mother, children) who are residing in the same residence and have a combined interest in the lot.

The name(s) appearing on the registration form will be the name(s) used on the Option to Purchase Agreement.

Should more than one person per household (family living at the same address) register for the "Lot Draw", ALL of the registrants from that household will be DISQUALIFIED and the deposit(s) will be forfeited.

6. How are the lots divided between contractors and individuals?

Council has recently passed a motion that allots 1/3rd of lots in the draw to go to Individuals and the remaining 2/3rds to go to Contractors.

7. Can an Individual also apply for the lot draw as a company or Contractor?

No, an applicant may apply either as a Contractor or an Individual applicant, but not both. There may only be one application for both interests.

8. How do I apply for the lot draw?

Applicants may apply for the opportunity to purchase a new lot by providing a deposit of \$1,000 along with application package to the Property Coordinator prior to the entry cutoff date. For Individuals this is the Affidavit of Purchaser but for Contractors this includes Articles of Incorporation, and a Business License.

One deposit only per application is required. The deposit will either be applied to the purchase of the lot or will be returned if a lot is not selected. Only one lot may be selected per individual applicant during each draw. Contractors may purchase more than one lot by indicating how many lots they would like to be eligible for and once we have gone through the entire contractor applicant list, we will resume at the top of the list with the first contractor picked getting their second choice and so on.

Note: Strict compliance of one name per family and contractor will be followed. Any breach of these rules will result in all associated entries being removed from the Draw and the deposit will be forfeited. The \$1,000 deposit must be accompanied by the form entitled “Affidavit of Purchaser”.

9. What does the deposit enable me to do?

The \$1,000 deposit will enable the applicant to be eligible for the draw. The names of the applicants will be drawn on the proposed draw date in the City Hall Council Chambers, 1084 Central Avenue, Prince Albert.

The draw will commence at a specified advertised time and each name will be recorded in the sequence that they were drawn. The first name drawn will have the first choice of the lots available and the draw will continue until all names have been drawn. As the draw proceeds, names will also be slotted into appointment times (appointments will commence the day following the Draw) for applicants to select their lot.

10. Does the applicant have to be present at the "Lot Draw"?

No, the registered applicant(s) identified on the registration form do not have to be present for the draw itself, however the date and location of the lot draw will be advertised and will be open to all potential Purchasers.

11. Does the applicant have to be present at the "Selection Appointment"?

Yes, applicants are required to attend the scheduled appointment during which time the selection of the lot takes place. Powers of Attorney or agent representation will **NOT** be accepted for the selection with the exception of special circumstances as determined by Property Sales Personnel. If the applicant misses the selection appointment for any reason, they will forfeit their spot in the selection process and will drop to the last appointment for choice of lots. Should they fail to attend the second appointment the last lot available will be offered to the next Individual in the sequence.

12. How do I select the lot I require?

Appointments will be scheduled, according to the order in which the names were drawn, beginning the day after the lot draw. Applicants will be notified of their appointment date and time by telephone immediately following the lot draw process. The appointment will be a ½ hour in duration and the applicant must select the desired lot, sign the Option to Purchase Agreement, and provide the 10% down payment.

Contractors must indicate which lots they desire on the Contractor Lot Preference List. The top preference that is still available will be allocated to the Contractors in-between meetings with Individuals. Meetings with Contractors will follow meetings with Individuals.

13. What if I decide not to choose a lot?

If an applicant decides not to choose a lot at the specified appointment, the \$1,000 deposit will be returned.

If a contractor does not take the lot(s) allocated to them from their preference list, those lots will go to Contractor applicants. If an Individual decides not to choose a lot in their selection meeting, the lot would then go to another Individual.

14. What are the general terms of sale on lot selection day?

- A down payment of 10% of the lot price, less the \$1,000 deposit must be paid at the time of lot selection;
- The purchaser will be responsible for paying applicable property taxes from the date of purchase;
- For both Individuals and Contractors, the balance of the purchase price is due and payable in six (6) months, and construction of the dwelling must also commence within twelve (12) months from date of purchase;
- All overdue payments will be charged interest at a rate of prime plus 2% per day overdue
- The applicant must have no interest in any other application being made for these lots.

15. Is GST payable on the purchase price of the lot?

Yes, the GST is payable on the purchase price of the lot either at the time of transfer for mortgage purposes or along with payment of the final balance, whichever is earlier. If you are a registered company you must remit directly to Revenue Canada, and provide your company's GST registrant number to the Property Coordinator. For information on GST rebates, contact Revenue Canada.

16. When is the down payment on the lot due?

The down payment on the lot must be made during the lot selection appointment. The \$1,000 deposit will be credited towards this payment. If for any reason the applicant is not able to provide the down payment for the property at the time of his/her lot selection appointment, they will be removed from the lot draw process, the \$1,000 deposit will be returned, and the applicant will lose his/her right to purchase.

17. Are there any design guidelines or restrictions for the subdivision?

Building plans for a dwelling on the lot must conform to the National Building Code and the City of Prince Albert Zoning Bylaw. There are no minimum

restrictions, but the dwelling should conform to the neighborhood it is being built in.

18. Is there a timeline indicating when construction and landscaping must be completed?

The construction of the dwellings must commence within 1 year of the purchase date for Individuals and Contractors. The Building Permit is valid for 1 year.

Landscaping shall, within 18 months of the purchase date, be completed to the extent of spreading of black dirt and installation of either sod or grass seed on the site has been completed subject to a standard consistent with the amenities and aesthetics of the neighborhood.

NOTE: Extensions (to the building commitment only) may be allowed under certain circumstances upon written request from the purchaser which outlines their reasons for the extension and subject to approval by the Director of Economic Development & Planning.

There shall be no occupancy in the dwelling until a final building inspection has been completed.

19. What happens to the lots that are not chosen in the draw?

If there are any lots not sold following the lot draw process, those lots will be offered for sale on a first come, first serve basis immediately following the lot draw process.