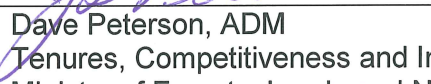




## Land Procedure Allocation Procedure - Real Estate Industry Sales

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<b>NAME OF LAND PROCEDURE:</b>	Allocation Procedures - Real Estate Industry Sales
<b>APPLICATION:</b>	Applies to all Crown land sales through the real estate industry.
<b>ISSUANCE:</b>	Assistant Deputy Minister, Tenures, Competitiveness and Innovation
<b>IMPLEMENTATION:</b>	Ministry of Forests, Lands and Natural Resource Operations
<b>REFERENCES:</b>	<i>Land Act (Ch. 245, R.S.B.C, 1996)</i>
<b>RELATIONSHIP TO PREVIOUS LAND PROCEDURE:</b>	This procedure replaces the previous Agency Sales procedure dated August 16, 2004

  
\_\_\_\_\_  
Dave Peterson, ADM  
Tenures, Competitiveness and Innovation  
Ministry of Forests, Lands and Natural  
Resource Operations

MAY 26 2011

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Date:

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**EFFECTIVE DATE:** June 1, 2011  
**AMENDMENT :**

**FILE:** 11480-00

<b>APPROVED AMENDMENTS:</b>		
<b>Effective Date</b>	<b>Briefing Note /Approval</b>	<b>Summary of Changes:</b>
June 1, 2011	BN 175892	Policy and Procedure update to reflect reorganization of resource ministries April 2011

**Table of Contents**

1. PURPOSE ..... 1

2. DEFINITIONS ..... 1

3. REAL ESTATE INDUSTRY LISTING ..... 1

    3.1 Selection of a Broker ..... 2

        3.1.1 Marketing Plan ..... 2

    3.2 Listing Procedures ..... 2

    3.3 Terms and Conditions of Sales ..... 2

    3.4 Real Estate Commission Payable ..... 3

    3.5 Financial Options ..... 3

APPENDIX 1. PROJECT MARKETING PLAN ..... 4



## 1. PURPOSE

To increase market exposure in the disposition of Crown land by greater utilization of the real estate industry.

The authorizing agency may sell Crown land using one of the following processes:

- Direct sale through the authorizing agency offices
- Real estate industry listing on the MLS
- Competitive process (use of Request for Offers to Purchase, Public Auction, etc.)

See [Direct Sales](#) and [Competitive Process](#) procedures for information on these other methods of disposition.

The following procedures comply with the provisions of the *Land Act* and the *Ministry of Lands, Parks and Housing Act*.

## 2. DEFINITIONS

**Authorizing Agency** means the Provincial ministry responsible for the specific land use authorization.

**Conditions precedent**, or “subject to” clauses, mean clauses in a contract which identify certain acts (such as arranging financing or the sale of another property) that are to be performed prior to the sale being completed.

**Counter offer** means either a completely new offer or new conditions inserted into the original offer document. A counter offer must be presented to the other party for acceptance.

**Direct Sale** means fee simple disposition of Crown land through the authorizing agency’s offices directly to one or more interested parties, without a public offering.

**Deposit** means the sum of money required to be submitted with the Offer to Purchase. A deposit may be by certified cheque, money order, or bank draft.

**Public offering** means the use of a competitive process or real estate industry listing.

**Purchaser** means purchaser, lessee, prospective purchaser, prospective lessee.

**MLS** means the Multiple Listing Services of the Real Estate Boards throughout the province.

## 3. REAL ESTATE INDUSTRY LISTING

The authorizing agency may engage the services of the real estate industry to market Crown land. Properties listed directly on MLS can only be sold by Real Estate Board Members; the owner (Crown) must suspend any efforts to sell direct during a listing period.

### **3.1 Selection of a Broker**

When a property has been prepared for marketing, the authorizing agency may obtain the services of a qualified real estate brokerage firm to prepare an appropriate marketing plan for approval and implementation.

Brokerage firm selection will be managed on the following basis:

- A Request for Qualifications process will be employed to establish a pre-qualified roster listing of brokers.
- Based on the requirements of the project and pre-determined assignment selection criteria established by existing procurement policy, the authorizing agency will select and request brokers to submit proposals for their undertaking of the assignment.

#### **3.1.1 Marketing Plan**

The proposed marketing plan should be based on a standard template format (see Appendix 1) and supported by appropriate market rationale, including:

- Overview of market and rationale for proposal
- Intended outcomes and expected benefits
- Market exposure techniques
- Market exposure period
- Approach to documentation of all activities
- Roles and responsibilities of the authorizing agency and the broker
- On-going reporting requirements
- Approval processes and authorities that will be followed in implementation

### **3.2 Listing Procedures**

Normally properties are listed for sale on MLS with qualified real estate brokers. The property will generally be listed for 90 to 180 days, with a period of 15 to 30 days before offers will be accepted.

Properties listed directly on MLS can only be sold by Real Estate Board Members; the owner (Crown) must suspend any efforts to sell direct during a listing period.

Appraised values will be considered when establishing listing prices.

The conditions of sale will be established by the authorizing agency.

Where properties are difficult to sell or have limited market appeal, conditional periods may be extended and additional conditions may be considered.

### **3.3 Terms and Conditions of Sales**

In all cases, the following shall apply:

- The selling price is the price established; or as amended from time to time by the authorizing agency, based on a current appraisal.
- All enquiries are to be directed to the realtor.
- Commissions are only payable on completion of sales.
- The currently approved authorizing agency Offer to Purchase and Sale document will be used in all cases, having been modified to suit the circumstances.
- The minimum deposit on Offers to Purchase is 5% of the purchase price to be held in the Real Estate Agency's trust account.
- Sales will generally be for cash. Terms or financing will not be offered by the authorizing agency unless specifically approved by the authorizing agency's Executive.
- Completion of documentation and sale to be normally within 60 days of the removal of all conditions precedent.
- The Crown grant will be sent to the purchaser's solicitor or notary public to arrange for registration at the Land Title Office.
- The authorizing agency is responsible for collection of the net sale proceeds from the solicitor or notary public.

### **3.4 Real Estate Commission Payable**

The real estate commission payable shall be negotiated with consideration given to industry norms and any special circumstances.

Commissions will not exceed appropriate market levels and will only be paid when the transaction is complete.

### **3.5 Financial Options**

Subject to Ministry Executive approval, the authorizing agency may consider providing vendor take back ("VTB") mortgages on agreements of sale in accordance with policies developed by the authorizing agency where and when it is determined that providing a VTB will assist in the disposition of an asset and/or achieve the best price for the asset.

## Appendix 1. Project Marketing Plan

<b>File #</b>	
<b>Project Name:</b>	
<b>Project #</b>	
<b>Region:</b>	
<b>Land Description:</b>	
<b>Marketing Rationale:</b>	
<b>Marketing Technique:</b>	
<b>Marketing Period:</b>	
<b>Appraised Value:</b>	
<b>Asking Price:</b>	
<b>Terms Offered:</b>	
<b>PROJECT TEAM</b>	
<b>Project Manager:</b>	
<b>Director:</b>	
<b>ADM</b>	
<b>DM</b>	
<b>Approval to Proceed:</b>	
<b>Date:</b>	
<b>Signing Authority:</b>	