



Subject: *Business Park Pricing Policy Amendments*
To: Corporate and Residential Services Committee
Date Prepared: 2025/08/13
Related Motions:
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Approved by: Adam Clarkson, Director of Corporate Services

Summary

Replacing the Business Parks Pricing Policy with the Business Parks Sale of Land Terms and Conditions Policy is required to accommodate the sale of lots in the Elmsdale and Uniacke Business Parks under improved terms and conditions. The proposed Business Parks Sale of Land Terms and Conditions Policy reflects the spirit and intent of the previous policy and Council Motions with revisions that strengthen the Municipality's legal position and sale terms and conditions.

Financial Impact Statement

There is no financial impact associated with this report.

Recommendation

Staff recommend that the Corporate and Residential Service Committee recommends to Council that Council repeal the Business Park Pricing Policy and that the Business Parks Sale of Land Terms and Conditions Policy be adopted.

Recommended Motion

Regular Meeting of Council (Policy & In-Camera)- October 21, 2025

Move that the Corporate and Residential Services Committee recommends that Council give notice of intent to repeal the Business Parks Pricing Policy; and that Council give notice of intent to approve the Business Parks Sale of Land Terms and Conditions Policy.

Regular Meeting of Council- October 29, 2025

Move that the Corporate and Residential Services Committee recommends that Council repeal the Business Parks Pricing Policy; and that Council approve the Business Parks Sale of Land Terms and Conditions Policy.

Move that the Corporate and Residential Service Committee recommends that Council approve the Real Estate Brokerage Commission fee be set at 3% on the first \$500,000 of the purchase price and 1.5% on the remainder, plus applicable taxes.

Background

Council currently enables the sale of municipality owned Business Park lots in East Hants through the Business Parks Pricing Policy (Council Motion C19(258)). Over the past 5 years, demand has significantly increased for commercial land in East Hants. This shift in demand has highlighted limitations to the Business Parks Pricing

Policy. Replacing the Business Park Pricing Policy with the Business Parks Sale of Land Terms and Conditions Policy will strengthen East Hants' legal position and interests, ensure clear enforcement of terms, and support continuous improvement in the management of Business Park Lot sales under the Business Park Management and Development Service.

Discussion

To ensure East Hants remains competitive while protecting its interests, the current Business Park Pricing Policy should be replaced with the Business Park Sales Terms and Conditions. The material changes between the policies are as follows:

Policy Statement: Lot Pricing (Proposed change to Lot Pricing and Evaluation):

Add Policy Statement: (5 and 6) Evaluation-Based Sales Approach

Historically, Business Park lots have been sold on a first-come, first-served basis. However, with increased demand for commercial land, there is an opportunity to adopt an evaluation-based approach to ensure that each lot achieves its highest and best use. Through an evaluation of Applications to Purchase, factors such as value of investment, lot utilization, employment creation, key industries and economic factors, and long-term growth potential can be assessed. A points-based evaluation system will be developed to apply these criteria consistently and fairly.

While overall investment value will be an important consideration, no selected application should propose a minimum value of investment (the potential minimum total assessed value) below \$135 per square meter (\$546,325 per acre) in the Elmsdale Business Park or \$68 per square meter (\$276,481 per acre) in the Uniacke Business Park. These thresholds are recommended based on the 2025/2026 average total assessed values of \$135 per square meter for developed lots in the Elmsdale Business Park and \$68 per square meter for developed lots in the Uniacke Business Park.

It is important to note that these minimum values will need to be periodically reviewed and set during each new phase of construction of the Business Parks to ensure that the market value, financial model and the tax payer's return on the investment is acceptable to Council. The CAO will also have the discretion to sell land or not, to an applicant, based on evaluation criteria and the overall best interest of the Municipality.

Policy Statement: (8) Agreement of Purchase and Sale:

Under the current policy, the CAO has the authority to negotiate terms and conditions of the sale of Business Park Lots. Further language has been added to the proposed Business Park Sale of Land Terms and Conditions Policy to clarify the CAO's authority to develop, administer and implement the terms and conditions for the Sale of Business Park Lots including electing the option to impose business park fees or buy back business park lots.

Policy Statement: (8a and 8d) Agreement of Purchase and Sale:

Under the current policy, the total assessed real property value of a lot must be at least \$86 per square meter (\$350,000 per acre) in the Elmsdale Business Park and \$45 per square meter (\$182,108 per acre) in the Uniacke Business Park. If Policy Statement 5 (evaluation-based approach) is adopted, there is an opportunity to change to a set development value based on the proposed development and above the minimum total assessed values identified in Statement 5. Consultations with PVSC indicate that 80% of the construction value provides a reasonable estimate of potential assessed value. Therefore, the set development value recommended is 80% of the proposed development's value listed in the Application to Purchase.

This approach would prevent post-purchase changes to the development and proposed values. Internal Staff resources, together with market comparables, will be used to assess whether the stated development value is

reasonable. Factors to determine if the value is reasonable will include lot size, structure type, building construction, and intended use. Applications deemed to significantly undervalue the proposed development would be rejected.

Policy Statement: Agreement of Purchase and Sale (8c):

Under the current policy, if East Hants buys back the Lot from the Purchaser, the price paid for the lot will be equivalent to the purchase price less administration costs and any costs to return the lot to its original pre-purchased condition. Since the value of legal/administration fees is not set, the value has the potential to be contested by the Purchaser. Under the proposed Business Park Sales Terms and Condition Policy, if East Hants buys back the Lot from the Purchaser, the purchase price will be equivalent to 90% of the original purchase price and any costs to return the lot to its original pre-purchased condition.

Policy Statement: Agreement of Purchase and Sale (8e):

Under the current policy, purchasers are able to sell the property subject to the Municipality's First Right of Refusal. Under this option, the Municipality can repurchase the property on the same purchase price as the Purchaser's third-party offer (not at the original purchase price). Due to increased market demand, there has been surge in third party sales before the commencement of construction. In the proposed policy, this risk can be mitigated by only permitting the Purchaser to sell the property to a third party after the Development is complete. Therefore, East Hants is named as the only possible buyer under the terms of the Buy-Back Agreement or as agreed to by the parties. The Right of First Refusal section is deleted as it becomes redundant.

Policy Statement: Real Estate Commissions (7):

The real estate brokerage commission is set by Council of the Municipality and may be changed by a motion of Council. Therefore, this is not a policy change but a change by motion.

Currently, the Real Estate Broker Commission is set at 6% for Municipality owned business park land. With the increase in demand and low inventory, lot sales have the potential to be sold at a higher value than in the pre-covid market. Although 6% is an attractive commission, this can convert to a substantial cost for the Municipality as commissions are not added to the purchase price. Therefore, a reduction in the remuneration and a tiered approach based on 3% on the first \$500,000 of the purchase price and 1.5% on the remainder is being proposed in the policy. This approach is consistent with industry standards and balances an attractive commission with the potential cost to the Municipality and tax payer.

Alternatives

1. The Corporate and Residential Services Committee recommends to Council that the current Business Parks Pricing Policy remain in effect.
2. The Corporate and Residential Service Committee recommends to Council that additional direction be given to staff.

Attachments

Business Parks Pricing Policy

Proposed Business Park Parks Sale of Land Terms and Conditions Policy