



## Issues in Brief:

### City Lot Sales in Residential Subdivisions

**April 30, 2015**

**Update:** The City of Moorhead has modified its sales terms for City Lot Sales. Optioned lots will be subject to the terms of sale identified within the applicable executed option agreement. Lot sales entered into on or after April 30, 2015, the sales terms described in this document will apply.

[Lot locations and prices](#) (inclusive of special assessments) for City-owned single family and twin home lots are posted to the City's website. Prices of individual lots are not negotiable; however the City may adjust pricing of unsold lots at a future date. Terms of financing are detailed below. Individual buyers and home builders interested in purchasing lots may reserve the lots by submitting a fully executed purchase agreement with applicable down payment.

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*These lots represent some of several new home construction options for builders and prospective homebuyers in Moorhead. There are also privately held building lots in these and several other Moorhead neighborhoods for sale. There's LOTS of opportunity in Moorhead!*

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#### **Additional Details on the City lot sales:**

- **Sales to Individual Buyers or Home Builders (MN Licensed Contractors):** To purchase a lot, a buyer must provide a minimum \$500.00 non-refundable down payment. Sales alternatives:
  1. **All Cash:** Full payment due at closing (Buyers will receive credit for their down payment)
  2. **40/60 Assumption:** 60% of the sales price may be assumed as special assessments and will be prorated and amortized over 20 years at existing special assessment projects and

interest rates. After closing, the owner has two (2) years to construct a home upon the lot. If a home is not completed within two years (documented by Certificate of Occupancy), the lot will revert back to City ownership and the buyer forfeits all cash payments.

- Earnest Money: A minimum \$500 earnest money payment will be required for purchase agreements intended to close on or before 60 days from the date of the signed purchase agreement. Purchase agreements longer than 60 days are not accepted. Earnest money applies toward the purchase price. In the event the transaction does not close, earnest money is not refundable.
- Cash conversion: As an alternative to purchase agreement cancellation, any financing alternative may be converted to cash purchase at any time.
- Realtor commissions: Realtors will receive a flat commission of \$1,500 per serviced single family or twin home lot (pair) on assisted sales to be paid at closing. Buyer must designate Realtor at the time of purchase agreement.
- Twin home lots: Purchase pricing is noted for each unit but purchase must include pair.
- Note on property title: The lots were transferred to the City as a result of tax forfeiture. The City has completed a quiet title action – or otherwise obtained clear title – on all lots in order to provide prospective buyers with Warranty Deeds.

### **CITYWIDE HOMEBUYER INCENTIVES:**

- **Make Moorhead Home Two-Year Property Tax Rebate:** available citywide for all buyers of newly constructed homes through 2015.
- **First & New Program (available to first time buyers of newly constructed homes):** 0%/\$5,000 deferred loan applied to special assessments. Available **citywide** for newly constructed homes purchased after April 8, 2013.

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### **LOT PURCHASES:**

Amy Thorpe, Economic Development Program Administrator  
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### **SPECIAL ASSESSMENT INFORMATION:**

Ann Henne, Accounting Assistant  
[ann.henne@cityofmoorhead.com](mailto:ann.henne@cityofmoorhead.com) or 218.299.5320

### **GENERAL INQUIRIES:**

Peter Doll, Development Services Manager  
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Lisa Vatnsdal, Community Development Division Manager  
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***This information is current as of April 30, 2015. This document is for informational purposes only and is not to be considered an agreement to purchase or sell real estate. All interested parties should contact the City of Moorhead for further information and documentation.***

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Approved for release by: Michael J. Redlinger, City Manager