

## **LAND SALES POLICY**

Dear Member

Following lengthy discussions, the Board of KLDT has recommended the following policy for disposal of parcels of land at Kinlochleven as and when demand arises. The following policy will refer only to small individual parts of land and in the event of there being any major disposal of any major area of land for development then the Board would not make such a disposal without further reference to the Membership.

Disposals really fall into two categories. The first category is disposals of small areas of ground to existing Kinlochleven residents perhaps for the purposes of them enlarging their garden, space for a garage or shed etc. The second is where KLDT has identified a site which on its own would be of a size and in a locality which would give it some value if it were to be developed either for housing or for commercial purposes.

Dealing with the first category, we have several enquiries from Kinlochleven residents for additional areas of ground. The proposal is that if the Board considers it appropriate to dispose of the land the following timetable apply rigidly:-

(a)

The prospective purchaser ("the Purchaser") be advised that all legal expenses in connection with the transaction incurred by KCT will be met by the Purchaser regardless of whether or not the matter proceeds to a satisfactory conclusion and that the Purchaser be asked to confirm this in writing prior to any work being done. The Purchaser will also be asked for a payment up-front to meet the cost of KCT instructing the District Valuer (or, if he is unavailable, an independent valuer). A quotation from the District Valuer for such work will be obtained.

(b)

**At the same time, the Purchaser is asked to draw a plan, prepared to scale, preferably of 1:500 (or if a large area of ground 1:1250) which plan will clearly identify any other proprietors who have ground bordering the area of ground which the Purchaser wishes to acquire. KLDT will then write to each and every proprietor so identified (at the expense of the prospective Purchaser) to advise of the enquiry by the prospective Purchaser and to ascertain if any other proprietor who adjoins the relevant area of ground wishes to make a bid for the same area.**

**If all responses come back in the negative or if they have not made a response within a suitable period, say, three weeks, then the DV is instructed to fix a fair value for the ground taking into account the proposed use as declared by the Purchaser but also taking into account any increase in value to the Purchaser of his existing property caused by the addition of the ground being purchased.**

**If on the other hand, after the consultation process there are two or more people interested in acquiring the same piece of ground (including the original Purchaser) the DV is instructed (at the cost of the original prospective Purchaser) to fix a fair value for the ground taking into account any or all of the proposed uses as set out by the various**

**prospective Purchasers and taking into account the likely increases in value to each of the prospective Purchasers of his, her or their existing properties caused by the addition of the ground being purchased.**

- (c) **If after the consultation process there is still just one prospective Purchaser, then** the figure is disclosed to the Purchaser who will be required to pay this sum together with KLDT's legal fees and outlays in connection with the conveyancing. Again an estimate of these can be given at the appropriate time.

**If there are two or more prospective Purchasers, then following advice from the DV on values, the prospective Purchasers will be asked to submit written and sealed offers to KLDT for a certain time and on a certain date, preferably but not necessarily through Solicitors with all prospective Purchasers being advised of the minimum sum which KLDT would expect being the maximum amount suggested by the DV in his report. If the successful Purchaser at the closing date is not the original prospective Purchaser who provided the DV's fee, that fee will be obtained from the successful Purchaser and reimbursed to the original (unsuccessful) prospective Purchaser. The successful Purchaser will be asked to pay all of KCT's legal costs and outlays in connection with both the initial stages of the application and the conveyancing.**

- (d) As part of the conveyancing process, the title deed in favour of the Purchaser will declare that the ground is to be used for a certain purpose. It is still competent to put title conditions into title deeds although the law was greatly changed recently with regard to title burdens and title conditions. However it is always open to a Purchaser to apply to the Lands Tribunal at some time in the future for a variation of the title conditions. It is proposed that the title deeds contain a condition stating that no application can be made to the Lands Tribunal within the first five years. In addition it is likely that the title deed will contain a condition stating that the ground being acquired for additional garden ground or for a garage site etc. could not be sold off separately from the Purchaser's existing property.

- (e) In addition to the condition appearing in the title deed, the Purchaser and KLDT would enter into a separate Minute of Agreement stating that if the title condition was ever waived and the Purchaser then proceeded to develop the ground for some other purpose, the Purchaser would be required to pay to KLDT, once Planning Consent for alternative use had been obtained, one half of the difference between the new development value and the value of the site based on the use at the time that it was sold by KLDT. In other words if a purchaser buys a site from KLDT to put up a garage for, say, £5,000 and then ten years later obtains Planning Consent to sell off the site for a dwelling house, the terms of the Minute of Agreement would apply. A valuer would fix the value of the site in its present use at that time (say the value had increased from £5,000 up to £10,000 for use as a garage site) and deduct this from its value for the new development (say as a house site it is then worth £100,000) and the Purchaser would have to pay KLDT one half of the difference i.e. £45,000. To further protect the interests of KLDT, a Standard Security would be taken over the land so that it could not be sold off by the Purchaser without KLDT being alerted to this as the Purchaser could not give a good title to a third party without clearing the Standard Security from the Registers.

With regard to Directors' interest, Directors have to declare any interests with regard to land which they would hope to purchase and would form no part of any discussions regarding disposal and indeed would be required to withdraw from any meeting at which these were discussed and obviously could take no part in any meetings which would discuss any offers received for the land in which they had an interest.

Lastly it was agreed that all sales of land over a certain value should be put to the membership as a whole for approval and the figure of £7,500 was suggested. This would mean that the Board would be able to make a decision on the disposal of any land with a value of less than £7,500 but if the DV's figure came back at a figure higher than that then the whole membership would have to approve of the disposal by a majority vote.