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Land Use Uncertainty – Not an Excuse to Ignore Contractual Deadlines

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Abstract

Agreements for the purchase and sale of land may contain adjustments to the purchase price at a future date based on a pre-determined and precise methodology agreed upon by the parties for determining the “value” of the land (i.e. the ability of the land to be developed or used in certain ways). Such agreements will likely have a deadline date at which point the parties must share their analysis of the subject lands and calculate the adjustment to the purchase price. At times, pending municipal planning by-laws, rules and restrictions regarding land-use can cause uncertainty as to the “value” of land. For example, they may prohibit certain use or development of land and make the land less valuable to certain purchasers. Despite the uncertainty that may be caused by the municipal planning process, the court will not permit a contracting party to ignore its contractual deadlines and wait until a time with more certainty from the municipal planning body.

Full Article

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