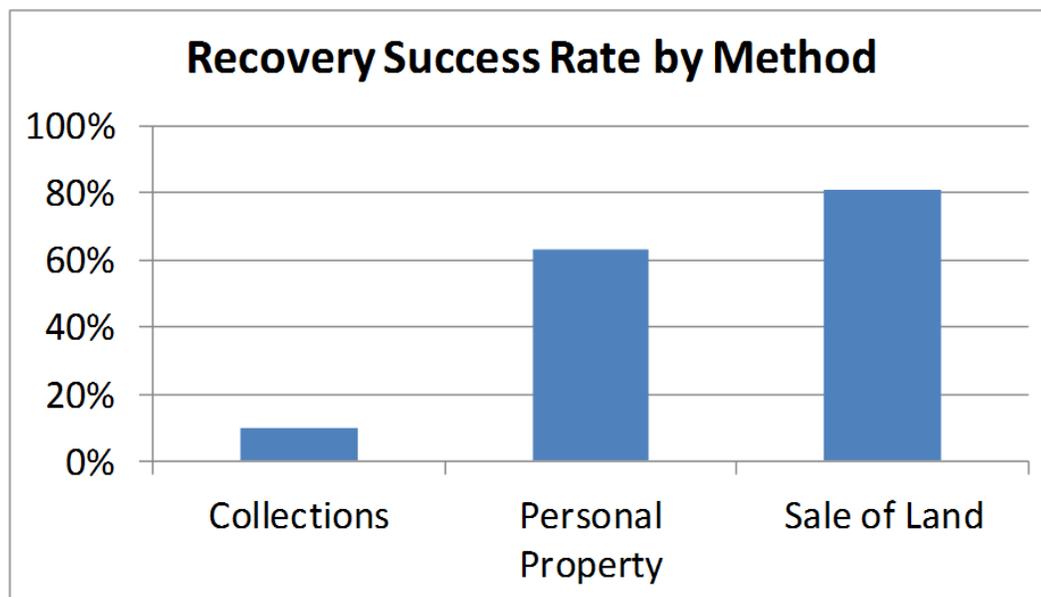


Sale of Land is becoming a favored option for creditor's looking to enforce their writs in Alberta. As I noted last month, I will be providing answers to our most commonly asked sale of Land questions over a four month period of our Civil Enforcement Bulletins. I am pleased to answer question two today.

This month's question is: **What kind of return can a creditor expect to receive when conducting a Sale of Land action in Alberta?**

I believe the main reason we have seen Sale of Land files in the province of Alberta increase by more than 200% over the last few years is that the word is getting out – **Sale of Land works!** Whether you are trying to collect a \$2,000 debt or a \$200,000 debt – this method is the most successful collection method currently available in the Province of Alberta (*as per Consolidated Civil Enforcement's file statistics*).

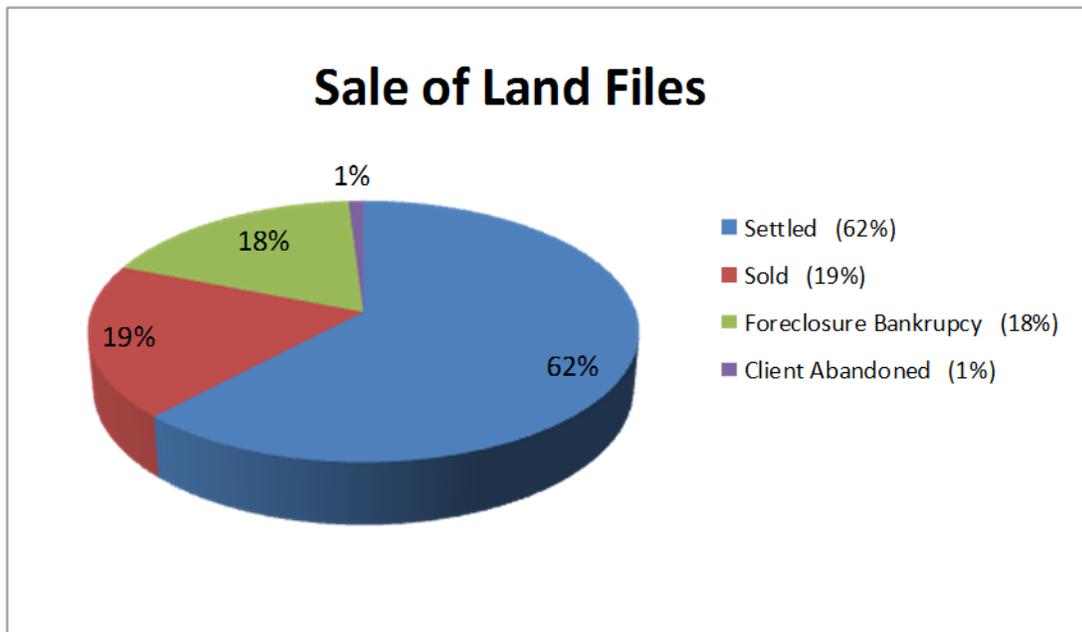


As noted in the chart above, Sale of Land files see an average recovery of more than 80% of the writ. When you compare this to an approximate return of 10% when using a collection agency, there is no doubt why Sale of Land is becoming so popular for enforcement creditors.

As we all have been hearing on the news over the past few months, Real Estate prices are on the rise in Alberta and vacancy rates are on the decline. These market shifts are very advantageous to creditors who are considering Sale of Land as an enforcement option. The increase in the selling price of homes, means an increase in the equity in the home, more equity = more money available to pay enforcement creditors.

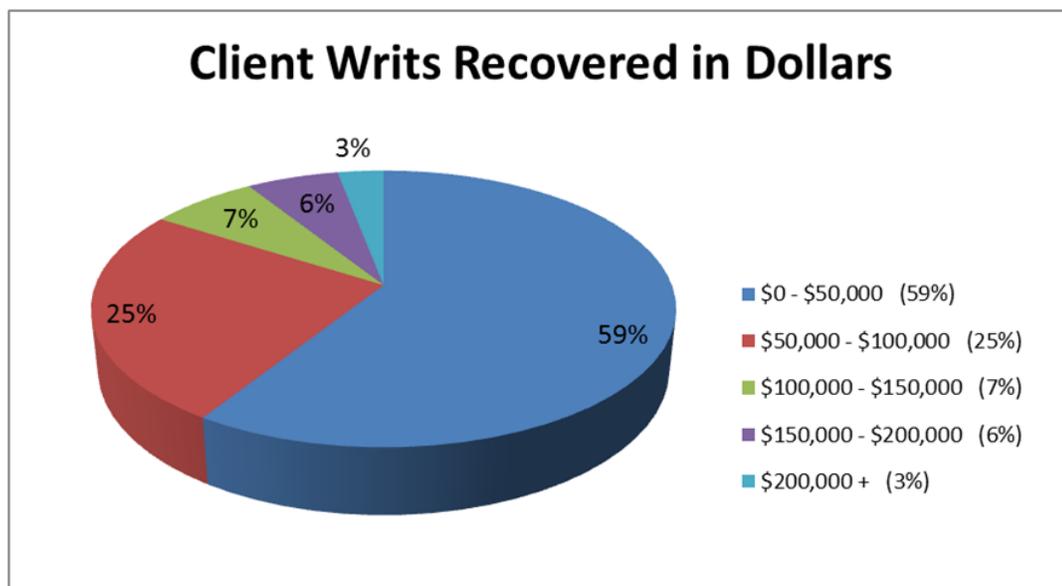
A decrease in the vacancy rates in Alberta, means that debtor's will be less likely to allow their home to be sold, for they recognize it will be very difficult to find a rental property for them to move themselves and their family into. Another advantage to the increased equity noted above, is the more equity in a property – the more likely it is that the debtor can get additional or revised financing using this additional equity as collateral. Both of these trends are very advantageous to enforcement creditors who have writs against land owners within the Province of Alberta.

The majority of the Sale of Land files worked by Consolidated result in full settlement of the writ and civil enforcement costs. As shown below, in 2012 62% of the Sale of Land files worked by CCE were settled in full. In 2013 and 2014 we have seen this number increase into the 70-80% range. With the current real estate market conditions, Consolidated expects this number to continue to rise in 2014 & 2015.



One other question I am often asked is: **How much does your writ have to be to consider Sale of Land as an option?**

Any writ of any amount should consider Sale of Land as an option. As the chart below shows, the majority of the sale of land files opened by Consolidated in 2012 were for writs of \$50,000 or less.



Now, I believe I have answered the original question: **What kind of return can a creditor expect to receive when conducting a sale of land action in Alberta** in detail, but I feel there is one more part to this question that I need to share with you: **What does this mean in actual dollars and cents for you and/or your client?**

In 2012 Consolidated collected a total of: *Five Million, One Hundred Forty Four Thousand and Five Dollars - \$5,144,005.85* for our Sale of Land files.

In 2013 Consolidated collected *Five Million Six Hundred Eighty Two Thousand, One Hundred and Forty Five dollars \$5,682,145.37* for our Sale of Land files.

For the first three months of 2014 we have collected *Two Million, Four Hundred Sixty Nine Thousand, One Hundred and Forty Four Dollars - \$2,469,144.51* for our Sale of Land files.

This means that for 2014 we could see collection of more than *Nine Million dollars - \$9,000,000.00* towards Sale of Land files.

If you or your client(s) are holding unpaid writs, now is time to consider sale of land as an option to get those writs paid. The real estate market is stronger than it has been in years, therefore you should consider taking advantage of this opportunity to collect on those outstanding writs.

Our question for next month is: **How long does a Sale of Land action take?**

Our final sale of land question will be: **How do you sell a property when our debtor only owns a partial interest in the property?**

As always, if you have any other questions with respect to what kind of return can you expect from a sale of land file, or any other civil enforcement question, please do not hesitate to contact me directly at 403-668-8804 or at patriciaw@ccebailiff.ca

Have a great weekend,

Patricia Wilson
Director, Civil Enforcement