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City of Montréal's Right of First Refusal: Designation of Affected Sectors

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The City of Montréal (City) now has the power to exercise a right of first refusal to purchase property within the sectors it has previously determined by bylaw, after the seller has accepted an offer to purchase.

This power, which is under Schedule C of its *Charter* (CQLR, c C-11.4), sections 151.1 and following, cannot be exercised if the property is disposed to the benefit of a person to whom the owner is related within the meaning of the *Taxation Act* (CQLR, c I-3).

On October 22, 2018, a draft bylaw designating the sectors within which the right of first refusal will be exercised was tabled before the municipal council. Later this fall, the City will adopt resolutions specifying which properties in particular will be affected within these sectors. It will inform the owners by means of a notice of its right of first refusal, and the notice will have to be published in the land register (the affected sectors and properties may subsequently be modified). The City's right of first refusal will be valid for a period of 10 years following the publication of the notice.

The following are the designated sectors:

- Lachine East
- Namur-De la Savane
- The northern part of Nuns' Island
- Le Havre-Bridge-Wellington
- Des Faubourgs
- Bellechasse
- The approaches to the railway tracks on the border between the Plateau East and Rosemont
- Assomption North – Longue-Pointe
- Anjou-Langelier

These sectors are outlined in white on the [plans annexed](#) (in french) to the draft bylaw.

After accepting an offer to purchase, the owner of an affected property will be required to send the City a notice of intent together with the offer to purchase. The owner will also be required to send the City copies of the leases, occupancy agreements, brokerage agreements, environmental studies and evaluation reports regarding the property as well as other applicable documents. Where the consideration payable under an offer to purchase is not monetary, the notice of intent to dispose of the property will have to contain a reliable and objective estimate of the value of the non-monetary consideration.

Within 60 days of receipt of the notice, the City will be entitled to exercise the right of first refusal and purchase the property at the same price and under the same conditions as set out in the offer.

The City will then have 60 days within which to pay the selling price and reimburse the unsuccessful purchaser for reasonable expenses incurred in negotiating the offer to purchase.

The draft bylaw and the resolutions designating the affected properties should be adopted at the next sitting of the municipal council on November 19, 2018.

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