

Buying Land in the Country

© 2001, 2003, 2008 IntelliBiz,
All rights reserved

Introduction

A-a-ah! Country life! Sweet smelling air, flowers, dirt roads and country lanes, foliage, peace and quiet, and yes, growing your own food if you wish - getting your hands into the earth. Sounds great, doesn't it? And it *is* great. But before you hop on out and slap some cash down for a plot of the Creator's best, you should take some time to consider many things. For example, not every piece of land will grow crops - mine grows some great rocks, and weeds - anything else requires a huge effort to make changes in the soil. And water is a major consideration, as well as access to utilities, to mention just a few. Will this be where you build a permanent home, or a place to vacation? Do you want neighbors, or will you want them in the future? Having the peace that comes from isolation can be nice, but as you get older, it's also nice to know there are neighbors around in case problems arise. The farther out you go, the less likely you will have stores, hospitals, schools and child care facilities conveniently close. And will you require a 4 wheel drive vehicle, and do you want winter accessibility to the property? Remember, too, that public transportation is not available in the more rural areas of the country. The farther you go out, the less likely you will be to have electrical, telephone, cable, public water and sewage or even trash collection. So, before packing off to the sticks, determine exactly what kind of lifestyle you yearn for - and can realistically handle. Saying "I want to be self-sufficient" is not enough. In what ways do you want to be self-sufficient? To what degree? Do you want electricity from a public source, or would you produce your own from water, sun or wind? Small garden plot, or many plowed acres? Will you need a source of firewood? Does that water source - pond, stream etc. dry up in the summer, leaving you without water? So many things to consider.

Why buy in the country? Well, your reasons are your own, but there is one glaring fact that cannot be overlooked - country land is far cheaper than any other land. The money you save on buying the land can help you afford a far better home than you might otherwise be able to buy. Twenty -five miles down the road from me is the city of Manchester, NH, where a small house lot can cost \$150,000 or more. But right here, \$50,000 can buy a few prime acres - at least 10-20 times more land.

This book is designed to help you come to terms with what you want and need, and how to insure that you end up where you want to be, without making too many mistakes.

Locating Land

The most natural thing to do first is to decide in what area you wish to buy land. Once you know the general area, visit the local Realtors in the area and let them know exactly what you are looking for. Subscribe to the local newspapers - not only will you be able to browse the real estate ads, you will also become more familiar with the area and its people, giving you a leg up when it comes time to move. The county courthouse in the area will likely post properties that are available due to unpaid taxes, probates, divorces and foreclosures, all of which could lead you to some great buys - people in distress are more apt to negotiate on price and terms.

There are four methods for finding land, in general:

1. Through a Realtor
2. Through the seller (FSBO or For Sale By Owner)

3. By ferreting out parcels that may not be advertised, but can be purchased anyway
4. Through auctions

We are all familiar with the first, to some extent. Interview a number of Realtors in the area and choose one you like and get along with. Any Realtor licensed in your state can sell you any property listed in the MLS (Multiple Listing Service) book, even if they are not the listing agent, so you will enjoy this experience more if you work through an agent you like. Even then, it might be worth mentioning to that agent that you have put out feelers with other agents. In this way, the agent knows that he/she is competing for the sale commission, and is apt to work a little harder to find you what you want. But note that the Realtor cannot offer too much help unless he or she knows exactly what you are looking for - which takes us back to you, determining exactly what you want. Do you want to build, or do you want an existing home on the land? How much land? How much in woods, pasture, farmland? What about water and utilities? Do you need winter access (in snow country) etc. The more you tell the Realtor, the easier it will be for the Realtor to get you what you want.

A quick note here: as a rule, real estate agents work for the seller, not the buyer, and they have a legal obligation to work in the best interests of the seller. If you want a Realtor who will work for your best interests, you may want to hire a Buyer's Agent - a Realtor that works exclusively for the buyer. If you go this route, you will need to make arrangements to pay a fee or commission to this agent. Make sure everything you expect from the agent - and the fees - are spelled out in a contract.

When buying a FSBO directly from a seller, note that he may not feel as obligated to disclose as much as a Realtor might. But, since there is no Realtor commission involved, he may be willing to cut the price a bit. Note, too, that without a Realtor, both buyer and seller will have to agree upon a settlement agent/Title company, and make all those arrangements that a Realtor would normally handle.

When you have found something that appears good, make an appointment to see the property. If there is an older house on the property, follow the guidelines in our book, "The Simple Man's Guide to Buying an Old House", to avoid making big mistakes you may well regret. If it is just raw land, walk the boundaries with the seller - slowly! You want to engage him in conversation that will teach you a lot about this particular piece of land. The more you find out now, the fewer nasty surprises you will have later.

If you think this may be just the ticket, visit with neighbors, and let them know you are interested in that piece of land. This accomplishes two things: 1), you find out a lot more information about the property, and 2), if you buy it, you will already have met with the neighbors.

Okay, so you think you are going to buy this land. Unless you are secure in your own ability to write a good contract, seek the counsel of a good lawyer from that locality. I say a local lawyer because he is more apt to know the people involved, and this can help things go more smoothly.

It is also important to note that out here in the sticks, people tend to be more "general". To them, the piece of land that is 20 acres, more or less may, in fact, be only 15 acres, or perhaps even 25. For this reason, if there is any uncertainty about the size or boundaries of the piece you are buying, enlist the services of a qualified surveyor. In more cases than not, this can save a lot of headaches and disappointments. Know what you are paying for.

Another method of finding land is to check out parcels that are not listed for sale. If you see a parcel that is perfect for your needs, check the tax assessor's office to locate the owner. Contact him and let him know you maybe interested in buying. Sometimes, a person who never gave it a thought will give it serious consideration, particularly if circumstances have put him in financial difficulty. Farmers, known for not making enough money, will often consider parceling out a piece to bring in some much needed cash for that

new hay baler they need. When using this approach, approach carefully, so as not to offend. Personal contact is best - introduce yourself with a handshake and a friendly smile. Tell him you have been thinking of buying a bit of land in the area, and you are getting to know the folks around here. Ask him if he knows of any appropriate land for sale in the area, or if he, himself, might consider selling you a small piece. If you go head-on, by writing a formal letter telling the owner what you want, you will likely never hear from him again. Be tactful and friendly - the kind of person who would make a good neighbor. After all, if he sells to you, you will, indeed, be neighbors. So, be friendly and unassuming.

Become familiar with the locals - be friendly and smile a lot. Let them know you are interested in buying a piece of land of a certain type and size. Let them know that if they run into something suitable, to give you a call (give them your card), and if you buy the land they referred, you will give them a finder's fee (\$100 should do it). By doing this, you become familiar with the area and the people where you may be living, and that is a good start.

If you are using auctions for finding property, there are a few caveats. Most auctioned properties are foreclosures, and any buyer may become liable for liens against the property that may not have been disclosed - or even recorded - so use caution. Properties auctioned for tax sales also have restrictions, in most states. For example, in New Hampshire if you buy at tax sale, the previous owner has three years to come back, pay you back (with interest) and reclaim his property. So, be sure to check into such things before you decide to go this route. The rules vary from state to state. In many states, the property, itself, is not sold for back taxes - only a TAX LIEN is sold. Now the property owner owes you, instead of the tax assessor, and if he fails to pay during a predetermined "cure" period, you may take the property, or foreclose, so to speak.

Information Sources on Land

One of the best methods to protect yourself from buying land that will not suit your purposes is by gathering as much information as you can concerning the area in question. To assist you, there are government agencies, such as the county Cooperative Extension Service, and there are maps from which you can gain great insight, such as topographical maps and soil survey maps.

Realize that, prior to building any residential, commercial or industrial buildings, you will need to get permits and approvals for such things as septic system (PERC test), soil surveys (where applicable), water use permits (where applicable), and sometimes a variety of surveys, depending on location. If the land is in a wetlands area, or in the area where there may be endangered species, you may not be allowed to build at all. These are things to find out BEFORE you buy.

The first map to check will probably be the PLATT MAP for the land, usually found at the tax assessor's office. It will show the location, approximate or exact size and boundaries, and tax information can be gathered by tracing it to its tax record. The assessor or zoning board will have maps that show the planned growth for the area, and what areas are zoned as current use, agricultural, residential, commercial and industrial. If the land you are looking at is not zoned for your planned use, find out from the zoning board if it can be rezoned, or if your proposed use is acceptable. If you put in an offer on a piece of land prior to getting this information, the contract should be contingent upon the land meeting zoning regulations.

Topographical maps, prepared by the U.S. Geological Survey are available for every section of the country. Each map covers a "small" area, usually about 50 miles square, more or less. These maps will show elevations (contours), water, roads, railroads, locations of buildings that existed when the map was last updated, locations of cemeteries, towns and more. Then there are aerial photographs of many areas, and these show things such as pastures, timber, erosion etc. Such photos, if available for your area, can usually be located by asking your town clerk, local conservation officer or county extension agent.

Soil survey maps from the county extension service or soil conservation service will show the types of soil in a particular area, their extent. Such maps can be used to determine if the land is suitable for your plans, such as gardening, farming, building (and septic design), or timber management.

The County Cooperative Extension Service usually has agents with expertise in such things as energy, community resources and development, agriculture, home economics and more. They can help you determine fertility of soil, type of soil, how it can best be used, and sometimes an agent will come and walk the property with you, providing advice and suggestions. They can tell you about the timber you have, and how to manage it best. In most cases, they can be helpful in providing info on the water quality.

The Soil Conservation Service is another valuable resource that can be tapped. He can discuss with you such things as erosion control (even walk your land with you, providing advice and suggestions), and possible water problems. This agent can also help you to determine proposed uses. Let's say there is a stream on the property, and you plan to use it to produce hydro power for your home. The agent might point out that this particular stream is dry about 1/2 the year, or he might advise you that a dam cannot be built due to problems it may cause in the watershed. These folks can run soil tests, too, for fertility, soil type etc. and make recommendations for amending the soil for certain uses.

Soil Condition

Whether or not you plan on growing anything from the ground, soil condition will be important, so make sure you find out as much as you can about the soil on the land you plan to buy. Clay soil can cause problems in getting a permit for a septic system. And it is difficult to grow anything - even grass - in hard clay. Clay does not absorb water well, causing run-off that can contribute to erosion and pools of water. Sandy soil, on the other hand, absorbs water too well, often leaving the surface area very dry. Few things grow well in sand, also. And, even more important is the effect of certain soils when building a foundation for a house. If the land is not capable of supporting your family's needs, you do not want to waste any time or money with that piece of land. So, it is important to know 1) the type of soil, 2) its fertility, and 3) its depth. If it is fertile soil, but only 2 inches deep, it will not sustain a healthy lawn. And at least 6-12 inches of good soil is required for most gardens.

Ideally, good soil would be finely textured, 3-5 feet deep with lots of compost - organic, with bacteria, fungi - and reasonably moist. It should drain well, but not too quickly, and have a neutral Ph of about 7 - more than this is alkaline, less is acidic. It should also be reasonably level, if being used for gardens or lawns. To "sweeten" acidic soil, apply lime. To "sour" alkaline soil, add sawdust, pine needles and leaf mold.

Look at the plants that are currently growing in the soil. Plants such as mullein, wild carrot, scrub pine, scrub oak or ox-eye daisy are indications that the soil is poor. If you see wild strawberries, the soil is acidic. Your county extension service can, simply by looking at the current vegetation, tell you much about the soil.

Essential Water

Water - an absolute essential for any life as we know it. Since it is that important, do not skimp on finding out all you can about the water resources on the land you want to buy.

Some people - especially those who have lived their whole lives in the city- think that "water is water", but while that may be correct in a general sense, it is not in the least accurate. Some water is clean, some polluted. Some has a high concentration of iron, or some other mineral. Some even have high levels of deadly MTBE caused by the new gasoline treatment.

If the land you are looking at is rural (why else would you be reading this?), chances are it is not supported

by a community water system (town water), and you will need to provide your own, through some sort of well, most likely. If the land already has such a source, have it tested for impurities. My own water has a very high level of iron, which, though not bad, can clog and corrode certain types of plumbing. So, to adjust, I have installed PVC plumbing in my home, and I make sure I drain my hot water heater annually, to clean out sediment that builds up.

Water can be hard or soft. If it is determined that your water is hard, you may need to install a water softening element in your home.

If there is no existing well, you will have to locate water sources. Often, the seller can fill you in on springs, ponds, streams and the like. You can walk the land, looking for wet spots which may indicate a spring of some sort. Dig carefully around such areas, looking for the source. A spring generally provides clear, cool water which comes from deep underground, but this is not always the case. One of the springs on my land produces polluted, oily water because an adjacent property owner once dumped large amounts of waste oil into the ground. If you find a spring, take samples of the water and have it tested periodically - at least once every 3 years.

Another option is the dug well, such as the one that was here when I bought my place. It is nothing more than a large hole dug below the water level. It is often lined with a concrete liner and covered with a concrete cap. If you must dig a well, try to pick a spot where you are likely to hit water before going too deep. Look for wet spots, or places that are lower than streams or other standing water on the property.

Springs and dug wells are not known for their reliability - they tend to dry up in long periods of hot weather, and are easily polluted. If you think you want a better solution, then the drilled well is the way to go. Drilled wells become necessary if the land has no visible sources of water - water must be drawn up from deep in the ground. If the land you are considering has no known or visible sources of water, consult a well-driller before you buy, because a land without a source of water is useless.

Most well-drillers will not accept responsibility if they fail to hit water. They usually just ask you where YOU want to have the well drilled. Here in New Hampshire, my 75 foot deep well was drilled at a cost of \$3500 in 1998. This price included drilling, lining the well, the pump and installation. In many areas, a well needs to be much deeper - often hundreds of feet, so bear this in mind, as the cost rises with each foot. My house in Maine has a 300 foot well.

Another thing to think about prior to your purchase is the quantity of water you will need. The average person uses 50-100 gallons of water each day. One cow requires from 10-35 gallons/day, two dozen chickens around 2-3gallons/day, and every 10 square feet of garden can use up to 7/10 of a gallon in a day (on those days that it must be watered).

Water is absolutely essential - don't shrug it off, and don't listen to sellers who gloss over it. Be certain the water sources are adequate for your needs.

Lay of the Land

The characteristics of the land should also meet your requirements. For example, if you plan on using some passive solar heat, there must be a good building site with a southern exposure. In cold climates, deciduous trees (they lose their leaves) are good for shade in summer, while letting the sun in during colder months. And evergreens can act as a buffer for cold north winds. Hilly terrain is not good for farming - erosion is a problem. Some slope may be desirable if planning to use solar applications, and for drainage away from a building. Bedrock can be difficult to build on, especially if you require a full basement. North facing slopes which get less sun tend to be damper, often resulting in rot, moss cover and so on.

For agricultural purposes, the land should not slope more than 15 degrees or so, for ease of tilling. This is also true for the actual building site, unless your plans call for a steeper south facing slope.

The altitude of the land can also make a difference. For example, my land is about 10-15 feet below that of my neighbors. In the fall, my property is the first to see frosts. In spring, we are the last to have snow still on the ground. Our gardens - both flowers and vegetables - generally mature about two weeks after everyone else's.

If the land has swamps or other wetlands, you may not be allowed to do what you want. Check with the state or local authorities - there are often restrictions on use of wetlands. Also, during certain times of the year, wetlands can flood - be sure you are aware of the high-water mark, to prevent having your driveway, basement or garden under water after heavy rains or spring run-off.

Before you buy, take the time to judge the character of the land, to make certain it is suitable for your particular needs.

Land Value

How much a parcel of land is valued at will vary widely, even in the same community. And how much a particular parcel is worth to you depends on how well it suits your needs. Many of these variables I cannot comment on, because they are just that - variable. Here we will discuss the actual monetary value of land.

One way to determine value is the method used by most Realtors, called "comping". They compare similar pieces that have recently sold, and compare these with the property in question. Differences in the properties will be cause to adjust the value accordingly. For example, let's say the piece you are looking at is 5 acres, a drilled well included. Level land, good soil. Recently a property near here with 7 acres, drilled well, level, good soil sold for \$49,000 - that's \$7,000/acre. Based on this comp, the piece you are looking at might be valued at \$35,000. But maybe your land has better views, which can raise that value. Or perhaps part of your land is wetland, which can reduce the value. This is how comping is done. Each variant is given a value, and those are added or subtracted accordingly.

Check around to see what other parcels are selling for - if they are substantially higher or lower, try to find out why. Also to be considered (discussed later) is access. Some parcels are "land-locked", without access, or with a deeded right-of-way. Others may have access only three seasons of the year. These differences can affect value considerably.

Another consideration is the dollar value of "cash crops" that can be grown on the property - timber, agricultural crops, flowers, maple syrup etc. This can help you to determine any additional value the land may have for you.

How much land will you need? If considering raising cash crops, determine how much crop you can grow, and its value. If planning to harvest your own cordwood for heating, the average home requires 4-5 cord of hardwood in New Hampshire - find out from locals or your extension agent how much wood you are likely to require. Note that, if well managed, seven acres of hardwood can sustain your heating needs (at 4-5 cord/year) forever.

Consider the amount of land that will be required if you plan on having livestock. Your extension agent can explain what each type of animal requires for pasture, water and feed. With most livestock, you will need additional land for growing the feed, unless you plan on buying all of it.

At this time you should also give some consideration to resale value. This is because your plans, for

whatever reason, may not work out, and you will want to know if it is feasible to get your money back. The resale value will have to include your purchase price, your investment in equipment and/or value added to the land (cultivating, planting, drilling a well etc.) as well as inflation or appreciation during the period you own it. If you pay \$45,000 for the land, drill a well for \$4,000, clear an area for a house at a cost of \$3,000, and it is now a year later and inflation has run at 5% (another \$2,250), you would need to be able to sell the land for a minimum of about \$55,000.

Accessibility

You may find a nice piece of land, maybe even with a home on it, and assume that the access to it is guaranteed. But you may be assuming too much. The driveway or other access may be across someone else's land. That's fine, as long as the right-of-way is legally deeded with the land. But in some cases, the right-of-way is not deeded - it was given, verbally, many years ago, and it has just "always been that way." In such cases, you may find yourself in jeopardy. The owner of that land could change his mind, especially if you and he don't get along. Or, he could sell his land, and the new owner may not permit access across his land. Note that, in cases of undeeded rights-of-way, there are no "grandfather" clauses to protect you, so make sure that, in the event you need access across the land of another, that your purchase includes a legally deeded right-of-way.

In many country areas, certain roads are not maintained in the winter months. If this is the case (find out), you will have to arrange your own maintenance (such as snow plowing). In still other cases, the town ordinances may not permit 4-season habitation in such areas, limiting the use for vacation purposes, only. Again, you should make sure that your plans meet all local ordinances.

In still other instances, the only good building sites may be far from the road. Are you willing to put in - and maintain - a long driveway? Will it require a lot of fill, or will it cross water? These things need to be considered. If a long driveway is required, then the value and the price of the land should take these costs into consideration.

Okay, so your land is on a town road. Does this mean you are in luck? Not necessarily. If the road is normally impassable during certain times of the year, though owned by the town, may not be maintained by the town. In such cases, if you decide you want year-round access, you may find yourself responsible for upgrading and/or maintaining the road. However, once you upgrade a town road, the town will usually maintain it from that point on. If the road is not passable all year, find out from local authorities as to who is responsible for what.

Rights, Regulations & Ordinances

If you have decided on a certain tract of land, you should check with local authorities about any ordinances or regulations that may affect your plans. Tell them exactly what you want to do with this property, and ask if there are any zoning or other restrictions, regulations or ordinances that might cause trouble for you. Most communities have their own zoning board, and each parcel of land will currently be zoned for certain objectives, such as current use (wild areas), agricultural, residential, commercial or industrial. Areas zoned agricultural might not permit certain types of homes other than farms. Residential areas may not allow a home-based business (commercial). By learning what is and is not allowed, you may save yourself a lot of grief later.

Every piece of land has, at one time, included a wide variety of rights. Mineral rights, water rights, timber rights and air rights are the most well-known. Somewhere along the history of the land, it is possible that a previous owner had sold certain rights to another person or company. In this case, the current seller cannot include these rights in his deed to you. I know a few real estate investors (myself included) who, upon

selling any property, automatically try to retain certain rights in that property. I always try to keep the air rights about 35 feet from grade level, in the hopes that someday my heirs will profit when buildings rise, cell towers go in, etc. Most folks just buying a home don't care if you keep the air rights, but the day may come when a future property owner may require them, and have to pay for the use of that air space.

The point is, check to see if you are receiving all the rights that you think you are getting. That stream that you are counting on for agricultural purposes may not be yours to use - the water rights may have been transferred to someone else, years ago. It is also important to note that, in cases where such rights may have been deeded away long ago, it may not show up in the public records- it may not have been legally recorded. But those rights, recorded or not, still belong to someone else. So use care - if you NEED certain rights, try and make sure they are specifically included in your purchase agreement, and in the deed.

By the same token, the deed to your land may very well include certain rights in another property - rights transferred years before. Your deed may include a right-of-way, or it may include water rights to a pond, stream or spring on someone else's land. I am currently in the process of transferring certain rights to a small portion of my land, to a neighbor whose land is not large enough for a leach field (for his septic system). When I eventually sell this property, the deed will clearly specify that the neighbor retains the right to use this certain portion of the property as a leaching field. He cannot use it for any other purpose. And, that deeded right will legally end if and when that house is gone, by fire or torn down, or any act of God. The reason for this stipulation is simply because the day may come when I, or a future owner, may need that land for another use.

One of the regulations that apply to every parcel of property is taxes. The taxes on this piece of land need to be calculated into your costs. It is also wise to check with the local taxing authority and see if any back taxes, or tax liens, are due on the property. Bear in mind, however, that changing the use of the property may increase the annual taxes. Tax rates differ according to how the property is zoned, or used. Also, find out when the last tax assessment was made. In many areas, properties are only assessed every 5,7, or 10 years. If the last assessment was long ago, you can be sure that there will be a new assessment soon - and your taxes will rise accordingly.

Conclusion

Hopefully, you have found (or will) that perfect piece of country land upon which you and your family will prosper and be content. I hope, too, that the black flies and mosquitoes do not overcome you :o) Owning country land can be a true adventure - a time to learn, reflect, and busting your butt. But all in all, it is likely that this decision is one of the best you will ever make, and the investment worthwhile.

Good luck, and may the forces of nature be kind to you.