



## Locate Land: Strategies for Shopping for the Right Parcel

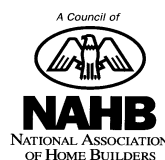
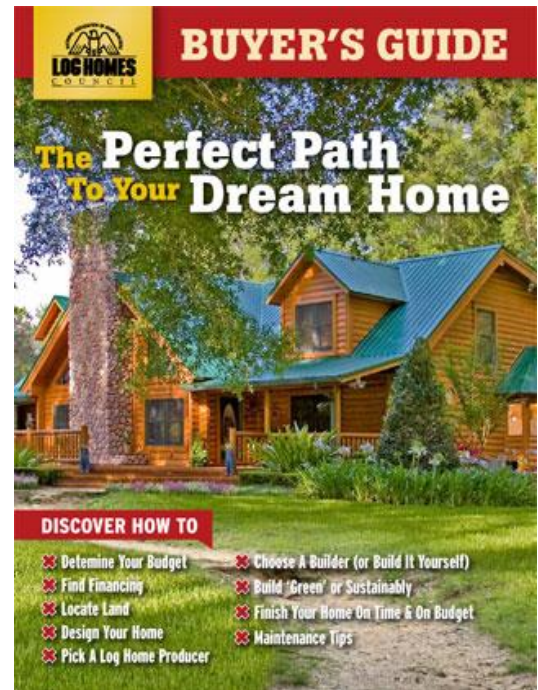
If you have decided to make your log home dream a reality, the good news is that you will likely be paying far less for land than you would have just a few years ago. Before the housing boom went bust, land costs were as much as 80 percent of the total cost of a new home in some markets in the United States. Now, depending on the region, that percentage has fallen into the single digits.

Most people know that land costs have dropped. But the numbers developed by the Lincoln Institute of Land Policy show just how far and how fast. The Institute and the Graaskamp Center for Real Estate at the Wisconsin School of Business created the free state-by-state database, which can be accessed here.

<http://www.lincolninst.edu/subcenters/land-values/land-prices-by-state.asp>

Land costs have fallen in places like Atlanta, GA and Cleveland, OH, by as much 30% to 40%, respectively, reports BuilderOnline, which analyzed the Institute's data. Scores of metro and rural markets have experienced the same drop. Have we hit bottom? We'll leave that prediction to other pundits. But some builders and developers are returning to the market and snapping up prime parcels.

Can you get a good deal on land? Use this portion of *The Perfect Path to Your Dream Home* by the Log Homes Council, to help you make savvy land buying decisions.





## **Start Shopping Online**

Begin your search online. There are scores of websites devoted to land purchases, including [Land and Farm](#), [Land Watch](#), and the United [States Department of Agriculture's resale website](#).

## **Quality of Life**

Getting a good deal on the price is great. But one has to weigh other factors. Do you like the view? How far away is the supermarket and other necessities? Will weather affect access?

## **Zoning & Density**

Start by visiting the local building department, either on the city or county level. Research the zoning and density requirements that surround your potential building site. Understand how your building site will be impacted by nearby development, as well as in the community as a whole.

## **Past, Present & Future Use**

What can seem permanent, may not be. A thick forest of Pondersosa pine, for example, can seem as permanent as the mountain itself. But beetle infestation has recently killed whole mountain ranges of forests across the Rocky Mountain states, turning evergreens into forever-browns. Wild fires can also consume large swaths of forests. Does your site have a past? Mining operations in a few areas of the country have polluted water tables.

## **Utilities**

Will you be on a well and septic system or will your building site have access to public water, sewer and electrical or will you have to build “off the grid?” The cost of these has to be factored into your budget. Density can affect the price of this as well as the quality of service.

## **Terrain, Soil & “Perc Test”**

How deep is the top soil? If your site is on the side of a mountain, the views can be dramatic. But if it only has a thin coating of top soil, contractors will have to blast bedrock to excavate. This will quickly increase foundation construction costs. Also, if you are installing a septic system you will have to discover if the site will pass a “perc” or percolation test.

## **Is Growth Managed?**

Has the state you want to live in passed any kind of growth management act? A few states have. Typically these plans delineate where growth will be channeled over the next 25 to 50 years, including community density, building plans, transportation growth and more. If there isn't a statewide law on growth, the local city or county council could determine where growth will be allowed. Either way, you





must make some judgment on whether you trust a community's intentions with the property you will be spending your money on.

### **Federal & State Lands**

If you're shopping for pristine land, look for areas that fall under federally protected land and wildlife rules. Even if land is privately owned, it will be subject to certain restrictions to protect endangered species. Critical habitats, including migration routes for eagles, spotted owls or bats, are typically exempt from large-scale developments, large power lines or highways.

### **Transportation & Traffic**

Analyze the access to your building site (is there more than one road in?) as well as to the community as a whole. Ideally, you'd want well-maintained roads and highways with a regional airport within an hour or two drive. But you don't want so much traffic congestion that it impacts pollution levels and noise.

### **Local Economy & Taxes**

Even if the views are stunning, they aren't sustaining. That's why the health of the local economy will impact your land decision. Grinding poverty can have just as dramatic impact on the landscape as an influx of billionaires. Which way is your community headed? Research the current tax rate. A community needs some taxes to support infrastructure needs, such as police, fire protection and water and sewer. However, tax rates in some resort areas have been known to dramatically increase, which can be a serious threat if you are on a fixed income in your retirement years.

### **Medical Care**

Ever sit around with friends and family and compare physical infirmities? This game of geezer poker is a precursor to all of us facing declining health in our latter years. So consider how far away is medical care, the size of the facility and the experience of its practitioners, before deciding on a parcel.

### **Community Covenants**

Covenant-controlled communities limits what you can do with your own property. This seems intrusive at first glance. But it's the only way for developers to tread lightly on the land and preserve their clients investments in the process. If there are no land use rules, your neighbors may invite every cousin to park an RV in their front yard—forever. Neighbors can be more than an annoyance; they can detract from the value of your investment.





### **Contingency Agreements**

After finding a lot you are seriously considering purchasing, work out a contingency agreement with the seller. These agreements indicate to the seller that you are serious enough to put a deposit down (usually nonrefundable) while giving you enough time to determine if the property is a buildable lot. These contracts usually run from 30 to 90 days. If the seller does not agree to grant such a contingency, then there may be something wrong with the property that he or she is reluctant to share.

### **Locate Land At a Glance**

Will your house design fit the size, shape and topography of the land?

Will the land value interfere with the mortgage loan?

Are there land-use restrictions?

Is the land in a flood zone?

Are there special covenants or architectural review board requirements?

Are there easements or setbacks?

Is the title free and without liens or complications?

Are utilities available? Where are electrical, phone, water, gas and sewage provisions?

Are soil conditions conducive to development? Will it pass a perc test?

What are the conditions of roads and bridges leading to the land?

What is the projected growth rate?

What zoning changes may affect the area?

How far away are protective services such as police and fire rescue?

Is the site insurable for fire or other hazards?

Will you feel at home in the community?

