



5 tips for making the most of your rural land investment

Investing in rural land can have many benefits – from enjoying recreational time with family to making income through timber harvesting. However, to protect yourself, you should conduct careful research on your prospective parcel and its value before making a purchase. Here are five tips to keep in mind before you buy:

1. Speak to the Experts

Many buyers begin their research by visiting the county assessor – either in person or online – to obtain a general idea of the value of a land parcel under consideration. It's important to note that assessed values are typically backward looking, so you will likely pay more for the land. These values may also include only the land and not any timber on the property, which can carry significant value itself. Speaking to real estate professionals, as well as forestry, environmental, survey and other professionals when applicable, is a critical step in determining the actual value of any rural land parcel.

2. Explore the Attributes

To some degree, what a buyer is looking for in a piece of rural land depends on its intended use, such as recreation, housing, development or resale. Regardless of use, certain attributes can affect the land's value and should be confirmed or mitigated before any purchase:

- Ensure you have legal and physical access to reach the land, and if there isn't road access, get a construction estimate and factor these costs into your financial planning.
- Review property records and the plat map filed with the county clerk, records or assessor's office, and ask the seller, to learn about any conservation, utility or other easements that could encumber your intended use.
- Make sure the soil will support your plans, such as building a house or putting in agricultural structures or fields, by checking USDA soil maps. These maps also identify which areas are high land suitable for building versus low land suitable for hunting or timber harvesting. If there is any uncertainty, hire a surveyor.
- Check with the governing municipality for any zoning restrictions.
- Check for any flood zones on the property through available FEMA maps.
- Check county records for the last recorded deed to the property, and ask the seller, to confirm that the sale includes water, timber and other rights.
- On shared waterfront property, check with the managing organization – for example, the



power company for many lakes or the state for riverfront – to ascertain dock building rights.

- Make sure the soil and water aren't contaminated – check with the EPA and walk the land looking for indications such as discolored soil, lack of vegetation, chemical smells or discarded fuel or chemical containers.
- Spend time on the property and in the area to assess future development pathways, proximity to highways, and nearby facilities that could impact your enjoyment of the property, such as animal confinement facilities, landfills and race tracks.
- Confirm with a title search that the land is clearly titled and no distant heirs hold partial ownership.

3. Look for Improvements

Any improvements on the property can add to the land's value to the extent that they will facilitate or enhance your intended use, such as a barn if it's the right size or a septic tank if you're planning to build. In any case, it's important to make sure any improvements are fully situated on the property and are in good condition.

Improvements to look for include:

- Dwellings, barns or utility buildings.
- Wells and septic tanks.
- Utility access or permits.
- Fencing and firebreaks.
- Entrance gates and lighting.

- Ponds or decorative plantings.
- An internal road system to access all areas of the parcel.
- If the intended use is hunting, clean food plots and shooting lanes are also a plus.

4. Prepare to Care for your Investment

If you purchase the property, you may want to add your own improvements to increase its value even further. Take a strategic approach to planning what you will do with the property. Experts recommend that before investing in any improvements, owners keep their property in alignment with surrounding land to protect future resale value – for example, razing trees in the midst of a forested region may make a future sale difficult. Of course, good land stewardship is essential to retaining any land's value, so be prepared to avoid soil and water contamination and manage any timber tracts. Buyers looking for wetland mitigation would be well-served to have a plan for repairing, restoring and enhancing any wetland areas on the property. Buyers anticipating future development expansion to encompass their property could consider pulling permits for or installing utility access.

5. Plan for the Long-Term

Real estate is generally considered a long-term asset, so buyers should be prepared to sit on a property for five to 10 years or longer to maximize their return. Of course there are always exceptions, and more

experienced buyers may be able to identify and capitalize on development trends to buy and sell quickly, but in general, rural land purchases are not short-term investments.

Sources: Douglas W. Monts, Jr., Chief Appraiser, AgSouth Farm Credit, ACA,
Greg Greer, Broker-in-Charge – Charleston Office, National Land Realty



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