

20 QUESTIONS LAND BUYERS SHOULD ASK

BY: PAUL WYLER



When purchasing land there are many things to consider. Based on our experience with land transactions, here are the top 20 things buyers need to keep in mind.

1. How long has the property been on the market and why is it for sale?

If it has been on the market for a long time, you might have a negotiating edge. Ask the real estate agent or use a website to learn this information. (Zillow, Realtor.com, MLS.com, etc.)

2. Are there any deed restrictions or covenants that apply to the property?

Deed restrictions, often called restrictive covenants, limit how a property can be used and what can be built on it. These restrictions are in addition to local zoning requirements.

3. Are any of the improvements reserved from the sale? (gates, fences, out buildings, etc.)

People have a different understanding of what is attached to the land and included in a transaction. It is best to spell it out in purchase contracts to leave no doubt.

4. Is there information available for this property on a web site or listing sheet?

Look for soil maps, aerial photos, list of improvements with photos, etc.

5. What are the annual taxes, insurance costs?

These costs vary widely between communities and directly affect the cost of ownership.

6. How is the property zoned?

Zoning issues can affect the present and future uses of a property. You should also ask if there are any potential zoning changes in the near future.

7. Are there any plans to change the use of adjoining property?

A peaceful rural setting can change overnight with an unexpected development next door.

8. Who are the neighbors surrounding the property?

Some neighbors come with issues you might want to avoid. Don't enter a situation that you might later regret. In some states, sellers are required to disclose neighborhood noise problems or other nuisances.

9. Is clear title available for the property or can title insurance be obtained?

Clear title means that the property has no liens or encumbrances. Title insurance will protect against loss due to defects in the title.

10. Do the mineral rights and timber convey with the property?

Minerals can refer to oil, gas, coal, ores, stones, sands, or salts. Timber can also be separated from the land where a firm pays for the right to harvest timber from a parcel.

11. Are hunting rights reserved on the property?

A hunting lease gives access to an individual or a group for hunting and/or recreational rights. This is becoming more popular in our area but has been around for a while.

12. How is the property accessed? (Road frontage, deeded easement, right of way, etc.)

Is access available directly from a public road, or is it necessary to travel across a pass way? The amount of road frontage can have a significant affect on value and uses of the property.

13. Are there any easements on the property? (ajoining owners, conservation, utility easements)

Easements to other individuals or entities can limit what can be done with a property.

14. What utilities are available to the property?

There is a difference between utilities being “in the area” as opposed to “on the property.” The cost of making utilities available to a property can be expensive, with a lot of the cost shouldered by the property owner.

15. Has the property been surveyed?

Many times assumptions are made as to where the boundaries are located and the actual acreage of a property only to find out later that the information was wrong. A survey can eliminate these issues up front.

16. Are there any environmental concerns with the property?

Environmental clean up is the responsibility of the present land owner regardless of who might have caused these issues in the past. You don't want to buy someone else's problems.

17. Does the land drain well and are there any flooding issues?

Soil type affects the ability of the land to support a septic system. A soil percolation test (perc test) determines the drainage of the soil and is required by most county health departments.

18. Is the property desirable to other buyers if it had to be sold again within one year?

Life happens, and situations can change when you least expect it. The more desirable a property is the more likely you can get your investment back should something occur shortly after your purchase.

19. What school district serves this area?

This applies more to housing and should be a consideration even if you don't have school-age kids. Again, think about what the next owner might want.

20. Is there a home inspection available for the dwelling?

Home inspections are generally not required by lenders but can be helpful to the buyer. Home inspections go into much more detail investigation of a property than an appraisal and may reveal issues that you may want to avoid or at least use as a negotiation point.



*Paul Wyler
Ag Credit Vice President-Credit.
Paul has been with Ag Credit for
39 years.*

