

LandThink #4
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Sizing up and pricing down a nice little place in the country

By Curtis Seltzer

I looked at an older farmhouse on 40 acres last week that has...issues. It was built around 1890 in the boxy three-over-three style common in its area. As originally constructed, it had two stories, six rooms, front porch, short ceilings, no bathroom, no electricity, no closets to speak of, no insulation, wood siding and a standing-seam metal roof. The central heating system was a single flue pipe with six ports, three on each floor, for wood-burning stoves. The house sat on a stone foundation, such that the bottom of the floor joist was about eight inches from the surface of the ground.

Over the years, things had been done. Some properly; others might be described as fitting comfortably in the “jack-leg” school of home improvements.

A tight bath-sink-toilet bathroom had been stubbed out on the ground floor. The kitchen had a sink and few other necessities. The rooms were adequately sized, but would become smallish if closets were built in.

The water system was a gravity-fed spring located about 500 yards away, across a river. The small-diameter plastic line’s low point was six feet below the river’s bottom. Water flow in the house depended on vigorous hoping.

An approved septic system had been installed about 20 years ago. It was designed to meet the requirements of a “two-bedroom” permit, which means the house could legally accommodate only four persons. The third upstairs room could not be a bedroom.

Further, the approved system barely met the requirements—the holding tank was the smallest allowed, the drain field was the minimum.

Waste water from the kitchen did not go into the septic system, as current regulations require. Rather, it flowed into a hole—an older sewerage design.

The electrical system was a 200-amp box and three-hole outlets, so I assumed it was safe.

The property was two parcels, connected more in theory than practice. The front five acres contained the house with frontage on a public road and several outbuildings that had seen their best days when Herbert Hoover was a pup. The back 35 was separated from the front by the year-round river. No ford had been excavated, so I assumed a ford was not practical. A bridge would cost \$30,000.

The back of the orphan parcel had been timbered recently. No commercial timber value would appear there for 20 years.

Most of the front and much of the back was river bottom.

I checked the Flood Insurance Rate Map (FIRM), prepared by the Federal Emergency Management Agency (FEMA). A FIRM shows the floodplain in a small portion of a county. You can buy them at !! [HYPERLINK "http://msc.fema.gov/"](http://msc.fema.gov/)

¶ http://msc.fema.gov¹. The county’s building or zoning office will have them, as will local insurance agents.

The FIRM classified this bottom as Zone A, where the elevations for a Base Flood were not determined in FEMA’s 2008 floodplain update. A Base Flood is an amount of flood

water that has a one percent chance of being equaled or exceeded in any given year; it's also called a 100-year flood or a one-percent chance of (this degree) of flooding. This spot has had three Base Floods in the last 25 years, though I don't know whether water reached the house.

To protect against flooding, the house needed to be jacked up 30 inches or more. (Each jurisdiction has its own floodplain clearance requirement.) That job involves a new footer and probably five courses of block. The added benefit of doing this miserable task is that it would create a useable crawlspace and allow for insulating floor and pipes.

The orphan acreage in the back might be sold to a neighbor. A right-of-way easement might be purchased from a neighbor on either side. Or a bridge could be built. Apart from the expense and effort a bridge involves, any proposal would have to be submitted to and granted a permit by the U.S. Army Corps of Engineers and possibly other agencies. A bridge would be convenient and increase the value of the property, but it would be a very expensive investment given the overall value of the property.

Much other work was needed. A new bathroom/utility room. A different water supply system—maybe a holding tank and pump at the house, or a well on the front parcel.

Additional electric baseboard heaters. A kitchen makeover. Central heating? An upstairs bathroom? Bigger septic system? Energy-efficient windows?

All such work could be deferred, temporarily or permanently, if the new owner were willing to risk flood damage and put up with the property's idiosyncrasies. In that case, the property could be a good buy if it were bought for what I thought it was worth as is. That price in my opinion was less than half of the asking price.

If, on the other hand, a new owner determined that everything needed to be made right, \$100,000 to \$125,000 would pass through his hands very quickly. Given the intrinsic value of the house, I could see doing a few things and letting the others slide.

I would elevate the house, add a water tank/pump, and install electric heaters. The first would prevent predictable damage; the second and third would increase livability.

I would not add a second bathroom upstairs, but I might eventually get around to redoing and enlarging the existing ground-level bathroom. The kitchen could be made more functional cheaply. The bridge, though it is to somewhere, is not worth its cost in dollars and effort. The back acreage is floodplain and woods. I'd forget about trying to upgrade the down-and-outbuildings, and I wouldn't monkey with the septic system.

As is, this place has worked as a full-time residence. But it does have issues that discount value and make for inconvenience.

I don't think it's priced right in today's market, given its combination of virtues, risks and needs. The buyer's price is about 50 percent less than the asking price, a little less in my opinion than the owner's purchase price a decade ago.

It was a sobering visit.