

Landthink #1
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Three cheap ways for land sellers to improve their marketing

By Curtis Seltzer

The devaluation in real-estate values that began in metropolitan areas in 2007 with over-valued residential properties is starting to roll into the country. Sales seem to be slowing. Sellers lower their asking prices to move their properties in a market that's turned against them.

A cut in price will have more impact on buyers if it's packaged with three trust-building gestures that position them to make a deal.

1. Provide complete property information.

I advise sellers to put together a packet that includes the following:

Seller's deed with boundary description. If the seller did a title search when he bought the property, offer it to the buyer. If the seller is offering less than a general warranty deed and fee-simple ownership (all rights, including minerals), explain why and what it means. Sellers can offer warranties as part of a purchase contract that go beyond their deeds.

Disclose any easements that run with the land, such as conservation restrictions and provisions for ingress and egress

Topographical map with drawn boundaries or recorded survey

Current tax-assessed value and property tax

Balance on seller's mortgage, if any; name of lender; assumability

Original purchase price or seller's adjusted basis in the property;

length of seller's ownership

How is the property owned—individual (s), husband/wife, estate, business entity, etc?

Willingness or not of seller to finance buyer; include conditions and format

Honest valuation of particular assets, such as agricultural land and facilities, timber, minerals, income-producing activities, etc.

Cost of current insurance; scope of coverage; insurance vendor

Environmental issues that affect or limit use of property, such as floodplain, archeological resources, endangered species and their habitat; wetlands; ground issues (earthquake or landslide zone, sinkholes), invasive species, dumps, etc.

Patterns of trespass, nuisance and annoyance

Boundary disputes. Encroachments. Fences off survey lines. Unrecorded documents.

Reason for seller selling.

Some very good country brokers follow this rule of thumb: "The more you tell, the more you sell."

In this market, sellers have to build trust with their buyers. Full and accurate information is the way to do this.

Don't exaggerate the value of assets or conceal problems. When the buyer discovers the truth, the trust that the seller has been building evaporates..

2. Explain your price.

Price is the bone that buyers and sellers usually gnaw on. "This is my price," the seller says. "Too high," the buyer replies. And it either goes from there, or goes nowhere. I've found that buyers are more receptive to a seller's price when it's explained and justified with honest numbers.

3. Sellers: Make yourselves available.

When property is listed with a broker, a wall is erected between seller and buyer. Some think it's useful to keep the sides apart with no face-to-face communication.

With country property, I've found it's invaluable for the sides to meet, talk things over, build a relationship, find common ground and learn things that only the other knows. The seller has more information about his property than any agent, no matter how diligent. Sellers can distinguish their properties from others on the market by distinguishing themselves. Providing an opportunity to meet in person, talk on the phone and email is the way to reach a deal in troubled times.

Talk is cheap; trust is dear...and invaluable. Build it...and benefit.