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Buying land on impulse puts buyers at risk
By Curtis Seltzer

BLUE GRASS, Va.—Buying property is one of life’s big decisions, almost as important as choosing a spouse and a little less important than a cell phone. Some people decide with their heart or their gut, depending on gender. Love-at-first-sight matches can work out just fine. But many snap decisions are emotional and financial disasters—in both mates and real estate.

Don’t get me wrong. You should fall in love with a country place. I’m as dopey about this romance as anybody. It’s just that the thunderbolt kind of love -- that mysterious mix of emotions, hormones and other stuff -- is a bad basis on which to invest money. Yet, many otherwise smart-enough people buy a place in the country based on whether it sings to them on their first date. I did.

I heard the song; I sang; I even inhaled.

Using \$5,000 from my parents in 1970, I bought what I thought was 100 acres about 30 minutes north of Amherst, Massachusetts. Later, I discovered that I owned only 60 acres. That rocket ride to the altar taught me not to buy land that lacked an acreage number in the deed. All your “DUHS!” are coming though loud and clear. But I was 25...and in a buying fever.

Three other writers were similarly afflicted.

Michael Korda tells *In Country Matters* (2001) how he bought a 1785 house on 20 acres in Dutchess County, New York in 1980 for \$250,000—in less than an hour on his first visit. Before shaking hands, he writes that he could see almost nothing since sheets of rain were pouring down in a heavy fog. He never walked the fields. He only “glimpsed” two barns. He never inspected the house, just a hurried walk-through on a miserable afternoon.

Consequently, his self-deprecating book tells of an owner throwing tons of cash at numerous problems in the house, outbuildings and land—all of which could have been discovered before he made his offer. Korda boasts that he became “...pretty good at writing checks....”

Laura Shaine Cunningham, *A Place in the Country* (2000) and Jeanne Marie Laskas, *Fifty Acres and a Poodle* (2000) also bought places on impulse.

Cunningham writes: “The love of city people for the country is a mad love; it feeds on impulse and pays no attention to fact. We, the buyers of country places, don’t really want to know too much about them before we take

possession. ...we never dwell on the nasty mathematics of cost or hear the 'mort' in mortgage."

Cunningham, too, became skilled at writing large checks after closing.

Laskas writes about her purchase price: "If I have learned anything about money in my thirty-seven years of living, it is to ignore it. ...never, ever add numbers up."

Deliberate ignorance helps her buy a "house with an identity crisis...something like a chalet stuck onto a trailer." She says that "this house needs me."

The pond is choked with "lilies a la Monet." The fields are carpeted with multiflora rose, an almost indestructible shrub, making the land unsuitable for crops and even pasture. The barn is a "crooked old thing."

She finally admits. "We are stupid. And this multiflora is a symbol of our stupidity. We bought fifty acres of thorns."

Fools learn from their own mistakes; wiser folks learn from the goof ups of others. No need exists to be a witless buyer of country property. Here's what to do.

Organize a process. Approach buying country property as a logical process of becoming an increasingly skilled investigative land reporter. The object is to learn before you buy, think through before you spend.

List the information you need to acquire, tasks you need to research and their rough sequence. Revise the list as you acquire more information and new questions. Develop a research routine and go through it on each target property.

Get an agent's help in unfamiliar territory. Work through a buyer's broker--a licensed agent who represents your interests, not the seller's. You might even find an exclusive buyer broker who only works for buyers. Buyer brokers split the seller-paid commission with the seller's broker, but their loyalty and fiduciary responsibilities are owed to their client, the buyer.

I advise working with an Accredited Land Consultant (ALC). These Realtors have earned a special status in their profession through considerable experience in land sales and extensive education. ALC information can be found through the Realtors Land Institute at www.rliland.com.

Certain agents also concentrate on horse properties, farms, bed-and-breakfast operations and timberland. Find an agent with whom you are intellectually

comfortable, who shares your nuts-and-bolts approach to evaluating property.

Get specialized help. Line up your team of experts before you get serious about a target. You will need a local lawyer advising you before you make any offer. You may also need a surveyor, consulting forester, farm analyst, minerals consultant, physical engineer, soils scientist, excavator and contractor, among others. Get their thoughts on a target property before you submit your offer; during escrow is often too late.

Visit land with a cop. If you are prone to impulse buying, never visit a target property without a cop to enforce your no-buy-on-the-spot rule. An old friend who thinks like a CPA would be a good choice.

Become your own university. Making yourself smart about what you're doing will save you money. Become knowledgeable. Learn how to research land. Research-based knowledge strips risk out of a purchase. Never depend on the kindness of strangers.

Determine what a property is worth to you before you make an offer. Your price is what you can afford given the assets of the target property and what your plan is for it. Your price has nothing to do with the seller's asking price, an appraiser's opinion of market value, tax-assessed value, replacement cost, insurance value, comparable prices of recently sold or currently listed properties or what the guy at the local gas pump thinks is a "good deal."

Never exceed your price.

Fear ignorance. With country property, what you don't know before you buy can hurt you down the road. If you buy it, you own it--broken and otherwise. Nothing is more chancy than taking a flying leap into the unknown.

Buying property on the basis of emotion and impulse is gambling in a game where the only money at risk is yours. A few people will luck out, but the odds are always against luck. Take it from four writers who played the game wrong.

Contact: Curtis Seltzer, Ph.D.
Land Consultant
1467 Wimer Mountain Road
Blue Grass, VA 24413-2307
540-474-3297
curtisseltzer@htcnet.org
www.curtis-seltzer.com