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How to sell country property in a crummy market
By Curtis Seltzer

BLUE GRASS, Va.—Many sellers today may feel quietly desperate. Recession is here; credit is tight; buyers are scarce; property is not moving.

Real-estate gurus advise sellers to cut their prices, pay more of the closing costs and improve their properties, if only cosmetically. Gurus, in my experience, usually urge followers to spend money, often on them.

Sellers can help themselves by embracing three principles: full disclosure, play straight and act reasonably.

The main idea is for the seller to build -- dare I say this in a real-estate column? -- a “relationship” with a buyer that rests on transparency and trust.

Recently, I found a For-Sale-By-Owner property advertised as 200 acres “of heaven” with all mineral rights. It was priced at \$230,000.

I contacted the seller who gave me a little location information. The coordinates he provided were wrong. I asked him for a topographical map with boundaries roughed in, which he may have had, but, in any case, never sent.

After two hours of Internet mapping research, I could not pinpoint the property. Why is the seller making this hard for the buyer?

I contacted the county clerk and paid him \$6 to fax me a copy of the seller’s deed and a tax map.

Surprise! The deed specified 145 acres, not 200.

“Oh,” said the seller. “I asked the county guy about that when I bought the place in 2005. They used a replamenter system to figure the 200. That’s what it looks like when you walk around it. I’ll split the cost of a survey with you.”

I had never heard of a “replamenter system.” Neither had my dictionary, which is the size of an Alp. I emailed him back. I said he might be referring to a “planimeter,” which is a digital measuring device about the size of a fountain pen that is rolled over drawn boundary lines on a scaled map to determine acreage contained within the lines.

I told the seller that a planimeter acreage measurement was only as good as the lines on the map. If the drawn lines did not accurately reflect the acreage

he legally owned, neither would the planimeter's reading.

The seller insisted that the "replamenter system" was accurate.

Further inquiry revealed that a county tax official had run a planimeter over a tax map to come up with the 200-acre figure. Tax-map boundaries and acreage figures have no legal standing. They don't change acreage in a deed. Sellers should not sell, and buyers should not buy, on the basis of acreage calculated from tax maps.

A deeded acreage figure may be right or wrong, but the seller can only convey the acreage that is contained within the deed's boundary description. The seller's deed description may actually contain more -- or less -- acreage than 145. This seller needed a surveyor's help.

I suggested that he hire a surveyor to plot his deed boundaries using a deed-mapping program. This is a fast and cheap way of drawing boundaries on a topographical map. But here came surprise number two.

The seller's deed was a late 18th Century model that read something like this: The line begins at a corner of the Joe Blow lands that lie to the north along Big Troublesome Creek, until it comes to the old stump in the middle of the Creek that used to be visible at high tide but is no longer there; thence along a line below Applesauce Ridge to a rock; thence along lands formerly owned by Josephine Blow; thence along a deer trace below an unnamed ridge with a big chestnut at the lower end; thence to the point of beginning, containing about 145 acres, more or less.

A surveyor may or may not be able to convert this mess into linear feet and compass directions. The seller liked the idea of sticking with 200 acres as the basis of negotiations.

Oh yes, his deed contained three other news-to-me items.

A previous owner had retained the mineral rights. The seller claimed he had bought them back, but produced no document showing same.

The same individual had also reserved a first right of refusal on any subsequent sale and the right to veto any division.

The seller assured me that none of these undisclosed reservations presented any problem!

The seller paid \$170,000 for the property in late 2005. Since then, his house had burned down. How exactly had his property -- in a county with very high jobless and poverty rates -- appreciated so significantly in two years given

the house loss? “Just has,” the seller told me. I researched local comps. Perhaps the seller was looking at a different data set.

This seller’s behavior forced me to conclude that he was unreliable, deliberately misleading and not going to be a good partner in a purchase. He had poisoned the credibility of his own well. I could trust nothing he offered from it.

Had I been advising this seller, I would have suggested these guidelines:

Disclose at the start the full truth to the best of your ability to ascertain it. Don’t keep quiet about things that a buyer will eventually discover. Don’t conceal defects, either by not mentioning them or by throwing a rug over a hole in the floor.

Don’t deliberately mislead. Don’t lie to buyers.

The most important time in a seller’s life occurs when a buyer first reads his advertisement. That is baseline truth as far as the buyer’s concerned. Each time a buyer turns up truth that differs from the ad, he is less motivated to proceed. He says, “I’ve found five seller lies, but how many have I missed. It’s too risky to go on.”

Be helpful; confirm facts. Provide a package of basic information in the first contact with the buyer, either directly or through your listing agent.

This might include: relevant deeds and other important recorded documents, survey, topo map with boundaries drawn by a surveyor, tax information (annual payment and assessed values), easements, neighborhood information, defects in the property that are not obvious (such as barrels of old pesticides buried in the garden), problems with structures, photographs, appraisal if available, mortgage information (monthly payment, balance, term left, rate, lender), your purchase price, additions/improvements you’ve made, insurance coverage, something about you and your reason for selling.

Include information about the property’s assets. Provide honest evaluations of timber, minerals and farmland. Inflated values discredit a seller.

Building trust is the key to selling in a weak market. Providing accurate information only costs a few hundred dollars.

Tie up loose ends and resolve deal-killers. A veto over future division ended my interest. Severance of mineral rights generally prevents the new owner from donating a conservation easement. Sellers should clean up these things before they put dollar one into increasing the curb-appeal of their house by installing a costly brass doorknob in the front door. Most gurus and all

property stagers will disagree.

Know what you're doing. Take the time to understand the definition and meaning of the information you're distributing. Don't call a planimeter a replamenter.

Disclose what you don't know and what you're not sure of.

Don't puff your property. Don't exaggerate your property's virtues or minimize its problems.

Justify your asking price with honest evaluations of your property's assets.

Use appraisals and comps. Explain how you got to your asking price and show the buyer the evidence for its fairness.

Most sellers play too much hide the ball.

In a market favoring buyers, sellers should play a different game. It's called show the ball.

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