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# Top 19 Tips for Buying Land from the Pros

By [Benilyn Formoso - Suralta](#) on November 20, 2018 | [Real Estate Investing, Strategy](#) | [Comments \(0\)](#)

Buying land is hot in many markets right now, and it can be a good investment if it's done the right way. Buyers need to learn from the pros to make the whole transaction smooth. We asked the experts for their best tips for buying land to help guide you in making the right decision.

Below are the top 19 tips for buying land from the pros:



## 1. Ensure That the Property Is Clear of Liens

**Karen Ford, Master Financial Coach, [KBF Management Company](#)**

When planning to buy land, it's important to do your own due diligence to ensure that the property you are buying is free from liens. It's recommended that you hire an attorney to check the title of the property and the deed. Once you are sure that the property has no liens, you can then make a fair offer for the property.

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## 2. Buy Before the Potential Upcoming Trends

Jennifer Jones, Real Estate Agent, [Realty Mark Center City](#)

In Philadelphia, investors are continually snatching up parcels of land in trendy areas such as Brewerytown, Fishtown, Temple University, and Kensington. New development on those lots list for \$400,000 to \$600,000. One way you can be ahead of the trend is by reviewing the City's Planning Commission's 2035 Comprehensive Plan to see what grounds they plan to build on next. Another tip for buying land is to buy where you'll see Indego Bike Share stations. They indicate that the community is seeing a steady incline in population and popularity.



## 3. Hire Your Own Surveyor to Get a New Survey

Flavia Berys, Real Estate Broker & Lawyer, [Solamar Realty](#)

Buyers of vacant land should always commission a new survey for the deal. Do not just rely on an old survey that the seller may provide. Instead, buyers should

hire their own surveyor, as an alternative can have an existing survey made for someone else, like the seller, re-certified to the buyer. A survey can only be relied on by the party named in the surveyor's certificate. No other party has the right to rely on the survey, meaning that other parties not named in the certification don't have recourse if there's a mistake in the survey. For that reason, it's important that the buyer is named as a party in the surveyor's certificate to help avoid boundary disputes or issues with the physical location of easements and other property characteristics.

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## 4. Consider Checking for Tear-Down Properties When Buying Land

Kim Howard, Co Founder, [Howard Homes Chicago](#)

When searching for land, it's tough especially in metro markets with dense populations to find land that's being sold as a stand-alone. In city areas and most suburbs, a great investment can sometimes be looking for the run-down properties that are in need of total demolition that you can then build a brand-new property on. Sometimes, you may get lucky and the price of the home may be even less than the value of the land that the property is on.

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## 5. Do Your Due Diligence Before Buying

Albert Marinas, CEO, [XXiPad](#)

Research is your friend when it comes to buying land. The key is to understand what information to research. One tip is to look at the zoning in the area of the land you're looking to buy. If you're planning on buying land to later sell, then you should think as the future investor of your property. Is the land for commercial/retail use, residential, industrial? Also, research transportation improvement projects. Ask yourself, what can investors expect? What are the amenities or roadway improvements that exist or are being added to the community/area it is located in? Find out if such amenities and improvements will impact, increase, or decrease the value of the property.



## 6. Anticipate Land Taking Several Years to Sell for a Profit

Steve Johnson, President & Broker, [Real People Realty Inc.](#)

Typically, land will often take years to sell. In a situation where a parcel of land needs to be sold in a timely manner, one can expect to receive about half of the parcel's full value. Exceptions exist in a hot real estate market that has a shortage of housing inventory. In this situation, land may sell quickly. Also, the value of land can often take 10 to 20 years to see positive appreciation value, as there must be an economic shift in the market to drive that change. Consider these things especially if you're buying land as an investment.

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## 7. Consult a Builder Before Choosing a Site

Lisa Pickell, President, [Orren Pickell Building Group](#)

It's a good idea to bring a builder in before you choose a site. Your builder may have ideas about how a home can be designed to use the space, positioned to take advantage of views and light, and more tactical things like where to place the driveway. In addition, professional builders can point out potential problems, such as costly land prep challenges, that you may not want to take on.

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## 8. Get Comprehensive Title Insurance Coverage

**Brent Thurman, President, [Keystone Insurance](#)**

One of the most important tips for buying land is to ensure that you are protected with a comprehensive title insurance coverage. There are different levels of coverage for a title insurance policy: one is fairly basic and checks for liens and accuracy on the property recording, whereas the second option, which is also more expensive, will give additional coverage for other issues such as property line disputes. The second option will be very useful, especially in some states. For example, in Utah, boundary markers that go uncontested for 20 years or more allow the landowner to request an adjustment of property boundaries on the title to match the new boundary marker rather than the old survey. If this happens and you had to buy the encroached portion of your property from the neighbor, your comprehensive title insurance allows you to turn a claim into the title insurance company. You'll receive a settlement covering most of the additional land purchase. Buying land is a significant investment, so it just makes sense to choose the better coverage for your own protection.



## 9. Be Patient if You Want to Become a Land Investor

**Mark Ferguson, Real Estate Broker & Owner, [Invest Four More](#)**

If you plan on buying land as an investment, it's best to find an awesome deal and buy land that is cheaper than it should be so you can either hold it for appreciation or sell it for a quick profit. In most cases, it takes a while to sell land, so you have to be patient before you can earn from it. Unless your land is in a Conservation Reserve Program or can be farmed, you most likely will not be earning any income while you own it (unlike a rental property). It is also tough to

finance land, although it's possible with some local lenders. The best land investors have a lot of money and a lot of patience.

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## 10. Work with a Professional to Make a Favorable Purchase Agreement

Matthew Kammeyer, Broker, [Five Star Real Estate](#)

Price is only one of many important items in a purchase agreement. Very often we find that terms are more important than the purchase price. Make sure to work with a competent real estate broker or real estate attorney to draft the agreement and that it complies with the most current laws.

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## 11. Be Prepared to Put at Least 30% Down Payment on Financing

**Amanda Bolton, Realtor, [Platinum Real Estate Professionals](#)**

There are two types of loans: long-term (20 or more years) and short-term (24 months or less). Either way, you should be prepared to put at least a 30 percent upfront down payment for your loan. If you also plan to build on the land, prepare for a 30 percent down payment of both the land cost and building plans combined. You will be able to take money out of your loan as you build.

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## **12. Beware Flood Plains, Mudslides, & Land Erosions**

**Yaniet Santos, Owner, [Express Glass & Board Up Service](#)**

You need to consider the layout of the land and any potential hazards that could exist in the future. Check if your land is in the floodplain, because having a low-elevation property can become tricky when it rains and storms. If you are in a flood-prone region, make sure you can secure flood insurance. Is your land on a slope? If so, when adverse weather approaches and brings the rain, depending on your soil composition, you could experience mudslides or land erosion. As a land buyer, you should assess the land for all seasons and all scenarios.

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## 13. Check the Zoning of the Land Before Buying

David Pressler, President, [DRD Enterprises Inc of Davie](#)

There are instances when land is being sold and there is an existing title insurance, but the title search does not cover zoning issues. This lot may have a zoning change that did not show on searches and you will just discover later on that this lot could not be built on. To prevent this problem, always ensure you check the zoning of the land before buying it.



## 14. Work with a Realtor Who Specializes in Land Purchases

Evan Tarver, Editor, [Fit Small Business](#)

Buying land is similar to buying a standing structure, but it has its differences. Make sure the realtor you're working with has experience buying and selling land

as well as negotiating land deals. Things they can help you with are things like zoning and fair market value.

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## 15. Research the Neighbors

According to BuildingAdvisor.com, one of the important factors that you need to consider when buying land is the neighbors. Make sure to check for possible nuisances such as unwanted noises, smells, or hazards like farmers' silage, hunters, snowmobile trails, or a firing range. Also, find out who your neighbors are and whether their lifestyle is compatible with yours, as this too is essential especially if you plan to build on the land and live within the neighborhood.

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## 16. Review Roads & Access

Depending on your purpose for buying the land, LotNetwork suggests checking the roads that can be used to access the property. Generally, you'll want the land that has direct and easy vehicular access to a public road. If it doesn't have direct

access to the main road, do your due diligence to ensure that the proper easements and rights of way are in place, and that future road plans are favorable to the lot's position.

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## **17. Check the Values of Comparable Properties in the Same Area**

The price is one of the most important things to consider when buying land. According to National Land Partners, you'll want to check the values of comparable properties within the area to ensure that you are buying it at the right price. After all, a property purchased at above market value will take longer to appreciate, and this could affect the growth potential of your investment.

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## **18. Set a Realistic Budget & Stick to It**

According to Happy Money Saver, the first thing that you have to do before buying land is to set a realistic budget and decide how much you can afford. Your

budget will be your basis in finding the land that will best suit what you can afford. Make sure to stick to your budget but also be prepared to make some small adjustments as necessary.

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## 19. Hire a Land Planner

Realtor.com suggests hiring a land planner before you purchase the land that you like. A land planner is a professional who scrutinizes the land for any possible flaws that may become an issue later. A land planner checks things like vegetation, wetlands, soil type, water table, slope, and access, as these are just a few of the items that will have an impact upon whether structures can be erected.

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## Bottom Line

Buying land is like acquiring your own piece of earth. Many people prefer to buy land than buying a brick-and-mortar property because they want to customize their own home or building according to their personal taste. Use the above expert tips for buying land to ensure you make the right decision and avoid certain pitfalls.

About the Author



Benilyn Formoso - Suralta

Benilyn Formoso-Suralta is a Finance Writer at Fit Small Business. She has 12 years experience in consumer banking, real estate sales, and foreign exchange. A bookworm, fitness enthusiast, and proud mom-of-two. She loves to read, write, go to the beach, do Yoga, stay fit, and spend quality time with her family.

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