

Successful Home Contracting



How to save thousands of dollars and get a better quality home by acting as your own contractor.

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Lesson Three

Finding and Purchasing Your Lot



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Where You Are In The Course

LOT

PHYSICAL -
FINANCIAL -

Selecting the Lot
PURCHASING THE LOT

PLANNING

PHYSICAL -
FINANCIAL -

PLANS AND SPECIFICATIONS
PROJECT SCHEDULING
COST ESTIMATE
CASH FLOW PROJECTIONS

CONSTRUCTION

FINANCIAL -
PHYSICAL -

FUNDING
COST CONTROL - JOB COST ACCOUNTING
SUPERINTENDING
DAILY SCHEDULING
PURCHASING
SUPERVISING AND COORDINATING THE
CONSTRUCTION (QUALITY CONTROL)

SUCCESSFUL HOME CONTRACTING

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Published by
Home Building Answers
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The interactive features are provided solely to enhance your learning experience. We have only added links where (in the opinion of the editors) additional information is useful. We did not want to add so much stuff that it becomes a distraction rather than a useful tool. Also, we did not want to break the rhythm of your learning experience with an over abundance of side tracks. So don't expect links on every page. We hope you will appreciate this approach. The "Links" page at www.homebuildinganswers.com will also point you to a wealth of additional information.

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Want t nestle your bungalow in the trees?

Overview

We have found over the years that almost 90% of the people who take our course already own a lot! If this is you, you may want to skip over to Lesson Four, which begins the Design portion of the course with an examination of Plans and Specifications. If you find yourself going through the process again in the future, you may want to come back and digest this lesson. It will definitely save you some heartache and money.

In this lesson we will look at ways of finding and comparing lots. You will also find a list of criteria you will want to consider in evaluating a lot to see if it meets your needs. Then we will look at purchasing your lot.

WHAT YOU WILL LEARN IN THIS LESSON

- How to find your lot.
- How to find out who owns a lot you are interested in.
- A statistical method for comparing lots.
- Many things to consider when selecting your lot.
- Some things which may be "Buy, no-buy" items. In other words, if they are not right, you don't buy the lot.
- The importance of soil types in certain areas.
- Off-site conditions which affect your decision on a lot, like the number of homes for sale in the neighborhood.
- Where to find information on those criteria you want to consider.
- The various types of sellers you are likely to encounter including The Professional, The Reluctant Recruit, The Happy Recruit, The Casual Seller, and The Motivated Seller.
- What should be in your Offer to Purchase.
- What an Option is, and when you should use one.

YOUR HOME IN RELATION TO THE NEIGHBORHOOD

When you start to look for your lot remember this - whatever size home you plan to build, DON'T OVERBUILD THE NEIGHBORHOOD! This is especially true if you are building the home for sale. And no matter how much you think you'll live in this house the rest of your life, chances are you'll end up selling it some time in the future.

FINDING YOUR LOT

LOTS AND SUBDIVISIONS

We have assumed that most of the people who are taking this course are interested in building on a lot in a developed or developing neighborhood. When raw land is broken up into building lots with streets and



Subdivision

utilities provided, it is said to have been subdivided - hence the term "component." So these terms, "lot" and "subdivision," will be used extensively in this and other sections. If you are planning on a more secluded setting, say on a mountain top or in the

middle of 150 acres, don't worry - the process is basically the same. You'll probably be dealing with a septic tank and well instead of city sewer and water, and you may have to pay a little more to have the materials hauled out to your property, but as we said - the process is the same. So please don't be put off by our use of "lot." If this doesn't fit your situation, just substitute "farm" or "estate" or whatever is appropriate.

WHERE TO LOOK

If you don't already own one, your first task will be selecting and purchasing a lot. Most people go about this in a very haphazard manner. Whatever method they use to find a property, they certainly don't use any systematic way of comparing lots, or making sure that the lot they buy will really be satisfactory. If it looks good, and they can afford it, they buy. Even some small builders buy lots this way.

You can use this method if you wish. But you may be in for some rude surprises when it comes time to build. We recently talked with a man who plunked down \$30,000 of his precious savings to buy a beautiful lot in a new subdivision. When he went to get his permits, he discovered that the lot had extensive drainage easements due to off-site conditions, which all but made his lot unbuildable. He's trying to sell the lot now, and will probably take a healthy loss.

We're going to show you how to ask the questions and structure your purchase so that you can avoid some of these surprises. Be aware, before you begin your search, that you probably will not find a perfect lot. That is, one that meets all your requirements and expectations. So be prepared

to make at least some compromises. Your goal is to find the one which comes closest within a reasonable amount of time and with a reasonable amount of effort. Only you can decide what is “reasonable.”

THE INTERNET

If you have a connection to the Internet, it's a good place to start searching for anything - lots included. We use www.google.com as a starting point, but you can use any good search engine or portal. Many real estate agents maintain a web site, and many include information on their listings.

THE NEWSPAPERS

An obvious place to start your search is in the newspapers. Look in the classified section. Following the “homes-for-sale” you'll usually find a section listing acreage, farms, lots, etc. On larger pieces of land (acreage or farms), the owner may (but rarely) be willing to cut out a home site and sell it separately. Usually



they want to sell the whole thing. Selling off a prime home site may significantly reduce the value of what's left.

A call to the number listed in an ad will reveal whether you are dealing with a developer, a real estate agent, or simply a land owner. Later in this lesson we will discuss negotiating with various types of sellers. At this point, all you want to do is find out where the property is located so you can see it. If it looks good you can begin to accumulate more information on it as described below.

REAL ESTATE AGENTS

Another method is to contact three or four real estate agents. They are usually aware of projects where lots are available. One thing to always keep in mind with a real estate agent is that unless you are going to pay him a fee to represent you, he will actually be representing the seller. There will be a sales commission involved, and the seller will usually try to up the price of the lot to cover the agent's commission.

FRIENDS AND RELATIVES

When you begin to let it be known that you are looking for a lot, friends and relatives will often bring those of which they are aware to your at-

tention. Frequently you will find that people are very familiar with lots in their own neighborhoods, often knowing not only who owns the lot, but also something of its history (so-and-so tried to put a house on it but couldn't get a septic tank permit, etc.).

RIDING THE NEIGHBORHOODS

Another way of finding lots is to simply ride through neighborhoods in which you would like to build or live. In older subdivisions you will often find lots that for some reason have been passed over by the builders who initially built there. Perhaps the lot was slightly rougher, or had some rock that made installation of a septic tank a problem, or various other reasons. In many cases these lots are buildable, and, with some design care, can be the most architecturally dramatic lots in the neighborhood.

LOT OWNERSHIP

WHO OWNS THE LOT?

How do you tell who owns the lots you have located? Call the county tax office and ask them how to find the owners of lots. If you're lucky, they will have it posted on the web, and you can get the information you need on the Internet. If not, you will probably need to go to the tax assessor's office to search the records there. Every county does it slightly differently, but they all keep records on who owns what. This is public information. Usually, they will show you how to find what you need all by yourself. Normally this will involve locating the lot on a tax map. There will be a reference number for each lot. That reference number is used to locate a listing on the lot, which is in a book, on microfilm, or on a computer.



Grantee/Grantor Books at the Register of Deeds Office

You will not only find the owners listed, but a great deal of other useful information - things like the size and shape of the property and its assessed value. Be careful with this last one. The assessed value of a lot may be different from its appraised value. The assessed value is the value assigned to the property for tax purposes. Property is often assessed at some percentage of its actual market value. Just ask the clerk in the tax office what percentage is used. For example, if the property is assessed

at \$10,000, and you discover that in this county property is assessed at 50% of its actual value, you'll know that the property is probably worth somewhere around \$20,000. In any case, tax appraisals can only give you the roughest idea of the property's actual value.



Checking Property Ownership at the Tax Office

In many areas, the tax office also has aerial photographs of the area. You can use these photographs to save some leg work, by spotting vacant property on the maps and getting ownership information before you go out looking.

WHAT DIFFERENCE DOES IT MAKE WHO OWNS THE LOT?

If the developer of the subdivision owns the lots you are looking at, then you're in luck. Because chances are he has been sitting on these lots since the subdivision was developed, unable to move them, and doing nothing but paying taxes on them every year. He would love to get rid of them and will probably give you a great price.

In many cases the person who lives next door will own a lot. They may have bought a second lot just to have more space, or for an investment. The money that you are offering for the lot may outweigh the original supposed benefits of ownership.

An estate may own the lot. This could be good or bad. It could be that the heirs to the estate have no interest in the land and would like to sell it and get their money out of it. In such a case, you may be able to get a good deal on the lot. On the other hand, estates can be messy. They can be so tied up by the complexities of the number of people and circumstances involved, that they become practically impossible to buy.

COMPARING LOTS

Comparing lots may not be a problem for you. You may only be considering two or three, and the choices are pretty clear-cut. You may, however, find yourself with a bewildering number of considerations between many seemingly acceptable lots. We have developed a way of

methodically looking at those characteristics of each lot which should affect your evaluation of the lot, in such a way that the lots can be compared statistically . . . with numbers!



Which Lot Would Suit You Better?

Later in this lesson, we will present a list of criteria to be considered in the selection of any property, so that you will have a checklist to go by, and to make sure you don't forget anything. Of course all of the things on the list are not equally important to you. Also, the factors vary in importance from buyer to buyer. For example, it may be very important to you that your future home lie within a certain school district. Another couple may insist that their home be convenient to the public transportation route. Just remember when analyzing the lots, to give more consideration to those criteria that are the most important to you. In fact, you may want to make your own list, reordering the criteria so that the one most important to you is at the top, the next most important is second, and so on.

STATISTICAL COMPARISON

Here is a simple method we have developed to do a statistical comparison between the lots you are considering.

1. Select those criteria that you feel are important.
2. Put them in a list in order of importance - most important at the top to least important at the bottom. This is called ranking or prioritizing the list.
3. Number the list from bottom to top. The least important item gets number one, the next up the list gets number two, etc.
4. Now you can use this list to evaluate a lot. Try to decide how well the lot you are evaluating satisfies each one of the criteria on your list. Rate the lot on a scale of one to five for how well it does on each item.

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One is very poor or not acceptable.

Two is below average.

Three is neutral.

Four is good.

Five is excellent.

5. To arrive at the total score for a particular property, multiply each item's number by its rating, then add the scores all together for a Total Score (see the example below).

Lot 1			
Number	Criteria	Rating	Score
5	Location	4	20
4	Schools	3	12
3	Price	5	15
2	Slope	3	6
1	Trees	1	1
Total Score For Lot 1			54

This is a very simple example. Your checklist will have more items. Notice in the example that number 5 (Location) is the most important criteria. Lot 1 was given a rating of 4 on "Location", which means "good." Location's number (5) and its rating (4) were multiplied together to arrive at a score of 20 for "Location" for Lot 1. Each criteria in the list was rated and scored in a similar fashion. All of the scores were then added together to give Lot 1 a total weighted score of 54.

This number becomes useful when the same exercise is performed on each of the lots you are comparing. The lot with the highest score theoretically best suits your needs.

One of the problems with this system is that you may have a lot which scores 5's on all the least important things to you and 1's on all the most important things. This conceivably could give it a higher total score than a more desirable property, or at least place it in the top two or three

contenders. A way to avoid this would be to compare the totals for only the top five criteria for each lot. Then you could use the other numbers to help you decide between your top two or three choices.

If this seems like a lot of work, or too much trouble, just relax. Have fun with it. These are things you really need to know about your home site. You'll know them all sooner or later anyway. Why not find out before you commit yourself to what may turn out to be less than an ideal situation?

YOUR FINAL DECISION

In the end, your choice of lot will by and large be a "gut level" decision. Don't worry about that. Just make sure you look at all the factors before you make your gut level decision. It's OK. If you have one property that scores 412 and another that scores 528, but you instinctively feel the one that scored 412 is the best choice.

FORM

We are providing a blank Lot Criteria Rating Form that you can use to apply this statistical comparison. Just plug in your prioritized list and fire away. Click [here](#) for the form. It's ready for you to print.

CRITERIA FOR EVALUATING A PROPERTY

The following list is typical of the criteria you'll want to consider in selecting your lot. Some of the items may seem more important to the spec builder than to you who are planning on living in this home the rest of your lives. Statistics show that the average American family moves every three to five years. So even if you don't plan to move any more, it would be wise to give some consideration to the factors that affect resale value. Again, no attempt has been made to put the list of criteria in any particular order of importance. You must select those factors which you think are pertinent. Add others you may think of, and place your own priorities on them.

Having some idea of what kind of home you want (ranch, two story, basement, etc.) will place some limits on which lots will work for you. Some people design the home, then find a lot that will work. Others find a lot, then design a home that will fit the lot.

Some of the factors, like Location and Price, will be compared for each lot you consider. Others, like availability of gas, taxes, and restrictive

covenants, may be considered on a more narrowed down list. That is, you don't have to look at every factor for every lot. If a lot costs twice what you're willing to pay, you've eliminated it . . . so why ask the other questions. You may designate some of the factors as "Buy, No-Buy" criteria, and apply them first to the lots you have found, so as to narrow down the list of those you will give serious consideration.

For organizational purposes the list is divided under five headings:

1. Location
2. Neighborhood Characteristics
3. Neighborhood Amenities
4. Lot Characteristics
5. Restrictions

This represents pretty much the way you'll go about finding your lot. You will think about the general location. Then you will look at neighborhoods to see how they look and what they have to offer. Then you will look at individual lots, and finally, you'll examine the laws and regulations which will govern the construction of your home. So, without further comment, here is the list.

1. LOCATION

You have heard it said that there are three things you need to look at when buying a piece of property . . . location, location, and location! This little saying is not meant to really imply that the only thing you need consider is location, but rather it simply points out the importance most people attach to this factor in considering the desirability of a piece of real estate. Several of the factors listed below - for example "Proximity to Church," "Proximity to Recreation," "Proximity to Shopping," really help define this "Location" factor. Also consider the location's position on the "social scale" - its snob appeal. This will certainly impact the property's value.

In addition, there are other, more practical considerations related to location, particularly with respect to which city and county jurisdictions are involved. Several of the criteria which will be discussed below, like zoning, building codes and restrictions, water and sewer tap fees, tree removal ordinances, runoff control requirements, and taxes to name a few, vary from jurisdiction to jurisdiction. It's hard to believe that some of these would really deter you from a very desirable lot, but it's conceivable. The explosive growth in Gwinnett County, Georgia, recently led county officials to stop issuing any building permits until new sewer treatment facilities could be constructed. This ban lasted many months.

If you are caught in a situation like this, you may want to start your search in another location!

SCHOOL DISTRICTS

Not only do you have to consider where the schools are, but also which schools are they! Schools are like neighborhoods, some are much more prestigious than others. Homes in the districts of schools with high academic or athletic reputations will move faster and could have higher resale value. You can bet that the lots cost more there.

PROXIMITY TO SCHOOLS

In areas with school bus service available, this may not be as important as it used to be. However, many people still like the idea of having schools within walking distance - especially elementary schools. This factor could be a good selling feature if this is to be a spec home.



PROXIMITY TO RELATIVES

Self explanatory. You know how close you want to be.

PROXIMITY TO FRIENDS

Same as above.

PROXIMITY TO CHURCH

Same as above.

PROXIMITY TO SHOPPING

Convenient access to shopping facilities may make your spec home more marketable. Here, as with business districts (offices) or industrial areas, you need to make sure there is an adequate "buffer zone" between your lot and these areas. A buffer zone is a less intensive land use, like apartments, or a natural feature, like a park, or a combination of the two.



PROXIMITY TO WORK

This doesn't just refer to how close the proposed lot is to your place of employment, but also how convenient it is to centers of employment. Many people object to long commutes to work. So if you choose a lot near large employment centers (factories, offices, etc.), you'll dramatically increase potential buyers.

PROXIMITY TO RECREATION

The presence of nearby golf courses, movie theaters, parks, etc. can certainly enhance your life style and perhaps



make your property if not more valuable, at least more desirable (which is really the same thing)! Also, many subdivisions and neighborhoods now have their own "clubs" which typically offer swimming, tennis, and socials.

PROXIMITY TO PUBLIC TRANSPORTATION

This could be an important consideration for older people, people with children below the driving age, people with lower incomes, or any one who just wants to quit fighting the traffic.

PROXIMITY TO MEDICAL SERVICES

Unimportant until you need them. Then you'll be glad you asked the question!

2. NEIGHBORHOOD CHARACTERISTICS

GENERAL LAND USE IN THE VICINITY

When scouting a neighborhood it is always a good idea to broaden your search a little to see what kinds of land use surround it. In particular you should look for any nuisances or irritants. This could include anything which creates undue noise, commotion, noxious odors, unsightliness, etc.

A very nice neighborhood in Raleigh, North Carolina lies less than one-quarter mile from a rock quarry. When the subdivision was being built, Realtors typically brought prospects in from the other direction on a Sunday. Many families were never aware of the presence of the quarry until they moved in and were rocked by the first dynamite blasts on Monday morning. It pays to do a little investigating!

Also, check with the zoning board, planning commission, county and state traffic commissions, and building official (where permits are issued) to see what may be in the works. For example, the zoning office will tell you if there are any rezoning petitions pending in the area. The planning or building departments can tell you if there are any applications for new subdivision or multifamily projects nearby. A little snooping goes a long way! How would you like to find out half way through construction of your dream house that a public landfill (garbage dump) had been approved nearby?

GENERAL CONDITION OF THE NEIGHBORHOOD

Take special note of the appearance of the neighborhood. Are the yards well kept? What is the age of the other homes in the neighborhood? Are the homes in good repair and freshly painted? Or are things looking a little run down . . . trash accumulating, weedy lawns, and peeling, faded paint? More importantly, does the neighborhood seem to be improving or declining? This will definitely affect the value of the lot and the marketability of a spec house.



VALUE OF OTHER HOMES IN THE NEIGHBORHOOD

You probably have a pretty good idea of how much home you are going to build. An awareness of the value of the other homes in the neighborhood will help you decide how well your home will fit in. If it is to be your residence, try to have your home fall somewhere in the mid range of values. If it is to be a spec home, being towards the lower end may help it sell faster. Again, remember the rule we stated earlier

... NEVER OVERBUILD THE NEIGHBORHOOD!

NUMBER OF HOMES FOR SALE

In an older neighborhood, too many "For Sale" signs is a red flag. Something is causing a lot of people to decide they don't want to live there any more. Find out what it is before you buy. It could adversely affect property values and the salability of a spec home.



TYPE OF FAMILIES IN THE NEIGHBORHOOD

Is this a neighborhood of "starter" homes . . . young families in their first homes, with young children? Or is this a "move-up" neighborhood, where the children are older and the homes larger? Or perhaps this neighborhood is primarily inhabited by empty nesters . . . smaller but nicer homes, children grown, older folks.



TRAFFIC

If you have small children, You probably don't want to live on a busy thoroughfare.

Simple observation will generally tell you what to expect. But don't rely totally on this method. Traffic to the Fulton County Stadium in Atlanta used to be routed through a residential neighborhood. When there was no game, the neighborhood looked peaceful. But on game nights, it was bumper to bumper. County or state traffic officials can give you traffic counts in cars per hour, cars



per day, etc. They can also tell you of any plans for “improvements” - like adding four lanes to your quiet residential street! Visit the area several times, at different times during the day, and on different days of the week. Ask the neighbors what it’s like.

PAVED STREETS

In an urban setting many would consider this a must. It certainly enhances property values. Also, it may be required for certain types of federally guaranteed financing. If you plan to use one of these programs (FHA, VA, or Farm Home), make sure the lot is acceptable on all counts before you commit. One word of caution - paving increases rain runoff, because where there is pavement there is no absorption of the rain into the ground. Make sure that storm sewers are adequate to protect your property from flooding during heavy downpours. Of course, if you’re buying farm land, a paved road may be impractical.

CURB AND GUTTER

Similar comments could be made here, as were made concerning paved streets. The presence of curb and gutter certainly looks nice, helps control runoff, and may be required for certain types of financing.

UNDERGROUND UTILITIES

The use of underground electric, telephone, and cable TV lines make for a much more attractive, less cluttered situation.

FIRE DISTRICT

Who responds and how fast, when you have an emergency, may affect more than just your insurance rates. Where is the nearest fire department? Is it manned by volunteers or full time professionals? Is there a fire hydrant nearby?

TAXES

Check the rates for each jurisdiction you are considering. Getting outside the city limits or just over the county line may dramatically lower your tax liability. Here again, do your homework. How aggressive is the city in annexation? What are the plans? How easy is it for annexation to be accomplished under existing law. It won’t do you any good to build just outside of town and be annexed next year. Tax rates are usually expressed in “mills.” A one mill tax rate would be 1/10 of a cent for each dollar of assessed valuation. Remember, taxes are often assessed at some fraction of the actual market value - often 50%.

3. NEIGHBORHOOD AMENITIES

MUNICIPALLY SUPPLIED WATER

This is usually preferable to digging a well because quality control will be assured, and the fee for tapping on to the supply line is usually less than the cost of digging a well.

AVAILABILITY OF SEWER

This is critical if the lot is not suitable for a septic tank, or if they are not permitted. It is also preferable since tap fees are usually less than the cost of installing a septic tank and drain field, and because you will not be faced with maintaining such a system.

AVAILABILITY OF GAS

It's not critical. You can always use electricity. But gas is cheaper to heat with (right now). And if you already have gas appliances, it could take on added significance.

AVAILABILITY OF CABLE TV

Some people may place this item at the top of their list. Others could care less. 'Nuff said.

4. LOT CHARACTERISTICS

PRICE

Normally, a residential lot represents around 25% of the value of the completed package (house and lot). This formula doesn't hold if you're interested in acreage (a farm, estate, etc.) or resort property. An ocean front lot may be several times more expensive than the home built on it. Only you can determine how much lot you can afford. Buy the best you can. How to tell what to pay for a lot is discussed in more detail in the next lesson.

TERMS (HOW YOU WILL HAVE TO PAY FOR IT)

The Terms involved in purchasing your lot are also discussed in the next lesson. Needless to say, some terms are more favorable than others, and, hence, become one of the factors you must consider in selecting between several lots. For example, if you are "cash poor", you may lean more heavily towards a property which can be easily financed.

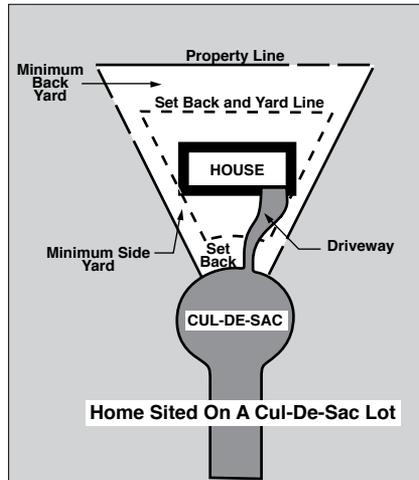
LOT SIZE

This is pretty much self explanatory. Within the same neighborhood or area, all other things even, the larger the lot, the more valuable. If you're

really not sure how large a lot you really need, look at the surrounding lots and how well their homes are accommodated.

SHAPE

A lot that is 100 feet x 200 feet has exactly the same area as a lot that is 20 feet x 1,000 feet. Unfortunately, the latter is not buildable. You may already know the dimensions of the home you are going to build. Will it fit on the lot(s) you are considering? Be sure to take the front, side, and rear yard requirements into consideration. You can get this information from the zoning or building inspection department. The front yard requirement is often referred to as the set back. Be aware that pie shaped lots like you'll find on a [cul-de-sac](#) (one of those streets that dead end into a round paved area, so you can turn around without stopping) may cost you extra in paving expenses for your drive - if you have to set the home back beyond the required setback to allow for side yards.



FRONTAGE

Frontage is the linear footage your lot "fronts" on some physical feature, for example a road, a golf course, a ski slope, the ocean, etc. Street frontage is not as important in residential lots as it is in commercial properties where exposure is desired. Corner lots or "double frontage" lots (lots that have a street along both the front and the rear property lines), may or may not be desirable. The traffic on these streets may well help you decide. Also, some people like to show off their place, while others prefer seclusion.

TOPOGRAPHY (SLOPE AND SURFACE DRAINAGE)

You should look for a "well drained" lot. That means a lot that has sufficient slope to allow rain that comes on to it from adjacent properties, as well as rain that falls directly on it, to flow naturally off, rather than sitting on the lot. "Low" lots - ones that collect rain water runoff - create many problems . . . problems with footings and foundations, walks and drives, wells and septic tanks, landscaping, and insects. In addition, the slope of the lot will generally determine if slab construction is practical. A basement home may work better on a sloped lot, especially if you want a "walkout" basement.

VIEW

This could be important in a scenic place - near the ocean, a lake, the mountains, a cityscape - or near a bad view like an industrial area.



SUITABILITY FOR A WELL

If no municipal water is available, this is a “buy - don’t buy” factor. Check with a local, reputable well drilling contractor. He will be able to tell you what to expect. If there are serious doubts as to whether an acceptable supply can be produced, back off this lot.

The only other alternative is to make the purchase of the lot contingent on getting this problem resolved, and then digging the well before you close the lot! Who pays for this? That’s negotiable. It depends on how bad the owner wants to sell. Try to talk him into bearing this expense, with reimbursement at some later date - probably after you receive your first “draw” from the construction loan. You could split the cost. Or you could take the whole risk, if this is the lot you really have your heart set on, and you can’t get the seller to cooperate.

SUITABILITY FOR A SEPTIC TANK

This is another “buy - don’t buy” factor - if sewer service is not available. The requirements here are determined by a public official (usually the county health department), who will issue a septic tank permit if the lot is suitable. Suitability is usually determined by doing a perc (percolation) test on the lot to see how well the soil will absorb the output of a septic tank.

If you are buying a lot in a subdivision, chances are the lot has already been approved or turned down. This decision is based on the type of soil, the presence of rock, slope and drainage, water table, proximity of water supplies, etc.

Soils with a heavy concentration of certain types of clay do not absorb water (or drain) very well. If a large area of the lot is underlain with rock that is near the surface, drainage is impossible. A high water table will interfere with absorption of waste materials from the septic tank.

Sometimes a septic tank can be installed on a marginal lot that has been passed over by the builders by spending a little extra for the removal of rock, or by installing a beefed-up drainage field. This extra expense may be offset by the lower price of the lot. For an otherwise desirable lot you should talk with the county official and a septic tank contractor about the possibility of installing a specially designed system.

ACCESS

If the property does not front on a public street, be very careful to make certain that access to the lot is sufficient and permanently guaranteed. This will usually be accomplished by a recorded easement (see the next paragraph). Check with your attorney before you buy!

EASEMENTS

Easements are the rights of another to use your land. Typically, they are granted for the maintenance of utility lines, drainage areas, etc. Access easements are often held by individuals over another persons land, such as a road or driveway to a lot that does not front on a street. Before you close on the lot, make sure you are aware of all recorded easements. Remember the example at the beginning of this section on choosing your lot!

TREES

Trees help sell spec homes. Check out how many and what type. Some are more desirable than others. This will vary from place to place around the country, but generally people prefer trees that don't create a lot of maintenance and clean-up problems - dead limbs, prickly seed balls, etc. Also take note of where the main trees are located. It won't do you any good to have a beautifully wooded lot if you lose all



the really nice trees when the building site is cleared! Incidentally, trees can be beneficial in helping you to be energy efficient. Deciduous trees (those that shed their leaves in the fall) on the south side of the home will give summer shade while allowing winter's warming rays to help heat the home. Evergreens on the north side will give some protection

from winter's chilling north winds. Again, if the home is to be your residence, you know how many trees you want. We've known people to have a nicely wooded lot and cut down every tree. They hated to rake leaves!

Here is a financial consideration to trees that you may not think of until after you have purchased a lot. Trees standing where the home is to be built will have to be removed. This means that they will have to be cut down and the stumps dug up. Then the trees will have to be cut up into manageable pieces and either buried on the lot or hauled off to a dump. This can be a very expensive process (several thousand dollars), if you are talking about a number of large trees. Get an estimate from a person who is in the business of preparing lots for construction before you make a final decision. You'll discover tips on finding subcontractors in Lesson 10.

Another financial consideration is the harvest value of the trees on a lot. A West Virginia man told us about buying some mountain acreage for \$15,000 and immediately selling the hardwood on it for \$75,000!

SOIL TYPE

The soils present on your lot can be critical if you live in certain areas of the country that have soils which are subject to expansion. The movement in these "[active](#)" or "[expansive](#)" soils is due to their tendency to physically increase in volume (swell) when they absorb moisture. The movement can seriously damage the structural integrity of your home.

Construction techniques have been developed to lessen the likelihood of damage to homes built on these soils, but they are complicated, expensive, and are not foolproof. It is best to avoid this type of condition if possible. If you have lived in the area where you intend to build for a while, you are probably aware of any problems of this sort. If you are not sure, check with your local building inspection department, independent soils engineer, or home warranty company. Soils surveys are available through most counties and the U.S. Geological Survey. However, they may not identify problems at the lot level. Check with neighbors to see if any problems have been experienced in the neighborhood. Look carefully at the homes in the area.

Telltale signs are large cracks in masonry veneer, [separation](#) at the seams of the house, especially at windows, doors, and chimneys, large cracks in the foundation, and a general "out-of-whack" look. In areas where active soils are suspected, it is wise (in many cases required) to have a knowledgeable soils engineer do a test on the lot itself to determine if

these types of soils are present where you intend to build the home, and to have a qualified structural engineer design your foundation system. Be assured, it will be well worth your while.

FLOOD PLAIN

Most jurisdictions have flood plains mapped. These are areas that can be expected to be flooded at some time during a given interval (100 year is typical). They are called "Flood Plain Districts." It's real stupid to build in a flood plain. Many municipalities will not issue a building permit for a property in a flood plain. Insurance for homes built in a flood plain may be exorbitant or unavailable. Ask to look at flood plain maps before you buy a lot. Look for some higher ground.

NATURAL RESOURCES

Don't overlook these. They may be present in many forms. Lots developed in old orange groves in central Florida are often loaded with fruit trees that bring in hundreds of dollars a year. The sale of timber on farm acreage may well provide enough cash to build the home debt free!

MINERAL RIGHTS

In places where valuable minerals are found, it is a common practice to sell the rights to the minerals under the ground separately from the right to use the surface of the ground. Be careful. You may not own the oil on the back forty!

WATER RIGHTS

Do you have physical access to nearby bodies of water? Are they public or private? If they are private, will you be permitted to use them? How?

4. RESTRICTIONS

ZONING

Zoning is the method cities and counties use to prevent totally incompatible land uses from springing up next door to each other. It's what keeps someone from building a convenience store next door to your new \$250,000 home. Almost all cities have these laws. Houston, Texas is the most notable exception.

Looking at the zoning map (where they issue building permits) will help you see not only what currently exists in the area, but what is possible under current zoning. Be sure to ask if there are any rezoning petitions which could affect your interests. If you were near the edge of the subdivision and near any major traffic artery, there may be considerable

pressure for the expansion of office or retail zoning. This could work to your advantage, if you're willing to sell. But only if you can get your lot rezoned. Normally, office and retail property is much more valuable than residential. Many people make a living doing just that. They buy property, get it rezoned to a "higher" use, and resell it for a profit. They are called land speculators. This is because when they buy or option the land, there is no guarantee they can get it rezoned. They are speculating that they can get the new zoning so that they can sell for a big profit.



If commercial zoning invades your area, and you are unable to have your property rezoned, your property could lose value. This is because it would be less desirable (most people don't want to live next to a store) and harder to sell.

RESTRICTIVE COVENANTS

Many subdivisions have these. They enumerate restrictions on how the lots may be used. They are drawn up and recorded along with the subdivision drawings, maps, and so forth. They are official and carry the weight of law. That is, the county can enforce compliance, just as they can with zoning ordinances or building codes. The restrictive covenants are in addition to zoning and codes. They may set minimum square footages for homes in the subdivision. They may impose architectural guidelines and reviews, and a host of other things. You will certainly want to carefully read any covenants affecting the lot before you make a final decision. Check with the county registrar of deeds.

LOCAL BUILDING CODES AND RESTRICTIONS

Most larger towns and many counties have adopted the "standard" building, electrical, and plumbing codes like BOCA, UBC (Uniform Building Code), or the Standard Code published by Southern Building Code Congress International, the National Electrical Code, and the Uniform Plumbing Code.

These codes spell out acceptable practices in the construction, wiring, and plumbing of a building. The municipality may or may not have trained people to enforce the codes (building inspectors). In addition,

many localities have modified or added to the standard codes to address special local conditions. You need to know how this will affect your plans.

For example, you may wish to get into some unusual techniques or types of construction, like all weather wood foundations or earth sheltered structure, only to find out that these are prohibited by local code modifications. Simply pay a visit to the local building officials office and ask about codes. We'll talk about code enforcement (inspections) in a Lesson 13. But let us say here, that we believe in codes and a good inspection system. It'll help you keep your subcontractors straight!

PET ORDINANCES

This one may seem a little farfetched, but who knows? Pets are certainly important members of the family. It won't hurt to check it out.



This is quite a long list. Again, don't be intimidated. It is presented just to help you ask the right questions. Some of the criteria listed here won't mean a hill of beans to you. Just find some lots to look at in neighborhoods you think you would like to live in, and start from there. Usually you will want to get some idea about price and restrictions, unless you have an unlimited budget. Then you want to make sure the lot is buildable . . . can you get a building permit for it. Then you can investigate the other factors in any order they may seem important to you. You will certainly have to have some contact with the owner of the lot(s) before you decide - at least to get some feel as to the lot's availability and asking price.

SOURCES OF INFORMATION

The following list shows possible sources of information. By doing a little planning to organize your calls and trips, you will be able to gather a lot of information quickly. With the possible exception of the owner and the neighbors, all of these people are used to answering just the sort of questions you'll be asking.

SITE VISIT

Location; Lot Size; Lot Shape; View; Proximity to Schools, Churches, Relatives, Friends, Shopping, Public Transportation, Work, Recreation, and Medical Facilities; General Condition of the Neighborhood; Number of Homes for Sale; Trees; Topography; Access; Paved Streets, Frontage, Curb and Gutter, General Land Use in the Neighborhood; Traffic; Types of Families in the Neighborhood; Nearest Fire Hydrant

GOVERNMENT OFFICES

COUNTY TAX OFFICE

Price (Tax Appraisal); Size; Shape; Frontage (Tax Maps); Property Tax Rate; General Land Use (Aerial Photographs)

REGISTRAR OF DEEDS

Price (What It Sold For Last); What Others Have Sold For (Grantee and Grantor Index); Recorded Easements and Restrictive Covenants (Deeds); Recorded Claims Against Mineral and Water Rights, Drainage and Utility Easements (Recorded Subdivision Plats)

SCHOOL BOARD

School Districts

WATER DEPARTMENT

Availability of Municipal Water and Sewer

HEALTH DEPARTMENT

Suitability For a Septic Tank (Don't Need If Sewer Is Available)

PLANNING DEPARTMENT

General Land Use (Now and Future); Future Traffic

TRAFFIC DEPARTMENT

Current and Future Traffic; Plans For Paving, Widening, Curb and Gutter

BUILDING DEPARTMENT

Zoning; Building Codes and Restrictions; Special Local Conditions; Soil type; Permit Fees

FIRE DEPARTMENT

Types of Service Available; Nearest Department

POLICE DEPARTMENT

Pet Ordinances, Crime in the Neighborhood

PUBLIC UTILITIES

PUBLIC TRANSPORTATION AUTHORITY

Public Transportation

LOCAL GAS UTILITY

Availability of Gas

LOCAL POWER UTILITY

Underground Power

LOCAL CABLE COMPANY

Availability of Cable TV

CONTRACTORS AND SPECIALISTS

WELL DIGGING CONTRACTOR

Suitability for a Well (Not Necessary If Municipal Water Is Available)

SEPTIC TANK CONTRACTOR

Suitability for a Septic Tank (Don't Need If Sewer Is Available)

SOILS ENGINEER

Suitability for a Septic Tank; Presence of Active Soils; Flood Plain

OTHERS

SELLER

Price; Terms

BANKER

Price (What Other Lots Have Sold For - Approximate Value)

REAL ESTATE AGENT

Price (What Other Lots Have Sold For - Approximate Value); Location (How Desirable Is It?)

NEIGHBORS

Traffic; Soil Problems; Nuisances

You must choose what criteria is important to you when choosing your lot. We have given you a pretty comprehensive list. You may think of others not included here. Some of the criteria affect your potential enjoyment of the lot, like views and trees. Others affect the market or resale value of the lot, like the general condition of the neighborhood and the value of other homes in the neighborhood. Still others will represent "buy - don't buy" criteria, like price and the availability of sewer or suitability for a septic tank.

The more organized you can be in asking the important questions before you buy, the less likely you are to find that you have purchased a lot with serious flaws. Again, much of the key is to relax. Have fun with this. 90% of it is just good common horse sense!

PURCHASING YOUR LOT

Once you have narrowed your list to three or four lots, you will be ready to start working with the owners in earnest to see if mutually agreeable price and terms can be worked out.

NEGOTIATING THE SALE

When you find the lot you are really interested in, you'll want to begin the process of negotiating with the owner to see if you can come to an agreement as to the price, terms, and conditions that will govern the purchase of the lot.

TYPES OF SELLERS

So now you've found several lots that you are interested in, how do you go about making contact with the owner? The first thing you will want to do is to size up the seller. What, other than the obvious desire for money, motivates people to sell real estate? There are several types of sellers you may have occasion to deal with.

THE PROFESSIONAL

If the lot is in a new subdivision and is being offered by the developer, you may find that the price and terms are fairly well tied down. This is especially true in an active building market where the developer has no trouble selling his lots. You will probably be able to do very little negotiating in this situation. It's pretty much "take it or leave it." If you are looking at lots in older subdivisions or at acreage, the story is different.

THE RELUCTANT RECRUIT

This is an owner you contact, who has not advertised his property, and really is not interested in selling. You'll only be dealing with this type if you really want his property badly. He will take some coaxing and some careful handling. Make him think everything is his idea. If you're not careful, you may end up paying a premium for his lot.

THE HAPPY RECRUIT

This owner has not advertised, but once you contact him, he enthusiastically embraces the idea of selling. Find out what is motivating him and you may be able to turn him into type five (the motivated seller), below!

THE CASUAL SELLER

This seller advertises his property, but doesn't seem very excited about the prospect of parting with it. It is possible he has placed it on the market out of curiosity - to see what kind of offer it will bring - or that he is actually having second thoughts about selling it. It is more likely that you are witnessing an act! You must take a little time to find out where this seller's "head is." He may really be a motivated seller in disguise!

THE MOTIVATED SELLER

This is the one you want to find. This seller wants to sell - badly! For whatever reason - behind in paying his bills, taxes are due, whatever - he needs the cash . . . usually in a hurry. This is the kind of seller you want to deal with if at all possible. You'll have a good chance of getting your price and terms. Give him some sympathy and let him think the ideas are his. If he thinks you are a hot prospect, he won't want you to get away. Note: for some reason a casual seller will sometimes masquerade as a motivated seller. Who knows why?

USING A REAL ESTATE BROKER

If you are a "horse trader" by nature, you may want to tackle the negotiations yourself. Otherwise, do your negotiations through a third party. Some people believe that all negotiations should be conducted through

a third party. It certainly helps keep negotiations on an impersonal, unemotional level.

Remember, however, that if the broker is to receive a fee from the seller (which is usually the case), then, in reality, he is the seller's representative. As such, he is obligated to get the highest price possible for the seller. Not to mention that the higher the sales contract, the higher his fee will be. Never tell the agent what your final offer will be. The only person looking out for your interests is you!

THE OFFER TO PURCHASE

All offers and counter offers should be [in writing](#), and should include not only the price you are willing to pay for the lot, but all the terms and conditions you are requiring to govern the sale. Examples of what should be included in conditional clauses are included below. Just modify them to suit your situation, and be sure to consult your attorney.



PARTS OF THE OFFER TO PURCHASE

Your Offer to Purchase will include some basic information about the agreement proposed including:

- A Legal Description of the Lot (address; or lot, block, subdivision)
- Who is Selling
- Who is Buying

It will also include all of the terms and conditions which will govern the agreement.

GETTING A LEGAL OPINION

The purchase contract is a legal document. You can certainly write the offer yourself. It doesn't have to be in "legalese". But you should seek the advice of an attorney before presenting your offer. If you don't have an attorney, find one now, and find one who is routinely involved in real estate matters - not someone who specializes in medical malpractice suits!

TERMS AND CONDITIONS

DEFINITION - What are terms and conditions exactly? Well, very simply, the "terms" tell how the lot is to be purchased and include:

- Price
- Down Payment
- Method of Paying the Balance
- When title is to be transferred

The "conditions" state various circumstances which must be met before you are obligated to close the sale. The "closing" is when the title to the property is transferred from the owner to you in exchange for the price agreed - either in actual payment or in a promise to pay, or a combination of the two. Your promise to pay will be in the form of a note which is usually secured by a mortgage against the property. The mortgage pledges the property as collateral or security to guarantee payment of the note. If you don't pay, they have the right to force a sale of the property (foreclosure) to get their money. If you can, avoid personally guaranteeing the note. Make the property itself the only collateral backing your promise to pay.

COMPARISON OF TERMS AND CONDITIONS

While the terms affect your pocketbook directly, the conditions are there to guarantee that you are getting what you expect. They are for your protection. All conditions must be satisfied or the contract is "null and void." And you get your "earnest money" back.

Note that both terms and conditions are negotiable. That is, both you and the seller must agree on them all, or there is no deal. Don't be afraid to walk away from an unfavorable deal!

TERMS

Remember, the terms of the contract between you and the owner of the lot will determine how much you will pay and how you will pay it.

PRICE

Figuring out how much you should pay for a given lot is always a problem for the nonprofessional. Here are some pointers.

RECENT SALES IN THE AREA

One way to tell what lots are “worth” is to check recent sales in the neighborhood. You can either pay an appraiser to do this, or you can do it yourself. The registrar of deeds at the court house can show you where to look for copies of recent transactions. These are filed by date and also by both the seller and the buyer. In many cases the actual selling price is not given, but can be deduced by the amount of the tax stamp that is attached.

TALKING WITH BUILDERS

Another way to find out about what lots are going for is to talk to some builders in the area. They are in the business of buying lots. Also, talk with your bankers and loan officers at the savings and loan associations. In the process of setting up construction loans, these folks order appraisals every day. Often they have in-house appraisers. They can tell you what lots are selling for in your area.

THE REAL DEFINITION OF THE VALUE OF A LOT

Remember, all this information just gives you an idea of where to start in your negotiations . . . or perhaps where you would like them to end! In the final analysis, the value of a lot is exactly what someone is willing to pay for it. No more. No less. Don't be afraid to walk away from the deal if you can't get the lot at a price which you feel is fair.

RATIO OF LOT COST TO HOME COST

Typically, the cost of the lot will represent 20-25% of the total price of the home. This is certainly not a hard, fast rule. We have seen many \$100,000+ homes built on \$12,000 lots. Also, if you're building in a resort



area, the reverse may be true. How about a \$50,000 beach cottage on a \$100,000 lot!

DOWN PAYMENT

The amount of down payment or earnest money is also negotiable. Offer \$500, but be ready to pay \$1,000.

METHOD OF PAYING THE BALANCE

Obviously you could simply pay the balance in cash at closing. However, you may want to conserve your capital for the actual construction. If you are buying from an individual, and it will be some time before construction begins, it is not uncommon for the seller to agree to monthly payments on the balance.

Bank Financing Of The Lot

Traditionally, banks wanted you to have 10-20% of the total value of your new home in equity (your money). For most people building their own home, this was the lot. Some banks are now advancing the cost of the lot as a first draw, at the time the construction loan is closed! This deal may only be available for licensed builders. Check it out. You may be able to get a better interest rate from the seller (maybe even none)!

WHEN TITLE IS TO BE TRANSFERRED

This term essentially sets a date by which time the transaction of transferring ownership of the lot to you will be completed.

SUBORDINATION

If the seller is financing the lot, you will want to have a subordination clause in your terms, stating that the seller subordinates his land loan to the construction loan. This means that if you should default on your construction loan, the construction loan lender will be paid from sale of the property. The seller of the lot will be paid from what is left. The deed of Trust securing the money you owe on the land should not be filed at the court house until after the construction loan is filed.

CONDITIONS

You will want your Purchase Contract to be contingent on several things. (The Purchase Offer becomes a Purchase Contract when both parties have agreed to its terms by signing the document).

BUILDING PERMIT

You will certainly want to be sure that you will be able to get a building permit on the lot. After all, that is why you are buying the lot - to build a home on it. There may be a number of reasons, not immediately apparent, as to why a permit would not be issued -for example, if a septic tank is required because sewer service is not available to the lot, but the lot is not suitable for a septic tank system. So you will simply make the contract contingent on or subject to your being able to obtain a residential building permit for the lot.

AVAILABILITY OF WATER

If there is any doubt at all, you will also want to be certain that water - either from a well or from a municipal supply - is available in sufficient quality, quantity, and pressure for residential purposes.

SUITABLE FINANCING

If you are planning to borrow money to build the home, you should make your offer contingent on your successfully obtaining construction and permanent financing. You may spell out what your requirements are for the terms of these loans, or you may simply state that they must be suitable to you. The latter gives you the most flexibility for getting out of the contract if you so desire. You simply state that you could not secure financing suitable to you (maybe you're looking for an 8% loan)! If the seller is sharp, he may insist that you spell out what is "suitable." If so, you will want to specify what you are willing to live with as far as:

AMOUNT (OF THE LOAN)

TYPE OF LOAN - CONVENTIONAL, FHA, VA, FARM HOME

INTEREST RATE

TERM - HOW MANY YEARS YOU'LL HAVE TO PAY IT OFF

POINTS

With some types of financing you will be required to pay "points" to get the loan. This is a fee that you pay when you get the loan. One point is equal to 1% of the loan. Eight points has the effect of raising the interest received by the lender over the life of the loan by 1%. Points are expensive. Three points on a \$100,000 loan means you must pay \$3,000 in cash at the time the loan is closed! This is in addition to other closing costs discussed in Lessons 10 and 12. You can specify the maximum number of points you are willing to pay to get your loan.

TIME LIMIT (FOR SECURING THE LOAN COMMITMENT)

THE TITLE OR DEED

You will want to specify the quality of title that the owner will pass on to you. A good way to do this is to specify that the seller will convey the property to you by a General Warranty Deed (also known as a Full Covenant and Warranty Deed or just Warranty Deed). This deed is used in most states, and is considered by many to be the best a buyer can receive.

You will need to have title insurance on the lot to protect you from some defect in the title, whereby someone came forth who could establish that their claim to the property was superior to yours. If your seller is motivated, you may stipulate that he provides this insurance.

CLOSING COSTS

There will be some closing costs involved in transferring title of the lot to you. These may include the attorney's fee, recording fee(s), and deed stamps. Who pays what is negotiable. Try to get the seller to pay it all! Don't let the real estate agent tell you, "the buyer pays _____, and the seller pays _____," that's baloney! It's negotiable.

SURVEY

If a survey is going to be required to get your permit or loan, try to get the seller to pay for having it prepared.

CLOSING DATE

You will want to set a time limit on the satisfaction of all conditions. You do this by setting a closing date. In other words, if the lot has not been closed by _____ date, the contract is "null and void."

EARNEST MONEY

Disposition of the earnest money (also called a "binder") - When you make an offer to purchase real estate, it is customary to put up some money to show that you are serious. The amount is negotiable. This is not the same thing as a down payment. Although, it is common to have the earnest money deposit be applied towards the purchase price if the deal is consummated. Your purchase offer should specify who is to

hold this earnest money until closing and what will happen to it should the deal fall through.

It is a good idea to have some third party, like an attorney or a real estate agent hold the money in escrow. Of course, you will want to state that the binder will be returned to you if all of the terms of the offer are not met. If, on the other hand, all of the terms and conditions have been met, but you simply change your mind and decide not to buy this lot, you will forfeit the earnest money deposit.

TIME LIMIT

Finally, your offer should have a time limit for acceptance by the seller. This will depend on where the seller is and could be affected by other aspects of your offer that the seller may need to check out or consider. Take these things into consideration, and place an exact time limit on the offer, e.g. "12:00 noon, Monday, June 29, 1987." This is the time by which the seller must have the signed offer back in your hands in order to have a binding deal.

Click [here](#) to see some additional Conditional Clauses.

GETTING YOUR TERMS AND CONDITIONS

As you can see, there are several costs involved in the purchase of the lot. The seller may look at these costs very differently than you do. If he is a motivated seller or has been sitting on the lot for a while, he may not see them as "costs" in the sense that they are coming out of his pocket. He will simply receive a little less. You, on the other hand, will have to dig deep and fork over! Fight for these terms.

PURCHASING AN OPTION

WHAT IS AN OPTION?

Sometimes it is desirable to purchase an option rather than making an Offer to Purchase. An option is similar to a purchase offer except that while the owner agrees to sell, you don't agree to buy. The option agreement would contain all of the terms and conditions of your offer to purchase, but would only bind the seller for the term of the agreement - not you. In other words, the seller would agree to sell you the property for a certain price and under a certain set of conditions, for a certain period of time. During this time the owner cannot legally sell the property to any one else at any price!

YOU PAY TO TAKE THE PROPERTY OFF THE MARKET

What in the world could induce any property owner to agree to such a deal? Money! You have to pay for an option to purchase. The option fee may or may not apply to the purchase price (negotiable), but in any case is not refundable if you decide not to buy. You are simply paying the owner to take the property off the market for a specified amount of time (usually measured in months), and to sell it to you at any time you choose within the option period, at the terms and conditions set by the option agreement.

WHEN WOULD YOU USE ONE?

Options are generally purchased on larger or more desirable pieces of property, to give the intended purchaser an opportunity to check it out, prepare plans, change zoning, and arrange financing. They are common for commercial or industrial properties where advance planning may take several months or more. The seller doesn't want to take the property off the market for that long without some compensation. And the buyer doesn't want to go to the trouble and expense to set the project up, only to have it sold out from under him. An option would be unusual on a single lot, but some circumstances may make it a desirable alternative to the purchase offer.

Summary

In this lesson you have talked about how to find a lot on which to build your home. We have explored ways of comparing lots, and looked at a statistical approach. And we have taken a look at a wide variety of things that you may or may not want to consider when buying your lot.

We also investigated what you need to know about buying your lot. You learned how to identify the various types of owners or sellers and discussed using a real estate broker vs. doing your own negotiations.

We looked at what should be in your Offer to Purchase, and looked at terms and conditions in some detail.

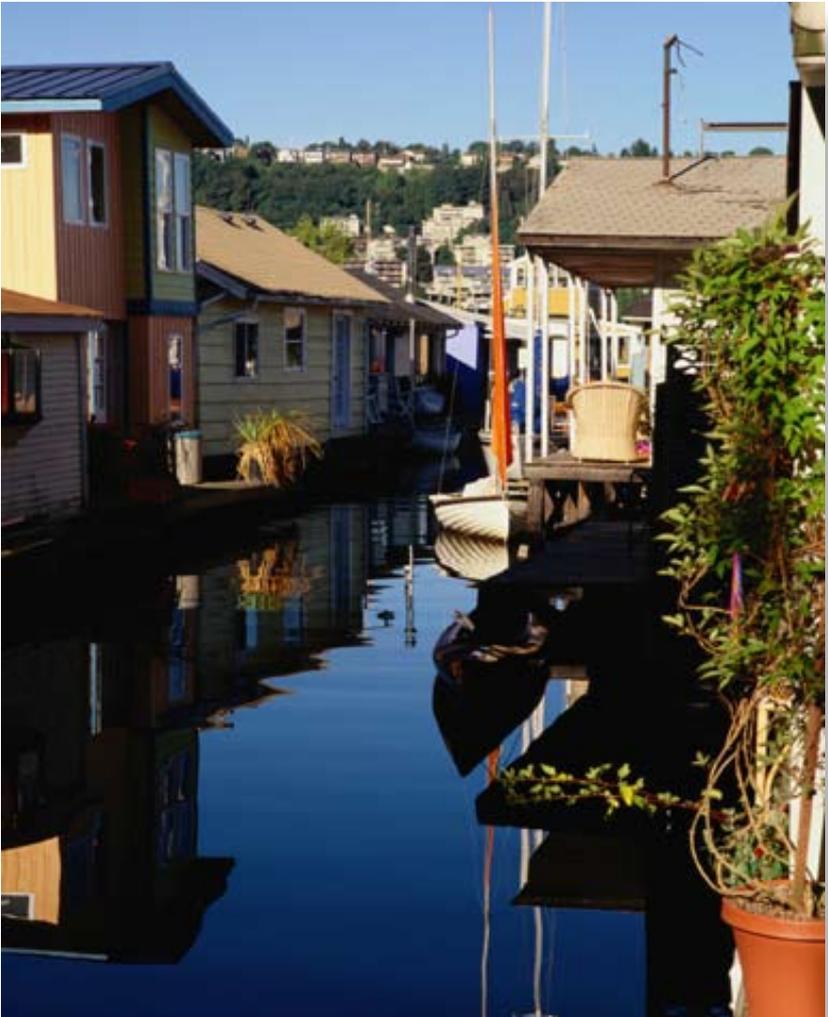
Looking Forward

Now that you have your lot selected and purchased, it's time to start the planning

process. What is your home going to look like? What is going to be in it? But before we start the planning process in earnest, we'll take a look at the plans themselves and see just what is actually to be included in a set of house plans. Lesson Four deals with this subject. In Lessons Five through Eight we'll take our first systematic journey through a home and look at all the things about which you will be able to make some design choices.

CHECK LISTS

Q&A's



[Return to Home-Building-Answers.com](http://Home-Building-Answers.com)