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**How to Buy Residential Lots and Land**  
[From your Home Buying/Selling Guide](#)

1. Before you buy, find out if city or community water and sewer connections are available on the lot or land.
2. If sewer hookups are not available, make your offer to buy land contingent on the ability to install a septic system rated for the number of bedrooms you require.
3. Find out if other contingencies are advisable for land purchases. For instance, in some areas water rights do not convey with land--and that means you could not dig a well.
4. Make sure electricity and phone service are available at the property. Check cable service if that is a priority.
5. If the land you wish to buy is not accessible by a public road, verify that a road maintenance agreement is in place. This document states that everyone on the road agrees to help with its upkeep.
6. There should be a deeded right-of-way in place for land not accessible by a public road. The deed should give you and future owners the legal right to access the land.
7. Check the property's deed restrictions to make sure the type of residence you plan to build is allowed. For instance, some areas do not allow manufactured housing.
8. If the lot is in a development, ask for a copy of the restrictive covenants. That's where you'll find restrictions for minimum house size, whether other structures are allowed, and other limitations.
9. Ask the city or county if zoning changes are anticipated for the area, or if there's a plan to build new roads or widen existing roads.
10. If there are environmental hazards on the land, such as old buried oil or gas tanks, decide if you are willing to remove them, or if you will ask the seller to take care of removal and cleanup.
11. Decide if you want a new boundary survey. Surveys are standard in some areas, but rarely required in others. They're nearly always a good idea.
12. If you plan to build a home soon talk to lenders about construction loans.

**Tips:**

1. Don't be turned off by the terms 'development,' and 'subdivision.' If you're from a city, you might associate both words with small lots and side-by-side homes. In rural areas, a subdivision lot might be 10+ acres in size.
2. Restrictive covenants help protect home values by requiring structures to conform to specific standards. Read them carefully so you know exactly what is and is not allowed.
3. Study the deed to discover if other persons or tracts of land have been granted easements to use your land in any way.

### **Know Your Budget**

Talk with a loan officer to find out how much you can afford. Both down payments and interest rates can be higher for land than for homes, so it's important to get the facts before you go shopping.

If you plan to build soon, the loan officer should explain construction loans, including the closing procedures you'll encounter while the house is being built.

### **Building Costs**

Talk with area contractors to determine the average price you can expect to pay per square foot for the type of home you wish to build.

- Include estimates for building a driveway or road to the homesite.
- Don't forget estimates for well digging and septic installation if your home will not be connected to community water and sewer.
- How will it take to construct the home?
- To find the maximum amount you can spend for land, deduct building costs from your total budget, then deduct a bit more for unexpected expenses.

### **Target A Location**

If you've already looked at homes in the area, you may know where you want to build.

List locations by order of preference. If you're undecided, become more familiar with the area by driving around, reading newspapers, and talking to locals.

### **Your Wants and Needs**

Make a list of all features that would exist on the ideal piece of land. Review the list, highlighting your must-haves, such as a great view, privacy, or a waterfront building site.

### **How Much Land Do You Need?**

What's the minimum size lot or tract of land you are willing to consider? Keep in mind that a heavily wooded, 1-acre lot may be more private than a 3-acre lot that's all lawn. Tour a variety of neighborhoods and pay attention to the settings.

### **Land Use Considerations**

How will you use the land? If you plan to build a duplex, you must choose a site where zoning or other restrictions allow multifamily dwellings. If you know you want a manufactured, consider only tracts of land where those structures are allowed.

### **Consider Restrictive Covenants**

Developments are governed by guidelines called Restrictive Covenants. I know of one development where cats are not allowed, even if they are indoor pets. Some prohibit metal roofs, which are very popular on log homes. Some dictate paint colors or have an architectural review committee that must approve your home plans. Study covenants carefully to determine if you can live with them.

### **Start Your Search**

- Look for 'For Sale' signs as you browse the area.
- Search for properties on the Internet.
- If you see interesting tracts of land, note their exact location. A visit to the county tax office is usually all it takes to find the owner.
- Find a real estate agent who likes to work land sales. Talk with the agent about all of the categories above, and any others that might help her locate the perfect tract.