

Sample pages from Chapter 2

Sloping Lots

If you want a basement and you live in an area of the country where the soil doesn't drain well, avoid flat lots. A sloping lot will provide drainage if you install footing drains.

Another advantage of a sloping lot is that it allows you to design your house with a walkout basement with doorways or windows on one side to provide natural light and ventilation.



Also, in some areas the open side can be frame construction, which is a little less expensive than poured concrete or concrete block.

If you have no alternative to building a basement on a flat lot with poor drainage, be sure to hire a professional waterproofing subcontractor.



They will take extra care in waterproofing the exterior basement walls, providing footing drains that drain either to a sump pump and/or to a lower elevation on your property. Be sure that local codes are considered as to where the drainage can be discharged.

If you don't want a basement, try to find a relatively flat lot so that you won't have an excessive amount of crawl space (or fill, if you decide on a slab foundation).



Building a crawl space is cheaper than digging a basement. If the lot slopes on only one end or corner, though, it will not cost too much more to accommodate the foundation to the lot. Notice that you are accommodating the foundation to the lot, not the other way around.

I can't say this strongly enough: Find the land first and then make the plans to fit it.

Other Considerations

Trees are valuable; if you like trees try to find a wooded lot within your budget. Barren lots are cheaper to build on but more costly to landscape. A wooded lot generally costs more to buy and more to build on, but less to landscape. It's almost an exact cost trade-off. It's your choice, but if you are concerned about top-dollar resale in the near future, it's worth putting a few thousand dollars extra into a wooded lot with mature trees.

If the area in which you are looking has no development activity near it, I strongly recommend taking test borings of the soil before you purchase the lot to determine its load-bearing capability. These tests will also show whether there is ledge on the site that might require blasting. The test is not expensive, and the seller should be willing to pay for it. Without a soil test, you can end up paying thousands of extra dollars for foundation and drainage work. Be sure that this test is included as a contingency in any contract to buy. It can also be included as a refund provision in the contract in the event that non-load-bearing soil is discovered after purchase.

Specialists in test boring for load bearing are listed in the Yellow Pages under "Engineers, Consulting" or "Engineers, Foundation." Most county health departments

make soil tests for septic systems. This is done for free or at a very low cost. These departments also provide information about wells.

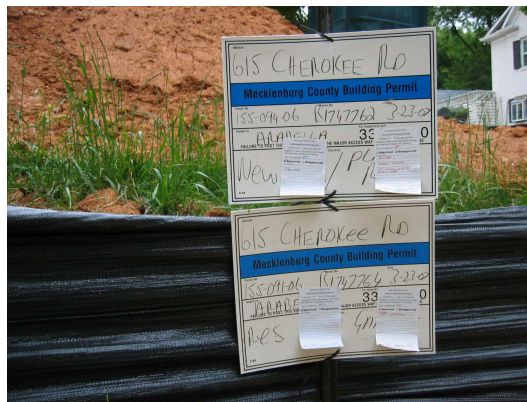
Let the Brokers Do the Work

Put the burden of getting these tests on your real estate brokers. Let them do the legwork and checking. Just make sure those tasks are in the contract you sign with them. Let them earn their commissions by handing you a nice, clean, finished deal — a lot ready for you to build your dream house on.

Make sure you deal with a realtor who is a member of the National Association of Realtors so you have recourse if there is any problem. In almost all towns and cities, the local Board of Realtors is so image conscious and worried about a member ruining that image that it will protect you, the buyer. Simply call the board if you believe a realtor isn't doing a good job or isn't representing your best interests.

Building Permits, Zoning, and Title Insurance

Is it a buildable lot? This is the most important question to ask when deciding to buy a building site, and your local building inspection department is responsible for answering it in the form of a building permit.



They will *only* issue a building permit if it can be considered a buildable lot. Be sure to check with your local building inspection department before you purchase your site.

Consider zoning carefully when you are choosing a lot or acreage. Be aware of what could later be built in your future neighborhood — stores, offices, trailer parks, or industry. Look at what is already there. Such things as dumps, railroads, and industrial buildings can make a lot worth much less as a site for a home. One could write a book on zoning — and many have. A quick consultation with your real estate broker and/or the local zoning department should resolve any fears you have.

If water and sewer are provided, be sure you check out all costs to get the water and sewer to your property line if it is not already there (it may be across the street). You also need to find out about any tap-in fees or privilege fees charged by the municipality or the association providing the services. Do the same for gas, electrical, and phone services.



Well



Septic



Propane gas

Thoroughly investigating wells, the septic system, load-bearing capabilities, water and sewer fees, and zoning may take a few weeks.

You also need to check out all restrictions on the size and type of dwelling you can build and what a neighbor may build. These restrictions may or may not be specifically covered in local zoning regulations. Different parts of the country use different means to protect an area from visual blight.

Finally, the seller of the land should always provide you with a title insurance policy, which insures that you will be buying property with what is called "clear title." The insurance company will have searched the records for previous transactions in order to provide an insurance policy. As with any insurance, its purpose is to bring you peace of mind. If you want added protection in a land transaction, consult an attorney who specializes in real estate.

How Much Should You Spend on Land?

Buying land is a very subjective process, and the cost of land varies greatly in different regions of the country. One tip I'll pass on, however, is to always keep resale value in mind. I know that may not seem important to you, especially since selling is the farthest thing from your mind right now, but some day it won't be. Remember, resale is always on the mind of your mortgage lender.

I recommend spending no more than 25 percent of your budget on the land. While this is not always possible, and gets harder to do every year, it is an excellent guideline. If you have to spend more than that, something else has to give, and that will be the size and/or style of your dream house.