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THE WALL STREET JOURNAL *Guide to Property*

Research Is Crucial To Development Plan

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Question: I plan to purchase three to seven acres of undeveloped, raw land located on a major crossroad. Before I decide what to do or develop on this site, what are some things, ideas, investigations, etc., that I need to do first?

-- Dale, Bogalusa, La.

Dale: You should be prepared to spend a lot of time doing research on everything from zoning regulations to the property's deed. (If that's not your cup of tea, you can hire a broker to work on your behalf, which would involve some agreed-upon commission.) What's more, you should be prepared to hire an attorney to conduct title searches to make sure no one else -- such as the long-lost relative of a former owner -- can claim the land. You'll probably also want to hire an environmental engineering firm or consultant to make sure you're not purchasing a former dumping ground for hazardous materials.

James B. Sineath Jr., president of Commercial Carolina, a Raleigh, N.C.-based affiliate of real-estate services firm Cushman & Wakefield Inc. of New York, and a broker with years of experience in land sales, offers the following suggestions, in no particular order.

Determine what the current zoning is for the property. You want to know if the property is zoned for a specific use as it will affect whatever you decide to build there. To learn about zoning regulations regarding that property or the area in which the property is located, simply go to the local zoning or planning department and provide the clerk with the name of the property owner. The office should be able to tell you what the property is zoned for.

This is important, Mr. Sineath says, because if you buy the site wanting to build, say, a restaurant, and it is zoned for office, you will have to request a permit to rezone. About 90% of communities in the U.S. have some form of zoning regulations, he says.

Also, be sure to check with the zoning or planning department on how far back your proposed building would have to be set from the road, especially since yours is on a major crossroad. Learning about those rules can help you calculate how much space you can build out on the property.

Many zoning offices maintain building information electronically, so you may be given a disk on which you can find this information on your own (inside the zoning or planning department's office, of course).

Mr. Sineath also advises carefully reading the deed to the land, looking for so-called "restrictive

covenants" in which a previous owner might have stipulated that certain buildings couldn't ever be built on the property. That also will help you determine what you can do with the site.

You should hire an attorney to do a title search to "make sure there isn't a cloud on the title," he says, such as outstanding tax liens. "The title insurance simply insures you for what you pay for the property should something not be found in the title search that turns up later and causes you ownership problems," he says.

You also should get the site assessed by an environmental engineer or consultant to determine if there are any potential hazards and, if there are, to help you take corrective measures.

-- Mr. Smith is a staff reporter for The Wall Street Journal. His "Building Value Q & A" column appears each month exclusively on RealEstateJournal. [Click here](#) to e-mail him a question about investing in real estate.