The Land Flipper
Turning Dirt into Dollars

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Disclaimer

No one involved with the production of this book is a lawyer, and nothing in this book should be taken as legal advice or even legal truth. Real estate is local. Real estate laws and customs can differ radically from place to place and even from time to time. So don’t act on any information in this book without first running it past a real estate attorney in your area.
Introduction

Imagine that you wake up one spring morning five years from now and walk out to the mailbox. But instead of the countless bills which the average person dreads, you find checks – each one with your name on it.

It’s the first of the month and three of your real estate notes have paid precisely on time. A dozen more will trickle in throughout the week – checks for $386.25, for $425.25, for $208.10. They come every month, like clockwork. And as the postman slips each one into your mailbox, another day or week of your life is released from wage work, another month salvaged from nine-to-five drudgery.

You deposit the checks with your smartphone and put some numbers into a spreadsheet. You’re done. That’s it.
The rest of the day is yours.

When people fantasize about getting rich, some think about all of the expensive cars and clothes they want to buy, all the impressive material things they hope to gather – the watches, the condos in New York, [insert your own here]. But what they sometimes don’t consider is that wealth buys your life back. Suddenly your time and mental energy belong to you again – not to the company.

Always dreamed of running the New York Marathon? No problem. Hire a personal trainer and dedicate the next ten weeks to training. Then buy a ticket to New York for family and friends. Adore animals and wilderness photography? Hire a guide to take you on safari through Kenya. Interested in helping people? Open a soup kitchen on skid row and spend your days in kindness and altruism. The thing you buy with money and financial security is yourself.

This is not to disparage the nine-to-five life. People do what they have to do. But if you want to escape it, there are other options – chances to win for yourself the type of existence which we all deserve if only the universe were a fair place.

All you need is the ground beneath your feet. Land.

As any old-timer down at the Country Store will tell you: “They keep on making people, but they stopped making
The Land Flipper

land a long time ago.”

Tucked within this rustic phrase is the truth of ever-increasing demand for rural land. As populations expand and cities grow, there’s a natural desire for space and privacy and for a return to simpler living. In this book we’ll walk you through the process of getting your hands on some of this good earth and then turning it into cash or else creating a stream of income – mailbox money. The only requirement is that you live in a country where private land ownership is legal and fairly straightforward. While this book will focus on the U.S., where the authors have some experience, most of the fundamental strategies should work just as well with hectares in Brazil as with acres in the U.S.

So now you may be asking yourself what qualifies us to teach you about land – about building a fortune out of dirt.

Experience. That’s about it. For years our extended family, along with a circle of friends, have flipped land as our primary source of income. We have done it all over, from rural American Timbuktu to the brimming outskirts of major and minor cities. We have weathered some terrible recessions and downturns in the economy, sometimes having to scramble and to survive the winters on stored fat. It’s how we’ve fed the kids.

So that’s it. We’re not offering any credentials beyond

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our competence with the subject matter. Our only claim is that we’ve been there and we’ve done that. If you don’t hear that experience in our voice, it’s time to stop reading.

As for why are we telling it... mostly it’s the Old Folks. They started it. One day when they were young, they noticed that they had no money. Since they also had no particular career training and didn’t like time clocks much, they bought a raggedy old house and flipped it. Then they flipped more houses, then apartments, then timberland and finally residential land. That seems to be where they found their comfort spot. And now they want to tell some of their story. I guess they’re more worried about their experiences being lost than about you competing with us.

One last thing: Don’t get us wrong. We aren’t saying that land flipping is as easy as falling off of a rocking horse into a bed of soft-focus roses. It’s not that. It’s way more exciting and stressful than that. There’s no one to instruct you each morning about what jobs to do for that day and how to do them. All of that is up to you (but with our help). There are no Big Bosses in the front office nor stockholders to absorb the mistakes you and your coworkers make. That’s you, too.

And did we mention that it’s damned hard work? Anyone who tells you that you can make your first million dollars without breaking a sweat is either
confused, lying, or a trust-fund baby. Nah. It’s damned hard work. Especially if you’re shooting for the big time. Any old slouch can make a living at the real estate game, but if you want the brass ring, if you want to summit the hill so you can glide easily through the rest of your life, walking only as far as your mailbox each morning – then you’ve got to get up earlier, stay up later, and spend your days thinking and working at not much else. Financial success is a realistic and even likely goal if you follow the system outlined in this book, and it is certainly possible to get rich quick(ishly), but the plans and techniques in this book require lots of hard work.

The competence, we intend to impart to you over the course of this text.

The hard work is up to you.

Other than that, there’s not a whole lot of downside to it.
Chapter One: Why Flip, Why Land?

Why Flip?

So you’re ready to step out and become the lead dog, to make your own decisions about the direction of your life. It’s time to start a business.

You do a bit of research, only to find sad confirmation of that nagging voice which has whispered in your ear all along. The voice that says: “It takes money to make money.”

The guidebooks you read seem from another time and place. “Look how I used money from my part time job to open a successful restaurant!” one of them shouts.
Whoa. You don’t have a hundred grand to open a restaurant. What kind of part-time job do these guys have?

You look into starting a landscaping business only to find that you need expensive insurance, a riding mower, weedeaters, miscellaneous tools, a big trailer for all the equipment and a bigger truck to tow it all. Maybe even a few employees. Oh, and only expect business half of the year.

You investigate opening a food truck. It doesn’t take long to tally the numbers. The truck. The equipment. The food supplies. The employees.

Damn. Foiled again. Everywhere you go, the voice follows – that cursed universal truth: “It takes money to make money.”

Ask a successful business person (if you ever spot one in the wild), and they will tell you that the first hundred thousand was by far the hardest money he or she ever made.

But it’s not impossible, it can’t be impossible! Can it?

Then one day it happens. The deal that changes your life.

Of course “It happens” isn’t the right way to put it. You made it happen. You put up the five thousand as a downpayment and bought an owner-financed,
abandoned, ugly lot on a blacktop road in the country fifteen miles out of town. Two acres, overgrown with briar patches and littered with empty beer cans. Your family thinks you are crazy.

But within three months, they’re eating crowburgers with extra Told-You-So sauce, because you have sold it for nearly twice what you paid. A profit of over $10,000. Not a life changer, but respectable money. So now you either have more cash in the bank or else you have a real estate lien note (an IOU secured by a real estate mortgage) which can be used as loan collateral for your next deal.

You are on your way to having something. That ceiling which has blocked your rise to wealth is developing hairline cracks. Ten thousand turns into twenty, twenty to forty, and in a couple of years maybe you pass the hundred thousand mark. At this point, when you have cash in the bank to wheel and deal with ease, the processes in this book become like child’s play.

We realize this may all seem a bit daunting, but the deal mentioned above is doable, for anyone, even for someone in financial hardship. Later in the book, in Chapter Five, we will have a detailed discussion on how to start from zero and get the money you need to do deals, so we won’t go into it too much here. Let’s just say that if you happen to already have fifty grand or more in a savings account, then your experience will be vastly
simpler and easier than someone who has only the (mortgaged?) shirt on his back. But even if you are that pauper, don’t despair. It can be done. You just need a little education.

So you have read our book title and deduced that this is a book about flipping. For those of you who have somehow missed the flipping craze on television over the last decade, it is a fairly straightforward process.

**Step 1** Buy something cheap. Likely candidates include the run-down, the unattractive, the underappreciated or undervalued.

**Step 2** Improve the thing, clean it up, make it attractive. In our land-flipping system, the real improvement goal is to *divide* the thing into parts if possible. More on this division later.

**Step 3** Market the hell out of it, so that people who never knew it existed are now more than aware of the deal you are offering. Think of those shows where they dig up antiques from old basements and put them on eBay for the whole world to peruse.

**Step 4** Sell it for more than what you paid, including your fixup and advertising and miscellaneous expenses.

**Step 5** Repeat with a bigger deal, using your profits as your working capital.
One of the great thing about flipping is that it doesn’t necessarily require a brick-and-mortar business and all the expenses that entails. All you need is a computer, a vehicle, a phone, and a few other odds and ends which we’ll discuss later. All in all, this business has a very low overhead cost as businesses go.

There is also a ton of flexibility. It is by no means a nine-to-five job, and while you have to stay on track and be very self-disciplined, it can alternate between intense periods of dogged work and others of relative ease and leisure. (Think firemen, hanging around the firehouse.) You don’t need employees to start the business, and you may never need any. You will need contractors, but they tend to be a lot less hassle than employees.

Also, it’s the kind of startup business that you can do on the side, even while working a full-time job. You can pick it up for a little while, make your money, and set it back down again – depending on whether you have a deal in the works or not. It is low commitment, but of course you get out what you put in. Like anything else, your success is proportional to how much time, energy and money that you invest.

And it’s work that is as interesting as it is lucrative. There are few other occupations that will have you meeting such a diverse cast of characters in such a wide array of locations. You’ll spend time outdoors, on the road and in the air-conditioned office. You may work with your
hands one day to the point where your whole body aches. The next day may find you poring through contracts and shuffling papers. Your time may be spent interacting with buyers, sellers, contractors, title attorneys, and good old country folk. There’s very little dull routine in the flipper’s average day.

**But Why Land?**

In the last decade or so, American culture has been swept by flipping fever. Several television channels offer programs in which the participants flip houses, antiques, the contents of shipping containers and assorted other strange stuff.

But if you’ve followed this craze, you may have noticed that no program follows a landflipper. There are few if any books about flipping land, and you hardly ever hear people talk about it. Depending on where you live and your life experience, this might be the first time you have even thought of land as something flippable. Maybe it lacks the sex appeal and panache of a California mansion or a dusty box of antique doodads. But most likely it’s because everyone is familiar with houses, from birth, but very few people have dealt with land. It’s a specialized subset of real estate.

So what does this lack of exposure and popularity mean? Opportunity. An unexploited niche. A honey hole where competition is sparse.
Strange that something so simple flies so low below the radar. You can go to any big city in America with the dream of flipping houses, and if you work hard and get lucky, you may well be successful. But there will be fifty other people in the city doing exactly the same thing. The competition for flippable houses is going to be intense in any lucrative market.

But many flippers seem to assume that property values outside of the city are too low, that the location isn’t popular, that people won’t be interested in living all by themselves next to a peach farm.

They couldn’t be more wrong. People want land.

In fact, you may know our ideal customer. They’re living next door to you right now out in the suburbs or two floors down in your condo building. There are millions of them all across America, and we have to assume the same about other developed countries which have gone through massive urbanization in the past 100 years.

They are a middle-class couple, getting a little gray, their kids now living out of state. The husband loves to hunt and the wife is a big time gardener. Maybe they imagine (or remember) happy days spent fishing or picnicking at the creek, picking blueberries on the hillside, playing checkers at the farmer’s coop. This image of the ease and joy of rural life is imbued in the American psyche and has stayed with this couple throughout the stressful,
turbulent years of work and raising children in a busy city. So they retire from their jobs as draftsmen or school teachers, with pensions big enough to make that a reality.

Or they might be immigrants from Mexico or one of the other Latin American nations, where land ownership can be a matter of prestige. They came to this country ten or twenty years ago to build a better life and have managed to get decent jobs and have saved every possible penny. In the husband’s version of this dream, he is planting fruit trees or mowing his own grass, getting it ready for the weekend’s big barbecue party with all their friends and family.

Although there is a market for stately country manors, many rural land buyers don’t build houses, opting instead for a mobile home. We’ve all heard the term “trailer park” snobbishly bandied about by someone. (Maybe we’ve even heard ourselves say it?) Of course trailer parks exist and they can certainly devalue the land around them, but don’t let the stereotypes put a bad taste in your mouth. There are plenty of upscale manufactured housing developments with tight deed restrictions. The owners have big lots, keep their yards manicured and make more money than many people living in the city. People buy mobile homes because of the amount of space they can get for their money. Whereas a condo in the city is going to be 750 square feet, you might get triple that space in a mobile home,
plus your land, for the same price. Also there is the speed at which a mobile home can be delivered and set up. The option to pick your piece of Earth and be ready to move into your new home only a month later – that can be very appealing.

The popularity of mobile homes hints at the size of the market for rural land. Although people sometimes set up mobile homes in the suburbs or even urban communities, many or most of them set up on raw land outside of town.

It can be startling to realize how far people are willing to commute in order to live out their pastoral dream. Many rural lot buyers travel an hour to their downtown jobs. Some drive two hours. Experts have posited that the coming advent of self-driving cars could as much as triple the size of the distant suburbs as it becomes more convenient to travel great distances to and from our employment. Soon we might all be sipping fresh coffee and reading the paper as our cars propel us toward the central hubs of the world, making rural life even more common.

But transcending weak competition and increasing demand is the biggest reason of all for putting aside house flips in favor of land flips: Land can be divided.

When you buy a house, you can’t sell the living room to one person and the back bedroom to another, but you
can do that with land. And 144 widgets, sold singly, can be a lot more valuable than a gross of widgets. A ten-acre tract can become two five-acre tracts or even five two-acre tracts.

So our basic plan is not much more complex that any retailer’s: Spend $100,000 on ten acres on a corner of some rural road, highway, or farm-to-market route. Break it into five lots (a process we’ll describe in more detail later). Sell each one of those two-acre lots for $30,000. Boom. You just made a respectable pile of money. Sometimes it is possible to double your money in less time than it takes a Californian couple to buy a Portuguese Baroque for $300,000 and flip it for $335,000.

Don’t have $100,000 and can’t borrow it? You’re a member of a big club. But as we say, don’t worry about it for now. There are ways.

Then there’s the safety issue. By that, we mean that when buying land, you don’t usually face the same financial danger as the California couple. Why? It’s because you always buy at a reasonable price. A lowish price. So even if you have trouble dividing the land, you can still sell it easily for what you paid. Worst case: You don’t lose anything.

This ability to buy land at the right price is based on a fact which really sets it apart from houses: Land can be
very difficult to appraise. No one has a definitive answer for how much land is worth. Because of this, you pretty quickly come to know more about value than most land appraisers do. If you send five appraisers to a 2BR/1BA tract house in the city, their guesses may range by no more than ten percent. But send the same five appraisers to a twenty-acre tract outside of town and there’s just no telling what they’ll come up with. A big variation in numbers.

There’s even an old definition of ‘land-flipping’ which takes advantage of this fact about land. Good old boys would artificially jack up the value of land by selling it around among themselves. But they never could have done that with houses. You can’t easily trick a buyer into paying double what a house is worth.

Sometimes people will ask us, “How much is an acre worth out in that area?” But that’s a nonsense question. One acre with all utilities and on a blacktop might sell for $25,000. But a landlocked, swampy, hundred-acre tract might go for $500/acre. So if it’s a friend who asks that question, we’ll say, “An acre out there? Oh, somewhere between $500 and $25,000.”

If it’s someone with whom we shouldn’t be so smart-alecky, we say, “Oh, the prices vary.”

Another interesting point is that people who have lived rurally for their entire lives may have a tendency toward
lower valuations. They might see the land around them as worth what it was worth when they were younger and uncles were selling to nephews, grannies donating to grandkids. In their world, there is plenty of land but very few people. Huge supply, low demand.

On the other hand, people who have spent the majority of their lives in the city, where land sells by the square foot, might be happy to go a bit out of town and pay $10,000 an acre for land and feel like they got an incredible deal. After all, their concept of land is one of high demand, low supply.

So country people, often your sellers, and city people, usually your buyers, can have different concepts of what raw land is worth.

Another thing about land vs. houses: Anyone who has ever tried to flip a house will tell you that the details involved can get overwhelming very fast. Owning a house is almost like parenthood. It must be constantly tended, and any neglect can cause serious damage. A leaky pipe in the master bath, faulty wiring in the garage, a patch of bad shingles over the living room – all problems requiring immediate attention.

But land has neither leaky roofs nor rusting pipes. It was there for millions of years before you came along and it can get along just fine without you. About all you have to do is watch it – for trespassers, dumpers, timber
thieves – but that’s usually as simple as giving your business card to a few neighbors and asking them to keep an eye out.

This isn’t to say that you can’t do things to improve your land – from brushcutting the briar patch to re-establishing corner pins to working at filling puddles and cleaning ditches. But rather than these things being necessary, any improvements are just added bonuses to the value of the land. There’s very little that needs repairing in your ten acres of oak forest, no matter how long you forget it. Wouldn’t it be nice if houses functioned the same way?

Also, most of the risks associated with home ownership are less likely to ruin a prudent investment in rural acreage or even to decrease its value. A flood will leave it intact. Hurricanes and wildfires can damage the vegetation, but send in a bulldozer and turn it into nice pasture. You may get the dozer expense back in increased land value. If you can afford it, you can leave your tracts to sit for long periods until you’re ready to flip them. And while the housing market is going through its periodic bubbles and bursts, land tends to remain a little steadier in value, although we have seen fluctuations during extreme economic changes. Anyway, you’re a flipper, not an investor. You have virtually no fear of market changes.

Lastly, having land is just plain fun. It’s your own
personal playground. You’ll never find yourself without a place for a nature hike or four-wheeler ride, a place to shoot a few tin cans if you need to teach your kids about the responsible use of guns. Sometimes you’ll find yourself owning a piece of land with lake or river access and a great excuse to invite your friends out fishing.

But no matter how many good times you have out there, remember that it’s inventory. The ultimate goal is to flip the land as quickly and as for as much profit as possible, which means you won’t have it very long. Still, there’s nothing that says you can’t enjoy it for the season that it’s yours.

For these reasons we believe that flipping land is superior in many ways to flipping houses:

- Less competition
- Huge market
- Can be divided
- Disparity in appraised value is easier to find
- Less bothersome and risky than housing
- Fun
Chapter Two: Finding the Tract

What to Look For

The first step, of course, is to find some inventory – a piece of rural acreage that is best suited to your purposes. So what are we looking for? Let’s examine some characteristics of the ideal flip tract.

Road Frontage

This is top of the list, the factor which most increases a tract’s flippability. Check subdivision regulations of the county government where the land is located (more on that later), but generally, every 100-200 feet of road frontage makes another lot, another widget that you can sell individually rather than in bulk. Look out especially
for land that is on the corner of two roads, land that has a road running through the middle of it, or land that has access to roads on either side. Blacktop is usually preferable to gravel, and a road maintained by the county is always preferable to a “private drive.” Sure, you can build your own road but it’s way better (cheaper and easier) to find one already in place.

Utilities

Outside of city limits, utilities can’t be taken for granted. On the backroads of the world, water service, for example, can be rare. When your future lot buyers go to set up their new home, water will be an important consideration for them. Are they going to have to drill a new water well for thousands of dollars? Or can they hook up to a local water service?

Other utilities, especially cable, can also be big bonuses to a project, so a good land scout is always on the lookout for gas meters, propane tanks, water meters, well houses, telephone pedestals, cable dishes and cable lines strung along utility poles. Always make sure you are aware of what is and is not available at a particular property before you decide to put your money on the table.

Topography

Topography refers to the natural undulations – ups and downs in elevation – across a particular tract of land. The
old folks still grump about how easy it is these days to find topo maps. They used to have to get in their car, drive to a specialized map store in a major city, and buy a bundle of topo maps. Or else order them by mail.

Now? Internet, of course. Internet on a smart phone, of all things.

Study topo maps. By learning to read their contour lines, you can see the lay of the land better and more easily than actually walking the tract. Notice drains and hilltops especially. Hilltops are good homesites. Drains make nice lot lines. Or you can advertise them as pondsites.

Most any topography can be worked with, but the absolute best is probably land that slopes gently upward from the road. Everybody likes to look down on the world, I guess.

**Pasture or Woods**

There’s just something about a tree. People love them. They provide shade and make a property visually interesting. On the other hand, land that is too heavily wooded can be a problem. Lot buyers are going to need a cleared area for their homes, and getting rid of large trees can be an expensive process. Bulldozer time isn’t cheap time.

Pasture has the benefit of being easy to make ready for a home. It is already open and prepared for a house pad.
But some people – especially people with pastoral dreams – are hesitant to buy a tract which has absolutely no shade trees. Still, don’t pass up a deal just because it’s open land.

Your best bet is lightly wooded land – land that has been lived on and still has yard trees or else land which was logged 10-15 years ago. Such logged land will have rotted stumps, easy to clear, along with nice young oaks and pines. So cleanup goes quickly and nice trees remain.

**Abandoned, Neglected, or Ugly Property**

House flippers say to buy the ugliest house in the best neighborhood – which is also good advice for land flippers. When you come across property overgrown with briars and privets, infested with a bunch of junk, buy it. It’s what you want. You’re a flipper. Grass is easy to cut. Junk can be hauled to the dump. If the owner doesn’t care enough to maximize his sales price, you certainly do. Fixup is your job. We’ll talk specifically about the improvement process later on. Our point is that you should train yourself to imagine. Don’t let your immediate visceral reaction to a property put you off. Junkiness, ugliness… those are exactly what you want.

The second part of the real estate maxim is that you should buy “in the best neighborhood.” You definitely need to check out the surrounding area as part of the
scouting process. Things like tightly-packed trailer parks, junkyards or hog farms are going to put off your future lot buyers. If you can’t imagine it away, it could be a problem.

**Favorable Local Laws**

Land in unincorporated areas (outside of town limits) is regulated by the county in which the property is located. At least in the U.S. So if your deal is dependent on dividing the property, you’ll need to look into the rules. Call the county courthouse and ask for a copy of the subdivision regulations. Even better, if you can afford it, hire a local attorney to consult with you and possibly interface between you and the county. Not necessary, but potentially helpful. Rural counties tend to be more relaxed than urban ones. New development brings new taxes, new activity, and is usually good for a sparsely-populated area.

Meanwhile, keep an eye out for Nimbys. A Nimby is a Not In My Back Yarder – a person who is against new development being done in their area. Of course, these Nimbys live in houses and neighborhoods themselves. But once they move in, they raise the drawbridge. Sometimes they man the walls with spears and arrows when anyone new tries to move into the castle.

**Where to Look for It**

Now that you know what you’re looking for, it’s time to
consider how to look. There are numerous ways to locate a hot deal, and you’ll have work at it from different angles until you find the best one. Here are some of those angles, in no particular order.

**Real Estate Brokers/Agents**

A real estate broker is the person who owns the agency. The people who work for him are real estate agents. We’ll generally use the terms ‘RE agent’ for both unless the distinction is important.

Sometimes you can find an agent willing to work with you long-term, but that can be difficult. Usually we find that they are after an immediate transaction and not so interested in long-term relationships in hopes of a future transaction. But try. Maybe you know one socially. They can be a help, especially with the MLS system.

The MLS (Multiple Listing Service) is a central clearinghouse, a database, for listings in a particular area. Most RE brokers belong to it and post their listed properties there with an arrangement to share commissions with any other brokerage which finds a buyer for the property. But not all RE brokers belong, so pay attention to the (usually smaller) ones who might have listings outside of the system.

Keep in mind, too, that RE agents mostly sell houses. If you read a chapter or two of this book and back it up with a bit of experience in the field, you may be more
knowledgeable about raw acreage than many of them, at least in our experience. So don’t expect a lot of hand-holding, even from the listing agent.

Speaking of that, it is better most of the time (on listed properties) to deal directly with the listing agent. That agent is in contact with the landowner and will know more about the property than any other agent. So even if you have a usual RE agent to whom you are faithful, you should insist on your right to speak to the listing agent. You’re not trying to duck the commission. You’re trying to avoid a game of ‘telephone’. So go to the source, or as close as you can get. Best of all is to deal with the seller directly, even when the property is listed, but the agents may oppose that. Maybe they are worried about you trying to avoid the commission or maybe they have a shy client in the seller, but you should try to talk to the owner directly, to learn directly from the horse’s mouth.

Also, the listing agent has a vested interest in having his own deal win. If he sells you the property, he gets both sides of the commission – usually 3% to the listing broker and 3% to the selling broker. Of course we aren’t suggesting that there is any shadiness in the real estate business. We’re just saying that dealing with the listing agent could potentially give you subtle advantages in winning the deal.

Many MLS databases have searchable online
information. Although the search functions are sometimes crippled compared to the RE agent’s access, it can still be very useful. If you’re unfamiliar with them, you might want to go online and play around with the one for your area. Each listing will have an MLS number attached to it. This number can be put into a search engine along with another keyword like your state name, and you will get a dozen or so results from various real estate agencies with various information and pictures of the property. Sometimes the information will be outright wrong. You might see a map pin that is miles away from the actual property. There will usually be no plat, no description, and maybe a stock photograph of some trees.

But sometimes the info is useful. After you’ve reviewed some of it, make a list of questions and call the listing agent.

**Websites**

The modern land flipper must be tech savvy, as the internet has already changed the game and continues to do so.

One of the best sources for land for sale by owner is Facebook. Look for Facebook “swap shops” in your area. They might be under “Buy, Sell, Trade” or various other monikers. Find and browse as many local groups as possible. After you have joined these groups, simply
check them from time to time. Facebook groups also have a built-in search function. Usually searching these groups for “acre(s)” or “acer(s)” or ‘land’ or ‘lot’ will turn up land results. These can sometimes be great leads, as they are private individuals who may value their land differently than you do. Facebook also provides an easy way to contact them.

More on the specifics of FB a little later.

Another great site for finding land is Craigslist, which works on the same principle as an online classified paper. Individuals post listings for land under the “Housing Offered” category, and there is even a feature that will let you pull up a map which shows where all of the listings are located.

Other sites like Landwatch.com or FSBO.com might be effective depending on your particular area. Run Google searches to find all potential real estate sites in your area. Remember that your land search is local, local, local… which brings us to our next method.

**Local Newspapers**

Let’s face it, print papers are tottering between old age and, well – you know what. But keep in mind that in the U.S. there are still plenty of rural people who don’t have high speed internet. Sometimes your ideal land owner will be a seventy-year-old man who has lived his whole life in the same small town and may not even have an
email address. To connect with people like this, old fashioned methods such as print paper can work. Get a subscription to local papers in your area(s) and check the classified section every morning as you drink your coffee. Make it a ritual. Maybe you’ll strike gold.

As always, remember that you are looking for leads. If you get this old man on the phone, and his property doesn’t suit you, ask him if he knows anyone else who might have land for sale. (Actually that should be your habit with everyone you contact. Just before you break contact, ask: Do you know of anyone/anything else?)

**Bank REO Departments**

Sometimes banks repossess the collateral which they are holding on loans. Sometimes this collateral is real estate, sometimes raw acreage. They will have a department or a guy who handles ‘Real Estate Owned’ (REO). Also sometimes called ‘Other Real Estate’ (ORE). Whatever the name, banks are anxious to dispose of this property. And they are likely to finance it for you. Better to have you paying the bank a monthly note than to have some dirt in their portfolio.

**The Tax Assessor**

Anyone on the hunt for real estate needs to be familiar with the Tax Assessor’s office and its records. And the better you learn it, the richer your real estate life will be.
Every county in the U.S. has to keep up with the ownership of its real estate, mostly because of ad valorem taxes, also known as property taxes. Real estate owners have to pay a yearly tax based on the value of their property, and the assessor determines what your property is worth and where to send the tax bill. The bill itself is sent by the sheriff, just as it was done in the days of Robin Hood and Nottingham.

So the Tax Assessor is a guy who knows the name and mailing address of every real estate owner in the county, along with (supposedly) how much the property is worth. You need to get familiar with him.

*Note:* Never believe the property values as generated by the tax assessor. Utterly ignore his assessed valuations unless they are extremely low, in which case you can use them in your negotiations with the landowner.

In the old days, a guy had to drive to the country seat and stand at the assessor’s high tables all day, poring over heavy books. Now? Internet, of course. Freaking smart phones.

So here’s the thing: There are ways to use the Assessor’s records to find land to buy.

Really good techniques that few people use.

The public records are so critical to the landflipper’s life, that we’ve made a standalone chapter about the entire
courthouse gang – the Sheriff, the Clerk of Court, and the Tax Assessor. It comes next. Read it closely.

**Timber Companies**

If you live in a place where trees are grown for profit, it is likely that timber companies own huge swathes of rural acreage in your area. Sometimes they sell it, especially small tracts lying outside their core areas, and sometimes for cheapish prices. They are also open to trades. So if you wind up with a landlocked tract full of timber, which happens to be contiguous to timber company land, trade it to a timber company for one of their cutover tracts with long road frontage. Win-win.

From giants Weyerhaeuser and International Paper to mom-and-pop operations, timber companies are good contacts. Check in with them periodically. Bug them just enough so that they don’t hate you but do remember you. Make it so that when they get ready to sell something, your name is the first one to pop into their heads.

**Word of Mouth**

RE agents don’t pledge fraternities, get elected to minor political positions and join the biggest church in town just for fun. They are looking for contacts, and every time they rub shoulders with us, they remind us that they are RE agents and can help us to buy or sell our property. So be like them – at least in this one way.
Make connections and advertise your interest in land. Everywhere you go. The guy who runs the country store may have an aunt who wants to sell the farm and move to Vegas. So take a minute to rub shoulders with him as he hands over your bag of pork skins.

**A Sunday Drive**

Never underestimate this one. Take a drive. Go exploring. Watch for FSBOs (For Sale By Owner – pronounced FIZ bo) or faded old RE signs half falling down back in the brush. You never know what hidden gem might be sparkling at you from down that dusty dirt road. Plus, you’ll be learning the lay of the land and increasing your street cred. Next time you’re getting your pork skins, you can thumb your suspenders and say, “Oh, yeah. ‘Course I know the Dusty Dirt Road. I was just out there the other day!”

**Neighbors**

After you buy a tract, you’re a landowner in the area, and now have a perfectly legitimate reason to call your neighbors. If you spot an attractive, unoccupied piece of land – especially such a tract contiguous to your own, call the owner. This method of finding deals can be extremely productive.

**Lone Wolf RE Broker**

Somewhere in your area, there’s a lone old codger with a
little office and a broker’s license. He has no agents working for him, but he was once the postmaster or is a church elder, and he knows lots and lots of people. Sometimes these friends mention that they have a house or a piece of land they’d like to sell. Our old codger doesn’t belong to the MLS, but he’s happy to list that property and try to sell it with a newspaper ad, with signs, and by calling up everyone he knows and hustling the land to them.

Call him every two weeks and remind him that you’re looking for land to buy. Next time he gets a tract, he’ll think of you first.

Also – and this advice applies to all RE agents – ask the old man if he has any pocket listings. Some people will call all of his listing pocket listings because they’re not in the MLS, but he may also have listings that for whatever reason, he has not made public. (Maybe the owner is a shy celebrity.) Or he may just know of some land that might be available if he asks the owner.

**Consulting Foresters**

This isn’t the same as a timber company. He’s an independent businessman who makes his money by managing timber for landowners and taking a commission when he handles a timber sale or a land sale for them.

Usually when he wants to sell timber or land, he sends
out a bid letter to the usual suspects. Get on his mailing list.

First Contact

So through a Sunday drive, word-of-mouth, the tax assessor’s office or wherever... you’ve found a piece of rural property that seems interesting. Time to make contact with the person who can answer some questions. In this section, we will tell you which questions you should absolutely ask during the first contact, along with some general tips about how to make your communication with land owners or RE agents a bit more effective.

The game at this stage is elimination. You’re looking for a reason to scratch this tract off your research list. No sense in chasing rabbits that can’t be caught. Is there anything dealkillerish about this tract?

Price

As we have discussed, people can have vastly different ideas about land value. We’ve seen land advertised on Craigslist at $25,000/acre – property which in our opinion isn’t worth $2,500/acre. Try to eliminate such situations right off the bat by asking how much. You won’t always get a straight answer, especially if the land isn’t on the open market, but go for it. Try.
Road Frontage

Always ask about road frontage. But be delicate, casual.

Why? Well, because most landowners understand that developers hunt for road frontage, and some people, in their gut, just don’t want the other guy (you) to make money off of them. We’ll discuss this issue more closely in a minute.

The best way to learn about the road frontage is to ask for the plat to be emailed to you, but some people can’t figure out how to do that, so you may wind up having to go and get it in person.

Tip: These days everyone has a smartphone, and most of them know how to take a pic and send it to another phone. So ask them to shoot a good photo of the plat and send it to you.

Permission to Walk

If the land seems like it might be something of interest, then ask the owner for his express permission to walk on the property. You don’t want to go out there without the owner’s say-so. In the U.S. trespassing can sometimes be judged a serious offence, and you could be confronted by a neighboring landowner or even someone who is leasing the subject property for farming or hunting.
Open-endedness

Give the owner a chance to talk freestyle about his property. Ask this question: “So is it pasture or cutover or....”

Then shut up.

The Schmooze

Cover your required questions, but don’t forget that you’re talking to a person. There’s time to schmooze, to get to know the guy/gal. Business can be fun, and when others sense that you are relaxed and enjoying your conversation with them, they are likelier to want to deal with you, even to make concessions. Meanwhile, you are learning who they are and what they want. Is he a cash-hungry farmer ready to sell out and move to the big city? An heir without financial concerns who might be willing to owner finance? Learn what you can about the owner’s situation.

Pro Tip: People don’t want you to make money off of their land.

As we mentioned, you want to exercise caution when you’re speaking to a prospective seller. Understanding that human psychology is often random and irrational will give you a leg up here.

Many people will despise the thought of you flipping
their land for a profit. To them, it may imply that they are “suckers” or uninformed. After all, if you’re buying his land for 50K and selling it for 100K, surely you are taking advantage of him somehow? Aren’t you?

No. You’re taking on the risk, giving him cash money, and doing all the work. And you’ve got specialized knowledge of how to maximize the value of it. The seller either doesn’t have that knowledge or else isn’t willing to go to all the trouble.

So there’s no need to feel guilty. But there’s also no need to tell the seller your plans for fixup, division, resale. So you want to be a bit vague about your intentions when talking to land owners. Remember that people do not like to be reminded that you might make money off of them, particularly when it comes to something as personal as their property.

So what do you say? The truth. You’re an investor. You like to buy land because, after all, the old man down at the store says that they ain’t making any more of it. You might also mention that a family member might want to live on the land one day. That’s possible. We’re just saying that you should be a bit vague without being dishonest and without appearing to be vague.

Practice walking that line with grace and style.
Researching the Tract

So now you’re beginning to focus on particular tracts. Maybe you started with ten prospects, and only two or three survived the initial culling process. It’s time to take the next step and investigate the heck out of them. A really close look. Here are some tips to get you through this process.

Expect the Ad to Be Wrong

First of all, if you found the ad via the internet, it likely has bad information. Raw land is a specialized field and most people, including most RE agents, know very little about it, at least compared to what you will know. So view the initial information with a healthy dose of skepticism. You are the expert. You’re the one who has to determine whether the tract really has water or cable service or is inside or outside of town limits.

Google Earth

Google Earth can be your best friend when it comes to researching a potential buy. Learn how to use it and hope that your competitor doesn’t. We’ll just mention a couple of features here.

One is what we call the “Wayback Button”, which lets you view older satellite photos of the land in question. The older photos were taken at different times of year, which is helpful in studying the timber. Most oaks are
deciduous, but pine isn’t, so a winter photo will show the difference clearly. You can see changes in ownership by watching through the years as different tracts are cleared and homes built. You might see signs of activity on the tract in question and want to go back and ask the owner about those. Or you might notice that a certain pond seems to go dry in the summer time. Lots of uses for the Wayback Button.

The most valuable feature, of course, is the ruler – which you can set up for feet, meters, miles or whatever.

If you’re a tech genius, you can walk a tract with a GPS and then pump the info into Google Earth, making a breadcrumb trail and marking points of interest to then study on the aerial photographs.

Earthpoint is worth considering. It’s a service which offers extra features for Google Earth, like the section lines and other valuable information. Tools exist to calculate acreage on the aerials, etc.

**The Clerk of Court**

See the next chapter for a closer discussion of the Clerk’s Office and how to use it. We’ll just summarize a few things here.

Basically the Clerk records deeds, mortgages, mineral leases, etc. – putting these legal documents which affect real estate ‘of public record’ and keeping indices so you
can find the ones you want.

The deed will contain the legal description of the property. This means that after talking to Farmer Brown and finding that he has no plat, you can go to the Clerk, find Farmer Brown’s deed where he acquired the property, find his legal description in that deed, and then plot the tract on Google Earth or your topo maps.

Unless the tract is very small and you can walk to each corner pin, you can’t study the tract unless you can plot it on Google Earth or your topo maps.

Sorry for shouting, but please don’t buy a largish tract of land unless you have first outlined it on aerial or topographical maps.

The deed will also tell you when Farmer Brown bought the land, from whom, and in some states exactly how much he paid for it. You might even find that a plat is attached to Farmer Brown’s recorded deed and he’d just forgotten about it. That happens.

So the documents in the Clerk’s office can be quite valuable in your research. It’s especially nice when you can search them and study them online.

**Topo Maps and Flood Zones**

We mentioned this before, but you want to get your hands on some reliable topography maps for the
property you are considering. You’ll use them later when you are drawing up a plan to divide the land, but for now you’re just wanting to see which way the water flows and how much there is of it (the watershed). The topo, along with the aerial photos, allows you to get to know the tract.

Another issue, related to the topography of the land, is the ‘flood zone.’ You should know, before buying, whether flood insurance will be required of your buyers and whether the land is above or below the 100-year-flood line as decreed by FEMA. There are websites you can visit to study this. People will still buy below the flood line and build up their housepad to rise above it. The zones are mostly used by insurance companies and banks to decide how much, if any, flood insurance is going to be required on a mortgaged home built within a certain zone. We aren’t experts on flood zones, and you are not required to be, either. But call your insurance agent, your favorite mortgage company, and your friend the homebuilder and ask them for the lowdown on flood zones.

Just don’t buy a tract and find out later that it’s deep in a flood zone. That would be exactly backwards. Check during this research period.

**Talking to the Neighbors**

Most real estate contracts provide for an inspection
period. Once you have put the land ‘under contract’ and aren’t afraid of your competitor snatching it away from you, it’s time to come out into the light of day and talk to the neighbors. Just knock on their doors and say howdy. The old man who has lived across the highway from your forty acres for most of his life will know things that you can’t learn from any other source. Anyone who lives around the parcel – including the gas station guy a mile up the road – might be able to give you valuable information about the place. Does it flood? Was it ever used as a dump? Is the next-door neighbor a serious a-hole? Is there a boundary dispute? Did the government test a nuclear bomb there in 1952?

More than once, we have spoken to neighbors only to learn about an adverse possession claim. They will tell us that they actually own 20 feet of property across the road. The property we are buying doesn’t have any legal road frontage. Better to know that before you buy.

And should you finally decide to make the leap and undertake the project, the connections you have made with people in the neighborhood become even more valuable. By having them on your side, things will tend to go more smoothly, from cutting through red tape to friendly eyes on your investment twenty-four hours a day. They’ll also know the best bulldozer man to use in the area and which café has got the best plate lunch.

So put yourself out there. We’ve made good friends this
way over the years.

**Walking the Tract**

Now it’s time to lace up your boots and go take a look for yourself.

A good scout carries several items into the brush. The boots, of course, and a good pair of them. Don’t skimp on those. One thorn piercing through your cheap tennis shoes and into your foot will convince you, if we haven’t.

Next is a sharp machete, in a sheath secured to your belt. Some land you can scout without one, but the first time you encounter a clump of flesh-ripping briars, you are going to wish you had it. A blade clears your path, making the land accessible in ways it wasn’t before. A prospective buyer who does nothing but drive by the land won’t have a feel for it like the one who penetrates the undergrowth.

You’ve got to have a compass, of course, but your smartphone’s compass should do fine. You’re only trying to keep yourself going in the general direction, plus you can pull up Google Earth (assuming you have network access) and locate yourself pretty closely on the property so you can orient yourself and decide which part to check out next.

Flagging. Even those little brats Hansel and Gretel were smart enough to drop breadcrumbs as they walked. You
can drape brightly colored flagging along the way, and you can also use it to flag the heck out of any property corner or other features that you’re lucky enough to find. Buy rolls of this neon-colored plastic online, at a hardware store, or at any place which sells surveying supplies. There are lots of uses for flagging which you will suss out yourself if you start spending a lot of time on raw land.

Bug spray, a bottle of water, a hat. Items will vary by region. Best thing is to make up a scouting vest with the items already in it. Keep it in your trunk or by the door where you can just grab it and run.

If you are successful as a landflipper and move into larger and larger tracts, you’ll eventually feel the need for an ATV. A four-wheel-drive four wheeler is usually best. It will save you plenty of sweat and exhaustion if you are looking at tracts forty acres and over.

**So What Am I Looking For?**

The first thing is the neighborhood. Can you hear the peaceful murmuring of livestock from the dairy farm next door, or is it loud rap or rock music from the trailer park across the street? These things will have an enormous impact on the salability of the land once you’ve properly developed it. So absorb the ambience. Is there a smell from that dairy? Who are the neighbors? How do they keep their places? Remember, what you
want is the worst, most-overgrown piece of land situated in the nicest area.

At the same time, don’t let your own biases kill a deal. Just because you might not want to live there doesn’t mean others won’t. Sometimes we actually take previous lot buyers – now friends – with us to look at a tract and ask them to give us their impression of the land and neighborhood. Would their friends be willing to live there?

**Corners and Fences**

Any physical indication you can find of the property’s borders or corners is going to save you time and money in the long run – in surveyor charges – so keep a keen eye out. Generally, if you find an old fence leading in the right direction, follow it. It may lead to a corner. Survey corners can be anything from rebar to iron pipes to concrete posts. Signs that the corner is near could be a creosoted post, a big X on a pine tree (called a ‘witness tree’), or simply a change in timber type or other land usage changes. Surveyors use powerful metal detectors to locate old pipe buried by decades of leaves and topsoil and fallen trees, but you can help by flagging anything you find that might show them where to hunt.

**Condition of the Land**

More generally, you are here to check out conditions on the ground. Keep an eye out for things that could
become headaches later on in the process. Is there an old junked-out car with an oak tree growing up through the driver’s seat? You need to know about it. Was there a gravel pit dug years ago on the back corner? As you gain experience, you’ll be able to note subtle differences in the land which may point to old usages.

We have even stumbled upon old abandoned graveyards on rural tracts. So go out and take a close look at what you’re buying.

**Drainage/Water**

Pay special attention to water and how it flows (or doesn’t) on the land. Look at the topo, look at the land, look at the topo, look at….

Try your best to understand where the water comes from, how much of it comes through, what features might be blocking it, how hard a problem might be to fix, etc. It’s one of the most important things to understand about larger tracts of land.

**Trees**

Don’t forget, as you walk your future property, that certain trees can be very valuable. It is possible, in the right circumstance, to recoup much or even all of your purchase price with a sale of timber. But even if a timber sale isn’t on your mind, note the trees. As we mentioned earlier, they can have a serious impact on the desirability
of the property. Basically, you scout to look for problems and to sense the appeal of a place. If it passes muster, time to move forward.
Chapter Three: The Sheriff, The Clerk of Court, and The Tax Assessor

In most, but not all, courthouses which we’ve visited, the Sheriff, the Clerk, and the Assessor are on the first floor, with easy access from one to the other. You’ll see nicely-dressed folks moving from office to office with legal pads in hand. These are often abstractors – men or women who spend their days tracking the chain of ownership and current status of real estate titles. They work for title companies, escrow companies, oil companies, banks, timber companies, law firms.

Maybe even for houseflippers and landflippers.

In the old days, you could tell when a mineral play, for example, was heating up by the number of ‘landmen’ lined up at the tables studying the books. That still happens a bit, but only because the older records tend not to have been put online yet. Now, I guess, only the IT guy can tell when things are heating up.
The upper floors of the courthouse are usually courtrooms. We try to stay away from those – not to mention the dank dungeons in the basements.

In some states, things might not be organized exactly this way. Maybe the school districts keep records. Just ask around. Find out how your area deals with property records. See if you can find owner information on the property where you currently live. That’s a place to start.

**The Sheriff**

About the only reason you need the Sheriff’s office is to verify that the property taxes are current on a property, and that can be done by the lawyer, just before closing.

But some investors like to buy properties at ‘sheriff sale.’ We don’t, mostly because you rarely can know exactly what you are getting. You can’t usually do a close inspection of the properties offered at sheriff sale and even if you could, many such sales are withdrawn at the last minute. They don’t actually happen. So you’ve wasted a lot of time.

A sheriff sale is not the same as a ‘tax sale,’ which the sheriff holds once a year. In a tax sale, the sheriff allows a third-party investor to pay the delinquent taxes on a property. Usually (always?) there is no bidding. The sheriff just asks if anyone will pay the delinquent taxes. The tax sale buyer doesn’t actually take possession or get a deed to the property unless the owner goes three
years or so without redeeming the property, but even if the owner redeems, the investor gets nice interest and fees on his money. And he has a shot at becoming the owner for pennies on the dollar.

But what if the owners of a nuclear waste dump stopped paying their taxes, and a tax-sale buyer picked it up for pennies on the dollar? We’d rather know what we are getting for our money.

Anyway, that’s the tax sale. Now we’ll briefly describe the sheriff sale.

Sometimes a judge will order that a property be sold at public auction. He directs the sheriff to do that — to hold a sheriff’s sale. Usually this sale happens because a lender has foreclosed on a homeowner. There can be other reasons, like one heir wanting his cash out of the old homeplace and demanding that it be sold and the money split up. But usually a sheriff sale is some kind of foreclosure.

The lender normally comes to the auction and bids his mortgage amount. Let’s say the mortgage balance is $82,000 on a property which you believe to be worth more. The lender will bid $82,000 or so and usually win the bid. But maybe you and another guy bid it up, and you win the bid at $92,000.

The sheriff first takes his fee for holding the auction; then he gives $82,000 to the lender; then he gives
anything left over to the homeowner.

If the lender wins, he puts the property into his REO Department at the bank. We think it’s easier to just buy from the bank after all the smoke has cleared.

**The Clerk of Court**

Just like the Tax Assessor and the Sheriff, the Clerk of Court is an elected official. Usually, like the others, he gets name recognition and then behaves himself well enough to be re-elected for numerous terms. Then the Deputy Clerk tends to step into the job. We mention all of this to remind you that our three administrators are not just administrators but also politicians. They want the citizens of the county to support them.

The Clerk is charged with keeping records. If your neighbor decides to borrow money against his house and he signs a mortgage, that mortgage will be recorded in the Clerk’s office. It will be time-stamped, like all other docs, given a recordation number, and turned into a numbered page in a numbered book.

Then the Clerk makes up an index so that you can find the Book and Page number of that mortgage, in case you are nosy about your neighbor. Yep. It’s necessary. What if your neighbor wants you to lend him $10,000 and use his house as collateral? Well, you need to be able to find out if his house is already collateralized. That’s why his mortgage is of public record.
So far as property records, the Clerk will have deeds, mortgages, legal judgements, liens, mineral leases, timber deeds, hunting leases and lots more. And he’ll have these property records indexed according to ‘Grantor’ and ‘Grantee’… or similar concepts. We’ve also seen ‘Conveyor’ and ‘Conveyee’.

The seller is the grantor. He grants the deed. The buyer, the grantee, receives (is granted) the deed. The landowner is the grantor of the mineral lease; the oil company is the grantee of the lease. It receives the lease.

And so forth. So if you want to know when your neighbor bought his house and from whom and for how much (in some states), you just run his name through the Grantee index of the Clerk’s office, and you will be pointed to his actual acquisition deed, a copy of which you can get.

Or you can run his name as Grantor in the Mortgage Indices to find if he granted a mortgage to a lender.

If you’re negotiating to buy his house, you might find this deed or other public records to be useful, but we don’t use it that way. We figure the guy will either take our offer or not. Mostly we use the Clerk’s records to find the legal description. That will be in the deed, in mortgages, in mineral leases, etc.

If you buy a car, it’s necessary to identify that car. It is described exactly, down to the VIN number. You can’t buy something if you can’t identify it. Same with real
estate. With a house it’s usually not a big deal. It will be “Lot #2 of the Sandpiper Subdivision, Unit #3, Madison County, Utah, along with all improvements thereon.”

A plat of Unit #3 will be on file with the Clerk.

With raw acreage, legal descriptions are different. So different that we should step aside and take a closer look.

Legal Descriptions

I like to imagine Thomas Jefferson waking up on the morning of May 3, 1803, clapping his hands to his face, and exclaiming, “Louisiana Purchase? Louisiana Purchase? What the hell did I just buy!”

And then – trembling with buyer’s remorse – he sends a bunch of surveyors out to try and locate the corners.

But, alas, nothing so dramatic actually happened. The effort by the U.S. government to establish survey grids – townships – started years earlier. Much of the country is divided into these six-mile-square boxes, but not all. Texas, once an independent country, is mostly divided into ‘surveys’ which are based on old Spanish land grants. The legal description starts at a designated point of the survey (the Point of Beginning or POB) and runs as a metes-and-bounds description from there.

Metes and Bounds is the system in which a surveyor
says, “Start here at the Point of Beginning; thence run 36 degrees, 18 minutes, 2 seconds for a distance of 828.01 feet; thence run another compass reading for another distance; thence run more angles and distances until you get back to the POB, containing 20.02 acres.”

A metes-and-bounds description can start at any known point.

Now let’s get back to the Township System (‘PLSS’), which has another way to make legal descriptions.

To identify a specific township – a specific box six miles wide and six miles tall – states have an east-west axis and a north-south axis drawn through their middle. It’s like a Cartesian graph.

So a certain township may be 2 miles south of that state’s parallel line and 2 miles east of the vertical line. That’s where townships get their names. Our township would be called: ‘Township 2 South, Range 2 East (T2S-R2E).’”
The Land Flipper

(As we explain this, you might want to go online and check out some graphics of the PLSS System.)
Remember: Each township is six miles wide by six miles tall.

Which means that a township contains 36 square miles.

The square miles are called *sections*.

The sections are numbered, usually starting with #1 at the NE corner and snaking through the township to end with #36 at the SE corner.

One *section* (a square mile) is 5,280’ X 5,280’ and contains 640 acres. This is a perfect section, which most
aren’t.

So once the township is identified, we name our section within the township. Let’s say our property is in Section 14.

So now we are studying Section 14, Township 2 South, Range 2 East (S14, T2S-R2E).

We’ve identified a particular 640-acre tract of land.

Again, the surveyor can start at a point in this section and run a metes-and-bounds description to identify your 20.02 acres.

OR: He can describe a tract of land by dividing the section into fractions.

The ‘north half’ (N/2) is the north 320 acres. The ‘northwest quarter’ (NW/4) is the northwest 160 acres. The ‘northwest quarter of the northwest quarter’ (NW/4 of NW4) is the 40 acres in the extreme NW of the section.

This is why 40 acres is such a common size for land in the U.S. A section has 16 blocks of 40-acre tracts.

Legal descriptions using the S-T-R system have to be read backwards. If you do that, you’ll be fed the info like this: State, County, Township, Section, Fraction of Section, Fraction of that Fraction.
So you might buy 20 acres described as ‘the E/2 of the SE/4 of the SE/4 of Section 14, Township 2 South, Range 2 East, Madison County, Utah.’

Read it backwards

Utah

Madison County

T2S-R2E

Sec.14

SE/4 (of said Section 14)

SE/4 (of said SE/4 of said Section 14)

E/2 (of said SE/4 of said SE/4 of said Section 14)
Don’t despair. You don’t need to learn all of this right now. You can learn it as you go along, as you try to find individual properties.

You can also get the S-T-R grid added on to Google Earth for a minimal fee. Search for ‘Earthpoint’. It’s worth it. You’ll see the grid system superimposed over the aerial photos.

Play with it. Find the legal description for your own home.
Anyway, we didn’t tell you all this stuff just to make your head spin. Knowledge of the Section-Township-Range System is useful when we are searching for landflip deals in the Assessor’s office.

The Tax Assessor

The Tax Assessor tracks all real estate ownership in the county, assesses the value of each property, and sends the owner a tax notice each year. Actually, the sheriff sends the tax notice, since he’s the guy with the guns, but the Assessor is the one who puts him up to it.

The Assessor will have other information, which he has mostly collected from the deeds in the Clerk’s office but also from other sources. He probably knows whether you claim to live on the property, since there is usually a tax break for owner-occupied properties. (Usually called a Homestead Exemption, it exempts part of the value from taxation.) He might even know your age, since sometimes older folks can freeze their taxes – to keep them from increasing, no matter how much the assessment may climb.

But most importantly, the Assessor knows the mailing address of every landowner in the county, and this is the bit of information which investors might want to use, because it means that you can contact any property owner by letter or perhaps even by telephone – if you know how to search the internet for phone numbers.
Years ago, we used the Assessor’s records to locate every out-of-town homeowner in a certain subdivision (in which we lived). Then we drove by our list of properties, identifying the ones which seemed most neglected. Then we called the homeowners and offered to wipe away their distant rental problems by buying the house from them.

It worked pretty well.

Now, if we understand the S-T-R system, we can identify every non-resident landowner in a certain section of land and contact them directly, asking if they have considered selling. That’s because many Assessors will allow you to search by section. Just put the S-T-R into the search box and there you have it... the name and address of every landowner in a square-mile (640-acre) block.

Some assessors will even let you search by street name.

If your county isn’t online yet, you can go to the Assessor’s office and find ‘plat books’ or ‘ownership maps’ which will have the same information. Usually there are people there in the office who are happy to help you find what you’re looking for. (There are also pirates. Aggressive people who will try to look over your shoulder in the hopes of stealing your deal. Do your research with as much discretion as possible.)

We find it productive sometimes to locate landowners who have an out-of-state address. Lives in California but
owns 40 acres near Des Moines? OK, maybe he’s worth a call. Do a reverse look up. Make a cold call. What can it hurt? It’s not like we’re trying to get money from them but rather the reverse. We’re asking if we can give them money. We’ve never had anyone get mad at us for making such a call. A little irritation from some grouchies maybe, but never any anger such as telemarketers must get.

And at the very least, you’ll learn something about land, about what an owner in California is thinking about his land in Iowa.

Just explain that you’re looking for some land to buy and found their information in the county records. Generally, the reaction will be positive. Once they see that you are a private individual, it may be hard to get them to stop talking. Many landowners are older people with fond memories of their property, and some will welcome the chance to talk to someone interested in their childhood farm.

If you aren’t comfortable on the phone, mail a letter. Mail a dozen of them to the absentee landowners in your area. Don’t expect massive results from this, and don’t be discouraged if some time passes in which you don’t find a deal. Just remember the landflipper’s mantra:

All it takes is one.
Chapter Four: Negotiating the Contract

Good road frontage, utilities, location, neighborhood, plenty of high ground and a lovely setting to boot. Everything seems to be in order for a fantastic flip. Time to see if you can make it your own.

Notice that we don’t title this chapter Negotiating the Price. Price is only one issue. Price will be the thing which you mostly discuss with the seller, but all the other aspects of the deal should be on your mind as you go. How long will you have to close the sale? Are you getting the mineral rights? Who is paying for the survey? What if the survey finds there are only 37 acres rather than 40 acres? How will the price be adjusted?
We are negotiating the contract, which is to say the written agreement between you and the seller, including every one of these side details. Most states have a standard real estate contract which you can find online and which covers all this stuff. (They’re long.)

But at first, stick mostly with price. Once that has been settled, the seller begins to spend his money, in his head, and you can probably have more leeway on these other issues – which can actually be just as important as price in the end.

So let’s take a brief look at some negotiation tactics which we have learned over the years – some of them through grievous error. The tips are fairly general, and could be used in many negotiation situations.

**Negotiation Tactics**

**Don’t Be the First to Make an Offer**

Remember how we said that land can be hard to appraise, to value?

With a suburban house or an urban townhouse, everyone is mostly on the same page. There’s an established range, with plenty of comps (comparable sales) to review. One house may have more square feet or a swimming pool, but those can be pretty easily factored into the valuation. Not so with land. Once you
get away from a row of lots and into unique tracts of land, it’s a dollar wilderness out there.

So if there is no number on the table at first contact, it’s always best to let the other guy talk first. You don’t want to offer $50,000 when the seller was hoping he could maybe get $25,000. So no matter how much you like to talk, restrain yourself, at least in the early stages. Listen. Even if he doesn’t give you a solid number, you can sometimes listen between the lines for his general attitude toward values.

Of course, lots of landowners/sellers know this, so a negotiation can stalemate pretty quickly. In such a case, one technique is to recall that you heard about a guy who bought 40 acres in the area for X dollars last winter. X being a lowball number. If the seller is offended, well... ask him to forgive your ignorance. You don’t know anything about that 40 acres. Maybe it was swamp.

At least you now know something about what is in the seller’s mind and in any negotiation, that’s what you are after.

**Distance Yourself but Pay Attention**

Negotiating for a tract of land, particularly when you foresee doubling your money, can be an intense and emotional experience – for you and for the other guy. Try not to take it personally. There are other deals out there. If a seller gets a little angry or a real estate agent
refuses to take your calls, there could be tactical reason behind that. Regarding the whole process from a healthy distance will make you a better negotiator.

Your job is to find out what the other guy wants and see if you can give it to him. That’s all. There are plenty of books about how to do a ‘cold read’ on someone by learning the various tells of the human body and voice. While becoming a master of these subtle arts could take a lifetime, we’re simply suggesting that you pay attention to who the seller is. Like him if you can. But definitely watch him and learn him as you go.

**Make a List of Problems**

Always have your gripes and misgivings about a property cataloged and ready beforehand, even if they aren’t really that problematic. Every issue you take with the land is another push towards the seller making some concession, dropping the price, or softening up about a sale. Just like you would pay less for a car with a dent in the fender, finding potential problems with the land can be a great way to get a piece of property at a discounted price. Just don’t overplay it. Or, more accurately, don’t overplay it unless the other guy does first. Broad strokes for broad folks. Subtlety for subtle folks.

Maybe there’s a drain that will be expensive to cross with a driveway. Maybe you’re worried about a prison rumored to be built in the area. Just have a couple of
complaints to mutter under your breath as needed.

**Lowball If You Have To**

If you find yourself cornered or stalled in a negotiation, it’s time for the nuclear option. Lowball. You want the land at the best possible price, so go ahead and shoot them the lowest offer you can comfortably make. What’ve you got to lose?

Of course, you’ve got this number, right? You have run the numbers again and again, well ahead of time, and you know the number precisely – the highest offer you can make and still come away with an acceptable profit on the deal. What if some bureaucracy shuts you down and you can’t divide the land into lots. Will you still be able to break even on the land as a whole? What is the worst thing that could happen if you pay $X amount of dollars? Keep this amount as fresh in your mind as you can without betraying yourself.

Then, when you’ve got no other choice, pitch it.

Just keep in mind that it may abruptly end the discussion. People get offended.

But you may be surprised. Sometimes their answer is ‘OK’. Rural land can be difficult to sell, a real hassle if the seller isn’t familiar with the process. It is most especially hard to sell when the numbers start climbing up high. Very few people are willing to drop big cash money on a
piece of dirt.

So sometimes the seller will say *what-the-heck* to your lowball number and take the money.

**The Contract**

So you’ve come to an unofficial agreement on broad terms.

Time to ink it.

It’s not like you can just show up at his door with a suitcase full of twenties and take possession of the forty acres – although people have tried to do that with us on the buying side. Unfortunately, we had to decline. The process is too complex for that, and it all starts with a dreadfully-complex thing called a contract.

Because real estate is so valuable and because there are so many issues related to a transaction and because the lawmakers decided to make it so, verbal deals regarding real estate are not generally legal. That’s our understanding anyway. You can take a guy to small claims court if he reneges on your verbal deal to sell his car, but you can’t take anyone to court over a verbal real estate deal. You’ve got to have a contract.

During the time when the contract is being constructed, more than any other time, you must be *awake*. Go heavy on the coffee and whatever else you use to prop open those eyelids. Be alert to detail, willingly read the fine
print, dive into the tedium which is legal wording. The difference between a having a certain word or phrase in your contract versus not having it could be the difference between doubling your money or falling flat on your financial face. While it’s not sexy, it is a required and essential part of the process, so take an extra slug of that coffee and let’s educate ourselves about some exciting legal minutiae!

**Make a Checklist**

Contracts reward those with methodical natures. If you are not that type, write yourself a checklist. (Those of you who are that type will have already started your lists by now.) As you learn the game, add to your list, and make sure you always consult it when you get ready to sign a contract. To make it easier on you, we’re going to share the lists we’ve built over the years. These items are more or less equal to the elements of the contract – the blanks you’ll have to fill in.

**Inspection Period**

If you are going to the trouble of writing and signing a contract, you’re pretty much already committed to buying the property. But still an open-ended, withdraw-for-any-reason inspection period is necessary and provided for in many RE contracts.

That’s because you now want to dig deeper with your research. You want to walk into a utility company, a
government office, a neighbor’s front porch without worrying that the wrong person will hear about your deal and try to steal it from you. He can’t do that. You have a contract.

And it’s a contract from which you can withdraw for any reason, with no foul. What could be better?

Fifteen days is reasonable for an inspection period. Thirty is better. Everything is negotiable. During this period, assuming the clause is properly written, you are not legally committed to buying the property. You can say “Whoops! This property doesn’t really suit my purposes,” and walk away.

If the RE contract (also called a Buy-Sell Agreement) doesn’t contain a boilerplate provision for an inspection period, add it. Don’t expect any contract to automatically have anything that works in your favor. Consult your list and add stuff.

Your buyer, by the way, will rarely think to ask for an inspection period. If so, make it as short as possible.

**Deposit**

Generally, when you agree to buy real estate, you put a bit of money with the seller to show that you mean business and are a serious buyer. This is sometimes called *earnest money*, and lets the seller feel good about taking the property off of the market. We usually give a
deposit between $1,000 and $5,000. If you violate some term of the contract and wind up not buying the property, the seller can A) keep your deposit and shake his finger at you, or B) keep your deposit, shake his finger at you, and sue you to make you buy the property.

If he can’t sue you to force the transaction, you’ve probably signed something more like an ‘Option’ than a Buy-Sell Contract. Or maybe an ‘Earnest Money Contract.’ Options give you the right to buy the property but not the obligation. Contracts, on the other hand, will usually contain a ‘Specific Performance’ clause, which says that if you violate the contract and don’t buy, you can be sued to force purchase. The seller also can be sued and forced to sell, in most all circumstances.

And those two situations are dependent on just a handful of words in the contract. If there is ever a time in your land-flipping business to consult with an attorney, it will be at contract-signing time. We shudder to consider the things we signed in our invincible youth, back when we drove fast, did backwards flips on trampolines, and signed whatever paper someone pushed in front of us.

**Specific Performance**

We just mentioned it, but we want to be sure you have it as a list item.

Of course, if you’re just starting out, with nothing but the clothes on your back, you won’t fear being sued and
forced to buy. Buy with what? You’re a bloodless turnip. Once they realize that, they’ll usually just take the deposit and drop the thing.

We believe it’s rare, anyway. No one wants to instigate a lawsuit. Better for the seller to just take the $1,000 - $5,000 and move on.

**Contingent on Financing?**

Sometimes you’ll be making a bank loan to buy property. That will make you a little less popular with the seller, but most sales are probably contingent on financing. You can craft this clause yourself, specifying which bank must approve you, for what interest rate and term, by what date you must be approved, etc. So if you don’t get the loan, it’s cancellation time again. You’re free of the contract. No foul. There are unscrupulous investors who write a contract contingent on getting a loan from their brother-in-law’s bank. When the investor decides against the property, the bro’s bank declines to make the loan, and the investor is free of the deal.

Other landflippers might actually have the cash on hand but use this clause to extend the closing date further into the future. When they’re ready to close, they throw up their hands in frustration at the foot-dragging bank bureaucracy and say, “Oh, I’ll just buy it with my own cash reserves then.”
Closing Deadline

If you’re paying cash and don’t need a survey prior to closing, give yourself 15 days to inspect and another 15 days to close. No sense in dilly-dallying. After the 15-day inspection period has passed, inform the closing attorney to move forward. If there are no title problems, she can often do her work in a week.

If you do need a survey, all bets are off. You can herd cats more easily than you can get a surveyor to move according to your schedule.

If you’re needing a bank loan, give yourself 15 days to inspect, 30-45 (overlapping) days to secure the loan, and another 15 days to close. Don’t allow yourself to be pressured by an early closing deadline, not unless it’s a searingly-hot deal and you are terrified that the seller might change his mind.

Maybe you’ve found a knockout deal and even have a few potential lot buyers lined up. Still, having a three-week deadline to close is better than having a one-week deadline on the contract. After all, you can always close early. The seller is unlikely to object to getting his money sooner rather than later.

Mineral Reservations

Never let the seller reserve any surface minerals, of course – like iron ore, clay, coal – and in states where
mineral reservations are permanent, make sure no previous seller has ever reserved surface minerals. So far as the sub-surface minerals go (oil, gas), it’s probably OK if the seller reserves them so long as you include a clause which prevents the mineral owner from using the surface for exploration or production. You don’t want a bunch of oil rigs, pipelines, holding tanks, etc. on your land. Usually such a clause works just fine. Oil and gas are ‘unitized,’ meaning they can dig a well on the neighboring property and suck the oil and gas from the underground pool from a distance. These days, with horizontal drilling, such units can be huge. They might drill a mile from you and still suck away the sub-surface minerals.

In some states, mineral rights can be permanently severed from surface rights, which can be a dicey situation. Study the laws. There is sometimes a restriction about drilling activity within a certain distance of an inhabited dwelling. It is also possible, we have been told, that a mineral producer might ignore your ‘no-surface-use’ clause.’ Nothing is certain in life.

Some sellers won’t even think about reserving minerals. Don’t mention it yourself. If he doesn’t say anything in the contract about reserving, it is assumed that he’s selling you the minerals along with the surface. Same with timber, water wells, hunting rights, etc. They are assumed to transfer to the buyer at closing unless specifically reserved in the contract. (But, again, check
with a real estate attorney on this and any other statement we make in this book before acting on it.)

With the advent of horizontal drilling and fracking, new game-changing technologies, it’s more and more important to acquire sub-surface minerals when you buy – and then reserve them when you sell. New technologies might make once-dismissed areas productive again. Things are always changing. As we write this, U.S. minerals are in the toilet, with cheap prices around the world shutting down the rigs in your back yard. But you never know. Try to get the minerals.

And while you’re at it, make sure to educate yourself on any mineral “plays” in the area where you are working. Marcellus Shale? Austin Chalk? Tuscaloosa Marine?

While not something to kill a deal, it is important that you know up front the status of the mineral rights. Does the current owner have all of the mineral rights and if so, does he plan to reserve them or to pass them on to you when you purchase the land? Put minerals in bold on your checklist. Be aware of who is getting what when you sign the contract.

**Disclosure Form**

In a disclosure form, the owner who is selling the property to you is supposed to “disclose” any and all issues and problems with the land that he or she is aware of, in writing. Most RE agents have standard forms
– though they are usually designed for houses rather than raw land – and will probably already have it completed if the land is listed. If the seller knows, for instance, that the property used to be a practice landmine-burying field for the U.S. Army, they might be legally obligated to put this into the disclosure forms. That doesn’t mean that they will, but you should definitely ask for them to include a disclosure form.

**Survey**

As we said earlier, a survey is always one of the first things you should be asking the seller about when you initially make contact. However, it is important to know what you should do in the case that a survey is either not available or so old that it is no longer very useful.

Who pays for the survey? Is the sale going to be contingent on that survey? MUST the survey be provided before the closing? These are all questions that need to be addressed in the contract you sign with the seller.

Surveys can cost thousands of dollars and lots of time spent hounding the engineers to finish drawings and get them back to you. Simply stipulating in the contract that the seller is responsible for a survey prior to closing could save you thousands of dollars and hours of headache.

But it’s an unusual seller who will agree to that. She’s got to put out money that she might lose if you renege on
the sale, since her next buyer might not require a survey. About the best you can hope for – in our experience – is that she might agree to pay for half the cost of the survey, but only if you handle getting it. You want to handle that anyway, since you want your own surveyor to do it. That way, he’ll have the basic work done, the boundary survey, if you decide to divide the land.

In lieu of a survey, you should walk the property carefully, finding as many corners and property lines as you are able. Keep in mind that if you only get 38 acres rather than a full 40 acres, it’s not such a big deal to you. That’s because you can sell four 9.5-acre tracts for the same price as you can get for four 10.00-acre tracts. As a developer, you can be generous about the exact amount of acreage you’re getting.

**Owner Financing?**

There are so many ways to skin a cat, and making a deal work can depend on how many of those ways you’re familiar with and how creative and crafty you are at coming up with new ones in a tight situation. Given a motivated buyer and seller, a sale can almost always be configured.

In the next chapter, we’ll focus on many of the different ways you can fund your deal. For now, we want to take a moment to talk about what to do differently on the Buy-Sell Contract if you are trying to arrange some kind of
financing from your seller.

In case you’re unfamiliar with owner financing, it’s just a matter of letting the seller act as both seller and lender. Rather than give him $50,000 cash at closing, give him $10,000 and a real estate lien note (an IOU secured by a mortgage on the property) for $40,000. Then make monthly payments directly to him.

Some pretty huge deals can be leveraged by giving the seller a note rather than a pile of cash. In fact, owner financing can make it possible to do all sorts of deals which otherwise might be impossible. If you can shell out $10K to buy a $50K property, you might be able to flip it before you’ve even made three monthly payments.

But you’ve got to get the details right in the paperwork, starting with the contract.

**Due-on-Sale Clause**

Virtually all major banks and mortgage companies will put a clause in your mortgage note which tries to protect them in case you sell the property. This clause says that you cannot allow a buyer to just ‘pick up the payments.’ If you sell the property, the bank’s money is ‘due on sale.’ You have to pay them off rather than let your buyer assume their note.

We are pretty sure that such clauses don’t really work out in the real world, by the way. We’ve heard lots of
stories about people selling their homes and letting the new buyer just start paying the monthly notes – and the bank never saying a thing about it. Why would they foreclose when they are still getting their monthly payments as agreed? Unless the lender is an active real estate dealer himself, foreclosure is the last thing he wants.

But we like to get things right from the beginning, and that means that if the owner agrees to finance his property for us, we resist the insertion of a due-on-sale clause into the note. We do that mostly by just ignoring the issue, by not mentioning it in the contract. There is language about how the seller is going to carry a note, under certain terms. But a ‘due-on-sale’ clause usually isn’t even mentioned.

If the seller smartens up before closing and tries to insert a due-on-sale clause into the note, he’s pretty much out of luck. He didn’t say it in the contract, so we will resist him if he tries to bring it up at closing.

This due-on-sale clause becomes critically important for a developer, because he is going to ‘wrap’ that first mortgage when he sells his lots. We’ll explain wraparound mortgages a little later. As daunting as that jargon might seem to you right now, trust us, you’ll want to know about it.

For the moment, just try your best to avoid a due-on-sale
clause in a contract when you are getting owner financing.

Arrange a Partial Payment/Release Deal

Write into your owner-financing agreement that you can get any one acre of the property released from the mortgage if you pay some cash to the note holder – the seller-lender.

This is a little complex if you’re not familiar with mortgages, but it can be critically important.

Let’s say you bought 100 acres from Farmer Brown. You made a good downpayment and he financed the remaining amount of $100,000. You’ve signed a $100K note to Farmer Brown and you’re making monthly or quarterly payments on that for the next ten years. Remember that the indebtedness covers the entire 100 acres. Every atom of that property is held by a $100K debt.

But now Lotbuyer Youngman comes up. He wants to buy five acres out of your 100 acres – for $25,000 cash.

And because he’s paying cash, you have to release his five acres from Farmer Brown’s mortgage. You have to deed an unmortgaged property to Youngman.

What do you do?

Well, you have to pay Farmer Brown $100,000 cash. It’s
the only way to release Youngman’s five acres from Brown’s mortgage.

Except.

Except that in the contract – when you were discussing the owner-financing arrangement with Farmer Brown – you both agreed that Brown would release any one acre of the 100 acres from his mortgage upon payment of $2,000 cash.

You made a partial-release agreement with him, upfront.

So you only have to pay Brown $10,000 in order to release Youngman’s five acres from the mortgage. $2,000 X 5 acres = $10,000.

Youngman is paying $25,000.

$10,000 goes to Brown, to release the five acres from his mortgage. The other $15,000 goes into your pocket.

By the way, if you have a good relationship with your banker (or with Farmer Brown), all of this partial-release business isn’t really critical. You can do it on a handshake. If your banker is holding the $100K debt, just tell him that Youngman is paying $25,000, that you need some working capital, so how about the bank takes $10K to release the lot and lets you keep the other $15K?

So long as he still has a good collateral position, he will usually be fine with that.
Arrange a Discount for Early Payoff

Another thing you can do, if you are lucky and clever enough to get your financing straight from your seller, is to put language in the contract which incentivizes you to make an early payoff.

You’re a flipper, not an investor, so you’re probably going to pay the seller off sooner than he expects, anyway. Might as well get a bonus for doing that.

Let’s say you bought a property for $120,000. You gave the seller $20,000 down and signed a note for $100,000. The note is amortized over ten years at ten percent interest, meaning you are going to be paying him around $1,300 every month for the next ten years.

But hold on a moment. We definitely do not plan on owning this property ten years from now. In fact, we won’t own it three months from now if everything goes according to plan.

So the clever landflipper (which, let’s face it, we all long to be) says to his seller, “OK, I’ll sign your note for 10 years, but if I pay you off in less than 24 months, how about we cut $5,000 off of the note balance? And if I pay you off within six months, you take $10,000 off the note balance?”

Most of the time sellers will go for this. Everyone loves cash, after all. They want you to pay them off as early as
possible and will likely make concessions that give you a strong incentive to do so.

So a few lines of black and white text – inserted into the sales contract – has put another ten thousand dollars in your pocket.

Pay attention to the contract!

(And have a lawyer pay attention to it, too.)
Chapter Five: Getting the Money

You’ve made it this far. Congratulations. Hopefully you are coming around to the idea that landflipping works and are getting serious about the possibility of doing a deal.

So: “Where do I get the money?”

It’s true that financing a deal can be an insurmountable obstacle in some situations, but with a bit of moxie, persistence, wit, and bravery, this business can be done starting from nothing.

We’ll start off with what to do if you actually do have the
The Land Flipper

cash in your pocket and then work our way down to increasingly desperate and crafty measures you can take to get your paws on a land flip deal.

If You Have Cash

If, by some chance, you have $50,000 in cash sitting in your bank account, then you are at a huge advantage so far as succeeding at this business, but perhaps at a disadvantage so far as learning this business. We have heard sharks on ‘Shark Tank’ turn their noses up because the business owners were starting off with lots of capital. “You’ve got to be hungry from the start to learn a business right. I’m out!” one of the sharks might say.

Anyway, if you have $50,000, it’s easy as pie to turn that money into a $100,000 note, earning 10% interest. And you can do it in as little as three or four months.

Yep. We just said that. And we weren’t lying.

We weren’t even exaggerating. Recently we watched a guy do even better than that on a deal. He bought 20 acres for $50,000 cash, cut it in half, sold those two ten-acre lots for $50,000 each. Each buyer gave him $10,000 cash down and a note for $40,000 at 10% interest, amortized for 10 years.

He spent almost nothing on fixup, advertising, etc.

So he’s out of pocket $30,000 cash, but he has replaced that cash with two notes equaling $80,000 and earning
10% interest. And his money is secure. If one of his lot buyers defaults, he keeps their $10,000 downpayment, repossesses for a couple of thousand dollars in legal fees, and resells the lot.

Sweet.

Having cash on hand gives you a huge advantage in this business, so don’t squander it.

How would we advise a landflipper in the enviable position of having cash? Do some good old-fashioned bottom feeding. Landowners have bills to pay, kids in college, a broken car. Just like anyone else, they want cash. And if they’ve been trying to sell their land for a long time, they will sometimes snatch up most any cash offer.

On the other hand, when you start offering your own land for sale, you’ll notice that the number of people who can write a check for $20,000 - $30,000 is a tiny number. This may be different if you are living in a big city in California or New York, but the average person, particularly the average person who lives in the country and likes land, isn’t going to be able to come up with cash like that.

This means that the typical seller of forty acres is not expecting quick and easy cash. They are expecting to either be forced to owner finance or else have to wait for a string of possible buyers who will try and ultimately fail
to get bank financing to buy the property – with all the delays involved in that.

That is, until you come along. You with your charm, your knowledge of raw acreage... and your thousands of dollars in folding money.

People with cash money get a better price for land (and everything else) than do those who need financing. If they’re smart and good negotiators, they may get a stellar deal. No harm in trying. Buyers with cash are like the most beautiful girl at the dance – they are attractive, rare, in high demand, and can use their power to their own advantage if they know how.

Alas, this may be the dirty little secret behind the whole system of capitalism. The rich find it quite simple to get richer.

Start by looking at tracts in the MLS which have been listed for more than three months. Isolate the ones that don’t have anything wrong with them, and go in and offer 60% of their asking price in cash. Emphasize that you have the money on hand and would be happy to close next week. No bank loan. No appraisal. Just a closing in one week.

You might be surprised at the initial reaction. Sellers may laugh, they may blow you off, and some might even act offended. Just wait. After they get off the phone with you, they are going to start thinking what they could do
with your cash, what problems in their lives they could just wipe away. Be patient. Be ready for a begrudging callback from them with clarifying questions – followed by a slightly-higher counter offer.

If You Have a Little Cash

Owner Financing

OK, now let’s say that you don’t have a lot of cash money. You’re right alongside everyone else, in the same cramped boat. This means you’ll have to be craftier in your efforts to get a deal. You’ll have to work harder. You’ll need persistence and persuasion and just a little luck.

Owner financing is probably the best way to get your hands on some land without having to shell out a lot of upfront cash.

Be warned. Some sellers will plug their ears at the words “owner financing” from a potential buyer and may react negatively when you bring it up. But a little persistence goes a long way here. Often we have asked very directly if a seller would be willing to owner finance only to receive an emphatic “No!” But in the end, weeks or months later without a sale, they realize that it may be the only way for them to liquidate a large piece of land. And we may be the only guys who can make it happen for them. Tired of hassling with the land, not wanting a monthly payment but wanting the dirt even less, they
give in to our proposal. They capitulate and accept our offer.

Tip: If necessary when negotiating with a reluctant owner financer, agree to a balloon payment. It means that she will get all of her cash when the balloon is due, much sooner than waiting for the whole loan to amortize. You can amortize the loan for 20 years, with monthly payments, but agree to a balloon payment within 36 months. You’re a flipper. You’ll be finished and gone by then. And the seller will have all her money within 36 months, plus a downpayment and monthly payments, starting right now.

Let’s imagine that a seller is trying to get rid of a 20-acre parcel for $50,000 outside of a small town in the country. There might be three people in that whole town who are capable of writing a check for fifty thousand dollars. Only one of them actually knows about the 20 acres and he’s not interested. There are a dozen people in the town capable of getting a bank loan for the land, but only four of them have heard about it, and they don’t have any use for land. (Alas, they neglected to read The Land Flipper, so they don’t know what a deal they are missing.) Now the list of buyers has been pretty much exhausted, and the seller is left with only that one guy from the city who has expressed any interest in his land – and that guy wants to pay by the month. He wants owner financing.
As that guy, you need to keep talking and negotiating, suggesting different terms, and in many cases you can end up with an owner-financed piece of property. The only thing that could stop you is a cash buyer and, as we know, they’re rare.

By the way, there are some sellers who actually want to sell on a note, to finance their property. They might have tax reasons for that. They might know that they can get a higher price that way. They may not have any other way to realize a solid 10% return on their money. They might even be hoping that the buyer defaults and they can get the land back to sell again. We’re not saying that owner financing is always a hard sell.

You might run into a seller who has never even considered it and doesn’t understand it. As the guy who teaches him how it works, you’ve got the inside track on the deal.

Sellers who finally agree to owner finance will want a downpayment, and just like every other aspect of the deal, this is negotiable. Obviously you’re trying to give up the least number of dollars possible. That’s like a gospel law or something. Always keep your cash for fixup and for leveraging into another deal.

On the other hand, there’s the issue of credit checking. It is amazing how much money we’ve been lent over the years by sellers without ever having our credit checked.
But it is possible that you can be asked. The more cash you put into the deal, the less likely that the seller-lender will look closely at your finances. *Tip:* Seller-Lenders are unlikely to report your loan to the credit bureaus, so don’t expect it to either help or hurt your credit.

We have regularly gotten land financed for us with 10% down. So if you start with a $50,000 property, you might put $5,000 down, another $2,000 into fixup and flip it before the monthly payments can amount to another thousand. Eight thousand dollars doesn’t grow on trees (not on any of the property we’ve ever owned anyway), but most people could scrape, beg, and borrow that much if the right deal were to come along. Being able to start a profitable business with less than ten thousand dollars is enough of an accomplishment to impress a lot of big-time investors.

Some flippers of our acquaintance have put five-thousand-dollar downpayments onto their credit cards and then flipped the property before the high interest rate had time to be significant.

And speaking of interest rates, be aware of the interest rate you are agreeing to pay the seller-lender, but don’t hyperventilate about it. Because you are going to flip this property, it’s just not nearly so important as other aspects of the deal. In your negotiations with the owner, better to concede a higher interest rate on the financing in exchange for a lower downpayment. It’s not like
you’re going to be saddled with this interest rate for thirty years.

The Wrap (around Mortgage)

(What follows in this section is a bit tedious and complex, but it’s a big stick if you can learn how to wield it.)

So you’ve managed to convince an owner to sell you his 20 acres, with long road frontage, for $85,000, but to take monthly payments rather than a lump sum. You gave him $10,000 down and signed a note for $75,000, with monthly payments.

Congratulations. Really. That took some moxie.

Now, how can you use this to your fullest possible advantage?

Remember that most of your buyers are going to want you to owner finance for them. They are even less likely to have a big wad of cash in their pockets than you are. They’ll have two questions: 1) How much do I have to put down? 2) What are my monthly payments?

For the sake of easy math, let’s simplify our example. Let’s say you bought 100 acres for $100,000. You put nothing down, signed a $100K note, and your daddy contributed all the fixup cost as a birthday present.

First, let’s imagine that you don’t divide the land. You
just flip it.

A guy comes up and wants to buy the whole 100 acres which you just now purchased. Because you have mowed the grass and done some most excellent marketing, he is willing to pay you $135,000.

Wow. You just made $35,000!

Except you can’t do that.

Why not? Well, because your buyer only has $35,000. He wants to give that cash to you and to assume the original $100,000 note which you made with your seller-lender.

But you can’t do that. At the closing, you were gazing out the window when the seller’s lawyer inserted a due-on-sale clause into the note. You can’t sell this property, can’t pass a deed, without paying off your seller-lender in full.

Just kidding. Fortunately, you read this book before you made the deal and so your note with the seller-lender doesn’t have any due-on-sale clause. You’re free to pass the deed without paying him off, so long as you (or the new buyer) continue making the monthly payments.

So your buyer gives you his $35,000 and assumes your mortgage with the original seller. He “picks up the note” (assumes the monthly payments). No problem except that you need to be sure that he actually pays your
seller-lender. That’s because you are still on the hook for that. You signed that note. But what are the odds that your new guy is going to default on the original seller-lender after putting $35,000 cash on the table. It’s pretty safe. You’ve won.

Except at the last minute, this deal falls through. Damn.

But it’s OK, because pretty soon another guy comes up and he’s willing to pay you $150,000 for the whole tract – giving you an instant profit of $50,000.

Except that he’s only got $25,000 cash. He needs you to finance $125,000.

Can you do that?

Sure. You could take his $25,000 cash, let him assume the underlying $100,000 note, and have him sign a second note, to you, for $25,000. All of that equals the $150K sales price.

So he’ll be paying both notes – one payment to your original seller-lender and another payment to you. Your profit on the deal is $25K cash, plus a note for $25K. Again, you have to be sure that your buyer faithfully pays the first mortgage, to your seller-lender. If not, you’re on the hotseat.

Or… you could do a *wraparound mortgage*.

Let’s say you just don’t trust your buyer to make the
monthly payments to your original seller-lender. You want to control those payments yourself.

So you decide to structure this transaction with a wraparound mortgage. You’re still going to take a note from your buyer, but you’ll wrap it around your original seller-lender’s note.

It works like this: You take your buyer’s $25,000 cash downpayment and have him sign a $125,000 note, to you. He does not assume the underlying mortgage of $100,000. He simply acknowledges (in writing, in the deed) that it exists, while you agree (in writing, in the deed) to continue paying that first note. The closing attorney will probably write in the deed that he’s buying the property ‘subject to’ the original note.

You are going to collect payments from your buyer and you are going to continue making payments to the first guy (your seller-lender). And you are going to pocket the difference between the outgoing $100K note payments and the incoming $125K note payments. *Tip:* You might try to get a higher interest rate from your buyer than you are paying to your seller.

All perfectly legit according to every attorney we’ve asked. (But, as always, ask your own.)

You just have to convince the new guy, your buyer, that it’s OK. He has to trust you to continue making your payments to your original seller-lender. There are
various ways you can assure him of that. Most buyers will reluctantly go along with it, though you might lose some.

So your profit is $50K – in a mix of cash and monthly income.

Except at the last minute, this deal falls through. Damnit!

You call a family meeting and decide that the problem is the price of your land. No one really wants to pay over $100K for a piece of land. So you are going to divide the hundred acres into ten tracts of ten acres each and sell each one for $25,000. Meat and potatoes stuff.

So you do that.

And your first buyer comes up. All he’s got is $5,000 to put down. He needs you to finance the other $20,000.

Can you do that?

Sure. Not a problem. You take his $5,000 and have him sign a $20,000 note, to you, while informing him (in writing, in his deed) of your $100,000 underlying mortgage to the original seller.

Wait a minute! What? Why would he buy ten acres, worth $25,000, that’s got a $100,000 underlying mortgage?

We hate to tell you how easy that is, but the truth is that
most people who are buying smaller tracts will sign most anything put in front of them, without question. You tell your buyers about your underlying mortgage and that you are going to continue to pay it – you explain the whole thing in detail – and they don’t really listen. They just want to know how much they’ve got to put down and how much they have to pay each month.

There are ways to reassure this buyer. After all, you have a partial release agreement with your seller-lender. It’s not like your lot buyer would have to pay the entire $100,000 in order to get his lot released. He would only have to pay the partial-release amount, in the worst of cases. (See below.)

Anyway, you do the same thing nine more times, with your other nine lots.

So you’ve collected $50,000 cash, in downpayments (10 lots X $5K down), plus ten notes worth a total of $200,000. Now you settle in, using the payments from those ten notes to service your underlying $100,000 mortgage – while pocketing the overage.

But what if one of your buyers wants to pay cash? He wants to give you $25,000 for ten acres of the 100 acres.

That’s OK, too, because when you wrote up the note with the seller, you included a partial release clause. It allows you to get portions, fractions, of the 100 acres released from the $100K mortgage upon payment of a
certain cash amount.

You tried to get the seller-lender to agree to release one acre for $1,000, but he was too smart for that. He worried that you would sell all the valuable frontage, leaving him with inferior interior collateral. He insisted that you pay him $1,500 per acre to release any one acre from his mortgage.

OK, so your cash buyer wants to buy ten acres for $25K. You take his $25K cash and give your original seller-lender $15K against his $100K note – to release that specific ten acres from his mortgage – leaving you to owe $85,000 against the remaining 90 acres.

You’ve won. You always win. You know more ways to skin this particular cat than anyone will ever need to know in his life.

To recap: This is fairly complex stuff, especially for anyone who has never dealt much with lending or notes or mortgages, but it’s really pretty simple once you work though it once or twice. And it’s a bit of knowledge which can mean the difference between doing a successful land flip and sitting on your hands.

Remember: You’ll sell a lot more land if you arrange things, up front, so that your buyers can easily walk into ownership.

Remember, too, that law is complex and varies from
place to place and from time to time. So run your plan in front of a real estate attorney before inking it, just to be sure. There’s a very good chance that she’ll even be able to offer improvements. Describe what you’re trying to do and ask, “How do I get there from here?”

_Caveat:_ We don’t know exactly what would happen if such a wraparound situation were to fail, never having witnessed that. We assume each lot buyer would be able to deal directly with the original seller-lender to partially release their ten acres. Or even that all the lotbuyers might gang up and continue making the monthly payment directly to the original seller-lender. But we could be wrong in our assumptions. First, ask the lawyer. Second, don’t structure deals that might fail.

>Note: There are other ways to sell to your lot buyers without paying off your mortgage. You may be able to do lease purchases, land contracts, etc. You just need to be sure about your local laws and that your buyer understands what is happening and agrees to it, in writing.

**If You Have Almost No Cash**

Oh, man. You are so screwed.

Well, unless you are tenacious and determined. In that case, you’ve just got a higher hill to climb. That’s all.

If you’ve read and absorbed the first few chapters of this
book, you are already in a position to recognize and even find quality land flip deals. That knowledge and ability is valuable. It is worth money. The deal, all by itself, is worth money.

Once you have located one or more good deals, assemble the information in a clear and organized format. Make sure that you can present it well. A computer and a bit of knowledge in PowerPoint can take you far. For each property, make a topo map, a Google Earth map, a list of comparable lot sales in the area. Know what utilities are available, etc. Be ready and able to answer any question.

Start with your friends and family. Someone who has $5,000-$10,000. All you have to do is convince them that you are knowledgeable enough and assuage any worries they might have. Then you use their cash for the downpayment and the fixup.

If they agree, get 50% of the profit for finding it and working it. (They get 50% just for being rich already.)

OK, now we’ll assume that you’ve exhausted your list of acquaintances. You don’t know anyone who has a bit of money saved and is willing to back you.

Have you noticed that in major cities, there is a congregation of car dealerships in a certain area? If you look closely, you may see that there is also a congregation of mobile home dealerships. They might be
a likely target. Let's say you have found five acres, and you think you can break it into five one-acre lots. A mobile home dealership might be interested in that. They like to do ‘land-home packages’. It’s easier for them to sell their homes if they’re already set up. Pitch them on the project. They might be willing to fund the thing. Maybe they’ll make you project manager.

Still no luck? It may be time to go to church. Or to join a bowling league. Or to click on Meetup.com. Rub shoulders with folks. If you live anywhere close to a major city, chances are good that there is a group of people who meet up just for networking and nothing else. Look for entrepreneur groups online. Talk to everybody.

However, if you are not the type who goes for socializing, even to find a partner or backer, there are other options available.

**Online Lenders**

We don’t know much about this, but it could be worth investigating. Do a Google search. More sites pop up every day offering some kind of small business loan arrangement.

**Credit Unions**

Credit unions are an underappreciated resource for those looking to invest in real estate.
They are usually small, personal, not-for-profit entities which offer good loans at low interest rates. Maybe your relative or friend doesn’t have $10,000 to back you with, but maybe he belongs to a strong credit union. They are usually much easier to work with than large, impersonal, national banks who tend to view you as mostly just some kind of alphanumerical entity.

**Banks**

Do you bank with a small local bank? Does your cousin? You’re probably barking up the wrong tree to try and make a commercial loan at a national bank, but a community bank might be happy to jump into a local deal with you.

If you are going to go into a bank to ask for money on a land flip, you had better be prepared. The banker will look at your finances, yes. He or she will want to know something about your history. But mostly she wants to know that you know what you’re doing. Don’t fumble when she asks you whether there are utilities running in front of this property. Don’t stutter when she asks you for comparable sales in the area.

The banker wants to know: “Does this guy/girl know what they are doing? Is he a professional and competent person who is going to follow through and be responsible?”

The banker wants to make fees and interest on the loan
you make. He absolutely does not want to wind up repossessing your collateral. Banks are in the business of lending money, not of flipping real estate. In fact, as mentioned in Chapter Two, a bank which has repossessed some raw land may be a great place for you to find your first deal.

If None of These Things Work

So you’ve put all of your effort, ability, and persistence into finding the cash to do a deal, but nothing is coming through for you. You have zero money, your relations all distrust you, and the banks and the credit unions have shut their doors to you.

Time to give up? Not quite. Here are other things to try and wedge your foot in the door.

Bird Dogging

Bird dogging is the practice of finding a good deal and turning it over to a Player. The bird dog gets a fee. This one is potentially sketchy. Many people say the practice is illegal; some say not. Some say it’s legal to pay fees but not legal to receive them. RE agents will probably assert that it’s not just illegal but also immoral, reprehensible, and dirty-dog evil. Lawyers will usually say, “It depends.” Different states, different situations... it depends.

So we’re not going to advise you one way or the other except that you should do a little research yourself. At
least online. Then talk to some attorneys about it.

According to our understanding of the law, you can option (see below) a property and then transfer your option to someone else. You’re a principal.

But I’m sure you can find someone who will assert that optioning also violates real estate laws. We’ve even had RE brokers tell us that we can’t legally sell our own property. Lots of opinions out there.

You can usually find ads in the paper or on Craigslist which say “we buy houses” or “looking for investment” or “offering reward for leads.” You might want to contact these folks and ask them what they’re looking for. Let them know that you are familiar with the local market and with land in particular.

Not only could this put money in your pocket, but it is a great way to network with real estate people and possibly get into the business.

**Optioning**

An option gives you the right to buy a property but not the obligation to buy it. All you stand to lose is the money you give for the option. Let’s say you find a super-duper deal on ten acres of land. The owner will take $20,000 but you think it might be worth quite a bit more than that to a local developer. So you tell the owner that you’re not sure about getting the $20,000 together, but
you are pretty sure. You’re willing to give him a $1,000 non-refundable fee if he will hold the property for you for the next six months.

If you decide to option a property, be sure you get the paperwork right. It’s a contract. You need the right to enter the property, for example, at will. That’s so you can show it to the three competing developers who are bidding on your option rights.

**Offering Flipping Services**

Another way to get into this business may be to find people who are selling large tracts of land, particularly those that have been sitting on the market for a while. Once you have a list, approach them with the confidence of someone who has a valuable solution to a difficult problem. Show them, with your highly-developed presentation skills, just what could be done with the property in question and why you are exactly the one to do it.

If you can pull this off, it’s one of the best ways to get started in the business. First of all, you are putting your reputation at risk, rather than money which you may or may not have. Simply by being hard working, professional, and responsive, you may find that flipping other people’s land is a business just as viable as doing your own.

Again, be sure you don’t run afoul of the real estate
people. You are helping someone liquidate their property, and that can be touchy. We believe that in most places, this won’t be a problem if you are working on only one project at a time, as a project manager, more or less. But you might take a partial ownership position or hire on as an employee. Who knows. Ask a lawyer.

You won’t get as rich as fast, but you will get all the real-world experience you can handle – for when you are ready to do your own flip project.

**Find a developer and try to work for him**

The last and most desperate thing you can try is to get a job.

We know that this is not the advice you wanted when you picked up this book, but sometimes when you are looking at getting into a new field, an entry-level job can be your best friend, as it is a safe and comfortable way to ease yourself into the new environment and learn the ropes. There are loads of large and small developers out there who are willing to hire on help. You may not get where you want to be by working for someone else, but everybody’s got to start somewhere.
Chapter Six: The People You’ll Need

So you’ve about got this hot deal sorted out – having negotiated with vigor, knowledge and cleverness. After much painstaking attention to detail, you have signed a Buy-Sell Contract.

Now it is time to go through with the actual closing, to legally purchase the property and get started on the real work. Feeling nervous yet? Sweaty palms and a thousand doubts bouncing around your noggin? Hey, it’s entirely normal. In fact, if you aren’t worried and scared, your head isn’t properly in the game.

And your what-ifs are going to multiply as the closing
date approaches, so you’ll need to become skilled at separating the real concerns from those that are just paranoia. Part of becoming a successful businessman is learning to trust your decisions, so long as they are backed up by plenty of research and careful consideration. Besides, one of the more important traits of an entrepreneur is positivity. Who else but a Pollyanna would risk thousands of dollars if they didn’t foresee an optimistic outcome?

So yeah, you’re standing on the edge of a platform a hundred feet up in the air. Sure. But you have triple checked the bungee cords attached to your ankles. There is nothing – including the wind speed and moisture content of the air – which you have not checked. Which is not to say that there still can’t be an accident, but all of life is chancy, isn’t it, especially for those who want to fly?

So jump already. Either that or climb back down the tower and go back to the timeclocking lifestyle.

Also at this point you might be feeling very alone, like all of the burden and responsibility is resting solely on your shoulders. But not to worry. You’re about to meet the cast of characters who will help you on the way.

If you are planning to be in the land-flipping business for the long haul, you want to maintain strong professional relationships with these people, so you need to shop
around to find the very best ones in your area. The temptation will be to just throw a dart or hire your cousin’s drinking buddy, but don’t. If you have to change a surveyor in the middle of a project or change any of the following horses in mid-stream, it can be seriously disruptive and costly.

Research, interview, assess.

The Title Company (aka: Escrow Company or Abstract Company)

In most places, the buyer of a property will be the one to hire the legal work for the transaction. He might negotiate the seller into actually paying for it, but his legal team will do the work. On the other hand, this can also be a cultural matter. In some places, it’s normal for the seller to provide a title insurance policy, so perhaps the two parties would decide together about it.

Sometimes the closer will be a standalone law firm, but more often, it will be a title company, which is generally owned by one or more attorneys and focuses solely on real estate law and in particular, real estate transactions.

Closings.

Why get the legal guys involved?

Unless you’re a serious worrier, type ‘real estate title problems’ into a search engine. If you’re a worrier, that can be almost as scary as doing a search on your current,
weird, medical symptoms.

Anyway, the title company is responsible for studying the title to the property, for preparing the proper docs to transfer title, and for recording the signed docs with the Clerk of Court. It will also hold, in ‘escrow’, the money and the docs until all the dust has settled with the transaction. If you don’t use a title company, you might buy a property with a mortgage on it which the seller forgot to mention. Or you might get a faulty deed from your seller.

When you buy, try to always use your regular closing company. It’s just so much easier to deal with the same people. You come to trust them and they come to trust you. So things may be a bit more relaxed at closings.

Finding a good title company can take a while, but once you have one that is responsive and capable, it can quickly become one of your most valuable assets as a landflipper. The reason for that is that although such a company isn’t going to bend the law in your favor, it will definitely listen and lean in your direction on minor matters of convenience, like scheduling a closing on a Friday afternoon, perhaps, or helping create the power of attorney or resolution that you need for closing. Try to find a largish, established company in your area. Have at least one short meeting with its principal(s) before making your final decision.
The Lawyer

Sometimes the lawyer for the title company will also serve as your consulting attorney – for when you need a bit of casual advice or maybe a phone call made in your behalf. But in rare cases you may have an issue which requires a stand-alone attorney. Try to find one with connections. Or else with partners with connections. Maybe he or she works with the local government in some capacity or might have a seat on an important board. You won’t necessarily get any special strings pulled, but you’ll have someone who knows the system in and out. She’ll know exactly who needs to be called and what argument needs to be made in your favor.

Your relationship with your lawyer is one of those professional ones which can last a lifetime so, again, choose carefully when shopping around. Most quality lawyers will offer to talk to you for free in the first get-to-know-you meeting, especially if they think you might become a longtime client.

Having someone you can call or email for legal questions and consultations will be invaluable as you move forward.

The Surveyor

If you buy a lot and flip it without dividing, you probably won’t need the help of a surveyor other than perhaps to help you find the lot corners. But if you intend to divide
your land and sell lots, you’ll definitely need a surveyor.

We recommend a medium-sized company, one that is large enough so that they can get the work done on your schedule but small enough so that you can know most of the people on a first-name basis.

The company needs to be local. But not local to you. Local to your land. It’s always better if they have experience with the rules and regulations of the county where your land resides. They might have a good working relationship with the county staff members, which means those staffers might be a little less likely to be cranky or to drag their feet during the platting process.

**The Dirt Man**

Almost anyone can run a bulldozer or trackhoe with just a little training, but your dirt contractor is way more than a machine operator. He’s a master of drainage, a builder of ponds, a solver of problems. Spotting the difference between a mere machine operator and a guy who knows how to fix land problems – that’s a skill you will acquire as you gain experience with moving dirt.

Above all, you want a dirt man who listens to you and is thinking about your land problems as hard as you are. He wants to get it right and will often come up with fixes that hadn’t even occurred to you. You want someone who is pliable but experienced. You want him to know
lots more about land than you do. You can learn from him over the years.

Before you hire contract work, think about insurance. Does this dirt man carry liability and workers’ comp insurance? If not, you may be responsible for anything bad which happens during his operations. Before he actually comes on your land to do his work, ask him – and any other contractor who works for you – to provide proof of his insurance.

The CPA

We think the U.S. government should offer some kind of deal to private businessmen where they can turn over their firstborn son or daughter in exchange for never again having to figure out their income taxes. Alas. No such deal currently exists. You’ll have to hire a CPA.

When searching for a CPA, the most important thing is that you find one who can speak English. If she can’t explain to you, in pretty simple language, why she is recommending Decision A over Decision X, toss her aside and look for another. The tax code is so complex, with so much technical jargon, that you need someone who can babytalk with you.

Responsiveness is an important characteristic to watch out for. As with anyone else mentioned in this chapter, you want a CPA who will return a phone call or email in a timely way. In your initial search, you can run a test by
sending an email to every CPA on your prospect list and gauging their (non)responses. Some won’t even answer. Others will consistently follow up to your inquiries.

Anyway, you have to have one. Doing business without a CPA – at least for the preparation of your tax returns – is pretty much impossible. A good CPA will save you lots of money in the long run, mostly by consulting ahead of time on your projects and suggesting the best way to structure things.

**The Mobile Home Company**

As we’ve mentioned, many of your lot buyers will be simultaneously in the market for a mobile home. And vice versa. Mobile-home shoppers are often looking for land. Sure, a lot of them are planning to set up in Daddy’s back yard, while others are thinking to rent a lot somewhere. But some of those customers who are out walking through manufactured-home lots on a weekend are also on the hunt for that pastoral dream – five acres in the country.

This gives you a common interest with those in the mobile-home business.

For this reason it’s a good idea to get to know the mobile home dealerships and their staff. If you bring them a tray of doughnuts, the sales manager might even assemble his salespeople and let you give a brief presentation about your lots.
As an important item of business, a diligent landflipper finds every mobile home company within fifty miles of his work area. Then, once he has property for sale, he goes in, introduces himself, schmoozes a bit. They will be happy to make your acquaintance once they realize that you might have land to suit their home buyers. They understand the kind of symbiotic business relationship that a person like you represents. Print out flyers with directions and simplified plats of the property you are selling and distribute them to every mobile home dealership you can. Make sure your business card or information can be found on each one.

**The Utility Companies**

It pays to be in contact with the companies which control utility lines around your property. These companies should be very eager to work with you. After all, you are potentially bringing them new customers. Ask the power company about the cost and process of dropping a secondary pole onto a lot, in case you want temporary power while you are working out there. Get as much info as you can from the water company about the cost of a new meter, the requirements for running a supply line from their pipe at the road to a new home, etc. This information can be helpful when your lot buyers (who are usually clueless about such things) ask questions about the utilities.

Sometimes there may be utilities in the area but not
adjacent to your actual property, so contacting the utility companies can become a matter of necessity. You may be surprised to find that the water company, whose line ends three hundred feet from your property, is willing to either extend it themselves or allow you to do so. It’s a chance at multiple new customers.

Sorting out the utility situation can, in some cases, add substantial value to the property, so make sure you have working relationships with the companies and people involved. At the very least, you should have all their contact info at your fingertips.

The County

Once the survey has been done and you have a professional drawing of your subdivision plan, you will have to go through the platting process. That means dealing with county bureaucrats. We’ll go into this process in some detail in the next chapter, but for now just keep in mind that it may be prudent to stay on the good side of the county. Join the local chamber of commerce, attend cocktail parties, offer your support to your favorite politician by helping him put up his campaign signs. We aren’t talking about members of congress here. If you are working in a rural area, the leaders of the community will often be highly visible, the type of people whose offices (or body shops or hair salons) you can walk into without an appointment.

Becoming known to the various nabobs of your local
area comes with a myriad of benefits, particularly if you are able to leave them with a positive impression. Not always easily done, but it’s a worthwhile endeavor which can have other consequences. You might wind up running for a local office yourself.

In the end, you need the bureaucrats. So always try to make friends wherever you go. The easiest way to do that is by being friendly and positive yourself. Go to church. Coach that little league team. Keep your reputation as sterling as possible. It never hurts to have more friends, especially when you are needing your plat finalized by the county or your road ditches reworked.

**The Neighbors**

Speaking of getting into the good graces of other people, befriending the people who live around your property is always a smart move. Hopefully, you took our advice already in the chapter on researching the tract, and have formed some brief relationship with those in the area. Once you have purchased the property and are endeavoring to improve it, you are going to be seeing a lot more of these people, and you want to keep them happy as much as is possible.

Sometimes, the best way to get the neighbors on your side is to ask them for a favor. We know that it seems counterintuitive, but it is one of those little quirks of human nature that so often goes unappreciated. To the old man living in a trailer, you are an alien, an alien
whom he probably assumes is rich and conceited. (Land owners tend to be rich, after all, and rich people tend to be conceited.) By asking him to let you store your weedeater under his porch for a few days, you might be surprised at how easy it is to develop his friendship. He’s now involved in your project and your success. Bring him some produce from your garden or do him some other small favor like weedeating around his mailbox. Leave him your phone number, and he’ll likely call you if he sees trespassers or dumpers on your property.

The Buyers

The most important individuals in your master plan, of course, are the buyers, and it’s important that you give some thought to who they might be. We described some typical rural lot buyers earlier, but really they can be most anyone.

In Chapter Eight, we’ll focus in more detail about how to find the right buyer to turn your land into cash or a note. For now, just try to visualize what kind of person is going to be interested in your property. Doing this mental exercise is healthy even before you make a purchase and undertake the project itself.

But in the end, if you are offering a good deal, there is someone out there who is ready to agree to it. We’ve never yet had to eat a piece of dirt.
Chapter Seven: The Fixup

You have made your purchase. You own 10 acres on the corner of two county roads, for which you paid $50,000.

So now we’re going to get to the actual “flip” part of the land-flipping process. Remember what they say about preparation. If you’ve done your homework and acted thoroughly up until now, the rest of this process is easy. The tedious and risky part of the equation is behind us. The rest is just the work, and depending on your personality type, it can actually be quite enjoyable.

Now, in our hypothetical scenario, we are already out $50,000, and we’ve given ourselves a 10% budget. We have $5,000 to spend on everything – land fixup, interest on our loan, advertising, etc. So for the physical work itself, we can spend about $2,500.
So let’s get started.

The Tools

As a new landflipper, you’re going to need some tools of the trade. The following are in no particular order, and we’ll try to be brief.

Truck Toolbox

You can deal with land while driving a Buick sedan, but a pickup with a toolbox on it is better. Life is even easier if you keep your toolbox organized.

Machete/Clippers

Have several. You’ll use these to cut property lines, to clear vines and weeds from the bases of yard trees, and to generally neaten up your road frontage and improve the curb appeal. Scabbards are handy for the machetes. The clippers you can open and carry around your neck.

And don’t forget a couple of files. Sharp machetes work way better than dull ones.

Distance Wheel or 200-foot Tape Measure

You should learn how to pace, for getting rough distances. Every normal two steps will carry you about five feet. Figure out your own personal pace by marking off a few hundred feet somewhere, walking it several times with a normal gait, and doing the math. It’s a
valuable skill in this business. (You should also practice judging distance just by your eye.)

Next in accuracy is a distance-measuring wheel. It will have a counter which is good for about 1,000 feet before it resets. If you’re on a road and are a risk-taking type, you can hold it outside your open door and roll it along the blacktop while you drive. It’s just an odometer working in feet rather than miles.

But best in accuracy is your 200-foot tape. If you can’t find someone to hold the dumb end, tie a pin flag or big nail to it for an anchor while you pull.

Chains/Tow Straps

Vehicles can get stuck, especially on ground which has recently been disturbed by bulldozers, etc.

Flagging/Pin Flags/Lathes

Wear clothes with lots of pockets and have two or three rolls of flagging with you any time you are working. Little known fact: Some people who are colorblind can’t distinguish the usual fluorescent orange or pink flagging from the greens and browns of the brush. Get blue flagging for them.

Being able to mark things in the brush is necessary. After all, you are taking an overgrown piece of property and turning it into individual residential lots. You need to be
able to see those lots, which you can do by flagging them out. Flagging is useful for all sorts of other jobs, too, from marking stumps so the tractor won’t hit them to flagging your shovel handle so it’s easy to find in the tall weeds.

Pin flags are squares of flagging on lengths of stiff wire. They come in various colors, sizes and lengths. Handy when you are wanting to outline a building site, for example.

Lathes are another name for the wooden stakes which surveyors use. You can tie some flagging to them. They make taller and more permanent markers than do the pin flags.

**Compass/GPS**

Smart phones will usually suffice. If you aren’t experienced enough to use a sophisticated compass, a standalone GPS might sometimes come in handy, if you really know how to use it.

**Laser Level**

At $700-$1,000, you probably won’t buy this tool at the start of your land-flipping career, but get one when you can. Meanwhile, use it as a test when hiring a dirt man. Does he have a laser level? If not, maybe you should keep interviewing dirt men.

Drainage issues are often at the top of a landflipper’s job
list. Sometimes you’ve got hilly land and can just stand back and observe how the water will flow. Other times, you’re in flatland, and you will need this instrument. It has a rapidly-rotating head which sends out a beam of laser light, essentially creating a sheet of that light parallel to the ground. You walk around with a receiver on the top of an extendable pole which is marked in inches. You extend the pole up until the receiver beeps, write down the elevation in your field notebook, and come away confident in the lay of your land.

Or maybe you want to build a pond. Can’t do it without a level.

Or maybe you want to set a culvert. Can’t do it without a level.

**Tractor**

This machine is part of the very essence of what it means to be a rural developer. In terms of taking raw acreage and transforming it into something beautiful, pleasant, and livable, there’s nothing like a tractor.

Buy a brushcutter to mow through light brush, a front-end loader to move dirt around or uproot saplings, a boxblade to smooth everything down or cut shallow drainage swales. You can buy lots of other implements. Walk through the tractor dealer’s yard with a salesman, asking him what each gizmo is used for.
Four Wheeler

With tracts larger than five or ten acres, having a quick and easy method of getting from one end of the property to the other can save you some hassle and shorten your work day. And a nice four wheeler can also be handy for taking prospective buyers on a tour. But it’s a luxury. Not really necessary.

Other tools you may discover are particular to your area. The tools of the trade in a desert state may be different than those used in swampy or mountainous terrain. Whatever you decide to go with, get good ones and use them often.

The Work

It is time, at long last, to roll up our sleeves and turn our 10-acre parcel of brush into some prime pieces of residential real estate, doubling our dollars as we go.

Drawing up a plan

You should have a good idea by now of your division plan. In fact, you shouldn’t have purchased the property without knowing that, not if your profit is dependent on division.

So grab your pencils and your grid paper or else your computer CAD program. You’re going to sketch it out – the plan. The purpose of this drawing is to present your master plan to the surveyors/engineers who are going to
make it a reality.

As you make your decisions, your primary concern is that each new tract of land will have a good building site on it. We have driven through old (competitors’) subdivisions and noted various unoccupied lots. Often it’s because there is no good place on that lot to actually build a house. The developer was studying lines on a piece of paper rather than studying the land itself and being sure to make good, usable lots.

Every lot doesn’t have to have a nice hilltop on it, but every lot must have an area where a home can be placed. Walk each lot with your dirt man if possible, having him confirm the building sites. Whatever you do, don’t make gully lots. You’ll still own them when you are old and gray.

Next give thought to the shape of the lots. It helps to imagine that you yourself are planning on living there. People prefer wide and squarish lots, while developers prefer long and skinny ones – in order to maximize the number of lots they can make with the given road frontage. You need to find a balance. There is some minimum amount of width needed, usually set by the county and/or by the physical size of homes. Some mobile homes are 80 feet long, so 125’ is sometimes a sort of standard minimum width for a lot. But that’s pretty narrow for a country tract.
We don’t like to make lots skinnier than a 1 by 4 configuration if we can help it. That means that a lot 200’ wide will be 800’ deep, max. But we have seen 10-acre tracts with a configuration of 167’ wide by a half mile (2,640’) deep. We call them bowling-alley lots. Landing-strip lots. People eventually buy them.

So work out your plan with these factors in mind, along with market factors. Will two acres sell more quickly than five acres? Even though you can get more per acre for smaller tracts, is the longer selling time really worth it?

Once you have your drawing in hand, it’s time to approach your surveyor for the next step in the process.

**Having the Property Surveyed**

We like to be involved with the surveyors, so we accompany them as they work in the field. It’s fun, we get good exercise, and we learn our land intimately. Also we understand the specific problems they encounter out there and are able to make decisions on the spot. Sometimes we tweak or even change the division plan while sweating and grunting our way down a cut line through the woods. Be there, if you want to make sure the job is done precisely the way you want it done.

The surveyors will start your boundary survey by searching for your corners and for other pipes on neighboring tracts so as to ‘tie in’ your survey with the
rest of the world. They’ll have neighboring survey plats with them, and they want their work to agree with those other surveys as much as possible. Despite what you might believe, things are sloppy out there. Every surveyor has an opinion, sometimes a half dozen of them.

Once they are happy enough with their place in the world, the surveyors will shoot lines (sometimes zigzagging ‘traverse’ lines if there isn’t an open line of sight) in an attempt to locate your corners. If they are unable to locate iron pipes which indicate property corners, they will do some fancy trigonometry and set new pipe, based on calculations from everything they have found in the area. If you look closely at a survey, you might see ‘FP’ for ‘found pipe’ and ‘SP’ for ‘set pipe’. If you’ve already given them your resub plan, they may also set your new lot corners during this process of locating and marking your original corners.

This is an important process and one you want to be familiar with. The best way to do that is to just stay out of the way and watch. Feel free to ask questions, but be aware that surveyors can be kinda ornery. It’s the sort of job where a guy needs to focus. Too many interruptions can make the work more difficult. Use common sense, and keep your head on a swivel so that you can absorb as much as possible.

Also, if you are out in the field with the survey crew, you
can instruct them to set backsights on important lines.

What are backsights and why are they important?
Imagine your survey crew has set two points which are to be the NE and SE corners of Lot #1. The problem is that these two points have five hundred feet of dense undergrowth between them. You can’t see from one corner to the other. You can’t tell where the property line is, which means that you can’t walk a lot buyer along his property line. You need some way to cut the line through the woods between these two corners.

So you ask the surveyor to set another point on the line, visible from one of the corners. A backsight point. So long as you can see any two points on a line, you can walk backwards, keeping yourself ‘on line’ by lining up those two points. Backsighting, with a machete, clearing the property line as you walk backwards.

The more property lines you can clear and mark, the better. With a nice path between lots, you can walk your customers along the border of the paradise which will soon be all theirs.

The Platting Process

Once you’ve got the surveyor’s drawing of your mini-subdivision in hand (the plat), you’ll start navigating your way through the bureaucratic process required to legalize and file it. Generally, the Clerk of Court will not accept a plat for recordation unless it is signed, usually
by the County Engineer or Chief of Public Works – something like that. And unless your plat is filed, it may be illegal or even impossible to sell your lots. They don’t actually exist yet.

So by ‘file the plat’, we mean getting it approved by local authorities and put into the official books of your county courthouse. Once that is done, you can sell “Lot #2 of the Sunnybrook Subdivision.” That will be the legal description of the land.

Let’s step aside and note that such a filed plat may not always be necessary. Say that you own 40 acres. In some places, in some instances, you can just sell ‘the east half’ (20 acres) of the tract. Or maybe the ‘northwest quarter’ (10 acres) of the tract.

You might even be able to avoid the whole platting process and sell 1.5 acres with a metes-and-bounds description. (“Start at this point of beginning; thence run 182.03 degrees NW; thence go 73.20 feet thataway, etc.”)

There’s loosey-gooseyness out there about this whole process of subdividing. Remember that real estate is local. The rules and regulations governing land subdivision will differ, sometimes radically, from one political unit to another.

But generally, perhaps usually, you’ll need an approved plat.
Your savior – your best solution to all this complexity and uncertainty – can be your surveyor. It’s why we advise using a firm which is local to the county where your land is located. The surveyor will know how things work. He might be able to casually run your plat through the system, smooth-as-silk.

See if you can make a package deal with your surveyor. He gets paid upon filing of your plat. You may have to give him a deposit before he starts the work, but it is reasonable to make final payment contingent on getting your plat filed.

Of course, you should know the subdivision regs forward and backwards yourself, but it’s much better to let the surveyor handle it. If not, perhaps use a local attorney. Sometimes the platting process can be tense. Sometimes it can be better to have a third party between you and the county. Other times it’s just a matter of delivering your plat and having it signed.

While we have never been stopped dead in our tracks by a county government and denied a subdivision plat, we have certainly heard horror stories about those who have. Usually these people just went in and bought the land, built their roads, and THEN went to the county with their plat. They’d never even heard of ‘subdivision regulations.’

No. That’s a really bad idea.
Because the process varies so radically from place to place, we’re not going to delve further into it here but will just offer a few general comments.

Starting out, you’ll probably fly under the radar. A simple split in half? Maybe into fourths? OK, no big deal. These bureaucrats are usually pro-development. They run a county. They usually want it to grow and prosper.

Do your homework, be diplomatic with neighbors and bureaucrats, and keep in touch with your lawyer just in case. By doing these three things you can generally avoid any serious roadblocks.

In the beginning at least, don’t depend of subdivision. Buy land that – in the worst of all cases – can be resold for a profit without dividing it. Should things go completely upside down with your division plan, you are at break-even rather than deep in a hole.

Once everything is settled with the subdivision, you have the legal right to close a sale on your sub-tracts. By all means, go ahead if you can. But you’ll sell for more and you’ll sell more quickly if you first do a little work on curb appeal.

**Labor/Beautification**

While it may seem silly, over the years we have found one universal truth when it comes to sales: If you want to sell your land, mow the grass.
The logical part of the salesman assumes that people can project themselves into the future, to see the potential in an incomplete thing. Grass is easy to cut, and those of us in the business can look at a piece of property and easily imagine what it could be with a little tender loving care. But your average lot buyer? Nope. He’s right here and right now. You’ve got to actually mow the grass for him.

So a capable landflipper goes to great lengths to beautify and manicure his property, paying special attention to any areas visible from the road. The curb appeal is the thing. People want to be immediately impressed when they drive by. You’re after that wow factor that is going to get looky-loos to actually pick up the phone and dial your number.

So mow the grass, pick up the road trash, clear the brush from the base of your trees, trim the scraggly tree limbs. Build fires and toss in any logs scattered around. The closer you can get it to a golf course, the easier time you will have when it comes to a sale.

Besides, the outdoor work is the fun part. Rather than poring over tedious details and making sure all of the numbers add up, you get to spend time out in the (hopefully) sunshiny world. When your body comes home all sore and tired out, you know you’ve had a good day.
Some projects will have issues that you and your machete can’t fix. Maybe you’ll thin out the timber, for example, and you’ll need heavy equipment to come in and clean up. Other times you might want to build a small pond or open up some clogged drainage ditches.

Heavy equipment – your dirt man – will usually be the biggest cost of the fixup, so decide ahead of time, if possible, whether you will need him (reminding him to provide proof of insurance and also to call the utility-line location services before he starts.)

We are assuming here that you won’t be making the one improvement which is by far the costliest, but which can increase your land’s value tenfold, maybe even twentyfold. You’re not building a road. We avoid that discussion because this book is for the beginning landflipper, and road-building is for the more developed developer.

But you might be in a situation where a short, gravel, private road could open up more division opportunities. If that is in your plan, now is the time for all that clearing, grubbing, crowning, ditching, compacting, graveling, grading, etc.

This is also where the tractor comes in, whether you hire someone or run your own machine. A tractor with a box blade and a brush cutter can quickly dress out a piece of ground after the heavy machines have left, getting it into
‘mowable’ condition.

If you have lots which are deep, you may want to only clean up the ‘front acre’ – meaning the front 200 feet or so. Just remind your lot buyers that the lot is actually much deeper than the cleared area. Some will drive by and assume that the ten acres you’re trying to sell is only ‘that nice, pretty area that goes back to the trees’.

Also during this physical stage of the flip, you need to flag your lot lines. Use pin flags or lathes or just flag the trees, but lay out the lines so that your buyers can see what’s what.

You need to be able to pull off the road and onto your land, as do your lot buyers. So if a culvert is necessary, install it. Concrete culverts are best, but they are expensive in both material and labor. Generally, you can get a 20-foot, corrugated-plastic length of pipe.

The county or state will usually require you to get a permit for culvert installation, and they’ll tell you what diameter, length and type to use. Some counties will even install the culvert for you, free of charge.

This is also the time to put up your FSBO and your mailbox labeled ‘Lot Info’ and stuffed with plats and flyers.
That’s Really It

OK, so you’ve noticed that this chapter is short. Those of you who have read books about flipping houses might have encountered pages and pages of specifics on improvement, remodeling. But with land you’re mostly just a yard guy, working to make the grounds look more appealing.

And remember that with your land, you’re never finished. You should continue to work and work out there until the last tract is flipped. It doesn’t matter how good it looks, do more.

First, because you’ve got to keep the grass mowed.

Second, because you should be out there anyway, most especially on nice weekends. We can’t remember how many times we have climbed off of our tractor to sell a lot.

Third, because you are a flipper. You’ve got your eye on a lucrative 40-acre tract nearby, and at this moment and until you reach the Promised Land, you want nothing else in the world quite so much as you want to sell this batch of lots so you can turn around and buy again.

Time to do that now. Time to sell out.
Chapter Eight: Flipping It into the Bank

So you’ve successfully partitioned your 10 acres into five separate lots; the dirtwork has been done; and the whole place is starting to look like a park.

In short, you’ve built a goldmine and now sit atop it. (Try to stay humble about it, is our advice. People will like you better.)

Anyway, the time has come to turn this rectangle of dirt into either cold hard cash or else mailbox money. How to do that? Well, you could list it with your cousin the RE agent. She could put it in the MLS, which means it would then be exposed to virtually every other RE agent in the area.

You could do that, but we wouldn’t. We think there’s not
enough advantage in it to offset our specialized knowledge of our property and our own personal hustle when on the trail of greenbacks.

We insist on selling our own property first because no one wants to sell it as passionately as we do, and second – at the risk of repeating ourselves way too many times – because most real estate professionals aren’t as familiar with raw acreage as they are with homes. More than once when walking acreage with a RE agent, we’ve had to gently correct him as to which tract he was actually trying to sell us.

Maybe it’s not their fault. The owner might not have known where it was. We bought twenty acres from a lady once who ruefully told us how she had planned to move onto the land and had even installed a septic tank – only to learn that she had installed it on the wrong piece of land.

Yeah… that actually happened.

When you look at a home, you can easily see the corners and lines of its lot. No problem. It’s right there along that row of rose bushes. It’s the chain link fence. Look, you can see where the neighbor stopped mowing his grass. That’s the lot line.

Land is different. Unless it has been previously occupied, it won’t even have a street address. Your new lots certainly won’t have addresses. You have to get those
from the county, from the 911 system, and even if you do, they probably won’t show up on any lot buyer’s GPS.

Your land is down some rural, wooded road. People might dream about paradise, but if they can’t find it, and easily find it, you risk losing that one guy who was ready to pull the trigger and give you a fistful of dollars in exchange for your dirt.

So your job is not only to be very responsive to any inquiry about your land, but to make it as easy as possible for the prospect to 1) drive directly to the land and 2) to see the lot’s corners and understand the overall lay of the tract.

Land is a specialized category of real estate. That’s mostly why we prefer to handle its marketing and sale ourselves.

Having said all that, there may be a compromise position regarding the RE agents. You might find one who will agree to list the property, to put it in the MLS, but to stand aside if you find your own buyer. We don’t even know if that’s legal, but we’ve heard stories of it being done that way.

So let’s talk about our buyers in closer detail. Then we’ll discuss the best places to post your FOR SALE signs and what to do once a potential buyer responds to them.
Your Buyers

Don’t take the following sketches too seriously. If only people were so easily identifiable in real life. We’ve put these categories together mostly as an aid to help figure out what motivates various buyers.

The Retirees

*Best type of marketing: Local newspapers*

Mom and Pop have sometimes saved up a good nest egg after working their entire lives, and they might be looking to return to that little slice of country heaven that they remember from their youth.

Of all potential buyers, retirees are perhaps the most likely to buy your entire tract, for cash. Consider doing a little advertising as soon as you buy the land, as you are moving forward with your fixup plans, in case Mom and Pop might drive by and fall in love with it. A quick flip, even for less profit, can sometimes be the best move.

It may be harder to market to retirees using the internet, as they can sometimes be a little behind the technology curve. Some of them, of course, can trot circles around you with their computer knowledge, but others want to hold a physical newspaper in their hands as they search for property.

As with all potential buyers, be as charming and polite with this older couple as possible. Even if you’re a
misanthrope, it’s to your benefit to be friendly with lot buyers. You’ve just now met these people, and you’re trying to sell them a $40,000 item? Yeah, do everything possible to put them at ease.

Not just that, but you are wanting to learn your market. You are listening, hoping they will open up and express their attitude toward your specific tract but also their attitude toward land in general. What is their ideal piece of land, and what price would they be happy to pay for it? That kind of knowledge is useful.

If you are able to four-wheel these retirees around the property, jump a few deer, and really give them an experience, then even better. We jumped a whitetail in that situation once and I shouted, “Hey! I paid you to stand broadside and give these folks some big-eyed looks. What the heck are you doing running away!”

I don’t think they liked my jokes much, but they still bought the deer-infested land from us.

Keep in mind that your retirees are generally the least likely buyers to set up a manufactured home, often planning to build that cozy cabin in the woods about which they’ve been dreaming their whole lives. Because of this, they will be more hesitant about restrictions which allow mobile homes next door. Consider that you may have to be a bit tougher on your restrictions when selling to older folks, and plan accordingly.
All in all, dealing with retirees is usually a pleasure. They are generally vocal about exactly what they want, dependable when they make a commitment, and motivated to buy.

The Neighbors

*Best type of marketing: FSBO & Onsite Info Mailbox*

Neighbors have friends and family and – as strange as it seems – sometimes even want to live near them. When you first put up your FSBO, you’ll get calls from neighbors pretending to have a cousin interested in a lot, but actually they just want to know what you’ve got for sale and how much. It’s a reasonable thing to do. For most people, their real estate is the most valuable thing they own. Naturally they want to know the latest going price for property in their neighborhood. Also, of course, they want to keep up with any changes to their neighborhood. Remember that your activities can be unsettling to the locals and do whatever you can to ease their fears.

But some of the neighbors really will have cousins interested in the land. We try extra hard to make those deals work out. The cousin may be less likely to default on a note, if you finance for him. Also less likely to set up a junky place. And such a sale adds to the stability of the neighborhood and your legitimacy as a part of it.
Young Blue-Collar Couples

*Best type of Marketing: Facebook*

He may be a welder. She might drive a school bus or work in the radiology department of a hospital.

In the years following the Great Recession there has been a decline in this type of buyer. But young couples are still out there and still wanting a place of their own in the country. Some of these craftsmen and women have a rural background. They may have flocked along with others to the cities, gathering where all the money gathers, but their hearts are back in the countryside. Once they have established themselves in their jobs, they might take the first opportunity to head back out to a more spacious and natural location and are willing to make the long-distance commutes which may be required.

While many of these young couples won’t have the resources to buy your property for cash, they’ll have no problem with giving you a good downpayment and then making monthly payments.

On the other hand, these are also the most likely customers to do a land-home package with a mobile home company, which means cash to you for the property. With a land-home package, the mobile home company acts as the builder, setting up the land and the home, including driveway, utilities, etc. and also arranges
the long-term mortgage. You usually have to wait about six weeks for all the work to be done, but then you cash out when the buyers sign the mortgage and take ownership.

Since these buyers tend to be younger, they are usually adept with computers and the internet. Go Facebook fishing for them.

**The Immigrant**

*Best type of Marketing: Posted Signs and Flyers. Facebook.*

For many immigrants, the American dream includes owning a piece of America itself, and for Latin-American immigrants, that seems especially true. We can speculate about the reasons behind that. Some reasons are the same as for any other immigrant group. Land ownership is a concrete and visible sign that they have made it as Americans. Land ownership represents the laying down of permanent roots.

Whatever the reason, the fact is that native Spanish speakers are some of our most frequent and easy customers. They often pay cash or have stout downpayments, demand very little, and are really appreciative for the opportunity to own a piece of land at a decent price.

If you plan to be a long-term landflipper, practice your
Spanish.

Reaching out to Spanish-speaking people, particularly if you aren’t one yourself, can be difficult. The simplest thing you can do is locate the places where native Spanish speakers congregate or frequent and post signs – index cards or flyers – advertising your property. Bodegas, carnecerias, (real) Mexican restaurants. Hispanic-owned businesses often act as community centers for fresh immigrants and naturalized citizens alike. They also congregate on social media. Look for Spanish-speaking groups in your area.

Also you might want to recruit a Spanish-speaking person to work as contact person for you. Ask around with those who have already purchased from you. These people will assure new buyers that you are a straightforward, honest businessperson (assuming that you are so, I mean). The financial incentive will barely be noticeable to you. Your sales are in the five digit numbers, while the payment for such translation services may be in the three digits. After awhile, you may develop a network of contacts who will tell people about your property.

There is a huge market for rural tracts in immigrant communities in the US. Make sure you check into it.

The Investor

Best type of Marketing: Craigslist/Landwatch
Sometimes, particularly if you are in a hot area, you will get a person who buys your land with the intention of holding it until the appreciation nets them a profit. These people are a blessing and a curse. On the one hand, they buy your property. Since this is about the best thing that can happen, it’s hard to complain. But in a perfect world, we would sell to someone who immediately sets up a beautiful home, which serves as a sort of model homesite for new prospects.

Investors tend to negotiate a bit harder than private folk, but there’s no problem cashing their checks.

**The Trailer Park Escapee**

*Best type of Marketing: Mailouts*

People of all walks of life, for whatever reason, sometimes end up living in what is commonly called a “trailer park”. Maybe they own a mobile home and had to transfer to a new city, with no time to buy raw acreage and set it up. Maybe they’re just young, without much in the way of savings.

Many, perhaps most, of them dream of getting onto a beautiful rural tract of land with no landlord, no noisy, nosy, drug-dealing neighbors. No loud parties just 15 feet outside their bedroom window.

These people can often be found on Facebook or other social media, but the most productive way to market
them is with a direct mailout. Tri-fold flyers sent to every lot number in the trailer park. If you’re especially brave and hungry, consider walking the neighborhood, tucking a flyer under every windshield wiper. Heck, knock on their doors if you have to. Invite them to your land. Ask them if anyone in the park has been talking about buying some land.

Most of these customers will be looking for owner financing. But if they have a bit of cash to make your downpayment and lot fixup, they could be paying the same monthly payment to own two acres in the country as they are now paying to rent their postage-stamp lot in the city.

**Recap:** Depending on your area, your specific land, and the type of deal you are offering, you will want to target different types of buyers in your marketing efforts. The preceding list might get you started in thinking about the best ways to do that.

**Shouting It Out**

Now that you know exactly what you’ve got to sell and who wants to buy it, let’s take a closer look at the billboards you’ll use.

**Craigslist**

A national bulletin board for classified ads, on which you can bore down to the local level and find most anything
you want? And all on a computer? Wow, imagine that.

The internet has made marketing real estate a lot simpler and cheaper. Sites like Craigslist feature real-estate-for-sale sections for both brokers and private owners. Using Google Earth you can create and upload an aerial road map to your property along with photographs, a plat, or most anything else you like.

Sometimes your rural location will draw buyers from two or more metro areas, each with its own Craigslist board. Consider posting to any board that might be relevant to your property.

Renew your ads every 48 hours or so, moving them back to the top of the list.

**Facebook**

The most effective method of advertising online nowadays, by far, is our beloved networking site, Facebook. Use it. Use it skillfully.

Start by locating all of the local buy/sell/trade groups in your area – sometimes called “swap shops.” (Search for your city in the FB search bar, then click on the city name and check out the menu options at the top of the page. Click the “More” button and look for groups.)

Any large city will have huge groups on Facebook. Several of them will have 20,000-plus members. That’s a
lot of noses under which to place your property.

Once you’re in all these groups, pick a day of the week to post ads to all of them. Maybe Thursday night, so folks can have enough time to plan a weekend outing to see your property – but not enough time to forget that they planned a weekend outing to see your property. You can bump your ads, but it may be more effective to delete and replace them. Make sure you read the rules of the group and of course always be the most polite, courteous and professional guy in the room. You will definitely get some idiots responding to your ads, so practice your teeth-gritting and always keep your plastic smile handy.

The thing about Facebook is that so many people spend nearly all day just glued to the thing. When your ad pops up, thousands of people will see it instantaneously. Even if only a small percentage responds, that can still be a big number.

**Zillow/Landwatch**

Two other real estate sites get our honorable mention.

The first is Zillow, which is apparently trying to make the MLS system obsolete by giving shoppers a free database with great search tools. Did we mention it’s free? The response rate from Zillow seems to be steadily increasing over the past few years.
The second site is Landwatch.com, which serves as a place to advertise rural acreage for sale by owner. While there is a cost ($30-50 a month), Landwatch is usually the first result which pops up when you search for “land for sale in my area.” It works particularly well with larger, more expensive tracts, as wealthier buyers seem to lean more toward internet use in their searches.

And by the way, that’s a good test. Pretend you are a land buyer. Search the internet for land for sale. Whatever sites pop up first or most often – consider using those in your selling efforts. There are tons of useful places to push your property on the internet.

**Newspapers**

Newspapers, typewriters and steam locomotives. What could these three items possibly have in common.

Actually, although the latter two can be found mostly in museums these days, newspapers still have a weak heartbeat. While it can be expensive and embarrassingly old fashioned, you may get enough response from your newspaper advertising to justify continuing with it. And those responses may tend to be more substantive than usual. If they call from a newspaper ad, take them seriously. (But take all other calls seriously, too.)

**FSBOs and Bandit Signs**

Obviously you need a FSBO sign. Not only because it
notifies everyone in the area that the land is available, but because the Sunday-afternoon adventurer needs its bold, primitive colors to reassure him that he has properly followed your directions and has indeed arrived at the Promised Land.

Yellow, red, fluorescent orange. Maybe 18” X 24”. A corrugated plastic works fine. Use a professional sign shop. Double-sided is best. You can make it single-sided and nail it to a tree, but posting it out near the road is best, visibility-wise, and in that case you need double-sided, on a wire stand which the sign shop can also provide. Maybe you can fit your email address on it, maybe not. Don’t clutter it up. LAND FOR SALE and a phone number is usually best.

But since your land is secluded – a country paradise – it’s not up on a busy highway where everyone can see your FSBO as they zip past. That’s why you might decide to use one or more bandit signs.

The bandit sign says LAND FOR SALE and has an arrow pointing toward your land. You put it at the nearest major intersection and fix it so that a motorist can follow the sign and find your FSBO. You may have to use several, making a trail of arrows ending at your land.

They’re called bandit signs because it is often illegal to put a sign in a public right of way. But it’s a sort of wink-wink law. Wait until voting season and you’ll discover
what our judges, sheriffs, lawmakers, etc. really think about the law which prohibits such signage.

We’ve never heard of anyone having trouble over them, but the law can pick them up and throw them away any time. We’re not telling you to use them but if you do, buy cheap ones. You might lose a few.

Index Cards

Another effective method of advertising is the humble index card. On these cards write LAND FOR SALE and then a little description and then your phone number and email address. Put them up at hardware stores, gas stations, Mexican grocery stores, sandwich shops, etc., always asking permission first.

If you have a Spanish-speaking contact person, he can write them in Spanish and post them in the best spots. Most immigrants will have a teenaged daughter or a cousin to translate for them, but some don’t. Being able to sell in Spanish could make a sale.

Index cards may seem trivial to you, but don’t underestimate their effectiveness.

Also, think about whether you know anyone who works at a large factory or other place with many employees. Getting an index card or flyer posted to the bulletin board in the break room could boost your sales, so be on the lookout for someone on the inside. You might even
pay them for posting such an advertisement for you.

**Mobile Home Dealers**

As mentioned earlier, you should have a relationship with mobile home dealers in your area. Every few weeks, put aside a morning to run the circuit, visiting each one and reminding them of the land you have for sale. Have simple flyers with all the relevant information to hand them.

**Trailer Parks**

Mailing flyers into mobile-home subdivisions is the most direct and productive advertising that you can do. If you do it, they will call.

Even more aggressive than mailing the flyers is slipping them under windshield wipers or onto doorknobs. Managers and owners might harbor unhappy thoughts about you for doing this, but everybody’s got to make a buck, you know.

Or you might pay someone in the trailer park to do it. A local can usually get away with more than you can as a stranger.

And don’t forget to plaster your index cards all over the little corner stores and laundromats in the vicinity of these parks.
When the Phone Rings

There are lots of tire kickers out there. Neighbors and RE agents will call and waste your time. Your competitor will (get his cousin to) call and pump you for details about your property. And especially if you have a larger tract for sale, you may even get people who claim to be in the market but actually just want to walk or four wheel in the countryside on a nice Sunday afternoon. Pretend buyers.

But it doesn’t matter. Every time your telephone rings, you’re up. You’re there. This could be the one lady who will liquidate your land for you, allowing you to move forward to the next milestone in your Road to Riches. You’re not going to twist her arm and make her buy something which she doesn’t want, but you are certainly going to remove any traffic barriers in her own road – her road to ownership of a shiny new tract of land.

During this first contact with a potential land buyer, listen hard. Whatever they want to know about your property, they’ll ask. If not, you can insert it somewhere. Meanwhile, you’re trying to form a mental image of them. How likely is it that things will work out between you? What can you learn about this person which will help you adjust the deal to make it work for everyone?

There are some specific questions which you should always try to ask:
“What is your email address?” You want to send them a package of info (described later in this chapter). Also, it’s a lead, and you’re making a list of leads. It’s easier to get an email address than a phone number.

“What are you looking for?” We want to know their ideal tract. Are they wanting to graze horses? To build a pond? To immediately set up their manufactured home? As an aside, this is the place where we often hear a particular fantasy from some folks. They want one acre, surrounded by national forest, with no neighbor for miles but with all utilities. And they want it cheap. Don’t try to explain the near impossibility of such a thing. Just nod and tell them you’ll call them back if you ever have something like that for sale.

“Where did you hear about us?” Learn what works with your marketing. Keep notes of everyone who calls.

“Got any money?” The question is usually shaped as, “So... do you have your financing lined up, or....?” They will take it from there, either declaring that they have the cash, that they belong to a credit union, that they’re about to receive a settlement (hang up if they say that), that they need owner financing, etc.

“Do you want to schedule a showing?” You won’t normally show the property unless the prospect has at least driven by first and approved the neighborhood, the distance from civilization, the land itself – but still ask if
they want to schedule a showing. If they say Yes, suggest that they ride by the property first and that you’ll contact them to schedule a walk.

Immediately upon hanging up with the caller, make notes about them for future reference and then email them a package of files containing some or all of these items:

**The Location Map**

The first thing these people should see when they open your email package is your Location Map. This isn’t just a road map with your property marked on it. Instead, it’s a tracing of a road map, with all extraneous material omitted. It’s an outline of the major highways, the distances to turnoffs, the distances to major cities nearby. It is as clear and simple a map as you can provide. Of course plaster it with your contact info, and include the address of a nearby neighbor in case the lot buyers want to plug that into their GPS.

**The Sales Plat**

The second thing to send is a simplified version of the survey plat. Notice a pattern? That’s right, it’s important to send simplified, easy-to-digest versions of all your information. It isn’t that you think people are stupid, just that you want the process to be so easy that a child could do it.
This simplified plat shows the approximate size and shape of the lots as well as any landmarks which might help people to identify things from the road when they drive by. You can include prices on the lots, with the disclaimer that prices and availability are subject to change without notice. That saves you from having to re-do the plats if your prices do change.

Photographs

A picture can be worth a whole feed sack full of words.

The Aerial

You might include an aerial shot of the property, with the lots outlined. (By now, you should know how to draw lots lines on Google Earth and how to save the image as a jpeg file.)

The info sheet

This is a one-page text document with pertinent information. Not only is it useful for the customer to have a condensed and printable version of the important details, but it can also keep you from having to repeat yourself, answering the same questions again and again.

You may include: written directions to the land, prices, school districts, available utilities, lot dimensions, financing options, status of mineral rights. Basically, it is a summary page. Your land at one glance.
Deed Restrictions

Sometimes, but not always, you will send the deed restrictions in this email package. Most people are just looking for the barebones info at first, so try to keep the package smallish and simple. If they get serious about the land, then make sure they have a copy of the restrictions.

Recap: Our email package gives the caller all the information he needs to easily drive out and actually see our land – bringing us all one step closer to a happy transaction.

Mass Emailings

As we mentioned, one of the first pieces of information to get from callers is a valid email address. Do this so that you can send them information about the specific land which you are offering for sale, but also mention that you’d like to send them information about price changes and future land for sale.

Those addresses are the crème de la crème. Have you seen the film Glengarry Glen Ross? It’s all about some RE salesmen and their desperation to get quality leads. People who have contacted you about land may not want this particular tract, but they might want the next one you flip. They are people in your area who have expressed interest in buying rural acreage. Cherish their contact info. Send reminder emails.
One of the first things you can do when you have new tracts ready for market is to send a mass mailout. Do it right before a weekend when the weather is going to be nice. Tell people a little info about the property, but not everything. Offer to send them more in a follow-up email. Let them know that you will be around for showings Saturday and Sunday.

Of course you should offer to opt them out of your mailings, but that will rarely happen. Most people will be curious about new offerings.

We also try to take down phone numbers when we can. Never underestimate the inertia and disorganization of the average person. It can be productive to poke people, to remind them about your property. Mark your schedule to call prospective buyers back a week or so after they’ve seen your property, and you might wind up with extra sales.

The Selling Experience

Learn to do like RE agents do. Appraise the caller, but err in his favor. Allow some deadbeat tire kickers through. It’s better than mistakenly tossing away a viable prospect.

As you make appointments, understand that you will be stood up like an X-Man comic book nerd who has accidentally booked a date with the prom queen. She’s not going to show up. More often than not. She’s just
not going to show. Expect to stand there, sales package in hand, as the shadows grow long on your noon appointment.

Why do people do that? Heck if we know. When we tell someone we’ll show up at noon, we’ll show up at noon.

But land lookers don’t always do that.

So do what you can do to avoid a broken heart. Never make an appointment without getting the person’s phone number. Tell him, very clearly, that you will call if you need to cancel. Ask him, very clearly, to please be sure and do the same.

Even so, if you have a noon appointment, call him at 10:30 to confirm. No answer? No callback? Forget the appointment. Especially since it’s going to be a bit of a drive for you. Your flip might be an hour away.

Best thing is to plan a workday on Saturday morning or Sunday afternoon. Then try to schedule all your appointments during those hours. If you get stood up, you can just keep working.

**The Showing**

We aren’t very good salesmen. If you come look at our land, you won’t be pressured. You won’t be asked to fill out any forms. We don’t serve doughnuts and coffee, not even on Open House Weekends. If you like our land
and want to buy it, we’re there and we’re listening, and we’ll make sure you know the features and benefits of owning our land and we’ll work hard to get some kind of deal put together.

But talking you into it? Nah.

All of which is to say that you might want to shop around for salesmanship advice elsewhere. There’s a reason that high-pressure salesmen are some of the most prosperous people in the business world.

On the other hand, we’ve sold a bunch of property, even bumbling along as we do, so here’s what we think we know about selling land:

Be friendly. Personable. Take an interest in the person. If you don’t sell the lot, at least you’ll meet someone new. Sometimes you can make valuable new connections. We once got a private tour of a steel mill, just by meeting the right person. Another time we met a guy who afterwards did all our welding and small-engine repair. You don’t always have to sell a lot to have fun or to be productive.

Anyway, you’re asking a stranger to make a huge life decision, to hand you more money than he has perhaps ever handed anyone in his life. Plus, you want him to move his whole family and household to this new and unknown locale.

So be sure he’s so comfortable with you that he can relax
The Land Flipper

enough to fall in love with the bucolic beauty of the property. Trusting you makes him more likely to trust the property, if that makes sense.

But. And however. And despite all the ‘low pressure’ talk:

Always ask for the close. Always invite him to buy.

A young family will come out to see your property. You’ll wander around together, looking at the big hardwoods, discussing whether the soil would be good for blueberries, finding the lot corners. And after all that walking and talking, you’ll find yourselves standing in a group near your truck. The questions are all asked, the comments all made. There’s only a nice breeze to rustle the uncomfortable silence as they reach for their car doors.

“So what do you think?” you ask. “Is this the kind of place you’re looking for? Do you think it might suit you?”

That’s the invitation to buy. Just some kind of question which asks him to either buy the property or else say a few words about why not. Phrase it however you like so long as embedded somewhere within it is the invitation to move forward with a purchase.

Other than that essential move, we let the land do most of the selling.
Tip: Learn the flora and fauna of your area. Be able to point to a tree, name it, and explain why it would make a great yard tree.

She said YES! She said YES!

You need to start thinking about how to deal with success. That’s because one day your phone is going to ring. And guess who?

Yep, it’s the prom queen. And as you stand there, weak in the knees, sweating from all pores, listening in stunned incredulity, she’s going to explain that this is no mistake. Nerd or not-a-nerd, it doesn’t matter to her.

She really and truly wants to buy your Tract #2.

At full price.

Play it cool, is our advice. Don’t ask her if she’s really sure. Instead, reply that you think she’s made the right choice. That’s a nice lot. She and her family will be happy there. When would you like to meet to sign the agreement letter? I’m free in about an hour, if that’s good for you.

About your First Sale

Your first lot sale is important for several reasons. First, it affirms that you’ve won. If someone is willing to buy one of your lots, at that price, then you’ll be able to sell the others, too. You’ve won. You know it, and it’s just a
matter of time until your bank account knows it, too.

Second, because it gives you important financial relief. You’ve gambled. You and your bank have put money out, and this one-out-of-five lots is not worth a mere 20% of your investment. Instead, it may represent 50% or more of your gamble.

Third, because there is complexity and paperwork involved in closing the first property which will become boilerplate for the others. You and the title company will create the template for all following sales. After the first one, it’s just a matter of filling in the blanks for the others.

Related to that is the issue of deed restrictions, which you will have to finalize at the closing of the first sale. Before the first sale, it was just you casually suggesting to lot buyers how things will probably be in the subdivision. After the first sale, it’s you handing a copy of the restrictions to new buyers: The subdivision rules are set. Here they are.

Let’s look a bit more closely at deed restrictions.

Remember that you have a reputation. You don’t want to be known as a person who sells trashy land. Also, you will probably be financing some lots. If you repossess one of those lots three years from now, you want to get a lot back that’s in a nice, controlled area. With deed restrictions.
So you’ll need to make some rules about land use, and your first buyer will have a lot of input into those rules. In fact, you’ll negotiate their final form with this first buyer. How many dwellings will she want on her property? Is she OK with manufactured homes, so long as they aren’t too old? How does she feel about keeping farm animals?

What you are after is a set of rules which makes a buyer feel protected but without feeling too controlled. There isn’t room here to go into details about deed restriction, but you can search online for examples.

**Contract and Deposit**

Once you have a ready and willing buyer, it’s important to move quickly. You want a buyer who’s totally committed to the property, with no intention of changing his mind, but still you should get a written agreement along with a substantial deposit.

We strongly advise against taking a piece of land off of the market without a deposit. It can be tempting to work on a handshake and a person’s word, but it is often a mistake. You get the deposit both to protect yourself against losing other potential buyers and to make sure that your buyer doesn’t flip flop. Make it your goal to lock in that monetary commitment.

The deposit – which might be $1,000 - $2,000 – is non-refundable unless a broken closing is your own fault. If
you can’t deliver good title or if any other problem arises from your side, then you give the money back. But if the buyer defaults, you keep that money. Be sure and explain that to the buyer before signing.

Some businesspeople might take deposits without signing any papers, but we wouldn’t. You both need to understand the details of your agreement.

A full-fledged RE contract is a lot of trouble and detail, so it’s often easier to just write up a little letter between you. An agreement letter. Keep in mind that such a letter might not hold up in court. It’s mostly just to formalize the commitment on both sides. If you want something stronger, go with a standard RE contract.

Your agreement should describe what they are buying, for how much, under what terms, and a ‘close by’ date. You might also attach a plat and a set of restrictions to this letter, to make things clearer. Have them initial the restrictions. Include contact info for all parties, including the title company which will be closing it, if that has been decided.

**Closing the Deal**

Once you have the Sales Agreement (contract) in hand, it is time to forward it to the title attorney. If the buyer happens to use your regular (large, respected) title company, happy day. You have all their contact information at your fingertips, and the company is
already familiar with the property and trusts you as a regular client. Smooth sailing.

The title attorney will then be in contact with the buyers and can arrange the closing. Have the paralegal scan and email the closing docs to you before closing. At least a few hours beforehand if possible. It will save you time and confusion at the closing table if you can check the numbers and correct errors before you all sit down together. Trust us when we say that you should never trust anyone. Not completely. Most title companies are very professional, but they can and do make mistakes. Read the docs ahead of closing. Read them literally line-by-line when you are first starting out.

You may also need to be in touch with your lender during this time, to arrange some kind of partial release on the lot you’re selling. The title company will handle that, mailing part of the proceeds directly to the lender in exchange for a release of the lot.

Make a list for the actual closing. You might have a gate key to give the buyers. Maybe you got a culvert permit for their lot and never used it, so you’ll want to hand it over to them.

At the end of the list, as your last item, write this:

*Remember to get the check.*
Conclusion

Forgive us for repeating ourselves too often, for neglecting to cover some issues, and for stumbling our way though this. It’s hard to organize and condense so many experiences from so many different people into an overview like this.

Later this year, we may publish a companion book to this one which will cover specific case studies in the land-flipping business. Stories. Deals which we have done or which we know about. Less theory and more action-adventure!

By telling the stories of how deals have worked out on the ground (so to speak), we will open up for a closer examination the following issues and techniques, among various others:

- undivided interests
- PUDs
- timberland and timber sales
• substituting collateral, including notes, with the lender
• selling RE lien notes
• rights of way
• incorporating, for ownership
• building roads and developing utilities
• trading properties, especially with neighbors
• land-home packages
• lot development process and costs for lot buyers – including driveways, septic systems, housepads, power poles, water wells, etc.
• rural land restrictions
• mineral rights

Meanwhile, if you have questions or want to discuss any of this, try emailing us at thelandflipper@gmail.com. We’ll do our best to respond as we can.

If there is enough interest, we may also get a blog up and running at thelandflipper.com. If we’re able to help with casual advice or information, we’ll try. If you can teach us something about landflipping, we’d love to engage that discussion, too. Let’s trade stories. We might even partner up on a project. There’s a lot of power in getting two or more minds together to study a project. Many times for us, a single notion or suggestion has made the difference between a deal working vs. having to walk away from it.

So get out there and try it. Find that perfect piece of
rural property. Either a lot which you can manicure and flip, or else twenty acres on a corner. There are tracts all over the world waiting to be flipped. Once you have it, do some of the things we suggest and get it sold back out again.

The first ten thousand will be the hardest, then the next hundred thousand, but with a little daring and cleverness and knowledge, you’ll push through it. One day you’ll look around and say, “Hmm. Fat mailbox today. I think I’ll take this next year off.”

Life is short. Don’t spend it waiting for something to happen.

Make it happen.

Update: As of early 2017 we have written a new book: The Land Flipper on Owner Financing, which you can find on Amazon. We’ve also written, produced, and created a 15 hour comprehensive E-course on the entire land flipping process, which you can join for dirt cheap. You can check out the course at http://www.landflippers.com. And, since you were diligent enough to read this whole book closely, you deserve a discount: use “IREADTHELANDFLIPPER” at checkout for 25% off the course.
And don’t forget to drop us a line at thelandflipper@gmail.com as always. Happy flipping!