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## Searching for pay dirt? Invest in land

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Tired of watching your stocks sink lower in value? Concerned with your retirement plan. Not interested in the interest rate offered by savings banks?

According to Bill McInerney, Realtor, a viable alternative to the stock market, savings bank, or "tucking it under the mattress concept," may be to invest a small percentage of your portfolio in raw and undeveloped land.

Land inventory in the state from Cape Cod, The North Shore, to the Berkshires of western Massachusetts is at an all time high while demand is extremely low. However, the land market is far from dormant.

Today, asking prices, for land, range from \$20,000 per parcel to \$20 million but actual land sales tell a much different story. In the past month 91 parcels sold ranging in price from \$3,000 to \$1,499 million.

Some examples of land sales: 16 acres in the past month sold for \$475,000, another ten acre parcel went for \$72,000 and another 16 acres fetched \$40,000.

During the same time period, 73 land parcels went under agreement ranging in prices of \$12,500 to \$2.2 million.

The NEREJ just reported that 41 acres of industrial land, in an existing business park, in West Lebanon, N.H., complete with roads, municipal water and sewer, was sold for \$1 million or \$48,780 an acre.

Bill McInerney stressed that prime land in highly desirable communities of the state were commanding top dollars. One and a half acres of residential land in Weston, sold for \$1,499 million, whereas 1.78 acres in Concord went for \$923,000.

"Due diligence is essential requiring up-front professional review before buying any land, anywhere," said McInerney. He added, "Some factors that should be reviewed before purchasing land are zoning, the availability of water, sewer, gas, electrical services, in addition to factors of legal access, frontage, topography, wetlands, easements, restrictions of record, potential contamination issues, and of course real estate taxes. Today in Mass. there are about 7,500 individual parcels of land for sale. Every investment has an element of risk and land is no exception. Land while is the ultimate non renewable natural resource one should never anticipate rapid value appreciation.

For a few investors, an idea may be to buy land now, then donate it (getting a tax deduction) free and clear, to a favorite non-profit or university, with the stipulation they cannot sell the land for fifty to a hundred years. A legal non-profit doesn't have to be concerned with paying property taxes and who knows what the value might be in 2059 or 2109?

With all real estate it always comes down to location. With land-banking one is thinking about future location.

Bill McInerney is a veteran real estate executive agent with extensive experience in land, site acquisition and property investment services, He is associated with Keller Williams Realty in Concord, MA.

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