



## Vacant Land Guide News - September 2008

### Why Vacant Land?

Are you aware in the midst of a slumping housing market that land in many places is appreciating in value? So why aren't more investors pursuing land as a part of their investment strategy? The answer is that most investors are focused on the over-developed residential and commercial real estate markets and haven't considered raw land as a viable option in which to build their real estate career.



*Land is the place to be in 2008 and 2009*

According to the USDA, there are 2.2 billion acres (yes, that's billion with a big B!) in the United States. Of the total amount of land, 1.6 billion acres can be bought and sold. Some of you are thinking, "**So what – are people really purchasing land, especially when prices for houses in many places are falling?**" **The answer is a resounding, YES!**

In an article for LandFlip.com, Emily Wilson, a realtor in Shelbyville, TN (south of Nashville) was asked to comment on how land is selling in her area. She stated "**acreage is selling better** than homes in subdivisions in our Middle Tennessee area. We sell a lot of horse farms and high dollar properties, and them that have...still want more, but **if I were depending on starter home sales for a living, I'd**

## September Speaking Engagement

I invite you to join me as I speak at **Investors Resource Center** in Winter Park, FL (suburb of Orlando).

**Conf. Call** – Wed. Sept 10 (7pm – 8pm)

**Main Mtg** - Thurs Sept 18 (6pm – 9pm)

**Sat Training** – Sat. Sept 20 (9am – 5 pm)

I will be talking about the heightened demand for vacant land across the country and how investors can profit from the second great "land rush" in US History!

If you can not attend, I invite to listen to IRC's live monthly conference call.

Investors from all around the country are invited to listen and ask questions of me during the one hour Q & A. The dial in information is on my website:

<http://vacantlandguide.com/SeminarDetails.htm>

The timing is right to learn about vacant land. Write and tell me about your interest in land and what you questions you might have. I would enjoy hearing from you!

**be crying hard times. Instead, our company sales are up \$1 million over this same time last year."**

In this newsletter and the following newsletters, I will discuss who is buying land and why they are buying it. I will also examine in a future newsletter why close to two-thirds of the current landowners are ready to sell (some at a low price) and how this group impacts us as investors.

*97% of the United States is designated as rural land*

When most investors think of land, they think of parcels in or near the city limits. Most of these properties are zoned as commercial parcels. I don't focus my efforts on this type of property. But rather, I pursue rural or raw land as 97% of our country is designated as such. Raw land is property that is far from existing patterns of development. Also, it has no improvements such as utilities, landscaping, drainage or buildings. It can be as small as a quarter acre or as large as thousands of acres. More than likely the parcel is on a dirt or gravel road. If one is to live on it they would have to first drill a well for water and install a septic tank on the property.

**The demand for raw land is increasing all over the country like never before. One group that is buying land in this economy is:**

### ***Retiring Baby Boomers***

According to a poll commissioned for the National Association of Realtors (NAR), 60% of Boomers want to retire to a rural area or small town. Also, **one in four Americans born from 1946 to 1964 own more than one property**, according to a survey of nearly 2,000 Boomers by Harris Interactive for NAR.

**Boomers have "an almost insatiable desire for real estate,"** David Lereah, the NAR's chief economist said in a statement. They see real estate as "a way to build and protect a nest egg."

Why vacant land? "For a lot of people, it's a dream to have a second home, but they really can't afford it," says Peter Francese, founder of *American Demographics* magazine, who was asked by the NAR to help interpret the survey, "So, they buy a lot."

Real estate ownership has become a key component of the Boomer's retirement plans. The July 2008 issue of *Business Week* reports that "**Baby Boomers are retiring at the rate of 10,000 every 24 hours** ...within 2 decades a record \$17 trillion will change hands from corporate pension funds and 401(k) retirement plans into the hands of retirees." This group will continue to drive a portion of their investment portfolio into real estate, specifically raw land, fueling the demand for land like never before.

For example, a developer purchased a large tract of land in Western North Carolina and divided it into 1800 parcels ranging from 1 to 6 acres. The lots range in price from \$40,000 to \$100,000 (depending on the size of the parcel and it's location in the subdivision). **Within one year they sold 800 parcels!** The essence of their promotional campaign – buy the lot and grow your money as the property

Currently, I am running a special only to those who have subscribed to the Vacant Land Guide News on my Vacant Land Guide Home Training Manual. If you would like to learn more details about the program please visit my website at:

<http://www.vacantlandguide.com/what-is-vlg.html>

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[rward@vacantlandguide.com](mailto:rward@vacantlandguide.com)

**DO NOT** order through the website to receive this special price.

To learn more about land trends please visit my website and listen to my one hour radio interview with Vena Jones-Cox. It can be downloaded at :

<http://www.vacantlandguide.com/vlg-network.html>

With the real estate market in much uncertainty, land is possibly the only form of real estate growing in value and in DEMAND all across the country. If you went to a Big Box retail bookstore in your city and searched for resource material in the real estate section **you would not find ONE book on land.** That is how valuable my 2-Volume (365 pages) manual is!

appreciates (like it is a stock). At some point the landowner will either build on the lot or sell it. They also offer an affordable monthly payment program to those who cannot pay in full. There is no "deed restriction" for this community which means the buyer is not required at ANY time to build on the property.

One of the other motivations for this generation to invest in land is that they are nervous about having all their funds in investments related to the stock market. Certainly we have seen a lot of volatility in the stock market in recent months. More and more investors are taking a portion of their investment portfolio and purchasing land. Why? The premise is – historically land has never gone down in value.

Developers are sensing this trend and shifting their strategy. In the past, a developer purchased a large tract of land near a city and then subdivided it into lots to build houses. Now they are buying land in desirable rural locations throughout the country, dividing it into smaller parcels and marketing to Boomers. As documented above, they are having great success.

*Even Wal-Mart is addressing the migration to rural areas*

FL and AZ are no longer the primary destinations for retirees. Retirees are looking all over the country to purchase rural land on which to retire. The core criterion for their purchase is that the parcel is within a reasonable driving distance of a Super Wal-Mart and medical care. **Wal-Mart has sensed this trend and they are building many of their new stores at rural crossroads cities throughout the US – thus opening up areas of land originally thought too far from amenities and supplies.**

*Why is there a surge of interest to move outside the big city?*

Boomers are moving to rural areas to experience the beauty, peace and serenity of the country. Unlike previous generations, they are retiring earlier and want to live where they can hike, bicycle, garden, start a horse farm or simply commune with nature. Ultimately it is to leave suburbia and its complications. It is a dream for a new start in the "second half" of their life.

I talked recently with a 50 year old investor from New York City. Has lived his most of his life in an apartment. He commutes over one hour each day to and from his office. He loves gardening but has never had a back yard to enjoy this hobby his entire adult life. He is starting to think about his retirement years. His dream is to buy a parcel of land in rural GA so that he can fulfill his yearning of having a garden and a more relaxed lifestyle. He is working hard to make that dream a reality. This is one example why those nearing retirement look at land as a part of their future.

*Boomers are buying raw land in all shapes and sizes*

What type of land are Boomers purchasing? Remember it is about the destination – living in a rural setting. Most envision living on a small parcel of land (20 acres or less). They don't desire a large tract of land as their focus is living near a small town (near a Super Wal-Mart and medical care).

Ryan Folk, editor of LandFlip.com keeps his finger on the

pulse of recent land sales. According to Mr. Folk, what is selling? He says "Small home-site/retirement tracts under 20 acres... [and] very large, beautiful farms, ranches and plantations."

**Not only are small parcels of land selling, but there is also a growing segment of Baby Boomers that are purchasing 100's and sometimes 1000's of acres. Many Boomers have the financial means to purchase larger tracts of land.**

I was at a wedding recently and sat next to a retiring army colonel. When he learned that I educate investors on the dynamics of land, was he ever giddy! He had a dream of leaving the concrete jungle and making a new start in a relaxed, carefree setting far from the stresses of life. He recently purchased 300 acres in southern GA within a half-hour drive of a mid-size city. During his due diligence (the process of investigation, performed by an investor, into the details of a potential investment) he learned that he could subdivide the land. He plans to retire on 50 acres and then subdivide the rest in the next 5 to 10 years. This is a growing trend among those looking to retire.

*How can investors profit from land?*

Some of you are saying to yourself: How can I as an investor profit from land? Are there really that many land opportunities that I can get into this niche market? I have been a part of over 600 land deals. My observation is that there are millions and millions of landowners who are ready to sell. Are you surprised to learn that in some places in the country there are actually more buyers than sellers? I make a living connecting buyers and sellers. The marketplace needs more investors to get involved!

There hasn't been a better time in our history to profit from land. Right now there aren't enough investors to reap the rewards of profiting in vacant land real estate.

Learn to buy dirt as they are not making any more of it!

Here's to your success in real estate.

Russell Ward

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