7 Things Every Carolina Landowner Should Know Before Selling Land

A Practical Guide for Landowners in South Carolina & North Carolina

Abe Mills, ALC
Carolinas Land Broker
Accredited Land Consultant
AbeMills.com

Selling land is different from selling a house. Access, utilities, zoning, topography, floodplain, development potential and highest and best use can all affect what a property is worth—and who the likely buyer may be.

This guide covers seven things Carolina landowners should understand before deciding how to sell.

1. Know Your Highest and Best Use

Highest and best use is often overlooked, yet it can be one of the most important factors in determining land value.

Before selling or developing land, you should understand what use is realistically possible, legally permissible and most financially productive. Knowing that helps determine who the likely buyers are, how the property should be marketed and what steps may be necessary to realize its full potential.

2. Understand Access and Road Frontage

Reviewing survey information and property boundaries in the field can reveal access and development issues that are easy to miss on a map.

Access and road frontage can be critical to development potential.

You may have plenty of acreage, but without adequate access or usable road frontage, that acreage may not be able to support the development you expect. And never assume an easement, right-of-way, powerline crossing or other feature affecting the property is meaningless. Sometimes those items can significantly limit access or development.

I once listed a property of nearly 16 acres with what appeared to be plenty of road frontage. A river ran beside the property and there was a small bridge nearby. At first glance, it looked easily developable with enough frontage for multiple lots.

However, further investigation revealed that DOT had previously acquired a significant portion of the frontage for a planned bridge improvement. That issue was not obvious from the county GIS mapping.

Had we not identified it, a buyer could easily have purchased the property assuming multiple driveway locations were available. Discovering the issue early prevented what could have become a major problem for a future owner.

3. Check Utilities Before Pricing

Having the right utilities is a lot like having the right tools for a job. Without them, development can become difficult, expensive or sometimes impractical.

It is important to know where utilities are located, whether adequate capacity exists and, if service is not already on site, what it may cost to extend it. Those factors can affect land value much more than many owners realize.

I recently helped market a property where sewer service was available nearby. We knew this because engineers had investigated the feasibility of developing the tract and the different uses it could potentially support.

A buyer's broker later called us and said he had “bad news”—he believed sewer was nowhere near the property. He had contacted the sewer authority he assumed served the area.

Because we already had good information, we investigated further. It turned out he had contacted the wrong utility provider. Sewer availability was ultimately verified exactly where our engineers had indicated.

Had that buyer relied solely on the initial information, he might have walked away from a property that actually had the infrastructure his project required.

4. Know How Floodplain and Wetlands Affect the Property

Floodplain and wetlands can significantly reduce a property's development potential.

They can affect where structures, roads and infrastructure may be placed and can reduce the amount of usable acreage. Building within certain flood zones can also create additional engineering, insurance, financing and construction considerations.

Owners should understand where floodplain areas are located and whether wetlands may be present. When necessary, a professional wetlands delineation can help determine what portions of a property may be affected.

5. Don't Assume All Acreage Is Usable

Never assume gross acreage and usable acreage are the same thing.

You may be looking at a prime 50-acre tract, but after accounting for floodplain, wetlands, roads, utilities, stormwater facilities, buffers and other development requirements, the property may yield only 25 or 30 usable acres.

This is one reason evaluating land solely on a price-per-acre basis can be misleading.

For development property, **lot yield and usable acreage often matter far more than the number of acres shown on the tax map.**

6. Understand Zoning and Future Land Use

Zoning governs what can currently be built on a property. Future land-use planning helps show how a municipality or county expects an area to grow over time.

Understand the property's current zoning, what that zoning allows and what process would be required if a different use requires rezoning.

Future land-use maps can also provide valuable insight into whether a proposed rezoning or different use appears consistent with the community's long-range plans.

Current zoning tells you what a property is today. Future land use can sometimes provide clues about what it may become tomorrow.

7. Choose a Broker Who Actually Understands Land

Choosing a broker who truly understands land may be one of the most important decisions a landowner makes.

I compare it to visiting the right medical specialist. An eye doctor may know something about teeth, but if you need significant dental work, you probably want a dentist.

Real estate is no different.

A broker who routinely works with land should understand issues involving soils, terrain, zoning, utilities, access, development potential, engineers, surveyors, municipalities and the many other factors that can influence a land transaction.

I once saw a broker proudly announce that a farm she had listed received multiple offers and went under contract at full asking price in less than 24 hours.

I knew the property and had looked at it several times over the years because it had many of the characteristics some of my developer clients were seeking.

When I later saw the listing, I was surprised by the asking price. Based on what I knew about the property and the demand I had seen from developers, I believed its development potential may have justified a substantially different valuation and marketing approach.

The property eventually closed after a lengthy due-diligence period.

I don't know every circumstance surrounding that family's decision, and there may have been considerations I wasn't aware of. But the situation reinforced something I have seen repeatedly throughout my career:

Before selling land—especially property that may have development potential—understand what you own before deciding what it is worth.

For families who have held land for generations, that can make an enormous difference.

Thinking About Selling Land?

If you own land in South Carolina or North Carolina and would like help understanding its current value, highest and best use or development potential, I'm happy to take a look and help you understand your options before you make a decision.

About Abe Mills, ALC

Abe Mills is a licensed land broker in South Carolina and North Carolina and an Accredited Land Consultant specializing in development and transitional land, farms and acreage, recreational and timber properties, industrial and commercial land, and complex land transactions.

He brings nearly three decades of construction and land-development experience to his brokerage work and serves as National Vice President of the REALTORS® Land Institute.

AbeMills.com