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# REAL ESTATE

Classified inside

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L BAG  
**Liability**  
**has several**  
**ways to go**

I just bought a house  
found out it has a major  
I cannot use the master  
because it leaks on my  
stairs den floor through  
wall. My professional  
inspector says he is



**ROBERT J. BRUSS**

...  
A. If there was visible  
evidence of the bathroom leak  
in your professional home  
inspector checked the house,  
he missed it, he is liable for  
the damages (probably the  
repair costs).

However, if there was no  
evidence of the leak, you can't  
contact your professional in-  
spector to discover it.

You can prove the home  
inspector and/or agent knew of the  
leak but failed to disclose it be-  
fore your purchase, then the  
inspector and/or agent may be lia-  
ble to you for the misrepresenta-

# Land prices soaring in Va

Report says dramatic  
rises have occurred  
over past few years

**BY DEBORAH RIDER ALLEN**  
SPECIAL CORRESPONDENT

Earl Parker bought 110 acres in Cumberland County and paid \$478 an acre. The year was 1979.

That same land would sell today for about \$2,410 an acre, according to the 2005 Virginia Landbase Report by Commonwealth Commercial Partners Inc. in Richmond.

"I used [land purchases] as my investment and retirement plan, and it has worked out well," said Parker, who retired from banking and insurance.

"With stocks and bonds, you can't go and kick the dirt," he said.

The land report tracks land sales of more than 100 acres in 27 Virginia counties.

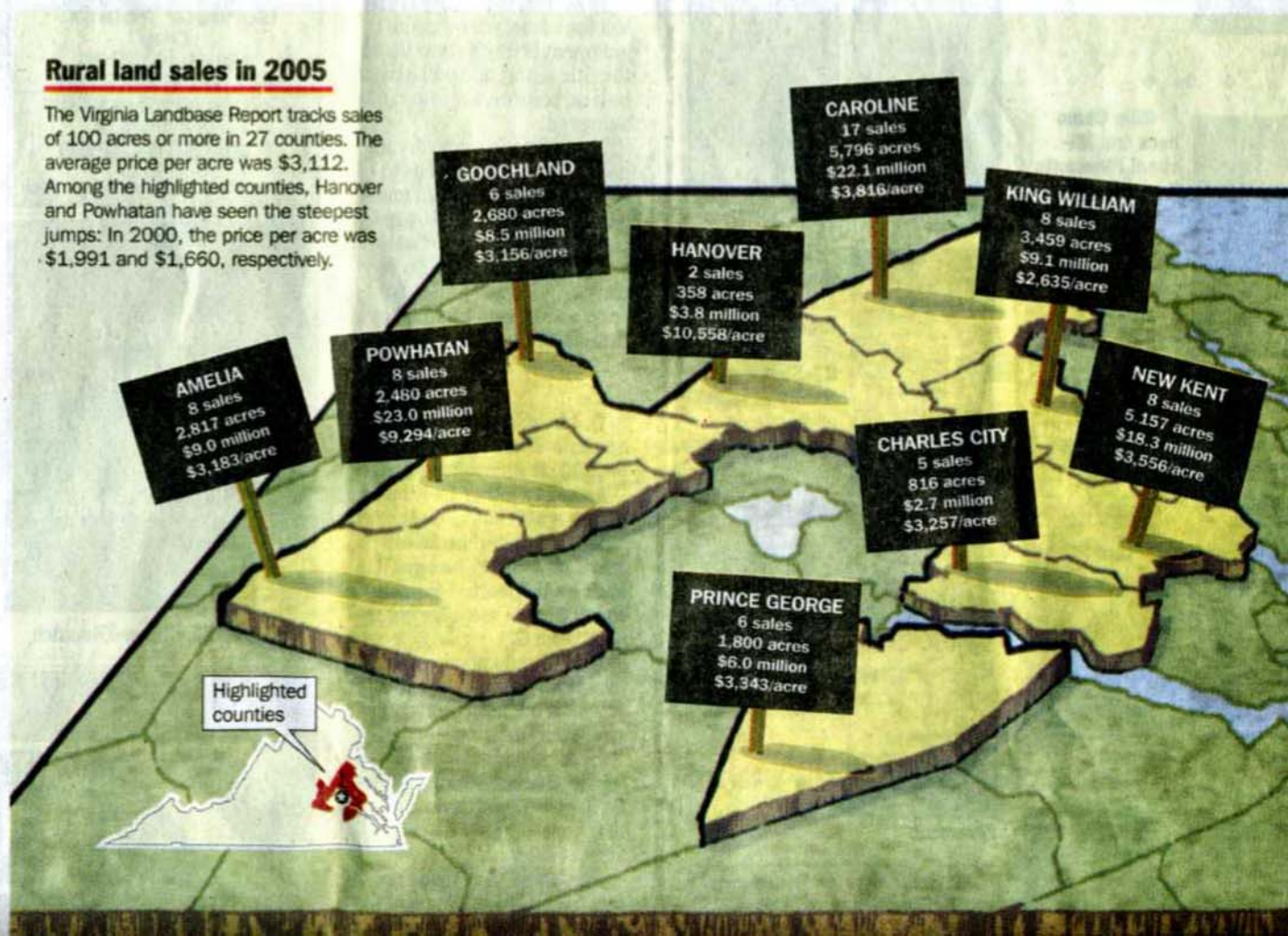
In 2004, sales were \$157.3 million. In 2005, they were \$220.2 million.

### Location, location, location

Bill Barnett, author of the report, recalls that rural land sold in the mid-1970s for less than \$200 an acre in Nottoway, Halifax and King William counties.

### Rural land sales in 2005

The Virginia Landbase Report tracks sales of 100 acres or more in 27 counties. The average price per acre was \$3,112. Among the highlighted counties, Hanover and Powhatan have seen the steepest jumps: In 2000, the price per acre was \$1,991 and \$1,660, respectively.



Bill Barnett, author of the report, recalls that rural land sold in the mid-1970s for less than \$200 an acre in Nottoway, Halifax and King William counties.

In areas closer to Richmond, it sold for \$350 an acre — “and it did not make a difference where it was,” said Barnett, senior vice president and partner of Commonwealth Commercial Partners.

“Now, in many cases, it is hard to find an acre for under \$1,000 or even \$2,000.”

Much of the dramatic increase in value has occurred over the past five years, he said.

Keep in mind that the average price per acre, which can be skewed by a few high or low sales, is only an index and not the way to figure the value of any single piece of property, Barnett said.

Still, his annual report shows an unprecedented jump in prices per acre over the past few years.

#### A way of life

It also shows the number of sales rose to 258 in 2005 from 247 in 2004, resulting in an even higher gross dollar volume.

For Jon Black, a farmer in Charles City County, buying land to farm is a way of life.

“I do not buy land necessarily to sell it. We really bought it as a long-term investment,” said Black, who along with his father and brother own about 900 acres in Charles City. They grow corn, soybeans, wheat and cotton.

He took advantage of recent price escalations.

“I paid about \$800 an acre for the first farm I bought in 1985. I sold it a year ago for about \$7,000 an acre,” Black said. He maintained use of the land by renting hunting and farming rights from the new owner.

Black’s land has been profitable even when he didn’t sell it — or use it.



EVA RUSSO/TIMES-DISPATCH

“The first piece of land I bought, I had several options [from other people] to buy it. It was odd because I had that land for 15 years and about every three years, someone would come by and offer me an option for two years.

“I had 135 acres and sold seven to the county for the road right of way. The rest was option money and it paid for the land. So I had 125 acres left that were paid for,” said Black.

Some farmers will never sell, he

said. But he will sell to buy a better parcel. “I look at real estate as an investment and if I can find the right piece of property, I would buy it in a heartbeat.”

“It is a long, slow process but 15 to 20 years down the road, that land has made all the payments,” particularly if the land is farmed, leased or harvested for timber. Plus, it can be sold at a tidy profit, Black said.

Parker, the Cumberland landowner, also purchased 50 acres in Powhatan County in 1974, 50

acres in King and Queen County in 1986 and another 94 acres in King and Queen in 2000.

With the exception of 25 acres in King and Queen that was cleared and rented for farming, the rest of his property is managed for timber. Forestry experts helped him analyze his timber and replant for the future.

Rural land purchases can mean even bigger money if there is timber on the property.

“I have sold and managed my properties for timber production

so I have gotten some income that helped pay for them,” said Parker.

Land purchased for the intention of timber harvesting represented the largest percentage, 38 percent, of all the rural land sold in 2005, according to the Virginia Landbase Report.

Investment was the intended use for 31 percent of the 2005 rural land sales; development was 18 percent and farming 9 percent.

The remaining 4 percent was

**Jon Black, a grain farmer in Charles City County, spreads lime to prepare a field for planting sunflowers and corn. Sunflowers will attract doves for his family's September dove hunt. He and his father and brother own about 900 acres. They sold some land last year to take advantage of recent price escalations for rural land.**



EVA RUSSO/TIMES-DISPATCH

**Jon Black walks his land in Charles City County after working on a field and getting it ready to plant. He and his family buy land as long-term investments. They recently sold some land, but retained use of it by renting hunting and farming rights from the new owner.**

## Land

— FROM PAGE L1

for estate, homestead, recreation, riverfront and other unspecified uses.

The rural hot spots around Richmond are Powhatan, New Kent and Caroline counties, which will see the biggest changes in the near future from agriculture to development, Barnett said.

"You can sum it up into roads, water and sewer," he said.

"As the values rise in an area that now has

road access and water and sewer, then that spills over into rural property. It has a ripple effect."



Barnett

Barnett said no one is predicting a bubble. But the growth rate is expected to slow.

"I do not think any market can maintain that rate of growth of value. That does not mean it is not going to continue to grow, but not at the rate we saw in the last couple of years."

That said, land is always a solid investment, he said. It holds its value, even in a down economy.

"If we get into difficult economic times, the land base typically goes flat. So it does not go up, but it does not go down."

Parker, who enjoys the wildlife and hunting on his properties, put walking trails and four-wheel drive access on his land.

"I was always sitting at a desk and yearning to be out on the farm. With these [properties] I go and spend time and feel good about walking around on the land."