



## Chapter 3

# Find and Buy a Property

---

## **The adventure begins!**

Finding a suitable property for retirement is not a particularly difficult job. It can be fun. It was for us. We drove through much of the Midwest just learning what different parts of the country were like and what kinds of property were available. We truly enjoyed those expeditions.

Whatever your dreams for the future are, you will no doubt find that there are many places that you would be happy living in. Relax and enjoy searching for that place that ‘talks’ to you. Here are some ideas to help you get started on that search.

## **List your rural location requirements**

It would be helpful for you to consider what kind of place you are thinking of moving to. What do you consider to be positive aspects of an area you might like to live in? You obviously should decide if you prefer mountains, coastline, desert, prairie, or Midwestern forests. List the general characteristics you would like in an area you will be moving to. These are the things you should be looking for when touring prospective retirement locales. We made a list that looked something like this:

- 1. We want to live in an area where people are friendly toward us.*
- 2. We want to live in an area with a low crime rate.*
- 3. We want a modest cost of living.*
- 4. We want convenient access to medical facilities – maximum travel time to doctors or hospital of about half an hour. We don’t need this now but might someday.*
- 5. We want reasonably convenient access to shopping, preferably with travel time less than 15 minutes for quick supermarket runs and under an hour for major shopping expeditions.*
- 6. We want property large enough to have privacy, preferably 10 acres or more.*
- 7. We want the land to have texture, with rocks and trees. Flat farmland is not the ideal. We are not interested in hobby farming or maintaining livestock.*
- 8. We want open water either on the property or immediately adjacent to it.*

We kept our list fairly general. Most of our traveling over the years had been direct trips to vacation spots. We had never explored rural areas in other states so we didn’t want to be too specific and accidentally eliminate desirable areas.

## How large a property?

Notice that in the above list we specified 10 acres or more. That is because we wanted some space between our neighbors and ourselves. Not everyone feels that need. You will have to decide how property size effects your retirement plans.

One obvious issue is cost. Larger properties in a given area cost more than smaller properties. However, cost per acre usually decreases as property size increases. Where a three-acre property might be priced at \$3,500 per acre, a ten-acre piece might be priced at \$2,000 per acre.

Many rural areas have rules relating to property size. Some counties do not allow you to live in a mobile home or trailer on a property smaller than some number of acres. In California, this was typically around ten acres. However, we did not encounter that kind of restriction while exploring the Midwest.

Another common property size concern is about rules for septic systems. Some counties require properties to be larger than some minimum size to assure there is space for an adequate household septic system to be installed and operate properly. Some counties require health department inspection and approval of septic systems below a certain size. Our county in Missouri requires inspections for properties smaller than three acres.

Maintenance of larger properties is sometimes a concern. That will, of course, depend upon the terrain and what you wish to do with your land. We purchased forty-five acres of rugged wooded land. We chose to leave the vast majority of it wild. I mow a total of about an acre around our house. That is not a lot more work than I had taking care of the lawn around our previous suburban residential yard since I am now able to use a riding mower. Keep maintenance issues in mind when considering a property for purchase but don't assume larger properties always require more work.

Privacy was a major concern of ours when choosing a property. We were tired of living in suburban neighborhoods with houses only a few feet apart. Other folks, however, enjoy having neighbors close by.

Both large and small properties are available. You may choose as your personal preferences dictate. Large or small, your property is part of your rural lifestyle. Where one couple would be happy with a city lot sized piece of land in woodsy setting, another couple might prefer six hundred acres of ranchland. Your budget and your imagination will determine your choice.

## Things any property must have

In addition to the wish list items described in the previous paragraphs, there are things that all retirement properties must have. Without them, any property must be rejected. These items are probably obvious to most people but I'll list them here anyway. When you come across a particularly pretty property, details can be forgotten in the excitement of the moment.

1. The property must have frontage on, or deeded access to, a public road. Most states require this today but always check. If the realtor says "I know the owners of the property between here and the road. They are nice people so you will have no trouble getting permission from them to cross their land", walk away.
2. There must be a reasonable cost driveway route. Having a crew blast a roadway up a cliff face is extremely expensive as is building a bridge across a large river. If a quick check does not show you a route a dozer can cut in one day, take a skip on the property.
3. There must be reasonable cost access to electric power lines. Some states require that electric utility companies charge fairly high prices to make rural power hookups away from existing power lines. Running power lines a few hundred feet is usually affordable. Several miles may not be. Going 'off the grid' may seem an attractive option at first but installing and maintaining a solar or wind power system is expensive. Avoid this if at all possible.
4. Water for household use must be available on the property. Even the most beautiful piece of property is nearly worthless if water is not available. There is a high likelihood that you will get your water from a well. If a well does not already exist on the property and the area is not known for reliable aquifers, have an expert evaluate the property or make your purchase contingent upon finding a good source of water.
5. There must be a reasonable cost way to deal with household sewage. Soil conditions or local regulations can limit sewage system options. Make sure you are allowed enough latitude to install a reasonably priced septic system.
6. There must be reasonable cost access to telephone service. With cell phone access becoming so common, this is less of a problem than it was in the past. Make sure that either a traditional wire line telephone can be installed or that adequate cellular coverage is available.

People have found ways to work around lack of one or more of the above listed items when necessary. I recommend that you do not. Each of the workarounds involved high financial costs and or significant lifestyle restrictions.

## Find a locale

We went on 'Let's find a place to retire to' theme vacations. We started by covering large parts of the country. We made a point of chatting with the local people to see if we got along with them. We examined real-estate fliers to get a feel for property availability and price ranges.

We found that we were paying much more attention to the scenery, the people, and their lifestyle than if we were just doing the normal tourist stuff. I think that this is probably a necessary process. Midwestern lifestyle is different from what we were used to in California. You really do need to become familiar with an area before you can judge its suitability for your retirement.

A problem you will encounter when looking at property is knowing exactly where you are. Rural roads often seem to wander randomly around the countryside. It is easy to become disoriented. Make sure you have maps of the areas you look at. Most realtors have county maps they can give you. Don't be afraid to ask for directions when you are trying to find something.

You don't have to worry too much about getting lost though. Just pay attention to hooks at the ends of driveways. You will usually see that vehicle tracks show they most often enter and exit the road in one favored direction. That is almost always the direction towards the nearest town. Head that way and you will eventually end up back in civilization.

We had very early on decided on what kind of terrain we were looking for. It was rural and undeveloped. Of course, that describes a good percentage of the Midwest. That meant we were really looking for an area that 'felt' right. It's hard to describe what that consisted of but it involved the local people's friendliness, and the care with which they presented what they had. (That meant things like mowing the grass in front of their mobile homes instead of parking junk cars, etc.) As a hint for you, pay attention to whether business restrooms are clean. Stick with an area where people care enough to clean them.

As for how we chose Ozarks for our retirement, we started looking at options. We wanted property with water and trees. We fairly quickly eliminated both coastal states as being too heavily populated and expensive. We decided the south was too hot and the northern states were too cold. That left the 'flyover' states. Since we were interested in trees and water, we narrowed our search down to Missouri, Arkansas, and Tennessee. We located an area in Missouri that we liked. We then worked with a realtor to locate the 'perfect' property on a subsequent vacation.

What we had discovered was that we would probably be happy in just about any rural area in those three states. That made the search more fun because then we knew that we would eventually find a perfect spot.

Now, as for the area we chose. We are about 25 miles south of Lake of the Ozarks. The terrain is rugged with lots of deep valleys and rivers. There is a fair amount of cattle and hay farming on what level stretches there are but there is lots of forest. We find the Ozarks very pretty. It is quite different from California in that it is green during the warm months (April through October). Most of the forest is Oak, Hickory, and Maple so the trees are bare in the winter.

Property prices are much lower here than in many parts of the country. What you would pay for a tract house in California will typically buy you 50 or 100 acres with a large house, several outbuildings and barns, and several ponds or lakes. The cost of living is lower so your retirement dollars are worth more here.

Another thing about areas like the rural Ozarks is that people here are friendly and laid back. There are not a lot of high paying jobs so most of the type-A personality folks have moved away. The crime rate here is very low.

Tour the states you are interested in, looking at them with an eye for a retirement area. The best time to tour Midwestern states is May and June in the spring and September and early October in the fall. It will be green but cool enough to enjoy being outside.

When you have narrowed down the area you are interested in, consider checking it out in the winter after the leaves are off the trees. You will be able to see the lay of the land when you look at a property and the land that surrounds it. Property prices are often lower in the winter too.

## **Find a retirement property**

When looking for a property to buy, avoid falling into the ‘out of state people’ trap. Folks coming from the east and west coast tend to look for places that are like where they came from. You can find suburban neighborhoods near popular recreation areas. Houses and property prices there are several times higher than more remote locations. Instead of buying a house with a view of Lake of the Ozarks, think about buying or building one with a view of your own private lake, at the same price.

If it turns out you become interested in rural undeveloped property, check with county offices in places that interest you as you tour. Some areas like ours have no

building restrictions. We were surprised and pleased that there were no building permits and no inspections required. Our realtor told us that it is best to build something that banks would be comfortable lending money on in case we ever need to sell. We were free to build whatever we wanted. After extensive checking, the only permit or inspection we would ever have needed on our rural Missouri property was a state safety inspection on any dams we built over 35 feet high. The lack of permits and inspections reduced construction costs quite noticeably.

A point to keep in mind when looking for property is that you often will be looking at something that someone has already set up as a retirement property. For the reasons I mentioned above, areas like the Ozarks are popular for retirement. Also, the high inheritance tax problem in the past caused many large family farms to be broken up and sold in smaller chunks to folks like us. After a couple decades enjoying country life, retirees find themselves in their 80's and move into town. Many of these properties come available every year.

When evaluating rural houses, there are a couple things to watch for. If the house you are looking at has a new roof and new vinyl siding, look for signs that the new covering is hiding years of poor maintenance. A house we were shown looked great when we were driving up to it. It had shiny new shingles and siding. We discovered that house had a very awkward layout and poor construction.

New shingles and siding may be a quick patch job to sell an old house. It may be rotting underneath. Alternately, the house may have been built with solid timbers of a kind and quality that is no longer available but over time have shrunk so floors and ceilings may be on the verge of collapsing.

The next thing to realize is how a typical older farmhouse evolved. Often they started as little more than a single room. Next, a shed might be added off the back for a kitchen and a porch added to the front. As the years passed, rooms were added on piecemeal. It was common for the porch to be enclosed as a quick means of gaining a new room. Houses like this can be charming but the construction was often substandard. The homeowner, who might or might not have had skill at carpentry, often did the work.

Don't get discouraged when looking at properties. The real-estate agent we worked with showed us many properties before we came across the one we liked. We had looked at dozens of others on our own. There were many nice ones. That encouraged us to continue our search until the perfect one was found.

We ended up with 45 acres of Oak and Hickory woods on a ridge top 6 miles from town. The property has a quarter mile frontage on a two lane state maintained

road that ends about half a mile past our driveway. Traffic is next to non-existent but the state maintains the road, including plowing the snow in the winter and mowing the sides in the summer. Both a county water main and an electric co-op power line run along our side of the road. There is a small private lake at the back of our property and a gully system next to our house site that, when dammed, gave us a private one acre pond for recreation. We love it.

## **Buy property now or later?**

If your finances can handle it, it is usually better to buy your retirement property early rather than later. Good properties do not stay on the market long and prices tend to rise over time.

Buying your property before retirement is especially advantageous if you are buying undeveloped land. As I mentioned before, we bought our property several years before we were able to retire. Often the taxes on undeveloped rural property are very low. Ours were about \$25 per year. As long as there are not structures on the property, it will very likely be automatically covered under your homeowner's insurance.

Once you have your property, there are a number of things you can do to get it ready for your retirement move. They are discussed in the next chapter.

## **Lessons learned about buying property**

- 1. Finding a property is an adventure. It also makes for fun and interesting vacation trips.*
- 2. Missouri has great rest areas. New Mexico rest area restrooms are giant outhouses – they don't smell bad but you sure don't want to accidentally drop your sunglasses down the toilet.*
- 3. Most rural land is beautiful. There is a lot of it to see as you drive around. It can be mind and butt numbing if you don't take time out to stop and enjoy it.*
- 4. Realtors are acting as agents for sellers. Most are honest and truthful. Before you buy a property, always ask if there is an old tire dump, a hog farm, or some other undesirable feature nearby.*
- 5. Working through a realtor may be the only way to find rural properties. Locating a rural property and its boundaries can be very difficult without help.*