

## **Where is the Land?** **by Bruce G. Boncke, P.E., President**

---

As the Chairman of the National Home Builders Association Land Development Committee, I volunteered to make a presentation at the International Builders Show last January. The topic was; "Where's the Land?" We weren't surprised by the nearly 300 attendees that were interested in the topic. After all, if we can't find land, we cannot build houses, work places or services. The fact is, we have to provide approximately 2 million new homes, each year, just to keep up with demand. With only about 6% of the land in our country developed, why is it so hard to find a parcel of land to develop and satisfy a market demand?

We work in one of the most heavily regulated industries in our country, yet our mission is to provide one of the basic needs: housing. Land purchase is no longer a matter of location, location, location. It's now a matter of location, market, regulation, politics, opposition, disregard for property rights, risk, etc. Developers need to be far more careful when purchasing land and more careful still with its proposed development.

Since the days of the "Land for Sale" hand-painted sign at the edge of the road, are pretty well over, how do you find land? Let me get this part out of the way quickly. Obviously, we feel that hiring a good professional team, as early in the process as possible, is very important. Too often, our services and fees are more extensive because of surprises that could have been identified at or before the time of purchase. A good, thorough, site investigation checklist is a must! Also important are the "intellectual resources" that professionals may have. We are organized pack rats and keep files for many sites that we have investigated for clients, but were not purchased at that time. As land gets harder to find and markets change, often sites that were rejected many years ago get a closer look.

You have made it through the marketing part-now for some practical ideas on finding land to meet your needs and the needs of changing markets. First, keep an ear to the ground! You should be involved in the communities you live and work in. That concept goes well beyond the search for land. It is simply good personal and business practice, to be involved in the community. After all, you have probably been an important part of the growth in the community. School, church, volunteer organizations, and the Chamber of Commerce, are all great places to keep an ear to the ground. Don't overlook local officials who are usually in touch with landowners and also have a feel for the market in their communities.

While land development is a very competitive business, you should also consider peer and partnering relationships. Often we find a site that doesn't satisfy a clients market needs, but it may be suitable for a different use or market that another client is interested in. There is a greatly increasing awareness of the need for mixed-use developments. These provide opportunities to look at land in a different light and the potential for development partnerships for various uses.

Environmental regulations and permit activities that are the equivalent of illegal takings have become one of the largest challenges to finding suitable development land. There are indications that property owners are realizing that their property has been devalued by regulatory takings beyond what the development industry can bear. Down the road, communities will likely be in for a rude awakening when landowners look for lower assessments as a result of these takings.

My point is that you shouldn't necessarily walk away from property with regulated areas. With the right deal with the owner that acknowledges unusable land and reduces yield, you can turn the regulated areas into site amenities that add value. You may end up with a reduced number of units and a different market, but it may be better than no project at all! Clustering provisions, Incentive zoning, Transfer of Development Rights and other helpful planning tools can help shift yields and uses on strictly regulated sites. You may want to re-look at sites you walked away from in the past with these tools in mind.

As you look for land, it is time to think a bit out-of-the-box for new emerging opportunities. If a community has, or is willing to put in place, Incentive zoning, consider "packaging" a number of small parcels and shifting your project or units to where they are best suited for you and the community. If the community has their sights on

---

a parcel for preservation, but doesn't have the resources to purchase it, Incentive Zoning may be an excellent win-win vehicle to work with them to achieve a higher density in some other area of the community while preserving desired land.

Brownfield development will also continue to be an important future consideration. You should keep an eye on these sites but carefully balance risk until liability reform and legislation catch up with the best intentions of the community. Look for opportunities to retrofit dormant sites to new uses. This is becoming increasingly popular across the country in the conversion of closed commercial / retail sites into residential or mixed-use developments. On these sites, the most significant obstacles to development, such as traffic, ground cover and drainage, have probably already been addressed and you may likely be proposing a lower impact development. There is even current legislation in cities and villages, which we hope will spread to other areas, that allow tax incentives for adaptive re-use. Infill property should also be looked at harder in the future. While often met with NIMBY resistance, there is usually available infrastructure and a good market for infill development.

In closing, and back to the hiring a good professional team idea, I want to recommend that you go as "high tech" as you possibly can, in your search for land. Many of the methods you can use to find land will be the same methods potential opposition will use to try to stop you. So, you should be using them first, before you purchase. Web-based information includes: GIS databases, USGS topography mapping, National Wetlands Inventory mapping, municipal codes, FEMA flood plain mapping, aerial photography sources, and many New York State specific sites. Above all and back to the basics, keep an ear to the ground in your local community.