



Buying the Farm House

When contemplating move to the country and buying a farm house, “look before you leap” is more than a cliché—especially if land acquisition includes an older home.

By Erin McKay

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Locating Rural Property Understanding Economic Realities Increasing Well Production Practical Matters Help With Rural Property Management Boundary Issues Well Water for Your Farm Obtaining Insurance Heating the Farm House Electrical Systems The Home's Foundation A move to the country and buying the classic farm house, you'll want to plan ahead. This article can help you through the farm house buying process.

Back when there were only 35 states in the Union and European immigrants were arriving in droves, Congress passed a law that sent hopeful pioneers literally scrambling for a piece of land to call their own.

They rushed on foot or horseback across the Great Plains, determined to stake a claim to a new life. With the Homestead Act of 1862, the U.S. government opened the West to settlement, promising property ownership to settlers able to “prove up.”

It was a gamble, but takers put everything on the line for a potentially rewarding endeavor. With luck, hard work and common sense, many of them realized their dreams.

More than a century later, hardy souls are once again finding themselves drawn to America’s open spaces.

Locating Rural Property

The Internet is a great resource. Search by realtor franchise names or use realty.com

State government websites list brokers and agents. Also, don’t forget newspaper and magazine classified ads.

A Sample of Internet Resources:

Back to the Farm
www.govbiz.com

Country Bound!
Trade Your Business Suit Blues for Blue Jean Dreams, by Marilyn and Tom Ross
www.communicationcreativity.com

Creative Farm & Home Realty
www.crsales.com

Farm Seller
www.farmseller.com

For Sale By Owner
www.forsalebyowner.com

Remote Realty Inc.
www.remoterealty.com

Rural Property Bulletin
www.ruralproperty.com



United Country Real Estate
www.unitedcountry.com

Western Livestock Journal Properties
www.propertiesmag.net

Top Like their predecessors, contemporary homesteaders typically exhibit can-do optimism and independence. As rewarding as it can be, however, the country life is not an easy one. When contemplating a rural existence, “look before you leap” is more than a cliché—especially if land acquisition includes an older home.

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Understanding Economic Realities

Anyone thinking about “buying the farm” should first identify their needs and rank them in order of importance. These will vary from person to person, depending on factors like health, livelihood, the presence or absence of children, specific skills and aptitudes.

In the article “Buying Rural Land: The Pleasures and Pitfalls,” the editors of the Rural Property Bulletin point out that local economic realities can make or break a homesteading venture. Scenic regions surrounding tourist destinations often reflect inflated prices and offer limited employment opportunities.

Although telecommuting has enabled some country dwellers to work from home, it’s still a good idea to find out which skills are in demand in a given region.

Conversely, prospective buyers ought to think twice about acquiring property in less desirable or depressed locales. If things “go south” and the property is put on the market, will shoppers in close proximity be able to afford it? Jim Huegerich, a truck driver and current resident of Bellvue, Colo., had an Iowa farmhouse and 10 acres on the market for almost a year before selling in January 2002. The 2,800-square-foot home was built in the early 1900s and—like many dwellings that age—had no insulation.

It also had hot-water baseboard heat, fueled by propane. After trying to attract a buyer through conventional means, Huegerich resorted to posting fliers on telephone poles and supermarket bulletin boards in Colorado. Amazingly, someone from Denver was looking for land in Iowa and saw one of his ads.

The experience was especially frustrating for Huegerich because he had lived in the Iowa farmhouse only a year when he decided he couldn’t tolerate the weather. His advice to shoppers looking for acreage? “Make sure it’s exactly what you want,” he says. “Exactly. Because rural property is hard to move, especially in the Midwest. Make sure it’s a good area, economically. There were people there who wanted my home and couldn’t afford \$55,000. Out here, people pay that for pickup trucks.”

Practical Matters

Purchasing more acreage than is needed is a common mistake.

“Many people buy into the notion that they ‘must have’ 100 acres, or even 20 acres, to achieve self-sufficiency,” say the editors of the Rural Property Bulletin. “Since the idea of total self-sufficiency is largely a myth, they end up paying for land they don’t effectively use.”

It’s important to be realistic about how much land you can actually maintain. Lots of vegetation calls for lots of equipment: riding mowers, tractors, Bush Hogs and the like. Also, in addition to the expenses involved in acquisition and upkeep, property taxes and livestock (business) insurance can be substantial.

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Increasing Well Production

The Well Improvement Company, based in Fort Collins, Colo., has been helping corporate and residential landowners improve low-yield wells in mountainous areas (where granite prevails) since 1971.

Their method, developed by professional geologists, is a modification of an oil field technique known as hydraulic fracturing, in which water is injected into a sealed well until the pressure causes the surrounding rock to crack open. “These newly opened cracks usually extend out and interconnect with nearby natural water-bearing fissures in the rock,”



explains former president James P. Waltz, PhD. "The result is nearly always a more productive water well."

For more information, contact Ray Boyle, Well Improvement Company, P.O. Box 9536, Fort Collins, CO 80522; 800-876-3722.

Tophen too, acreage ownership takes a commitment of time and energy. How much is too much? Joe Alexander has managed a 130-acre family farm near Abingdon, Va., for the past 20 years. Prior to that, he and his wife lived on a 55-acre parcel up against nearby Clinch Mountain. Together they have raised three daughters, kept endangered livestock, grown tobacco and mushrooms, and run a portable sawmill—to name just a few pursuits.

However, having recently experienced a serious illness, Joe is candid about his priorities. "I'm not into maximum production," he says. "I don't want to become a complete slave to the farm. My primary crop, really, is kids."

Some prospective landowners are so smitten with appearances that they fail to notice less obvious features. For example, local climate will greatly impact any livestock operation and determine the kind of vehicles the acreage owner will need.

What about access? How far away is the nearest hospital? school? grocery store? airport? Who, if anyone, maintains the roads? Does the driveway or lane get drifted in when it snows and require that you rent or buy a plow? Will tire chains be the norm in winter, and does the dirt road that produces dust all summer turn to mud in the spring? Are trespassing, robbery or vandalism prevalent in the vicinity?

Kris Robinson, a building inspector for the Washington County (Nebraska) Planning Department, suggests that potential buyers check with the county planning department about zoning regulations and protective covenants. However, he said that covenants don't hold much water unless they've been enforced since inception.

John Bollenbacher, broker/owner of Century 21 in Poplar Bluff, Mo., said that title searches will reveal any restrictions that have been recorded. "You as the buyer have the right to sit and review them and see if you like them or don't like them," he says. He too indicated that covenants tend to be hard to enforce.

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Boundary Issues

Property lines can be a bone of contention between neighbors, but Bollenbacher says newcomers to his region can expect longstanding fences—not surveys—to determine boundaries. "Where the fence is, is pretty much where the property line is," he says.

Help With Rural Property Management Read Hobby Farms and similar magazines Watch TV shows such as the PBS series "This Old House" Contact local college extension service offices Consult with county or private building inspectors Buy or borrow books pertaining to country living Chat with personnel at farm supply, hardware and home improvement stores

Before you buy, find out what "fire protection class" the home falls into, which can be determined by the local fire department.

The Insurance Service Office Inc. assesses a community's fire suppression capabilities and gives it a rating on a scale of one to 10, with one being the best rating. Insurance companies use this information to calculate premiums.

Many properties can qualify for county greenbelt valuation, resulting in lowered property taxes. If you are going to use your land to grow crops, raise livestock or for other agricultural purposes, check with your county tax assessor to see if it can receive greenbelt designation.

If you long to live in the country but buying acreage is beyond your means, consider becoming a rural property caretaker. You will find hundreds of opportunities in The Caretaker Gazette, a newsletter that advertises caretaking opportunities throughout the United States and abroad.

For more information, visit www.caretaker.org or write The Caretaker Gazette, P.O. Box 540, River Falls, WI, 54022-0540; 715-426-5500.



Top If livestock is part of the picture, containment is going to be a major issue. Just ask Joe Alexander. “I think the single biggest challenge to trying to run a farm is to get decent fencing in,” he says. “I don’t know how many thousands of dollars I’ve spent on fencing, or how many miles of wire I’ve strung. But it has been one continuous, long project.”

At one time, Alexander had goats. He says goats are good in that they love to eat invasive plants such as multiflora rose, wild blackberries and poison ivy. On the other hand, they’re hard on fruit trees and can damage desirable vegetation. Eventually he gave up on goats because they kept wandering over to the neighbors.

“Goats are the hardest barnyard animal to keep fenced in,” he says. “Nobody should get them unless they’re really serious about fencing and know what they’re getting into.” Alexander also kept chickens for a while, but predators proved too formidable. Now he has rare breeds of cattle and sheep.

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Well Water for Your Farm

Besides coming to terms with their own wants and limitations, folks wishing to move to the country need to determine any requirements they have of the land.

Huegerich, a horse enthusiast with a herd of Arabians, had very specific expectations and made sure his real estate agent in Colorado understood them.

“I told her ‘This is how much I want to spend, and this is where I want to be,’” he says. “I had to have water and plenty of grass.” Once his agent found a promising piece of ground, Huegerich walked it to make sure there was a spring, as advertised. He also asked neighbors what they knew about the spring and about their experiences with local water.

The availability and quality of water is always a major concern when looking for property—particularly in the arid West. In general, the deeper the well, the higher the cost of drilling. If a well already exists, what is its recovery rate?

The average family uses 300 to 400 gallons of water per day for bathing, cooking, laundry and other domestic tasks that are not related to crop and livestock maintenance. Yet it’s not uncommon for a well in the Rocky Mountains to produce fewer than five gallons an hour, making it necessary to install cisterns and a coyote valve designed to shut off the pump when the well runs dry.

Some homeowners have seen an increase in production with hydraulic fracturing, a technique used to tap into nearby aquifers via fissures in the bedrock. Less fortunate mountaineers must drill a new well or haul water from town.

Existing wells should be tested for minerals and contaminants, and loan companies often require it. Arsenic, copper, lead, and zinc are just some of the trace elements found in groundwater. Although some of these are not necessarily hazardous to health, they can be problematic from an aesthetic standpoint. Water that contains a lot of sulfur, for example, smells like rotten eggs. Iron or manganese can discolor laundry and fixtures and corrode pipes, making it necessary to install a water softener. Contaminants, on the other hand, can pose a health threat. High concentrations of nitrates, which are found in fertilizers, often make their way to wells in farming areas. Before he could sell his house in Iowa, Huegerich had to pay for a new well when a test revealed high levels of nitrates in his water. The test was required by the buyer’s loan company.

Technology exists for removing nitrates and other contaminants, but doing your homework ahead of time can prevent an unpleasant (and costly) surprise later.

Municipal water records are public and a good place to begin researching local water quality. Every state has a certified laboratory that conducts tests on well water; see the Environmental Protection Agency’s website for a list of these labs.

The EPA, which sets maximum contaminant levels (MCLs) for public water systems, has an Office of Ground Water and Drinking Water and publishes fact sheets about specific contaminants, as well as a “water hardness map” of the United States. Moreover, the U.S. Geological Survey and the National Ground Water Association can answer many questions about groundwater concerns. The NGWA has a website that caters specifically to owners of private water systems and contains information about water quality and well maintenance.

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Obtaining Insurance



Assuming the land meets all requisite criteria, any home on it will warrant careful scrutiny. The older the structure, the greater the potential for trouble. For starters, getting a mortgage is a challenge, in part because it can be tough to obtain insurance.

Twelve years ago, Jean Stubelek purchased a stone house on 50 acres because of its spaciousness and proximity to Okeemo Mountain ski resort in Vermont. Built in 1850, it provides comfortable vacation lodging for Jean, her husband, their six children, and occasional guests. Stone House Farm also serves as a short-term rental property when the family isn't staying there.

However, Stubelek remembers that it took almost a year to find a company that would carry the mortgage, despite a large down payment. "One of the good things I did was to keep the same insurance company the previous owner had," she says. "That got my foot in the door."

Kathy Nash, an insurance specialist with USAA Casualty Insurance Company, says that USAA won't insure a home if any of the major systems in it—roof, wiring, plumbing or heating—are more than 40 years old. Most insurance companies see fire as the greatest threat to any house that age.

Since distance from home to fire hydrant or fire station is factored into the cost of insurance, premiums in remote locations climb accordingly. Moreover, insurance companies usually charge extra for houses in wildfire-prone forested areas and for shake-shingle roofs, which are more combustible than others.

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Heating the Farm House

One of the first changes Stubelek made to her 3,500-square-foot farmhouse was to replace the coal-burning furnace with two wood-burning stoves that she and her husband brought up from their primary residence in New York.

"There were wood stoves in the house but they were old and inefficient," she says. The two new stoves made the downstairs toasty, but the temperatures upstairs were just barely tolerable. "Of course you had to get up in the middle of the night and stoke the fires. A year later, we put in oil-fired hot water heat."

They bought cast iron radiators at the local junkyard and had them sandblasted and painted, but it took a while to find someone to install them.

"Nobody wanted to lift cast iron radiators," Stubelek says. "No one wanted to work with all the pipes and getting them through the old walls. So I put it out for bid and everybody would look and walk away. Finally I found a young plumber, a biker who looked like Arnold Schwarzenegger. He said 'Lady, I'll do anything you want for 25 bucks an hour.' And that's how he got hired."

Stubelek says there was no insulation in the house when they bought the property, and the couple has been adding it little by little, using two-inch solid foam boards in the attic ceiling.

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Electrical Systems

As a county building inspector, Robinson has seen many homes with old electrical systems that are dangerously overloaded. Unfortunately, these antiquated configurations can cost up to several thousand dollars to replace.

Older houses often have screw-in fuses rather than a circuit-breaker panel. "Knob and two" wiring, with twisted and soldered connections, was not made to handle the amperage demands of computers, hair dryers and other modern appliances.

Typically wrapped in cloth, old wires are a fire hazard and can attract rodents. Today's wires are encased in vinyl sheaths rather than cloth. Stubelek used BX aluminum-coated wire throughout her Vermont home in hopes of deterring unwelcome pests.

"I thought there would be less chance that the mice would be chewing through the wires," she says.

Outdated plumbing and septic systems can be problematic as well. According to Robinson, copper or plastic pipes should eventually replace galvanized ones to avoid rusting and subsequent leaks. It's also wise to inquire about septic tank



location, capacity and maintenance. Ask to see receipts. Robinson recommends pumping a tank every two to three years and said that most have an inspection port that allows you to measure the depth of the sludge. Very old houses may not even have closed septic systems and instead may have a leach field only.

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The Home's Foundation

One more thing to look at before making a bid is the home's foundation. What is its condition? Are there any cracks in it? Is there evidence of water in the basement? Has the home ever been treated for insect infestation? According to Bollenbacher, termite inspections are mandatory in the heavily wooded region of southeast Missouri.

"As the buyer you always want to pay for the inspection," he says. Doing so will maximize your chances of getting an honest assessment. A word to the wise when it comes to getting professional opinions: Hire reputable experts and pay after the inspection.

Homesteaders possess a peculiar mix of pride and humility. They know their way of life is not for the faint of heart, yet they'll readily admit mistakes. Though ventures may fail, they are self-satisfied. As often as not, the fruits of their labor are intangible, their riches homespun. Alexander, who left the congestion of Southern California in 1974 and "never looked back," speaks for many when explaining what motivated him to make such a move.

"We came here because we wanted to live a sustainable lifestyle, close to nature, able to enjoy this beautiful world," he says. "Of course, we had all these dreams and ideas on how to make a living, and 99 percent of them didn't work."

Then, just when you're not sure he'd do it again if given the chance, he answers the unspoken question with typical aplomb.

"I was pretty much starry-eyed when I went into it, but I had enough gumption and practical skills to pull it off." Grateful for advice he got along the way, he's glad to share what he's learned. Homesteading, after all, is risky. When you're betting on the future, a little savvy helps ensure a winning hand.

About the Author: Erin McKay is a freelance writer and editor based in Nebraska.

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