

Analyzing Country Homestead Property on Websites



In analyzing Country Homestead Property from websites, I will be using [zillow.com](https://www.zillow.com) as my template.

1. Look at the Price/Tax History. In many rural areas of the country the value of country property has not come back up to the value in 2007/2008 just before the Real Estate market crash. One way to get an idea if this is the case with a piece of property you are considering is to examine the Price/Tax History.

Focus on the Tax History. Many properties will have several years of property tax history listed. What is the assessed value for the current year or the last year listed compared to 2007 or 2008? If the assessed value currently is less than 2007 or 2008 this is a rough indication that the values in that area have not recovered to what they were at the peak of the Real Estate Market in 2007 or 2008.

Also the Price/Tax history can give you an idea of how long a property has been on the market and if there has been any changes in the asking price. Property that has been listed for more than 180 days and has had one or more price reductions can be an indication that it has been overpriced for the local market.

In one situation listed on Zillow recently a property with nearly 100 acres, house, barn, shop, trees, good well etc was listed in 2013 for an asking price of \$1.9 million. Two months later the asking price was dropped to \$1.2 million, probably because no one was interested in looking at it because it was WAY overpriced. The house was taken off the market 11 months later. (August 2014). In May 2017 the property was again put on the market for \$685,000.

I know this is an extreme example, but it shows the effects of an unrealistic asking price that is usually supported by a younger, relatively inexperienced Real Estate Agent listing the property.

In most county's in the U.S. the property tax assessment is within 10 -20% of the actual value of the property. County Tax Assessors have access to the real estate sales of properties in the county and do comparisons between the properties sold and those assessed.

It is common for there to be an *onsite* assessment of each property in a county at around 5 year intervals. Some larger county's employ drones to fly over and photograph properties instead of a physical inspection by a person.

2. What if there is no Price/Tax History listed on property on Zillow you are interested in?

One way is to contact the Real Estate agent and ask for a printout of the property tax assessment for the last 10 or so years to be e-mailed to you. It is OK to tell the agent you are considering the property but need the tax assessment information in your analysis.

Some Real Estate Agents may leave tax assessments off the listing because they do not support the asking price. If the agent hedges on sending you that information it is not wrong to have a degree of suspicion that the tax assessment is markedly lower than the asking price.

3. Look at the pictures with the listing. To determine property value, the pictures to pay the most attention to are those pictures showing views of the land and the access to the land. Views of the house are important, but a house is only a part of a homestead.

What is the *lay of the land*? Flat, sloped, hilly, are there any woods, ravines, sources of ground water-streams (and are they year round), ponds, etc. Where is the house in relation to the nearest county maintained road?

If in snow country, the further the distance from a county maintained road (or the longer the driveway) the more road that has to be plowed to get in and out in the winter. Can you determine from the pictures if a 4 Wheel Drive vehicle would be advisable to get in and out during the winter in snow country?

4. What is the age of the house? The older the house, the greater the chance that it has less than the recommended insulation in it. This means it would be harder to cool in the summer and harder to heat in the winter.

What type of heating system does the house have? We rented a house with an oil furnace that was 30 some years old. It was in snow country and had sub-standard insulation in the walls and ceiling. It cost twice as much for heating oil than it would have with proper insulation and even running the oil furnace full blast, the house was never really warm.

5. Is the house in a valley, on a bench between the valley and the hill top or near the top of a hill or mountain?

Depending on the area the property is in will determine growing season, and heating and cooling problems. Example: If in snow country, a property in a valley will have a shorter growing season than if it is on a bench about 500 feet higher in elevation. Why? At night the cold from the top of the mountain sinks down to the valley and it stays cold until the morning sunshine reaches the valley floor. It is sometimes possible to have a killing frost in mid-June in a valley in snow country.

The best location growing season wise in snow country is about 500 feet off the valley floor. Here the elevation is high enough to avoid those mid-June

frosts and the sunshine reaches that level faster. You can have a month longer growing season here than on the valley floor.

6. If looking at a property on [realtor.com](https://www.realtor.com) there can be a price per square foot of the house along with the average price per square foot in the nearest town and in the State. Compare these prices. Price per square foot, as a general rule, should be less in a rural homestead property than in a town or the average price per square foot in the State.

The rule of thumb is: the farther a property is from town the less it is worth. Another good rule of thumb is this: No house is worth what it would take a custom builder to build an exact replacement at today's prices.

7. If you can match the area of properties on [trulia.com](https://www.trulia.com) with the area of a property on another of the websites, you may be able to get an idea of the crime rate since [trulia.com](https://www.trulia.com) has a feature called "see reported crimes near this home."

Starting your country homestead search from the comfort of your living room via web searches is a good way to become familiar with the prices in an area of the country you are not familiar with.

Enjoy looking and dreaming and planning for your move to your own country homestead property!