

What's a Fair Price?

What's a fair price to pay for that recreational property you've picked out? Getting to that answer is a key part of the buying decision, but can seem a bit complicated. After all, it's different than determining the optimal price for a house in an area where there are comparable sales nearby.

Tom Smith of [Tom Smith Land and Homes](#) in Ridgeland, Mississippi gets this question quite a bit.

"The good news is that the buyer isn't in this alone," said Tom, a member of the PotlatchDeltic Preferred Broker Network. "By working with a reputable, experienced real estate broker, buyers can have confidence that the price they are paying is fair."

With this in mind, Tom offers five things for buyers to think about that can be extremely helpful:

1. **Make sure you work with a land broker who understands recreational property and knows what you are looking for.** Many successful land brokers are known for properly pricing a property, and, in turn getting it sold. This means understanding that buyers are extremely knowledgeable, usually knowing the geographic area they want to buy in, along with the characteristics they are looking for, such as a certain quality of wildlife. It's very important that the broker have experience in selling recreational property, not just homes. The two types of properties are extremely different in terms of how you determine a fair price.
2. **Have your goals in mind, and your expectations set.** Do your goals include harvesting timber, or growing best-in-class deer? And do you plan to hold the property for the long term? Getting answers to these questions factors into the price you are willing to pay for a property. Also, be aware if investments have been made in the property, whether it's through fertilization of tree stands, or in building an entrance. This may justify a higher per-acre price, knowing you won't have to invest in such things after your purchase.
3. **If you need to see comparable sales for peace of mind, a knowledgeable broker will be able to supply them.** Even if there haven't been comparable land sales nearby in recent months, an experienced land broker can take similar properties that are a bit further away and conduct a smart analysis to show how they compare to the one you are considering. In addition to doing their own analysis, brokers often can get such applicable comps from land lenders or major landowners in the area. Also, it can be very helpful to have a reputable forester do an analysis of the property, offering you more information about the value of the timber.



4. **As in any kind of real estate, location is everything.** It's all about convenience. If one recreational property is an hour closer to you than another, that may be worth a higher price per acre, because it probably means you will use the property more often. If you go to that closer-in property twice a month, it amounts to a four-hour savings over a month's time – time you could be hunting, riding ATVs, or simply relaxing.
5. **Understand that every property is different, so comps only go so far.** The quality of wildlife on every property is different, as is the quality of timber. So while it's important to have a budget in mind, it's important to know that making your budget fit with your needs may require some flexibility.

Again, it's important is to have the right partner in this effort. PotlatchDeltic brokers have localized knowledge combined with deep experience in pricing recreational properties – two critical components for success.

Ready to start the conversation? [Contact a broker](#) in your neck of the woods today.