The question: Buying property next to public land: A good idea?

It’s a question that comes up quite a bit when buyers are looking at recreational property: Should I look to be next to public land, and what are the pros and cons of that?

There is no simple answer. Part of the answer is going to depend on what geographic area you are focusing your search on, and the second part of the answer will depend on how you plan to use the property.

Here are some pros and cons to think about as you consider looking at property that adjoins public land, such as state parks or national forests:

**Some pros:**
- Being next to public land can make your property feel bigger. “If the property isn’t visually restricted from the public land, it feels like you own much more land,” says Bob Crawford, a Preferred Potlatch broker with Crawford Olson Real Estate Services in McCall, Idaho.
- If the public property has quality wildlife, this can expand your hunting opportunities. This will depend, of course, on how well the public property next to you is being managed, and whether it has the attributes wildlife look for, such as adequate water and food sources.
- If you like to hike or use trail bikes, ATVs or snowmobiles, public land can give you miles of opportunities if it has good trails.

Wade Pannell
Director - Real Estate Development
Potlatch Corporation

Visit PotlatchLandSales.com for more information.
There have been exciting changes for Potlatch Preferred Broker Bob Crawford, owner of the formerly named Crawford Company, after expanding to the McCall market with longtime colleague Mike Olson of Olson Real Estate. Under the new name Crawford Olson Real Estate Services, the company has gained heightened exposure to a new audience by crossing over into a new Idaho market.

“We’ve increased our footprint beyond the more rural area of New Meadows into McCall, which is more of a resort town near two wonderful ski mountains,” says Crawford. In relation to the Potlatch holdings the firm represents, they are much more centrally located now, and with a larger audience, this provides their clients’ listings more exposure as well. This growth is the latest step in a constantly evolving business for Crawford in nearly 30 years in real estate.

“The way we get and distribute our information now is almost entirely Internet-based,” Crawford says.

“Buyers preview their land choices at our website (crawfordolson.com) before they ever see a tract in person; they are more educated and prepared than ever before when they come to the area.”

In most cases, Crawford says, potential buyers have seen the available properties, and have determined specific things that they want, and especially don’t want. “With Google Maps, they can identify the exact grounds they want to visit” he says.

About two-thirds of the firm’s buyers come from its largest feeder market, the greater Boise area, about 100 miles south of McCall. The company has links to webcams where visitors can actually see the highway in real time, and prepare for weather conditions along the way.

“The way the process has evolved over the last few years, we really can’t seem to find any negatives. The more information for the buyer upfront, the better,” he says. “It allows us to be more efficient as well.”

Born and raised in San Diego, Crawford made a dramatic change from the big-city lifestyle in 1993 when he and his wife moved to Idaho with two small children. It was a great decision, he says. “This has been a fantastic place to raise our kids. I grew up surfing, and they grew up skiing.”

And Crawford experienced firsthand how your pastime can tie into your business, especially when recreation is the focus. “I was on a ski outing myself and bumped into two of the top real estate agents in McCall,” he says. “They said they’d be interested in coming to work for me, and ultimately they did!”

Coming from a background in commercial real estate in San Diego, Crawford has enjoyed the transition from suit and tie to shorts and baseball hats. “When we first moved, it was a culture shock to wear shorts to work and walk around showing people land. But it’s definitely been a fun and rewarding change.”
State-By-State Features

Idaho
Rick Musick,
United Country-Musick & Sons Auction & Real Estate Services

All-terrain vehicle (ATV) riding has become a popular pursuit in Idaho, says Rick Musick of United Country-Musick & Sons Auction & Real Estate Services. Enthusiast clubs are popping up throughout the state, encouraging safe, responsible and respectful ATV riding activities. “Potlatch lands are ideal for this type of exploration, since much of it borders publicly owned state property or national forests,” says Musick. It’s an excellent choice for those considering a land purchase that will allow them to indulge in their favorite pastime.

“From old logging roads, to some of Idaho’s beautiful remote forests, Potlatch lands present a great opportunity to explore our state’s exceptional nature and wildlife,” Musick says. As summer approaches, many clubs are scheduling ATV outings — the website www.idahostateatv.org is a great place to start planning an adventure.

Arkansas
J.D. Neeley,
United Country-Neeley Forestry Services

In a state that offers a mainly rural setting, there are many opportunities to encounter amazing wildlife, says J.D. Neeley of Neeley Forestry Service. “Arkansas has over 50 state parks, beautiful lakes and rivers, with a network of nature preserves and many places to observe our wildlife,” Neeley shares. For recreationists who love to camp, hunt and fish, Neeley and his team feel the area is unmatched. “Our staff includes three registered foresters, so nature is clearly our passion!” he says. “Our part of the state is a sportsman’s paradise, and we love sharing all the area has to offer to our clients.”

State Tidbits

- Idaho is comprised of 63% public land

- Idaho produces 72 types of precious and semi-precious stones.

- Minnesota has 90,000 miles of shoreline, more than California, Florida and Hawaii combined.

- Minnesota has one recreational boat per every six people, more than any other state.

- Arkansas contains over 600,000 acres of lakes and 9,700 miles of streams and rivers.
Using your IRA to purchase land might be an option to consider

If you have an IRA, you’re probably worried about the possible loss of its value. But something that many investors don’t know is that you can use your Self-Directed Individual Retirement Account (SDIRA) to purchase real estate and broaden your portfolio. If you’re seeking a safer IRA investment alternative to the unpredictable stock market for your retirement funds, then land investment may be an excellent option.

A buyer can use this approach whether you’re a hands-on investor or one who prefers to rely on the guidance of a financial planner. Either way, though, it’s important to do your homework.

You can’t buy real estate with funds from a regular IRA, so you’ll need to be sure you have a Self-Directed IRA. This account should be opened with funds rolled over from other IRAs, 401ks or other retirement plans; then, those funds can be used to purchase the land. There can be large tax penalties that may occur if the transaction isn’t done properly. The IRA itself must purchase the land and hold the grant deed, and all property taxes must be paid from the IRA as well.

There are many tax benefits with this approach, but the one major drawback is that the property purchased cannot be privately used – it must be held as an investment only.

Discuss this investment approach with your land broker, and always consult your tax advisor. Before using IRA/401(k) monies to acquire any property, you must consult with your personal tax advisor to understand what may or may not be accomplished and restrictions on your ability to manage, control, or otherwise use the assets purchased for your personal enjoyment or otherwise.

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Q & A

Q What factors are people considering as they decide whether to buy recreational property now?

A Longtime recreationists and hunters in our area have been leasing property for hunting at a reasonable price. But in recent years, many have grown tired of the fear of losing their lease, dealing with other hunting club members, or the chance that the landowner may decide to cut the timber, change the landscape or even sell their lease.

So, if they can financially make the leap, some people are deciding to try to buy some land of their own. The Potlatch lands we are marketing are geared towards recreational use, so for the buyer who wants strictly hunting land, that’s great.

But the big picture is even better. The hunters’ desire for a recreational opportunity gets them to look at property, and then they learn about land as an investment, which often gets them even more interested.

Q What major trends are you seeing in recreational/rural real estate in Arkansas?

A The sale of strictly recreational property has been slower in the past few years because of the economy, but we are optimistic that we are on the backside of the sales cycle. Arkansas timberland has been relatively reasonably priced compared to other surrounding states, and it offers the hunter or recreationist a great opportunity to invest in their pastime.

Q What are the main attractions for people to pick Arkansas for recreational property? Why do people buy in Arkansas?

A Arkansas is The Natural State. The beautiful scenery, mild winters, numerous national and state parks, lakes and public lands seem to be the draw.

Buyers can own some of the state, and have plentiful public opportunities for recreation as well. We have seen a lot of buyer interest from surrounding states, especially Louisiana, because land prices have not gone up as dramatically here as they have in other regions.

With land being more affordable and the recreation and hunting opportunities, we have a solid offering of properties for the recreationalist that also has an eye for an investment like timberland.
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That said, here are some potential cons:
- If you don’t have fencing or other visual restrictions, there is less privacy if you are next to public lands.
- In the same vein, if people are camping, hunting, etc. on nearby public lands, these activities might impact you, particularly if you decide to build a home on your property. “If privacy is a priority, you may not want to be next to public lands,” says Natalie Cowart, a Preferred Potlatch broker with United Country Banning Junction Real Estate in Finlayson, Minnesota.
- If your property is better managed and has better wildlife than nearby public lands, there’s a chance

hunters could be tempted to come onto your property, defeating the purpose of your growing better-quality wildlife.

So, much like many decisions regarding recreational real estate, it’s important to think about what you want to do with the property as you consider this question. Ask your Potlatch broker about the quality of public lands in the area where you’re looking, and think of this as a question that’s best answered on a case-by-case basis. Then, you can figure out the best option for you.

POTLATCH PREFERRED BROKER NETWORK

Let us show you why your Potlatch Preferred Broker is the only name you’ll need to know when it comes to buying property. Please contact the broker nearest your area of interest or visit us at www.PotlatchLandSales.com. We look forward to helping you with your property search!

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Bannning Junction Real Estate. The property search continues.

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