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The Joys of Country Living

By Susannah L. Robinson

Homeowners Head Back to Nature Where There's Room to Roam

As confidence in the economy has grown so has an interest in owning acreage. The second half of 2003 saw a surge in suburbanites flocking to farmland and ranches, escaping the cacophony of city life. What city dwellers are looking for is some elbow room, some peace and quiet. A place where they can get away at the end of the day, for retirement or time with Mother Nature.

Inspired by the freedom and quality of life offered by the expansive ambience of farm and ranch land, many homeowners are looking to either buy acreage as a primary residence or as a vacation oasis to which they can retreat and recharge. It's about a lifestyle choice.

In addition, families are choosing ranches as a safe place to raise their children. Joan Pletcher, a Realtor® specializing in farm and equestrian ranch sales near Ocala, Florida said, "People are thinking of land as a legacy they can leave their children and grandchildren. It's an investment not only in land, but also in their future."

As an asset, farm and ranch ownership can also be financially lucrative, offering many advantages and opportunities. From appreciating land values to the cash flow operations of a working ranch, acreage is an investment well worth adding to the portfolio.

Mark Twain's sage advice from long ago is still true today, "Buy land. They've stopped making it." While land appreciation tends

to be site-specific, Greg Fay of Fay Ranches, Inc. in Bozeman, Montana said that owning a property for 3-5 years is a solid, reliable investment, especially in comparison to the stock market's unpredictability. "Even when the economy dips, land values and sales may stabilize, but they're not going to spike down like other investments," said Fay.

The added benefit of acreage ownership is the enjoyment it brings during the investment hold time. Rather than turning over a multitude of residential properties in quick 1031 exchanges to get a satisfying return on investment, farm and ranch owners get to enjoy their beautiful piece of property while their portfolio's assets appreciate.

While many properties are acquired for the purpose of enjoyment and recreation, some are intended to generate a cash flow by providing agricultural resources such as fruits and vegetables, hay, corn cattle, or horses. With a degree in agricultural business, Page Welton, Realtor® and Sales Associate for Coldwell Banker, Inc., outside of San Jose, California said, "Smaller farms can specialize and contribute to food production." There are niches for ranches producing specialty crops like radicchio lettuce or Chinese and Vietnamese vegetables.

Properties can also create potential tax savings. Agricultural

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exemptions such as horses, cattle, and feed pastures are depreciable items that can reduce taxes. In addition, a conservation easement, in which the owner donates a portion of the land value to a trust that agrees not to subdivide the property, is an IRS recognized charitable contribution.

Some owners like to find a ranch that is already in good working order. Others want to purchase a property that requires improvements, so they can work the land and bring out the beauty themselves. And they don't have to do it alone. Resource companies like Fay Management, Inc., a sister company to Fay Ranches, Inc., work with owners to refurbish properties by rebuilding streams, lodges, reseeding pastures, and even to oversee the management of a working ranch.

Farms and ranches can range from 20 to 80,000 acres and cost from under one million dollars to more than \$20 million. With today's current abundance of buyers, exceptional properties can be more challenging to find and more costly to purchase. But Craig King, president of the 89-year old real estate auction firm J.P. King Auction Company, Inc., predicts that the future of land sales continues to look promising.

King's company based in Alabama has sold over one million acres of land. Larger properties are often segmented into smaller acreages, marketed over 90 days, and sold in a single day sale. Through the auction of smaller parcels, sellers can acquire up to 120% of appraised value of the entire large parcel. "The buyer also has the advantage and flexibility of being able to purchase the quantity of land that fits their family's needs," said King.

And that's what is all about, meeting family needs. Whether it's for pleasure or for profit, homeowners are headed back to the countryside discovering the joys of ranch ownership. "Ultimately, there is no better feeling than walking out of your home at night, feeling the breeze, seeing the tree-covered hills and wide expanse of sky speckled with brightly lit stars," Pletcher said. Ranch country gives people the room they need to grow as families, as individuals and as stewards of the land. ♣

Previous Page: Bullis Creek Ranch, Paradise Valley, Montana. Exclusively listed with Fay Ranches, Inc. Photograph courtesy of Gordon Gregory.

Above: Flower Ranch, a 5,000 acre ranch in Telluride, CO was sold by J.P. King Auction Company, Inc., in 1998.

Below: This exquisite Gentleman's Estate is situated on 17.5 lavishly landscaped acres and boasts more than 9,500 square feet of living area. Offered by Joan Pletcher.

