



Getting Your Ducks in a Row: Tips on Buying Land for Industrial Development

Industrial land development is among the most profitable real estate opportunities that anyone with the means and the desire to do so can participate in. You don't have to be a math wizard to understand the inherent value of buying undeveloped land. People have been buying land on the cheap and developing it for industrial purposes for centuries, and making a killing as a result. But industrial property development isn't always a guaranteed jackpot. In order to ensure that the venture you're considering will return a substantial profit, there are a few things you'll have to do first.

Do Your Homework

Before staking your claim, it's critical to rule out a few possibilities that could turn your investment into a total loss.

Ensure the land isn't in a flood zone. It can be disastrous to your industrial land development plans to discover this after the fact, as this could effectively render the property worthless.

Have the soil tested for stability. Buying a plot of land only to discover further down the line that it's not stable enough to provide a solid foundation for development is an easy way to flush your investment dollars down the proverbial hole.

Check with the local government to make sure the land isn't under consideration for future public use, such as highway development. Although it may seem to the uninitiated like a great investment to purchase property that could become the target of this kind of development, the exercising of eminent domain laws could cause you to get far less in compensation for the land than you originally paid in.

Hire a qualified land surveyor to obtain an expert's opinion on what the land in question could best be used for, as well as what uses must be ruled out. If you find the land has a limited diversity of development possibilities, this should give you serious cause to reconsider.

Get the Land Appraised

It's never a good idea to walk into industrial land development negotiations without having an independent review performed of the value of the land—especially if the appraisal returns a significantly lower dollar figure than what's being asked by the seller. In these situations, having an impartial party perform the appraisal will give you the necessary leverage to make counteroffers, and will also give you a solid foundation from which to negotiate cost.

Give it Time

Buying commercial land for the purposes of industrial property development isn't as easy as buying land in the residential market. Bear in mind that closing on a commercial land deal is far more complex, and can take months to finalize.



Contact a Real Estate Pro

Although it's entirely possible to perform all of these duties on your own, it's highly advisable to work with a commercial real estate broker from start to finish. Not only will they be able to lend their considerable experience and established connections to getting things done expeditiously, but they'll also be in a position to give you the kind of solid advice that you may otherwise be lost without. [Cardinal Real Estate Partners](#) can handle every aspect of these types of endeavors, from finding available land within your budget to performing industrial location analysis, through to acting as your advocate in closing procedures.

ABOUT THE AUTHOR

Cardinal Real Estate Partners

Cardinal Real Estate Partners are brokers and consultants that think differently. Determined to be an advocate on behalf of clients, the firm has carved out a new niche of professionals in the commercial real estate industry. It has deliberately set itself apart from commercial brokers by offering clients three distinct differences that make it, in essence, the “anti-broker.”

Cardinal employs **educated professionals** who can deliver a level of expertise that traditional brokers do not. The principals have years of institutional real estate experience and are part of a team of skilled consultants—i.e., lawyers, architects, project managers, and engineers that are passionate about the skills they bring to the transaction.

Cardinal has designed **four proprietary processes** and numerous knowledge products for buying, selling, leasing, or acquiring/disposing of public assets. Each process outlines the best path to meeting your goals, with a detailed analysis of your specific needs, a customized strategy, extensive due diligence, and marketplace analysis.

For sellers: **The Comprehensive Asset Sale™**
For buyers: **The Real Estate Capital Investment Review™**
For tenants: **The Strategic Tenant Advocate™**
For public assets: **The Public Asset Maximization Process™**

Cardinal has set in place **accountability** at a level previously unheard of in the broker industry. With each client, Cardinal determines and agrees upon a series of Key Performance Indicators (KPIs) for measuring the success of your deal. After the closing, Cardinal reviews the outcome and level of your satisfaction, then bases its compensation on the extent to which it achieved your goals.

There is a better way to broker.

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