



## BUY NOW, BUILD LATER

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Buying land now to build a home on later is a great way to work towards your rural living dream. But before [buying land](#) in Texas to build a house on later, it's important to consider factors such as zoning restrictions, utility access, environmental issues, and property taxes. Are you dreaming of owning your own piece of land but just not quite ready to build your dream home yet? Well, I've got some good news for you. You can absolutely buy land now and build later. It's a common practice that many folks take advantage of now in financing. Buying land intending to build on it later differs from buying a property that already has a house on it. Typically, a lender will offer what's called a land loan for the purchase of raw, undeveloped land terms and lender requirements for a land loan can vary. Some lenders require construction to be started within one year of closing.

Texas Farm Credit typically suggests five years, but either way, that's important information to know going in. In addition, you'll probably need to have a down payment of at least 15 to 20% and a solid credit history to qualify and be prepared. The interest rates on land loans can be higher than the traditional home mortgages that you're used to. Let's talk about some common issues you may encounter when attempting to buy land now and build later. One of the biggest challenges is zoning and building codes before you purchase the land, it's important to research the zoning laws and regulations in that particular area. You'll need to ensure that the land is zoned for residential use and that you can get the necessary permits to build the type of home or structure you have in mind. You'll also want to review the deed for minimum square footage requirements, building type restrictions, and allowable external materials.

Finally, remember to check for an [ag or wildlife exemption](#) on the land and understand the requirements to maintain such exemption. Another important consideration is the condition of the land itself. You'll need to make sure that the land is suitable for building and has proper access to utilities such as water and electricity. It's always a good idea to have the land inspected by a professional to identify any potential issues that may arise during the building process. Finally, it's important to have a solid plan in place for the building process. You'll need to have a clear timeline for when you plan to start and complete this construction and a budget in place for all associated costs. Remember, building a home or farm can be expensive, so it's important to have a realistic understanding of what you can afford. So there you have it. Y'all buying land now to build later can be a great way to achieve your dream of owning your own property. Just make sure to do your research, have a solid plan in place, and work with a trusted lender like Texas Farm Credit to ensure that you're making the right financial

decisions for your future. I like to tell everybody that we're the best-kept secret in Texas. Call us and find out why.