real estate. Unfortunately, this is not always clear. For example, a seller might think it is obvious that he will keep the antique dining-room chandelier that has been in his family for generations. However, a buyer, who saw the chandelier and later discovers it has been replaced with something less attractive, is going to be furious. A prudent agent will make the replacement before the property goes on the market.

e. Agreement.

Obviously, it is often difficult to determine whether or not an item should be considered a fixture. Things such as ceiling fans, gas logs, window treatments, patio furniture, etc. are sometimes debatable. A wise real estate agent makes sure to list in writing any of these “doubtful” items the seller intends to remove or that the buyer expects to acquire in the sales agreement. The legal definition no longer matters as long as there is a contractual agreement.

II. LAND CHARACTERISTICS

Land itself is one thing that can never become personal property. This unique quality can be attributed to its physical and economic characteristics.

A. PHYSICAL CHARACTERISTICS OF LAND.

1. IMMOBILITY.

The most distinctive characteristic of land is the fact that its location cannot be changed. The surface of the earth may be altered to suit construction objectives or moved by acts of nature, but the basic location of the land remains the same. This characteristic is the reason the government uses land as a primary source for taxation. Payment is easily enforced because the land is readily available to be sold for non-payment.

2. NON-HOMOGENEITY.

No two pieces of land are exactly alike. Each parcel is “one of a kind.” Two tracts may be identical in size, appearance, and other physical aspects, but their locations are never the same. The courts recognize this non-homogeneity by not allowing one land parcel to be substituted for another. In other words, a person who contracts to buy one particular tract of land is not obligated to accept another, no matter how similar the two tracts are.
3. INDESTRUCTIBILITY.

Another distinguishing physical characteristic of land is the fact that it is indestructible. It remains basically the same regardless of man-made or natural changes. This fact tends to make land a stable investment, but its value can be reduced by the lack of proper care and maintenance.

B. ECONOMIC CHARACTERISTICS OF LAND.

1. LOCATION, PREFERENCE (SITUS).

Because land is immovable, one parcel may be considerably more valuable than a similar parcel due to the difference in the desirability of the location.

People prefer a particular location because of weather, scenery and job opportunities, as well as proximity to schools, shopping or transportation. The sum of these factors that affect value is called area preference or situs. Economic, social and governmental changes also influence a land's situs. For instance, shifts in population or changes in zoning can influence people's preference for a particular area.

2. IMPROVEMENTS.

Another economic characteristic of land is the impact that improvements have on value. Buildings, driveways, or landscaping that attach to the land and become a part of it, have an impact on value. In addition, the value of a specific parcel of land can be affected by improvements made on adjoining tracts. In a residential neighborhood, the quality and type of nearby homes affect the value of an individual home. Also, airports, industrial plants, and recreational facilities can influence the value of surrounding property.

3. FIXED INVESTMENT.

Improvements to land are made to last a long time. In fact, more buildings are torn down than fall down. Because buildings are relatively permanent, they are influenced by the economic changes in the neighborhood. A real estate investor is more interested in how long a building will be economically useful than in how long the building can last. The return on the investment will be realized over a period of time that is called the economic life. This determines the worth of an investment in land and improvements.

4. SCARCITY.

The value of any commodity is influenced by its scarcity. For example, an acre of land in a rural area cannot fulfill as many needs as an acre of land in an urban area; therefore, there is less demand for it. In some areas there is not enough land to meet the demand so values are high. In other areas land might be abundant and relatively inexpensive.