

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.

III. DESCRIPTIONS OF REAL PROPERTY

A. LEGAL DESCRIPTION.

No two parcels of land are exactly alike. Each parcel occupies a unique location. A street address is not enough to legally describe a parcel because it only tells where to find it, not what it consists of. Over the years, street names and numbers change. A legal description is one that is precise and not ambiguous. This is what the courts require in contracts such as real estate sale contracts, mortgages, deeds and leases.

A legal description will identify the property in such a way that it cannot be mistaken for any other parcel and can be found at a later date in spite of changes that might occur. The street address is usually included in the legal description, if available, just to be sure both parties to a contract are thinking of the same property.

The more formal ways of describing property require the technical skills of a surveyor. Only licensed surveyors can officially prepare the survey, which is an authenticated map based on measurements and data assembled for that purpose. The survey a buyer receives at closing is called a **spot survey**. Real estate professionals are not expected to have this expertise, however, they should be able to read and understand information on a surveyor prepared **plat of survey** in order to advise clients. (See illustration on page 1-16.)

There are three different forms of legal description: metes and bounds, rectangular survey, and recorded plat.

1. METES AND BOUNDS.

The **metes and bounds** method of legal description identifies the parcel by describing its boundaries. It can be compared to a walk around the border of the property. It is the most authoritative method but also usually the longest and most difficult to prepare and to interpret. Metes are distances and directions. Bounds are landmarks or **monuments** that serve as markers each time the distance and direction must change. Objects like trees and rocks are **natural monuments** and man-made markers such as stakes, metal pins, concrete markers, roads, walls or fences are **artificial monuments**.

Before modern surveying technology was developed, monuments served as the primary method for describing the land. Even today, land of little value or in remote areas might be described solely by monuments. (See the FIGURE 1-2 and the legal description that follows.)

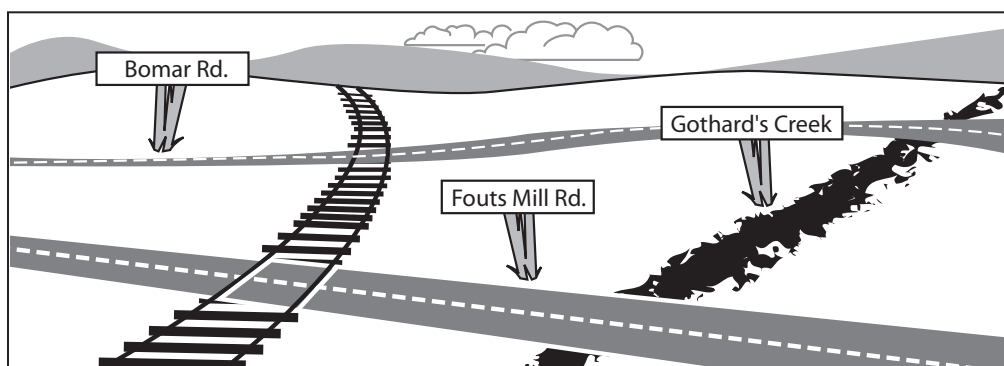


Figure 1-2 • Metes & Bounds

All that tract or parcel of land lying and being in Land Lot 217 of the First District, Second Section of Simple County, Georgia and being more particularly described as follows:

Beginning at the Gothard's Creek sign, follow along the creek toward the intersection of Gothard's Creek and Fouts' Mill Road; then proceed in a northwesterly direction along Fouts' Mill Road to the railroad tracks; next, follow the tracks to where they intersect with Bomar Road; then proceeding in a northeasterly direction

along Bomar Road to the intersection with Gothard's Creek; finally, following southwesterly along Gothard's Creek to the Gothard's Creek sign and the point of beginning.

More typical today are descriptions that use bearings. These are compass directions that take us from one monument to another. (See FIGURE 1-3.) The north-south line through the middle of the compass is a meridian.

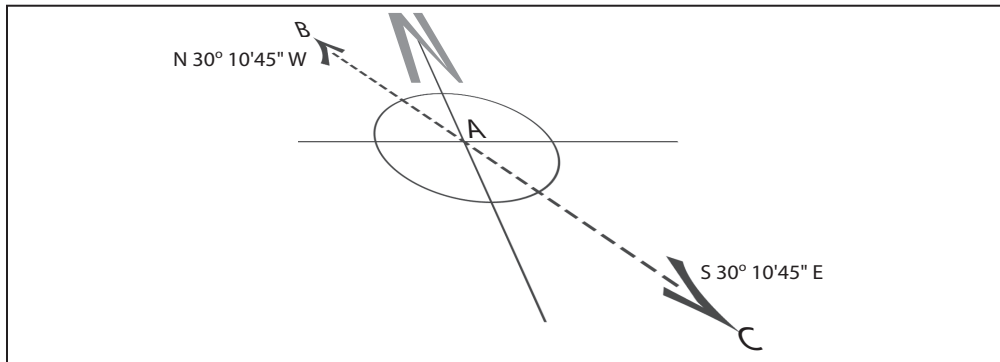


Figure 1-3 • Monument Bearings

Bearings are shown in degrees ($^{\circ}$), minutes ($'$) and seconds ($''$). There are 360 degrees in a circle; each degree is divided into 60 minutes; and each minute into 60 seconds. On the illustration, the line from A to B runs 30 degrees, 10 minutes and 45 seconds west of due north. The line from A to C runs 30 degrees, 10 minutes and 45 seconds east of due south.

A metes and bounds description must have a definite **point of beginning** (P.O.B.) that is the place in the property where the survey begins. Any uncertainty about this could make it vague and might void a contract or deed. Because this is so important, the point of beginning is identified in relation to some permanent point of reference, such as a standard **bench mark**, whenever possible. Bench marks are fixed points, set in place by the U.S. Geological Survey. They are referenced to each other by distance and direction and are considered to be the most reliable references because of their permanence and accuracy. If a monument is destroyed or removed, it can be reestablished by relying on the bench mark.

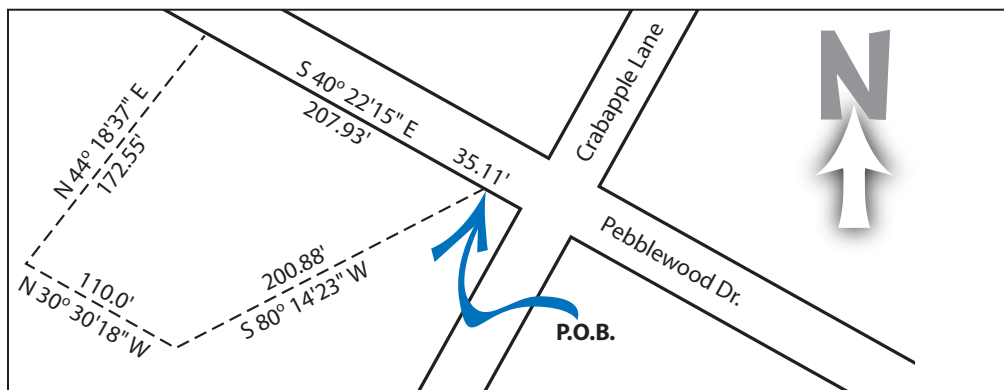


Figure 1-4 • POB - Point of Beginning

Once the point of beginning is established, the description continues with the compass direction and distance for each boundary line. This is known as a **call**. Finally it must return to the point of beginning for **closure**. If closure is not possible, the description is incomplete. (See FIGURE 1-4 and the legal description that follows.)

All that tract or parcel of land lying and being in Land Lot 44 of the 7th District, Second Section of Simple County, Georgia, and being more particularly described as follows:

BEGINNING at an iron pin on the southwesterly side of Pebblewood Drive, said iron pin being 35.11 feet northwesterly, as measured along the southwesterly side of Pebblewood Drive, from that point where the southwesterly side of Pebblewood Drive intersects the northwesterly side of Crabapple Lane; running thence south 80 degrees, 14 minutes, 23 seconds west a distance of 200.88 feet to an iron pin; running thence north 30 degrees, 30 minutes, 18 seconds west a distance of 110.0 feet to an iron pin; running thence north 44 degrees, 18 minutes, 37 seconds east a distance of 172.55 feet to an iron pin on the right-of-way of the southwesterly side of Pebblewood Drive; running thence south 40 degrees, 22 minutes, 15 seconds east along the right-of-way of the southwesterly side of Pebblewood Drive a distance of 207.93 feet to the iron pin at the point of beginning.

2. RECTANGULAR SURVEY (A.K.A. GOVERNMENT SURVEY).

The **rectangular survey system**, also called the **government survey**, was designed in 1785 to provide a method of land description that was faster and simpler than metes and bounds. More than 30 states, mainly in the west and mid-west, use this method. Instead of using physical objects as monuments, this system uses imaginary lines.

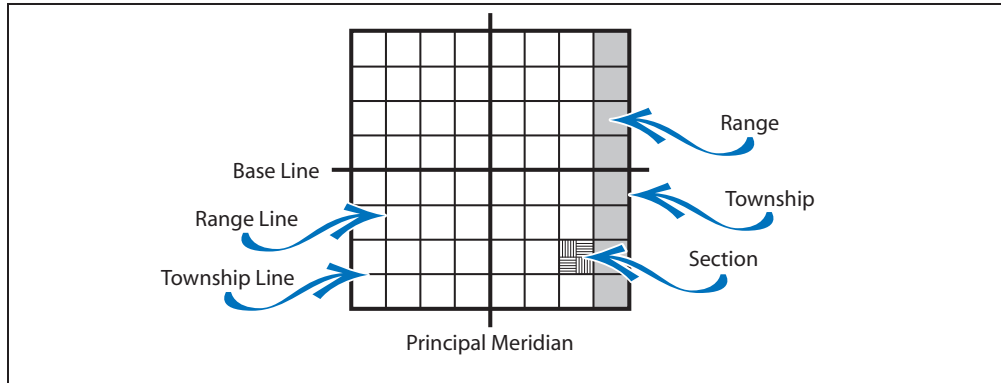


Figure 1-5 • Rectangular Survey

Certain north-south longitude lines were selected as **principal meridians**, 36 in all, that form the basis for east-west measurement. Certain east-west latitude lines were selected as **base lines**, 32 in all, that serve for north-south measurement. This “waffle iron” of squares is further divided into townships by **range** lines that run north-south and by **township** lines that run east-west. The township is 6 miles to a side or 36 square miles. (See FIGURE 1-5.)

Each township is divided into 36 sections that are 1 mile to a side.

A **section** contains 640 acres, 1 square mile. In FIGURE 1-5, the township that is cross-hatched is identified as being in the 2nd range west of the meridian and is the 3rd township north of the base line.

3. THE RECORDED PLAT (SHORT FORM) DESCRIPTION.

When a subdivision has been recorded, the **recorded plat** provides the most convenient legal description. When a tract of land is subdivided, most local governments would require that a licensed surveyor or engineer prepare a plat showing how the land would be divided into blocks and lots. Letters and numbers are assigned to each block and lot, with exact sizes and dimensions shown. Once the plan is finally approved, the plat is recorded at the county courthouse. Then all future legal descriptions of lots in that subdivision need only recite the name of the subdivision, the lot and block number, the plat book and page number, along with land lot, District, Section (if applicable), and name of the county and state. For example: “All that tract or parcel of land lying and being in Land Lot 22, of the 17th District of Simple

County, Georgia, being known as Lot 17, Block A of the Pineview Subdivision, according to a plat of survey recorded in Plat Book 15, page 42, Simple County, Georgia records.”

B. VERTICAL LAND DESCRIPTION.

The three methods of legal description we have discussed only describe the surface of the land. When air rights or subsurface rights need description, other methods must be used. Air lots, for example, such as condominium units, must be referenced in relation to, not only length and width, but also height. For this purpose we use an official **datum**.

A datum is a base point from which height or depth can be measured. The U.S. Geological Survey has established the mean sea level in New York Harbor as its official datum. Any vertical measurement in the United States can be related to this point. Many cities have established their own official datum. In most cities surveyors can also use bench marks that have official elevation markers, as secondary points of reference.

When describing subsurface rights, the datum most frequently used is simply the surface of the land. A gas lease, for example, might allow the lessee to drill only to 300 feet below the surface.

Another method of vertical land description, often used by builders and developers, is the **topographic** or **contour map**. Topographic maps are three-dimensional, showing the shape of the earth's surface.

The U.S. Coast and Geodetic Survey makes these maps for all parts of the country. They are available for a small charge, and can be enlarged to show specific parcels.

C. GUIDELINES FOR USE OF LEGAL DESCRIPTION IN GEORGIA

The rectangular survey is not used in Georgia. We use only the metes and bounds method or the recorded plat (short form).

A sales contract or lease without a sufficient legal description is not enforceable. The street address is not enough. You should obtain the legal description before writing the contract.

A salesperson should be able to compose a short form description from a recorded subdivision plat. Only surveyors, attorneys or qualified persons should attempt to compose a metes and bounds description.

A listing salesperson should get the legal description of the listed property as soon as possible. It can be found:

- a) in the seller's deed or in the security deed;
- b) on the seller's plat of survey if one is available;
- c) on the subdivision plat if it is in a recorded subdivision; or,
- d) as a last resort, in the public records of the county in which the property lies.

There are three circumstances where one cannot use an existing legal description:

- 1) When the seller is not selling the entire tract. A new survey is needed.
- 2) When the seller has previously sold part of the land. A new survey is needed.
- 3) When a recent survey is in conflict with the description on the deed.

This indicates a possible title problem. Consult your broker.

CHECKLIST FOR LEGAL DESCRIPTIONS USED IN GA

BASIC REQUIREMENTS - RECORDED PLAT (SHORT FORM):

1. Land Lot;
2. District;
3. Section or Militia District, where applicable;
4. County;
5. State;
6. Subdivision - lot, block, and unit;
7. Recorded reference - book and page number; and
8. Address of property, if available.

BASIC REQUIREMENTS - METES & BOUNDS (LONG FORM):

1. Land Lot;
2. District;
3. Section or Militia District, where applicable;
4. County;
5. State;
6. Definite point of beginning;
7. Compass direction and distance, from one point to the next, returning to the point of beginning (closure); and
8. Address of property, if available.

MATH PRINCIPLES: MEASUREMENT

1. Remember that there are 12 inches to a foot and 3 feet to a yard.
2. When calculating the area of a flat surface (a plane) you are looking for square footage. If the figure is a square or rectangle, use length x width.

EXAMPLE: *A lot that is 50 feet by 120 feet has 6,000 square feet.*

3. A lot that measures 100 feet along Main Street and is 80 feet deep is said to have 100 feet of frontage or 100 front feet. Frontage is the measurement along the road or street.
4. When calculating the area contained in a three-dimensional figure, you look for cubic footage that is calculated by multiplying Length x Width x Depth.

EXAMPLE: *A warehouse that is 100 feet by 120 feet and 12 feet high has 144,000 cubic feet of storage space.*

5. When calculating acreage, you need to know there are 43,560 square feet in an acre. The section of land we described in the rectangular survey method of land description has 640 acres.

EXAMPLE: *How many square feet would there be in a quarter section?*

640 divided by 4 = 160 acres to a quarter section

160 x 43,560 = 6,969,600 square feet.

EXAMPLE: *If a lot is 240 feet by 270 feet, how many acres does it contain?*

240 x 270 = 64,800 square feet.

64,800 divided by 43,560 = 1.49 acres

GET FAMILIAR WITH A CALCULATOR.
IT WILL DO ALL THE WORK!



