

## Financing with AgStar

Whether it's 5 acres or 5,000, AgStar is dedicated to helping you find and finance your North Woods property. We offer competitive and creative financing options – as well as industry resources and expertise – to help make your woodland dream a reality.

Talk to our AgStar Recreational Land Specialists about financing your North Woods property today. We would be glad to visit with you on the phone, in our offices, in the woods or at your kitchen table.

*At AgStar, we create solutions for our clients to succeed.*



# Buying Land in the North Woods 10 Steps & 10 Tips



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## Which side of the sign do you want to be on?

Imagine yourself surrounded by the natural beauty of the great outdoors. Perhaps you even see yourself building a cabin, planting a food plot or strategically placing a tree stand in the perfect spot. *Whatever your North Woods dream, AgStar Financial Services can help you finance your property and show you how to effectively manage your forestland.*

While owning your own land gives you newfound freedom to pursue your life's passion and allows you to connect with nature, family and friends, it also comes with its share of questions and challenges. This guidebook is a brief overview of some of the issues involved with finding and financing your special place in the North Woods of Minnesota and Wisconsin.

If you'd like more information, please visit us online at [www.agstarnorthwoods.com](http://www.agstarnorthwoods.com). You can explore links to valuable resources, such as tax initiatives, timber management planning, wildlife management programs and much more.



### Step 1: Evaluate Your Property's Revenue Potential

Timber is a valuable resource. The amount, variety, and maturity of the trees on any property impacts the price you should or could pay. Revenues produced from a partial or selective timber harvest may help you afford hunting land of your own (or more of it).

★ *Tip 1:* AgStar has extensive experience working with bare timbered parcels. We'd be happy to use our forestry connections to put you in touch with the right resources to evaluate the timber value on your land. Also, depending on your particular needs, we can finance the timber separately from the bareland.

### Step 2: Consider Legal Access

Legal access to any property can have a significant impact on the property's value and its usability. Further investigation into legal access is merited if the property you are considering for purchase

is not adjacent to a public road. If the parcel does not already have it, securing legal access is possible but can be costly and time consuming.

★ *Tip 2:* Always ask the seller about legal access or obtain a legal description of the access from your realtor. Seek legal advice if you are considering the purchase of a parcel that does not have legal access.

### Step 3: Study the Location

Area amenities and attractions affect the value of land. The closer you are to them, the more your parcel of land is likely to cost.

★ *Tip 3:* What's important to you? Make a list of amenities that will be essential to your life in the North Woods and note their distance from your property. How close is the nearest gas station, medical facility or grocery store? Where is the nearest public land? Decide what you can live with and, more importantly, what you can't live without.

### Step 4: Check the Utilities

The availability of utility services affects the value of your property. If power and telephone lines aren't nearby, it can be costly to bring them to your land. It would also be a good idea to perform a Percolation Test of the soil to determine the suitable septic site for your property.

★ *Tip 4:* Some landowners prefer a more remote experience, while others would like to have these utilities readily available. In any case, understand what you are getting into and take these items into account when considering how much you are willing to pay.

### Step 5: Know the Boundaries

Most remote recreational properties do not have marked or surveyed property boundaries. It is a good idea to have a qualified third-party surveyor determine the exact property boundaries.

★ *Tip 5:* There is no substitute for walking the land you're interested in purchasing. Have the seller take you on a guided tour of the property. Take along a GPS unit to mark the property boundaries. You can even request an aerial image of the property. This will not only show you the property as a whole, but what surrounds the property you are interested in.

### Step 6: Know the Wildlife

If you're buying property for hunting purposes, you'll want to know the density per square mile for the game of your choice. It is also a good idea to review the harvest trends in your area over the last few years.

★ *Tip 6:* Game counts and harvest data are compiled by your state's Department of Natural Resources. These numbers should give you good information about the quality of hunting in your area. AgStar is happy to provide hunting data on the area(s) you're thinking about purchasing.



## Step 7: Know Your Neighbors

Research the landowners that border your property. How long have they owned their land? What are their views on hunting? Do they have a forest management plan and, if they do, how does it impact your property? Answers to these and other questions will help avoid any potential problems in the future.

★ **Tip 7:** AgStar can help you obtain a contact list of adjoining property owners. Make a point to introduce yourself to each one of them. Ask for their advice or insights on the boundaries you'll be sharing. A good relationship with your neighbors will ensure that your "dream life" doesn't become a nightmare.

## Step 8: Identify Wetlands

Since there are many laws today protecting wetlands, it is important to identify wetlands and define their boundaries. This will have a significant impact of what you can build, where you can build it and the overall value of your property.

★ **Tip 8:** Not all wetlands are as obvious as you might think.

A wetland can range from a slight depression that holds water only after spring run-off to a forested swamp with saturated peat soils. Some plants, such as cotton-grass, black willow and cattail, are almost always found on wetlands. Other plants, including black spruce, larch (tamarack), speckled alder, northern white cedar and black ash, may indicate the presence of wetlands. For more information, contact your local or regional extension office.

## Step 9: Develop a Plan for Your Land

Maintaining a healthy forest ecosystem will preserve wildlife habitat and hunting opportunities, as well as the value of your land. With proper planning you will be able to utilize – and in some cases, even capitalize upon – your land's resources rather than let them go to waste.

★ **Tip 9:** AgStar can help you maximize your property's potential with a comprehensive recreational land management plan. We'll put you in touch with specialists who will guide you through your state's key land and wildlife initiatives, including the Sustainable Forest Incentive Act (SFIA), Wildlife Incentive Program (WIP), Wetlands Reserve Program (WRP) and the Conservation Reserve Program (CRP), just to name a few. We'll even walk you through Wisconsin's Managed Forest Crop Land Program – or Minnesota's Private Lands Program – where you can enroll to develop a personal timber plan for your property.

## Step 10: Understand Your Financing Options

No two properties are exactly the same – and neither are your financing options. Be sure to explore all the financial factors such as term length, payment schedule, interest rate, property valuation, loan amount and closing costs. This deal has to work for you before it will work for your lending partner.

★ **Tip 10:** AgStar offers an array of financing packages. From long-term fixed rates to flexible payment schedules (monthly, quarterly, semi-annually, annually), we can structure a loan to meet your needs. AgStar allows you to finance up to 75% of the value of the land and will finance parcels from 5 to 5000 acres in size with fixed rate terms from 5 to 30 years.\* All of our loans can be converted (for a minimal fee) from fixed to variable rates or vice versa if you so choose. We're confident that you'll find our rates to be very competitive.

\* Certain lending parameters may apply.

