

# Buying Rural Property



## Buying a Country or Rural Property

Owning a Country or Rural property is the dream of many families. Finding that right property and settling into country life with your family can be extremely rewarding.

Searching for and finding that right property requires the assistance of a knowledgeable Realtor along with a large amount of due diligence by both, on topics that may be completely foreign to you, but can make the difference between enjoying your property as you dreamed of, or a nightmare of complications and dissatisfaction.

Within rural areas, population densities and living conditions can vary greatly. Included in rural areas are:

- Small towns, villages and other populated places with less than 1,000 population according to the current census;
- Rural areas of census metropolitan areas and census agglomerations that may contain estate lots, as well as agricultural, undeveloped and non-developable lands;
- Agricultural lands;
- Forested lands;
- Remote and wilderness areas.

Life in the country involves a much closer relationship with the natural environment, which can include viewing wildlife and enjoying the peacefulness and tranquility of the countryside. However, it also means that the natural environment has a much more direct impact on you and your property. Life in a rural area brings many unique responsibilities. As a landowner, you may be responsible for securing safe drinking water, maintaining a septic system, maintaining private access roads, pest management, garbage disposal and certain aspects of flood and fire risk management.

The best approach to home buying is to be informed, know what you want, and set realistic expectations within your budget. Here are a few things to consider before buying a rural property:

### ***Types of Rural land***

**1. Developed** - Land located in a rural community that has a home and/or additional structures with a permit to occupy. It would have driveway access from a permanent road, with hydro, water and some form of heating source and sewage services. These services may be private on-site services, Municipal services and/or a combination of both.

**2. Vacant** - Vacant land is land that doesn't have any permanent structures or development. For example, an open field would be considered to be vacant land. There is usually road access available. It may or may not have services such as a culvert and driveway, hydro service &/or water source.

**3. Raw** - Raw land is land that has never been developed before. Raw land won't have any utilities and may not even have access to a permanent road, or may need private access over someone else's land.

Raw land is the cheapest to buy, but it also requires the most work. You will need to connect services and utilities, or develop them yourself if Municipal services are not available. This might include building a water supply well, a septic tank, and physical road access. Vacant land can be more expensive than raw land and slightly easier to get financing. Land loan lenders will require a down payment of between 30% to 50%, with higher down payments required for remote and inaccessible land.

## **What do I need to be aware of when purchasing Rural Property?**

### **1. Regulations**

Your ability to modify and manage your property is affected by Municipal regulations, zoning, easements, water rights and more. Provincial and Federal regulations, by-laws, policies and other laws may also affect your property. Other chapters in this workbook address specific regulations on water, weeds, wild-life and species habitat.

### **2. Zoning**

Zoning regulations control how the land can be used and what buildings can be constructed, where buildings and other structures can be located, parking requirements, building heights and setbacks, amongst other matters.

For example: land that is zoned for agricultural purposes needs to be primarily dedicated towards agriculture. A zoning by-law amendment can be requested, but it is a lengthy process with no guarantee of success.

#### **a) What is Zoning?**

Zoning by-laws are Municipal designations for each and every parcel within the Municipality and they control the use of land in the community.

*Common zoning designations are:*

Residential (within which may be high density, medium density, low density)

Estate Residential

Hamlet Residential

Residential Private Service

Rural Residential

Rural

Environmental Protection

Aggregate Extraction

Open Space

Transitional

Mixed Use

Commercial

Institutional

Various Oak Ridges Moraine Designations

## **2. Usage and Restrictions**

What are all the current allowable uses of the property, and do they meet your needs?

Are there any conditions and restrictions on the land title which may prevent the construction of any buildings or prohibit certain uses of the land? This is called restrictive covenants. Restrictive covenants are attached to the title, which means that it will be passed along to you during the sale of the land. Most restrictive covenants expire after 40 years.

Are there any building restrictions on designated parts of the property? ie: conservation. Are there any protected portions of the property that would prevent your plans from going forward? ie; protected forest, streams, ponds or wetlands.

## **3. Access**

Access to rural properties can be via permanent Municipal road, Seasonal road and Private road. A permanent Municipal road is accessible year round and maintained by the Municipality. A Seasonal road is also Municipal but is only accessible and maintained Spring, Fall and Summer, with no Winter access.

A private road is not owned by the Municipality and is not maintained or made accessible. It is up to the property owner or group of property owners to decide and agree on when the road will be accessible, how it will be maintained, and who will pay for that service.

## **4. Prior use of the Property**

It is important to understand what the property has been used for, as residual effects from that use may impact future usage. In Ontario, land that has been contaminated is designated a Brownfield and must undergo remediation before it can be renovated, built on, or sometimes even occupied.

What has the property been used for in the past? Was it a residential home? Was it a business property? Are there any environmental issues such as buried tanks, soil contamination or illegal structures? Usually this is not applicable to rural residential, but mostly to properties that are business related or had a significant home business use.

However, If the property was used for significant agricultural purposes what kinds and quantities of pesticides may have been sprayed, what kinds of animals were housed and how might the residual from those activities impact your intended use of the property?

## **5. Surrounding Property**

While you have no control over the use or ownership of properties that surrounds your potential rural paradise, it is always helpful to know what the zoning allows, who owns it, are there any pending or recently approved applications for zoning, usage or density changes? Is there an agricultural or business usage already established that would cause disturbing noise or noxious fumes or smells to impact your enjoyment?

## **6. Survey**

Is there a land survey available? You need to know where and what the boundaries of your property encompass along with any easements that may have a right-of-way over your property and could impact future expansion or use.

## **7. Well or Water Source**

Most rural properties do not have the capacity to be hooked into a public water source and well systems are installed.

Occupied residential properties would likely have such a system already in place.

Is there a well on the property? If so, is there a well certificate that details the age, depth and type of well? An existing well would need to be tested for potability (safety to drink) and flow rate to ensure an adequate supply of water.

If there is no well, then the homeowner must install their own. Most properties can find a source of water, but there is no guarantee as to cost or location. Wells are drilled at a cost-per-foot. It is very important that your drilling contractor be currently licensed.

## **8. Septic/Sewage Systems**

Some smaller rural properties in developing areas may have Municipal sewer hook up. As Municipalities bring this service to outlying areas, there is usually a cost assessed on each property owner which is amortized over a number of years and added to their taxes as a special assessment. It's important to know if this is already in place or if it is something in the near future.

Most rural properties rely on a septic system. A septic system is used on rural properties to remove sewage into a holding tank where it then breaks down the solid waste and releases any remaining liquid into a drain field.

If you purchase a property with a septic system, be aware that septic systems are sized for the current requirements. If your intention is to renovate, add on or expand, that may require a septic capacity review. It is beneficial to do any regular or recommended maintenance on it to keep the system in good shape, as having to replace it entirely can be a large cost. If there is no septic, then a permit to install on cleared land must be obtained, approved and constructed in conjunction with any building taking place.

## **9. Power Supply**

Hydro to rural properties is brought in from the nearest Municipal road and is at a cost-per-foot, with the property owner paying for permits, poles and hook ups. Existing hydro to rural properties is a huge boost, saving the owner high costs and allowing for greater ease of construction.

## **10. Heating Systems**

Heating a home in a rural setting may be different from a city setting.

Natural gas lines are not always available. Popular alternatives are oil heating systems, propane tanks on property, electric heat and or wood burning systems.

## **11. Garbage Services**

Established rural areas may have Municipal roadside pick up. More remote areas or smaller Municipalities give property owners access cards to drop off their waste at Municipal land fill sites during designated hours. Extra charges may apply for dumping furniture, tires, appliances and construction materials.

## **12. Telecom services**

A land-line may be required to ensure reliable phone communication at all times and may be the source of internet service, if the signal is sufficient.

Cable internet or TV is rarely available in rural areas due to the costs of installing cable. Rural areas are now being introduced to the high-speed internet, mostly via satellite. TV service is usually Satellite.

If communication is an important component of your purchase, find out what's available and how reliable and expensive it is.

## **13. Additional Costs**

Country life has its benefits, but also has additional costs. Snow removal and lawn maintenance are usually a larger task, requiring expensive equipment or ongoing 3<sup>rd</sup> party service fees, to maintain your access and that

of emergency vehicles.

Utilities and infra-structure may need to be installed (hydro, well, septic, driveway etc.). All of these require permits, applications and fees, approvals and specialized installation companies at large expense which escalates the farther you are away from main roads.

If these services are already in place there is huge savings, but whether the system is new or existing, there is regular maintenance that is the responsibility of the property owner, not the Municipality if you want your services to work when needed.

Some permits for services and building may require soil tests to determine where buildings and or septic systems can be placed, and if there is to be any specialized usage of the property, is there any contamination that would affect that usage?

Keep in mind that during the purchasing stage, many questions can be answered and some due diligence as to possibilities may be agreed to as conditions, between Buyer and Seller, however, permits and approvals are only granted to property owners, so you will never get a definitive answer.

## 14. What about Building Permits?

### A Permit is Required for:

Any new building greater than 10m<sup>2</sup> (108 ft<sup>2</sup>) in building area.

- Any new building that contains plumbing, irrespective of size.
- Any addition to an existing building, irrespective of size.
- Detached or attached garages and carports.
- Any deck not exempt in the list below.
- Any solarium or sunroom.
- Addition of a dormer.
- Tents greater than 60 m<sup>2</sup> (645 ft<sup>2</sup>) in building area.
- Changing the use of a building.
- Construction of a new, or repair of any part of a septic system.
- Full or partial demolition.
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### A Permit is NOT Required for:

- Detached building (structurally independent), 10 m<sup>2</sup> (108 ft<sup>2</sup>) or less in aggregate area, and does not include any plumbing.
- Wooden Deck that meets all these conditions:
  1. Completely uncovered (no roof).
  2. Less than 600 mm (24") above adjacent ground level around the entire perimeter of the deck, without *artificial grade alteration* within 1.2 m (4 ft) of any portion of the deck.
  3. Not adjacent to a required exit or emergency access.
  4. Does not serve a required ramp.
- Garden pergolas and gazebos without a solid roof.
- Fabric covered building(s) under 60 m<sup>2</sup> (648 ft<sup>2</sup>) in aggregate area that are situated at least 3.0 m (9 ft) from another building.
- Repair or replacement of finishes applied to a non-load-bearing interior wall, and floor or ceiling finishes, that do not form part of a required fire separation.
- Repairs to chimneys and porches.

- Repairs or replacement of deck boards, asphalt roof shingles.
- Repairs or replacement of windows and doors provided the size of the openings remain the same.
- Damp-proofing repairs to foundation walls where plumbing, shoring, and underpinning are not required to complete the work.
- Repair or replacement of a furnace or hot water tank provided the fuel source and heat output remain the same.
- Installation, repair, or replacement of an air conditioning unit or air-to-air heat pump.
- Repair or replacement of a plumbing fixture.
- Painting or decorating.
- Installing kitchen and bathroom cupboards, where no plumbing alterations are proposed.
- Planters, landscaping, and patio stone or concrete walkways not in the vicinity of a septic system.
- Playgrounds and playground structures, including treehouses, 10 m<sup>2</sup> (108 ft<sup>2</sup>) or less in aggregate area that do not contain plumbing.
- Dish antenna or solar array less than 5 m<sup>2</sup> (54 ft<sup>2</sup>) in aggregate area.
- Retaining walls not exceeding 1 m (39") in exposed height throughout.
- Free standing wind turbines with a rated output not exceeding 3kW.

Building permit forms are available online from each Municipality, the completed form along with the applicable fee is reviewed by staff who conduct a pre-screening review to confirm the project complies with *our submission standards*, then becomes an application.

Applicants must then print the permit card, permit placard and one set of approved plans for use on site by the Building Inspector. Construction can then begin!

You are required to schedule inspections at various stages of construction. These are detailed in the electronic documents forming part of your Building Permit. The timelines for inspections will be included in your documentation.

## 15. Get to know the Neighbourhood

When you live rural, services are usually farther away. So make sure your proposed Neighbourhood, ie: The nearest hospital, clinic, drug store, grocery store, gas station, car repair, school, library, etc.

Due Diligence when buying property is worth the Time & Effort



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