

EXPERT ADVICE

Buying vacant lots in LA: 6 things to know

12

It might not be as affordable as it seems

BY SARA FAY | MAY 16, 2017, 10:00AM PDT

TWEET SHARE PIN



Aspiring homeowners are familiar with this sequence: Click to [Zillow](#) or [Redfin](#), scan the prices of a desirable zip code, sob into your keyboard. You might wipe away those tears upon discovering a listing for \$99,000—not for a home, but for an empty plot of land. Maybe, you think to yourself, owning a home on a budget in Los Angeles is within reach after all.

“There’s this little slice of the American dream that involves building your home from the ground up,” says [Mark Mullin](#), an agent with [Tracy Do Real Estate](#) at [Compass](#).

There’s more empty land for sale right now citywide than this time last year (about 110 right now, according to [Estatelly](#)). What is scarce, however, after a century of home building

in Los Angeles, is flat land. Most of the properties are sloped, at best. Some are steep hillsides, and that type of grading can pose major hurdles.

Buying undeveloped land can quickly turn into a cautionary tale.

But, **Mullin** says, “for those who are willing to take it on, you’re going to end up with something special.”

After interviewing the experts, we’ve pinpointed six things to know before scooping up a vacant hillside lot. If you’ve been through the process, post your advice in the comments.

1. Building a home can get really expensive *really* quickly. For starters, building a foundation on a sloped piece of land is a very expensive project. Caissons (concrete pillars that supports the foundation of a hillside home all the way down to the bedrock) and retaining walls (which hold back the soil and prevent homes from sliding down a hillside) can be budget busters, **Mullin** says. And, if it doesn’t pass inspection, repairing a retaining wall can really break the bank.

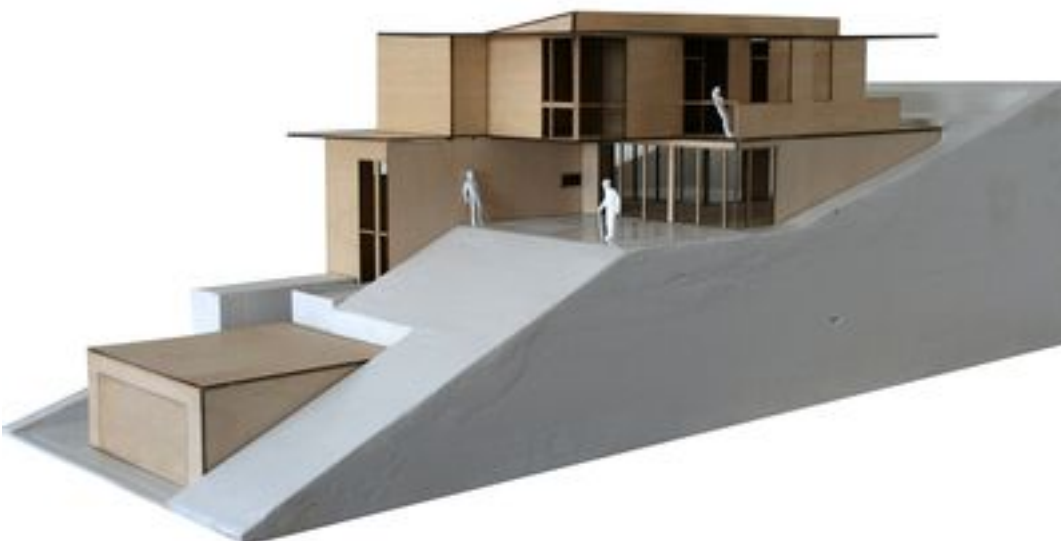
The experts we spoke with were hesitant to put a number on how much it costs to build this type of infrastructure, because it varies widely depending on the lot. The takeaway is that it’s important to consider that you will likely spend a lot of money before construction on the house itself actually begins.

2. A lot of research is required. You’ll first need to find out whether a piece of land can be built on at all. Finding that answer often means a detailed analysis of the land and its geology and multiple meetings and queries to city agencies and departments, architects, general contractors, utility companies, and neighborhood councils.

Note that it’s unlikely you’ll be the first person to ask questions about a particular piece of land in Los Angeles, says Apurva Pande, principal of the architecture firm **CHA:COL**. In other words, there’s probably a reason why someone hasn’t already built a home there.

“If you’re seeing it listed on a website, you dig deeper, you’ll start to find a utility line, or an easement, or a wildfire hazard or a landslide zone ... Those are all invisible on the websites,” Pande says.

3. Don't expect to break ground right away. The city's design review and permitting process can take a long time—as much as year or two—and that's before construction begins. The process can be so daunting, experts have built businesses around guiding people through it: they're called expeditors. You might consider hiring an expeditor along with contractor or architect.



Model images of a home built on a hillside. Courtesy of CHA:COL, Inc.

4. Look for the words “shovel-ready.” One way to bypass most of the pre-construction hassles is to look for a lot that’s for sale with plans for the home included. If a lot is advertised as “shovel ready” or “permit-ready,” it means the legwork described above has already been done and plans for a home are ready to go. But, they come with a premium. Real estate agent **Tracy Do** estimates that premium could cost about \$100,000, on top of the cost of that land.

5. You might have to compete with developers. If researching property sounds like a complicated, lengthy and possibly devastating process, it’s because it is. That’s why most buyers these days are developers with relationships, deep pockets, and experience. Developers approach Pande more frequently than dream-home seekers.

“We used to be approached by fairly savvy property owners, but that’s been dwindling over the last three or four years,” Pande said. “We’ve been growing as a firm because of developers, because they are the ones buying the land.”

Whether a developer’s bid is more attractive can depend on the experience level and the team (architects, contractors) assembled for the project, Do says. “It’s doable,” she says. “Just get in business with someone who really knows what they’re doing and let them take you there. And it’s going to cost a lot.”

6. Your patience and investment might be rewarded with a home that’s totally unique. Pande says LA is an inspiring place for architects for the same reasons that make homes on hillsides or other tricky settings daunting for developers and dream-home seekers. Designing and building a home against the odds of the landscape goes to the heart of architecture.

“From a philosophical standpoint, it’s what a designer is trained to do,” he says. “Design is about addressing complex situations with creative ideas and proposing inventive ideas. It’s about figuring out something new, and propose something that didn’t exist before, and add something beneficial to the space.”