

6 Types of Land Use To Understand When Developing Raw Land

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As a land acquisition specialist selling raw land to private developers, you add value to the deal. One way you add value is by having a deep understanding of what the land can be used for, and what it can't.

So you'll need to know the different **types of land use** – which significantly affect a property's development potential.



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What Is Land Use?

When we say “land use,” we’re talking about what people use an area of land for. In other words, the purpose an area serves. Land use planning can fall under categories like residential and commercial, in addition to transportation, industrial, and more.

Sometimes zoning allows for multiple land uses at the same time (think: mixed-use communities with retail and residential in very close proximity).

Land gets these designations and protections through zoning laws created by cities, towns, and counties across the country (with the [notable exception of Houston](https://kinder.rice.edu/urbanedge/houston-doesnt-have-zoning-there-are-workarounds) (<https://kinder.rice.edu/urbanedge/houston-doesnt-have-zoning-there-are-workarounds>)).

A zoning ordinance helps manage traffic and pollution, prevents parks from turning into parking lots, and prevents a factory from being built across the street from your house.

It's important for you to understand land use data when you're teeing up a raw land deal for a developer. For example, if the developer is interested in residential land use and the raw land you found is zoned for agricultural use, the deal becomes much more difficult and time-consuming, with a higher likelihood of falling apart.

While it is possible to go through an annexation process and get a property rezoned, the land would need to be touching city limits in order to get annexed (this is the case 99% of the time). Then you can go through the rezoning process.

In any case, builders will need to get approval for the kind of development they have planned, which can take anywhere between 3-6 months, or longer depending on the jurisdiction.

So make sure you understand the area's zoning ordinance norms and land use regulations. If you can match the land use of a particular parcel to the developer's goal off the bat, the road to getting your commission will be smoother and faster.

The 6 Types of Land Use

Residential Land Use

Residential land use is our sole focus here at VestRight. As you probably already know, residential land use refers to land used for housing. That includes single-family homes, duplexes, triplexes, apartment complexes, townhouses, and condos. Plus the yards attached to them.

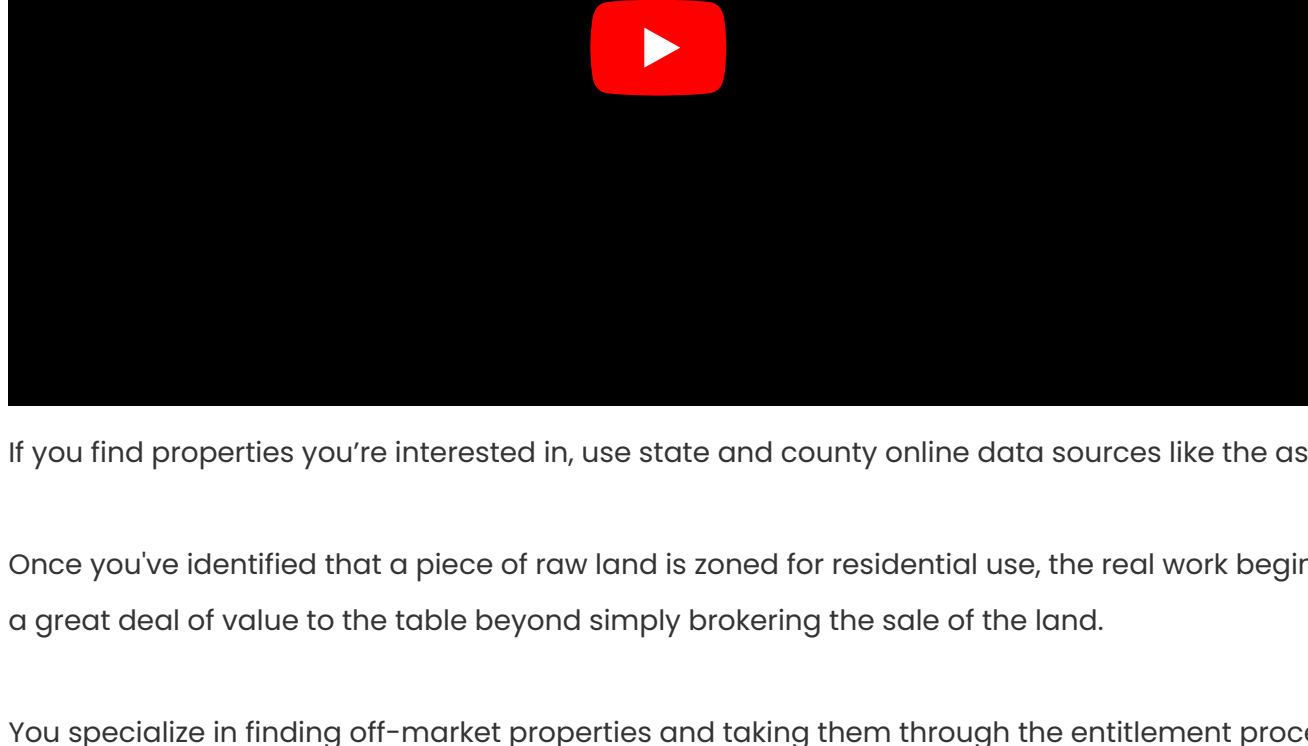
If you're partnering with VestRight, your raw land deals will need to be zoned for residential use – so the developer's plans must reflect this. When you're [looking for raw land](https://vestright.com/land-acquisition/) (<https://vestright.com/land-acquisition/>) and building relationships with private developers, make sure they're aware of the land use you specialize in.

Also, talk to developers about what part of town they want to build in, the size of property they're looking for, and what kind of development they have in mind: for example, multi-family versus single-family.

This kind of research is key to maximizing your time, effort, and profit.

If you've noticed an increase in buildings in a certain area zoned for residential land use, chances are more developers will be eyeing this area – making it a good place for you to search for raw land.

(By the way, raw land means undeveloped land without any structures or public utilities.)



If you find properties you're interested in, use state and county online data sources like the assessor's office to learn what individuals or private entities own it.

Once you've identified that a piece of raw land is zoned for residential use, the real work begins. As a land acquisition specialist working with VestRight, you bring a great deal of value to the table beyond simply brokering the sale of the land.

You specialize in finding off-market properties and taking them through the entitlement process, which involves navigating complex government regulations to obtain the necessary permits and approvals to develop the land.

In addition to your expertise in entitlements, you also have a keen understanding of the costs associated with developing the land, as well as the timeline required to complete the project. Using this knowledge, you calculate the appraised fair market value of the land and negotiate the terms and conditions that developers require to close the deal.

Your goal is to create a perfectly packaged deal that meets the developer's exact needs, including the potential for substantial profits. While the developer takes on most of the costs and risks associated with the project, you walk away earning a profit for your deal.

Commercial Land Use

When you encounter a property zoned for “commercial land use,” that means the buildings on this land must be used for selling goods and services for a profit.

Shopping centers, malls, office buildings, theaters, and main streets with restaurants, bars, and boutiques were built on land with commercial land use planning. Visitor-serving businesses, like hotels, are also included in this commercial land use category. Medical centers might also be found on commercial land.

Getting non-commercial land rezoned as commercial can be difficult. That's due to land use regulations and what commercial land use usually entails, like more street lights, increased traffic, and parking lots that can negatively affect the valuation of adjacent residential land.

Agricultural Land Use

Another land use type with a self-explanatory name? Agricultural land use – when the property is used for farmland, ranching, growing crops for food production, and raising livestock for animal products.

For example, arable land zoned for agricultural use might have fruit orchards or grapevines or crops like soybeans, corn, wheat, and beyond. This land significantly can also be used for raising chickens, cattle, sheep, pigs, and other farm animals.

Just like with residential and commercial development, developing agricultural land projects will have effects on the larger environment. The choice of crops can burden local water availability and the runoff from fertilizer and pesticides can taint that water.

Meanwhile, livestock grazing reduces vegetation and depletes biodiversity and terrestrial ecosystems. And, depending on how much arable land is used, the project can have a large environmental impact.

Industrial Land Use

Factories, sawmills, chemical plants, storage facilities, and oil refineries are all examples of industrial land use. More broadly, this kind of land must be used for manufacturing, packaging, and storing products and materials.

Industrial land use is linked to negative environmental impacts, including soil and groundwater pollution, and chronic exposure to toxins. So it's not surprising that residential land use properties are zoned far away from industrial land use properties.

Recreational Land Use

When a property is zoned for recreational land use, that means it's reserved for relaxation, adventure, and reconnecting with nature. If you're in a rural area, that might mean hiking, camping, hunting, or fishing. If you're in a town, that could mean public parks, soccer and baseball fields, tennis courts, biking, and hiking trails planned by city governments.

Whereas raw land zoned for residential and commercial use tend to be privately owned, raw land zoned for recreational use is often publicly owned. Public land regulation protects these properties from misuse and can lead to historic preservation.

Your neighborhood pocket park all the way up to the Grand Canyon are examples of publicly owned recreational properties, paid for with taxpayer dollars. They're managed by government agencies at the local, state, or federal level.

Transportation Land Use

“Planes, trains, and automobiles” – that's how you'd sum up transportation land use in a nutshell. A more formal definition would be land developed to move goods or people from Point A to Point B. Highways, freeways, roads, railroads, and airports are all developed on land zoned for transportation.

Urban development and more people moving from rural areas to cities and suburbs can trigger land use changes. Land gets rezoned for transportation (for example, from agricultural land use) by county or city governments, to help people commute to and from work – whether by car or public transportation.

How Different Types of Land Use Affect Our Model

With the VestRight model, we focus on finding raw land for residential land use. Land is significantly hard to find, these raw parcels can be extremely valuable and an untapped market.

As a land acquisition specialist, your expertise lies in finding the off-market land, navigating the entitlement process, and negotiating terms that meet developer needs.

By creating a perfectly packaged deal that adds value to new residential developments, you earn a substantial profit while developers assume most costs and risks.

Thanks to our hyper-focused specialty and the lack of competition, entrepreneurs like you have found a huge opportunity to profit within an under-the-radar market.

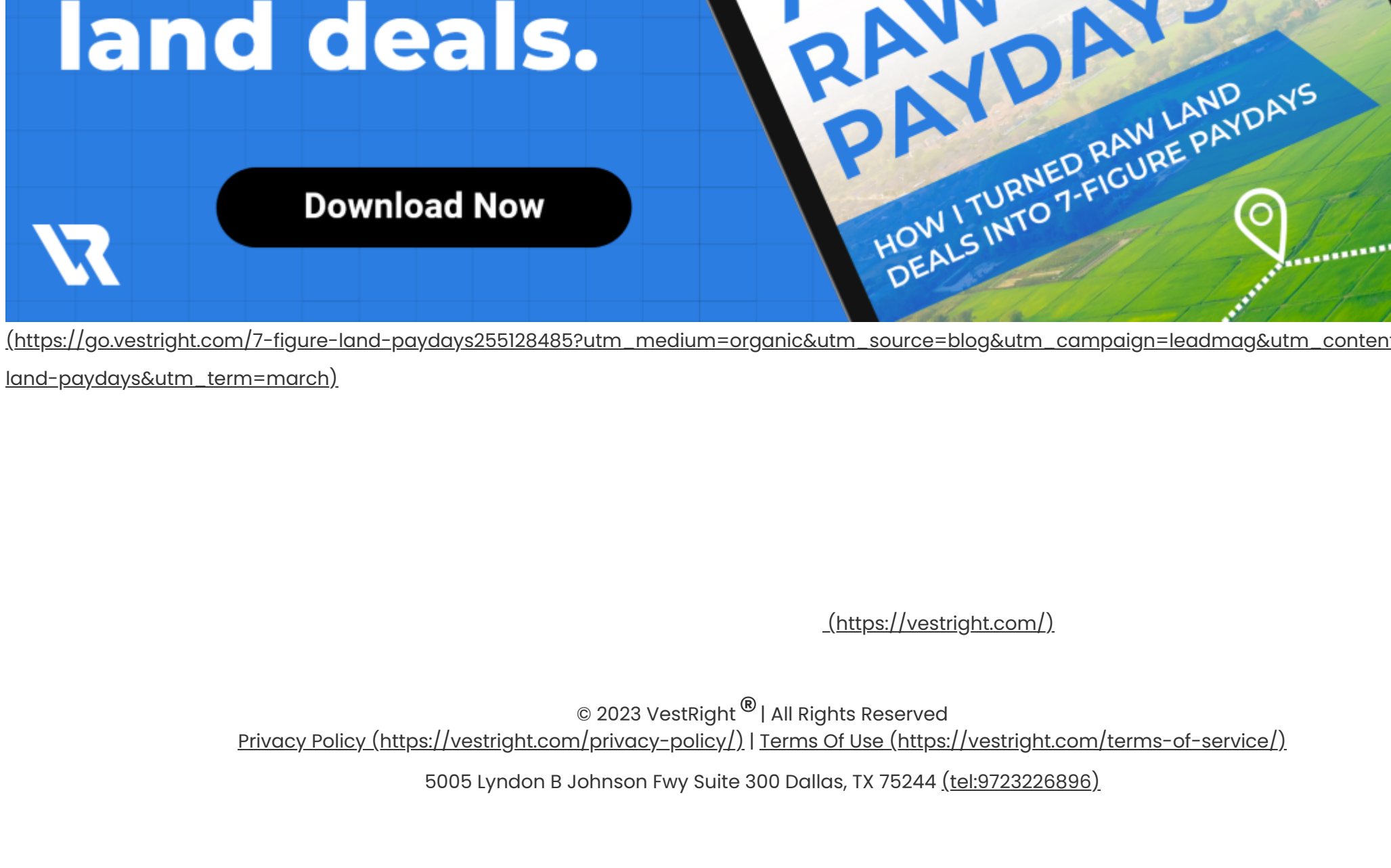
Land Use Recap

As a land acquisition specialist, you have to know the types of use that raw land can be zoned for. In fact, zoning can make or break a deal.

There are six primary types of land uses: residential (the singular focus of VestRight, this includes housing of all sizes), commercial (shops, restaurants, offices, and more), agricultural (farmland for crops and livestock), industrial (factories, packaging, storage), recreational (parks, fishing, hiking, and biking, often attached to public land regulation), and transportation (driving, flying, taking the train).

Speaking of roads – our students have opened huge avenues for themselves and their futures through land deals.

To explore the opportunities that await a land acquisition specialist, download our ultimate guide, the [Raw Land E-Book](https://go.vestright.com/7-figure-land-paydays255128485?utm_medium=organic&utm_source=blog&utm_campaign=leadmag&utm_content=7-figure-land-paydays&utm_term=march) (https://go.vestright.com/7-figure-land-paydays255128485?utm_medium=organic&utm_source=blog&utm_campaign=leadmag&utm_content=7-figure-land-paydays&utm_term=march).



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