

## CRE Terms: Let's Talk Land



Like all the other commercial real estate (CRE) sectors, there's a lot of jargon surrounding commercial land. Here's a refresher on some common terms.

### Back to Basics

A completely undeveloped piece of land, without any improvements, utilities or structures is often referred to as Raw or Unimproved Land. You may also hear this called undeveloped or open land, and a single piece is generally referred to as a parcel.

A parcel of land can be split or subdivided into multiple smaller parcels, but this is subject to the laws and regulations in the area where that piece of land is located.

Multiple small parcels can also be grouped into a larger one through Land Assemblage, which Adventures in CRE defines as: "A tactic employed in land acquisition, where a real estate professional acquires two or more adjacent parcels, combining them into one."

Like parcel splitting, the goal of assemblage is to raise the value of the new piece of land, though in this case by joining parcels rather than dividing them.

### Brown, Green, Pristine

Another important factor when it comes to assessing, or marketing, any piece of land is its condition. We already covered raw or unimproved land above, but what about land that's been previously used in a different capacity?

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So-called Brownfield land is defined by NAIOP as: "Abandoned, idled, or underused land or facilities where expansion or redevelopment is complicated by real or perceived environmental contamination."

Potential contaminants found in these sites include petroleum products, asbestos, metals like mercury or lead, and various other chemicals.

There are Environmental Protection Agency (EPA) guidelines in place for how a brownfield site should be assessed prior to (re)development, and Phase I and II Environmental Site Assessments may be required.

And while it may seem risky to work with these types of sites, there are clear benefits associated with the process of rehabilitating brownfields. EPA notes: "Cleaning up and reinvesting in these properties increases local tax bases, facilitates job growth, utilizes existing infrastructure, takes development pressures off of undeveloped, open land, and both improves and protects the environment."

All of which adds up to some additional ESG (Environmental, Social, and Governance) credibility for developers willing to take on the task.

Depending on where in the world you're working, you may also hear the term Greenfield or Pristine used to describe undeveloped or raw land, with pristine in some cases meaning entirely untouched by human activity.

### Lay of the Land

When working with land, it's important to keep in mind that some terms may differ in their usage and implied meaning, especially when working with colleagues from around the globe. As with other aspects of CRE terminology, staying on top of these multiple meanings can help ensure you're "on the same page" with others when discussing the specifics of a piece of land.

