

ACREAGE & RURAL PROPERTY

Buying in the Foothills, Diamond Valley, or anywhere outside town limits? Here's what you need to know.

PREPARED
BY

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1. Acreage & Rural Mortgages — Different Rules

Buying an acreage or rural property in Southern Alberta is a dream for many families. But the mortgage rules are different from buying a home in town. Not harder — just different.

Key differences from residential mortgages:

- **Property size matters** — Most A-lenders finance up to 10–40 acres. Larger parcels need specialty lenders.
- **Well and septic** — Properties on well water and septic systems require additional inspections
- **Access roads** — Lender needs to confirm year-round road access
- **Appraisals cost more** — Rural appraisals are \$400–\$800+ and harder to find comparable sales
- **Insurance can be tricky** — Distance from fire services affects premiums
- **Zoning** — Agricultural, rural residential, and country residential all qualify differently

Shawn's Tip: I've financed hundreds of acreages across the Foothills, from Diamond Valley to Nanton and everywhere in between. The trick is knowing which lenders are comfortable with rural properties and which will reject them outright. That's where 25 years of experience matters.

2. Down Payment Requirements

Down payment rules for acreages depend on the property classification:

- **Rural residential (zoned residential)** — 5% down, same as in town
- **Country residential (hobby farm)** — Often 10–20% down depending on acreage size
- **Agricultural land with a home** — Typically 20–25% down, limited lender options

- **Bare land** — Usually 20–50% down, very limited lender options

CMHC insurance is available for some rural properties under 40 acres with a residential home, but restrictions apply. I know which lenders and insurers work with which property types.

3. What Lenders Look At

Beyond the standard income and credit checks, rural lenders want to know:

- **Water source** — Well test results (flow rate and potability). If the well is inadequate, the deal can die.
- **Septic system** — Age, condition, compliance with current regulations. A failing septic is a deal-killer.
- **Road access** — Is the access road maintained year-round? Private vs. municipal road matters.
- **Flood risk** — Properties near rivers or in low-lying areas may need flood mitigation documentation.
- **Outbuildings** — Barns, shops, and garages on the property may or may not be included in the appraisal.
- **Environmental concerns** — Oil wells, gas lines, or contamination history can affect financing.

4. Southern Alberta Acreage Areas

- **Foothills County** — Between Calgary, Okotoks, and High River. Rolling hills, mountain views. Popular for families wanting space near amenities.
- **MD of Bighorn** — West of Calgary toward the mountains. More remote, stunning scenery, higher price points.
- **Wheatland County** — East of Calgary. Flatter terrain, agricultural land, more affordable entry points.
- **Vulcan County** — South of Calgary. Wide-open farmland, most affordable acreages in the region.
- **Diamond Valley** — Turner Valley, Black Diamond area. Artistic community, mountain proximity, growing interest.

Shawn's Tip: The Foothills between Okotoks and High River are some of the most sought-after acreage properties in Alberta. I've lived in this corridor for 20+ years and know the area, the builders, and the unique financing requirements.

5. Your Acreage Buying Checklist

- Get **pre-approved** specifically for a rural property (tell me the acreage size and zoning)
- Budget for a **higher down payment** than in town (10–20% depending on property)
- Arrange a **well water test** (flow rate + potability)
- Get a **septic inspection** by a certified professional
- Confirm **year-round road access** and maintenance responsibility
- Check **distance to fire services** (affects insurance premiums)
- Verify **internet/cell service** availability (can be limited in rural areas)

- Confirm **zoning and land-use restrictions** with the municipality
- Get a **rural property appraisal** (budget \$500–\$800)
- Ask about **oil and gas activity** on or near the property

Buying an Acreage?

Rural properties need the right lender. I've financed hundreds of acreages across Southern Alberta. Let's talk about yours.

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