

WHERE HAVE ALL THE LANDMEN GONE?

An observational theory on the shortage of the labor force for landmen

BY AARON ESTES, SR/WA, MBA

Recently, I have been reflecting on the history of my career as a landman and on the struggles and unpredictability of the industry over time.

Now some of you might not be aware of what a landman is — I for sure didn't know when I started back in 1996. We go by different titles, such as site acquisition specialists, right of way agents, land representatives and so on. But whatever you call us, we are an integral part of developing, building and maintaining infrastructure projects throughout the U.S. and other parts of the world.



According to IRWA's website, "Right of way is the legal right to travel over land owned by another, subject to any restrictions or conditions that may be specified by grant or sanctioned by custom. This grant may specifically be used as either a public road, thoroughfare, footpath or in the form of an easement granted or reserved over the land for access. Rights of way are necessary to build and maintain public and private infrastructure systems which allow societies to operate. Examples include road and railway systems, tunnels, bridges, mass-transit systems, power stations, wind farms, hydro-electric dams, electric transmission lines and distribution, telephone and fiber optic cabling, cell phone towers, airports and much more."

We are always at the forefront of the beginning of a project and the last boots on the ground at the end the project. We help maintain these assets throughout their life cycle and at the dismantle or abandon them when they are no longer needed.

The reasoning behind my recent reflection is mainly because there has been a shortage of good land agents in the market nowadays. Lately, I have been trying to find good agents to work on projects from Oregon to Florida and everywhere



in between. When I reach out to others in the field, they all say the same thing: they cannot help me because they are looking for agents, too. They know there is a problem. While discussing an upcoming project with my colleague, Aaron Welles, project manager of right of way, he remarked, “*Where have all the landmen gone?*”

So how did we get here? According to the Bureau of Labor Statistics, there has been a labor shortage, referred to as the Great Resignation, across all industries. But the right of way industry has its own unique struggles on top of this phenomenon.

I’ve seen dips before in the industry where there were declines in work — for instance, after the crash of 9/11 or the recession after the housing market bubble in 2008. However, from personal experience, I had begun anticipating this unique, trying time on the horizon when I was working on the Atlantic Coast Pipeline out in Virginia about seven or eight years ago. Since then, there have been great upheavals in politics, economics and technology for our industry.

There can be several catalysts or reasons that might have caused a decline in the availability of skilled and seasoned talent. This ranges from lack of necessity to rapid growth of a market and everything in between. I believe all industries and careers must evolve and go through growing pains to remain relevant and profitable or they will disappear. With that in mind, from what I’ve observed, there are four main reasons there is a shortage of good land agents:

1. FLOOD OF UNQUALIFIED WORK FORCE

Historically, the prerequisite to work in land acquisition was that you needed to know someone that could get you in the business; in addition, you needed a high school diploma (or equivalent), a good temperament and decent work ethic. That was it. Then, once you were in, it was on the job training or no training and trial by fire. As for myself, I was trained by my stepfather for several months, shadowing him on projects, when I heard about a job from a friend that led to my first project.

Eventually, this method of hiring led to a flood of land agents with a variety of backgrounds and skill sets. In my twenty-something years as a landman, I worked with agents that were wide-ranging from doctors, attorneys, car salespeople

and even high-school dropouts. The growth was so fast and furious, I could not tell you who was who — soon, there were too many land agents for the available projects. This caused more supply than demand for qualified seasoned agents.

2. DECREASE IN COMPENSATION AND PERKS

Now, this might make you wonder why, aside from the effortless entrance, so many people from all types of backgrounds would want to be in the landman business. The answer was simple — great money, straight commission or day rate, no tie-downs, travel all over the U.S., per diem, mileage, computer and phone reimbursement (all tax free), and for the most part, you could make your own schedule. It was results driven, and as long as you were performing, there was no reason to have a manager constantly checking in with you or asking if you were showing up to the office nine to five every day. I remember my first time out on my own, I worked hard and fast the first month, doing 18-hour days, seven days a week and never taking a break. For the remainder of the project, I worked a few hours every other day while being constantly on call. In six months of work, I cleared six figures and had a very satisfied client. Nowadays, this type of career and its benefits are more common and not as big of a deal, but back in the 1990s and early 2000s, this was rare.

But like all careers, there was the downside. Most jobs were contract positions with no promise of when or where my job would be and/or how long that job would last. I was on a constant deadline where everything was due yesterday. I had people always yelling at me and even shooting at me for coming on their property! I always had to be on call 24 hours a day, ready to pick up the phone or meet with whomever, whenever. And it was typical that I was covering all my expenses such as office supplies, insurance, training, education, moving costs and more. But for me and several others, the pros outweighed the cons.

Then the industry started to change around 2015. Clients started cutting back on capital projects, which led to the industry moving toward service companies where agents were classified as employees. People who were used to being 1099 agents were now W-2 employees, and the cut in pay for taxes was a big adjustment. There was a decrease in rates, per diems were being slashed and normal expenses such as mileage, cell and computer were cut altogether. This only added to the already-existing cons previously mentioned and the usual costs that came along with the career. Over time, the cons started outweighing the pros. Many agents, including myself, had to start leaving their families in one location and travel for projects without them, living in hotel rooms, living off fast food, again with no promise of when or where the job would be and/or how long that job would last. Many agents would end up taking in-house positions for half what they made before, just for security and stability.

In the end, the agents who could find work elsewhere left the industry to start new careers or go back to the old ones they had before becoming a landman. The remaining agents who could not leave or did not want to leave were left to pick up whatever work was available at the new restrictive rates and working conditions. This leveled the field back to zero, where seasoned, knowledgeable landmen were put in the same position and pay range as unproven or ineffectual landmen who were less driven than before by hourly rates and unlikely targets.

3. INCREASE IN INDIVIDUAL WORKLOADS AND ASSIGNMENTS

Recently, I've been asking other agents about their experiences and if they, too, have experienced a change in workload. Jay D. Roos, a senior right of way agent, commented, "With clients starting to cut back on projects and the amount allotted [to them], companies were forced to hire fewer agents for the same amount of work."

As a further burden to the work force overall, we are currently facing an influx in the number of retirees. In an article from Pew Research Center from 2021, "As of the third quarter of 2021, 50.3% of U.S. adults 55 and older said they were out of the labor force due to retirement, according to a Pew Research Center analysis of the most recent official labor force data. In the third quarter of 2019, before the onset of the pandemic, 48.1% of those adults were retired." This number has only increased over the past year and is expected to continue rising.

Again, there were many agents who lacked the experience necessary to complete the projects in a timely and proficient manner. Seasoned agents had to pick up more of the slack for work from those newer, ineffective agents for fear that the project would end up suffering and fall behind eventually leading to it being taken away from their company, and they would be out of a job entirely. Soon, all projects and clients suffered from large delays and excess spending while service companies struggled to supply clients with quality work and agents. Bruce Trepl, vice president of right of way, observed that service companies' reputations began to tarnish throughout the markets, and smaller companies trying to survive the changes weren't able to withstand the shift in the field. Several of the clients became tired of the lack of quality, delays and increase in costs. They began demanding better quality in work and agents, all without the increase of funding.

4. INCREASE IN REQUIREMENTS AND PREREQUISITES

In an effort to meet the clients' demands, service companies began screening agents by focusing on available verifications or certifications. According to ZipRecruiter, these new requirements for the career path to becoming a right of way agent are an associate's (in some cases, a bachelor's) degree and several years of experience in the field, real estate licenses, IRWA certifications, knowledge of real estate law and so on.





IRWA expanded its ability to meet this demand by creating online classes and increased the availability of required courses and instructors.

While these requirements did eliminate some agents who did not qualify, it also ended up limiting and eliminating several of the seasoned, knowledgeable agents who did not have those new qualifications. Service companies expected agents to spend a small fortune to get these certifications to perform a job that they had been doing for years. And for new landmen coming into the industry, it seemed a lot of prerequisites to get a job that paid the same amount as other available careers, with the exception that those jobs did not have the cons and downside as a landman career. So, the agents had to start asking themselves “Why bother?”

In the end, the unfortunate result from this “perfect storm” of these events was a challenging and exacting work environment with a difficult entry, which has made it a hard sell for newer professionals who might have been interested in becoming landmen. I have reached out to dozens of landmen in several disciplines in the industry, and they have all expressed the same difficulties and frustration.

Moving Forward and Looking to the Future

So where do we go from here? Fortunately, some clients in the industry have begun to accept that they need to pay more to get better service and results. And clients’ pay rates have started to increase in some areas. Per diem has started to come back on some ventures with the understanding that projects are temporary, and they cannot expect agents to move their lives around for a few years without monetary incentive. Qualifications have laxed and become more focused onto field-related abilities allowing older and newer agents to come in and work while getting the training and certifications needed. Service companies have started to offer benefits like medical insurance, moving expenses, paid time-off, paid tuition and training. Additionally, service companies have begun to take a stand with clients and to push back and negotiate for better pricing, thus allowing for better agents. However, like any industry trying to get more hard-working, high-value personnel, they will need to offer more than other industries out there. They are competing with a fast-paced world where new careers offer not only wages and benefits, but also the ability to make your own hours and work remotely with minimal conflicts. If service companies want to survive, in my opinion, we still have a long way to go. 🚀



Aaron Estes, SR/WA, MBA is bilingual (English/Spanish) and has over 10 years in the right of way and landman industries with extensive background in land acquisition. Aaron also has over 10 years’ skill as a landman in the telecommunication industry with project management experience. Aaron has performed all aspects of rights of way for oil and gas FERC-regulated pipeline projects, midstream gathering pipeline projects, government roads, electric transmission line, highway projects, well pad projects, land and water acquisition, survey permitting, survey coordination, title research, construction coordination and fiber optic projects. Aaron has extensive experience in working with government agencies such as BLM, DOT, NPS, EPA and other regulatory agencies.