

Timber companies selling off prime land for housing

Many buyers will keep the trees

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USA TODAY

EATONVILLE - Tom Pauly is a city-dwelling software designer and admitted science geek who's learning how to take care of a forest. This is no career move - he bought the forest.

Pauly and his wife, Gracie, have joined a growing number of investors and expectant second-home builders buying small plots of timberland spun off from large commercial holdings across the United States. Growth and economics are driving the trend where privately owned forests are widespread in the Pacific Northwest, the upper Midwest and the Southeast.

Suburban sprawl to the forest edge makes timberland more valuable for housing than for wood commodities. Affluent baby boomers looking for getaways and retirement homes are drawn to secluded, outdoor lifestyles.

SALES GROW

At least 10 million acres of private forest will be sold next year, according to estimates by the American Forest Foundation and others. That would be about as much as was sold in all of the 1990s.

"It's like a little paradise on Earth," says Gracie Pauly of the 75-year-old Douglas fir trees and stunning views of snow-covered Mount Rainier on the couple's 20 acres. "I can see myself growing old, looking out the window at that gorgeous mountain."

Even though sales like the Paulys keep trees on the land, some conservationists are worried about the long-term loss of forest land. Accelerating the sell-off of private forest property is the timber industry's increasing globalization. Foreign competition has squeezed profits in paper, pulp and other products, particularly for smaller, family-owned operations. Large companies have found they can make more money per acre in real estate, marketing some of their land in small chunks.

Timber companies have always bought and sold land. It's part of the business. What's different now is that more of it is being carved off for development, including communities like the Paulys'. International Paper, one of the nation's largest forest owners, put all its land - 6.4 million acres - up for sale in July to refocus its business on paper and packaging manufacturing.

"We're seeing a huge, huge land transformation taking place," says Laurie Wayburn of Pacific Forest Trust in San Francisco, a group that works to sustain private forests. "The fundamental nature of why people own forest land has shifted. Companies are very, very active in the real estate market."