

# PRACTICAL MANAGEMENT

## WHAT IS A FAIR PRICE FOR YOUR TIMBER?

By Paul Catanzaro, DEM Service Forester

What is a fair price for your timber? Is a fair price an amount that you would accept to sell the trees? Is a fair price simply a price that a landowner and a buyer have negotiated? Or, is a fair price what the trees are worth in an open market?

Recently, I worked with an older couple who had been offered \$17,000 for their trees 12" and larger. Now, \$17,000 is no doubt a lot of money, but was it a fair price?

I walked the woods with the husband, who had grown up on the property. "The mountain was my playground as a kid", he told me, and he still loves to walk it whenever he has the chance. He knew every boundary, stream, spring, and rock on the property. As we walked, we discussed the history of the property and his family's goals for it. He told me they didn't realize that their timber was worth as much money as they were being offered. Money was very tight for them, so this came as a pleasant surprise and an important landowner objective. However, the property and its health were also very important. They didn't want a "mess" out there. Their children lived in the area and the couple were very interested in being able to pass the property on to them in good shape.

After our walk through the woods, we went inside and I met with the landowners in their living room to discuss their options. I explained to the couple that, as a Service Forester, it's not my job to cruise woodlots for landown-



High quality oak timber

ers, but from the walk in the woods, it was clear that the trees were of exceptional quality. The offered price, I went on to suggest, was lower than what the timber would bring in a competitive bidding process. I recommended that, at the very least, they solicit other offers. In order to fully reach their objectives, I encouraged them to have their trees marked by a licensed, professional forester who understood their goals and could put the timber out to bid to responsible timber harvesters. The next day, I mailed the landowners a copy of the Kittredge and Haslam article from *The Woodland Steward* discussing the advantages of competitive timber. \*

After much debate, the landowners finally decided to hire a licensed forester to mark their timber and put it out to bid in order to achieve their immediate income needs as well as their long-term stewardship objectives. Only oak trees greater than 20 inches in diameter were marked. Firewood was also marked to be removed to increase the growing space around good quality poletimber. The harvest was planned to provide income to the couple without compromising the health of the forest and future management options. The forester estimated that he marked one half of the volume on which the original offer of \$17,000 was based. The timber was put out to bid. The winning bid came in at \$48,850!

What is a fair price for your timber? ♣

*Paul Catanzaro is a Department of Environmental Management Service Forester who covers private and municipal woodlots in the Westfield River Watershed and promotes sustainable forestry. The Woodland Steward welcomes your stories about selling timber — please drop us a note.*

\*"What the Market Will Bear: The Range of Lump Sum Prices Offered for Standing Timber in Massachusetts". Dave Kittredge and Bill Haslam, *The Woodland Steward*, Winter 1999-2000.