

## Buying or Selling?



### Mark Miller

Trout Mountain foresters do more than write management plans and supervise timber harvests. While not real estate agents, we cruise and appraise timber, evaluate timberland, analyze investment scenarios, and can assist owners in timberland sales or purchases.

Activity in forestland markets has been increasing. The word is out that forestland is a good investment! Everyone from insurance companies to private investors are eager to purchase, and Westside Oregon forests are among the most prized locations due to our high site productivity, numerous markets, and valuable species.

Consider the following: due to the aging demographic of today's family forestland owners, a large portion of that land base is projected to change hands in the coming decade. Corporate lands consolidation continues apace, and with each acquisition new owners sell surplus lands to reduce their debt burden. Most institutional timberland investors—TIMOs and REITs—hold their lands for only 10 years, then sell or look for new investors; some tracts are broken into smaller parcels to maximize value.

### Tips for Buyers:

- It's a seller's market—the market is hot, rivaling residential real estate in how rapidly sales can occur. Have your financing in line, and be ready to move quickly. Find a broker who specializes in forestland (we can offer suggestions) who will

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Check out our website at  
[www.troutmountain.com](http://www.troutmountain.com)

feed you new listings as soon as they appear.

- Most sellers (or their agents) are savvy, but some bargains may still be found. Institutional investors typically look for young plantations and may pass over less than fully-stocked stands, mixed growth or hardwoods, or undervalued tracts with high wildlife or recreation assets.

- What's your investment horizon? Is current income, long-term asset growth, funding retirement, or creating a family legacy most important? Your answer will influence what makes an "ideal" property.

### Tips for Sellers:

- A timber appraisal is the basis for setting selling price. We can update your cruise and prepare a prospectus to ensure you receive the best price for your property.

- Do you care how the land fares under a new owner? High volumes of merchantable timber bring high prices but also invite liquidation; young or mixed-age stands will likely be retained.

- Consider a 1031 Exchange if you have a low cost basis and plan to acquire other timberland or income generating property.

The decision to acquire or sell timberland often comes around only once or twice in a generation. If you think now may be that time, we can help you get the most out of your sale or purchase.

## Fire Season is Here

**Matt Fehrenbacher**

Spring is a beautiful time of year in the Pacific Northwest. The greens are at their greenest and everyone is basking in the much needed sunshine after a long winter. Following an exceptionally dry and sunny spring this year, moods are high and unfortunately, so is our fire risk. In early June, moisture levels in

1000 hour fuels (fuels with 3-8" diameters) were at record lows, and as dry as they would typically be in July. Conceptually, fire season and fire risk seems intuitive, but it is important to understand how the regulatory system is set up and structured.

West of the Cascades, the Oregon Department of Forestry (ODF) uses Industrial Fire Precaution Levels (IFPLs) to indicate the risk of fire and establish regulations to minimize those risks on

the 16 million acres of forest land they protect. The IFPL scale runs from 1 to 4. As soon as fire season officially starts, a fire watch is required to be on the lookout for fires after shutdown of operations involving power driven machinery. Also, firefighting tools and a water source are required to be on site. As the IFPL increases, forest operations may be limited to specific hours and some operations, such as cable yarding, may be prohibited. At Level 4, all operations are shut down. ODF ensures

## Northwest Forest Plan Update: Synthesis Added

**Shane Hetzler**

No legislation has had such sweeping impacts on Federal forest management in Oregon as the 1994 Northwest Forest Plan (NWFP). Put in place by the Clinton Administration in response to the overharvesting of old-growth and the subsequent negative impacts to species such as the Northern Spotted Owl, the NWFP attempted to balance the ecological needs of threatened and endangered species while simultaneously providing a sustainable source of timber. It remains controversial to many, with some clamoring for greater protections for wildlife habitat, and others advocating for increased timber harvesting to support rural communities and local jobs.

On June 26th, several Trout Mountain foresters attended a livestream webinar sponsored by the Forest Service which unveiled a peer-reviewed synthesis of research and monitoring reports spanning the last 20 years. This synthesis will inform upcoming forest plan revisions for 17 national forests, which combined with 7 Bureau of Land

Management districts encompasses approximately 24-million acres in Western Washington, Western Oregon, and Northern California. Most of the Forest Service plans have not been revised since the NWFP was enacted over twenty years ago.

A wide range of topics were covered, addressing such issues as climate change, threatened and endangered species, late-successional habitat, and environmental justice. Some of the key points made by the presenting scientists included the need for more active management of Late Successional Reserves (LSR's), as well as potentially reclassifying some LSR designations. Concerning salmonid species, it was recognized that most of the productive salmonid habitat was located downstream from national forest lands, emphasizing the need for public/private partnerships. Despite the fact that late-successional habitat has been conserved within the NWFP area, Northern Spotted Owl populations have declined over the past 20 years by ~30-70%. This has been largely due to competition from barred owls, loss of habitat from fire, and past or current (private lands) logging practices. Marbled Murrelets, another endangered species linked to the NWFP have retained a stable population. Finally, the synthesis discussed how Native American tribes, minorities, and low-income populations all use the national forest system in addition to the dramatic increase in people participating in outdoor recreation on federal lands.

A link to the Forest Service Science Synthesis containing the report as well as other useful information can be found at <https://www.fs.fed.us/pnw/research/science-synthesis/>.



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compliance with fire rules through periodic inspection of forestry operations during fire season.

IFPLs are specific to Regulated Use zones within ODF Districts. So, zones that are further inland and drier may be at a higher IFPL than zones on the coast. This makes summertime coastal harvest operations very appealing to loggers who otherwise may be shut down due to fire restrictions in the drier inland zones. Fire season can have significant effects on logging production and, similar to the winter rains, limit supply of logs to the mills, raising demand and log prices.

In addition to IFPLs, there are also Public Use Restrictions enforced by ODF, meaning public activities, as well as industrial activities, can be regulated by ODF to protect against wildfires. Restrictions include limits on campfires, limiting chainsaw use and requiring firefighting tools in any motor vehicle traveling through forestlands. This means your casual activities on your private forest may be subject to ODF restrictions in an effort to reduce the potential for wildfire.

Exceptionally high fire danger may exist during periods of "red flag warnings", which are weather events marked by high temperatures, high winds and low humidity as designated by the National Weather Service. Also, ODF often suggests using 30 percent humidity as a threshold for shutting down operations if fire danger is high. During the hottest part of the summer humidity may drop below 30 percent as early as 10:00 a.m.

Understanding how fire season is regulated and what restrictions are in place is important for all forestland owners. For more details and information, maps of protection districts and current IFPLs, visit ODF's webpage at [www.oregon.gov/ODF/fire](http://www.oregon.gov/ODF/fire), or give us a call at Trout Mountain Forestry to discuss how to be prepared for fire season and how fire season restrictions may impact your summer harvest plans.

## Do You Have Access?

**Scott Ferguson**

This question can come up when working with a landowner for the first time. Sometimes it's asked about an old road, unused for decades, that is obviously the best route to send log trucks out of the property and onto the county road and to the mill. The way you currently drive in may be different and unsuitable for log hauling.

That old road grade may cross a corner of your neighbor's land before emerging onto the county road. This leads to the question of legal or deeded access.

You can check with the county and see if there was ever an access agreement recorded that allows the use of the old road. If not, you are out of luck. Unless...

Let's talk to the neighbor!

Many landowners don't really know their neighbors all that well. This is an opportunity to really get to know them and work through a problem together!

Sometimes it works

This dilemma recently occurred on a small tract near Cottage Grove. Harvest plans were put on hold when it was discovered that the old bridge would not stand up to log trucks, and the neighbors to the south (who used the bridge but didn't own timber) were definitely not interested in sharing in the expense of a bridge replacement or rebuild.

There was—you guessed it—an even better way to haul the logs. After a quick title search we determined that there was no legal access out the old road grade on the north side. The adjacent neighbor would have to agree to allow the log transport on the old grade which emerged from the woods and connected to his driveway.

Most landowners are reluctant to grant new deeded access across their property to a neighbor when there is a viable alternative route. A temporary access agreement is usually a much more

reasonable, but difficult ask. In this case the neighbor was also against all timber harvesting. He had grown up in the area and could remember when the creek flowed more freely and there were fewer houses dotting the hills above the creek.

Needless to say, the first visit was not too productive and involved listening to the neighbor vent about his frustrations with the changes he had seen over the decades. These were civil exchanges over reasonable questions and doubts. In the end he agreed to another visit the following week for further discussion. There is always a chance of establishing a good relationship if you can listen and empathize, then address the concerns and move on from there.

The second meeting began to feel very different when the details of the harvest were discussed, and the environmental protections for the streams and wet areas were outlined. A juncture was crossed when the neighbor realized that we shared his concerns, and crucially, had done work for several landowners he was acquainted with. Still reluctant to give permission, the neighbor agreed to a third visit and discussion.

The third meeting was much more relaxed and productive. He had considered the proposal and signaled right away that he would like to work with us. He refused our offer of monetary compensation in exchange for access; he instead preferred that we replant a few acres of poorly stocked ground that we had observed on his property. We were more than happy to replant and give something of value back. As it sometimes happens, this was the point at which the person across the table becomes more than a neighbor, indeed they become a new friend.

In the end the neighbor recorded an access agreement with the landowner that was not just temporary, but lasted for the duration of the landowner's stewardship of the property. Although it doesn't always work out this well, sometimes a problem can turn into an opportunity to ask for a neighbor's help and provide a service in return.



Trout Mountain Forestry  
1800 NW Upshur St., Suite 201  
Portland, OR 97209

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## Forester Updates

### Mark Miller

Mark and his wife Dawn recently purchased a 140 acre forest near the Lane County community of Vida. The hillside tract of 10-25 year old fir plantations had been well-cared for by the former Tree Farm family for over 50 years—just what they had been looking for! They are enjoying tending the plantations, building trails, and getting to better know the beautiful McKenzie Valley.



### Matt Fehrenbacher

Matt just returned from a family trip to Vermont and is settling into summer with plans for weekend canoe trips, lots of mountain biking and a handful of home improvement projects. Later this summer, he and his wife Julia will be leading (or maybe following) their two daughters on an extended backpacking trip in the Wallowa Mountains.



### Shane Hetzler

Shane and his fiancée Shannon are busily getting ready for their wedding on September 1st in White Salmon/Hood River. After the (presumed) chaos of the wedding, they plan to take a little time off for a honeymoon in the Canadian Rockies—mountain biking, climbing, hiking, horseback riding, rafting...and relaxing!



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