



Some Things to Consider When Buying Forestland

Maine Forest Service, DEPARTMENT OF AGRICULTURE, CONSERVATION & FORESTRY

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People buy forestland for many reasons including for investment, recreation, wildlife habitat, aesthetic beauty, privacy and environmental benefits. If you are in the market for forestland it may help to write down your goals or motivations for the purchase to help you decide whether a parcel is right for you. Some points to think about are discussed below.

Accessibility

The ease of access to a parcel of land can affect its ability to provide the values you want. For instance, poor access can limit timber harvests, management for wildlife habitat and/or recreation.

- 🌲 What types of roads/access ways are in place?
 - 🌲 Are they suitable for transporting forest products and fire suppression equipment?
 - 🌲 Is access adequate to meet your goals?
- 🌲 If the parcel is landlocked, is there a legal access provided?
- 🌲 Is access limited by features such as steep terrain (slopes greater than 30% can limit harvests and other activities), wetlands or broad waterways, and/or boulder-strewn ground?

Land Title

A title search lawyer can determine if the title to the land and deed are clear. A title search will reveal:

- 🌲 Legally assured access to landlocked property.
- 🌲 Rights-of-way held by others.
- 🌲 Deed restrictions or enrollment in "current use" programs.
- 🌲 Rights not deeded with the property (for example timber, mineral or development rights).

Boundary Lines and Corners

It is hard to know what you would be buying without clear boundary lines and corners. The actual size of the parcel may not match the acreage taxed by the town or listed in the deed. Sometimes there are disputes about boundary lines between neighbors (see MFS *Boundary Line Information*).

- 🌲 Get a property map from the current owner and try to determine if it is accurate.
- 🌲 Are the boundaries known and well marked on the ground?
 - 🌲 Walk the boundaries with the owner.
 - 🌲 Know the boundaries *before* purchasing.
- 🌲 Consider whether a legal survey is needed.

Site productivity

Timber production is not the primary motivation for many potential landowners. However, it is a factor that should not be overlooked when considering purchasing land. The site productivity is an indication of the land's ability to support vegetation. This can influence what goals are reasonable for the parcel. For instance, it may be difficult to manage for quality timber on a poor site because of its inability to grow high-value species in a reasonable time period.

- 🌲 What are the soil characteristics?
 - 🌲 Soil information can be found in soil surveys. These surveys are coarse, and conditions should be confirmed on the ground (available from the natural resources conservation service, <http://soils.usda.gov/>).
 - 🌲 From a soil survey you can tell a soil's suitability for forestry activities. These are some of the relevant details included in the surveys:
 - ◆ Productivity
 - ◆ Erodability
 - ◆ Tendency for windthrow
 - ◆ Probability of seedling survival
 - ◆ Limits on use of heavy equipment
 - ◆ Limits on road construction
- 🌲 What do the topographical features indicate about site productivity?
 - 🌲 Frequent rock outcrops often occur on sites with thin soils and poor growing conditions for trees.
 - 🌲 Pit and mound topography (repeated, small depressions and hills) can indicate a history of windthrow. These sites *might* have thin or poorly drained soils.
- 🌲 How well are the trees growing?
 - 🌲 What is their height in relation to age (a tall young tree indicates greater productivity than an older tree of the same height and species).

- Can the site support the activities needed to reach your objectives? (A forester can help answer this and other questions.)

Timber/Forest Product Inventory

A timber inventory details what commercially valuable tree species are on the property. If you think there is a chance you will ever harvest timber, an initial inventory can be an important resource at tax time.

- What is the tree species composition?
- What age classes and volumes are growing?
- What is the market value of the trees?
 - Are the species desirable and marketable?
 - Are the species low-value?
 - Do the trees have a lot of defects?
- What commercial products are currently growing?

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| <ul style="list-style-type: none"> Sawlogs Veneer Pulpwood Firewood | <ul style="list-style-type: none"> Boltwood Plantations Christmas trees | <ul style="list-style-type: none"> Wreath brush Nursery Products |
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Other assets

Many features of a forest property can contribute to the market value. Others will have values that do not directly affect the monetary worth of the parcel, but may add to your appreciation of it.

- What aspects, other than timber, of the forest have value for you or for others?

<ul style="list-style-type: none"> Minerals (gravel for example) Shoreland frontage Wildlife habitat 	<ul style="list-style-type: none"> Wetlands Sugarbush Privacy Scenic quality
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Taxes—Present and future

Benjamin Franklin wrote, “In this world nothing is certain but death and taxes.” And, as in many ventures, it is important to think about both when buying forestland. Your Maine Forest Service District Forester can point you to detailed information about estate planning and forest ownership-related taxes. The national timber tax website (www.timbertax.org) has valuable information for prospective landowners. Some things you should consider up front are:

- What would my basis be (initial investment)?
- What are the current taxes on the property?
- Is the property enrolled in a current use program?
 - If not, is it eligible?
 - What are the requirements of the program?
 - Are there restrictions on activities?
 - What is the penalty for withdrawal?

Zoning Regulations

- Are there restrictions on land use activities

specified by town zoning ordinances or by the Land Use Regulation Commission?

- Does the parcel contain areas zoned as shoreland (shoreland restrictions vary by town)?

Other considerations

- Size and shape of the parcel may impact achievable goals for the property.
- Get a general feel for the “Neighborhood”—this may change your impressions of the parcel.
- How does appearance of land change with season? How will it change with your use?
- The Small Woodland Owners Association of Maine has many resources for private woodland owners (PO Box 836, Augusta, ME 04332, www.swoam.org)

Getting help

Realtors and Consulting Foresters can help locate forestland for sale. Consulting foresters are an excellent resource for much of the preliminary information you need to make your decision. You may also need advice from other professionals such as a surveyor, accountant and/or attorney. Your local Maine Forest Service District Forester can get you started in answering many of these questions or point you to people who can help.

References and Further Reading:

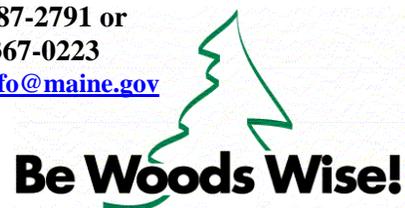
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Haney, Harry L., Jr.; Hoover, William L.; Siegel, William C.; Greene, John L. 2001. *Forest landowners' guide to the Federal Income Tax*. Agriculture Handbook 718. Washington, DC: U.S. Department of Agriculture. 157 pp. <http://www.treesearch.fs.fed.us/pubs/2207>

McEvoy, T.J. 2005. *Owning and managing forests: a guide to legal, financial and practical matters*. Island Press, Washington, DC. 300pp.

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Practical advice for your land and trees
 from the Maine Forest Service.

www.maineforestservice.gov