Welcome to the Inaugural Issue of

The Perspective

A Quarterly Insight into Recreational Real Estate

WELCOME

We are pleased to bring you this first issue of The Perspective, which we hope will be useful as you consider a purchase of Potlatch property.

Working with the outstanding real estate professionals in the Potlatch Preferred Broker network, we had a successful year in 2011, and are looking forward to helping you find the right property for your needs in 2012. The key to our success is our network of brokers, recreational property experts in the areas they serve in Minnesota, Idaho and Arkansas.

Potlatch offers well-maintained properties that in many cases have not been available for sale for decades. As we continue our limited offerings of recreational land, the satisfaction of our land buyers is all-important to us.

Our best wishes to you in the New Year, and thank you for your interest in Potlatch properties.

Wade Pannell
Director - Real Estate Development
Potlatch Corp.

Visit PotlatchLandSales.com for more information.

The question:
Invest in land or in the stock market?

It’s a commonly asked question: where is the better place to put my money, land or stocks? The answer isn’t simple, due to the volatility of the stock market, and because an investor needs to factor his or her own goals into the decision.

Looking at recreational land sales around the country, prices are back to or even below pre-boom levels. Research by Melina Duggal, Senior Principal of Robert Charles Lesser & Co. (RCLCO), one of the nation’s leading independent real estate advisory firms, suggests that pricing for recreational land around the country appears to be stabilizing, even appreciating in some areas.

While most buyers look at their purchase as a way to create a place for recreation or to spend time with family, more buyers are also looking at their investments in other ways.

“Our buyers are thinking about estate planning more than ever before,” says Rick Musick, owner of United Country Musick & Sons Auction and Real Estate Services in Nampa, Idaho, part of the Potlatch Preferred Broker network. “Many are buying the

“...for people looking for a second home or recreational land, this is a great time to buy.”

-Melina Duggal
Robert Charles Lesser & Co.

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In business for more than 30 years, the recreational property sales team at Minnesota brokerage Close-Converse has watched the business constantly evolve, as the Internet has made the process easier and more convenient for land buyers. Still, there is no substitute for the advice that an experienced broker can offer.

“For us, our biggest challenge used to be getting land buyers out to the property,” says Rod Osterloh, director of the land division for Close-Converse. “But the Internet has given us the ability to get the land to the people. It’s been an amazing change to our business.”

Partners with Potlatch for more than 6 years, Close-Converse is among the top recreational land brokers in Minnesota. Its primary land brokers, Rod and Jody Osterloh, each bring 30 years of experience to their clients in and around the North Central Minnesota area.

LandRadar.com is the online face of Close-Converse, where buyers can explore many Potlatch properties virtually. The real estate brokerage’s philosophy is that a client should never have to call for basic information about a property. But their team is always there to lend its expertise, and to help make the buying process a smooth one.

“We believe that people want to buy land, not get ‘sold,’” Rod says. “Buyers will get on LandRadar.com with us, and if they have questions or are looking for something specific, we can virtually walk them through each property. They really appreciate having all the information they need in one spot.”

For someone who has an affinity for timberland, and loves that lakes and public lands are nearby, Potlatch property is very attractive. “And the investment from a timber perspective knits into that picture very well,” Rod says.

For more information about Close-Converse or its Potlatch land listings, contact the team toll-free at 1-866-403-LAND, or visit LandRadar.com.
Now that one of Minnesota’s best deer seasons has come to a close, Charlie Chernak says there is more demand than ever for hunting property. “Once people have enjoyed a great hunting season, they seem to catch the bug to get their own place,” he says. “In Minnesota, we continue to see deer hunting as the biggest reason people buy non-lakeshore recreational property.”

Potlatch brokers work closely with Potlatch’s land managers to get detailed information about the quality and value of the timber on a property – value that’s helped by Potlatch’s deep experience in managing timberlands. Also, Ballard says that with the air turning brisk and wildlife activity high, this is a good time to see what the land will look like during hunting seasons next year.

“Passing along a love and respect for hunting is often a strong motivator for many Idaho hunters,” says Bob Crawford. In fact, the State of Idaho encourages youth hunting for both residents and non-residents. The Idaho Fish and Game Commission has a junior mentor program with greatly reduced license and tag fees. Crawford continues, “This is a great opportunity to encourage young hunters and get them started with a good hunting experience.”

Potlatch land in Idaho offers a variety of hunting experiences year-round. “For those looking to build a legacy that the entire family can enjoy,” he says, “now is a perfect time to explore, hunt and choose the property that best fits your needs.”

What are some of the most common questions that land buyers are asking these days?

The first thing people are asking is if the land they are looking at offers year-round access. To our team, this means the land for sale borders public lands that can be utilized for their purposes. They want a place to call their own - with the knowledge that they can enjoy the surrounding space with easy access to recreation and exploration.

Idaho buyers also want to know the quality and age of the trees on the property; and, if it has been cleared or harvested, and when it was last replanted. From a timberland perspective, we can help determine the value of the trees as part of a buyer’s investment decision.

Is there a big spread between sales price and what people are willing to pay for Idaho property?

Our background in auctions allows us to see this from both the auction and traditional sales routes. And in both cases we’re seeing that when sellers are willing to let go of their land, buyers are willing to buy at a fair price. Land has shown to be a good return in the long term. The land isn’t going anywhere.

Are you seeing any particular trends in how people are looking for land and buying?

There was a time during the boom when people were buying up everything. Now, buyers are much more specific about what they want. Whether it’s proximity to a certain region, style of land, water accessibility or even a specific type of body of water, they don’t want to settle for something they don’t truly want.

They are also thinking about estate planning more and more. If the taxes and holding costs are reasonable to them, they may buy a piece of land and hold onto it as a legacy for their children and family. They make it their recreational property now, and use it as an investment tool long-term.
land to enjoy now with their families, with the intention of holding onto it for their kids.”

And in terms of comparing a land investment to stocks, Rod Osterloh, director of the land division for the Close-Converse real estate brokerage in Brainerd, Minnesota, has seen more buyers choosing land over the stock market. “With land prices being in such a good place, many want to expand their holdings,” says Osterloh, a Potlatch Preferred Broker.

Nationally, RCLCO is projecting that sales in the second-home market will slowly increase, with 2012 sales expected to be approximately 4 percent higher than 2011 totals. From 2012 to 2015, RCLCO predicts an increase in sales of 7 to 8 percent per year, Duggal says, “and we believe Potlatch markets will follow a similar pattern.”

Increased sales means more buyer demand, which usually drives appreciation in pricing. With that in mind, “for people looking for a second home or recreational land,” Duggal says, “this is a great time to buy.”

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**POTLATCH PREFERRED BROKER NETWORK**

Let us show you why your Potlatch Preferred Broker is the only name you’ll need to know when it comes to buying property. Please contact the broker nearest your area of interest or visit us at www.PotlatchLandSales.com. We look forward to helping you with your property search!

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