



# Full-service timber-based real estate firm

**Through timber construction, there is a future in which forests can support cities and, in return, cities can support forests.** As the global population increases, particularly in cities, the construction sector is expected to exponentially grow in order to accommodate the demand for housing and other infrastructure. Current construction techniques are a significant contributor to the global climate crisis and urgently need to be transformed. By substituting the carbon-intensive materials commonly used in construction with forest economy biomaterials, such as wood and bamboo which sequester carbon, we can create buildings with reduced carbon emissions. However, this timber construction industry is still in its nascency and there is a need to address its market gaps and leverage opportunities to accelerate its development and increase its uptake.

**These interventions for the mass timber construction industry can be segmented into seven main categories of solutions that affect the value chain and enablers of the ecosystem.** Through various internal and external discussions, Climate Smart Forest Economy Program (CSFEP) has categorized potential solutions as relating to i) Finance and insurance; ii) Product and process certifications; iii) Communication and awareness building; iv) Timber knowledge ecosystem; v) Forest management and timber policies; vi) Value chain linkages; and vii) Timber-based real estate. The proposed solutions can be executed as for-profit, philanthropic, or blended ventures, with the services developed as individual offerings or paired with complementary services in a single offering. Additionally, while some solutions may be set up as a free-standing entity, other solutions may be similar to services provided by existing actors in or adjacent to the CSFE sector. In the case of the latter, it may make sense to approach these existing providers as potential partners to find a suitable and effective home for needed services.

## TIMBER-BASED REAL ESTATE

**New entrants in mass timber struggle with identifying the best paths of entry into the timber-based housing market.** Timber construction is in the early stages of its resurgence in the construction sector and there is still limited knowledge and resources available to navigate the timber ecosystem. These organizations include governments, multinationals, and hotels which may not have access to information that would assuage common misconceptions about the quality, durability, longevity, and market cost of timber buildings. And, with the industry being in its nascency, high costs are associated with assembling the team and resources necessary to construct a timber building.

**A full-service timber-based real estate firm could be a one-stop shop for the development, construction, and management of commercial and residential timber buildings.** The organization would aim to:

- Spur the development of timber-based buildings by integrating all necessary services into one company. This would allow for economies of scale and improve efficiencies in the service offering
- Expand the geographic footprint of timber-based real estate firms by working to meet demand in underserved areas (e.g., Gabon, Kenya, Tanzania)
- Develop a portfolio of timber-based buildings around the world

**There are already agencies around the globe that specialize in the construction of timber buildings.** BuildX, one of the partners of the Climate Smart Forest Economy Program, is an example of what the services of these entities could consist of. The organization offers development, construction, and management of commercial residential timber buildings, and are looking to develop a cross-laminated timber factory to

manage its mass timber supply as well. As more mass timber manufacturing sites are developed around the globe and the supply increases, there is an opportunity to support the mass timber demand through these timber-based real estate agencies. And the same downstream manufacturers also have an opportunity to integrate real-estate activities into their operations.

**The real estate firm or a special purpose vehicle would specialize in the processes necessary for commercial and high-density residential timber construction, which would include:**

- Finding and securing land suitable for development
- Navigating relevant development permitting processes
- Leading or supporting fundraising efforts
- Designing buildings to meet the specifications of the client
- Sourcing the timber necessary and ensuring traceability and quality control across the supply chain
- Managing the carbon accounting, verification, and auditing of the construction and lived-life of the building
- Constructing the building
- Supporting the marketing efforts of the building to attract tenants or residents, touting the social and psychological benefits of working/living in timber buildings
- Managing the property, with needs specific to timber construction
- Providing timber-based refurbishment / retrofitting services for older buildings
- Providing advisory services or resources for clients who need support with any of the above

If you would like to know more about mass timber real estate service, you can please reach out to [BuildX](#), [Juno](#), or [Timberlab](#).