

Maine Log Home Builder Wins Contract to Sell Homes in China



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A Maine manufacturing company has won a contract to build log homes--in China. That's the country of China, in Asia, not China, Maine. Katahdin Cedar Log Homes, based in Oakfield, near Houlton, beat out competition for the contract from about a dozen other log home companies.



An example of a home manufactured by Katahdin Cedar Log Homes in Oakfield

David Gordon is the company's president. "What we're going to do at the end of January is ship our first building over there, and that will be a 10,000-square-foot reception center."

The \$1.2 million building will be the centerpiece of a real estate development being constructed on the shores of a man-made lake in Chengdu, in southwest China. Parcels of land around the lake will be sold off to the wealthier members of China's growing middle class, who can then purchase their own Maine-made cedar log dwellings for the equivalent of \$375,000.

Gordon says the ready-to-assemble homes will be packed into crates, complete with straightforward instructions on how to put them together.

"Everything will be numbered and will have an exact place to go, just like with Tinker Toys or Little Logs or something like that," he says. "Everything's labeled and numbered and has a place to go, so you just follow the blueprints and pile it up according to the blueprints."

Earlier this year, Gordon says he was contacted by someone representing a Chinese real estate development company named Syswin Incorporated, one of the country's largest. "They checked other log home companies to see who they thought built the best log homes, and after their research they came to us," he says. "We were quite flattered, frankly."

Katahdin Log Homes was founded in 1973 by, among other people, David Gordon's father, Foster Gordon. Since then, he says, they've constructed about 5,000 log homes. The company employs 80 people, and Gordon predicts the China deal will lead to the creation of another four full-time jobs next year, and increase revenues by about 30 percent.

Gordon says the Chinese were especially keen on the type of wood Katahdin uses. "They wanted cedar," he says. "They did their research on the species, and so they understand that cedar is very resistant to rot and insects and lasts a long time exposed to the weather."

And in case you were wondering why a real estate company in China, in Asia, wants to import log homes all the way from Maine, "In China, wood and trees are a very scarce resource," Gordon says. "A lot of their country is either the Himalayan mountains or desert, so they have very little forest resources to start with. And because they have 1.2 billion people versus our 300 million, there's been extreme pressure put on their wood resources. So what they're doing, they're looking to purchase a lot of their wood products elsewhere."

"China has definitely been an aggressive importer of wood in the rough, pulp and paper, which all fall under the wood products categories," says Janine Bisailon Cary, president of the Maine International Trade Center, which helps Maine businesses expand their presence in overseas markets.

She says she's spoken to a number of Maine lumber companies that have recently started exporting more to China and other areas of Asia.

But although China remains the third biggest export market for Maine goods--behind Canada and Malaysia--the overall numbers are down this year. "The latest figure that we have is through October 2011, and Maine has exported approximately \$230 million worth of product to China, which is down approximately 19 percent off last year," Basailon Cary says.

But Basailon Cary says this drop must be seen in context, as it follows an explosive growth period between 2008 and 2010, when Maine's exports to China grew by 133 percent.