Sales pitch: David Wells lists two San Diego homes for a total of $16 million
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'I am at home among trees.'
—J.R.R. Tolkein

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WHEN MONEY GROWS ON TREES

Home builders discover a growth industry constructing new homes around majestic old trees. Buyers will pay a premium for a 'been-there-forever' look—and see a payback when it's time to sell.

Here's how much Karen and John Klopp love their Camperdown elm tree: During a snowstorm last winter, the couple braved the polar vortex for a round-the-clock vigil to protect it.

"We were up there on a ladder all night, brushing snow off this tree," said Ms. Klopp, founder of a digital boutique called What2WearWhere. "It's our prized possession."

The elm is the centerpiece of the bluestone terrace and patio at the Klopps' 220-acre farm in Amenia, N.Y., which they purchased in 2002 for $4 million. Although the couple's primary address is in Manhattan, where Mr. Klopp is co-CEO of Morgan Stanley Real Estate Investing, they keep polo ponies and entertain at their

upstate home. At parties, 50 people can be seated under the tree's canopy, which is strung with white lights. "We've had so many fun times under that tree," said Ms. Klopp. "I always say if the tree goes, I go. It's such a symbol of the house."

Like an ocean view or a Park Avenue address, majestic old-growth trees have become invaluable commodities in luxury real estate. Inspired by their sculptural beauty, architects are designing or remodeling entire homes around them. High-end developers — once known for stripping tracts of land to the dirt and planting saplings after construction — are now calling off the bulldozers.

"You can't go out and buy a 50- or 75-year-old oak tree," said Jack Perkins, vice president of Elm Street Development, a residential developer in Washington, D.C. Elm Street bought an 8 1/2-acre estate near Georgetown to build 1801 Foxhall, a community of 27 multimillion-dollar homes. Before breaking ground on the project, the developer dispatched an arborist to catalog and evaluate every mature spruce, sycamore and poplar tree.

A towering pine in the front yard helped sell Stephanie Johnston on a $3.12 million Georgian-style home at Foxhall in 2011. "We wanted a house that looked like it had been there for a long time, with lots of trees," said Ms. Johnston, a 51-year-old homemaker. She and her husband, Hunter, a 54-year-old attorney, were also won over by the four large trees in a developer-designated "tree-preservation area" bordering their property. These set-aside groves can help add a premium of anywhere between $500,000 to $1 million to the average Foxhall lot price, according to sales manager Chris Kopsidas.

Brian and Katherine Lucas, who bought an undeveloped Foxhall lot for $2 million in April, are taking elaborate measures to preserve the mature trees on their site. "There have been meetings just about the trees between us and the developer and the arborist," said Mr. Lucas, 42.

During construction, the trees will be fenced off to prevent trucks from compacting the soil and causing irreparable damage to their root systems. Larger trees have been pruned and fertilized "to help them with the stress that's coming with the build," Mr. Lucas said. "It's been a lot of extra work, extra time and resources," said Ms. Lucas, a 41-year-old homemaker with twins on the way.

That investment will pay off in market value, according to Wes Kocher, a spokesman for the International Society of Arboriculture, a nonprofit group that certifies arborists. "Homes with mature trees and well-landscaped yards can sell for as much as a 20% over homes without those features," he said.

A 2010 study by the U.S. Forest Service conducted in Portland, Ore., found that the presence of a single "street tree" in front of the home added over $7,000 to its sale price. The street-tree effect spilled over to neighboring houses, increasing property values as well as helping the homes sell faster.

"If you have a valuable house with a large tree, it's going to have value in tens of thousands of dollars, which suggests it would be worth considerable expense to work around it," said Geoffrey Donovan, the Forest Service research economist who conducted the study.

Homeowners with a hankering for big trees can buy and transplant them for up to $50,000, according to New York landscape designer Edmund Hollander. But a tree more than 12 feet around — an old oak, for example — can't be transported on highways or over bridges, making the most spectacular trees unobtainable.

The old trees of Maycroft, a historic Victorian-era estate in Sag Harbor, N.Y., became the focus of an epic renovation in 2007 that Mr. Hollander helped design. Peter D'Angelo, co-founder of the Caxton Associates hedge fund, paid $20 million for the derelict, 43-acre estate in 2004. Then he decided to move the house 100 yards and rotate it 260 degrees for the best view of the ocean — and of a grand maple tree on the back lawn.

"The architect and I were literally up in the house while it was moving so we could get that tree in the right spot," said Mr. D'Angelo, 67, describing how the house was dug out and set atop large sets of wheels, "like the landing gear on a 747." "It's moving about a mile an hour, literally creeping. We'd say 'Stop,' and check the view from all the windows, and then say 'OK, 2 more feet' until we got to the right spot."

On Kiawah Island, S.C., the lush tangle of live oaks, palmettos and pines on a parcel of land inspired the design of John and Judy Elias's vacation home there, built in 2003.

"It's like a duck blind or a tree house," said Mr. Elias, a retired energy executive in his 70s who lives in Houston. Architect Jim Thomas planned the entire house around a sculptural live oak at the center of the property, building a raised ipe wood courtyard around its thick trunk and designing the upper stories around its twisting branches. Today the home is valued at $3.1 million, according to the Charleston County Appraiser's office. Tree-climbing on the property, however, is forbidden: A live oak off the back deck shades an alligator pond.

Mac and Leslie McQuown bought a former sheep ranch in Sonoma, Calif., in 1995 for its ancient white oaks and bay trees. "I've never seen more elegant trees anywhere in the state of California," said Mr. McQuown, 80, an entrepreneur and winemaker.

The old trees inspired the landscaping for a Zen spa and observatory added to the property in 2006, said Andrea Cochran, their landscape designer. To complement the character and antiquity of the white oaks and bays, the McQuowns bought 43 130-year-old Sevillano olive trees that were about to be razed. After the Sevillanos were dug up by hand, pruned and wrapped in plastic, 22 tractor-trailers hauled them nearly 300 miles to the McQuown property, called Stone Edge Farm.

Mr. McQuown said that he paid about $2,200 for each tree. Now, a single old olive tree in pristine condition can cost as much $5,000 to buy and transplant — or $7,000 if it's traveling out of state, said Troy Heathcote of Heritage Olive Trees, which handled the McQuowns' project.

Today, rows of the olive trees with burled trunks and silvery leaves create dramatic walkways between the observatory, lap pool and spa, which has a theater for watching the stars captured by Mr. McQuown's robotic telescope.

"Everybody mentions the trees," said Ms. McQuown. "When I see these new little baby things planted, it's kind of sad. It takes a hundred years to grow into anything."

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