



LIKE FATHER, LIKE SON, LIKE GRANDSONS

For over a century, this family has not only lived on the land. It's been their business.

Harry Patten likes nothing better than to gather his family, enjoy good food, and speak his mind, and not necessarily in that order. Five decades ago, he single-handedly pioneered the development, marketing, and sale of rural land, so when he kicks back with his family it should come as no surprise that he does so in the great outdoors, which on this night means at his son's 1,000-acre farm in the Berkshires of Western Massachusetts.

Fortunately, Mike and Amy Patten are over-the-top hosts: beef tenderloin, grilled asparagus, and a flight of wines from Mike's 5,000-bottle cellar highlight the dinner menu. Afterwards the clan, which includes Harry's two grandsons, Brian Patten, 29, and John Patten, 27, migrates to the spacious back porch overlooking the Green River.

A glass of Pinot Noir in hand, Harry begins to reminisce, not about the Blizzard of '78 or "the one that got away," but about some of the characters he has befriended throughout his career, individuals such as mutual fund pioneer Sir John Templeton, whose investment acumen helped propel Patten Corp's 1985 IPO and made

it the third-best percentage gainer on the New York Stock Exchange the following year. Templeton's investment in Patten Corp. and his subsequent interest in owning land became the springboard for a valued friendship.

The memory of another key ally, a former board member who played a crucial role in his company's success, brings to mind today's market. "One of the reasons we're very, very aggressive about buying land right now is that it reminds me of the opportunities in Texas in the 1980s. It was John Connally who opened up my eyes to the great values there. Michael and I went down and looked at a lot of real estate and a lot of ranches and eventually purchased our first Texas ranch



By Eric O'Keefe | Photography by Gustav Schmiede



from Gov. Connally. Back then was a great buying opportunity, and today's market has the potential to be just as good. Or even better," he says.

The Pattens' ties to the land date back to the Great Land Rush of the 1890s. They homesteaded in North Dakota, but harsh winters and hostile Indians forced them back east. However, Harry Patten Sr. had caught the land bug. In 1899, he

paid \$20 for his first parcel: 300 acres in Eastern Massachusetts.

"My dad was a trader who bought and sold land, cattle, horses, timber. I was born being in business. He drilled it into me," Harry says. This training led him to single out two factors: an endless stream of Bostonians and New Yorkers and other urbanites who wanted to own a few acres of land, and rural New Englanders who had their life savings tied up in farms but didn't know the first thing about marketing. In stepped Harry Patten.

When Harry took his company public with Drexel Lambert in 1985, annual sales rocketed from \$18 million to \$33 million and then \$76 million. By 1988, revenues eclipsed the \$100-million mark and *The Wall Street Journal* was describing how Harry Patten sold the American Dream in a front page profile that ran above the fold:

"Sometimes it's a place in the woods, a few hours' drive from Boston and New York, where yuppies can rough it in their L.L. Bean boots. Other times it's a pristine view of a sparkling Maine lake, a panorama of Vermont's Green Mountains or a plot outside a picture-post-card Adirondack village. No matter. What's important is that 'people develop an emotional attachment to a piece of land,' says Mr. Patten. "That makes it easy to sell."

Patten Corp. (now the publicly-traded Bluegreen Corporation) and National Land

Partners/National Timber Partners, Harry's current companies, have generated billions in revenues thanks to sold-out developments in 48 states and several Canadian provinces. But many current projects have little to do with the Pattens' original business model. Nowadays, Harry and Mike sift through opportunities forwarded by bankers, other lenders, and even former competitors. While bankruptcy protection has become the refuge of some companies, the Pattens are now working with hedge funds, pension funds, and international investors. Their lengthy track record and strong financial statements affirm their industry-leading status.

Mike Patten went from working alongside his father at Patten Corp. to founding Redstone Properties. His specialty is tackling large acreage projects. One of his first was Colorado's Red Creek Ranch, a 35,000-acre parcel west of Pueblo that he successfully developed in the early 1990s. He subsequently acquired the 25,000-acre Majors Ranch from former Minnesota Vikings owner Red McCombs and the famed Hatchet Ranch, formerly owned by Robert O. Anderson [see *The Land Report* Summer 2008].

"Our buyers are end users, not speculators," Mike says. "The developers and the flippers who got into this land speculation thing are interested in a quick buck. When you're fulfilling people's

dreams of owning a piece of land like we do, your clients buy for the right reasons. They've invested in their property emotionally as well as financially, and they're not about to walk away from it. It's the exact opposite of all those empty condos in Phoenix and Las Vegas."

This approach was confirmed by one of those end users. In 1981, Stanford's Brian Holloway was a first-round draft pick of the New England Patriots. Signing bonus in hand, he and his father set out to find a piece of property.

"I started looking around Potomac, Maryland. Even back then it was a little pricey. Then we went and had a look at Greenwich, Connecticut. It was a little too overstated for my tastes. What I was really looking for was a place that hadn't been discovered, and I saw this ad that the Pattens ran in *The Wall Street Journal*. That's how I met Mike and ended up buying my own Camp David retreat," Holloway says during a phone interview.

More than 25 years later, Holloway still owns that 200-acre horse farm. It's where he raised his family. It's where he hosts reunions for hundreds of his fellow Stanford alums. It's where he brings Fortune 500 clients like HP and Compaq who rely on him to develop team building skills (see www.brianholloway.com).

"You always hear horror stories about professional athletes throwing their money away, but the

Berkshire County ranks as one of the most picturesque in all of New England.





money I spent on land was the best I ever invested,” says the three-time Pro Bowl participant. “I was pretty green back then, but one thing that always impressed me about Mike was that he left some money on the table. He didn’t try to squeeze every last dime out of the deal, and that’s a lesson I’ve never forgotten.”

Hall of Fame quarterback Dan Marino sees another side to the Patten business model. As a paid spokesman for Harry’s National Land Partners, he’s met hundreds of owners and prospects, and he’s come away with candid insight.

“Not everyone has the income of a pro athlete. But with the kind of developments that Harry builds and his commitment to quality, people who might not otherwise be able to buy 5 or 10 acres get the opportunity to own something they can enjoy now or later in life.”

Broad-based marketing is an integral part of this strategy. “Price is always king,” John Patten tells me. “We buy in bulk. We build out amenities and improvements before the first customer sets foot on the property. And we pass these savings onto our customers directly, a lot like Wal-Mart.”

So are the Pattens the Wal-Mart of land developers? “I can’t speak for the Walton family,” John says. “But I know this. I’ve heard Harry say on numerous occasions that he never purchased a piece of property to develop that he couldn’t see himself living on. That’s another way of putting the customer first.”

Brian Patten, who works closely with his grandfather, confirms his cousin’s point. “When you’ve got your own customer financing program like we do, a lot of buyers see it as a convenience, a way to close a deal. I look at it as a responsibility. These

customers are going to be with our family for 15 or even 20 years.”

Embracing such an attitude and integrating it throughout a company says a lot to Jack Mitchell, author of *Hug Your Customers: The Proven Way to Personalize Sales and Achieve Astounding Results*.

“When it comes to how the Pattens run their business, you’re preaching to the choir,” Mitchell says. “Even though Mitchells is a high-end retailer, at our core we’re a lot like the Pattens. When we were kids, my father wasn’t selling Hickey Freeman or Brioni or Kiton suits. That wasn’t what his clientele wanted. Today, we carry much higher-end lines, and our customers and our customers’ children come back again and again. But they don’t do it just because of the product. They do it because of our people and the way they get treated. That’s how we’ve stayed in business since 1958, and it’s the same story with the Pattens.”

“Land that borders your own fences is never expensive.”

— Mike Patten

