



## **FOR IMMEDIATE RELEASE:**

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## **Timber Returns Rebound Strongly Quarter**

CHICAGO, IL, January 24, 2014 – The National Council of Real Estate Investment Fiduciaries (NCREIF) has released fourth quarter 2013 results of the NCREIF Timberland Index. The index returned 5.92% for the quarter, which was split between 5.33% appreciation and 0.60% income. This is the highest quarterly return since fourth quarter 2007, when the quarterly total return was 9.38%.

The rolling four quarter total return was 9.69%, split 2.80% income and 6.75% appreciation. This is a slight increase from last quarter's 9.68% and a significant improvement from a year ago when the rolling four quarter return was 7.75%.

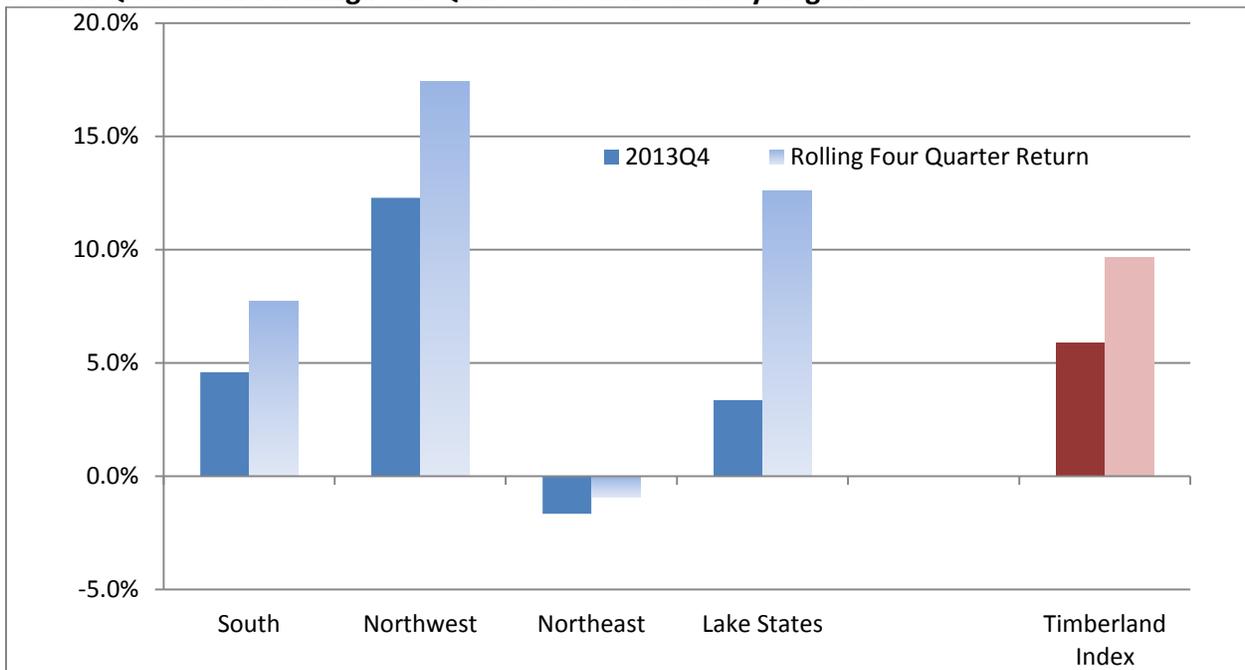
The Northwest was the best performing region with a 12.29% total return. That was split 11.38% appreciation and 0.91% income. The rolling four quarter return for the region increased to 17.44%, compared to 13.54% a year ago and 15.07% last quarter. The Northeast was the worst performing region with a (1.65%) return. This was the second time in the last three quarters that the region had a negative return. The (2.21%) appreciation return marked the third consecutive quarter that the appreciation was negative.

Mary Ellen Aronow, Senior Forest Economist at Hancock Timber Resource Group and Chair of the NCREIF Timberland Committee commented "Fourth quarter is typically the time where a large proportion of the properties in the NCREIF Timberland Index are externally appraised. This year, properties contributing to over 70 percent of the market value of Index were externally appraised during the fourth quarter. Timberland performance results reflect strong returns as a result of capital appreciation. Timberland appraisers recognized a strengthening timberland market, with lower discount rates, sighting timberland transaction evidence which indicates higher land values. In some cases, appraisers have also raised their outlook for timber prices."

The NCREIF Timberland Index consists of 457 investment-grade timber properties worth over \$23 billion. This includes 325 properties in the South, 88 in the Northwest, 16 in the Lake States, and 27 in the Northeast. This data enhances the ability of institutional investors to price the risk of timberland investments across the United States.

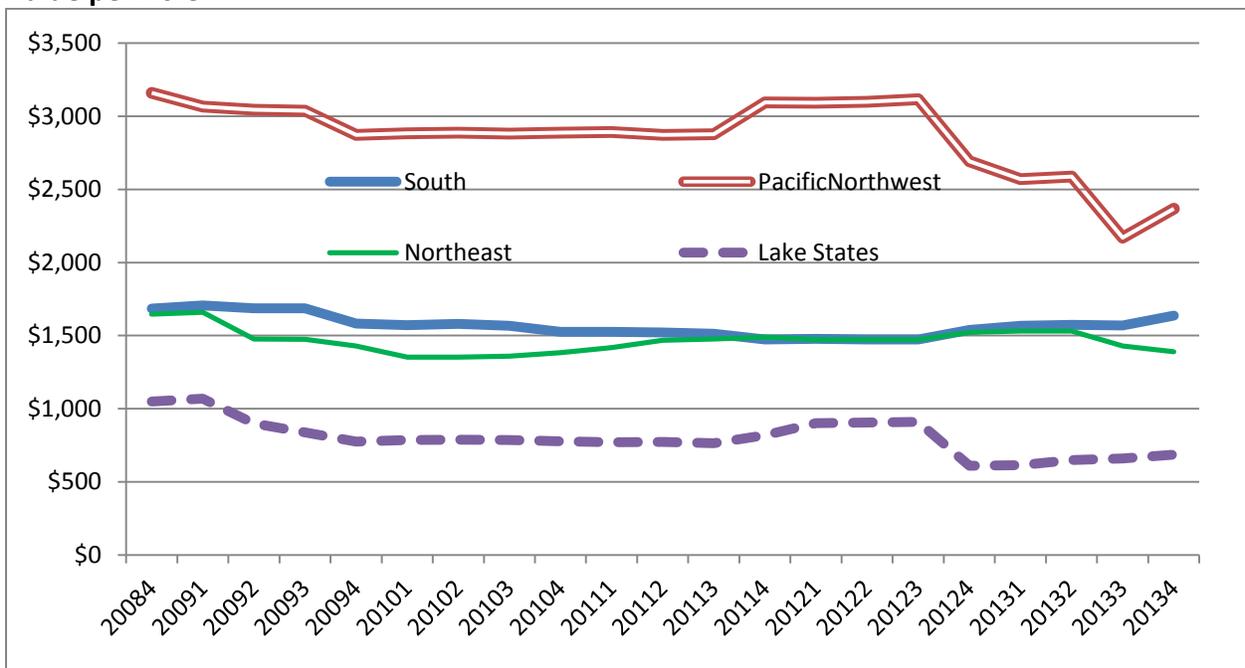
## Regional Returns Widen

Fourth Quarter and Rolling Four Quarter Total Returns by Region



## Pacific Northwest Rebounds

Value per Acre



The large drop in value for the Northeast in 2008 was due to a change in the composition of the index as several new properties were added. The decline in value for the Northwest in 2012 was due to a large increase in new properties that changed the composition of the index.

## **Webinar**

NCREIF will hold a webinar on Wednesday, February 5, at 11 am Central Time to discuss an overview of the NCREIF Property Index (NPI) and the NCREIF Fund Index – Open End Diversified Core Equity (NFI-ODCE), the Farmland and Timberland Indices, as well as a detailed discussion of the results and interesting data from the NCREIF Property Value Trends report. The conference call is being webcast live and can be accessed [here](#). An online replay of the webcast will be available on NCREIF's website at [www.NCREIF.org](http://www.NCREIF.org).

The National Council of Real Estate Investment Fiduciaries (NCREIF) is an association of professionals with significant involvement and interest in pension fund real estate investments who come together to address vital industry issues and to promote research on the asset class.

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