



NCREIF

National Council of Real Estate
Investment Fiduciaries

FOR IMMEDIATE RELEASE:

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Second Quarter

CHICAGO, IL, July 25, 2014 – The National Council of Real Estate Investment Fiduciaries (NCREIF) has released second quarter 2014 results of the NCREIF Timberland Index. The index returned 1.08% for the quarter, which was split between 0.41% appreciation and 0.66% income. This was down from first quarter's 1.60% total return, but the highest second quarter since 2007. Second quarter 2013 returned 0.93%.

The rolling four quarter total return was 9.93%, split 2.58% income and 7.20% appreciation. This is an increase from last quarter's 9.77% and the highest rolling four quarter return since third quarter 2008.

The Lake States were the best performing region with a 2.56% total return. That was almost double the next best performing region, the Northeast. The Lake State's return was split 2.58% appreciation and (0.02%) income. The Lake States had a negative income return in the second quarter last year too. Negative income returns in the first or second quarter aren't uncommon for this region. The rolling four quarter return for the region declined from 12.43% last quarter to 9.32% this quarter.

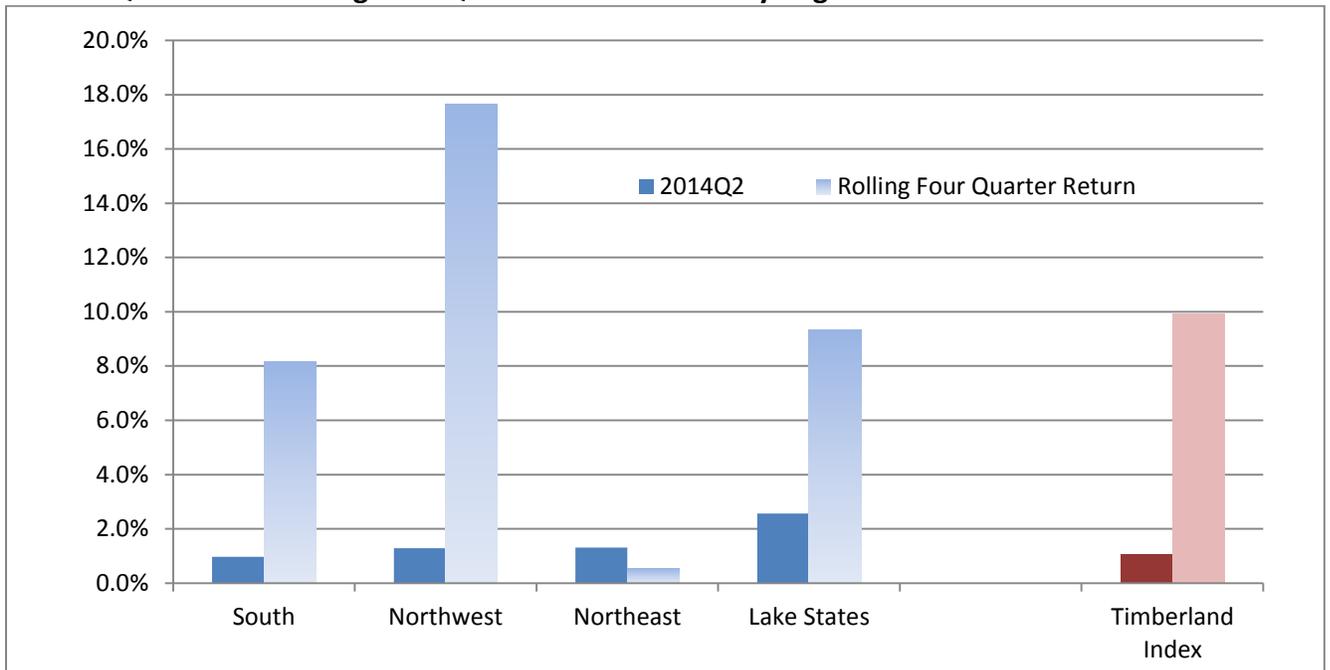
The Northwest was the best performing region on a rolling four quarter basis with a 17.64% total return. That is a drop from last quarter's 18.12% return, but the second best four quarter return since second quarter 2008.

Mary Ellen Aronow, Senior Forest Economist at Hancock Timber Resource Group and Chair of the NCREIF Timberland Committee commented "Despite some hurdles still facing the recovering U.S. housing market and a cloudy outlook for Chinese demand, second quarter timberland performance reflects a combination of strong export demand from China for logs and lumber and a healthy domestic demand in the U.S. for timber products."

The NCREIF Timberland Index consists of 461 investment-grade timber properties worth over \$23 billion. This includes 327 properties in the South, 89 in the Northwest, 16 in the Lake States, and 28 in the Northeast. This data enhances the ability of institutional investors to price the risk of timberland investments across the United States.

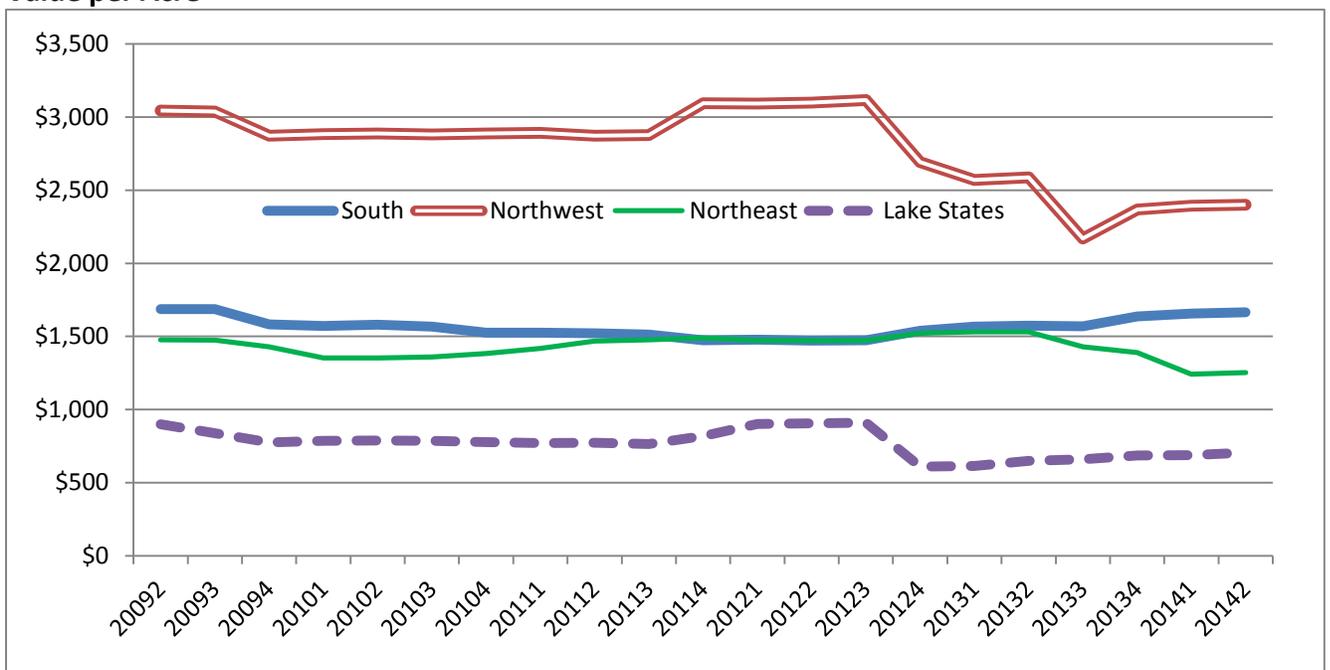
Regional Returns Compress

Second Quarter and Rolling Four Quarter Total Returns by Region



South and Lake States Values Continue to Rebound From Recession

Value per Acre



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, August 6, at 1 pm 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.

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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