Why Invest In Timberland?
Strong Returns With Low Volatility

- From 1987 – 2012 timberland outperformed the S&P 500 with returns around 12%. S&P 500 had returns of 10% during this period.

- Timberland volatility was equal to 10-year treasury bonds. S&P 500 had twice the volatility of timberland.

National Council of Real Estate Investment Fiduciaries
Hedge Against Inflation

Historical data on timberland returns and inflation show a positive correlation, which means timberland does not lose value in times of high inflation. Therefore timberland investments are a good place to preserve wealth.
Provides Portfolio Diversification

Timberland typically moves counter-cyclically with stocks. Therefore, it lowers portfolio volatility and risk.
Timberland is both a factory and a warehouse. When storing timber on the stump waiting for prices to increase, the timber continues to grow in size.

Not so with stocks or gold. You do not grow more shares of stock or grow more ounces of gold while waiting for price increases.
Timberland is a tangible asset that can be enjoyed.

Ever tried to go hunting, camping or horseback riding on a stock certificate?
How Money Is Made With Timberland
Timberland Appreciates By:

- Land Appreciation
- Real Timber Price Increases
- Biological Growth
- Forest Product Growth
Land Appreciation

Must treat land and timber as separate investments. They appreciate at different rates.
Timber Prices Will Increase Due To:

• Rebound in new home construction market.

• Excellent export markets to China & other rapidly developing countries.

• Decrease in imported Canadian lumber because of mountain pine beetle.
The long term outlook for timber prices is even more optimistic when considering worldwide demand for paper and wood products is ever increasing but the number of acres devoted to growing timber is decreasing. Thus, landowners who are investing in timber now will be assured of good markets and high demand for their forest products into the foreseeable future.
Forests Increase In Value From Biological Growth
And From Forest Product Class Growth

- **Paper** $7.00/ton
- **OSB Board** $10.00/ton
- **Lumber** $14.00/ton – $23.00/ton
- **Plywood** $30.00/ton
- **Poles** $55.00/ton
Combined Effect Of Biological Growth & Forest Product Growth On Tree Value

- **DBH 7”**
  - 15 Years
  - $7 / ton
  - $1.50 / tree

- **DBH 10”**
  - 22 Years
  - $14 / ton
  - $4.50 / tree

- **DBH 14”**
  - 30 Years
  - In 8 Years:
    - Price/Ton 215%
    - Value Per Tree 500%
  - $30 / ton
  - $22.50 / tree
Other Future Land Value Considerations

- Geographic location of the property.
- Road frontage.
- Water features
- Recreational aspects.
About Bob King:

Bob King is President of King Land Company, Inc. and United Country Land & Lifestyle Realty in Anderson, S.C. He has been in the land brokerage and forest management business for over 25 years. He is a registered forester who has achieved the esteemed Accredited Land Consultant Advanced designation awarded by the Realtors Land Institute (RLI). Bob is currently the national instructor for the “Timberland Evaluation” course for RLI. In 2004, he was named "Land Broker of the Year" by the S.C. RLI Chapter, and he was President of the S.C. RLI Chapter in 2003, 2004 and 2007.

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