



NCREIF Winter Conference 2021

Timberland Committee

March 22, 2021

NCREIF Winter Conference 2021



Agenda

Time	Duration (min)	Topic, Lead(s)	Topic, Points for Discussion
2:30 pm – 2:35 pm	5	Kick-off	Welcome and Housekeeping <ul style="list-style-type: none"> • Roll call • Recap and accomplishments to date
2:35 pm – 2:45 pm	10	Debrief from Farm/Timber Market Update	<ul style="list-style-type: none"> • Discuss content and format • Should we incorporate this into committee schedule going forward?
2:45 pm – 2:55 pm	10	Review Initiatives Grid	<ul style="list-style-type: none"> • How is the committee tracking to the initiative grid established during the prior meeting?
2:55 pm – 3:05 pm	10	Review Survey Results	<ul style="list-style-type: none"> • Review results of survey sent subsequent to Fall meeting
3:05 pm – 3:15 pm	10	Task Force Update: Valuation	<ul style="list-style-type: none"> • Discuss scope and status of project to accumulate valuation documents into one valuation manual
3:15 pm – 3:30 pm	15	Task Force Update: International Data	<ul style="list-style-type: none"> • Discuss scope and status of international data task force projects
3:30 pm – 3:40 pm	10	Task Force Update: Alternative Income	<ul style="list-style-type: none"> • Discuss scope and status of alternative income items addressed by task force
3:40 pm – 3:50 pm	10	ESG – Future Within NCREIF Timberland Group	<ul style="list-style-type: none"> • Carbon/natural capital investments: valuation methodologies • Where do these investments fall within the scope of the committee? • Are new indices necessary?
3:50 pm – 4:00 pm	10	Hot Topics / Other Items	<ul style="list-style-type: none"> • Vice chair opening • Continued work with farmland on joint sessions • Other

NCREIF
Winter Conference
2021

Welcome and Kick-Off

- Roll call
- Recap of fall meeting



Debrief of Farm/Timber Market Update

Session held March 18, 2021

- Solicit feedback from those who participated
 - Content
 - Speakers
 - Format / time allocation
- Interest in having regular market updates (semi-annually, annually, etc.)?



Review Initiatives Grid



Category	NCREIF Member Initiatives Grid 2020	Approval Processes / Process Stages =====>>> Process/Stage	Approval Procs: I=Board of Directors; II=Sponsoring Committee; III=Staff; IV=EMC Process Stage: 0=Future initiative; i=Proposal in progress w/staff aware; ii=Staff involved for review / feedback; iii=Feedback review after sponsoring committee approval; iv=Refining post-Feedback; v=Refining post-approval presentation; Pending=Approved and pending implementation; vi=Refining during/post-implementation Committee NOTES: (include Initiative details, goals, timing, etc)
New Data Collection	Introduce Harvestable Volume to the NCREIF Timberland Property Index	II i	Member survey complete; discuss next steps with committee
New Data Collection	Introduce ESG fields to the NCREIF Timberland Property Index (such as % of certified acres)	II i	Member survey complete; discuss next steps with committee
Modify Data Definition	Accounting task force to help define appreciation/net investment income fields	II i	Currently working through the ways to identify the fund level data to allow for further members to contribute the data as "Required", rather than "Optional"
Modify Data Definition	Task force to develop prescriptive guidance to amend contributor manual for various alternative income items (conservation easements, permanent easements, carbon credits, solar lease/options, mitigation bank income, etc.)	II i	Task force created; draft version of guidance for placing alternative streams in "buckets" (EBITDDA vs. appreciation) created and in review
New Index Delivery	Create international property level Index.	I ii	NCREIF needs a final product from committee. Subcommittee formed to draft/outline potential final product.
New Index Delivery	Introduce an international fund level Index; First step - totals for internal review, next steps - 1) Policies 2) regional breakdowns	I ii	First step complete.
New Guidance	Introduce best practices for internal valuation	II i	Guidance for best practices should be put in place for members during internal periods of timberland valuation. Revised draft material to be circulated to committee for approval.
New Guidance	Revise and update timberland valuation best practices document	II i	Task force created; draft version of updated valuation practices document is in process. Committee to sketch out a timeline for completion in Winter 2021 meeting.
New Guidance	Create NCREIF for Timber Guidance Document	II i	Ongoing aspirational initiative - to continue working closely with Farmland Committee to help implement.
Membership	New Member Recruitment	NA	

Member Survey Results

Review Survey Results (sent 2/16)



Task Force Update: Valuation



- Draft is in progress – delay from timing per fall 2020 conference
- Given layers of review, committee should approve a timeline for completion. Proposal:
 - May 2021 – sub-committee draft finalized & sent to committee
 - June 2021 – committee comments received
 - July 2021 – updated draft provided to valuation, accounting parties for review/input
 - September 2021 – final draft to committee incorporating all comments
 - November 2021 – formal approval by committee

Task Force Update: International Data



- No material updates from fall meeting.
- Task force headed by Jackson C. – need a volunteer to replace and move the project forward.
- Primary immediate action item is to draft/propose a final product for the international index so that committee can determine necessary data inputs and NCREIF can build database outputs



Task Force Update: Alternative Income

- Plan is to have a schedule/appendix of alternative income items as well as their place within the TPI fields (EBITDDA vs. appreciation).
- Draft is in circulation among task force – delay from timing per fall 2020 conference.
- Task force to send draft document to committee for comments concurrently with fair value manual (May 2021).

ESG Discussion

Future within TPI, TFSAI, and beyond

- Broad member interest in additional ESG disclosures (see results of survey). What does that look like?
 - Number or percentage of acreage certified sustainable
 - Carbon sequestered (tons)
 - Acreage under conservation type easements
- Given increasing investor interest in ESG, should there be a separate timber ESG index for funds with a core strategy of mitigation banks, carbon credit sales, etc.?
- How will the proliferation of alternative use impact timberland valuation?
- Other concerns?



Hot Topics and Housekeeping



- Vice chair opening
 - Jackson Casstevens left FIA January 2021
 - Term of new chair scheduled to begin after fall 2021 meeting
 - Volunteers?
- Other joint sessions with Farmland
 - Governance – to be scheduled
 - Education series?
- Other hot topic items
 - Insurance