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CONTACT: 
Sara Rutledge 
312-819-5890

Slow, Steady Timberland Performance in First Quarter

CHICAGO, IL, April 25, 2017 – The National Council of Real Estate Investment Fiduciaries (NCREIF) has released first quarter 2017 results of the NCREIF Timberland Index. The index returned 0.76% for the quarter, compared to 1.18% in the fourth quarter 2016 and negative 0.26% a year ago. The EBITDDA return was relatively stable, at 0.63%, compared to 0.68% last quarter and 0.58% in the first quarter 2016. After a flat year for appreciation in 2016, timberland eked out 0.13% appreciation in the first quarter 2017.

For the trailing year, the annual total return was 3.64%, up from 2.90% for the year ending first quarter 2016. The annual total return was comprised of a 2.63% EBITDDA return and 0.99% appreciation.

Timberland Quarterly Total Return Trends by Region

The EBITDDA return ranged from 0.46%-to-0.67% across regions, while the timberland capital return varied more substantially. The Northeast and South each returned 0.84% for the quarter with appreciation of 0.31% and 0.20%, respectively. Depreciation was slight, at 0.05%, in the Northwest, while 0.47% depreciation in the Lake States led to a negative 0.01% quarterly total return.
Timberland market value per acre was $1,800 in the first quarter 2017 and has remained close to this valuation since year-end 2014. This stability is largely due to the South holding at about $1,780 per acre because the region accounts for over two-thirds of the timberland property count. The Lake States saw a partial reversal of last quarter’s improvement, landing at $711 per acre. The Northeast had a 2.0% quarterly gain in value per acre for a nearly flat annual comparison. The Northwest also had modest gains over the year and continues to report the highest value per acre, at $2,678 in the first quarter 2017.

**Timberland Market Value per Acre by Region**

The NCREIF Timberland Index consists of 445 investment-grade timber properties with a market value of $24.1 billion. This includes 310 properties in the South, 87 in the Northwest, 31 in the Northeast, and 16 in the Lake States. This data enhances the ability of institutional investors to evaluate the risk and performance of timberland investments across the United States.

**Webinar**

NCREIF will hold a webinar on Tuesday, May 9, at 1:00 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](www.NCREIF.org). 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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