

UGA's Center for Forest Business hosts timberland investment conference

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University of Georgia conference examines timberland investment in turbulent times

Greensboro, Ga. – Industry leaders met last week to discuss the impacts of the global financial crisis on the future of investing in the timberland asset class.

The Center for Forest Business, a unit within the University of Georgia's Warnell School of Forestry and Natural Resources, hosted "The Timberland Asset: Stable Investments for Turbulent Times" March 18 – 20 at the Ritz-Carlton Lodge, Reynolds Plantation on Lake Oconee, Georgia.

Timberland is an alternative asset class with a proven record of dependable returns, and which possesses unique qualities that offer an inflation hedge and a stable alternative for many portfolios. This is especially attractive in today's volatile economy.

Keynote speaker Dr. Chris Zinkhan, CEO and Managing Director of The Forestland Group LLC, described several countervailing forces that will determine the future course of timberland investments. In particular, one set of opposing trends is the current market's premium on liquidity while still seeking exposure to strategic options.

While acknowledging the challenging nature of our economy, Dr. Court Washburn, CIO and Managing Director of Hancock Timber Resource Group, said that in the current downturn, timberland has held its value and brought higher returns than other investments such as other real estate, equity markets and bond markets. In the near term, he expected timberland prices to decline due to the low prices for other assets and the market's expectation of higher rates of return. Like other speakers at the conference, he pointed out that in the long term the basic characteristics of timberland assets will continue to show stability when compared to other investments.

Nearly 250 people from the U.S. and ten other countries attended the three-day conference, including asset managers, investors, funds of funds, insurance companies, investment consultants and professionals in the forestry industry. UGA professors, investors and timberland experts spoke on such topics as current trends in the asset class, valuation procedures, international investment opportunities, bio-energy efforts, developing carbon markets, and the risks and drivers of timberland investments.

Sona Blessing, editor of A SQUARE in Switzerland (an independent research portal exclusively dedicated to alternative investments) and director of research at Opalesque, said that "investors need to and want to feel comfortable with the risk they are taking on - be able to appreciate and understand what the return drivers are and what makes investing in timber unique."

The Center for Forest Business integrates pioneering academic research and sound financial methods to provide education and service to forest industry, investors and landowners throughout the world. It has previously held similar conferences in Munich, Germany; London, England; and at Chateau Élan in Northeast Georgia. This was the second CFB investment conference held at the Ritz-Carlton Lodge and the Center plans to return in 2011 to review changes in the industry and to present results of on-going research.

To learn more, please visit the CFB's Web site at www.ugacfb.com, or contact Tommy Tye at (706) 542-5079 or at rtye@warnell.uga.edu.