

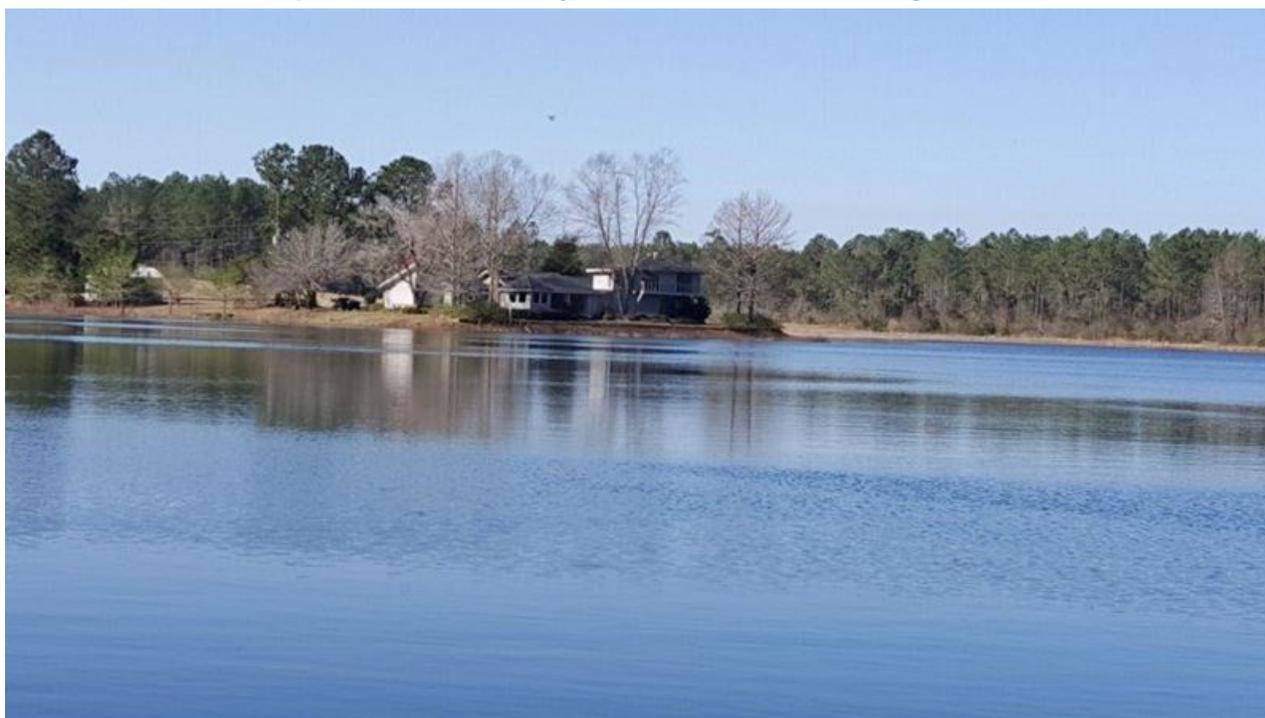
Matre Forestry Consulting, Inc.
Newsletter
July 18, 2017
from the desk of Mike Matre, ACF, ALC



Established in 1999, Matre Forestry Consulting, Inc. of Albany, Georgia is a full service forestry consulting company and real estate brokerage. On behalf of our clients, our services include timber sales & management, land sales and acquisitions, timber inventories/cruising, appraisals, marking, prescribed burning, reforestation, GPS & GIS mapping, investment & market analysis, contract forestry services, wildlife habitat improvement, and hunting plantation development.

NEW LISTING - 208 Acres in west Berrien County GA!

See <http://www.matreforestry.com/land-for-sale-berrien-ga-208.htm>



Also, in this issue, land & timber market commentary, featured article “*Drop the Hunting Lease because You, yes You, Can Buy Land*”, useful seasonal management recommendations, and Matre Forestry land listing highlights.

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What's New at Matre Forestry

Well, for many in southwest Georgia, 2017 started off rough with two rounds of severe storms and tornadoes in January. Our prayers go up for those directly and indirectly affected by those storms. See the Timber Market Commentary section for information on how storm damaged timber and drought related pine mortality has affected our timber market.

Land Agent Needed! We are looking for a new land agent. Chad McGrath, who was Matre Forestry's most active agent (other than yours truly), just embarked on an exciting adventure. Chad and his wife Alyssa and their two children just moved to Japan! Chad will keep his license active with Matre Forestry for when they may return to Georgia, and to possibly refer real estate business to Matre Forestry while in Japan. With Chad gone, we need someone, but not just anyone. We are looking for a professional type, who instinctively does right and good for both clients and customers. Ideally, the successful candidate will have at least an associate's degree and a general business and marketing and computer background. A good connection to land is a must, and we are especially interested in someone with a forestry or agriculture or wildlife biology background. Of course we will only hire someone who is drug free, has a clean background and driving record, and first and foremost is God fearing. We would also give strong consideration to someone who served in our armed forces. We are willing to train the right person, as long as that ever important land connection is present. We are hoping to find someone that is ready to sell land full time, but we will certainly consider a good person that has a regular job and wants to sell land on the side.

This is a commission based position, with opportunity for some per hour paid work to assist with various Matre Forestry projects as they arise. Someone with a forestry license can potentially have significant paid per hour work between land sale commissions. If you or someone you know may be a good fit for Matre Forestry, please email me at mike@matreforestry.com .

Featured Article: Drop the Hunting Lease because You, yes You, Can Buy Land

This year we have had more calls than ever before from people looking to lease hunting land. Often we hear, "I have been leasing a place for years, and it just sold". Recently we heard this: "the landowners grandon has started getting into hunting so we lost our lease". Hunting leases should be considered temporary. While some hunters get lucky and lease the same land for many years, leases end eventually, and usually never at an ideal time for the hunter. That's why, if you are leasing hunting rights, you should consider buying your own hunting land.

When we suggest to someone that they should buy hunting land, not lease it, the most common reply is I can't afford it. For some, that is true, but you would be surprised how affordable owning land can be, especially when you factor in that land is historically an appreciating asset, and most land produces income through periodic timber harvest and/or agricultural leases, plus other potential income sources such as pine straw, tax credits through conservation easements, various government conservation programs, etc.

I look at it this way, if you can buy \$60,000 truck financed for 5, 6, or 7 years, you can buy you some hunting land, as long as you have a decent down payment of at least around 20%. Maybe you should consider a cheaper truck, so you can buy even more acres.

Let's look at some financing. I just talked with Brian Wilson at Southwest Georgia Farm Credit, and he said currently their most typical financing involves around 20% down, an interest rate of around 5% to 5.5%, and a term of usually around 15 years. Also, Brian mentioned that at Farm Credit, their customers (who become members/shareholders when they borrow from Farm Credit), receive an annual dividend of usually 0.75% to 1%, lowering their effective loan interest rate. For more info, see <https://www.swgafarmcredit.com/> or contact them at 229-924-6025 .

Let's take some hypothetical loan terms and purchase prices and run the numbers:

Scenario 1 - \$200,000 Tract 15 year term

Land Purchase Price: \$200,000

Down Payment: 20%

Amount Financed: \$160,000

Interest Rate: 5.00%

Term in Years: 15

Monthly Payment: \$(1,285)

Scenario 2 - \$200,000 Tract 20 year term

Land Purchase Price: \$200,000

Down Payment: 20%

Amount Financed: \$160,000

Interest Rate: 5.00%
Term in Years: 20
Monthly Payment: \$(1,070)

Scenario 3 - \$500,000 Tract 20 year term

Land Purchase Price: \$500,000
Down Payment: 20%
Amount Financed: \$400,000
Interest Rate: 5.00%
Term in Years: 20
Monthly Payment: \$(2,675)

Scenario 4 - \$60,000 Truck 5 Year Term

Land Purchase Price: \$60,000
Down Payment: 10%
Amount Financed: \$54,000
Interest Rate: 4.25%
Term in Years: 5
Monthly Payment: \$(1,018)

Scenario 4 has you buying a \$60,000 truck with 10% down over 5 years costing you a little over a grand per month, for a rapidly depreciating asset. Comparatively, Scenario 2 has you buying a \$200,000 hunting property with 20% down financed over 20 years, costing you a little over a grand per month, for an appreciating asset.

Yes, I realize you need a truck to get to your hunting land, but do you need a 2018 King Ranch? The point is, I believe that in many cases, if someone looks at their finances, makes a few adjustments here and there, they can buy their own hunting land to have total control over, rather than leasing hunting land from year to year - not really knowing when that lease will end.

Let's say you pulled the trigger and pre-qualified yourself for a loan allowing you to purchase a \$200,000 tract, what is that going to get you? That can get you probably about 100 to 200 acres or so in the southeast, depending on property attributes. Cutover land, maybe +-200 acres. Miscellaneous timber with a field or two, maybe +-100 acres. Nice timber, maybe a small lake and cabin, \$200,000 may get you 75 acres. Take on a trusted partner and double the acres, or put a group together and buy a 1000 or more acres.

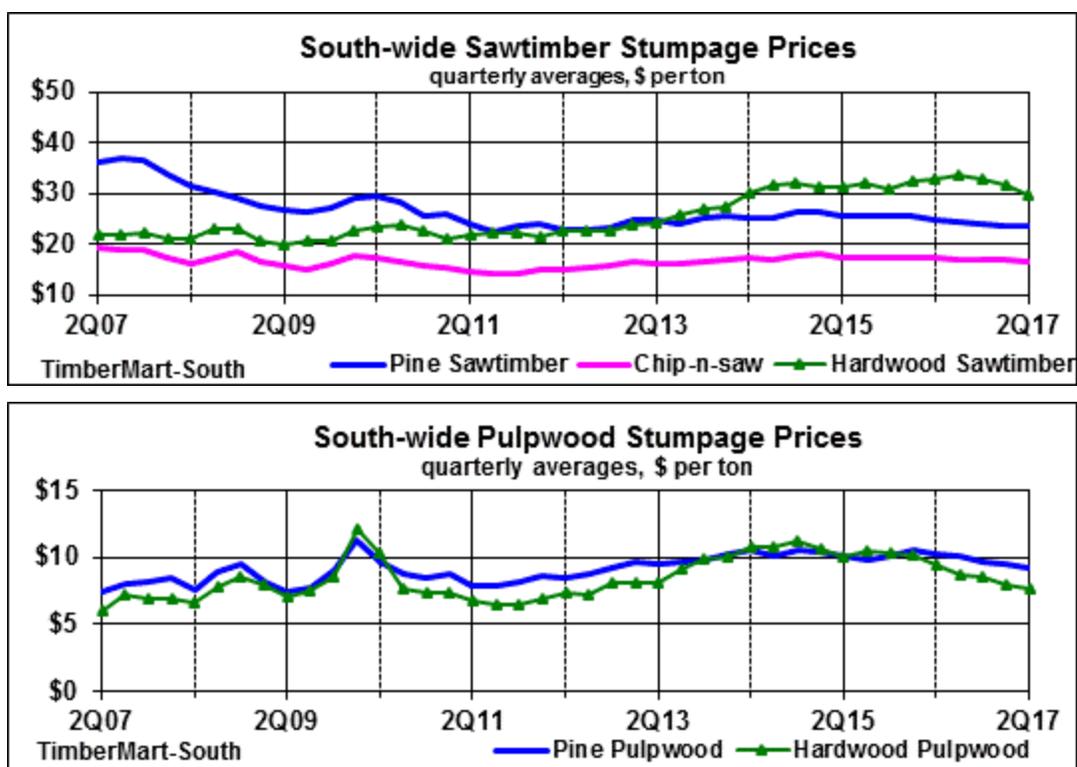
The take home points here in this discussion of buying hunting land rather than leasing:

1. By buying your own hunting land, you will know where you will be hunting this year and every year after that as long as you own the property.
2. By buying your very own hunting land, you are in control of your own hunting rules and land/timber/wildlife management.

3. By owning your own hunting land, you can most likely enjoy periodic timber income and/or annual agriculture lease income.
4. By owning your own hunting land, you can most likely enjoy watching your net worth increase with the increasing value of your hunting land plus periodic and/or annual income from the land.
5. By owning your own hunting land, you can find a new joy that comes with owning and managing and nurturing your very own piece of land.

Timber Market Commentary

**Note: We do not disclose specific prices we receive in our newsletter, but we do provide a detailed timber market analysis for our clients when needed.*

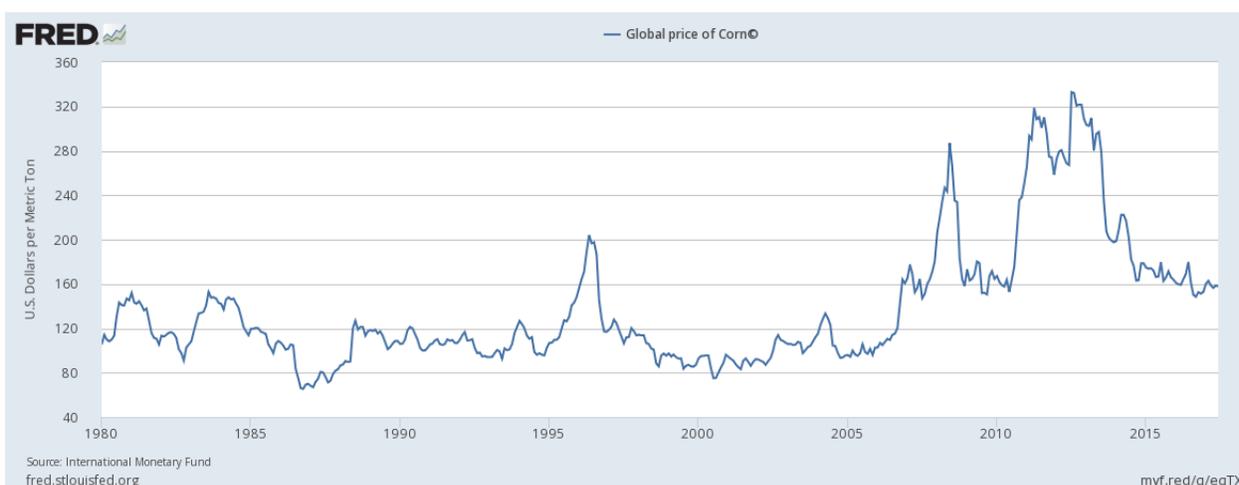


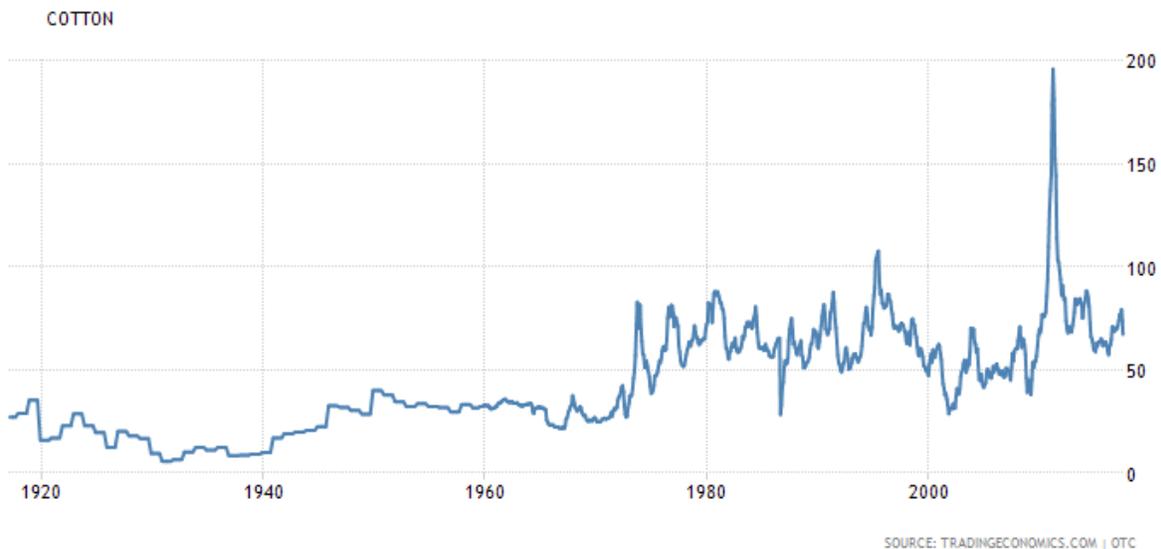
Source: <http://www.timbermart-south.com>

The first half of 2017 was somewhat a perfect storm in the timber market in the southeast, especially in Georgia. Unprecedented storm damage occurred in south and middle Georgia in January of 2017, sending a wave of salvage timber on the market. At the same time, Georgia and other areas of the south has been experiencing two years of droughty conditions, and as a result, increased pine mortality. So on top of storm damaged timber flooding the market, significant drought related salvage logging was taking place. Here we are now in July of 2017, and we are getting regular rain and the glut of salvage timber has worked it's way through the market. Now, mill quotas are improving and timber prices are improving.

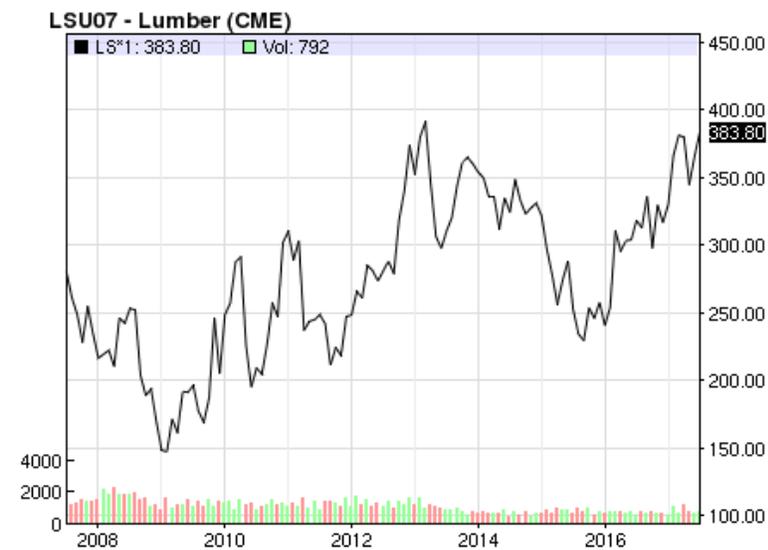
Many are wondering why chip-n-saw and sawtimber prices have not risen with lumber prices. It simply comes down to supply. In the south, we manage timber well and trees grow fast. Also, many timberland owners need timber income as their planted pines mature, and are not financially able to delay harvests waiting for better prices. So, in most market conditions, there is a ready supply of logs for most sawmills and chip-n-saw mills. Unless a mill is running low and/or are having trouble procuring enough logs to fill orders, you will not see prices sharply rise. It is comforting to see strong demand for lumber, plus seeing sawmills investing in their mills, improving efficiency. Such an environment should lead to some timber price growth, and just as important, prevent timber price backsliding.

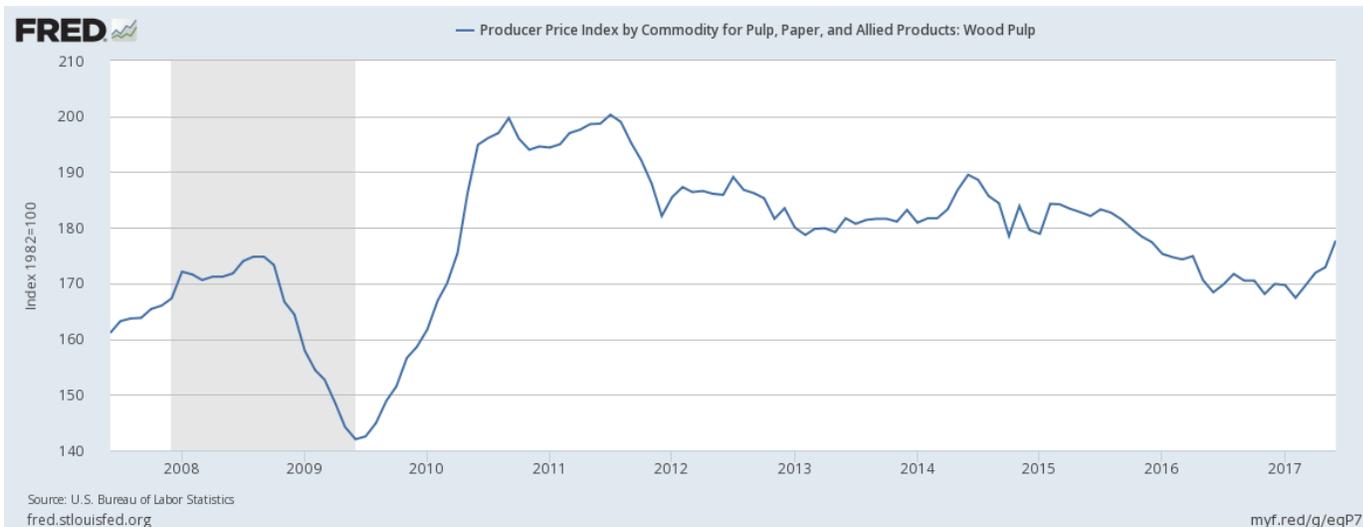
While we focus a lot on timber prices, what about crop commodities?





Key Economic Indicators

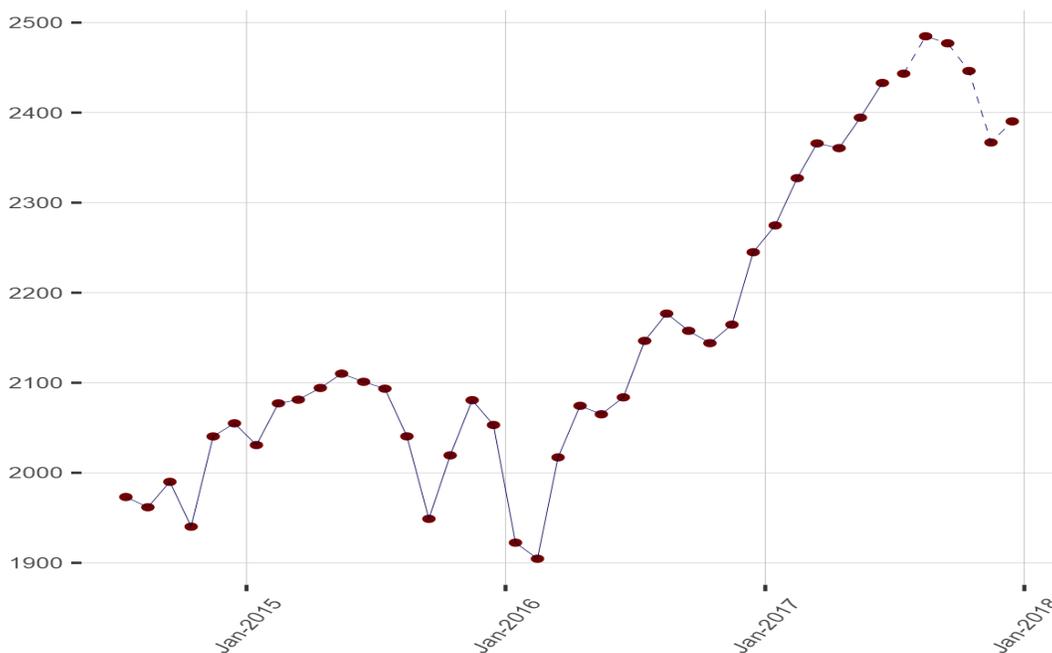




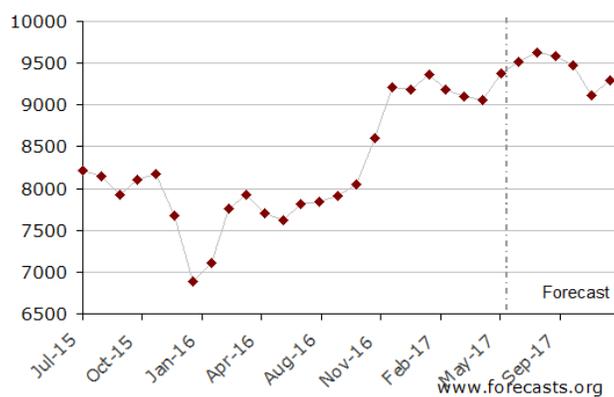
Source: <https://fred.stlouisfed.org/series/WPU0911>

Affecting our niche of timber and land, is the overall economy. Following are some relevant key economic indicators from <http://www.forecasts.org/>.

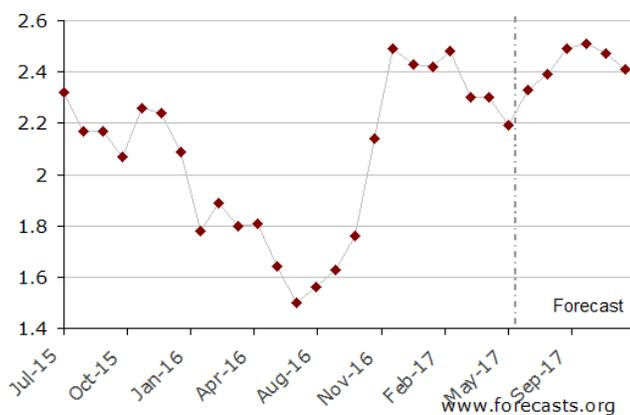
S&P 500:



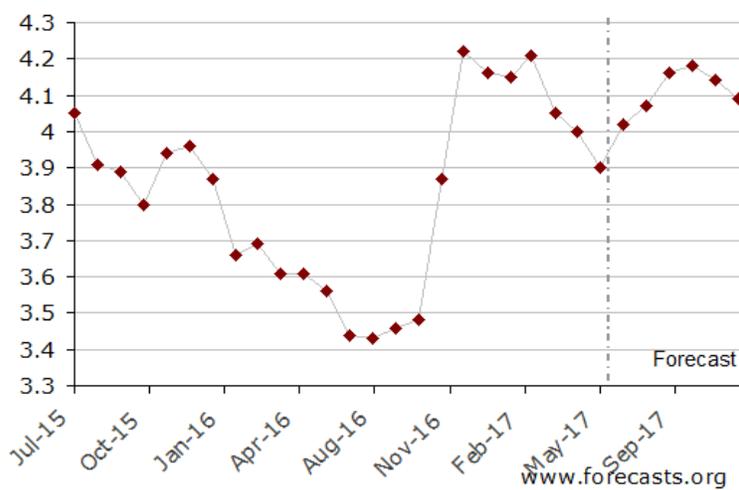
Dow Jones Transports:



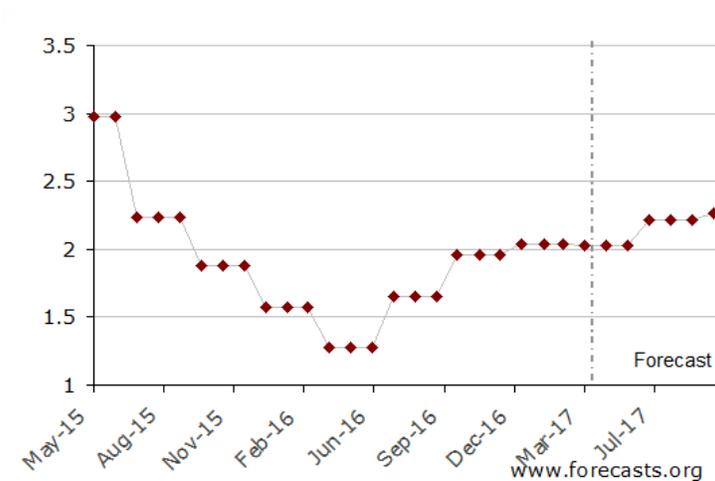
10 Year Treasury:



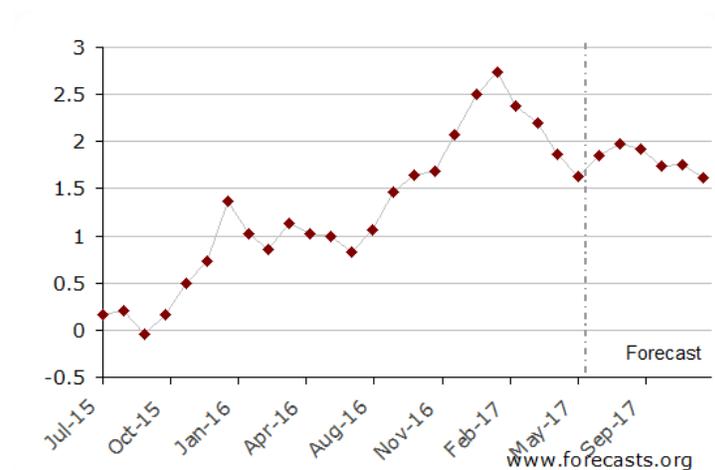
Mortgage Rates:



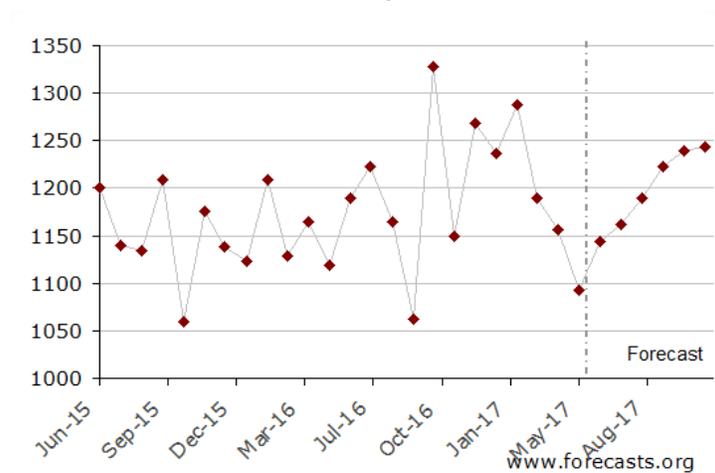
US GDP:



US Inflation:



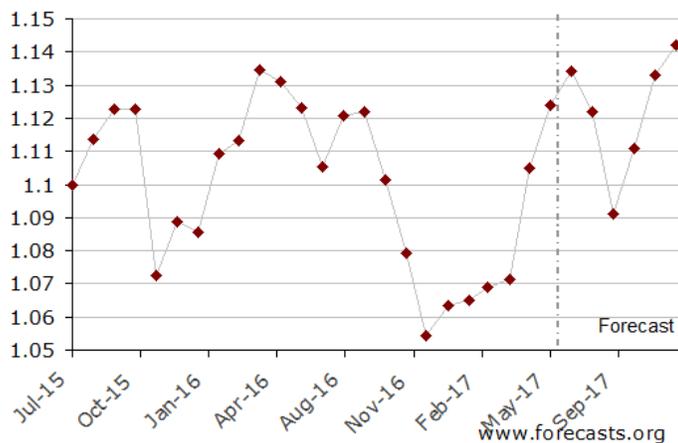
US Housing Starts:



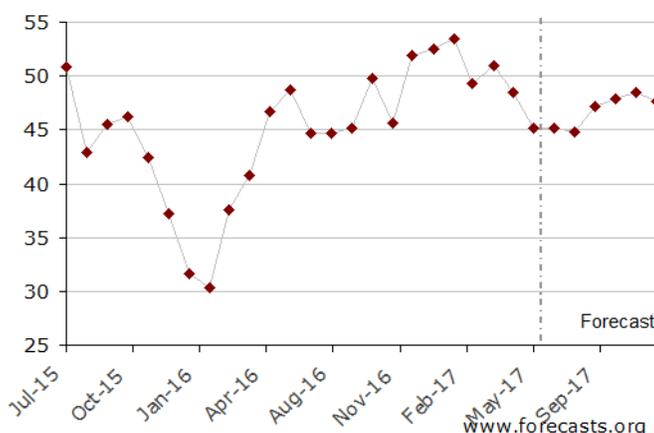
Euro to Dollar:

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Crude Oil:



Since the election of Donald J. Trump, investor and consumer optimism has improved greatly, which bodes well for the timber and land markets. And these positive economic indicators are despite “the resisters” who are trying their level best to bring down the Trump presidency. If you do not know who the resisters are, wake up and pay attention.

Land Market Commentary

We are seeing two forces at work in the land market. As investor confidence is rising in the Trump era, cap rates for land investments are rising as investors look to other opportunities and are willing to take on more risk, which may be putting some downward pressure on both timber and agriculture land prices. But, at the same time, the same optimistic attitude toward the economy is increasing the recreational demand for land, which may be pushing up land prices. This is what we are seeing anyway day to day in the land brokerage business.

It is getting harder to find good buys for high networth land investors, as they are finding other opportunities for their money. But, at the same time, we are hearing from more buyers looking for good hunting tracts. But there is one thing for certain, these days most recreational land buyers are savvy and well informed. The typical buyer of hunting land is willing to pay a reasonable premium for a land that suits their recreational needs, but they will strongly consider the income potential of property, the overall supply of available land which is still high, and comparable sales data when deciding what to offer. Also, good productive land for timber and/or crops will always attract investors who love land and good safe returns.

Matre Forestry Select Recently Sold Properties

County	State	Acres	List Price	Sale Price	Sale Price per Ac	Matre Forestry was	Description
Webster	GA	200	\$220,000	\$199,010	\$995	Listing Broker	Hunting Tract, Mostly upland cutover
Sumter	GA	85	\$148,000	\$143,000	\$1,682	Listing Broker	Hunting land with pre-merch planted pine and cutover
Webster	GA	68	\$98,000	\$98,000	\$1,441	Listing Broker	Hunting Tract, Mostly pre-merch Longleaf on cutover site
Sumter	GA	47	\$105,000	\$105,000	\$2,234	Listing Broker	Hunting land with merchantable timber and pond
Lee	GA	25	\$95,000	\$60,000	\$2,400	Buyer Broker	Acreage with mobile home

Continued next page

Matre Forestry Exclusive Listings for Sale (click AVAILABLE to link to info)

Status	Acres	Price	Price Per Acre	State	County	Description
AVAILABLE	759	\$3,250,000	\$4,282	GA	Worth	Quail Plantation
UNDER CONTRACT	485	\$1,207,650	\$2,490	GA	Wilcox	Timber w/ lake and cabin
AVAILABLE	447	\$891,765	\$1,995	GA	Harris	Long term timber lease in growth county
UNDER CONTRACT	406	\$385,700	\$950	GA	Quitman	Cutover next to Lake Eufaula
AVAILABLE	300	\$1,125,000	\$3,750	GA	Stewart	Mature timber, house, lake
AVAILABLE	300	\$373,500	\$1,245	GA	Webster	Creek, pre-merch longleaf and cutover
AVAILABLE	252	\$724,500	\$2,875	GA	Terrell	Timber close to town
AVAILABLE	208	\$769,000	\$3,697	GA	Berrien	Timber, lakes, house
AVAILABLE	139	\$298,850	\$2,150	GA	Sumter	Timber, irrigated food plots

[For our interactive listing map, click here!](#)

Land Wanted

Land Wanted: Investment grade land tracts, timber or ag or timber/ag mix. Preferably in southwest Georgia. For the right tracts, all cash quick closings. 100's of acre to 1000's of acres.

Seasonal Timber Management Tips

Summer and early fall is site prep time for pine tree planting and for understory herbicide treatments, so if you have not started, it may not be too late to line it up. Did you know that if you have pine stands with hardwood and brush encroachment in the understory, one of the best

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things you can do for your pines, your wildlife, and your property aesthetics and recreational value is to treat the understory with herbicide? Doing so has a fertilizer affect, promoting the growth of your pines and early successional habitat that is highly desired by game species. There may even be cost share assistance out there to help.

Coming up soon will be the cooler months, the best time to have a new timber inventory done. Do you want to know what your timber is worth now, what it will probably be worth in the future, when you should thin, when you should clearcut? Those questions can be answered by a quality timber inventory and growth study.

We appreciate your taking some time to review this issue of the *Matre Forestry Newsletter*, and we hope it is informative. We welcome your feedback, and your suggestions for future newsletter topics. Sign up or update your email address for our mailing list at <http://www.matreforestry.com/newsletter.html> . We send out our full newsletter occasionally, and occasionally send out email blast regarding our listings, hunting leases, and important current events related to forestry and land. We keep our subscribers contact information confidential, and we will not bombard your email inbox with frequent emails.

Sincerely,

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