

# Reviewing a Timberland Appraisal for Accuracy and Credibility



**How to increase your confidence  
in understanding and reviewing  
appraisal reports for your  
clients and company.**

## **Reviewing a Timberland Appraisal For Accuracy and Credibility** **June 30 - July 1, 2015 • DoubleTree Hotel • Portland, OR**

Timberland appraisals are integral part of many business transactions. Consumers of timberland appraisal services need to have confidence in the reports they receive to make sound business and investment decisions. Through this seminar, you will gain an understanding of basic valuation principals as they relate to the timberland asset class and become a more informed consumer of appraisal services in the timberland market. While this session will not teach you how to conduct an appraisal, it will provide you with the knowledge and tools to understand the valuation process, interact effectively with the appraiser, and evaluate the accuracy and credibility of any forest appraisal.

The seminar instructors will provide you with the background and criteria to evaluate appraisals as well as a checklist to ensure a systematic and consistent method for reviewing and providing comments on future appraisals.

### **Target Audience**

**Timberland investment portfolio managers • Financial auditors  
Timberland investors • Lenders • Foresters • Appraisers**

### **Seminar Agenda**

#### **Tuesday - June 30, 2015**

##### **1:00 pm Overview of Forest Management Concepts and Terminology**

*What are the major timber producing regions of the U.S?*

*What are the major timber types within each region?*

*Site productivity: The potential of an area to grow trees*

*Timber Stands: A management entity within forestry*

*Timber management strategies: Even-aged and uneven-aged management*

*Improving the growth of timber through silvicultural practices*

*When to harvest timber: Rotation length and financial vs. biological maturity*

*Logging methods for timber harvest: ground vs. cable and types of equipment*

*Where do the logs go? Timber products, relative values, and their end-use markets*

##### **2:15 Counting Your Trees: An Overview of Timber Inventories**

*Measuring nature: Trees are not cans of beans*

*Sampling techniques and statistics used in forestry inventories*

*How do we measure trees? Units of measurement - cubic, board feet, and weight measures*

*Field measurement techniques for counting trees in the field*

*Back at the office: Compilation of data into inventory programs*

*How often are trees measured? Setting inventory cycles*

*Growing trees between field measurements*

*Integrating inventory data with geographic information systems*

**2:45 Break**

**3:00 Counting Your Trees (Continued)**

**3:30 Drivers of Timberland Value**

*Timber type • Site productivity • Terrain*

*Age class distribution • Stocking of trees*

*Location • Road systems • Management history*

*Impact of regulatory and environmental issues on value*

*Other cost considerations*

**4:30 Adjourn**

#### **Wednesday - July 1, 2015**

**8:00 am Key Concepts and Principles of Valuation**

*Fundamental land rights: It is more than just the physical property*

*Different forms of land ownership*

*Value is an opinion as of a specific date*

*The concept of Highest and Best Use*

*Types of value • Elements of market value*

**8:30 ABC's of Uniform Standards of Professional  
Appraisal Practice (USPAP) • USPAP Background**

*Applicability • Components of USPAP • Ethics rule*

*Recordkeeping rule • Competency rule*

*Scope of work questions • Client and intended users*

*Intended use • USPAP Standards*

*Extraordinary assumptions & hypothetical conditions*

## Seminar Agenda

### Wednesday - July 1, 2015 (cont.)

**9:30** Break

**10:00** **The Three Approaches to Valuation and Their Use in Timberland Appraisal: How does the Appraiser Decide Which Approaches to Use?**

*Income Approach*

*Sales Comparison Approach*

*Cost Approach*

**10:30** **Key Drivers of Value Under the Income Approach**

*Using a single stand as an example*

*Applying income approach to the whole property*

*Key factors affecting discounted cash flow valuations*

*Projecting log prices*

*Determining market discount rate*

*Determining the growth and yield of the forest*

*Calculating production and management costs*

*Reversion*

**Noon** Lunch included with registration

**1:00** **Selection of Sales and Adjustments Under the Sales Comparison Approach**

*Selecting "comparable" sales*

*Sale adjustments and analysis*

**2:00** **Is the Cost Approach Appropriate for Timberland Appraisals?**

*Example of young stand valuation*

*Use of cost approach in other regions*

**2:30** Break

**2:45** **Effective Appraisal Review and Interaction with the Appraiser**

*How to select the right appraiser*

*Providing the right data to the appraiser*

*Complete appraisal review checklist*

**4:00** **Session adjourns**

**4:15** **Optional Session: Emerging International Standards: IFRS and IVS**

*What are International Valuation Standards?*

*Mark to market accounting - IFRS*

*IFRS vs. GAAP*

*IFRS valuation requirements*

*Appraisal standards under IVS: Land value, biological assets and improvements.*

**5:00** **Optional session adjourns**

An appraisal review checklist will be provided with the course materials. Use this checklist for a structured and systematic approach to reviewing an appraisal for USPAP compliance as well as evaluating key components of the analysis.

## About the Speakers

**Roger Lord** is a Principal at Mason, Bruce & Girard and leads the company's timberland and natural resources valuation services. He has 30 years of experience in the areas of timberland appraisal, acquisition and divestiture due diligence, forest economics, and planning.

Roger is a state certified appraiser in Oregon, Washington, and Idaho and specializes in the appraisal of investment grade timberlands throughout the Northwest. In addition, he manages a variety of other projects at MB&G including acquisition & divestiture due diligence, conservation easement appraisal, stumpage valuations, forest planning, timber market studies, and biomass and timber supply analyses.

Roger received a B.S. in Forest Science and M.S. in Forest Resources and Operations Research from Penn State. He is a member of the Society of American Foresters and a Candidate for Designation in the Appraisal Institute, and a Candidate for Membership in the Association of Consulting Foresters.

**Mark Rasmussen** is a Principal at Mason, Bruce & Girard with a consulting practice that focuses on long term forest planning, forest policy analysis, economic analysis of forest management practices, and forest valuation.

Prior to coming to MB&G, Mark worked as a Policy Analyst for the National Forest Products Association in Washington, D.C. Following his work in D.C., he became the Forest Economist at Timber Data Company, providing the forest industry with insight into stumpage markets across the West.

Mark has an M.S. in Forest Economics and a BS in Environmental Studies both from Utah State University. He is a member of the Society of American Foresters and a Board Member of the Western Forestry & Conservation Association.



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**June 30 - July 1, 2015 • DoubleTree Hotel • Portland, OR**

## REGISTRATION FORM

NAME \_\_\_\_\_

ORGANIZATION OR AFFILIATION \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY, STATE, ZIP \_\_\_\_\_

EMAIL \_\_\_\_\_ TEL \_\_\_\_\_

## REGISTRATION

## PAYMENT METHOD

	AMOUNT
<b>BEFORE June 24, 2015</b>	<b>\$575</b> _____
<b>AFTER June 24, 2015</b>	<b>\$660</b> _____

### Questions?

Call 888-722-9416 or 503-226-4562  
or amanda@westernforestry.org



**Western Forestry and Conservation Association**  
4033 SW Canyon Rd. • Portland, OR 97221  
503-226-4562 • 888-722-9416 • FAX: 503-226-2515

Register at: [www.westernforestry.org](http://www.westernforestry.org)

### 1. Please make check payable to:

WFCA • 4033 SW Canyon Rd. • Portland OR 97221  
503-226-4562 • 888-722-9416 • FAX: 226-2515

### 2. Purchase order # \_\_\_\_\_

### 3. Charge to:            MC            VISA            AmEx

(please circle)

Account # \_\_\_\_\_

Expiration Date \_\_\_\_\_ Security Code \_\_\_\_\_  
(on back of card)

### 4. Register online at [www.westernforestry.org](http://www.westernforestry.org)

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## Reviewing a Timberland Appraisal for Accuracy and Credibility



### Meeting Location:

The workshop will be held at the DoubleTree Hotel Lloyd Center at 1000 NE Multnomah St. in Portland, OR. The hotel can be reached at: 503-281-6111. The DoubleTree is at the Lloyd Center/NE 11th Avenue stop on the Portland light rail MAX system.

### Lodging:

No block of rooms has been set aside for the meeting. Hotels adjacent to the DoubleTree include: Quality Inn Downtown Convention Center, (503) 233-7933 and Residence Inn Portland Lloyd Center, 503-288-1400.

### Registration:

The registration fee is \$575 if received by June 24 or \$660 after June 24. The registration fee includes a book of the speaker's PowerPoint slides and lunch on July 1. Checks should be made payable to Western Forestry and Conservation Association. Purchase orders, VISA/MasterCard, and American Express are accepted. Tax id # 930-331-712.

### Group Discount:

Register 3 or more people from your organization and get 10% off each person's registration fee. To redeem the group discount, please fill out one registration form per person and send one payment per group. Please send all registration forms and payment at one time.

### Cancellations:

Cancellations received by June 25, 2015 are subject to a 15% service charge. Cancellations received after that time will be charged the entire registration fee, but substitutions are always welcome.

### Continuing Education Credits:

Workshop attendees will be eligible for credits through the Society of American Foresters. This session has also been approved for appraiser continuing education credits: Oregon - 10 hrs and Washington State - 6.5 hrs.

### Registration Questions?

Call Amanda at (888) 722-9416 or (503) 226-4562 or  
[amanda@westernforestry.org](mailto:amanda@westernforestry.org)

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