

2013 - Third Edition

HUFF CREEK PROPERTIES

Newsletter

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A TIMBER AND RECREATIONAL LAND DIVISION OF

NAI Earle Furman

THE RECOVERY OF THE TIMBER MARKET: Current Trends and Future Outlooks

By: Rusty Hamrick

The recovery of the U.S. timber market is in full swing thanks to the recent spike in single-family housing construction and remodeling across the country. Housing starts from last year eclipsed a 20% rebound threshold, and this figure is predicted to approach 30% by the end of the 2013. This improvement in the housing sector has directly impacted the unemployment rate in the logging industry. It is down 3.5% this year in part to the reopening of several sawmills throughout the U.S.¹

The re-opening of U.S. sawmills is not the only indicator that the logging industry is taking big strides forward. According to Plum Creek CEO Rick Holley:

“[M]ill owners are investing significant capital today in their facilities to improve efficiency and increase their

future production capacity. Capital investment translates directly into a stronger customer base and increased demand for our logs in the future. This gives us great confidence in our ability to grow our earnings and cash flow from our core timber business as the recovery continues.”²

Plum Creek recently invested \$72 million in a 46,000 acre acquisition in Georgia and Alabama in April of this year.³ This transaction is a quality indicator that the southeast timber market offers great potential for timber investors of all scales.

In addition to the current domestic housing recovery, the U.S. timber market's growth has been compounded by three non-domestic trends: 1) an ongoing mountain pine beetle epidemic in British Columbia

that is having a devastating impact on harvest levels; 2) increased Chinese demand for American lumber needed for a housing boom; and 3) the growth of the U.S. wood pellet market that is playing a large role in assisting Europe with meeting renewable energy goals.⁴ British Columbia has lost over 50% of their merchantable pine trees to beetles, and Canada's 25% share of the U.S. market is expected to plummet and remain below historical trends for decades. Meanwhile, the current demand for lumber in China exceeds the country's supply of standing timber; poor timber management and illegal harvesting in the past has resulted in a shortage of supply.⁵ This demand is expected to increase by 20% in as few as five years, and the impacts on the U.S. timber market will most likely be felt on a nation-wide

basis.⁶ The circumstances surrounding the scenarios in China, Canada, and Europe point to major implications on the U.S. timber market for many years to come, and a positive long-term outlook is therefore a legitimate possibility assuming the domestic housing recovery continues moving forward.

On the local level, the substantial amount of rainfall over the summer months has affected South Carolina's timber market. Several Upstate South Carolina counties have already surpassed annual averages, and the logging industry in this region has all but ground to a halt due to accessibility issues. A few landowners

are rolling the dice to take advantage of great prices due to lumber shortages in the mills, but most timber harvests planned for the summer have been postponed until drier conditions are available. Looking ahead, the future of South Carolina's timber industry shows great potential for a promising long term outlook. A recent study on South Carolina's forests revealed that over the last five years, many private landowners delayed the harvest of mature timber - holding out for the recovery of timber prices.⁷ This trend has created a scenario of an abundance of existing sawtimber ready for harvest. Now that timber prices are recovering, expect this large

supply of wood to have a major impact on the market ... “an additional 4-8 million tons of wood will be harvested above South Carolina's current annual total of more than 20 million tons, an increase of 20% to 40% by 2020.”⁸ The result of this escalated harvest rate will ultimately lead to the highest levels of replanting trees since the 1980s. Therefore, timberland owners should be keeping a close eye on the current status of the farm bill as funds may be available to assist with the cost of planting new seedlings through Conservation Reserve Programs (CRP). (See page 3 for an update on the U.S. Farm Bill.) ■



1 <http://www.usatoday.com/story/money/business/2013/04/30/housing-rebound-pulling-up-lumber-industry/2123301/>
 2 <http://www.plumcreek.com/Investors/nbsNewsandEvents/tabid/60/Default.aspx>
 3 <http://www.plumcreek.com/Investors/nbsNewsandEvents/tabid/60/Default.aspx>
 4 <http://www.macon.com/2013/09/02/2641020/the-growing-economy-has-roots.html>
 5 <http://southeastagnet.com/2013/07/19/southern-lumber-timber-market-recovery-underway/>
 6 <http://www.macon.com/2013/09/02/2641020/the-growing-economy-has-roots.html>

2013 FARM BILL UPDATE

The current U.S. farm bill expired on September 30th of this year, and Congress is scrambling to pass a new five-year bill. Disputes over major aspects of the farm bill have caused a delay as politicians continue to disagree over the proposed details in programs such as food stamps, subsidies to farmers and food inspection.

One item included in the 2008 farm bill that that conservationists hope will endure are the financial incentives available to landowners for the implementation of conservation initiatives on private land. Creating and restoring wildlife habitat is a main component of these endeavors, which serve as a vital tool for the protection of wildlife population. A secondary benefit provided by these initiatives is cleaner air, water and soil, which can be directly attributed to reduced levels of erosion and pollution produced by agricultural production.

If the bill is passed, expect to see cuts in food stamps programs and subsidies to farmers and landowners, as well as major changes to the current crop insurance program. One USDA official, Secretary Tom Vilsack, is hopeful these cuts will keep the door open for conservation measures, which he believes are the best way to improve U.S. lands and resources.



DOVE PIZZA ON THE GREEN EGG

Ingredients

- 1-2 rolls of pizza dough
- 3-4 cups of BBQ sauce
- 1 red onion
- 1 bell pepper
- 5-6 cups of cheddar & mozzarella cheese
- 2 jalapeno peppers
- 10-12 dove breasts (duck works great too)
- Cornmeal

Directions

BOIL dove breasts until meat is browned then **PULL** the meat into shreds. **MIX** in 1 cup of BBQ sauce to pulled meat. **FLATTEN** pizza dough and cook for 2-3 minutes each side at 375 degrees (make sure to spread plenty of cornmeal on the pizza stone to prevent the dough from sticking). **REMOVE** cooked crust off the green egg and **ADD** pulled dove (or duck) meat. **SPREAD** 2-3 cups of BBQ sauce, chopped onion, bell pepper, and jalapeno peppers and **TOP** with cheese. Put the pizza back on the green egg (use more cornmeal!!) and **COOK** for another 25-30 minutes at 350 degrees.



Just Listed

124 Hillside Church Road Fountain Inn, South Carolina 29644

Property Details

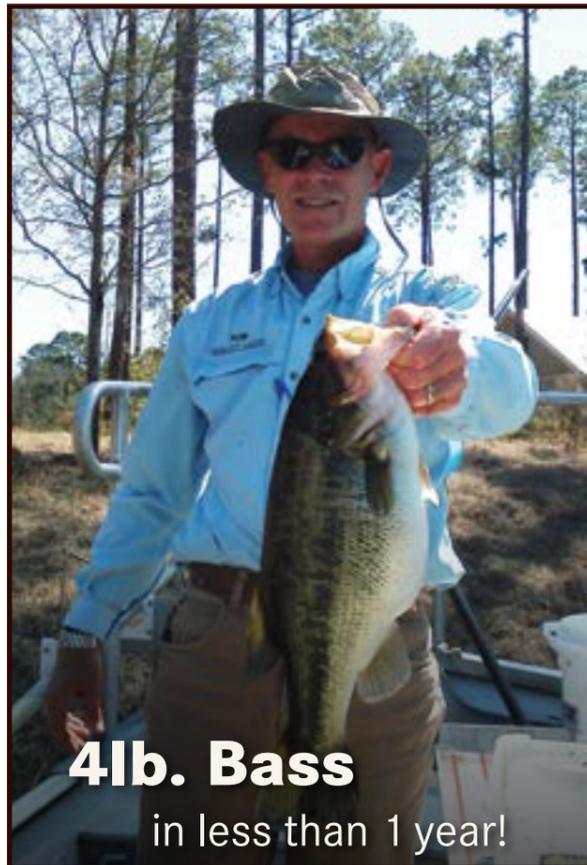
- Parcel Size: ±27.80 Acres
- Greenville County Tax ID: 0568010100900 & 0568010100908
- **Asking Price: \$849,000**
- Located approximately 10 minutes from Simpsonville & 30 minutes from Greenville
- Turn key horse farm complete with a 4,400 sq. ft. home, one-acre pond, 16 acres of pasture (fenced in), five stall horse barn, swimming pool w/ cabana area, round pen, & five acres of mature hardwoods with 500 feet of creek frontage.



HC
Huff Creek
Properties



NAI Earle Furman & Huff Creek Properties sponsored three broker/client hunts for the first split of the 2013 dove season at Marcus Cook Farms in Gray Court, SC. Here are a few participants sharing in the customary post-hunt fellowship.



4lb. Bass
in less than 1 year!



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FEATURED PROPERTY

Burban Creek Plantation Homesite
Bailey Mill Road, Travelers Rest, SC 29690

Property Details

- Asking price:
Site One - \$110,000
Site Two - \$125,000
- 5-acre lot includes a 1/30th percent ownership in the ±511-acre hunting preserve owned by the Burban Creek Homeowner's Association
- The parcel connect to the ±511-acre hunting preserve
- Excellent views of the surrounding Blue Ridge Mountains
- Greenville County Tax Map Numbers:
Site One - # 0651020103502
Site Two - # 0651020103501



This is an incredibly unique opportunity to enjoy ±511 acres just a short 20-minute drive from downtown Greenville – all for the price of a 5-acre lot!! Call today to find out more about Burban Creek or visit the website at <http://burbancreekplantation.com/>.



Silent and Live Auctions • Raffles • Dinner & Cocktails • SCWA Fellowship
All benefitting SCWA and Camp Woodie Youth Education Programs!

\$45 per single* | \$60 per couple*
 \$250 to become a sponsor



*A one-year SCWA membership is included in the price of your ticket.



Greenville Chapter Conservation Dinner & Auction
Friday, November 15, 2013 at 6 pm
St. George Greek Orthodox Church
406 North Academy Street | Downtown Greenville

To purchase tickets, contact Stan Luthi at 864.320.8861.

Just Reduced

302 Burns Road
 Travelers Rest, South Carolina

- ±368 acres
- Includes ±7-acre Dysart Lake
- Includes ±250 acres of contiguous hardwood forest
- Tax Map # 0656020100200
- 1,500 ft. maximum elevation
- Located approximately 15 miles from downtown Greenville, SC
- Located less than two miles from intersection of Hwy. 25 & Scenic Hwy. 11
- Meadow Fork Creek System stretches throughout entire property
- Available utilities include power, water & phone
- Sale price: \$5,600/acre
- REDUCED: \$2,704/acre
- Motivated seller willing to entertain all offers!



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 Greenville, South Carolina 29601
 864 232 9040
naiearlefurman.com

Burban Creek Plantation
 Bailey Mill Road
 Travelers Rest, South Carolina



- ±5 acres
- Includes a 1/30th percent ownership in the ±511-acre hunting preserve owned by the Burban Creek Homeowner's Association
- Parcel connects to the ±511-acre hunting preserve
- Excellent views of the surrounding Blue Ridge Mountains
- Maximum elevation of 1,075 feet
- This is an incredibly unique opportunity to enjoy ±511 acres just a short 20-minute drive from downtown Greenville – all for the price of a 5-acre lot
- Greenville County tax map #0651020103502
- Sale Price: \$125,000.00
- REDUCED: \$115,000

Under Contract

Arrowhead Ridge

Huff Creek Properties is pleased to announce that Arrowhead Ridge is now under contract. Located between the North Saluda Reservoir and the Cherokee Foothills National Scenic Highway (SC 11) in the southernmost peaks of the Blue Ridge, the property sits atop Chestnut Mountain and consists of 255.2 acres of mature hardwoods.



Organizations We Support



Contact Us

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Stay Connected to Huff Creek Properties

www.huffcreekproperties.com
www.huffcreekproperties.com/blog
www.naiearlefurman.com

Our Properties

±190 Acres -

- Blackwell Farm
- 10 miles from downtown Greenville, SC
- Subdivide option available
- Price: \$2,100,000



±31 Acres -

- Hwy 912 Tract
- Travelers Rest, SC
- Greenville County
- No zoning
- Price: \$203,125



±33.7 Acres -

- Lake Greenwood tract
- Waterloo, SC
- 1,700 feet of dockable frontage on Lake Greenwood
- Price: \$725,000



±10 Acres -

- Burban Creek Plantation Homesites
- Travelers Rest SC
- Excellent views of the surrounding Blue Ridge Mountains
- Price: \$250,000



±20 Acres -

- Hwy 14 commercial land & office building
- Laurens, SC
- Great frontage & visibility
- Price: \$400,000



±47 Acres -

- Hwy 101 Tract
- Landrum SC
- Glassy Mountain views
- Excellent homesites
- Price: \$282,000



±53 Acres -

- Hwy 221 tract
- Waterloo, SC
- Excellent deer and turkey hunting
- Price: \$158,735



±52.5 Acres -

- N. Highway 25 Tract
- Travelers Rest SC
- Excellent opportunity - future income producing property
- Price: \$288,750 - 60% reduction!

