

Web site launched as spur to trade in forest assets

A specialist forest marketing company, **Forestmarkets.com Limited** was launched recently. The company assists owners of substantial commercial forests of any age (in the \$500,000 plus value range) in marketing their asset within New Zealand and globally, using an interactive Internet website to promote forest sales.

The launch is the culmination of over six years planning and research by director Peter Read, who sees *forestmarkets.com* breaking new ground with its unique blend of niche marketing and diverse forestry knowledge.

Read has an extensive background in forest management, marketing and consultancy and in recent years completed a research project into marketing of commercial forest at Massey University. This included a survey of industry and investment players from within New Zealand and overseas. He also holds the AREINZ (real estate) qualification from Massey and works with licensed real estate agency, First National Manawatu MREINZ in forest sales – a requirement of current land law.

One major difficulty for the industry in the past has been a lack of liquidity of the forest resource, which has proven a substantial impediment to investment. Research highlighted the prerequisites necessary to the successful sale of a forest – and found these had largely been ignored by the market in the past, leaving forest owners disappointed.

“Now we offer sellers of commercial forest nationwide the complete end-to-end marketing solutions they require.”

Where necessary the company engages, on behalf of clients, independent experts such as forestry, legal and business consultants to ensure information presented to buyers is credible and unbiased. For an actual ‘model forest sale’ undertaken in the central North Island, Interface

Forest and Mill was engaged to conduct forest description and Pruned Log Index (PLI) assessment to pre-defined criteria; PF Olsen & Co then undertook forest valuation.

“In this case the seller and his consultants have not even met, ensuring complete impartiality of their work,” Read says. “This maximises buyer confidence - it essentially pre-qualifies the sale for the buyer and contributes to a successful due diligence process.”

The use of a website as a tool in forest sales is seen as a must in facilitating sales, since the market for commercial forests is essentially global.

“Sellers are remote from buyers. It is very possible that the forest for sale in the Wairarapa will attract a buyer from Europe, the US, or Asia.”

With the unprecedented uptake of Internet technologies internationally, the company sees itself, with its e commerce facility and promotion on the Internet as the trading post for forests, as well positioned to provide the ultimate in service to both parties in the forest transaction.

The site (<http://www.forestmarkets.com/>) includes facilities for buyers to list details of their desired forest purchase, view asset descriptions and valuation data of forests available. It also allows sellers to register their interests, provides articles and information with a plantation investment theme and has links to other sites of interest.

The company sees ongoing development as crucial to its future, working closely with organisations such as Tradenz in strengthening international marketing and with a range of specialist software specialists providing continuous improvement of its Technologies. It is also likely that the research with Massey University will be continued.

-See advertisement page 3 for contact details



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