

Wells Timberland REIT, Inc.

Form 424B3

April 12, 2007

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**Filed Pursuant to Rule 424(b)(3)
Registration No. 333-129651**

WELLS TIMBERLAND REIT, INC.

Maximum Offering of 85,000,000 Shares of Common Stock

Minimum Offering of 200,000 Shares of Common Stock

Wells Timberland REIT, Inc. is a newly organized Maryland corporation formed primarily for the purpose of acquiring timberland properties in the timber-producing regions of the United States and, to a lesser extent, in timber-producing regions outside the United States. We were incorporated in the State of Maryland in September 2005 and intend to qualify as a REIT under the Internal Revenue Code of 1986, as amended, beginning with the taxable year that will end December 31, 2007. Because we have not yet identified any specific properties to purchase, we are considered to be a blind pool.

We are offering up to 75,000,000 shares of common stock in our primary offering for \$10.00 per share, with volume discounts available to investors who purchase more than 50,000 shares at any one time. Discounts are also available for other categories of purchasers as described in Plan of Distribution. We are also offering up to 10,000,000 shares to be issued pursuant to our distribution reinvestment plan at a purchase price equal to \$9.55 per share during our primary offering. We reserve the right to reallocate the shares of common stock we are offering between the primary offering and the distribution reinvestment plan.

This investment involves a high degree of risk. You should purchase these securities only if you can afford the complete loss of your investment. See Risk Factors beginning on page 16 to read about risks you should consider before buying shares of our common stock. These risks include the following:

There is no public trading market for our common stock. If you are able to sell your shares, you would likely have to sell them at a substantial discount from their public offering price.

We have no operating history, do not currently own any properties and have not identified any properties to acquire with the proceeds from this offering, which make our future performance and the performance of your investment difficult to predict.

If we raise substantially less than the maximum offering proceeds, we may not be able to invest in a diverse portfolio of properties, and the value of your investment may vary more widely with the performance of specific properties.

Our charter limits a person from owning more than 9.8% of our common stock without prior approval of our board of directors.

We are dependent upon our advisor and its affiliates to conduct our operations and this offering. Adverse changes in the financial health of our advisor or its affiliates or our relationship with them could cause our operations to suffer.

We will pay substantial fees and expenses to our advisor, its affiliates and participating broker/ dealers, which payments increase the risk that you will not earn a profit on your investment.

Our advisor and its affiliates will face conflicts of interest, including significant conflicts in allocating time among us and similar programs sponsored by our sponsor.

Our failure to qualify as a REIT for federal income tax purposes would limit our ability to make distributions to our stockholders.

Neither the Securities and Exchange Commission, the Attorney General of the State of New York nor any other state securities regulator has approved or disapproved of our common stock, determined if this

prospectus is truthful or complete or passed on or endorsed the merits of this offering. Any representation to the contrary is a criminal offense. The use of projections or forecasts in this offering is prohibited. No one is permitted to make any oral or written predictions about the cash benefits or tax consequences you will receive from your investment.

	Price to Public*	Selling Commissions*	Dealer- Manager Fee*	Net Proceeds (Before Expenses)
Primary Offering				
Per Share	\$ 10.00	\$ 0.70	\$ 0.18	\$ 9.12
Total Minimum	2,000,000	140,000	36,000	1,824,000
Total Maximum	\$ 750,000,000	\$ 52,500,000	\$ 13,500,000	\$ 684,000,000
Distribution Reinvestment Plan				
Per Share	9.55			9.55
Total Maximum	\$ 95,500,000	\$	\$	\$ 95,500,000

* The selling commissions and all or a portion of the dealer-manager fee will not be charged with regard to shares sold in our primary offering to or for the account of certain categories of purchasers. The reduction in these fees will be accompanied by a corresponding reduction in the per share purchase price. See Plan of Distribution.

The dealer-manager of this offering, Wells Investment Securities, Inc., which is our affiliate, is not required to sell any specific number or dollar amount of shares but will use its best efforts to sell the shares offered. The minimum permitted purchase is generally \$5,000. We will not sell any shares unless we raise a minimum of \$2,000,000 of gross offering proceeds by August 11, 2007 (one year from the date of our initial prospectus). Pending satisfaction of the minimum offering threshold, all subscription payments will be placed in an escrow account held by the escrow agent, U.S. Bank, National Association, in trust for the subscribers benefit, pending release to us. If we do not raise at least \$2,000,000 by August 11, 2007, we will return all funds in the escrow account (including interest) and we will stop selling shares. This offering will terminate no later than August 11, 2008.

WELLS INVESTMENT SECURITIES, INC.

April 12, 2007

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SUITABILITY STANDARDS

The shares we are offering are suitable only as a long-term investment. Because there is no public market for the shares, you will have difficulty selling your shares. In consideration of these factors, we require initial stockholders and subsequent purchasers to have either:

a net worth of at least \$150,000; or

gross annual income of at least \$45,000 and a net worth of at least \$45,000.

In addition, we will not sell shares to investors in the states named below unless they meet special suitability standards.

Arizona, California, Iowa, Kansas, Michigan, Missouri, North Carolina, Tennessee and Texas Investors must have either (1) a net worth of at least \$225,000, or (2) gross annual income of at least \$60,000 and a net worth of at least \$60,000.

Kansas In addition to the suitability requirements described above for the state of Kansas, the state of Kansas recommends that your aggregate investment in us and similar direct participation investments should not exceed 10% of your liquid net worth, which is defined as that portion of net worth which consists of cash, cash equivalents and readily marketable securities.

Maine Investors must have either (1) a net worth of at least \$200,000 or (2) a net worth of at least \$50,000 and an annual gross income of at least \$50,000.

Massachusetts and Ohio Investors must have either (1) a net worth of at least \$250,000 or (2) a net annual income of at least \$70,000 and net worth of at least \$70,000. In either case, your investment in us may not exceed 10% of your liquid net worth.

Michigan In addition to the suitability requirements described above for the state of Michigan, the state of Michigan requires that your aggregate investment in us and similar direct participation investments may not exceed 10% of your net worth.

Pennsylvania In addition to our suitability requirements, investors must have a net worth of at least 10 times their investment in us.

For purposes of determining suitability of an investor, net worth in all cases should be calculated excluding the value of an investor's home, furnishings and automobiles. In the case of sales to fiduciary accounts, these suitability standards must be met by the fiduciary account, by the person who directly or indirectly supplied the funds for the purchase of the shares if such person is the fiduciary or by the beneficiary of the account.

Those selling shares on our behalf must make every reasonable effort to determine that the purchase of shares in this offering is a suitable and appropriate investment for each stockholder based on information provided by the stockholder regarding the stockholder's financial situation and investment objectives. See Plan of Distribution Stockholder Suitability for a detailed discussion of the determinations regarding suitability that we require of all those selling shares on our behalf.

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<u>Wells TIMO and its affiliates, including our officers and two of our directors, will face conflicts of interest caused by compensation arrangements with us and other Wells-sponsored programs, which could result in actions that are not in the long-term best interests of our stockholders. The amounts payable to Wells TIMO upon termination of the advisory agreement may also influence decisions about terminating Wells TIMO or our acquisition or disposition of investments.</u>	19
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You will have limited control over changes in our policies and operations, which increases the uncertainty and risks you face as a stockholder

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PROSPECTUS SUMMARY

This summary highlights material information contained elsewhere in this prospectus. Because it is a summary, it may not contain all of the information that is important to you. To understand this offering fully, you should read the entire prospectus carefully, including the Risk Factors section, before making a decision to invest in our common stock.

Wells Timberland REIT, Inc.

Wells Timberland REIT, Inc. is a newly organized Maryland corporation formed for the purpose of acquiring timberland properties in the timber-producing regions of the United States. Our portfolio may also include, to a limited extent, investments in timberland located in other countries.

We intend to generate income returns in the form of cash flows from harvesting and selling timber, and from pursuing non-timber related revenue sources. When and where we believe that it is appropriate, we also will seek to generate cash flow from the sale of lands that have a higher and better use. We expect to realize additional long-term returns from the appreciation in the value of our timberland and the standing timber on that land upon the ultimate disposition of our properties. We may also invest in other entities that own timberland or form joint ventures with entities that have complementary investment objectives.

We were incorporated in Maryland on September 27, 2005 and intend to qualify as a real estate investment trust, or REIT, commencing with the taxable year ending December 31, 2007. We have no paid employees and are externally advised and managed by Wells Timberland Management Organization, LLC, which we refer to as Wells TIMO or our advisor.

Our Advisor

We are advised by Wells TIMO, a Georgia limited liability company formed on July 12, 2006 for the purpose of serving as our advisor. Wells TIMO is a wholly owned subsidiary of Wells Capital, Inc., our sponsor. We have entered into an advisory agreement with Wells TIMO under which Wells TIMO will manage our daily affairs and make recommendations to our board of directors on all property acquisitions. Jess E. Jarratt and John C. Iverson, as officers of our advisor, will make most of the decisions regarding which investments will be recommended for us. Our board of directors must approve or reject all proposed property acquisitions.

Our Sponsor

Our advisor is managed by our sponsor, Wells Capital, Inc., which we refer to as Wells Capital. Since its incorporation in Georgia on April 20, 1984, Wells Capital has sponsored or advised public real estate programs on an unspecified property, or "blind pool" basis, that have raised approximately \$8.3 billion of equity from approximately 242,000 investors.

Investment Objectives

Our primary investment objectives are:

to provide current income to you through the payment of cash distributions;

to preserve and return your capital contributions; and

to realize capital appreciation upon the ultimate sale of our assets.

See the "Business and Policies" section of this prospectus for a more complete description of our investment policies and the investment restrictions imposed by our charter.

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Summary Risk Factors

An investment in our shares involves significant risk, including the following:

There is no public trading market for our common stock. If you are able to sell your shares, you would likely have to sell them at a substantial discount from their public offering price.

We have no operating history, do not currently own any properties, and have not identified any properties to acquire with the proceeds from this offering. In addition, neither we nor our advisor has substantial experience investing in timberland properties. These factors make our future performance and the performance of your investment difficult to predict.

If we raise substantially less than the maximum offering proceeds, we may not be able to invest in a diverse portfolio of properties, and the value of your investment may vary more widely with the performance of specific properties.

We are dependent upon our advisor and our dealer-manager to conduct our operations and this offering. Adverse changes in the financial health of our advisor or dealer-manager, or our relationship with them could cause our operations to suffer.

We will pay substantial fees and expenses to our advisor, its affiliates and participating broker/ dealers, which payments increase the risk that you will not earn a profit on your investment. The fees payable to our advisor during our operational stage are not based on the performance of our investments.

Our advisory agreement was not negotiated on an arm's-length basis and it is possible that an unaffiliated third party would provide similar services at a lower cost. Because our advisory agreement must be renewed on an annual basis, the fees and expenses that we pay to our advisor may be increased in future renewals.

Our advisor and its affiliates will face conflicts of interest relating to (1) allocating time among us and other programs sponsored by our sponsor, and (2) the compensation arrangements between affiliates of our advisor and other Wells programs which may incent our advisor and its affiliates to act other than in our best interest.

Our failure to qualify as a REIT for federal income tax purposes would limit our ability to make distributions to our stockholders.

Our Corporate Structure

We expect to own substantially all of our properties and other investments through our operating partnership, Wells Timberland Operating Partnership, L.P. (Wells Timberland OP). Wells Timberland OP was formed in November 2005 to acquire properties on our behalf. We are the sole general partner of Wells Timberland OP and own 99% of its common units. Wells TIMO is the sole limited partner of Wells Timberland OP and owns the remaining 1% of the common units. As a result of this structure, we are considered an UPREIT, or Umbrella Partnership Real Estate Investment Trust.

The UPREIT structure is used because a sale of property directly to the REIT is generally a taxable transaction to the selling property owner. In an UPREIT structure, a seller of a property who desires to defer taxable gain on the sale of his property may transfer the property to the UPREIT in exchange for common units in the UPREIT and defer taxation of gain until the seller later sells or exchanges his common units. Using an UPREIT structure may give us an advantage in acquiring desired properties from persons who may not otherwise sell their properties because of unfavorable tax results. At present, we have no plans to acquire any specific properties in exchange for common units of Wells Timberland OP.

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Wells TIMO also owns 100 special units in Wells Timberland OP, representing 100% of this class of limited partnership interest. The special units entitle Wells TIMO to receive certain distributions and redemption payments described under Compensation of our Advisor and its Affiliates only in the event that certain performance-based conditions are satisfied at the time such amounts become payable. The special units do not entitle the holder to any of the rights of a holder of common units, including the right to regular distributions from operations.

Wells Timberland TRS, Inc. is a wholly owned subsidiary of Wells Timberland OP. We have elected for Wells Timberland TRS to be a taxable REIT subsidiary, or TRS. A TRS is a fully taxable corporation that may earn income that would not be qualifying REIT income if earned directly by us. Our use of a TRS will enable us to engage in non-REIT qualifying business activities, such as the sale of higher and better use properties. We do not anticipate that a substantial portion, if any, of our income will be earned by our TRS.

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The following chart shows the relationship among us and our subsidiaries and the ownership structure of the Wells entities that perform important services for us.

Conflicts of Interest