

Timberland market review

As of 30 June 2025

Timber markets experienced mixed performance in 2Q25, though overall global sawlog and pulpwood price indexes were up year-over-year. In the U.S. South, timber markets were down whereas in the Pacific Northwest, domestic timber markets were up modestly in 2Q compared to the previous quarter. Export markets in both the Pacific Northwest and the Northeast lagged on weak demand from China and ongoing trade conflicts. In major producing regions of Latin America, eucalyptus pulpwood markets continue to maintain strength with prices holding steady or up modestly.

2Q 2025 TIMBERLAND MARKET OVERVIEW

	Quarter-over-quarter change 2Q25 / 1Q25	Year-over-year change 2Q25 / 2Q24
U.S. Timberland Index	▲	▼
Global Sawlog Price Index	▲	▲
Global Hardwood Pulpwood Price Index	▼	▲

Sources: NCREIF; ResourceWise; NNC Research.
Note: The U.S. Timberland Index from NCREIF is a quarterly time series composite return measuring the performance of a large pool of individual timberland properties acquired in the private market for investment purposes only.

U.S. TIMBERLAND

As of 2Q25, the NCREIF Timberland Index total return year-to-date came in at 2.3%. At the regional level, the Pacific Northwest and the South posted year-to-date total returns of 2.2% and 2.8%, respectively. The income component of return was 0.9% in the South and 0.5% in the Pacific Northwest. For the U.S. as a whole, the one-year total return of 5.3% is tracking just under the ten-year annualized return of 5.4%.

U.S TIMBER MARKETS

U.S. Pacific Northwest

In 2Q25, Pacific Northwest domestic log markets held steady. Domestic sawlog prices for Douglas-fir and whitewoods were both up a modest 1% quarter-over-quarter. Year-over-year domestic Douglas-fir was up 12%, and whitewoods sawlog prices were up 10%. Although domestic log prices are still down from 2022 peaks, they remain above long-term averages.

In 2Q25, demand in key export markets—China, Japan, and Korea—continued to soften. Export volume from the Pacific Northwest to China dropped to its lowest level since 2008. Chinese log demand is expected to stay soft in the near term, reflecting ongoing challenges in the country’s real estate and construction sectors as well as persistent trade tensions.

West coast timber pricing update (%)

	Q/Q change				Y/Y change
	3Q24	4Q24	1Q25	2Q25	2Q24/2Q25
Douglas-fir domestic	-4.6	5.2	10.7	0.8	12.0
Whitewoods domestic	-7.1	0.1	4.5	1.1	9.8
Douglas-fir export	-7.1	0.1	4.5	-0.3	-3.0
Whitewoods export	-1.8	1.3	5.6	-5.3	-0.5

Source: Fastmarkets RISI; NNC Research.

U.S. South

In the U.S. South, pine sawtimber, pulpwood and chip-n-saw (“CNS”) saw a drop in prices compared to last quarter. Pine sawtimber prices were down 12% compared to 1Q25 and are down 4% year-over-year. CNS prices decreased 3% quarter-over-quarter but were up 4% year-over-year. Persistent weakness in many sub-regional pine pulpwood markets following production curtailments have pushed prices below long-term averages. For the quarter, pulpwood prices were down 15% compared to 1Q25.

Southern pine timber pricing update (%)

	Q/Q change				Y/Y change
	3Q24	4Q24	1Q25	2Q25	2Q24/2Q25
Pulpwood	12.7	-23.8	14.8	-15.3	-16.5
Chip-n-saw	6.5	-9.3	11.8	-3.2	4.4
Sawtimber	-3.3	4.5	7.5	-11.6	-4.0

Sources: ResourceWise; NNC Research.

Northeast Hardwoods

In the U.S. Northeast, pricing continued to soften in 2Q25. Cherry and other hardwoods are heavily reliant on demand from China and other export markets, where demand has softened on broader economic conditions and ongoing trade conflicts. In the Northeast, sawmills are operating at somewhat reduced levels and full inventories in wood yards are creating an added damper on prices.

U.S. TIMBER DEMAND DRIVERS

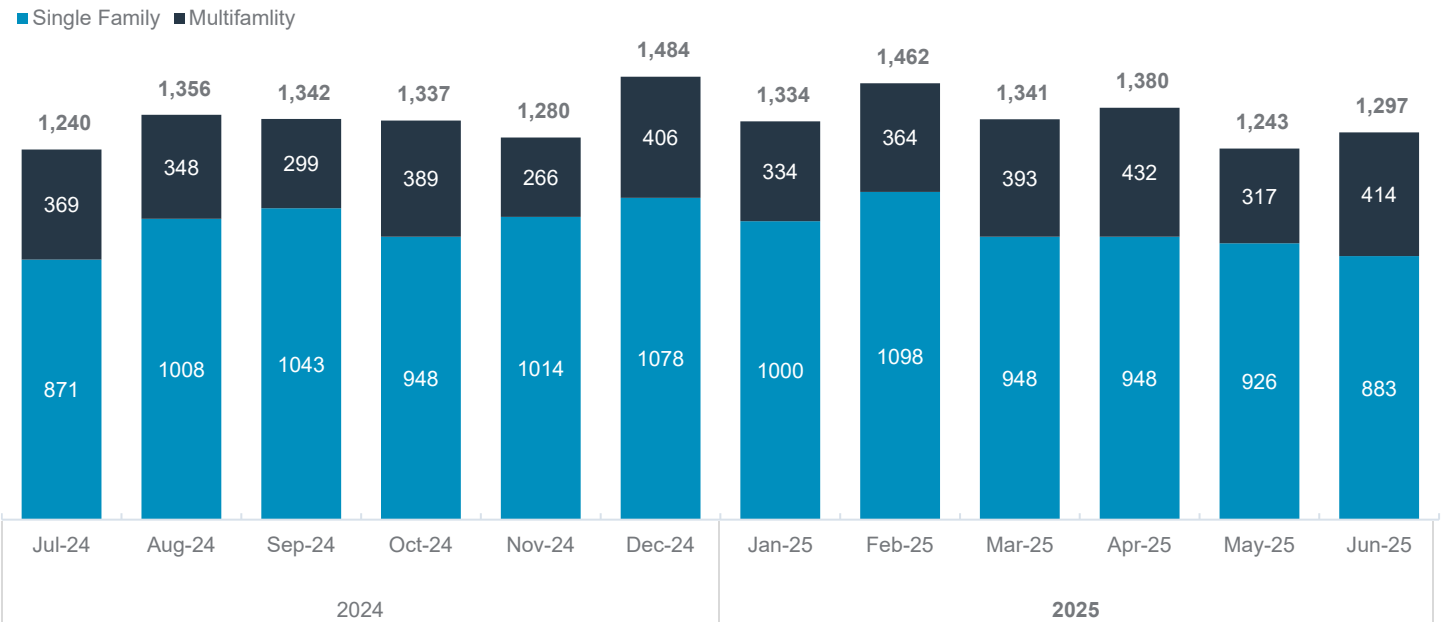
Residential building sector

The residential building sector—new home construction and residential improvement—is one of the most important end-use markets for timber. In 2Q25, housing starts were down 5.3% from 1Q25 but down just 1% year-to-date compared to the same period in 2024. There remains strong underlying demand for housing from favorable demographic trends along with over a decade of underbuilding relative to demand. At the same time however, affordability challenges in some markets could

be worsened by tariffs on imported lumber and other products that increase the cost of a new home.

The residential improvement, or repair and remodel, market is equally important to wood products and timber demand. Following a burst of pandemic induced remodeling projects in 2021-22, residential improvement activity has since leveled off. This cooling can largely be attributed to a slowdown in existing home sales and reduced mortgage refinancing activity. Repair and remodel spending was down modestly in 2Q25 compared to the previous quarter but up 1.8% year-over-year.

Historical U.S. housing starts (SAAR, thousands of units)



Source: U.S. Census Bureau; NNC Research. As of 30 June 2025.

Lumber

U.S. softwood lumber production marked its fourth consecutive quarter of gains. In 2Q25, production was up 8.5% compared to 1Q25 and up 4.5% YTD compared to the previous year. Regionally, the South produces the majority of softwood lumber in the U.S. and continues to post the most significant growth in production. In 2Q25, the U.S. South represented 60% of total production, followed by the West Coast at 23%.

Lumber prices were mixed in 2Q25. In the South, many southern yellow pine (SYP) producers made steep price cuts in 2Q25 seeking to trim growing inventories. However, prices for 2x4s (#2&btr) were up quarter-over-quarter, and remained up 33% compared to the same quarter a year ago.

Prices for Western Spruce-Pine-Fir (W. SPF) rose in 2Q25, with mills able to maintain pricing despite relatively soft demand. Prices for 2x4s (#2&btr) were up quarter-over-quarter and up 25% compared to the same quarter a year ago and remain above the ten-year average.

LATIN AMERICA PULPWOOD MARKETS

Latin America’s globally competitive hardwood pulp sector continues to drive hardwood pulp capacity expansion in the region and support eucalyptus pulpwood markets. Three notable expansions include UPM’s Paso de Los Toros in Uruguay, ramping up to full production in 2025 at 2.1 Mt/year, and two mills in Mato

Grosso do Sul, Brazil – Suzano’s Cerrado project at 2.55 Mt/year also ramping up to full capacity in 2025 and Arauco’s Sucuriu project at 3.5 Mt/year in late-2027.

Eucalyptus pulplog pricing update (%)

	Q/Q change				Y/Y change
	3Q24	4Q24	1Q25	2Q25	2Q24/2Q25
Uruguay	1.6	0.1	-2.7	-1.3	-2.4
Brazil	-7.4	-4.5	0.0	3.6	-8.4

Sources: Descartes Datamyne; ResourceWise; NNC Research.

Eucalyptus pulplog pricing in Uruguay is supported by growing demand from UPM as well as a second major pulp producer, Montes del Plata. In 2Q25 eucalyptus pulplog prices were down modestly quarter-over-quarter and year-over-year, 1.3% and 2.4%, respectively. Pricing reflects a market that has largely remained in balance, with increases in pulplog demand met by increases in supply as the plantation base has expanded. With steady demand from the country’s two major pulp producers, near-term pulpwood availability is expected to remain well balanced. Looking ahead, several new facilities in development are expected to drive additional demand for eucalyptus fiber.

Brazil is the world leader in hardwood pulp production and commands the largest market for eucalyptus pulpwood. In 2Q25, eucalyptus prices were up 3.6% quarter-over-quarter but down 8.4% year-over-year (roughly flat year-over-year in local currency).

For more information, visit our website, nuveen.com/naturalcapital

Endnotes:

1. Sawlog and Hardwood Pulp Indexes, Wood Market Prices, ResourceWise. Notes: Indexes are calculated in nominal U.S. dollars and represent indicators of global markets overall, not pricing for any individual country or region. The **Global Hardwood Wood Fiber Index** consists of wood fiber prices in non-conifer plantation forests (mainly Eucalyptus and Acacia). The **Global Sawlog Index** reflects pricing for conifer species and average grade logs for production of construction grade or better lumber.
2. International import-export data and statistics. Uruguay Eucalyptus pulplogs, Descartes Datamyne.
3. Woodfiber prices by country – Brazil hardwood pulplog prices. Wood Market Prices, ResourceWise.

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