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Quarterly review
1Q 2026

Timberland market review

As of 31 March 2026

Timber markets experienced an increase in performance in 1Q26, with global pulpwood price index and global sawlog price index up quarter-over-quarter and year-over-year. The NCREIF Timberland Index was down 0.5% quarter-over-quarter, largely driven by capital depreciation. In the U.S. South, timber markets strengthened in 1Q while domestic markets in the Pacific Northwest were mixed relative to the prior quarter. Export markets in both the Pacific Northwest and the Northeast also remain weak due to ongoing trade tensions. Eucalyptus pulpwood markets in Latin America's key producing regions are healthy, supported by steady demand growth and prices that are stable to improving.

1Q 2026 TIMBERLAND MARKET OVERVIEW

	Quarter-over-quarter change 1Q26 / 4Q25	Year-over-year change 1Q26 / 1Q25
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 1Q26, the NCREIF Timberland Index total return for the quarter was 1.1%. At the regional level, the Pacific Northwest and the South had total returns of 0.7% and 1.4%, respectively. The income component of return was 0.5% in the South and 0.1% in the Pacific Northwest. For the U.S. as a whole, the one-year total return of 4.9% is tracking slightly behind the ten-year annualized return of 5.3%, in large part due to weakness in the Northeast.

U.S TIMBER MARKETS

U.S. Pacific Northwest

In 1Q26, Pacific Northwest domestic log markets showed some stabilization compared to last quarter but remain down year-over-year. Domestic sawlog prices for Douglas-fir and whitewoods were up 4.8% and down 1.1% quarter-over-quarter respectively. Year-over-year domestic Douglas-fir was down 12.2%, and whitewoods sawlog prices were down by 11.4%. Although domestic log prices are still down from 2022 peaks, they remain above long-term averages and in positive territory for the year. Entering 2Q 2026, domestic market conditions are stable and most regional mills are operating near full capacity.

In 1Q26, export market demand from China, Japan, and Korea remained weak for Douglas-Fir while there was some upside in Whitewood markets. Export volume from the Pacific Northwest to China remained at its lowest level since 2008. Though China has lifted the ban on U.S. log imports, 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
	2Q25	3Q25	4Q25	1Q26	1Q25/1Q26
Douglas-fir domestic	0.8	-12.5	-5.0	4.8	-12.2
Whitewoods domestic	1.1	-6.5	-5.2	-1.1	-11.4
Douglas-fir export	-0.3	4.6	-9.4	-9.2	-14.2
Whitewoods export	-5.3	0.0	0.0	6.5	0.9

Source: Fastmarkets RISI; NNC Research.

U.S. South

In the U.S. South, pine sawtimber, pulpwood and chip-n-saw ("CNS") saw an increase in prices compared to last quarter. Pine sawtimber prices were up 4.6% compared to 4Q25 and are down 5.4% year-over-year. CNS prices were up 4.8% quarter-over-quarter and were down 3.9% 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 up 11.0% compared to 4Q25 and still significantly down year-over-year.

Southern pine timber pricing update (%)

	Q/Q change				Y/Y change
	2Q25	3Q25	4Q25	1Q26	1Q25/1Q26
Pulpwood	-18.3	4.7	-11.7	11.0	-16.2
Chip-n-saw	-5.2	10.2	-12.2	4.8	-3.9
Sawtimber	-12.1	2.8	0.0	4.6	-5.4

Sources: ResourceWise; NNC Research.

Northeast Hardwoods

In the U.S. Northeast, pricing remains soft. 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.

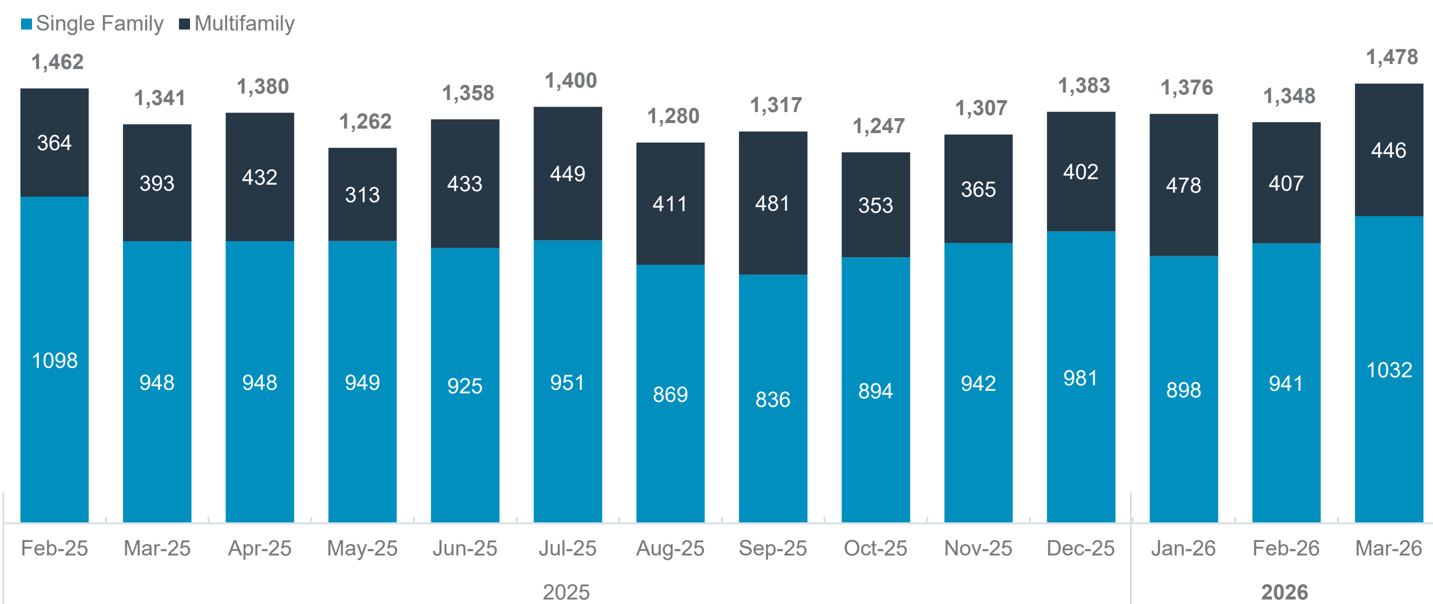
U.S. TIMBER DEMAND DRIVERS

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 1Q26, housing starts were up 6.5% from 4Q25 and slightly down 0.3% for the year-to-date compared to the same period in 2025. Strong demand fundamentals for housing are supported by favorable demographic trends along with over a decade of underbuilding relative to demand. At the same time however, persistent affordability challenges and rising construction costs in many markets are holding back the supply of new houses needed to meet demand.

The residential improvement, or repair and remodel, market is equally important as starts to wood products and timber demand. Following a burst of pandemic induced remodeling projects in 2021-22, residential improvement activity has since leveled off but remains well above pre-pandemic levels. This cooling can largely be attributed to a slowdown in existing home sales, reduced mortgage refinancing activity, and broader economic uncertainty. In 1Q26, repair and remodel spending was up 1.2% compared to the previous quarter and up 1.6% year-to-date.

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



Source: U.S. Census Bureau; NNC Research. Data through 31 March 2026 only.

Lumber

U.S. softwood lumber production increased after a low in 4Q25. In 1Q26, production was up 17.6% compared to 4Q25 and up 8.7% YTD compared to the previous year. Regionally, the South produces the majority of softwood lumber in the U.S. and the region's production was up 16.6% quarter-over-quarter. In 1Q26, the U.S. South represented 61% of total production, followed by the West Coast at 22%.

Lumber prices were up in the first quarter which could provide some support for log prices in the months ahead. Southern pine composite price was up 23% quarter-over-quarter and 2.6% year-over-year. Composite prices for Western Spruce-Pine-Fir (W. SPF) were also up quarter-over-quarter rising 10.1% but down 9.2% compared to the previous year.

LATIN AMERICA PULPWOOD MARKETS

Over the past thirty years, global hardwood pulp capacity has tripled and continued to grow. Latin America's globally competitive hardwood pulp sector continues to drive the expansion and support regional eucalyptus pulpwood markets. Three notable expansions include UPM's Paso de Los Toros in Uruguay, which ramped 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, which also ramped up to full capacity in 2025, and Arauco's Sucuriu project at 3.5 Mt/year expected to come on-line in late-2027.

Finally, a new pulp mill from Bracell, also in Mato Grosso do Sul, is expected to break ground in 1Q26 with reports that operations will commence in 2029.

Eucalyptus pulplog pricing update (%)

	Q/Q change				Y/Y change
	2Q25	3Q25	4Q25	1Q26	1Q25/1Q26
Uruguay	-1.4	-1.3	1.2	-0.8	-2.3
Brazil	2.4	4.7	0.0	4.4	11.9

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 1Q26, eucalyptus pulplog pricing slightly weakened, but was still supported by steady demand from the regional pulp industry amid well-supplied market conditions. Prices decreased 0.8% quarter-over-quarter and were down 2.3% year-over-year. Market fundamentals remain solid, with increased pulplog demand well met by higher supply as the plantation base continues to expand. Looking ahead, several new facilities in development are expected to drive additional demand for eucalyptus logs.

Brazil is the world leader in hardwood pulp production and commands the largest market for eucalyptus pulpwood. In 1Q26, prices were up quarter-over-quarter and up 11.9% year-over-year (slightly up 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, Changes reflect m3 prices. Descartes Datamyne.
3. Woodfiber prices by country – Brazil hardwood pulplog prices. Changes reflect m3 prices. Wood Market Prices, ResourceWise.

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