

Timberland market review

As of 31 December 2025

Timber markets experienced mixed performance in 4Q25, with global pulpwood price index down year-over-year and global sawlog price index up year-over-year. The NCREIF Timberland Index was up 4.6% for the year, largely driven by capital appreciation. In the U.S. South, timber markets weakened in 4Q, and domestic markets in the Pacific Northwest declined 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 increasing demand and prices that are stable to improving.

4Q 2025 TIMBERLAND MARKET OVERVIEW

	Quarter-over-quarter change 4Q25 / 3Q25	Year-over-year change 4Q25 / 4Q24
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.

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U.S. TIMBERLAND

As of 4Q25, the NCREIF Timberland Index total return for the year came in at 4.6%. At the regional level, the Pacific Northwest and the South posted 2025 total returns of 2.5% and 6.0%, respectively. The income component of return was 1.9% in the South and 0.9% in the Pacific Northwest. For the U.S. as a whole, the one-year total return of 4.6% is tracking slightly behind the ten-year annualized return of 5.4%, in large part due to weakness in the Northeast.

U.S TIMBER MARKETS

U.S. Pacific Northwest

In 4Q25, Pacific Northwest domestic log markets were down compared to last quarter. Domestic sawlog prices for Douglas-fir and whitewoods were down 5.0% and 5.2% quarter-over-quarter respectively. Year-over-year domestic Douglas-fir was down 7.3%, and whitewoods sawlog prices were down by 0.4%. Although domestic log prices are still down from 2022 peaks, they remain above long-term averages and in positive territory for the year. Entering early 2026, domestic market conditions are stable and most regional mills are operating near full capacity.

In 4Q25, export market demand from China, Japan, and Korea remained weak. 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
	1Q25	2Q25	3Q25	4Q25	4Q24/4Q25
Douglas-fir domestic	10.7	0.8	-12.5	-5.0	-7.3
Whitewoods domestic	11.1	1.1	-6.5	-5.2	-0.4
Douglas-fir export	4.5	-0.3	4.6	-9.4	-1.2
Whitewoods export	5.6	-5.3	0.0	0.0	0.0

Source: Fastmarkets RISI; NNC Research.

U.S. South

In the U.S. South, pine sawtimber, pulpwood and chip-n-saw ("CNS") saw a dip in prices compared to last quarter. Pine sawtimber prices were slightly up at 0.5% compared to 3Q25 and are down 3.3% year-over-year. CNS prices were down 11.8% quarter-over-quarter and were up 2.3% 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 12.7% compared to 3Q25 and still significantly down year-over-year.

Southern pine timber pricing update (%)

	Q/Q change				Y/Y change
	1Q25	2Q25	3Q25	4Q25	4Q24/4Q25
Pulpwood	15.0	-18.1	8.2	-12.7	-14.1
Chip-n-saw	11.8	-5.2	8.7	-11.8	2.3
Sawtimber	6.7	-12.0	3.3	0.5	-3.3

Sources: ResourceWise; NNC Research.

Northeast Hardwoods

In the U.S. Northeast, pricing continued to soften in 4Q25. 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

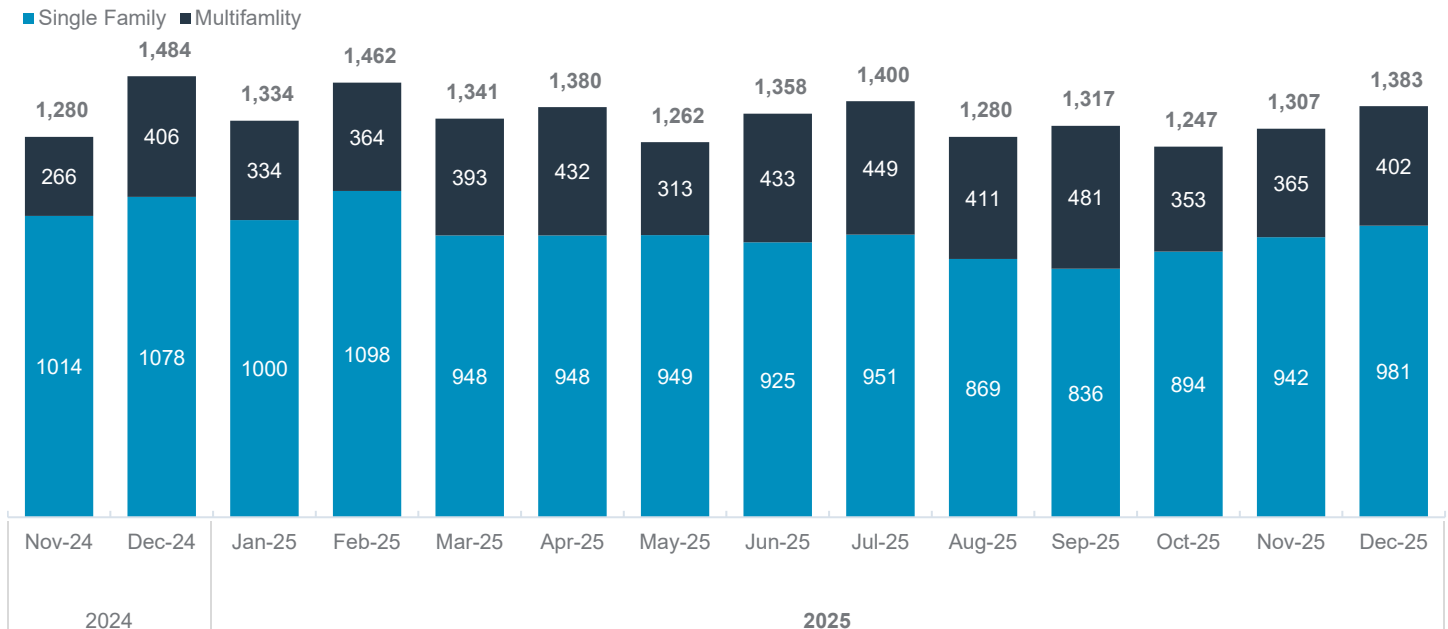
Residential building sector

The residential building sector—new home construction and residential improvement—is one of the most important end-use markets for timber. In 4Q25, housing starts were down 1.0% from 3Q25 and down 0.9% for the year compared to 2024. 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. This cooling can largely be attributed to a slowdown in existing home sales and reduced mortgage refinancing activity. In 4Q25, repair and remodel spending was down 7.0% compared to the previous quarter and up 5.4% for the year.

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



Source: U.S. Census Bureau; NNC Research. Data through 31 December 2025 only.

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Lumber

U.S. softwood lumber production dipped after four consecutive quarters of gains. In 4Q25, production was down 9.0% compared to 3Q25 and down 1.0% year-over-year. The South produces the majority of softwood lumber in the U.S. and the region’s production was up 2.1% year-over-year. In 4Q25, the U.S. South represented 60% of total production, followed by the West Coast at 22%.

Lumber prices finished the year up compared to 2024. Prices for 2x4s (#2&btr) were up 4% year-over-year, and remained below the ten-year average. Prices for Western Spruce-Pine-Fir (W. SPF) were also up year-over-year rising 14% compared to the previous year but still remain below 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, 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.

Eucalyptus pulplog pricing update (%)

	Q/Q change				Y/Y change
	1Q25	2Q25	3Q25	4Q25	4Q24/4Q25
Uruguay	-2.7	-1.4	-1.3	6.0	0.4
Brazil	0.0	2.4	4.7	0.0	7.1

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 4Q25, eucalyptus pulplog pricing strengthened, supported by steady demand from the regional pulp industry amid well-supplied market conditions. Prices increased 6.0% quarter-over-quarter and were up 0.4% year-over-year. Market fundamentals remain solid, with increased pulplog demand well met by higher supply as the plantation base continue 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 4Q25, prices were flat quarter-over-quarter and up 7.1% 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, 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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