

Timberland market review

As of 30 September 2025

Timber markets experienced mixed performance in 3Q25, with global pulpwood price index down year-over-year and global sawlog price index unchanged. In the U.S. South, timber markets strengthened in 3Q, while domestic markets in the Pacific Northwest declined relative to the prior quarter. Export markets in both the Pacific Northwest and the Northeast remain weak due to ongoing trade tensions. Eucalyptus pulpwood markets in Latin America’s key producing regions remain healthy, supported by increasing demand and prices that are stable to slightly improving.

3Q 2025 TIMBERLAND MARKET OVERVIEW

	Quarter-over-quarter change 3Q25 / 2Q25	Year-over-year change 3Q25 / 3Q24
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.

OPINION PIECE. PLEASE SEE IMPORTANT DISCLOSURES IN THE ENDNOTES.

NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE

U.S. TIMBERLAND

As of 3Q25, the NCREIF Timberland Index total return year-to-date came in at 2.9%. At the regional level, both the Pacific Northwest and the South posted year-to-date total returns of 3.3%, above the average across all regions. The income component of return was 1.3% in the South and 0.8% in the Pacific Northwest. For the U.S. as a whole, the one-year total return of 4.4% 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 3Q25, Pacific Northwest domestic log markets were down compared to last quarter. Domestic sawlog prices for Douglas-fir and whitewoods were down a 12.5% and 6.5% quarter-over-quarter respectively. Year-over-year domestic Douglas-fir was up 2.7%, and whitewoods sawlog prices were up 9.3%. Although domestic log prices are still down from 2022 peaks, they remain above long-term averages and in positive territory for the year.

In 3Q25, demand in key export markets—China, Japan, and Korea—continued to soften. 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
	4Q24	1Q25	2Q25	3Q25	3Q24/3Q25
Douglas-fir domestic	5.2	10.7	0.8	-12.5	2.7
Whitewoods domestic	0.1	11.1	1.1	-6.5	9.3
Douglas-fir export	0.1	4.5	-0.3	4.6	9.2
Whitewoods export	1.3	5.6	-5.3	0.0	1.3

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 3.3% compared to 2Q25 and are up 1.9% year-over-year. CNS prices increased 8.7% quarter-over-quarter and were up 4.1% 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 recovered some ground and were up 8.2% compared to 2Q25 but still significantly down year-over-year.

Southern pine timber pricing update (%)

	Q/Q change				Y/Y change
	4Q24	1Q25	2Q25	3Q25	3Q24/3Q25
Pulpwood	-23.9	15.0	-18.1	8.2	-22.4
Chip-n-saw	-9.7	11.8	-5.2	8.7	4.1
Sawtimber	5.0	6.7	-12.0	3.3	1.9

Sources: ResourceWise; NNC Research.

Northeast Hardwoods

In the U.S. Northeast, pricing continued to soften in 3Q25. 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.

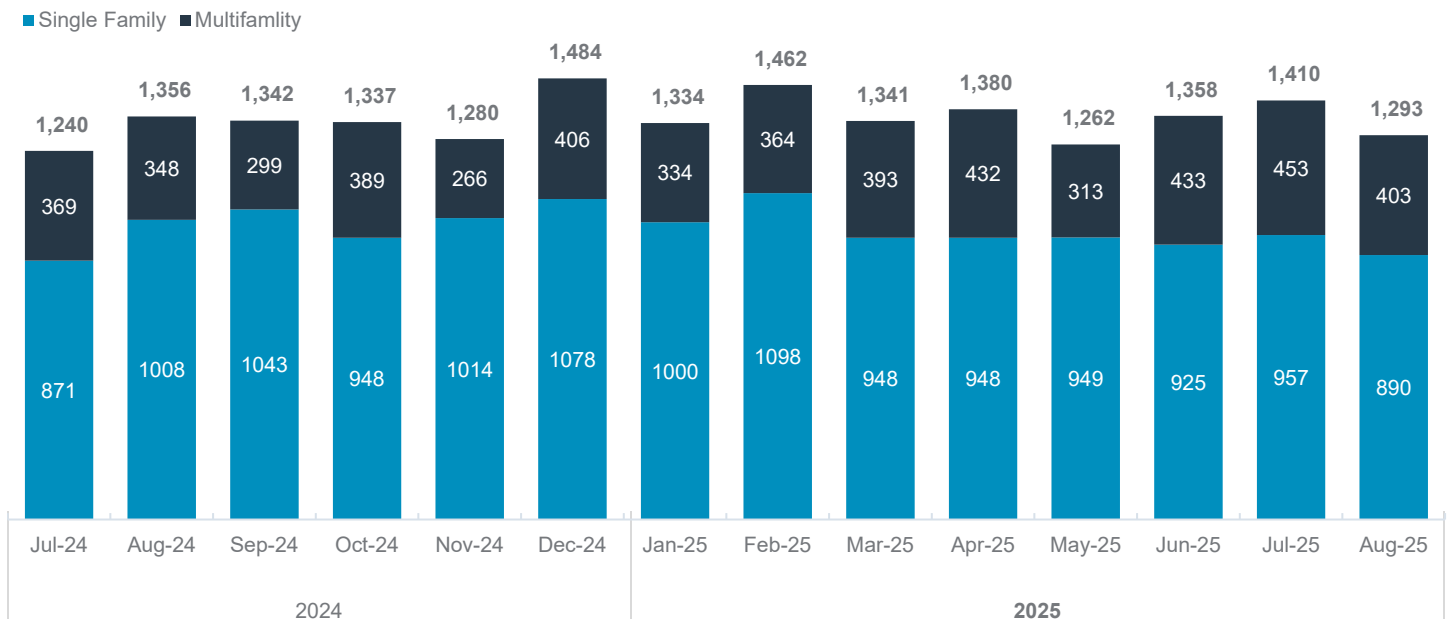
U.S. TIMBER DEMAND DRIVERS

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 3Q25, housing starts were up 1.0% from 2Q25 and up 0.7% year-to-date compared to the same period in 2024. Strong market fundamentals for housing are supported by favorable demographic trends along with over a decade of underbuilding relative to demand. At the same time however, affordability challenges persist in many markets.

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 3Q25, repair and remodel spending was down modestly in 3Q25 compared to the previous quarter and up 1.1% year-to-date.

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



Source: U.S. Census Bureau; NNC Research. Data through 31 August 2025 only. September 2025 data not available due to government shutdown.

Lumber

U.S. softwood lumber production dipped after four consecutive quarter of gains. In 3Q25, production was down 6.9% compared to 2Q25 and down 0.9% YTD compared to the previous year. Regionally, the South produces the majority of softwood lumber in the U.S. In 3Q25, the U.S. South represented 60% of total production, followed by the West Coast at 22%.

Lumber prices were mixed in 3Q25. In the South, many southern yellow pine (SYP) producers made steep price cuts in 3Q25 seeking to trim growing inventories. Prices for 2x4s (#2&btr) were down 20.8% quarter-over-quarter, and remained well below the ten year average.

Prices for Western Spruce-Pine-Fir (W. SPF) rose in 3Q25, with mills able to maintain pricing despite relatively soft demand. Prices for 2x4s (#2&btr) were up modestly quarter-over-quarter and 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, 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. Finally, a new pulpmill 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
	4Q24	1Q25	2Q25	3Q25	3Q24/3Q25
Uruguay	0.1	-2.7	-1.4	-1.3	-5.2
Brazil	-4.5	0.0	3.6	3.4	2.3

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 3Q25 eucalyptus pulplog prices were down modestly quarter-over-quarter and year-over-year, 1.3% and 5.2%, 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. 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 3Q25, prices were up 3.4% quarter-over-quarter and up 2.3% 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.

Important information

Past performance is not a guide to future performance.

Investment involves risk, including loss of principal. The value of investments and the income from them can fall as well as rise and is not guaranteed. Changes in the rates of exchange between currencies may cause the value of investments to fluctuate.

As an asset class, agricultural investments are less developed, more illiquid, and less transparent compared to traditional asset classes. Agricultural investments will be subject to risks generally associated with the ownership of real estate-related assets, including changes in economic conditions, environmental risks, the cost of and ability to obtain insurance, and risks related to leasing of properties.

The views and opinions expressed are for informational and educational purposes only as of the date of production/writing and may change without notice at any time based on numerous factors, such as market or other conditions, legal and regulatory developments, additional risks, and uncertainties and may not come to pass. This material may contain “forward-looking” information that is not purely historical in nature. Such information may include, among other things, projections, forecasts, estimates of market returns, and proposed or expected portfolio composition. Any changes to assumptions that may have been made in preparing this material could have a material impact on the information presented herein by way of example. Past performance is no guarantee of future results. Investing involves risk; principal loss is possible.

All information has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. There is no representation or warranty as to the current accuracy, reliability, or completeness of, nor liability for, decisions based on such information, and it should not be relied on as such.

Responsible investing incorporates Environmental Social Governance (ESG) factors that may affect exposure to issuers, sectors, industries, limiting the type and number of investment opportunities available, which could result in excluding investments that perform well.

This information does not constitute investment research as defined under MiFID.

Nuveen provides investment solutions through Nuveen Alternatives Advisors, LLC, a registered investment advisor and investment management solutions through its investment specialists, including Nuveen Natural Capital LLC.

nuveen
NATURAL CAPITAL

5007007

OPINION PIECE. PLEASE SEE IMPORTANT DISCLOSURES IN THE ENDNOTES.

NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE