



The UK Forest Market Report 2025



**UK Forest
Market Report**



**Tilhill
Forestry**

BSWGROUP member of binderholz

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introduction

Forestry and farming have often been slightly uncomfortable bedfellows in the rural space. Today, there are perhaps more pressing shared challenges than the relatively minor skirmishes between us. Still, the long-term question of land use in the UK looms large.

We have long-term climate and economic drivers that require corresponding long-term planning.

This research is a snapshot of the commercial forestry market in the year through August 2025. Woods discussed in previous years are different from those analysed here; therefore this is not a like-for-like comparison. While these results show useful trends, readers should not base investment decisions on these comparisons alone and should always seek professional advice before committing to an investment.

In the short to medium term, there are a number of common uncertainties: government policy, product prices and cost inflation. On the horizon, we have long-term climate and economic drivers that require corresponding long-term planning.

Tax policy has been tightened on land of all kinds in recent years as the government tries to grapple with deficits and borrowing costs. These feed through into high interest rates that impact asset values. Higher taxation and higher interest rates, while driven by broader macroeconomic conditions, hurt when they arrive concurrently. Net zero policy, and the world's appetite for it going forward seems to be increasingly unclear. We appear to have more understanding of the problems than we do solutions.

This sadly isn't the end of the tale of woe. Grants and subsidies for forestry and farming also come out of the government spending pot. Any variation, in the face of costs that have soared in recent years, is cause for concern. We're all now old enough to remember what things cost "back in my day".

The grandchildren will never believe us when we tell them what we used to pay for contract labour, tractors and timber harvesters.

This would all be fine if our product output prices – whether it's timber, cereals or meat – were cresting new highs. Sadly, that isn't the case. Going forward, what will support the value of UK-grown commodities? Is it economic growth from infrastructure and property development? Is it supply reductions from climate events and protecting biodiversity? After all, both the native woodland and carbon markets have shown notable resilience.

Farming and forestry differ in one key area: timber is much more economically sensitive than food. In good times, construction and maintenance drives heady demand for wood. However, in tough times consumers will forego renovating their house to ensure there is food on the table. Still, both are exposed to cheap imports, changing weather patterns and government policy. Farming incomes have been notably variable in recent years. We might not be in the same boat, but we're certainly in the same storm.



Xander Mahony
Head of Forestry Investment
Tilhill Forestry



the data

By Xander Mahony

Commercial forestry

The record-breaking sale of Griffin, a premier forest in central Scotland, dominated the headlines. As a deal agreed this year, we'd typically include it in the pricing data, but at 4,000 stocked hectares, the scale of the property means that it drowns out every other transaction. It's akin to counting Buckingham Palace as part of the London housing market, such is the unique scale of the asset. It may also never be equalled, given Scotland's new land reform bill, designed to break up the sale of large estates.

Not quite as big, but still unusual, was the sale of the Caledonian Portfolio at 2,000 stocked hectares. An eclectic selection of assets, combined with a seller seemingly uninterested in achieving maximum value, resulted in a large sale that acts as a drag on the market.

Including these deals in the pricing data would show the market being up very significantly, which is not the reality we have observed. Excluding only Griffin suggests the market is down a touch. Excluding both, the market is virtually flat, up by just 3% to £19,200 per stocked hectare.

The value of forestry marketed is up 50% year-on-year, reaching £140m. While this remains below the £200m seen annually in the pandemic years, the difference can be explained by the lower average value per hectare.

In volume terms, the 9,200 ha available is the highest since the pandemic began, but still on the lower end compared to the decade prior. It's always a pretty concentrated market, but this year just four listings accounted for half of the total area!

Commercial Forestry Market Summary

Market size

£140m of listings +50% change

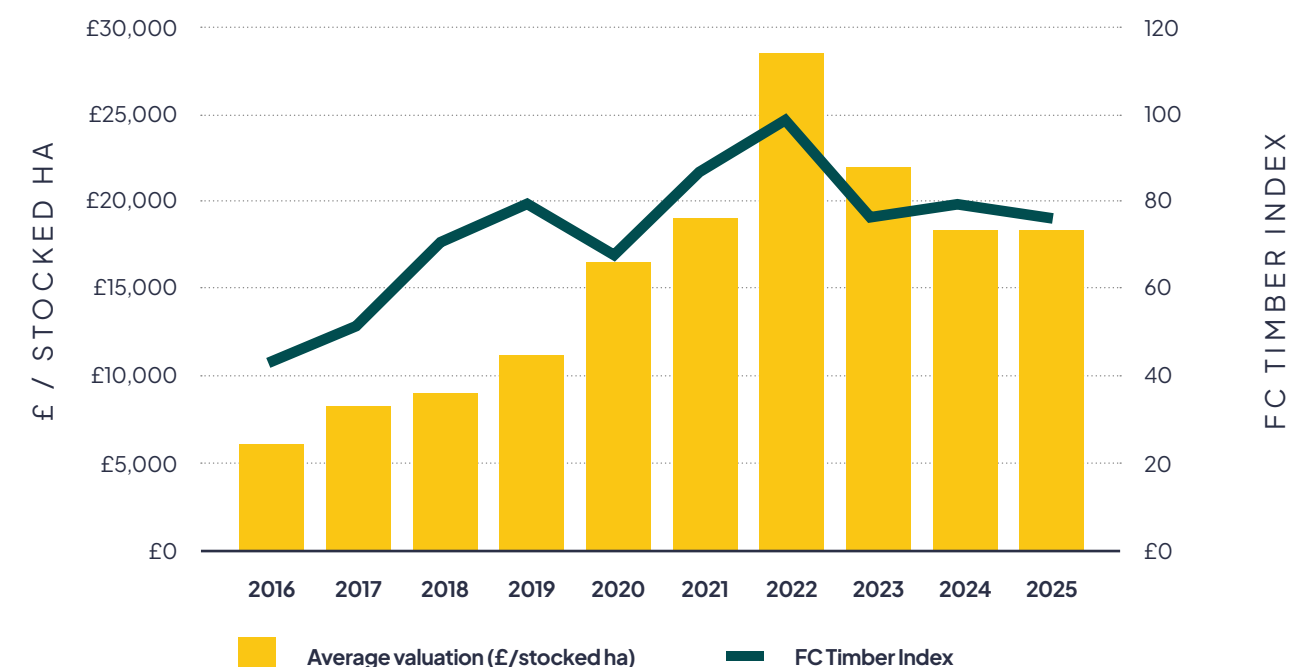
50 properties +14% change

9,200 stocked hectares +70% change

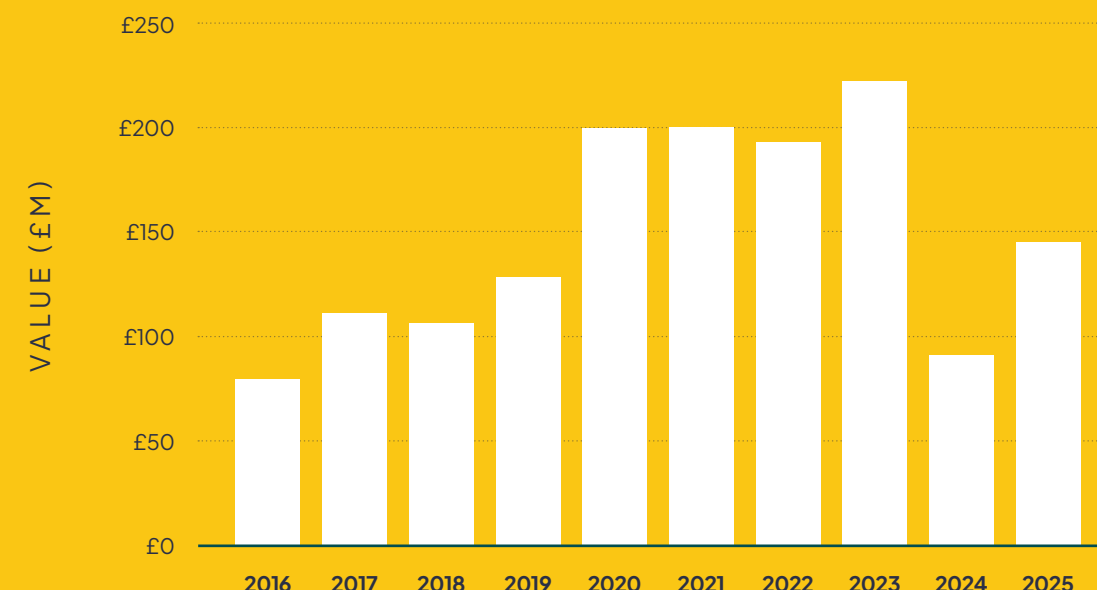
Average agreed valuation

£19,200 per stocked ha +3% change

Forestry average value per stocked hectare and the Forestry Commission timber price index



Total annual value of forestry properties listed



Mixed woodland

It's been a quiet year for new listings: just £11m in total, down 40% on the recent average. That's even after including a handful of properties first listed the previous year, which later had price reductions.

This is partly explained by the properties themselves being about 20% smaller than in recent years, with an average value of £380k and an average size of 30ha. The geographic split (by value) is fairly typical: roughly half in England, a third in Scotland, and the balance in Wales.

Prices have been steady in England (£16,200/ha, +3%) and Wales (£13,700/ha, +6%). That Welsh level now seems to be the norm, compared to <£10,000/ha before the pandemic.

Scotland has seen stronger growth, with values up 16% to £10,200/ha, helped by a trio of small Sitka blocks around the central belt that didn't quite make our area minimum to be called commercial forestry.

Mixed woodlands summary

£16,200/ha England +3% change

£10,200/ha Scotland +16% change

£13,700/ha Wales +6% change

Land

Commercial forestry planting land

In Scotland, prices have fallen further but remain highly variable, with a wide range of £7-11k/ha. Transactions are scarce relative to recent years, but are now constrained more by demand than supply. In England, as ever, there are very limited numbers of transactions, but values are stable at around £15,000/ha. Wales is also stable in terms of transactions and pricing at £15,000-16,000/ha.

The premium in England and Wales partly reflects higher land grades being planted than in Scotland, a consequence of stricter regulatory standards and greater availability of such land.

Natural capital land

Where native woodland planting is possible but commercial forestry is not - for example, due to access - land can be available for as low as £5,000 - £6,000/ha. However, opportunities of this ilk that don't face other challenges are surprisingly rare.

The cost and uncertainties of peatland restoration have pushed peatland values back down into the low single digit thousands of pounds per hectare. Leasing may be a more logical approach than purchase, given the shorter project length and question marks over exit strategies.

the market

By Jon Lambert



Jon Lambert
Partner
Goldcrest Land & Forestry Group

Who is selling what? When..?

The commercial forestry market is evolving. 2025 was marked by a shift in the age of forests coming to the market, caution among buyers and variations in sale success.

For many years, the market has been formed by the sale of mature crops. I am frequently asked why vendors only sell mature woodlands. Perhaps this perception has been shaped by our sales brochures showing swaths of solid green, taken by a high-quality drone lens 100m above the crop.

Perhaps the earlier commercial planting spree that ended in 1990 is indeed resulting in more sales of 'mature' crops. Perhaps the vendor who has owned the property for, in some cases, decades is reluctant to go through the timber marketing, felling and restocking cycle required to produce the next crop. The answer is, I believe, a combination of the above.

2025 was marked by a significant shift. Many more young crops changed hands, as some of those sites originally planted in the 1970s and 1980s are now harvested and restocked. Additionally, some properties for sale comprised trees less than ten years old.

However, these were not planted on restock sites, but were the result of new woodland creation schemes, some offering the benefit of carbon credits.

Why do people sell? The age-old story of death, debt or divorce plays a part in the narrative. However, there is little debt in UK forestry ownership, and the truth of the matter is that there are always many, varied reasons for sale, and this year is no different. Sellers might be individuals rebalancing their investments, unlocking the value growth of assets or transferring cash to the next generation. Although prices softened in the second half of 2022, 2023 and 2024, the gains experienced by those who have owned forestry assets for more than six or seven years have been strong overall, staggering in some cases.

So, what of the buyers? The overriding sentiment in the last 12 months has been one of caution and selectiveness. There is plenty of demand out there from institutions, high net worth individuals, timber processors and the 'mixed category' which includes charities and the occasional utility or quango. However, many potential buyers are sitting on their hands while they watch the market and the wider global economy - there is always a reason not to do something.

This cautious behaviour has moulded an unusual collection of sale results. Generally, the overriding market theme is one of variation. There is no particular pattern. Some properties sold competitively, generating high prices; others, which we would consider comparable, have stuck on the market and not sold. The stats indicate that prices are up a little (3%), but the market is unpredictable.



Commercial forestry planting land summary



It was hoped strengthening timber prices at the beginning of the year would give a boost to property prices. However, this was short lived. Timber pricing then flat-lined and indeed has reduced some 5–10% in the last three months. Once we see timber price improvements (timber looks extremely cheap to me at the moment), I believe forestry purchased this year will prove to be strong, profitable investments.

Forestry investors tend to be patient characters. They understand the fundamentals that underpin the market: the UK importing 80+% of its timber requirements, the construction of more houses and a corresponding increase in the timber required in the building industry, and the World Bank's view that global timber requirements will quadruple by 2050.

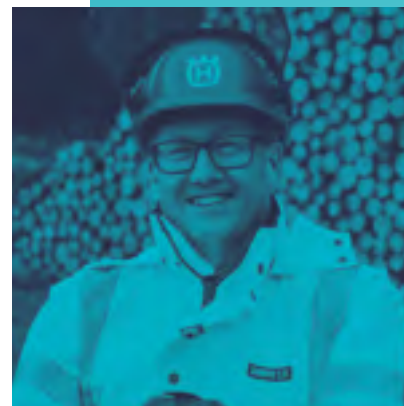
One must remember that property investment, whether forestry, residential or commercial property, is a long-term game. Yes, we all know people who have made profits in short time periods, but they tend to be the exceptions. If purchasers buy quality forestry, are patient and are careful to fell when the timber price is buoyant, forestry remains a strongly performing investment asset class.



timber

By Harry Stevens

Harry Stevens
Forestry Director
BSW Group



Reflecting on the standing timber market, I cannot help but feel nothing has changed by comparison with this time last year.

The market for standing timber peaked during Covid and has subsequently fallen back, and at the time of writing (October 2025) is at a particularly low point with no immediate sign of any upward movement.

The key drivers for standing price are of course sawlog and small roundwood prices. Roadside stocks of all products are at much higher levels than previous years. They are reminiscent of the 'long hot summers' that we had in the early 2000s, when the sector would go into the autumn and winter with oversupply of material.

Small roundwood markets all report high levels of stock, as well as high levels of substitute material such as sawmill coproducts, arb arisings and biomass. Consumers went into winter 24/25 with the memory fresh in their minds of a challenging winter 23/24, and increased stockholding accordingly. However, a combination of a warmer winter and a slowing market reduced demand, with many operators coming out of the season with unexpectedly high stocks.

This was further exacerbated by prolonged maintenance shutdowns in many of the larger users, all resulting in the current high levels of inventory in the supply chain.

By contrast, sawlog demand has been reduced for the last few years, and this trend has continued through the current year. Following a brief period of optimism in the spring, the sawn timber price remained stable but has now started to fall in response to decreasing prices of imports.

Worldwide demand for sawn timber is down, and producers are nervous about the market for next year with perceptions of weakening demand and price in the USA, resulting in less volume moving across the Atlantic, and producers seeking other markets, such as Britain.

Sawmills in Scandinavia and central Europe are having a torrid time with record high log prices recorded, whilst at the same time sawn timber prices and coproducts prices are falling. Many operations are not profitable, and the sector has already seen some restructuring, and more is expected.



Looking further ahead, what are the drivers that will impact the sector? Availability of spruce whitewood is falling as a consequence of increased protection of forests and, therefore a reduction in harvest, while the overall reduction in spruce growing area, following beetle mortality, is likely to continue. In response, there is a shift, where some sawmills are starting to process more pine.

Have we seen peak demand for biomass? The grant regime for some of the users is coming to an end over the next few years, and this will then tail off over the following decade or so. It is expected that small roundwood prices will thus return to their underlying value. The higher coproduct prices driven by biomass demand has likely increased the value of sawlogs, which will also unwind. Set against this, increased interest from Sustainable Aviation Fuel (SAF) may maintain demand.

In the last few years there have been grounds for optimism in the following spring, which unfortunately has largely been unfounded. Therefore, current feelings of pessimism for spring 2026 will hopefully be as inaccurate!



natural capital

By David McCulloch

Positive news proliferates in the UK's woodland carbon market

Economic headwinds are a healthy test for any up-and-coming sector, and the woodland carbon market has weathered the misty patches and light showers of 2025 reassuringly well.

Average Pending Issuance Units (PIU) prices rose 10.8% year-on-year in 2024 to £26.85 and, when the Woodland Carbon Code (WCC) releases its pricing data for 2025 early next year, we expect prices to have remained firm. Transaction volumes should also be robust. Having fluctuated between 250,000 and 350,000 PIUs annually over the last 5 years, they could well exceed 400,000 in 2025.

There are various factors supporting these trends, both directly and indirectly:

Corporates buying PIUs provides demand

Despite the ominous calls to “drill baby, drill” ringing across the Atlantic, demand for PIUs from companies of all sizes has remained buoyant.

Larger companies are evidently keen to include PIUs as a “high end” element of a larger portfolio. Smaller companies also recognise the PR advantages derived from owning high integrity carbon credits, generating widespread benefits.

Compensatory planting reduces supply

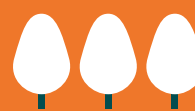
Electricity distribution companies in Scotland are expanding their transmission networks. This is prompting compensatory planting obligations i.e. they must plant the same area of new woodland to that which has been removed in erecting pylons etc.

Given the sharp legal teeth underpinning these obligations, distribution companies must offer landowners attractive financial incentives to plant trees, and this requires them to match, if not exceed, the potential income from new carbon-oriented planting schemes. As these projects are required by planning obligations, they are not eligible for carbon.

Natural capital-oriented investment funds ensure continued baseline supply

Certain recently launched funds are keen to focus their investment exposure on trends in the value of carbon and other nature-based credits.

They are therefore seeking to partner with existing landowners, through long-term lease-based arrangements, to access plantable land. The value of these lease contracts is premised on a price per PIU.



By lifting demand for PIUs, or reducing their potential availability, these various trends are not only supporting supply/demand dynamics. They are also influencing the type of woodland being planted. Natural capital funds are keen to access the value of other nature-based credits beyond carbon, including water and biodiversity. This mindset is already apparent across Scotland in the strong take-up of planting grants for native woodlands over the next two years.

For those farmers and landowners generating carbon income directly through woodland creation schemes, it is heartening to see them being well rewarded for the risks (associated with a nascent market), the costs (of validation and verification) and the effort (of implementing their planting schemes) needed to realise an income from selling their PIUs or Woodland Carbon Units (WCUs).

Indeed, with confidence in the end-demand for PIUs now assured, price transparency improving, transaction costs declining (especially since the release of the WCC's standardised legal templates) and the transaction process improving, the market is starting to function as has long been intended.

This inevitably has positive repercussions. Greater clarity is emerging in the value of PIUs attached to different types of woodland and confidence in their ability to realise this value is growing.

As a result, prospective woodland owners can assess more accurately the risks and rewards of different income strategies for their woodland creation schemes, they can understand more precisely the merits and drawbacks of different species mixes and they can model more confidently their income projections.

No one can be sure whether the economic skies will darken or clear through 2026. However, long-term investors can draw great reassurance in the widespread and deep-rooted improvements afoot across the UK's woodland carbon market.

As one of the WCC's most experienced project developers, this is a propitious time for us, and we look forward to continuing our close partnership with Tilhill Forestry's investment team to help clients access these significant opportunities.



farming

By Rebecca Wilson

A view from the farm: finding balance in land use.

The UK is not a large country, yet our land is being asked to do more and more.

We need it for food production, trees, housing, renewable energy, biodiversity, and carbon storage.

It would be a gross oversimplification to just ask ‘should we plant more trees?’ and I would argue that the debate has become much more nuanced in recent years. Where should we plant trees? In what numbers? Can we measure the environmental outcomes? And what impact does their planting have on the landscape and rural communities?

Farmers often argue that forestry situated down the hill poses more challenges for food production and that trees should belong on higher, less productive land.

However, regulations can often prohibit this due to policy aims designed to protect wildlife and peatland at a higher elevation. Tree planting on lower land may give quicker growth and will potentially be more commercially attractive for forestry companies, but it does raise questions about where the balance is to be struck.

This push-and-pull between farming, environmental, policy and commercial viability exposes a deeper tension: how do we decide which land is best suited for food and which for forestry, especially when other uses are diminishing the most productive farmland elsewhere?

The relationship between farming and forestry is often described in terms of competition and perhaps even conflict. This narrative has, in part, been formed by the ever-growing demands for land both in terms of use categories and area.

Government policy and misinformation have also had a role to play, as farmers feel that the odds are increasingly stacked against them and their ability to produce food. The UK Government’s recent Land Use Framework consultation recognises the growing and often competing demands placed on our limited land, but it also raises the question — who will be the winners, and at what cost to others?



Rebecca Wilson
Fifth-generation farmer.
Named on The Times Young Power List 2025
as a prominent voice in UK agriculture.



Visibly, across the UK, we can see that landscapes have changed and I have lost count of the anecdotal conversations which centre around land previously used for producing food being diverted to ‘green’ outcomes, housing and development.

Looking forward, “the UK government has pledged to achieve net-zero greenhouse gas emissions by 2050. Ambitious targets have been set to plant nearly a million hectares of new woodland in the UK by 2050 to meet these net-zero commitments.

“More than 70% of UK’s land is used for agricultural production and to meet these targets the Climate Change Committee has estimated that by 2050 approximately 21% of agricultural land will be required for tree planting, agroforestry and the extension of farm hedges.” [1]

So why are tree-planting policies viewed with such disdain by some farmers, and can we or should we be changing the narrative?

One of the reasons is the approach taken when tackling conversations around different types of land use. Clear communication is absolutely vital, and we must not underestimate the emotional connection farmers have to the landscape.

They are not just farmers, they are custodians and many feel it is their duty to be able to hand down a farming business to the next generation. Whether they own the land, or are tenants, or there is some other agreement in place, the feeling and connection really is deep-rooted.

The scale and pace of the change is also important. The UK is known for its patchwork countryside, built by farmers and land managers over many generations. But when large swathes of land move from farming to forestry, the effect does not stop at the farm gate. Rural services — vets, livestock markets, feed suppliers (the list goes on) — depend on a critical mass of active farms.

As that base erodes, it threatens not only farm businesses but also the fabric of rural communities. Much like the countryside itself, these rural communities are a patchwork of people and cultural values with heritage and knowledge that is irreplaceable once lost.



Trees as an option for farmers

For some farming businesses, tree planting may offer a route to diversification of income at a time when farm businesses are battling to stay afloat financially.

The government’s own figures show the average (median) return on capital employed for farms was -0.8% in 2023/24^[2], and if land, system and business structure allow, then tree planting is a favourable consideration for many.

Forestry may also offer a retirement strategy for farmers who have given their lives to the land but cannot navigate an easy route away from the farm. This may indeed be a way of keeping the farm intact for the next generation, albeit under a different land use.

Selling or leasing land for forestry can unlock capital, where farming alone may not provide a secure future.

But we must consider that forestry is not a short-term enterprise. Once planted, trees shape a landscape and its communities for generations. Decisions taken now could well last beyond the working life of those who make them. That makes it all the more important that farmers and those involved in forestry share open communication and consider the wider consequences together.

Looking ahead

Farming and forestry both have a role to play in tackling climate change, delivering biodiversity, and supporting rural economies

The danger lies in treating them as competing land uses, when in reality, there is an opportunity for them to complement each other.

Both sectors are long-term stewards of land, tied in with climate, nature, and rural economies. If they work against each other, opportunities will be lost. If they work together, the benefits could be substantial.

The future of land use in the UK will be defined not by choosing between trees and food, but by finding ways to integrate them.

Collaboration will be the key — ensuring that forestry supports farming, farming supports forestry, and together they sustain the communities, landscapes and livelihoods that depend on them.

1 Meeting tree planting targets on the UK’s path to net-zero: A review of lessons learnt from 100 years of land use policies. Sally Westaway, Ian Grange, Jo Smith, Laurence G. Smith. Land Use Policy, Volume 125, 2023.
2 <https://www.gov.uk/government/statistics/balance-sheet-analysis-and-farming-performance-england/balance-sheet-analysis-and-farming-performance-england-202324-statistics-notice>



Collaboration will be the key — ensuring that forestry supports farming, farming supports forestry.

The logo features two stylized green trees with white outlines, positioned side-by-side within a green square frame.

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