

THE FOREST MARKET REVIEW 2024 GREAT BRITAIN

PUBLISHED APRIL 2025

ON THE MARKET
Aberdeenshire portfolio
11 lots from £15,000-275,000

MARKET AT A GLANCE

Supply



29 forests were sold in Great Britain during the 2024 calendar year. Although this is more than the historically low levels in 2023 (20), it is well below the five-year average (44).



5,000 stocked or plantable hectares were sold, more than double 2023's amount, but 36% below the five-year average.



As usual, the majority of forestry sold was in Scotland.

Demand



There are continuing signs of demand weakening from the exceptionally strong markets in 2021 and 2022.



While over half of forests sold for above their guide price, the proportion is falling. Also, almost a quarter sold for less than asked for – a rising proportion.



The average selling price was 107% of the asking price. While up on 2023's level (104%), it is below the five-year average of 119%. The cumulative asking price of all the forests sold was £90 million (m), and they sold for £94m.

Pricing



Due to the small number of sales each year, average prices can be affected by changes in the type of forests that were available. This means caution needs to be applied when comparing figures year-on-year.

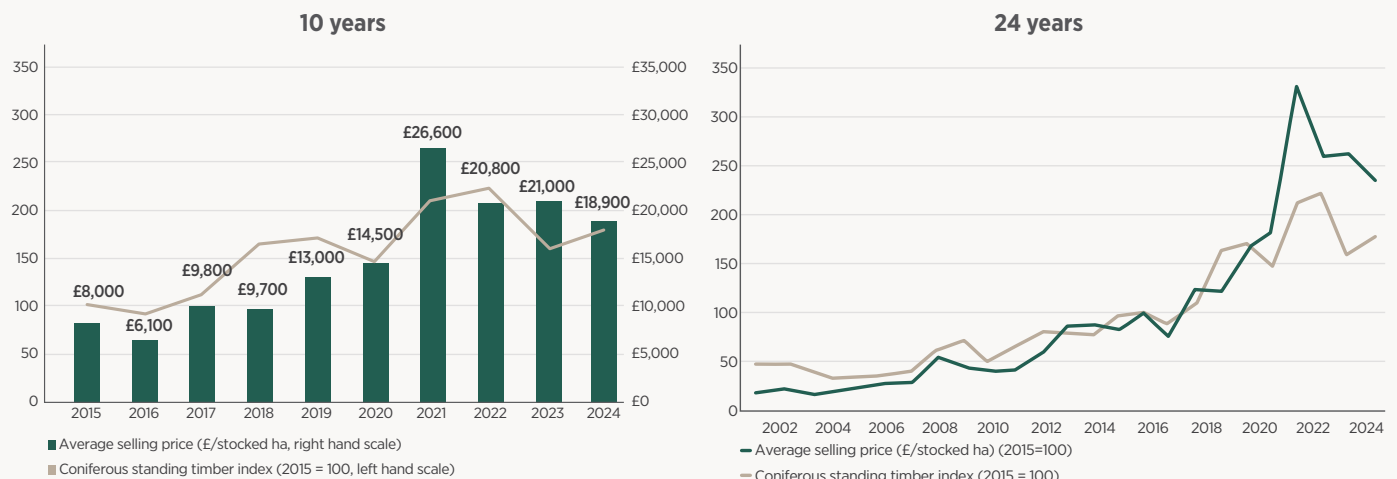


The average asking price fell to £13,600/hectare (-17% compared with 2023) or £16,700/stocked hectare (-15%).



The forests sold for an average of £18,900/stocked hectare, 10% lower than in 2023. Although the proportion selling for over £20,000/stocked hectare stayed the same, fewer sold for £30,000 or more.

Figure 1 Average selling price of commercial forests per stocked hectare in Great Britain and Forestry Commission coniferous standing timber index



MARKET OVERVIEW

The 2024 forestry market, like that of 2023, proceeded with caution. Average plantation prices were down by about 10%, but we believe the value of good quality plantations moved little over the year.

The cautious optimism we predicted last year had a little more caution and somewhat less optimism than anticipated. Timber prices were largely flat, interest rates remained higher for longer than many predicted and global conflicts showed few signs of resolution.

The forestry fundamentals remain strong with new investors being attracted into the sector. Global timber demand is rising, domestic house building remains a priority and timber is the best construction material if one is serious about tackling climate change.

We predicted the new Government would have little impact on the market, but did not anticipate the curve ball of it altering the Business Property Relief allowances for IHT (for which commercial forestry qualifies). However, despite this forthcoming change we cannot discern a clear market price response.

Comparing year-to-year trends with a variable and relatively small sample size is always dangerous, but we can clearly see that values are down 10-20% from their peak in 2021/2022.

The market value is down on the long-term trend at a little under £100 million. Forest owners tend to be in it for the long term, but we can also see they are opportunistic. When demand and prices were high in 2020-2022, some owners were tempted to sell. As prices fell back, there were many less transactions in 2023 and 2024, with most owners able to take a longer-term view and wait for a price recovery.

This year average values are down by 10%, but take out two unusually low values and that drop is reduced. We also like to try and dig into the data. For example, this year average yield class is recorded at 16.2 compared to 19.1 last year. With an average age of 28, that yield class difference would translate to a reduction of 100 tonnes/hectare for a no thin Sitka spruce crop, worth say £4,000/ha plus. That is more than the year-on-year fall in values.

An important market indicator is the gap between guide prices and sale prices. This year sale prices were 107% of guide. This is down on the five-year trend, but up slightly on last year, suggesting a steady market.

Most properties that came to the market found a buyer and 54% did so within six months of first being launched. This is down on the five-year trend. We are also seeing more properties take more than 12 months to find a buyer. This was a rare event in the boom years of 2020-2022 and further indication of a cautious market.

Woodland values are affected by many factors including location, accessibility, species, soils and slopes. Most of the highest prices continue to be paid in the uplands of south Scotland for spruce-dominated second rotation crops. Values over £20,000/ha are common with £30,000 occasionally achieved.

Woodlands are coming to the market with associated carbon credits, or on occasion where credits have been sold but the concomitant liabilities remain with the woodland. The woodland carbon market remains small scale and is not well established, so reliable pricing is not available. One woodland with over 50,000 carbon units was offered for sale, but was withdrawn when market appetite did not meet the seller's expectation.

Demand for planting land remains strong, but values have reduced over the past year. Prices of up to £10,000/ha are being paid for the best sites, but buyers are looking very closely at potentially plantable areas and anticipated yield classes. Such values generally remain above the agricultural value of hill ground, but the margin is shrinking. This differential is key if the various UK Government's planting targets are to be met.

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MARKET OUTLOOK

Good properties continue to sell well, new funds are being drawn into UK forestry, and we remain cautiously optimistic for the year ahead.

The forestry fundamentals remain positive with substantially rising global demand for timber. The UK Governments all have expansionist forestry policies, and the “green agenda” remains in place. However, progress can be constrained by funding limitations and regulatory complexities. For instance, in Scotland, there is not sufficient funding for the level of planting grants needed to support official planting targets. Throughout the UK, regulatory processes can also present challenges to woodland expansion.

Timber is historically traded globally with few tariffs, with material moving easily to markets paying the best price. The tariffs being imposed by the US may deflect some timber to other markets, but the US cannot satisfy its demand from domestic production, so will still need to import. We think the impact on price in the UK will be limited providing a full trade war does not break out. Perhaps

of more importance is the economic impact of tariffs on inflation, interest rates and investor confidence. Perhaps forestry will be seen as a safe haven in uncertain times?

Interest rates are expected to continue to fall, and this should lead to higher forestry values all other things being equal.

We continue to see strong interest in good properties with a number of sales concluded or under offer in 2025 Q1 and new funds moving into the market. Sentiment may be hardening against more remote properties with low growth rates and often dominated by pine. With timber prices relatively flat, the increasing costs of harvesting and haulage hit net returns severely and this is increasingly being reflected in price.

In summary, we see continued steady demand for woodlands, but do not anticipate significant changes in values.



UNDER OFFER:
Sciberscross, Highlands
Offers over £8,500,000

ABOUT THIS REPORT

Please see the back page for the methodology used to compile this report.

Every year a different population of forests are sold and, given the wide range of forest types and relatively small number of sales, caution should be taken in comparing data from year-to-year and it should be considered as indicative only.

The 2024 population of forests sold were a similar age to those in 2023, had a significantly lower yield class and were larger. There were fewer sales at over £30,000/stocked hectare than in the previous three years – a return to the pre-2021 levels when very few sales were at £30,000 or more.

	2022	2023	2024	Five-year average
Average age (years)	33	27	28	30
Average yield class	18.1	19.1	16.2	17.7
Average size (stocked hectares)	179	108	171	164
% of selling prices over £30,000/stocked hectare	18%	15%	3%	14%

SUPPLY

Area of stocked or plantable commercial forest land sold

5,000 stocked or plantable hectares were sold in 2024. While this was more than double the area sold in 2023, it is the second smallest amount in the past ten years and 36% below the five-year average. As usual, the majority was in Scotland.

NB This includes private or off-market sales that we are aware of. There is also some off-market sales activity that is not recorded in this report. It is almost certainly in the many tens of millions of pounds.

Last year we commented on two very large properties, that came to the market, but did not sell. One of those, Glen Shira (1,500ha), did sell in 2024, but the other Griffin (3,700ha) did not. These two transactions illustrate how the data can be skewed from year-to-year.

Number of commercial forests sold

29 forests sold in 2024, well below the five- and ten-year averages.

Figure 2 Area of commercial forest land sold (stocked hectares)

	Scotland	England	Wales	Great Britain
2020	10,400	700	2,500	13,600
2021	5,900	200	1,500	7,500
2022	10,100	300	100	10,500
2023	1,600	400	100	2,200
2024	4,200	300	400	5,000
Five-year ave	6,440	380	920	7,760
2024 % diff from ave	-35%	-21%	-57%	-36%

Figure 3 Area of commercial forest land sold in Great Britain (stocked hectares)

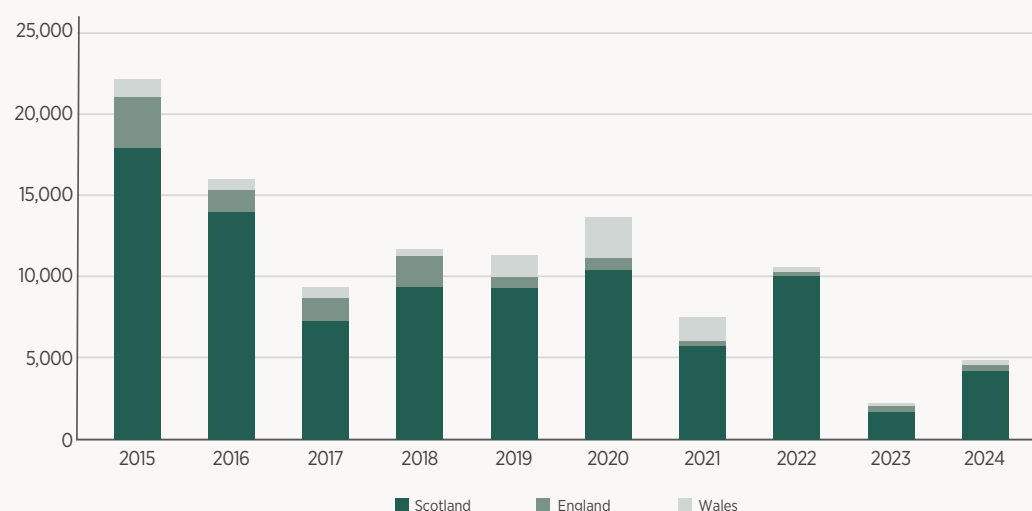


Figure 4 Number of commercial forests sold

	Scotland	England	Wales	Great Britain
2020	42	8	16	66
2021	34	5	9	48
2022	50	6	3	59
2023	16	3	1	20
2024	22	6	1	29
Five-year ave	33	6	6	44
2024 % diff from ave	-33%	0%	-83%	-35%

Figure 5 Number of commercial forests sold in Great Britain

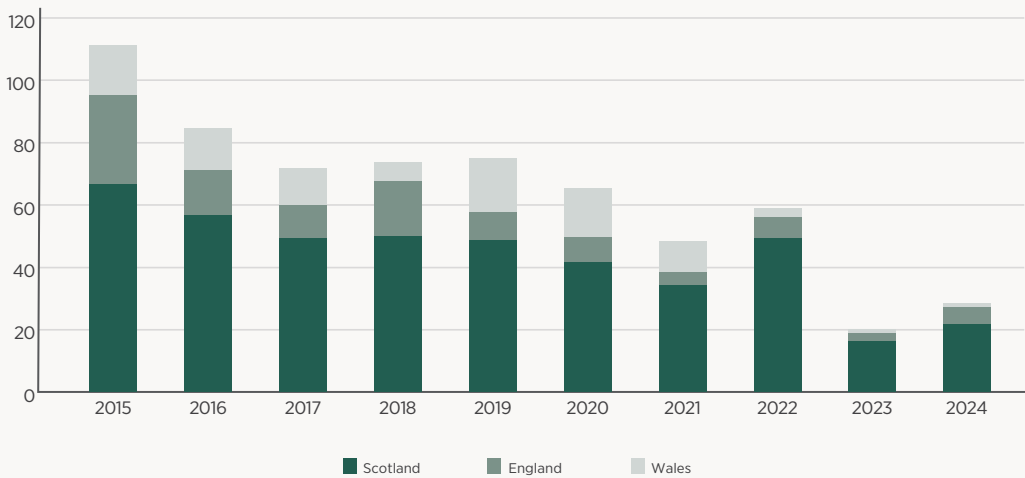
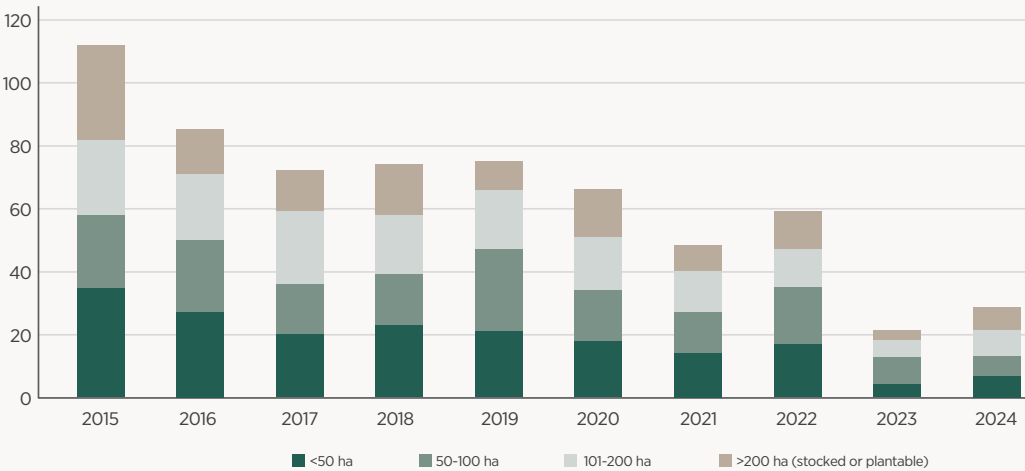


Figure 6 Number of commercial forests sold in Great Britain by size band



Total price of commercial forests sold

The selling price of the forests sold in 2024 totalled £94 million, over double last year’s amount, but 38% lower than the five-year average, which is greatly affected by the three years when around £200m of forests were sold. As usual, most of the forests were in Scotland.

Figure 7 Total selling price of commercial forests sold in £million

	Scotland	England	Wales	Great Britain
2020	£136	£13	£49	£198
2021	£153	£4	£42	£199
2022	£213	£5	£1	£219
2023	£30	£11	£4	£45
2024	£78	£7	£9	£94
Five-year ave	£122	£8	£21	£151
% diff from ave	-36%	-17%	-58%	-38%

DEMAND

Speed of transactions

There are continuing signs of demand weakening. Over half (54%) of the forests sold within six months of being marketed, falling further below the five-year average (61%).

As in 2023, a lower proportion sold for above their guide price (52% compared with 54%), well below 2021 and 2022's levels and the five-year average (67%). Also, 24% sold for less than their asking price, more than 2023's 20% and above the five-year average (14%).

However, there was a sign of the strength of demand as the average selling price was 107% of the asking price. This was higher than 2023's 104% but still below the five-year average of 119%.

Figure 8 Percentage of commercial forests sold in Great Britain by time from date on market to date of sale

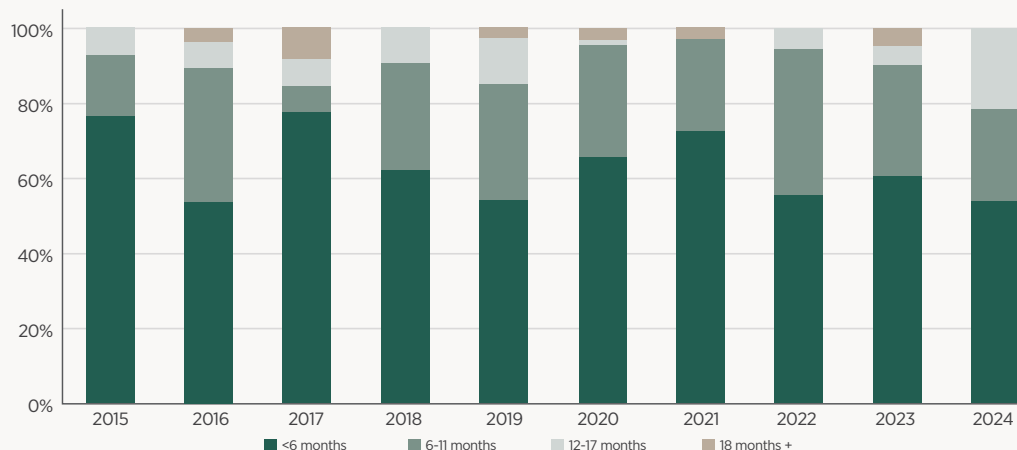


Figure 9 Percentage of forests sold below, at or over asking price in Great Britain

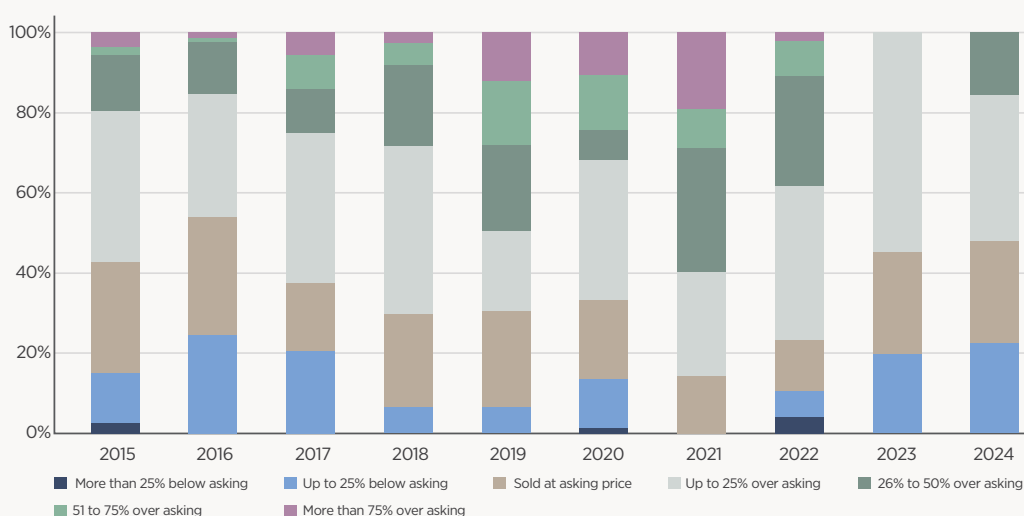


Figure 10 Selling price as % of asking price

	Scotland	England	Wales	Great Britain
2020	138%	114%	104%	127%
2021	138%	110%	153%	138%
2022	119%	112%	116%	118%
2023	106%	101%	77%	104%
2024	109%	99%	115%	107%

PRICING

Average prices can be affected by changes between years in the age, size and type of forests sold due to the small number of sales. We therefore suggest that they are considered along with the data on the proportion of forests sold in each price band (see Figure 12.)

The average asking price in Great Britain fell to £13,600/hectare (-17% compared with 2023). NB This is for all hectares sold, including open ground, unstocked areas and tracks.

For stocked hectares, the average asking price was £16,700 (-15% compared with 2023) and, once sold, this converted into an average selling price of £18,900 (-10% vs 2023).

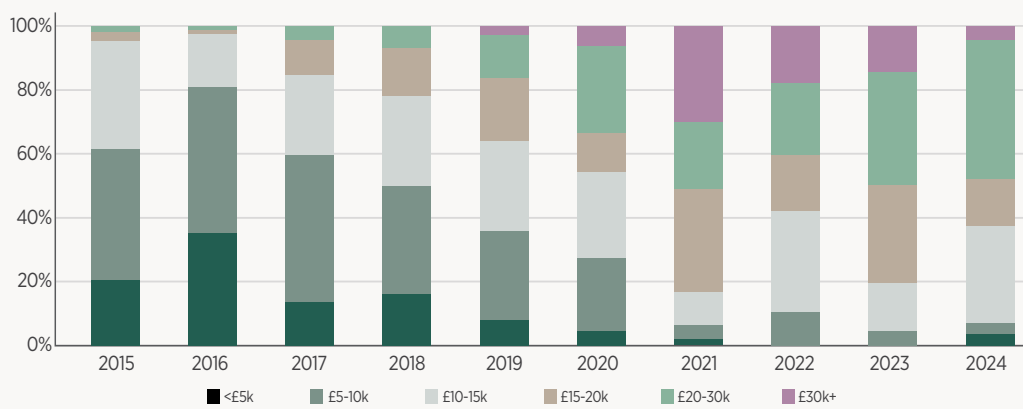
Although the proportion of forests selling for over £20,000 /stocked hectare stayed the same, fewer sold for £30,000 or more.

Demand exists for woodlands of all ages and also for planting land. Many woods are now into their second rotation of crops and larger woods also have a wide range of ages. The large, even-aged woodlands of the first rotation are now becoming a thing of the past as crops are felled and replanted over many years. Larger woods are now able to generate a steady positive cashflow.

Figure 11 Average selling price of commercial forests per stocked hectare

	Scotland		England		Wales		Great Britain	
	Average	Annual % change	Average	Annual % change	Average	Annual % change	Average	Annual % change
2020	£13,100	2%	£17,700	46%	£19,400	40%	£14,500	12%
2021	£26,100	100%	£22,600	28%	£28,700	48%	£26,600	83%
2022	£21,000	-20%	£19,800	-13%	£8,200	-71%	£20,800	-22%
2023	£18,500	-12%	£27,700	40%	£30,100	265%	£21,000	1%
2024	£18,600	0%	£19,200	-31%	£22,600	-25%	£18,900	-10%

Figure 12 Selling price of commercial forests per stocked hectare by price band in Great Britain



Bigger forests (>100 hectares) continue to sell for higher prices than smaller ones, across all age categories.

Figure 13 Average selling price of commercial forests in Great Britain per stocked hectare by age band

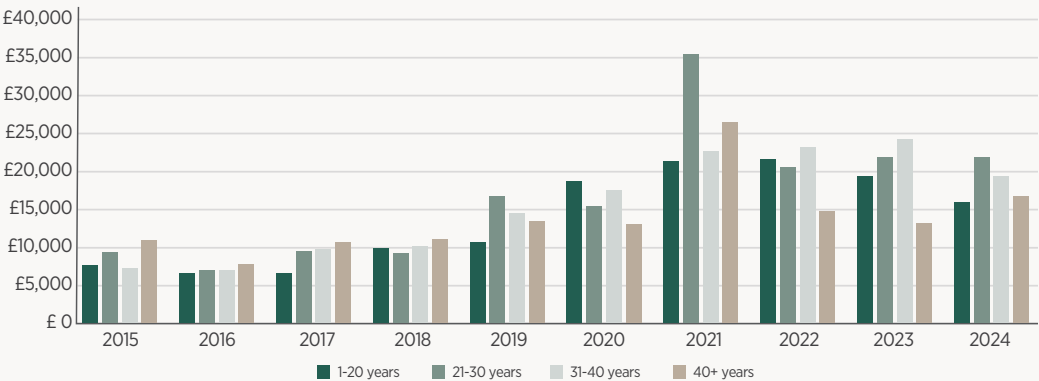
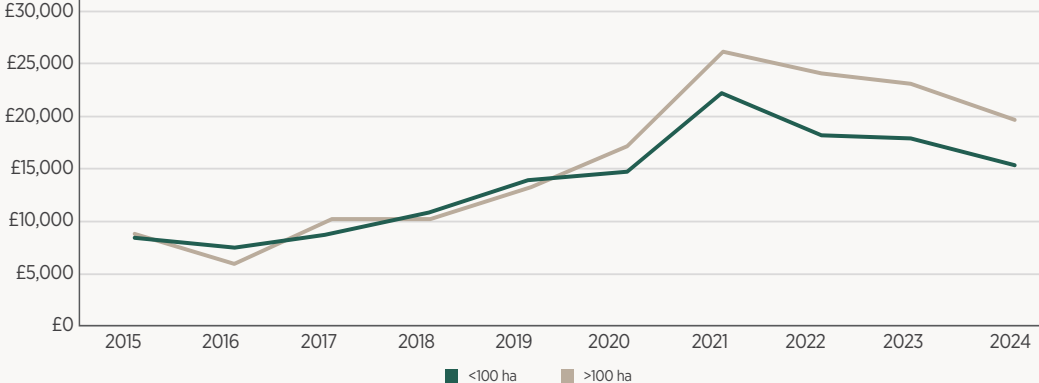


Figure 14 Average selling price of commercial forests in Great Britain per stocked hectare by forest size



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Methodology

All data in this market report is from John Clegg & Co and Strutt & Parker's Forestry Database of privately and publicly marketed forests in Great Britain. It records selling prices (i.e. what the forest exchanged contracts for) as well as asking prices, and so is a more accurate reflection of actual market conditions as asking prices can overstate or understate the prices that buyers are willing to pay. Once a forest is exchanged, we have assumed it is sold, following HMRC custom.

This report is based on data on completed sales of commercial forestry properties, so predominantly conifer, of 20 hectares or more in Great Britain. The data includes forests that were publicly marketed and also the privately marketed ones we are aware of. Stocked area includes all land carrying a tree crop and felled areas capable of growing trees. Year refers to the calendar year in which the forests sold. The area of forests sold is rounded to the nearest 100 hectares. Total asking and sold prices are rounded to the nearest £1m. Data on selling price as % of asking price is calculated by number of sales, not area. Average selling price per stocked hectare is based on simple averages of the total selling price of all forests divided by total stocked hectares sold and rounded to the nearest £100.

Every year a different population of forests are sold and, given the wide range of forest types and relatively small number of sales, caution should be taken in comparing data from year-to-year and it should be considered as indicative only.

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