

# Nordic timberland as a strategic investment



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As timberland becomes a core component of institutional real asset portfolios, allocators increasingly face a relative choice: not whether to own forests, but which type of forest exposure best serves long-term capital.

Timberland is no longer a niche investment. For many institutions, it's now a core part of their real assets portfolio, valued for its biological growth, inflation linkage, and low correlation with traditional markets. As these allocations mature, the focus shifts. It's no longer about whether to own timberland but about choosing the kind of timberland exposure that best fits a long-term, capital-preserving strategy.

Viewed through that lens, Nordic timberland occupies a distinct position. Not because it promises faster growth or higher near-term returns, but because it offers a particular combination of durability, governance and biological compounding that differs meaningfully from many other timberland options. Its appeal lies in how risk, return and resilience are balanced over long-term horizons.

## Comparing Timberland Markets

To understand the Nordics, you need to see them in the context of the global timberland market, rather than just repeat the usual case for forestry as an asset class.

At its core, the Nordic model is about a trade-off that long-term investors are increasingly comfortable with: giving up some opportunistic growth typical of fast-rotation plantation markets, in exchange for transparency, capital preservation, stability across economic cycles and exposure to stable currencies, such as the euro. This trade-off is what defines how Nordic timberland fits into a diversified real asset portfolio.

Fast-rotation plantation markets have obvious attractions. Short rotations and high biological growth can deliver strong cash yields and let owners quickly adjust harvest schedules. Nordic timberland works differently. Longer rotations and slower growth may lower headline yields, but they make the asset base more durable, management more transparent, and outcomes more predictable. In short, the Nordics trade speed for resilience and long-term stability.

North America remains the largest and most liquid institutional forest market globally, supported by established TIMO and REIT ownership structures and a deep transaction market. These features provide investors with flexibility in how portfolios are managed over time, including the ability to rotate assets or adjust exposure as market conditions change. In the Nordics, ownership structures and governance frameworks are generally oriented towards longer holding periods and stable management practices. As a result, returns are more consistently associated with biological growth, steady harvest profiles and long-term planning rather than portfolio turnover.

In portfolio construction terms, this means North American timberland is often used where flexibility and liquidity are valued, while Nordic timberland is typically positioned as a long-duration, core allocation.

## Within the Nordics: different ownership logics

The Nordics aren't all the same, ownership structures vary a lot between countries. In Finland, private forests are still highly fragmented but accessible to institutions, leaving room for consolidation, professional management, and long-term value creation within a stable legal framework.

In Sweden, private forest ownership is more tightly regulated. Institutions mainly gain exposure through established industrial owners and legacy

portfolios, rather than buying directly from individuals. That limits scalability but supports long-term stability and continuity. For investors, the two markets complement each other rather than serving as direct substitutes.

## Finland as a proof-point of the Nordic model

Finland is a clear example of how the Nordic forest system works in practice. About 75% of Finland's land area is covered in forests, and timber is Finland's most important industrial raw material. Forest-based products make up 16.8% of the country's goods exports, and Finland is a global leader in several areas, producing roughly a fifth of the world's printing and writing paper and ranking among the top six in plywood exports. Finnish forest industry groups are consistently among the ten largest worldwide. Although Finland represents only a small share of the world's forest resources, an efficiently and sustainably managed forest base can still support a world-class industry.

## Biological growth as a stabilizing mechanism

The strength of the Nordic model comes from its ability to keep growing even while being harvested. Finland's forests hold about 2.5 billion cubic meters of standing timber, and over the past 50 years, the growing stock has risen roughly by 70%, despite continuous industrial use.

This highlights a key feature of Nordic forestry, growth consistently outpaces removals. The resource base keeps expanding while remaining commercially active. For investors, this biological growth acts as a stabilizer, working independently of economic cycles, trade disruptions, or changes in industrial profitability.

## Institutional ownership and market maturity

Nordic timberland is increasingly owned by long-term institutional investors like pension funds and insurers. Institutional ownership brings consistent management, clear reporting, and a focus on long-term performance, making Nordic timberland a core, stable allocation rather than just an opportunistic investment.



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Founded in 1986 and majority-owned by its employees, United Bankers is a leading Nordic real asset manager with a strong commitment to sustainable investments. The company is a pioneer in timberland investing in the Nordic region and ranks among Finland's largest timberland investors, with a growing presence across the Baltic countries. United Bankers has raised five forest funds to date, delivering above average returns through value-driven strategies such as consolidating timberland assets. The firm is dedicated to promoting climate and biodiversity goals and supports this commitment with clear, reliable impact measurement and reporting.