



# OUTLOOK 2025



# FORESTRY

## WHY INVEST?

- Forestry investment has gained significant attention around the world in recent years as investors seek resilient, counter-cyclical and profitable asset classes. Added to this are the moves towards **sustainable investment** and meeting ESG investment criteria. For governments, investment in forestry brings benefits in terms of meeting climate change targets; carbon sequestration, supplying sustainable wood products for construction, protecting habitats, and providing outdoor leisure facilities. Indeed, in Ireland, a very ambitious forestry plan has been put in place having been singled out in the Climate Action Plan as an essential land use to achieve carbon neutrality by 2050.
- Almost one-third of the world's land surface is covered by forest but with half of that in just five countries – Russia, Brazil, Canada, the US, and China. In Ireland, just under **12% of land is covered by forest** and renewal efforts are now in place to increase this to 18% by 2027, which means afforestation of 8,000 ha per year. To achieve this, the Government has put in place the Forestry Programme 2023 – 2027, which includes up to €308m of State aid.
- There are currently two schemes of note under the programme – the '**Afforestation Scheme**' and the '**Native Tree Area Scheme**'. Both are open to farmers and non-farmers / private investors, as well as public sector landowners. Technical approval must be received from the Department of Agriculture, Food and the Marine prior to any planting to be eligible for grant assistance and the relevant licences must also be sought. A forest's composition in terms of tree type and layout must also conform to various prescribed forest types.
- The monetary value of the **grant and premiums** depends on the forest type. The grant is paid in two instalments; the first when the forest is planted (within four months) and the second, four years later, and ranges between €4,450 and €10,500 per ha. Owners may also be eligible for an annual premium for 15 years non-farmers and 20 years for farmers, which generally ranges between €750 and €1,150 per ha per year. There are further grants available for fencing.





- With potentially **up to €30,000 per ha** available from as State aid over a 15-year period, forests offer stable, low-risk investments that will continually assist in meeting sustainability targets. While only a limited number of forests have been sold in Ireland in recent years, there are opportunities for investors interested in the sector in the years ahead.

Lisney has sold / sale agreed 1,020 ha (2,500 acres) in 2024 and expect further activity in 2025.

If you are interested in the sector, please get in touch with

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## THE MONETARY VALUE OF GRANTS AND PREMIUMS DEPEND ON THE **FOREST TYPE**

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