



MAY 2023

RESEARCH

Spring 2023 Survey of Independent Forecasts for UK Commercial Property Investment

COMMISSIONED BY THE IPF RESEARCH PROGRAMME

UK Consensus Forecasts

This research was funded and commissioned through the IPF Research Programme.

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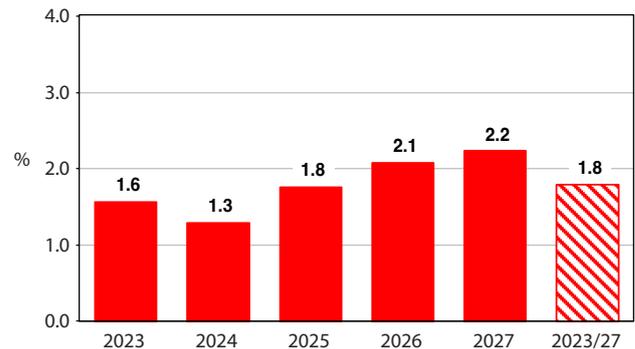
At a Glance

The results of the second quarterly survey of the year are based on data received from 18 organisations, whose forecasts were generated between end-March and mid-May 2023.

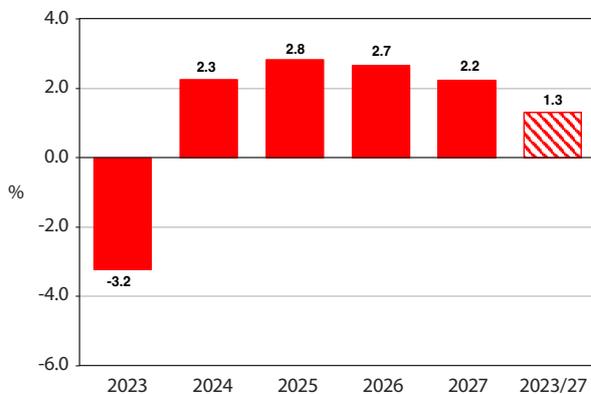
Rental value growth

The 2023 forecast has had a substantial uplift from the previous survey, with an increase of 100bps to 1.6%. The 2024 growth number has also strengthened, albeit by a more modest 30 bps, to 1.3%. The subsequent three-yearly averages are more closely aligned with the forecasts from the previous quarter.

As a consequence of the stronger 2023-2024 forecasts, the five-year annualised figure has improved by 40bps to 1.8% pa, from 1.4% pa previously.



Capital value growth



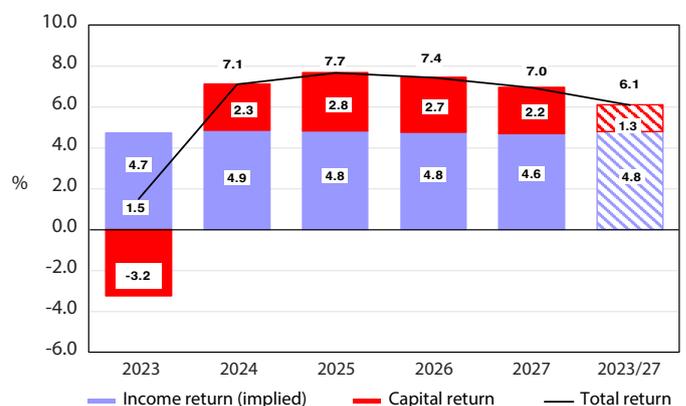
The average capital value growth forecast for 2023 has been substantially upgraded from -5.5% to -3.2%, compared to the Winter survey. Projections for the ensuing years have had marginal upgrades, with the exception of 2025, which has been downgraded by 10bps to 2.8%.

The five-year annualised forecast has improved by 60bps, from 0.7% pa to 1.3% pa, predominantly as a result of the more robust 2023 forecast.

Total returns

The 2023 All Property average total return is now in positive territory, despite the forecasted significant capital value decline. The forecast has improved by nearly 220bps, from -0.6% to 1.5%, from the previous survey. The forecasts for the subsequent four years are more closely aligned with the Winter survey, with only the 2025 forecast demonstrating divergence of more than 10bps having been downgraded by 30bps to 7.7%.

The addition of the more robust 2023 return has resulted in a nearly 50bps improvement in the five-year average to 6.1% pa (5.6% pa previously).



Summary Average by Sector

	Rental value growth (%)				Capital value growth (%)				Total return (%)			
	2023	2024	2025	2023/27	2023	2024	2025	2023/27	2023	2024	2025	2023/27
Office	-0.4	0.2	1.4	1.1	-7.3	0.3	2.1	-0.2	-2.9	4.9	6.8	4.4
Industrial	4.8	3.0	2.9	3.3	-0.8	4.0	3.6	2.5	3.6	8.5	8.0	7.0
Standard Retail	-0.7	0.3	0.9	0.6	-3.3	2.2	2.4	1.0	1.4	7.1	7.2	5.7
Shopping Centre	-1.8	-0.5	0.5	0.0	-4.1	0.2	0.9	-0.4	2.7	7.4	8.0	6.6
Retail Warehouse	0.0	0.5	1.0	0.8	-1.7	3.1	2.4	1.4	4.4	9.2	8.4	7.4
West End office	1.1	1.2	2.0	1.9	-4.3	2.7	3.6	1.6	-1.0	6.3	7.1	5.1
City office	-1.0	0.6	1.6	1.2	-8.7	0.3	3.3	-0.1	-4.6	4.6	7.3	4.1
All Property	1.6	1.3	1.8	1.8	-3.2	2.3	2.8	1.3	1.5	7.1	7.7	6.1

All Property Average by Forecast Month

Month of forecast (no. contributors)	Rental value growth (%)				Capital value growth (%)				Total return (%)			
	2023	2024	2025	2023/27	2023	2024	2025	2023/27	2023	2024	2025	2023/27
March (2)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
April (4)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
May (12)	1.7	1.4	1.8	1.9	-2.2	2.3	2.6	1.6	2.5	7.2	7.5	6.4
All Forecasters (18)	1.6	1.3	1.8	1.8	-3.2	2.3	2.8	1.3	1.5	7.1	7.7	6.1

Note: A minimum of five forecasts are required for each period to be separately analysed.

Key points

- The Industrial sector demonstrates robust rental growth over the forecast period with an upgraded five-year forecast of 3.3% pa, an improvement of 75bps from the previous quarter. The only other sector to outperform the All Property average is the West End Office market with a projection of 1.9% pa, an upgrade of 100bps.
- All sectors are expected to experience capital value decline in 2023, despite significant upgrades for all sectors with the exception of City Offices and the wider Office market. The greatest adjustment is to the Retail Warehouse forecast which has been upgraded by 450bps, from -6.2% to -1.7%. The Industrial sector has the strongest capital value growth forecast over the next five years, at 2.5% pa.
- There is significant divergence in the 2023 total return forecasts between the sectors. Retail Warehouses are expected to outperform, with a return of 4.4%, while City Offices are forecast to underperform the rest of the market with a return of -4.6%.
- Over the five-year time period, the Retail Warehouse sector is the top performer, with a return of 7.4% pa, ahead of Industrial at 7.0% pa. City Offices lag the other sectors with an annualised return of just 4.1% pa.

Survey contributors

Eighteen organisations contributed to this quarter's forecasts, comprising seven Property Advisors and Research Consultancies, nine Fund Managers and two Others¹.

Forecasts for All Property, Office, Industrial and Standard Retail were received from 18 contributors. There were 17 contributors to Shopping Centre and Retail Warehouse forecasts and 16 full sets of forecasts for West End and City sub-office markets. All forecasts were generated within seven weeks of the survey date (19 May 2023). Named contributors appear on the final page of this report.

Rolling five-year averages

All Property annualised five-year forecasts (2023-2027) for all performance indicators are higher than those of last quarter (Winter's results (2023-2027) in brackets);

Rental value growth: 1.8% pa (1.4% pa)

Capital value growth: 1.3% pa (0.7% pa)

Total return: 6.1% pa (5.6% pa)

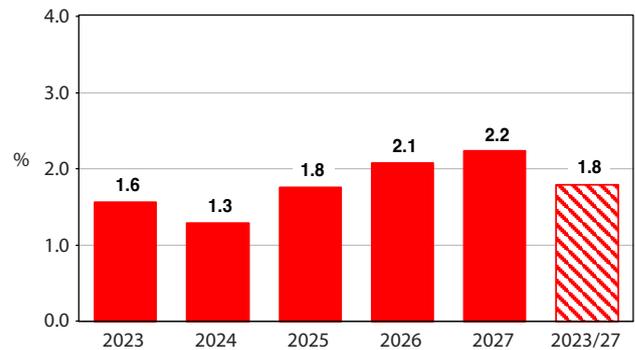
¹ As a minimum of five forecasts are required for each group of contributors to be separately analysed, data from Other contributors is only included at the All-Forecaster level of reportage.

Rental Value Growth Forecasts

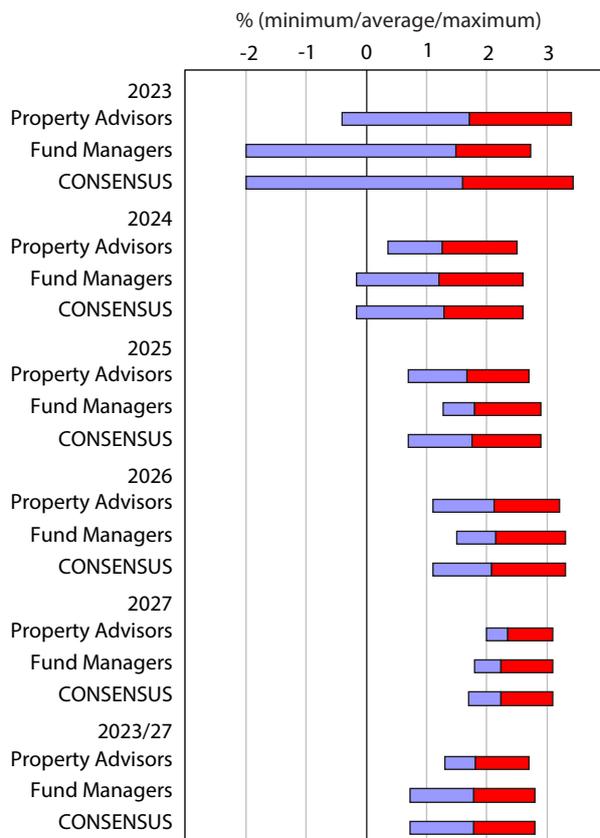
All Property rental value growth forecasts

The 2023 forecast has had a substantial uplift from the previous survey, with an increase of 100bps to 1.6%. The 2024 growth number has also strengthened, albeit by a more modest 30 bps, to 1.3%. The subsequent three-yearly averages are more closely aligned with the forecasts from the previous quarter.

As a consequence of the stronger 2023-2024 forecasts, the five-year annualised figure has improved by 40bps to 1.8% pa, from 1.4% pa previously.



Rental value growth forecasts by contributor



The adjacent chart shows the All Property rental growth forecasts split by contributor type. Seven Property Advisors and nine Fund Managers contributed data. There were only two Other contributors so their forecasts are only incorporated into the Consensus forecasts and cannot be shown separately.

In this quarter, there is little difference in the rental growth forecasts of Fund Managers and Property Advisors across all years, with the greatest divergence of 20bps in 2023.

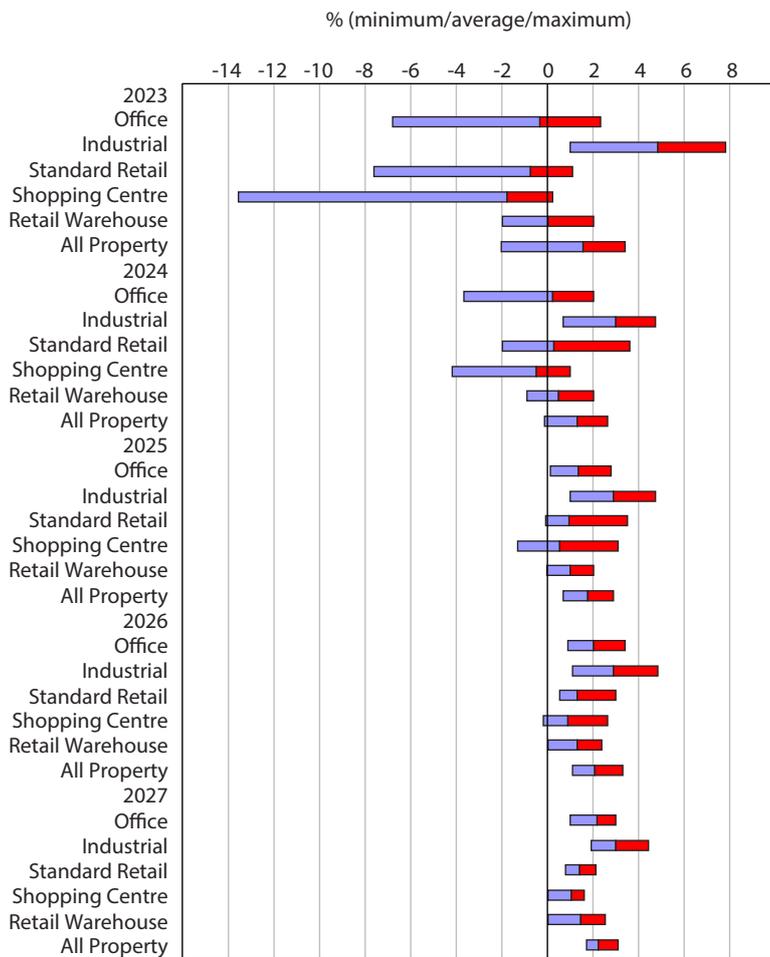
The range around Fund Manager results is marginally wider for this year, although it has decreased significantly from the previous quarter. There is a little more uncertainty around the Property Advisor results compared to the Winter survey. For subsequent years, the range of results between the two contributor types is relatively close.

Over the annualised five-year period, the average growth forecast from Fund Managers and Property Advisors is 1.8% pa, in line with the Consensus forecast.

N.B. Two 'Other' contributors returned data in addition to those of seven Property Advisors and nine Fund Managers.

Rental Value Growth Forecasts

Sector rental value growth annual forecasts



The 2023 All Property rental growth forecast has improved from 0.6% to 1.6% since the previous quarter. At sector level, this positive growth is entirely attributable to the Industrial sector, the only sector expected to achieve positive growth in the year. There is more certainty around results in this quarter, than previously, with the exception of the Shopping Centre and Industrial markets. Shopping Centres are forecast to have the weakest rental outlook, with a 1.8% decline in rental levels noted.

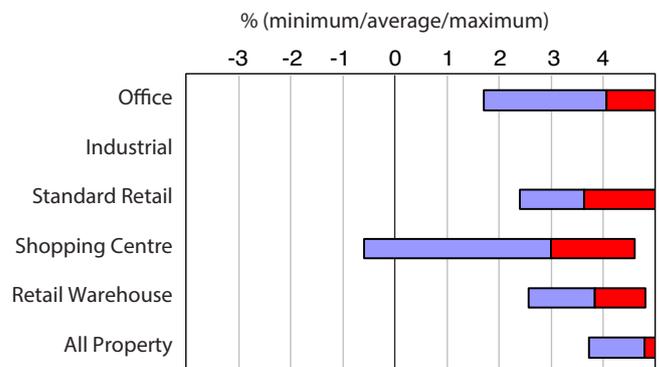
The changes to the 2024 rental growth forecasts are more minor than for those of the current year and there is more certainty around results. All sectors, apart from Shopping Centres, are expected to achieve positive growth, with Industrials the clear out performer with growth of 3.0%. Again, Shopping Centres are expected to exhibit the weakest rental outlook, with values declining by 0.5%.

From 2025, all sectors are expected to achieve positive growth, with Industrial outperforming the other sectors in all years. Shopping Centres will remain the weakest sector across every year, in terms of rental growth expectations.

Sector rental value growth five-year average forecasts

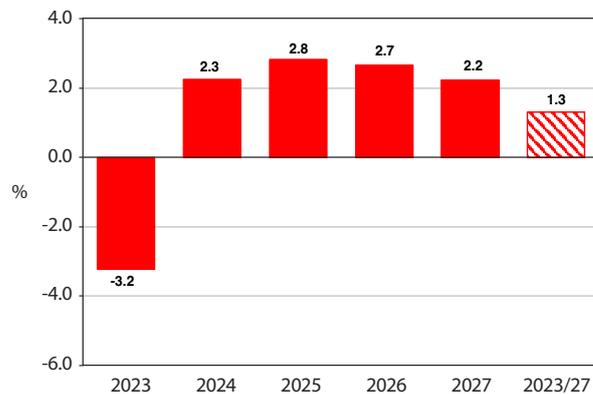
The All Property rolling five-year average has improved modestly to 1.8% pa, from 1.4% pa in the previous quarter. Forecasts have improved for all sectors, with the greatest enhancements to the Industrial and Standard Retail forecasts.

Only the Industrial sector is expected to achieve significant rental growth over the next five years, averaging 3.3% pa. At the end of the five-year time period, Shopping Centre rents are expected to be at the same level as at the start of the period; there is the greatest degree of uncertainty around this set of results.



Capital Value Growth Forecasts

All Property average capital value growth forecasts



The average capital value growth forecast for 2023 has been substantially upgraded from -5.5% to -3.2%, compared to the Winter survey. Projections for the ensuing years have had marginal upgrades, with the exception of 2025, which has been downgraded by 10bps to 2.8%

The five-year annualised forecast has improved by 60bps, from 0.7% pa to 1.3% pa, predominantly as a result of the more robust 2023 forecast.

Capital value growth forecasts by contributor

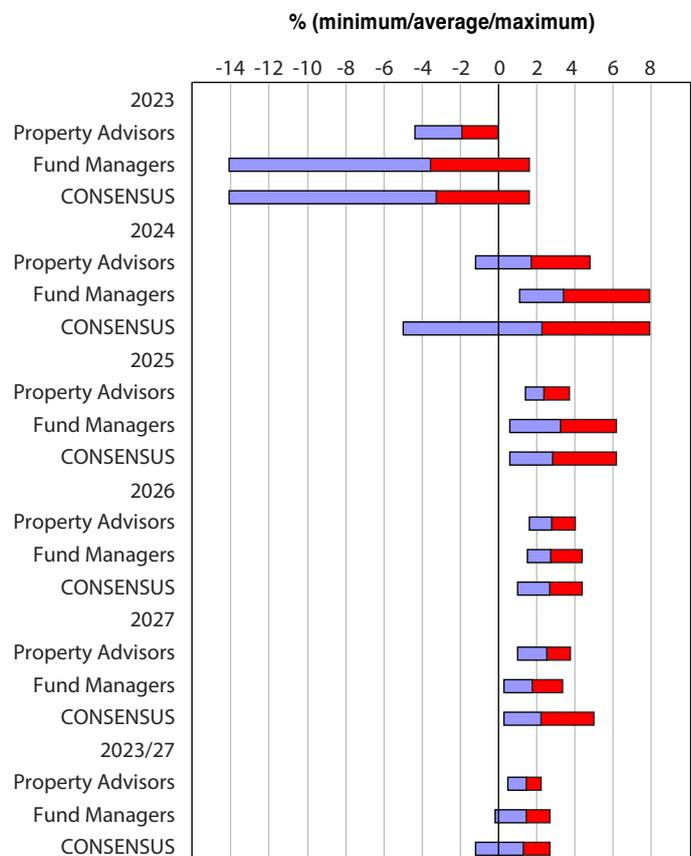
In this quarter, Fund Managers predict a 2023 rental growth forecast of -3.5%, while Property Advisors are more optimistic with a projection of -1.9%. There is considerable uncertainty around the Fund Manager results, compared to those of Property Advisors. Both forecasts demonstrate a strengthening of opinion compared to the previous survey.

The strengthening of Fund Manager opinion extends into 2024, with an increase in expectations of 60bps, resulting in a forecast of 3.4%. The Property Advisors' forecast has been downgraded by 60bps to 1.7%.

Fund Managers continue to be more optimistic in 2025, while Property Advisor forecasts are higher in the subsequent two years by comparison.

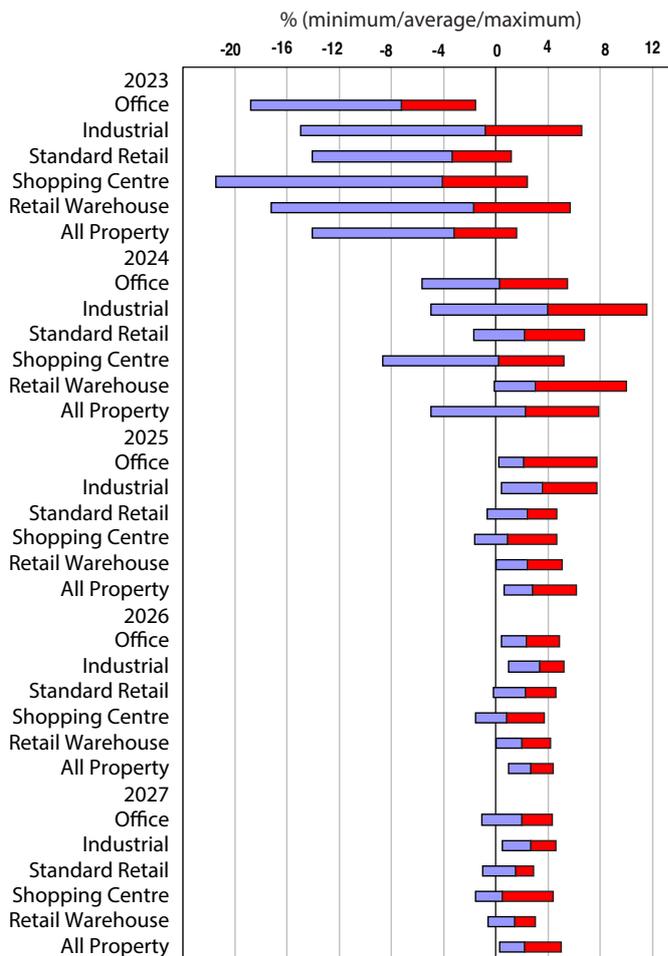
Over the five-year time period, the annualised projections for both contributor groups are aligned at 1.5% pa, marginally above Consensus.

N.B. Two 'Other' contributors returned data in addition to those of seven Property Advisors and nine Fund Managers.



Capital Value Growth Forecasts

Sector capital value growth annual forecasts



While the 2023 forecasts still make pretty dire reading, they reflect a more positive outlook than in the previous quarter. With the exception of the Office sector, all other forecasts have improved by at least 300bps, although no sector is expected to achieve positive capital growth in the current year. The Industrial sector is predicted to be the top performer for 2023. The Office sector capital value projection, at -7.3%, shows no improvement from the last quarter and trails the other sectors.

In 2024, forecasts have been boosted across all sectors compared to the Winter survey, again with the omission of the Office sector. However, all sectors including Offices are expected to achieve capital value growth, with Industrial the top performer and Shopping centres lagging behind the others.

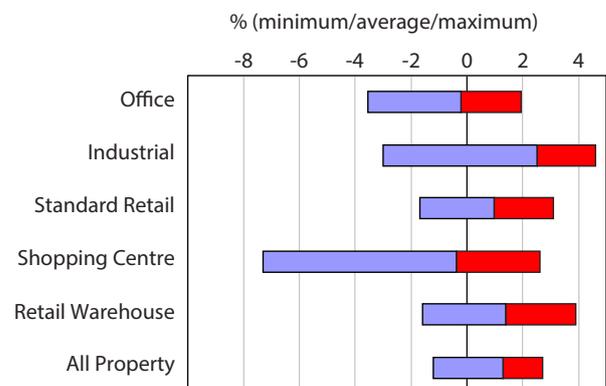
In subsequent years, the Industrial sector is projected to outperform the rest of the real estate market while Shopping Centres will continue to underperform.

High levels of uncertainty persist in relation to the 2023 and 2024 projections. There is a little more uncertainty around the 2023 results, compared to the previous survey, although the 2024 ranges are lower.

Sector capital value growth five-year forecasts

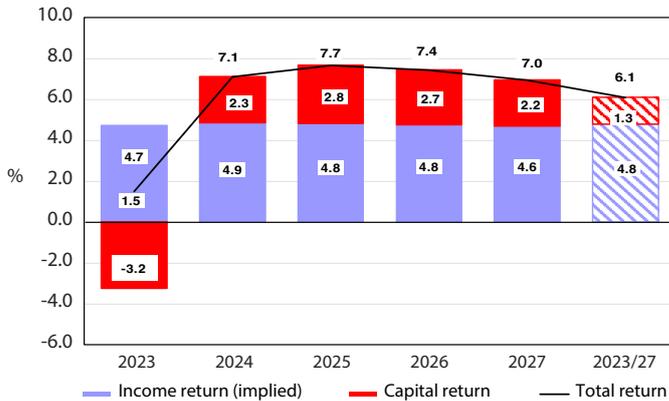
Industrial is expected to achieve capital value growth of 2.5% pa, up from 1.9% pa from the Winter forecasts. Retail Warehouses and Standard Retail are also expected to generate positive five-year capital value growth.

Shopping Centre and Office capital values are expected to decline over the next five years, by 0.4% pa and 0.2% respectively. There is a large range around the Shopping Centre average result reflecting considerable uncertainty.



Total Return Forecasts

All Property total return forecasts



The 2023 All Property average total return is now in positive territory, despite the forecasted significant capital value decline. The forecast has improved by nearly 220bps, from -0.6% to 1.5%, from the previous survey. The forecasts for the subsequent four years are more closely aligned with the Winter survey, with only the 2025 forecast demonstrating divergence of more than 10bps having been downgraded by 30bps to 7.7%.

The addition of the more robust 2023 return has resulted in a nearly 50bps improvement in the five-year average to 6.1% pa (5.6% pa previously).

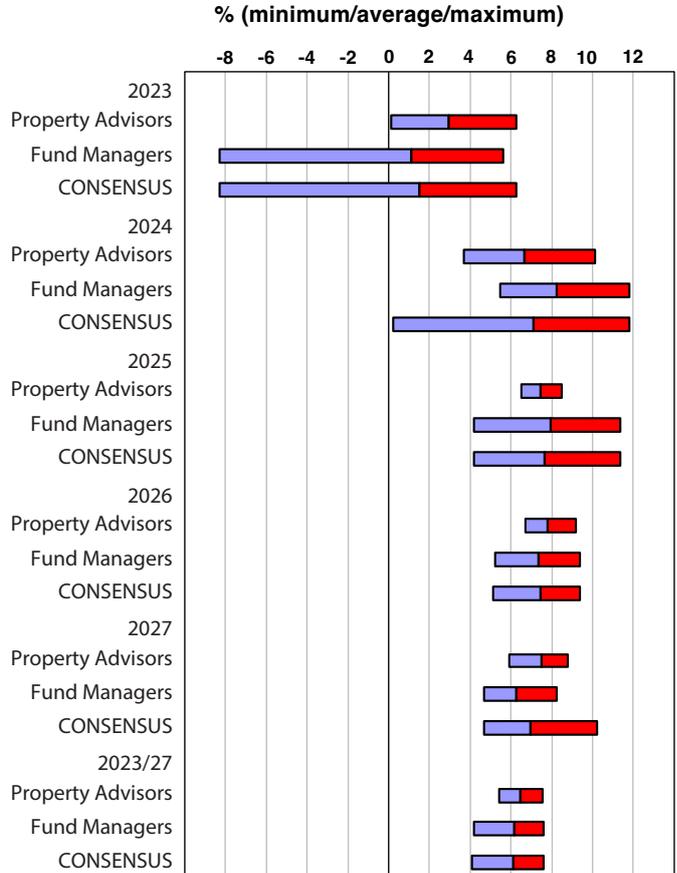
All Property total return forecasts by contributor

In 2023, the 3.0% average forecast from Property Advisors is more bullish, compared to the Fund Manager projection of 1.1%. There is also more certainty around the Property Advisor result, reflected in the smaller range. Both forecasts indicate a strengthening in opinion from the last quarter.

For 2024 and 2025, Fund Managers are more optimistic than Property Advisors, with returns of 8.2% (compared to 6.7%) and 8.0% (compared to 7.4%) respectively. However, across the subsequent two years, Property Advisor forecasts are more positive.

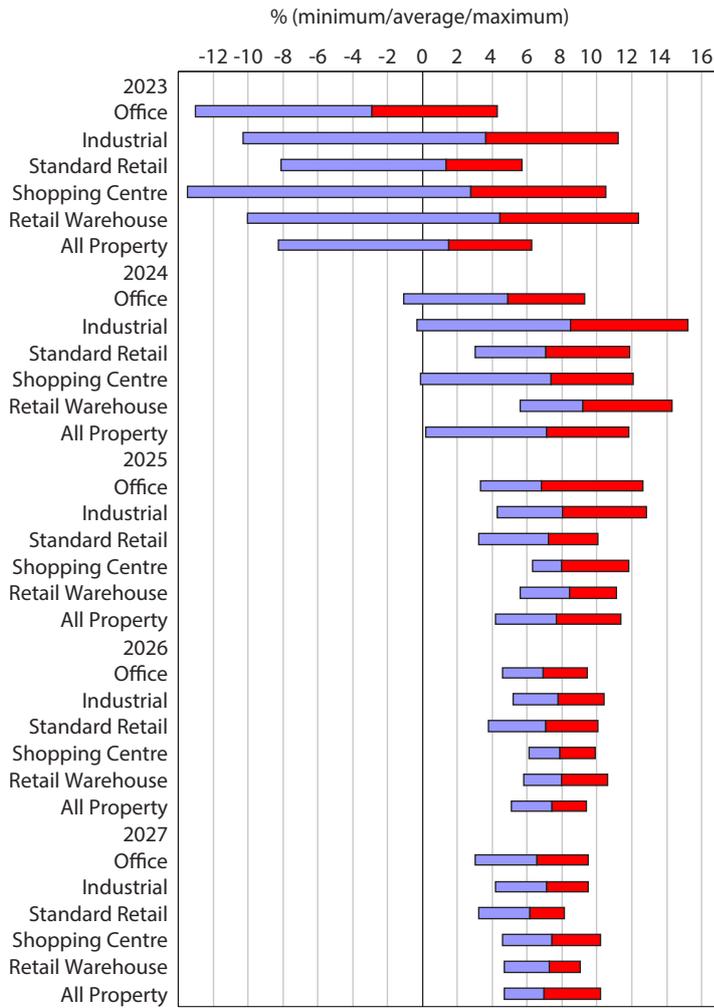
The five-year annualised returns are 6.5% pa for Property Advisors and 6.1% pa for Fund Managers.

N.B. Two 'Other' contributors returned data in addition to those of seven Property Advisors and nine Fund Managers.



Total Return Forecasts

Sector total return annual forecasts



Total return forecasts for 2023 have improved across all sectors compared with the Winter survey, with the exception of Offices. The overall return for the year is now in positive territory, at 1.5%. Retail Warehouses have had the most substantial upgrade and are expected to outperform the other markets, followed by Industrial. Offices will be the weakest performer, with a return of -2.9%.

Retail Warehouses are predicted to generate the highest return across the following three years, with 9.2% in 2024 ahead of an All Property average of 7.1%. Offices will trail the other sectors during this period with a return of only 4.9% in 2024.

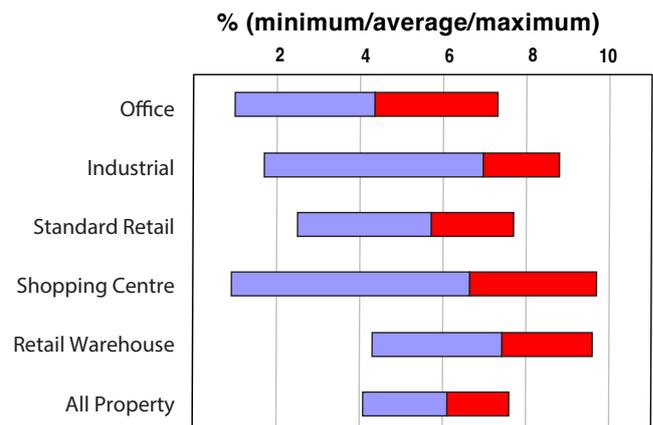
In the final year of the forecast period, Shopping Centres are predicted to be the top performer, at 7.4%, just ahead of Retail Warehouses (at 7.3%). In the same year, Standard Retail is expected to be the weakest sector at 6.2%. Industrial will outperform the All Property average in all years.

There is more uncertainty around the 2023 results, particularly for the Shopping Centre and Retail Warehouse results. In subsequent years, the range of forecasts is smaller than for the previous quarter, indicating more certainty.

Sector total return five-year forecasts

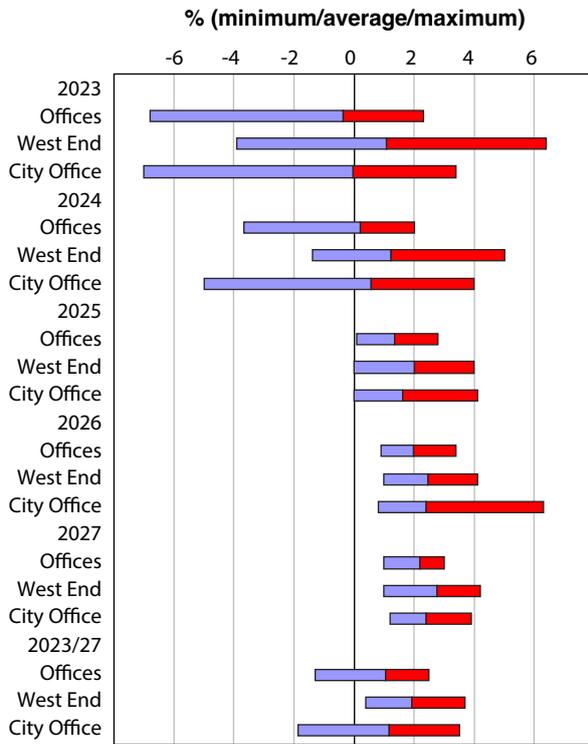
The All Property five-year return forecast has improved from last quarter, from 5.6% pa to 6.1% pa. Both Retail Warehouse and Shopping Centre forecasts have experienced increases of 90bps, from the Winter survey, the most significant forecast upgrades.

Retail Warehouses, Industrial and Shopping Centres are expected to outperform All Property over the next five years. Offices are expected to significantly underperform, with a return of just 4.4%.



Central London Offices

Central London rental value growth



In 2023, there is a dichotomy between the two London office markets in terms of rental growth forecasts.

West End is expected to realise growth of 1.1%, while City rental levels are forecast to decline by 1.0%. Both forecasts have strengthened from the previous quarter.

The West End is expected to continue to outperform the City market, in rental growth terms, over the remainder of the forecast period. In 2024, City rental growth also turns positive and, for subsequent years, forecasts across the two markets are more closely aligned than for the first two years.

There is generally more certainty around the central London markets across all years, compared to the previous set of forecasts.

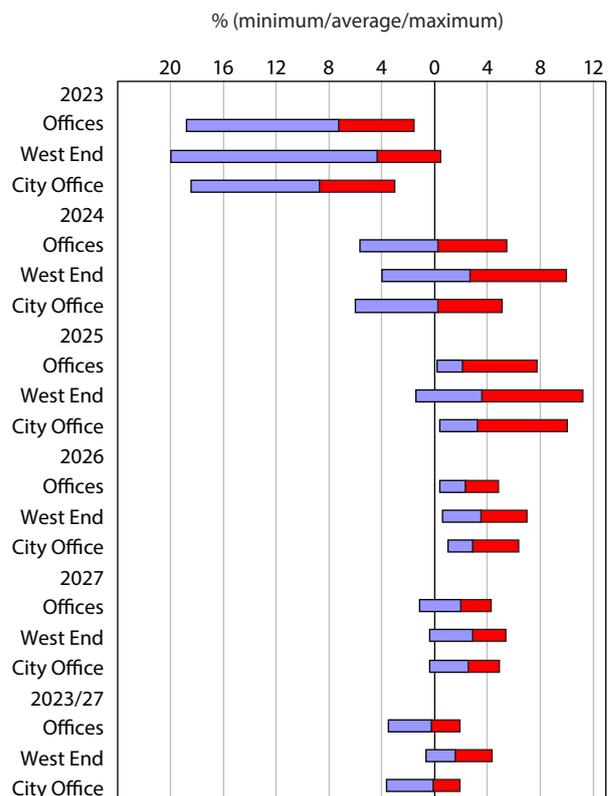
Unsurprisingly, the five-year forecast for the West End is ahead of the City market, at 1.9% pa compared to 1.2% pa. Both markets are expected to outperform the wider office market.

Central London capital value growth

The 2023 capital value growth for the West End has been upgraded from the Winter survey, to -4.3% from -6.3%. By contrast, the City forecast has weakened to -8.7%, down from to -7.5%, and lags the wider office forecast of -7.3%. The 2024 City forecast has also been downgraded, to 0.3%, although it is now aligned with the Office prediction. West End remains ahead of both the other markets, with a forecast of 2.7%. There remains considerable uncertainty around both central London offices forecasts.

Expectations for subsequent years are superior to the previous quarter, with robust growth predicted in both London markets. The West End is forecast to outperform the City market in all years.

The five-year average is 1.6% pa for West End and -0.1% pa for City. Both London markets are expected to outperform the wider office market over this time period.



Central London Offices

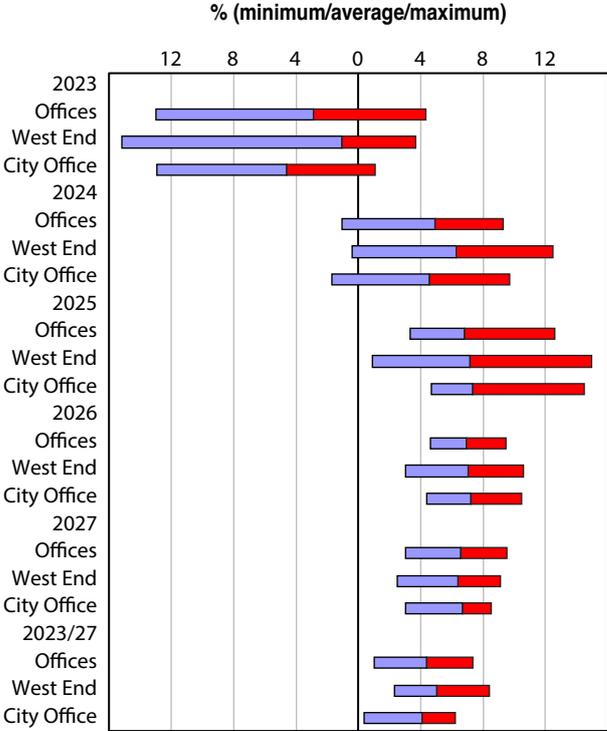
Central London total returns

The impact of the 2023 capital value declines is reflected in the corresponding total return figures. The West End projection is -1.0%, while the City is forecast to return -4.6%. The West End prediction reflects a strengthening viewpoint from the last quarter. By contrast, the City forecast has weakened although there is more certainty around the results compared to last time.

Returns for the remaining years are all positive, with anticipated average 2024 returns of 6.3% for the West End and 4.6% for the City. In subsequent years, the City market marginally outperforms the West End.

With the exception of the 2024 City projection, all other forecasts have been upgraded from the last survey, with the greatest adjustment of 80bps to the 2025 West End forecast.

Over the five-year annualised period, the West End is forecast to return 5.1% pa and the City 4.1% pa, against an Office estimate of 4.4% pa.



Evolution of Forecasts

Evolution of All Property Forecasts (%)

	Spr-21	Sum-21	Aut-21	Win-22	Spr-22	Sum-22	Aut-22	Win-23	Spr-23
2023									
Rental Value Growth	1.7	1.6	1.8	2.1	1.9	1.3	0.6	0.6	1.6
Capital Value Growth	1.9	1.7	2.0	1.9	1.2	-1.5	-7.1	-5.5	-3.2
Total Return	6.4	6.2	6.4	6.2	5.3	3.0	-2.4	-0.6	1.5
2024									
Rental Value Growth	1.7	1.6	1.8	2.0	1.8	1.5	1.1	1.0	1.3
Capital Value Growth	1.2	1.1	1.2	1.1	0.7	1.3	1.9	2.2	2.3
Total Return	5.8	5.7	5.5	5.4	4.9	5.8	6.8	7.2	7.1
5-Year Annualised (% pa)									
Rental Value Growth	0.8	1.1	1.5	2.0	2.1	2.0	1.8	1.4	1.8
Capital Value Growth	1.2	1.7	2.5	1.8	1.8	1.1	-1.0	0.7	1.3
Total Return	5.8	6.3	7.1	6.2	6.0	5.5	3.6	5.6	6.1

The table above shows the evolution of the average All Property forecasts from Spring 2021 to Spring 2023, for the current year and 2024, as well as the annualised five-year averages.

The latest set of forecasts for 2023 demonstrate an upward shift in sentiment across all performance indicators, compared to the previous two quarters. After a forecast of 0.6% rental growth in both the last two surveys, a more substantial forecast of 1.6% has been projected. Capital value growth expectations remain negative although, at -3.2%, this is a noticeable improvement from the lowermost forecast of -7.1% from the Autumn 2022 survey.

For 2024, while there are marginal improvements in both rental and capital value growth projections, the total return prediction has edged lower, although it is substantially higher than forecasts from more historic surveys.

The five-year annualised forecast has strengthened across all three measures since the last quarter. Rental value growth has edged up from 1.4% pa to 1.8% pa, while capital value growth has strengthened to 1.3% pa from 0.7% pa. The five-year total return forecast now stands at 6.1% pa, the highest prediction since the Winter 2022 survey.

All Property survey results by contributor type

(Forecasts in brackets are Winter 2023 comparisons)

Property Advisors

7 (9) contributors	Rental Value Growth (%)			Capital Value Growth (%)			Total Return (%)		
	2023	2024	2023/27	2023	2024	2023/27	2023	2024	2023/27
Maximum	3.4 (1.2)	2.5 (0.9)	2.7 (1.8)	0.0 (-1.3)	4.8 (9.0)	2.2 (1.6)	6.2 (3.6)	10.1 (14.8)	7.6 (6.7)
Minimum	-0.4 (-1.1)	0.4 (0.0)	1.3 (0.9)	-4.4 (-10.4)	-1.2 (0.2)	0.5 (-0.2)	0.1 (-5.6)	3.7 (5.3)	5.4 (4.6)
Range	3.8 (2.3)	2.1 (0.9)	1.4 (0.9)	4.4 (9.1)	6.0 (8.8)	1.7 (1.8)	6.1 (9.2)	6.4 (9.5)	2.2 (2.1)
Median	1.9 (0.5)	1.0 (0.7)	1.6 (1.1)	-2.1 (-4.1)	1.7 (0.7)	1.6 (0.9)	2.5 (0.9)	6.7 (6.1)	6.5 (6.1)
Mean	1.7 (0.4)	1.3 (0.6)	1.8 (1.2)	-1.9 (-5.0)	1.7 (2.3)	1.5 (0.9)	3.0 (-0.2)	6.7 (7.5)	6.5 (5.9)

Fund Managers

9 (7) contributors	Rental Value Growth (%)			Capital Value Growth (%)			Total Return (%)		
	2023	2024	2023/27	2023	2024	2023/27	2023	2024	2023/27
Maximum	2.7 (5.1)	2.6 (4.8)	2.8 (4.6)	1.6 (0.4)	7.9 (9.0)	2.7 (2.7)	5.6 (4.5)	11.8 (12.9)	7.6 (7.4)
Minimum	-2.0 (-2.9)	-0.2 (-0.2)	0.7 (0.5)	-14.1 (-14.1)	1.1 (-0.1)	-0.2 (-1.1)	-8.3 (-8.3)	5.5 (5.4)	4.2 (3.9)
Range	4.7 (8.0)	2.8 (5.0)	2.1 (4.1)	15.7 (14.5)	6.8 (9.1)	2.9 (3.8)	13.9 (12.8)	6.3 (7.5)	3.4 (3.5)
Median	2.1 (0.4)	1.1 (0.7)	1.8 (1.2)	-2.0 (-8.3)	2.6 (2.1)	2.0 (0.4)	2.6 (-3.8)	7.9 (7.1)	6.5 (5.7)
Mean	1.5 (0.4)	1.2 (1.2)	1.8 (1.7)	-3.5 (-6.4)	3.4 (2.8)	1.5 (0.7)	1.1 (-1.6)	8.2 (7.8)	6.1 (5.5)

All Property forecasters

18 (19) contributors	Rental Value Growth (%)			Capital Value Growth (%)			Total Return (%)		
	2023	2024	2023/27	2023	2024	2023/27	2023	2024	2023/27
Maximum	3.4 (5.1)	2.6 (4.8)	2.8 (4.6)	1.6 (0.4)	7.9 (9.0)	2.7 (2.7)	6.2 (5.3)	11.8 (14.8)	7.6 (7.4)
Minimum	-2.0 (-2.9)	-0.2 (-0.2)	0.7 (0.5)	-14.1 (-14.1)	-5.0 (-5.0)	-1.2 (-1.2)	-8.3 (-8.3)	0.2 (0.1)	4.1 (3.9)
Range	5.4 (8.0)	2.8 (5.0)	2.1 (4.1)	15.7 (14.5)	12.9 (14.0)	3.9 (3.9)	14.5 (13.6)	11.6 (14.7)	3.5 (3.5)
Std. Dev.	1.3 (1.5)	0.8 (1.0)	0.6 (0.9)	3.8 (3.8)	2.7 (3.1)	1.0 (1.1)	3.6 (3.7)	2.6 (3.0)	1.0 (1.1)
Median	2.0 (0.5)	1.2 (0.8)	1.7 (1.2)	-2.3 (-4.1)	2.3 (1.4)	1.5 (0.8)	2.4 (0.6)	7.1 (6.6)	6.4 (5.9)
Mean	1.6 (0.6)	1.3 (1.0)	1.8 (1.4)	-3.2 (-5.5)	2.3 (2.2)	1.3 (0.7)	1.5 (-0.6)	7.1 (7.2)	6.1 (5.6)

Notes:

- Figures are subject to rounding and are forecasts of All Property or relevant segment Annual Index measures published by MSCI). These measures relate to standing investments only, meaning that the effects of transaction activity, developments and certain active management initiatives are specifically excluded.
- To qualify, forecasts must be generated within 13 weeks of the survey date (19 May 2023).
- Maximum: The strongest growth or return forecast in the survey under each heading.
- Minimum: The weakest growth or return forecast in the survey under each heading.
- Range: The difference between the maximum and minimum figures in the survey.
- Median: The middle forecast when all observations are ranked in order. The average of the middle two forecasts is taken where there is an even number of observations.
- Mean: The arithmetic mean of all forecasts in the survey under each heading. All views carry equal weight.
- Standard deviation: A statistical measure of the spread of forecasts around the mean. Calculated at the 'All forecaster' level only.

Survey results by sector

Office

18 forecasts	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
	2023	2024	2025	2023/27	2023	2024	2025	2023/27	2023	2024	2025	2023/27
Maximum	2.3	2.0	2.8	2.5	-1.5	5.5	7.8	1.9	4.3	9.3	12.6	7.3
Minimum	-6.8	-3.7	0.1	-1.3	-18.8	-5.7	0.2	-3.5	-13.0	-1.1	3.3	1.0
Range	9.1	5.7	2.7	3.8	17.3	11.2	7.6	5.5	17.3	10.4	9.3	6.3
Median	0.2	0.3	1.1	1.0	-6.9	0.3	2.0	-0.1	-2.8	5.0	6.6	4.6
Mean	-0.4	0.2	1.4	1.1	-7.3	0.3	2.1	-0.2	-2.9	4.9	6.8	4.4

Industrial

18 forecasts	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
	2023	2024	2025	2023/27	2023	2024	2025	2023/27	2023	2024	2025	2023/27
Maximum	7.8	4.7	4.7	4.9	6.6	11.6	7.7	4.6	11.2	15.2	12.8	8.8
Minimum	1.0	0.7	1.0	2.2	-15.0	-5.0	0.4	-3.0	-10.3	-0.3	4.3	1.7
Range	6.8	4.0	3.7	2.7	21.6	16.6	7.3	7.6	21.5	15.5	8.5	7.1
Median	5.2	3.0	2.8	3.3	0.0	4.1	3.5	2.7	4.4	8.3	8.2	7.4
Mean	4.8	3.0	2.9	3.3	-0.8	4.0	3.6	2.5	3.6	8.5	8.0	7.0

Standard Retail

18 forecasts	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
	2023	2024	2025	2023/27	2023	2024	2025	2023/27	2023	2024	2025	2023/27
Maximum	1.1	3.6	3.5	2.2	1.2	6.8	4.7	3.1	5.7	11.9	10.0	7.7
Minimum	-7.6	-2.0	-0.1	-0.6	-14.1	-1.7	-0.7	-1.7	-8.1	3.0	3.2	2.5
Range	8.7	5.6	3.6	2.8	15.3	8.5	5.4	4.8	13.8	8.9	6.8	5.2
Median	-0.4	0.1	0.7	0.6	-1.8	2.0	2.4	1.0	3.2	6.8	7.3	5.9
Mean	-0.7	0.3	0.9	0.6	-3.3	2.2	2.4	1.0	1.4	7.1	7.2	5.7

Shopping Centre

17 forecasts	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
	2023	2024	2025	2023/27	2023	2024	2025	2023/27	2023	2024	2025	2023/27
Maximum	0.2	1.0	3.1	1.6	2.4	5.2	4.7	2.6	10.5	12.1	11.8	9.7
Minimum	-13.6	-4.2	-1.3	-3.6	-21.4	-8.7	-1.6	-7.3	-13.5	-0.1	6.3	0.9
Range	13.8	5.2	4.4	5.2	23.8	13.9	6.3	9.9	24.0	12.2	5.5	8.8
Median	-0.8	0.0	0.6	0.2	-1.5	0.2	0.3	0.0	4.8	7.2	7.6	6.6
Mean	-1.8	-0.5	0.5	0.0	-4.1	0.2	0.9	-0.4	2.7	7.4	8.0	6.6

Retail Warehouse

17 forecasts	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
	2023	2024	2025	2023/27	2023	2024	2025	2023/27	2023	2024	2025	2023/27
Maximum	2.0	2.0	2.0	1.8	5.7	10.0	5.1	3.9	12.4	14.3	11.1	9.6
Minimum	-2.0	-0.9	0.0	-0.4	-17.2	-0.1	0.0	-1.6	-10.1	5.6	5.6	4.3
Range	4.0	2.9	2.0	2.2	22.9	10.1	5.1	5.5	22.5	8.7	5.5	5.3
Median	0.0	0.5	1.0	0.9	0.2	2.6	2.6	1.9	6.3	8.8	8.7	8.0
Mean	0.0	0.5	1.0	0.8	-1.7	3.1	2.4	1.4	4.4	9.2	8.4	7.4

All Property

18 forecasts	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
	2023	2024	2025	2023/27	2023	2024	2025	2023/27	2023	2024	2025	2023/27
Maximum	3.4	2.6	2.9	2.8	1.6	7.9	6.2	2.7	6.2	11.8	11.4	7.6
Minimum	-2.0	-0.2	0.7	0.7	-14.1	-5.0	0.6	-1.2	-8.3	0.2	4.2	4.1
Range	5.4	2.8	2.2	2.1	15.7	12.9	5.6	3.9	14.5	11.6	7.2	3.5
Std. Dev.	1.3	0.8	0.6	0.6	3.8	2.7	1.2	1.0	3.6	2.6	1.4	1.0
Median	2.0	1.2	1.6	1.7	-2.3	2.3	2.9	1.5	2.4	7.1	7.3	6.4
Mean	1.6	1.3	1.8	1.8	-3.2	2.3	2.8	1.3	1.5	7.1	7.7	6.1

Survey results by sector

Sector summary: Means

	(no. forecasts)	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
		2023	2024	2025	2023/27	2023	2024	2025	2023/27	2023	2024	2025	2023/27
Office	(18)	-0.4	0.2	1.4	1.1	-7.3	0.3	2.1	-0.2	-2.9	4.9	6.8	4.4
Industrial	(18)	4.8	3.0	2.9	3.3	-0.8	4.0	3.6	2.5	3.6	8.5	8.0	7.0
Standard Retail	(18)	-0.7	0.3	0.9	0.6	-3.3	2.2	2.4	1.0	1.4	7.1	7.2	5.7
Shopping Centre	(17)	-1.8	-0.5	0.5	0.0	-4.1	0.2	0.9	-0.4	2.7	7.4	8.0	6.6
Retail Warehouse	(17)	0.0	0.5	1.0	0.8	-1.7	3.1	2.4	1.4	4.4	9.2	8.4	7.4
All Property	(18)	1.6	1.3	1.8	1.8	-3.2	2.3	2.8	1.3	1.5	7.1	7.7	6.1

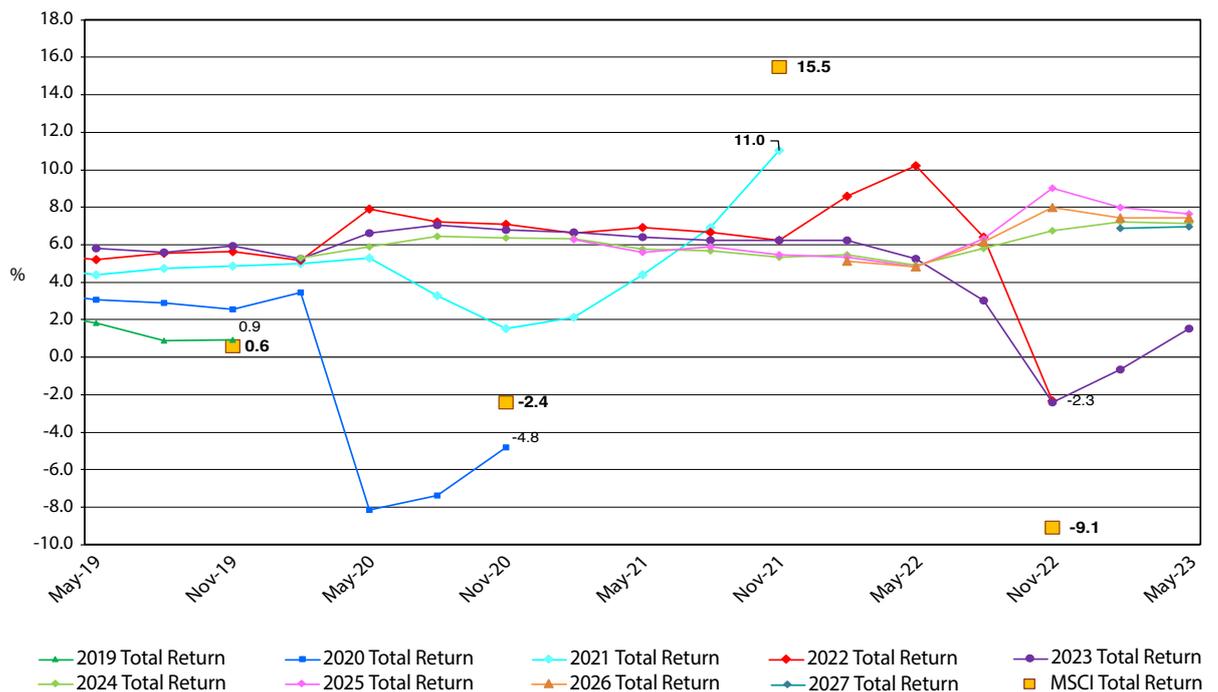
West End office

16 forecasts	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
	2023	2024	2025	2023/27	2023	2024	2025	2023/27	2023	2024	2025	2023/27
Maximum	6.4	5.0	4.0	3.7	0.5	10.0	11.2	4.4	3.7	12.5	15.0	8.4
Minimum	-3.9	-1.4	0.0	0.4	-20.0	-4.0	-1.4	-0.7	-15.2	-0.4	0.9	2.3
Range	10.3	6.4	4.0	3.3	20.5	14.0	12.6	5.1	18.9	12.9	14.1	6.1
Median	1.1	1.3	2.2	2.1	-2.2	2.2	3.7	1.4	1.4	6.1	7.4	4.6
Mean	1.1	1.2	2.0	1.9	-4.3	2.7	3.6	1.6	-1.0	6.3	7.1	5.1

City office

16 forecasts	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
	2023	2024	2025	2023/27	2023	2024	2025	2023/27	2023	2024	2025	2023/27
Maximum	2.4	4.0	4.1	3.5	-3.0	5.1	10.1	1.9	1.1	9.7	14.5	6.2
Minimum	-8.0	-5.0	0.0	-1.9	-18.4	-6.0	0.4	-3.7	-12.9	-1.7	4.7	0.4
Range	10.4	9.0	4.1	5.4	15.4	11.1	9.7	5.6	14.0	11.4	9.8	5.8
Median	-1.0	0.5	1.5	1.0	-7.8	0.7	2.5	0.0	-3.3	4.5	6.7	4.4
Mean	-1.0	0.6	1.6	1.2	-8.7	0.3	3.3	-0.1	-4.6	4.6	7.3	4.1

Consensus Forecast All Property Total Return Forecasts versus MSCI (IPD) Annual Outturns



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If your organisation wishes to contribute to future surveys, please contact IPF CEO, Sue Forster at sforster@ipf.org.uk.

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