



SEPTEMBER 2023

RESEARCH

Summer 2023 Survey of Independent Forecasts for UK Commercial Property Investment

COMMISSIONED BY THE IPF RESEARCH PROGRAMME

UK Consensus Forecasts

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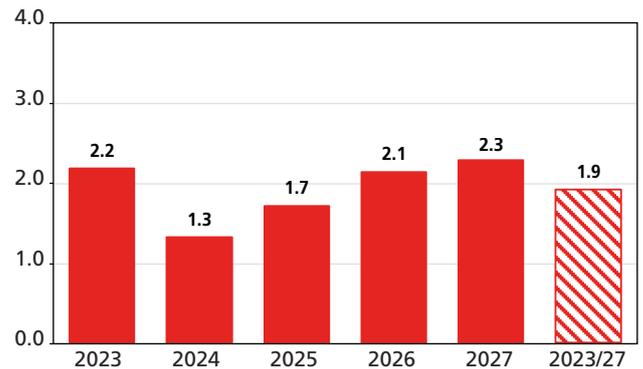
At a Glance

The results of the third quarterly survey of the year are based on data received from 16 organisations, whose forecasts were generated between mid-June and mid-August 2023.

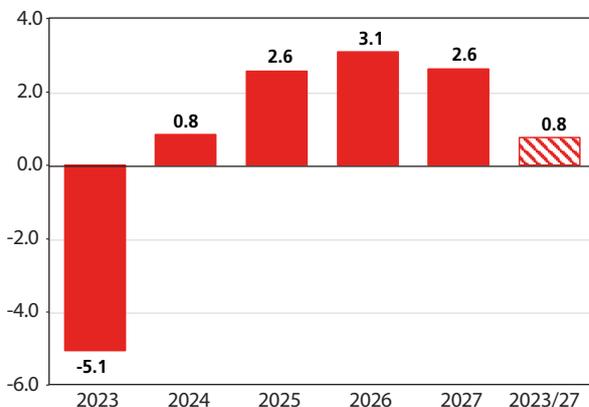
Rental value growth

The 2023 rental growth forecast has been upgraded from the previous survey, by an increase of 60bps, from 1.6% to 2.2%. At the start of this year, this figure was forecast to be just 0.6%. The 2024 growth number of 1.3% is in line with the Spring forecast and the subsequent three yearly averages are also closely aligned with the forecasts from the previous quarter.

As a consequence of the stronger 2023 forecast, the five-year annualised figure has improved marginally by 10bps to 1.9% pa, from 1.8% pa previously.



Capital value growth



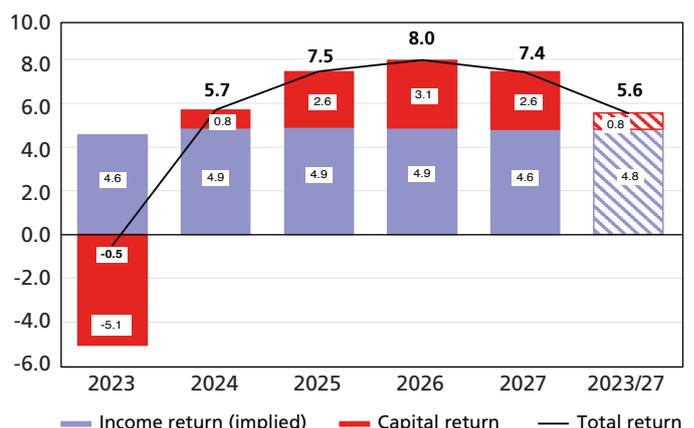
The average capital value growth forecast for 2023 has been substantially downgraded from -3.2% to -5.1%, compared to the Spring survey. It now more closely mirrors the Winter 2023 forecast of -5.5%. The projection for 2024 has also been significantly reduced from 2.3% to 0.8%. The following three years are more closely aligned with the previous forecasts, with upgrades of 40 bps for both 2026 and 2027.

The five-year annualised forecast has weakened by 60bps, from 1.3% pa to 0.8% pa, as a result of the weaker 2023-4 estimates.

Total returns

The 2023 All Property average total return has fallen back into negative territory, from the last quarter, as a result of the forecasted capital value decline. The return has weakened by 200bps, from 1.5% to -0.5%. The forecasts for 2024 and 2025 have also been downgraded; the 2024 forecast by 140 bps to 5.7%. The final two years of the forecasting period have both been boosted by 50 bps to 8.0% and 7.4% respectively.

The addition of three weaker returns has resulted in a 50bps fall in the five-year average to 5.6% pa (6.1% 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	1.0	1.0	-10.5	-1.8	1.1	-1.5	-6.2	3.0	6.0	3.3
Industrial	5.1	2.8	2.7	3.3	-1.5	3.1	3.8	2.5	2.8	7.6	8.2	6.9
Standard Retail	0.1	0.3	0.9	0.8	-5.0	0.9	2.2	0.4	-0.4	5.6	6.9	5.1
Shopping Centre	-1.9	-0.9	0.1	-0.3	-5.4	-1.3	0.5	-1.0	1.3	5.8	7.6	5.9
Retail Warehouse	0.6	0.6	1.1	1.1	-1.9	1.6	2.4	1.2	4.2	7.8	8.4	7.2
West End office	1.5	0.2	1.4	1.6	-6.1	-0.5	1.7	0.2	-3.6	3.2	5.7	3.7
City office	-0.4	-0.8	1.0	0.8	-11.8	-2.7	1.4	-1.6	-8.9	1.7	6.2	2.6
All Property	2.2	1.3	1.7	1.9	-5.1	0.8	2.6	0.8	-0.5	5.7	7.5	5.6

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
June (3)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
July (3)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
August (10)	2.6	1.6	1.7	2.0	-4.7	0.8	2.7	1.0	-0.1	5.7	7.7	5.9
All Forecasters (16)	2.2	1.3	1.7	1.9	-5.1	0.8	2.6	0.8	-0.5	5.7	7.7	5.6

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 a five-year forecast of 3.3% pa, in line with the previous quarter. No other sector is expected to outperform the All Property average of 1.9% pa, with the weakest prediction of -0.3% pa from Shopping Centres, a downgrade of 30bps from the Spring.
- All sectors are expected to experience capital value decline in 2023, with the most severe contraction expected for City Office and the wider Office market values. The Industrial sector has the strongest capital value growth forecast over the next five years, at 2.5% pa, while Offices and Shopping Centres are not expected to achieve any capital growth over the forecasting period.
- There is significant divergence in the 2023 total return forecasts between the sectors. Retail Warehouses are expected to outperform, with a return of 4.2%, while City Offices are forecast to underperform the rest of the market with a return of -8.9%.
- Over the five-year time period, the Retail Warehouse sector is the top performer, with a return of 7.2% pa, ahead of Industrial at 6.9% pa. City Offices lag the other sectors with an annualised return of just 2.6% pa.

Survey contributors

Sixteen organisations contributed to this quarter's forecasts, comprising eight Property Advisors and Research Consultancies, seven Fund Managers and one Other¹.

Forecasts for All Property, Office, Industrial and Standard Retail were received from 16 contributors. There were 15 contributors to Shopping Centre and Retail Warehouse forecasts and 14 full sets of forecasts for West End and City sub-office markets. All forecasts were generated within nine weeks of the survey date (16 August 2023). Named contributors appear on the final page of this report.

Rolling five-year averages

All Property annualised five-year forecasts (2023-2027) for capital value growth and total returns are weaker than those of last quarter (Spring results (2023-2027) in brackets); rental value growth is marginally higher:

Rental value growth: 1.9% pa (1.8% pa)

Capital value growth: 0.8% pa (1.3% pa)

Total return: 5.6% pa (6.1% pa)

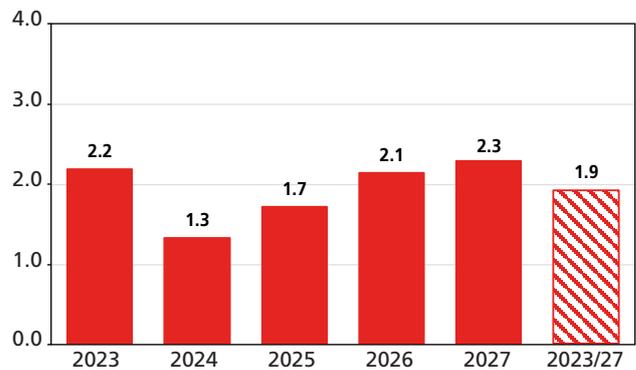
¹ As a minimum of five forecasts are required for each group of contributors to be separately analysed, data from Other contributors is only included at the All-Forecaster level of reportage.

Rental Value Growth Forecasts

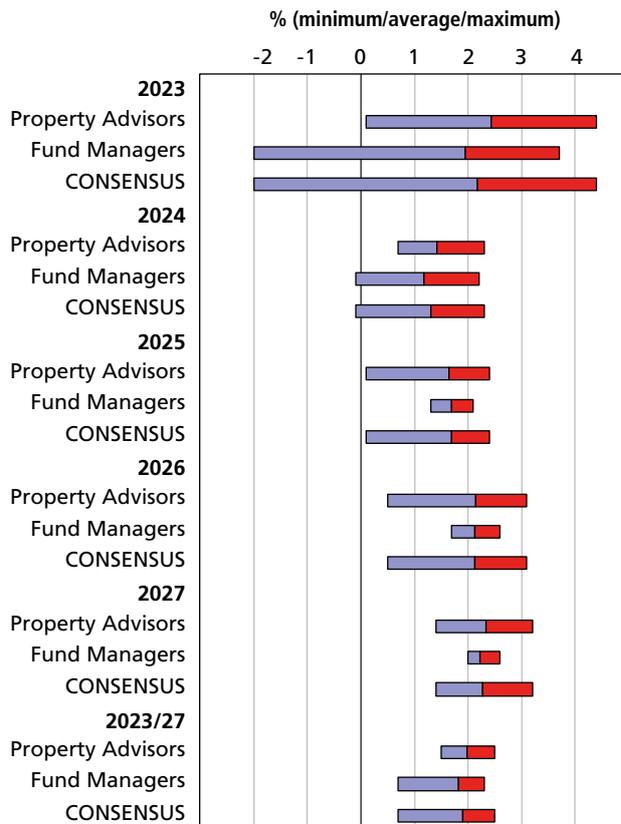
All Property rental value growth forecasts

The 2023 rental growth forecast has been upgraded from the previous survey, by an increase of 60bps, from 1.6% to 2.2%. At the start of this year, this figure was forecast to be just 0.6%. The 2024 growth number of 1.3% is in line with the Spring forecast and the subsequent three yearly averages are also closely aligned with the forecasts from the previous quarter.

As a consequence of the stronger 2023 forecast, the five-year annualised figure has improved marginally by 10bps to 1.9% pa, from 1.8% pa previously.



Rental value growth forecasts by contributor



The adjacent chart shows the All Property rental growth forecasts split by contributor type. Eight Property Advisors and seven Fund Managers contributed data. There were only one Other contributor 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 40bps in 2023.

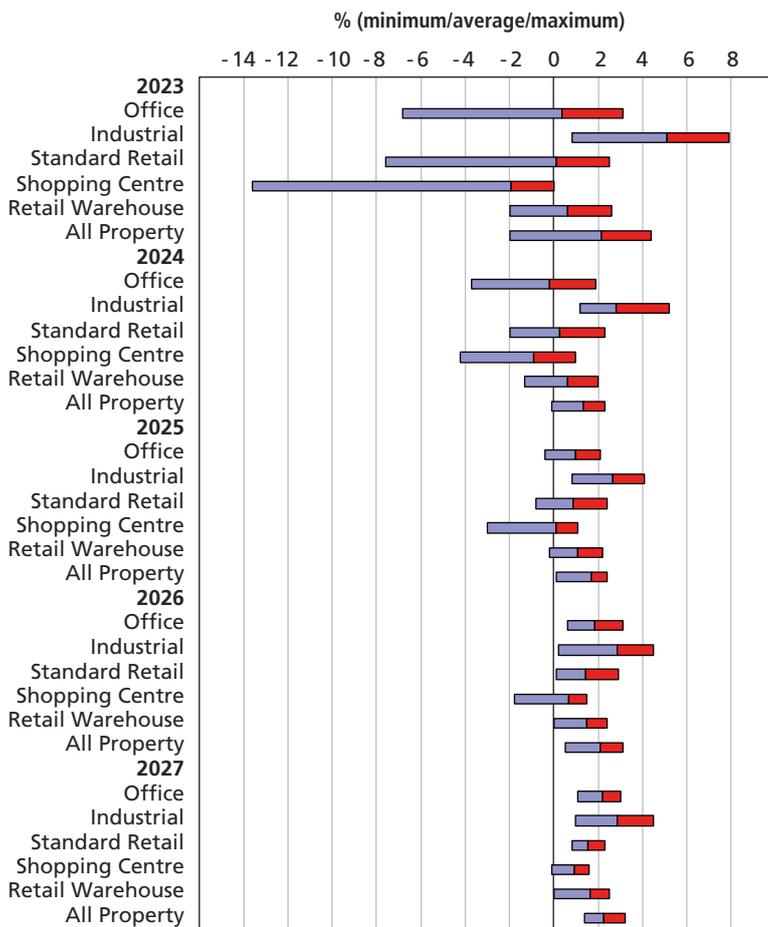
The range around the 2023 results has widened since the last survey, with a greater degree of uncertainty indicated for the Fund Manager results compared to those of the Property Advisors. The range around Fund Manager results is also greater in 2024, although both contributor group results reflect a reduced degree of uncertainty.

Over the annualised five-year period, the average growth forecast for Property Advisors is marginally higher than that for Fund Managers, at 2.0% pa compared to 1.8% pa.

N.B. One 'Other' contributor returned data in addition to those of eight Property Advisors and seven Fund Managers.

Rental Value Growth Forecasts

Sector rental value growth annual forecasts



The 2023 All Property rental growth forecast has improved from 1.6% to 2.2% since the previous quarter. At a sector level, this positive growth is almost solely attributable to the Industrial sector, the only sector expected to achieve significant positive growth in the year. There is generally more uncertainty around results in this quarter, than previously, with the exception of Shopping Centres. This sector is forecast to have the weakest outlook, with a 1.9% decline in rental levels noted.

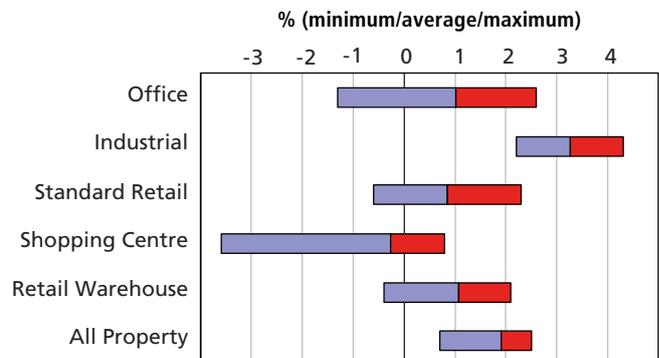
The changes to the 2024 rental growth forecasts are generally more minor than for those of the current year. Again, Industrials are the clear out performer with growth of 2.8%, followed by Retail Warehouses with growth of just 0.6%. Shopping Centres and Offices are expected to have the weakest rental outlook, with values declining by 0.9% and 0.2% respectively.

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

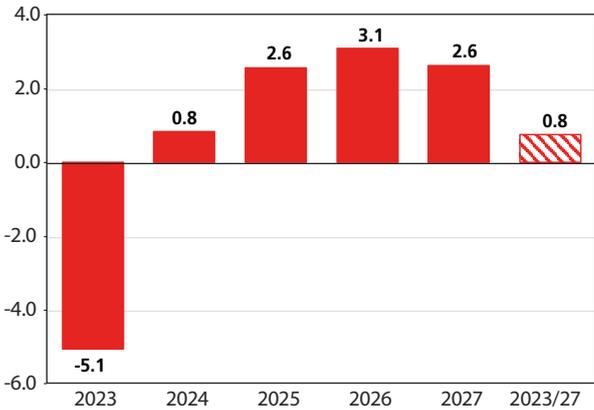
The All Property rolling five-year average has improved marginally to 1.9% pa, from 1.8% pa in the previous quarter. Forecasts have strengthened for Retail Warehouses and Standard Retail.

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 lower than at the start of the period; there is the greatest degree of uncertainty around this set of results compared with the preceding forecasts.



Capital Value Growth Forecasts

All Property average capital value growth forecasts



The average capital value growth forecast for 2023 has been substantially downgraded from -3.2% to -5.1%, compared to the Spring survey. It now more closely mirrors the Winter 2023 forecast of -5.5%. The projection for 2024 has also been significantly reduced from 2.3% to 0.8%. The following three years are more closely aligned with the previous forecasts, with upgrades of 40 bps for both 2026 and 2027.

The five-year annualised forecast has weakened by 0.8% pa, as a result of the weaker 2023-4 estimates.

Capital value growth forecasts by contributor

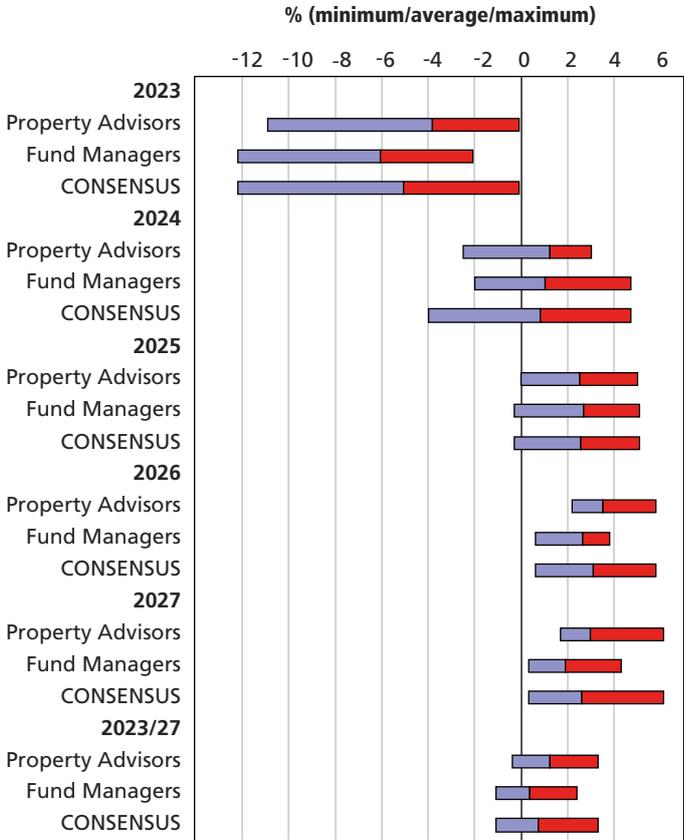
In this quarter, Fund Managers predict a 2023 capital value growth forecast of -6.1%, while Property Advisors are a little more optimistic with a projection of -3.8%, both significantly lower than the previous quarter. There is a similar level of uncertainty around both results.

The weakening of opinion extends into 2024 compared to the Spring, although the results are more closely aligned. Property Advisors expect values to strengthen by 1.2%, while Fund Managers project an increase of 1.0%.

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

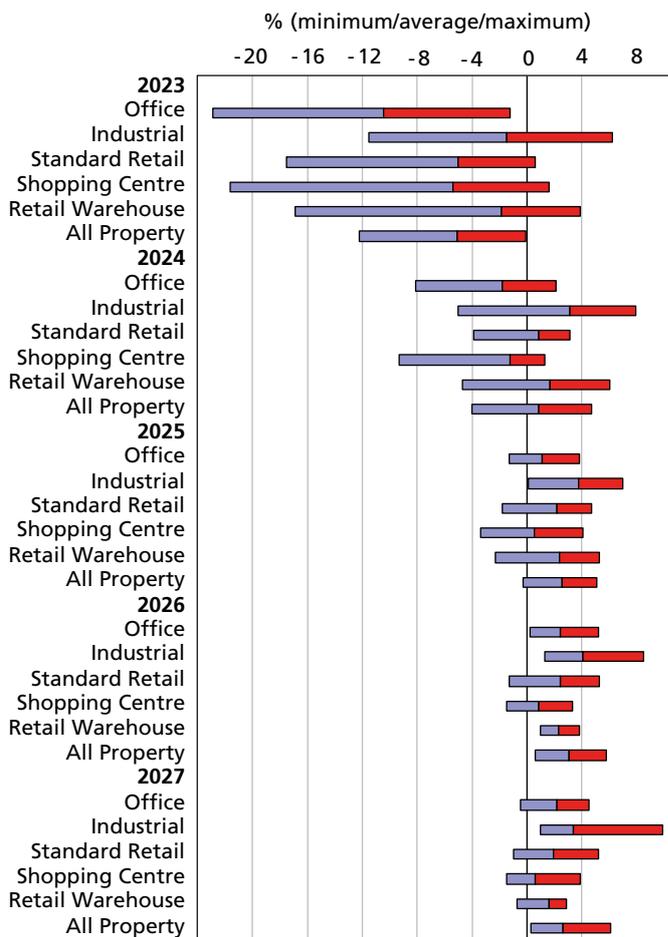
Over the five-year time period, the annualised projection for Property Advisors is notably higher at 1.3% pa, compared to the Fund Manager forecast of just 0.4% pa.

N.B. One 'Other' contributor returned data in addition to those of eight Property Advisors and seven Fund Managers.



Capital Value Growth Forecasts

Sector capital value growth annual forecasts



The more optimistic view of the 2023 capital value growth prospects, expressed last quarter, has been replaced by a more gloomy outlook similar to that of the Winter quarter. All sector forecasts are lower, with Offices undergoing the greatest hit, with a capital value decline of 10.5%, compared to a 7.3% decrease in the Spring. The Industrial sector is predicted to be the top performer for the year but values are still expected to fall by 1.5%

In 2024, growth returns for the Industrial, Retail Warehouse and Standard Retail sectors; Industrial is forecast to outperform with growth of 3.1%. However, all forecasts are lower than the projections from the last survey. Office and Shopping Centre capital values are expected to continue to decline during the year, by 1.8% and 1.3% respectively.

In the ensuing years, all sectors are expected to return to growth with the Industrial sector projected to outperform the rest of the real estate market while Shopping Centres will continue to underperform. The 2026 and 2027 sets of forecasts are both more positive than the previous versions.

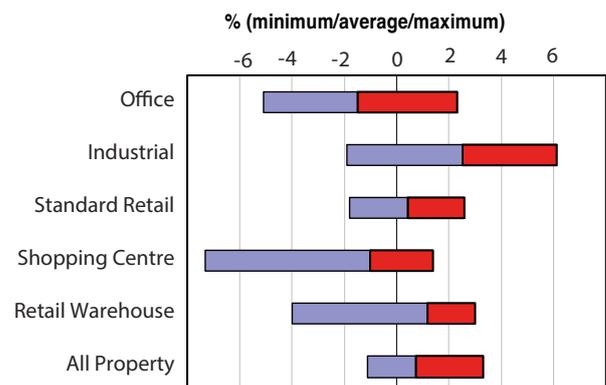
High levels of uncertainty persist in relation to the 2023 and 2024 projections, although there is more certainty around both sets of results, compared to the Spring survey.

Sector capital value growth five-year forecasts

Industrial is expected to achieve capital value growth of 2.5% pa, in line with the previous survey. Retail Warehouse and Standard Retail forecasts have both weakened although are expected to realise positive growth over the next five years.

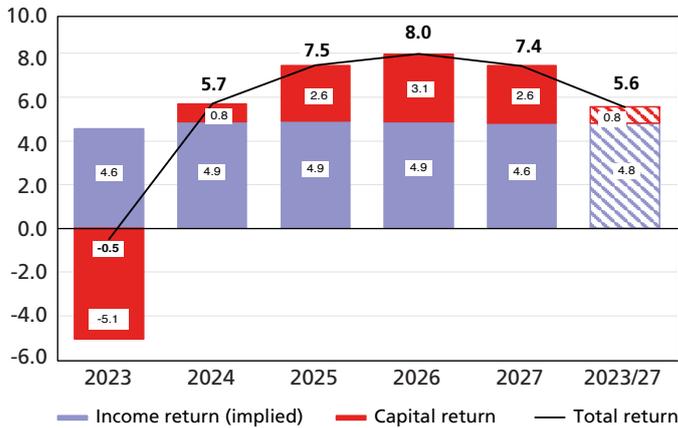
Office and Shopping Centre capital values are expected to decline over the next five years, by 1.5% pa and 1.0% respectively.

There is most certainty around the Standard Retail results and the least around the Shopping Centre forecasts.



Total Return Forecasts

All Property total return forecasts



The 2023 All Property average total return has fallen back into negative territory, from the last quarter, as a result of the forecasted capital value decline. The return has weakened by 200bps, from 1.5% to -0.5%. The forecasts for 2024 and 2025 have also been downgraded; the 2024 forecast by 140 bps to 5.7%. The final two years of the forecasting period have both been boosted by 50 bps to 8.0% and 7.4% respectively.

The addition of three weaker returns has resulted in a 50bps fall in the five-year average to 5.6% pa (6.1% pa previously).

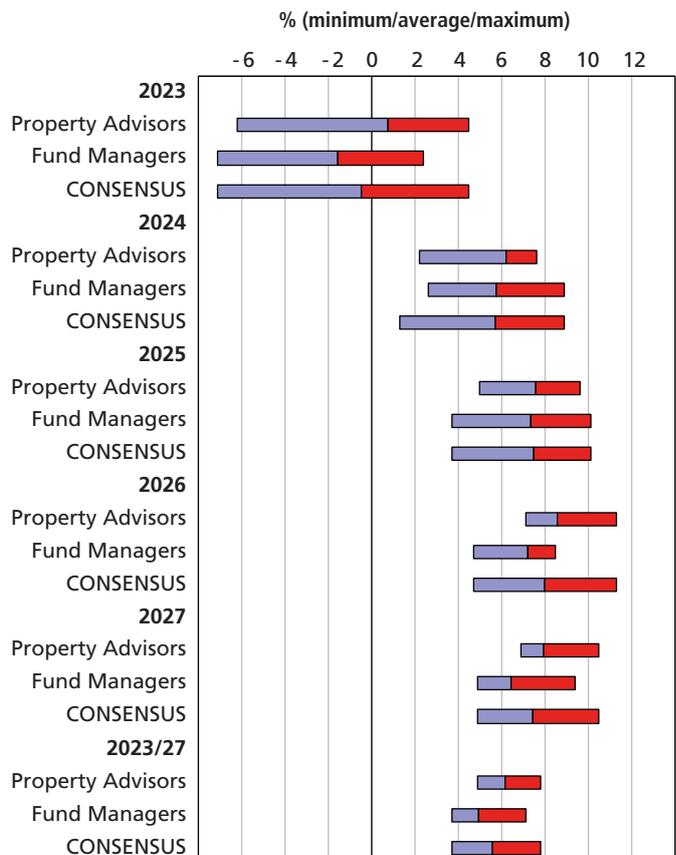
Contributors All Property total return forecasts

While Property Advisors forecast a positive 2023 return of 0.7%, Fund Managers expect a figure in negative territory, at -1.6%. Both of these figures reflect a significant downgrade in sentiment from Spring. There is more certainty around the Property Advisor result, reflected in the smaller range.

In all of the subsequent years, Property Advisors continue to be more optimistic than Fund Managers, although in 2024 and 2025 the forecasts are more closely aligned than in 2023. In the final two years of the forecasting period, the gap between the two contributor group predictions widens again, amounting to more than 1.4% for both years.

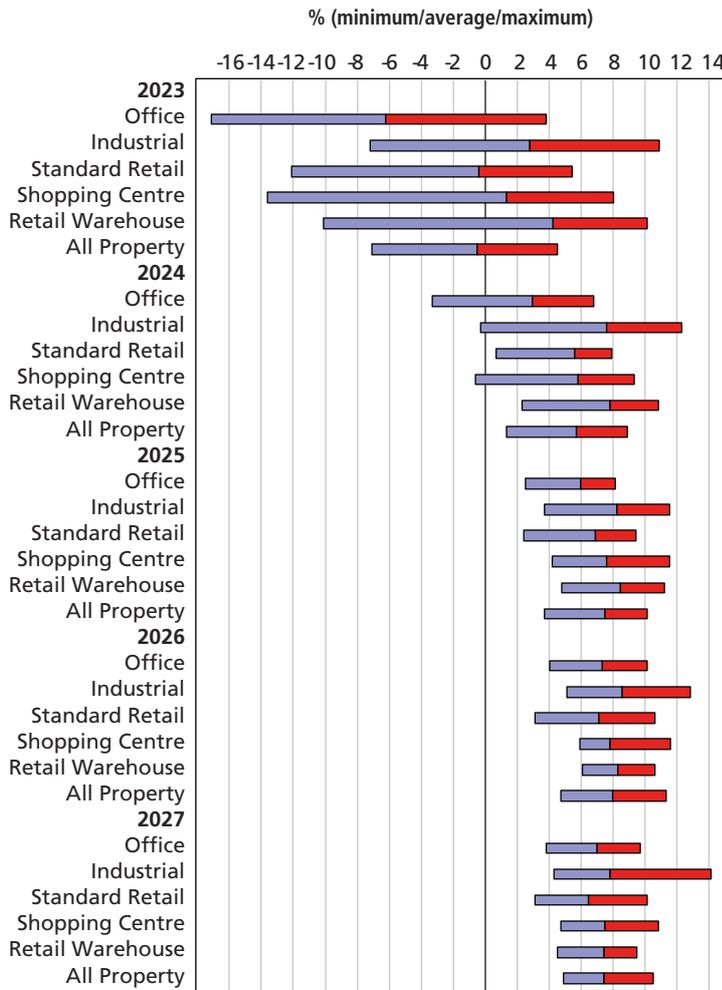
The five-year annualised return for Property Advisors of 6.2% pa is considerably higher than the Fund Manager forecast of 5.0% pa.

N.B. One 'Other' contributor returned data in addition to those of eight Property Advisors and seven Fund Managers.



Total Return Forecasts

Sector total return annual forecasts



Total return forecasts for 2023 have weakened across all sectors compared with the previous survey. Offices have experienced the greatest decline from -2.9% to -6.2%, a downgrade of 330 bps. Standard Retail has also suffered a significant downward adjustment recording a forecast of -0.4%. While the other sectors recorded weaker returns compared to Spring, all were in positive territory. Retail Warehouses is the top performer, with a return of 4.2%, followed by Industrials with a forecast of 2.8%.

Retail Warehouses are also predicted to generate the highest returns across the following two years, with 7.8% in 2024 and 8.4% in 2025. Industrial is close behind with returns of 7.6% and 8.2% respectively. In 2026, the sectors swap rankings with Industrial the top performer.

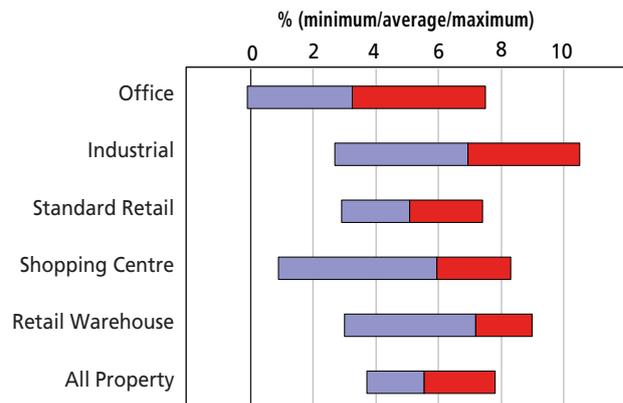
The Office sector lags behind all the sectors, in terms of total return, until 2026-7 when Standard Retail is the weakest performer.

There is generally more certainty around the results for 2023 and 2024, particularly for Industrial and Shopping Centres.

Sector total return five-year forecasts

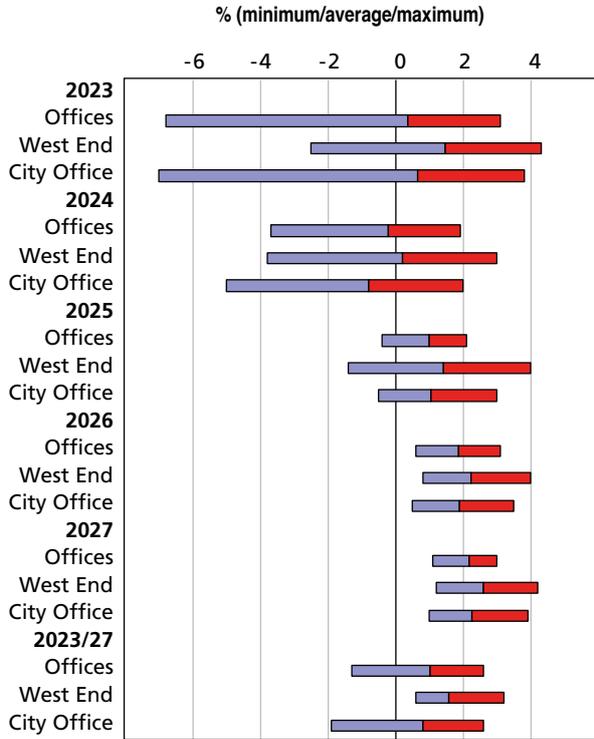
The All Property five-year return forecast has deteriorated from the Spring, from 6.1% pa to 5.6% pa and is now in line with the Winter 2023 estimation. The Office forecast has been downgraded by the greatest extent, to 3.3% pa from 4.4% pa.

Retail Warehouses, Industrial and Shopping Centres are expected to outperform All Property over the next five years, with Retail Warehouses outperforming the other sectors with a return of 7.2% pa.



Central London Offices

Central London rental value growth



For 2023, there continues to be a dichotomy between the rental growth forecasts of the two central London office markets. West End is expected to realise growth of 1.5%, while City rental levels are forecast to decline by 0.4%. Both forecasts have strengthened from the previous quarter.

The West End market is expected to continue to outperform the City market, over the remainder of the forecast period, in rental growth terms. City rental growth does not turn positive until 2025 and, for the subsequent two years, forecasts across the two markets are more closely aligned than for the first three years.

There is more certainty around the 2023 West End forecast and less certainty around the City figure, compared to the previous set of forecasts. The reverse is true for 2024.

Predictably, the five-year forecast for the West End is ahead of the City market, at 1.6% pa compared to 0.8% pa. The wider Office market return, at 1.0% pa, sits between the two forecasts.

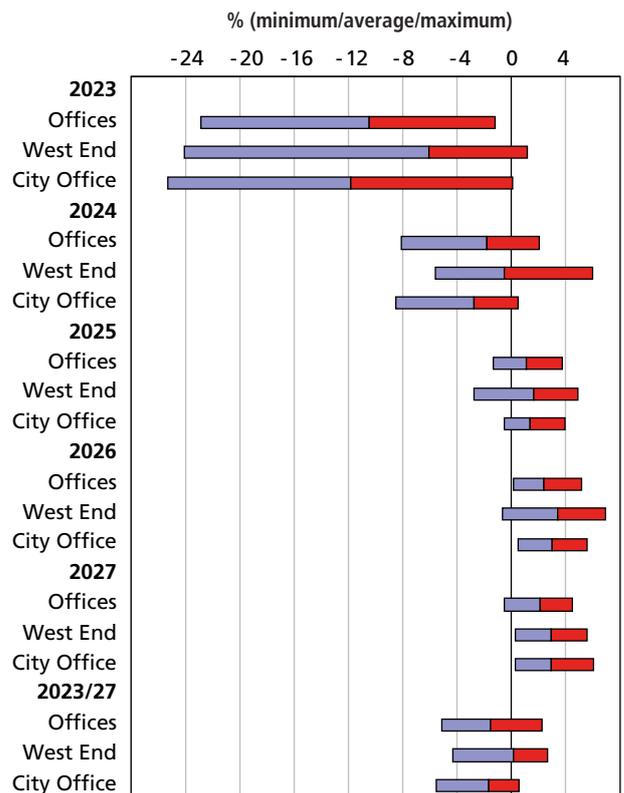
Central London capital value growth

The 2023 capital value growth for both London markets have been downgraded from the Spring survey. The West End figure has been reduced from -4.3% to -6.1% and the City forecast from -8.7% to -11.8%.

The more pessimistic view is also reflected in the 2024 and 2025 forecasts. Both markets are expected to experience capital value decline in 2024 before returning to positive territory in the subsequent year.

In the final two years of the forecast period, growth expectations of over 3.0% for both markets are generally more buoyant. The West End is forecast to outperform the City market in all years, with the exception of 2027 when the predictions are both 3.0%.

The five-year average is 0.2% pa for West End and -1.6% pa for City. The City forecast is the weakest of all sectors and is noticeably lower than the All Property average of 0.8% pa.



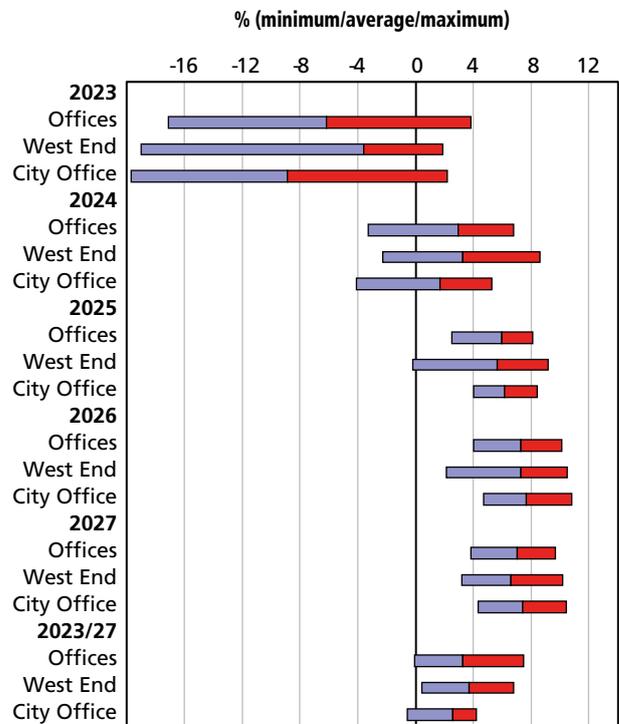
Central London Offices

Central London total returns

The impact of the 2023 capital value declines is reflected in the corresponding total return figures. The City projection is -8.9%, while the West End is forecast to return -3.6%. Both figures indicate a significant downgrade from the preceding survey, with the City forecast 425 bps lower and the West End 255 bps lower. The level of uncertainty around these results has also increased.

Returns for the remaining years are all positive, with anticipated average 2024 returns of 3.2% for the West End and 1.7% for the City. In subsequent years, the City market outperforms the West End.

Over the five-year annualised period, the West End is forecast to return 3.7% pa and the City 2.6% pa, against an Office estimate of 3.3% pa. All forecasts are lower than the outcomes reported in the Spring.



Evolution of Forecasts

Evolution of All Property Forecasts (%)

	Sum-21	Aut-21	Win-22	Spr-22	Sum-22	Aut-22	Win-23	Spr-23	Sum-23
2023									
Rental Value Growth	1.6	1.8	2.1	1.9	1.3	0.6	0.6	1.6	2.2
Capital Value Growth	1.7	2.0	1.9	1.2	-1.5	-7.1	-5.5	-3.2	-5.1
Total Return	6.2	6.4	6.2	5.3	3.0	-2.4	-0.6	1.5	-0.5
2024									
Rental Value Growth	1.6	1.8	2.0	1.8	1.5	1.1	1.0	1.3	1.3
Capital Value Growth	1.1	1.2	1.1	0.7	1.3	1.9	2.2	2.3	0.8
Total Return	5.7	5.5	5.4	4.9	5.8	6.8	7.2	7.1	5.7
5-Year Annualised (% pa)									
Rental Value Growth	1.1	1.5	2.0	2.1	2.0	1.8	1.4	1.8	1.9
Capital Value Growth	1.7	2.5	1.8	1.8	1.1	-1.0	0.7	1.3	0.8
Total Return	6.3	7.1	6.2	6.0	5.5	3.6	5.6	6.1	5.6

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

The latest set of 2023 forecasts reflect a more pessimistic view compared with the Spring survey. Capital value growth has declined from -3.2% to -5.1% while total return, at -0.5%, has turned negative again; these forecasts are in line with the Winter survey. By contrast, rental value growth expectations have strengthened for the year and, at 2.2%, are the most optimistic view of the past two years.

As with 2023, 2024 capital value growth and total return forecasts are lower than the previous quarter; the more robust view reflected in last three surveys is no longer evident. However, rental value growth remains unchanged from last quarter.

The five-year annualised forecasts for capital value growth and total return have weakened to 0.8% pa and 5.6% pa, down from the Spring estimates of 1.3% pa and 6.1% pa respectively. Rental value growth has edged up from 1.8% pa to 1.9% pa.

All Property survey results by contributor type

(Forecasts in brackets are Winter 2023 comparisons)

Property Advisors

8 (7) contributors	Rental Value Growth (%)					Capital Value Growth (%)					Total Return (%)		
	2023	2024	2023/27	2023	2024	2023/27	2023	2024	2023/27	2023	2024	2023/27	
Maximum	4.4 (3.4)	2.3 (2.5)	2.5 (2.7)	-0.1 (0.0)	3.0 (4.8)	3.3 (2.2)	4.5 (6.2)	7.6 (10.1)	7.8 (7.6)				
Minimum	0.1 (-0.4)	0.7 (0.4)	1.5 (1.3)	-10.9 (-4.4)	-2.5 (-1.2)	-0.4 (0.5)	-6.2 (0.1)	2.2 (3.7)	4.9 (5.4)				
Range	4.3 (3.8)	1.6 (2.1)	1.0 (1.4)	10.8 (4.4)	5.5 (6.0)	3.7 (1.7)	10.7 (6.1)	5.4 (6.4)	2.9 (2.2)				
Median	2.6 (1.9)	1.4 (1.0)	2.0 (1.6)	-3.1 (-2.1)	1.5 (1.7)	1.3 (1.6)	1.5 (2.5)	6.6 (6.7)	6.2 (6.5)				
Mean	2.4 (1.7)	1.4 (1.3)	2.0 (1.8)	-3.8 (-1.9)	1.2 (1.7)	1.3 (1.5)	0.7 (3.0)	6.2 (6.7)	6.2 (6.5)				

Fund Managers

7 (9) contributors	Rental Value Growth (%)					Capital Value Growth (%)					Total Return (%)		
	2023	2024	2023/27	2023	2024	2023/27	2023	2024	2023/27	2023	2024	2023/27	
Maximum	3.7 (2.7)	2.2 (2.6)	2.3 (2.8)	-2.1 (1.6)	4.7 (7.9)	2.4 (2.7)	2.4 (5.6)	8.9 (11.8)	7.1 (7.6)				
Minimum	-2.0 (-2.0)	-0.1 (-0.2)	0.7 (0.7)	-12.2 (-14.1)	-2.0 (1.1)	-1.1 (-0.2)	-7.1 (-8.3)	2.6 (5.5)	3.7 (4.2)				
Range	5.7 (4.7)	2.3 (2.8)	1.6 (2.1)	10.1 (15.7)	6.7 (6.8)	3.5 (2.9)	9.5 (13.9)	6.3 (6.3)	3.4 (3.4)				
Median	2.5 (2.1)	1.6 (1.1)	2.0 (1.8)	-6.3 (-2.0)	1.4 (2.6)	0.1 (2.0)	-2.0 (2.6)	6.0 (7.9)	4.6 (6.5)				
Mean	2.0 (1.5)	1.2 (1.2)	1.8 (1.8)	-6.1 (-3.5)	1.0 (3.4)	0.4 (1.5)	-1.6 (1.1)	5.8 (8.2)	5.0 (6.1)				

All forecasters

16 (18) contributors	Rental Value Growth (%)					Capital Value Growth (%)					Total Return (%)		
	2023	2024	2023/27	2023	2024	2023/27	2023	2024	2023/27	2023	2024	2023/27	
Maximum	4.4 (3.4)	2.3 (2.6)	2.5 (2.8)	-0.1 (1.6)	4.7 (7.9)	3.3 (2.7)	4.5 (6.2)	8.9 (11.8)	7.8 (7.6)				
Minimum	-2.0 (-2.0)	-0.1 (-0.2)	0.7 (0.7)	-12.2 (-14.1)	-4.0 (-5.0)	-1.1 (-1.2)	-7.1 (-8.3)	1.3 (0.2)	3.7 (4.1)				
Range	6.4 (5.4)	2.4 (2.8)	1.8 (2.1)	12.1 (15.7)	8.7 (12.9)	4.4 (3.9)	11.6 (14.5)	7.6 (11.6)	4.1 (3.5)				
Std. Dev.	1.4 (1.3)	0.7 (0.8)	0.4 (0.6)	3.4 (3.8)	2.2 (2.7)	1.2 (1.0)	3.3 (3.6)	2.1 (2.6)	1.2 (1.0)				
Median	2.5 (2.0)	1.6 (1.2)	1.9 (1.7)	-3.5 (-2.3)	1.4 (2.3)	0.6 (1.5)	1.1 (2.4)	6.4 (7.1)	5.4 (6.4)				
Mean	2.2 (1.6)	1.3 (1.3)	1.9 (1.8)	-5.1 (-3.2)	0.8 (2.3)	0.8 (1.3)	-0.5 (1.5)	5.7 (7.1)	5.6 (6.1)				

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 (16 August 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

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	3.1	1.9	2.1	2.6	-1.2	2.1	3.8	2.3	3.8	6.8	8.1	7.5
Minimum	-6.8	-3.7	-0.4	-1.3	-22.9	-8.1	-1.3	-5.1	-17.1	-3.3	2.5	-0.1
Range	9.9	5.6	2.5	3.9	21.7	10.2	5.1	7.4	20.9	10.1	5.6	7.6
Median	0.6	0.2	1.0	0.9	-10.3	-1.0	1.9	-1.3	-6.3	3.7	6.8	3.4
Mean	0.4	-0.2	1.0	1.0	-10.5	-1.8	1.1	-1.5	-6.2	3.0	6.0	3.3

Industrial

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	7.9	5.2	4.1	4.3	6.2	7.9	7.0	6.1	10.9	12.3	11.5	10.5
Minimum	0.8	1.2	0.8	2.2	-11.5	-5.0	0.1	-1.9	-7.2	-0.3	3.7	2.7
Range	7.1	4.0	3.3	2.1	17.7	12.9	6.9	8.0	18.1	12.6	7.8	7.8
Median	5.1	3.0	2.8	3.3	0.7	3.3	3.8	2.6	5.0	7.9	8.5	7.0
Mean	5.1	2.8	2.7	3.3	-1.5	3.1	3.8	2.5	2.8	7.6	8.2	6.9

Standard Retail

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	2.5	2.3	2.4	2.3	0.6	3.1	4.7	2.6	5.4	7.9	9.4	7.4
Minimum	-7.6	-2.0	-0.8	-0.6	-17.5	-3.9	-1.8	-1.8	-12.1	0.7	2.4	2.9
Range	10.1	4.3	3.2	2.9	18.1	7.0	6.5	4.4	17.5	7.2	7.0	4.5
Median	0.7	0.2	0.8	0.9	-3.8	1.7	2.9	0.8	1.0	6.3	7.2	5.5
Mean	0.1	0.3	0.9	0.8	-5.0	0.9	2.2	0.4	-0.4	5.6	6.9	5.1

Shopping Centre

15 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	0.0	1.0	1.1	0.8	1.6	1.3	4.1	1.4	8.0	9.3	11.5	8.3
Minimum	-13.6	-4.2	-3.0	-3.6	-21.6	-9.3	-3.4	-7.3	-13.6	-0.6	4.2	0.9
Range	13.6	5.2	4.1	4.4	23.2	10.6	7.5	8.7	21.6	9.9	7.3	7.4
Median	-1.1	-0.5	0.3	0.2	-3.8	0.0	0.5	0.0	3.1	7.0	7.3	6.5
Mean	-1.9	-0.9	0.1	-0.3	-5.4	-1.3	0.5	-1.0	1.3	5.8	7.6	5.9

Retail Warehouse

15 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	2.6	2.0	2.2	2.1	3.9	6.0	5.3	3.0	10.1	10.8	11.2	9.0
Minimum	-2.0	-1.3	-0.2	-0.4	-16.9	-4.7	-2.3	-4.0	-10.1	2.3	4.8	3.0
Range	4.6	3.3	2.4	2.5	20.8	10.7	7.6	7.0	20.2	8.5	6.4	6.0
Median	0.5	0.5	1.2	1.1	-0.3	1.7	2.9	1.5	5.9	7.7	8.9	7.5
Mean	0.6	0.6	1.1	1.1	-1.9	1.6	2.4	1.2	4.2	7.8	8.4	7.2

All Property

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	4.4	2.3	2.4	2.5	-0.1	4.7	5.1	3.3	4.5	8.9	10.1	7.8
Minimum	-2.0	-0.1	0.1	0.7	-12.2	-4.0	-0.3	-1.1	-7.1	1.3	3.7	3.7
Range	6.4	2.4	2.3	1.8	12.1	8.7	5.4	4.4	11.6	7.6	6.4	4.1
Std. Dev.	1.4	0.7	0.5	0.4	3.4	2.2	1.5	1.2	3.3	2.1	1.5	1.2
Median	2.5	1.6	1.8	1.9	-3.5	1.4	2.7	0.6	1.1	6.4	7.7	5.4
Mean	2.2	1.3	1.7	1.9	-5.1	0.8	2.6	0.8	-0.5	5.7	7.5	5.6

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	(16)	0.4	-0.2	1.0	1.0	-10.5	-1.8	1.1	-1.5	-6.2	3.0	6.0	3.3
Industrial	(16)	5.1	2.8	2.7	3.3	-1.5	3.1	3.8	2.5	2.8	7.6	8.2	6.9
Standard Retail	(16)	0.1	0.3	0.9	0.8	-5.0	0.9	2.2	0.4	-0.4	5.6	6.9	5.1
Shopping Centre	(15)	-1.9	-0.9	0.1	-0.3	-5.4	-1.3	0.5	-1.0	1.3	5.8	7.6	5.9
Retail Warehouse	(15)	0.6	0.6	1.1	1.1	-1.9	1.6	2.4	1.2	4.2	7.8	8.4	7.2
All Property	(16)	2.2	1.3	1.7	1.9	-5.1	0.8	2.6	0.8	-0.5	5.7	7.5	5.6

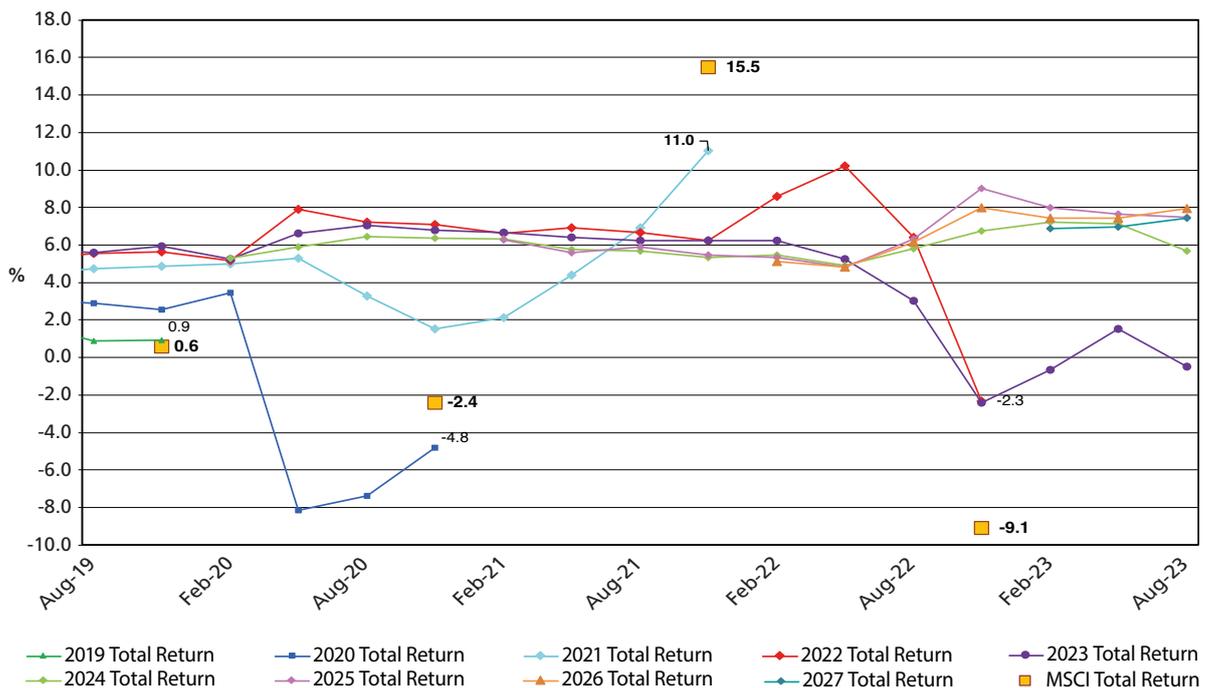
West End office

14 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	4.3	3.0	4.0	3.2	1.2	6.0	4.9	2.7	1.9	8.6	9.2	6.8
Minimum	-2.5	-3.8	-1.4	0.6	-24.1	-5.6	-2.7	-4.3	-19.0	-2.3	-0.2	0.4
Range	6.8	6.8	5.4	2.6	25.3	11.6	7.6	7.0	20.9	10.9	9.4	6.4
Median	1.6	0.0	1.4	1.1	-4.6	-0.7	0.9	0.3	-1.6	2.9	5.5	3.8
Mean	1.5	0.2	1.4	1.6	-6.1	-0.5	1.7	0.2	-3.6	3.2	5.7	3.7

City office

14 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	2.8	2.0	3.0	2.6	0.1	0.5	4.0	0.6	2.2	5.3	8.4	4.2
Minimum	-8.0	-5.0	-0.5	-1.9	-25.3	-8.5	-0.5	-5.5	-19.7	-4.1	4.0	-0.6
Range	10.8	7.0	3.5	4.5	25.4	9.0	4.5	6.1	21.9	9.4	4.4	4.8
Median	0.1	-0.7	1.1	0.8	-12.1	-1.7	0.7	-1.3	-8.8	2.7	6.5	3.1
Mean	-0.4	-0.8	1.0	0.8	-11.8	-2.7	1.4	-1.6	-8.9	1.7	6.2	2.6

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



Acknowledgements

The Investment Property Forum (IPF) thanks all those organisations that contributed to the **IPF Summer 2023** UK Consensus Forecasts, including:

abrdn, Avison Young, Aviva Investors, Capital Economics, Carter Jonas, Colliers, Alexander Property Research for Fletcher King, Knight Frank, LaSalle Investment Management, Legal & General Investment Management, Lothbury Investment Management, Real Estate Forecasting Ltd, Real Estate Strategies Global Limited, Savills Investment Management and UBS Asset Management.

Note

Consensus forecasts further the objective of the IPF to enhance the efficiency of the real estate investment market. The IPF is extremely grateful for the continuing support of contributors, some of whom are noted above. This publication is only possible thanks to the provision of these individual forecasts.

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

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