



AUTUMN 2023

RESEARCH

# Autumn 2023 Survey of Independent Forecasts for UK Commercial Property Investment

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COMMISSIONED BY THE IPF RESEARCH PROGRAMME

## UK Consensus Forecasts

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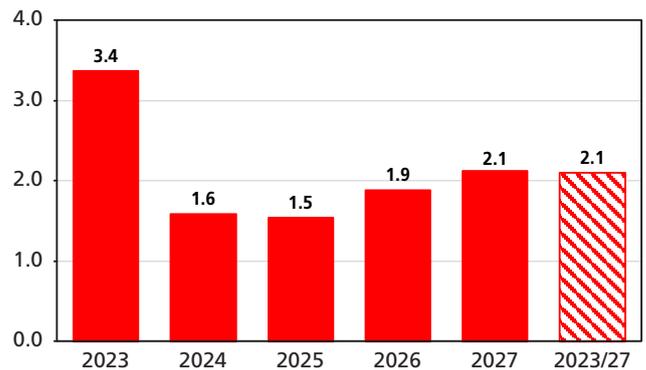
## At a Glance

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

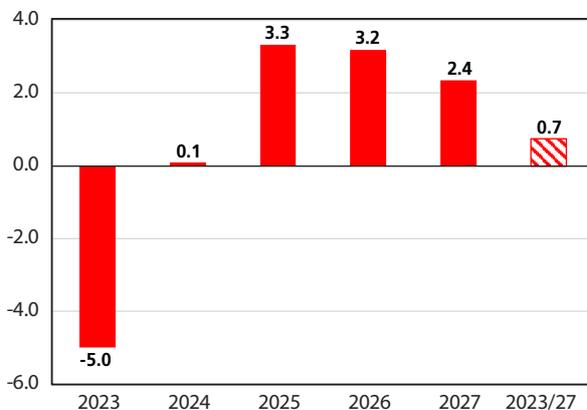
### Rental value growth

The 2023 rental growth forecast has been substantially upgraded from the previous survey, by an increase of 120bps, from 2.2% to 3.4%. At the start of the current year, the equivalent forecast was just 0.6%. The 2024 growth number is also an improvement on the 1.3% forecast from the Summer survey, while the subsequent three yearly averages have all been marginally downgraded.

As a consequence of the stronger 2023 forecast, the five-year annualised figure has improved by 20bps to 2.1% pa, from 1.9% pa previously.



### Capital value growth



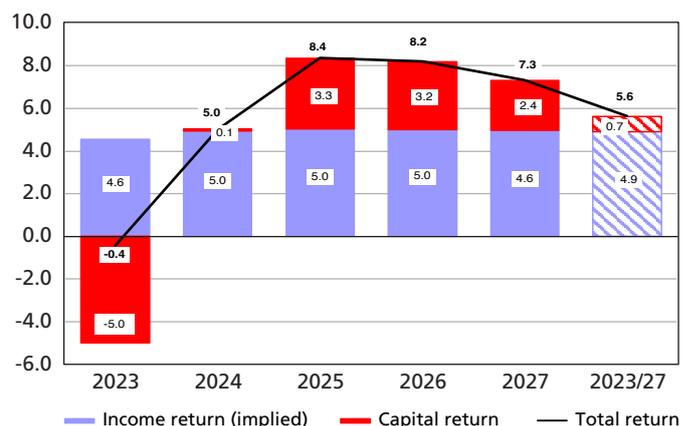
There has been little movement in the average capital value growth forecast for 2023. It now stands at -5.0%, compared to -5.1% from the last quarter. The projection for 2024 has been reduced from 0.8% to 0.1%; at the start of 2023, this forecast was considerably more bullish at 2.2%. The 2025 estimate has been boosted to 3.3%, from 2.6% last quarter, while the following two years are more closely aligned with the previous forecasts.

There is no substantial change in the five-year annualised forecast of 0.7% pa, compared with the Summer forecast of 0.8% pa.

### Total returns

Despite the improving rental growth forecast, the 2023 All Property average total return forecast remains in negative territory, at -0.4%. The forecast for 2024 has been downgraded, reflecting the weaker capital value growth environment. However, more positively, the 2025 and 2026 forecasts have been boosted by 90bps and 20bps respectively, to 8.4% and 8.2%. The final forecast in the time series is closely aligned with the previous quarter.

The five-average forecast of 5.6% pa is in line with the Summer forecast, the stronger 2025-26 forecasts offsetting the hit to performance in 2024.



### 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	2.1	0.1	0.9	1.2	-12.8	-2.8	1.6	-2.2	-8.7	2.1	6.8	2.7
Industrial	6.2	3.5	2.7	3.6	0.2	2.8	5.0	3.0	4.5	7.3	9.6	7.5
Standard Retail	1.3	0.2	0.8	1.0	-5.5	-0.9	2.5	0.1	-0.8	4.0	7.5	4.9
Shopping Centre	-0.4	-1.0	-0.5	-0.2	-4.5	-2.2	0.3	-1.2	2.3	4.9	7.5	5.8
Retail Warehouse	1.5	0.7	1.0	1.2	-2.8	0.0	2.9	0.9	3.3	6.3	9.1	7.1
West End office	4.1	1.0	1.5	2.1	-7.6	-1.2	2.8	-0.1	-4.1	2.8	7.0	3.9
City office	1.7	-0.3	0.8	1.1	-16.0	-3.2	2.9	-2.5	-12.3	1.4	7.8	2.1
<b>All Property</b>	<b>3.4</b>	<b>1.6</b>	<b>1.5</b>	<b>2.1</b>	<b>-5.0</b>	<b>0.1</b>	<b>3.3</b>	<b>0.7</b>	<b>-0.4</b>	<b>5.0</b>	<b>8.4</b>	<b>5.6</b>

### 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
September (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
October (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
November (13)	3.1	1.6	1.5	2.0	-4.4	-0.2	3.4	0.8	0.1	4.7	8.4	5.7
<b>All Forecasters (18)</b>	<b>3.4</b>	<b>1.6</b>	<b>1.5</b>	<b>2.1</b>	<b>-5.0</b>	<b>0.1</b>	<b>3.3</b>	<b>0.7</b>	<b>-0.4</b>	<b>5.0</b>	<b>8.4</b>	<b>5.6</b>

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 3.6% pa. West End office rental growth is expected to be in line with the All Property five-year average of 2.1%, while all other sectors will underperform. Shopping Centre rents are not expected to grow over the next five years.
- With the exception of Industrial, all sectors are expected to experience capital value decline in 2023. Over the next five years, only Industrial (3.0% pa) and Retail Warehouses (0.9% pa) are expected to achieve more than minimal capital growth. Offices and Shopping Centres are predicted to realise capital value declines of 2.2% pa and 1.2% pa respectively over the forecast period.
- The significant divergence in 2023 total return forecasts between the sectors remains. Industrial is expected to outperform, with a return of 4.5%, while City Offices are forecast to underperform the rest of the market with a return of -12.3%.
- Over the five-year time period, Industrial is the top performer, with a return of 7.5% pa, ahead of the Retail Warehouse sector at 7.1% pa. City Offices lag the other markets with an annualised return of just 2.1% pa.

### Survey contributors

Eighteen organisations contributed to this quarter's forecasts, comprising nine Property Advisors and Research Consultancies, eight Fund Managers and one Other<sup>1</sup>.

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 (15 November 2023). Named contributors appear on the final page of this report.

### Rolling five-year averages

The All Property annualised five-year forecast (2023-2027) for total return is in line with last quarter (Summer results (2023-2027) in brackets); rental value growth is marginally higher while capital value growth is marginally lower:

**Rental value growth: 2.1% pa (1.9% pa)**

**Capital value growth: 0.7% pa (0.8% pa)**

**Total return: 5.6% pa (5.6% pa)**

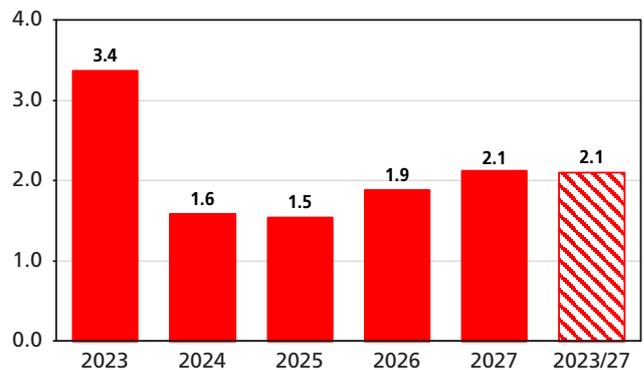
<sup>1</sup> As a minimum of five forecasts are required for each group of contributors to be separately analysed, data from Other contributors is only included at the All-Forecaster level of reportage.

## Rental Value Growth Forecasts

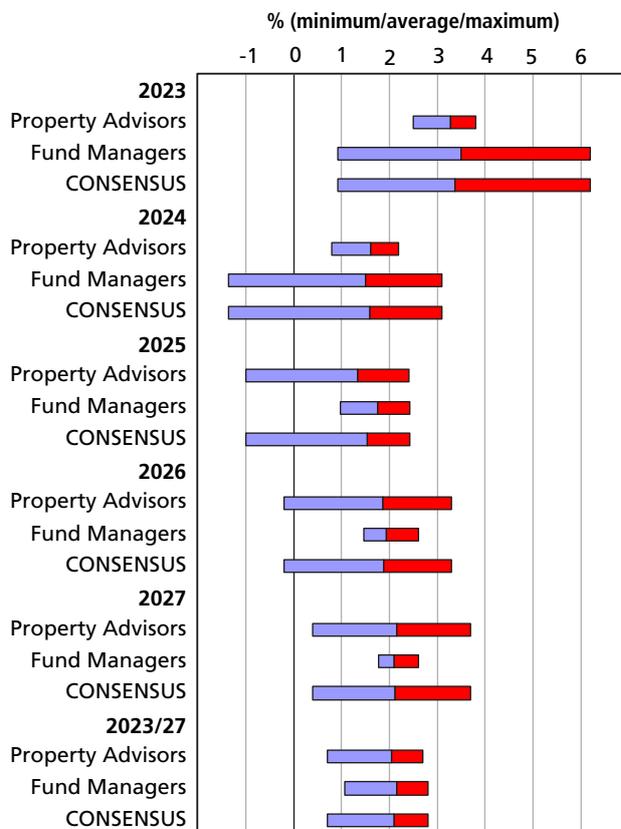
### All Property rental value growth forecasts

The 2023 rental growth forecast has been substantially upgraded from the previous survey, by an increase of 120bps, from 2.2% to 3.4%. At the start of the current year, the equivalent forecast was just 0.6%. The 2024 growth number is also an improvement on the 1.3% forecast from the Summer survey, while the subsequent three yearly averages have all been marginally downgraded.

As a consequence of the stronger 2023 forecast, the five-year annualised figure has improved by 20bps to 2.1% pa, from 1.9% pa previously.



### Rental value growth forecasts by contributor



The adjacent chart shows the All Property rental growth forecasts split by contributor type. Nine Property Advisors and eight 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.

As with the previous set of forecasts, 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 2025.

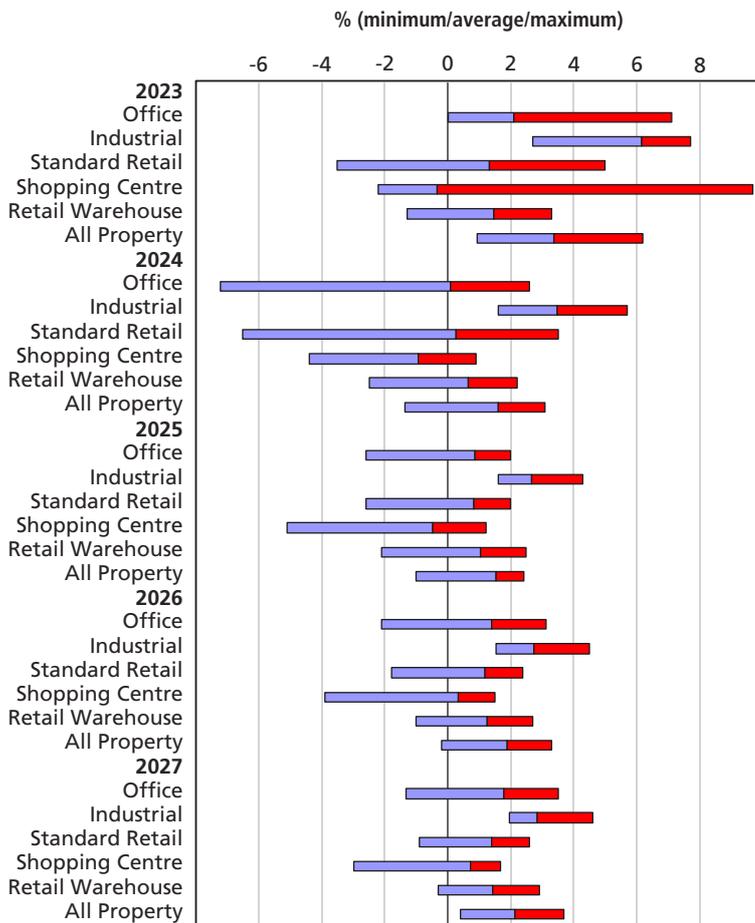
Unsurprisingly, as it is close to year end, the range around the 2023 results has reduced since the last survey; this is particularly noticeable for Property Advisors. The range around Fund Manager results is also greater in 2024, compared to Property Advisors, although for the subsequent three years, they are much closer aligned as a cohort.

Over the annualised five-year period, the average growth forecast for Fund Managers is marginally higher than that for Property Advisors, at 2.2% pa compared to 2.0% pa.

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

## Rental Value Growth Forecasts

### Sector rental value growth annual forecasts



The 2023 All Property rental growth forecast has improved substantially from 2.2% to 3.4% since the previous quarter. At a sector level, this growth is largely attributable to the Industrial sector, which is projected to achieve growth of 6.2% for the year. There is more certainty around results in this quarter, than previously. Shopping Centres is the only sector forecast to experience rental decline, with a 2023 estimate of -0.4%.

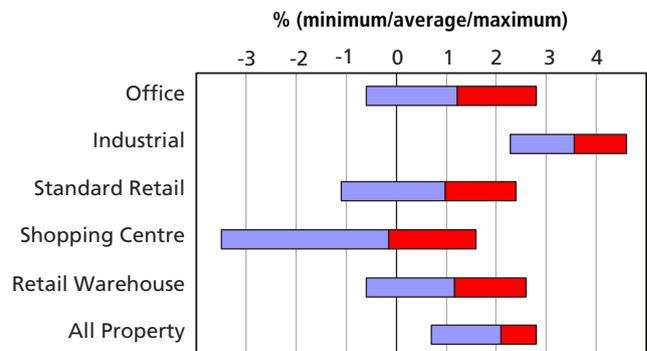
The changes to the 2024 rental growth forecasts are generally more minor than for the current year. Again, Industrial is the clear out performer with growth of 3.5%, followed by Retail Warehouses with only 0.7%. Shopping Centre rental levels are expected to continue to decline in 2024 and through 2025.

Finally, in 2026 and 2027, all sectors are expected to achieve positive growth although the Shopping Centre prediction will remain the weakest. Industrial rental growth continues to be the most buoyant by some margin as none of the other sectors are predicted to outperform the All Property average.

### Sector rental value growth five-year average forecasts

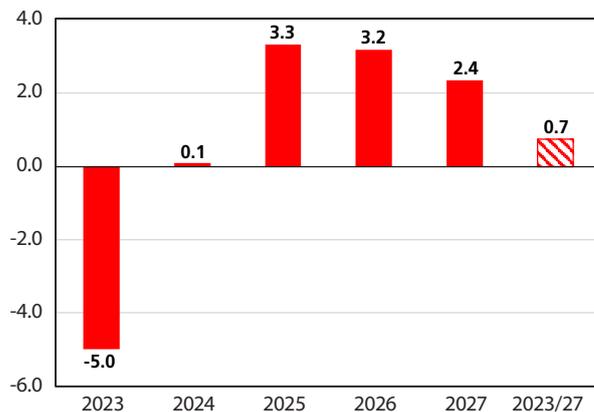
The rolling five-year average forecast has improved for all sectors, since last quarter. This has resulted in a marginal upgrade in the All Property average, strengthening from 1.9% pa to 2.1% pa.

Only the Industrial sector is expected to achieve significant rental growth over the next five years, averaging 3.6% pa, while at the other end of the spectrum, Shopping Centre rents are expected to decline by 0.2% pa over the next five years, although there is more uncertainty around this result compared to the other sectors.



## Capital Value Growth Forecasts

### All Property average capital value growth forecasts



There has been little movement in the average capital value growth forecast for 2023. It now stands at -5.0%, compared to -5.1% from the last quarter. The projection for 2024 has been reduced from 0.8% to 0.1%; at the start of 2023, this forecast was considerably more bullish at 2.2%. The 2025 estimate has been boosted to 3.3%, from 2.6% last quarter, while the following two years are more closely aligned with the previous forecasts.

There is no substantial change in the five-year annualised forecast of 0.7% pa, compared with the Summer forecast of 0.8% pa.

### Capital value growth forecasts by contributor

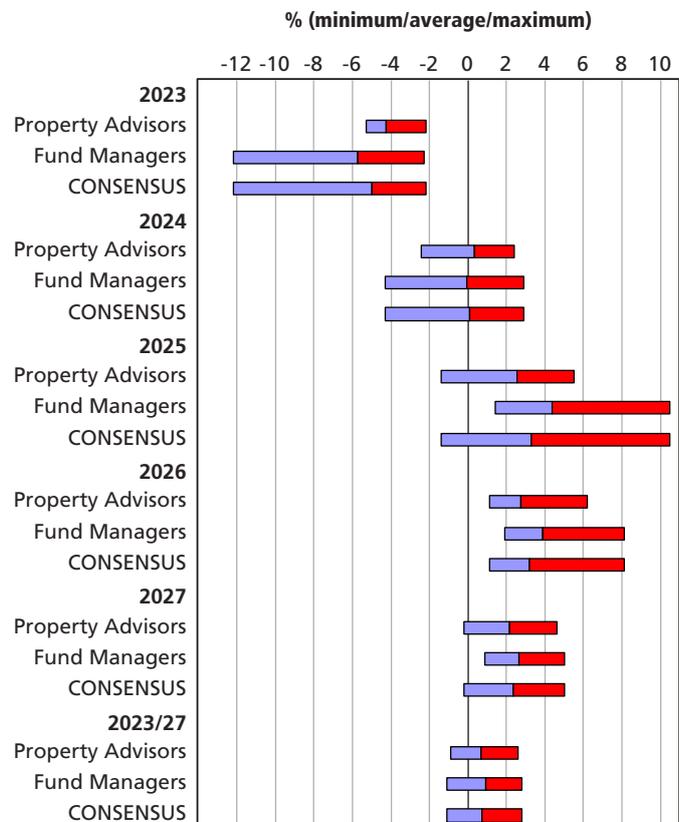
This quarter, Property Advisors are a little more pessimistic for 2023, forecasting a capital value decline of -4.2%, although there is a greater degree of certainty around this result. The Fund Manager forecast has strengthened from -6.1% to -5.7%.

The 2024 forecasts for both contributors groups have weakened, compared to the Summer. Property Advisors' expect values to strengthen marginally by 0.3%, while Fund Managers project a minimal decline of 0.1%.

For all of the subsequent three years, Fund Managers are notably more optimistic than Property Advisors.

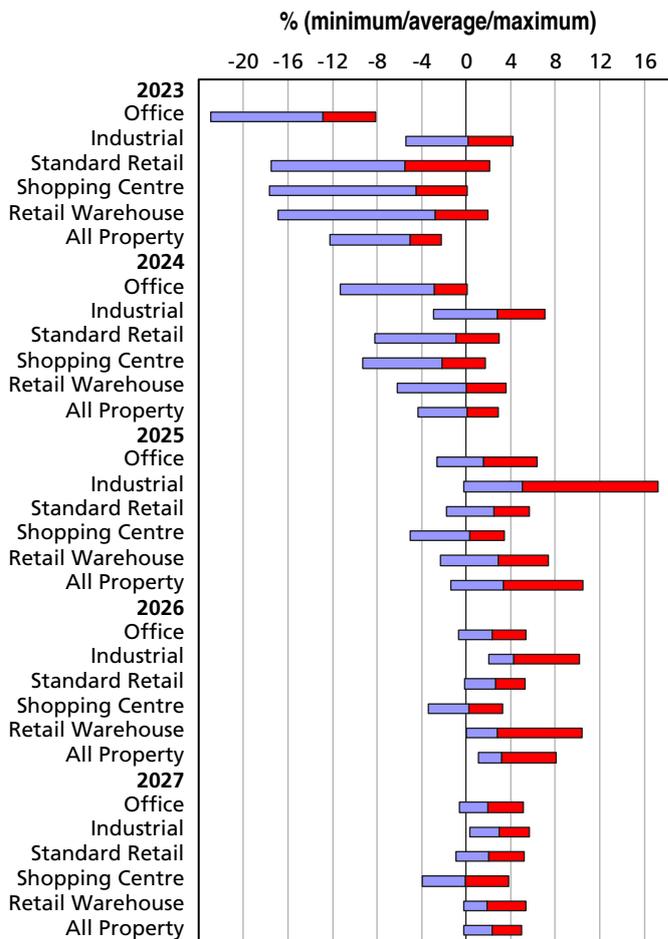
With the stronger projections towards the end of the forecast period, the five-year annualised figure for Fund Managers is marginally higher at 0.9% pa, compared to the Property Advisor forecast of 0.7% pa.

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



## Capital Value Growth Forecasts

### Sector capital value growth annual forecasts



While the average 2023 capital growth forecast of -5.0% is closely aligned with the previous quarter, it reflects a divergence of views, compared to last quarter, for the underlying sectors. The Industrial forecast of 0.2% is an improvement of 170bps; the sector remains the top performer. By contrast, the Office forecast has been downgraded by 240bps to -12.8% and it remains the weakest market.

In 2024, all sector forecasts have been downgraded. Only Industrial is expected to achieve capital value growth, of 2.8%, while Offices and Shopping Centres are expected to experience the most substantial declines in value, of 2.8% and 2.2% 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 underperform. The 2025 and 2026 sets of forecasts are both more positive than the previous versions.

While there is more certainty about the 2023 and 2024 forecasts, there is substantially more uncertainty around the 2025 forecasts, compared to the Summer survey, reflected in the greater range of results.

### Sector capital value growth five-year forecasts

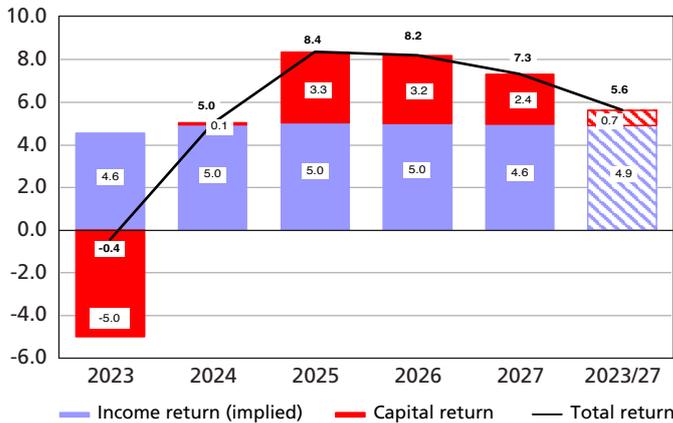
Industrial is expected to achieve capital value growth of 3.0% pa, an improvement of 50bps compared with the previous survey. Retail Warehouse and Standard Retail forecasts have both weakened although they are expected to realise positive growth over the next five years.

Office and Shopping Centre capital values are expected to decline over the next five years, by 2.2% pa and 1.2% pa respectively.



## Total Return Forecasts

### All Property total return forecasts



Despite the improving rental growth forecast, the 2023 All Property average total return forecast remains in negative territory, at -0.4%. The forecast for 2024 has been downgraded, reflecting the weaker capital value growth environment. However, more positively, the 2025 and 2026 forecasts have been boosted by 90bps and 20bps respectively, to 8.4% and 8.2%. The final forecast in the time series is closely aligned with the previous quarter.

The five-average forecast of 5.6% pa is in line with the Summer forecast, the stronger 2025-26 forecasts offsetting the hit to performance in 2024.

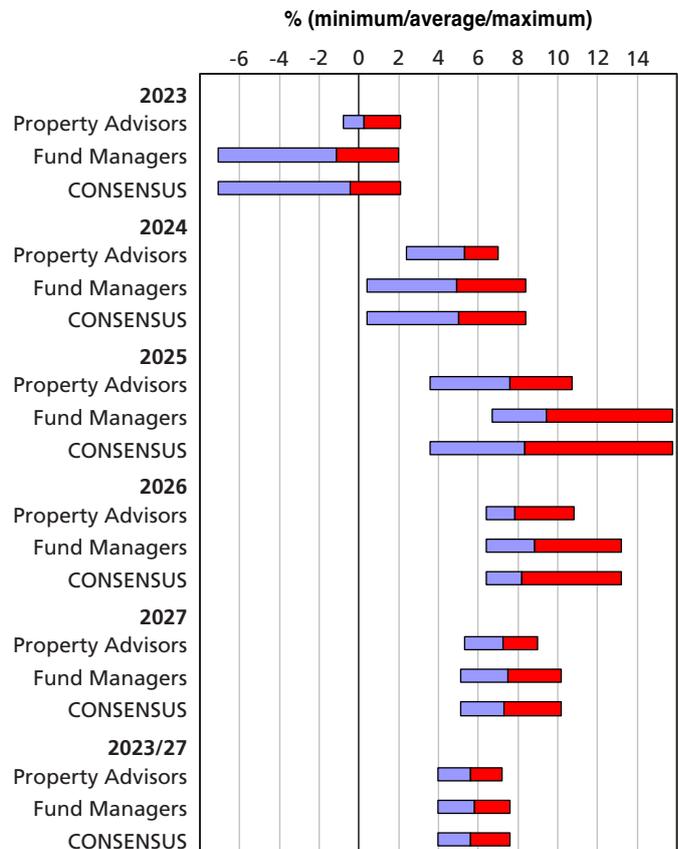
### Contributors All Property total return forecasts

The Property Advisor 2023 return forecast has been downgraded by 40bps, but remains positive at 0.3%. By contrast, the Fund Manager prediction has strengthened, by 50bps; however at -1.1%, it is still in negative territory. There is more certainty around the Property Advisor result, reflected in the smaller range.

In 2024, Property Advisors remain more optimistic than Fund Managers, with a return forecast of 5.3% compared to 4.9%. However, in contrast to the Summer survey, Fund Manager forecasts are higher than those of Property Advisors in all three subsequent years, although the difference in outcomes between the two sets of forecasts reduces over time.

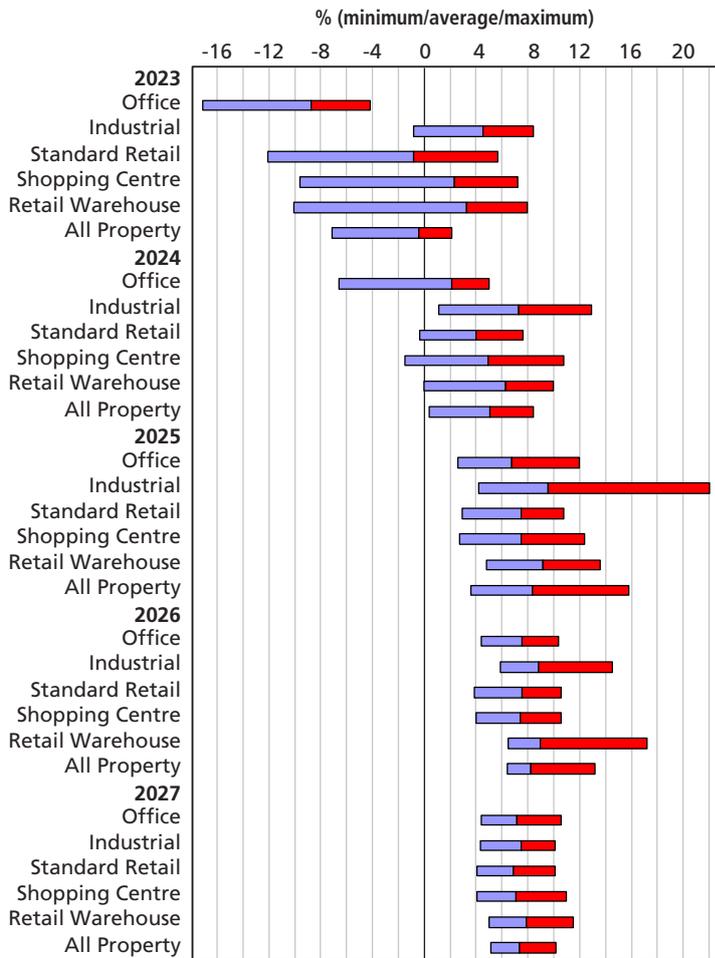
The five-year annualised return for Fund Managers has strengthened by 90bps, since last quarter, and at 5.8% pa is now above the Property Advisors forecast of 5.6% pa.

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



## Total Return Forecasts

### Sector total return annual forecasts



The 2023 Office return has been heavily downgraded and, at -8.7%, remains the lowest sector-level forecast. The Retail Warehouse return has also been downgraded to 3.3% and it is no longer expected to outperform the other sectors. By contrast, the Industrial estimate has improved by 175bps to 4.5% and it is now forecast to be the top performer. The Shopping Centre forecast has also improved, by nearly 100bps, to 2.3%. Industrial is predicted to generate the highest returns across the following two years, with 7.3% in 2024 and 9.6% in 2025. Again, it replaces Retail Warehouses as the top performer. In the final two years, the sectors swap rankings with Retail Warehouses taking over the top performing position.

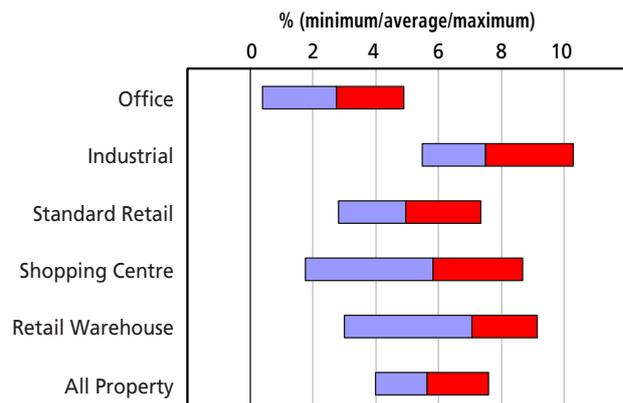
In performance terms, the Office sector lags behind the rest of commercial real estate, until 2026 when the Shopping Centre market is expected to be the weakest sector. In 2027, Standard Retail is predicted to underperform the other markets.

There is more certainty around the 2023 results while the range has widened for the ensuing two years; this is particularly noticeable for 2025.

### Sector total return five-year forecasts

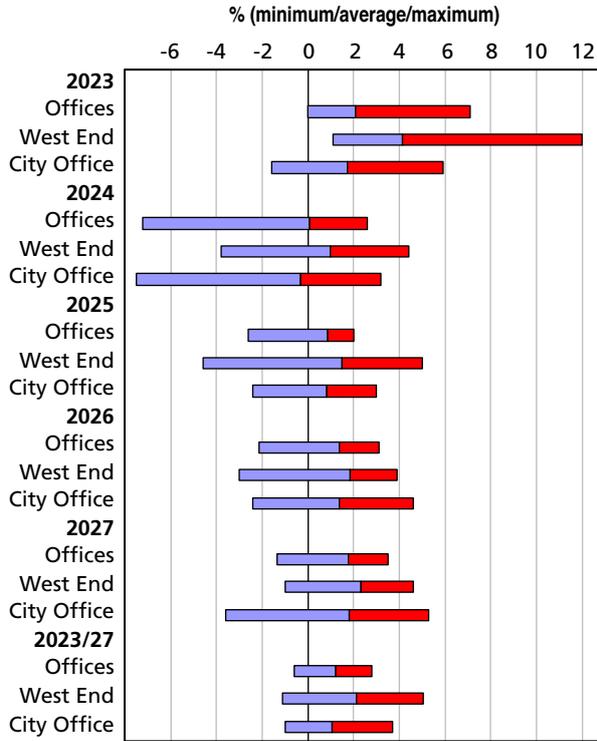
The All Property five-year return forecast, at 5.6% pa, is aligned with the forecast from the previous quarter. The Industrial sector is now expected to outperform the other markets with a return of 7.5% pa, an improvement of 50bps. Retail Warehouses was the top performer in the Summer survey but its forecast has been downgraded by 10bps to 7.1% pa.

The Office return remains the weakest, having lost 50bps, and now stands at 2.7% pa. The forecasts of the other two sectors have also been downgraded but to a lesser extent.



## Central London Offices

### Central London rental value growth



For 2023, both central London office markets are expected to achieve a more positive rental growth outcome compared to last quarter. West End is forecast growth of 4.1% compared to 1.5% previously, while City rental levels are predicted to rise by 1.7%, against a previous decline of 0.4%.

The West End market is expected to continue to outperform the City market, over the remainder of the forecast period, in rental growth terms. Rents in the City are forecast to decline in 2024 before returning to growth in the following year.

Predictably, the five-year forecast for the West End is ahead of the City market, at 2.1% pa compared to 1.1% pa. West End outperforms the wider office market in all years, while City underperforms.

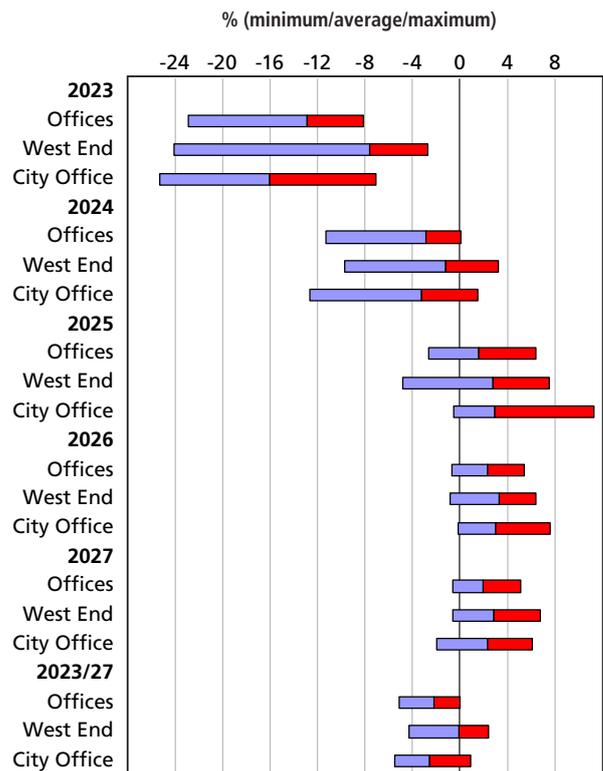
Compared to the previous survey, there is greater uncertainty around both sets of London office forecasts.

### Central London capital value growth

The 2023 capital value growth for both London markets have been downgraded from the Summer survey. The West End figure has been reduced from -6.1% to -7.6% and the City forecast from -11.8% to -16.0%.

A more pessimistic view is also evident in ensuing years, although to a lesser extent than the current year, with the exception of the 2025 forecasts. Both markets are expected to experience capital value declines in 2024 before returning to positive territory in the subsequent year.

The five-year average is -0.1% pa for West End and -2.5% pa for City. The City forecast is the weakest of all markets reported and is noticeably lower than the All Property average of 0.7% pa.



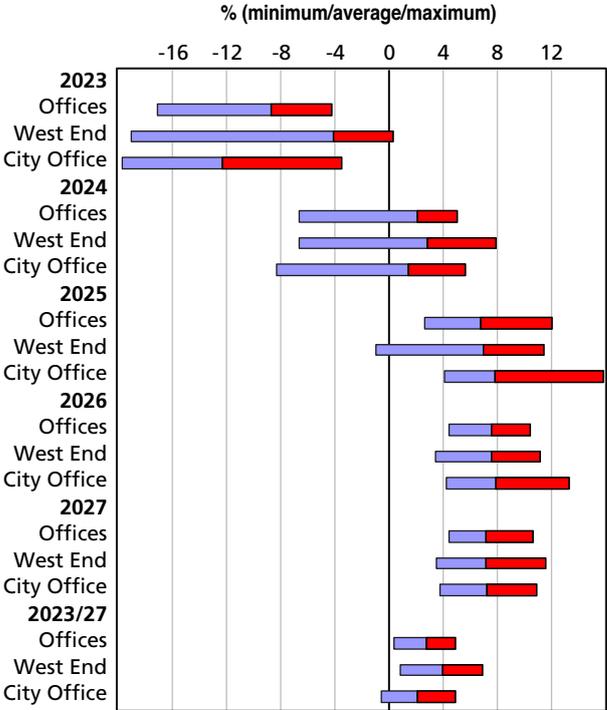
Central London Offices

Central London total returns

The impact of the 2023 capital value declines is reflected in the corresponding total return figures. The City projection is -12.3%, a significant downgrade of 340bps from the preceding survey. The West End is forecast to return -4.1%, 50bps down from last quarter. The level of uncertainty around these results is high, although marginally lower than in the Summer survey.

Returns for the remaining years are all positive, with anticipated average 2024 returns of 2.8% for the West End and 1.4% 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 3.9% pa and the City 2.1% pa, against an Office estimate of 2.7% pa.



## Evolution of Forecasts

### Evolution of All Property Forecasts (%)

	Aut-21	Win-22	Spr-22	Sum-22	Aut-22	Win-23	Spr-23	Sum-23	Aut-23
<b>2023</b>									
Rental Value Growth	1.8	2.1	1.9	1.3	0.6	0.6	1.6	2.2	3.4
Capital Value Growth	2.0	1.9	1.2	-1.5	-7.1	-5.5	-3.2	-5.1	-5.0
Total Return	6.4	6.2	5.3	3.0	-2.4	-0.6	1.5	-0.5	-0.4
<b>2024</b>									
Rental Value Growth	1.8	2.0	1.8	1.5	1.1	1.0	1.3	1.3	1.6
Capital Value Growth	1.2	1.1	0.7	1.3	1.9	2.2	2.3	0.8	0.1
Total Return	5.5	5.4	4.9	5.8	6.8	7.2	7.1	5.7	5.0
<b>5-Year Annualised (% pa)</b>									
Rental Value Growth	1.5	2.0	2.1	2.0	1.8	1.4	1.8	1.9	2.1
Capital Value Growth	2.5	1.8	1.8	1.1	-1.0	0.7	1.3	0.8	0.7
Total Return	7.1	6.2	6.0	5.5	3.6	5.6	6.1	5.6	5.6

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

The latest set of 2023 headline capital value growth and total return forecasts reflect an almost unchanged view compared with the previous survey. By contrast, the rental value growth expectation for the year end, has strengthened for the third quarter running and, at 3.4%, the most optimistic view in the past two years.

For 2024, the capital value growth projection has been lowered again and, at 0.1%, is at its lowest since 2024 forecasts were first produced (in Winter 2020). The 5.0% total return estimate reflects a continuous weakening of view over the last three quarters. However, by contrast, the rental value growth forecast is now at its strongest since Spring 2022.

The five-year annualised forecast for capital value growth has ticked down to 0.7% pa, while the total return forecast has plateaued at 5.6% pa; it has remained fairly stable for all surveys in the current year. The rental value growth estimate has edged up for the third successive quarter to 2.1% pa.

## All Property survey results by contributor type

(Forecasts in brackets are Summer 2023 comparisons)

### Property Advisors

9 (8) 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	3.8 (4.4)	2.2 (2.3)	2.7 (2.5)	-2.2 (-0.1)	2.4 (3.0)	2.6 (3.3)	2.1 (4.5)	7.0 (7.6)	7.2 (7.8)				
Minimum	2.5 (0.1)	0.8 (0.7)	0.7 (1.5)	-5.3 (-10.9)	-2.4 (-2.5)	-0.9 (-0.4)	-0.8 (-6.2)	2.4 (2.2)	4.0 (4.9)				
Range	1.3 (4.3)	1.4 (1.6)	2.0 (1.0)	3.1 (10.8)	4.8 (5.5)	3.5 (3.7)	2.9 (10.7)	4.6 (5.4)	3.2 (2.9)				
Median	3.4 (2.6)	1.7 (1.4)	2.1 (2.0)	-4.7 (-3.1)	1.0 (1.5)	0.6 (1.3)	-0.1 (1.5)	6.1 (6.6)	5.7 (6.2)				
Mean	<b>3.3 (2.4)</b>	<b>1.6 (1.4)</b>	<b>2.0 (2.0)</b>	<b>-4.2 (-3.8)</b>	<b>0.3 (1.2)</b>	<b>0.7 (1.3)</b>	<b>0.3 (0.7)</b>	<b>5.3 (6.2)</b>	<b>5.6 (6.2)</b>				

### Fund Managers

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	6.2 (3.7)	3.1 (2.2)	2.8 (2.3)	-2.3 (-2.1)	2.9 (4.7)	2.8 (2.4)	2.0 (2.4)	8.4 (8.9)	7.6 (7.1)				
Minimum	0.9 (-2.0)	-1.4 (-0.1)	1.1 (0.7)	-12.2 (-12.2)	-4.3 (-2.0)	-1.1 (-1.1)	-7.1 (-7.1)	0.4 (2.6)	4.0 (3.7)				
Range	5.3 (5.7)	4.5 (2.3)	1.7 (1.6)	9.9 (10.1)	7.2 (6.7)	3.9 (3.5)	9.1 (9.5)	8.0 (6.3)	3.6 (3.4)				
Median	3.3 (2.5)	1.9 (1.6)	2.4 (2.0)	-5.5 (-6.3)	0.7 (1.4)	1.1 (0.1)	-1.0 (-2.0)	5.5 (6.0)	6.1 (4.6)				
Mean	<b>3.5 (2.0)</b>	<b>1.5 (1.2)</b>	<b>2.2 (1.8)</b>	<b>-5.7 (-6.1)</b>	<b>-0.1 (1.0)</b>	<b>0.9 (0.4)</b>	<b>-1.1 (-1.6)</b>	<b>4.9 (5.8)</b>	<b>5.8 (5.0)</b>				

### All forecasters

18 (16) 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	6.2 (4.4)	3.1 (2.3)	2.8 (2.5)	-2.2 (-0.1)	2.9 (4.7)	2.8 (3.3)	2.1 (4.5)	8.4 (8.9)	7.6 (7.8)				
Minimum	0.9 (-2.0)	-1.4 (-0.1)	0.7 (0.7)	-12.2 (-12.2)	-4.3 (-4.0)	-1.1 (-1.1)	-7.1 (-7.1)	0.4 (1.3)	4.0 (3.7)				
Range	5.3 (6.4)	4.5 (2.4)	2.1 (1.8)	10.0 (12.1)	7.2 (8.7)	3.9 (4.4)	9.2 (11.6)	8.0 (7.6)	3.6 (4.1)				
Std. Dev.	1.0 (1.4)	1.0 (0.7)	0.6 (0.4)	2.2 (3.4)	1.9 (2.2)	1.1 (1.2)	2.1 (3.3)	2.1 (2.1)	1.1 (1.2)				
Median	3.3 (2.5)	1.8 (1.6)	2.2 (1.9)	-4.7 (-3.5)	1.0 (1.4)	0.7 (0.6)	-0.2 (1.1)	6.1 (6.4)	5.7 (5.4)				
Mean	<b>3.4 (2.2)</b>	<b>1.6 (1.3)</b>	<b>2.1 (1.9)</b>	<b>-5.0 (-5.1)</b>	<b>0.1 (0.8)</b>	<b>0.7 (0.8)</b>	<b>-0.4 (-0.5)</b>	<b>5.0 (5.7)</b>	<b>5.6 (5.6)</b>				

#### 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 (15 November 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	7.1	2.6	2.0	2.8	-8.1	0.1	6.4	0.0	-4.2	5.0	12.0	4.9
Minimum	0.0	-7.2	-2.6	-0.6	-22.9	-11.3	-2.6	-5.1	-17.1	-6.6	2.6	0.4
Range	7.1	9.8	4.6	3.4	14.8	11.4	9.0	5.1	12.9	11.6	9.4	4.5
Median	1.9	1.0	1.0	1.3	-12.9	-1.6	1.5	-2.1	-9.2	3.4	6.7	2.8
<b>Mean</b>	<b>2.1</b>	<b>0.1</b>	<b>0.9</b>	<b>1.2</b>	<b>-12.8</b>	<b>-2.8</b>	<b>1.6</b>	<b>-2.2</b>	<b>-8.7</b>	<b>2.1</b>	<b>6.8</b>	<b>2.7</b>

### 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	7.7	5.7	4.3	4.6	4.2	7.1	17.2	6.1	8.4	12.9	22.0	10.3
Minimum	2.7	1.6	1.6	2.3	-5.4	-2.9	-0.2	1.3	-0.8	1.1	4.2	5.5
Range	5.0	4.1	2.7	2.3	9.6	10.0	17.4	4.8	9.2	11.8	17.8	4.8
Median	6.3	3.4	2.7	3.6	1.1	3.0	4.3	3.0	5.5	7.6	8.9	7.7
<b>Mean</b>	<b>6.2</b>	<b>3.5</b>	<b>2.7</b>	<b>3.6</b>	<b>0.2</b>	<b>2.8</b>	<b>5.0</b>	<b>3.0</b>	<b>4.5</b>	<b>7.3</b>	<b>9.6</b>	<b>7.5</b>

### 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	5.0	3.5	2.0	2.4	2.1	3.0	5.7	2.3	5.7	7.6	10.8	7.3
Minimum	-3.5	-6.5	-2.6	-1.1	-17.5	-8.2	-1.8	-2.9	-12.1	-0.3	2.9	2.8
Range	8.5	10.0	4.6	3.5	19.6	11.2	7.5	5.2	17.8	7.9	7.9	4.5
Median	1.7	0.8	0.9	1.1	-4.6	0.7	2.9	0.7	-0.1	5.2	7.4	5.2
<b>Mean</b>	<b>1.3</b>	<b>0.2</b>	<b>0.8</b>	<b>1.0</b>	<b>-5.5</b>	<b>-0.9</b>	<b>2.5</b>	<b>0.1</b>	<b>-0.8</b>	<b>4.0</b>	<b>7.5</b>	<b>4.9</b>

### 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	9.7	0.9	1.2	1.6	0.1	1.7	3.4	0.7	7.2	10.8	12.4	8.7
Minimum	-2.2	-4.4	-5.1	-3.5	-17.7	-9.3	-5.0	-6.2	-9.6	-1.5	2.7	1.8
Range	11.9	5.3	6.3	5.1	17.8	11.0	8.4	6.9	16.8	12.3	9.7	6.9
Median	-1.0	-0.3	0.1	0.3	-3.5	-1.0	0.5	-0.5	3.4	5.9	6.9	5.9
<b>Mean</b>	<b>-0.4</b>	<b>-1.0</b>	<b>-0.5</b>	<b>-0.2</b>	<b>-4.5</b>	<b>-2.2</b>	<b>0.3</b>	<b>-1.2</b>	<b>2.3</b>	<b>4.9</b>	<b>7.5</b>	<b>5.8</b>

### 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	3.3	2.2	2.5	2.6	1.9	3.6	7.4	3.0	8.0	9.9	13.6	9.1
Minimum	-1.3	-2.5	-2.1	-0.6	-16.9	-6.2	-2.3	-4.0	-10.1	0.0	4.8	3.0
Range	4.6	4.7	4.6	3.2	18.8	9.8	9.7	7.0	18.1	9.9	8.8	6.1
Median	1.5	1.0	1.0	1.3	-2.2	0.6	2.9	1.5	3.8	7.4	9.0	7.5
<b>Mean</b>	<b>1.5</b>	<b>0.7</b>	<b>1.0</b>	<b>1.2</b>	<b>-2.8</b>	<b>0.0</b>	<b>2.9</b>	<b>0.9</b>	<b>3.3</b>	<b>6.3</b>	<b>9.1</b>	<b>7.1</b>

### 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	6.2	3.1	2.4	2.8	-2.2	2.9	10.5	2.8	2.1	8.4	15.8	7.6
Minimum	0.9	-1.4	-1.0	0.7	-12.2	-4.3	-1.4	-1.1	-7.1	0.4	3.6	4.0
Range	5.3	4.5	3.4	2.1	10.0	7.2	11.9	3.9	9.2	8.0	12.2	3.6
Std. Dev.	1.0	1.0	0.8	0.6	2.2	1.9	2.4	1.1	2.1	2.1	2.5	1.1
Median	3.3	1.8	1.7	2.2	-4.7	1.0	2.8	0.7	-0.2	6.1	8.0	5.7
<b>Mean</b>	<b>3.4</b>	<b>1.6</b>	<b>1.5</b>	<b>2.1</b>	<b>-5.0</b>	<b>0.1</b>	<b>3.3</b>	<b>0.7</b>	<b>-0.4</b>	<b>5.0</b>	<b>8.4</b>	<b>5.6</b>

## 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)	2.1	0.1	0.9	1.2	-12.8	-2.8	1.6	-2.2	-8.7	2.1	6.8	2.7
Industrial	(18)	6.2	3.5	2.7	3.6	0.2	2.8	5.0	3.0	4.5	7.3	9.6	7.5
Standard Retail	(18)	1.3	0.2	0.8	1.0	-5.5	-0.9	2.5	0.1	-0.8	4.0	7.5	4.9
Shopping Centre	(17)	-0.4	-1.0	-0.5	-0.2	-4.5	-2.2	0.3	-1.2	2.3	4.9	7.5	5.8
Retail Warehouse	(17)	1.5	0.7	1.0	1.2	-2.8	0.0	2.9	0.9	3.3	6.3	9.1	7.1
<b>All Property</b>	<b>(18)</b>	<b>3.4</b>	<b>1.6</b>	<b>1.5</b>	<b>2.1</b>	<b>-5.0</b>	<b>0.1</b>	<b>3.3</b>	<b>0.7</b>	<b>-0.4</b>	<b>5.0</b>	<b>8.4</b>	<b>5.6</b>

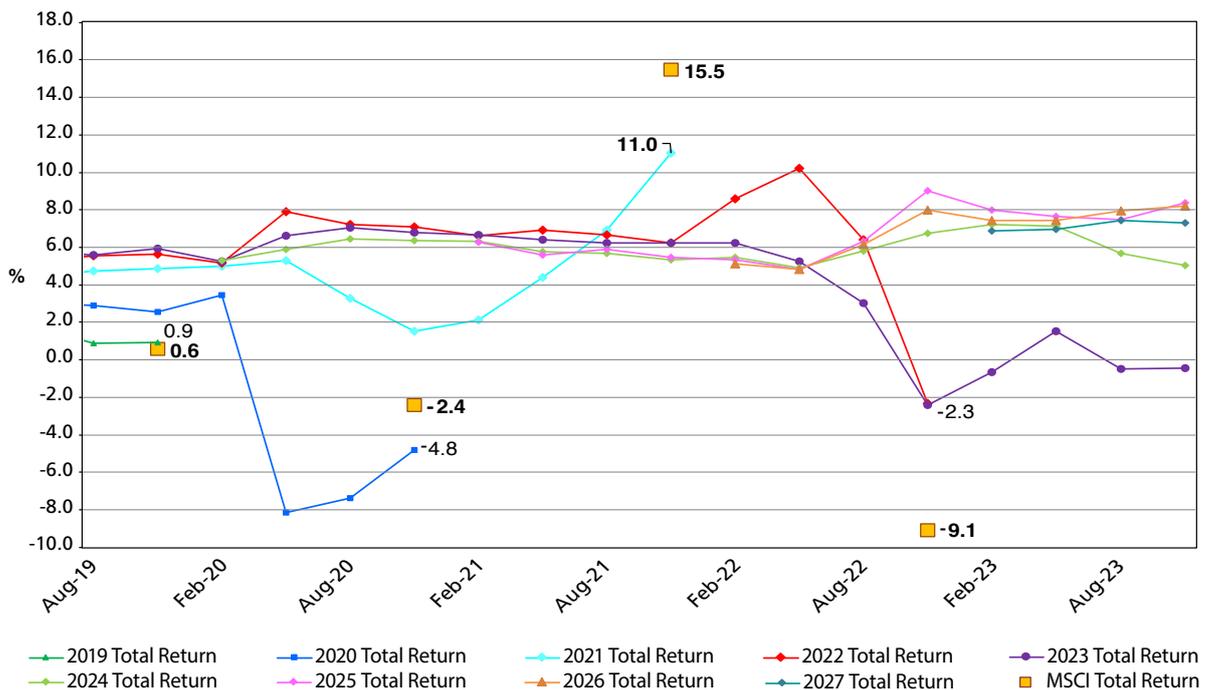
### West End office

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	12.0	4.4	5.0	5.1	-2.7	3.2	7.5	2.4	0.3	7.9	11.4	6.9
Minimum	1.1	-3.8	-4.6	-1.1	-24.1	-9.7	-4.8	-4.3	-19.0	-6.6	-1.0	0.8
Range	10.9	8.2	9.6	6.2	21.4	12.9	12.3	6.7	19.3	14.5	12.4	6.1
Median	3.9	1.7	1.5	2.0	-6.9	-0.1	3.9	-0.5	-3.3	3.7	7.5	3.5
<b>Mean</b>	<b>4.1</b>	<b>1.0</b>	<b>1.5</b>	<b>2.1</b>	<b>-7.6</b>	<b>-1.2</b>	<b>2.8</b>	<b>-0.1</b>	<b>-4.1</b>	<b>2.8</b>	<b>7.0</b>	<b>3.9</b>

### 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	5.9	3.2	3.0	3.7	-7.1	1.5	11.3	0.9	-3.5	5.6	15.8	4.9
Minimum	-1.6	-7.5	-2.4	-1.0	-25.3	-12.7	-0.5	-5.5	-19.7	-8.3	4.1	-0.6
Range	7.5	10.7	5.4	4.7	18.2	14.2	11.8	6.4	16.2	13.9	11.7	5.5
Median	1.7	0.2	1.0	1.3	-16.9	-2.3	2.0	-2.5	-13.4	2.6	7.0	2.0
<b>Mean</b>	<b>1.7</b>	<b>-0.3</b>	<b>0.8</b>	<b>1.1</b>	<b>-16.0</b>	<b>-3.2</b>	<b>2.9</b>	<b>-2.5</b>	<b>-12.3</b>	<b>1.4</b>	<b>7.8</b>	<b>2.1</b>

### 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](mailto:sforster@ipf.org.uk).

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**RESEARCH**

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