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RESEARCH

# Winter 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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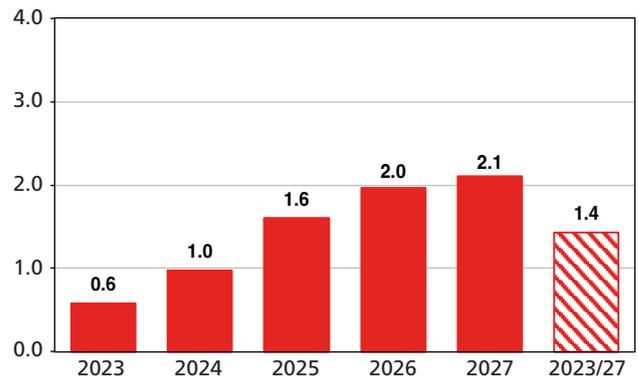
## At a Glance

The results of the first quarterly survey of the year are based on data received from 19 organisations, whose forecasts were generated between mid-December 2022 and mid-February 2023.

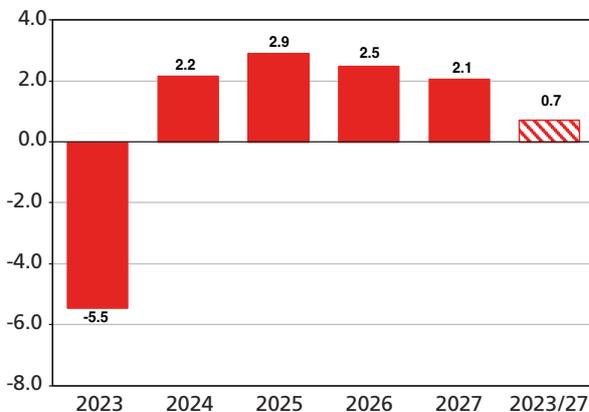
### Rental value growth

There has been little change in the four yearly averages reported in both November and this quarter. The 2023 and 2025 figures were in-line, while the 2024 forecast was marginally weaker and the 2026 forecast marginally stronger (both by approximately 10bps).

As a consequence of replacing the robust final 2022 forecast, of 3.7%, with the first forecast for 2027, the five-year annualised figure fell 40bps, from 1.8% pa previously.



### Capital value growth



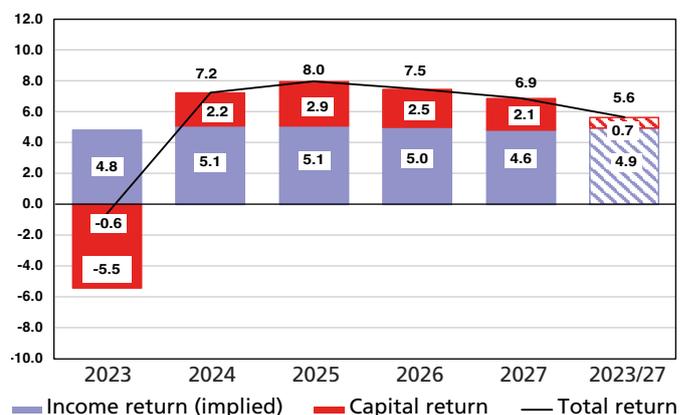
The average capital value growth forecasts for 2023 and 2024 have been upgraded from the previous survey; the 2023 forecast stands at -5.5% (previously -7.1%) and the 2024 forecast is 2.2% (up from 1.9%). Forecasts for the subsequent two years have been downgraded to more modest levels, from 4.1% and 3.4% respectively in the last quarter.

The substitution of November's weak 2022 forecast of -6.4%, with the current 2027 projection of 2.1%, has boosted the five-year annualised forecast by 170bps, up from -1.0% pa previously.

### Total returns

The 2023 All Property average total return remains in negative territory, despite a strengthening of 175bps from November. The 2024 forecast has also strengthened, albeit more modestly by 50bps. Forecasts for the ensuing two years have been downgraded by 110bps and 50bps, from 9.0% and 8.0% respectively in the last quarter.

The addition of the much more robust 2027 return of 6.9%, at the expense of the 2022 return of -2.3%, has resulted in a nearly 200bps improvement in the five-year average, to 5.6% pa (3.6% 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	-0.9	0.0	1.2	0.8	-7.2	0.6	2.1	-0.3	-2.7	5.4	6.9	4.4
Industrial	2.9	2.1	2.4	2.6	-3.7	3.8	3.9	1.9	0.4	8.7	8.7	6.5
Standard Retail	-2.3	-0.4	0.6	0.0	-7.0	1.3	2.2	-0.2	-1.9	6.8	7.6	5.0
Shopping Centre	-2.8	-1.0	0.2	-0.5	-7.4	-0.5	0.6	-1.4	-0.4	6.9	8.0	5.7
Retail Warehouse	-0.8	0.6	1.0	0.6	-6.2	2.6	2.5	0.2	0.0	9.1	8.9	6.5
West End office	-0.7	0.3	1.3	0.9	-6.3	2.4	2.9	0.6	-2.7	6.2	6.7	4.3
City office	-2.0	-0.6	1.3	0.3	-7.5	0.6	2.5	-0.2	-3.5	4.9	6.8	4.0
<b>All Property</b>	<b>0.6</b>	<b>1.0</b>	<b>1.6</b>	<b>1.4</b>	<b>-5.5</b>	<b>2.2</b>	<b>2.9</b>	<b>0.7</b>	<b>-0.6</b>	<b>7.2</b>	<b>8.0</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
December (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
January (6)	1.0	1.2	2.1	1.8	-6.6	2.0	3.8	0.7	-1.6	7.2	9.0	5.7
February (11)	0.5	0.9	1.4	1.3	-5.0	1.8	2.8	0.7	-0.3	6.9	7.9	5.7
<b>All Forecasters (19)</b>	<b>0.6</b>	<b>1.0</b>	<b>1.6</b>	<b>1.4</b>	<b>-5.5</b>	<b>2.2</b>	<b>2.9</b>	<b>0.7</b>	<b>-0.6</b>	<b>7.2</b>	<b>8.0</b>	<b>5.6</b>

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

### Key points

- With the exception of offices in 2023 and industrial in 2025 and 2026, all other rental growth forecasts across the sectors have been downgraded modestly across the forecast period, at most by 60bps.
- Capital value growth forecasts have strengthened for the next two years, with the exception of the Office sector in 2024. The greatest adjustments have been made to the 2023 projections, with Industrial up by 300bps and Standard Retail by 155bps.
- Despite a more positive outlook for 2023 across all sectors, only Industrial is expected to deliver a positive total return, of just 0.4%. The 2024 forecasts are also more positive, with an All Property average of 7.2%; Retail Warehouse and Industrial sectors are estimated to outperform.
- With the substitution of the weak 2022 return forecasts, with the healthier 2027 estimates, the five-year annualised forecast has strengthened by approximately 200 bps to 5.6% pa, from 3.6% pa in the last quarter.

### Survey contributors

Nineteen organisations contributed to this quarter's forecasts, comprising nine Property Advisors and Research Consultancies, seven Fund Managers and three Others<sup>1</sup>.

Forecasts for All Property, Office, Industrial and Standard Retail were received from 19 contributors. There were 18 contributors to Shopping Centre and Retail Warehouse forecasts and 17 sets of forecasts for West End and City sub-office markets. All forecasts were generated within nine weeks of the survey date (15 February 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 higher than those of last quarter (Autumn's results (2022-2026) in brackets); rental value growth is weaker:

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

**Capital value growth: 0.7% pa (-1.0% pa)**

**Total return: 5.6% pa (3.6% pa)**

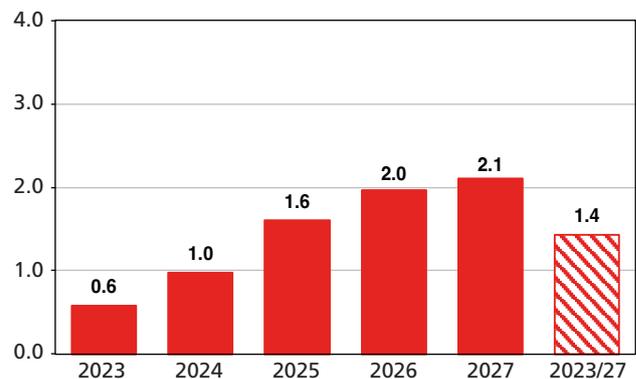
<sup>1</sup> As a minimum of five forecasts are required for each group of contributors to be separately analysed, data from Other contributors is only included at the All-Forecaster level of reportage.

## Rental Value Growth Forecasts

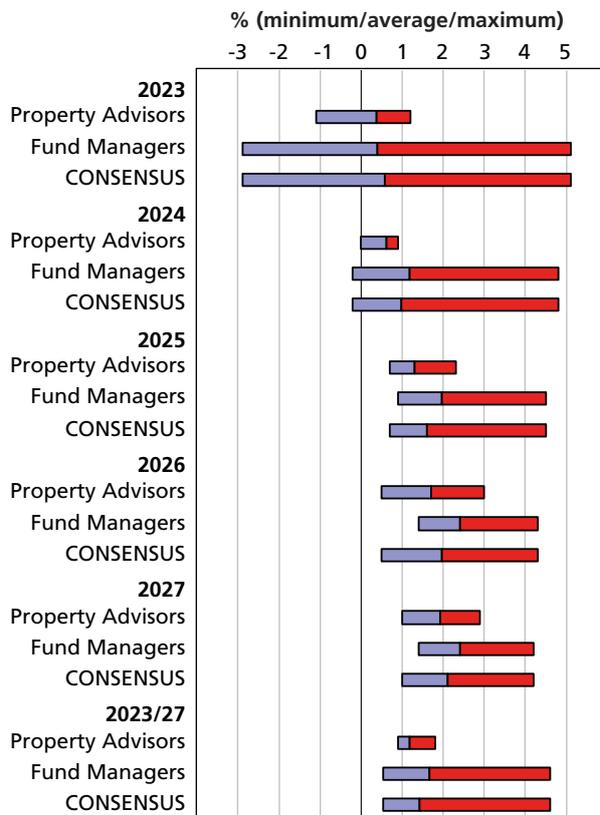
### All Property rental value growth forecasts

There has been little change in the four yearly averages reported in both November and this quarter. The 2023 and 2025 figures were in-line, while the 2024 forecast was marginally weaker and the 2026 forecast marginally stronger (both by approximately 10bps).

As a consequence of replacing the robust final 2022 forecast, of 3.7%, with the first forecast for 2027, the five-year annualised figure fell 40bps, from 1.8% pa previously.



### Rental value growth forecasts by contributor



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

The 2023 rental growth forecasts from Fund Managers and Property Advisors are identical. However, the range around the Fund Manager results is quite significant, although it is particularly skewed by one very positive view. Removal of this forecast brings the range more closely aligned with the range of Property Advisors.

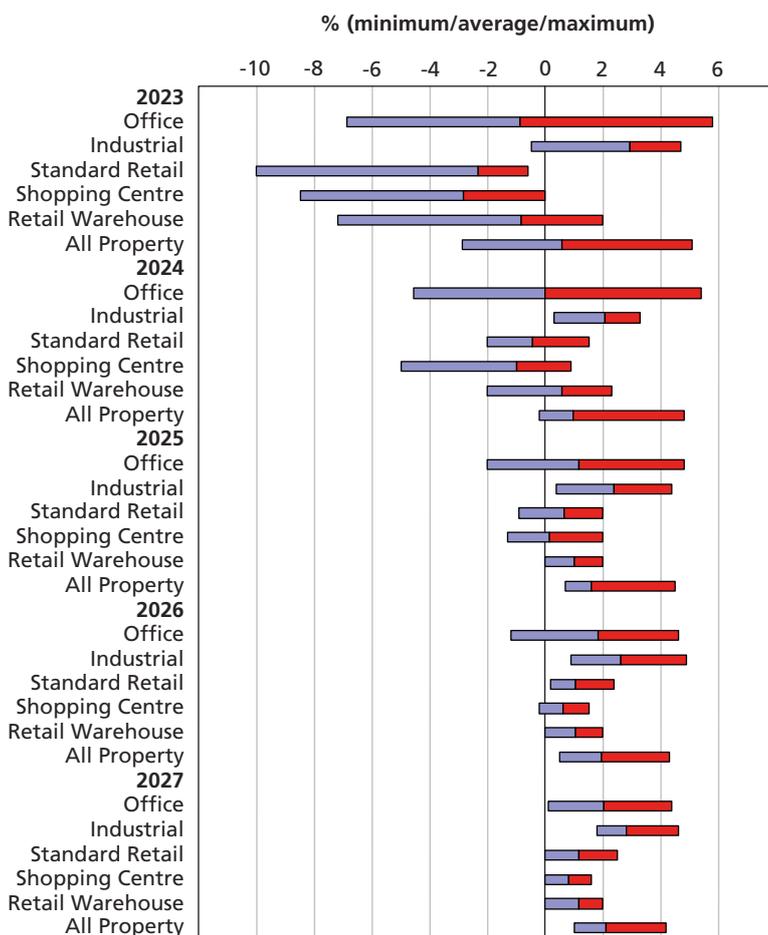
The range around Fund Manager results is also more extensive across the latter four years, again predominantly as a result of one bullish Fund Manager. Fund Manager forecasts are more positive across every year, while Property Advisor forecasts have weakened, without exception.

Over the annualised five-year period, the average growth forecast from Fund Managers is 1.7% pa, compared to 1.2% pa from Property Advisors.

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

## Rental Value Growth Forecasts

### Sector rental value growth annual forecasts



The 2023 All Property rental growth forecast has remained the same as in November, at 0.6%. This positive growth is entirely attributable to the Industrial sector, the only sector expected to achieve positive growth in the year. The uncertainty of results is more extensive this quarter, than previously, with the exception of the Office market. Shopping Centres are forecast to have the weakest rental outlook, with a 2.8% decline in rental levels noted.

There is also little change to the 2024 rental growth forecasts, although there is more certainty around results compared to 2023. Alongside Industrials, the Retail Warehouse sector is also expected to achieve positive growth, albeit a weak 0.6% rise. Again, Shopping Centres are expected to have the weakest rental outlook.

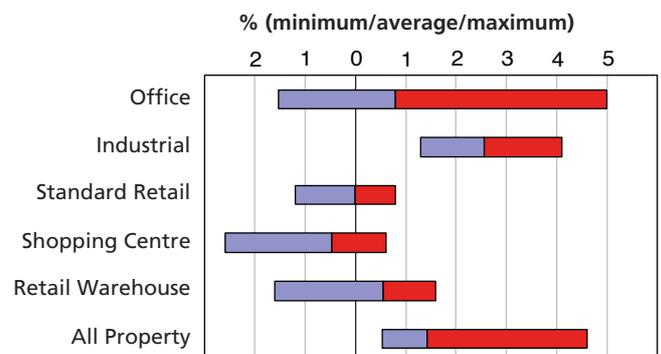
From 2025, all sectors are expected to achieve positive growth, with Industrial the only sector expected to outperform the All Property average. Shopping Centres are forecast to have the weakest rental growth expectations in every year.

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

The All Property rolling five-year average has fallen modestly to 1.4% pa, from 1.8% pa in the previous quarter. This is solely as a result of the replacement of the strong 2022 rental growth forecast of 3.7% with the more modest 2027 forecast of 2.1%.

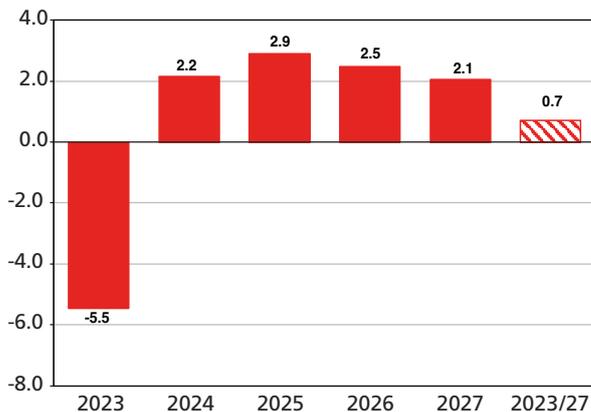
Office and Standard Retail five-year forecasts have strengthened marginally, since November, while the other sector forecasts have declined.

Only the Industrial sector is expected to achieve significant rental growth over the next five years, averaging 2.6% pa. The Office and Retail Warehouse rents are predicted to achieve weak positive growth, while Standard Retail and Shopping Centre rental levels are expected to be lower at the end of the forecast period.



## Capital Value Growth Forecasts

### All Property average capital value growth forecasts



The average capital value growth forecasts for 2023 and 2024 have been upgraded from the previous survey; the 2023 forecast stands at -5.5% (previously -7.1%) and the 2024 forecast is 2.2% (up from 1.9%). Forecasts for the subsequent two years have been downgraded to more modest levels, from 4.1% and 3.4% respectively in the last quarter.

The substitution of November's weak 2022 forecast of -6.4%, with the current 2027 projection of 2.1%, has boosted the five-year annualised forecast by 170bps, up from -1.0% pa previously.

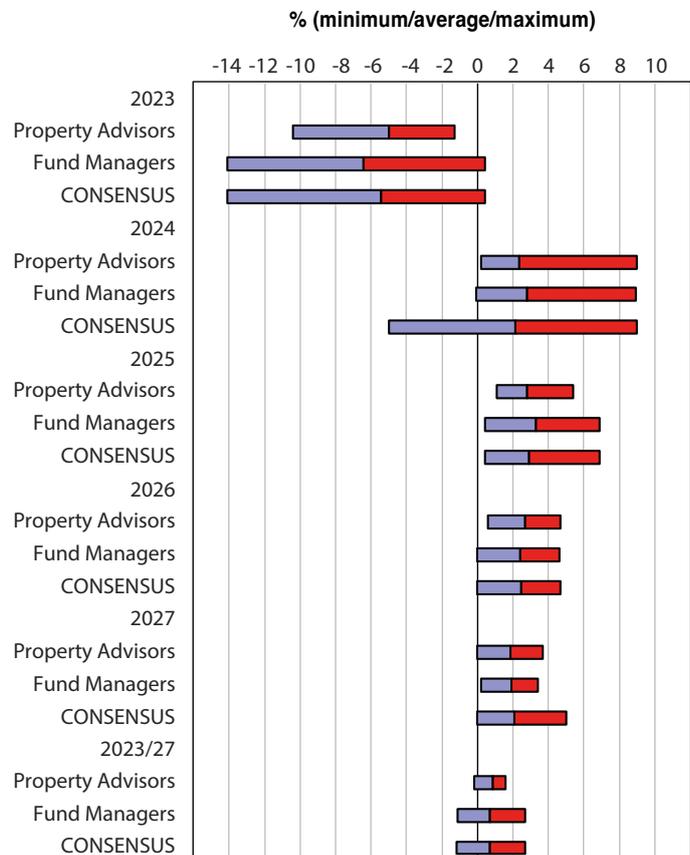
### Capital value growth forecasts by contributor

In the previous quarter, there was quite a divergence in 2023 predictions between the two contributor groups. In the current quarter, this is much less apparent, as the average Fund Manager forecast has strengthened by 570bps to -6.4% and, by contrast, the Property Advisor average has weakened by 125bps to -5.0%.

The strengthening of Fund Manager opinion extends into 2024, with an increase in expectations of 160bps, resulting in a forecast of 2.8%. The Property Advisors' forecast is virtually unchanged at 2.3%.

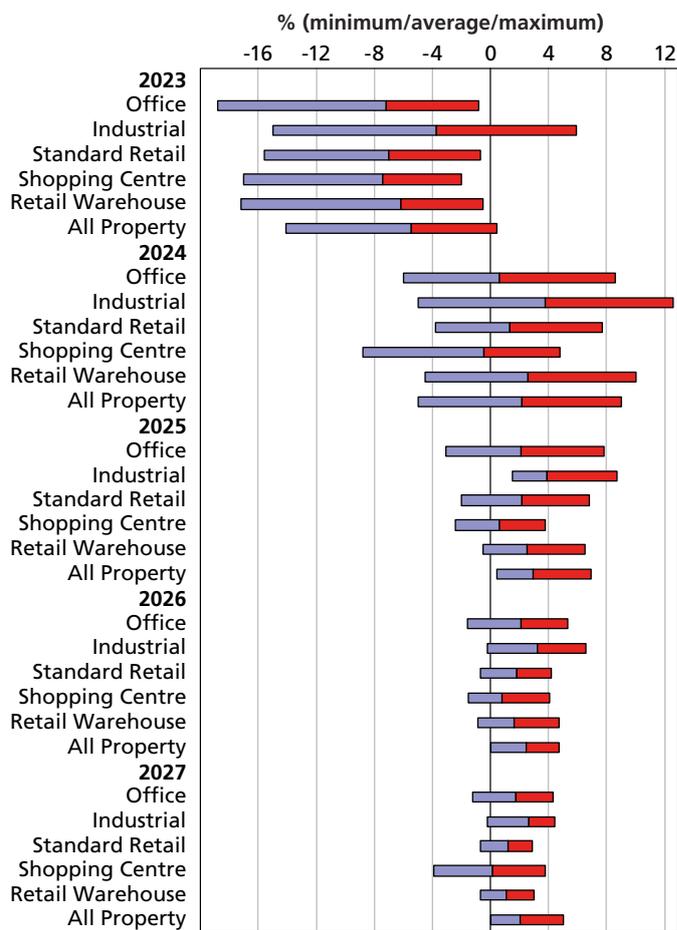
Both five-year annualised projections are much more aligned, than in previous quarters, and are both positive, 0.9% pa from Property Advisors and 0.7% pa from Fund Managers.

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



## Capital Value Growth Forecasts

### Sector capital value growth annual forecasts



While the 2023 forecasts still make pretty grim reading, they are a more positive outlook than in the previous quarter. Improvements range from 40bps for the Office sector up to 300bps for Industrial. The Industrial sector is predicted to be the top performer for the year, but capital values are still expected to decline by 3.7%. There is only 100bps between the remaining forecasts, with Shopping Centres the weakest, at -7.4%.

In 2024, forecasts have also been boosted, although to a lesser extent, with the exception of the Office forecast which has had a minor downward adjustment. Again, Industrial is the top performer for the year, at 3.8%, with Shopping Centres the weakest, at -0.5%.

Forecasts for the subsequent two years have been downgraded but are all positive. Industrial is the top performer and Shopping Centres the weakest; this hierarchy extends to the 2027 sector forecasts.

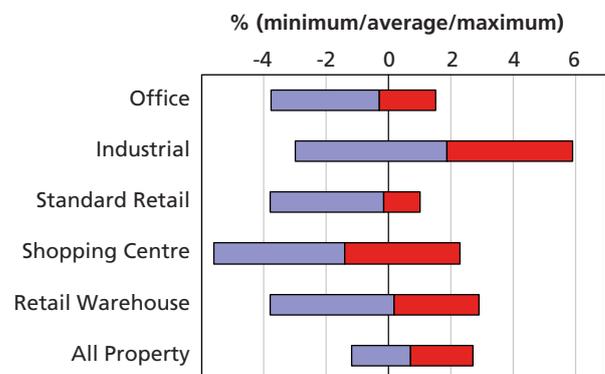
High levels of uncertainty persist in relation to the 2023 and 2024 projections, particularly for Industrials, although the 2023 ranges are considerably lower than in November.

### Sector capital value growth five-year forecasts

The introduction of 2027 forecasts has resulted in a strengthening of average five-year forecasts, as the weak 2022 predictions have been removed.

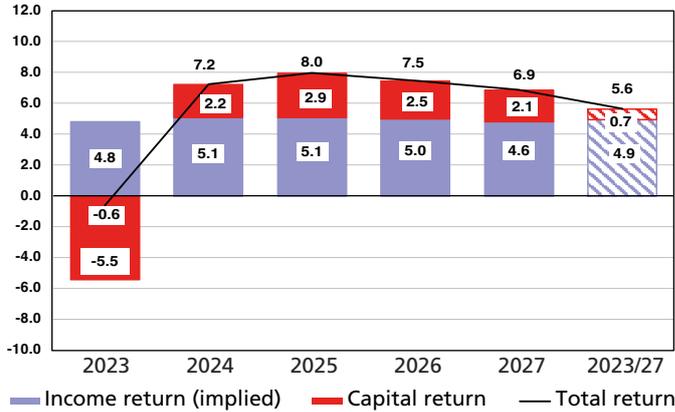
Industrial and Retail Warehouse growth is expected to be positive at 1.9% pa and 0.2% pa respectively. No sector was expected to generate positive five-year capital value growth in the last quarter.

Shopping Centres are expected to undergo a capital value decline of 1.4% pa, while the falls experienced by the Office and Standard Retail sectors are more modest, at 0.3% pa and 0.2% respectively.



## Total Return Forecasts

### All Property total return forecasts



The 2023 All Property average total return remains in negative territory, despite a strengthening of 175bps from November. The 2024 forecast has also strengthened, albeit more modestly by 50bps. Forecasts for the ensuing two years have been downgraded by 110 bps and 50 bps, from 9.0% and 8.0% respectively in the last quarter.

The addition of the much more robust 2027 return of 6.9%, at the expense of the 2022 return of -2.3%, has resulted in a nearly 200bps improvement in the five-year average, to 5.6% pa (3.6% pa previously).

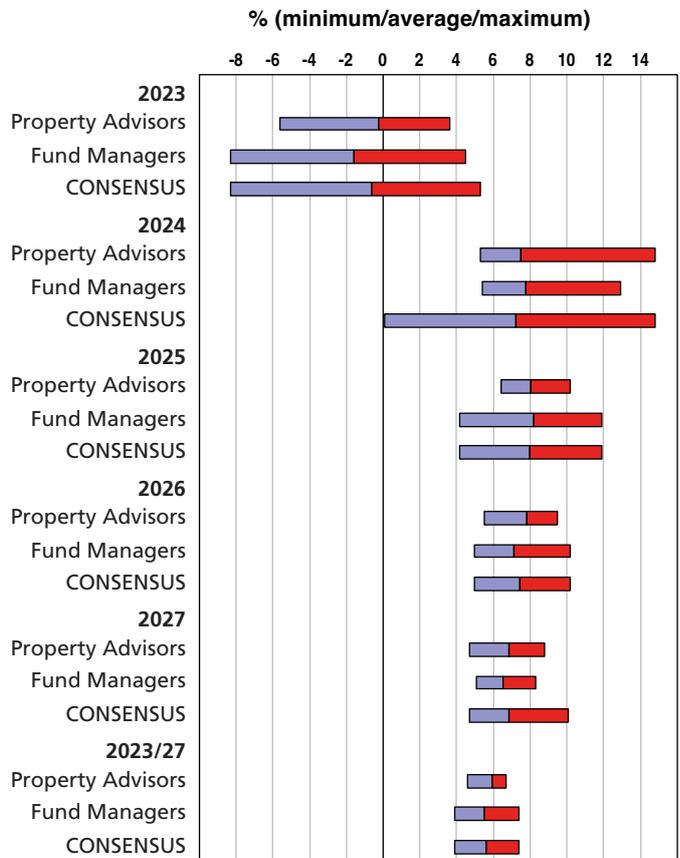
### All Property total return forecasts by contributor

In 2023, the forecasts from the two contributor groups are noticeably closer than in November. Property Advisors are projecting -0.2%, down from 0.8% previously, and Fund Managers are forecasting -1.6%, a significant improvement on -7.4% from last quarter.

For 2024, both groups have strengthened their views. However, across the subsequent two years, Property Advisors are marginally more positive while Fund Manager have downgraded their forecasts quite substantially. Expectations across this time period are reasonably aligned, with the greatest divergence in 2026 when Property Advisors predict a return of 7.8% and Fund Managers 7.1%.

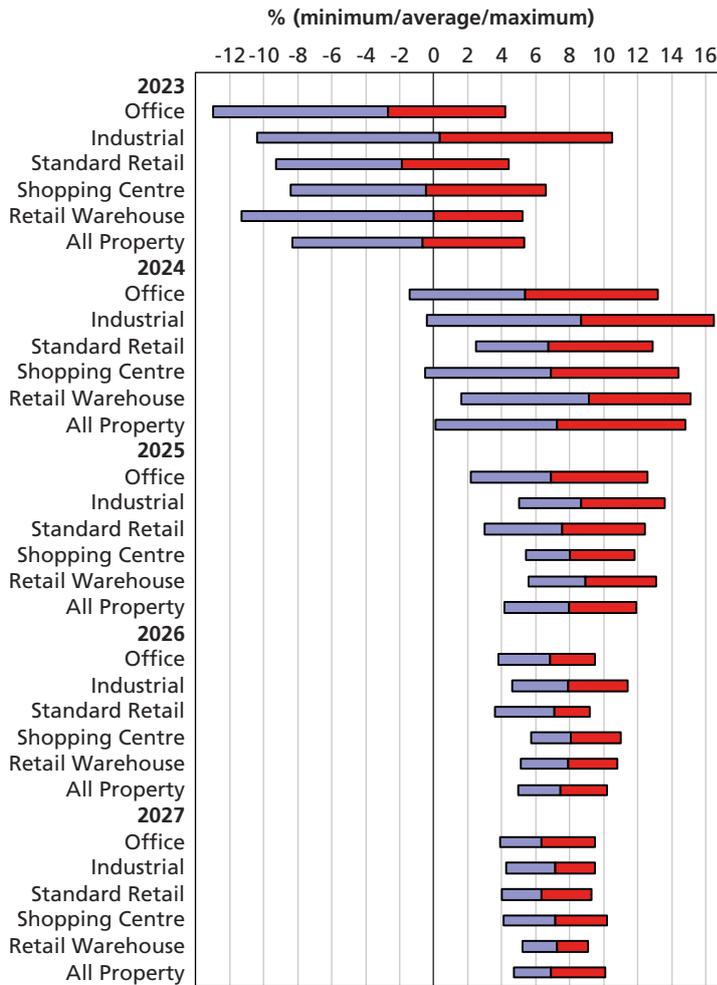
The five-year annualised returns are more aligned, than previously, with 5.9% pa (4.0% pa) for Property Advisors and 5.5% pa (2.6% pa) for Fund Managers.

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



## Total Return Forecasts

### Sector total return annual forecasts



Total return forecasts for 2023 have improved across all sectors, compared with the Autumn survey. The Industrial sector, which had the most substantial downgrade in the last quarter, has had the most significant improvement and is now the strongest performer for the year, with a return of 0.4%. The Retail Warehouse forecast is flat for the year, while the remaining sectors are predicted to achieve negative returns. Offices will be the weakest performer, with a return of -2.7%.

In 2024, Retail Warehouses are predicted to generate the highest return, at 9.1%, closely followed by Industrials, with 8.7%. Offices trail the other sectors with a return of 5.4%, the only forecast not to have received an upgrade from last quarter.

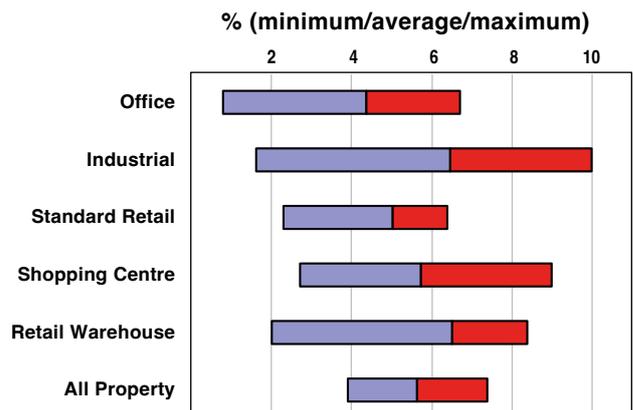
There is more assurance around the 2023 results, although the range is still extensive, while the 2024 ranges have increased indicating greater uncertainty.

In the ensuing years, forecasts have weakened, compared to the last survey, with Retail Warehouses the lead performer in 2025 with a return of 8.9%, again closely followed by the Industrial sector. In 2026, Shopping Centre forecasts are the strongest, at 8.0%. Offices lag the other sectors, underperforming in all years.

### Sector total return five-year forecasts

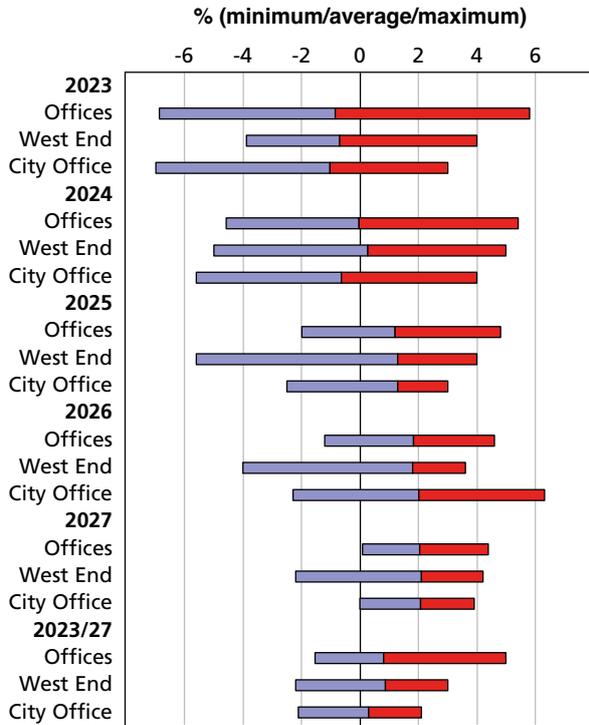
The All Property five-year return forecast has improved from last quarter, from 3.6% pa to 5.6% pa. Industrial has experienced the most significant forecast upgrade, of 290bps – almost a complete reverse of November’s 280bps downgrade.

Retail Warehouses and Industrial will outperform All Property over the next five years, both with a return of 6.5% pa. The only other sector expected to achieve above average returns is Shopping Centres, as a result of its outperformance in 2025 and 2026.



## Central London Offices

### Central London rental value growth



As with the wider office market, both central London markets are expected to experience rental decline in 2023. City rental growth is expected to decrease by 2.0% over the year, a fall of 60bps from the autumn, while the West End remains in line, with a rental decline of 0.7%.

For 2024 onwards, rental growth estimates have weakened for both London office markets, since the last survey, with the exception of City rental growth in 2026, which is expected to strengthen marginally to 2.0%.

There is generally more uncertainty around the central London markets across all years.

Unsurprisingly, given the individual years, the five-year annualised rental growth forecasts for both markets have weakened since November. West End is expected to achieve growth of 0.9% pa, while City will be a little weaker at 0.3% pa.

In 2023 and 2024, the City market is expected to underperform the wider office market, while West End will marginally outperform. However, in subsequent years, all three sets of office forecasts are expected to be almost identical.

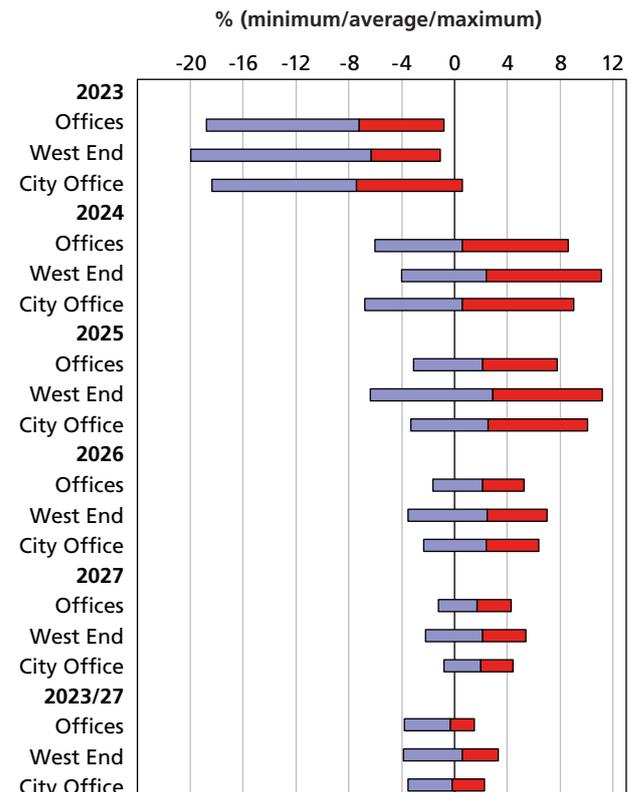
### Central London capital value growth

The substantial downward adjustments made to 2023 forecasts in November have been revised upwards, by some degree, in this quarter. However, City values are predicted to fall by 7.5%, while West End values are forecast to decline by 6.3%. The range around these forecasts has reduced significantly, indicating more certainty.

While expectations for subsequent years are inferior to the previous quarter, modest growth is predicted in both London markets. The West End is forecast to outperform the City market in all years.

The five-year average is 0.6% pa for West End and -0.2% pa for City, an approximate 150bps improvement for both markets on the last quarter, primarily as a result of the replacement of the negative 2022 forecasts with more benign 2027 forecasts.

Both London markets are expected to outperform the wider office market.



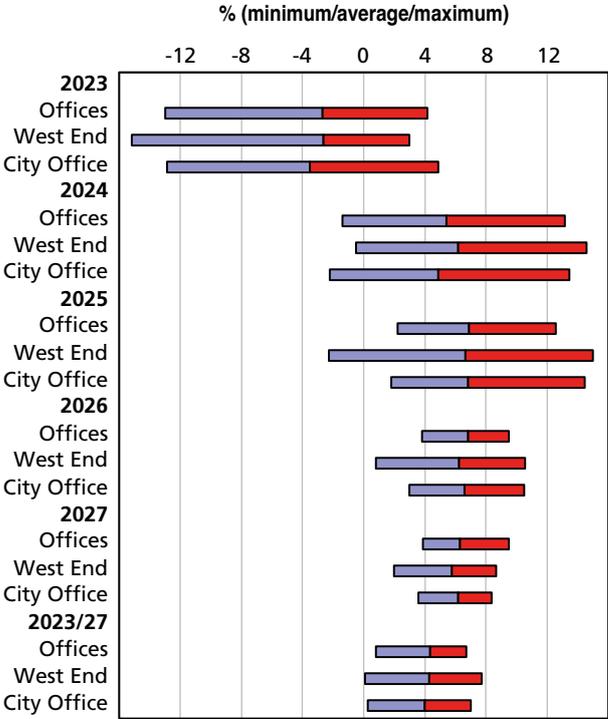
Central London Offices

Central London total returns

The substantial 2023 capital value declines are reflected in the total return figures. The West End projection is -2.7% and the City forecast is -3.5%, although these are both improvements on November's projections. There is more certainty around the 2023 forecasts, compared to last time.

Returns for the remaining years are positive, with anticipated average 2024 returns of 6.2% for the West End and 4.9% for the City. With the exception of the 2024 West End projection, all other forecasts have been downgraded from the last survey, with the 2025 West End forecast being lowered by over 200bps, from 8.7% to 6.7%.

In 2023 and 2024, the West End forecasts are stronger than those of the Office sector, while the City predictions lag behind. However, from 2025, both markets underperform the wider office market. Over the five-year annualised period, the West End is forecast to return 4.3% pa and the City 4.0% pa, against an Office estimate of 4.4% pa.



## Evolution of Forecasts

### Evolution of All Property Forecasts (%)

	Win-21	Spr-21	Sum-21	Aut-21	Win-22	Spr-22	Sum-22	Aut-22	Win-23
<b>2023</b>									
Rental Value Growth	1.4	1.7	1.6	1.8	2.1	1.9	1.3	0.6	0.6
Capital Value Growth	1.8	1.9	1.7	2.0	1.9	1.2	-1.5	-7.1	-5.5
Total Return	6.7	6.4	6.2	6.4	6.2	5.3	3.0	-2.4	-0.6
<b>2024</b>									
Rental Value Growth	1.6	1.7	1.6	1.8	2.0	1.8	1.5	1.1	1.0
Capital Value Growth	1.5	1.2	1.1	1.2	1.1	0.7	1.3	1.9	2.2
Total Return	6.3	5.8	5.7	5.5	5.4	4.9	5.8	6.8	7.2
<b>5-Year Annualised (% pa)</b>									
Rental Value Growth	0.4	0.8	1.1	1.5	2.0	2.1	2.0	1.8	1.4
Capital Value Growth	0.8	1.2	1.7	2.5	1.8	1.8	1.1	-1.0	0.7
Total Return	5.6	5.8	6.3	7.1	6.2	6.0	5.5	3.6	5.6

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

The 2023 forecasts demonstrate a downward shift in sentiment, over the past year, which has been somewhat reversed in this survey. While rental growth, at 0.6%, remains aligned with the previous quarter, capital value growth has strengthened marginally although remains considerably lower than the Autumn 2021 high of 2.0%. This pattern is mirrored in the 2023 total return series, with the current projected return remaining in negative territory.

For 2024, there is a dichotomy of views for rental value growth, capital value growth and total return. Current projections for the latter two performance indicators exhibit a much more optimistic view. At 2.2% and 7.2% respectively, the forecasts are superior to all previous estimates shown. However, the reverse is true for rental growth with a forecast of 1.0%, the lowest forecast yet and half of the Winter 2022 forecast of 2.0%.

The five-year annualised forecast for rental growth has weakened over the last year, from 2.1% pa in Spring 2022 to 1.4% pa. Capital value growth and total return figures have strengthened over the last quarter, ending the steady decline since the Autumn 2021 highs of 2.5% pa and 7.1% pa respectively.

## All Property survey results by contributor type

(Forecasts in brackets are Autumn 2022 comparisons)

### Property Advisors

9 (9) contributors	Rental Value Growth (%)					Capital Value Growth (%)					Total Return (%)		
	2023	2024	2023/27			2023	2024	2023/27			2023	2024	2023/27
Maximum	1.2 (1.5)	0.9 (2.0)	1.8 (na)			-1.3 (-1.4)	9.0 (8.6)	1.6 (na)			3.6 (3.7)	14.8 (13.1)	6.7 (na)
Minimum	-1.1 (-0.7)	0.0 (0.0)	0.9 (na)			-10.4 (-7.9)	0.2 (0.4)	-0.2 (na)			-5.6 (-2.8)	5.3 (4.7)	4.6 (na)
Range	2.3 (2.2)	0.9 (2.0)	0.9 (na)			9.1 (6.5)	8.8 (8.2)	1.8 (na)			9.2 (6.5)	9.5 (8.4)	2.1 (na)
Median	0.5 (0.6)	0.7 (1.2)	1.1 (na)			-4.1 (-2.7)	0.7 (1.4)	0.9 (na)			0.9 (1.4)	6.1 (6.2)	6.1 (na)
Mean	<b>0.4 (0.7)</b>	<b>0.6 (1.1)</b>	<b>1.2 (na)</b>			<b>-5.0 (-3.7)</b>	<b>2.3 (2.4)</b>	<b>0.9 (na)</b>			<b>-0.2 (0.8)</b>	<b>7.5 (7.0)</b>	<b>5.9 (na)</b>

### Fund Managers

7 (8) contributors	Rental Value Growth (%)					Capital Value Growth (%)					Total Return (%)		
	2023	2024	2023/27			2023	2024	2023/27			2023	2024	2023/27
Maximum	5.1 (2.2)	4.8 (2.1)	4.6 (na)			0.4 (-3.0)	9.0 (7.5)	2.7 (na)			4.5 (1.6)	12.9 (13.2)	7.4 (na)
Minimum	-2.9 (-4.0)	-0.2 (0.1)	0.5 (na)			-14.1 (-24.8)	-0.1 (-2.8)	-1.1 (na)			-8.3 (-18.7)	5.4 (1.4)	3.9 (na)
Range	8.0 (6.2)	5.0 (2.0)	4.1 (na)			14.5 (21.8)	9.1 (10.3)	3.8 (na)			12.8 (20.3)	7.5 (11.8)	3.5 (na)
Median	0.4 (0.7)	0.7 (0.7)	1.2 (na)			-8.3 (-10.4)	2.1 (0.6)	0.4 (na)			-3.8 (-5.8)	7.1 (5.9)	5.7 (na)
Mean	<b>0.4 (0.1)</b>	<b>1.2 (0.8)</b>	<b>1.7 (na)</b>			<b>-6.4 (-12.1)</b>	<b>2.8 (1.2)</b>	<b>0.7 (na)</b>			<b>-1.6 (-7.4)</b>	<b>7.8 (6.3)</b>	<b>5.5 (na)</b>

### All Property forecasters

19 (19) contributors	Rental Value Growth (%)					Capital Value Growth (%)					Total Return (%)		
	2023	2024	2023/27			2023	2024	2023/27			2023	2024	2023/27
Maximum	5.1 (2.2)	4.8 (2.1)	4.6 (na)			0.4 (3.0)	9.0 (8.6)	2.7 (na)			5.3 (7.4)	14.8 (13.2)	7.4 (na)
Minimum	-2.9 (-4.0)	-0.2 (0.0)	0.5 (na)			-14.1 (-24.8)	-5.0 (-2.8)	-1.2 (na)			-8.3 (-18.7)	0.1 (1.4)	3.9 (na)
Range	8.0 (6.2)	5.0 (2.1)	4.1 (na)			14.5 (27.8)	14.0 (11.4)	3.9 (na)			13.6 (26.1)	14.7 (11.8)	3.5 (na)
Std. Dev.	1.5 (1.4)	1.0 (0.6)	0.9 (na)			3.8 (6.7)	3.1 (2.6)	1.1 (na)			3.7 (6.5)	3.0 (2.7)	1.1 (na)
Median	0.5 (0.7)	0.8 (1.1)	1.2 (na)			-4.1 (-4.1)	1.4 (1.4)	0.8 (na)			0.6 (-0.1)	6.6 (6.1)	5.9 (na)
Mean	<b>0.6 (0.6)</b>	<b>1.0 (1.1)</b>	<b>1.4 (na)</b>			<b>-5.5 (-7.1)</b>	<b>2.2 (1.9)</b>	<b>0.7 (na)</b>			<b>-0.6 (-2.4)</b>	<b>7.2 (6.8)</b>	<b>5.6 (na)</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 February 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

19 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	5.8	5.4	4.8	5.0	-0.8	8.6	7.8	1.5	4.2	13.2	12.6	6.7
Minimum	-6.9	-4.6	-2.0	-1.5	-18.8	-6.0	-3.1	-3.8	-13.0	-1.4	2.2	0.8
Range	12.7	10.0	6.8	6.5	18.0	14.6	10.9	5.3	17.2	14.6	10.4	5.9
Median	-1.4	-0.1	1.2	0.6	-5.0	0.9	2.1	0.4	-0.9	5.4	7.4	4.6
Mean	<b>-0.9</b>	<b>0.0</b>	<b>1.2</b>	<b>0.8</b>	<b>-7.2</b>	<b>0.6</b>	<b>2.1</b>	<b>-0.3</b>	<b>-2.7</b>	<b>5.4</b>	<b>6.9</b>	<b>4.4</b>

### Industrial

19 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	4.7	3.3	4.4	4.1	5.9	12.6	8.7	5.9	10.5	16.5	13.6	10.0
Minimum	-0.5	0.3	0.4	1.3	-15.0	-5.0	1.5	-3.0	-10.4	-0.4	5.0	1.6
Range	5.2	3.0	4.0	2.8	20.9	17.6	7.2	8.9	20.9	16.9	8.6	8.4
Median	3.2	2.4	2.2	2.6	-2.2	2.4	3.5	1.9	0.2	7.5	8.5	6.9
Mean	<b>2.9</b>	<b>2.1</b>	<b>2.4</b>	<b>2.6</b>	<b>-3.7</b>	<b>3.8</b>	<b>3.9</b>	<b>1.9</b>	<b>0.4</b>	<b>8.7</b>	<b>8.7</b>	<b>6.5</b>

### Standard Retail

19 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	-0.6	1.5	2.0	0.8	-0.7	7.7	6.8	1.0	4.4	12.9	12.4	6.4
Minimum	-10.0	-2.0	-0.9	-1.2	-15.6	-3.8	-2.0	-3.8	-9.3	2.5	3.0	2.3
Range	9.4	3.5	2.9	2.0	14.9	11.5	8.8	4.8	13.7	10.4	9.4	4.1
Median	-2.0	-0.4	0.5	0.1	-6.0	0.1	1.9	0.3	-1.3	5.8	6.9	5.3
Mean	<b>-2.3</b>	<b>-0.4</b>	<b>0.6</b>	<b>0.0</b>	<b>-7.0</b>	<b>1.3</b>	<b>2.2</b>	<b>-0.2</b>	<b>-1.9</b>	<b>6.8</b>	<b>7.6</b>	<b>5.0</b>

### Shopping Centre

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	0.0	0.9	2.0	0.6	-2.0	4.8	3.8	2.3	6.6	14.4	11.8	9.0
Minimum	-8.5	-5.0	-1.3	-2.6	-17.0	-8.8	-2.4	-5.6	-8.4	-0.5	5.4	2.7
Range	8.5	5.9	3.3	3.2	15.0	13.6	6.2	7.9	15.0	14.9	6.4	6.3
Median	-2.5	-0.9	0.0	-0.3	-7.1	-0.9	0.2	-1.7	-0.7	6.0	7.8	5.6
Mean	<b>-2.8</b>	<b>-1.0</b>	<b>0.2</b>	<b>-0.5</b>	<b>-7.4</b>	<b>-0.5</b>	<b>0.6</b>	<b>-1.4</b>	<b>-0.4</b>	<b>6.9</b>	<b>8.0</b>	<b>5.7</b>

### Retail Warehouse

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	2.0	2.3	2.0	1.6	-0.5	10.0	6.5	2.9	5.2	15.1	13.1	8.4
Minimum	-7.2	-2.0	0.0	-1.6	-17.2	-4.5	-0.5	-3.8	-11.3	1.6	5.6	2.0
Range	9.2	4.3	2.0	3.2	16.7	14.5	7.0	6.7	16.5	13.5	7.5	6.4
Median	-0.5	0.5	1.1	0.6	-4.3	1.6	2.1	0.4	2.0	8.5	9.2	6.9
Mean	<b>-0.8</b>	<b>0.6</b>	<b>1.0</b>	<b>0.6</b>	<b>-6.2</b>	<b>2.6</b>	<b>2.5</b>	<b>0.2</b>	<b>0.0</b>	<b>9.1</b>	<b>8.9</b>	<b>6.5</b>

### All Property

19 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	5.1	4.8	4.5	4.6	0.4	9.0	6.9	2.7	5.3	14.8	11.9	7.4
Minimum	-2.9	-0.2	0.7	0.5	-14.1	-5.0	0.4	-1.2	-8.3	0.1	4.1	3.9
Range	8.0	5.0	3.8	4.1	14.5	14.0	6.5	3.9	13.6	14.7	7.8	3.5
Std. Dev.	1.5	1.0	0.8	0.9	3.8	3.1	1.7	1.1	3.7	3.0	1.8	1.1
Median	0.5	0.8	1.5	1.2	-4.1	1.4	2.5	0.8	0.6	6.6	7.9	5.9
Mean	<b>0.6</b>	<b>1.0</b>	<b>1.6</b>	<b>1.4</b>	<b>-5.5</b>	<b>2.2</b>	<b>2.9</b>	<b>0.7</b>	<b>-0.6</b>	<b>7.2</b>	<b>8.0</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	(19)	-0.9	0.0	1.2	0.8	-7.2	0.6	2.1	-0.3	-2.7	5.4	6.9	4.4
Industrial	(19)	2.9	2.1	2.4	2.6	-3.7	3.8	3.9	1.9	0.4	8.7	8.7	6.5
Standard Retail	(19)	-2.3	-0.4	0.6	0.0	-7.0	1.3	2.2	-0.2	-1.9	6.8	7.6	5.0
Shopping Centre	(18)	-2.8	-1.0	0.2	-0.5	-7.4	-0.5	0.6	-1.4	-0.4	6.9	8.0	5.7
Retail Warehouse	(18)	-0.8	0.6	1.0	0.6	-6.2	2.6	2.5	0.2	0.0	9.1	8.9	6.5
<b>All Property</b>	<b>(19)</b>	<b>0.6</b>	<b>1.0</b>	<b>1.6</b>	<b>1.4</b>	<b>-5.5</b>	<b>2.2</b>	<b>2.9</b>	<b>0.7</b>	<b>-0.6</b>	<b>7.2</b>	<b>8.0</b>	<b>5.6</b>

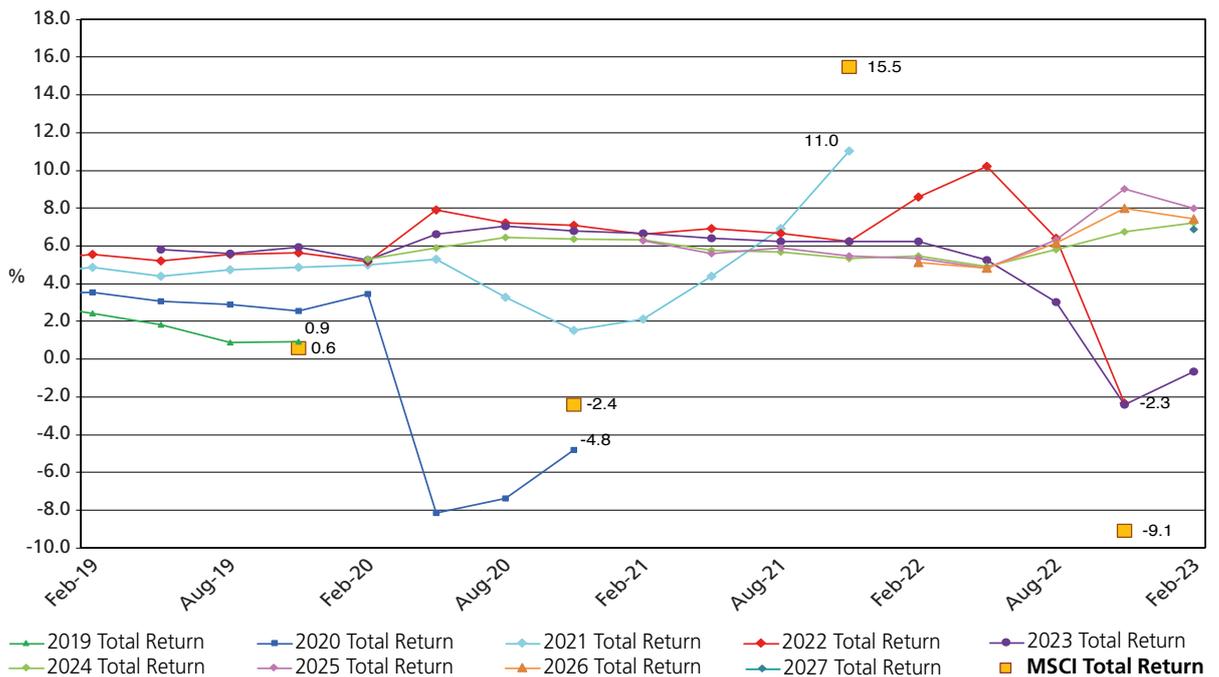
### West End office

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	4.0	5.0	4.0	3.0	-1.1	11.1	11.2	3.3	3.0	14.6	15.0	7.7
Minimum	-3.9	-5.0	-5.6	-2.2	-20.0	-4.0	-6.4	-3.9	-15.2	-0.5	-2.3	0.1
Range	7.9	10.0	9.6	5.2	18.9	15.1	17.6	7.2	18.2	15.1	17.3	7.6
Median	-1.0	0.0	1.6	0.5	-5.0	2.3	3.1	1.1	-1.5	6.5	6.4	4.2
<b>Mean</b>	<b>-0.7</b>	<b>0.3</b>	<b>1.3</b>	<b>0.9</b>	<b>-6.3</b>	<b>2.4</b>	<b>2.9</b>	<b>0.6</b>	<b>-2.7</b>	<b>6.2</b>	<b>6.7</b>	<b>4.3</b>

### City office

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	4.0	3.0	2.1	0.6	9.0	10.1	2.3	4.9	13.5	14.5	7.0
Minimum	-8.0	-5.6	-2.5	-2.1	-18.4	-6.8	-3.3	-3.5	-12.9	-2.2	1.8	0.3
Range	10.0	9.6	5.5	4.2	19.0	15.8	13.4	5.8	17.8	15.7	12.7	6.7
Median	-2.0	-0.9	1.3	0.1	-5.5	0.4	2.3	0.4	-1.7	4.8	7.0	4.5
<b>Mean</b>	<b>-2.0</b>	<b>-0.6</b>	<b>1.3</b>	<b>0.3</b>	<b>-7.5</b>	<b>0.6</b>	<b>2.5</b>	<b>-0.2</b>	<b>-3.5</b>	<b>4.9</b>	<b>6.8</b>	<b>4.0</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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