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RESEARCH

Summer 2022 Survey of Independent Forecasts for UK Commercial Property Investment



COMMISSIONED BY THE IPF RESEARCH PROGRAMME

UK Consensus Forecasts

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

This Programme supports the IPF's wider goals of enhancing the understanding and efficiency of property as an investment. The initiative provides the UK property investment market with the ability to deliver substantial, objective and high-quality analysis on a structured basis. It encourages the whole industry to engage with other financial markets, the wider business community and government on a range of complementary issues.

The Programme is funded by a cross-section of businesses, representing key market participants. The IPF makes a contribution to the Programme and gratefully acknowledges the support of these sponsoring organisations:



At a Glance

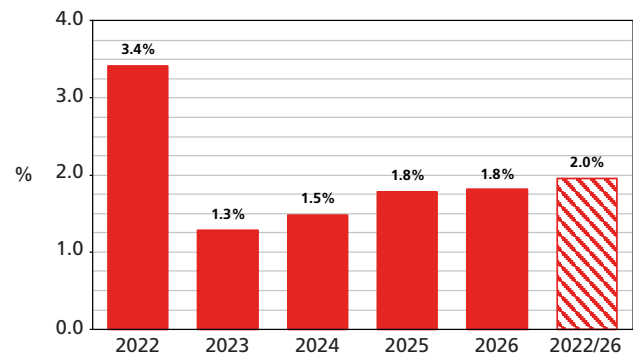
The results of the third quarterly survey of the year are based on data received from 19 organisations, whose forecasts were generated between mid-June 2022 and mid-August 2022.

Rental value growth

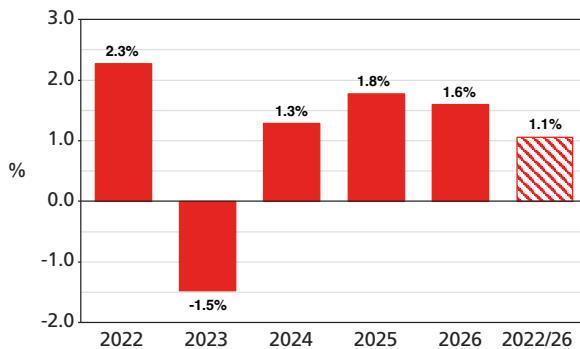
The 2022 rental growth forecast has increased marginally from last quarter, by 20bps, to 3.4%. However, the forecasts for the subsequent two years have been downgraded to 1.3% (previously 1.9%) and 1.5% (from 1.8%) respectively.

The 2025 and 2026 figures are in line with those from the preceding survey.

There is a very marginal downgrade in the five-year annualised figure to 2.0% pa, from 2.1% pa previously.



Capital value growth



Capital value growth forecasts for 2022 and 2023 have been significantly downgraded from the previous survey. The 2022 forecast stands at 2.3% (previously 5.9%) and the 2023 forecast has turned negative, at -1.5% (down from 1.2%).

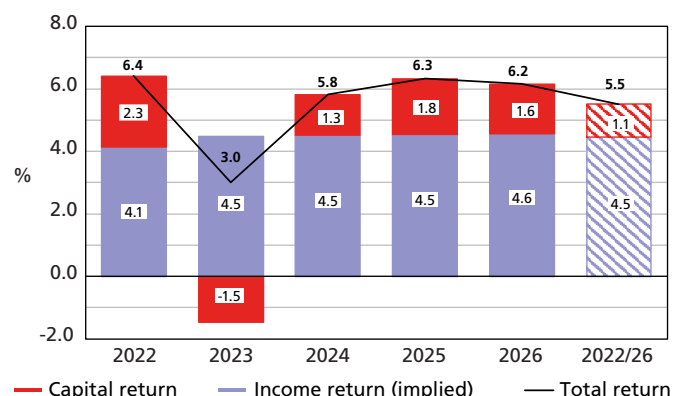
Across subsequent years, projections are stronger than May, albeit to a more modest extent. The greatest upgrade is in 2025 where forecasts have improved from 0.7% to 1.8%.

The five-year annualised forecast of 1.1% pa is weaker than the previous survey (1.8%).

Total returns

The 2022 All Property average total return has significantly declined, by almost 380bps over the quarter, to 6.4% (from 10.2% in May). The projection for 2023 is also notably weaker, falling to 3.0%, a reduction of 225bps. In the later three years, forecasts have improved, by at least 90bps, with a nearly 150bps improvement in 2025.

Despite the anticipated improvement in subsequent years, the weaker forecasts in 2022 and 2023 have resulted in a nearly 50bps decline in the five-year average, to 5.5% pa (6.0% pa previously).



Summary Average by Sector

	Rental value growth (%)				Capital value growth (%)				Total return (%)			
	2022	2023	2024	2022/26	2022	2023	2024	2022/26	2022	2023	2024	2022/26
Office	1.2	0.0	0.9	1.1	-2.1	-3.0	0.6	-0.3	1.9	1.1	4.9	3.9
Industrial	9.3	3.8	2.6	4.1	7.5	0.4	2.1	2.8	10.4	4.1	5.8	6.4
Standard Retail	-1.9	-1.3	0.3	-0.1	-3.2	-3.4	0.2	-0.8	1.5	1.4	5.1	4.0
Shopping Centre	-1.7	-1.6	0.1	-0.4	-4.1	-3.4	-0.1	-1.4	2.5	3.3	6.7	5.3
Retail Warehouse	1.0	0.4	1.0	1.0	5.9	-1.6	0.9	1.4	12.3	4.5	7.0	7.6
West End office	1.4	0.5	1.4	1.5	-1.9	-3.1	1.2	0.2	1.4	0.3	4.7	3.6
City office	1.0	0.0	1.1	1.2	-2.9	-3.4	1.2	-0.2	0.7	0.4	5.1	3.6
All Property	3.4	1.3	1.5	2.0	2.3	-1.5	1.3	1.1	6.4	3.0	5.8	5.5

All Property Average by Forecast Month

Month of forecast (no. contributors)	Rental value growth (%)				Capital value growth (%)				Total return (%)			
	2022	2023	2024	2022/26	2022	2023	2024	2022/26	2022	2023	2024	2022/26
June (4)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
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 (12)	3.4	1.5	1.5	2.0	3.9	0.3	1.6	1.8	8.0	4.7	6.1	6.2
All Forecasters (21)	3.4	1.3	1.5	2.0	2.3	-1.5	1.3	1.1	6.4	3.0	5.8	5.5

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

Key points

- Forecasts across all sectors have been downgraded for 2022 and 2023.
- Industrial projections have undergone the most significant reduction in both years, despite registering the highest rental value growth of all sectors. Returns for 2022 and 2023 have been reduced by 535bps and 290bps, to 10.4% and 4.1% respectively. The five-year forecast has declined from 7.2% pa, in May, to 6.4% pa.
- The Retail Warehouse sector now outperforms all other sectors for the period 2022-2024, overtaking Industrial as the lead performer. The five-year return stands at 7.6% pa, significantly higher than the All Property figure of 5.5% pa and marginally higher than May's forecast of 7.5% pa.
- Shopping Centres is the only other sector to have a stronger five-year projection than last quarter, albeit only marginally (5.3% pa compared to 5.2% pa).
- Both the West End and City 2022 and 2023 return forecasts, as well as those of the wider office market, have been significantly downgraded over the quarter, although the outlook for 2024 is more positive. The office markets underperform the All Property return for the entire 2022-2026 period.

Survey contributors

Nineteen organisations contributed to this quarter's forecasts, comprising 10 Property Advisors and Research Consultancies, six Fund Managers and three Others¹.

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 10 weeks of the survey date (19 August 2022). Named contributors appear on the final page of this report.

Rolling five-year averages

The All Property annualised capital value five-year forecast (2022-2026) is markedly lower than last quarter, resulting in a reduced five-year total return outcome (May's results in brackets):

Rental value growth: 2.0% pa (2.1%);

Capital value growth: 1.1% pa (1.8%);

Total return: 5.5% pa (6.0%).

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.

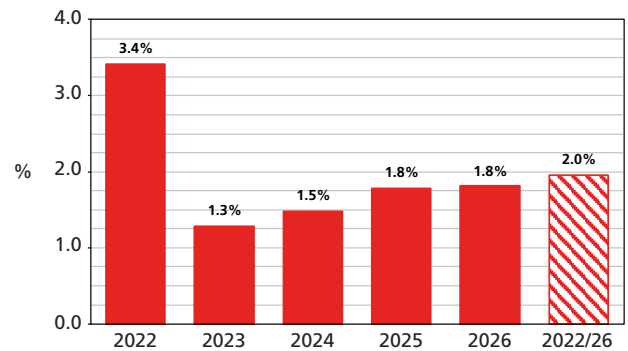
Rental Value Growth Forecasts

All Property rental value growth forecasts

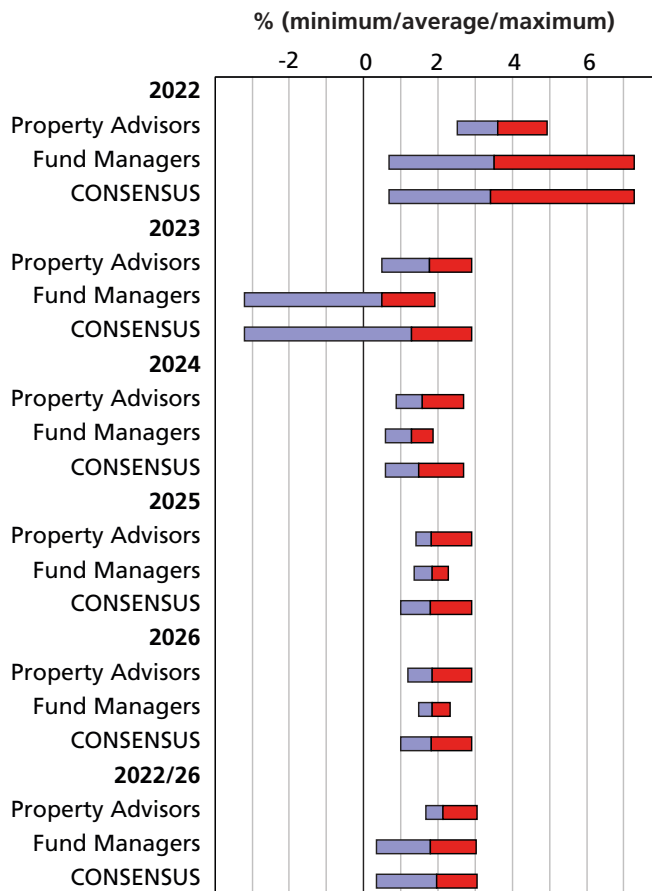
The 2022 rental growth forecast has increased marginally from last quarter, by 20bps, to 3.4%. However, the forecasts for the subsequent two years have been downgraded to 1.3% (previously 1.9%) and 1.5% (from 1.8%) respectively.

The 2025 and 2026 figures are in line with those from the preceding survey.

There is a very marginal downgrade in the five-year annualised figure to 2.0% pa, from 2.1% pa previously.



Rental value growth forecasts by contributor



The adjacent chart shows the All Property rental growth forecasts split by contributor type. Ten Property Advisors and six 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 average rental value growth forecasts across all time periods are comparable between Property Advisors and Fund Managers, with the exception of 2023. In this year, Property Advisors are forecasting rental growth of 1.8%, 130bps higher than the corresponding Fund Manager prediction of 0.5%.

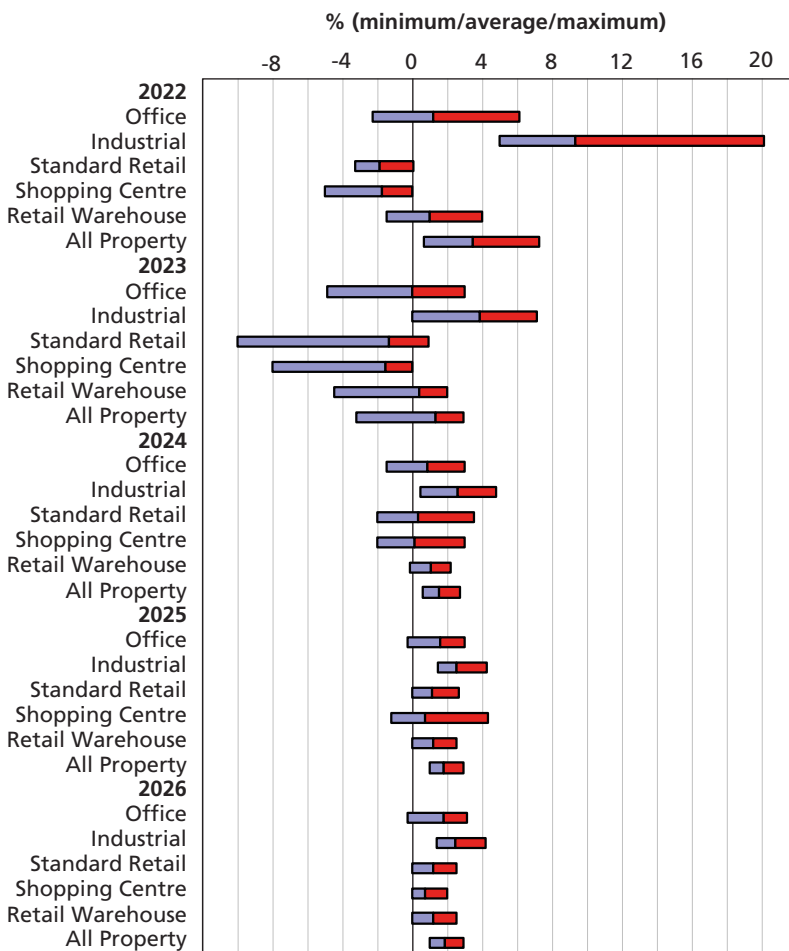
Over the annualised five-year period, the average growth forecast from Property Advisors is 2.1% pa, compared with 1.8% pa from Fund Managers.

In 2022 and 2023, Fund Managers have a more significant range of forecast views compared to Property Advisors. In subsequent years, by contrast, there is much closer agreement among Fund Managers over rental growth outcomes.

N.B. Three 'Other' contributors returned data in addition to those of 10 Property Advisors and six Fund Managers.

Rental Value Growth Forecasts

Sector rental value growth annual forecasts



The 2022 All Property rental growth forecast has strengthened marginally to 3.4%, from 3.2% in the last quarter. Industrial rental growth is the main contributor to the positive outcome at 9.3%, an increase of over 150bps from May. However, the range around this result has widened from 9.4% to 15.1%.

Standard Retail and Shopping Centre forecasts have improved although both sectors are still expected to achieve rental value decline in 2022. Retail Warehouses is the only sector that has a weaker forecast compared to May.

For 2023, forecasts across all sectors are weaker, by at least 30bps, compared to the previous quarter, with downward rental value movement in the Office sector the most substantial. However, there is still expected to be rental value growth of 1.3% for All Property.

The Industrial and Retail Warehouse sectors are expected to achieve positive rental growth outcomes in all years across the forecast period. Industrial is the only sector with positive rental growth projections from all contributors in every year.

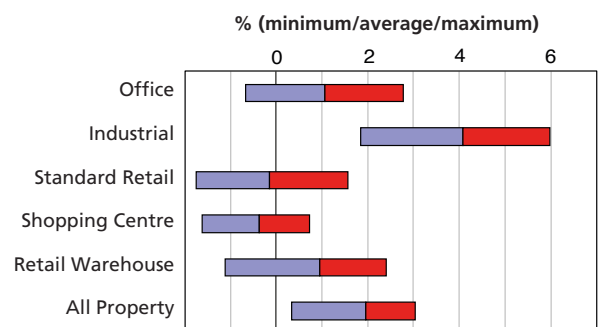
Sector rental value growth five-year average forecasts

The All Property rolling five-year average has fallen marginally to 2.0% pa currently, from 2.1% pa in the previous quarter.

Only the Industrial sector is expected to achieve significant rental growth over the next five years, averaging 4.1% pa. Its forecast has strengthened marginally over the quarter.

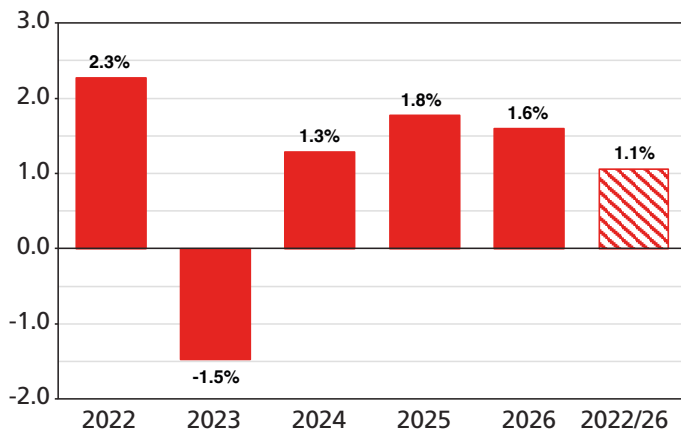
Both Office and Retail Warehouse market forecasts have been downgraded, with growth of around 1.0% pa expected over the next five years.

In contrast, no rental growth is expected for Standard Retail and Shopping Centres over the same period.



Capital Value Growth Forecasts

All Property average capital value growth forecasts



Capital value growth forecasts for 2022 and 2023 have been significantly downgraded from the previous survey. The 2022 forecast stands at 2.3% (previously 5.9%) and the 2023 forecast has turned negative, at -1.5% (down from 1.2%).

Across subsequent years, projections are stronger than May, albeit to a more modest extent. The greatest upgrade is in 2025 where forecasts have improved from 0.7% to 1.8%.

The five-year annualised forecast of 1.1% pa is weaker than the previous survey (1.8% pa).

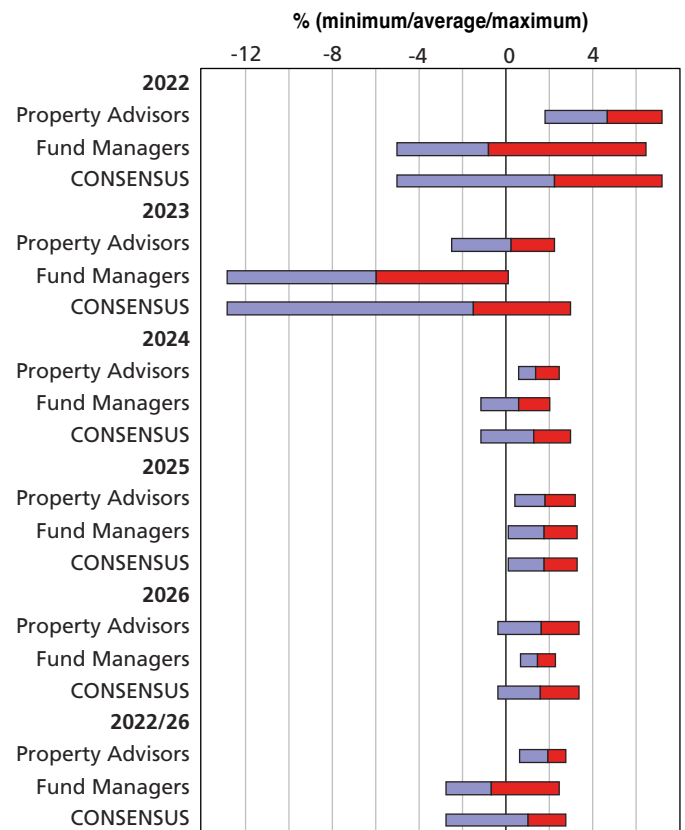
Capital value growth forecasts by contributor

For 2022, the average Fund Manager forecast has fallen substantially over the quarter, by just under 600bps, while Property Advisor forecasts have fallen by just under 200bps. The end rental growth figures of -0.8% and 4.7% represent a significant divergence in views between the two contributor groups.

This weakening of sentiment extends into 2023, where Fund Managers have lowered their expectations by 650bps and Fund Managers by 100bps, to -6.0% and 0.2% respectively. There is a much wider disparity of views between individual Fund Managers, than in the previous quarter, reflected in the greater range of results.

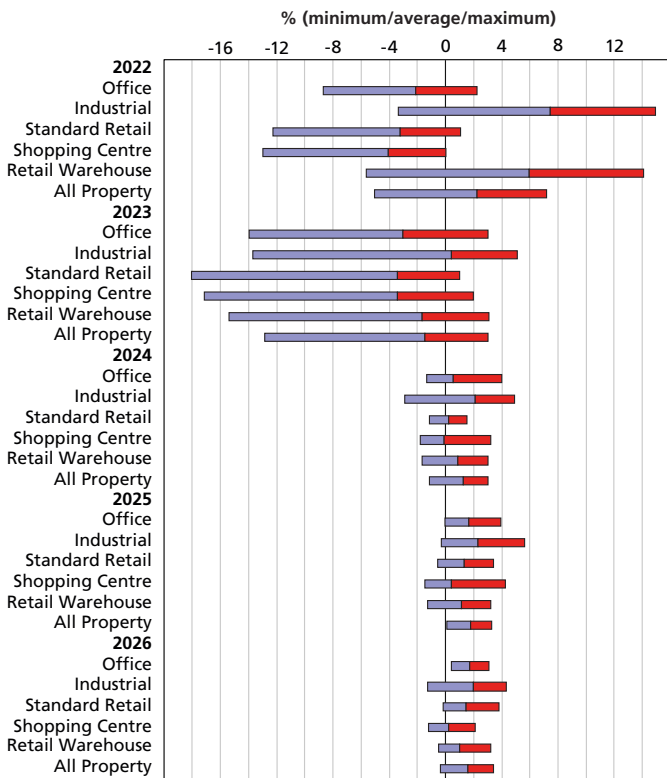
Across each survey year, average Property Advisor forecasts are higher than those of Fund Managers. This has resulted in a five-year annualised projection of 1.9% pa from Property Advisors compared to -0.7% pa from Fund Managers.

N.B. Three 'Other' contributors returned data in addition to those of 10 Property Advisors and six Fund Managers.



Capital Value Growth Forecasts

Sector capital value growth annual forecasts



There has been a significant downgrading of forecasts across all sectors for 2022, with the All Property average down 365bps to 2.3% (5.9% in May). This figure hides a wide disparity of individual sector forecasts, with Industrial at 7.5% and Shopping Centres at -4.1%, the two extremes. Industrial forecasts have been slashed the most severely, by 450bps from 12.0% in the previous quarter. Positive office capital value growth of 1.0% in May has become a 2.1% decline in August.

In 2023, forecasts have also been negatively hit, although to a lesser extent, with All Property down 265bps to -1.5%. There is less variation of individual average results, with Industrial the only sector to display positive growth.

High levels of uncertainty persist in relation to the current year's projections, particularly for Industrials and Retail Warehouses. For 2023, uncertainty of outcomes has intensified across all sectors, with minimum growth forecasts all negative double digits.

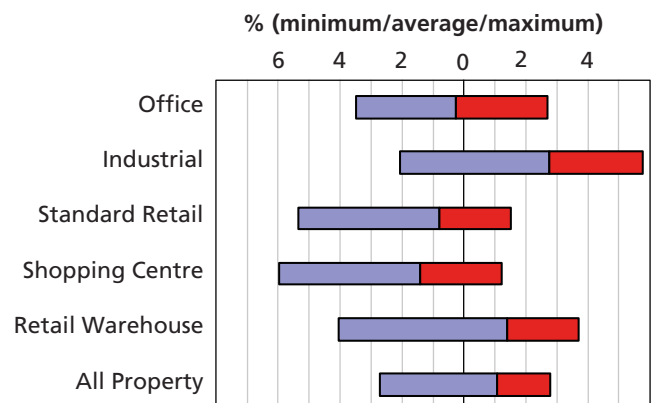
All sector forecasts for subsequent years are more positive and there is largely less variation in ranges, compared to last quarter.

Sector capital value growth five-year forecasts

Compared to last quarter, there has been a weakening in the average five-year annualised forecasts across all sectors. Industrial and Standard Retail have had the greatest downgrade, averaging 90bps and 80bps pa less growth respectively.

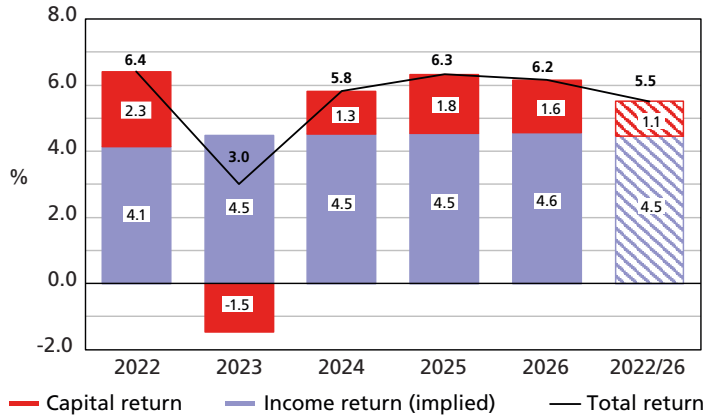
Industrial is expected to experience the highest capital value growth over the next five years, averaging 2.8% pa. Retail Warehouses is the only other sector to achieve positive growth over the period.

There is greater uncertainty around these forecasts with a range of 5.5%, compared to 4.5% in May and 3.7% in February.



Total Return Forecasts

All Property total return forecasts



The 2022 All Property average total return has significantly declined, by almost 380bps over the quarter, to 6.4% (from 10.2% in May). The projection for 2023 is also notably weaker, falling to 3.0%, a reduction of 225bps. In the later three years, forecasts have improved, by at least 90bps, with a nearly 150bps improvement in 2025.

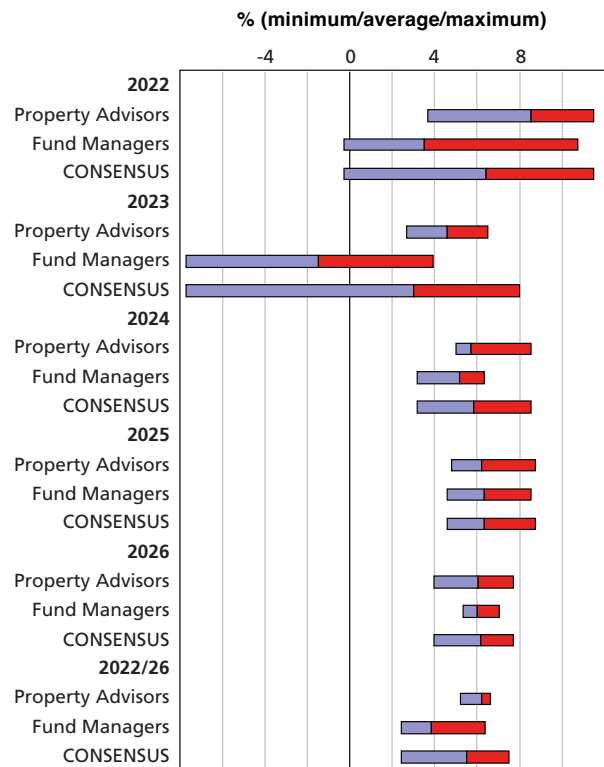
Despite the anticipated improvement in subsequent years, the weaker forecasts in 2022 and 2023 have resulted in a nearly 50bps decline, in the five-year average, to 5.5% pa (6.0% pa previously).

Contributors All Property total return forecasts

Both sets of 2022 and 2023 forecasts are significantly lower than three months ago, but the outcomes from the two contributor groups are notably different. Property Advisor returns are 8.5% and 4.6% for 2022 and 2023, while Fund Managers are projecting 3.5% and -1.5% respectively, substantially lower.

Across subsequent years, both groups' average forecasts are higher than in the previous quarter. Fund Manager views have been upgraded more significantly than those of Property Advisors. Both sets of contributor forecasts are similar for these three years.

The five-year annualised return is 6.2% pa for Property Advisors and 3.8% pa for Fund Managers. Across the five-year period, there is more certainty around the Property Advisor forecasts, reflected in the lower range, compared to Fund Manager forecasts.



N.B. Three 'Other' contributors returned data in addition to those of 10 Property Advisors and six Fund Managers.

Total Return Forecasts

Sector total return annual forecasts



Total return forecasts for 2022 have declined across all sectors, compared with May's survey, with the most significant losses in the Industrial, Office and Standard Retail markets. The All Property return is 6.4%, 380bps lower than in May. Retail Warehouse and Industrial 2022 returns are substantially higher than the other sectors, at 12.3% and 10.4% respectively, although there is a significant range around these results

There is more uncertainty around the 2023 results, compared to last quarter, reflected in the greater range of results. In line with the preceding year, forecasts are lower for all sectors compared to last quarter. Retail Warehouses and Industrials are again the best performers.

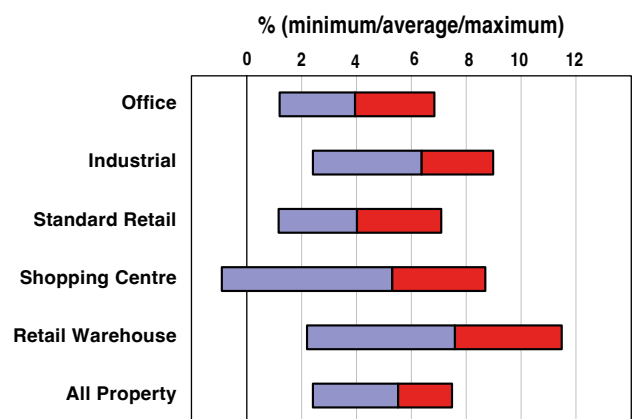
Retail Warehouses continue to outperform over ensuing years, while Industrial will underperform All Property in 2025 and 2026. Shopping Centres will outperform across the 2024-2026 period.

Office returns will be weaker than average in all of the next five years, while Standard Retail will underperform in all years with exception of 2026.

Sector total return five-year forecasts

The All Property five-year return forecast has declined from last quarter, from 6.0% pa to 5.5% pa. Industrial, Office and Standard Retail forecasts have all weakened, with Industrial experiencing the most significant fall, of 90bps. Shopping Centre and Retail Warehouse forecasts have improved marginally over the same time period.

Retail Warehouses and Industrials are expected to outperform All Property over the next five years, with returns of 7.6% pa and 6.4% pa. All other sectors will underperform.



Total Return Forecasts

Evolution of All Property Total Return Forecasts (%)

	Aug-20	Nov-20	Feb-21	May-21	Aug-21	Nov-21	Feb-22	May-22	Aug-22
2022									
Rental Value Growth	0.7	0.8	0.4	0.9	1.2	1.6	2.5	3.2	3.4
Capital Value Growth	2.0	2.3	1.8	2.3	2.3	2.9	4.1	5.9	2.3
Total Return	7.2	7.1	6.6	6.9	6.7	7.4	8.6	10.2	6.4
2023									
Rental Value Growth	1.5	1.5	1.4	1.7	1.6	1.8	2.1	1.9	1.3
Capital Value Growth	2.0	1.9	1.8	1.9	1.7	2.0	1.9	1.2	-1.5
Total Return	7.0	6.8	6.7	6.4	6.2	6.4	6.2	5.3	3.0
5-Year Annualised (% pa)									
Rental Value Growth	-0.5	-0.7	0.4	0.8	1.1	1.5	2.0	2.1	2.0
Capital Value Growth	-1.8	-1.5	0.8	1.2	1.7	2.5	1.8	1.8	1.1
Total Return	3.2	3.3	5.6	5.8	6.3	7.1	6.2	6.0	5.5

The table above shows the evolution of the average All Property forecasts from August 2020, for the current year and 2023, as well as the annualised five-year averages. This period starts approximately six months into the Covid pandemic.

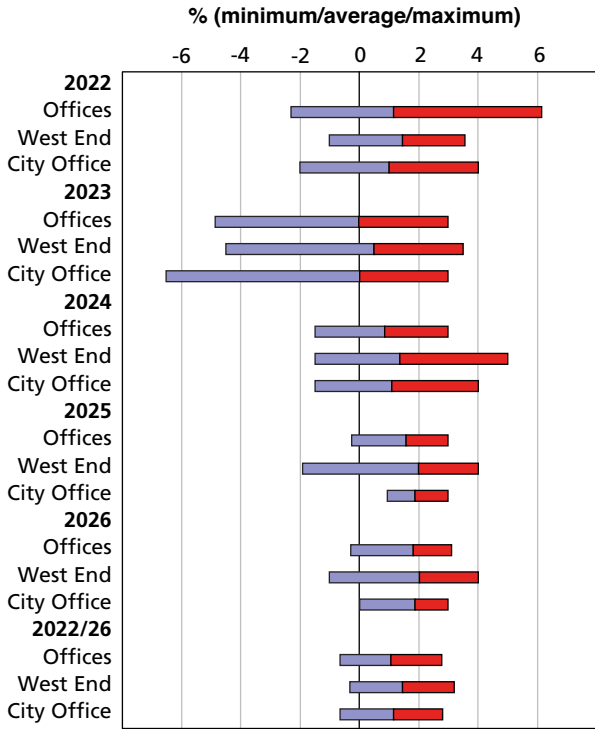
The 2022 rental growth forecasts have, with one exception, strengthened over the time period shown, with the August-2022 figure of 3.4% the highest forecast yet. Capital value growth for 2022 has also shown an upwards trajectory over the same period, although there has been a substantial downgrade in the current quarter, compared to the previous survey. This negative movement is also reflected in the total return forecast, with 6.4% in August significantly lower than the May-2022 outcome of 10.2%.

The 2023 forecasts demonstrate a downward movement over the last few quarters and the current set of projections are the lowest of the time period shown. In August 2022, 2023 capital value growth turned negative for the first time.

The five-year annualised forecasts have also weakened over the last few quarters. The currently total return forecast of 5.5% pa is some way behind the November-2021 high of 7.1% pa, although more robust than the August-2020 forecast of 3.2% pa.

Central London Offices

Central London rental value growth



There is minimal change to the 2022 forecasts for West End and City, at 1.4% and 1.0% respectively, compared to three months ago. There is also more certainty around these results, reflected in the lower range between minimum and maximum values.

There is greater uncertainty around the 2023 forecasts, compared to 2022, which range from -6.5% to 3.5%. Rental growth for the year is expected to weaken to 0.5% for West End and 0.0% for City, before strengthening modestly in 2024.

The five-year annualised rental growth forecasts for both markets are marginally weaker than in May.

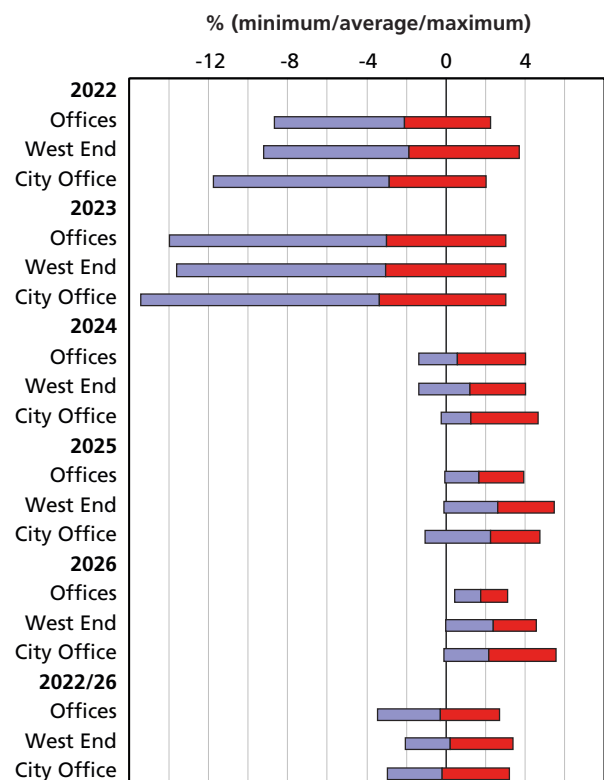
The West End and City markets are expected to outperform the wider office market in each year, with the exception of 2022 when City growth will be weaker than the wider market. However, both office sub-sectors are expected to underperform All Property in the next three years, although they are anticipated to marginally outperform from 2025 onwards.

Central London capital value growth

Substantial downward adjustments to the 2022 forecasts have converted growth of around 2.5% for both markets into capital value decline. The City forecast has fallen by 535bps, to -2.9%, and the West End by 430bps, to -1.9%.

Growth expectations for 2023 have also been significantly downgraded, by approximately 330bps for both markets. Capital values in the City market are expected to fall by 3.4% and West End values are expected to decline by 3.1%.

In 2024, modest growth returns and strengthens in subsequent years for both markets, with spreads noticeably less extensive. In the latter years, the central London markets are expected to outperform the wider office market.



Central London Offices

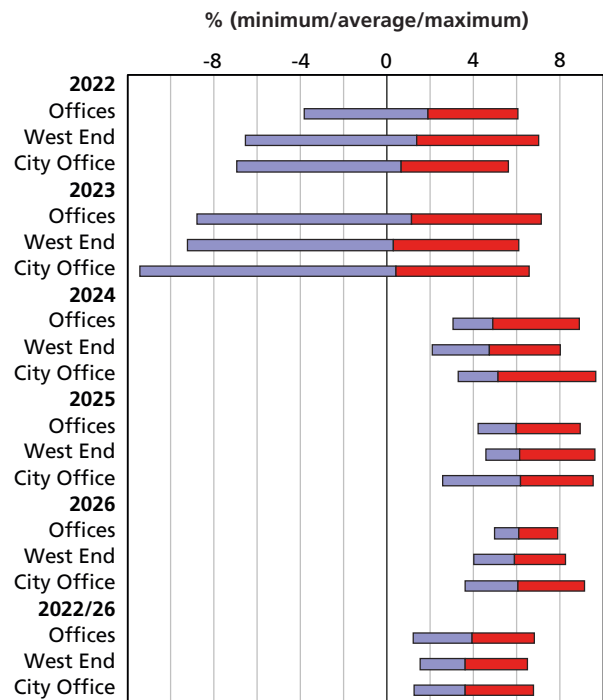
Central London total returns

The heavily downgraded capital value forecasts are reflected in the latest 2022 total return figures. The West End projection has fallen to 1.4%, from 5.7% in May, and the City forecast is just 0.7%, down from 6.0%.

The outlook for 2023 has also deteriorated significantly, with anticipated average returns of 0.3% for the West End and 0.4% for City. There is a significant range of forecasts around both averages.

Outcomes in the succeeding years are expected to be significantly stronger than 2022-2023, with anticipated returns of approximately 6.0% for both markets for the final two years of the forecast period.

Both central London office markets are forecast to underperform the wider office market in 2022 and 2023, although in the ensuing three years, performance of all three markets will be comparable. Over a five-year annualised period, the forecast for both central London office markets is 3.6% pa, against a broader office sector outcome of 3.9% pa.



All Property survey results by contributor type

(Forecasts in brackets are May 2022 comparisons)

Property Advisors

10 (10) contributors	Rental Value Growth (%)			Capital Value Growth (%)			Total Return (%)		
	2022	2023	2022/26	2022	2023	2022/26	2022	2023	2022/26
Maximum	4.9 (6.0)	2.9 (3.2)	3.0 (3.9)	7.2 (10.6)	2.2 (3.2)	2.8 (3.9)	11.5 (14.5)	6.5 (7.0)	6.6 (7.9)
Minimum	2.5 (2.1)	0.5 (0.7)	1.7 (1.2)	1.8 (2.4)	-2.5 (-0.5)	0.7 (1.0)	3.7 (6.8)	2.7 (3.1)	5.2 (4.7)
Range	2.4 (3.9)	2.4 (2.5)	1.4 (2.7)	5.4 (8.2)	4.7 (3.7)	2.1 (2.9)	7.8 (7.7)	3.8 (4.0)	1.4 (3.3)
Median	3.7 (3.4)	1.8 (2.3)	2.0 (2.4)	4.8 (7.0)	0.6 (1.3)	2.1 (2.3)	9.1 (11.1)	4.7 (5.1)	6.4 (6.3)
Mean	3.6 (3.6)	1.8 (2.1)	2.1 (2.3)	4.7 (6.7)	0.2 (1.2)	1.9 (2.3)	8.5 (10.8)	4.6 (5.2)	6.2 (6.4)

Fund Managers

6 (9) contributors	Rental Value Growth (%)			Capital Value Growth (%)			Total Return (%)		
	2022	2023	2022/26	2022	2023	2022/26	2022	2023	2022/26
Maximum	7.3 (5.5)	1.9 (2.5)	3.0 (2.3)	6.5 (8.7)	0.1 (2.0)	2.5 (2.2)	10.7 (12.9)	3.9 (6.1)	6.4 (6.2)
Minimum	0.7 (0.4)	-3.2 (-0.5)	0.3 (0.8)	-5.0 (-0.4)	-12.8 (-3.0)	-2.7 (-0.6)	-0.3 (4.3)	-7.7 (1.9)	2.4 (4.3)
Range	6.6 (5.1)	5.1 (3.0)	2.7 (1.5)	11.5 (9.1)	13.0 (5.0)	5.2 (2.8)	11.0 (8.6)	11.6 (4.3)	4.0 (1.9)
Median	3.3 (3.2)	1.4 (2.0)	1.9 (2.1)	-3.1 (4.9)	-4.2 (0.8)	-0.8 (1.1)	1.1 (9.1)	0.1 (4.8)	3.5 (5.1)
Mean	3.5 (3.0)	0.5 (1.6)	1.8 (1.9)	-0.8 (5.1)	-6.0 (0.5)	-0.7 (0.9)	3.5 (9.4)	-1.5 (4.6)	3.8 (5.1)

All Property forecasters

19 (21) contributors	Rental Value Growth (%)			Capital Value Growth (%)			Total Return (%)		
	2022	2023	2022/26	2022	2023	2022/26	2022	2023	2022/26
Maximum	7.3 (6.0)	2.9 (3.2)	3.0 (3.9)	7.2 (10.6)	3.0 (4.0)	2.8 (3.9)	11.5 (14.5)	8.0 (10.0)	7.5 (9.3)
Minimum	0.7 (0.4)	-3.2 (-0.5)	0.3 (0.8)	-5.0 (-0.4)	-12.8 (-3.0)	-2.7 (-0.6)	-0.3 (4.3)	-7.7 (1.9)	2.4 (4.3)
Range	6.6 (5.5)	6.1 (3.7)	2.7 (3.1)	12.2 (11.0)	15.8 (7.0)	5.5 (4.5)	11.8 (10.2)	15.7 (8.1)	5.1 (4.9)
Std. Dev.	1.3 (1.3)	1.3 (0.8)	0.6 (0.6)	4.0 (2.6)	4.4 (1.5)	1.7 (1.1)	4.0 (2.6)	4.2 (1.6)	1.5 (1.2)
Median	3.3 (3.0)	1.5 (2.1)	1.9 (2.1)	3.5 (5.4)	0.1 (1.2)	1.7 (2.0)	7.7 (9.7)	4.1 (5.2)	6.2 (6.0)
Mean	3.4 (3.2)	1.3 (1.9)	2.0 (2.1)	2.3 (5.9)	-1.5 (1.2)	1.1 (1.8)	6.4 (10.2)	3.0 (5.3)	5.5 (6.0)

Notes:

- Figures are subject to rounding and are forecasts of All Property or relevant segment Annual Index measures published by MSCI). These measures relate to standing investments only, meaning that the effects of transaction activity, developments and certain active management initiatives are specifically excluded.
- To qualify, forecasts must be generated within 13 weeks of the survey date (19 August 2022).
- 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.
- The sector figures are not analysed by contributor type; all figures are shown at the 'All forecaster' level.

Survey results by sector

Office

19 forecasts	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
	2022	2023	2024	2022/26	2022	2023	2024	2022/26	2022	2023	2024	2022/26
Maximum	6.1	3.0	3.0	2.8	2.2	3.0	4.0	2.7	6.1	7.1	8.9	6.8
Minimum	-2.3	-4.9	-1.5	-0.7	-8.7	-14.0	-1.4	-3.5	-3.8	-8.8	3.1	1.2
Range	8.5	7.9	4.5	3.4	10.9	17.0	5.4	6.2	9.9	15.9	5.8	5.6
Median	1.0	-0.1	0.9	1.1	-1.2	-2.2	0.3	-0.2	2.5	2.2	4.5	3.7
Mean	1.2	0.0	0.9	1.1	-2.1	-3.0	0.6	-0.3	1.9	1.1	4.9	3.9

Industrial

19 forecasts	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
	2022	2023	2024	2022/26	2022	2023	2024	2022/26	2022	2023	2024	2022/26
Maximum	20.1	7.1	4.8	6.0	14.9	5.1	4.9	5.8	18.7	8.9	8.7	9.0
Minimum	5.0	0.0	0.5	1.8	-3.3	-13.7	-2.9	-2.1	1.4	-9.0	0.8	2.4
Range	15.1	7.1	4.3	4.1	18.2	18.8	7.8	7.8	17.3	17.9	7.9	6.5
Median	9.1	4.0	2.5	3.8	9.2	3.0	2.5	2.6	11.6	6.1	6.1	7.4
Mean	9.3	3.8	2.6	4.1	7.5	0.4	2.1	2.8	10.4	4.1	5.8	6.4

Standard Retail

19 forecasts	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
	2022	2023	2024	2022/26	2022	2023	2024	2022/26	2022	2023	2024	2022/26
Maximum	0.0	0.9	3.5	1.6	1.1	1.0	1.5	1.5	5.6	7.4	8.8	7.1
Minimum	-3.3	-10.0	-2.0	-1.7	-12.3	-18.1	-1.2	-5.4	-7.4	-8.7	3.2	1.2
Range	3.3	10.9	5.5	3.3	13.4	19.1	2.7	6.9	13.0	16.1	5.6	5.9
Median	-2.2	-0.9	0.0	0.0	-2.8	-2.0	0.2	-0.5	1.0	2.4	5.0	4.0
Mean	-1.9	-1.3	0.3	-0.1	-3.2	-3.4	0.2	-0.8	1.5	1.4	5.1	4.0

Shopping Centre

18 forecasts	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
	2022	2023	2024	2022/26	2022	2023	2024	2022/26	2022	2023	2024	2022/26
Maximum	0.0	0.0	3.0	0.7	0.0	2.0	3.2	1.2	7.2	10.3	10.9	8.7
Minimum	-5.0	-8.0	-2.0	-1.6	-13.0	-17.1	-1.8	-6.0	-6.3	-12.2	3.2	-0.9
Range	5.0	8.0	5.0	2.3	13.0	19.1	5.0	7.2	13.5	22.5	7.6	9.6
Median	-1.5	-1.1	0.0	-0.3	-3.0	-2.3	-0.8	-1.1	4.0	4.7	6.4	6.0
Mean	-1.7	-1.6	0.1	-0.4	-4.1	-3.4	-0.1	-1.4	2.5	3.3	6.7	5.3

Retail Warehouse

18 forecasts	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
	2022	2023	2024	2022/26	2022	2023	2024	2022/26	2022	2023	2024	2022/26
Maximum	4.0	2.0	2.2	2.4	14.1	3.1	3.0	3.7	20.9	11.5	11.5	11.5
Minimum	-1.5	-4.5	-0.2	-1.1	-5.6	-15.4	-1.7	-4.1	0.0	-8.8	4.7	2.2
Range	5.5	6.5	2.4	3.5	19.7	18.5	4.7	7.7	20.9	20.3	6.8	9.3
Median	1.0	0.7	1.0	1.0	4.9	-0.8	1.0	2.0	10.6	5.2	6.9	7.6
Mean	1.0	0.4	1.0	1.0	5.9	-1.6	0.9	1.4	12.3	4.5	7.0	7.6

All Property

19 forecasts	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
	2022	2023	2024	2022/26	2022	2023	2024	2022/26	2022	2023	2024	2022/26
Maximum	7.3	2.9	2.7	3.0	7.2	3.0	3.0	2.8	11.5	8.0	8.5	7.5
Minimum	0.7	-3.2	0.6	0.3	-5.0	-12.8	-1.1	-2.7	-0.3	-7.7	3.2	2.4
Range	6.6	6.1	2.1	2.7	12.2	15.8	4.1	5.5	11.8	15.7	5.4	5.1
Std. Dev.	1.3	1.3	0.5	0.6	4.0	4.4	1.0	1.7	4.0	4.2	1.3	1.5
Median	3.3	1.5	1.5	1.9	3.5	0.1	1.3	1.7	7.7	4.1	5.8	6.2
Mean	3.4	1.3	1.5	2.0	2.3	-1.5	1.3	1.1	6.4	3.0	5.8	5.5

Survey results by sector

Sector summary: Means

	(no. forecasts)	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
		2022	2023	2024	2022/26	2022	2023	2024	2022/26	2022	2023	2024	2022/26
Office	(19)	1.2	0.0	0.9	1.1	-2.1	-3.0	0.6	-0.3	1.9	1.1	4.9	3.9
Industrial	(19)	9.3	3.8	2.6	4.1	7.5	0.4	2.1	2.8	10.4	4.1	5.8	6.4
Standard Retail	(19)	-1.9	-1.3	0.3	-0.1	-3.2	-3.4	0.2	-0.8	1.5	1.4	5.1	4.0
Shopping Centre	(18)	-1.7	-1.6	0.1	-0.4	-4.1	-3.4	-0.1	-1.4	2.5	3.3	6.7	5.3
Retail Warehouse	(18)	1.0	0.4	1.0	1.0	5.9	-1.6	0.9	1.4	12.3	4.5	7.0	7.6
All Property	(19)	3.4	1.3	1.5	2.0	2.3	-1.5	1.3	1.1	6.4	3.0	5.8	5.5

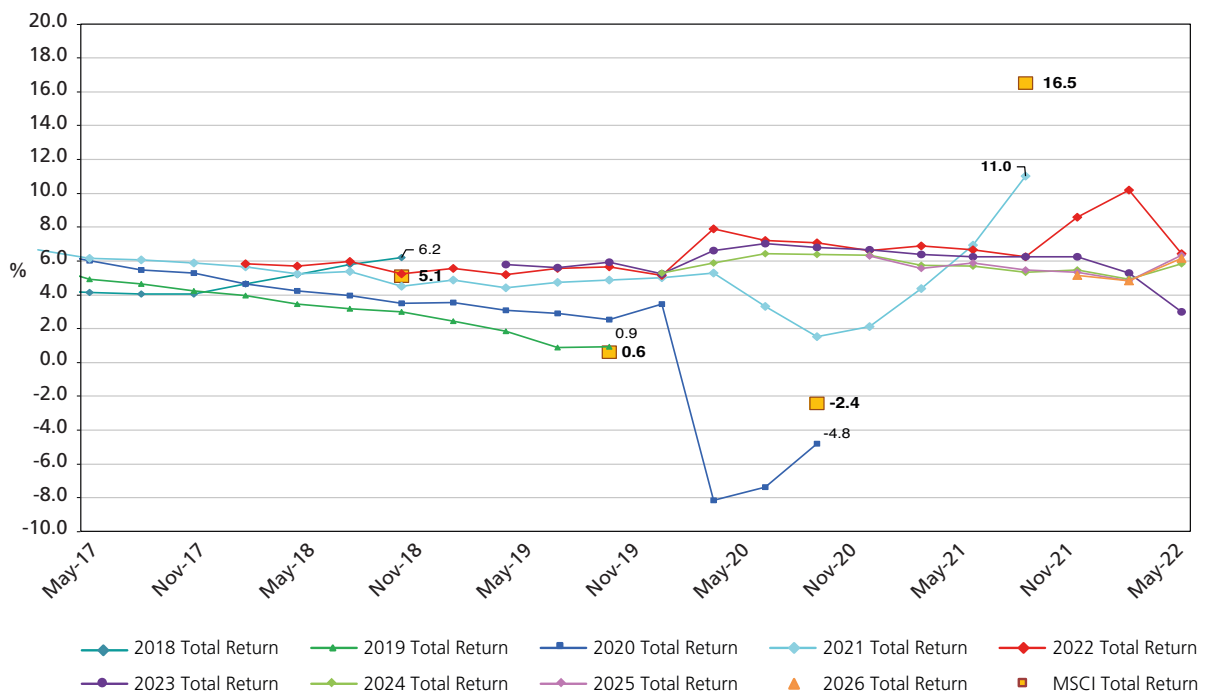
West End office

17 forecasts	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
	2022	2023	2024	2022/26	2022	2023	2024	2022/26	2022	2023	2024	2022/26
Maximum	3.6	3.5	5.0	3.2	3.7	3.0	4.0	3.4	7.0	6.1	8.0	6.5
Minimum	-1.0	-4.5	-1.5	-0.3	-9.2	-13.6	-1.4	-2.1	-6.5	-9.2	2.1	1.5
Range	4.6	8.0	6.5	3.5	12.9	16.6	5.4	5.5	13.5	15.3	5.9	5.0
Median	1.5	0.7	1.0	1.6	-0.3	-2.2	1.2	0.6	2.5	1.4	4.4	4.0
Mean	1.4	0.5	1.4	1.5	-1.9	-3.1	1.2	0.2	1.4	0.3	4.7	3.6

City office

17 forecasts	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
	2022	2023	2024	2022/26	2022	2023	2024	2022/26	2022	2023	2024	2022/26
Maximum	4.0	3.0	4.0	2.8	2.0	3.0	4.7	3.2	5.6	6.6	9.6	6.8
Minimum	-2.0	-6.5	-1.5	-0.7	-11.8	-15.4	-0.3	-3.0	-7.0	-11.4	3.3	1.2
Range	6.0	9.5	5.5	3.5	13.8	18.4	4.9	6.2	12.6	18.0	6.4	5.5
Median	1.1	0.5	1.0	1.2	-1.6	-2.4	1.2	0.0	1.9	1.1	5.1	3.6
Mean	1.0	0.0	1.1	1.2	-2.9	-3.4	1.2	-0.2	0.7	0.4	5.1	3.6

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



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Note

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

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