



FEBRUARY 2022

RESEARCH

Winter 2021-2022 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:



The Investment Property Forum Consensus Forecasts Winter 2021-2022 Survey of Independent Forecasts for UK Commercial Property Investment – February 2022

MSCI's recently published **Quarterly Index** results for 2021 indicate an annualised All Property total return for standing investments of 16.5%, the highest total return in over a decade – and on the back of a remarkable 36.4% total return from Industrials. This contrasts with a predicted 11.0% All Property total return reported in the last IPF survey of 2021, based on forecasts produced between late August and mid-November 2021. There was, however, a palpable improvement in sentiment as the year drew to a close, with seven of the 11 forecasts received within two weeks of the 10 November survey date averaging 14.4%.

Turning to the current survey, 19 organisations contributed forecasts of some or all sectors for this first survey of 2022, generated between late-November and mid-February 2022, of which nine were produced within two weeks of the 11 February survey date.

Headline results

The **2022 All Property average rental growth** rate of **2.5%** for the year represents an improvement of over 90bps from November's 1.6%. At the sector level, Industrials attracted the greatest increase in average projections, of 142bps, to 5.5%, followed by Offices (up 27bps to 1.3%). All three retail sub-market average forecasts registered falls over the quarter – declining by between 57bps (Standard Retail, now -2.5%) and 8bps (Retail Warehouses, to 0.3%).

The current year's **capital value growth** average forecast for All Property rose 113bps, to **4.1%** (from 2.9% previously). The Industrial average improved by almost 260bps, to 8.5%. With the exception of unit shops, which recorded a quarter-on-quarter reduction of 33bps (to -0.9%), retail values rose modestly – by 15bps for Shopping Centres, to -2.7%, and 32bps for Retail Warehouses, now 3.5%.

2022 total return forecasts increased for all sectors other than Standard Retail and Shopping Centres sectors over the quarter and currently range between 12.3% for Industrials to 3.0% for Shopping Centres (9.8% and 3.2% formerly). The **All Property average** forecast now lies at **8.6%**, from 7.4% in November.

For **2023**, the expectation for the **All Property rental growth** average is 38bps higher than three months ago, at **2.1%**, from 1.8%, although a majority of sector averages weakened over the period. The only exception was an 84bps improvement in the projected growth in Industrial rents (to 4.0%). Retail growth prospects are anticipated to decline next year, with Standard Retail and Shopping Centre averages falling by 72 and 60bps respectively (to -0.5% and -1.2%).

As a consequence of quarter-on-quarter decreases in most 2023 sector forecast averages (industrials again being the exception), the mean **All Property capital growth** rate fell to **1.9%** (from 2.0% in November). Standard Retail and Retail Warehouse sector averages recorded declines of more than 100 bps over the quarter, to -0.6% and 1.1% currently.

Mirroring the capital value projections, the **2023 All Property total return** forecast also recorded a modest decline, of 13bps to **6.2%**.

For the balance of the survey period, changes in average **All Property rental growth** forecasts are relatively modest, indicating a slight decline, from **2.0% in 2024** to **1.7% by 2026**. Similarly, **All Property capital growth** projections are expected to weaken year-on-year, from **1.1% in 2024** to **0.9% in 2026**.

Current **All Property total return** forecasts lie between averages of **5.4% for 2024** and **5.1% for 2026**, with sector forecast averages ranging between 6.0% for Retail Warehouses and 4.9% for Industrials in the final year of the survey period.

The table below shows the evolution of the average All Property forecasts from February 2020, i.e. predating both Covid and Brexit, for the current year and 2023, as well as the annualised five-year averages:

Evolution of All Property Forecasts, February 2020 – February 2022 (%)

	Feb-20	May-20	Aug-20	Nov-20	Feb-21	May-21	Aug-21	Nov-21	Feb-22
2022									
Rental Value Growth	0.9	0.8	0.7	0.8	0.4	0.9	1.2	1.6	2.5
Capital Value Growth	0.4	2.9	2.0	2.3	1.8	2.3	2.3	2.9	4.1
Total Return	5.2	7.9	7.2	7.1	6.6	6.9	6.7	7.4	8.6
2023									
Rental Value Growth	1.1	1.2	1.5	1.5	1.4	1.7	1.6	1.8	2.1
Capital Value Growth	0.4	1.6	2.0	1.9	1.8	1.9	1.7	2.0	1.9
Total Return	5.3	6.6	7.0	6.8	6.7	6.4	6.2	6.4	6.2
5 Year Annualised (% pa)									
Rental Value Growth	0.7	-0.8	-0.5	-0.7	0.4	0.8	1.1	1.5	2.0
Capital Value Growth	0.0	-1.3	-1.8	-1.5	0.8	1.2	1.7	2.5	1.8
Total Return	4.9	3.6	3.1	3.3	5.6	5.8	6.3	7.1	6.2

Summary Results

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	1.3	1.5	1.9	1.6	1.9	0.9	0.8	1.0	5.9	5.0	4.9	5.1
Industrial	5.5	4.0	2.9	3.4	8.5	3.5	1.6	3.3	12.3	7.2	5.3	7.0
Standard Retail	-2.5	-0.5	0.3	-0.3	-0.9	-0.6	0.0	-0.1	3.8	4.1	4.8	4.6
Shopping Centre	-2.8	-1.2	-0.1	-0.5	-2.7	-1.2	-0.6	-1.0	3.0	4.5	5.2	4.6
Retail Warehouse	0.3	0.8	1.1	0.9	3.5	1.1	0.1	1.0	9.7	7.1	6.2	7.1
All Property	2.5	2.1	2.0	2.0	4.1	1.9	1.1	1.8	8.6	6.2	5.4	6.2
West End office	1.9	1.9	2.4	2.0	3.6	1.7	1.3	1.8	7.0	4.9	4.6	5.2
City office	1.9	1.8	1.9	1.7	2.7	1.2	1.0	1.4	6.2	4.7	4.5	4.9
Office (all)	1.3	1.5	1.9	1.6	1.9	0.9	0.8	1.0	5.9	5.0	4.9	5.1

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
December* (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
January (6)	1.9	1.8	1.9	1.8	4.2	1.4	1.0	1.7	8.8	6.0	5.5	6.3
February (18)	3.3	2.6	2.2	2.4	4.7	2.7	1.9	2.4	9.5	7.1	6.2	6.8
All Forecasters (19)	2.5	2.1	2.0	2.0	4.1	1.9	1.1	1.8	8.6	6.2	5.4	6.2

†One contributor's forecasts dated from late November 2021.

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

Survey contributors

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

Full All Property forecasts for all periods were received from 17 contributors. Full sector forecasts for all periods were received from 16 contributors, and full West End and City sub-office sector forecasts from 13 contributors. All forecasts were generated within 13 weeks of the survey date (11 February 2022). Named contributors appear on the final page of this report.

Notes

Sector figures are not analysed by contributor type – all figures presented are at the All-Forecaster level.

Consensus forecasts further the objective of the Investment Property Forum (IPF) to enhance the efficiency of the market. The IPF is extremely grateful for the continuing support of the contributors, including those noted on the last page of this publication. This report is only possible thanks to the provision of these individual forecasts.

If your organisation wishes to contribute to future surveys, please contact IPF Research at pcraddock@ipf.org.uk.

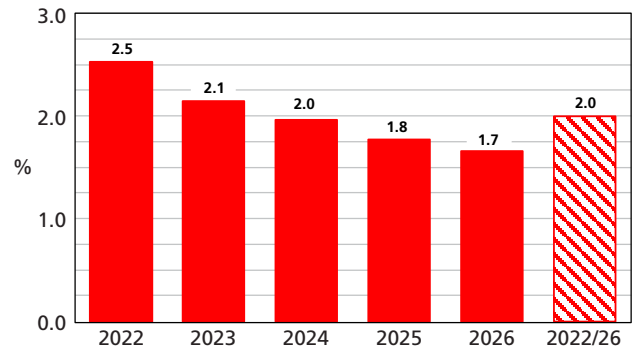
¹ As a minimum of five forecasts are required for each group of contributors to be separately analysed, data from Other contributors are included at the All-Forecaster level of reportage.

Rental Value Growth Forecasts

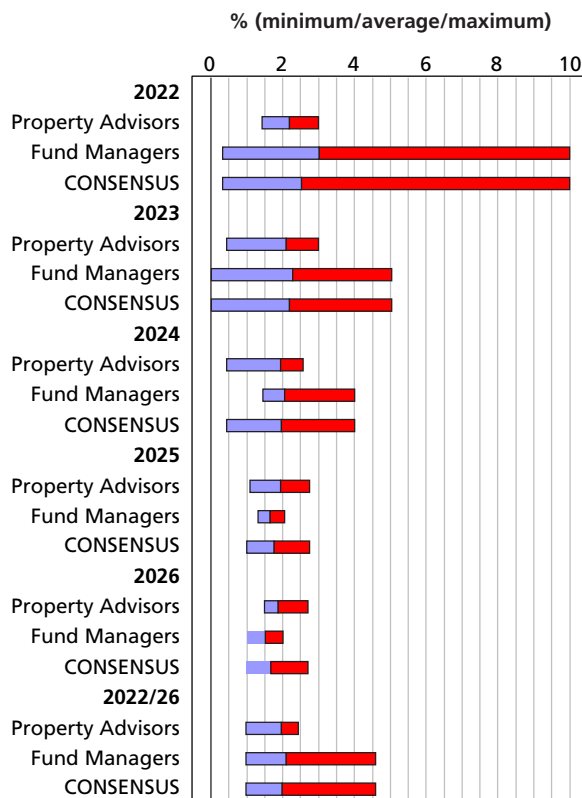
All Property rental value growth forecasts

Each of the four yearly averages reported in November rose over the quarter. Uplifts ranged from 93 bps for 2022 (previously 1.6%) to 8 bps for 2025 (from 1.7%), demonstrating a greater optimism for near-term growth.

As a consequence of replacing the final 2021 forecast, of 0.5%, with the first forecast for 2026, the five-year annualised figure rose 51 bps, from 1.5% per annum previously.



Rental value growth forecasts by contributor



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

Sentiment for 2022 strengthened over the quarter, supported by higher minimum forecasts of 1.4% from Property Advisors and 0.3% from Fund Managers (previously 1.0% and -0.1% respectively). The latter group's average was bolstered by a maximum projection of 10%, the contributor's house view being of a lagged bounce back and an expectation there will be "a significant scramble for space later in the year".

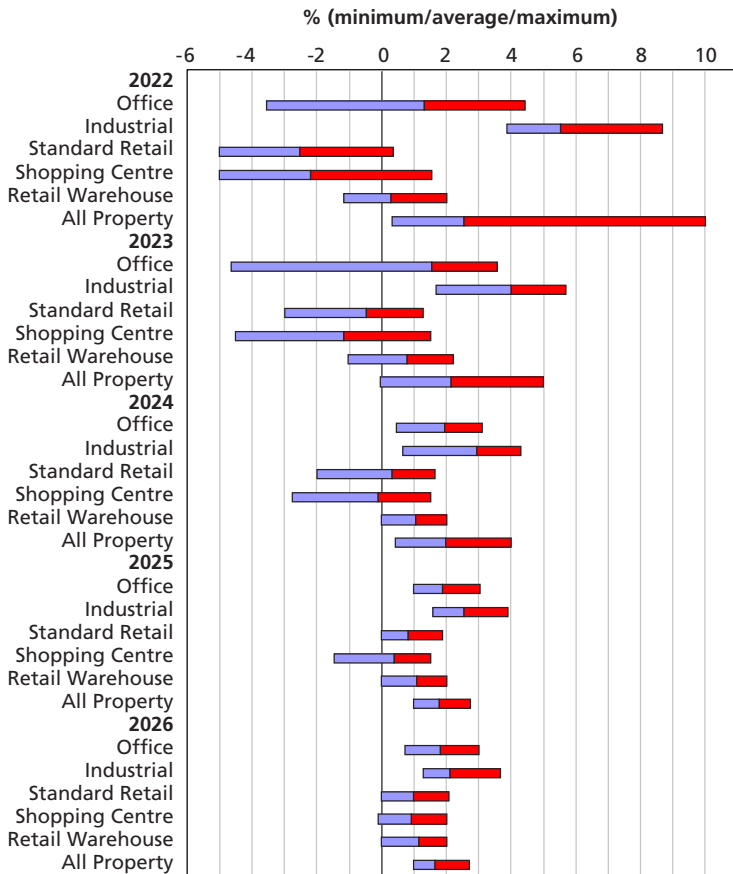
With the upper end 2022 projection falling almost 20bps, the Property Advisor forecast range narrowed (to 1.6%, from November's 2.2%), with a mean of 2.2%. For Fund Managers, the forecast spread widened to 9.7% (from 3.3%) due to the major outlier noted previously. Excluding this projection, the range would fall to 3.0% and the mean to 2.0%.

A broad trend of improving average and maximum forecasts quarter-on-quarter extends to each of the following three years, to 2025, for both groups, with maximum Manager forecasts exceeding those of Advisors up to and including 2024. Mean projections are relatively closely aligned in these years.

Stronger annualised five-year averages, of 2.0% and 2.1% for Advisors and Managers respectively, are due to the replacement of weaker 2021 forecasts with improved growth expectations for 2026.

Rental Value Growth Forecasts (2)

Sector rental value growth annual forecasts



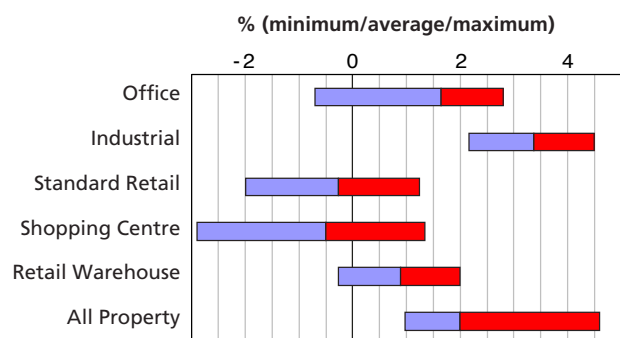
In both the current year and next, doubt remains of a return to positive growth in most markets; with the exception of Industrials, all sectors attracted at least one or more negative forecast. Most pointedly, for both Standard Retail and Shopping Centres, the majority of projections in 2022, and a substantial proportion in 2023, remain sub-zero. In fact, average expectations for in-town retail fell over the quarter, by 57 and 47bps this year and 72 and 60bps next for unit shops and Shopping Centres respectively. Retail Warehouse averages were virtually unchanged, however, with individual projections most closely aligned of all markets surveyed in each of these years.

For Industrials and Offices, average growth rates for 2022 improved, by 27 and 142bps each, compared to last quarter's 1.0% and 4.1%, with Industrial being the only sector to record stronger averages over the four years reported in November. Along with Offices, Industrials are expected to delivery positive average growth throughout the survey period, although only Industrials may consistently outperform the All Property average in each year.

Sector rental value growth five-year average forecasts

The All Property rolling five-year average rose to 2.0% pa currently from 1.5% in November. While the Industrial average fell 13bps, to 3.4% pa (following the substitution of a strong 2021 forecast of 5.7% with a 2026 projection of 2.1%), all remaining sectors showing improved averages.

The greatest of these was recorded by Shopping Centres, with a rise of 143bps, to -0.5% pa (from -1.9%), while other sector averages strengthened by between 25bps (Offices, to 1.6% pa) and 81 and 82bps (Standard Retail and Retail Warehouses, to -0.3% and 0.9% pa respectively).

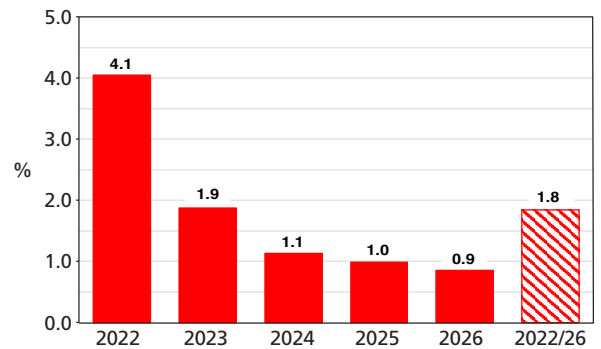


Capital Value Growth Forecasts

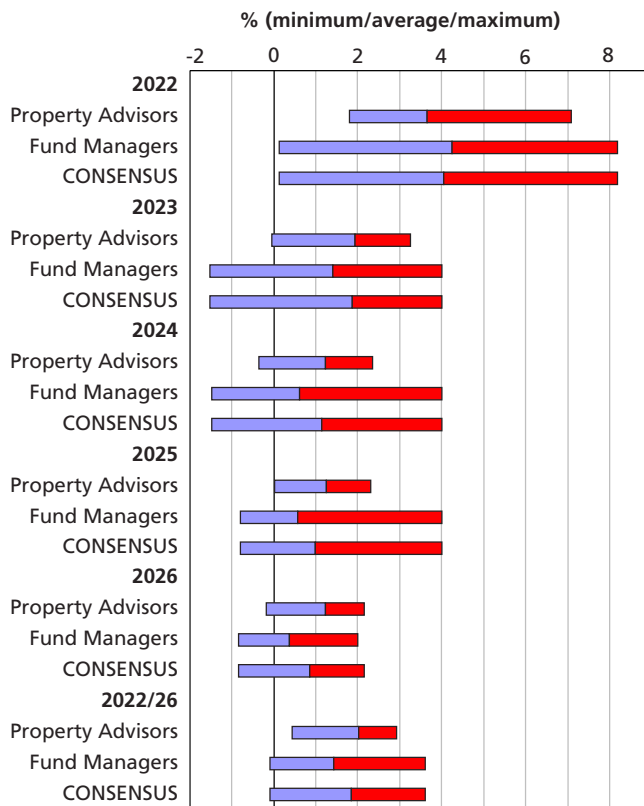
All Property average capital value growth forecasts

Over the quarter, the 2022 average forecast improved by more than 110bps (previously 2.9%), with all contributors anticipating a return to positive growth. However, both 2023 and 2024 means declined marginally – by 15 and 3bps respectively (from 2.0% and 1.2%).

With the substitution of November's 2021 forecast of 6.4% with the current 2026 projection of 0.9%, the overall impact on the rolling five-year annualised projection has been to reduce this by almost 70bps (from 2.5% pa previously).



Capital value growth forecasts by contributor



For the current year, average Property Advisor and Fund Manager forecasts rose over the quarter, by 113 and 80bps respectively, to average 3.7% and 4.3%.

This strengthening of sentiment does not extend to either of the next two years, with 2023 averages substantially lower than for 2022. Declines of 34 and 31bps were recorded over the quarter, to 1.9% and 1.4% for Advisors and Managers respectively, while 2024 averages fell marginally from November's results, to 1.2% and 0.6% (from 1.4% and 0.8%).

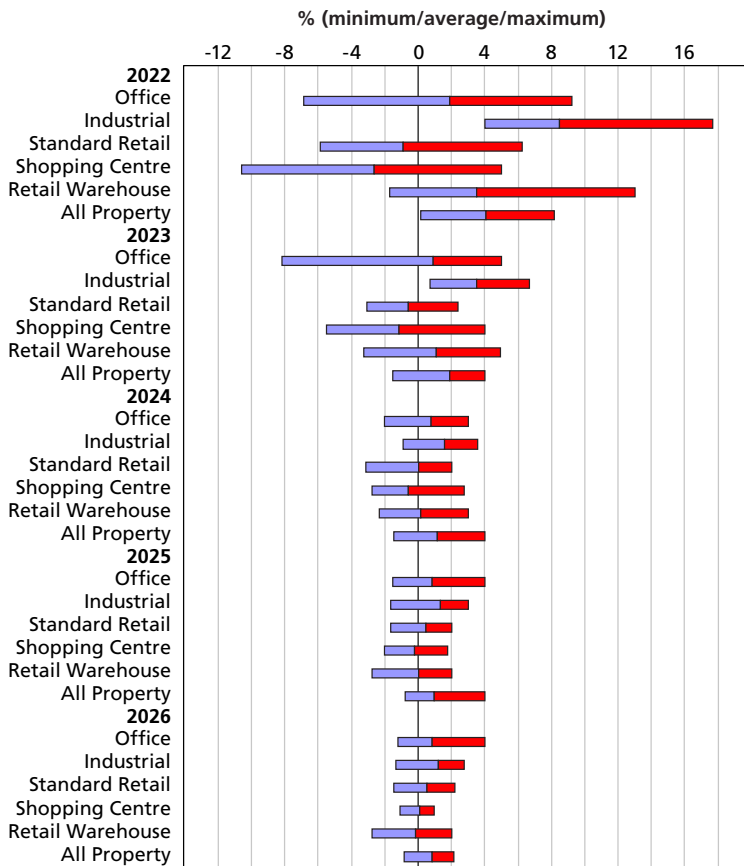
With the exception of 2022, average Fund Manager expectations are lower than those of Property Advisors in each survey year, accompanied by wider forecast spreads.

With the inclusion of lower 2026 projections, the rolling five-year averages fell over the quarter; Property Advisors recorded a decline of 33bps and Fund Managers of 131bps to 2.0% and 1.4% pa.

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

Capital Value Growth Forecasts (2)

Sector capital value growth annual forecasts



The only 2022 sector average to fall over the quarter was that of Standard Retail (down 33bps to -0.9%). In contrast, the average growth rates for Industrials rose 257bps to 8.5%. Improvements in remaining sector averages ranged between 32bps for Retail Warehouses (now 3.5%) and 15bps for Shopping Centres, (rising to -2.7%). With the exception of Industrials in 2022 and 2023, all sectors attracted one or more negative forecast in each year surveyed.

High levels of uncertainty persist in relation to the current year's projections, with forecast ranges extending to double digit spreads for all sectors – from 16.1% for Offices to 12.1% for unit shops. However, other than for Offices (at 13.2%) views converge significantly from 2023 onwards.

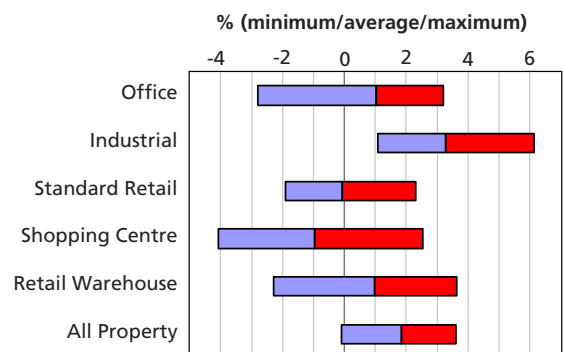
By 2024, the mean Standard Retail rate of growth is forecast to be flat, then rising modestly in the final two years of the survey period. The outlook for Shopping Centres remains weak, with average expectations only turning weakly positive (0.1%) by 2026.

With the exception of Industrials, quarter-on-quarter falls in yearly average forecasts were recorded for each sector. Newly generated 2026 projections indicate weakening in the Retail Warehouse market and only Industrials may outperform the All Property average of 0.9% that year (at 1.2%).

Sector capital value growth five-year forecasts

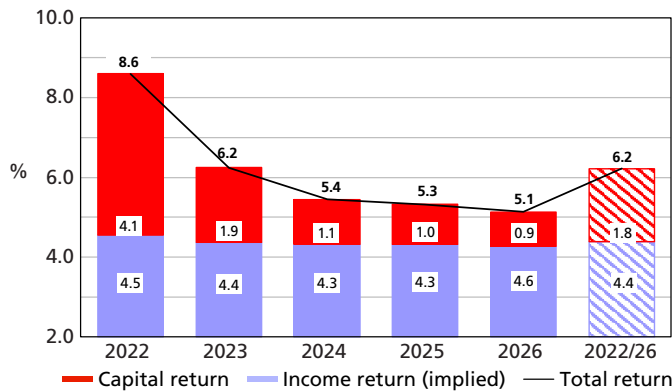
The introduction of 2026 forecasts caused a weakening of the rolling annualised averages for Offices, Industrials and Retail Warehouses (now 1.0%, 3.3% and 1.0% pa in that order (from 1.2%, 5.8% and 2.8% in November). While the All Property average fell 70bps to 1.8% pa.

However, average rates of capital value growth rose by 63 and 203bps for Standard Retail and Shopping Centres, although these remained negative, at -0.1% and -1.0% pa respectively.



Total Return Forecasts

All Property total return forecasts



The 2022 All Property average total return rose more than 120bps over the quarter (from 7.4% in November) but projections for the next two years weakened slightly, with falls of 13 and 7bps (previously averaging 6.4% for 2023 and 5.5% for 2024). The 2025 forecast return was virtually unchanged due to rounding.

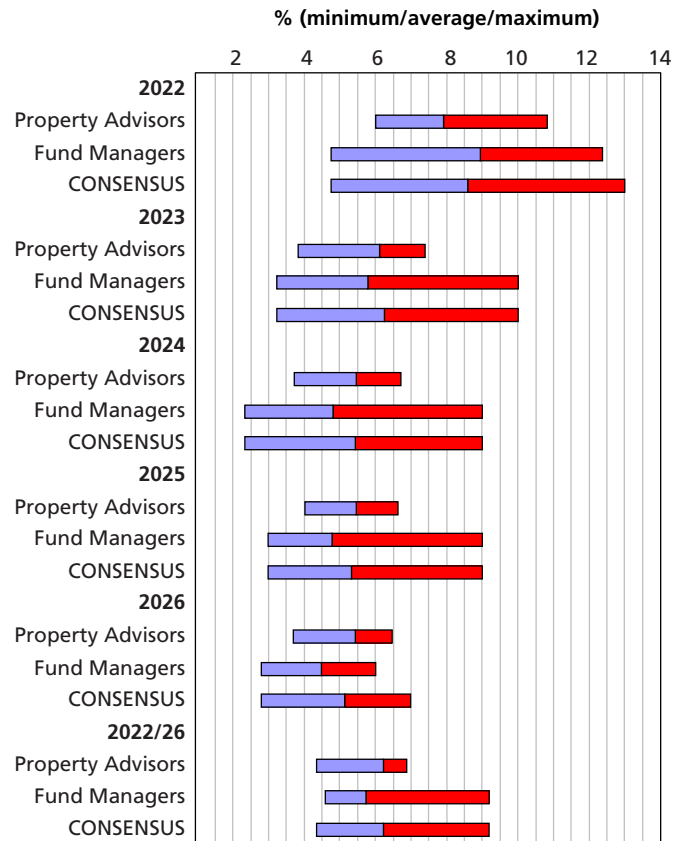
Despite the anticipated improvement in the current year forecast, the inclusion of 2026 data in place of 2021 has resulted in a 86bps decrease in the five-year average (from 7.1% per annum previously).

Contributors All Property total return forecasts

Both sets of 2022 forecasts are higher than three months ago, with averages of 7.9% and almost 9.0% (representing increases of 97 and 115 bps for Property Advisors and Fund Managers respectively). Forecast ranges for the current year widened to 4.8% for Advisors, as minimum and maximum projections rose to 6.0% and 10.8%, while the Manager range was little changed, at 7.6% (7.7% previously), although, again, minimum and maximum forecasts increased, to 4.8% and 13.0%.

For 2023 and 2024, both groups' average forecasts fell over the quarter – marginally in the case of Fund Managers, to 5.8% from 5.9% for next year but a decline of over 50bps resulted in a 2023 mean value of 6.1% for Advisors. The corresponding 2024 figures were 4.8% and 5.5% (down 15 and 30bps) and close to average projections for the remaining two years of the survey.

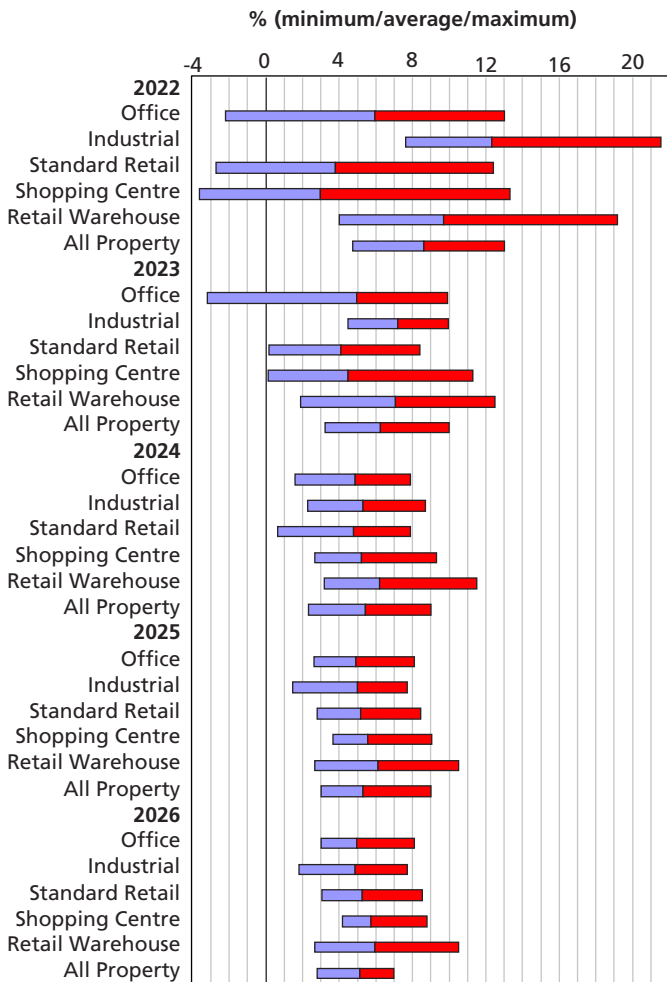
The inclusion of lower 2026 projections caused rolling five-year averages to fall by 75 and 130bps, to 6.2% and 5.7% pa.



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

Total Return Forecasts (2)

Sector total return annual forecasts



While 2022 averages fell for Standard Retail and Shopping Centres, compared to three months ago (down 50 and 19bps respectively to 3.8% and 3.0%), the outlook for remaining sectors improved, with Industrials strengthening significantly – up 251 bps to 12.3%. Current year Office and Retail Warehouse averages were little changed, however, at 5.9% and 9.7% (5.8% and 9.5% previously), although the former attracted one negative forecast for both 2022 and 2023 this quarter.

Expectations are for Industrials to outperform other sectors in both 2022 and 2023, although the 2023 average of 7.2% may be matched by Retail Warehouses, now forecast to return 7.1%.

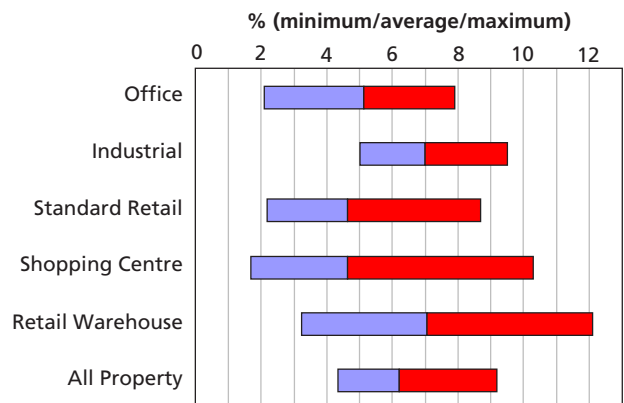
Averages for 2024 range between 4.8% for Standard Retail and 6.2% for Retail Warehouses. The average Shopping Centres return lies at 5.2%, above Offices, at 4.9%, and nearly matching the Industrial forecast of 5.3%.

With the exception of Industrials, sector averages weakened in each of the three years from 2023 when compared to November’s results.

Sector total return five-year forecasts

Whereas strong 2021 projections last quarter caused most five-year annualised averages to rise, the introduction of 2026 sector projections resulted in a number of sector reductions. In particular, Industrial and Retail Warehouse rolling averages fell – by almost 300bps in the former case, to 7.0% pa, while the Retail Warehouse mean decreased by over 220bps, to 7.1% pa. Nevertheless, both are predicted to outperform the All Property average of 6.2% pa (7.1% previously).

In contrast, Standard Retail and Shopping Centre five-year averages rose to 4.6% pa, reflecting improvements of 65 and 182bps respectively (from 4.0% and 2.8% last quarter).



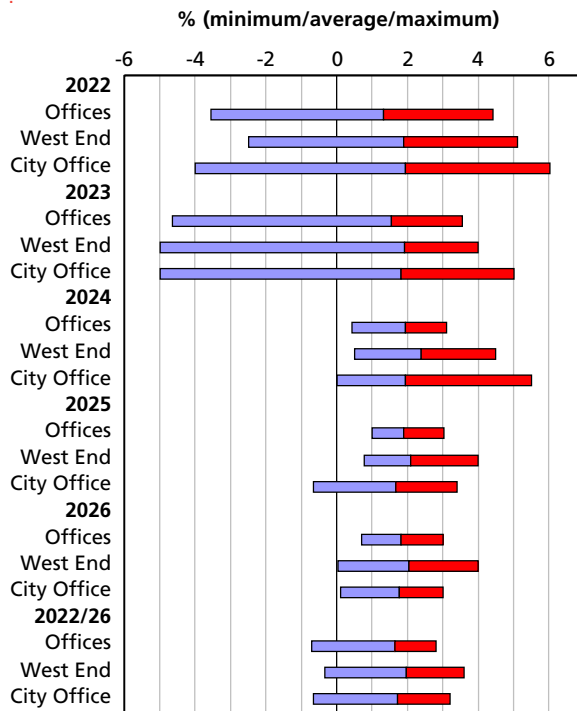
Central London Office Forecasts

Central London offices

In its latest review², JLL report the central London office market finished “2021 strongly with investment volumes back to pre-pandemic levels and strong demand for office space despite the ongoing threat of another lockdown.” The final quarter of the year saw significant activity in the occupational market as leasing volumes exceeded 2.7m sq. ft. with a 12 month total of 8.6m sq. ft, well ahead of the 2020 level. TMT was the most prevalent category of occupier, representing almost a third of take up, followed by professional services taking around 20%. Demand from larger occupiers was sustained with 12 commitments in excess of 50,000 sq. ft., while there were signs of a recovery in the flexible workspace sector.

In terms of the investment market, JLL note a continuation of global capital targeting core assets with strong competition driving price growth for the best assets. At almost £5.3 bn, the volume of Q4 2021 turnover was at a three-year high.

Rental value growth



Of the 13 complete central London office forecasts received, only two 2022 rental growth projections were below zero for each location; the minimum forecast of -2.5% for the West End represented an improvement on November's -4.0%, while the City forecast was unchanged at -4.0% also. Both averages improved, to 1.9%, from 1.4% and 1.2% previously.

While the three subsequent years' forecasts weakened over the quarter, the expectation is for a modest increase in growth, peaking in 2024, at 2.4% and 1.9% for the West End and City respectively.

As a consequence of stronger forecasts for 2026 replacing last year's growth rates (2.0% and 1.8% versus -0.2% and 0.2%), five-year annualised averages rose to 2.0% and 1.7% pa for the West End and City respectively, compared to 1.8% and 1.5% in November.

The West End is expected to outperform the wider office market in each year of the survey, whereas City office rents may outperform in 2022 and 2023 then grow broadly in line with the UK market from 2024 onwards.

² JLL Q4 2021 Central London office market report: <https://www.jll.co.uk/en/trends-and-insights/research/q4-2021-central-london-office-market-report>

Central London Office Forecasts (2)

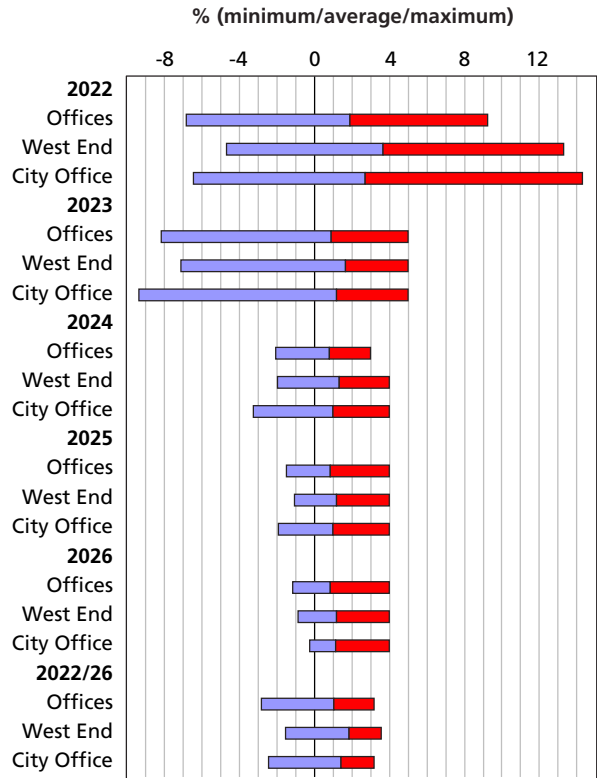
Capital value growth

Negative capital growth expectations persist in each year surveyed, although minimum forecasts rise from 2024. Current 2022 forecasts for both sub-markets included two double-digit growth projections, as well as two negative forecasts, resulting in spans of 18.0% and over 20% for the West End and City in turn. Average projections rose over the quarter by 132 and 84bps, to 3.6% and 2.7%, compared to a wider UK market projection of 1.9%.

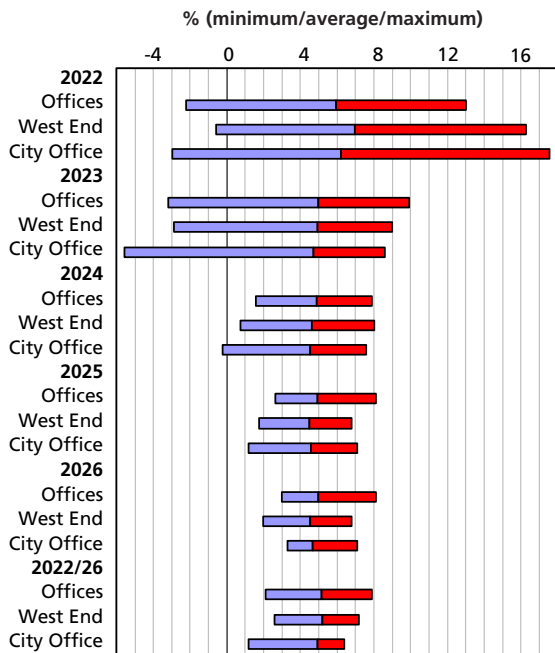
Next year's spreads are less extensive, at 12.1% and 14.4%, around 2023 mean forecasts of 1.7% and 1.2% for the West End and City.

Compared to November, however, average forecasts weakened for remaining years; the 2023 forecast fell almost 90 and 60bps over the quarter (from average growth rates of 1.7% and 1.2% previously) and 109 and 104bps for 2024, to 1.3% and 1.0%.

Despite the replacement of 2021 forecasts with stronger 2026 projections, the rolling five-year growth rates fell modestly (by 6 and 21 bps) to give annualised averages of 1.8% and 1.4% for the West End and City respectively.



Total returns



The 2022 West End mean forecast of total return improved over the quarter, increasing 120 bps to 7.0%, while the City average rose 78 bps to 6.2%. Both markets attracted large forecast ranges (16.9% and 20.5%) with double-digit positive outliers within each set of projections.

The outlook for the following two years, however, is one of weaker performance, with 2023 averages of 4.9% and 4.7% and those for 2024 of 4.6% and 4.5% reflecting annual declines of between 70 and 124bps compared to November's results.

The substitution of 2021 forecasts by marginally better 2026 projections were insufficient to maintain the rolling five-year average returns, which were 18 and 25bps lower for the West End and City, now 5.2% and 4.9% pa, from 5.4% and 5.2% in November. This compares with a current overall Office market projection of 5.1% pa (19 bps lower over the quarter).

Distribution of Forecasts

The scatter charts record forecasts of **All Property** rental value and capital value growth and total return forecasts for the **Winter 2021-2022** survey. Contributor projections are included in random order so that individual forecasts cannot be identified. Previous quarter's mean forecasts (November 2021) appear in brackets.

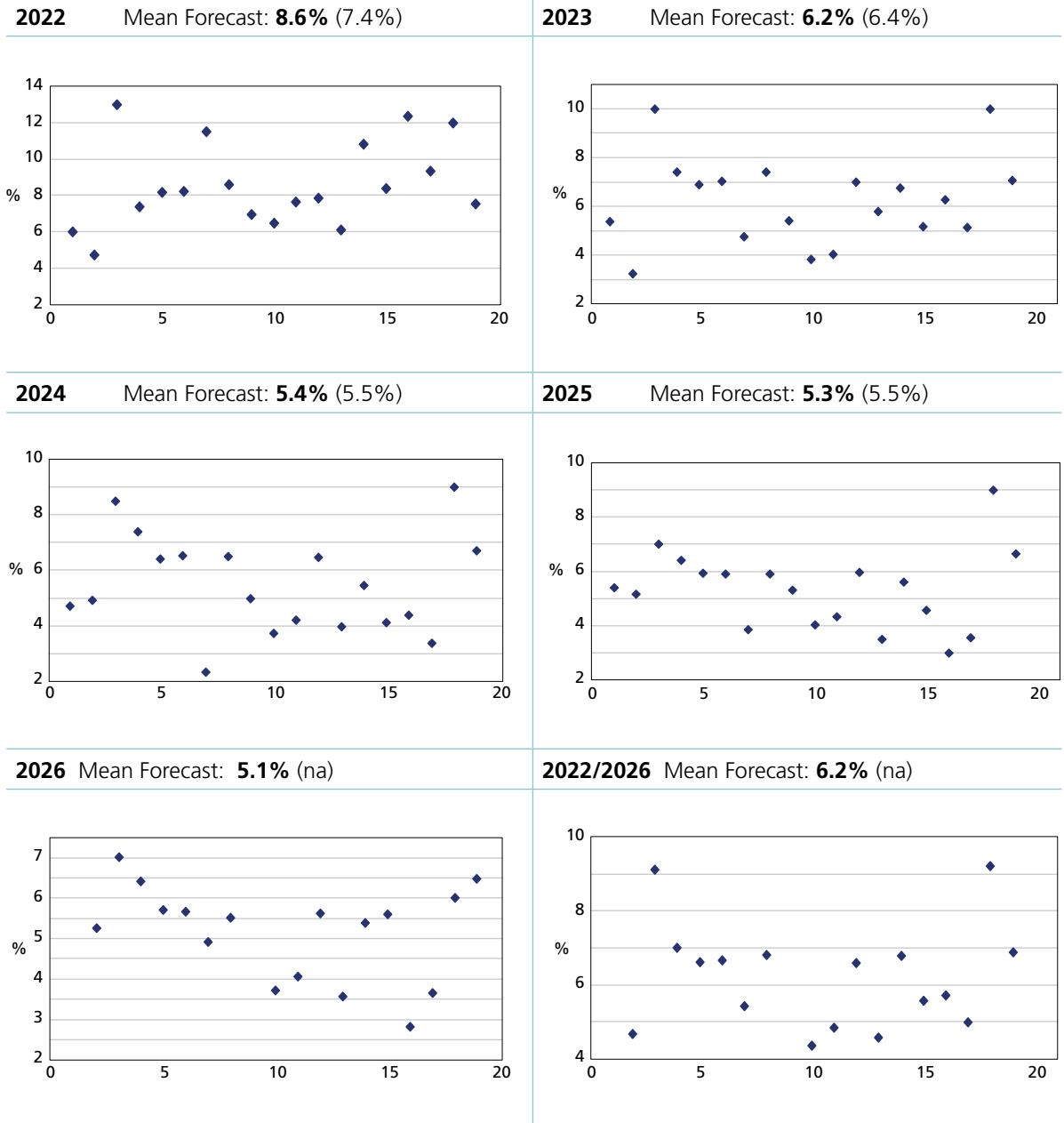
Rental Value Growth (% pa)		Capital Value Growth (% pa)	
2022	Mean Forecast: 2.5% (1.6%)	2022	Mean Forecast: 4.1% (2.9%)
2023	Mean Forecast: 2.1% (1.8%)	2023	Mean Forecast: 1.9% (2.0%)
2024	Mean Forecast: 2.0% (1.8%)	2024	Mean Forecast: 1.1% (1.2%)

Distribution of Forecasts (2)

Rental Value Growth (% pa)		Capital Value Growth (% pa)	
2025	Mean Forecast: 1.8% (1.7%)	2025	Mean Forecast: 1.0% (0.9%)
2026	Mean Forecast: 1.7% (na)	2026	Mean Forecast: 0.9% (na)
2022/2026	Mean Forecast: 2.0% (na)	2022/2026	Mean Forecast: 1.8% (na)

Distribution of Forecasts (3)

All Property Total Returns (% pa)



All Property Survey Results by Contributor Type

(Forecasts in brackets are November 2021 comparisons)

Property Advisors

9 (10) contributors	Rental Value Growth (%)					Capital Value Growth (%)					Total Return (%)				
	2022		2023		2022/26	2022		2023		2022/26	2022		2023		2022/26
Maximum	3.0	(3.2)	3.0	(2.7)	2.4 (na)	7.1	(4.4)	3.3	(4.7)	2.9 (na)	10.8	(8.2)	7.4	(8.8)	6.9 (na)
Minimum	1.4	(1.0)	0.4	(1.1)	1.0 (na)	1.8	(0.8)	-0.1	(0.7)	0.4 (na)	6.0	(5.3)	3.8	(4.5)	4.3 (na)
Range	1.6	(2.2)	2.6	(1.6)	1.5 (na)	5.3	(3.6)	3.3	(4.0)	2.5 (na)	4.8	(2.9)	3.6	(4.3)	2.5 (na)
Median	2.3	(1.6)	2.3	(2.1)	2.1 (na)	3.8	(2.9)	2.6	(2.2)	2.4 (na)	8.2	(7.4)	6.8	(6.6)	6.7 (na)
Mean	2.2	(1.7)	2.1	(1.9)	2.0 (na)	3.7	(2.5)	1.9	(2.3)	2.0 (na)	7.9	(7.0)	6.1	(6.6)	6.2 (na)

Fund Managers

8 (8) contributors	Rental Value Growth (%)					Capital Value Growth (%)					Total Return (%)				
	2022		2023		2022/26	2022		2023		2022/26	2022		2023		2022/26
Maximum	10.0	(2.6)	5.0	(2.8)	4.6 (na)	8.2	(7.3)	4.0	(6.0)	3.6 (na)	12.4	(11.4)	10.0	(9.8)	9.2 (na)
Minimum	0.3	(-0.1)	0.0	(-0.5)	1.0 (na)	0.1	(-0.8)	-1.5	(-2.1)	-0.1 (na)	4.8	(3.7)	3.2	(2.6)	4.6 (na)
Range	9.7	(2.7)	5.0	(3.3)	3.6 (na)	8.0	(8.1)	5.5	(8.0)	3.7 (na)	7.6	(7.7)	6.8	(7.3)	4.6 (na)
Median	2.3	(1.5)	2.1	(1.8)	1.8 (na)	3.8	(3.3)	1.3	(1.7)	1.3 (na)	8.6	(7.8)	5.5	(5.7)	5.2 (na)
Mean	3.0	(1.5)	2.3	(1.6)	2.1 (na)	4.3	(3.4)	1.4	(1.7)	1.4 (na)	9.0	(7.8)	5.8	(5.9)	5.7 (na)

All Property forecasters

19 (20) contributors	Rental Value Growth (%)					Capital Value Growth (%)					Total Return (%)				
	2022		2023		2022/26	2022		2023		2022/26	2022		2023		2022/26
Maximum	10.0	(3.2)	5.0	(2.8)	4.6 (na)	8.2	(7.3)	4.0	(6.0)	3.6 (na)	13.0	(11.4)	10.0	(9.8)	9.2 (na)
Minimum	0.3	(-0.1)	0.0	(-0.5)	1.0 (na)	0.1	(-0.8)	-1.5	(-2.1)	-0.1 (na)	4.8	(3.7)	3.2	(2.6)	4.3 (na)
Range	9.7	(3.3)	5.0	(3.3)	3.6 (na)	8.0	(8.1)	5.5	(8.0)	3.7 (na)	8.2	(7.7)	6.8	(7.3)	4.9 (na)
Std. Dev.	1.9	(0.6)	1.0	(0.7)	0.8 (na)	2.1	(1.8)	1.4	(1.6)	1.0 (na)	2.3	(1.7)	1.8	(1.6)	1.4 (na)
Median	2.3	(1.5)	2.1	(2.0)	1.9 (na)	3.8	(3.1)	2.5	(2.1)	2.3 (na)	8.2	(7.7)	6.3	(6.5)	6.6 (na)
Mean	2.5	(1.6)	2.1	(1.8)	2.0 (na)	4.1	(2.9)	1.9	(2.0)	1.8 (na)	8.6	(7.4)	6.2	(6.4)	6.2 (na)

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 (11 February 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.
- In the charts and tables, 'All Property' figures were derived from 17 forecasts for each performance measure over all periods. Full sector forecasts were received from 15 organisations (13 for full central London office forecasts) as some contributors omitted 2026 forecasts.

Survey Results by Sector

Office

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	4.4	3.6	3.1	2.8	9.3	5.0	3.0	3.2	13.0	9.9	7.9	7.9
Minimum	-3.6	-4.6	0.4	-0.7	-6.8	-8.2	-2.0	-2.8	-2.2	-3.2	1.6	2.1
Range	8.0	8.2	2.7	3.5	16.1	13.2	5.0	6.0	15.2	13.1	6.3	5.8
Median	1.4	2.1	1.9	1.7	1.4	1.3	1.2	1.4	5.6	5.0	5.1	5.2
Mean	1.3	1.5	1.9	1.6	1.9	0.9	0.8	1.0	5.9	5.0	4.9	5.1

Industrial

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	8.7	5.7	4.3	4.5	17.7	6.7	3.6	6.1	21.6	10.0	8.7	9.5
Minimum	3.9	1.7	0.6	2.2	4.0	0.7	-0.9	1.1	7.6	4.5	2.3	5.0
Range	4.8	4.0	3.7	2.3	13.6	5.9	4.5	5.1	13.9	5.5	6.4	4.5
Median	5.0	4.1	2.8	3.3	8.1	4.0	1.8	3.5	11.7	7.7	5.3	6.8
Mean	5.5	4.0	2.9	3.4	8.5	3.5	1.6	3.3	12.3	7.2	5.3	7.0

Standard Retail

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	0.4	1.3	1.6	1.2	6.3	2.4	2.0	2.3	12.4	8.4	7.9	8.7
Minimum	-5.0	-3.0	-2.0	-2.0	-5.8	-3.1	-3.2	-1.9	-2.7	0.2	0.6	2.2
Range	5.4	4.3	3.6	3.2	12.1	5.5	5.2	4.2	15.1	8.2	7.3	6.5
Median	-2.6	-0.2	0.5	-0.2	-0.9	-0.7	0.1	-0.2	3.6	4.5	5.2	4.7
Mean	-2.5	-0.5	0.3	-0.3	-0.9	-0.6	0.0	-0.1	3.8	4.1	4.8	4.6

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	1.0	1.5	1.5	1.3	5.0	4.0	2.8	2.5	13.3	11.3	9.3	10.3
Minimum	-5.6	-4.5	-2.8	-2.9	-10.6	-5.5	-2.8	-4.1	-3.6	0.1	2.7	1.7
Range	6.6	6.0	4.3	4.2	15.6	9.5	5.5	6.6	16.9	11.2	6.6	8.6
Median	-2.2	-0.8	0.1	-0.4	-2.4	-1.0	-0.5	-0.8	2.6	3.7	4.2	3.9
Mean	-2.8	-1.2	-0.1	-0.5	-2.7	-1.2	-0.6	-1.0	3.0	4.5	5.2	4.6

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	2.0	2.2	2.0	2.0	13.0	4.9	3.0	3.6	19.2	12.5	11.5	12.1
Minimum	-1.2	-1.0	0.0	-0.3	-1.7	-3.3	-2.3	-2.3	4.0	1.9	3.2	3.2
Range	3.2	3.2	2.0	2.3	14.7	8.2	5.3	5.9	15.2	10.6	8.3	8.9
Median	0.1	1.0	1.2	1.0	3.7	1.3	0.5	1.7	9.6	7.5	6.5	7.9
Mean	0.3	0.8	1.1	0.9	3.5	1.1	0.1	1.0	9.7	7.1	6.2	7.1

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	10.0	5.0	4.0	4.6	8.2	4.0	4.0	3.6	13.0	10.0	9.0	9.2
Minimum	0.3	0.0	0.4	1.0	0.1	-1.5	-1.5	-0.1	4.8	3.2	2.3	4.3
Range	9.7	5.0	3.6	3.6	8.0	5.5	5.5	3.7	8.2	6.8	6.7	4.9
Std. Dev.	1.9	1.0	0.7	0.8	2.1	1.4	1.4	1.0	2.3	1.8	1.7	1.4
Median	2.3	2.1	2.0	1.9	3.8	2.5	0.7	2.3	8.2	6.3	5.0	6.6
Mean	2.5	2.1	2.0	2.0	4.1	1.9	1.1	1.8	8.6	6.2	5.4	6.2

* Based on 16 forecasts, as two contributors omitted 2026 projections from their returns

Acknowledgements

The Investment Property Forum (IPF) thanks all those organisations that contributed to the **IPF Winter 2021-2022** UK Consensus Forecasts, including:

abrdn, Avison Young, Aviva Investors, Capital Economics, Carter Jonas, CBRE, Colliers International, DWS, Alexander Property Research for Fletcher King, JLL, Keills, Knight Frank, LaSalle Investment Management, Legal & General Investment Management, Real Estate Forecasting Ltd., Savills Investment Management, Stifel and UBS Asset Management.

Note

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

If your organisation wishes to contribute to future surveys, please contact the IPF Research Director at pcraddock@ipf.org.uk.

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