



SPRING 2024

RESEARCH

Spring 2024 Survey of Independent Forecasts for UK Commercial Property Investment



COMMISSIONED BY THE IPF RESEARCH PROGRAMME

UK Consensus Forecasts

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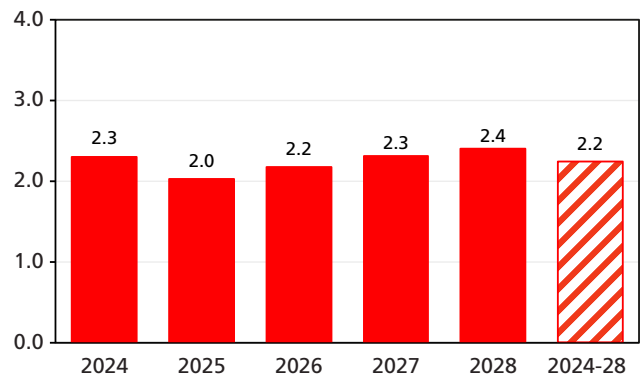
At a Glance – Spring 2024

The results of the second quarterly survey of the year are based on data received from 19 organisations, whose forecasts were generated between the start of March and mid-May 2024.

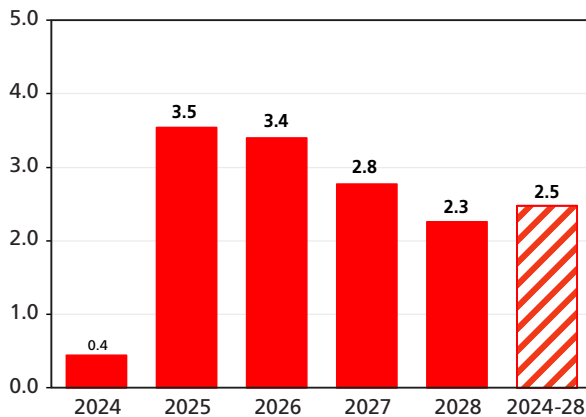
Rental value growth

At 2.3%, there has been a small boost of 30bps for the 2024 forecast, compared to the previous survey, while the other predictions remain closely aligned. Ranging from 2.0% to 2.4%, there continues to be little variation in the growth numbers across the five-year forecast period.

The five-year average of 2.2% pa is in line with the previous forecast, also 2.2% pa.



Capital value growth



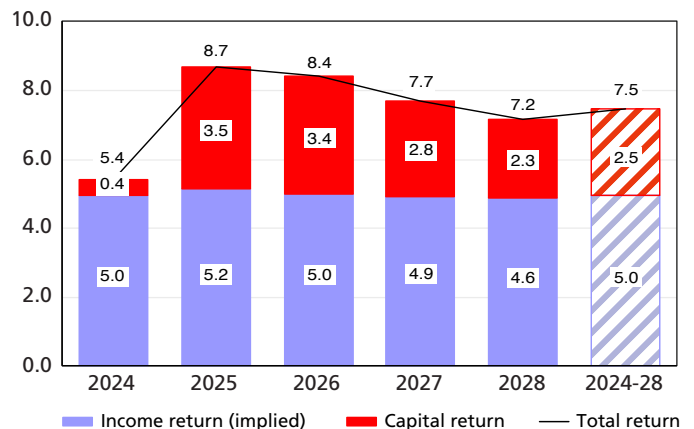
There has been a small downgrade in the 2024 capital value growth forecast to 0.4%, from 0.8% in the last quarter. While the projection for 2025 remains unchanged at 3.5%, the forecasts for the subsequent three years have gained uplifts of between 20bps and 30bps.

With the addition of the stronger forecasts in the later years, the five-year annualised forecast has ticked up from 2.4% pa to 2.5% pa.

Total returns

With lower capital value growth, the total return for 2024 is a little down on the previous quarter at 5.4%, compared to 5.9%. While the forecast for 2025, at 8.7%, is considerably more robust than the 2024 prediction, it is also marginally lower than the last survey. The forecasts for latter three years are unchanged.

The five-year average return is 7.5% pa, compared to 7.6% pa previously.



Summary Average by Sector

	Rental value growth (%)				Capital value growth (%)				Total return (%)			
	2024	2025	2026	2024-28	2024	2025	2026	2024-28	2024	2025	2026	2024-28
Office	1.4	1.2	1.8	1.8	-3.9	1.4	2.4	0.8	0.7	6.4	7.6	5.8
Industrial	3.8	3.1	3.0	3.2	3.5	5.7	4.7	4.0	8.1	10.3	9.2	8.5
Standard Retail	0.9	1.2	1.5	1.4	-0.9	2.8	2.4	1.6	3.9	7.9	7.4	6.5
Shopping Centre	-0.2	0.4	1.0	0.7	-1.3	0.8	0.6	0.1	5.8	8.0	7.7	7.2
Retail Warehouse	1.3	1.6	1.8	1.6	1.9	3.0	2.3	2.1	8.4	9.4	8.5	8.3
West End Office	2.9	2.2	2.5	2.7	-1.9	3.0	3.7	2.2	1.8	7.0	7.9	6.1
City Office	1.3	1.1	1.8	1.8	-3.4	1.3	2.7	1.1	1.1	6.3	7.8	6.0
All Property	2.3	2.0	2.2	2.2	0.4	3.5	3.4	2.5	5.4	8.7	8.4	7.5

All Property Average by Forecast Month

Month of forecast (no. contributors)	Rental value growth (%)				Capital value growth (%)				Total return (%)			
	2024	2025	2026	2024-28	2024	2025	2026	2024-28	2024	2025	2026	2024-28
March (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
April (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
May (15)	2.5	2.2	2.2	2.3	0.6	3.7	3.4	2.5	5.6	8.8	8.4	7.5
All Forecasters (19)	2.3	2.0	2.2	2.2	0.4	3.5	3.4	2.5	5.4	8.7	8.4	7.5

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

Key points

- The Industrial sector is expected to achieve robust rental growth over the forecast period, with a five-year forecast of 3.2% pa. The West End office rental growth is the only other reported sector expected to outperform the All Property five-year average of 2.2% pa, with growth of 2.7% pa. Shopping Centres are forecast to experience the weakest rental growth of only 0.7% pa, with rental decline in 2024.
- With the exception of Industrial and Retail Warehouses, all other sectors are expected to experience capital value decline in 2024. Positive growth will return to all sectors in 2025. Over the next five years, Industrial (4.0% pa) will be the top performer, while Shopping Centre capital values are expected to be close to the current level at the end of the five-year forecast period.
- There is a significant divergence in 2024 total return forecasts between the sectors. Retail Warehouses and Industrial are expected to outperform, with returns of 8.4% and 8.1% respectively, while Offices are forecast to underperform the rest of the market with a return of just 0.7%.
- Over the five-year time period, Industrial is the top performer, with a return of 8.5% pa, just ahead of the Retail Warehouse sector at 8.3% pa. Offices lag the other markets with an annualised return forecast of 5.8% pa.

Survey contributors

Nineteen organisations contributed to this quarter's forecasts, comprising eight Property Advisors and Research Consultancies, nine Fund Managers and two Other ¹.

Forecasts for All Property, Office, Industrial, Standard Retail, Shopping Centres and Retail Warehouse forecasts were received from 19 contributors and there were 17 full sets of forecasts for West End and City sub-office markets (18 rental growth forecasts provided). All forecasts were generated within eleven weeks of the survey date (15 May 2024). Named contributors appear on the final page of this report.

Rolling five-year averages

The All Property annualised five-year forecasts (2024-2028) for all performance indicators are closely aligned with those from the previous quarter (Winter's results (2024-2028) in brackets):

Rental value growth: 2.2% pa (2.2% pa)

Capital value growth: 2.5% pa (2.4% pa)

Total return: 7.5% pa (7.6% pa)

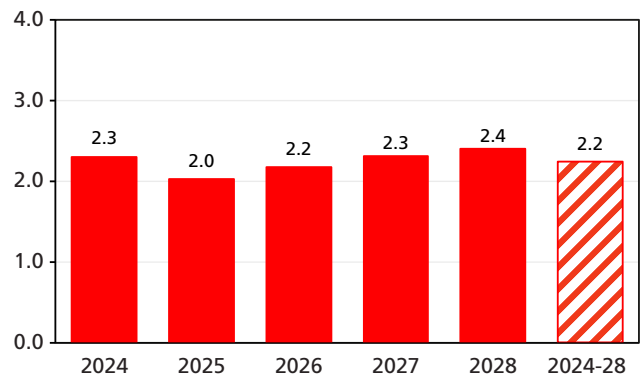
¹ As a minimum of five forecasts are required for each group of contributors to be separately analysed, data from Other contributors is only included at the All-Forecaster level of reportage.

Rental Value Growth Forecasts

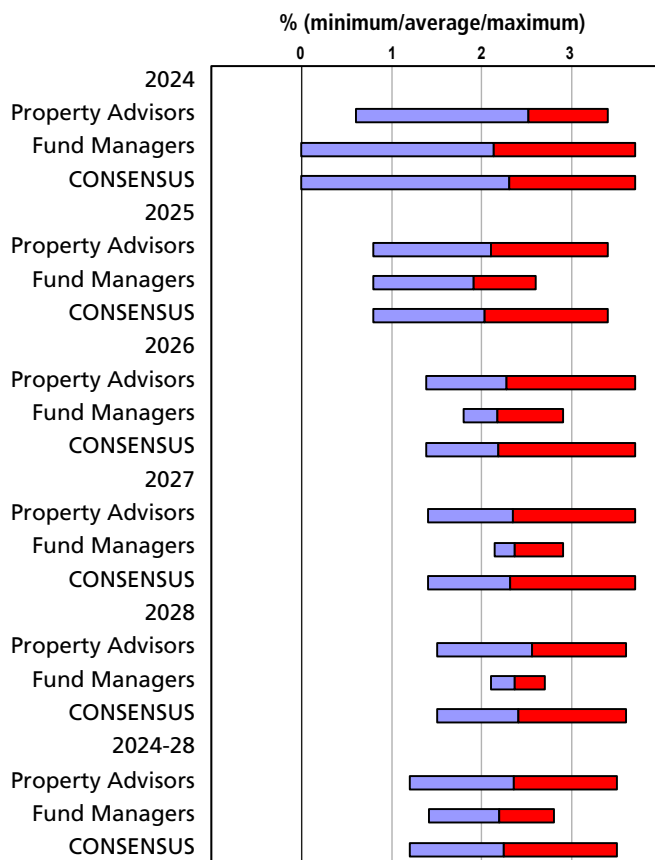
All Property rental value growth forecasts

At 2.3%, there has been a small boost of 30bps for the 2024 forecast, compared to the previous survey, while the other predictions remain closely aligned. Ranging from 2.0% to 2.4%, there continues to be little variation in the growth numbers across the five-year forecast period.

The five-year average of 2.2% pa is in line with the previous forecast, also 2.2% pa.



Rental value growth forecasts by contributor



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

In 2024, the Property Advisor forecast outranks that of the Fund Manager by 40bps, with a forecast of 2.5% compared to 2.1%. For the remaining four years, there is minimal variation between the rental growth predictions of the two contributor groups. In all years, with the exception of 2027, Property Advisor forecasts outperform Fund Manager forecasts.

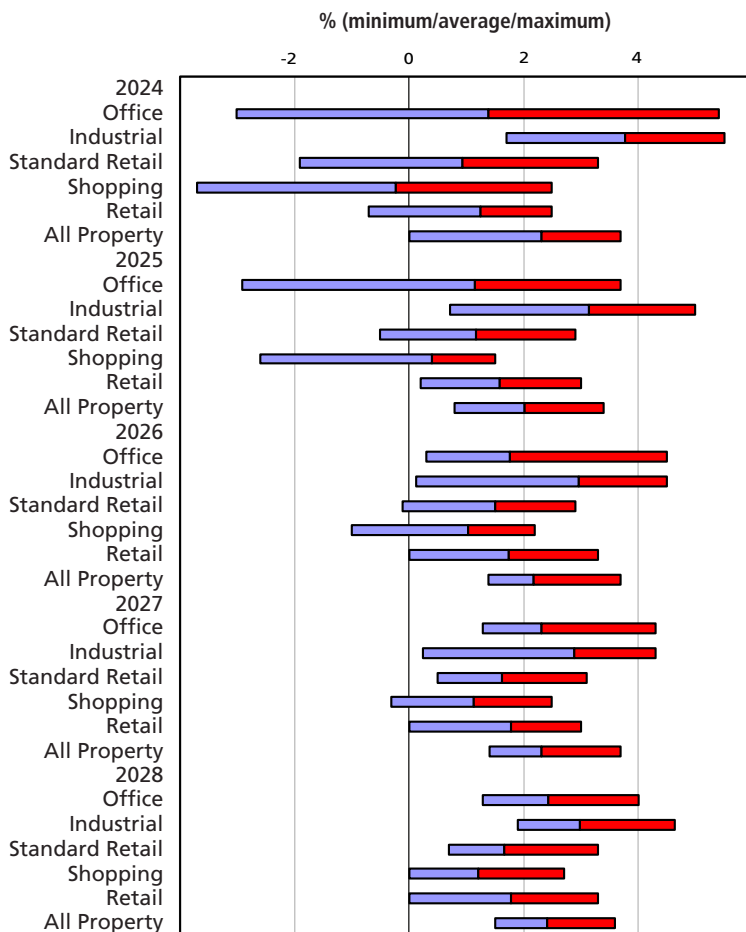
Compared to surveys at the end of 2022 and beginning of 2023, there is much more certainty around the results for the next two years.

Over the annualised five-year period, the average growth forecast for Property Advisors is marginally higher than that for Fund Managers, at 2.4% pa compared to 2.2% pa.

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

Rental Value Growth Forecasts

Sector rental value growth annual forecasts



The 2024 rental growth forecasts have improved across all sectors, compared to the previous quarter, with the exception of Industrial which remains in line. Industrial is the clear top performer, with forecast growth of 3.8%. All other sectors are expected to underperform the All Property average of 2.3%, although the Shopping Centre market is the only sector forecast to experience rental decline, with an estimate of -0.2%.

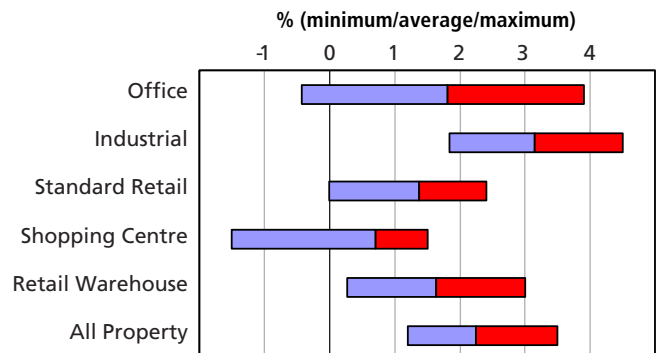
It is a similar picture in 2025. Industrial remains the clear out performer at 3.1%, despite a 10bps downgrade from the last quarter. All of the other forecasts have experienced marginal improvements, although Retail Warehouses are second placed with rental growth of just 1.6%. Shopping Centre rents are finally expected to grow again next year, albeit by only 0.4%. The All Property rental value growth figure remains unchanged from the previous quarter at 2.0%.

There have also been minimal changes to forecasts across the final three years, with the most significant being the 20bps downgrade of the 2026 Industrial forecast. The Industrial sector remains the clear winner in rental growth terms, although Office market expectations strengthen towards the end of the period, relative to the other sectors.

Sector rental value growth five-year average forecasts

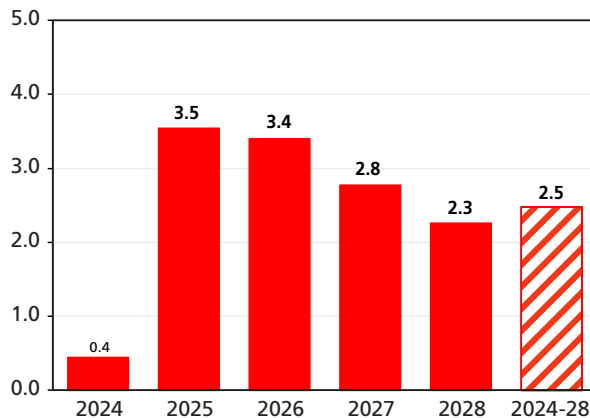
The All Property rolling five-year average, at 2.2% pa, is in line with the previous forecast. All sectors have improved very marginally with the exception of Industrial, although its downgrade is nominal.

Only the Industrial sector is expected to achieve significant rental growth over the next five years, averaging 3.2% pa, while at the other end of the spectrum, Shopping Centre rents are expected to grow by only 0.7% pa.



Capital Value Growth Forecasts

All Property average capital value growth forecasts



There has been a small downgrade in the 2024 forecast to 0.4%, from 0.8% in the last quarter. While the capital value growth projection for 2025 remains unchanged at 3.5%, the forecasts for the subsequent three years have gained uplifts of between 20bps and 30bps.

With the addition of the stronger forecasts in the later years, the five-year annualised forecast has ticked up from 2.4% pa to 2.5% pa.

Capital value growth forecasts by contributor

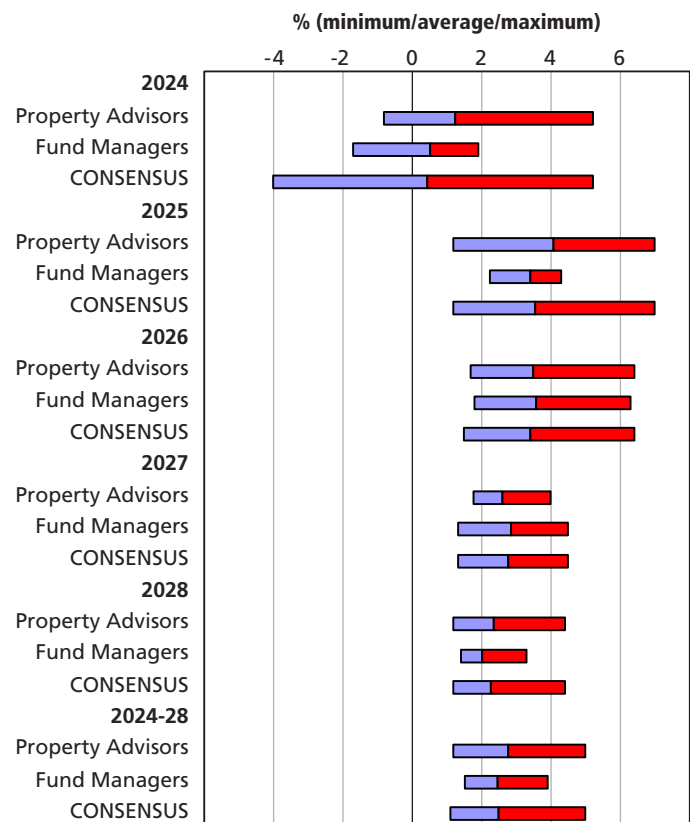
For 2024 capital value growth, the expectations of Property Advisors have deteriorated from 2.2% to 1.2%. By contrast, the Fund Manager forecast of 0.5% is a minor improvement on the previous figure of 0.2%. Both figures are above the Consensus forecast which includes the views of two 'Other' contributors.

In 2025, Property Advisors continue to be the more optimistic of the two contributor types, with a forecast of 4.1%, compared to 3.4% from Fund Managers.

In subsequent years, the views of the two cohorts are more closely aligned; all forecasts are marginally higher compared to the last survey. Only in 2026 and 2027, are Fund Managers more confident than Property Advisors.

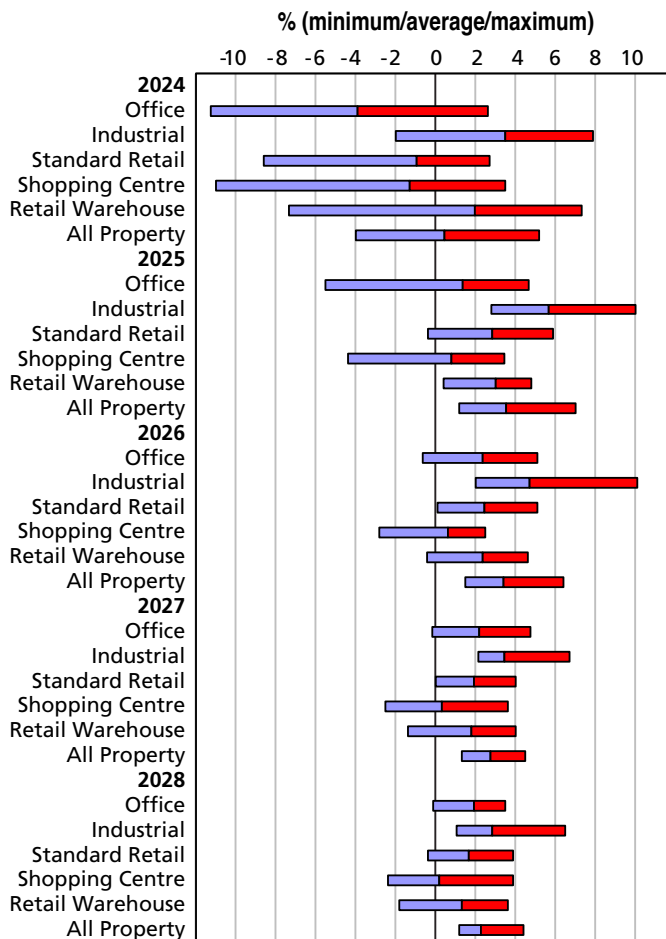
Over five years, Property Advisors predict growth of 2.8% pa, while Fund Managers forecast growth of 2.5% pa.

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



Capital Value Growth Forecasts

Sector capital value growth annual forecasts



At a sector level, there has been a divergence in fortunes for the capital value growth forecasts for the current year, compared to the Winter survey. Expectations for Retail Warehouses have strengthened by 170bps to 1.9%, although this remains some way behind the Industrial forecast of 3.5%. By contrast, the Office growth forecast has weakened by 130bps and values are now expected to decline by 3.9%, the weakest outcome. Capital values for Standard Retail and Shopping Centres are also expected to decline in 2024.

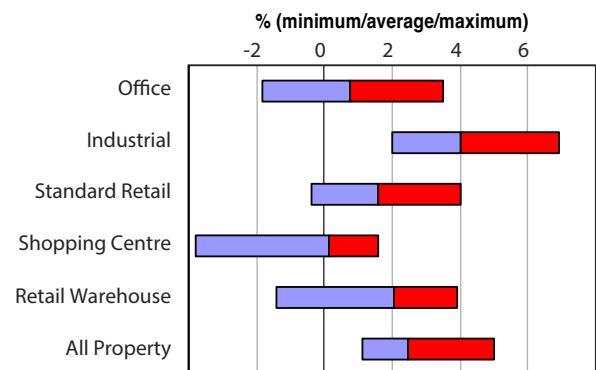
In 2025, capital values growth numbers turn positive across all sectors. Industrial continues to be the lead performer, with growth of 5.7%, ahead of Retail Warehouses at 3.0%. Shopping Centres trail the other sectors with a forecast of just 0.8%. The greatest change in view from the previous quarter is the Office sector: growth of 1.4% is expected, compared to 2.0% last time.

Industrial remains the top performer for the subsequent three years and is the only sector to outperform the All Property average over this period. Shopping Centres continue to lag the other markets in capital value terms.

Sector capital value growth five-year forecasts

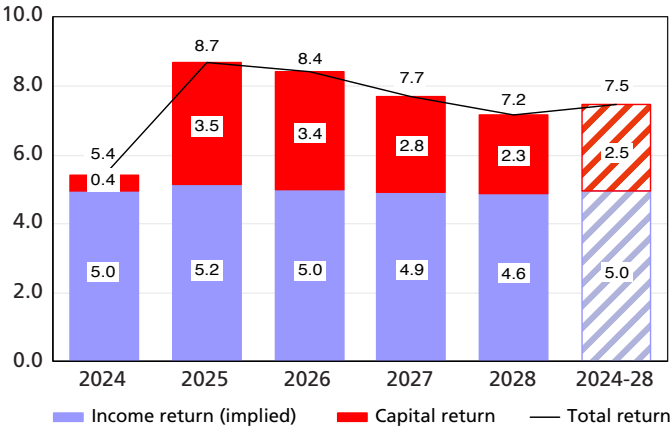
Unsurprisingly, given the individual years' results, Industrial is the top performer over five years with expected growth of 4.0% pa, an improvement of 10bps compared with the previous survey. Shopping Centre values are expected to show almost no growth at the end of five years, while Office values will achieve an uplift of only 0.8%.

The Retail Warehouse five-year forecast now stands at 2.1% pa, demonstrating the greatest change compared to the last survey - an upgrade of just 20bps.



Total Return Forecasts

All Property total return forecasts



With lower capital value growth, the total return for 2024 is a little down on the previous quarter at 5.4%, compared to 5.9%. While the forecast for 2025, at 8.7%, is considerably more robust than the 2024 prediction, it is also marginally lower than the last survey. The forecasts for latter three years are unchanged. The five-year average return is 7.5% pa, compared to 7.6% pa previously.

Contributors All Property total return forecasts

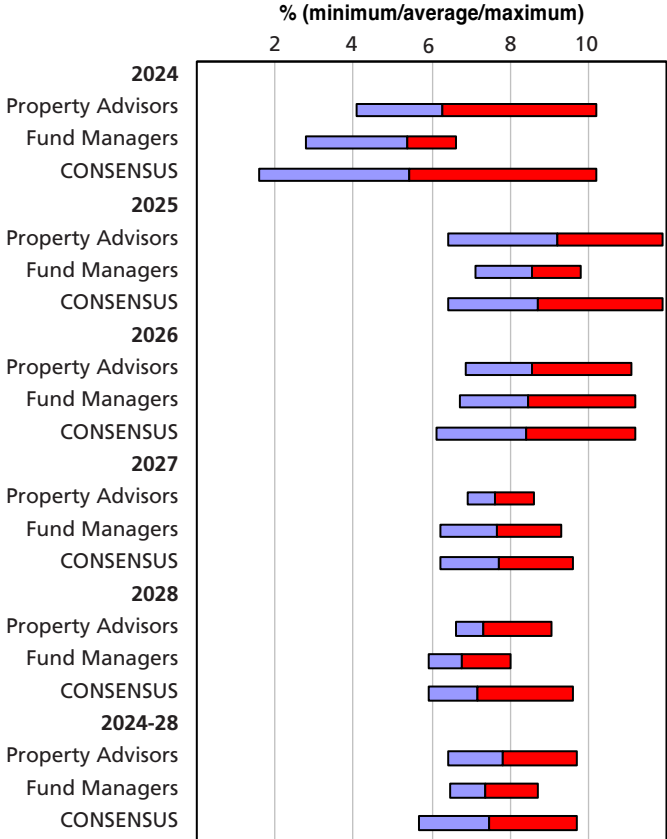
The 2024 results reflect a more pessimistic view from Property Advisors, compared to the previous survey. The return of 6.2% is a 100bps decline on the Winter result of 7.3%. By contrast, the Fund Manager forecast of 5.4% remains aligned with the previous quarter. The Consensus forecast of 5.4% also reflects the views of two 'Other' participants.

In 2025, the variance in the expectations of the two contributor groups closes somewhat. Property Advisors forecast 9.2%, while Fund Managers expect 8.6%. Only in 2027, are Fund Managers more bullish than Property Advisors.

The five-year annualised return for Property Advisors, at 7.8% pa, is above the Fund Manager forecast of 7.4% pa.

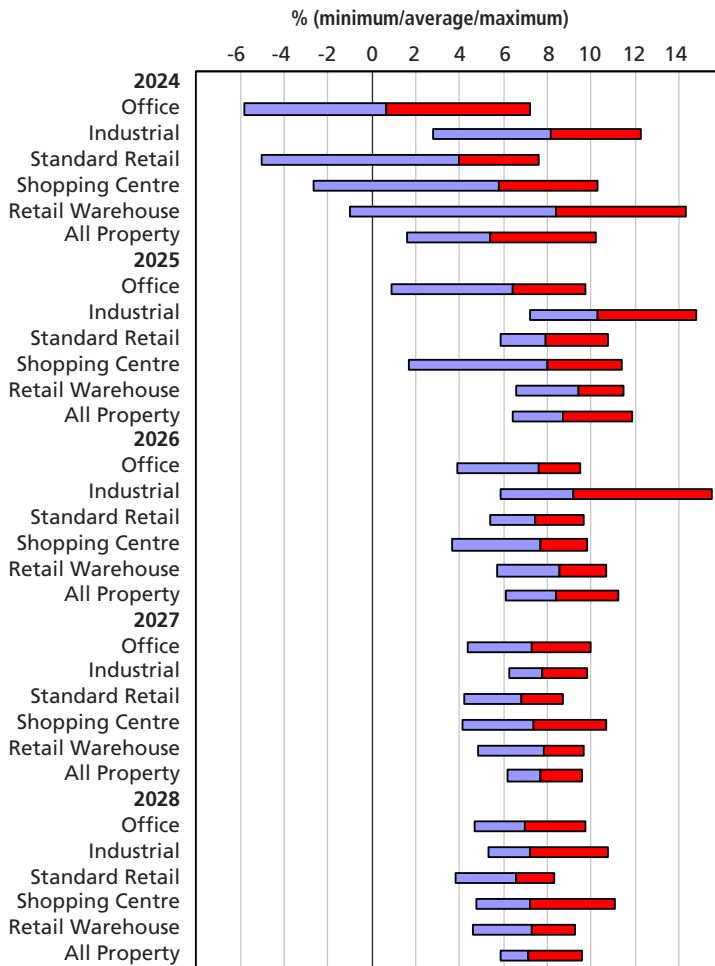
In 2024 and 2025, the range around the Fund Manager results is narrower than that of Property Advisors, reflecting more certainty in the outcomes.

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



Total Return Forecasts

Sector total return annual forecasts



The 2024 Retail Warehouse return has been boosted by 170 bps this quarter and, at 8.4%, has overtaken Industrial to become the top sector-level forecast. The Industrial return has been weakened marginally to 8.1%, from 8.2% in the Winter survey. The Office sector remains the weakest performer with a return of just 0.7%, a demotion of 180bps.

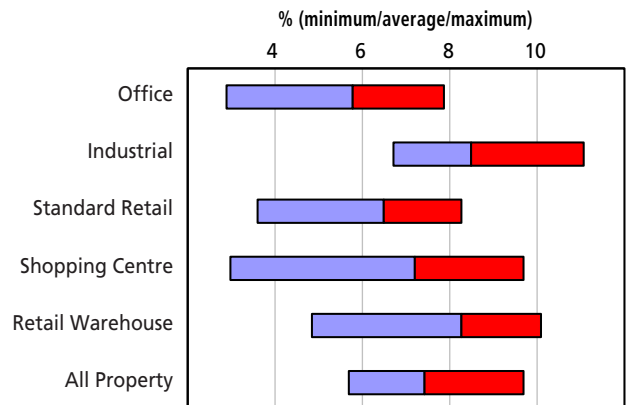
In 2025, Industrial returns to the top spot with a bullish return of 10.3%, ahead of Retail Warehouses at 9.4%. Offices again exhibit the weakest returns, with a downgraded 6.4%. In 2026, Industrial retains its lead, ahead of Retail Warehouses, with Standard Retail replacing the Office sector in last place.

By 2027, sector forecasts are more closely aligned. Retail Warehouses are expected to marginally outperform Industrial, while Standard Retail again brings up the rear. In 2028, there is just 80bps between the top performer, Retail Warehouses at 7.3%, and the weakest performer, Standard Retail at 6.5%.

Sector total return five-year forecasts

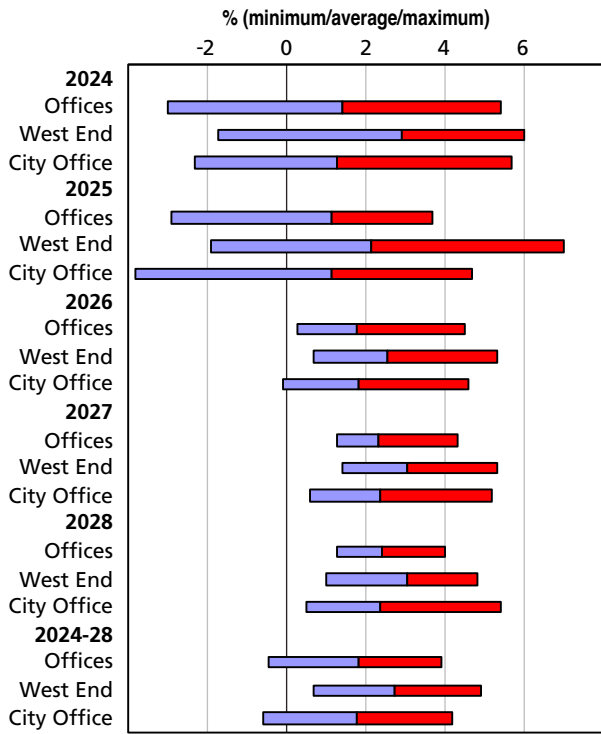
The All Property five-year return forecast, at 7.5% pa, is almost aligned with the previous quarter's figure of 7.6% pa.

The Industrial return remains the strongest at 8.5% pa, closely followed by the Retail Warehouse sector at 8.3% pa, both forecasts experiencing minor upgrades from last quarter. The Office forecast has been reduced by 50bps and, at 5.8% pa, remains the weakest sector.



Central London Offices

Central London rental value growth



West End market rents are expected to grow faster than City rents across all the years in the forecast period. In 2024, West End rents are forecast to rise by 2.9%, while City rents will increase by a less robust 1.3%.

This disparity in growth rates between the two London markets does diminish over the five years. In 2025, it is still over 100bps but, by 2026, the void in rates has closed somewhat with West End rents expected to grow by 2.5% and City by 1.8%. The difference between the two markets is smaller still in 2027.

Unsurprisingly, the five-year forecast for the West End is ahead of the City market, at 2.7% pa compared to 1.8% pa. West End outperforms the wider office market in all years, while the City market is more closely aligned.

There is generally less certainty around the results of the two London office markets; this is particularly the case for 2025.

Central London capital value growth

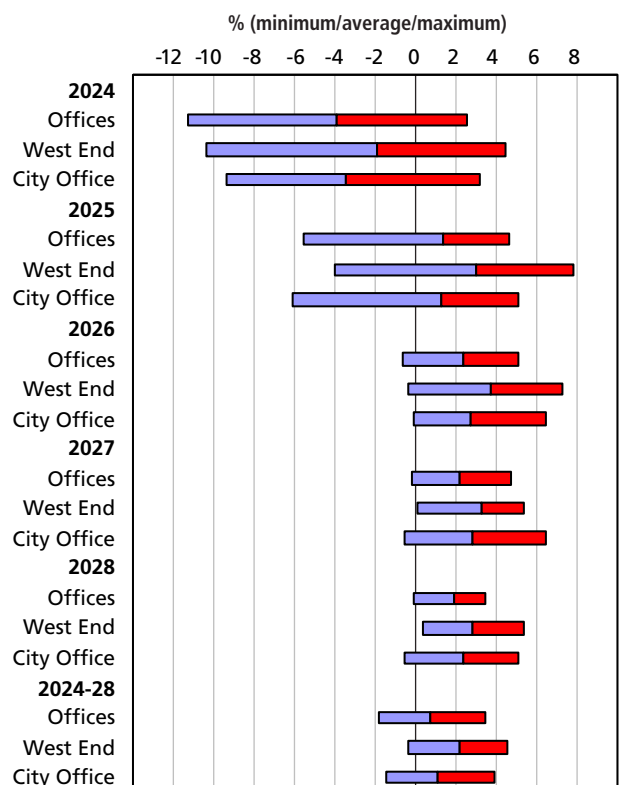
In the first three years of the forecast period, there is a more pessimistic view of capital value growth for the two central London markets, compared to the Winter survey.

In 2024, both central London markets are again expected to incur capital decline. The West End figure has been reduced from -0.4% to -1.9% and the City forecast more marginally from -2.9% to -3.4%.

Positive growth returns in 2025, with West End capital values expected to rise by 3.0% and City values by 1.3%. In subsequent years, the West End is expected to continue to outperform the City in capital value terms.

The five-year average is 2.2% pa for West End and 1.1% pa for City. Both forecasts are ahead of the wider Office forecast of 0.8% pa.

Compared to the previous survey, there is more certainty around the 2024 forecasts, particularly for the City market, and less around the 2025 and 2026 forecasts.



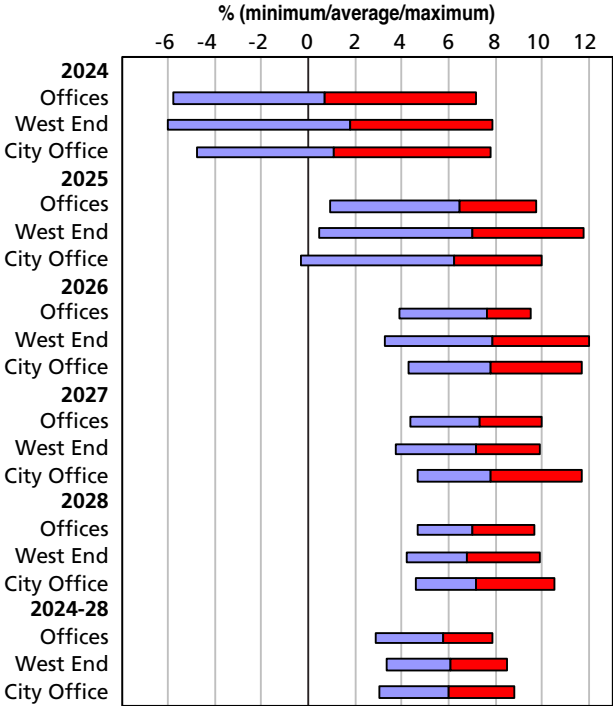
Central London Offices

Central London total returns

The 2024 returns for the West End and City office markets, of 1.8% and 1.1% respectively, are some distance behind the All Property average of 5.9%, although the level of uncertainty has reduced somewhat from the Winter survey.

The West End continues to outperform the City market in 2025 and 2026, although by a narrowing margin. In 2027, the positions are reversed when City is expected to generate a return of 7.8% compared to 7.2% for the West End; City also outperforms the All Property return of 7.7%. This hierarchy of forecasts is mirrored in 2028.

Over the five-year annualised period, the West End is forecast to return 6.1% pa and the City 6.0% pa, against an Office estimate of 5.8% pa and an All Property average of 7.5% pa.



Evolution of Forecasts

Evolution of All Property Forecasts (%)

	Spr-22	Sum-22	Aut-22	Win-23	Spr-23	Sum-23	Aut-23	Win-24	Spr-24
2024									
Rental Value Growth	1.8	1.5	1.1	1.0	1.3	1.3	1.6	2.0	2.3
Capital Value Growth	0.7	1.3	1.9	2.2	2.3	0.8	0.1	0.8	0.4
Total Return	4.9	5.8	6.8	7.2	7.1	5.7	5.0	5.9	5.4
2025									
Rental Value Growth	1.8	1.8	1.6	1.6	1.8	1.7	1.5	2.0	2.0
Capital Value Growth	0.7	1.8	4.1	2.9	2.8	2.6	3.3	3.5	3.5
Total Return	4.8	6.3	9.0	8.0	7.7	7.5	8.4	8.8	8.7
5-Year Annualised (% pa)									
Rental Value Growth	2.1	2.0	1.8	1.4	1.8	1.9	2.1	2.2	2.2
Capital Value Growth	1.8	1.1	-1.0	0.7	1.3	0.8	0.7	2.4	2.5
Total Return	6.0	5.5	3.6	5.6	6.1	5.6	5.6	7.6	7.5

The table above shows the evolution of the average All Property forecasts from Spring 2022 to Spring 2024, for the current year and 2025, as well as the annualised five-year averages.

The latest set of 2024 forecasts indicate a weakening in capital value growth and total return expectations. Capital value growth has declined from 0.8% to 0.4%, the second weakest forecast noted by the survey for 2024. Correspondingly, the total return forecast is now 5.4%, down from 5.9%. By contrast, the rental value growth expectation has strengthened for another quarter and, at 2.3%, is now the highest 2024 forecast recorded by the survey.

There is very little change in the 2025 forecasts compared to the last quarter. The rental growth forecast remains the highest of any survey, while the capital value growth projection has only been succeeded by the Autumn 2022 forecast. The return for the year is expected to remain robust at 8.7%.

As with the 2025 forecasts, there has been little alteration in the five-year annualised projections across all of the performance indicators and they are among the most optimistic forecasts recorded by the survey in recent years.

All Property survey results by contributor type

(Forecasts in brackets are Winter 2024 comparisons)

Property Advisors

8 (8) contributors	Rental Value Growth (%)			Capital Value Growth (%)			Total Return (%)		
	2024	2025	2024-28	2024	2025	2024-28	2024	2025	2024-28
Maximum	3.4 (3.0)	3.4 (2.7)	3.5 (3.1)	5.2 (5.5)	7.0 (6.8)	5.0 (4.8)	10.2 (10.2)	11.9 (11.4)	9.7 (9.3)
Minimum	0.6 (0.7)	0.8 (0.2)	1.2 (1.0)	-0.8 (-1.4)	1.2 (0.3)	1.2 (0.6)	4.1 (3.3)	6.4 (5.2)	6.4 (5.7)
Range	2.8 (2.3)	2.6 (2.5)	2.3 (2.1)	6.0 (6.9)	5.8 (6.5)	3.8 (4.2)	6.1 (6.9)	5.5 (6.2)	3.3 (3.6)
Median	2.8 (2.3)	2.0 (2.2)	2.3 (2.4)	0.9 (2.3)	4.0 (3.8)	2.4 (2.9)	5.9 (7.5)	9.2 (9.2)	7.6 (8.0)
Mean	2.5 (2.2)	2.1 (2.0)	2.4 (2.4)	1.2 (2.2)	4.1 (3.8)	2.8 (2.8)	6.2 (7.3)	9.2 (9.0)	7.8 (7.9)

Fund Managers

9 (8) contributors	Rental Value Growth (%)			Capital Value Growth (%)			Total Return (%)		
	2024	2025	2024-28	2024	2025	2024-28	2024	2025	2024-28
Maximum	3.7 (3.1)	2.6 (2.6)	2.8 (2.8)	1.9 (2.9)	4.3 (4.9)	3.9 (3.2)	6.6 (8.3)	9.8 (10.8)	8.7 (9.3)
Minimum	0.0 (-0.2)	0.8 (1.3)	1.4 (1.7)	-1.7 (-2.0)	2.2 (1.5)	1.5 (1.5)	2.8 (2.2)	7.1 (6.8)	6.5 (6.5)
Range	3.7 (3.3)	1.8 (1.3)	1.4 (1.1)	3.6 (4.9)	2.1 (3.4)	2.4 (1.7)	3.8 (6.1)	2.7 (4.0)	2.2 (2.8)
Median	2.2 (2.1)	2.0 (2.0)	2.1 (2.2)	0.5 (0.4)	3.4 (4.2)	2.3 (2.2)	5.5 (5.5)	8.7 (9.0)	7.2 (7.2)
Mean	2.1 (1.9)	1.9 (2.0)	2.2 (2.1)	0.5 (0.2)	3.4 (3.6)	2.5 (2.2)	5.4 (5.4)	8.6 (9.0)	7.4 (7.5)

All Property forecasters

19 (18) contributors	Rental Value Growth (%)			Capital Value Growth (%)			Total Return (%)		
	2024	2025	2024-28	2024	2025	2024-28	2024	2025	2024-28
Maximum	3.7 (3.1)	3.4 (2.7)	3.5 (3.1)	5.2 (5.5)	7.0 (6.8)	5.0 (4.8)	10.2 (10.2)	11.9 (11.4)	9.7 (9.3)
Minimum	0.0 (-0.2)	0.8 (0.2)	1.2 (1.0)	-4.0 (-4.0)	1.2 (0.3)	1.1 (0.6)	1.6 (1.5)	6.4 (5.2)	5.7 (5.7)
Range	3.7 (3.3)	2.6 (2.5)	2.3 (2.1)	9.2 (9.5)	5.8 (6.5)	3.9 (4.2)	8.6 (8.7)	5.5 (6.2)	4.0 (3.6)
Std. Dev.	1.0 (0.8)	0.7 (0.6)	0.5 (0.5)	1.9 (2.2)	1.3 (1.6)	0.9 (0.9)	1.9 (2.3)	1.3 (1.6)	0.9 (1.0)
Median	2.6 (2.2)	2.0 (2.0)	2.2 (2.2)	0.5 (0.8)	3.4 (3.8)	2.3 (2.4)	5.5 (6.3)	8.7 (9.0)	7.4 (7.6)
Mean	2.3 (2.0)	2.0 (2.0)	2.2 (2.2)	0.4 (0.8)	3.5 (3.5)	2.5 (2.4)	5.4 (5.9)	8.7 (8.8)	7.5 (7.6)

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 May 2024).
- 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 (%)			
	2024	2025	2026	2024-28	2024	2025	2026	2024-28	2024	2025	2026	2024-28
Maximum	5.4	3.7	4.5	3.9	2.6	4.7	5.1	3.5	7.2	9.7	9.5	7.9
Minimum	-3.0	-2.9	0.3	-0.4	-11.3	-5.5	-0.7	-1.8	-5.8	0.9	3.9	2.9
Range	8.4	6.6	4.2	4.3	13.9	10.2	5.8	5.3	13.0	8.8	5.6	5.0
Median	1.9	1.2	1.4	1.9	-4.1	1.4	2.3	0.9	0.5	6.6	8.0	6.0
Mean	1.4	1.2	1.8	1.8	-3.9	1.4	2.4	0.8	0.7	6.4	7.6	5.8

Industrial

19 forecasts	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
	2024	2025	2026	2024-28	2024	2025	2026	2024-28	2024	2025	2026	2024-28
Maximum	5.5	5.0	4.5	4.5	7.9	10.0	10.1	6.9	12.3	14.8	15.5	11.1
Minimum	1.7	0.7	0.1	1.8	-2.0	2.8	2.0	2.0	2.8	7.2	5.9	6.7
Range	3.8	4.3	4.4	2.7	9.9	7.2	8.1	4.9	9.5	7.6	9.6	4.4
Median	3.8	3.2	3.0	3.2	3.7	5.3	4.1	4.0	8.3	9.4	8.6	8.2
Mean	3.8	3.1	3.0	3.2	3.5	5.7	4.7	4.0	8.1	10.3	9.2	8.5

Standard Retail

19 forecasts	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
	2024	2025	2026	2024-28	2024	2025	2026	2024-28	2024	2025	2026	2024-28
Maximum	3.3	2.9	2.9	2.4	2.7	5.9	5.1	4.0	7.6	10.8	9.6	8.3
Minimum	-1.9	-0.5	-0.1	0.0	-8.6	-0.4	0.1	-0.4	-5.0	5.9	5.4	3.6
Range	5.2	3.4	3.0	2.4	11.3	6.3	5.0	4.4	12.6	4.9	4.2	4.7
Median	1.2	1.0	1.5	1.2	-0.3	3.1	2.0	1.3	4.0	7.7	7.5	6.7
Mean	0.9	1.2	1.5	1.4	-0.9	2.8	2.4	1.6	3.9	7.9	7.4	6.5

Shopping Centre

19 forecasts	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
	2024	2025	2026	2024-28	2024	2025	2026	2024-28	2024	2025	2026	2024-28
Maximum	2.5	1.5	2.2	1.5	3.5	3.4	2.5	1.6	10.3	11.4	9.8	9.7
Minimum	-3.7	-2.6	-1.0	-1.5	-11.0	-4.4	-2.8	-3.8	-2.7	1.7	3.7	3.0
Range	6.2	4.1	3.2	3.0	14.5	7.8	5.3	5.4	13.0	9.7	6.1	6.7
Median	0.0	0.5	1.2	1.0	-1.0	1.3	1.0	0.6	6.6	8.4	7.8	7.6
Mean	-0.2	0.4	1.0	0.7	-1.3	0.8	0.6	0.1	5.8	8.0	7.7	7.2

Retail Warehouse

19 forecasts	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
	2024	2025	2026	2024-28	2024	2025	2026	2024-28	2024	2025	2026	2024-28
Maximum	2.5	3.0	3.3	3.0	7.3	4.8	4.6	3.9	14.3	11.5	10.7	10.1
Minimum	-0.7	0.2	0.0	0.3	-7.3	0.4	-0.4	-1.4	-1.0	6.6	5.7	4.9
Range	3.2	2.8	3.3	2.7	14.6	4.4	5.0	5.3	15.3	4.9	5.0	5.2
Median	1.4	1.8	1.8	1.5	2.0	3.7	2.7	2.6	8.6	10.0	8.8	8.5
Mean	1.3	1.6	1.8	1.6	1.9	3.0	2.3	2.1	8.4	9.4	8.5	8.3

All Property

19 forecasts	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
	2024	2025	2026	2024-28	2024	2025	2026	2024-28	2024	2025	2026	2024-28
Maximum	3.7	3.4	3.7	3.5	5.2	7.0	6.4	5.0	10.2	11.9	11.2	9.7
Minimum	0.0	0.8	1.4	1.2	-4.0	1.2	1.5	1.1	1.6	6.4	6.1	5.7
Range	3.7	2.6	2.3	2.3	9.2	5.8	4.9	3.9	8.6	5.5	5.1	4.0
Std. Dev.	1.0	0.7	0.5	0.5	1.9	1.3	1.3	0.9	1.9	1.3	1.3	0.9
Median	2.6	2.0	2.0	2.2	0.5	3.4	3.2	2.3	5.5	8.7	8.3	7.4
Mean	2.3	2.0	2.2	2.2	0.4	3.5	3.4	2.5	5.4	8.7	8.4	7.5

Survey results by sector

Sector summary: Means

	(no. forecasts)	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
		2024	2025	2026	2024-28	2024	2025	2026	2024-28	2024	2025	2026	2024-28
Office	(19)	1.4	1.2	1.8	1.8	-3.9	1.4	2.4	0.8	0.7	6.4	7.6	5.8
Industrial	(19)	3.8	3.1	3.0	3.2	3.5	5.7	4.7	4.0	8.1	10.3	9.2	8.5
Standard Retail	(19)	0.9	1.2	1.5	1.4	-0.9	2.8	2.4	1.6	3.9	7.9	7.4	6.5
Shopping Centre	(19)	-0.2	0.4	1.0	0.7	-1.3	0.8	0.6	0.1	5.8	8.0	7.7	7.2
Retail Warehouse	(19)	1.3	1.6	1.8	1.6	1.9	3.0	2.3	2.1	8.4	9.4	8.5	8.3
All Property	(19)	2.3	2.0	2.2	2.2	0.4	3.5	3.4	2.5	5.4	8.7	8.4	7.5

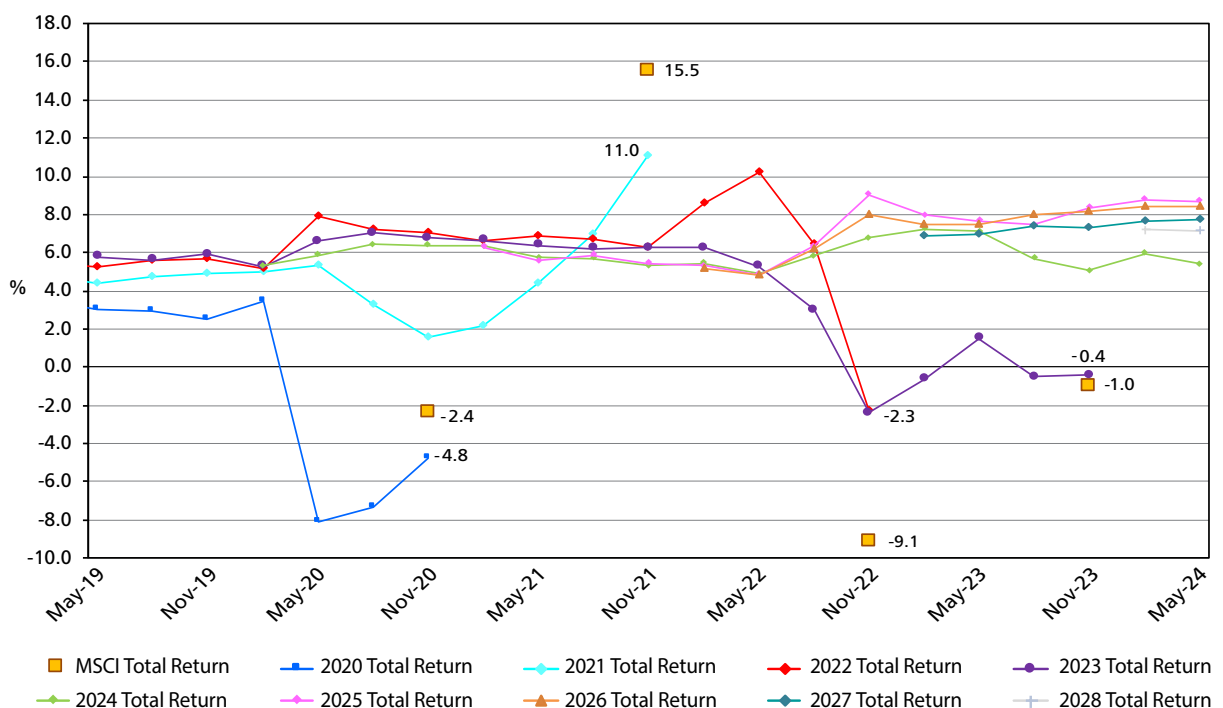
West End office

17 forecasts	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
	2024	2025	2026	2024-28	2024	2025	2026	2024-28	2024	2025	2026	2024-28
Maximum	6.0	7.0	5.3	4.9	4.5	7.8	7.3	4.6	7.9	11.8	12.0	8.5
Minimum	-1.7	-1.9	0.7	0.7	-10.3	-4.0	-0.4	-0.3	-6.1	0.5	3.3	3.4
Range	7.7	8.9	4.6	4.2	14.8	11.8	7.7	4.9	14.0	11.3	8.7	5.1
Median	3.8	2.1	2.3	2.9	-1.6	3.4	3.6	2.0	1.7	7.4	7.7	6.0
Mean	2.9	2.2	2.5	2.7	-1.9	3.0	3.7	2.2	1.8	7.0	7.9	6.1

City office

17 forecasts	Rental Value Growth (%)				Capital Value Growth (%)				Total Return (%)			
	2024	2025	2026	2024-28	2024	2025	2026	2024-28	2024	2025	2026	2024-28
Maximum	5.7	4.7	4.6	4.2	3.2	5.1	6.5	3.9	7.8	10.0	11.7	8.8
Minimum	-2.3	-3.8	-0.1	-0.6	-9.3	-6.1	-0.1	-1.5	-4.8	-0.3	4.3	3.1
Range	8.0	8.5	4.7	4.8	12.5	11.2	6.6	5.4	12.6	10.3	7.4	5.7
Median	1.3	1.5	1.7	1.8	-3.4	1.4	2.6	1.2	1.4	6.9	8.2	6.3
Mean	1.3	1.1	1.8	1.8	-3.4	1.3	2.7	1.1	1.1	6.3	7.8	6.0

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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