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RESEARCH

Investment Property Forum
# European Consensus Forecasts

IPF European Consensus Forecasts

Survey of European Office Market Rental Forecasts
November 2024

For the second survey of 2024, 14 organisations provided rental growth forecasts for some or most of the 30 locations covered by this research. Forecasts were produced ahead of the survey deadline of 31 October. As fewer than the minimum requirement of five rental growth forecasts were received for Athens and Moscow, no results for the current survey period have been produced for these markets.

Figure 1 summarises the average growth projections across the 28 office locations, where data is available, over the next three years and the annualised averages over three and five years (May 2024 forecasts in brackets).

Figure 1: Average Annual Growth Rates, 2024–2026, and 3- and 5-Year Annualised Averages (%)
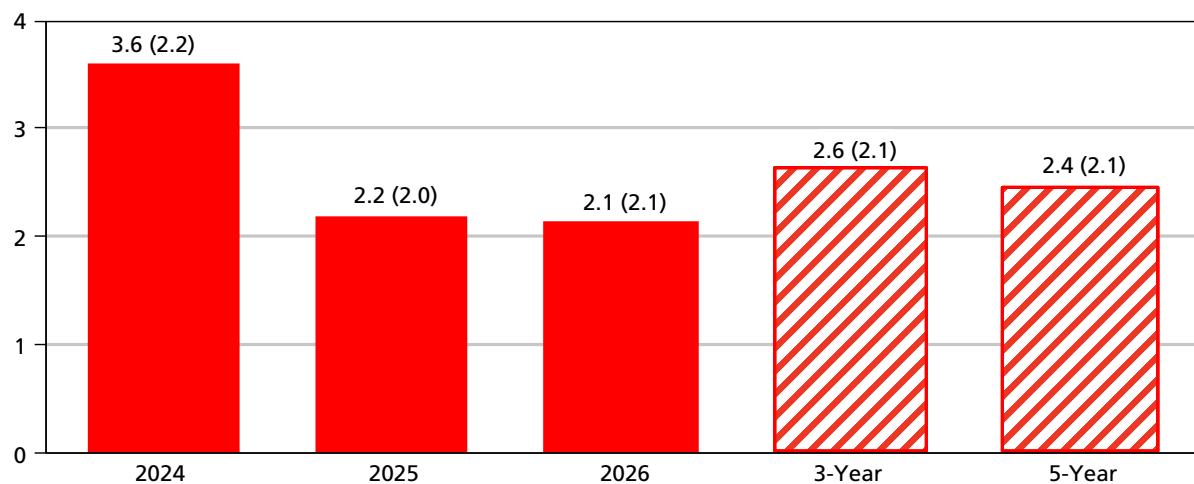
Robust 2024 Outlook

In the six months since the previous survey, the 2024 average growth rate, across all locations, has strengthened significantly from 2.2% to 3.6%. This uplift is driven by an increase in forecasts across 19 markets, with upgrades of greater than 400bps in Munich, Paris CBD, London: City, Brussels and Prague. The Munich rental growth forecast is of particular note, as it has been boosted most substantially from 4.5% to 13.5%. This location, along with London: City (8.9%), Brussels (7.6%), Paris CBD (7.5%) and London: West End (7.4%), offer the most attractive rental growth prospects for 2024. The forecasts of six locations have been downgraded, with the most significant decline in Paris: la Défense and the forecasts for the final three markets remain relatively unchanged from the previous estimates. In the current year, Paris: la Défense and Dublin are expected to experience rental value decline and, as in the previous three surveys, are the weakest markets.

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Modest Strengthening in 2025

Rental growth expectations for next year have risen marginally from 2.0% to 2.2%, compared to the outlook in May. Fifteen locations are anticipated to achieve higher rental growth, with Munich, Brussels and London: City demonstrating improvements of 150bps and over. A further nine locations have reduced rental growth expectations, with Vienna, Hamburg and Lyon expected to experience the most significant downgrades. The rental growth forecasts for a further four markets are closely aligned with those from the previous survey. In 2025, the most attractive locations for rental prospects are expected to be the two London markets (City 4.4%, West End 3.8%) and Munich (3.8%), while the least attractive are Paris: la Défense (0.0%), Budapest (0.8%) and Lisbon (0.9%).

2026 Overall Unchanged

The average rental growth expectation across all markets for 2026 is unchanged from May's result, at 2.1%. There are 12 locations with weaker forecasts, with the greatest downgrades for Vienna and Stockholm. Nine markets have strengthening forecasts while the predictions for the final seven locations are relatively stable. Rental growth is projected to be greater than 3.0% in Oslo, London: City, London: West End and Dublin for 2026, while Paris: la Défense (0.7%), Zurich (0.8%) and Vienna (1.0%) are expected to have the weakest prospects.

Three- and Five-Year Prospects

Reflecting the more buoyant short-term forecasts, the three-year annualised forecast has risen to 2.6% pa, compared to 2.1% pa in the previous survey. The five-year forecast has also strengthened, from 2.1% pa to 2.4% pa.

On an individual basis, the strongest performing markets over the next three years are Munich (6.6% pa) and the two London markets (City 5.5% pa, West End 4.7% pa), ahead of Paris CBD (4.4% pa) and Brussels (4.4% pa). Over the five-year time period, the top performing markets are the same; Munich (4.8% pa) and London: City (4.6% pa) again have the strongest forecasts, with Paris CBD (3.8% pa), London: West End (3.6% pa) and Brussels (3.5% pa) a little way behind.

Paris: la Défense (-0.9% pa) is the only market expected to experience a decline in rental value over the next three years, while Zurich (1.0% pa) and Budapest (1.0%) are anticipated to have the weakest growth over the same period. All markets are expected to achieve positive rental growth over five years, with Paris: la Défense (0.2% pa), Zurich (1.2% pa) and Vienna (1.3% pa) forecast to underperform the other markets.

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Average Growth Forecasts

Table 1 records the latest weighted averages across the 30 office markets surveyed, together with the year-on-year differences between the three periods reported.

Table 1: Year-on-Year Average Weighted Growth Forecasts and Changes (%)

	Rental growth forecast			Y-o-Y Difference	
	2024	**2025**	**2026**	**2025 vs. 2024**	**2026 vs. 2025**
Vienna	1.9	1.3	1.0	-0.7	-0.3
Brussels	7.6	2.7	2.8	-4.9	0.1
Prague	6.2	2.9	2.7	-3.3	-0.2
Copenhagen	2.5	2.0	2.8	-0.5	0.8
Helsinki	4.8	1.4	2.1	-3.4	0.6
Lyon	1.2	1.6	1.8	0.4	0.2
Paris CBD	7.5	2.9	2.9	-4.6	0.0
Paris la Défense	-3.4	0.0	0.7	3.4	0.7
Berlin	1.3	1.3	1.3	0.0	0.0
Frankfurt	2.5	1.8	1.5	-0.7	-0.3
Hamburg	2.5	1.5	2.1	-0.9	0.5
Munich	13.5	3.8	2.8	-9.7	-1.0
Athens*	na	na	na	na	**na**
Budapest	0.7	0.8	1.6	0.1	0.9
Dublin	-0.8	1.7	3.0	2.6	1.3
Milan	2.7	2.3	2.0	-0.4	-0.3
Rome	3.3	2.4	1.9	-0.9	-0.5
Luxembourg	1.6	2.7	2.3	1.1	-0.4
Amsterdam	3.8	2.4	2.1	-1.4	-0.4
Oslo	2.7	2.6	3.4	-0.1	0.8
Warsaw	2.7	2.3	1.3	-0.4	-1.0
Lisbon	4.2	0.9	1.8	-3.3	0.8
Moscow*	na	na	na	na	na
Madrid	5.6	2.9	2.9	-2.7	0.0
Barcelona	3.8	2.5	2.1	-1.3	-0.4
Stockholm	2.8	2.7	1.7	-0.1	-1.0
Zurich	0.8	1.4	0.8	0.6	-0.6
London: City	8.9	4.4	3.3	-4.5	-1.2
London: West End	7.4	3.8	3.1	-3.6	-0.6
Manchester	2.4	2.4	1.9	0.0	-0.5
Average	**3.6**	**2.2**	**2.1**	**-1.4**	**-0.1**

* As fewer than five forecasts were received, it is not possible to report any analysis of these markets.

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Table 2 summarises average weighted growth rates, ranked by order of lowest to highest projections for the current year and includes the three- and five-year annualised forecasts.

Table 2: 2024 Ranked Weighted Average Growth Rates (%)

	End-2023 rent (psm)*	Annual rental growth forecast			Annualised rental growth forecast (pa)	
		2024	2025	2026	2024-2026	2024-2028
Paris la Défense	578.57	-3.4	0.0	0.7	-0.9	0.2
Dublin	679.26	-0.8	1.7	3.0	1.3	2.0
Budapest	299.25	0.7	0.8	1.6	1.0	1.4
Zurich (CHF)	932.50	0.8	1.4	0.8	1.0	1.2
Lyon	333.25	1.2	1.6	1.8	1.5	1.8
Berlin	530.00	1.3	1.3	1.3	1.3	1.7
Luxembourg	646.00	1.6	2.7	2.3	2.2	2.2
Vienna	327.86	1.9	1.3	1.0	1.4	1.3
Manchester (GBP)	462.03	2.4	2.4	1.9	2.2	2.2
Copenhagen (DKr)	2,290.63	2.5	2.0	2.8	2.4	2.4
Hamburg	416.50	2.5	1.5	2.1	2.0	2.0
Frankfurt	566.10	2.5	1.8	1.5	1.9	1.9
Warsaw	314.75	2.7	2.3	1.3	2.1	2.0
Oslo (NKr)	6,364.29	2.7	2.6	3.4	2.9	2.8
Milan	700.00	2.7	2.3	2.0	2.3	2.2
Stockholm (SKr)	8,866.67	2.8	2.7	1.7	2.4	2.7
Rome	548.44	3.3	2.4	1.9	2.5	2.0
Barcelona	337.50	3.8	2.5	2.1	2.8	2.6
Amsterdam	528.44	3.8	2.4	2.1	2.8	2.6
Lisbon	333.71	4.2	0.9	1.8	2.3	2.0
Helsinki	532.50	4.8	1.4	2.1	2.8	2.6
Madrid	467.83	5.6	2.9	2.9	3.8	3.3
Prague	330.25	6.2	2.9	2.7	3.9	3.3
London: West End (GBP)	1,514.84	7.4	3.8	3.1	4.7	3.6
Paris CBD	1,040.37	7.5	2.9	2.9	4.4	3.8
Brussels	365.42	7.6	2.7	2.8	4.4	3.5
London: City (GBP)	819.64	8.9	4.4	3.3	5.5	4.6
Munich	571.00	13.5	3.8	2.8	6.6	4.8
Average	**na**	**3.6**	**2.2**	**2.1**	**2.6**	**2.4**
Range	**na**	**16.9**	**4.4**	**2.6**	**7.5**	**4.6**

*€ unless otherwise stated

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Forecast Ranges

Table 3 reports the range of forecasts, provided for each location, over the time periods covered. The ranges are ranked by the range of the 2024 forecasts. Contributors have provided a significant span of forecasts for the current year in a number of key locations, which is more substantial than in the previous survey. London: City and Munich have the highest degree of uncertainty around their 2024 forecasts, followed by Paris: La Défense, Brussels and Prague. The ranges of 2025 and 2026 forecasts are lower than for the current year, reflecting a more certain outlook.

Table 3: Forecast Ranges Ranked by 2024 Forecasts (%)

	2024	2025	2026	2024-26 (pa)	2024-28 (pa)
Budapest	2.1	2.2	4.8	1.7	2.4
Luxembourg	2.1	2.3	2.4	2.9	3.0
Berlin	2.3	3.1	5.1	2.9	3.8
Zurich	3.3	1.8	4.3	1.9	2.5
Lyon	3.4	4.3	3.5	2.4	2.7
Barcelona	3.6	3.7	5.4	3.4	2.5
Vienna	3.6	2.6	4.2	2.1	2.7
Milan	3.8	4.0	3.8	2.4	2.5
Frankfurt	3.8	2.1	5.0	2.2	3.3
Copenhagen	4.0	3.3	2.9	2.7	2.0
Manchester	4.3	5.8	3.2	3.5	2.8
Lisbon	5.4	3.5	3.3	2.9	3.2
Dublin	5.4	4.7	4.6	3.5	4.0
Hamburg	5.7	3.0	4.9	2.9	2.7
Warsaw	5.8	3.0	3.6	2.7	2.6
Rome	5.9	5.6	3.6	5.0	3.5
Madrid	6.9	7.9	3.6	5.5	3.0
Stockholm	7.9	5.7	4.4	4.7	4.6
Amsterdam	8.4	3.4	5.5	4.8	3.8
London: West End	8.8	8.5	6.1	6.5	4.5
Helsinki	9.0	4.4	3.0	3.8	2.2
Oslo	9.6	2.4	4.3	3.3	2.4
Paris CBD	10.4	4.3	3.2	4.6	3.4
Prague	13.0	11.2	6.8	9.5	6.0
Brussels	14.4	5.0	3.8	4.3	3.4
Paris: la Défense	14.7	3.9	2.9	5.0	3.8
Munich	19.4	6.3	3.9	7.2	4.2
London: City	21.1	10.1	4.4	9.3	6.0
Minimum	**2.1**	**1.8**	**2.4**	**1.7**	**2.0**
Maximum	**21.1**	**11.2**	**6.8**	**9.5**	**6.0**
Median	**5.7**	**4.0**	**4.0**	**3.4**	**3.1**

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Evolution of Forecasts

Table 4 compares the current set of forecasts with those from May 2024, while Table 5 shows the evolution of the 2024 forecasts over the last six surveys, starting from May 2022.

Table 4: Mean weighted rental value growth forecasts (%) – November 2024 versus May 2024

	2024		2025		2026		Rolling 3-year average		Rolling 5-year average	
	Nov	May	Nov	May	Nov	May	Nov	May	Nov	May
Vienna	1.9	(2.8)	1.3	(2.5)	1.0	(2.2)	1.4	(2.5)	1.3	(2.1)
Brussels	7.6	(3.5)	2.7	(0.9)	2.8	(0.9)	4.4	(1.7)	3.5	(1.3)
Prague	6.2	(2.1)	2.9	(2.1)	2.7	(2.2)	3.9	(2.1)	3.3	(2.0)
Copenhagen	2.5	(1.5)	2.0	(1.0)	2.8	(1.8)	2.4	(1.4)	2.4	(1.7)
Helsinki	4.8	(0.9)	1.4	(1.0)	2.1	(2.9)	2.8	(1.6)	2.6	(1.8)
Lyon	1.2	(1.7)	1.6	(2.1)	1.8	(2.3)	1.5	(2.0)	1.8	(2.1)
Paris CBD	7.5	(2.7)	2.9	(3.2)	2.9	(3.0)	4.4	(3.0)	3.8	(2.8)
Paris la Défense	-3.4	(-0.3)	0.0	(0.4)	0.7	(1.0)	-0.9	(0.4)	0.2	(1.0)
Berlin	1.3	(1.4)	1.3	(1.8)	1.3	(1.8)	1.3	(1.7)	1.7	(2.0)
Frankfurt	2.5	(1.7)	1.8	(1.7)	1.5	(1.8)	1.9	(1.7)	1.9	(1.8)
Hamburg	2.5	(1.8)	1.5	(2.3)	2.1	(2.3)	2.0	(2.1)	2.0	(2.1)
Munich	13.5	(4.5)	3.8	(1.8)	2.8	(2.4)	6.6	(2.9)	4.8	(2.6)
Athens*	na	(na)	na	(na)	na	(na)	na	(na)	na	(na)
Budapest	0.7	(1.3)	0.8	(1.3)	1.6	(1.6)	1.0	(1.4)	1.4	(1.5)
Dublin	-0.8	(-1.3)	1.7	(1.2)	3.0	(2.2)	1.3	(0.7)	2.0	(1.6)
Milan	2.7	(2.5)	2.3	(1.9)	2.0	(1.8)	2.3	(2.0)	2.2	(2.0)
Rome	3.3	(1.7)	2.4	(2.2)	1.9	(1.8)	2.5	(1.9)	2.0	(1.8)
Luxembourg	1.6	(1.7)	2.7	(2.1)	2.3	(1.9)	2.2	(1.9)	2.2	(1.9)
Amsterdam	3.8	(3.5)	2.4	(2.5)	2.1	(2.0)	2.8	(2.7)	2.6	(2.5)
Oslo	2.7	(3.4)	2.6	(2.2)	3.4	(2.8)	2.9	(2.8)	2.8	(2.9)
Warsaw	2.7	(2.4)	2.3	(1.9)	1.3	(1.6)	2.1	(1.9)	2.0	(1.8)
Lisbon	4.2	(3.3)	0.9	(1.3)	1.8	(1.4)	2.3	(2.0)	2.0	(1.6)
Moscow*	na	(na)	na	(na)	na	(na)	na	(na)	na	(na)
Madrid	5.6	(3.2)	2.9	(2.9)	2.9	(2.1)	3.8	(2.7)	3.3	(2.5)
Barcelona	3.8	(2.6)	2.5	(3.0)	2.1	(2.8)	2.8	(2.8)	2.6	(2.5)
Stockholm	2.8	(1.5)	2.7	(2.3)	1.7	(2.9)	2.4	(2.2)	2.7	(2.5)
Zurich	0.8	(1.2)	1.4	(0.9)	0.8	(1.0)	1.0	(1.0)	1.2	(1.1)
London: City	8.9	(4.2)	4.4	(2.9)	3.3	(4.0)	5.5	(3.7)	4.6	(3.5)
London: West End	7.4	(4.4)	3.8	(3.3)	3.1	(3.6)	4.7	(3.7)	3.6	(3.4)
Manchester	2.4	(0.8)	2.4	(2.1)	1.9	(2.1)	2.2	(1.6)	2.2	(1.9)

Previous survey figures in brackets

*Fewer than five forecasts received for these markets

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Table 5: Evolution of 2024 mean weighted rental value growth forecasts (%)

|	May-22	Nov-22	May-23	Nov-23	May-24	Nov-24
Vienna	2.0	0.8	1.0	1.6	2.8	1.9
Brussels	2.1	2.1	1.8	1.4	3.5	7.6
Prague	1.0	0.8	1.6	1.1	2.1	6.2
Copenhagen	1.9	1.0	1.7	0.3	1.5	2.5
Helsinki	1.7	1.6	1.6	1.4	0.9	4.8
Lyon	1.8	2.1	2.0	1.9	1.7	1.2
Paris CBD	1.4	2.0	2.4	2.7	2.7	7.5
Paris la Défense	1.0	1.0	0.8	0.4	-0.3	-3.4
Berlin	1.9	2.4	2.0	2.0	1.4	1.3
Frankfurt	1.8	1.9	2.1	1.8	1.7	2.5
Hamburg	2.0	1.8	1.7	1.9	1.8	2.5
Munich	1.9	2.7	2.3	1.8	4.5	13.5
Athens*	na	na	na	na	na	na
Budapest	1.0	1.8	1.8	0.4	1.3	0.7
Dublin	1.9	1.8	1.4	1.6	-1.3	-0.8
Milan	0.9	1.3	1.0	1.2	2.5	2.7
Rome	0.7	0.5	1.0	1.2	1.7	3.3
Luxembourg	1.4	1.3	0.9	1.8	1.7	1.6
Amsterdam	1.9	2.6	2.7	2.5	3.5	3.8
Oslo	0.8	0.7	1.2	1.1	3.4	2.7
Warsaw	1.5	1.4	2.6	2.3	2.4	2.7
Lisbon	1.6	0.9	1.2	1.3	3.3	4.2
Moscow*	na	na	na	na	na	na
Madrid	2.8	2.5	2.8	2.3	3.2	5.6
Barcelona	2.2	2.1	2.1	2.7	2.6	3.8
Stockholm	2.5	2.2	1.7	1.4	1.5	2.8
Zurich	1.2	1.1	1.6	1.2	1.2	0.8
London: City	2.9	2.6	2.2	1.7	4.2	8.9
London: West End	2.5	1.3	1.6	3.5	4.4	7.4
Manchester	1.3	1.8	1.7	1.7	0.8	2.4
Average All Markets	**1.7**	**1.6**	**1.7**	**1.7**	**2.2**	**3.6**

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Figures 2 and 3 present the evolution of the rolling three- and five-year average forecasts for each market covered by the surveys from November 2018 to November 2024.

Figure 2: Rolling Three-year Percentage Weighted Average Growth Forecasts (%)
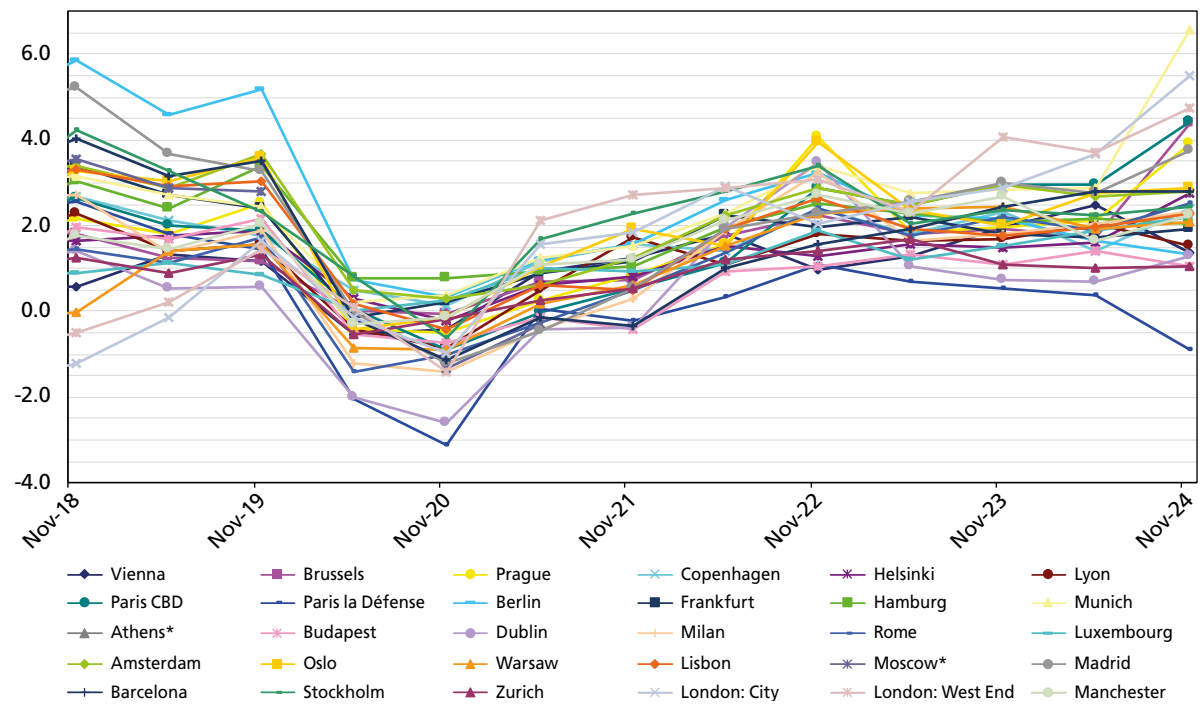
Figure 3: Rolling Five-year Percentage Weighted Average Growth Forecasts (%)
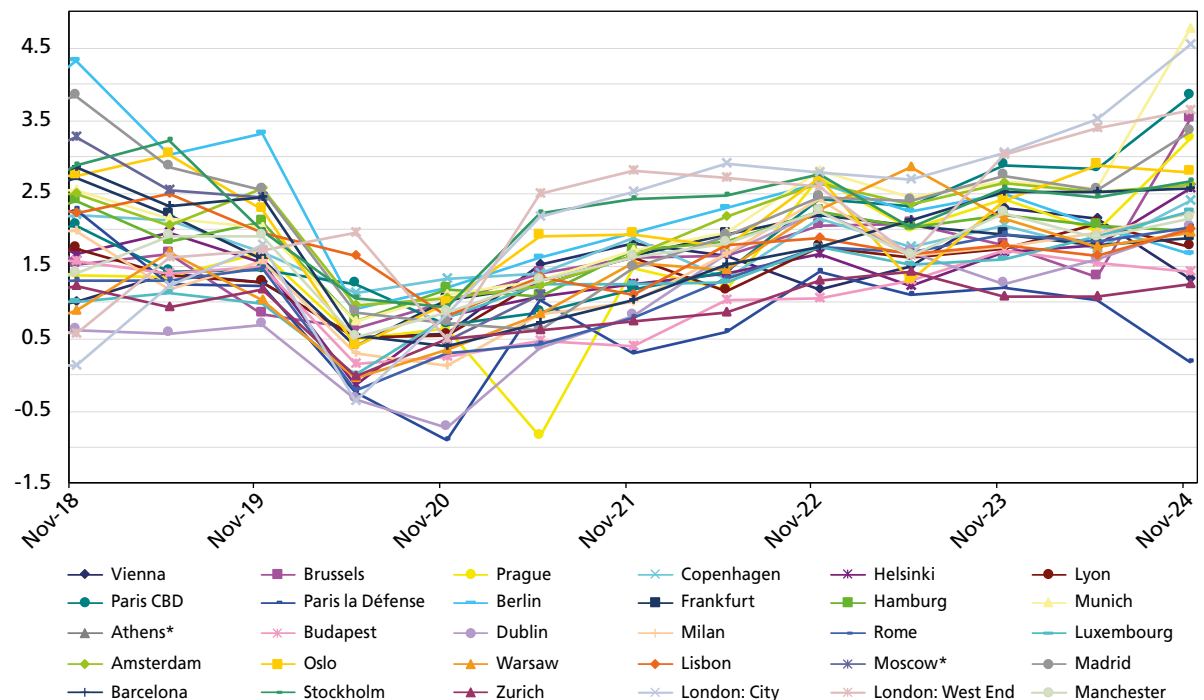
Acknowledgements

Forecast Contributors

IPF thanks all participants in the survey for contributing rental data to the November 2024 European Consensus Forecasts, including the following organisations:

abrdn, AEW, AXA Investment Management, blackolive advisors gmbh, Capital Economics, CBRE, CBRE Investment Management, CoStar, Cushman & Wakefield, DWS, Invesco, JP Morgan Asset Management, LaSalle Investment Management and Lisney.

Notes

The IPF European Consensus Forecasts survey currently focuses on office rental value growth in major cities. It is not possible to assemble sufficient forecasts of all sectors across all European countries to produce a meaningful consensus of views, although our ambition is to extend and improve the scope of the survey.

In addition to the rental value forecasts, we run a consensus survey of forecast IPD European total returns by sector. The samples provided for this survey were once again insufficient to permit publication, as fewer than five forecasts were received for each sector/territory. We aim to produce a full release of this data at a future date, once the number of responses has grown to five or more.

The Data

This latest survey collected prime office rental forecasts for 30 centres for the calendar years 2024, 2025 and 2026. A three-year average forecast for 2024-2026 is requested where individual years are not available, as well as a five-year average for the period 2024-2028. The survey requested both percentage annual rental growth rates and year-end rent levels as a check. Growth forecasts provided by each organisation are analysed to provide weighted average ('consensus') figures for each market. Forecasts are aggregated and reported only for office markets for which a minimum of **five** contributions have been received.

The definition of **market rent** used in the survey is the **"achievable prime rental values for city centre offices, based on buildings of representative size with representative lease terms for modern structures in the best location." Prime** in this case **does not mean headline** rents taken from individual buildings but, rather, rental levels based on market evidence, which can be replicated. All figures included in the survey are required to have been generated by formal forecasting models. This report is based on contributions from 14 different organisations (fund/investment management houses and property advisors).

Consensus forecasts further the objective of the Investment Property Forum (IPF) to enhance the understanding and efficiency of the property market. The IPF is extremely grateful for the support those organisations that contribute to this publication, which is only possible thanks to the provision of individual forecasts.

The IPF welcomes new contributors for future surveys, so that the coverage can be extended to further markets. If your organisation wishes to contribute to future surveys, please contact IPF Chief Executive, Sue Forster, at sforster@ipf.org.uk.

Contributors receive a more detailed set of statistical outputs than those shown in this report – for each office centre, the sample size, median and range of rental values, together with standard deviations are also provided.

Notes

Disclaimer

The IPF Survey of Independent Forecasts for European Prime Office Rents is for information purposes only. The information therein is believed to be correct but cannot be guaranteed and the opinions expressed in it constitute our judgment as of the date of publication but are subject to change. Reliance should not be placed on the information and opinions set out therein for the purposes of any particular transaction or advice. The IPF cannot accept any liability arising from any use of the publication.

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