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RESEARCH

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Investment Property Forum
European Consensus Forecasts

# IPF European Consensus Forecasts

Survey of European Office Market Rental Forecasts
May 2024

For the first survey of 2024, 15 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 1 May. 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 (November 2023 forecasts in brackets).

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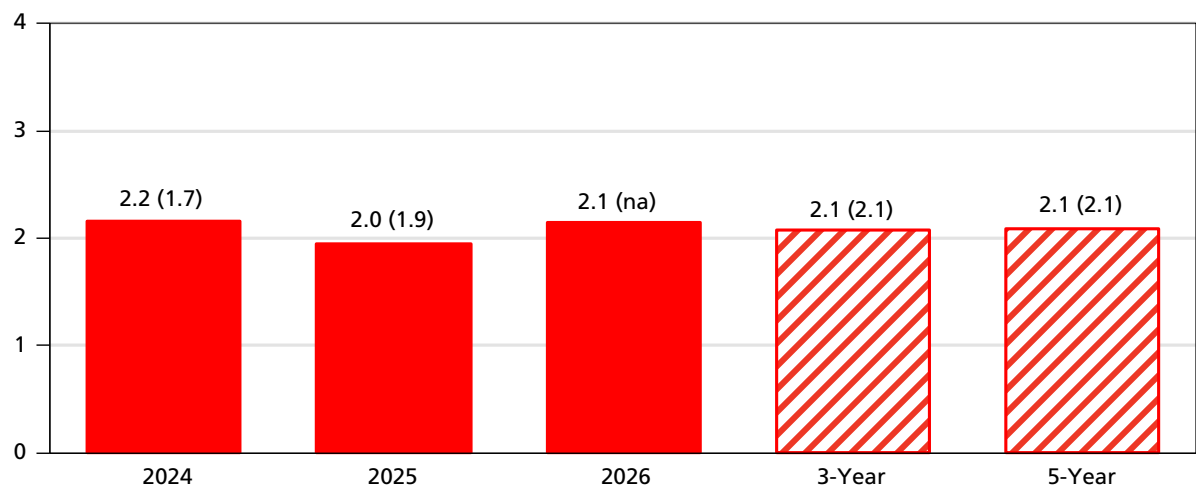
Strengthening 2024 Outlook

In the six months since the previous survey, the 2024 average growth rate, across all locations, has strengthened from 1.7% to 2.2%. This uplift is driven by an increase in forecasts across 14 markets, with Munich, London: City and Oslo having the greatest upgrades. Munich, London: West End and London: City all have growth forecasts above 4.0% for the current year. Munich's rental growth forecast has increased most substantially, from 1.8% to 4.5%, although this is largely attributable to two bullish forecasters. The forecasts of seven locations have been downgraded, with the most significant declines in Dublin and Manchester. The 2024 forecast for seven markets remains virtually the same as the previous estimate. In the current year, Dublin and Paris: la Défense are expected to experience rental value decline and, as in the previous two surveys, are the weakest markets for the current year.

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2025 Broadly Unchanged

The overall rental growth expectation for next year is relatively unchanged from November's result, at 2.0% compared to 1.9%. Thirteen locations are anticipated to achieve higher rental growth, with Vienna and Rome demonstrating improvements of over 1.0%. A further 11 locations have reduced rental growth expectations, with Paris: la Défense, Helsinki, Brussels and Dublin expected to have 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 London: West End (3.3%), Paris CBD (3.2%) and Barcelona (3.0%), while the least attractive are Paris: la Défense (0.4%), Brussels (0.9%) and Zurich (0.9%).

Stable Prospects into 2026

The first set of 2026 forecasts, produced by the survey, exhibit a marginal upgrade on the 2025 forecasts. Substantial improvements are confined to Helsinki, London: City and Dublin (of 1.0% and over), while the greatest downgrade (of 0.8%) is expected for Madrid. Rental growth is projected to be strongest in London: City (4.0%), London: West End (3.6%) and Paris CBD (3.0%) for 2026, while Brussels (0.9%), Zurich (1.0%) and Paris: la Défense (1.0%) are expected to have the weakest prospects.

Three- and Five-Year Prospects

The three-year annualised forecast remains unchanged at 2.1% pa, compared to the preceding survey. The introduction of the 2026 prediction of 2.1% and the strengthening 2025 forecast have compensated for the removal of the more positive 2023 forecast of 2.7%. The five-year forecast of 2.1% pa is also consistent with the previous estimate.

On an individual basis, the strongest performing markets over the next three years are the two London markets (both 3.7% pa), ahead of Paris CBD (3.0% pa), and Munich (2.9% pa). Over a five-year period, London: City (3.5% pa) and London: West End (3.4% pa) are again expected to the best performing locations in rental terms, with Oslo (2.9%), Paris CBD (2.8% pa) and Munich (2.6% pa) close behind. Paris: la Défense (0.4% pa), Dublin (0.7% pa), and Zurich (1.0% pa) are anticipated to have the weakest forecasts over the next three years, while Paris: la Défense (1.0% pa), Zurich (1.1% pa) and Brussels (1.3% pa) will underperform the other markets over the five-year period. All markets are expected to achieve positive rental growth over three- and five-year periods.

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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	2.8	2.5	2.2	-0.3	-0.3
Brussels	3.5	0.9	0.9	-2.6	0.0
Prague	2.1	2.1	2.2	0.0	0.1
Copenhagen	1.5	1.0	1.8	-0.5	0.8
Helsinki	0.9	1.0	2.9	0.1	1.9
Lyon	1.7	2.1	2.3	0.4	0.1
Paris CBD	2.7	3.2	3.0	0.4	-0.2
Paris la Défense	-0.3	0.4	1.0	0.7	0.6
Berlin	1.4	1.8	1.8	0.4	0.0
Frankfurt	1.7	1.7	1.8	0.1	0.1
Hamburg	1.8	2.3	2.3	0.5	0.0
Munich	4.5	1.8	2.4	-2.7	0.6
Athens*	na	na	na	na	**na**
Budapest	1.3	1.3	1.6	0.0	0.3
Dublin	-1.3	1.2	2.2	2.5	1.0
Milan	2.5	1.9	1.8	-0.6	-0.1
Rome	1.7	2.2	1.8	0.5	-0.4
Luxembourg	1.7	2.1	1.9	0.4	-0.2
Amsterdam	3.5	2.5	2.0	-1.0	-0.5
Oslo	3.4	2.2	2.8	-1.2	0.6
Warsaw	2.4	1.9	1.6	-0.5	-0.3
Lisbon	3.3	1.3	1.4	-2.0	0.1
Moscow*	na	na	na	na	na
Madrid	3.2	2.9	2.1	-0.3	-0.8
Barcelona	2.6	3.0	2.8	0.3	-0.2
Stockholm	1.5	2.3	2.9	0.8	0.6
Zurich	1.2	0.9	1.0	-0.3	0.1
London: City	4.2	2.9	4.0	-1.3	1.2
London: West End	4.4	3.3	3.6	-1.1	0.3
Manchester	0.8	2.1	2.1	1.3	0.0
Average	**2.2**	**2.0**	**2.1**	**-0.2**	**0.2**

* 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
Dublin	679.03	-1.3	1.2	2.2	0.7	1.6
Paris la Défense	581.30	-0.3	0.4	1.0	0.4	1.0
Manchester (GBP)	457.37	0.8	2.1	2.1	1.6	1.9
Helsinki	517.50	0.9	1.0	2.9	1.6	1.8
Zurich (CHF)	921.55	1.2	0.9	1.0	1.0	1.1
Budapest	293.41	1.3	1.3	1.6	1.4	1.5
Berlin	532.07	1.4	1.8	1.8	1.7	2.0
Stockholm (SKr)	8,790.42	1.5	2.3	2.9	2.2	2.5
Copenhagen (DKr)	2,250.70	1.5	1.0	1.8	1.4	1.7
Frankfurt	567.89	1.7	1.7	1.8	1.7	1.8
Rome	543.44	1.7	2.2	1.8	1.9	1.8
Luxembourg	644.46	1.7	2.1	1.9	1.9	1.9
Lyon	333.53	1.7	2.1	2.3	2.0	2.1
Hamburg	418.52	1.8	2.3	2.3	2.1	2.1
Prague	331.84	2.1	2.1	2.2	2.1	2.0
Warsaw	318.06	2.4	1.9	1.6	1.9	1.8
Milan	698.33	2.5	1.9	1.8	2.0	2.0
Barcelona	337.15	2.6	3.0	2.8	2.8	2.5
Paris CBD	1,037.53	2.7	3.2	3.0	3.0	2.8
Vienna	327.43	2.8	2.5	2.2	2.5	2.1
Madrid	465.91	3.2	2.9	2.1	2.7	2.5
Lisbon	333.71	3.3	1.3	1.4	2.0	1.6
Oslo (NKr)	6,289.38	3.4	2.2	2.8	2.8	2.9
Brussels	365.48	3.5	0.9	0.9	1.7	1.3
Amsterdam	529.23	3.5	2.5	2.0	2.7	2.5
London: City (GBP)	815.78	4.2	2.9	4.0	3.7	3.5
London: West End (GBP)	1,528.92	4.4	3.3	3.6	3.7	3.4
Munich	572.66	4.5	1.8	2.4	2.9	2.6
Average	**na**	**2.2**	**2.0**	**2.1**	**2.1**	**2.1**
Range	**na**	**5.8**	**2.9**	**3.1**	**3.4**	**2.5**

*€ 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 delivered a significant span of forecasts for a number of locations in the current year, although the ranges are generally less substantial than in the last survey. The three UK office markets, along with Munich and Dublin, have the highest degree of uncertainty around their 2024 forecasts. 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)
Berlin	2.2	5.1	4.6	3.2	3.6
Frankfurt	2.4	4.2	4.3	3.5	3.4
Helsinki	2.5	3.8	3.6	1.8	1.5
Zurich	2.6	2.1	2.4	1.5	1.6
Prague	3.7	4.0	1.6	2.2	2.1
Paris: la Défense	3.7	4.1	2.8	2.7	3.0
Lyon	3.9	3.5	3.6	2.1	2.3
Stockholm	4.0	3.4	3.5	2.7	2.6
Rome	4.3	4.4	2.9	3.0	2.5
Hamburg	4.4	2.1	2.5	1.9	2.5
Luxembourg	4.5	1.4	1.6	3.1	3.1
Warsaw	4.5	2.8	2.9	2.6	2.2
Lisbon	4.6	3.6	3.2	3.0	2.6
Budapest	4.6	5.0	4.1	3.9	3.2
Barcelona	4.8	4.6	2.4	2.2	1.7
Copenhagen	4.8	5.2	3.8	3.4	2.2
Milan	5.0	2.0	3.1	1.8	2.0
Paris CBD	6.0	9.1	2.4	3.7	1.9
Vienna	6.1	2.8	3.4	3.3	3.0
Madrid	6.3	4.9	4.5	3.8	2.8
Amsterdam	6.5	3.6	3.8	3.8	3.6
Brussels	6.7	2.5	3.5	3.4	2.6
Oslo	7.9	2.5	2.9	2.6	2.8
Dublin	10.8	7.2	4.1	4.5	3.1
London: West End	11.1	8.2	5.3	7.7	5.4
Munich	12.5	4.7	4.2	3.7	2.9
Manchester	12.7	5.5	3.3	6.1	3.8
London: City	13.5	7.6	9.8	7.8	5.6
Minimum	**2.2**	**1.4**	**1.6**	**1.5**	**1.5**
Maximum	**13.5**	**9.1**	**9.8**	**7.8**	**5.6**
Median	**4.7**	**4.1**	**3.4**	**3.2**	**2.7**

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Evolution of Forecasts

Table 4 compares the current set of forecasts with those from November 2023, while Table 5 shows the evolution of the 2024 forecasts over the last five surveys, starting from May 2022.

Table 4: Mean weighted rental value growth forecasts (%) – May 2024 versus November 2023

	2024		2025		2026		Rolling 3-year average		Rolling 5-year average	
	May	**Nov**	**May**	**Nov**	**May**	**Nov**	**May**	**Nov**	**May**	**Nov**
Vienna	2.8	(1.6)	2.5	(1.5)	2.2	(na)	2.5	(2.0)	2.1	(2.3)
Brussels	3.5	(1.4)	0.9	(1.5)	0.9	(na)	1.7	(1.9)	1.3	(1.8)
Prague	2.1	(1.1)	2.1	(1.5)	2.2	(na)	2.1	(2.0)	2.0	(2.4)
Copenhagen	1.5	(0.3)	1.0	(1.5)	1.8	(na)	1.4	(2.3)	1.7	(2.0)
Helsinki	0.9	(1.4)	1.0	(1.7)	2.9	(na)	1.6	(1.5)	1.8	(1.7)
Lyon	1.7	(1.9)	2.1	(2.0)	2.3	(na)	2.0	(1.7)	2.1	(1.7)
Paris CBD	2.7	(2.7)	3.2	(2.9)	3.0	(na)	3.0	(3.0)	2.8	(2.9)
Paris la Défense	-0.3	(0.4)	0.4	(1.7)	1.0	(na)	0.4	(0.5)	1.0	(1.2)
Berlin	1.4	(2.0)	1.8	(2.4)	1.8	(na)	1.7	(2.2)	2.0	(2.5)
Frankfurt	1.7	(1.8)	1.7	(2.3)	1.8	(na)	1.7	(1.8)	1.8	(1.9)
Hamburg	1.8	(1.9)	2.3	(1.8)	2.3	(na)	2.1	(2.1)	2.1	(2.2)
Munich	4.5	(1.8)	1.8	(2.2)	2.4	(na)	2.9	(2.9)	2.6	(2.7)
Athens*	na	(na)	na	(na)	na	(na)	na	(na)	na	(na)
Budapest	1.3	(0.4)	1.3	(1.0)	1.6	(na)	1.4	(1.1)	1.5	(1.7)
Dublin	-1.3	(1.6)	1.2	(1.8)	2.2	(na)	0.7	(0.7)	1.6	(1.2)
Milan	2.5	(1.2)	1.9	(1.5)	1.8	(na)	2.0	(1.8)	2.0	(1.8)
Rome	1.7	(1.2)	2.2	(1.2)	1.8	(na)	1.9	(2.2)	1.8	(1.9)
Luxembourg	1.7	(1.8)	2.1	(1.9)	1.9	(na)	1.9	(1.5)	1.9	(1.6)
Amsterdam	3.5	(2.5)	2.5	(2.1)	2.0	(na)	2.7	(3.0)	2.5	(2.6)
Oslo	3.4	(1.1)	2.2	(1.8)	2.8	(na)	2.8	(2.0)	2.9	(2.4)
Warsaw	2.4	(2.3)	1.9	(1.8)	1.6	(na)	1.9	(2.4)	1.8	(2.1)
Lisbon	3.3	(1.3)	1.3	(1.5)	1.4	(na)	2.0	(1.8)	1.6	(1.8)
Moscow*	na	(na)	na	(na)	na	(na)	na	(na)	na	(na)
Madrid	3.2	(2.3)	2.9	(2.8)	2.1	(na)	2.7	(3.0)	2.5	(2.7)
Barcelona	2.6	(2.7)	3.0	(2.9)	2.8	(na)	2.8	(2.4)	2.5	(2.5)
Stockholm	1.5	(1.4)	2.3	(2.3)	2.9	(na)	2.2	(2.4)	2.5	(2.6)
Zurich	1.2	(1.2)	0.9	(1.1)	1.0	(na)	1.0	(1.1)	1.1	(1.1)
London: City	4.2	(1.7)	2.9	(3.2)	4.0	(na)	3.7	(2.9)	3.5	(3.0)
London: West End	4.4	(3.5)	3.3	(2.4)	3.6	(na)	3.7	(4.1)	3.4	(3.0)
Manchester	0.8	(1.7)	2.1	(1.6)	2.1	(na)	1.6	(2.7)	1.9	(2.2)

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

Survey of European Office Market Rental Forecasts

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

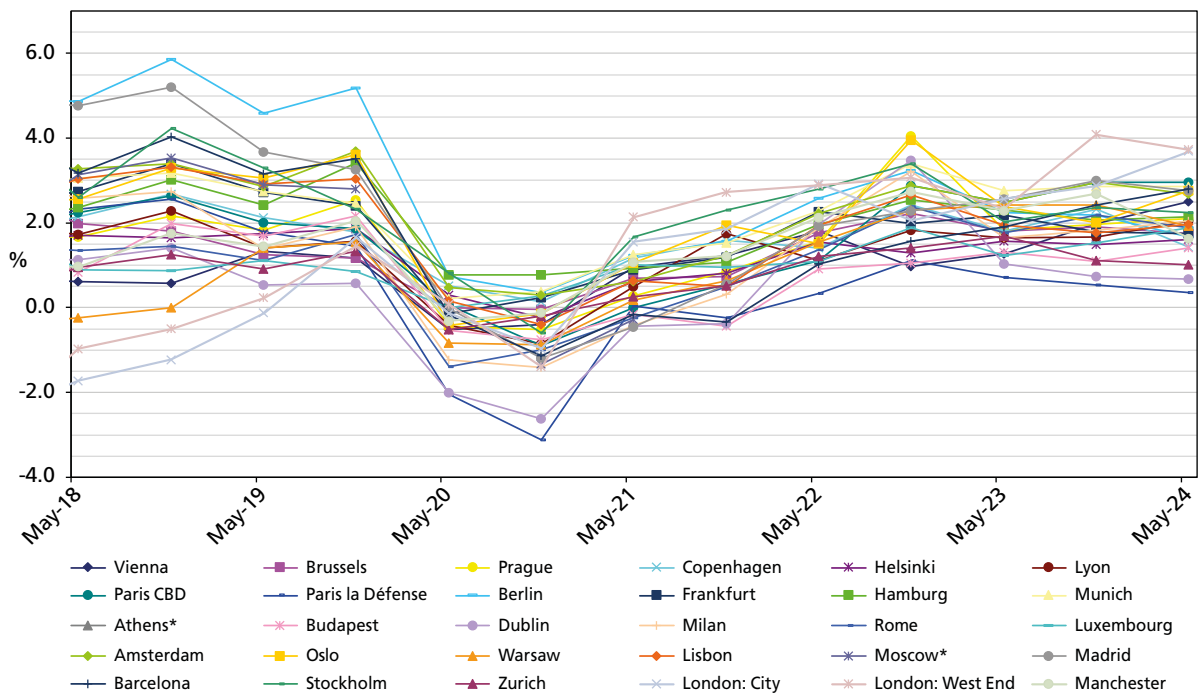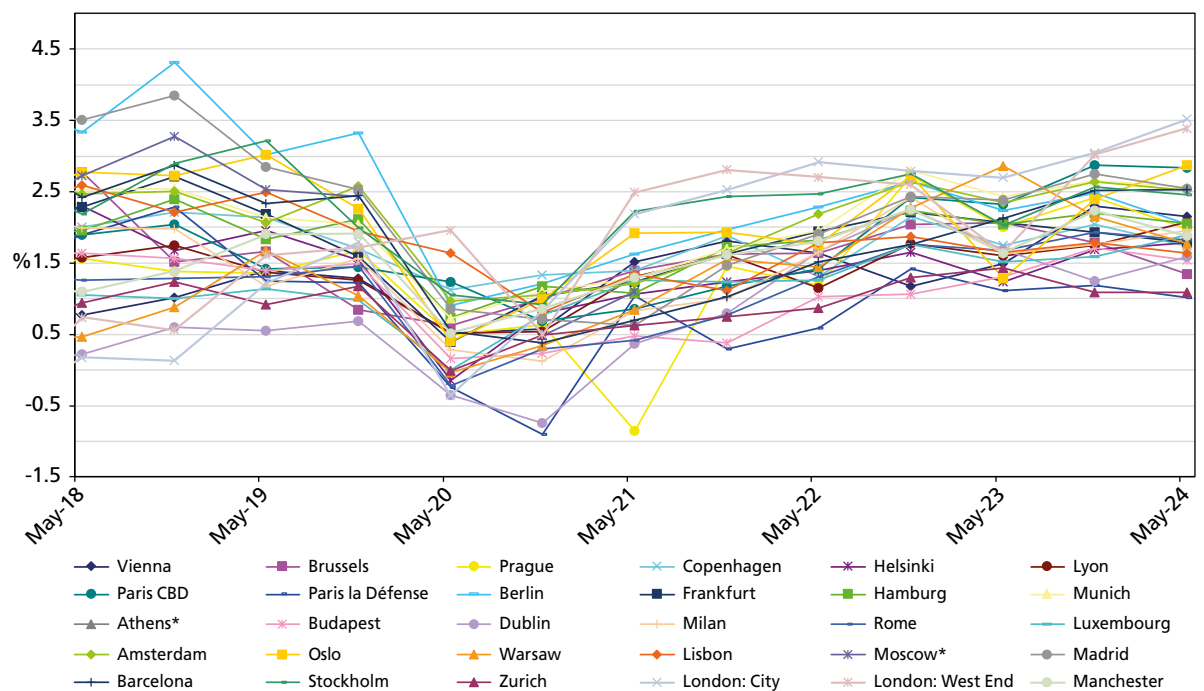### Figure 2: Rolling Three-year Percentage Weighted Average Growth Forecasts (%)

Vienna	Brussels	Prague	Copenhagen	Helsinki	Lyon
Paris CBD	Paris la Défense	Berlin	Frankfurt	Hamburg	Munich
Athens*	Budapest	Dublin	Milan	Rome	Luxembourg
Amsterdam	Oslo	Warsaw	Lisbon	Moscow*	Madrid
Barcelona	Stockholm	Zurich	London: City	London: West End	Manchester

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

Vienna	Brussels	Prague	Copenhagen	Helsinki	Lyon
Paris CBD	Paris la Défense	Berlin	Frankfurt	Hamburg	Munich
Athens*	Budapest	Dublin	Milan	Rome	Luxembourg
Amsterdam	Oslo	Warsaw	Lisbon	Moscow*	Madrid
Barcelona	Stockholm	Zurich	London: City	London: West End	Manchester

Acknowledgements

Forecast Contributors

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 15 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

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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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