



# ULI Real Estate Economic Forecast (end-of-year)

A Survey of Leading Real Estate Economists/Analysts

[uli.org/economicforecast](http://uli.org/economicforecast)

January 2019

ULI Center for Capital Markets and Real Estate



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# ULI Real Estate Economic Forecast

- A three-year forecast ('20-'22) of 9 economic and real estate indicators.
- An end-of-year forecast: Completed December 13-December 23, 2019, mid-way between the two full semi-annual surveys of 27 economic and real estate indicators; next full release planned for April 2020.
- A consensus forecast based on the median of the forecasts from 27 economists/analysts at 24 leading real estate organizations.
- Respondents represent major real estate investment, advisory, and research firms and organizations.
- This is the 17th survey.
- Forecasts for:
  - Broad economic indicators
  - Real estate capital markets
  - Total property investment returns
  - Rent growth for four property types



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# Forecasts vs. Long-Term Averages

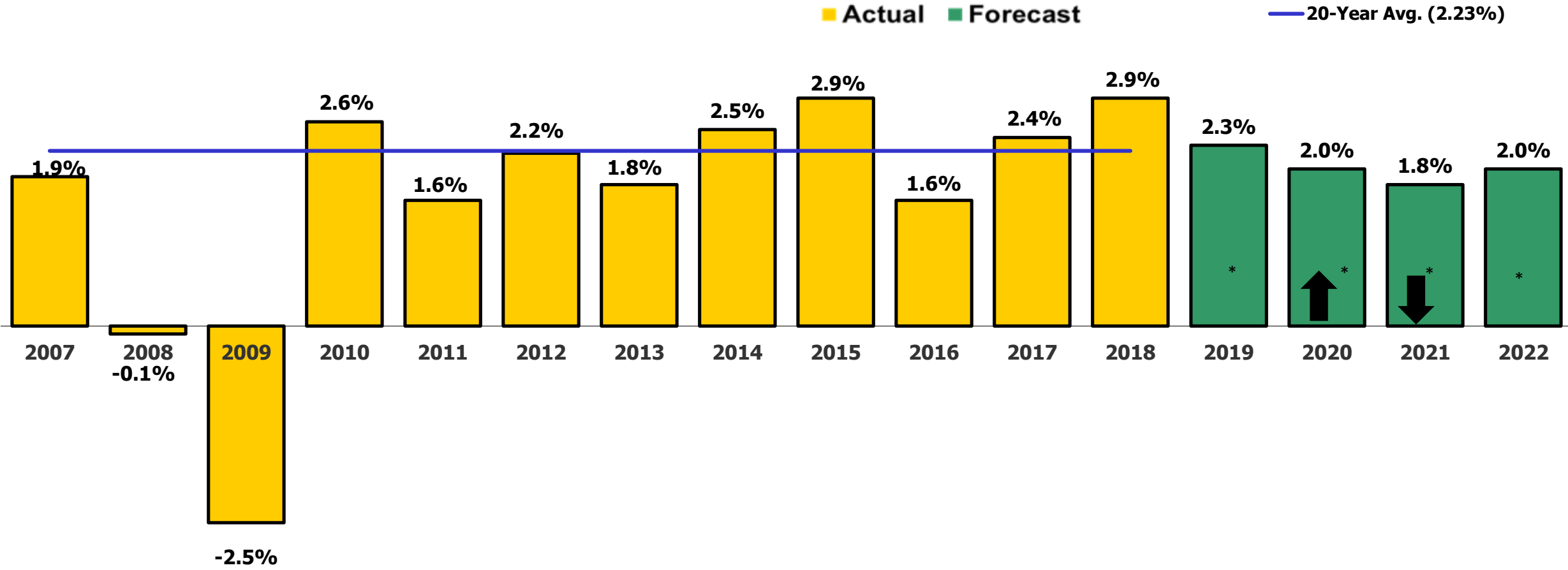
## 2020 Forecast

Better than long-term averages	Worse than long-term averages
	GDP Growth
Employment Growth	
Transaction Volume	
CPPI Growth	
	NCREIF Total Returns
Rental Rate Growth: Industrial, Office, Apartment, Retail	

## 2022 Forecast

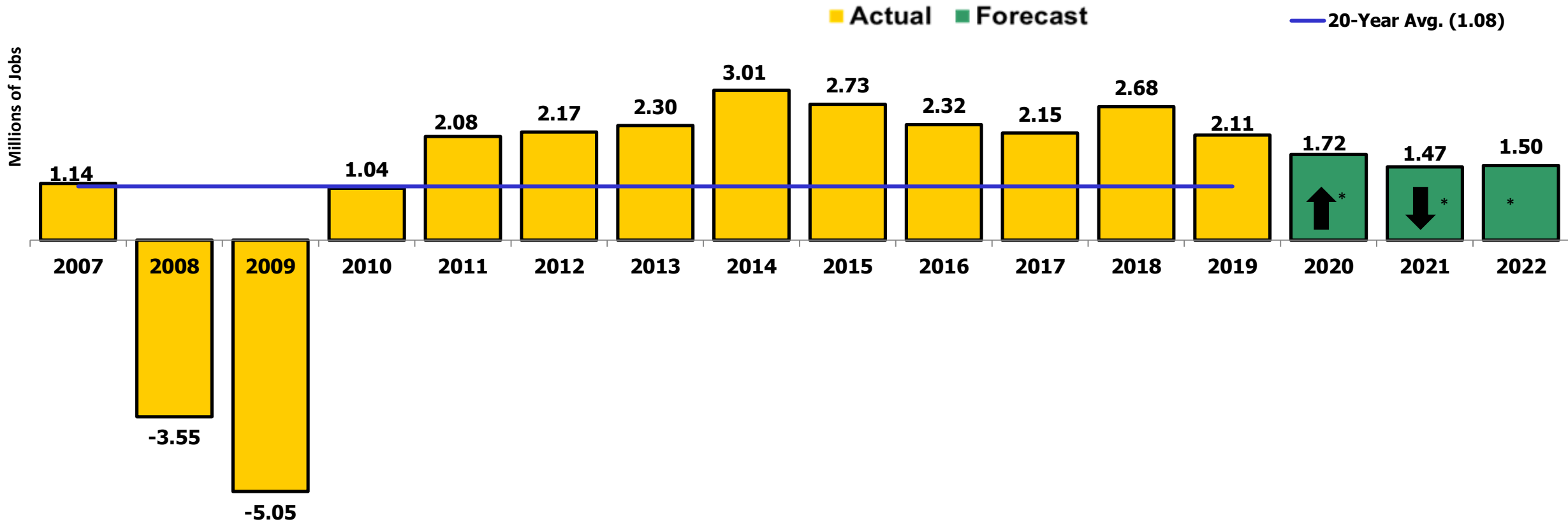
Better than long-term averages	Worse than long-term averages
	GDP Growth
Employment Growth	
Transaction Volume	CPPI Growth
	NCREIF Total Returns
Rental Rate Growth: Industrial, Apartment, Office*	Rental Rate Growth: Retail





\* The previous ULI Real Estate Economic Forecast, released in September 2019, projected through 2019, 2020 and 2021. The current ULI Real Estate Forecast reforecasts 2020 and 2021 and adds 2022. This chart shows the previous ULI Real Estate Economic Forecast for 2019 and the new projections for 2020, 2021, and 2022. Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous Forecast: Previous projections for 2020 and 2021 were 1.7%, and 1.9%, respectively.

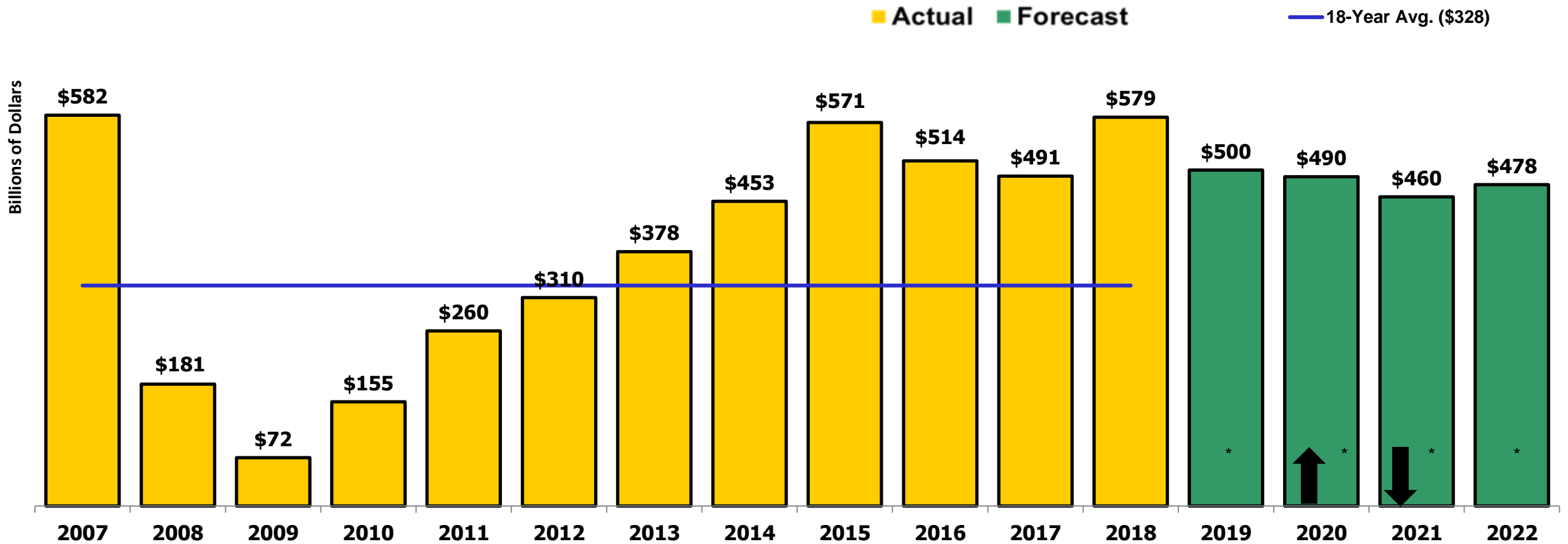
Sources: 1999-2018, Bureau of Economic Analysis; 2019-2022, ULI Real Estate Economic Forecasts.



\* The previous ULI Real Estate Economic Forecast, released in September 2019, projected through 2019, 2020 and 2021. The current ULI Real Estate Forecast reforecasts 2020 and 2021 and adds 2022. This chart shows preliminary 2019 employment, released by BLS on 1/10/20, and new ULI Real Estate Forecast projections for 2020, 2021, and 2022. Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous Forecast: Previous projections for 2020 and 2021 were 1.44 and 1.50 million, respectively.

Sources: 1999-2019, Bureau of Labor Statistics; 2020-2022 ULI Real Estate Economic Forecasts.

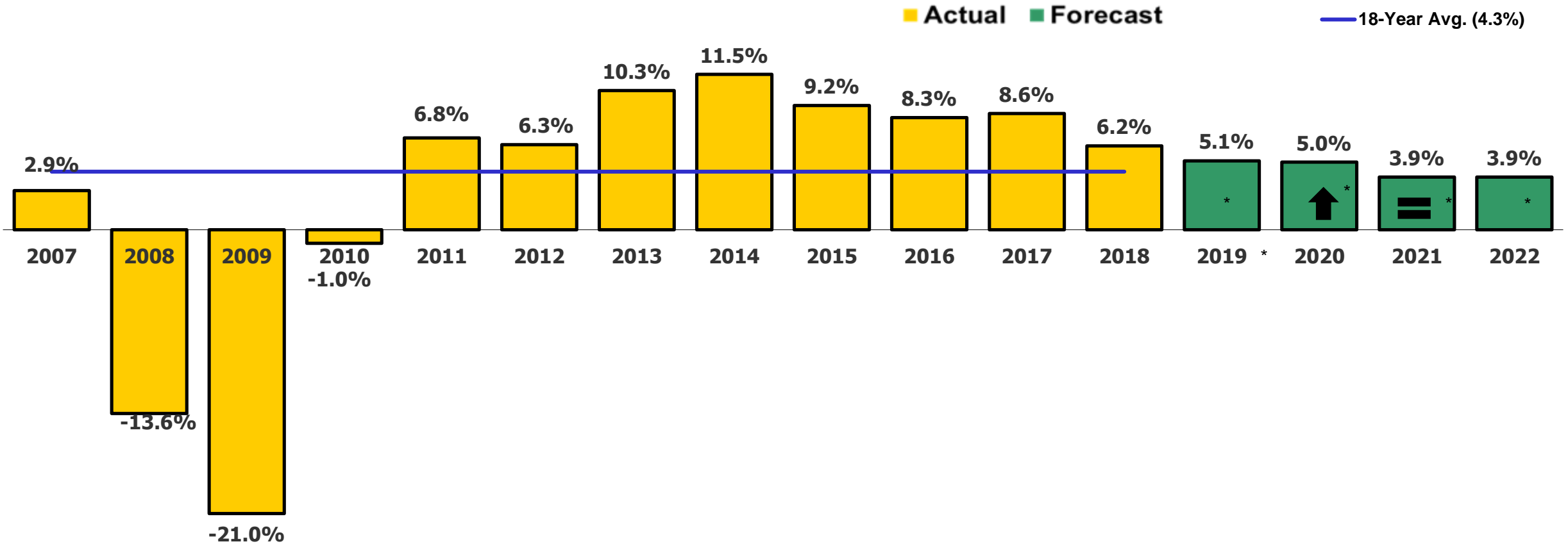
# Commercial Real Estate Transaction Volume



\* The previous ULI Real Estate Economic Forecast, released in September 2019, projected through 2019, 2020 and 2021. The current ULI Real Estate Forecast reforecasts 2020 and 2021 and adds 2022. This chart shows the previous ULI Real Estate Economic Forecast for 2019 and the new projections for 2020, 2021, and 2022. Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous Forecast: Previous projections for 2020 and 2021 were, \$480 and \$470 billion, respectively.

Sources: 2001-2018, Real Capital Analytics; 2019-2022, ULI Real Estate Economic Forecasts.

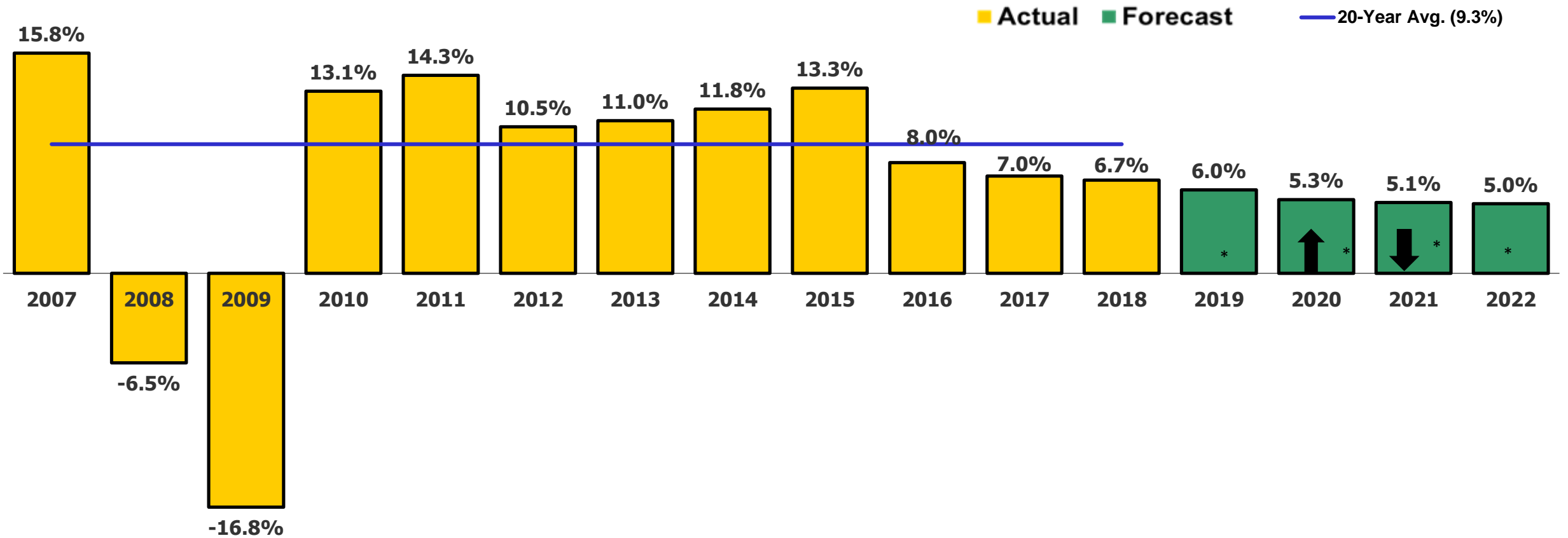
# RCA Commercial Property Price Index (annual change)



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Sources: 2001-2018, Real Capital Analytics; 2019-2022, ULI Real Estate Economic Forecasts.

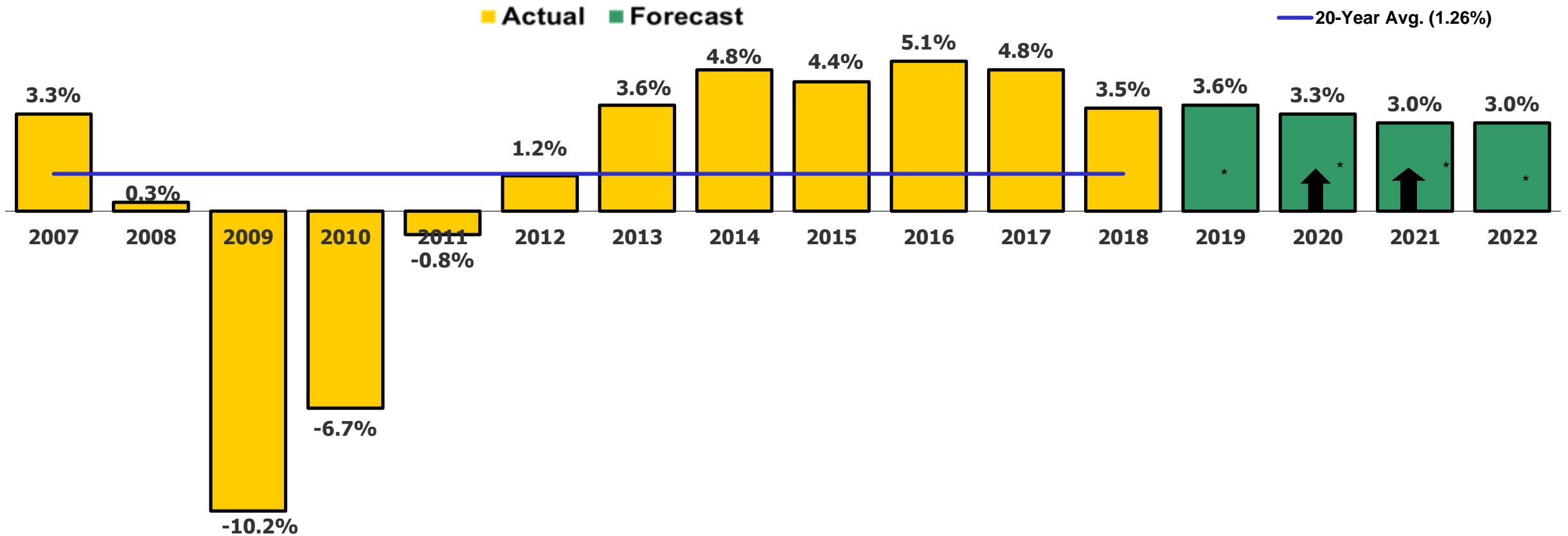
# NCREIF Total Annual Returns



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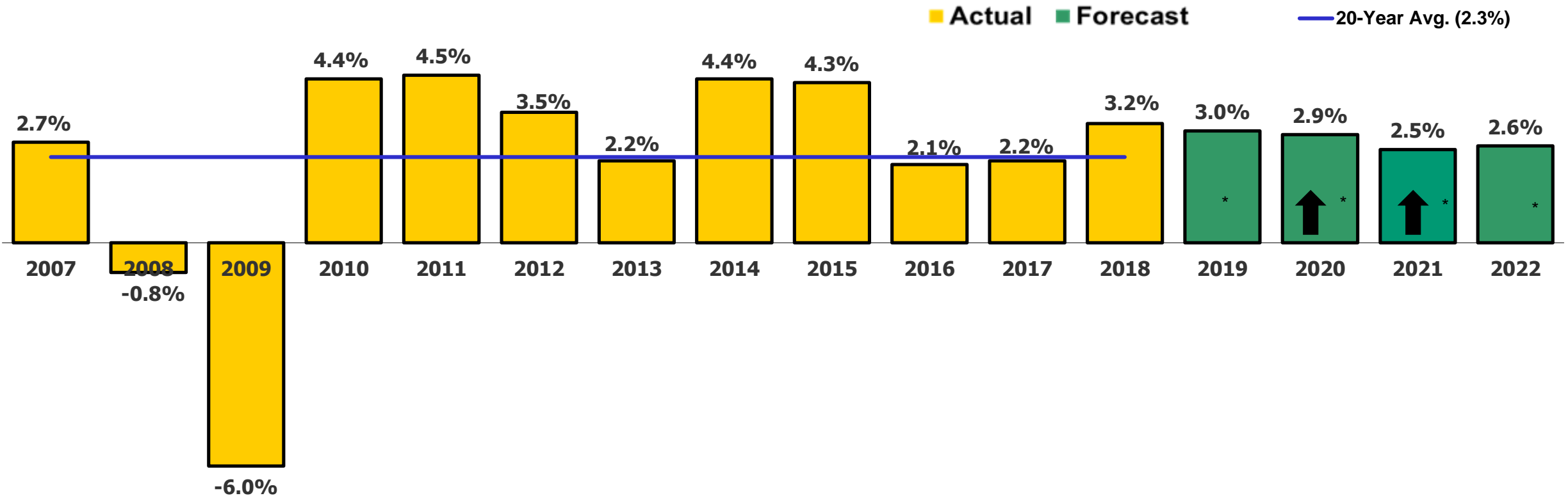


# Industrial/Warehouse Rental Rate Change



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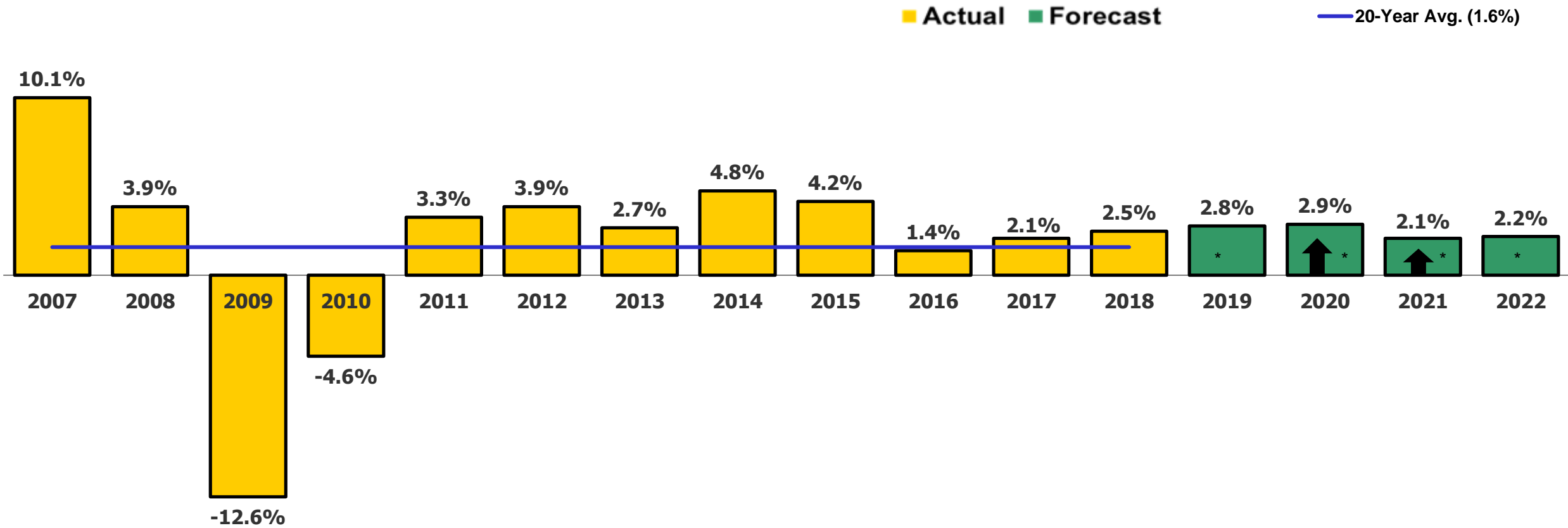
# Apartment Rental Rate Change



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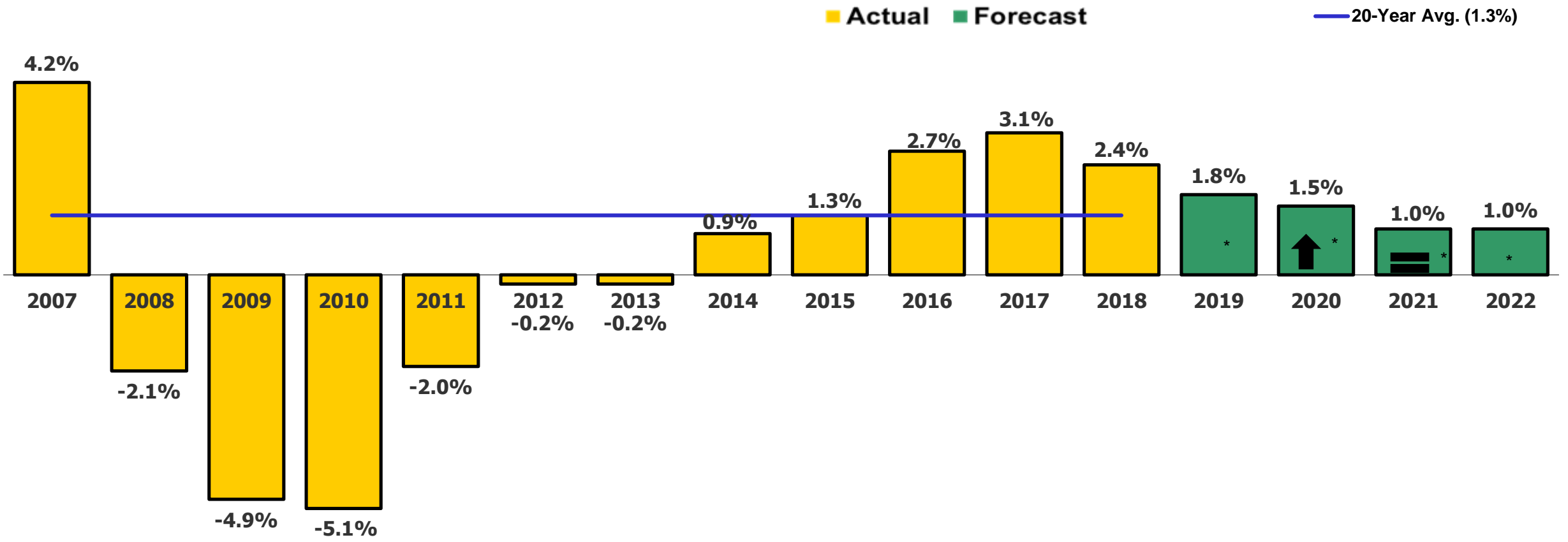
Sources: 1999-2018, CBRE; 2019-2022, ULI Real Estate Economic Forecasts.

# Office Rental Rate Change



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# Retail Rental Rate Change



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## Firms That Participated in the ULI Real Estate Economic Forecast

Organization	Lead Economist/Analyst	Title
Aberdeen Standard Investments	Carlos Ortea	Head of Real Estate Investment Research – Americas
Avalon Bay Communities	Craig Thomas	Senior Vice President, Market Research
Bentall Green Oak	Douglas Poutasse	Head of Strategy and Research
Berkshire Residential Investments	Gleb Nechayev	Head of Research, Chief Economist
CCIM Institute	Kiernan Conway	Chief Economist
Clarion Partners	Tim Wang	Managing Director & Head of Investment Research
CoreLogic, Inc.	Frank E. Nothaft	Chief Economist
Cushman & Wakefield	Revathi Greenwood	Head of Americas Research
	Rebecca Rockey	Economist, Global Head of Forecasting
DWS	Kevin White	Co-Head of Research & Strategy, Alternatives
	Mark Roberts	Head of Research & Strategy
Eigen 10 Advisors, LLC	Paige Mueller	Managing Director
Everest Healthcare Properties, LLC	David J. Lynn	CEO, President and Founder

continued.....

## Firms That Participated in the ULI Real Estate Economic Forecast

Organization	Lead Economist/Analyst	Title
Green Street Advisors	Peter Rothmund	Senior Analyst
Harrison Street Real Estate	Thomas Errath	Director
Laposa Realty Advisors	Stephen Laposa	Principal
LaSalle Investment Management	Richard Kleinman	Managing Director, Research & Strategy
	William Maher	Director, Strategy & Research
Marcus & Millichap	John T. Chang	Senior Vice President, National Director Research Services
	Peter Tindall	Vice President, Research Data & Analytics
NAREIT	Calvin Schnure	Senior Vice President, Research & Economic Analysis
Oxford Economics	Aran Ryan	Director, Lodging Analytics
PNC Financial Services Group	Augustine Faucher	Chief Economist
PwC, LLP	Andrew Warren	Director, Real Estate Research
Rosen Consulting Group	Kenneth T. Rosen	Chairman
	Randall Sakamoto	President

continued.....



# Urban Land Institute

## ***About the Urban Land Institute***

The Urban Land Institute is a nonprofit education and research institute supported by its members. Its mission is to provide leadership in the responsible use of land and in sustaining and creating thriving communities worldwide. Established in 1936, the Institute has more than 40,000 members representing all aspects of land use and development disciplines. For more information, please visit [www.uli.org](http://www.uli.org).

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