



# IndexEye: forecasting commercial property indices



*"I wish I knew what office rents were going to do in the next year ..."*

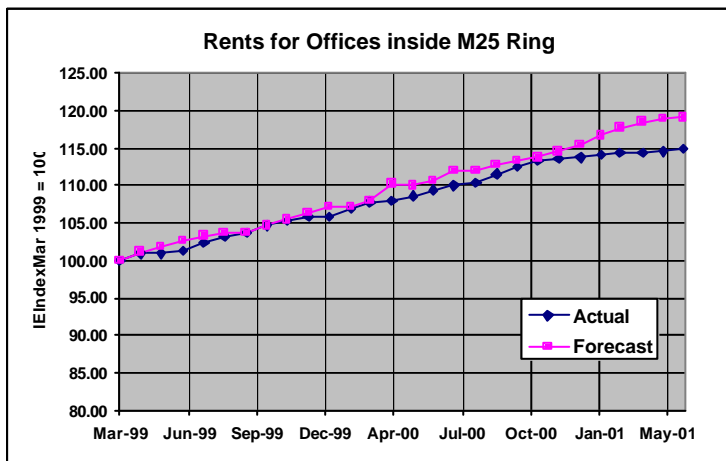
Commercial property indices, published by organisations such as IPD and Insignia Richard Ellis, show historic trends in commercial property values throughout the United Kingdom: rents, capital values, overall yield etc, of offices, shops, industrial premises and warehouses. Property companies, portfolio managers and public, corporate and private investors use these indices to assist in making investment decisions for their business.

**Technical Forecasts Ltd**, the leaders in Technical Forecasting of residential property prices, are now offering month by month 2-year forecasts of many of these commercial property indices, in **IndexEye**, a new service being launched in 4Q 2001.

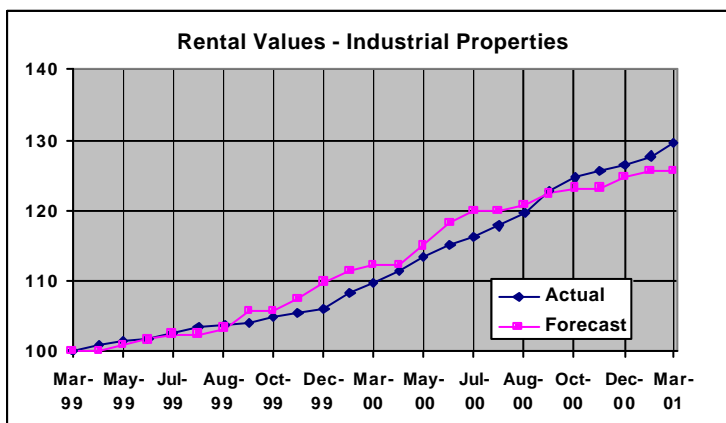
*"Fine – but can I rely on these forecasts?"*

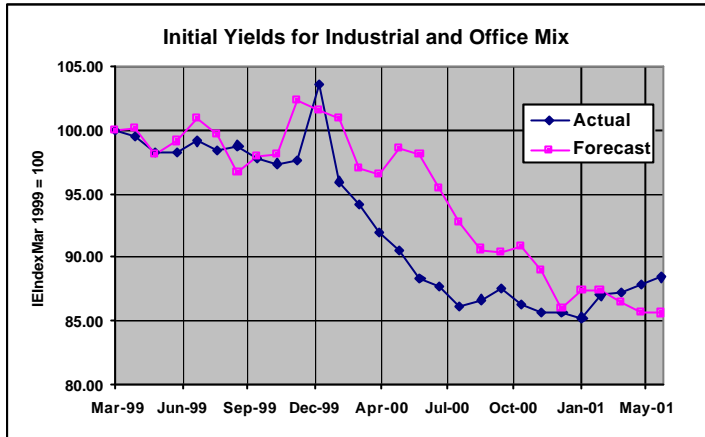
No individual forecast can be guaranteed, but we can show samples of typical forecasts we made of various IPD Monthly Pages indices from March 1999 to March 2001, comparing them with the actual values as we now know them. All these forecasts were carried out using TFL's unique mathematical methods. **In no case did the model have any knowledge of any information after March 1999.**

IEindex values are all normalised to start at 100; in these examples, we take the 100 base as at March 1999.



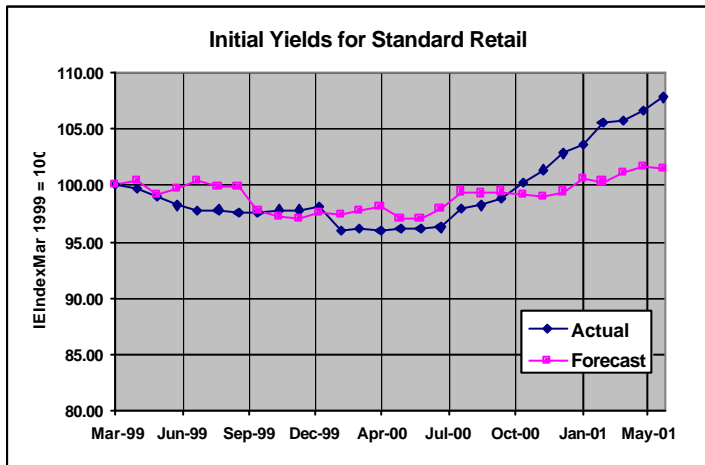
This graph shows a close match of the rise in London area office rents, along with a forecast, **two years ahead**, of a topping-off of the rental values – although in practice, it was forecast 2 months later than actually happened.





This is a forecast of a downward turn following a short rise, from Dec 1999, which bottoms out in early 2001.

Remember that the forecast knew nothing beyond March 1999, so both rise, downturn and bottoming-out have genuinely been forecast 2 years in advance.



This graph illustrates a downturn, levelling-off and subsequent rise in initial yields. The actual rise is greater than forecast, but given that this was 18 months in advance of the forecast date, it is likely that later forecasts would have corrected this.

***“What does a subscription to IndexEye give me?”***

An annual subscription to IndexEye will receive four quarterly editions, forecasting around 90% of the 200 or so IPD Monthly Pages commercial property indices, month by month for two to three years ahead, based on 100 for current values. As forecasts for other indices (eg Insignia Richard Ellis, CB Hillier Parker) become available, these will be included in the subscription.

You have seen how accurate these forecasts can be; this is already improving as our methods develop further. If you wish for more information, or a more detailed analysis of IndexEye accuracy, please contact us.

**Can your business afford to miss out on this vital intelligence?**

***“How can I find out more?”***

See the IndexEye web-site at <http://www.indexeye.com>, or contact Technical Forecasts Ltd at the address below.

We look forward to hearing from you.



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