Delft University of Technology

Demand forecast for industrial land Inaccurate and biased?

Louw, Erik; Olden, Han

Publication date
2016

Document Version
Final published version

Citation (APA)

Louw, E., & Olden, H. (2016). Demand forecast for industrial land: Inaccurate and biased?. 298-298. Abstract from ERES 2016: 23rd Annual Conference of the European Real Estate Society, Regensburg, Germany.

Important note

To cite this publication, please use the final published version (if applicable). Please check the document version above.

Copyright

Other than for strictly personal use, it is not permitted to download, forward or distribute the text or part of it, without the consent of the author(s) and/or copyright holder(s), unless the work is under an open content license such as Creative Commons.

Takedown policy

Please contact us and provide details if you believe this document breaches copyrights. We will remove access to the work immediately and investigate your claim.

Demand forecast for industrial land. Inaccurate and biased?

Erik Louw

Delft University of Technology

Faculty of Architecture and the Built Environment

Han Olden

Utrecht University

Faculty of Geosciences

Spatial demand forecasts are hardly discussed in the scientific literature. In the real estate literature a lot has been written about forecasting, but most of these studies are about prices and hardly about the amount of real estate that is needed. In this paper we analyse the demand forecasts for industrial land in the Netherlands. These forecasts are part of the Dutch planning process. For each new industrial estate or office park, forecasts have to be made which should provide evidence that there is sufficient demand for such new sites.

At first we compare demand forecasts with actual demand. It is concluded that most forecast overestimate demand and that this more often occurs on lower than on higher spatial scales. Secondly, we try to find an explanation for the inaccuracy. This is done by analysing various demand forecasts models on national, regional and local level. This analysis is completed by a review of various second-opinion reports on forecasts and reports by regional and local Courts of Audit about the development of industrial estates. We conclude that the main explanation for the inaccuracies is the assumed success of economic growth policies in the models (either by choosing high growth scenario's or by assuming successful policy interventions). This implies strategic behaviour of forecasters, planners and politicians and shows resemblance with research on the accuracy of travel demand forecasts.

Keywords: Demand forecasts, Industrial land, Planning

Session: Real Estate Development & Regeneration

Room: VG 004, June 11, 2016, 9:00 - 10:30am