



CV of Erwin Rode

He is

- A registered Professional Valuer (no. 2918)
- A property and land economist
- A Fellow of the SA Institute of Valuers (SAIV)
- A publisher and editor-in-chief of a portfolio of highly-regarded property research journals
- An Eminent Fellow of the Royal Institution of Chartered Surveyors (RICS)
- MD and founder of Rode & Associates Pty Ltd in 1987

Years' relevant experience: 43

a) PROFESSIONAL QUALIFICATIONS

- BA (Stell) (1964)
- MBA (Stell) (1976)
- Registered Professional Valuer (no. 2918) with the SA Council for the Property Valuers Profession
- Fellow of the SA Institute of Valuers (SAIV)
- Eminent fellow of the Royal Institution of Chartered Surveyors (RICS)

b) SKILLS

- Property valuations
- Property and land economics
- Research and composing analytical reports
- Director of companies: Ex director of Propnet (then a Transnet division), and Pareto Ltd (a R20bn+ unlisted property fund owned by the Government Employees Pension Fund).

c) PROFESSIONAL EXPERIENCE

1965-1976 : After completing BA: Journalist; trainee supermarket manager; assurance salesman, then marketing specialist at Old Mutual (office staff).

1977-1986 : After completing MBA: Assistant Divisional Manager (Property Research) at Old Mutual Properties: Built the first models in SA to forecast the property market; established the first property research department in SA.

1986-1987 : Candidate valuer at Masterbond Trust, and qualified as Professional Associate Valuer.

1987-2018 : Founded the national valuation and property-research firm Rode & Associates, and remains MD of this firm. Qualified as Professional Valuer

1987-2019 : Publisher and editor-in-chief of a portfolio of highly-regarded property research journals. His company surveys the property market countrywide every quarter. Consultant, covering a wide field of property-related disciplines.

d) RELEVANT EXPERIENCE

i. Property researcher and property economist

Since 1978 Erwin has done pioneering research on establishing and forecasting office, industrial and flat rentals, capitalization rates, house prices, building costs, fixed investment in buildings, and the long property cycle, which has a duration of 15–20 years. His firm now has unique econometric models to forecast these property variables.

He has also built regression models to estimate capitalization rates for industrial property, office buildings and shopping centres. These models are updated every quarter in *Rode's Report*.

Using the expert-panel method of polling, his firm introduced in South Africa the regular surveying of market rental levels, land values, operating costs and capitalization rates, the results of which are published in the quarterly publication *Rode's Report*. This was a crucial first step towards more uniform and realistic market valuations by the property industry in South Africa.

Rode's Time Series database, which consists of more than 5 000 unique property time series, is rented electronically to subscribers. Some of these time series cover more than two decades and, therefore, offer unique research opportunities on the SA property market. From 2003 to 2010 Statistics South Africa used some of Rode's residential-rental time series to check the housing component of the consumer price index (CPI).

He developed the Rode House Price Index in 1985. For cost reasons, this index has now been discontinued.

ii. Property valuation pioneer

Erwin has done pioneering work in the field of property valuation. Some of his firsts are:

- The development of regression models to estimate the capitalisation rates of office properties, industrial properties and shopping centres.
- The application of multiple regression techniques to value houses in SA (as early as 1988).
- In 1996, he developed Rode's Valuation Method — also known as the OCF (opportunity cash flow) Method. This method has been conceptualised to value income-producing properties. This method also largely avoids subjective forecasting, and is now widely used in South Africa. The method is given as a valuation-approach option by the top-selling property management program MDA.
- His firm has seven professional valuers (of which most have post-graduate degrees), which makes it one of the large valuation firms in SA. The Rode valuation team is regularly 'voted' the best or second best in SA through the PMR annual survey among users of valuation services – including 2017 and 2018.

iii. Other property-related activities

From 2005 to 2015 he served as a non-executive director of Pareto Ltd (a R22-bn unlisted shopping centre fund that is owned by the Government Employees Pension Fund (managed by the PIC), and from 2001 he was a divisional director on the board of Propnet (until the board was disbanded in 2003). Propnet was the name of the property division of the parastatal Transnet.

He is a regular expert witness in high court cases and arbitrations, and has covered a wide field in property related consultancies, including research on the Green Paper for the Department of Public Works in the 1990s. He was appointed by the Estate Agency Affairs Board to deliver in 2016 and again in 2018 a series of lectures on the property market and its relationship with the world and SA economies.

e) Personal involvement in some recent projects

- An assessment of the optimum zoning of the proposed 'Aan de Wijnlanden' residential development near Stellenbosch
- Effect of view derogation on sectional-title prices in a block of flats on Buitenkant Street, Cape Town CBD, named Four Seasons
- An assessment of the likelihood, nature and significance of potential impacts of elevated noise levels at Cape Town International Airport on property values
- Analyzed the residential potential of Metro 2 North (M2N) and Voortrekker Road Corridor by 2020, 2030 and 2040 (part of a team)
- Expert witness in calculating the quantum with respect to the expropriation of land in Uitenhage (ongoing)
- City of Cape Town/PwC: Property-value considerations relating to alignment options of the MyCity rapid-bus system near Wynberg rail station (2017)
- Urban Development Strategy (UDS) for Stellenbosch municipality (together with Berchtwald Rode).□

14 February 2019