



Corporate profile of Rode & Associates (Pty) Ltd

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Reg.no. 2009/005600/07 VAT no. / BTW no. 4480101791

Rode & Associates (“Rode”) is an authoritative household name in the South African property market. The Cape Town-based, 22-year-old firm operates nationally and is best known as professional valuers, planners and property economists. The company employs about 18 permanent staff.

Property economists and consultants

Rode’s property economics department produces four research journals. In order to do this, it surveys the South African and Namibian (Windhoek only) property markets every quarter, using the expert-panel method of polling. The department then interprets the data and publishes its findings. One of these publications — *Rode’s SA Property Trends* — contains a five-year forecast of the market using Rode’s unique econometric forecasting model, the results of which are updated every six months. The best-known publication is *Rode’s Report on the SA Property Market*, which is published quarterly and describes the state of the property market. Many property practitioners use this publication as a “property bible”.

Rode has been doing these quarterly surveys since end 1987. As a consequence, it has a database of about 5 500 unique property time series. This database, which can be subscribed to, is an invaluable resource to property researchers and analysts.

In 2003 Rode received a term contract from Statistics South Africa (StatsSA) — the SA government’s statistics department — to do a quarterly national survey of the residential-property rental market. The information is used as an input to the compilation of South Africa’s Consumer Price Index. This contract has been renewed twice.

Two of the unique or innovative methodologies Rode has developed over the years are:

- Demand forecasts, and
- An econometric model to forecast crucial property variables like market rentals, building-construction costs and the property cycle.

Rode’s annual one-day property conferences have become established events on the South African property calendar. They are held in Cape Town and Johannesburg towards the end of August and are typically attended by on average about 150 delegates in each city. The main speakers always include Erwin Rode, CEO of Rode & Associates, and a leading economist from a banking group.

The free monthly Rode e-newsletter keeps the company in contact with its audience. To subscribe, please visit the Rode website at www.rode.co.za. This newsletter is sent to a database of about 6 000 e-subscribers, and we regard it as one of Rode’s valuable marketing assets.

Rode is quoted nearly every week in the provincial or national press, radio and TV. The reason for this is that the firm is seen as being authoritative because its opinions are independent and based on hard research. To validate this statement, use the Google search engine on the Internet and type in **Erwin Rode** (exact phrase) (do not use **Rode** because it is also the past tense of the English verb “ride”!).

RodePlan

The RodePlan department specialises in **town and regional planning**:

- Land-use control (rezoning, subdivision, departure, consent use, removal of title restrictions, zoning schemes)
- Spatial planning (spatial development frameworks (SDFs) and plans (SDPs))
- Governmental integrated development planning (IDP) (process and products), supported by a geographic information system (GIS).

The experience within RodePlan covers a wide spectrum of town planning issues, as well as development planning processes and products at macro, meso and micro level. An in-depth understanding of the

- social
- economic
- political, and
- environmental

elements that underpin present-day society, and within which contemporary spatial planning operates, informs our approach. RodePlan considers these four elements as fundamental to an SDF in order for spatial planning to complement economic growth and development.

We also advise private clients on the development potential of specific properties and/or land disposal strategies. This is done in collaboration with our expertise as property economists.

RodePlan’s target clientele includes property owners, developers, engineering companies and government institutions.

The ultimate aim of our planning function is to foster pathways to enable sustainable development.

The RodePlan team consists of:

- Berchtwald Rode: BA (Stell), MTRP (UFS)
Registered at the South African Council for Town and Regional Planners (reg no 1177)
- Stephan van der Walt: MA Geography and Environmental Studies (Stell).

Rode Valuations

Rode's valuation department is independent, and is able to maintain objectivity. In our motivation reports, all the critical variables are fully motivated through robust research — which can withstand tough scrutiny. Rode's competitive edge is created by its combination of creative property-economic research and its innovative valuation methodology (see below). As a consequence, Rode has an outstanding name among banks' mortgage-financing departments.

Rode is arguably South Africa's largest valuation firm.

Rode has done pioneering work in the field of property valuation. Some of its firsts in South Africa include:

- 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, Rode's founder, Erwin Rode, developed Rode's Valuation Method – also known as the OCF (opportunity cash flow) Method. This method has been conceptualised to value income-producing properties.

Farm valuations

To meet the needs of the agricultural property market, Rode & Associates has an agricultural valuation department. This department has at its disposal the services of a full-time appraiser who specialises in the valuation of farms and smallholdings, and who understands the value-drivers within the agricultural sector.

Bare dominium

Rode is widely regarded by lending institutions as *the* authority in South Africa on the valuation of bare *dominiums* ("leased fee estate" in the USA). A bare dominium property is usually a property with a long lease, where the cash flow of the lease has been "stripped out" in some way. An example is where the present value of the cash flow of a lease has been sold to a third party.

Evaluation of competitors' valuations

Evidence of the authority of Rode in the marketplace is that Rode is asked from time to time to evaluate the valuations of competitors.

Valuation clients

Some of Rode's large valuation clients (present and past) are:

- Allan Gray Limited
- ABSA Bank: Commercial Property Finance
- Pangbourne Properties Limited
- Grapnel (ex NIB; ex Coronib)
- Richway Retail Properties Limited
- Sage Property Trust Managers (Pty) Ltd
- Dunlop Africa
- Capov (Drs Dietrich Street, a nationwide firm of pathologists)
- Catalyst (an innovative structured-finance investment firm)
- Peregrine
- Standard Bank Properties
- First National Bank
- Atterbury Property Management
- Courthiel Holdings (Pty) Ltd.

Note that, even though Rode is based in Cape Town, most of its clients are in Gauteng province. Because Rode operates nationally, it has a unique national overview of the SA property market.

Valuation team

The Rode valuation team leader is Erwin Rode, who holds a BA and an MBA (both from the University of Stellenbosch) and is registered as a Professional Valuer in terms of the Property Valuation Profession Act (Act 47 of 2000). He is a fellow of the SA Institute of Valuers and his concise CV can be found at www.rode.co.za/contact/staff-erwin.php. He is assisted by the following:

- G Johnson BComm (Stell), Hons (Econ) (UNISA), NDRees (Property Valuation)
Head of Valuations
Registered as a Professional Associated Valuer with the SA Council for the Property Valuer's Profession.
Member of the SA Institute of Valuers.
- K E Scott BComm Hons (Stell), BComm Hons (UCT)
Registered as a Professional Valuer with the SA Council for the Property Valuer's Profession.
Member of the SA Institute of Valuers.

- S Meerkotter BA (UP), BEd (cum laude) (UWC), TTHD (JCE), PGDE (UWC), NDRRees (Property Valuation)
Co-ordinator of survey panel
Registered as a Candidate Valuer with the SA Council for the Property Valuer's Profession.
- M Vernooy B Tech (QS) (Cape Tech), NDRRees
Registered as a Professional Valuer with the SA Council for the Property Valuer's Profession.
Member of the SA Institute of Valuers.
- T Retief BA (Stell)
Specialises in farm valuations
Registered as a Professional Valuer with the SA Council for the Property Valuer's Profession.
- M Jappie BSc Hons (Property Studies) (UCT)
Registered as a Professional Associated Valuer with the SA Council for the Property Valuer's Profession.

References

- Fountainhead Properties (ex Grayprop), John Rainier (Managing Director), tel: 021 415 2300
- Statistics South Africa, Patrick Kelly (Project Manager CPI), tel: 012 310 8290

More information about Rode is obtainable on the website www.rode.co.za .