



Office market shows signs of a pulse – p 37



2005
:4

Industrial market still steaming ahead • PUT investors reap the benefits of strengthening fundamentals • Shopping centres take a breather • Why Cape Peninsula house prices are losing out • Optimism still high in building industry • Escalation rates not all that unrealistic

Rode's Report on the South African Property Market

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Services offered by Rode

A professional, independent research organisation surveying most sectors of the property market. The company comprises four divisions: Research, Publications, Valuations and Consultancy. The information generated by the Research division provides the underpinning for all the company's other functions.

Publications

Rode's Report on the SA Property Market (Rode's Report)

Quarterly. Analyses and reports on most sectors of the property market in the major metropolitan areas, covering, *inter alia*, rental levels and standard capitalization rates by property type, grade, node/ township, building costs, building activity, etc.



Rode's Retail Report on South Africa (Rode's Retail Report)

Quarterly. Analyses and reports retail property information including shop rentals, operating expenses, and escalation rates for about 100 shopping centres and 120 street-front micro-locations in six metropolitan areas. Rentals are given for three sizes of premises and surveys are analysed by region and by shopping centre type.



Rode's SA Property Trends

Updated six-monthly. A 5-year forecast and interpretation of office and industrial rentals, standard capitalization rates, building costs, house prices, flat rentals, the property cycle, gross domestic fixed investment (GDFI) in residential and non-residential buildings, and forecasts for property unit trusts. Aimed at CEO and general management level, where strategic investment decisions are taken, and analysts.



Other services



Valuations

Rode & Associates offers its clients a unique method for the scientific and objective valuation of their property portfolio by making use of Rode's Market Valuation Method.

This method is a highly systematic valuation tool devised for valuers, investors, investment counsellors, institutional executives and all who, through legal requirement or

by virtue of their professional responsibilities, are involved in the estimation of property values, especially for performance measurement purposes.

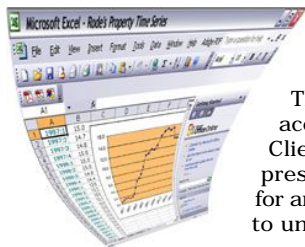
The method becomes particularly cost effective when annual or even quarterly valuations are required. Because models are computer based, revaluations can be done at a fraction of the initial fee. The sophistication and consistency of Rode's Market Valuation Method would meet the most stringent statutory requirements.

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The major benefits of our consultancy service relate to medium-term property development projects, as the successful planning of such projects depends primarily on reliable insight into probable property market trends over a period of two to four years.



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This time series can be rented. It provides electronic access to close to 2,000 property-related time series. Clients can make use of this data for research and presentation purposes – e.g. to plot their own charts for annual reports and brochures, or to use the information to underpin research for feasibility studies.

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Contributor codes

| | | | |
|----|--|----|---|
| AA | Alcus Group | DE | Dedekind Real Estate |
| AC | Acutts | DG | DG Ladegaard Eiendomme |
| AD | Vunani Properties | DJ | Dividend Investments |
| AG | Actio Prosperitas Property (Pty) Ltd | DL | Delta Real Estate |
| AI | Aida Properties | DN | David Newham Property Management |
| AL | Arlon Properties | DO | Bainprop (Pty) Ltd |
| AM | Abland (Pty) Ltd | DP | De la Porte Property Group |
| AN | Annenberg Real Estate | DR | Rennie Property Management (Pty) Ltd |
| AP | API Property Group | DT | DTZ Leadenhall (Pty) Ltd |
| AS | Atlas Management Services | DW | Divaris Property Brokers |
| AU | Acucap Property Management | DY | Dyson Leasing |
| AV | 5th Avenue Properties | ED | Edric Trust |
| AW | Watprop | EK | Ellenberger & Kahts |
| BA | Brammer Ross & Shapcott | EL | East London Estates & Auctioneers |
| BB | Brugmann Properties | EP | Elevation Properties |
| BC | Barclay Schofield & Associates (Pty) Ltd | EQ | EquityOne Capital |
| BE | Bowman Property Group | ER | Associated Property Brokers |
| BG | Batting Properties | ES | Eli Ströh |
| BJ | Business Partners | EV | Engel & Völkers Commercial Properties |
| BM | Bradford McCormack & Associates | FA | Finlay & Associates |
| BP | BP Southern Africa (Pty) Ltd | FO | Fosprops Properties |
| BR | Broll Property Group | FP | PPA Property Development CC |
| BS | Penthouse Property Group | FR | Fraser & Hurd (Pty) Ltd/Fraser Properties |
| BW | Barrow Properties | GO | Pam Golding Commercial |
| BY | Bobby Rogers Property Brokers | GR | Homenet George Rennie & Company |
| BZ | Bales Delaporte | GS | Gensec Property Services |
| CB | Century City Property Developments (Pty) Ltd | HD | De Huizemark Amanzimtoti |
| CC | CCI Properties | HL | Hall Real Estate |
| CD | Chris van der Walt Properties | HS | Summertown Edelson Commercial CC |
| CE | Cenprop Real Estate | HT | Hatfield Plaza SC |
| CI | City Property Administration | IC | ICS |
| CK | Collins Properties | IM | Homenet Klerksdorp |
| CM | Capitol Commercial Properties | IN | Investec Property Group |
| CP | Citiprop Real Estate | IS | Impact Plus Property Services |
| CR | Colliers International | IT | Ithala Development Finance Corporation |
| CS | Chase & Sons | JH | JHI Real Estate |
| CU | Cavalier Group | JP | John Price Estates |
| CX | Chevron South Africa (Pty) Ltd | JR | Jaymar Real Estate |
| CZ | Churchill Murray Properties | JS | Joseph & Snyman |
| DA | Dallas Properties | JT | JT Ross & Son (Pty) Ltd |
| DD | Diamond Properties | JY | JD Yach Consulting |

| | | | |
|----|---|----|---------------------------------------|
| KA | Kailas Property Bureau | PY | Property Findersa |
| KL | Kellaprinse Property Group | QU | Quadrant Properties |
| KM | Kirchmann-Hurry Investments | RA | Real Estate & Property Services |
| KR | Key Realty | RD | Redefine Income Fund |
| LA | Landsgate Properties | RE | Realty 1 - ELK |
| LB | Dickinson Estates Letting (Pty) Ltd | RF | Rent-a-Flat Randburg |
| LC | Loch Logan Waterfront | RI | Rens & Leonard |
| LG | Louis Group International | RM | Remax |
| LM | Louis Kruger Property Management | RO | Reef Property Consultants |
| LS | Lock Sloane & Partners | RP | IPIC Property Group |
| LW | RV Properties/Rynal Verhurings | RT | RMB Properties |
| ME | Metroprop (Pty) Ltd | RU | Ronloth Marketing (Pty) Ltd |
| MH | Merchant Trust Properties | RW | Ron Weisz Estates |
| MI | Platinum Global | RZ | Oriprops |
| MJ | Majola & Boyd | SF | Seeff Properties |
| MK | Mawer & Delpport | SG | Spectrum Estates |
| MM | Morprop | SH | Sharemax Investments |
| MO | Moolman Group of Companies | SK | Msele Property Brokers |
| MQ | Multi Projects Development Specialists | SL | SA Land National Land Brokers |
| MR | Marder Properties | SM | Somerset Mall |
| MS | Marriott Corporate Property | SN | Sentinel Estates |
| MT | Mellville's Corner | SP | Stratprop |
| MW | McWilliam Murray Realty | SQ | Spearhead Property Group |
| MX | Maxprop Group | SS | Strategic Alliance |
| MY | Mike Shefer Estates | ST | Invesco Property Investments |
| ND | Nedbank Corporate | SV | S Kamstra Valuations |
| NE | Newbridge Property Services | SW | Shaw & Wall |
| NG | Nick Geldenhuys Eiendomme | SY | Stratford Property Ventures |
| NP | Natal Property Consultants | SZ | Spire Property Services Group |
| NR | National Real Estate | TE | Trust & Estate Co. |
| OA | Oakwood Property Management | TG | Theo Goosen Estate Agents |
| OC | Omnicon Commercial Property Brokers (Pty) Ltd | TH | Trevor Hosiosky Investment Properties |
| OM | Old Mutual Properties | TO | Total SA (Pty) Ltd |
| OP | Omniwest | TR | Trafalgar Properties Services |
| PA | Pace Property Group | TS | Terry Labuscagne Valuations |
| PB | Pace Penny (Pty) Ltd | TY | Theodore Yach Property Services |
| PC | Propco (1985) (Pty) Ltd | VE | Vero Property Investments |
| PG | Property Partners | WA | Wall & Smith Property Consultants |
| PH | Resident Estate & General Agents | WE | Westacre Projects |
| PL | Pears Property Consultants | WK | Wakefields Property Management |
| PM | PDL Property Management (Pty) Ltd | WM | Mick Webb Consulting |
| PN | Properagation Estates | ZO | Zonix Properties |
| PR | Homenet Propman Estate Agents | ZZ | Anon |
| PX | Gona Pillay Properties | | |

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Foreword

Dear Reader

Welcome to the last issue of *Rode's Report on the South African Property Market (RR)* for 2005, which reports on surveys conducted in the third quarter of 2005.

As usual, we report on movements of a number of critical property variables, ranging from capitalization rates, rentals, escalation rates, and operating costs, for the non-residential property market, to changes in house prices and flat rentals in the residential property market. More recently we also added a new chapter pertaining to the market value of office, shopping-centre, and filling-station land.

The reader will note that the chapter on office vacancies and demand is a replication of the text contained in the third quarter issue of *Rode's Report*. The reason for this is that Sapoia had not yet released their third-quarter office vacancy survey at the time of going to print.

Readers are again reminded of our website — www.rode.co.za — which contains interesting, rigorous, and relevant property-related articles, most of which are published in our monthly e-newsletter, to which readers can subscribe through our website.

If anyone wants to communicate with a specific niche market they can contact Lynette on 021-946 2480 for *RR* advertising rates.

Suzette Meerkotter is in charge of expanding our survey panel; her job is to give you access to the opinions of as many property experts as possible. We appeal to all market participants who feel they have what it takes to become an *RR* panellist to please contact Suzette on 021-946 2480 — it's for the benefit of everyone in the industry.

Finally, we again would like to encourage readers to give us feedback, and to make suggestions on how we can improve our publications.

Enjoy your reading!

Sincerely



Garth Johnson
Editor

23 November 2005

