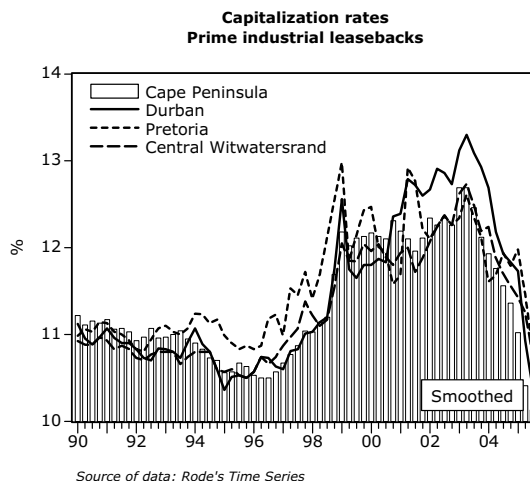
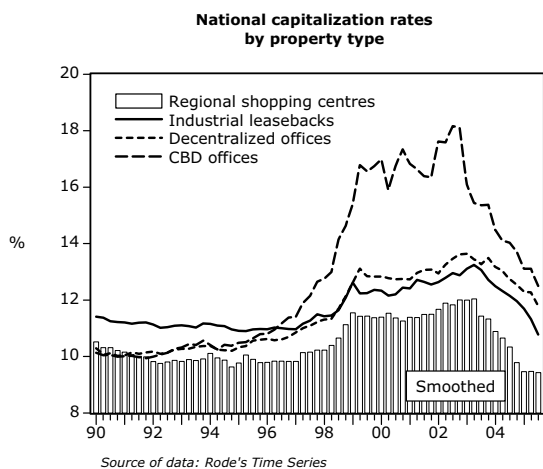


Chapter 3: Capitalization rates

Shopping centres take a breather

On the whole, capitalization rates continued trending down during the third quarter of the year. The only exception was regional shopping centre capitalization rates, which took a breather. However, with long-term inflation expectations remaining within the Reserve Bank's target range, and the prognosis for income growth remaining good, capitalization rates are likely to continue on the down path in the coming quarters.

Of course, the aggressive decline in industrial capitalization rates comes on the back of a booming industrial property market characterized by strong rental growth and declining vacancy rates. Another factor is low interest rates, which are causing a surge in demand from private investors and owner-occupiers.



Prime industrial leasebacks

Prime industrial leaseback capitalization rates dropped further in all the major industrial conurbations. Pretoria and Central Witwatersrand currently have the highest leaseback capitalization rates of around 11%, while leasebacks in Durban are trading at about 10,4%. The most valued industrial region is still the Cape Peninsula, where leaseback capitalization rates are currently close to 10%.

Please note that figures referred to in the text may differ from the raw data in the tables due to smoothing on our part.

Interpretation tip: It is dangerous to rely on one quarter's figure, as it may be an outlier due to small sample sizes. Instead, consider the trend or contemplate using the average of at least two quarters for a more accurate assessment. For this reason the graphs accompanying this article are smoothed.

A standard capitalization rate (colloquially referred to as a cap rate) is the expected net operating income for year 1, assuming the entire building is let at open-market rentals, divided by the purchase price. This calculation ignores VAT, transfer duty and income tax, and it assumes a cash transaction. All references in Rode's Report to "cap rates" and "capitalization rates" mean "standard capitalization rates".

Nowadays **capitalization rates for CBDs** (excluding the Cape Town CBD) are of little use. This is because capitalization assumes that the future cash flow will grow, at a constant growth rate, **in perpetuity**. In the decaying CBDs, this assumption does not hold in many instances.

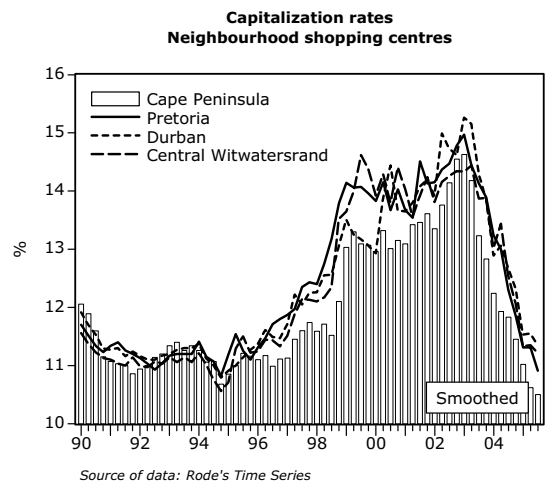
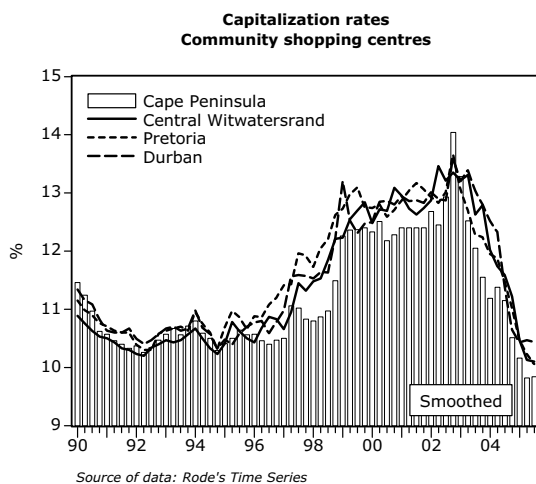
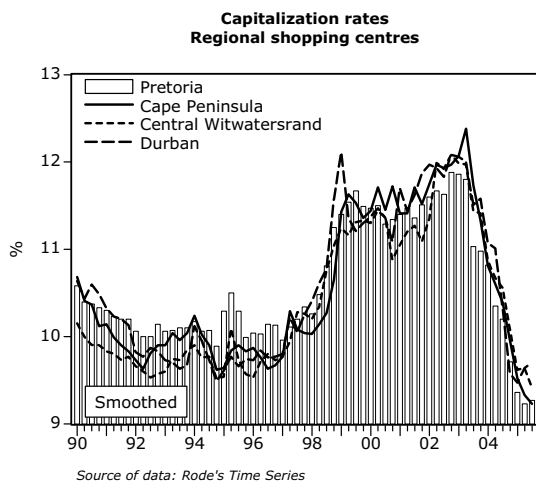
Shopping centres

Regional shopping centre capitalization rates in the Cape Peninsula and Central Witwatersrand declined marginally during the reporting quarter, while those of Pretoria and Durban increased a tad. In short, there was not much change in regional shopping centre capitalization rates, which were still in the 9-9,5% range during the reporting quarter.

Capitalization rates of community shopping centres also tended sideways during the third quarter. Community shopping centre capitalization rates are currently trading between 10 and 10,5%.

Neighbourhood shopping centres' capitalization rates continued to decline during the reporting quarter. The average neighbourhood shopping centre capitalization rate ranged from a low of 10,5% in the Cape Peninsula to a high of 11,4% in Durban.

The reader will note that in the case of neighbourhood shopping centres, the opinions of our respondents varied more than in the case of the larger shopping centres. We suspect that this is because of greater presence of syndicators and private investors in this market. Moreover, it would seem to us that these investors are especially aggressive in the Cape Peninsula.

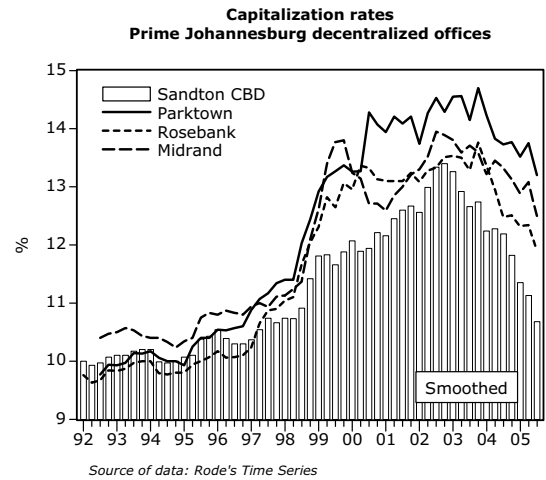


Prime CBD offices

Capitalization rates in the troubled Johannesburg, Pretoria, and Durban CBDs, have been falling since the beginning of 2004. This drop has been so precipitous that one is tempted to draw the conclusion that investors' perception of the inner cities has changed and that this fall was not merely the result of falling capitalization rates in general. In the Pretoria and Johannesburg CBDs the decline was almost certainly caused by the spurt of office-to-residential conversions rather than a rerating of CBDs.

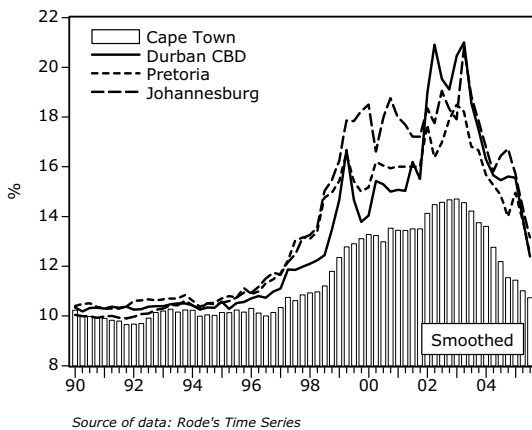
Cape Town CBD never really went the path of the other major CBDs and hence should probably rather be compared with Cape Town's decentralized nodes. In this respect, the reader will note that grade-A capitalization rates for Cape Town CBD are currently similar to (if not lower than) those of the finest decentralized nodes in the Cape Peninsula.

(when real interest rates were close to their current levels).

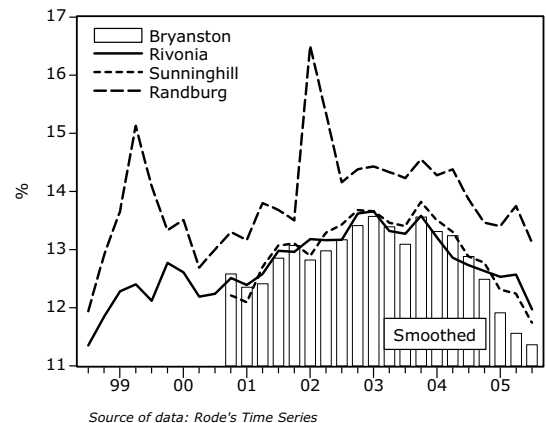


The reader will note that grade-A office buildings in popular nodes such as Sandton, Bryanston, Rosebank, Rivonia, and Sunninghill, are trading at rates ranging from roughly 10,5 to 11,5%, while investors still require a higher rate of about 13% in battling nodes such as Randburg, Fernside and Parktown.

Capitalization rates
Prime CBD offices



Capitalization rates
Prime Johannesburg decentralized offices



Prime decentralized offices

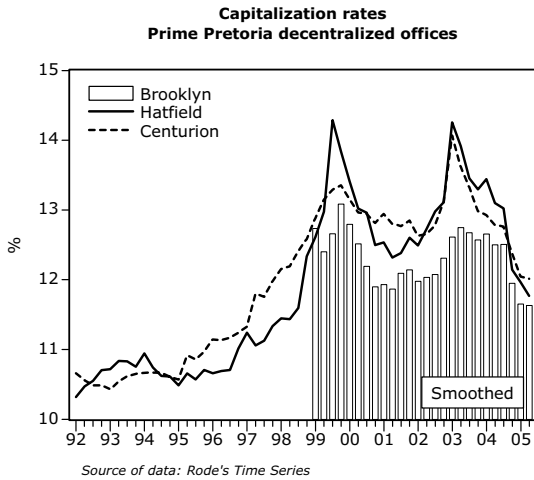
Johannesburg decentralized

In Johannesburg decentralized, office capitalization rates remained on the down in most of the major office nodes. However, capitalization rates still have a long way to fall to reach the levels of the early 1990s

Pretoria decentralized

In Pretoria decentralized, capitalization rates dropped further in major nodes such as Hatfield and Centurion, while those of the benchmark node of Brooklyn also declined marginally. The average capitaliza-

tion rate in these nodes was roughly 12% during the third quarter of 2005.

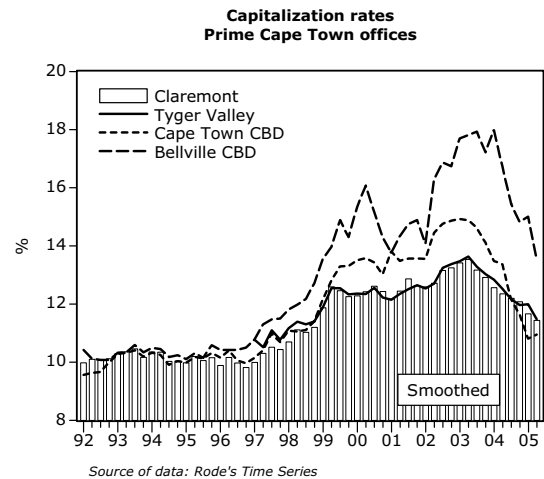
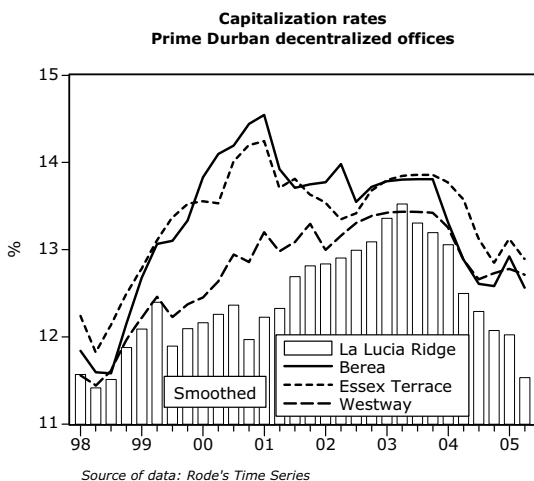


After a short period of upward movement, capitalization rates in Berea, Essex Terrace and Westway are once again following the national trend, which is south. La Lucia Ridge's capitalization rates also took a further dive during the reporting quarter, thereby confirming its pre-eminence in Durban.

Cape Town decentralized

Capitalization rates in the decentralized office nodes of the Cape Peninsula also sustained their downtrend during the reporting quarter. In noteworthy locations such as Tyger Valley and Claremont, capitalization rates are currently around the 11% mark, with a standard deviation of 1,2%.

Durban decentralized



This concludes our analysis of capitalization rates. The capitalization rate tables follow.

*The **high standard deviation** from the mean capitalization rate for office and industrial properties in some nodes, as reported in the accompanying capitalization rate tables, is indicative of the uncertainty prevailing in these nodes or areas. With few sales taking place, the evidence on ruling capitalization rates is thin and opinions vary more than in the more popular areas. This means that the income-producing property market has become even more inefficient in these nodes – which makes the valuation of these properties a rather hazardous exercise.*

We are indebted to our expert capitalization rate panel, comprising major owners and leading brokers who know their market segments intimately. This survey would not be possible without their invaluable contributions. Codes of those panellists who supplied information for this quarter's survey appear in the tables on the following pages. An explanation of the contributor codes can be found on p. xii.

Table 3.1
Survey of capitalization rates (%)
Office buildings
Means for quarter 2005:3

Best location	Grade A: Multi-tenant			Grade A: Leaseback			Grade B: Multi-tenant			Grade C: Multi-tenant		
	Mean	SD	n	Mean	SD	n	Mean	SD	n	Mean	SD	n
Johannesburg CBD	12,8	2,0	3	12,2	1,9	3	13,8	2,0	3	15,1	2,3	3
Braamfontein	12,9	2,1	3	12,1	1,8	3	13,8	2,0	3	14,8	1,8	4
Parktown	12,9	1,9	4	11,9	1,6	4	14,1	1,9	5	-	-	-
Rosebank	11,7	1,6	5	11,0	1,4	4	13,2	1,9	4	14,0	2,2	3
Sandton CBD	10,5	1,2	6	9,9	1,2	5	12,4	1,6	4	-	-	-
Rivonia	11,7	1,5	5	11,0	1,4	4	13,1	1,8	4	-	-	-
Bryanston	11,3	1,1	5	10,9	1,1	4	12,3	1,7	6	13,3	1,3	3
Sunninghill	11,5	1,4	4	10,8	1,3	4	12,8	1,7	4	14,3	0,0	2
Randburg Ferndale	12,8	1,5	5	12,0	1,3	4	14,2	2,0	4	15,8	0,4	2
Midrand	12,2	1,4	5	11,6	0,8	5	13,7	1,6	4	14,9	0,2	2
Germiston CBD	-	-	-	-	-	-	15,3	2,7	4	16,6	3,1	4
Pretoria CBD	12,2	1,6	5	11,4	1,3	5	13,2	1,9	5	14,5	1,6	5
Hatfield	11,5	0,8	6	10,9	0,7	6	12,4	1,3	7	13,5	1,0	5
Brooklyn	11,2	1,0	6	10,4	0,7	6	11,9	1,5	7	13,0	1,1	5
Centurion	11,5	1,0	6	10,8	0,9	6	12,4	1,4	7	-	-	-
Vaal Triangle	12,0	1,4	2	11,8	1,8	2	13,1	2,3	2	14,3	2,5	2
Nelspruit	12,2	1,0	6	11,5	1,3	3	13,0	1,4	6	14,3	1,5	6
Polokwane	12,3	1,6	3	11,8	1,6	3	13,5	2,2	3	14,8	2,4	3
Durban CBD	12,0	1,5	6	11,5	1,1	6	13,4	1,5	6	14,7	1,6	5
Berea	11,5	1,7	5	11,1	1,1	5	12,9	1,8	5	13,4	1,7	3
Essex Terrace	11,3	1,7	4	10,6	1,5	4	12,9	2,5	3	N/A	N/A	0
Westway	10,9	1,3	4	10,4	1,1	4	12,5	2,0	3	14,0	N/A	1
La Lucia Ridge	10,5	1,4	6	9,9	1,0	5	12,1	1,9	4	12,3	1,8	2
Pietermaritzburg	12,0	1,5	3	11,1	1,6	2	12,8	1,6	3	13,9	1,9	3
Cape Town CBD	10,7	1,3	9	10,2	1,1	8	11,8	1,7	9	12,6	1,3	6
Bellville CBD	11,8	1,0	5	11,3	0,7	5	12,7	1,2	5	13,6	1,4	5
Bellville Tyger Valley	11,0	1,2	6	10,7	0,8	6	12,1	1,8	6	12,5	1,5	3
Claremont	10,7	1,4	7	10,2	1,3	6	11,9	2,1	6	12,6	1,3	4
Port Elizabeth	11,2	1,2	3	10,7	1,2	3	12,3	1,5	3	14,0	1,7	3
East London	12,7	0,8	9	11,0	1,4	2	14,1	1,2	9	14,7	1,0	9
Bloemfontein CBD	11,8	0,8	3	11,3	1,1	2	13,0	1,3	3	14,2	1,4	3
Windhoek	11,0	N/A	1	N/A	N/A	0	12,0	N/A	1	N/A	N/A	0

n = Number of respondents

N/A = Not available – fewer than two respondents

SD = See Glossary of terms and abbreviations in Annexure 1.

Table 3.2
Survey of capitalization rates (%)
Industrial buildings
Means for quarter 2005:3

Best location	Prime leaseback (AAA Tenant)			Prime quality non-leaseback			Prime industrial park			Secondary quality building		
	Mean	SD	n	Mean	SD	n	Mean	SD	n	Mean	SD	n
Central Wits	10,6	0,8	5	11,3	1,0	5	11,8	0,8	6	13,2	1,2	5
West Rand	11,4	1,2	3	12,1	1,2	3	12,7	0,5	3	14,2	1,0	3
East Rand	10,6	1,1	4	11,5	1,0	4	11,6	0,8	4	13,5	1,0	4
Far East Rand	11,7	1,8	3	12,2	1,6	3	12,9	1,2	3	14,9	2,5	3
Pretoria	10,7	0,8	5	11,4	1,0	5	11,7	0,8	5	13,3	1,2	5
Vaal Triangle	12,0	1,9	3	11,8	0,4	2	13,8	0,0	2	12,3	0,4	2
Nelspruit	N/A	N/A	0	11,6	0,8	4	11,8	0,9	4	12,8	1,0	4
Polokwane	12,0	N/A	1	12,8	N/A	1	14,0	N/A	1	12,5	N/A	1
Durban	10,3	1,0	6	11,0	1,0	6	11,4	0,8	6	12,9	1,1	6
Pietermaritzburg	11,9	0,2	2	12,3	0,4	2	12,5	0,0	2	14,1	0,2	2
Cape Peninsula	10,1	0,9	6	10,7	1,1	6	10,8	1,2	6	12,1	1,5	6
Port Elizabeth	10,6	0,9	2	11,6	0,9	2	11,1	1,6	2	13,9	0,2	2
East London	12,9	0,6	9	12,9	0,2	8	12,8	N/A	1	14,9	0,4	8
Bloemfontein	11,5	N/A	1	-	-	-	12,4	0,5	2	14,0	0,0	2
Windhoek	N/A	N/A	0	N/A	N/A	0	12,5	N/A	1	13,0	N/A	1

n = Number of respondents

N/A = Not available – fewer than two respondents

SD = See Glossary of terms and abbreviations in Annexure 1.

Table 3.3
Change in capitalization rates (% points)
Office buildings
Means for quarter 2005:3 less quarter 2005:2

Best location	Grade A: multi	Grade A: leaseback	Grade B: multi	Grade C: multi	Broker & owner contributors
Johannesburg CBD	-1,3	-1,2	-1,1	-1,2	AU, DJ, TH, ZZ
Braamfontein	-1,2	-1,2	-1,2	-1,6	AU, BM, DJ, TH, ZZ
Parktown	-1,0	-0,9	-0,5	-	AU, DJ, IN, TH, ZZ
Rosebank	-0,7	-0,8	0,0	-1,4	AU, BM, DJ, TH, ZZ
Sandton CBD	-0,6	-0,7	-0,3	N/A	AU, BM, DJ, IN, TH, ZZ
Rivonia	-0,9	-0,8	-1,0	N/A	AU, BM, DJ, TH, ZZ
Bryanston	-0,2	-0,4	-0,9	N/A	AU, BM, DJ, IN, TH, ZZ
Sunninghill	-0,8	-0,7	-0,9	N/A	AU, DJ, TH, ZZ
Randburg Ferndale	-1,1	-0,7	-0,9	-0,1	AU, BM, DJ, TH, ZZ
Midrand	-1,0	-0,6	-0,8	-0,1	AU, DJ, IN, TH, ZZ
Germiston CBD	-1,0	-0,6	-1,3	-1,4	AU, DJ, KR, TH, ZZ
Pretoria CBD	-1,0	-0,8	-2,3	-1,6	AU, DJ, EV, LW, TH, ZZ
Hatfield	-0,5	-0,5	-0,7	-0,2	AU, DJ, EV, IN, LW, TH, ZZ
Brooklyn	-0,5	-0,5	-0,9	-1,2	AU, DJ, EV, IN, LW, TH, ZZ
Centurion	-0,6	-0,5	-0,7	N/A	AU, DJ, EV, IN, LW, TH, ZZ
Vaal Triangle	-1,0	-1,3	-1,6	-1,8	DJ, TH,
Nelspruit	-0,5	-0,9	-0,5	-0,4	AU, DJ, KL, RZ, SV, TH,
Polokwane	-0,9	-0,9	-1,3	-1,5	AU, DJ, TH
Durban CBD	-1,3	-0,8	-1,2	-1,0	AC, AU, DJ, MW, MX, TS, ZZ
Berea	-0,8	-0,4	-0,2	-0,2	AC, AU, MX, TS, ZZ
Essex Terrace	-1,1	-0,1	-2,8	N/A	AC, MX, TS, ZZ
Westway	-0,9	0,2	-2,2	N/A	AC, MX, TS, ZZ
La Lucia Ridge	-0,9	-0,5	-1,5	-1,5	AC, AU, IN, MX, TS, ZZ
Pietermaritzburg	-0,3	-0,5	-0,4	-0,1	AU, DJ, NP
Cape Town CBD	-0,1	-0,1	0,2	-0,7	AD, AU, BZ, DJ, EQ, IN, LG, SQ, TY, ZZ
Bellville CBD	0,0	-0,1	-0,2	0,0	AU, BZ, DJ, LG, SQ, ZZ
Bellville Tyger Valley	0,0	-0,2	-0,1	-0,5	AU, BZ, DJ, LG, SQ, ZZ
Claremont	-0,5	-0,6	-0,1	-0,5	AD, AU, DJ, IN, LG, SQ, ZZ
Port Elizabeth	0,5	-0,3	-0,1	-0,3	AU, DJ, MJ
East London	-0,3	-1,0	-0,4	-1,2	AU, CR, DJ, EL, ER, GO, RI, WM, ZZ
Bloemfontein CBD	-0,9	-0,8	-0,8	-1,3	AU, DJ, NR
Windhoek	0,0	N/A	0,0	N/A	TE

NB: The number of broker/owner codes does not necessarily match the sample size as indicated by the N in the table on the previous page. This is so because several of our owner contributors wish to remain anonymous, but we do not show multiple ZZ codes in the table.

Table 3.4
Change in capitalization rates (% points)
Industrial buildings
Means for quarter 2005:3 less quarter 2005:2

Best location	Prime leaseback	Prime non-leaseback	Prime industrial park	Secondary quality building	Broker & owner contributors
Central Wits	-0,6	-0,3	-0,3	-0,5	AU, BM, IN, KR, TH, ZZ
West Rand	-0,2	-0,2	0,0	-0,1	AU, TH, ZZ
East Rand	-0,3	-0,4	-0,2	-0,6	AU, IN, TH, ZZ
Far East Rand	0,0	0,0	0,0	0,0	AU, TH, ZZ
Pretoria	-0,5	-0,5	-0,3	-0,2	AU, EV, IN, TH, ZZ
Vaal Triangle	1,2	-0,3	0,0	-0,8	AU, TH, ZZ
Nelspruit	N/A	-1,0	-1,0	-1,0	AU, KL, RZ, SV, ZZ
Polokwane	-1,1	0,0	0,0	-0,3	AU, ZZ
Durban	-0,3	-0,7	-0,3	0,0	AC, AU, MW, MX, TS, ZZ
Pietermaritzburg	0,5	0,3	0,5	0,8	AU, NP, ZZ
Cape Peninsula	-0,1	-0,2	-0,1	-0,3	AU, BZ, LG, PY, SQ, ZZ
Port Elizabeth	-0,5	0,1	0,9	0,3	AU, MJ, ZZ
East London	0,0	-2,1	1,6	-1,6	AU, CR, EL, ER, GO, RI, WM, ZZ
Bloemfontein	-1,3	-	-0,5	-0,4	AU, NR, ZZ
Windhoek	N/A	N/A	0,0	0,0	TE

NB: The number of broker/owner codes does not necessarily match the sample size as indicated by the N in the table on page 10. This is so because several of our owner contributors wish to remain anonymous, but we do not show multiple ZZ codes in the table.

Table 3.5
Survey of capitalization rates (%): shopping centres
Means for quarter 2005:3

Best location	Super regional			Regional			Community		
	Mean	SD	n	Mean	SD	n	Mean	SD	n
Witwatersrand	8,4	0,5	5	9,3	0,5	5	10,1	0,4	5
Pretoria	8,6	0,5	6	9,3	0,6	7	10,0	0,4	7
Vaal Triangle	9,5	0,5	3	10,1	1,1	4	10,9	0,8	4
Nelspruit	9,8	0,4	2	10,4	1,0	5	11,0	0,6	7
Polokwane	10,1	0,2	2	10,4	1,0	4	11,1	0,6	4
Durban	8,9	0,5	6	9,7	0,8	8	10,4	0,7	9
Pietermaritzburg	9,8	0,4	4	10,2	0,8	6	11,0	0,5	6
Cape Town	8,6	0,8	9	9,2	0,8	10	9,9	0,6	10
Port Elizabeth	9,6	0,5	3	10,1	0,7	5	10,8	0,6	5
East London	10,0	N/A	1	N/A	N/A	0	11,1	0,2	10
Bloemfontein	10,0	N/A	1	N/A	N/A	0	11,6	0,5	5
Platteland	11,0	N/A	1	11,5	N/A	1	12,0	0,0	3
Townships	9,8	N/A	1	10,5	N/A	1	11,6	0,5	2
Windhoek	11,5	N/A	1	N/A	N/A	0	12,0	N/A	1

n = Number of respondents
N/A = Not available – fewer than two respondents
SD = See Glossary of terms and abbreviations in Annexure 1.

Table 3.5 (continued)
Survey of capitalization rates (%): shopping centres
Means for quarter 2005:3

Best location	Neighbourhood			Local convenience			Retail warehouse		
	Mean	SD	n	Mean	SD	n	Mean	SD	n
Witwatersrand	11,1	1,0	5	12,0	1,5	5	11,1	1,0	4
Pretoria	10,7	1,1	7	11,2	1,0	6	11,0	0,5	6
Vaal Triangle	11,6	0,9	4	12,2	0,8	4	11,8	0,9	4
Nelspruit	11,8	1,0	7	12,5	0,9	7	11,8	0,7	6
Polokwane	11,9	0,7	4	12,5	0,7	4	12,4	0,8	4
Durban	11,2	1,0	9	11,6	1,0	8	11,4	0,7	8
Pietermaritzburg	11,8	0,6	6	12,2	0,7	6	12,3	0,8	5
Cape Town	10,5	1,0	10	10,8	0,9	9	10,6	0,9	10
Port Elizabeth	11,5	0,6	5	12,0	0,7	5	11,8	0,9	5
East London	11,3	0,5	10	12,2	0,3	10	12,2	0,4	10
Bloemfontein	12,2	0,5	5	12,6	0,4	5	12,6	1,0	5
Platteland	12,6	0,4	3	13,1	0,1	3	13,2	0,3	3
Townships	12,3	0,4	2	12,8	0,4	2	13,3	0,4	2
Windhoek	12,5	N/A	1	12,5	N/A	1	12,5	N/A	1

n = Number of respondents
N/A = Not available – fewer than two respondents
SD = See Glossary of terms and abbreviations in Annexure 1.

Table 3.6
Survey of capitalization rates (%): street-front shops
Means for quarter 2005:3

Best location	Metro CBD			Decentralised		
	Mean	SD	n	Mean	SD	n
Witwatersrand	13,9	0,5	4	12,8	1,3	3
Pretoria	13,4	0,8	4	12,3	1,1	4
Vaal Triangle	14,1	0,5	3	13,4	0,5	3
Nelspruit	13,3	1,1	6	13,4	0,9	3
Polokwane	14,4	0,4	3	13,6	0,8	3
Durban	12,5	1,7	7	12,0	1,6	7
Pietermaritzburg	13,9	0,6	4	13,1	1,0	4
Cape Town	11,3	1,2	10	11,4	1,2	8
Port Elizabeth	14,0	0,7	4	12,4	1,3	4
East London	10,8	1,6	9	12,3	0,7	9
Bloemfontein	13,7	0,6	4	12,8	0,6	4
Windhoek	11,5	N/A	1	12,5	N/A	1

n = Number of respondents
N/A = Not available – fewer than two respondents
SD = See Glossary of terms and abbreviations in Annexure 1.

Table 3.7
Change in capitalization rates (% points): shopping centres
Means for quarter 2005:3 less quarter 2005:2

Best location	Super regional	Regional	Community	Broker & owner contributors
Witwatersrand	-0,2	-0,5	0,0	AU, BM, DJ, IN, KR, MW, TH, ZZ
Pretoria	0,1	0,1	-0,2	AU, DJ, EV, IN, LW, TH, ZZ
Vaal Triangle	0,0	-0,9	-0,6	AU, DJ, IN, TH
Nelspruit	-0,3	-0,4	-0,4	AU, DJ, IN, KL, RZ, SV, TH
Polokwane	-0,4	-0,6	-0,6	AU, DJ, IN, TH
Durban	-0,2	0,0	-0,1	AC, AU, DJ, IN, MW, MX, TH, TS, ZZ
Pietermaritzburg	-0,9	-0,9	-0,7	AU, DJ, IN, NP, TH, TS
Cape Town	-0,1	-0,1	0,2	AU, BZ, DJ, EQ, IN, LG, PY, SQ, TH, TY, ZZ
Port Elizabeth	-0,2	-0,2	0,1	AU, DJ, IN, MJ, TH
East London	N/A	N/A	0,0	AU, CR, DJ, EL, ER, GO, IN, RI, WM, ZZ
Bloemfontein	N/A	N/A	0,1	AU, DJ, IN, NR, TH
Platteland	11,0	11,5	12,0	AU, DJ, IN
Townships	9,8	10,5	11,6	AU, IN
Windhoek	0,0	N/A	0,0	TE

Table 3.7 (continued)
Change in capitalization rates (% points): shopping centres
Means for quarter 2005:3 less quarter 2005:2

Best location	Neighbourhood	Local convenience	Retail warehouse	Broker & owner contributors
Witwatersrand	-0,4	0,1	0,0	AU, BM, DJ, IN, KR, MW, TH, ZZ
Pretoria	-0,6	-0,5	0,1	AU, DJ, EV, IN, LW, TH, ZZ
Vaal Triangle	-0,9	-0,6	0,8	AU, DJ, IN, TH
Nelspruit	-0,1	-0,7	0,3	AU, DJ, IN, KL, RZ, SV, TH
Polokwane	-0,4	-0,5	0,6	AU, DJ, IN, TH
Durban	-0,5	-0,5	-0,2	AC, AU, DJ, IN, MW, MX, TH, TS, ZZ
Pietermaritzburg	-0,4	-0,8	0,5	AU, DJ, IN, NP, TH, TS AU, BZ, DJ, EQ, IN, LG, PY, SQ, TH, TY, ZZ
Cape Town	0,1	0,0	0,0	
Port Elizabeth	-0,1	-0,7	0,6	AU, DJ, IN, MJ, TH
East London	0,1	-0,1	0,2	AU, CR, DJ, EL, ER, GO, IN, RI, WM, ZZ
Bloemfontein	-0,2	-0,1	0,7	AU, DJ, IN, NR, TH
Platteland	N/A	N/A	N/A	AU, DJ, IN
Townships	N/A	N/A	N/A	AU, IN
Windhoek	0,0	0,0	0,0	TE

Table 3.8
Change in capitalization rates (% points): street-front shops
Means for quarter 2005:3 less quarter 2005:2

Best location	Metro CBD	Decentralised	Broker & owner contributors
Witwatersrand	-0,3	0,5	AU, DJ, KR, TH
Pretoria	-0,6	-0,1	AU, DJ, LW, TH
Vaal Triangle	-0,9	0,2	AU, DJ, TH
Nelspruit	-0,1	0,2	AU, DJ, KL, RZ, SV, TH
Polokwane	-0,2	0,5	AU, DJ, TH
Durban	-1,1	-0,4	AC, AU, DJ, MW, MX, TH, TS
Pietermaritzburg	0,4	0,1	AU, DJ, NP, TH
Cape Town	0,0	0,0	AD, AU, BZ, DJ, EQ, JY, LG, SQ, TH, TY
Port Elizabeth	0,6	0,8	AU, DJ, MJ, TH
East London	0,2	0,2	AU, CR, DJ, EL, ER, GO, RI, WM, ZZ
Bloemfontein	-0,6	-0,3	AU, DJ, NR, TH
Windhoek	0,0	0,0	TE