

## Chapter 9: Office demand and vacancies

# Vacancies in 'normal' territory

This chapter will progress as follows: we start by assessing the demand for office space, and vacancy rates, on a national level. Thereafter we take a more disaggregated view by considering regional performance, and finally we hone in on the nodes comprising the various regions. Because most of the regions have one pre-

dominant CBD, we discuss CBDs under nodal performance.

But before commencing with our analysis we urge the reader to first reflect on the composition of the South African office stock and vacancy rates as summarized in **Tables 9.1** and **9.2**.

When reading this chapter it is insightful to have a yardstick against which one can compare take-up statistics.

Johannesburg readers may therefore want to recall that the Carlton Centre office tower is just over 75.000m<sup>2</sup> in size, whereas our Cape Town readers could use the 1 Thibault Square (Old BP) building, which is just short of 30.000m<sup>2</sup>, as a reference point.

Decentralized nodes	Stock		Vacancy	
	m <sup>2</sup>	%	%	% points change on year earlier
Johannesburg decentralized	4.885.240	65%	9,8%	-2,7%
Pretoria decentralized	1.302.895	17%	2,4%	-2,2%
Durban decentralized	376.178	5%	7,9%	3,7%
Cape Town decentralized	958.750	13%	4,7%	-5,9%
<b>Total decentralized stock</b>	<b>7.523.063</b>	<b>100%</b>	<b>7,8%</b>	<b>-2,7%</b>
<b>CBDs</b>				
Johannesburg central	1.736.913	53%	19,5%	-1,3%
Pretoria CBD	366.257	11%	4,1%	-1,4%
Durban CBD*	477.985	15%	11,2%	N/A
Cape Town CBD	710.891	22%	9,5%	-2,2%
<b>Total CBD stock</b>	<b>3.292.046</b>	<b>100%</b>	<b>14,9%</b>	<b>-0,9%</b>

\* Durban CBD's prime office stock and vacancy rate has changed substantially recently due to a rerating by Sapoa.

**Table 9.2**  
**Composition of the South African office property stock**  
**as at June 2005**

Nodes/Regions	Stock		Vacancy	
	m <sup>2</sup>	% of total	%	% points change on year earlier *
<b>Decentralized nodes</b>				
<b>Johannesburg decentralized</b>	<b>4.885.240</b>	<b>100%</b>	<b>9,8%</b>	<b>-2,7%</b>
Bedfordview/Bruma	188.350	4%	9,1%	-3,1%
Bryanston/Epsom Downs	362.125	7%	5,9%	-1,4%
Bruma	83.696	2%	13,8%	6,4%
Constantia Kloof Basin	122.969	3%	0,7%	0,7%
Fourways	99.878	2%	6,4%	-5,1%
Houghton/Killarney	93.717	2%	8,5%	-1,7%
Hyde Park/Dunkeld	109.314	2%	10,5%	-0,9%
Illovo	135.759	3%	4,0%	-8,6%
Melrose/Waverley	85.541	2%	1,9%	-0,5%
Midrand	481.818	10%	11,7%	-3,4%
Milpark	223.053	5%	6,0%	-2,0%
Morningside	41.755	1%	21,8%	N/A
Parktown	257.169	5%	10,5%	N/A
Randburg	377.501	8%	10,1%	-5,1%
Rivonia	202.983	4%	17,9%	-0,5%
Rosebank	293.076	6%	11,8%	N/A
Sandton & Environs	1.157.288	24%	11,5%	-1,5%
Sunninghill	311.107	6%	9,2%	-0,1%
Woodmead	258.141	5%	6,9%	-2,3%
<b>Pretoria decentralized</b>	<b>1.302.895</b>	<b>100%</b>	<b>2,4%</b>	<b>-2,2%</b>
Arcadia	95.859	7%	0,0%	-9,8%
Brooklyn	164.870	13%	3,5%	2,0%
Centurion	238.122	18%	1,9%	-1,4%
Hatfield/Hillcrest	214.673	16%	2,8%	-1,7%
Highveld Technopark	180.657	14%	2,5%	-4,5%
Menlyn	101.180	8%	1,9%	-6,3%
Pretoria Eastern Suburbs	187.296	14%	2,0%	-1,4%
Lynwood	120.238	9%	3,7%	1,4%
<b>Durban decentralized</b>	<b>376.178</b>	<b>100%</b>	<b>7,9%</b>	<b>3,7%</b>
Berea	74.332	20%	9,5%	5,6%
Umhlanga/La Lucia	192.417	51%	7,2%	4,1%
Westville	109.429	29%	8,2%	1,7%
<b>Cape Town decentralized</b>	<b>958.750</b>	<b>100%</b>	<b>4,7%</b>	<b>-5,9%</b>
Bellville**	415.184	43%	7,5%	-3,5%
Century City	81.668	9%	1,4%	-9,0%
Claremont	96.521	10%	6,9%	-15,2%
Pinelands	221.425	23%	1,2%	-2,8%
Waterfront	42.121	4%	0,4%	N/A
Rondebosch/Newlands	101.831	11%	3,5%	-7,7%

Source: Sapoa Office Vacancy Survey

\* Percentage points change on the rate in June 2004.

\*\* Includes the Tyger Valley area as well as the Bellville CBD

**Table 9.3**  
**Cumulative take-up of office space (m<sup>2</sup>)**  
**Grades A & B combined**

Source of original data: Sapoa Vacancy Surveys

Node	Six months to June 2005		Twelve months to June 2005	
	Take-up	% of stock	Take-up	% of stock
Johannesburg CBD	-1.737	-0,1%	11.842	0,9%
Braamfontein	14.443	4,2%	14.967	4,3%
Johannesburg central subtotal <sup>(1)</sup>	12.706	0,7%	26.809	1,6%
Johannesburg decentralized	148.331	3,1%	230.293	4,8%
Johannesburg metro total	161.037	2,5%	257.102	4,0%
Cape Town CBD	3.176	0,4%	16.090	2,3%
Cape Peninsula decentralized <sup>(2)</sup>	23.994	2,5%	49.554	5,1%
Cape Peninsula total	3.598	1,6%	-3965	3,1%
Durban CBD <sup>(3)</sup>	N/A	N/A	N/A	N/A
Durban decentralized	-4.123	-1,1%	-11.343	-3,0%
Durban metro total	N/A	N/A	N/A	N/A
Pretoria CBD	-4.820	-1,3%	5.293	1,4%
Pretoria decentralized	13.137	1,0%	102.887	8,2%
Pretoria metro total	8.317	0,5%	108.180	6,7%
National CBDs (excl Durban)	11.061	0,4%	48.193	1,7%
National decentralized	181.339	2,4%	371.391	5,0%

(1) Negative take-up means vacancy rates increased (unless stock diminished of course).

(2) Sapoa's Vacancy Survey for Cape Town decentralized does not include N1 City and Westlake.

(3) A recent regrading has made it impossible to calculate the figures for Durban CBD.

*Note that our calculations are done only on grades A+, A and B buildings. Also, RR makes adjustments to office stock (total rentable area) data, as Sapoa slips existing stock into the inventory from time to time, resulting in false take-up figures, unless corrected. Adjustments to the office stock also had to be made to accommodate the regrading of buildings from B to C.*

## The national picture

**Table 9.3** summarises the cumulative office take-up in the major CBDs and decentralized office locations for the six-month and twelve-month periods ending June 2005.

During the 12 months ended June 2005, there was a take-up nationally of approximately 371.000m<sup>2</sup> of prime-quality decentralized office space, of which Johannesburg decentralized contributed just over 60% (230.000m<sup>2</sup>). Pretoria decentralized contributed just over 100.000m<sup>2</sup> to take-up, while take-up in Cape Town decentralized was just short of 50.000m<sup>2</sup>.

### Important notice:

Please note that Sapoa's office vacancy survey's methodology is generally not conducive to tracking movements in demand over time, and that the figures reported on in **Table 9.3** were calculated after substantial adjustment of the reported figures by ourselves. Hence our calculations are, in all likelihood, not faultless, but at least it gives one an idea as to where activity is taking place and to what extent.

The CBD take-up (excluding that of Durban CBD) for the 12-month period ended 30 June 2005 was just short of 50.000m<sup>2</sup>. Of this, Johannesburg Central contributed

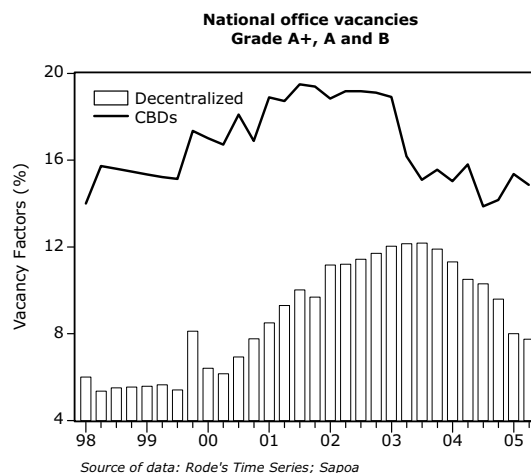
about 27.000m<sup>2</sup>, Cape Town about 16.000m<sup>2</sup>, and Pretoria CBD about 5.000m<sup>2</sup>.

**Office demand** is equal to office stock less office space vacant. In other words, demand is office space occupied.

**Office take-up** refers to the change in office demand. Where take-up is positive, it can also be called the growth in demand.

**Office vacancies** refer to the floor area available for leasing at any given time, irrespective of whether there is still a valid lease over the space. In most cases, office vacancies are expressed as a percentage of the stock in rentable m<sup>2</sup>.

tralized nodes continued to descend, albeit marginally. The national CBD office-vacancy rate is currently just under 15%, while the national decentralized rate is 7,8%.



The accompanying graph shows that office vacancies in both the CBDs and the decen-

In this chapter the reader will note that we refer to "normalized" vacancy levels. This term originates from the valuation fraternity, who work with "normalized" figures when capitalizing. In the context of this chapter, synonyms for "normalized" are "perpetual" or structural vacancy.

The "normalized" vacancy rate varies from node to node. The "normalized" rate may be estimated by averaging, say, the last five years' vacancy rate. An office node may currently, for example, have a vacancy rate of 15%, but over the last five years vacancies could have averaged 10%. Hence the "normalized" rate is more than likely to be in the vicinity of 10%.

The reader is cautioned, however, that past vacancies cannot blindly be used as a proxy for the future. In certain nodes, structural changes may be at work, which may mean that the market is carving out a new long-term vacancy path. Also, five years is a short period over which to calculate a structural vacancy, given the long duration of the office-rental cycle.

Table 9.4: Average vacancy rates in decentralized areas by region							
Region	Vacancy rate over the last:						Perpetual vacancy rates*
	5 years		3 years		1 year		
	Mean	SD	Mean	SD	Mean	SD	
Johannesburg	11,8	2,0	12,7	1,5	11,1	1,4	10,0%
Pretoria	6,1	1,9	5,2	1,9	3,0	0,8	5,0%
Durban	6,5	1,3	6,4	1,5	6,6	2,0	6,0%
Cape Town	8,3	2,5	9,3	2,4	6,5	2,1	7,5%
National	10,2	1,7	10,7	1,6	8,9	1,2	

Source of original data: Sapoa  
 \* This is merely a gut feel based on current activity and the prognosis for these nodes in the coming years.

### The regional picture

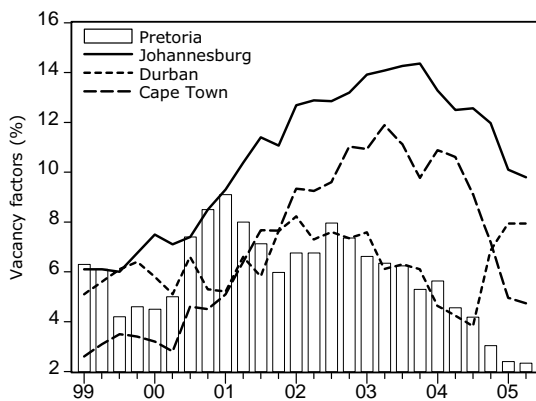
**Table 9.4** depicts the historic vacancy picture in the four major national office conurbations. This table shows that Johannesburg decentralized vacancies have a tendency to exceed those of the other regions, which makes sense given the size and competitiveness of the Johannesburg market.

The reader will recall from **Table 9.2** that — barring Durban — prime-quality decentralized vacancy rates are presently quite low, with Johannesburg standing at 9,8%, Pretoria at 2,4%, Durban at 7,9%, and Cape Town decentralized at 4,7%. The strong up-tick in Durban decentralized office vacancies is not too perturbing to us, because given the small size of this market, it could very well be the result of a few big tenants vacating.

cancy, while others like Illovo and Randburg moved sideways. But as we have seen, the aggregate movement was still downwards.

Sapoa's vacancy survey, which is the source for the accompanying graphs and the tables at the end of this chapter, does not include the nodes of Westlake, N1 City, or Somerset West, in the Cape Peninsula.

Decentralized office vacancies  
Grade A+, A and B



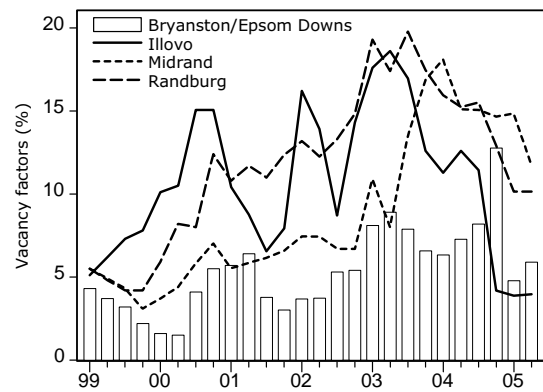
Source of data: Rode's Time Series; Sapoa

### The nodal picture

#### Decentralized nodes

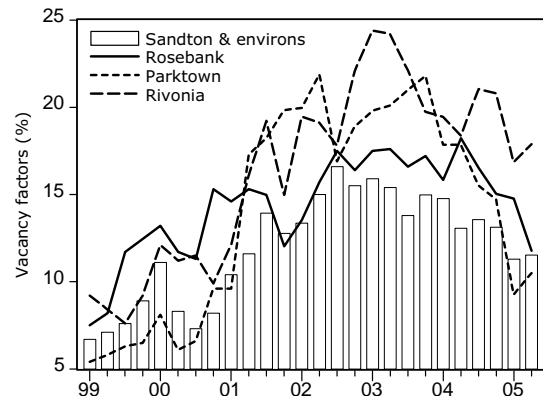
The accompanying graphs clearly show a general downward trend in the vacancy rates of Johannesburg decentralized over the last few years. In the second quarter a few nodes such as Sandton, Parktown, and Rivonia, showed a marginal up-tick in va-

Decentralized Johannesburg office vacancies  
Grade A+, A and B



Source of data: Rode's Time Series; Sapoa

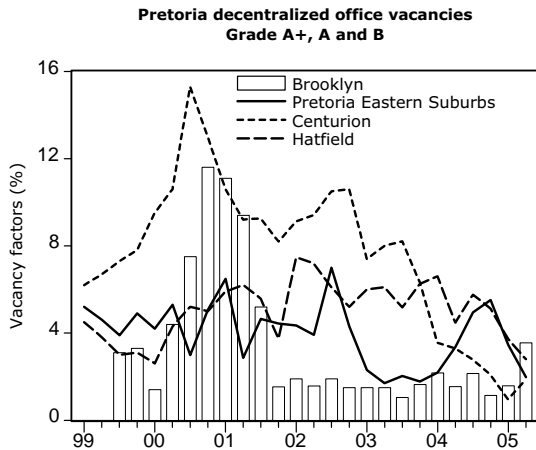
Decentralized Johannesburg office vacancies  
Grade A+, A and B



Source of data: Rode's Time Series; Sapoa

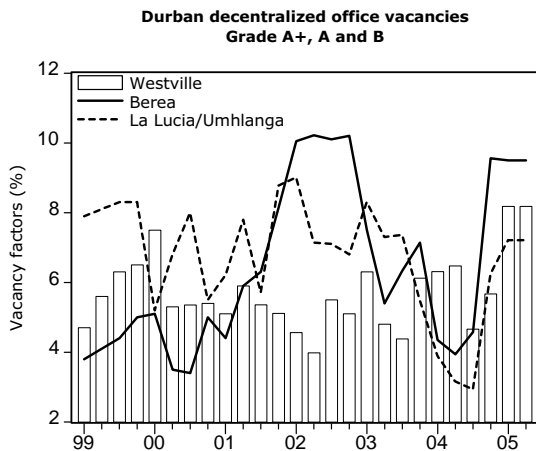
In Pretoria decentralized we also saw a bit of a mixed performance. Hatfield and Brooklyn showed an up-tick while Pretoria Eastern Suburbs and Centurion moved fur-

ther south. The net effect was a slight decline in Pretoria decentralised vacancies.

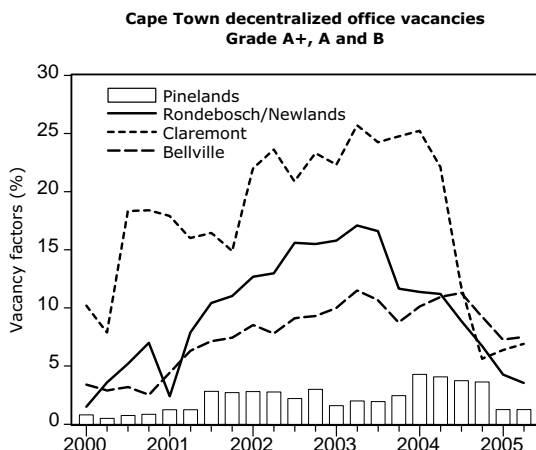


Source of data: Rode's Time Series; Sapoa

In Durban decentralized, vacancy rates in Westville, Berea and La Lucia moved sideways after creeping up in the first quarter.



Source of data: Rode's Time Series; Sapoa



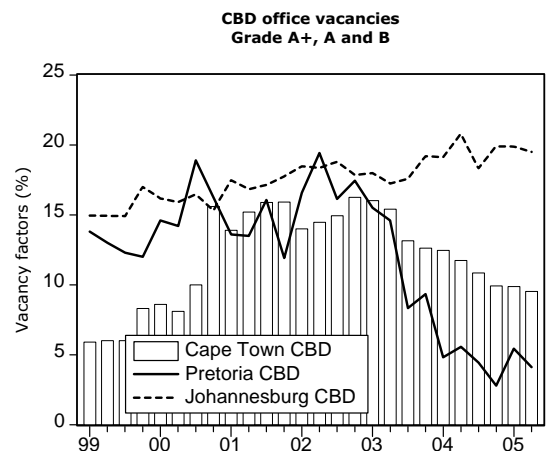
Source of data: Rode's Time Series; Sapoa

Cape Town decentralized also witnessed some consolidation of vacancy rates. That is, vacancy rates generally either moved slightly down, slightly up, or sideways. On the whole, however, Cape town decentralized vacancies did decline marginally.

The reader is referred to **Table 9.5** for the average historic vacancy situation for some important office nodes.

### Central Business Districts (CBDs)

During the last two or three quarters, vacancy rates in the CBDs of Cape Town, Pretoria, and Johannesburg tended sideways. In terms of rank, Pretoria CBD still has the lowest vacancy rate amongst the CBDs, with Cape Town CBD not too far behind. Johannesburg CBD is, however, still trapped in the 20% region as a result of structural factors.



Source of data: Sapoa

The reader is referred to **Table 9.6** for an historic analysis of the CBDs' vacancy rates.

For the most recent vacancy rates of the different office nodes, see **Table 9.7**.

This concludes our section on office vacancies and take-up. ■

**Table 9.5:  
Average vacancy rates by node**

Region	Vacancy rate over the last:						Perpetual vacancy rate*
	5 years		3 years		1 year		
	Mean	SD	Mean	SD	Mean	SD	
Bedfordview/Bruma	7,8	2,3	8,4	2,7	10,7	1,4	7,5%
Bryanston/Epsom Downs	6,2	2,3	7,3	2,2	7,9	3,5	7,5%
Bruma	N/A	N/A	N/A	N/A	11,5	1,6	10,0%
Constantia Kloof Basin	N/A	N/A	2,6	2,9	0,4	0,4	7,5%
Fourways	N/A	N/A	7,8	2,4	8,4	2,5	7,5%
Houghton/Killarney	7,7	2,1	8,7	1,2	8,0	0,3	7,5%
Hyde Park/Dunkeld	17,9	9,0	15,0	6,4	9,7	0,9	10,0%
Illovo	11,5	4,6	11,3	5,3	5,9	3,7	10,0%
Melrose/Waverley	7,3	7,8	7,1	6,7	2,4	0,6	7,5%
Midrand	10,2	4,3	12,7	3,9	14,1	1,6	10,0%
Milpark	5,5	1,7	6,1	1,6	5,5	0,6	7,5%
Parktown	16,4	4,7	17,0	3,9	12,5	3,1	10,0%
Randburg	13,7	3,2	15,2	3,1	12,2	2,6	10,0%
Rivonia	18,4	3,9	20,4	2,5	19,1	2,1	12,5%
Rosebank	15,4	2,0	16,2	1,8	14,5	2,0	10,0%
Sandton & Environs	13,1	2,5	14,1	1,7	12,4	1,1	10,0%
Sunninghill	N/A	N/A	12,2	5,4	9,3	0,5	10,0%
Woodmead	N/A	N/A	10,3	1,5	9,2	1,9	10,0%
Arcadia	10,0	5,2	9,2	6,6	0,6	0,5	7,5%
Brooklyn/Waterkloof	3,5	3,5	1,8	0,7	2,1	1,0	5,0%
Centurion	7,5	3,9	5,5	3,4	1,9	0,7	7,5%
Hatfield/Hillcrest	5,5	1,2	5,3	1,1	4,4	1,3	5,5%
Highveld Technopark	5,7	2,8	5,7	2,8	3,4	2,7	7,5%
Menlyn	N/A	N/A	7,4	3,5	4,1	1,6	7,5%
Pretoria Eastern Suburbs	3,8	1,6	3,4	1,7	4,0	1,6	5,0%
Lynwood	N/A	N/A	5,3	3,0	3,3	0,6	5,0%
Berea	7,1	2,4	7,3	2,4	8,3	2,5	5,5%
La Lucia/Umhlanga	6,6	1,7	6,1	1,8	5,9	2,0	5,5%
Westville	5,8	1,4	6,0	1,2	6,7	1,8	5,5%
Bellville	8,2	2,5	9,6	1,4	8,8	1,9	10,0%
Century City	N/A	N/A	N/A	N/A	6,1	3,8	10,0%
Claremont	18,3	6,4	18,3	8,1	7,7	2,8	10,0%
Pinelands	2,3	1,1	2,6	1,1	2,5	1,4	5,0%
Rondebosch/Newlands	10,4	4,5	11,5	4,8	5,9	2,4	10,0%

Source of original data: Sapoa

\* This is merely a gut feel based on historic precedent, current activity and the prognosis for these nodes in the coming years.

**Table 9.6:  
Average CBD vacancy rates**

Region	Vacancy rate over the last:						Perpetual vacancy rate*
	5 years		3 years		1 year		
	Mean	SD	Mean	SD	Mean	SD	
Johannesburg CBD	20,4	1,7	19,9	1,8	19,4	0,7	20,0%
Pretoria CBD	11,4	5,5	9,0	5,4	4,2	1,1	7,5%
Durban CBD	N/A	N/A	N/A	N/A	11,17	N/A	20,0%
Cape Town CBD	13,4	2,4	12,7	2,5	10,0	0,6	10,0%
National	17,1	2,0	16,1	1,9	14,6	0,7	

Source: Sapoa

\* This is merely a gut feel based on historic precedent, current activity and the prognosis for these nodes in the coming years.

**Table 9.7**  
**Sapoa office vacancy factors (%)**

Grades A+, A & B

	<b>June 2004</b>	<b>Septem- ber 2004</b>	<b>Decem- ber 2004</b>	<b>March 2005</b>	<b>June 2005</b>
<b>Bedfordview/Bruma</b>					
Grade A+	N/A	N/A	N/A	N/A	N/A
Grade A	11,77	11,64	9,79	9,25	9,25
Grade B	13,29	14,55	14,55	11,27	8,95
<b>Total</b>	<b>12,20</b>	<b>12,46</b>	<b>11,11</b>	<b>10,25</b>	<b>9,10</b>
<b>Braamfontein</b>					
Grade A+	N/A	N/A	N/A	N/A	N/A
Grade A	14,80	13,89	13,73	6,94	2,30
Grade B	10,79	11,30	12,01	15,52	17,12
<b>Total</b>	<b>13,19</b>	<b>12,85</b>	<b>13,03</b>	<b>10,75</b>	<b>8,88</b>
<b>Bryanston/Epsom Downs</b>					
Grade A+	2,67	10,67	13,33	0,00	0,00
Grade A	8,31	7,09	12,40	5,85	7,71
Grade B	10,71	13,58	16,95	9,09	3,33
<b>Total</b>	<b>7,27</b>	<b>8,18</b>	<b>12,77</b>	<b>4,77</b>	<b>5,89</b>
<b>Bruma</b>					
Grade A+	N/A	N/A	N/A	N/A	N/A
Grade A	6,62	10,07	10,55	7,03	10,77
Grade B	14,24	14,24	16,62	15,07	17,89
<b>Total</b>	<b>7,38</b>	<b>10,49</b>	<b>11,16</b>	<b>10,44</b>	<b>13,79</b>
<b>CBD Johannesburg</b>					
Grade A+	0,00	0,00	0,00	0,00	0,00
Grade A	18,19	12,77	14,68	13,83	13,82
Grade B	33,06	34,07	33,03	32,33	32,33
<b>Total</b>	<b>23,03</b>	<b>20,10</b>	<b>22,03</b>	<b>22,17</b>	<b>22,16</b>
<b>Constantia Kloof Basin</b>					
Grade A+	N/A	N/A	N/A	N/A	N/A
Grade A	0,07	0,14	0,14	0,37	0,34
Grade B	0,00	0,00	0,00	4,75	4,75
<b>Total</b>	<b>0,05</b>	<b>0,11</b>	<b>0,11</b>	<b>0,75</b>	<b>0,72</b>
<b>Fourways</b>					
Grade A+	N/A	N/A	N/A	N/A	N/A
Grade A	11,42	10,20	10,82	6,29	6,52
Grade B	N/A	N/A	N/A	0,00	0,00
<b>Total</b>	<b>11,42</b>	<b>10,20</b>	<b>10,82</b>	<b>6,14</b>	<b>6,37</b>
<b>Houghton/Killarney</b>					
Grade A+	N/A	N/A	N/A	N/A	N/A
Grade A	10,18	7,97	7,76	6,89	5,41
Grade B	N/A	N/A	N/A	9,20	12,60
<b>Total</b>	<b>10,18</b>	<b>7,97</b>	<b>7,76</b>	<b>7,90</b>	<b>8,52</b>

Source of data: Sapoa

**Table 9.7 (continued)**  
**Sapoa office vacancy factors (%)**

Grades A+, A & B

	<b>June 2004</b>	<b>Septem- ber 2004</b>	<b>Decem- ber 2004</b>	<b>March 2005</b>	<b>June 2005</b>
<b>Hyde Park/Dunkeld</b>					
Grade A+	N/A	N/A	N/A	N/A	N/A
Grade A	1,83	6,24	1,61	6,25	5,46
Grade B	15,11	11,76	11,23	11,16	12,49
<b>Total</b>	<b>11,36</b>	<b>10,19</b>	<b>8,50</b>	<b>9,77</b>	<b>10,50</b>
<b>Illovo</b>					
Grade A+	N/A	N/A	N/A	N/A	N/A
Grade A	4,98	4,76	1,29	1,02	2,02
Grade B	44,92	40,35	16,74	16,22	12,36
<b>Total</b>	<b>12,60</b>	<b>11,44</b>	<b>4,18</b>	<b>3,87</b>	<b>3,96</b>
<b>Melrose/Waverley</b>					
Grade A+	0,00	0,00	0,00	0,00	0,00
Grade A	4,70	4,12	4,12	0,00	0,00
Grade B	N/A	N/A	N/A	18,47	10,55
<b>Total</b>	<b>2,34</b>	<b>2,18</b>	<b>2,18</b>	<b>3,27</b>	<b>1,87</b>
<b>Midrand</b>					
Grade A+	N/A	N/A	N/A	0,70	0,69
Grade A	15,35	14,55	13,79	17,70	10,72
Grade B	13,48	18,16	19,91	19,62	20,10
<b>Total</b>	<b>15,09</b>	<b>15,06</b>	<b>14,65</b>	<b>14,83</b>	<b>11,73</b>
<b>Milpark</b>					
Grade A+	N/A	N/A	N/A	N/A	N/A
Grade A	6,83	0,46	1,64	0,00	0,00
Grade B	8,55	7,82	6,05	6,53	6,90
<b>Total</b>	<b>8,02</b>	<b>5,66</b>	<b>4,75</b>	<b>5,71</b>	<b>6,04</b>
<b>Morningside</b>					
Grade A+	N/A	N/A	N/A	N/A	N/A
Grade A	N/A	N/A	N/A	22,94	21,78
Grade B	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>22,94</b>	<b>21,78</b>
<b>Parktown</b>					
Grade A+	N/A	N/A	N/A	N/A	N/A
Grade A	16,23	12,14	10,14	10,14	10,13
Grade B	18,84	16,44	15,96	8,93	10,65
<b>Total</b>	<b>17,85</b>	<b>15,51</b>	<b>14,70</b>	<b>9,26</b>	<b>10,51</b>
<b>Randburg</b>					
Grade A+	N/A	N/A	N/A	N/A	N/A
Grade A	20,58	19,68	17,52	12,98	12,97
Grade B	12,88	13,69	10,71	8,83	8,83
<b>Total</b>	<b>15,22</b>	<b>15,51</b>	<b>12,92</b>	<b>10,14</b>	<b>10,14</b>

Source of data: Sapoa

**Table 9.7 (continued)**  
**Sapoa office vacancy factors (%)**

Grades A+, A & B

	<b>June 2004</b>	<b>Septem- ber 2004</b>	<b>Decem- ber 2004</b>	<b>March 2005</b>	<b>June 2005</b>
<b>Rivonia</b>					
Grade A+	N/A	N/A	N/A	N/A	N/A
Grade A	14,26	17,30	17,79	5,15	5,15
Grade B	29,77	31,43	28,34	20,25	21,57
<b>Total</b>	<b>18,38</b>	<b>21,04</b>	<b>20,80</b>	<b>16,85</b>	<b>17,88</b>
<b>Rosebank</b>					
Grade A+	N/A	N/A	N/A	N/A	N/A
Grade A	12,67	11,85	11,27	10,00	8,08
Grade B	21,71	19,44	17,36	17,74	14,07
<b>Total</b>	<b>18,22</b>	<b>16,53</b>	<b>15,03</b>	<b>14,77</b>	<b>11,78</b>
<b>Sandton &amp; Environs</b>					
Grade A+	N/A	N/A	N/A	1,87	3,65
Grade A	12,53	12,10	11,56	9,67	10,37
Grade B	17,18	25,25	25,54	20,03	18,31
<b>Total</b>	<b>13,07</b>	<b>13,56</b>	<b>13,12</b>	<b>11,29</b>	<b>11,53</b>
<b>Sunninghill</b>					
Grade A+	N/A	N/A	N/A	N/A	N/A
Grade A	9,32	9,95	8,74	9,15	9,17
Grade B	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>9,32</b>	<b>9,95</b>	<b>8,74</b>	<b>9,15</b>	<b>9,17</b>
<b>Woodmead</b>					
Grade A+	N/A	N/A	N/A	N/A	N/A
Grade A	9,20	11,22	10,07	8,57	6,87
Grade B	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>9,20</b>	<b>11,22</b>	<b>10,07</b>	<b>8,57</b>	<b>6,87</b>
<b>Bellville</b>					
Grade A+	0,00	0,00	0,00	0,00	0,00
Grade A	7,29	7,73	6,66	6,80	6,84
Grade B	25,23	25,79	20,13	12,49	13,20
<b>Total</b>	<b>10,94</b>	<b>11,29</b>	<b>9,24</b>	<b>7,28</b>	<b>7,48</b>
<b>CBD Cape Town</b>					
Grade A+	8,91	5,83	1,85	20,24	20,24
Grade A	9,66	9,39	8,88	7,32	6,73
Grade B	15,15	14,00	13,15	12,41	12,36
<b>Total</b>	<b>11,74</b>	<b>10,84</b>	<b>9,92</b>	<b>9,87</b>	<b>9,52</b>
<b>Century City</b>					
Grade A+	10,19	8,10	10,15	2,23	0,00
Grade A	11,01	11,66	7,54	4,91	1,09
Grade B	0,00	0,00	0,00	17,30	17,30
<b>Total</b>	<b>10,36</b>	<b>9,56</b>	<b>8,81</b>	<b>4,78</b>	<b>1,40</b>

Source of data: Sapoa

**Table 9.7 (continued)**  
**Sapoa office vacancy factors (%)**

Grades A+, A & B

	<b>June 2004</b>	<b>Septem- ber 2004</b>	<b>Decem- ber 2004</b>	<b>March 2005</b>	<b>June 2005</b>
<b>Claremont</b>					
Grade A+	7,47	6,50	8,83	N/A	N/A
Grade A	28,18	10,02	5,65	4,86	5,59
Grade B	21,01	17,81	3,32	10,26	10,26
<b>Total</b>	<b>22,13</b>	<b>11,80</b>	<b>5,63</b>	<b>6,38</b>	<b>6,91</b>
<b>Pinelands</b>					
Grade A+	N/A	N/A	N/A	N/A	N/A
Grade A	3,93	3,65	3,60	1,23	1,00
Grade B	5,69	4,73	4,08	1,50	3,76
<b>Total</b>	<b>4,08</b>	<b>3,74</b>	<b>3,64</b>	<b>1,25</b>	<b>1,25</b>
<b>Rondebosch/Newlands</b>					
Grade A+	6,15	5,73	5,14	N/A	N/A
Grade A	8,58	7,02	2,30	3,70	2,43
Grade B	17,90	13,29	12,93	5,34	5,62
<b>Total</b>	<b>11,20</b>	<b>8,87</b>	<b>6,72</b>	<b>4,27</b>	<b>3,55</b>
<b>Waterfront</b>					
Grade A+	N/A	N/A	N/A	0,00	0,00
Grade A	N/A	N/A	N/A	0,00	0,27
Grade B	N/A	N/A	N/A	0,97	0,97
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>0,17</b>	<b>0,39</b>
<b>Berea</b>					
Grade A+	N/A	N/A	N/A	N/A	N/A
Grade A	2,00	2,90	22,55	15,41	15,41
Grade B	4,52	5,16	5,94	5,14	5,14
<b>Total</b>	<b>3,94</b>	<b>4,58</b>	<b>9,56</b>	<b>9,50</b>	<b>9,50</b>
<b>CBD Durban</b>					
Grade A+	N/A	N/A	N/A	N/A	N/A
Grade A	13,87	13,43	11,66	3,92	3,92
Grade B	20,09	20,10	18,01	13,44	13,44
<b>Total*</b>	<b>18,74</b>	<b>18,65</b>	<b>16,62</b>	<b>11,17</b>	<b>11,17</b>
<b>Umhlanga/La Lucia</b>					
Grade A+	N/A	N/A	N/A	16,41	16,41
Grade A	2,63	2,48	2,27	2,48	2,48
Grade B	5,53	4,96	24,56	27,72	27,72
<b>Total</b>	<b>3,16</b>	<b>2,93</b>	<b>6,25</b>	<b>7,21</b>	<b>7,21</b>
<b>Westville</b>					
Grade A+	N/A	N/A	N/A	N/A	N/A
Grade A	3,48	1,21	3,98	18,84	18,84
Grade B	7,65	6,02	6,35	4,08	4,08
<b>Total</b>	<b>6,47</b>	<b>4,66</b>	<b>5,67</b>	<b>8,18</b>	<b>8,18</b>

Source of data: Sapoa

\* A significant regrading took place in March 2005.

**Table 9.7 (continued)**  
**Sapoa office vacancy factors (%)**

Grades A+, A & B

	<b>June 2004</b>	<b>September 2004</b>	<b>December 2004</b>	<b>March 2005</b>	<b>June 2005</b>
Arcadia					
Grade A+	N/A	N/A	N/A	N/A	N/A
Grade A	4,97	0,70	0,60	0,81	0,00
Grade B	19,06	1,99	1,74	0,00	0,00
<b>Total</b>	<b>9,82</b>	<b>1,15</b>	<b>0,89</b>	<b>0,49</b>	<b>0,00</b>
Brooklyn					
Grade A+	2,13	2,82	0,00	0,00	N/A
Grade A	0,69	1,06	0,94	1,45	3,18
Grade B	2,86	3,91	2,71	3,50	4,84
<b>Total</b>	<b>1,54</b>	<b>2,14</b>	<b>1,14</b>	<b>1,58</b>	<b>3,55</b>
CBD Pretoria					
Grade A+	N/A	N/A	N/A	N/A	N/A
Grade A	5,85	5,35	3,52	4,41	0,93
Grade B	5,40	3,90	2,39	6,03	5,97
<b>Total</b>	<b>5,56</b>	<b>4,43</b>	<b>2,80</b>	<b>5,43</b>	<b>4,12</b>
Centurion					
Grade A+	N/A	N/A	N/A	N/A	N/A
Grade A	2,91	2,27	2,38	1,20	2,42
Grade B	3,54	3,07	1,88	0,81	1,52
<b>Total</b>	<b>3,29</b>	<b>2,76</b>	<b>2,08</b>	<b>0,96</b>	<b>1,87</b>
Hatfield/Hillcrest					
Grade A+	N/A	N/A	0,00	N/A	0,00
Grade A	2,47	4,01	2,00	1,57	2,81
Grade B	7,73	8,58	10,32	7,52	N/A
<b>Total</b>	<b>4,48</b>	<b>5,76</b>	<b>5,12</b>	<b>3,73</b>	<b>2,80</b>
Highveld Technopark					
Grade A+	16,01	16,02	11,65	8,51	3,11
Grade A	1,89	1,55	0,68	0,57	2,70
Grade B	32,67	37,09	6,26	2,68	1,03
<b>Total</b>	<b>7,00</b>	<b>7,31</b>	<b>2,29</b>	<b>1,34</b>	<b>2,47</b>
Menlyn					
Grade A+	0,00	0,00	5,56	N/A	14,05
Grade A	16,34	11,63	12,35	4,09	0,83
Grade B	2,45	1,71	0,78	11,23	7,57
<b>Total</b>	<b>8,25</b>	<b>5,42</b>	<b>3,88</b>	<b>5,12</b>	<b>1,93</b>

Source of data: Sapoa

**Table 9.7 (continued)**  
**Sapoa office vacancy factors (%)**

Grades A+, A & B

	<b>June 2004</b>	<b>September 2004</b>	<b>December 2004</b>	<b>March 2005</b>	<b>June 2005</b>
Pretoria Eastern Suburbs					
Grade A+	2,57	8,93	82,77	9,18	N/A
Grade A	3,67	1,31	2,06	1,72	0,43
Grade B	3,40	5,49	4,87	3,20	2,98
<b>Total</b>	<b>3,36</b>	<b>4,95</b>	<b>5,51</b>	<b>3,46</b>	<b>1,98</b>
Lynnwood					
Grade A+	0,00	0,00	3,18	85,00	15,00
Grade A	1,19	3,16	4,75	2,58	7,43
Grade B	2,91	2,29	2,77	2,03	1,21
<b>Total</b>	<b>2,28</b>	<b>2,40</b>	<b>3,31</b>	<b>3,63</b>	<b>3,70</b>
Johannesburg central					
Grade A+	0,00	0,00	0,00	0,00	0,00
Grade A	18,78	14,12	15,71	12,92	11,89
Grade B	27,37	27,97	28,14	29,07	29,38
<b>Total</b>	<b>20,79</b>	<b>18,33</b>	<b>19,89</b>	<b>19,88</b>	<b>19,50</b>
Johannesburg decentral- ized					
Grade A+	1,69	6,78	8,47	0,96	1,66
Grade A	11,40	11,14	10,84	8,90	8,52
Grade B	16,53	16,84	15,36	13,91	13,52
<b>Total</b>	<b>12,50</b>	<b>12,56</b>	<b>11,97</b>	<b>10,10</b>	<b>9,80</b>
Pretoria decentralized					
Grade A+	4,37	6,52	5,56	5,42	0,56
Grade A	2,96	2,37	1,83	1,47	2,71
Grade B	6,71	6,07	4,27	2,97	3,02
<b>Total</b>	<b>4,56</b>	<b>4,18</b>	<b>3,04</b>	<b>2,40</b>	<b>2,37</b>
Durban decentralized					
Grade A+	N/A	N/A	N/A	16,41	16,41
Grade A	2,10	1,91	3,56	6,36	6,36
Grade B	5,93	5,48	9,64	9,32	9,32
<b>Total</b>	<b>4,24</b>	<b>3,81</b>	<b>6,85</b>	<b>7,94</b>	<b>7,94</b>
Cape Town decentralized					
Grade A+	5,17	4,34	5,18	0,33	0,00
Grade A	8,48	6,67	5,26	4,17	3,73
Grade B	21,18	20,07	14,54	9,40	10,05
<b>Total</b>	<b>10,61</b>	<b>9,12</b>	<b>7,20</b>	<b>4,95</b>	<b>4,74</b>

Source of data: Sapoa