

Annexures

Glossary of property and related terms and abbreviations

Arithmetic mean: The most often used measure of central tendency, it is the simple average of a number of observations. Mathematically, it is equal to the sum of all values divided by the number of observations. For example, the arithmetic mean of 6 and 7 is $(6+7)/2$. The arithmetic mean of 6, 7 and 8 is $(6+7+8)/3$; and so forth. Outlier observations may unduly affect the mean. In the Rode publications all references to the mean refer to the arithmetic mean, unless otherwise specified. See also **geometric mean** and **median**.

Besa: Bond Exchange of South Africa.

BER BCI: Bureau for Economic Research Building Cost Index. Measures pre-contract non-residential building-construction prices and as such it includes the profit margin of contractors. This index is one of the best indicators of the health of the building-construction industry. If it accelerates faster than input costs (**Haylett Index**), then contractors are stretching their profit margins as a result of sufficient work, and vice versa.

Building construction: the construction of buildings like houses, office blocks, factories, shopping centres, schools, hospitals. See also **civil construction**.

Standard capitalization rate: It is the expected net operating income for **year 1**, assuming the entire building is let at open-market rentals, divided by the purchase/transaction price, normally expressed as a percentage. This calculation ignores VAT, transfer duty and income tax, and assumes a cash transaction (in

contrast to a paper-based sale).

CBD: Central business district or downtown. This is an area of concentrated high economic activity. The user can differentiate between the metropolitan CBD (e.g. the Johannesburg CBD) and a decentralized CBD (like the Sandton CBD).

Civils: colloquial for **civil construction**.

Civil construction: the construction of physical infrastructure like roads, bridges, dams, the laying of stormwater pipes, electricity and water reticulation. See also **building construction**.

Cyclical trend: A short-term growth path of an economic variable. Normally refers to the business cycle, as distinct from a **secular trend**.

Dec: Decentralized. A Rode abbreviation. Town and regional planners differentiate between local decentralization (from the metropolitan CBD to the suburbs) and regional decentralization (to outlying areas of the country).

Deflation: Deflation occurs when prices are declining over time. This is the opposite of inflation and could be catastrophic. When the inflation rate (by some measure) is negative for a period, the economy is in a deflationary period. See also **disinflation**.

Deseasonalized: Seasonal fluctuations have been removed. In the case of retail sales, this is essential in order to be able to compare sales pertaining to different

months of the year, as opposed to comparing sales of one quarter or month with the same quarter or month a year earlier.

Discount rate: The rate used to express an expected future cash stream in present-value terms. In most instances, the discount rate is equal to the **hurdle rate**. Mathematically, the hurdle rate of a property is the sum of its market **capitalization rate** and the expected constant growth rate of its cash flow in perpetuity.

Disinflation: Disinflation occurs when the inflation rate is declining over time. See also **deflation**.

Escalation rate: The rate by which a rental is hiked once a year in terms of a lease. The ruling market escalation rate can be seen as an attempt by the market to forecast the growth in market rentals over the duration of the lease, but this attempt is obviously rarely successful. Thus it is important to differentiate between an escalated rental and a **market rental**.

Forward (income) yield: A bourse term, hence it is typically applied to listed properties. In the non-listed property market, its approximate equivalent is the **capitalization rate**. It represents the expected net income of **year 1** (the following 12 months) divided by the current price/value. It stands to reason that existing leases would largely determine the net income of **year 1**. See also **historic (income) yield**.

Geometric mean: A measure of central tendency calculated by multiplying the series of numbers and taking the n th root of the product, where n is the number of items in the series. The geometric mean is defined only for sets of positive numbers. For example, the geometric mean of 6 and 7 is the square root of $(6*7)$. The geometric mean of 6, 7 and 8 is the cube root of $(6*7*8)$; and so forth. See also **arithmetic mean** and **median**.

Geometric mean return: It is also called the time-weighted rate of return or the average compounded rate of return. It is calculated by taking the **geometric mean** of a portfolio's subperiod returns. Where there is a great variance in subperiod returns, this is a better return measure than the arithmetic mean return. Unlike the internal rate of return, it is not influenced by the timing and weights of money-flows.

Haylett index: A measure of the movement of all input costs in the building industry, especially material and labour costs. Designed to recompense the building contractor for in-contract rises in input costs. Official designation: JBCC CPAP Haylett Formula (Work Group 180). Does not include profit margins for contractors.

Historic or trailing (income) yield: A bourse term, hence it is typically applied to listed properties. It represents the net income of **year 0** divided by the current price/value. See also **forward (income) yield**. In a market of rising net incomes the historic yield would be expected to be lower than the forward yield.

Hurdle rate: The minimum total return (income yield plus expected capital appreciation) required by potential investors to induce them to invest in a property. Also known as the **required rate**. As such this is normally the correct rate to use when doing discounted cash flow (DCF) analyses. This is a similar concept to a company's cost of capital, and it is not to be confused with the cost of money (say, overdraft interest rate). One way of measuring the **total return** on an investment, ex post or ex ante, is the **internal rate of return** (IRR) method. See also **discount rate**.

Index: Describes the method of standardizing the base for comparative data in a **time series**, usually equating the initial measure to 100 and then expressing all other data in exact relation to that base, e.g. the index for office rentals in any year by comparison with a base-year value of

100 might stand at 90 or 110, indicating a fall or rise of 10% respectively.

Industrial-building grades:

- **Prime:** A property in which space is easily lettable because it satisfies each of the following prerequisites:
 - a. Generally in a good condition;
 - b. Satisfactory macro access (i.e. access to freeway);
 - c. Satisfactory micro access (i.e. from street to building);
 - d. Proper loading facilities;
 - e. Eaves >4 m (excluding micro/ mini units);
 - f. Clear spans;
 - g. On ground level;
 - h. Adequate three-phase electrical power.

The eight conditions above are *prerequisites* for space to be considered prime. However, a building may possess additional enhancements that could improve lettability through increasing the size of the potential tenant pool. Such enhancements could include sufficient office accommodation, adequate parking, sprinkler systems, masonry up to sill height, adequate floor loadings, roof insulation, sufficient yard space and a good location (as opposed to access).

- **Secondary:** This is industrial space which is not classifiable as **prime** because it does not satisfy all eight prerequisites for **prime** space listed above. Such space is typically old buildings or structures, which have been haphazardly renovated. It would have poor access, too little yard space or office accommodation, inadequate goods lifts, no three-phase power and obsolete electrics and ablution facilities. Such space is often (but not exclusively) found in highly urbanised areas.

Comparative grading of industrial and office space

Industrial	Offices
Prime +	A
Prime	B
Prime -	C
Secondary	D

Industrial park: An industrial park is a multi-tenanted complex of industrial buildings, typically surrounded by a security fence with access control and possibly some greenery.

Initial yield: The first year's expected net operating income (based on existing leases and other income reasonably expected) divided by the purchase price. Therefore the initial yield and the **capitalization rate** are only the same in those rare cases where a building is let at open-market rentals.

Internal rate of return (IRR): A performance measurement that takes cognisance of the time-value of money. Technically, it is that rate which equates the inflows with the outflows of a cash flow. Also known as the money-weighted rate of return because the timing and weights of the money-flows influence the return. See also **geometric mean return**.

JSE: JSE Securities Exchange South Africa.

Leaseback: A fully repairing and insuring lease (tenant pays all **operating costs**) for 10 years or longer (with typically 5-yearly rent reviews or fixed annual escalations) with a tenant with a strong covenant.

Lessee: A person or other entity to whom space is rented under a lease. A tenant. See also **lessor**.

Lessor: One who rents space to another under a lease. A landlord. See also **lessee**.

Market rental: The most probable rental that a voluntary, informed and prudent **lessee** will pay a voluntary, informed and prudent **lessor** in a normal open-market (arms-length) transaction, when neither party is under any compulsion to rent or let, other than their normal desire to transact.

Market value: The most probable price that a voluntary, informed and prudent purchaser will pay a voluntary, informed and prudent seller in a normal open-market (arms-length) transaction at the date of valuation – after allowing for proper marketing prior to the valuation date – when neither party is under any compulsion to sell or to purchase, other than their normal desire to transact. See also **price**.

Mean: See **arithmetic mean**; **median**; **geometric mean**.

Median: Midpoint of a series of observations when arranged in order of magnitude. Thus it is a measure of central tendency that divides the data set into halves. Less affected by outlier observations than the **arithmetic mean**. For example, the median of 5, 6, 7, 8, 9 is 7. And for 5, 9, 15, 16, 17, 21, 23 the median is 16. See also **geometric** and **arithmetic mean**.

Metro: Metropolitan.

MFA: Medium-Term Forecasting Associates, construction economists located in Stellenbosch.

n: Number of respondents.

N/A: Not available – fewer than two respondents.

Office building grades defined by quality of finishes and facilities:

- Grade A: Generally not older than 10 years, unless renovated; prime location; high-quality finishes; adequate on-site

parking; air-conditioning. Commands a gross market rental as indicated in the accompanying table. Examples are: Surrey House (Johannesburg CBD); Libridge (Braamfontein); 540 Pretorius Street (Pretoria CBD); Old Mutual Centre (Durban CBD); Safmarine House (Cape Town CBD); Southern Life Plaza (Bloemfontein); Nedcor (Port Elizabeth, Greenacres); Metropolitan Life (East London).

- Grade B: Generally 10 to 20 years old, unless renovated; accommodation to modern standards; prime location; air-conditioning; on-site parking. Commands a gross market rental as indicated in the accompanying table. Examples are: 11 Diagonal Street (FNB House) (Johannesburg); Noswall Hall (Braamfontein); De Bruyn Park (Pretoria CBD); Durban Bay House (Durban CBD); Foregate Square (Cape Town CBD); VSN Centre (Port Elizabeth CBD); Standard Bank (Germiston); Omni Centre (Bloemfontein); Standard Bank (East London).
- Grade C: Generally 20 to 30 years old, unless renovated; in fairly good condition, although finishes are not up to modern standards; good location; may have on-site parking; unlikely to be centrally air-conditioned; commands a gross market rental as indicated in the accompanying table. Examples are: 15 Loveday Street (Johannesburg CBD); Braamfontein Centre (Braamfontein); Maritime House (Durban CBD); St George's Centre (Cape Town CBD); Old Mutual (Port Elizabeth); Perm (Germiston); Lefko Building (Bloemfontein); Central Square (East London).
- Grade D: A building reaching the end of its functional life; old and in poor condition; near the bottom of the rental rate range; typically no air-conditioning and no on-site parking; may have good location.

These grades might be further sub-divided into sub-grades A+, A-, B+, B-, C+ or C-.

Office grades defined by gross market rentals as in December 2004:

Node	Grade A	Grade B	Grade C
Johannesburg CBD	>30,00	23,00 - 30,00	16,00 - 23,00
Braamfontein	>34,00	26,00 - 34,00	19,00 - 26,00
Pretoria CBD	>35,00	24,00 - 35,00	18,00 - 24,00
Durban CBD	>40,00	34,00 - 40,00	25,00 - 34,00
Cape Town CBD	>48,00	36,00 - 48,00	27,00 - 36,00
Port Elizabeth CBD	-	22,00 - 28,00	13,00 - 22,00
East London	>45,00	30,00 - 40,00	24,00 - 30,00
Nelspruit	>34,00	28,00 - 34,00	22,00 - 28,00
Bloemfontein CBD	>36,00	26,00 - 36,00	17,00 - 26,00

Office demand: Office stock less office space vacant (space on the market for renting irrespective of whether there is still a valid lease over the space). In other words, demand is office space occupied.

Office stock: Total rentable office space.

Office take-up: Change in office demand. Where take-up is positive, it can also be called the growth in demand.

Office vacancies: This is the floor area available for leasing at any given time, irrespective of whether there is still a valid lease over the space. Often expressed as a percentage of the stock in rentable m².

Operating costs: See **outgoings**.

Opportunity cash flow (OCF): A valuation term introduced by Rode. The OCF quantifies the amount gained or foregone by the landlord in that the property is either over rented or under rented. More precisely, for each lease and the space that such a tenant occupies, it is, until expiry of such a lease, the present value (PV) of the contractual rental less the open-market rental (as at the valuation date) escalating at the open-market escalation rate (as at the valuation date).

Outgoings (operating costs): In the case of office buildings, the following items are included under total *gross* outgoings, irrespective of who pays for these:

- Cleaning.
- Repairs & maintenance.
- Common-area electricity & water (not tenant's own).
- Security.
- Management (excluding head office overheads).
- All leasing expenses: broker's commission and in-house payroll, advertising, tenant installations & relocations (unless recovered), buy-outs, etc.
- Municipal tax.
- Insurance (fire & SASRIA). In the case of self-insurance, the landlord's provision should be included.
- Refuse & sewerage less recoverable amount.
- External & common area repairs & maintenance.
- Audit fees.

The following items are excluded:

- VAT.
- Head office overheads.
- Tenant's own electricity and water.

- Tenant installations/relocations recovered.
- Internal maintenance.
- Recoverable refuse & sewerage.

Price: The amount actually paid for an asset. Not the same as **market value**, because special circumstances may have applied when the transaction was concluded.

PLS: Property loan stock, also known as variable loan stock (VLS) (type of listed property fund).

PUT: Property unit trust (type of listed property fund).

Rental:

- **Basic rental (base rental in the USA):** A set amount used as a minimum rent in a lease which also employs a percentage of turnover or other allocation for additional rent.
- **Gross rental:** The *total* rental payable by the tenant, *excluding VAT*, the tenant's own electricity and water charges, but *including* other operating costs recovered by the landlord (if any), as well as promotion expenses payable by the tenant in the case of shopping centres. See also **rental, net**.
- **Net rental:** The amount payable by the tenant, excluding **VAT** and excluding operating costs recovered by the landlord (if any). See also **rental, gross**.
- **Nominal rental:** This has a dual meaning:
 - o Firstly, it refers to rentals where the analyst or valuer assumes no incentives like a **rent-free period**, free relocation, cash upfront, or balance-of-installation allowance. It also excludes amortisation of tenant-installation costs.

o Secondly, it can also mean actual rental values (i.e. not deflated). See also **rental, real**.

- **Pioneer rental:** The highest rental actually achieved – and could be a once-off outlier deal; hence "pioneer" is not "market". The difference between pioneer and the highest market rentals may be used as a blunt tool to gauge the prospects for market rental growth in the short term. If the differential is positive, it is an indication of growth prospects in the node. If the differential is negative, it is an indication that landlords are finding it difficult to find new tenants at the going market rental rate.
- **Real rental:** Deflated rental, typically observations (values) over time (a **time series**) from which the relevant inflation has been removed. See also **rental, nominal**.

Rent-free period: No rent is payable by the tenant for an initial portion of the term of a lease. It is offered by a landlord as a rental concession to attract tenants.

Required rate: see **hurdle rate**.

Retail price: In the context of property syndication, this means the price at which a property-holding company's shares are sold to the public or the price at which these shares trade. See also **wholesale value**.

RR: *Rode's Report on the South African Property Market*, a quarterly journal for the professional property practitioner.

Sapoa: South African Property Owners Association.

SARB: South African Reserve Bank (viz. the central bank)

Secular trend: A long-term growth path of an economic variable, around which

there might be short-term (business cycle) or other fluctuations. See also **cyclical trend**.

Shopping centre configurations:

- Mall: Typically enclosed with common walkway between two facing strips of stores. This is the design mode for super regional, regional and most community shopping centres.
- Strip centre: Is an attached row of stores or service outlets managed as a coherent retail entity, with on-site parking, usually located in front of the stores. Store-fronts may be connected by open canopies, but there are no enclosed walkways linking the stores. Store configuration is either a straight line, "L" or "U" shaped. This is the design mode for most neighbourhood, convenience and value (power) centres.

Shopping centre types:

- Super regional: More than 100.000 rentable m² of shop space; substantial comparison-shopping; principal tenants are three or more major department stores; more than 250 shops. Examples are: Eastgate and Sandton City (Johannesburg); Menlyn Park (Pretoria); Gateway (Durban metro); Canal Walk (Cape metro).
- Regional: 30.000 to 100.000 rentable m² of shop space; principal tenant(s) are one or more major department stores; approximately 40 to 250 shops. Examples are: Westgate, Fourways Mall, Cresta (Johannesburg); Brooklyn Mall (Pretoria); The Pavilion (Durban metro); Sanlam Centre in Parow, Tyger Valley, Kenilworth (Cape metro); Greenacres (Port Elizabeth); Mimosa Mall (Bloemfontein); Vincent Park Shopping Centre (East London).
- Community: 10.000 to 30.000 rentable m² of shop space; principal tenant is typically a variety store (e.g. Clicks) or a

discount department store (e.g. Dion or Game); approximately 30 to 60 shops. Examples are: Sunnypark (Pretoria); Musgrave Centre (Durban); Middestad Mall in Bellville, Meadowridge, Goodwood Mall, Constantia Village (Cape metro); Constantia Centre (Port Elizabeth); Brandwag Centre (Bloemfontein); Beacon Bay Retail Park (East London).

- Neighbourhood: 3.000 to 10.000 rentable m² of shop space; principal tenant is a supermarket; 15 to 40 shops.
- Convenience: 300 to 1.200 rentable m² of shop space; principal tenant is a café or grocer like Kwik Spar; 5 to 15 shops.
- Retail warehouse: Stand-alone; single tenant; >10.000m²; air-conditioned, no ceiling, warehouse-like finishes, e.g. Makro, Hypermarket, Game, Dion.
- Value centre: Multi-tenanted strip centre; >10.000m²; warehouse type finishes in order to deliver lower prices to consumers.

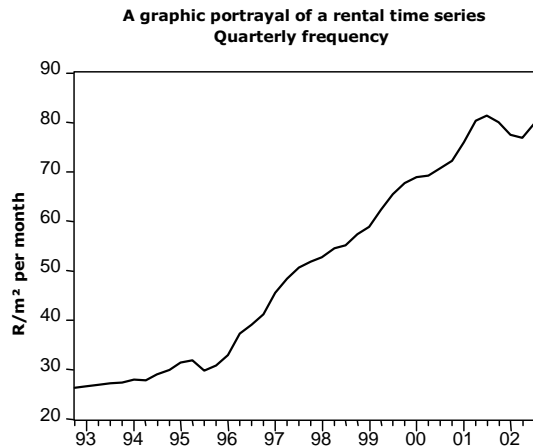
Smoothing: Removal of shorter-term fluctuations in a **time series**, by e.g. moving averages, exponential smoothing, or curve fitting.

Standard deviation (SD): A measure of dispersion. For instance, assume a **mean** of R10 and an SD of R1,50. This means there is a 68% chance the values will lie between $R10 - R1,50 = R8,50$ and $R10 + R1,50 = R11,50$.

Stats SA: Statistics South Africa, South African government's statistics department. Previously known as Central Statistical Services (CSS) and even earlier as the Department of Statistics.

Time series: A set of observations for the same variable at different times (see graph). The intervals or frequencies may be of any length, e.g. years or quarters for national-income or property data, monthly

for prices, and weekly, daily, or even minute-by-minute for stock exchange prices.



Total return: Normally measured over a year, in which case it is the income yield for the applicable year (net income in **year 1** divided by the purchase price or value in **year 0**) plus the change in capital value over that year. Also known as the combined return because it combines the income yield and capital return in one measure.

VAT: value-added tax.

Wholesale value: In the context of property syndication, this means the estimated price that a share or shares of a syndicated property-holding company would fetch (excluding winding-up costs) should the holding company be dissolved and the underlying property sold as a normal, non-syndicated property. See also **retail price**.

Year-growth: Percentage by which figures have changed compared to the same month, quarter or year of the previous year.

Year 0: Refers to the year ended at the present time.

Year 1: Refers to the period from **year 0** to the end of the first year thereafter.

References:

1. International Council of Shopping Centres
2. Sapo
3. Bureau of Market Research, University of South Africa

Technical background to the Rode surveys

Rode has been surveying the crucial variables of the property market in South Africa since the beginning of 1988 using the expert-panel method. Broadly speaking, the researcher has two potential approaches available to him. These are:

- Track actual transactions, like the rental levels of lettings or the capitalization rates at which sales are concluded. Valuers (appraisers) call these 'comparables'.
- The expert-panel method of surveying, in which the surveyor regularly asks *the same* individual members of the panel for their expert *opinions*, which in turn will of course be based on actual deals of which the panellists are aware.

The cons of tracking actual transactions are:

- A paucity of transactions in most nodes, making statistical inferences impossible.
- Hence the danger of relying on outlier data (mainly the result of small samples)
- Dated transactions
- The cost
- The unwillingness of the parties to report the details of individual deals.

In contrast, through the expert-panel method of research, most of the above cons of the actual-transactions approach are addressed through opinion surveys. This results in cheaper, more accurate and timely information. Sample size is still (and will always be) a problem in some of the less active nodes, but to a lesser extent.

Below we give the reader some insight in our survey approach to determine the levels of the various property variables:

Capitalization rate: The Rode capitalization rate panel consists of two categories of panellist — major owners, and leading investment brokers who know their market segments intimately. This means that the latter's knowledge is based on actual sales. The question put to these carefully chosen panellists is:

Owners: "In your opinion, what is presently the capitalization rate at which your organization is equally happy to buy or sell the properties in the cities below? (Assume a typical location and a cash sale, rather than paper.). For leasebacks, assume the escalation rate reported by you in this questionnaire."

Brokers: "In your opinion, what is presently the most prevalent capitalization rate at which the following properties are sold/bought in the cities indicated below (assume a cash sale rather than paper)? For leasebacks, assume the escalation rate reported by you in this questionnaire."

Escalation rate (for industrial leasebacks). The question put to the panellists is:

Owners: "In your opinion, what is the current prevalent (i.e. most often achieved) market escalation rate for prime industrial leasebacks (assume the market capitalization rate you provided in this questionnaire)?"

Brokers: "In your opinion, what is the current *prevalent* (i.e. most often achieved) market escalation rate for prime industrial leasebacks (assume the market capitalization rate you provided in this questionnaire)?"

Hurdle rate: The question put to landlord

panellists is:

"In your opinion, what is presently the *minimum* expected internal rate of return or hurdle rate (%) at which your organization will acquire the following property types in the cities indicated on the right. (Assume a time horizon of 5 years)?"

The question is asked in respect of three property types: office buildings, industrial leasebacks and regional shopping centres.

Respondents are asked to supply two hurdle rates, one rate for "buy" and one rate for "develop on spec".

Office rentals: The Rode office rental survey asks respondents to supply average market rentals by grade (grades A+, A, B & C) for a specific office node.

The question put to the panellists is:

"In your opinion, what is presently the nominal gross *achievable/market* rental (not asking rent, not escalated contractual rents, not exceptional deals) per rentable m² excluding VAT?" The questionnaire also asks for the typical rent-free period in months, the gross current-year operating costs per rentable m² and the predominant escalation rate on net & gross rentals, and operating costs.

'Nominal' rental means the panellist has to assume no incentives like a rent-free period.

We ask the panellists to assume office lettings of 250m² in the case of grades A+, A & B and 150m² in the case of grade C (150m² in smaller towns for all office grades); occupation within 3 months, a lease period of 4 years and an average position within the building.

Industrial rentals: The question put to panellists is:

"In your opinion, what are the current gross *achievable/market* rentals per m² for prime

industrial buildings for the townships and lease sizes indicated below?"

Respondents are asked to assume that the office portion (if any) is less than 10% of the total area. The assumed floor area sizes are: 250m², 500m², 1.000m², 2.500m² and 5.000m². Respondents are also asked to fill in their vacancy estimate for prime industrial space, using a scale of 0 to 9. See the table below for detail on the vacancy scale.

Vacancy scale for industrial townships									
	<10%			10 - 20%			>20%		
0	1	2	3	4	5	6	7	8	9
Nil	Low			Medium			High		

Thus, the reported vacancies do not represent percentages.

Industrial land values: The question put to panellists is:

"In your opinion, what are the current *market* values per m² for vacant, serviced levelled land in the townships and for the stand sizes indicated below? Where land is only leased, provide the rent per m² per month. Exclude transfer costs and VAT. Provided you are well informed, please give us your opinion even though you might not have concluded a sale for the exact sizes shown in the spreadsheet attachment."

The information is required for stand sizes of 1.000m², 2.000m², 5.000m² and 10.000m².

Flat rentals: The question put to panellists is:

"In your opinion, what are the current market rentals for new lettings for rent-uncontrolled standard and upmarket flats in the following categories and areas? Parking is excluded from flat rentals."

Respondents are asked to provide rentals for bachelor, 1-, 2- and 3-bedroom units. Note that the flat rentals are not quoted per m². Rentals for lock-up garages and covered parking are also requested. ■

How to interpolate industrial rental rates and land values

The industrial rental and land value tables in the body of the *RR* contain regression equations in natural log (ln) form in order to allow the reader to interpolate rental rates or industrial land values for area sizes other than those given in the tables. (All references below are to the industrial rental tables. However, they also apply *mutatis mutandis* to the industrial land value table.)

The regression equations are in natural log (ln) form because the relationship between the rental rates and area sizes leased, is curvilinear. This means that the rental rate for area sizes other than those quoted cannot be calculated by straight linear interpolation. In order to calculate the rental rate for an area size other than those quoted, use the following equation from the tables:

$\ln Y = a + b(\ln X)$ where:

$\ln Y$ = the natural log of the rental rate, i.e. the value which we want to calculate. $\ln X$ = the natural log of the applicable floor area in m² for which we want to calculate the market rental rate.

Note that a and b are given in the table. The correlation coefficient r is an indication of the goodness of fit of the curve, i.e. how much confidence we can put in the

interpolation we want to perform. An r close to -1 is a good fit.

An example:

Interpolate a rental rate for an area size other than those quoted in the table — e.g. for an area of 750 m². Use your financial calculator and proceed as follows:

Assume the following equation:

$$\ln Y = 3,8855 - (0,2263(\ln X))$$

where X = 750 m².

Step 1:

Calculate the natural log of X, viz. the floor area for which you want to interpolate the market rental rate. The natural log of a floor area of 750 m² is 6,6201 (use the ln key of your financial calculator).

Thus:

$$\begin{aligned} \ln Y &= 3,8855 - (0,2263(6,6201)) \\ &= 3,8855 - 1,4981 \\ &= 2,3874 \end{aligned}$$

Step 2:

In order to calculate Y, get the exponential of $\ln Y$ (viz. of 2,3874) by using the e^x key on your financial calculator. The answer is R10,89 per m². ■

Approximate building cost rates as at January 2005

Source: *Estimating Guidelines for Clients and Colleagues*, Davis Langdon Farrow Laing, January 2005.

The following, unless otherwise stated, is a list of approximate building rates per m² of building area for various building types in the Gauteng area. The rates represent the average expected building rates for 2005. It is stressed that these rates are purely of an indicative nature and should be used with circumspection, as they are dependent upon a number of variables.

It is recommended that a quantity surveyor be consulted to calculate a more accurate replacement value of a building, which can be updated thereafter using the BER Building Cost Index.

The rates below **include** P & G but **exclude** in-contract escalations, professional fees and VAT. For the calculation of replacement costs, for insurance purposes, the following should also be **included**:

- An allowance for demolition costs;
- Professional fees;
- In-contract building cost escalation (Haylett);
- Loss of interest;
- An escalation of the contract price to the end of the insurance period; and
- Loss of income.

The area of the building expressed in m² is equivalent to the "Construction Area" as defined in the 'SAPOA Method for Measuring Floor Areas in Commercial and Industrial Buildings' — updated August 1991, where appropriate.

Building type

R

Rates include the cost of appropriate building services, e.g. air-conditioning, electrical, etc. but exclude costs of site development and parking.

Offices

1. Low-rise office park development with standard specification	/m ²	R3.200 — R3.700
2. Low-rise prestigious office park development	/m ²	R4.300 — R6.150
3. High-rise tower block with standard specification	/m ²	R4.900 — R6.150
4. High-rise prestigious tower block	/m ²	R5.500 — R7.400

Note: The above rates include appropriate tenant allowances incorporating carpets, wallpaper, partitions, lighting and electrical reticulation.

Building type	R	
Parking		
1. Parking on grade including integral landscaping and ground preparation	/m ²	R210 — R270
2. Structured parking above ground	/m ²	R1.600 — R2.100
3. Parking in basement	/m ²	R1.700 — R2.450
Retail		
1. Suburban strip shopping — value centre	/m ²	R3.100 — 4.700
2. Regional shopping centre comprising supermarket chain store, national chains, line shops and enclosed malls	/m ²	R4.700 — R5.600
Note: The above rates include the cost of tenant requirements and specifications of national chain stores.		
Industrial		
1. Industrial warehouse including small office area and change facilities within structure (architect/engineer-designed)		
1.1 Steel frame, corrugated steel cladding and roof sheeting	/m ²	R1.050 — R1.600
1.2 Steel frame, brickwork to sill height, corrugated steel cladding above and roof sheeting	/m ²	R1.150 — R1.800
2. Administration office block (standard finishes)	/m ²	R3.050 — R3.700
3. Ablution and change room block	/m ²	R3.300 — R3.700
Residential		
1. Simple low-rise apartment block	/m ²	R2.950 — R3.700
2. Duplex townhouse — economic specification	/m ²	R2.950 — R3.700
3. Prestige apartment block	/m ²	R3.950 — R5.600
4. Private dwelling houses:		
• Economic	/m ²	R1.850
• Standard	/m ²	R2.450
• Middle Class	/m ²	R2.800
• Luxury (Architect designed house)	/m ²	R3.300
• Exclusive (Exclusive Architect designed house)	/m ²	R5.300
• Exceptional ('Super luxury' Architect designed house)	/m ²	R10.000 — R20.000
5. Low-cost housing	/m ²	R1.350 — R1.700
6. Outbuildings	/m ²	R1.350 — R1.850
7. Carport (shaded):		
• Single		R2.250
• Double		R4.500
8. Carport (covered):		
• Single		R3.600
• Double		R7.100
9. Swimming pool		
• Not exceeding 50KL	/No	R35.000
• Exceeding 50KL and not exceeding 100KL	/No	R40.000 — R60.000
10. Tennis court		
• Standard		R78.000
• Floodlit		R107.000
11. Site services to low cost housing stand (250 - 350m ²)	/No	R16.000 — R21.000

Building type	R
Clinics	
1. Clinic — approximately 150-bed, 5-theatre (excl doctors' accommodation)	/bed R220.000 — R345.000
Hotels	
1. Limited service hotel	/room R250.000 — R370.000
2. Resort Style	/room R925.000 — R1.050.000
3. Luxury hotel	/room R1.050.000 — R1.475.000
Note: The rate stated above for a luxury hotel is based on a hotel having a ratio of $\pm 35\text{m}^2$ of back-of-house and public areas such as conference rooms, entrance foyers, lounges and restaurants per room. This ratio can vary considerably with different types of hotels, e.g. resort hotels, CBD business hotels or casino complexes.	
Studios	
1. Studios — dancing, art exhibitions, etc.	/m ² R5.500 — R7.400
Conference Centres	
1. Conference centre to international standards	/m ² R11.000 — R13.500
Retirement Centres	
1. Retirement Centres	/m ² R3.900 — R4.500
Note: The above rate includes community centre, dining hall, carparks, security, site works and landscaping but excludes frail care facilities.	
Schools	
1. Primary school	/m ² R2.800 — R3.450
2. Secondary school	/m ² R3.050 — R3.950
Stadiums	
1. Stadiums — including public seating, private suites, bar facilities, toilets and the like but excluding provision of flood-lighting, field preparation, irrigation and drainage.	/seat R5.500 — R6.750
Building services to office buildings	
Electrical installation	
1. Standard installation - overall including parking, service areas, external lighting	/m ² R330 — R400
2. Sophisticated installation excluding UPS and standby power — overall including parking, service areas, external lighting	/m ² R430 — R550
Air-conditioning installation	
1. Ventilation to parking, services areas	/m ² R170 — R210
2. Self-contained units (console/split)	/m ² R430 — R750
3. Package units	/m ² R550 — R860
4. Central plant including building management system	/m ² R650 — R860
Note: The design, and therefore the cost of air-conditioning systems, are interdependent and the building construction and costs can vary appreciably depending on the shading, orientation, window areas and types of glazing, external wall construction, roof construction, etc.	

Building type		R
Electronic security installation		
1. Security and access control	/m ²	R75 — R250
2. Addressable fire detection system	/m ²	R100 — R150
3. Evacuation and masking sound system	/m ²	R75 — R150
Fire protection installation		
1. Sprinkler system — overall including hydrants and hose reels, limited double sprinklers	/m ²	R100 — R150

Notes

1. Regional variation: The above rates are based on the Gauteng region and costs will vary in the different provinces. Construction costs in the Western Cape, specifically upper class residential, for example, are approximately 30% higher than in Gauteng due to the demand for this accommodation. Specific costs for any region can be given upon request from any Davis Langdon Farrow Laing office in that region.
2. Value added tax: As the majority of developers are registered vendors in the property industry, any VAT paid by them on any property development is fully recoverable. Therefore to reflect the net development cost, VAT has not been allowed for in the above rates. Should the gross cost (i.e. after VAT inclusion) be required, the VAT at the ruling rate (currently 14%) should be added to all the above rates.

However, cognisance should be taken of the effect of VAT on cash flow. This will vary according to the payment period of the individual vendor but in all cases will add to the capital cost of the project to the extent of interest on the VAT outstanding for the VAT cycle of the particular vendor.

Monthly forecast of in-contract building costs (Haylett formula)

Work group 180 (February 1991 = 100)

Forecast from: July 2005 Forecast date: September 2005

Month	2002		2003		2004		2005		2006		2007		2008	
	Index	% ch	Index	% ch	Index	% ch	Index	% ch	Index	% ch	Index	% ch	Index	% ch
Jan	209,0	7,6	236,4	13,1	242,2	2,5	262,2	8,3	277,8	6,0	293,9	5,8	310,3	5,6
Feb	212,2	8,7	237,9	12,1	245,5	3,2	262,8	7,0	278,8	6,1	294,6	5,7	312,1	5,9
Mar	213,1	8,6	238,7	12,0	247,2	3,6	264,4	7,0	280,0	5,9	296,1	5,8	313,6	5,9
Apr	216,5	9,7	240,1	10,9	249,0	3,7	266,6	7,1	281,5	5,6	297,9	5,8	314,5	5,6
May	219,4	10,5	240,2	9,5	250,6	4,3	267,1	6,6	282,4	5,7	298,8	5,8	316,2	5,8
Jun	220,7	10,9	240,7	9,1	252,7	5,0	267,9	6,0	283,5	5,8	299,2	5,5	316,9	5,9
Jul	224,5	12,2	241,1	7,4	253,7	5,2	270,8	6,7	286,0	5,6	301,8	5,5	319,6	5,9
Aug	227,0	13,2	241,0	6,2	255,1	5,9	272,9	7,0	287,8	5,5	303,7	5,5	321,4	5,8
Sep	228,2	13,5	240,8	5,5	255,7	6,2	274,6	7,4	289,8	5,5	306,0	5,6	323,9	5,8
Oct	230,5	14,2	240,8	4,5	257,2	6,8	276,0	7,3	291,9	5,7	307,8	5,5	326,0	5,9
Nov	231,9	14,2	240,5	3,7	258,6	7,5	276,7	7,0	293,1	6,0	309,4	5,6	327,5	5,8
Dec	232,8	14,2	240,4	3,3	258,9	7,7	276,9	7,0	293,4	6,0	309,8	5,6	328,3	6,0
AVG.	222,2	11,5	239,9	8,1	252,2	5,1	269,9	7,0	285,5	5,8	301,6	5,6	319,2	5,8

Note: New weighting structures were introduced in 2003. Consequently, all indices were revised back to January 2002.

Source:

This table is an extract of the *Building Cost Report of Medium-Term Forecasting Associates*, P O Box 7119, Stellenbosch, 7600, Tel. 0218838152, and is published with their permission.

Absa home building-cost index

2000 = 100

Quarter	Index	% change on previous year	Quarter	Index	% change on previous year
1990:2	38,6	20,0%	1998:1	79,6	12,3%
1990:3	40,4	20,8%	1998:2	82,4	13,0%
1990:4	42,5	24,1%	1998:3	84,4	12,4%
1991:1	44,7	23,7%	1998:4	85,5	10,5%
1991:2	46,0	19,1%	1999:1	85,6	7,5%
1991:3	46,4	14,8%	1999:2	87,2	5,8%
1991:4	46,9	10,4%	1999:3	89,7	6,3%
1992:1	47,7	6,6%	1999:4	92,6	8,3%
1992:2	48,3	5,0%	2000:1	96,4	12,5%
1992:3	50,9	9,8%	2000:2	99,4	14,1%
1992:4	54,0	15,0%	2000:3	101,6	13,3%
1993:1	55,8	17,1%	2000:4	102,6	10,8%
1993:2	56,9	17,8%	2001:1	104,7	8,7%
1993:3	57,1	12,1%	2001:2	107,7	8,3%
1993:4	58,2	7,8%	2001:3	112,0	10,3%
1994:1	58,9	5,5%	2001:4	117,0	14,0%
1994:2	59,8	5,0%	2002:1	120,1	14,7%
1994:3	61,2	7,2%	2002:2	123,7	14,9%
1994:4	61,6	5,9%	2002:3	128,9	15,1%
1995:1	62,5	6,2%	2002:4	134,3	14,8%
1995:2	63,6	6,3%	2003:1	141,4	17,7%
1995:3	64,5	5,4%	2003:2	148,1	19,8%
1995:4	65,6	6,5%	2003:3	152,6	18,4%
1996:1	66,9	7,1%	2003:4	159,5	18,7%
1996:2	67,7	6,4%	2004:1	165,3	16,9%
1996:3	68,1	5,6%	2004:2	170,8	15,4%
1996:4	69,0	5,3%	2004:3	177,9	16,6%
1997:1	70,9	5,9%	2004:4	184,0	15,4%
1997:2	73,0	7,8%	2005:1	189,7	14,8%
1997:3	75,1	10,3%	2005:2	195,3	14,3%
1997:4	77,4	12,0%	2005:3	200,7	12,8%

Source: ABSA. Calculated from Absa home mortgage data, viz. value of houses to be built divided by number of m².

BER Building Cost Index (non-residential tender prices)

1990=100

	First quarter	Second quarter	Third quarter	Fourth quarter	Average
1995	145,4	152,1	152,9	158,8	152,3
% ch	15,3	15,8	13,0	12,0	14,0
1996	162,5	166,2	170,5	175,4	168,7
% ch	11,8	9,3	11,5	10,5	10,7
1997	179,9	178,8	186,1	185,6	182,6
% ch	10,7	7,6	9,1	5,8	8,3
1998	186,7	192,7	184,8	192,5	189,2
% ch	3,8	7,8	-0,7	3,7	3,6
1999	196,9	198,7	195,5	209,0	200,0
% ch	5,5	3,1	5,8	8,6	5,7
2000	204,4	209,4	211,1	207,0	208,0
% ch	3,8	5,4	8,0	-1,0	4,0
2001	221,0	211,0	224,8	231,8	222,2
% ch	8,1	0,8	6,5	12,0	6,8
2002	246,0	253,6	253,3	275,0	257,0
% ch	11,3	20,2	12,7	18,6	15,7
2003	269,1	276,0	288,4	292,8	281,6
% ch	9,4	8,8	13,8	6,5	9,6
2004	302,3	316,2	326,8	340,4	321,4
% ch	12,4	14,6	13,3	16,2	14,2
2005	361,6	365,9	382,8		
% ch	19,6	15,7	17,1		

Source:

BER Building Cost Index: This is a non-residential contract price index and is ex *Bureau for Economic Research (BER)* at Stellenbosch University, with whose kind permission this index is published. The last few months are always subject to change.

Prime overdraft rate at month-end (%)

(proxy for trends in mortgage rates*)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
1985	25,0	25,0	25,0	25,0	23,0	22,0	21,0	21,0	19,5	18,5	16,5	16,5	21,5
1986	15,5	15,5	15,5	15,5	14,5	14,5	14,5	14,0	13,5	13,5	13,5	12,0	14,3
1987	12,5	12,5	12,5	12,5	12,5	12,5	12,5	12,5	12,5	12,5	12,5	12,5	12,5
1988	13,0	13,0	14,0	14,0	15,0	15,0	16,0	16,0	16,0	16,0	18,0	18,0	15,3
1989	18,0	19,0	19,0	19,0	20,0	20,0	20,0	20,0	20,0	21,0	21,0	21,0	19,8
1990	21,0	21,0	21,0	21,0	21,0	21,0	21,0	21,0	21,0	21,0	21,0	21,0	21,0
1991	21,0	21,0	21,0	20,0	20,0	20,0	20,0	20,0	20,0	20,3	20,3	20,3	20,3
1992	20,3	20,3	20,3	19,3	19,3	19,3	18,3	18,3	18,3	18,3	17,3	17,3	18,8
1993	17,3	16,3	16,3	16,3	16,3	16,3	16,3	16,3	16,3	16,3	15,3	15,3	16,2
1994	15,3	15,3	15,3	15,3	15,3	15,3	15,3	15,3	16,3	16,3	16,3	16,3	15,6
1995	16,3	17,5	17,5	17,5	17,5	17,5	18,5	18,5	18,5	18,5	18,5	18,5	17,9
1996	18,5	18,5	18,5	19,5	20,5	20,5	19,5	19,5	19,5	19,3	20,3	20,3	19,5
1997	20,3	20,3	20,3	20,3	20,3	20,3	20,3	20,3	20,3	19,3	19,3	19,3	20,0
1998	19,3	19,3	18,3	18,3	18,3	22,3	24,0	25,5	25,5	24,5	23,5	23,0	21,8
1999	22,0	21,0	20,0	19,0	19,0	18,0	17,5	16,5	16,5	15,5	15,5	15,5	18,0
2000	14,5	14,5	14,5	14,5	14,5	14,5	14,5	14,5	14,5	14,5	14,5	14,5	14,5
2001	14,5	14,5	14,5	14,5	14,5	13,8	13,5	13,5	13,0	13,0	13,0	13,0	13,8
2002	14,0	14,0	15,0	15,0	15,0	16,0	16,0	16,0	17,0	17,0	17,0	17,0	15,8
2003	17,0	17,0	17,0	17,0	17,0	15,5	15,5	14,5	13,5	12,0	12,0	11,5	15,0
2004	11,5	11,5	11,5	11,5	11,5	11,5	11,5	11,0	11,0	11,0	11,0	11,0	11,3
2005	11,0	11,0	11,0	10,5	10,5	10,5	10,5	10,5	10,5	10,5	10,5	10,5	11,3

Source: SARB

*Average mortgage rates for new bonds are, on average, below the prime overdraft rate. Individual mortgage rates will depend on the creditworthiness of the mortgagor.

Rode house price index: National: all classes

1990=100

Year	Qtr 1	% ch	Qtr 2	% ch	Qtr 3	% ch	Qtr 4	% ch	Year
1990	95,5	6,4	99,1	3,7	103,6	4,6	101,8	-1,7	100,0
% ch	22,4		21,2		24,3		13,4		20,2
1991	110,3	8,3	110,7	0,4	119,1	7,5	121,3	1,9	115,3
% ch	15,4		11,8		14,9		19,2		15,3
1992	128,3	5,8	127,2	-0,9	127,0	-0,2	125,1	-1,5	126,9
% ch	16,4		14,9		6,6		3,1		10,0
1993	128,3	2,6	125,7	-2,01	127,3	1,3	128,9	1,2	127,6
% ch	0,0		-1,2		0,3		3,1		0,5
1994	134,3	4,2	144,8	7,8	145,7	0,6	273,0	5,0	144,4
% ch	4,6		15,2		14,4		18,7		13,2
1995	150,8	-1,5	157,5	4,5	150,8	-4,3	153,0	1,5	153,0
% ch	12,3		8,8		3,5		0,0		5,9
1996	159,2	4,0	160,3	0,7	158,1	-1,4	162,0	2,5	159,9
% ch	5,6		1,8		4,8		5,9		4,5
1997	164,8	1,7	167,6	1,7	164,8	-1,7	166,5	1,0	165,9
% ch	3,5		4,5		4,3		2,8		3,8
1998	170,9	2,7	170,9	0,0	174,3	2,0	169,3	-2,9	171,4
% ch	3,7		2,0		5,8		1,7		3,3
1999	172,6	2,0	173,7	0,6	167,0	-3,9	183,3	9,7	174,2
% ch	1,0		1,6		-4,2		8,3		1,6
2000	195,0	6,4	197,8	1,4	192,8	-2,5	200,1	3,8	196,4
% ch	13,0		13,9		15,4		9,2		12,8
2001	201,8	0,8	215,8	6,9	227,0	5,2	226,4	-0,2	217,7
% ch	3,4		9,1		17,7		13,2		10,8
2002	252,2	11,4	251,1	-0,4	272,9	8,7	285,3	4,5	265,4
% ch	25,0		16,4		20,2		26,0		21,9
2003	290,9	2,0	306,6	5,4	327,9	6,9	367,7	12,1	323,2
% ch	15,3		22,1		20,1		28,9		21,8
2004	393,4	7,0	382,8	-2,7	422,6	10,4	494,3	17,0	423,3
% ch	35,3		24,9		28,9		34,5		30,9
2005	551,5	11,6							
% ch	40,2								

Source:

Rode House Price Index: Ex Rode & Associates CC. May be used provided the source is acknowledged. The last few quarters are always subject to revision

Rode house price index: Johannesburg: all classes

1990=100

Year	Qtr 1	% ch	Qtr 2	% ch	Qtr 3	% ch	Qtr 4	% ch	Year
1990	98,2	8,8	97,4	-0,8	105,8	8,6	98,6	-6,9	100,0
% ch	26,7		16,5		28,6		9,2		19,8
1991	111,0	12,6	107,3	-3,4	116,0	8,1	114,9	-0,9	112,3
% ch	13,0		10,1		9,6		16,6		12,3
1992	126,7	10,2	124,5	-1,7	119,8	-3,8	118,7	-1,0	122,4
% ch	14,1		16,1		3,3		3,2		9,0
1993	123,3	3,9	116,7	-5,4	117,7	0,9	122,3	3,9	120,0
% ch	-2,7		-6,3		-1,8		3,1		-2,0
1994	132,1	8,0	143,3	8,5	132,5	-7,6	149,6	12,9	139,4
% ch	7,1		22,8		12,6		22,4		16,2
1995	143,1	-4,4	152,4	6,5	143,1	-6,1	144,7	1,1	145,8
% ch	8,3		6,3		8,0		-3,3		4,6
1996	148,5	2,6	154,0	3,7	147,5	-4,3	150,7	2,2	150,2
% ch	3,8		1,1		3,1		4,2		3,0
1997	152,4	1,1	155,1	1,8	148,0	-4,6	150,2	1,5	151,4
% ch	2,6		0,7		0,4		-0,4		0,8
1998	151,3	0,7	150,2	-0,7	150,2	0,0	150,2	0,0	150,5
% ch	-0,7		-3,2		1,5		0,0		-0,6
1999	139,8	-6,9	144,2	3,1	149,1	3,4	163,3	9,5	149,1
% ch	-7,6		-4,0		-0,7		8,7		-0,9
2000	177,5	8,7	170,4	-4,0	172,0	1,0	172,0	0,0	173,0
% ch	27,0		18,2		15,4		5,4		16,0
2001	174,8	1,6	187,9	7,5	202,6	7,8	198,2	-2,2	190,9
% ch	-1,5		10,3		17,8		15,2		10,3
2002	215,2	8,5	210,3	-2,3	233,7	11,2	253,9	8,6	228,3
% ch	23,1		11,9		15,4		28,1		19,6
2003	261,0	2,8	279,1	6,9	300,4	7,6	325,5	8,4	291,5
% ch	21,3		32,7		28,5		28,2		27,7
2004	339,7	4,4	322,8	-5,0	371,4	15,1	429,2	15,6	365,8
% ch	30,1		15,7		23,6		31,9		25,5
2005	481,1	12,1							
% ch	41,6								

Source:

Rode House Price Index: Ex Rode & Associates CC. May be used provided the source is acknowledged. The last few quarters are always subject to revision

Rode house price index: Pretoria: all classes

1990=100

Year	Qtr 1	% ch	Qtr 2	% ch	Qtr 3	% ch	Qtr 4	% ch	Year
1990	96,0	1,7	103,2	7,5	98,4	-4,7	102,3	4,0	100,0
% ch	12,7		22,2		10,9		8,4		13,4
1991	107,5	5,1	107,0	-0,4	116,9	9,2	122,0	4,3	113,4
% ch	11,9		3,7		18,8		19,2		13,4
1992	121,9	0,0	129,7	6,3	133,5	2,9	126,6	-5,1	127,9
% ch	13,4		21,1		14,1		3,8		12,8
1993	132,4	4,6	132,9	0,4	130,1	-2,1	136,6	5,0	133,0
% ch	8,6		2,5		-2,5		7,9		4,0
1994	135,9	-0,5	150,4	10,7	155,0	3,0	152,2	-1,8	148,4
% ch	2,6		13,1		19,1		11,4		11,5
1995	151,8	-0,2	154,1	1,5	159,5	3,5	157,5	-1,3	155,7
% ch	11,7		2,5		2,9		3,4		4,9
1996	165,5	5,1	147,4	-10,9	152,8	3,6	163,5	7,0	157,3
% ch	9,0		-4,3		-4,2		3,8		1,0
1997	164,2	0,4	164,8	0,4	161,5	-2,0	172,9	7,1	165,8
% ch	-0,8		11,8		5,7		5,7		5,4
1998	172,9	0,0	176,2	1,9	164,2	-6,8	168,8	2,9	170,5
% ch	5,3		6,9		1,7		-2,3		2,8
1999	173,5	2,8	177,6	2,3	181,6	2,3	182,9	0,7	178,9
% ch	0,4		0,8		10,6		8,3		4,9
2000	186,9	2,2	193,0	3,2	198,3	2,8	200,3	1,0	194,6
% ch	7,7		8,7		9,2		9,5		8,8
2001	212,4	6,0	209,7	-1,3	229,1	9,3	235,2	2,6	221,6
% ch	13,6		8,7		15,5		17,4		13,9
2002	260,0	10,5	276,7	6,4	289,4	4,6	288,8	-0,2	278,7
% ch	22,4		31,9		26,3		22,8		25,8
2003	292,8	1,4	310,9	6,2	323,6	4,1	360,5	11,4	321,9
% ch	12,6		12,3		11,8		24,8		15,5
2004	377,9	4,8	383,3	1,4	401,3	4,7	448,9	11,9	402,9
% ch	29,1		23,3		24,0		24,5		25,1
2005	527,3	17,5							
% ch	39,5								

Source:

Rode House Price Index: Ex Rode & Associates CC. May be used provided the source is acknowledged. The last few quarters are always subject to revision

Rode house price index: Durban—Pinetown: all classes

1990=100

Year	Qtr 1	% ch	Qtr 2	% ch	Qtr 3	% ch	Qtr 4	% ch	Year
1990	93,7	-0,1	97,6	4,2	101,9	4,4	106,9	4,9	100,0
% ch	8,9		10,8		13,9		14,0		12,0
1991	114,0	6,6	120,4	5,6	129,3	7,4	136,3	5,4	125,0
% ch	21,7		23,4		26,9		27,5		25,0
1992	142,0	4,2	142,1	0,1	142,3	0,2	143,6	0,9	142,5
% ch	24,6		18,0		10,1		5,4		14,0
1993	147,6	2,8	146,9	-0,5	146,6	-0,2	149,4	1,9	147,7
% ch	4,0		3,4		3,0		4,0		3,6
1994	151,4	1,3	156,3	3,2	166,4	6,5	172,1	3,4	161,5
% ch	2,6		6,4		13,4		15,1		9,4
1995	175,3	1,9	176,7	0,7	172,1	-2,6	174,0	1,1	174,5
% ch	15,8		13,0		3,4		1,1		8,0
1996	181,2	4,1	179,9	-0,7	174,7	-2,9	181,9	4,1	179,4
% ch	3,4		1,9		1,5		4,5		2,8
1997	174,0	-4,3	180,6	3,8	177,3	-1,8	174,7	-1,5	176,7
% ch	-4,0		0,4		1,5		-4,0		-1,5
1998	178,6	2,2	187,1	4,8	189,1	1,0	178,0	-5,9	183,2
% ch	2,6		3,6		6,6		1,9		3,7
1999	163,6	-8,1	169,5	3,6	174,7	3,1	179,9	3,0	171,9
% ch	-8,4		-9,4		-7,6		1,1		-6,2
2000	183,2	1,8	195,0	6,4	194,3	-0,3	200,9	3,4	193,3
% ch	12,0		15,1		11,2		11,6		12,5
2001	191,1	-4,9	215,9	13,0	221,8	2,7	222,5	0,3	212,8
% ch	4,3		10,7		14,1		10,7		10,1
2002	242,1	8,8	257,8	6,5	268,3	4,1	268,9	0,2	259,3
% ch	26,7		19,4		20,9		20,9		21,8
2003	280,7	4,4	300,3	7,0	318,6	6,1	365,7	14,8	316,3
% ch	15,9		16,5		18,8		36,0		22,0
2004	391,9	7,2	395,8	1,0	420,0	6,1	514,3	22,4	430,5
% ch	39,6		31,8		31,8		40,6		36,1
2005	584,9	13,7							
% ch	49,2								

Source:

Rode House Price Index: Ex Rode & Associates CC. May be used provided the source is acknowledged. The last few quarters are always subject to revision

Rode house price index: Cape Town: all classes

1990=100

Year	Qtr 1	% ch	Qtr 2	% ch	Qtr 3	% ch	Qtr 4	% ch	Year
1990	88,9	12,2	98,2	10,5	104,6	6,5	108,2	3,5	100,0
% ch	38,3		41,1		40,9		36,7		39,2
1991	101,4	-6,4	107,2	5,8	108,0	0,7	124,4	15,2	110,2
% ch	14,0		9,1		3,2		14,9		10,2
1992	116,8	-6,0	123,5	5,7	118,1	-4,4	119,8	1,4	119,6
% ch	15,3		15,2		9,4		-3,7		8,5
1993	116,7	-2,6	117,2	0,5	122,2	4,2	112,5	-7,9	117,2
% ch	-0,1		-5,1		3,4		-6,1		-2,0
1994	118,3	5,1	128,4	8,5	145,1	13,0	142,2	-2,0	133,5
% ch	1,4		9,5		18,7		26,3		13,9
1995	139,2	-2,1	150,6	8,2	153,1	1,7	152,7	-0,3	148,9
% ch	17,7		17,3		5,6		7,4		11,6
1996	156,1	2,2	163,2	4,6	165,8	1,6	176,3	6,4	165,4
% ch	12,1		8,4		8,3		15,5		11,0
1997	176,7	0,2	195,7	10,7	188,1	-3,9	181,8	-3,4	185,6
% ch	13,2		19,9		13,5		3,1		12,2
1998	190,2	4,6	192,8	1,3	197,0	2,2	194,0	-1,5	193,5
% ch	7,6		-1,5		4,7		6,7		4,3
1999	223,1	15,0	215,5	-3,4	181,8	-15,7	209,2	15,1	207,4
% ch	17,3		11,8		-7,7		7,8		7,2
2000	228,6	9,3	249,3	9,0	230,3	-7,6	264,9	15,0	243,3
% ch	2,5		15,7		26,7		26,6		17,3
2001	245,5	-7,3	261,9	6,7	278,8	6,4	286,8	2,9	268,3
% ch	7,4		5,1		21,1		8,3		10,3
2002	338,7	18,1	310,9	-8,2	344,2	10,7	339,1	-1,5	333,2
% ch	38,0		18,7		23,4		18,2		24,2
2003	339,6	0,1	351,4	3,5	385,5	9,7	476,2	23,5	388,2
% ch	0,2		13,0		12,0		40,4		16,5
2004	504,9	6,0	515,0	2,0	535,3	3,9	668,2	24,8	555,9
% ch	48,7		46,6		38,8		40,3		43,2
2005	699,8	4,7							
% ch	38,6								

Source:

Rode House Price Index: Ex Rode & Associates CC. May be used provided the source is acknowledged. The last few quarters are always subject to revision.

Rode house price index: Port Elizabeth: all classes

1990=100

Year	Qtr 1	% ch	Qtr 2	% ch	Qtr 3	% ch	Qtr 4	% ch	Year
1990	94,7	2,1	95,5	0,9	100,9	5,7	109,0	8,0	100,0
% ch	14,7		19,2		18,3		17,6		17,4
1991	116,9	7,3	123,6	5,7	137,2	11,0	140,0	2,6	129,6
% ch	23,5		29,4		36,0		29,2		29,6
1992	137,6	-2,3	139,1	1,1	141,8	2,0	139,1	-1,9	139,4
% ch	17,6		12,5		3,4		-1,2		7,5
1993	147,1	5,8	148,5	1,0	153,5	3,4	147,3	-4,0	149,1
% ch	6,9		6,8		8,3		5,9		7,0
1994	146,0	-0,9	157,3	7,8	162,1	3,0	161,1	-0,6	156,6
% ch	-0,8		5,9		5,6		9,4		5,0
1995	161,8	0,4	160,6	-0,7	168,8	5,1	168,8	0,0	165,0
% ch	10,8		2,1		4,2		4,8		5,4
1996	173,6	2,8	177,1	2,0	173,6	-2,0	177,1	2,0	175,3
% ch	7,3		10,3		2,8		4,9		6,3
1997	181,2	2,3	183,6	1,3	185,4	1,0	188,3	1,6	184,6
% ch	4,4		3,7		6,8		6,3		5,3
1998	181,2	-3,8	187,2	3,3	210,8	12,6	193,1	-8,4	193,1
% ch	0,0		1,9		13,7		2,5		4,6
1999	190,7	-1,2	184,8	-3,1	180,1	-2,6	194,2	7,9	187,4
% ch	5,2		-1,3		-14,6		0,6		-2,9
2000	188,9	-2,7	204,3	8,1	207,8	1,7	222,0	6,8	205,7
% ch	-0,9		10,5		15,4		14,3		9,8
2001	209,0	-5,9	235,6	12,7	239,7	1,8	250,3	4,4	233,6
% ch	10,6		15,3		15,3		12,8		13,6
2002	265,7	6,1	262,7	-1,1	271,0	3,1	270,4	-0,2	267,4
% ch	27,1		11,5		13,1		8,0		14,5
2003	279,3	3,3	281,0	0,6	327,1	16,4	284,3	-13,1	292,9
% ch	5,1		7,0		20,7		5,2		9,5
2004	387,3	36,2	380,8	-1,7	406,2	6,7	517,8	27,5	423,0
% ch	38,7		35,5		24,2		82,1		44,4
2005	570,3	10,1							
% ch	47,3								

Source:

Rode House Price Index: Ex Rode & Associates CC. May be used provided the source is acknowledged. The last few quarters are always subject to revision.