

HEADLINE SUMMARY:

Across the board, the average market rental growth rate expectation is 5.03% as compared to a growth rate of 8.34% anticipated for property expenditure. On the upper end, discount rates can now be in excess of 20% in certain markets/segments. Other than for shopping centres, the average cap rate employed is now generally above 10%. Of the 111 transactions recorded by respondents, 40% were offices, 32% retail and 28% industrial. The three highest transaction segments were neighbourhood shopping centres, Johannesburg decentralised offices and warehousing.

MARKET DISCOUNT RATE

	PROPERTY TYPE	MIN	MAX	MED	AVE
RETAIL	Super Regional Shopping Centre	11.50%	14.00%	12.50%	12.75%
	Regional Shopping Centre	12.25%	14.50%	13.50%	13.48%
	Community Shopping Centre	13.50%	15.50%	14.25%	14.31%
	Neighbourhood Shopping Centre	14.00%	15.50%	14.75%	14.75%
	Power Centre/Speciality/Warehouse	14.50%	16.00%	15.00%	15.07%
	Stand Alone Retail Unit	14.00%	16.00%	15.25%	15.17%
OFFICE	Johannesburg CBD Office	14.00%	20.00%	16.00%	16.43%
	Non CBD Prime Office	14.00%	15.50%	14.75%	14.84%
	Non CBD Secondary Office	15.50%	17.00%	16.50%	16.33%
	Pretoria CBD Office	15.00%	16.75%	16.00%	16.05%
	Non CBD Prime Office	13.50%	15.50%	14.75%	14.75%
	Non CBD Secondary Office	15.00%	16.75%	16.50%	16.05%
	Cape Town CBD Office	15.00%	15.00%	15.00%	15.00%
	Non CBD Prime Office	13.50%	15.00%	14.75%	14.50%
	Non CBD Secondary Office	15.00%	16.00%	15.50%	15.50%
	Durban CBD Office	15.50%	18.00%	16.00%	16.50%
	Non CBD Prime Office	15.00%	16.50%	15.00%	15.50%
	Non CBD Secondary Office	16.00%	17.50%	16.00%	16.50%
	Port Elizabeth CBD Office	16.00%	23.00%	16.00%	18.33%
	Non CBD Prime Office	14.50%	18.00%	15.25%	15.75%
	Non CBD Secondary Office	16.00%	19.00%	16.00%	17.00%
	East London CBD Office	16.00%	16.50%	16.25%	16.25%
	Non CBD Prime Office	15.00%	15.50%	15.25%	15.25%
	Non CBD Secondary Office	16.00%	16.50%	16.25%	16.25%
	Other CBD Office	16.00%	17.50%	16.50%	16.67%
	Non CBD Prime Office	15.50%	16.50%	15.50%	15.83%
Non CBD Secondary Office	16.00%	17.50%	16.50%	16.67%	
INDUSTRIAL	High-Tech Industrial	14.50%	18.50%	15.25%	15.47%
	High Grade Industrial	14.50%	18.50%	15.50%	15.61%
	Low Grade Industrial	15.00%	20.00%	16.50%	16.94%
	Warehousing	15.00%	18.50%	15.50%	15.86%
	Standard Units	15.00%	18.50%	15.50%	15.79%
	Other	14.50%	17.00%	15.00%	15.50%



The min and max fields are simply the minimum and maximum responses in that category. The average calculation took the values given by each respondent and divided them by the number of respondents. The median calculation was similarly performed. Where a range was provided by the respondent, this was recorded as two 'respondents' - one with the smaller value and the other with the larger, so as not to distort the min / max.

SOUTH AFRICAN CAP AND DISCOUNT SURVEY PROVIDED BY IPD.

Investment Property Databank • PO BOX 652396, Benmore, South Africa, 2010 • Tel: +27 (0) 11 883 4977 • Fax: +27 (0) 11 883 4986 • Email: mschneider@ipdindex.co.za • website: www.ipd.com

CAP AND DISCOUNT DATA SURVEY



S A P O A

THE VOICE OF COMMERCIAL PROPERTY

MARKET CAP RATE

	PROPERTY TYPE	MIN	MAX	MED	AVE
RETAIL	Super Regional Shopping Centre	6.50%	8.75%	7.13%	7.38%
	Regional Shopping Centre	6.75%	9.25%	8.00%	7.95%
	Community Shopping Centre	8.00%	11.00%	9.00%	8.95%
	Neighbourhood Shopping Centre	8.50%	11.00%	9.25%	9.50%
	Power Centre/Speciality/Warehouse	8.50%	11.25%	9.50%	9.75%
	Stand Alone Retail Unit	9.00%	12.00%	10.00%	10.16%
OFFICE	Johannesburg CBD Office	10.50%	13.00%	12.00%	11.82%
	Non CBD Prime Office	9.00%	11.25%	9.50%	9.84%
	Non CBD Secondary Office	10.50%	12.50%	11.00%	11.36%
	Pretoria CBD Office	10.00%	12.00%	11.00%	11.10%
	Non CBD Prime Office	8.50%	11.25%	10.00%	9.96%
	Non CBD Secondary Office	10.00%	12.00%	11.25%	11.13%
	Cape Town CBD Office	10.00%	11.25%	10.50%	10.58%
	Non CBD Prime Office	8.50%	11.75%	9.50%	9.63%
	Non CBD Secondary Office	10.00%	12.50%	11.00%	11.17%
	Durban CBD Office	10.50%	13.25%	11.00%	11.55%
	Non CBD Prime Office	9.00%	12.00%	10.00%	10.30%
	Non CBD Secondary Office	10.00%	12.75%	11.00%	11.15%
	Port Elizabeth CBD Office	11.00%	15.00%	11.50%	12.50%
	Non CBD Prime Office	9.50%	10.50%	10.00%	10.00%
	Non CBD Secondary Office	11.00%	12.00%	11.00%	11.33%
	East London CBD Office	11.00%	12.00%	11.50%	11.50%
	Non CBD Prime Office	10.00%	11.00%	10.50%	10.50%
	Non CBD Secondary Office	11.00%	12.00%	11.50%	11.50%
	Other CBD Office	11.50%	14.50%	12.63%	12.81%
	Non CBD Prime Office	10.50%	12.50%	11.50%	11.50%
	Non CBD Secondary Office	11.50%	13.50%	12.00%	12.33%
INDUSTRIAL	High-Tech Industrial	9.00%	11.50%	10.00%	10.11%
	High Grade Industrial	9.00%	11.50%	10.00%	10.13%
	Low Grade Industrial	10.50%	13.00%	12.00%	11.81%
	Warehousing	9.50%	12.00%	10.75%	10.73%
	Standard Units	10.00%	11.50%	11.00%	10.86%
	Other	9.50%	12.50%	11.00%	11.00%

The min and max fields are simply the minimum and maximum responses in that category. The average calculation took the values given by each respondent and divided them by the number of respondents. The median calculation was similarly performed. Where a range was provided by the respondent, this was recorded as two 'respondents' - one with the smaller value and the other with the larger, so as not to distort the min / max.

CAP AND DISCOUNT DATA SURVEY



S A P O A

THE VOICE OF COMMERCIAL PROPERTY

MARKET RENTAL GROWTH RATE

	PROPERTY TYPE	MIN	MAX	MED	AVE
RETAIL	Super Regional Shopping Centre	2.00%	6.00%	5.25%	4.88%
	Regional Shopping Centre	1.00%	8.00%	5.50%	5.15%
	Community Shopping Centre	4.00%	8.00%	5.50%	5.72%
	Neighbourhood Shopping Centre	4.00%	8.00%	5.50%	5.72%
	Power Centre/Speciality/Warehouse	3.00%	6.00%	5.50%	5.19%
	Stand Alone Retail Unit	1.00%	6.00%	5.50%	5.00%
OFFICE	Johannesburg CBD Office	2.00%	8.00%	5.50%	5.64%
	Non CBD Prime Office	2.00%	8.00%	5.75%	5.35%
	Non CBD Secondary Office	2.00%	8.00%	5.50%	5.33%
	Pretoria CBD Office	2.00%	10.00%	5.00%	5.50%
	Non CBD Prime Office	4.00%	6.00%	5.00%	4.80%
	Non CBD Secondary Office	1.00%	8.00%	5.00%	5.00%
	Cape Town CBD Office	5.00%	6.00%	5.00%	5.33%
	Non CBD Prime Office	4.00%	6.50%	5.75%	5.50%
	Non CBD Secondary Office	4.00%	6.00%	5.00%	5.00%
	Durban CBD Office	1.00%	6.00%	5.50%	4.70%
	Non CBD Prime Office	4.00%	6.50%	5.50%	5.40%
	Non CBD Secondary Office	2.00%	6.00%	5.50%	4.90%
	Port Elizabeth CBD Office	0.00%	5.00%	5.00%	3.33%
	Non CBD Prime Office	4.00%	8.00%	5.25%	5.58%
	Non CBD Secondary Office	5.00%	7.00%	5.00%	5.67%
	East London CBD Office	5.00%	5.00%	5.00%	5.00%
	Non CBD Prime Office	5.00%	5.00%	5.00%	5.00%
	Non CBD Secondary Office	5.00%	5.00%	5.00%	5.00%
	Other CBD Office	0.00%	5.00%	3.00%	2.75%
	Non CBD Prime Office	2.00%	8.00%	5.00%	5.00%
	Non CBD Secondary Office	2.00%	5.00%	5.00%	4.00%
INDUSTRIAL	High-Tech Industrial	3.00%	6.00%	5.50%	5.20%
	High Grade Industrial	3.00%	8.00%	5.50%	5.45%
	Low Grade Industrial	0.00%	6.00%	5.00%	4.82%
	Warehousing	0.00%	8.00%	5.50%	5.18%
	Standard Units	4.00%	8.00%	5.50%	5.36%
	Other	2.00%	6.00%	5.50%	4.50%

The min and max fields are simply the minimum and maximum responses in that category. The average calculation took the values given by each respondent and divided them by the number of respondents. The median calculation was similarly performed. Where a range was provided by the respondent, this was recorded as two 'respondents' - one with the smaller value and the other with the larger, so as not to distort the min / max.

CAP AND DISCOUNT DATA SURVEY



S A P O A

THE VOICE OF COMMERCIAL PROPERTY

PROPERTY EXPENDITURE GROWTH

	PROPERTY TYPE	MIN	MAX	MED	AVE
RETAIL	Super Regional Shopping Centre	7.00%	8.00%	8.00%	7.57%
	Regional Shopping Centre	7.00%	12.00%	8.00%	8.00%
	Community Shopping Centre	7.00%	12.00%	8.00%	8.13%
	Neighbourhood Shopping Centre	7.00%	12.00%	8.00%	8.13%
	Power Centre/Speciality/Warehouse	7.00%	8.00%	8.00%	7.57%
	Stand Alone Retail Unit	7.00%	8.00%	8.00%	7.67%
OFFICE	Johannesburg CBD Office	7.00%	12.00%	8.00%	8.50%
	Non CBD Prime Office	7.00%	12.00%	8.00%	8.28%
	Non CBD Secondary Office	7.00%	12.00%	8.25%	8.75%
	Pretoria CBD Office	7.00%	12.00%	8.50%	9.10%
	Non CBD Prime Office	7.00%	9.00%	8.00%	7.90%
	Non CBD Secondary Office	7.00%	12.00%	8.50%	9.00%
	Cape Town CBD Office	8.00%	9.00%	8.00%	8.33%
	Non CBD Prime Office	7.00%	9.00%	8.00%	8.00%
	Non CBD Secondary Office	8.00%	9.00%	8.50%	8.50%
	Durban CBD Office	8.00%	9.00%	8.00%	8.25%
	Non CBD Prime Office	8.00%	9.00%	8.00%	8.25%
	Non CBD Secondary Office	8.00%	8.50%	8.00%	8.13%
	Port Elizabeth CBD Office	8.00%	9.00%	8.50%	8.50%
	Non CBD Prime Office	7.00%	9.00%	8.00%	8.10%
	Non CBD Secondary Office	8.00%	9.00%	8.50%	8.50%
	East London CBD Office	8.00%	8.50%	8.25%	8.25%
	Non CBD Prime Office	8.00%	8.50%	8.25%	8.25%
	Non CBD Secondary Office	8.00%	8.50%	8.25%	8.25%
	Other CBD Office	8.00%	10.00%	9.25%	9.13%
	Non CBD Prime Office	8.00%	12.00%	9.25%	9.63%
Non CBD Secondary Office	8.00%	10.00%	8.50%	8.83%	
INDUSTRIAL	High-Tech Industrial	7.00%	9.00%	8.00%	7.94%
	High Grade Industrial	7.00%	10.00%	8.00%	8.15%
	Low Grade Industrial	7.00%	10.00%	8.00%	8.25%
	Warehousing	7.00%	10.00%	8.00%	8.20%
	Standard Units	7.00%	10.00%	8.50%	8.50%
	Other	8.00%	10.00%	8.50%	8.83%

The min and max fields are simply the minimum and maximum responses in that category. The average calculation took the values given by each respondent and divided them by the number of respondents. The median calculation was similarly performed. Where a range was provided by the respondent, this was recorded as two 'respondents' - one with the smaller value and the other with the larger, so as not to distort the min / max.

CAP AND DISCOUNT DATA SURVEY



S A P O A

THE VOICE OF COMMERCIAL PROPERTY

EXIT CAP RATE

	PROPERTY TYPE	MIN	MAX	MED	AVE
RETAIL	Super Regional Shopping Centre	7.00%	10.00%	7.25%	8.20%
	Regional Shopping Centre	7.25%	10.50%	8.75%	8.78%
	Community Shopping Centre	8.50%	11.50%	9.50%	9.79%
	Neighbourhood Shopping Centre	9.00%	11.50%	10.00%	10.07%
	Power Centre/Speciality/Warehouse	9.50%	13.00%	10.50%	10.71%
	Stand Alone Retail Unit	9.50%	13.50%	11.25%	11.25%
OFFICE	Johannesburg CBD Office	11.00%	14.50%	12.50%	12.40%
	Non CBD Prime Office	9.50%	13.00%	9.75%	10.67%
	Non CBD Secondary Office	11.00%	14.00%	11.50%	11.90%
	Pretoria CBD Office	10.50%	14.00%	10.75%	11.50%
	Non CBD Prime Office	9.00%	13.00%	11.00%	11.00%
	Non CBD Secondary Office	10.50%	13.75%	11.00%	11.56%
	Cape Town CBD Office	10.50%	13.00%	11.00%	11.50%
	Non CBD Prime Office	9.00%	13.50%	10.75%	11.00%
	Non CBD Secondary Office	10.50%	14.25%	12.00%	12.25%
	Durban CBD Office	11.00%	15.50%	11.50%	12.67%
	Non CBD Prime Office	10.50%	13.75%	12.50%	12.25%
	Non CBD Secondary Office	11.50%	14.75%	12.50%	12.92%
	Port Elizabeth CBD Office	11.50%	11.50%	11.50%	11.50%
	Non CBD Prime Office	10.50%	13.00%	10.50%	11.33%
	Non CBD Secondary Office	11.50%	13.00%	12.25%	12.25%
	East London CBD Office	11.50%	12.00%	11.75%	11.75%
	Non CBD Prime Office	10.50%	13.00%	11.75%	11.75%
	Non CBD Secondary Office	11.50%	13.00%	12.25%	12.25%
	Other CBD Office	12.00%	15.00%	13.25%	13.38%
	Non CBD Prime Office	10.50%	14.50%	12.50%	12.50%
Non CBD Secondary Office	12.00%	15.50%	12.50%	13.33%	
INDUSTRIAL	High-Tech Industrial	9.50%	12.50%	10.50%	10.86%
	High Grade Industrial	9.50%	13.00%	10.50%	10.94%
	Low Grade Industrial	11.50%	14.00%	12.75%	12.63%
	Warehousing	10.00%	13.75%	11.75%	11.59%
	Standard Units	10.50%	13.00%	11.75%	11.67%
	Other	10.00%	14.25%	12.00%	12.08%

The min and max fields are simply the minimum and maximum responses in that category. The average calculation took the values given by each respondent and divided them by the number of respondents. The median calculation was similarly performed. Where a range was provided by the respondent, this was recorded as two 'respondents' - one with the smaller value and the other with the larger, so as not to distort the min / max.



Ian Mitchell
Investment Property Consultants C.C.



CAP AND DISCOUNT DATA SURVEY



S A P O A

THE VOICE OF COMMERCIAL PROPERTY

NUMBER OF TRANSACTIONS		
	PROPERTY TYPE	TOTAL
RETAIL	Super Regional Shopping Centre	1
	Regional Shopping Centre	4
	Community Shopping Centre	9
	Neighbourhood Shopping Centre	16
	Power Centre/Speciality/Warehouse	2
	Stand Alone Retail Unit	4
OFFICE	Johannesburg CBD Office	6
	Non CBD Prime Office	15
	Non CBD Secondary Office	8
	Pretoria CBD Office	3
	Non CBD Prime Office	0
	Non CBD Secondary Office	4
	Cape Town CBD Office	0
	Non CBD Prime Office	0
	Non CBD Secondary Office	0
	Durban CBD Office	1
	Non CBD Prime Office	2
	Non CBD Secondary Office	0
	Port Elizabeth CBD Office	0
	Non CBD Prime Office	1
	Non CBD Secondary Office	0
	East London CBD Office	0
	Non CBD Prime Office	0
	Non CBD Secondary Office	0
	Other CBD Office	2
	Non CBD Prime Office	2
Non CBD Secondary Office	0	
INDUSTRIAL	High-Tech Industrial	4
	High Grade Industrial	6
	Low Grade Industrial	9
	Warehousing	10
	Standard Units	2
	Other	0



SOUTH AFRICAN CAP AND DISCOUNT SURVEY
PROVIDED BY IPD.

Investment Property Databank
PO BOX 652396, Benmore, South Africa, 2010
Tel: +27 (0) 11 883 4977
Fax: +27 (0) 11 883 4986
Email: mschneider@ipdindex.co.za
website: www.ipd.com

The min and max fields are simply the minimum and maximum responses in that category. The average calculation took the values given by each respondent and divided them by the number of respondents. The median calculation was similarly performed. Where a range was provided by the respondent, this was recorded as two 'respondents' - one with the smaller value and the other with the larger, so as not to distort the min / max.