RESEARCH
Office Vacancy Report
KEY FINDINGS

- As at Q1 2020, the national office vacancy rate as recorded by SAPOA was 11.6% - 60bps up on the quarter before. The weakening seen in the latest quarter is likely still purely a function of the fragile economic environment rather than an immediate Covid-19 related impact.

- The impact of the Covid-19 epidemic will likely take several quarters to filter through into the office sector’s vacancy rate as leases come up for renewal in the months and quarters following the nationwide lockdown. (which at the time of writing did not have a definitive end date nor details of how a “risk-adjusted” re-opening of the economy might work). During the quarter ended March, asking rental growth remained well below inflation and declined to 0.7% from 2.5% in December.

- The quarter ending March 2020, saw occupancy rates soften across all office grades.

- The vacancy rate of the Prime office segment is at an all time high as the segment continues to deal with an oversupply of stock. The prime office vacancy at March 2020 was 10.9% after a 30bp increase during the quarter.

- Among the country’s five largest metropolitan municipalities, the City of Cape Town still has the lowest overall office vacancy rate at 8.0%. However, this is up from 7.3% as at December after notable increases in vacancy in Century City and the CBD.

- The highest vacancy rate among the larger metros was the 13.7% recorded for the eThekwini municipality.

- Development activity in the office sector remains constrained compared to recent history. Activity has essentially halved since September 2018 as several concurrent developments have come to market while many other developments have taken a tenant-driven approach to development.

- The pre-let rate of developments continues to improve as supply slows- ending the quarter at 72%.

- Given the uncertainty surrounding the Covid-19 pandemic, office development activity is likely to remain constrained in the short to medium term as funds turn their attention to sweating existing assets.

- The Covid-19 pandemic has created a much harsher global backdrop for South Africa, which now faces an extremely uncertain economic future post the nationwide lockdown. The office property sector will likely feel the effects of the pandemic for years to come, both from a demand and supply perspective.

- Given the uncertainty associated with the Covid-19 pandemic coupled with existing economic headwinds and structural growth constraints such as loadshedding, it is difficult to predict what a “new normal” will look like for the office sector. A protracted period of market turmoil with increasing vacancy appears likely and could catalyse a structural shift where market participants are forced to reconsider the role of office property. More companies may choose to shift a portion of their workforce to remote and/or flexible workspaces in an effort to cut the overheads associated with maintaining a physical office location.
HEADLINE RESULTS & DRIVERS
AGGREGATE VACANCY RATE UP 60bps

As at Q1 2020, the national office vacancy rate as recorded by SAPOA was 11.6% - 60bps up on the quarter before. The weakening seen in the latest quarter is likely purely a function of the fragile economic environment rather than an immediate Covid-19 related impact.

The impact of the Covid-19 epidemic will likely take several quarters to filter through into the office sector’s vacancy rate as leases come up for renewal in the months and quarters following the nationwide lockdown. (which at the time of writing did not have a definitive end date nor details of how a “risk-adjusted” re-opening of the economy might work). During the quarter ended March, asking rental growth remained well below inflation and declined to 0.7% from 2.5% in December.
OFFICE VACANCY & RENTAL GROWTH
BY GRADE

The quarter ending March 2020, saw occupancy rates soften across all office grades.

- The C-grade office segment saw the largest deterioration in vacancy rates of 110bp, with the A-grade segment following at 70bps.
- The vacancy rate of the Prime office segment is at an all time high as the segment continues to deal with an oversupply of stock. The prime office vacancy at March 2020 was 10.9% after a 30bp increase during the quarter.
- The B-grade office segment ended the quarter with a vacancy rate of 14.0% respectively – above its 30 year average of 12.7%

Despite the increased vacancy rate at an aggregate level, the latest quarter still saw 16 of 54 office nodes recording improving occupancy rates. While this suggests that there are still deals being done across the country, not many nodes have recorded more than three consecutive quarters of positive uptake since 2011.
OFFICE VACANCY & RENTAL GROWTH
BY REGION

Among the country’s five largest metropolitan municipalities, the City of Cape Town still has the lowest overall office vacancy rate at 8.0%. However, this is up from 7.3% as at December after notable increases in vacancy in Century City and the CBD.

- The highest vacancy rate among the larger metros was the 13.7% recorded for the eThekwini municipality.
- The region’s overall office vacancy rate has been trending up since recording an overall vacancy rate of 9.7% in 2015.
- Within the region, the vacancy rate of the Durban CBD remains highest at 19.9% - up 70bps q/q.
- Umhlanga had the largest positive impact on the region’s overall vacancy rate – a reversal from the previous quarter.
- eThekwini is followed by the City of Johannesburg at 13.2% – up 70bps from the quarter before.
- The vacancy rate in nodes like Sandton, Rosebank, Sunninghill, Illovo and Midrand are still hovering close to multi-year highs despite intermittent improvements along the way (illustrated in the graphic below).
- The City of Tshwane recorded an aggregate office vacancy rate of 8.9% -up 60bps on the quarter before.
- The Pretoria CBD and Menlyn both saw vacancy rates increase by 280bps over the previous quarter.
- Hatfield saw its office vacancy rate improve by 170bps but it remains the highest among the Pretoria nodes at 18.7%.
CURRENT VACANCY RATE BY NODE
PER REGION

Office Vacancy Rate - City of Johannesburg
March 2020

Office Vacancy Rate - Nelson Mandela Bay Municipality
March 2020

Office Vacancy Rate - eThekwini Municipality
March 2020

Source: MSCI Real Estate, SAPOA Office Vacancy Survey
CURRENT VACANCY RATE BY NODE PER REGION

**Office Vacancy Rate - City of Cape Town**
March 2020

- **CBD Cape Town**: 11.8%
- **Waterfront**: 2.3%
- **Century City**: 10.6%
- **Bellville**: 5.1%
- **Rondebosch/Nearlands**: 2.3%
- **Central**: 1.9%
- **Claremont**: 7.1%

**Office Vacancy Rate - City of Tshwane**
March 2020

- **CBD Pretoria**: 5.8%
- **Arcadia**: 2.9%
- **Sunnyside**: 2.3%
- **Hatfield/Hillcrest**: 18.7%
- **Lynnwood/Menlo Park/Sequoia Park/Hazelwood**: 9.3%
- **Silver Lakes/The Willows**: 5.0%
- **PTA Other Eastern Suburbs/Route 21**: 5.8%
- **Centurion CBD**: 13.0%
- **Highveld Technopark & Extensions**: 9.3%
- **Menlyn/Faerie Glen/Ashlea Gardens**: 10.7%

Source: MSCI Real Estate, SAPOA Office Vacancy Survey
DEVELOPMENT ACTIVITY SLOWS
FEWER SPECULATIVE SCHEMES

Development activity in the office sector remains constrained compared to recent history. Activity has essentially halved since September 2018 as several concurrent developments have come to market while many other developments have taken a tenant-driven approach to development.

- At the end of the current quarter, developments under construction totalled 262k sqm.
- Expressed as a percentage of existing market stock, development activity is currently at 1.4% -off the 6.6% high of Q4 2007 and below the long-term average of 4.2%.
- The pre-let rate of developments continues to improve as supply slows- ending the quarter at 72%.

Given the uncertainty surrounding the Covid-19 pandemic, office development activity is likely to remain constrained in the short to medium term as funds turn their attention to sweating existing assets.

As at March 2020, 4 of the top 5 development nodes were in Gauteng with Sandton, Waterfall, Highveld Technopark & Rosebank accounting for a combined 71% of total office development. Century City rounds out the top 5.

Development activity has been getting increasingly concentrated with only 14 nodes currently sporting any level of action- the lowest since 1990. In 2014, as many as 35 out of 54 different office nodes had active office development projects.
OFFICE DEVELOPMENT ACTIVITY
FOCUS ON PRE-LETTING DEVELOPMENT SLOWS

OFFICE DEVELOPMENT UNDER CONSTRUCTION
SQUARE METERS; 1990/03/01 to 2020/03/01

DEVELOPMENT ACTIVITY
BY NODE; March 2020

OFFICE DEVELOPMENT ACTIVITY & PRE-LET RATE March 2020

Source: RECO Real Estate, SAPOA

Source: SAPOA Office Vacancy Survey

T: (011) 883 0679 F: (011) 883 0684
Email: marketingmanager@sapoa.org.za
Web: www.sapoa.org.za
TWO THIRD OF OFFICE BUILDINGS FULLY LET
ONLY HALF OF PRIME OFFICE BUILDINGS FULLY LET

As at Q1 2020, 650 out of every 1000 office properties were fully let while only 35 out of every 1000 were completely empty. The average fully let office had a GLA of 5.1k while the average empty office was 19% smaller at 4.1k sqm. Across all office grades, the buildings that were completely empty were on average smaller than those occupied to varying degrees. The proportion of empty offices was higher among secondary offices with 44 out of every 1000 B & C-grade office buildings standing empty at present.

In the B-grade office segment, there is currently a higher percentage of buildings completely vacant than there is in the 50-70% and 70-99% vacancy brackets. This suggests that there could be a tipping point beyond the 50% occupancy level where a building might become less desirable to the point of it becoming completely vacant and potentially primed for residential conversion or a major refurbishment.

As at March 2020, 67 out of every 100 A-grade office buildings were fully let –66/100 for B-grade and 57/100 for C-grade. (see table below) In saying that, the pressure points vary between the office grades. To illustrate the pressure felt by the Prime office segment, consider that 35 out of every 100 prime office buildings have a vacancy rate exceeding 10% while only half are currently fully let.

Among the top 20 largest office nodes, the Pretoria CBD remains an outlier with 87% of buildings fully let (down from 92% mind), likely a result of a larger government office presence. Sunninghill currently has the highest percentage of empty buildings at 15%, possibly presenting an attractive entry point for developers eyeing student residential conversions.

---

Distribution of Office Buildings
By building vacancy rate & grade

<table>
<thead>
<tr>
<th>P</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Fully Let</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below 5%</td>
<td>50.0% of properties</td>
<td>67.0% of properties</td>
<td>66.3% of properties</td>
<td>65.2% of properties</td>
</tr>
<tr>
<td>5-10%</td>
<td>8.8% of properties</td>
<td>4.5% of properties</td>
<td>3.3% of properties</td>
<td>4.0% of properties</td>
</tr>
<tr>
<td>10-30%</td>
<td>6.8% of properties</td>
<td>12.0% of properties</td>
<td>11.6% of properties</td>
<td>12.5% of properties</td>
</tr>
<tr>
<td>30-50%</td>
<td>19.6% of properties</td>
<td>12.0% of properties</td>
<td>11.6% of properties</td>
<td>15.8% of properties</td>
</tr>
<tr>
<td>50-70%</td>
<td>7.8% of properties</td>
<td>12.0% of properties</td>
<td>11.6% of properties</td>
<td>15.8% of properties</td>
</tr>
<tr>
<td>70-99%</td>
<td>19.6% of properties</td>
<td>12.0% of properties</td>
<td>11.6% of properties</td>
<td>15.8% of properties</td>
</tr>
<tr>
<td>Empty building</td>
<td>2.0% of properties</td>
<td>2.2% of properties</td>
<td>4.3% of properties</td>
<td>6.5% of properties</td>
</tr>
</tbody>
</table>

Source: MSCI Real Estate, SAPOA
UNLET NEW DEVELOPMENTS POSE A RISK TO RENTAL GROWTH

Further analysis of the total vacancy rate on a nodal level reveals that a few nodes currently have a relatively wide spread between their ‘total’ vacancy rate (incl. un-let developments) and the vacancy rate on completed/existing property. Speculative developments pose a downside risk to rental growth if unlet and a failure to do so might see the node’s vacancy rate converge on the current ‘total vacancy rate’.

Unlet new developments in Century City (CTN) and Waterfall (GAU) in particular currently pose a risk to rental growth in the short to medium term. If speculative development in Century City remains unlet it could see the node’s vacancy rate go to 14.2% off the current level of 10.6%. A vacancy rate of 14.2% will see the vacancy rate rival that experienced during the 2008 recession.
IMAGINING A NEW NORMAL IN A WORLD OF UNCERTAINTY

The Covid-19 pandemic has created a much harsher global backdrop for South Africa, which now faces an extremely uncertain economic future post the nationwide lockdown. The office property sector will likely feel the effects of the pandemic for years to come, both from a demand and supply perspective.

Given the uncertainty associated with the Covid-19 pandemic coupled with existing economic headwinds and structural growth constraints such as loadshedding, it is difficult to predict what a “new normal” will look like for the office sector. A protracted period of market turmoil with increasing vacancy appears likely and could catalyse a structural shift where market participants are forced to reconsider the role of office property. More companies may choose to shift a portion of their workforce to remote and/or flexible workspaces in an effort to cut the overheads associated with maintaining a physical office location.

Apart from the vacancy rate, the quantum of office space available has become an increasingly relevant measure and provides valuable context. While the current ‘total vacancy rate’ (incl. unlet developments) is average in a historic context the amount of space available is the highest its ever been.

At present there is almost 2.2 million square meters available in the nodes covered by the SAPOA office vacancy survey (figure below). This compares to 1.7m sqm in December 2001 when the total vacancy rate was 15.8% compared to the current 11.8%.

---

The quantum of space available gives context to the Vacancy Rate

Source: MSCI Real Estate, SAPOA Office Vacancy Survey
OFFICE NODE DEFINITIONS

JOHANNESBURG

BEDFORDVIEW / BRUMA: Includes the offices around and adjacent Bruma Lake, Eastgate Shopping Centre and Bedford Shopping Centre. Also offices adjacent to Gillooly’s Farm, Skeen Boulevard as well as along the R22 and R24 in the direction of OR Tambo International Airport.

BRAAMFONTEIN: Bounded by the M1 highway to the west, the railway line to the south, Joubert St to the east and the Braamfontein Ridge to the north including the Braampark development but excluding the University campus.

BRYANSTON / EPSOM DOWNS: This area adjacent to the intersection between the Western Bypass and William Nicol Dr, including Peter Place.

CBD JOHANNESBURG: Bounded by the M2 and M1 highways to the south and west respectively, the railway to the north and End St to the east.

CONSTANTIA KLOOF BASIN: Includes area either side of Hendrik Potgieter Rd, including Monash University to the west with the Western bypass to the east.

CRESTA / BLACKHEATH: Includes offices in Cresta, Darrenwood, Blackheath and Northcliff & extensions and Randpark either side of Beyers Naude bounded by Milner Rd to the east and Christiana de Wet/Northumberland to the west, and from Milner in the south up to the N1 in the north.

FOURWAYS: Bounded by Uranium Rd to the north, Main Rd to the east, William Nicol intersection to the south and Waterford Estate to the west.

GREENSTONE / LONGMEADOW / MODDERFONTEIN / EDENVALE: Bounded by the N3 to the west, Peace St/Modderfontein Rd to the north, Palliser Rd to the east and Aitken Rd to the south.

HOUGHTON / KILLARNEY: Included are the offices in Killarney and Houghton on either side of the M1 highway as well as the Houghton Isle development.

HYDE PARK / DUNKELD: The node of the intersection of Jan Smuts Ave and William Nicol Dr including Dunkeld West, Hyde Park and the upper part of Craighall Park.

ILLOVO: The office node in Rudd Rd, Oxford Rd and Illovo Boulevard areas.

MELROSE / Waverley: The area enclosed by Corlett Dr, Oxford Rd, Glenhove Rd and Atholl-Oaklands/Scott St as well as the Waverley area across the M1 Highway.

MIDRAND: Includes buildings which are predominantly offices in the Midrand and Halfway House area.

MILPARK: Includes the Richmond/SunnySide office development node, the Milpark developments west of Empire Rd, the SABC complex and surrounding offices.

MORNINGSIDE: Includes Morningside, Morningside Manor & Gallo Manor areas bounded by Kelvin Dr, Bowling Rd, South Rd and the Western Service Rd/M1.

NEWTOWN: Includes the area enclosed by Commissioner, West, Car and Queen Streets.

PARKTOWN: Includes the Parktown nodes adjacent to Jan Smuts Ave up to the ridge, Central Parktown and the office area around Anerley Rd and Sunnyside Park Hotel.
OFFICE NODE DEFINITIONS

JOHANNESBURG...continued

RANDBURG: The Randburg CBD and extending into Ferndale, north to Bond St, west to Malibongwe Dr and east along Bram Fischer Dr into Jan Smuts Ave adjoining Bordeaux, up to Republic Rd. Also continuing south along both sides of Bram Fischer until Conrad Dr in Blaargowrie.

RANDPARK/RANDPARK RIDGE: Bounded by N1 to the south, Randpark Ridge to the west, Boskruin/Bromhof to the east and Christiaan de Wet/Northumberland to the north.

RIVONIA: The office node along Rivonia Rd up to 12th Ave, bounded by Summit Rd to the west, Bowling Rd to the east and Cullinan Place to the south.

ROSEBANK: Bounded by Bolton Rd, Jan Smuts Ave, Oxford Rd and Jellicoe Ave, including sundry buildings in Parkwood and Parktown North along the major arterial Rds.

SANDTON AND ENVIRONS: The Sandton CBD & adjacent office nodes incl. Wierda Valley, Benmore & Sandown. Also included are the offices along Katherine Rd travelling towards the M1 highway.

SUNNINGHILL: Centrally contained in the well-defined commercial hub. The North boundary is the main residential portion of the suburb. The East boundary terminates at Woodmead Dr. The Southern boundary is all properties that are accessed directly from Witkoppen Rd until it intersects with Millcliff Rd which then provides its Western boundary. The exclusion in terms of commercial buildings are the small, owner occupied properties that were constructed at the northern end of Peltier Rd.

WOODMEAD: The node is contained by the M1 highway to the East, Maxwell Dr to the North and Kelvin Dr to the South. The bulk of the commercial buildings are located in the office parks located directly to the West of Woodmead Dr, up to and including those on the Country Club Johannesburg boundary.

PORT ELIZABETH

CENTRAL/PARK DRIVE: The area bounded by Rink St to the East, Park Dr/Cape Rd to the South, Mount Rd to the west and Westbourne Rd to the North.

GREENACRES: The area bounded by Koningham Rd to the East, Westview Dr to the South, 2nd Ave to the West and Norvic Dr/Worricker St to the North.

NEWTON PARK: The area bounded by 2nd Ave to the East, Hurd St to the South, 7th Ave and to the West and King Edward St to the North.

WALMER/FAIRVIEW: The area bounded by 1st Ave to the East, Heugh Rd to the South, William Moffett Expressway and 17th Ave to the West and Main Rd to the North.
OFFICE NODE DEFINITIONS

CAPE TOWN

**BELLVILLE:** Jip de Jager/Mike Pienaar to the West, Voortrekker Rd to the South, Old Oak to the East and Van Riebeeck Rd to the North.

**CBD CAPE TOWN:** Chiappini St to West, Gardens suburb to South, Tennant St to East and Harbour Freeway to North.

**CENTURY CITY:** Properties within the Century City mixed use node; includes offices located either side of Ratanga Road up to Century Boulevard.

**CLAREMONT:** Highwick/Pine to the South, Protea/Campground Rd to the North, Palmyra to the East and the M3 to the West.

**CENTRAL:** Encompasses the Pinelands Office node and the Black River Park precinct. Bounded by Settlers Way to the South, Jan Smuts to the North and East and Liesbeek Parkway to the West.

**RONDEBOSCH / NEWLANDS:** Protea/Campground Rd to the South, Woolsock Rd to the North, Campground Rd to the East and the M3 to the West.

**WATERFRONT:** Properties within the V&A Waterfront precinct.

DURBAN

**BALLITO:** The main area of Ballito and surrounds, including Salt Rock and the Dube Tradeport.

**BEREA:** Offices located in the larger Berea area west of the M4 & R104 and south of the M19.

**CBD DURBAN:** The area bounded by Victoria Embankment and Winder St to the south, the railway line, Cross St, First Ave and Stamford Hill Rd to the west, Argyle Rd to the north and Brickhill and Point Rds to the east.

**HILLCREST/GILLITS:** The Hillcrest office node can be defined as a triangular shape bounded by King Cetshwayo Highway (M13) in the south, Kassier Rd to the west and a line from the intersection of Kassier Rd & the R103 (Main Rd) to the intersection of King Cetshwayo Highway (M13) in the north east. Also included in this node are offices

**UMHLANGA/LA LUCIA:** Includes the office properties adjacent to Armstrong Avenue in La Lucia through to the M41 in Umhlanga. To the west, the node includes the office properties located along Flanders Drive in Mount Edgecombe while to the north and east, the node includes the New Town Centre node, Ridgeside and office located along Lighthouse Road to Lagoon Drive.

**WESTVILLE:** Offices located in the larger Westville area of Durban including those located along The Boulevard in the south and the N2 to the east.
OFFICE NODE DEFINITIONS

PRETORIA

ARCADIA: Bounded by Du Toit St to the west, Hill St to the east, Schoeman and Park Sts to the south and Belvedere St to the north.

BROOKLYN/ NIEUW MUCKLENEUK/ GROENKLOOF/WATERKLOOF: Bounded by the Fountains Circle, Lynnwood Rd, Brooklyn Rd, Dely Rd, Rigel Rd North and Sibelius St.

CBD PRETORIA: Is bounded by Potgieter St to the west, Boom St to the north, Scheiding St to the south and Du Toit / Van Boeshoten St to the east.

CENTURION CBD: Is bounded by John Vorster extension and Rabie Street to the west, Botha Avenue to the north and east and Alexandra Road and the N1 highway to the south.

HATFIELD / HILLCREST: Is bounded by Church St to the north, Duncan and Brooklyn Sts to the east, Festival St to the west and Lynnwood St to the south.

HIGHVELD TECHNOPARK / HIGHVELD EXTENSIONS: The area bounded bu the N1 highway to the north, Jean Avenue extension to the east, Nellmapius Drive to the south and the Ben Schoeman highway to the west.

LYNNWOOD/MENLO PARK/HAZELWOOD/PERSEQUOR PARK: Bounded by Brooklyn Rd to the west, the N4 Freeway to the north, General Louis Botha to the east and Garsfontein Rd to the south.

MENLYN / FAERIE GLEN / ASHELA GARDENS: Bounded by Dely Rd to the west, Ingersol and Kelvin Sts to the north, General Louis Botha to the east and Garsfontein Rd to the south.

PRETORIA – OTHER SUBURBAN AREAS: Comprises of small office nodes throughout the eastern suburbs of Pretoria which fall outside the boundaries of all the other suburban nodes.

THE WILLS / SILVER LAKES / TJUGER VALLEY: The area east of Lynnwood Ridge all along Lynnwood Road and extension passing through The Willows past Silver Lakes and extending to the Lombardy Office Park.

SUNNYSIDE: Is bounded by Park St to the north, Johnston St to the east, Walker St to the south and Du Toit / Van Boeshoten to the west.
OFFICE GRADE DEFINITIONS

• **P-grade (Prime grade)**: Top quality, modern space. Prime buildings are often considered iconic and a flagship in its market and a pace-setter in establishing rentals. Essential features include high security- both manned and electronic. Includes the latest or recent generation of building services, ample parking, a prestigious lobby finish.

• **A-grade**: These buildings are well located, high quality properties providing good access and are professionally managed. They feature high quality modern finishes, air conditioning, adequate on-site parking, with market rentals near the top of the range in the metropolitan areas where they are located.

• **B-grade**: Generally older buildings, but accommodation and finishes are close to modern standards because of refurbishments and renovation from time to time. Air conditioning and on-site parking or bays dedicated to the building is essential.

• **C-grade**: Buildings typically in fair condition but with older style finishes, services and building systems. Infrastructure generally limited. May or may not be air-conditioned or have on-site parking.
CITY OF JOHANNESBURG

<table>
<thead>
<tr>
<th>Region &amp; Node</th>
<th>Total Rentable Area (m²)</th>
<th>Area Available for leasing (m²)</th>
<th>Vacancy Rate (%)</th>
<th>Previous Months</th>
<th>Gross Asking Rentals (R/m²)</th>
<th>Total Rentable Area (m²)</th>
<th>Area Available for leasing (m²)</th>
<th>Gross Asking Rent</th>
<th>Completed Buildings</th>
<th>New Developments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>204,473</td>
<td>12,068</td>
<td>5.9%</td>
<td>5.8%</td>
<td>5.5%</td>
<td>4.7%</td>
<td>110,230</td>
<td>125,130</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>64,781</td>
<td>16,124</td>
<td>28.3%</td>
<td>27.3%</td>
<td>25.8%</td>
<td>24.2%</td>
<td>109,124</td>
<td>104,124</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>13,172</td>
<td>6,724</td>
<td>4.0%</td>
<td>4.1%</td>
<td>3.8%</td>
<td>2.8%</td>
<td>110,230</td>
<td>110,230</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>282,454</td>
<td>28,878</td>
<td>10.2%</td>
<td>9.7%</td>
<td>9.0%</td>
<td>7.0%</td>
<td>230,584</td>
<td>229,584</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Table:**
- **Completed Buildings**
- **New Developments**
<table>
<thead>
<tr>
<th>Region &amp; No</th>
<th>Total Rentable Area (m²)</th>
<th>Area Available for leasing (m²)</th>
<th>Vacancy Rate (%)</th>
<th>Previous Months</th>
<th>Gross Asking Rentals (R/m²)</th>
<th>Total Rentable Area (m²)</th>
<th>Area Available for leasing (m²)</th>
<th>Gross Asking Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region &amp; No.</td>
<td>Total Rentable Area (m²)</td>
<td>Area Available for leasing (m²)</td>
<td>Vacancy Rate (%)</td>
<td>Previous Months</td>
<td>Gross Asking Rentals (R/m²)</td>
<td>Total Rentable Area (m²)</td>
<td>Area Available for leasing (m²)</td>
<td>Gross Asking Rent</td>
</tr>
<tr>
<td>-------------</td>
<td>--------------------------</td>
<td>---------------------------------</td>
<td>-----------------</td>
<td>----------------</td>
<td>---------------------------</td>
<td>--------------------------</td>
<td>---------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>CITY OF TSHWANE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ABOUT MSCI

For more than 40 years, MSCI’s research-based indexes and analytics have helped the world’s leading investors build and manage better portfolios.

Clients rely on our offerings for deeper insights into the drivers of performance and risk in their portfolios, broad asset class coverage and innovative research.

Our line of products and services includes indexes, analytical models, data, real estate benchmarks and ESG research.

MSCI serves 98 of the top 100 largest money managers, according to the most recent P&I ranking.

For more information, visit us at www.msci.com
NOTICE AND DISCLAIMER

This document and all of the information contained in it, including without limitation all text, data, graphs, charts (collectively, the "Information") is the property of MSCI Inc. or its subsidiaries (collectively, "MSCI"), or MSCI’s licensors, direct or indirect suppliers or any third party involved in making or compiling any Information (collectively, with MSCI, the "Information Providers") and is provided for informational purposes only. The Information may not be modified, reverse-engineered, reproduced or disseminated in whole or in part without prior written permission from MSCI.

The Information may not be used to create derivative works or to verify or correct other data or information. For example (but without limitation), the Information may not be used to create indexes, databases, risk models, analytics, software, or in connection with the issuing, offering, sponsoring, managing or marketing of any securities, portfolios, financial products or other investment vehicles utilizing or based on, linked to, tracking or otherwise derived from the Information or any other MSCI data, information, products or services.

The user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NONE OF THE INFORMATION PROVIDERS MAKES ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS WITH RESPECT TO THE INFORMATION (OR THE RESULTS TO BE OBTAINED BY THE USE THEREOF), AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH INFORMATION PROVIDER EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, COMPLETENESS, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) WITH RESPECT TO ANY OF THE INFORMATION.

Without limiting any of the foregoing and to the maximum extent permitted by applicable law, in no event shall any Information Provider have any liability regarding any of the Information for any direct, indirect, special, punitive, consequential (including lost profits) or any other damages even if notified of the possibility of such damages. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited, including without limitation (as applicable), any liability for death or personal injury to the extent that such injury results from the negligence or willful default of itself, its servants, agents or sub-contractors.

Information containing any historical information, data or analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. Past performance does not guarantee future results.

The Information should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. All Information is impersonal and not tailored to the needs of any person, entity or group of persons.

None of the Information constitutes an offer to sell (or a solicitation of an offer to buy), any security, financial product or other investment vehicle or any trading strategy.

It is not possible to invest directly in an index. Exposure to an asset class or trading strategy or other category represented by an index is only available through third party investable instruments (if any) based on that index. MSCI does not issue, sponsor, endorse, market, offer, review or otherwise express any opinion regarding any fund, ETF, derivative or other security, investment, financial product or trading strategy that is based on, linked to or seeks to provide an investment return related to the performance of any MSCI index (collectively, "Index Linked Investments"). MSCI makes no assurance that any Index Linked Investments will accurately track index performance or provide positive investment returns. MSCI Inc. is not an investment adviser or fiduciary and MSCI makes no representation regarding the advisability of investing in any Index Linked Investments.

Index returns do not represent the results of actual trading of investable assets/securities. MSCI maintains and calculates indexes, but does not manage actual assets. Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the index or Index Linked Investments. The imposition of these fees and charges would cause the performance of an Index Linked Investment to be different than the MSCI index performance.

The Information may contain back tested data. Back-tested performance is not actual performance, but is hypothetical. There are frequently material differences between back tested performance results and actual results subsequently achieved by any investment strategy.

constituents of MSCI equity indexes are listed companies, which are included in or excluded from the indexes according to the application of the relevant index methodologies. Accordingly, constituents in MSCI equity indexes may include MSCI Inc., clients of MSCI or suppliers to MSCI. Inclusion of a security within an MSCI index is not a recommendation by MSCI to buy, sell, or hold such security, nor is it considered to be investment advice.

Data and information produced by various affiliates of MSCI Inc., including MSCI ESG Research Inc. and Barra LLC, may be used in calculating certain MSCI indexes. More information can be found in the relevant index methodologies on www.msci.com.

MSCI receives compensation in connection with licensing its indexes to third parties. MSCI Inc.’s revenue includes fees based on assets in Index Linked Investments. Information can be found in MSCI Inc.’s company filings on the Investor Relations section of www.msci.com.

MSCI ESG Research Inc. is a Registered Investment Adviser under the Investment Advisers Act of 1940 and a subsidiary of MSCI Inc. Except with respect to any applicable products or services from MSCI ESG Research, neither MSCI nor any of its products or services recommends, endorses, approves or otherwise expresses any opinion regarding any issuer, securities, financial products or instruments or trading strategies and MSCI’s products or services are not intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Issuers mentioned or included in any MSCI ESG Research materials may include MSCI Inc., clients of MSCI or suppliers to MSCI, and may also purchase research or other products or services from MSCI ESG Research. MSCI ESG Research materials, including materials utilized in any MSCI ESG Indexes or other products, have not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body.

Any use of or access to products, services or information of MSCI requires a license from MSCI. MSCI, Barra, RiskMetrics, IPD, FEA, InvestorForce, and other MSCI brands and product names are the trademarks, service marks, or registered trademarks of MSCI or its subsidiaries in the United States and other jurisdictions. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and Standard & Poor’s. “Global Industry Classification Standard (GICS)” is a service mark of MSCI and Standard & Poor’s.