

*Office demand and vacancies*

# *Vacancy rates above their estimated 'natural' levels*

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Owing to slowing economic activity, office vacancy rates have over the past three years edged north and, in general, are now above their estimated 'natural' levels.

The notion of a 'natural vacancy rate' (NVR) is borrowed from the theory of the non-accelerating inflation rate of unemployment (NAIRU), a widely used concept in economics. NAIRU is defined as the rate of unemployment at which inflation is neither accelerating nor decelerating. Similarly, the NVR is seen as the vacancy rate at which rents are stable. In other words, when actual vacancy rates drop below the NVR the growth in rentals accelerates, while a vacancy rate above the NVR means a deceleration in the growth of rentals.

Using annual data on *real* rental growth and vacancy rates (covering the period 1990 to 2004) Sanderson et al (2006)<sup>1</sup> estimated NVRs for 36 cities globally using the following equation:

$$\Delta\text{Rents}_t = \alpha - \beta\text{VR}_t$$

Where:

- $\Delta\text{Rents}_t$  is the change in *real* rents,
- $\alpha$  is the rental growth when there is no vacant space (when VR (vacancy rate) = 0),
- $\beta$  is the amount by which rents fall when the vacancy rate increases by one percentage point,
- $\text{VR}_t$  is the vacancy rate.

When supply and demand are in balance, rents will be stable (i.e: show no growth) and vacancy rates will be given by:

$$\text{VR} = \alpha/\beta$$

This is defined as the natural vacancy rate - the vacancy rate where the market is in equilibrium.

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<sup>1</sup> Sanderson, B. et al (2006). National Vacancy Rates in Global Office Markets, *Journal of Property Investment and Finance*, 24 (6)

Sanderson et al further note that because the property market is characterised by frictions that tend to impede the process of market clearing, vacancy rates will not be zero in equilibrium. This is so because it takes time for tenants to find a property as well as for landlords to find occupiers.

Using annual data on *real* rental growth and vacancy rates<sup>2</sup> (covering the period 1980 to 2011), and employing the same methodology as Sanderson et al, we estimated (using econometric modelling) NVRs for the decentralized office markets of Johannesburg, Pretoria, Durban and Cape Town, as well as for their respective CBDs. Our findings are summarized in **Table 1.1**.

	<b>Natural vacancy rate</b>	<b>Current vacancy rate(2011Q4)</b>
Johannesburg dec.	8,8%*	8,3%
Pretoria dec.	6,8%*	7,8%
Durban dec.	6,8%*	8,1%
Cape Town dec.	5,0%*	8,2%
Johannesburg CBD	9,6%*	17,1%
Pretoria CBD	4,8%*	1,7%
Durban CBD	11,7%*	15,3%
Cape Town CBD	8,0%**	10,5%

\*Significant at 5% level  
\*\*Significant at 10% level

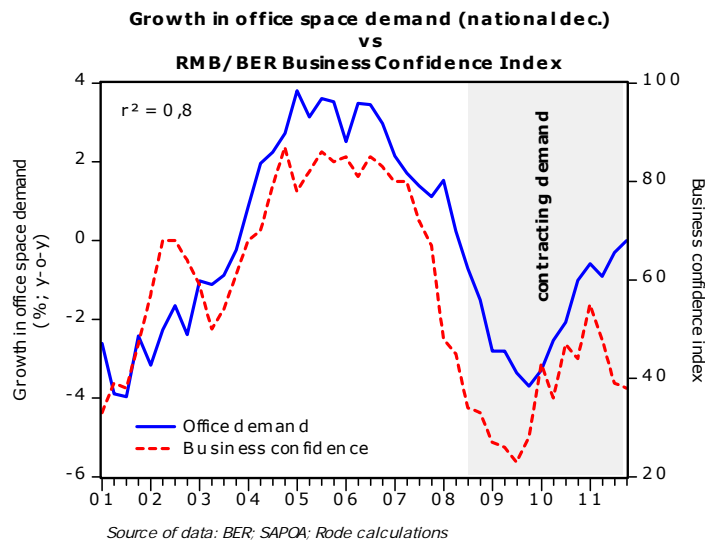
According to Sanderson et al, differences in NVRs across markets can be explained by characteristics of demand and supply. They note that the two main factors affecting demand elasticity are locational preference and search costs with, for example, the stronger the locational preference the more inelastic the demand and the lower the NVR. As for supply, it is affected mainly by landlords' willingness to move rents and the speed at which stock can be added to the market. For example, the harder it is to add stock to the market, the more inelastic the supply and the higher the NVR.

In the case of South Africa, the stronger preference for the decentralized office areas would explain why the NVRs of the decentralized areas are generally lower than those of the CBDs (see **Table 1.1**). From the early 1990s a strong decentralization trend away from the South African CBDs became evident. The decentralization trend was caused by push and pull factors. Pull factors were decision takers who wanted to work close to home in a better environment (a worldwide phenomenon). Push factors were poor parking facilities and the crime and grime that overwhelmed the CBDs. The fact that supply is arguably more elastic in the decentralized areas, relative to the CBDs, might also explain why the NVRs in the decentralized office areas are lower.

<sup>2</sup> Data on nominal grade-A market rentals was sourced from Rode's database, prime (grade A & B combined) vacancy rates from SAPOA and an index of building costs (to deflated nominal rentals) from the Bureau for Economic Research, University of Stellenbosch.

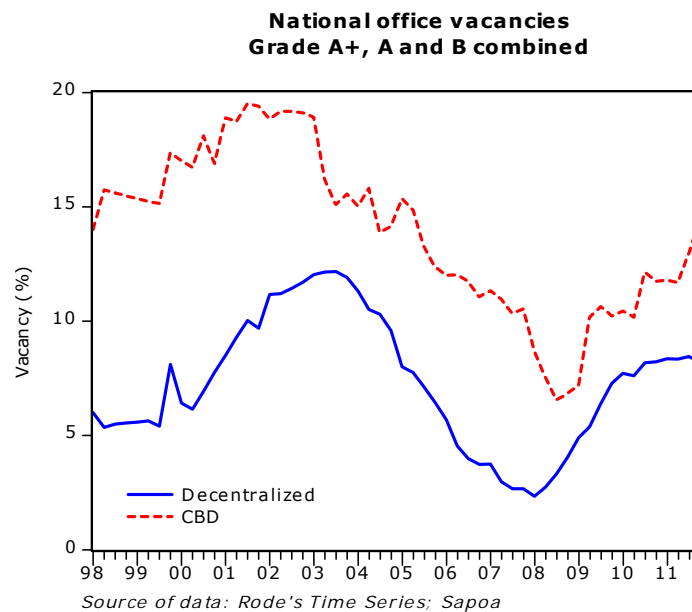
Also notable is that except for Johannesburg decentralized and the Pretoria CBD, current vacancy rates are generally above the natural levels, which does not bode well for the growth in rentals.

On the basis of the robust relationship between business confidence and the growth in office demand (see corresponding graph), a sudden drop in vacancy rates below their natural levels cannot be expected any time soon. Although a movement in the direction of growth in demand for office space can be detected, business confidence continued to slide in the fourth quarter of 2011. Of course, businesses are unlikely to expand premises or to hire new employees, thereby boosting the demand for office space, while confidence levels are low. Business confidence might be given another knock by the deceleration in the growth in output produced by the services sector during the fourth quarter of 2011.



In the remainder of the chapter we report on current trends in vacancy rates.

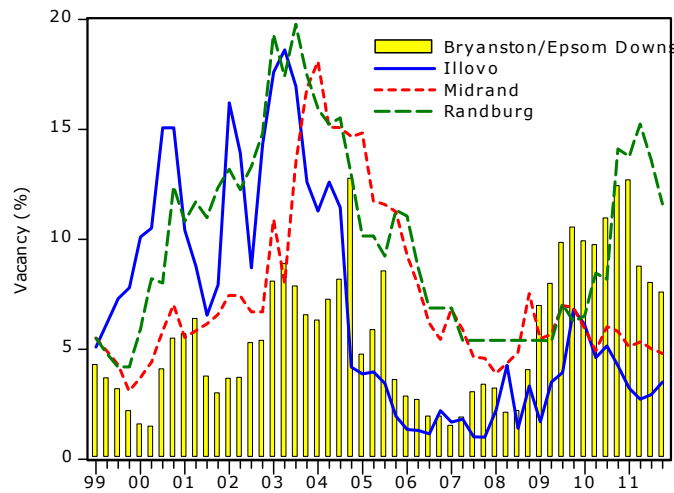
Nationally, office vacancies remained steady at roughly 8% in the decentralized areas during the fourth quarter of 2011, while in the inner cities they increased somewhat to a level of 14,5%.





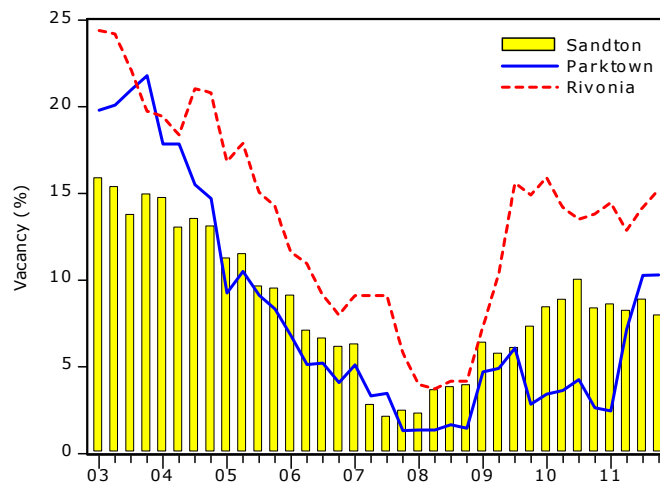
A look within Johannesburg decentralized, reveals that the aggregate movement in vacancies during the reporting quarter was downwards. Although vacancy rates in Illovo and Houghton/Killarney showed marginal increases, they remain the most rented-up office nodes with vacancy rates of close to 3%. The least rented-up Johannesburg decentralized node was Rivonia with a vacancy rate of 15%.

**Decentralized Johannesburg office vacancies Grade A+, A and B combined**



Source of data: Rode's Time Series; Sapoa

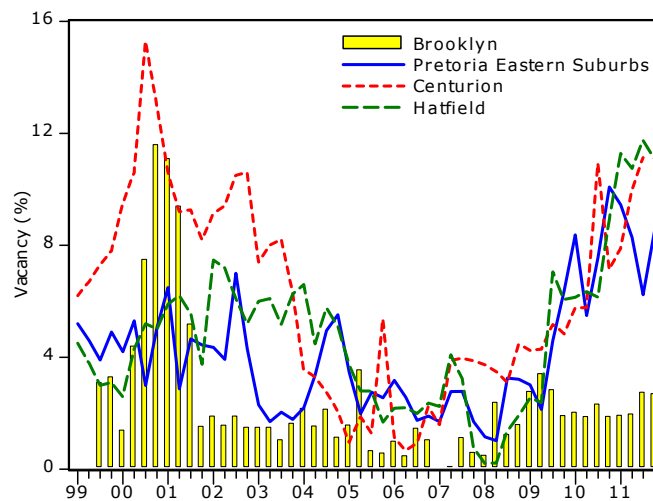
**Decentralized Johannesburg office vacancies Grade A+, A and B combined**



Source of data: Rode's Time Series; Sapoa

In the reporting quarter, vacancy rates in the office nodes of the Pretoria Eastern Suburbs, Highveld Technopark and Menlyn were all moderately up when compared to the previous quarter. Elsewhere, the trends in vacancy rates were slightly lower and sideways. In Centurion, where vacancy rates are the second highest (after Hatfield), another 46.000 m<sup>2</sup> (still about 50% unlet) of new office space is expected to come on line soon. Landlords might therefore struggle in this area, since the expected new stock is equivalent to roughly 13% of the current stock.

**Pretoria decentralized office vacancies  
Grade A+, A and B combined**

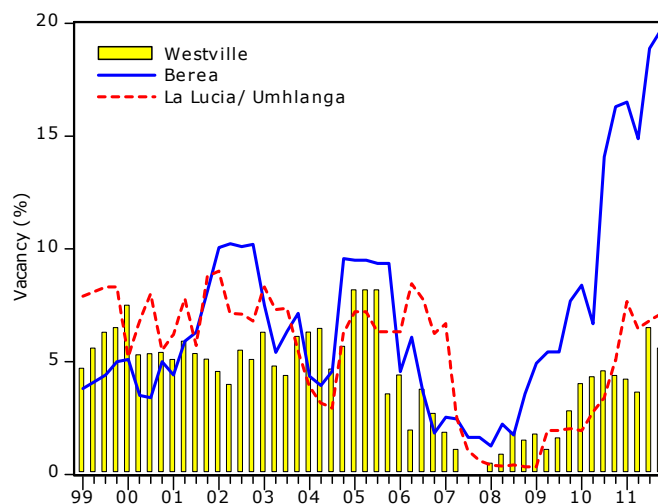


Source of data: Rode's Time Series; Sapoa

In the fourth quarter of 2011, the vacancy rate for La Lucia / Umhlanga moved sideways from the previous quarter, remaining at 7%. Here, however, committed new developments should also be a concern for existing property owners in the area, with 36.000 m<sup>2</sup> of new office space expected to come on line soon. The cause for concern arises from the fact that the committed new stock is still 50% unlet and is equal to 15% of the current stock.

Westville marked a one percentage point drop in vacancy rates to reach a rate of 6%, while the only real bad news for Durban was Berea, where the already sky-high vacancy rate kept rising to a new high of 20%.

**Durban decentralized office vacancies  
Grade A+, A and B combined**

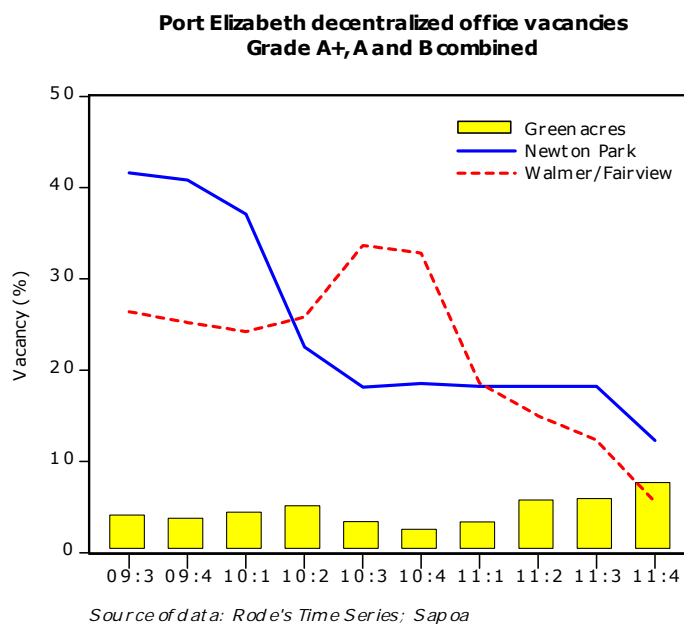
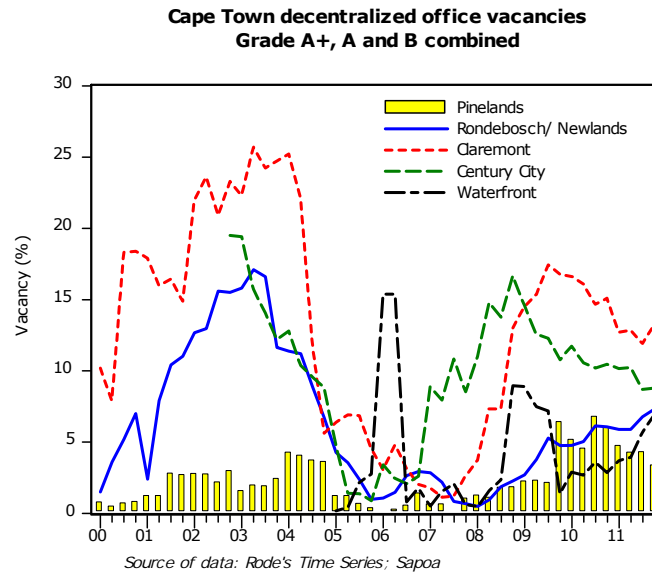


Source of data: Rode's Time Series; Sapoa

After peaking at 17% in the fourth quarter of 2008, vacancies in the Cape Town decentralized office node of Century City have been dropping steadily and are currently standing at 9%. Elsewhere, vacancy rates ranged from as low as 3% in Pinelands to as high as 14% in Claremont. Capitol Commercial Properties survey the Tyger Valley areas (north of the N1). According to their figures (see [www.property-site.co.za](http://www.property-site.co.za)), the vacancy rates for grades A+, A and B properties as in February 2012 were 9%, 8% and 14% respectively. Elsewhere in Cape



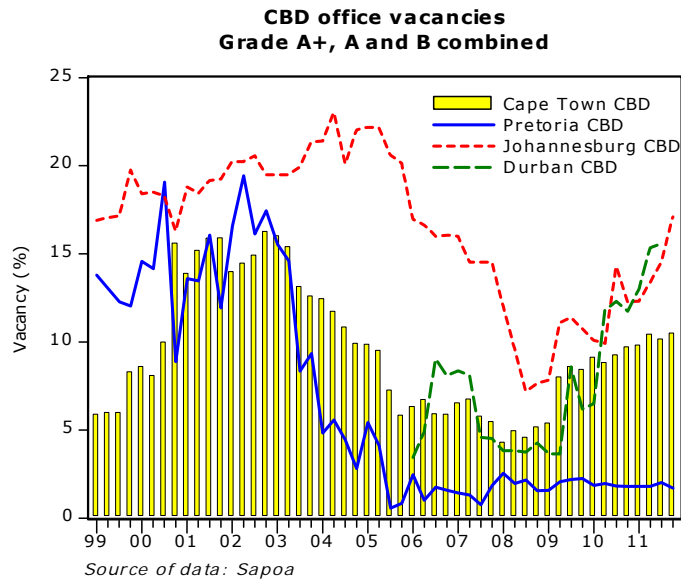
Town, decentralized vacancies ranged between a high of 14% in Claremont and a low of 3% in Pinelands.



All surveyed office nodes in Port Elizabeth showed a steady decline in vacancy rates over the past two years. The worst vacancy factor was, however, Newton Park, with a rate of 12%.

Finally, regarding the CBDs, in the Johannesburg CBD the square meterage of space available for leasing increased by 40.000 m<sup>2</sup> at a constant-stock level, giving rise to a 3-percentage-point jump in the vacancy rate to 17%. This is quite a disconcerting figure for property owners in the area.

In the CBDs of Cape Town (11%), Durban (15%) and Pretoria (2%), vacancy rates remained at similar levels to the third quarter of 2011. But we are concerned about CT CBD, where 71.000 m<sup>2</sup> will be added over the next few years.



This article is concluded by the office-vacancy-factor tables.■

**Table 1.2**  
**Committed new developments**  
**As in 2011:4**  
**Source: Sapoa**

	<b>Total rentable area m<sup>2</sup></b>	<b>Area still available for leasing m<sup>2</sup></b>	<b>% unlet</b>	<b>As % of existing A &amp; B stock</b>
<b>Johannesburg &amp; Environs</b>				
Bryanston / Epsom Downs	11.856	5.957	50%	2%
Cresta/Blackheath to Randpark	30.600	3.400	11%	18%
Parktown	7.400	3.500	47%	2%
Fourways	10.842	5.656	52%	7%
Hyde Park / Dunkeld	5.000	5.000	100%	6%
Randburg	26.000	9.000	35%	6%
Rivonia	11.579	4.579	40%	4%
Rosebank	95.732	22.732	24%	34%
Sandton & Environs	83.107	74.107	89%	6%
Sunninghill	23.191	23.191	100%	7%
Woodmead	10.494	79.44	76%	3%
<b>Cape Town &amp; Environs</b>				
CBD Cape Town	71.000	39.500	56%	9%
Bellville	25.000	10.000	40%	5%
Century City	6.038	6.038	100%	2%
V&A Waterfront	14.000	2.000	14%	18%
<b>Durban &amp; Environs</b>				
Umhlanga / La Lucia	35.729	18.029	50%	15%
Hillcrest/Gillits	1.559	1.559	100%	5%
Westville	8.800	4.800	55%	5%
<b>Pretoria &amp; Environs</b>				
Brooklyn / Nieuw Muckleneuk / Groenkloof	4.792	3.192	67%	2%
Centurion	45.777	19.277	42%	13%
Menlyn / Faerie Glen / Ashlea Gardens	76.124	29.074	38%	36%
Pretoria Eastern Suburbs/Route 21	5.280	5.040	95%	1%
Port Elizabeth & Environs				
Greenacres	4.465	3.220	72%	7%
Newton Park	6.237	6.237	100%	45%



**Table 1.3**  
**Sapoa office vacancy factors (%)**

Grades A<sup>+</sup>, A & B

Source: Sapoa

	<b>Decem- ber 2010</b>	<b>March 2011</b>	<b>June 2011</b>	<b>Septem- ber 2011</b>	<b>December 2011</b>
<b>Johannesburg</b>					
Bedfordview					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	12,3	11,2	11,2	13,7	7,7
Grade B	17,0	17,7	17,7	25,8	28,8
<b>Total</b>	<b>14,6</b>	<b>14,4</b>	<b>14,4</b>	<b>17,6</b>	<b>15,3</b>
Braamfontein					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	13,5	15,3	11,9	14,6	18,6
Grade B	15,7	13,3	1,2	14,6	14,5
<b>Total</b>	<b>14,5</b>	<b>14,4</b>	<b>6,9</b>	<b>14,6</b>	<b>16,7</b>
Bryanston / Epsom Downs					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	0,0
Grade A	11,4	11,7	7,2	6,9	0,0
Grade B	28,3	28,2	33,5	26,3	129,2
<b>Total</b>	<b>12,4</b>	<b>12,7</b>	<b>8,8</b>	<b>8,0</b>	<b>7,6</b>
Bruma					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	2,0	2,0	2,0	3,8	4,6
Grade B	18,9	18,9	18,9	15,4	14,0
<b>Total</b>	<b>13,0</b>	<b>13,0</b>	<b>13,0</b>	<b>10,9</b>	<b>10,4</b>
CBD Johannesburg					
Grade A <sup>+</sup>	0,0	0,0	0,0	0,0	0,0
Grade A	6,8	6,9	7,1	8,3	12,3
Grade B	20,6	20,1	22,0	23,3	24,2
<b>Total</b>	<b>12,3</b>	<b>12,3</b>	<b>13,4</b>	<b>14,5</b>	<b>17,1</b>
Constantia Kloof Basin					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	10,3	10,2	8,4	8,0	7,7
Grade B	12,5	4,6	4,3	9,5	10,0
<b>Total</b>	<b>10,4</b>	<b>9,9</b>	<b>8,2</b>	<b>8,1</b>	<b>7,8</b>
Fourways					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	8,9	10,5	10,5	9,8	8,9
Grade B	15,5	0,0	0,0	0,0	0,0
<b>Total</b>	<b>9,2</b>	<b>10,0</b>	<b>10,0</b>	<b>9,3</b>	<b>8,6</b>
Houghton/Killarney					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	2,1	1,0	2,7	0,7	1,1
Grade B	10,3	12,7	13,8	6,4	6,4
<b>Total</b>	<b>4,3</b>	<b>4,2</b>	<b>5,7</b>	<b>2,2</b>	<b>2,5</b>

Source of data: Sapoa

**Table 1.3 (continued)**  
**Sapoa office vacancy factors (%)**

Grades A<sup>+</sup>, A & B

	<b>December 2010</b>	<b>March 2011</b>	<b>June 2011</b>	<b>Septem- ber 2011</b>	<b>December 2011</b>
Hyde Park / Dunkeld					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	17,1	19,2	15,8	11,2	7,5
Grade B	8,5	8,5	10,6	13,6	8,4
<b>Total</b>	<b>10,9</b>	<b>11,5</b>	<b>12,1</b>	<b>12,9</b>	<b>8,2</b>
Illovo					
Grade A <sup>+</sup>	N/A	5,0	5,9	5,9	5,9
Grade A	2,3	2,1	1,2	1,0	2,0
Grade B	14,5	8,6	10,2	12,1	10,8
<b>Total</b>	<b>4,2</b>	<b>3,2</b>	<b>2,7</b>	<b>2,9</b>	<b>3,5</b>
Melrose/Waverley					
Grade A <sup>+</sup>	3,4	3,1	3,2	1,9	1,1
Grade A	15,6	13,2	13,2	11,0	11,0
Grade B	6,2	5,3	5,3	8,3	8,3
<b>Total</b>	<b>6,3</b>	<b>5,5</b>	<b>5,6</b>	<b>4,6</b>	<b>4,0</b>
Midrand					
Grade A <sup>+</sup>	0,0	0,0	0,0	0,0	0,0
Grade A	3,9	2,8	2,5	3,6	2,3
Grade B	11,7	10,9	11,7	10,0	10,4
<b>Total</b>	<b>5,8</b>	<b>5,1</b>	<b>5,3</b>	<b>5,0</b>	<b>4,8</b>
Milpark					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	0,0	0,0	0,0	0,0	0,0
Grade B	3,6	3,5	5,0	5,0	7,9
<b>Total</b>	<b>3,2</b>	<b>3,0</b>	<b>4,4</b>	<b>4,3</b>	<b>6,8</b>
Morningside					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	3,7	4,3	4,9	6,6	6,0
Grade B	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>3,7</b>	<b>4,3</b>	<b>4,9</b>	<b>6,6</b>	<b>6,0</b>
Parktown					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	2,2	1,1	4,1	3,4	3,2
Grade B	2,9	3,2	8,6	13,9	13,6
<b>Total</b>	<b>2,6</b>	<b>2,4</b>	<b>7,2</b>	<b>10,3</b>	<b>10,3</b>
Randburg					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	24,6	17,9	17,9	8,2	8,0
Grade B	13,2	13,4	15,0	14,1	12,1
<b>Total</b>	<b>14,1</b>	<b>13,7</b>	<b>15,2</b>	<b>13,6</b>	<b>11,6</b>

Source of data: Sapoa

**Table 1.3 (continued)**  
**Sapoa office vacancy factors (%)**  
 Grades A<sup>+</sup>, A & B

	<b>December 2010</b>	<b>March 2011</b>	<b>June 2011</b>	<b>September 2011</b>	<b>December 2011</b>
Rivonia					
Grade A <sup>+</sup>	0,0	0,0	0,0	0,0	0,0
Grade A	20,7	17,7	13,8	13,8	81,0
Grade B	10,8	13,0	12,5	14,4	12,6
<b>Total</b>	<b>13,8</b>	<b>14,5</b>	<b>12,9</b>	<b>14,2</b>	<b>15,2</b>
Rosebank					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	0,0
Grade A	21,0	23,2	16,6	14,0	2,0
Grade B	5,4	2,6	3,0	5,0	10,4
<b>Total</b>	<b>12,2</b>	<b>11,7</b>	<b>9,1</b>	<b>9,1</b>	<b>6,5</b>
Sandton & environs					
Grade A <sup>+</sup>	0,8	0,0	0,0	4,0	3,9
Grade A	8,6	8,4	8,4	7,0	6,2
Grade B	13,5	16,0	15,5	13,8	12,3
<b>Total</b>	<b>8,4</b>	<b>8,6</b>	<b>8,3</b>	<b>8,9</b>	<b>8,0</b>
Sunninghill					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	N/A	N/A	N/A	N/A	N/A
Grade B	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Woodmead					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	7,0	7,3	7,9	7,3	8,8
Grade B	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>7,0</b>	<b>7,3</b>	<b>7,9</b>	<b>7,3</b>	<b>8,8</b>
<b>Cape Town</b>					
Bellville (incl. Tyger V)					
Grade A <sup>+</sup>	0,2	N/A	N/A	N/A	N/A
Grade A	5,5	5,5	6,3	7,2	7,8
Grade B	8,5	7,8	8,1	13,9	13,3
<b>Total</b>	<b>5,9</b>	<b>6,2</b>	<b>6,8</b>	<b>9,2</b>	<b>9,4</b>
CBD Cape Town					
Grade A <sup>+</sup>	1,1	0,0	0,0	0,0	0,0
Grade A	10,8	10,8	11,6	11,5	12,4
Grade B	9,2	8,8	9,0	8,5	8,0
<b>Total</b>	<b>9,7</b>	<b>9,8</b>	<b>10,4</b>	<b>10,2</b>	<b>10,5</b>
Century City					
Grade A <sup>+</sup>	14,6	N/A	N/A	N/A	0,0
Grade A	10,1	10,7	10,6	9,3	9,6
Grade B	8,3	5,9	7,4	4,4	4,4
<b>Total</b>	<b>10,5</b>	<b>10,2</b>	<b>10,2</b>	<b>8,7</b>	<b>8,8</b>

Source of data: Sapoa

**Table 1.3 (continued)**  
**Sapoa office vacancy factors (%)**

Grades A<sup>+</sup>, A & B

	<b>December 2010</b>	<b>March 2011</b>	<b>June 2011</b>	<b>September 2011</b>	<b>December 2011</b>
<b>Claremont</b>					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	17,4	14,7	15,1	11,9	13,1
Grade B	4,7	3,4	2,4	11,8	16,2
<b>Total</b>	<b>15,1</b>	<b>12,7</b>	<b>12,8</b>	<b>11,9</b>	<b>13,7</b>
<b>Pinelands</b>					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	6,5	5,0	4,3	4,3	3,6
Grade B	1,1	1,8	3,8	4,8	1,6
<b>Total</b>	<b>6,1</b>	<b>4,8</b>	<b>4,3</b>	<b>4,3</b>	<b>3,4</b>
<b>Rondebosch/Newlands</b>					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	4,8	4,8	5,7	6,5	8,4
Grade B	9,3	8,6	6,2	7,6	4,8
<b>Total</b>	<b>6,1</b>	<b>5,9</b>	<b>5,9</b>	<b>6,8</b>	<b>7,3</b>
<b>V&amp;A Waterfront</b>					
Grade A <sup>+</sup>	0,0	0,0	0,0	4,3	0,0
Grade A	4,2	4,8	6,8	6,4	12,7
Grade B	8,7	15,0	6,7	8,8	8,2
<b>Total</b>	<b>2,9</b>	<b>3,7</b>	<b>3,9</b>	<b>5,7</b>	<b>6,9</b>
<b>Durban</b>					
<b>Berea</b>					
Grade A <sup>+</sup>					
Grade A	4,4	4,7	4,7	17,0	17,3
Grade B	25,3	24,7	22,8	20,6	21,8
<b>Total</b>	<b>16,3</b>	<b>16,5</b>	<b>14,9</b>	<b>18,9</b>	<b>19,7</b>
<b>CBD Durban</b>					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	18,1	19,0	19,8	19,8	19,7
Grade B	6,7	8,3	11,8	12,2	11,8
<b>Total</b>	<b>11,7</b>	<b>13,0</b>	<b>15,3</b>	<b>15,6</b>	<b>15,3</b>
<b>Umhlanga / La Lucia</b>					
Grade A <sup>+</sup>	2,9	2,1	2,1	2,1	2,1
Grade A	4,9	8,0	6,4	7,5	7,7
Grade B	6,3	6,3	7,4	2,8	3,0
<b>Total</b>	<b>5,0</b>	<b>7,7</b>	<b>6,5</b>	<b>6,8</b>	<b>7,1</b>
<b>Westville</b>					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	2,4	2,2	1,4	4,3	3,2
Grade B	6,3	5,8	5,4	8,3	7,4
<b>Total</b>	<b>4,4</b>	<b>4,2</b>	<b>3,6</b>	<b>6,5</b>	<b>5,6</b>

Source of data: Sapoa

**Table 1.3 (continued)**  
**Sapoa office vacancy factors (%)**

Grades A<sup>+</sup>, A & B

	December 2010	March 2011	June 2011	Septem- ber 2011	December 2011
<b>Pretoria</b>					
Arcadia					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	3,3	5,0	5,0	5,1	1,4
Grade B	6,0	3,8	3,8	6,7	4,8
<b>Total</b>	<b>4,0</b>	<b>4,7</b>	<b>4,7</b>	<b>5,5</b>	<b>2,2</b>
Brooklyn					
Grade A <sup>+</sup>	3,7	N/A	N/A	N/A	N/A
Grade A	2,0	1,2	1,5	1,8	1,8
Grade B	0,7	4,2	3,4	5,8	5,8
<b>Total</b>	<b>1,9</b>	<b>1,9</b>	<b>2,0</b>	<b>2,7</b>	<b>2,7</b>
CBD Pretoria					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	0,7	0,7	0,7	0,9	0,1
Grade B	2,4	2,4	2,4	2,6	2,6
<b>Total</b>	<b>1,8</b>	<b>1,8</b>	<b>1,8</b>	<b>2,0</b>	<b>1,7</b>
Centurion					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	6,3	6,2	8,2	9,4	8,1
Grade B	7,7	9,1	11,3	12,4	12,2
<b>Total</b>	<b>7,1</b>	<b>7,9</b>	<b>9,9</b>	<b>11,1</b>	<b>10,4</b>
Hatfield/Hillcrest					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	3,0	5,8	7,7	8,9	8,2
Grade B	12,6	14,8	12,8	13,7	13,1
<b>Total</b>	<b>8,9</b>	<b>11,3</b>	<b>10,7</b>	<b>11,8</b>	<b>11,1</b>
Highveld Technopark					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	7,0	7,6	9,0	7,1	8,5
Grade B	4,2	8,2	10,5	8,5	10,5
<b>Total</b>	<b>6,4</b>	<b>7,7</b>	<b>9,4</b>	<b>7,5</b>	<b>9,1</b>
Menlyn					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	4,4	5,0	4,0	4,0	5,2
Grade B	18,0	19,3	25,4	9,1	11,1
<b>Total</b>	<b>7,5</b>	<b>8,3</b>	<b>10,1</b>	<b>5,1</b>	<b>6,5</b>

Source of data: Sapoa

**Table 1.3 (continued)**  
**Sapoa office vacancy factors (%)**

Grades A+, A & B

	<b>December 2010</b>	<b>March 2011</b>	<b>June 2011</b>	<b>Septem- ber 2011</b>	<b>December 2011</b>
<b>Pretoria Eastern Suburbs</b>					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	13,5	13,0	10,5	9,6	10,2
Grade B	6,1	5,3	5,3	1,7	5,0
<b>Total</b>	<b>10,1</b>	<b>9,4</b>	<b>8,3</b>	<b>6,2</b>	<b>8,5</b>
<b>Lynnwood</b>					
Grade A <sup>+</sup>	N/A	N/A	1,3	1,3	1,3
Grade A	4,6	2,9	8,2	8,4	9,1
Grade B	6,7	6,4	6,6	9,8	9,3
<b>Total</b>	<b>5,7</b>	<b>4,6</b>	<b>6,5</b>	<b>8,0</b>	<b>8,0</b>
<b>Port Elizabeth</b>					
<b>Greenacres</b>					
Grade A <sup>+</sup>	N/A	0,0	0,0	0,0	0,0
Grade A	2,1	3,8	0,0	0,0	0,0
Grade B	3,0	3,0	6,9	7,1	9,2
<b>Total</b>	<b>2,6</b>	<b>3,4</b>	<b>5,8</b>	<b>5,9</b>	<b>7,7</b>
<b>Newton Park</b>					
Grade A <sup>+</sup>	N/A	17,6	17,6	17,6	10,6
Grade A	18,2	13,3	13,3	13,3	13,3
Grade B	19,8	22,9	22,9	22,9	18,9
<b>Total</b>	<b>18,5</b>	<b>18,2</b>	<b>18,2</b>	<b>18,2</b>	<b>12,3</b>
<b>Central / Park Drive</b>					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	N/A	N/A	N/A	N/A	N/A
Grade B	5,9	12,1	12,1	1,2	1,2
<b>Total</b>	<b>5,9</b>	<b>12,1</b>	<b>12,1</b>	<b>1,2</b>	<b>1,2</b>
<b>Walmer/Fairview</b>					
Grade A <sup>+</sup>	N/A	N/A	N/A	N/A	N/A
Grade A	33,6	13,5	13,5	11,0	0,8
Grade B	31,2	28,8	17,9	14,9	15,5
<b>Total</b>	<b>32,8</b>	<b>18,6</b>	<b>15,0</b>	<b>12,3</b>	<b>5,6</b>
<b>Johannesburg central</b>					
Grade A <sup>+</sup>	0,0	0,0	0,0	0,0	0,0
Grade A	8,3	8,8	8,3	9,8	13,8
Grade B	19,4	18,5	17,4	21,4	22,1
<b>Total</b>	<b>12,7</b>	<b>12,8</b>	<b>12,0</b>	<b>14,5</b>	<b>17,0</b>

Source of data: Sapoa

**Table 1.3 (continued)**  
**Sapoa office vacancy factors (%)**  
 Grades A+, A & B

Johannesburg decentralized					
Grade A <sup>+</sup>	0,9	0,6	0,6	1,9	1,9
Grade A	8,9	8,8	7,8	7,1	5,2
Grade B	10,5	10,8	12,0	12,6	13,8
<b>Total</b>	<b>9,0</b>	<b>9,0</b>	<b>8,7</b>	<b>8,8</b>	<b>8,3</b>
Pretoria decentralized					
Grade A <sup>+</sup>	1,6	1,7	1,3	1,3	1,7
Grade A	8,1	8,2	9,8	8,5	8,4
Grade B	7,8	8,9	10,0	9,1	9,7
<b>Total</b>	<b>6,6</b>	<b>7,2</b>	<b>8,0</b>	<b>7,5</b>	<b>7,8</b>
Durban decentralized					
Grade A <sup>+</sup>	2,9	2,1	2,1	2,1	2,1
Grade A	4,1	6,0	4,9	7,4	7,4
Grade B	11,3	10,4	9,5	9,8	9,6
<b>Total</b>	<b>6,5</b>	<b>7,6</b>	<b>6,5</b>	<b>8,3</b>	<b>8,1</b>
Cape Town decentralized					
Grade A <sup>+</sup>	4,0	0,0	0,0	4,3	0,0
Grade A	7,7	7,3	7,6	7,4	8,0
Grade B	7,7	7,1	6,9	11,1	10,4
<b>Total</b>	<b>7,4</b>	<b>7,0</b>	<b>7,2</b>	<b>8,0</b>	<b>8,2</b>
<b>National summaries</b>					
National decentralised					
Grade A <sup>+</sup>	1,5	1,1	0,9	1,7	1,7
Grade A	8,3	8,3	7,9	7,4	6,4
Grade B	9,6	9,9	10,9	11,3	12,2
<b>Total</b>	<b>8,2</b>	<b>8,3</b>	<b>8,3</b>	<b>8,4</b>	<b>8,2</b>
National CBDs					
Grade A <sup>+</sup>	0,2	0,0	0,0	0,0	0,0
Grade A	9,2	9,6	9,6	10,4	12,9
Grade B	12,9	12,6	12,6	14,7	14,9
<b>Total</b>	<b>11,7</b>	<b>11,8</b>	<b>11,7</b>	<b>13,0</b>	<b>14,5</b>
<i>Source of data: Sapoa</i>					