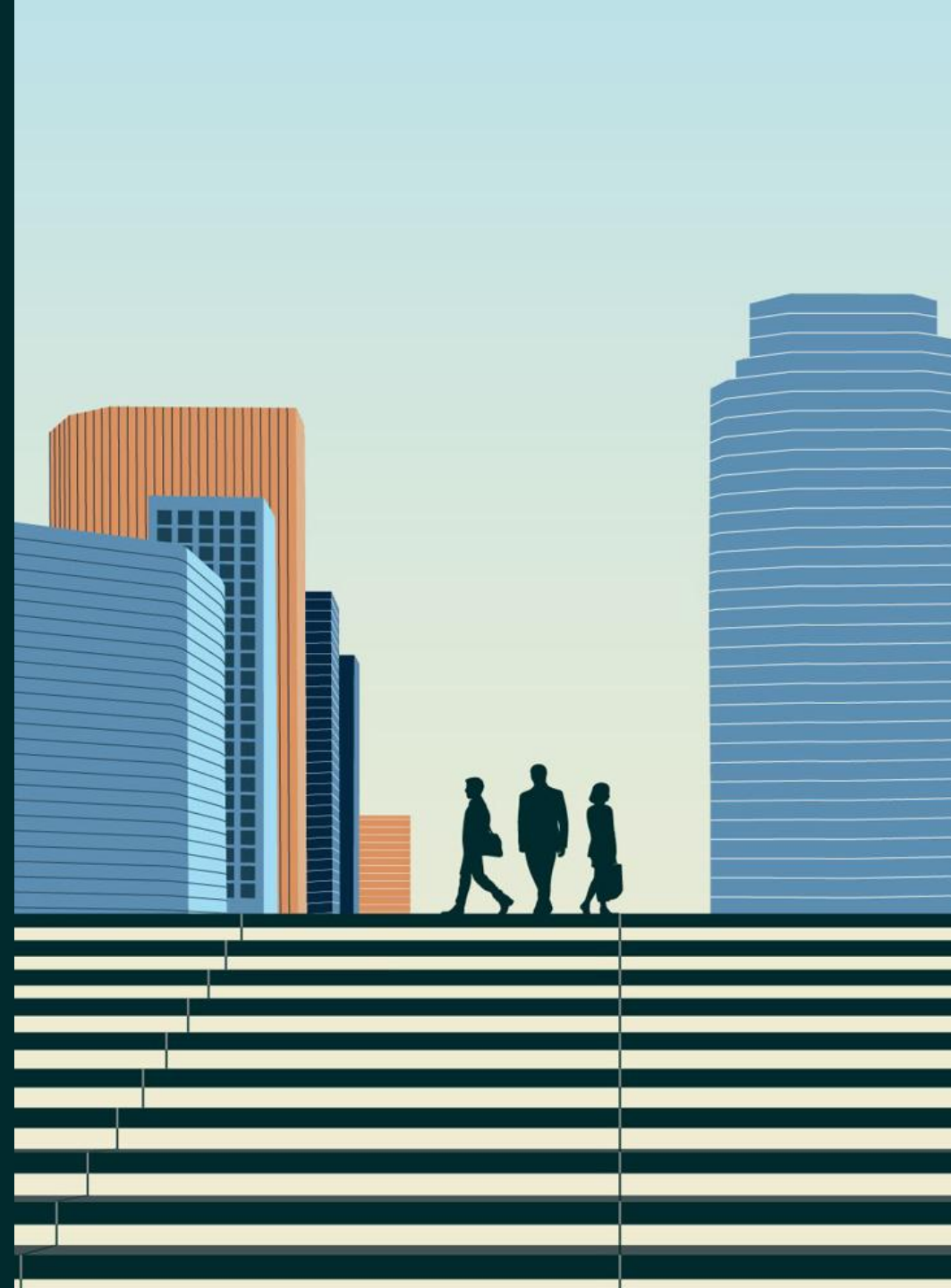


Tshwane Office Market Overview

Q3 2026

Public-sector anchoring and an eastern-suburbs recovery keep Tshwane below 10% vacancy, but a soft third quarter exposes a two-tier decentralised market.



Tshwane holds below 10% vacancy as eastern nodes lead, but a soft third quarter exposes a two-tier decentralised market

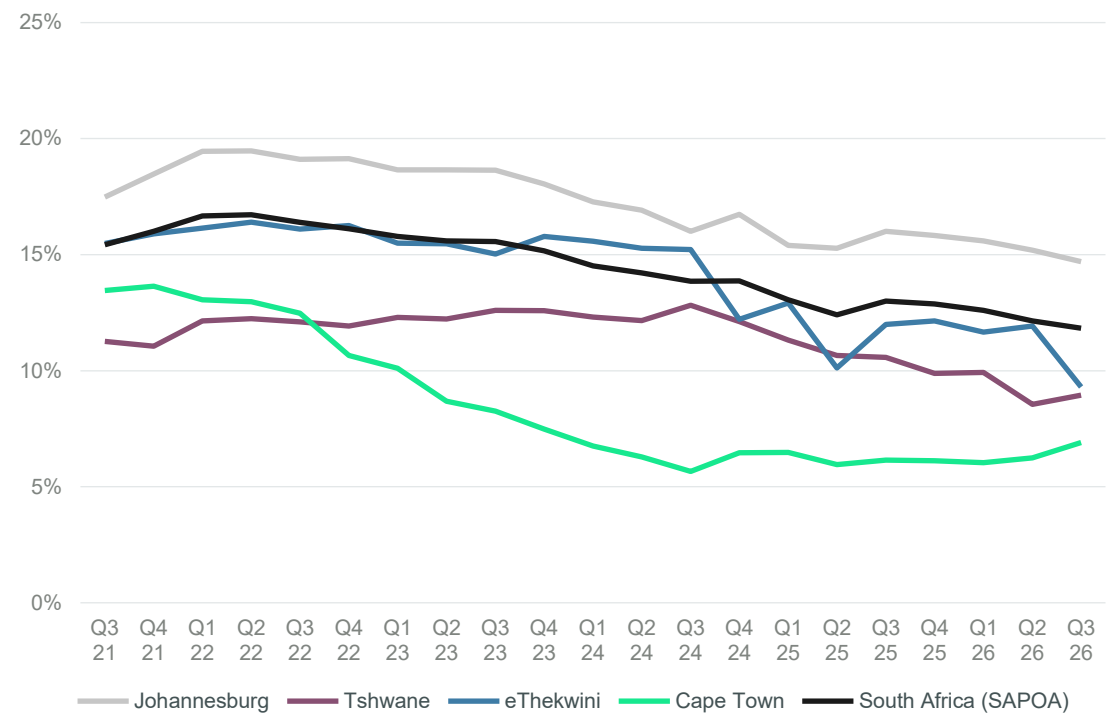
4.16m m² Surveyed office stock (GLA) +5 804 m ² q/q	▲ 8.9% Vacancy rate (SAPOA) +0.4 pp q/q · -3.3 pp vs Q2 22	▼ -15.4k m² Net absorption, like-for-like Q3 2026, excl. stock changes	▲ R216 Prime asking rent (R/m ² /month) +1.5% q/q · SAPOA median	▲ R156 A-grade decentralised market rent Q3 26F · +4.1% y/y (Rode)	▶ 10.8% A-grade decentralised cap rate Q3 26F stable · pipeline 5 743 m ²
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- Vacancy edged up **40 bps to 8.9%** from a series low of 8.55% in Q2 2026. It is still **3.3 pp below mid-2022** and 2.9 pp below the national rate, making Tshwane the **second-tightest metro** after Cape Town.
- Q3 like-for-like absorption was **-15,400 m²**, driven by Hatfield (-8,600 m²) and Highveld Technopark (-5,600 m²). This is a pause after a strong run: +82,600 m² in the four quarters to Q2 2026 was the best demand performance among the Gauteng metros.
- Tshwane's profile is unusual. The **Pretoria CBD (887,000 m²) sits at 3.5%** on the back of government occupation, while **decentralised vacancy is 10.4%**, the reverse of every other metro.
- The eastern suburbs are the growth engine. **Menlyn/Faerie Glen** has fallen from 16.1% at the 2022 peak to **6.0%**, absorbing 45,600 m² over 12 months, and Lynnwood/Menlo Park sits at 5.1%. Hatfield (22.5%), Centurion (13.0%) and Highveld Technopark (12.4%) hold 64% of decentralised vacancy.
- Rental growth is modest. Rode A-grade decentralised rentals are projected at **R156/m² (+4.1% y/y)**, just 0.8% above 2019 in nominal terms, the weakest real performance of the four metros.

CBRE EXCELLERATE VIEW · NEXT 12 MONTHS		
Vacancy	▶	Range-bound at 8.5–9.5%; eastern-node gains offset by Hatfield and Centurion
Prime/A rents	▲	Menlyn, Lynnwood and Faerie Glen sustain 4–6% growth
Secondary rents	▶	Under pressure in Hatfield, Route 21 and Highveld
New supply	▶	Only 5,700 m ² under construction (speculative, Highveld)
Cap rates	▶	c.10.8%; long-run upward drift in secondary nodes
We expect Tshwane to consolidate rather than tighten further in the next 12 months. The eastern suburbs will keep outperforming, while Hatfield and the Centurion/Highveld corridor need repositioning before they can share in the recovery.		

Government-anchored and less cyclical: Tshwane has delivered the steadiest improvement in Gauteng

Office vacancy rate by metro vs South Africa (%)



Tshwane has moved from the middle of the pack to second-tightest, overtaking eThekweni during 2025 before Durban's Q3 stock-driven drop.

Tshwane's office market is anchored by national government, parastatals, diplomatic missions and professional services, which gives it a more defensive demand profile than Johannesburg. After plateauing at c.12% through 2023–24, vacancy fell sharply through 2025 and reached a series low of 8.55% in Q2 2026.

Gauteng business confidence remains depressed at 30 (Q3 2026), and fiscal pressure limits growth in public-sector space requirements. The Q3 softness in Hatfield and Highveld is consistent with corporate occupiers pausing decisions after the GDP contraction and the September rate hike.

On a decentralised basis, Rode's panel reports Pretoria vacancy (A+, A and B combined) at **11.5% in Q2 2026, down from 13.6%** a year earlier. Menlyn and Lynnwood are below 10%, while Hatfield remains above the metro average.

-0.2%

Real GDP, Q2 2026 q/q (Stats SA): first contraction after six quarters of growth

7.25%

SARB repo rate after a unanimous 25 bp hike on 23 September 2026 (prime 10.75%)

4.4%

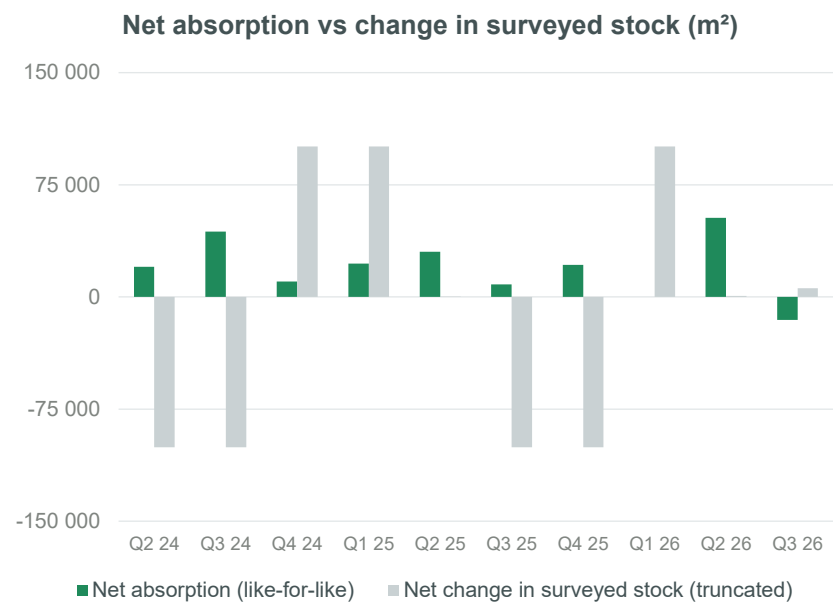
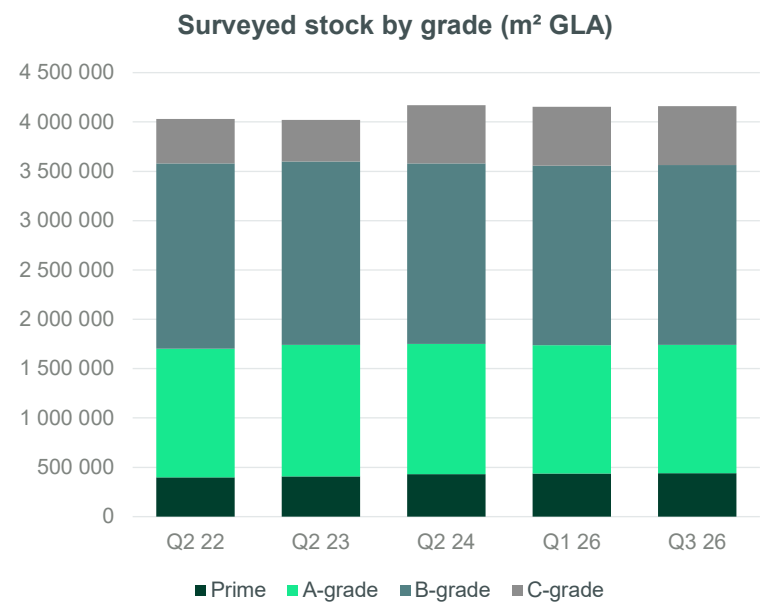
Headline CPI, August 2026, still above the SARB's 3% target

30

Gauteng business confidence, Q3 2026 (RMB/BER), up from 26 in Q2 but still deep in contraction territory

Source: SAPOA Office Vacancy Survey (Q3 2026); Stats SA; SARB; RMB/BER Business Confidence Index (Q3 2026); Rode Report 2026:2; CBRE Excellerate Research. Q3 2025 SAPOA readings interpolated (see methodology).

After a year of strong absorption, demand paused in Q3; supply remains no threat



Surveyed stock is **4.16 million m²**, the second-largest office market in the country. Like-for-like absorption was **-15,400 m²** in Q3, ending a run of five broadly positive quarters. Cumulative absorption since mid-2022 is still c.+147,000 m².

The surveyed stock base is c.130,000 m² larger than in mid-2022 despite minimal completions, which points to survey coverage and re-classification changes (with breaks in Q3 2024 and 2025). Treat movements in the stock series with caution and focus on like-for-like trends.

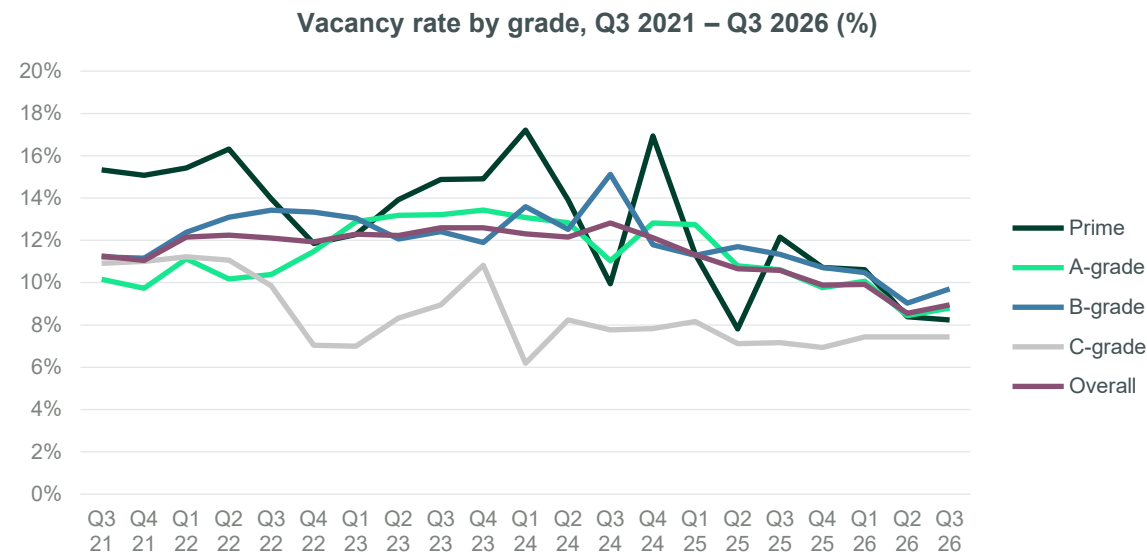
Several nodes, including the CBD, Sunnyside, Silver Lakes and Arcadia, have reported unchanged readings for multiple quarters. True conditions there may be more fluid than the data suggests.

Development pipeline: under construction, SAPOA Q3 2026

Node	GLA m²	Available m²	Pre-let	Asking
Highveld Technopark & Ext.	5 743	5 743	0%	R246
Total under construction	5 743	5 743	0%	

Only **5,743 m²** is under construction, all in Highveld Technopark, uncommitted and quoting R246/m². This is the only speculative scheme in Tshwane and it is entering the node with the metro's largest vacancy pool (84,400 m²). The negligible pipeline means future vacancy will be decided entirely by demand and conversions. That is supportive, but it also limits the supply of modern space for growing occupiers in the eastern suburbs.

An unusually flat grade curve: Prime vacancy is high, while C-grade is the tightest



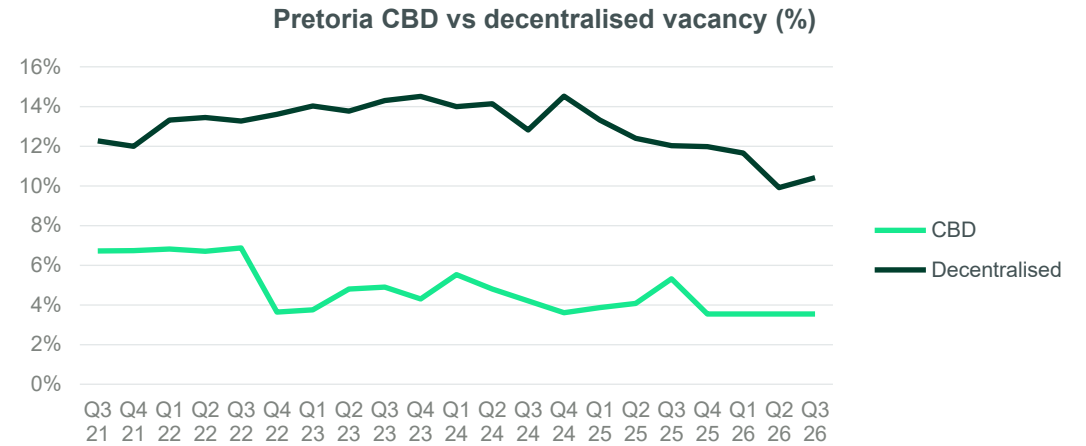
Tshwane breaks the national pattern. **Prime vacancy is 8.2%**, almost double the national 4.7%, while **C-grade is just 7.4%** on the back of government occupation of older CBD stock. A-grade (8.8%) and B-grade (9.7%) are only marginally higher.

This flat curve shows that demand in Tshwane is less driven by quality than in Johannesburg or Cape Town. It also means Prime landlords have less pricing power: the c.36,000 m² of vacant Prime space is spread across six nodes, and half of Hatfield’s small Prime stock is empty.

CBD vacancy (3.5%) remains far below the decentralised rate (10.4%), the reverse of other metros. That stability depends on continued public-sector occupation.

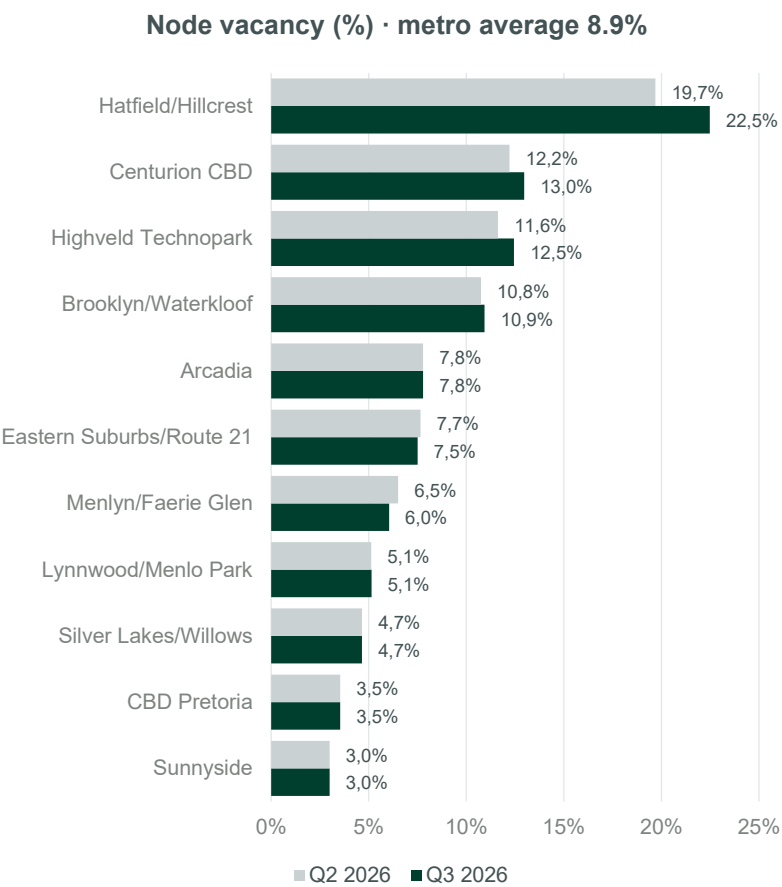
Q3 2026 vacancy by grade

Grade	GLA m ²	Vacant m ²	Vacancy	Δ q/q (pp)	Share of vacant
Prime	440 214	36 267	8.2%	-0.1	10%
A-grade	1 301 564	114 355	8.8%	+0.3	31%
B-grade	1 821 993	176 930	9.7%	+0.7	48%
C-grade	595 428	44 291	7.4%	+0.0	12%
Total	4 159 199	371 843	8.9%	+0.4	100%



Source: SAPOA Office Vacancy Survey (Q3 2026); CBRE Excellerate Research. Rode (Q2 2026) decentralised vacancy for A+/A/B space: Pretoria decentralised 11.5% (A+ 8.8%, A 11.1%, B 12.6%), down from 13.6% a year earlier.

Menlyn and Lynnwood lead the eastern-suburbs recovery; Hatfield is the metro’s clear underperformer



Node	GLA m²	Vacancy	Δ q/q pp	Δ vs Q2 22 pp	Median ask	Top ask
CBD Pretoria	886 981	3.5%	+0.0	-3.2	R80	R111
Highveld Technopark	678 222	12.4%	+0.8	-2.3	R165	R290
Centurion CBD	510 350	13.0%	+0.7	-2.1	R139	R223
Menlyn/Faerie Glen	430 477	6.0%	-0.5	-10.0	R170	R227
Hatfield/Hillcrest	306 549	22.5%	+2.8	+1.5	R137	R211
Brooklyn/Waterkloof	301 972	10.9%	+0.2	-7.9	R144	R256
Lynnwood/Menlo Park	278 416	5.1%	+0.0	-1.6	R151	R285
Arcadia	254 010	7.8%	+0.0	+4.2	R77	R110
Eastern Suburbs/Route 21	245 958	7.5%	-0.2	-7.7	R165	R301
Sunnyside	179 500	3.0%	+0.0	+0.2	R95	R95
Silver Lakes/Willows	86 764	4.7%	+0.0	-0.3	R132	R145

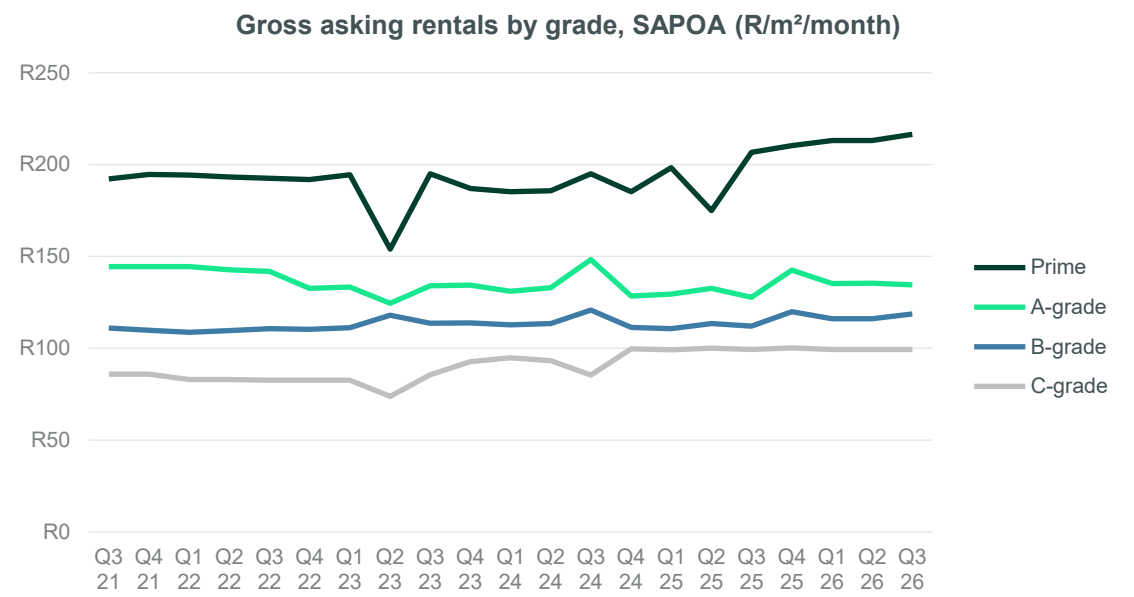
Menlyn/Faerie Glen (6.0%) is the standout performer of the cycle, down 10 pp from the 2022 peak. **Lynnwood/Menlo Park (5.1%)** and **Silver Lakes (4.7%)** confirm that demand is strongest in the eastern suburbs, close to residential catchments and retail amenity.

Hatfield/Hillcrest (22.5%) worsened 2.8 pp q/q and is the metro’s weakest node, as tenants leave dated stock and diplomatic and education-related demand shifts. **Centurion (13.0%)** and **Highveld Technopark (12.4%)** together hold 150,000 m² of vacancy.

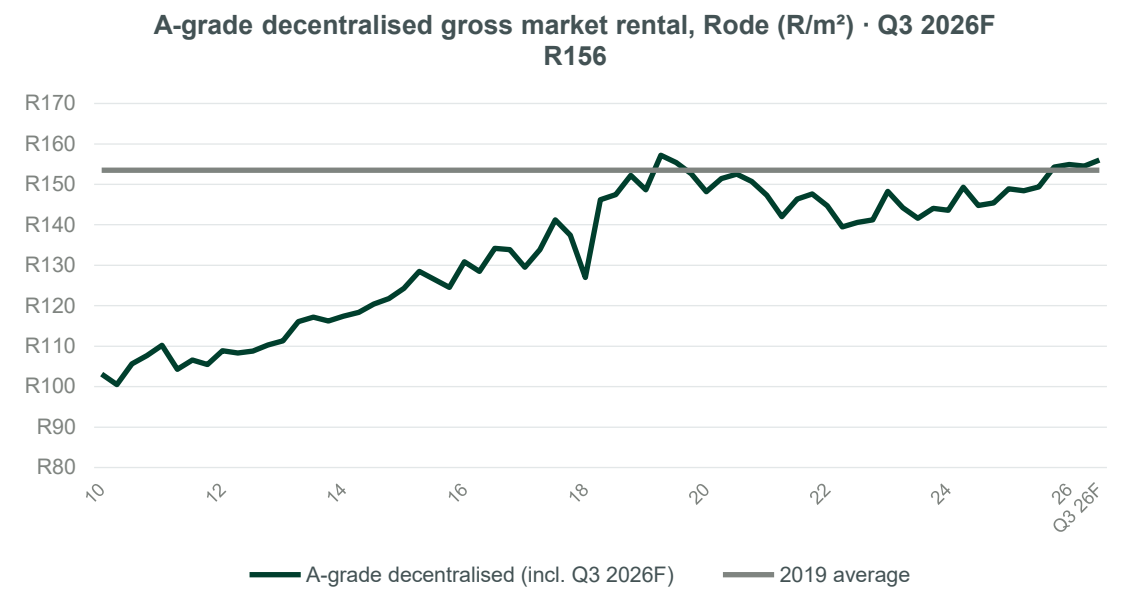
Brooklyn/Waterkloof (10.9%) has improved 8 pp since 2022 but stalled in 2026.

Source: SAPOA Office Vacancy Survey (Q3 2026); CBRE Excellerate Research. Asking rents are gross, R/m²/month; median = GLA-weighted median asking rent across grades.

Asking rents edge higher, but achievable rentals have only just regained pre-pandemic levels



Grade	Q3 2026	Δ q/q	Δ vs Q4 25	Highest ask
Prime	R216	+1.5%	+2.9%	R285
A-grade	R134	-0.7%	-5.6%	R290
B-grade	R119	+2.3%	-1.1%	R301
C-grade	R99	+0.0%	-0.9%	R125

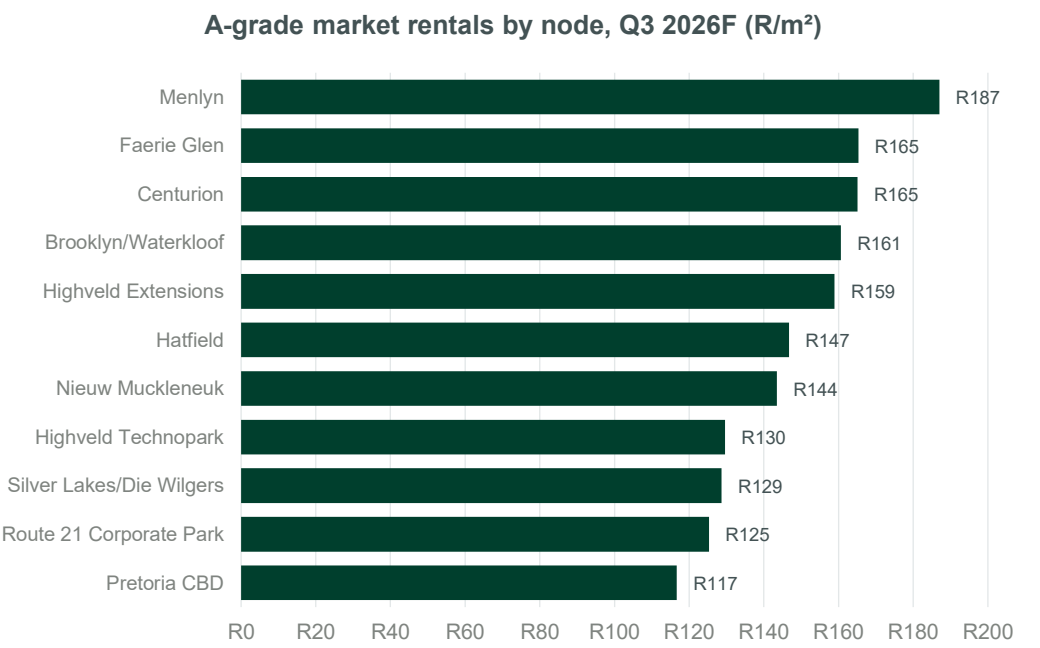


SAPOA prime asking rentals rose to **R216/m²** (+1.5% q/q), with top quotes around R285–301/m² in Lynnwood and the eastern suburbs. A-grade asking rents average **R135** and B-grade R119.

Rode’s A-grade decentralised market rental is projected at **R156/m² in Q3 2026**, +4.1% y/y. Rode notes that growth slowed from 4.6% in Q1. Rentals are only 0.8% above 2019, so **real rentals are about 20% below pre-pandemic levels**. Rode advises using a two- to three-quarter average because Pretoria data is volatile.

Rental growth is concentrated in Menlyn, Centurion and Faerie Glen; older nodes are slipping

Node	A+ Q2	y/y	A+ Q3F	A Q2	y/y	A Q3F	Rent-free (mths)
Menlyn	R230	+5.6%	R233	R185	+4.3%	R187	1.2
Lynnwood							1.0
Lynnwood Manor	R217	+12.0%	R223				
Hazelwood	R248		R248				
Brooklyn/Waterkloof	R175	+8.0%	R178	R158	+5.9%	R161	1.3
Nieuw Muckleneuk	R175	-1.3%	R174	R145	-4.1%	R144	
Hatfield	R167		R167	R147		R147	1.2
Centurion	R193	+3.6%	R195	R160	+13.3%	R165	1.7
Highveld Technopark				R130	-1.3%	R130	1.3
Highveld Extensions	R182	-3.9%	R180	R157	+5.9%	R159	
Faerie Glen	R175	+10.2%	R179	R160	+14.0%	R165	
Route 21 Corporate Park	R138	-1.3%	R138	R126	-2.9%	R125	1.2
Silver Lakes/Die Wilgers	R175		R175	R130	-3.9%	R129	
Pretoria CBD				R117		R117	1.0
Arcadia							



Hazelwood (A+ c.R248) and Menlyn (A+ c.R233, A c.R187) top the rental table. Centurion A-grade (+13.3% y/y) and Faerie Glen (+14.0%) show the strongest growth, from low bases. Nieuw Muckleneuk (-4.1%), Silver Lakes (-3.9%), Route 21 (-2.9%) and Highveld Technopark (-1.3%) recorded nominal declines. This is a widening two-tier market. Rent-free periods are the shortest of the four metros, mostly about 1 month and up to 1.7 months in Centurion.

Source: Rode Publications & Media, Rode Report 2026:2; CBRE Excellerate Research. Q3 2026F = CBRE Excellerate projection. Q3F = Q2 2026 × trailing smoothed y/y growth, compounded one quarter. Rent-free months: Rode Table 5.4 (Q2 2026).

Escalations of 7.5% against rental growth of 4% will keep reversions negative, and cap rates show limited conviction

Contractual escalations average **7.5%** (down from 7.7% a year ago) and operating-cost escalations 7.5%, against market rental growth of 4.1%. Over a five-year lease, contract rent ends **c.18% above market**. Expect continued pressure for escalation relief at renewal.

Rode's panel puts the decentralised A-grade cap rate at **10.8%**, unchanged q/q but on a rising trend since 2016. Menlyn/Lynnwood (10.5%) prices tightest, while Hatfield and Nieuw Muckleneuk (11.0%) carry a risk premium.

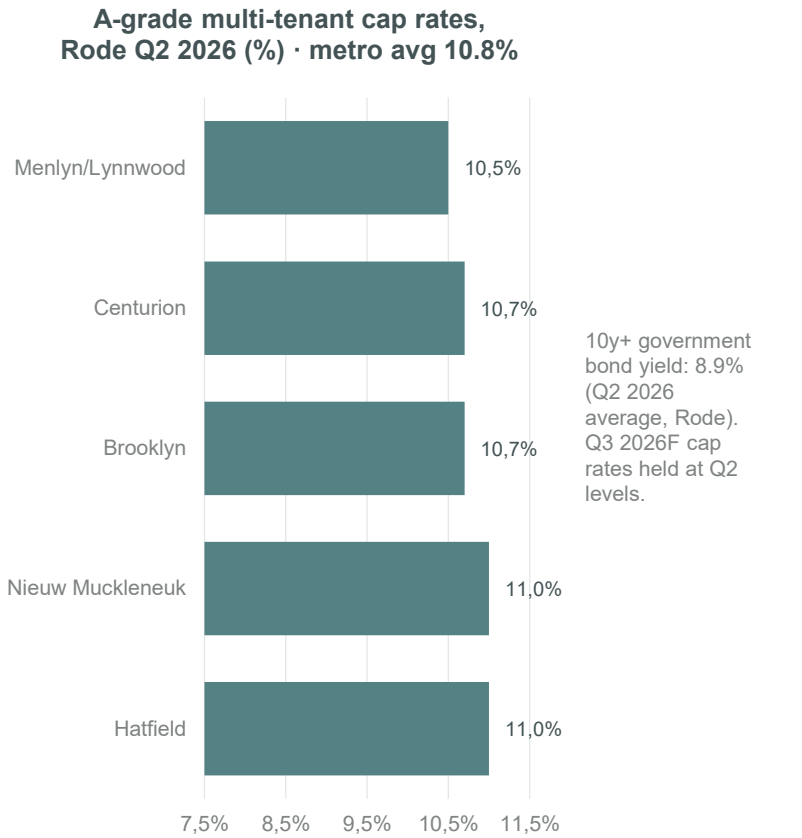
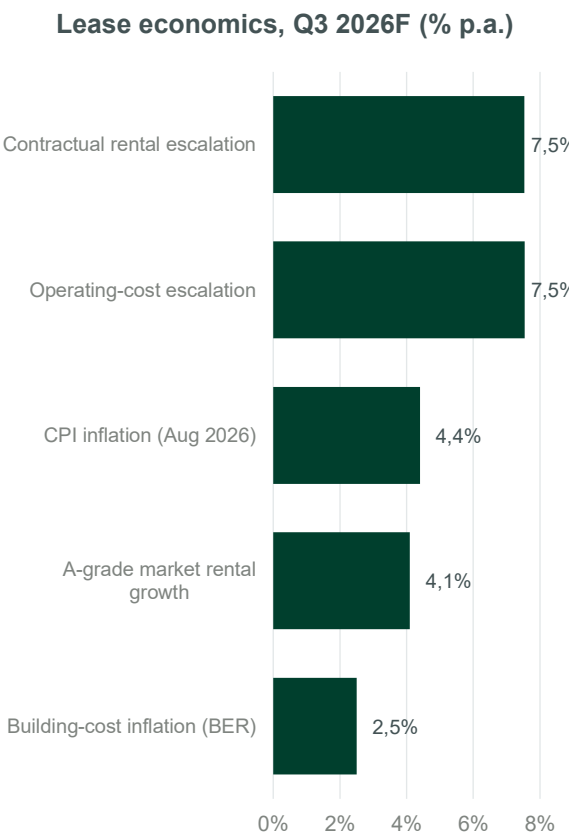
Gross outgoings for Prime buildings are high relative to rents, at c.R40–50/m² in Menlyn and Lynnwood. That erodes the net-rental advantage of the eastern suburbs.

+18%

Contract rent vs market rent after a 5-year lease at current escalation and market growth rates

10.8%

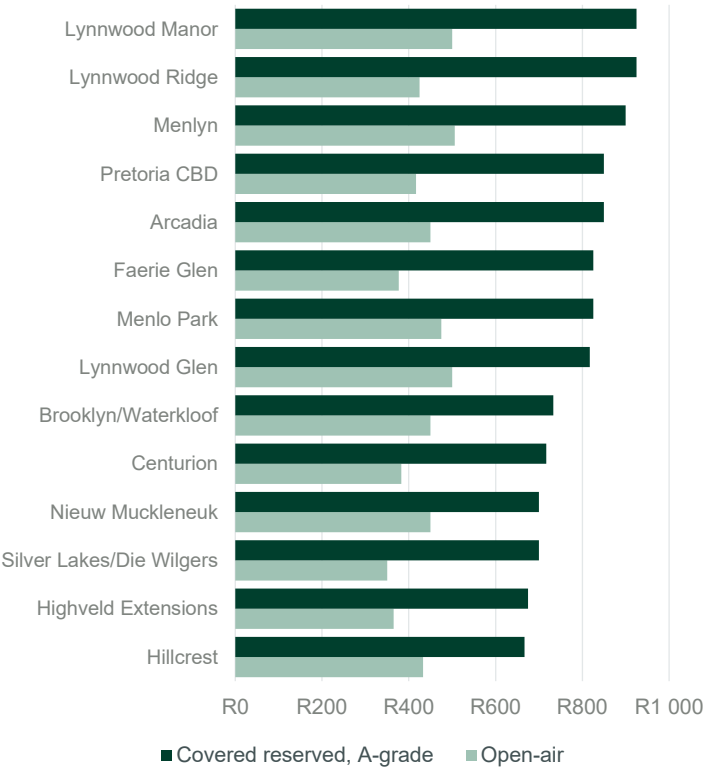
A-grade decentralised cap rate (Q2 10.8% → Q3F 10.8%)



Source: Rode Publications & Media, Rode Report 2026:2; CBRE Excellerate Research. Q3 2026F = CBRE Excellerate projection. Escalation rates are city averages of Rode grade-A node assessments. 10y+ bond yield = 8.9%, Q2 2026 average (Rode). CPI: Stats SA. BER Building Cost Index per Rode Report 2026:2.

Tshwane parking is mid-priced but rising fastest, led by the eastern suburbs

Market parking rentals by node, Q2 2026 (R/bay/month)



Node	Cov. A+	Cov. A	Cov. B	Open-air	A y/y	A Q3F	m² equiv.
Lynnwood Manor	R1 017	R925	R800	R500		R925	
Lynnwood Ridge		R925	R800	R425	+16.7%	R961	
Menlyn	R1 025	R900	R738	R506	+9.1%	R920	4.9
Pretoria CBD		R850	R688	R417	+2.9%	R856	7.3
Arcadia		R850	R700	R450		R850	
Faerie Glen		R825	R697	R377	+13.7%	R852	5.2
Menlo Park		R825	R700	R475		R825	
Lynnwood Glen		R817	R800	R500	+4.2%	R825	
Brooklyn/Waterkloof	R800	R733	R675	R450	-3.3%	R727	4.6
Centurion	R900	R717	R638	R383	-5.4%	R707	4.5
Nieuw Muckleneuk	R800	R700	R675	R450	+0.0%	R700	4.8
Silver Lakes/Die Wilgers	R800	R700	R625	R350		R700	5.4
Highveld Extensions	R775	R675	R600	R365	+14.2%	R698	4.3
Hillcrest	R700	R667	R575	R433		R667	

R749

Median covered A-grade bay, Q3 2026F (Q2: R733; +9.1% y/y, median node)

R442

Median open-air bay, Q2 2026; covered bays carry a 85% premium

+19%

Parking uplift on A-grade decentralised gross rental at 4 bays per 100 m²

The median covered, reserved A-grade bay costs **R733/month** across 17 Tshwane nodes (open-air: R442), projected at c.R749 for Q3 2026. The median node recorded **+9.1% y/y** (11 nodes with history), the strongest of the four metros and well ahead of office rental growth of 4.1%. The series is volatile and starts from a low base.

The eastern suburbs lead. Lynnwood Manor and Lynnwood Ridge (R925), **Menlyn (R900, +9.1% y/y)** and the Pretoria CBD and Arcadia (R850) are the most expensive. Route 21 (R575), Highveld Technopark (R625) and Hatfield (R650) are the cheapest. Faerie Glen (+13.7%), Highveld Extensions (+14.2%) and Route 21 (+12.2%) are re-pricing, while Centurion (-5.4%) and Brooklyn (-3.3%) are easing.

Covered bays carry an **85% premium** over open-air, the widest of the metros, reflecting the extensive open-air parking in Tshwane's office parks. A CBD bay costs the same as 7.3 m² of A-grade space against 4.3–5.4 m² in decentralised nodes. At four bays per 100 m², parking adds about **19%** to A-grade decentralised gross rental.

Source: Rode Publications & Media, Rode Report 2026:2, Table 5.5 (market parking rentals, Q2 2026, R/bay/month excl. VAT) and Rode time series; CBRE Excellerate Research. y/y = two-quarter smoothed; Q3F = Q2 × (1 + y/y)^{1/4}. m² equiv. = covered A-grade bay ÷ node A-grade gross rental per m². Medians across all surveyed nodes in the metro.

Outlook: steady rather than spectacular; the next phase depends on fixing Hatfield and Centurion

OCCUPIERS

- Centurion and Highveld offer the widest choice of A-grade space at R130–160/m², with escalation and incentive flexibility.
- In Menlyn and Lynnwood, secure renewals early: vacancy below 6% is eroding negotiating room.
- Benchmark occupancy cost, not rent: outgoings of R40–50/m² in eastern nodes are a large share of gross cost.

LANDLORDS

- Hatfield owners need a repositioning plan, through refurbishment, student or residential conversion, or medical and education uses.
- Prime landlords outside Menlyn should prioritise occupancy over rate; Prime vacancy of 8.2% limits pricing power.
- Use ESG upgrades (energy, water resilience) to differentiate in a market where quality alone has not commanded a premium.

INVESTORS

- Tshwane offers defensive, government-anchored income at c.10.5–11% yields; lease-covenant quality matters more than node.
- Eastern-suburbs A-grade assets offer the best blend of income and rental growth.
- Price Hatfield and Highveld assets on conversion or alternative-use value rather than office reversion.

CBRE Excellerate forecast indicators

Indicator	Q3 2026	Q4 2026F	Q3 2027F
Overall vacancy (SAPOA)	8.9%	8.7–9.2%	8.5–9.5%
Decentralised vacancy (SAPOA)	10.4%	10.0–10.6%	9.5–10.5%
Prime asking rent (SAPOA, R/m ²)	R216	R216–220	R222–228
A-grade decentralised market rent (Rode)	R156F	R157	R160–162 (+3–4% y/y)
A-grade decentralised cap rate (Rode)	10.8%F	10.8%	10.7–10.9%
Covered A-grade parking bay (R/month)	R749F	R750–765	R780–810

KEY RISKS TO THE VIEW

- Public-sector space consolidation or relocation from the CBD would rapidly change the metro’s headline vacancy.
- Persistently weak Gauteng confidence delaying corporate decisions in Centurion and Highveld.
- Data risk: static readings in several nodes may mask shifts in occupancy.
- Upside: re-acceleration of eastern-suburbs demand as residential growth continues in Menlyn, Lynnwood and the Garsfontein corridor.

Source: CBRE Excellerate Research. Forecasts are indicative house views based on SAPOA Q3 2026 and Rode 2026:2 data and the macro outlook as at October 2026; they are not guarantees of future performance.

Methodology, definitions and data notes

DATA SOURCES

SAPOA Office Vacancy Survey (Q3 2026). Building-level vacancy, GLA and gross asking rentals aggregated by node and grade; survey covers 4 159 199 m² of completed office GLA in Tshwane. Vacancy = available GLA ÷ completed GLA. Asking rentals are landlord quotes (gross, R/m²/month), averaged as the simple mean of node-grade medians, consistent with SAPOA national reporting.

Rode Report 2026:2. Panel-based survey (fieldwork May–June 2026) of achievable gross market rentals, escalations, rent-free periods, outgoings, vacancy (grades A+/A/B, smoothed) and capitalisation rates by node.

Q3 2026 PROJECTION OF RODE DATA

Rode data is published to Q2 2026. Q3 2026F values are CBRE Excellerate projections: **rentals** = Q2 2026 value × (1 + trailing two-quarter-smoothed y/y growth)^{1/4}; **escalations** = Q2 2026 value plus half the average quarterly change over the last year; **cap rates** held at Q2 2026 levels in line with Rode's sideways outlook, with upside risk following the SARB's 25 bp hike on 23 September 2026. Projections were cross-checked against SAPOA Q3 2026 asking-rental and vacancy movements.

DATA NOTES

Q3 2025 SAPOA readings contain anomalous availability values in several nodes; for trend charts and absorption these are interpolated as the mean of Q2 and Q4 2025. **Like-for-like absorption** isolates demand by excluding node-grade segments whose surveyed GLA changed in the quarter (completions, withdrawals, conversions, re-grading).

Definitions. Prime: top-quality, 4-star Green Star or equivalent; A-grade: high-quality modern; B-grade: older, refurbished to near-modern standard; C-grade: older, limited services. CBD and decentralised splits follow SAPOA node definitions.

Supporting data. All figures and charts are reproduced in the workbook
Office_Market_Overview_Q3_2026_Supporting_Data.xlsx.

Disclaimer: This report has been prepared in good faith based on CBRE Excellerate's current views of the commercial real estate market, using data from SAPOA and Rode Publications & Media. Although CBRE Excellerate believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond our control. Projections and forecasts are indicative and should not be relied upon as a guarantee of future performance. Figures may not sum due to rounding.

Thank you

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Gracias ধন্যবাদ Salamats धन्यवाद Obrigado 謝謝 Спасибо 감사합니다 Merci תודה شكره Danke ありがとう Terima Kasih شکرا

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