

Sandton offices standing empty

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The amount of empty office space in Sandton, SA's largest decentralised business hub, has risen to a 10-year high of 14,2%, latest figures from the SA Property Owners Association (Sapoa) show.



Some Sandton offices are already standing empty and yet new buildings keep being built. Image: [Who-SA](#)

New developments in Sandton have increased sharply over the past two or three years, particularly around the Gautrain station. The bulk of the vacancies are in these state-of-the-art new buildings.

The Sapoa report notes that over the past 12 months, the amount of unlet prime space has increased from 2000m² to 54000m².

Rode & Associates property economist John Lottering says the jump in Sandton's vacancy rate probably reflects weak demand for office space as a result of muted employment growth.

He says it is a concern that even more new space is likely to come onto the Sandton market over the next year or two.

Sapoa figures show there is 258,000m² of office space under construction or in the pipeline in Sandton.

That's about a third of all new office development currently planned for SA as a whole.

The major worry for property owners is that rising vacancies will put pressure on rental returns.

Source: Financial Mail via I-Net Bridge

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