ABSTRACT

Purpose – This study established the factors that influence office relocation decisions in the Johannesburg metropolitan area. The study aimed to obtain rank ordering (importance) of nine (9) selected factors that can be used to guide relocation and other investment decisions within the metropole.

Design/Methodology/Approach – Literature review of a plethora of studies was used as the basis for this study. A questionnaire used by (Weaver, 1985) in the USA to conduct a conjoint study in the real estate sector was adapted to suit the South African context. Additional variables and levels were added, to better reflect the context of the study. Data was collected from office users in P-grade, A-grade and B-grade properties whilst a conjoint methodology was used to analyse the data.

Findings – The results showed that the most important factor influencing tenants' preferences was parking followed by Landlord reputation; Size of the building was third in importance with Security as fourth and Green Rating fifth. Accessibility of the building was sixth; Location of the building, seventh with the rental cost (total cost of occupation) and the grade of the building being the bottom two factors in eighth and ninth places respectively. These results reinstate earlier findings in the South African market albeit the differences in the factor importance.

Research Limitations/Implications – The study looked at nine (9) variables each with three (3) levels. The increased number of variables and levels added to the complexity of the user profiles. In addition, the sample only included office tenants in P-grade, A-grade and B-grade office buildings in the greater Johannesburg metropolis. Current literature shows that newer "preference" procedures like stated preference elicitation reveal deeper and broader information on customer preferences than that obtained using choice-based conjoint analysis.

Originality/Value – The research makes scholarship and practice contributions to the fields of property management, tenant acquisition, and tenant management specifically illustrating the application of market research techniques to the office market in an emerging economy, which is not a common area of scientific interest mainly due to unavailability of data inter alia. The use of conjoint analysis in the determination of preferences for would-be tenants in the South African office market will go a long way in reducing financial losses attributable to low occupancy levels and high tenant churn.