

ABSTRACT

With changing supply and demand economic conditions which may be unfavourable, it is imperative that investors time redevelopment of a property asset in order to maximise profitability. When correlating the relationship between capital values and vacancy rates of super regional shopping in South Africa between the years 2003 – 2012 there is a positive correlation, meaning that investors are not adequately timing the redevelopment of super regional shopping centres in order to maximum profitability.

This research utilizes multi-stage real options to time redevelopment of shopping centres in order to maximise profits, through the analysis of supply and demand economic variables; and the Black-Scholes Model.

The research methodology of the study ensured that the research results utilized were thoroughly investigated and tested through reliability and validity testing measures; and that the data collected was harvested from credible and reputable databases such as the Investment Property Databank Limited, Statistics South Africa and the City of Johannesburg.