



- RESEARCH REPORT -

TITLE

The Relationship between Neighbourhood Preferences, Building Attributes and Location
of Office Property Portfolios in Pretoria

by

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ABSTRACT

Purpose – This study set out to investigate whether neighbourhood preferences and building attributes have a relationship with business and firm office location decisions. The investigation had a particular focus on a predominantly government-owned administrative city, Pretoria Metro, and on private-sector property market decision making with regard to relocations, redevelopments, investments and their profiles.

Method – This study used a survey method, with a multilevel questionnaire comprising a Likert Scale for neighbourhood preferences, safety, social, functionality and physicality; and building attributes, presentation, management, functionality, services, accessibility and amenities; and selecting the preferred precinct among the categories “prestige”, “historic”, “heritage” and “government”. The questionnaires were sent to real-estate practitioners.

Findings – Safety, with a mean score of 1.83, was the most important factor and functionality, with a mean score of 2.36, was the least important factor for neighbourhood preference. Management, with a mean score of 1.72, was the most important factor and amenities, with a mean score of 2.74, was the least important factor for building attributes. All factors were generally important with mean scores ranging between 1.58 and 2.63 for neighbourhood preferences, and 1.29 and 3.25 for all building attributes. The majority of businesses (67%) would not prefer to locate within the Pretoria CBD. The most preferred precinct that the businesses would prefer to locate near or within was prestige, followed by government and historic, with heritage being the least preferred. The results for the relationship between neighbourhood preferences, at 0.52, building attributes, at 0.63, and the office location choice are both positive and strong.

Implications/Value – Efforts to attract businesses back to the Pretoria CBD based on neighbourhood preference should focus on maintaining the area, making the area safe for property and persons and dealing with the traffic nuisance. With regard to building attributes emphasis should be on providing good management of the building and improving external and internal finishes of the buildings.

Keywords: *Building attributes, corporate real estate, neighbourhood preference, office location decision, Pretoria*