

# Malls post best returns in SA's commercial property

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Shopping centres delivered better returns for commercial real estate investors in the first half of the year than offices and industrial buildings, in spite of ongoing pressure on consumer spending, noted MSCI's Investment Property Databank (IPD) SA biannual property indicator...



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However, overall returns on directly held commercial property investments slowed from 7.4% in the first half of last year to 6.5% in the first half of 2015, reflecting the deteriorating state of the economy.

MSCI executive director Stan Garrun said property still outperformed bonds by 1.7% but delivered a lower return than the 7.7% notched up by general equities in the first half of this year.

The slowdown in total returns (income and capital growth) for property in the first half was mainly driven by pressure on capital values, with the capital return of the IPD index slowing from 3.1% in 2014 to 2.4% in 2015. The IPD index showed that retail property delivered a total return (income and capital growth) of 7.4% for the first six months of this year.

**Source:** Business Day

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