RFI 01/2025: REQUEST FOR INFORMATION REGARDING THE COMMERCIAL REAL ESTATE MARKET WITHIN THE DURBAN METROPOLITAN PRECINCT

QUESTIONS AND ANSWERS

#	QUESTION	SARS RESPONSE
1.	Turnkey Solution – at what stage will the fitout information be available?	T.I. (Tenant Installation) fitout information and specifications will only be issued in the future tender that would be issued to market only once SARS has analysed the responses received to this RFI. The primary objective of requesting information in the RFI document on Turn-Key solutions is to determine if the Durban Real Estate market has developers / landlords that are equipped to handle full turn-key T.I. fitout solutions to large corporates - or not. The responses received would therefore assist SARS to determine the correct approach to market for the future tender.
2.	Scope of Work – would it be acceptable to submit prices on a "white box" specification with the fitout and other requirements being amortised over the initial 10-year lease period?	Clarification: This RFI is not requesting pricing. This RFI is requesting guidelines on "how" the real-estate market would be expected to be engaged when SARS issues the future tender in order to ensure that SARS can issue the tender in a manner that is market friendly, realistic and understandable when a specification document for tender is developed. Example:

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		•Respondents can guide SARS on the range of rates per m2 for leasing existing Grade A to Premium specification buildings and the typical TIA's (Tenant Installation Allowances) that might be made available within this grading range. This would allow SARS to determine a leasing budget and the viability of Grade A vs Premium for Funding approvals should such buildings be available for leasing at the required sizes and grading specifications. •Respondents can guide SARS on the typical development rates / m2 for Grade A to Premium buildings for Brown Fields full re-fit and Green Fields new development. Respondents can guide SARS on the associated costs of such developments (roads, infrastructure, civils, services, etc) and make recommendations to SARS on what should be considered. •Respondents can also guide SARS on the typical "lease to own" leasing rates and/or the typical purchase rates for buildings meeting the specifications within each scenario. The responses received would therefore assist SARS to determine the correct approach to market for the future tender.
3.	Cost – query as per Scope of Work query above.	Cost per 'Scope of Works' not applicable to RFI responses. Clarification: What is SARS trying to determine? SARS is trying to understand the general market costing in each scenario (i.e. rates per m2 in relation to the size of building SARS would require and the grading levels requested vs leasing existing / brownfields / green fields) in order to understand funding and budgeting.

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		With this information, SARS would then be able to determine the best approach to market for SARS with respect to SARS internal considerations such as ROI (Return on Investment) and IRR (Internal Rate of Return), cash flow and budgeting with respect to a new Durban Corporate Campus / building when going to open tender.
4.	Other Factors – is this applicable to item 2.4.5 or should the word buying be substituted with renting?	"Other Factors" is a broad description that indicates that SARS is not knowledgeable on the Durban Real Estate Market and options available and is requesting respondents to supply information they feel is important for SARS to be aware of. As per the description "What other factors are involved in buying commercial property from a developer that are not covered by this RFI but critical for SARS decision making?", SARS is giving respondents the opportunity to make SARS aware of things that SARS might wish to consider in it's approach to market when the future tender business case, funding models and actual tender specifications are considered. Other could therefore be applied to any of the response categories.