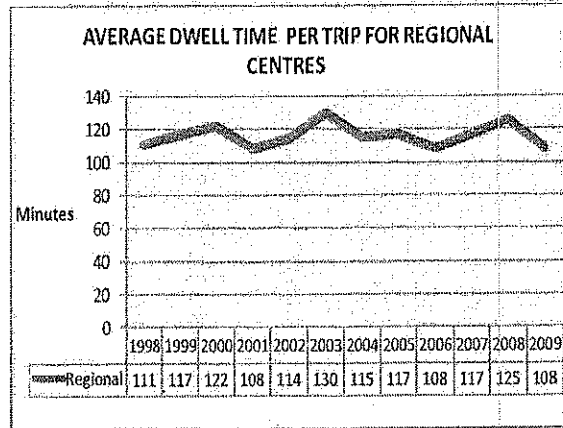
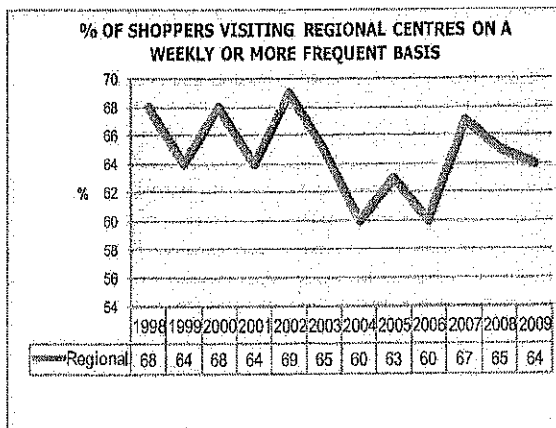


Market characteristics and threshold values

For a successful regional centre, the following threshold values and market support are required:

LSM groups	Number of households			Population (25% market share)	Retail space in m ² per capita
	35%	25%	15%		
LSM 1-5	180 000	250 000	417 000	1 125 000	<0.1
LSM 6-9	80 000	111 000	185 000	450 000	0.2
LSM 10-10+	33 000	45 000	76 000	160 000	0.54

Benchmark indicators



The weekly support fluctuates between 60% and 65% weekly support with an average dwell time of just under 2 hours.

Tenant mix

- **Anchor tenant:** In many cases, two large supermarkets (larger than $\pm 3\,500\text{m}^2$) or one large supermarket of $8\,000\text{m}^2$ with the typical tenants being Pick n Pay or Pick n Pay Hypermarket, Shoprite/Checkers, or Checkers Hyper;
- convenience retailers;
- clothing anchor stores such as Edgars, Woolworths, Mr Price, Foschini and Truworths;
- boutiques, shoe stores and some comparative shopping;
- restaurants and food court areas;
- entertainment such as cinemas, electronic games/game arcades and
- other services such as medical facilities, banking, cell phone service centres and office functions.

The focus of the tenant mix is on **comparative** and **destination** shopping in especially clothing and household items.

Trends and changes

The most important trends and changes in this regard are that almost **all** regional centres countrywide have been expanded during the last 10 years. Based on their success and the retail offering, these centres will continue changing up to a certain point where it becomes difficult for customers to move around, park and fulfil their shopping needs. **Growth** in these centres is mainly a result of internal expansion of existing retailers, new retail concepts and more retailers likely to enter a particular market.

Action to guide retail development

- New developments should mainly focus on **high growth areas** where sufficient demand exists. **'Follow-the-roofs'** strategy is very important in this case. Sufficient growth must have taken place before a regional centre could be established in any area.
- Allow the **expansion** of existing small regional centres and regional centres to cater for increased demand. These centres will also develop into first and second order nodes and provision should be made for additional retail facilities, as well as office development in specific areas.



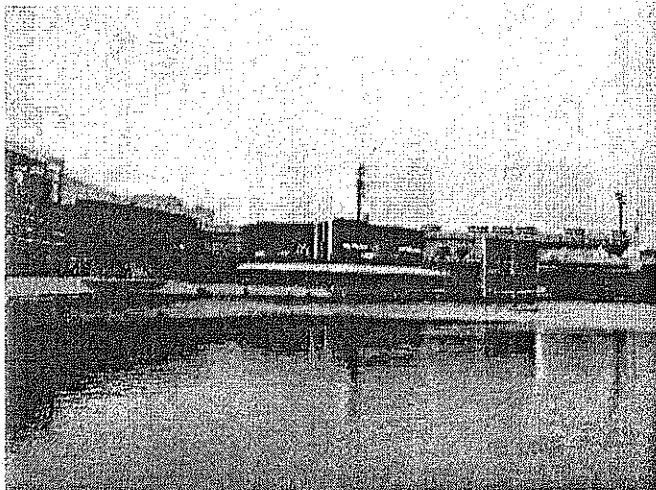
The Glen Shopping centre in Oakdene Johannesburg.

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Clearwater, Roodepoort: The centre is currently extended by 25 000m² and is now in the same size range as the competing centres, Cresta and Westgate.



Loch Logan Waterfront, Bloemfontein fulfils a strong regional role together with the strong Mimosa Mall.

Examples:

- Highveld Mall, Witbank
- Garden Route Mall, George
- Fourways Mall, Johannesburg
- Clearwater, Roodepoort
- N1 City Mall, Cape Town
- Maponya Mall, Soweto
- Kolonnade, Pretoria
- Loch Logan, Bloemfontein
- Northgate, Johannesburg
- Boardwalk Inkwazi, Richards bay
- Liberty Midlands Mall, Pietermaritzburg
- Liberty Promenade Mitchells Plain

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3.16.1 Super regional centre

Role and function

The role and function of these centres are to provide retail facilities for the whole metropolitan area, a large region, as well as national and international tourists. Support from all over the city is very important in this case. Most small regional centres within a particular city fall **within the catchment area** of the super regional centre. These centres offer a very wide tenant mix, entertainment, services and the latest retail concepts.

Description

This is a very large retail facility offering the widest possible variety of stores, an appealing shopping atmosphere, open and under cover parking facilities with a large entertainment component.

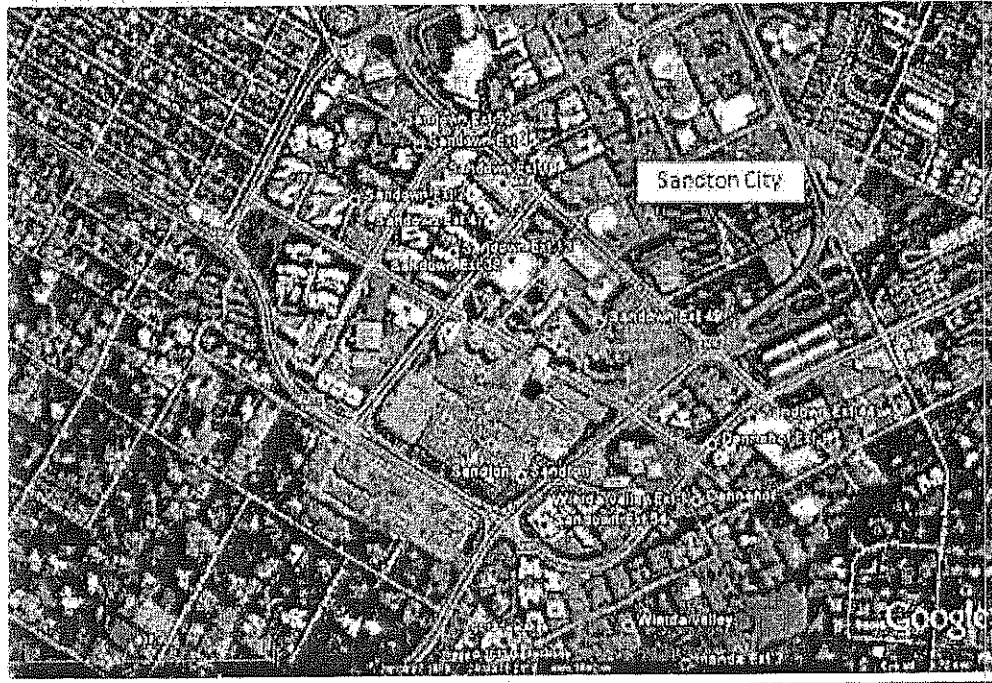
Size

Size of centre (m ²) (GLA)	Number of stores
>100 000	More than 250

Location criteria

A major arterial road, usually a provincial road linked to a national road offering very high accessibility and visibility. Provision should be made for enough vehicle **stacking space** from the highway to prevent queuing.

Average radius of primary trade area	Median travel time to the centre	Access requirements
10+km	24-30min	Major arterial road usually a provincial main road linking to a national road

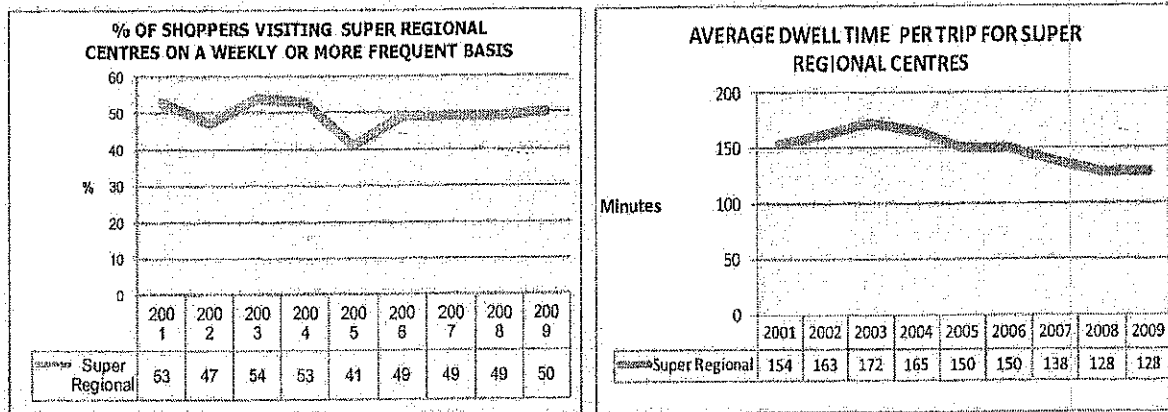


Market characteristics and threshold values

For a successful super regional centre, the following threshold values and market support are required:

Socio-economic groups	Number of households			Population (25% market share)	Retail space in m ² per capita
	35%	25%	15%		
LSM 6-9	106 000	150 000	250 000	590 000	0.2
LSM 10-10+	44 000	60 000	101 000	210 000	0.54

Benchmark indicators



50% of the shoppers visit super regional centres on a monthly basis for ± 130 minutes.

Tenant mix

The **widest possible tenant mix** with at least six anchor tenants which include groceries, clothing (all the national clothing brands), household goods (a wide variety of comparative home and décor stores) and entertainment (cinemas, electronic games and exciting/fun facilities). The main focus of this type of centre is a wide range of entertainment facilities, and to provide the latest trends in all retail products and categories. New retail concepts are normally tested and first implemented on the super regional level.

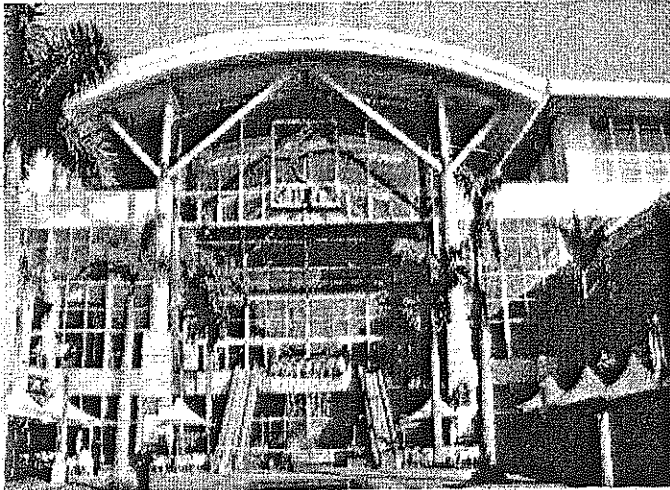
Trends and changes

Over the last 8-10 years these centres have either been developed as a single entity (Gateway and Canal Walk), or the expansion of regional centres into large super regional centres (The Pavilion and Menlyn Park).

Actions to guide retail development

Most metropolitan areas can only cater for one or at most two super regional malls. The potential will be driven by city wide support, the tenant mix and the entire offering. Growth of existing super regional centres will mainly depend on new retail offerings, as well as on internal expansion of existing retailers.

- These types of developments are limited to one or two per metropolitan area.



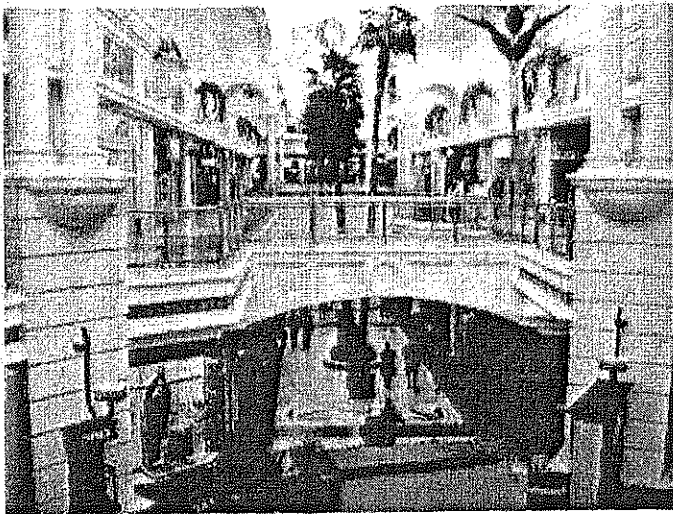
Gateway the Theatre of Shopping also acts as a very strong entertainment centre.



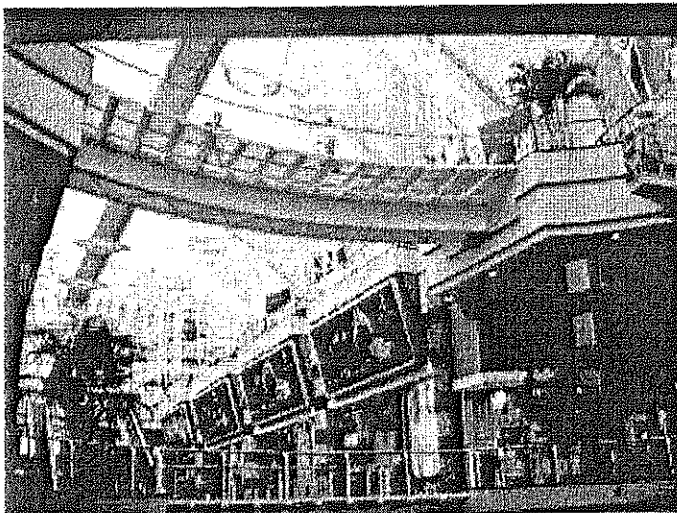
The Pavilion was recently increased to 119 000m².

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After 5 years after its opening, Canal Walk has established itself as a very strong super regional centre in Cape Town.



Menlyn Park, dominates in Pretoria as well as have good support from a wide region.

Examples:

Sandton City, also regarded as a decentralised CBD
 Canal Walk, Cape Town
 Eastgate Johannesburg
 The Pavilion, Durban
 Westgate, Roodepoort Johannesburg
 Menlyn, Pretoria.
 Gateway Theatre of Shopping, Durban

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6.6 Retail types: Planned centres/Big box centres

7.3 Big box centres

Role and function

These big box centres fulfil a destination role and provide a unique retail offering where one single, large retailer occupies a free standing building designed for own use only.

Description

One or more single buildings occupied by similar type tenants.

Size

Size of centre (m ²) (GLA)	Number of stores	Size of land (ha)
2 000-15 000	One or more	0.6-4.5

The size of these types of centres varies.

Location Criteria

Good location along arterial routes and adjacent to highways, offering good visibility.

Average radius of primary trade area	Median travel time to the centre	Access requirements
5km	6-16min	Depend on type of store or centre – mostly on a regional level

Market Characteristics and Threshold Values

For a successful big box centre, the following threshold values and market support are required:

Socio-economic groups	Number of households	Population
LSM 6-9	25 000	100 000
LSM 10-10+	14 000	49 000

Tenant Mix

It is either a single store or stores selling related goods like home improvement centres. The best examples are free standing Mr Price Home stores, Furniture City, Sportsmans Warehouse, Builders Warehouse, Builders Express, CTM Tile, Makro, Rochester, Tekkie Town and Hi-Fi Corporation.

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35

Trends and Changes

Big box centres are becoming very popular with their offering of 2 000m² - 5 000m² as a single tenant. This is mainly driven by homeware products, décor, furniture and building material. Large one-stop clothing stores have also moved into this category. Examples are Mr Price Sport and Melts clothing stores.

Actions to guide retail development

Potential exists for big box retailers to complement the retail offerings close to regional and super regional centres. The same **critical mass** created by regional and super regional centres should be the guideline for further big box retailing.

The **concentration benefits** of grouping a number of big box retailers together should be encouraged. Locations close and adjacent to regional and super regional centres should also be encouraged.

Big box development will mainly happen as part of the following:

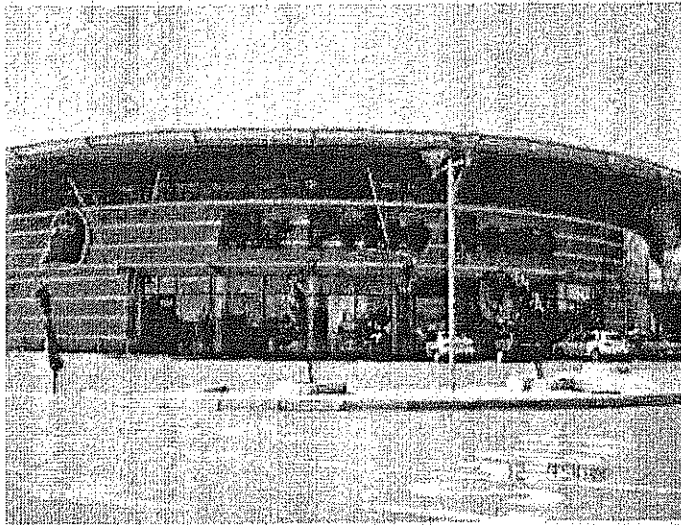
- Nodal/mixed use development close to large regional and super regional centres;
- Part of strip developments and
- Visible sites along highways.



Big Box retailers went through tough times in the economic recession yet good value for money will always be a successful concept.

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Another big box retailer is Mr Price Home

Role and function

The main focus of these centres/complexes is to provide **more than** the normal type of entertainment available in a regional centre. The gambling component is in most cases supplemented with other entertainment, mainly for children. The retail component on offer varies from facility to facility. The focus is mainly on eating facilities ranging from takeaway food products to exclusive restaurants. Some centres provide more retail stores than others. In most cases the retail is **scaled down** to make provision for more gambling facilities.

In a few cases the casino is directly linked to a large shopping centre. The two facilities, shopping and entertainment therefore have to complement each other.

Description

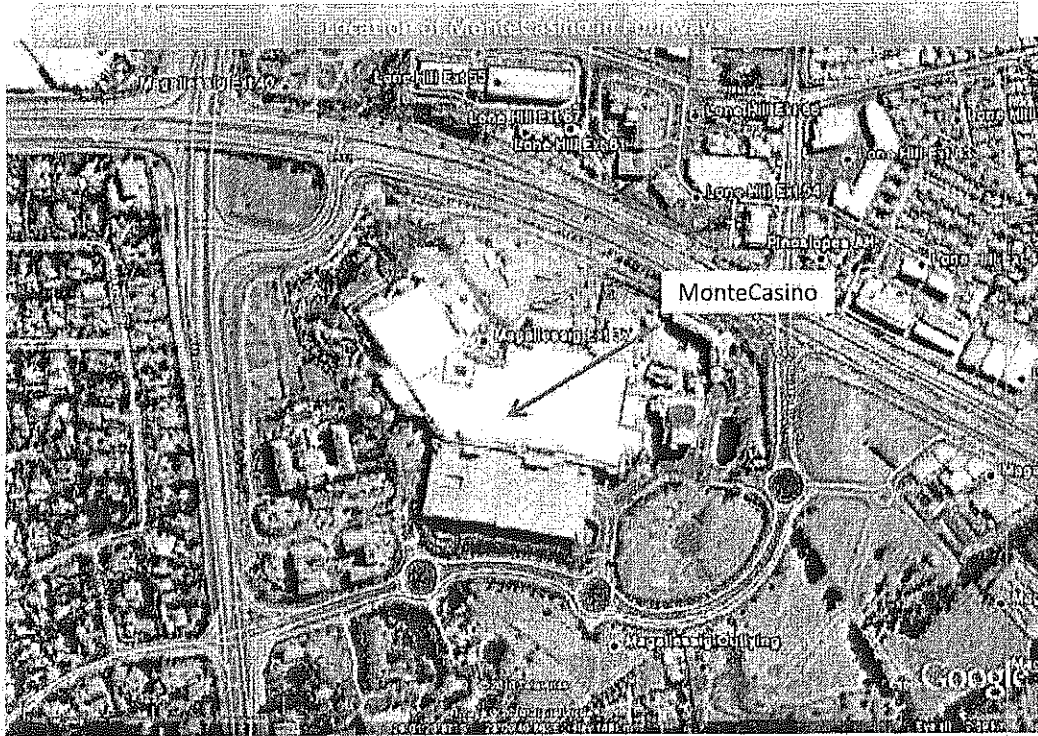
The main focus is the casino with its gambling facilities. Up to 85% of the visitors visit the casino to gamble. The rest of the people are there to enjoy the other entertainment facilities like games, rides, eating places, cinemas and specialised retail stores. The Las Vegas model where major shopping facilities are provided is **not** really applicable in South Africa.

Where the casino and shopping centre are linked, a strong flow of pedestrians between the two facilities is required.

Location criteria

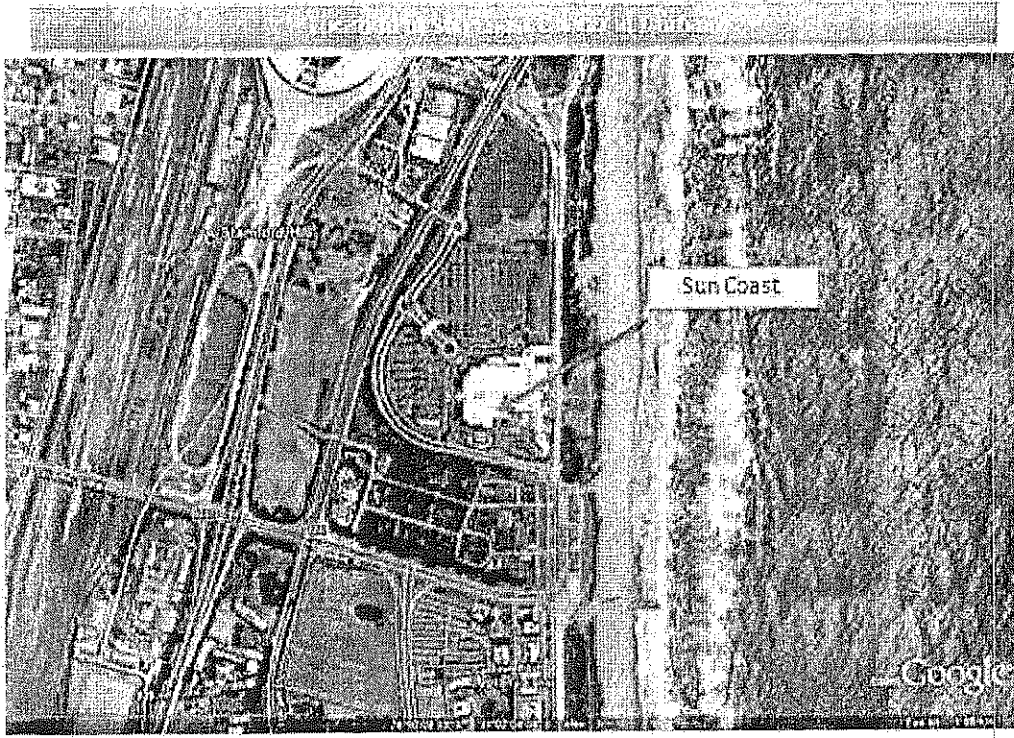
In most cases the casino is the destination while the retail facilities are complementary and supplementary to the gambling facilities. In most cases a good visible and assessable location is preferred to make a statement and to improve the awareness levels of the casino.

The catchment area of a casino is much broader and the average drive time to different size casinos varies between 20 and 30 minutes.



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Market information

This is a specialised retail/entertainment facility which caters for lower middle to high LSM groups.

Tenant mix

The tenant mix includes the following:

- casino/gambling facilities offering a wide variety and a large number of tables and play stations;
- the focus is on eating facilities, ranging from takeaways to exclusive fine dining restaurants;
- cinemas and theatres;
- speciality retail facilities including shops like jewellers, book stores, different styles of fashion;
- different types of kiosks and
- banking and exchange services.

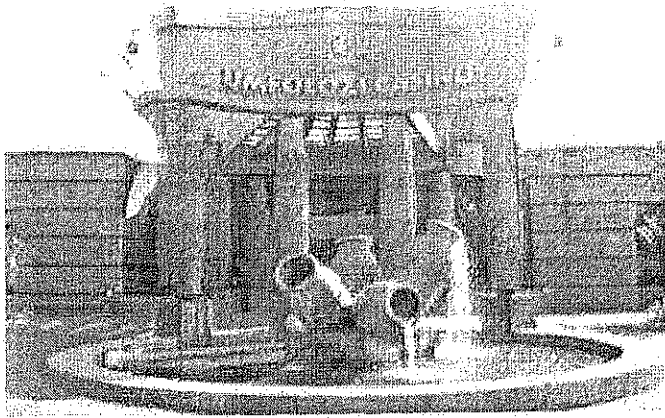
Trends and changes

The most important changes in the supply of retail facilities at South African casinos are the following:

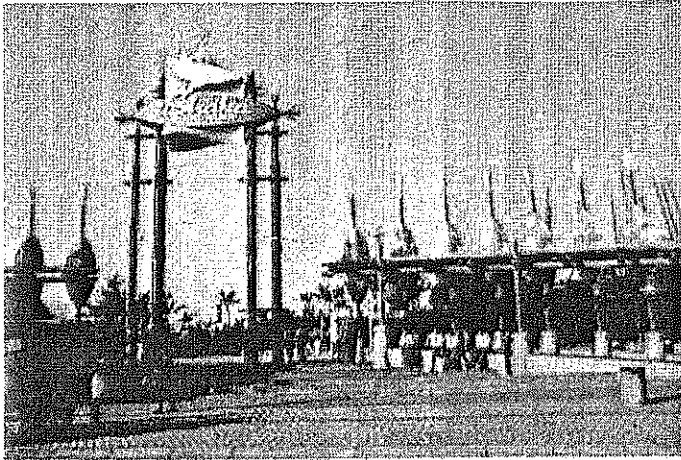
- to **change** the retail facilities and focus mainly on takeaways, restaurants and pubs;
- in many cases the retail component has been **downscaled**, a number of stores have closed, and more gambling facilities are on offer on space previously allocated to retail.

Action to guide retail development

In this regard, the most important guideline is that a licence is required to operate a casino. The size of the casino (measured in the number of gambling tables and slot machines) will determine the size of the retail facilities. Cinemas should preferably focus on regional and super regional centres.



Umfolozi Casino is situated in Empangeni, close to Richards Bay.



The entrance to UShaka Village which is a themed development with no casino

Examples:

- MonteCasino, Johannesburg
- The Boardwalk Casino, Port Elizabeth
- Hemmingways Casino, East London
- Grand West, Cape Town
- Gold Reef City, Johannesburg
- Sun Coast Casino, Durban

Role and function

The role of a lifestyle centre is to offer a unique retail shopping and entertainment experience in a relaxed and attractive environment. The emphasis is mostly on restaurants, entertainment and a more focused retail offering, including products that are rarely seen in South Africa. Lifestyle centres mainly have open air designs where the emphasis is on creating an appealing atmosphere. These centres are also based on a combined approach where the tenant mix and architectural style attract more affluent shoppers

Description

Lifestyle centres offer a unique atmosphere and a **"feel good" feeling**. This is currently the most dominant retail development type in the USA. Lifestyle centres are in many cases also linked to a specific development, offering retail facilities, accommodation, sufficient work facilities (office blocks) and residential communities within the same complex/area. In most cases, lifestyle centres become part of a bigger **mixed use development**. These developments also correspond with the concept of *new urbanism* where live, work, play and shop takes place in one mixed use precinct. There is however no agreed definition for a lifestyle centre amongst industry leaders.

The following unique characteristics regarding lifestyle centres in the USA should be noted:

- ▶ Open air centres
- ▶ Variety of dining options
- ▶ Relax in inviting public spaces
- ▶ Upscale tenant mix
- ▶ Multipurpose leisure time destination
- ▶ Design, ambiance, fountains, street furniture
- ▶ One or more conventional or fashion speciality department store.

Size

Size of centre (m ²) (GLA)	Number of stores	Size of land (ha)
15 000-50 000	50-125	4.5-12+

Location criteria

Lifestyle centres are **mainly** developed in **affluent suburban areas** in order to be successful. These centres must be located on major arterial routes offering good visibility and accessibility.

Market Characteristics and Threshold Values

For a successful lifestyle centre, the following threshold values and market support are required:

Socio-economic groups	Number of households	Population
LSM 6-9 ⁵	40 000 - 60 000	±200 000
LSM 10-10+	20 000 - 30 000	±105 000

Tenant mix

The typical tenants that will be found in a **lifestyle centre** are:

- coffee shops
- white cloth restaurants
- high fashion clothing shops
- quality Woolworths and other national flagship stores like the new Edgars store at Melrose Arch
- book shops
- good quality homeware stores
- music stores
- furniture stores and
- other speciality stores

⁵ Not likely to be built in areas with lower LSM households.

Trends and changes

Worldwide the emphasis is on developing lifestyle centres as part of a mixed use development. In these developments the emphasis is on providing residential accommodation, hotel facilities, office space, retail development, theatres, gymnasium facilities and other community related facilities.

The emphasis with a **mixed use development** is to provide all the different urban markets within the same precinct. This creates an opportunity to **work, play, live and shop**, all within the same precinct. The critical aspect for the retail component is to make sure that **enough potential** exists to be viable, based on the local residents and workers, and in most cases to provide facilities to the surrounding households in the neighbourhood. The lifestyle centres are located in the more affluent suburbs and although pedestrian volumes may be lower, the spending per head is much higher.

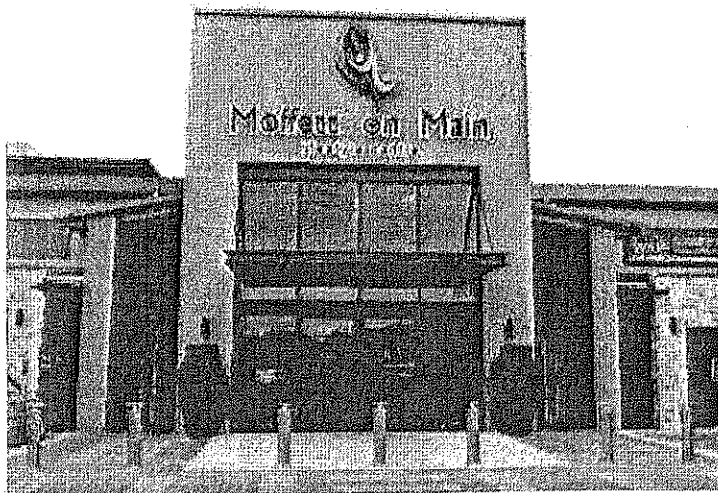
Actions to guide retail development

The main emphasis with a lifestyle centre is to increase the number of visits and ensure a pleasurable and exciting experience within an architecturally attractive environment. The development of lifestyle centres in South Africa has been limited, due to the lack of different tenants to a traditional regional centre. These type centres will be limited to the most affluent suburbs of a metropolitan area.

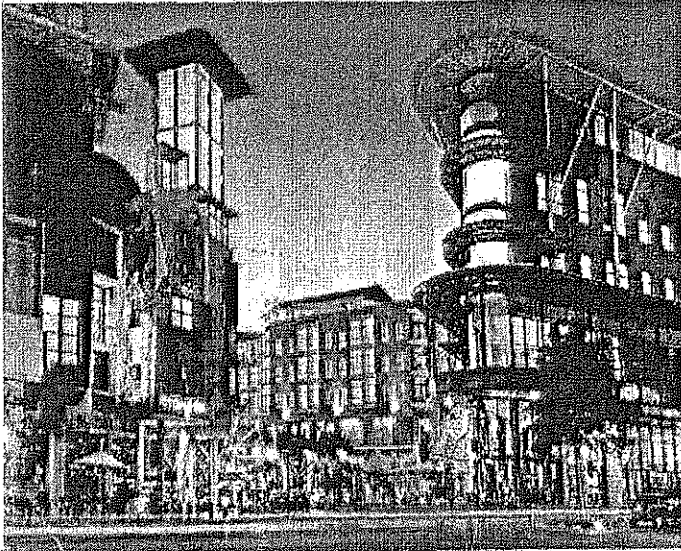
These types of centres will mainly develop as:

- part of a revitalisation project
- infill project or
- in new growth areas where other retail facilities have already been established.

This will supplement the nodes around regional and super regional centres, as well as infill facilities. Melrose Arch is the best example of a lifestyle centre in South Africa.



Moffett on Main in Port Elizabeth



Melrose Arch

Photograph courtesy of Rennie Properties

Examples:

- Melrose Arch, Johannesburg
- Design Quarter, Fourways
- Willowbridge, Cape Town
- Cape Quarter, Cape Town
- Moffett on Main, Port Elizabeth

4.4 Value Centres

Role and function

The role and function of a value centre are to compliment the retail facilities that are not necessarily represented in large regional and super regional centres. These centres do not necessarily offer a full range of goods compared to other centres in the hierarchy. They are usually limited to specific product types. Only a few clothing stores are represented in this type of centre.

These facilities should complement other retail offerings in a particular node or sub node. These centres should not duplicate and compete with adjacent/nearby regional and super regional centres. The emphasis is on quality products at affordable prices.

In some areas more than one value centre is found within the same node because of a variety of different products provided by different retailers.

Most of these centres also offer a strong food/grocery component. The function therefore is destination, as well as convenience driven. A value centre should not be regarded as a discount centre which is of a lower quality as far as the product offering is concerned. The tenants in a

value centre are of a much higher calibre. Many tenants require being close to a regional mall, but are not prepared to pay high rentals.

Description

The value centres are mostly occupied by **traders requiring large space** and are destination orientated. Value centres are a collection of particular or complementary merchandise category dominant stores. The design and layout of the centre is open with parking in front of the stores. The quality of the building is good but basic, with no extra frills.

Some of the traders in these centres, such as Mr Price, Look & Listen and Incredible Connection are located in both shopping centres and value centres. In a few cases a grocery store, and lately small hypermarkets, also form part of the tenant mix. Value centres are in most cases complementary to traditional regional centres because of a different tenant mix.

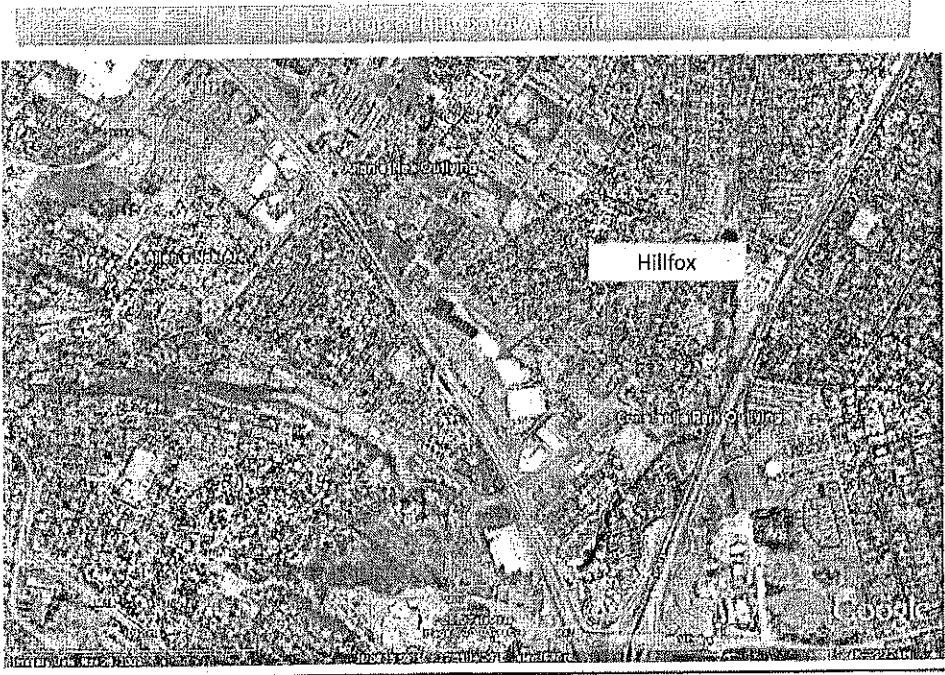
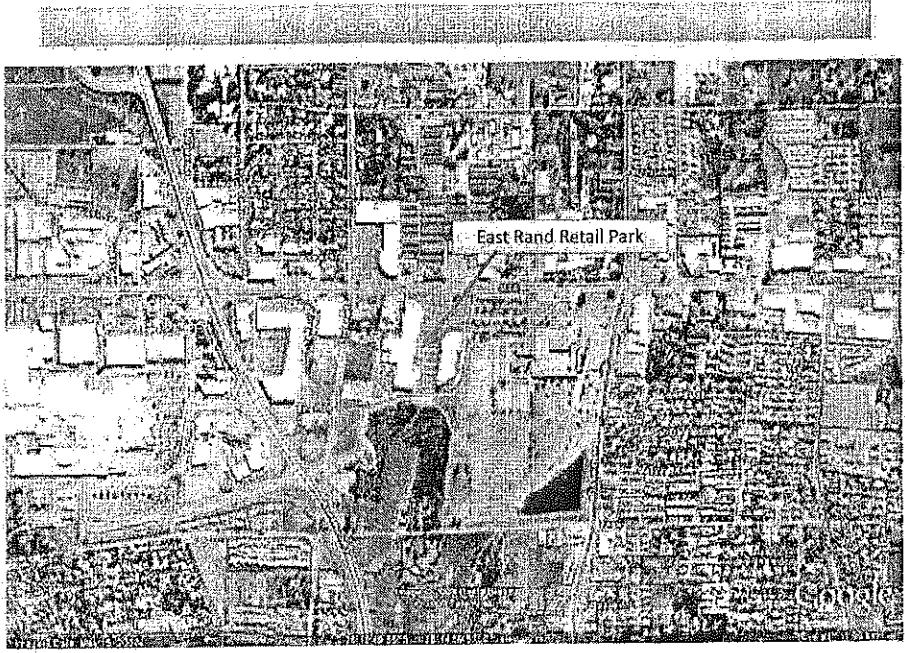
Size

Size of centre (m ²) (GLA)	Number of stores	Size of land (ha)
10 000-50 000	20-40	3-12+

The smaller value centres in the metropolitan areas seem to be less successful.

Location criteria

There are basically two trends emerging from successful value centres, namely a location next to a regional centre, or a facility fulfilling a regional role like a Hyper store or Makro/Trade Centre. Alternative locations are at a highly visible and accessible location along a main or national road which proves to be more successful.



Market characteristics and threshold values

Value centres are mainly capitalising on the catchment area serviced by regional and super regional centres.

For a successful value centre the following threshold values and market support is required:

Socio-economic groups	Number of households	Population
LSM 6-9	40 000 - 60 000	±200 000
LSM 10-10+	20 000 - 30 000	±105 000

Tenant mix

A value centre could have the following type of tenants:

- specialised retailers occupying a large space offering a wide variety of products at competitive prices e.g. Incredible Connection, CD Warehouse, Hi-Fi Corporation and Toys R Us (so-called category killers);
- home improvement facilities like hardware, paint, furniture, tiles and interior decorating;
- a number of specific clothing stores like Clothing City and Shoe City;
- so-called factory shops;
- discounters;
- a grocery store (may vary from small to large space);
- a small component fast foods and
- financial institutions

Trends and changes

The variety of different tenants occupying space in value centres has increased over the years. More than 40 so called value/strip centres have been developed countrywide. The most important requirement for these centres to be successful is to offer the **right tenant mix**.

Actions to guide retail development

Potential will mainly be driven by the presence or the absence of value retailers in a particular area. Smaller value centres seem to be less attractive than the larger value centres where the tenant mix is a very strong draw card.

Value centre development will mainly happen as part of a complementary development adjacent to regional centres.



Park Meadows Bedfordview



Montana Crossing, Pretoria



Stoneridge Shopping Centre,
Edenvale.

Examples:

- Fourways Crossing, Johannesburg
- East Rand Retail Park, Boksburg
- Princess Crossing, Roodepoort
- Riverside Value Mart, Nelspruit
- Montana Value Centre, Pretoria
- Woodmead Value Mart, Sandton

- N1 Value Centre, Cape Town
- Park Meadows Mall, Bedfordview



Role and Function

Hyper centres have to provide supermarket facilities on a large scale. These centres also operate on a regional scale. These type of centres were developed in the 1980s and 1990s and are a concept not favoured by developers and retailers any more. This is now replaced with a "value centre", where the hypermarket is one of the major tenants.

Description

A hyper centre is a centre where **most of the space is occupied by a single hyper store** which sells groceries, hardware, appliances, clothing, furniture and household goods. A number of smaller line shops fill the rest of the space. In most cases, this development concept is outdated and not one has been built during the last 15 years.

Size

Size of centre (m ²) (GLA)	Number of stores
15 000-35 000	15-40

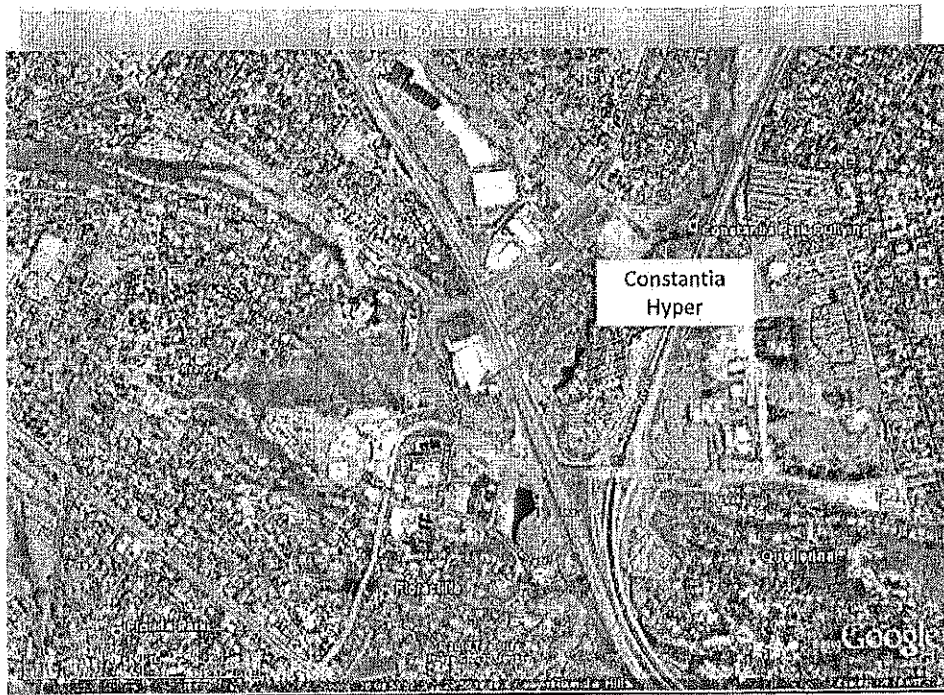
Location criteria

A major arterial road, usually a provincial road linked to a national road offering very high accessibility and visibility. Provision should be made for enough vehicle stacking space from the highway to prevent queuing.

Average radius of primary trade area	Median travel time to the centre	Access requirements
6-8km	12-20min	Strong correlation with a regional centre

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Tenant mix

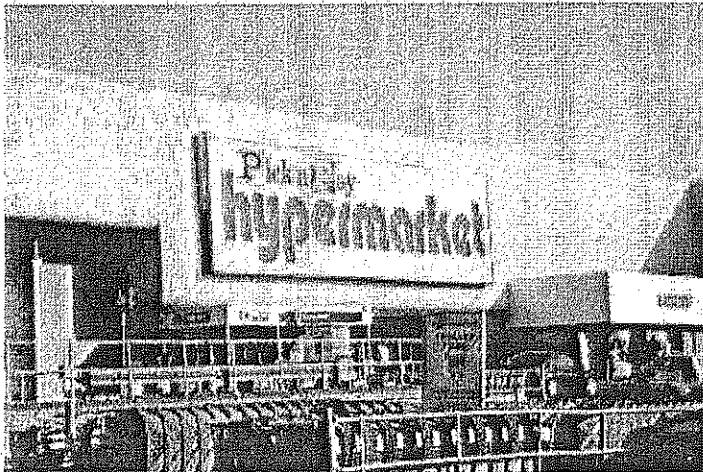
A hyper centre consists mostly of the hyper store and a number of mainly convenience orientated stores which form a small part of the total floor area.

Trends and changes

Most of these hypermarket centres have become **dated**. However some were revamped offering a new look type of centre. The line shops are mainly catering for a local market. It is expected that fewer of these developments will take place in future. Main grocery anchor tenants tend to focus more on occupying space in value centres.

Actions to guide retail development

The emphasis will be on larger value centres including hyper market facilities. The latest store in this regard is the new Pick n Pay Hypermarket in William Nicol Drive in Bryanston, Johannesburg. Future actions will mainly focus on upgrading and redeveloping of existing facilities.



Hyper by die Sea, Durban

Examples

- Checkers Hyper, Benoni
- Pick 'n Pay Hypermarket, Faerie Glen
- Shoprite Park, Parow
- Bedworth Park, Vereeniging

Motor Showrooms and Related Facilities

Role and function

The role and function of motor showrooms are mainly to **display** a variety of fabrications and models to create awareness and to attract buyers for the different motor vehicle products.

Description

Motor showrooms are included as a specialist retail facility, and are not directly comparable to other shopping centre facilities.

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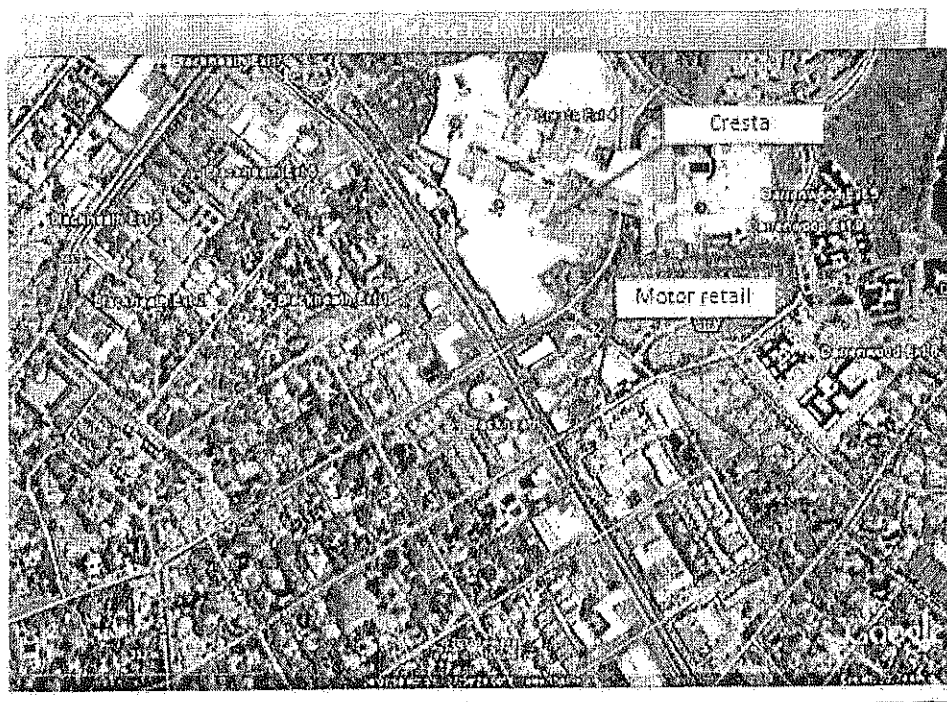
51

Size

Size of centre (m ²) (GLA)	Number of stores
500 to between 3 000-5 000	<4

Location criteria

The best located showrooms are located **along major arterial routes**, as well as highways with high visibility to these facilities being the major site selection criterion.

**Market characteristics and threshold values**

The most important criteria are:

- the more affluent sectors of cities in metropolitan areas and
- a large local resident population.

Tenant mix

In most cases one or two manufacturers are located in one showroom. A number of showrooms may open in the same area. This is mainly done for comparative reasons and to capitalise on the same visible location.

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Trends and changes

There are a number of showrooms **vacant** due to current economic conditions. It is therefore important to understand the **vulnerability** of this motor related market as far as economic changes are concerned. This market has moved into a recovery phase and car sales are increasing.

Actions to guide motor showroom development

The potential will depend on economic conditions, interest rates and on the world markets. The local potential will depend on the disposable income of the residents in the area.

This will mainly happen in new growth areas and infill developments.



Motor related retail in Vaalpark,
Sasolburg



Near Greenstone Mall, Edenvale



Role and function

Filling stations provide two functions namely **petrol sales** and **express convenience shopping** for mainly two different markets:

- local and passing motor vehicle traffic and
- express convenience shopping for motor car commuters and residents living in close proximity.

Description

This retail facility is located at filling stations and consists of a small store offering a variety of mainly daily purchased consumer goods (cool drinks, sweets, bread, milk and cigarettes) representing $\pm 80\%$ of all purchases. The distinguishing factor for these 'express convenience' stores is that the store is operated by filling station personnel only, and the store is mostly operated on a 24-hour basis.

Many of these stores nowadays offer takeaway products, bakery facilities and lately, small Woolworths Food stores. The larger filling stations are also offering takeaway facilities like Steers as well as sitdown facilities like Wimpy. Readymade food is a key aspect of express convenience. Even stores like Fruit & Veg are moving into this type of developments. These stores also offer parking and a 24-hour secure environment.

Size

Size of centre (m ²) (GLA)	Number of stores
30-600	1

There is a trend that these stores are getting bigger and latest developments include stores of up to 600m².

Location criteria

Filling station stores are located at filling stations either on main arterial routes or at accessible feeder roads at accessible locations within residential and commercial areas. The larger stores are forming part of major national and other roads.

Locations:

- main arterial roads leading to suburbs and commercial nodes;
- taxi ranks/CBDs and
- close to on and off ramps of national and provincial highways

Tenant mix

This is normally a small store offering express convenience goods, services and specialised food products. Other facilities like an ATM, car wash and quick service restaurant (fast food counters and sit down facilities) could also form part of this store type. All express convenience facilities could be allowed.

Trends and changes

- Initially fulfilled the role of a café;
- Offer a much **wider range** of convenience products (banks, fast food, express consumer food stores);
- A number of branded retailers have opened stores as part of these filling station outlets;
- Most filling stations offer these facilities.

Market characteristics and threshold values

Size of store will depend on:

- location of garage as reflected in the type of road, the accessibility and visibility of the site;
- number of litres petrol pumped per month;
- nature of immediate vicinity – could be the only convenience shopping destination in a particular area. The area can form part of a residential area, a highway, commercial areas and any other accessible area with high motor/truck/bus/taxi volumes throughout the day.

Threshold values to be considered:

- 100 000 – 300 000 litres of petrol per month reflect smaller/low performing garage;
- 300 000 – 600 000 litres per month reflect middle/larger size garage;
- >600 000 litres per month reflect strong, well located garage.

Actions to guide filling station development

- Driven by filling station (petrol company) requirements;
- High traffic volumes;
- Outbound location preferred;
- Inbound location could also be considered;
- High density residential area fulfils a shopping more than a filling station role;
- Very good visibility;
- Stores/shops/facilities other than petrol;
- Should be well signposted.

Filling Station development will mainly happen as part of the following:

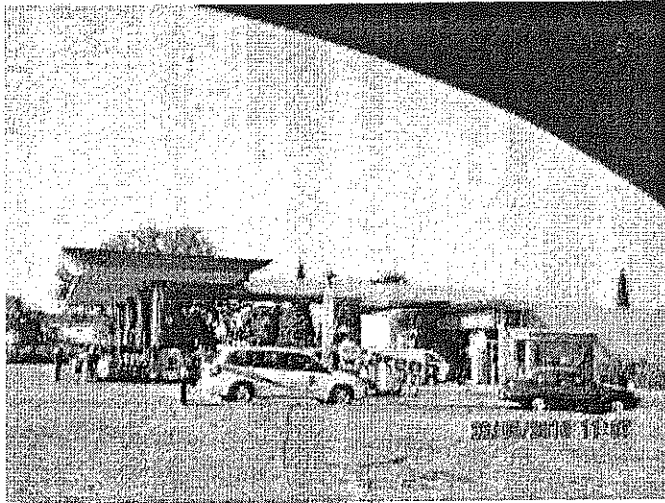
- existing CBD and Town Centres
- infill areas
- existing suburbs and townships and
- new growth/Greenfield areas

700

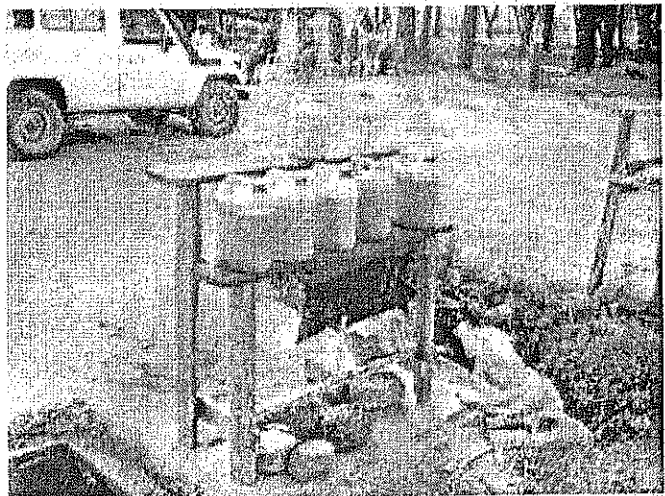
55



Shell garage with a Steers, Brazilian and Quick shop. The product range is increasing with fast food and coffee shop facilities like Brazilian and Mugg and Bean.



Near MacKenzie Park on east Rand



Lubumbashi, DRC – selling only petrol.