3.2 Local Authority Information

Appropriate personnel in the Local Authority (Overstrand Municipality) were interviewed to establish up to date information on population levels and growth rates, housing development, commercial and industrial development and planned and possible changes to the transport infrastructure in and around the municipal area. Information was also sought on electricity consumption and the number of electrical connections by area as well as water consumption by month and year and other useful indicators of growth and the seasonal inflow of visitors into the area.

3.3 Retail Census

A census of all existing retail facilities was undertaken to establish the current "supply side" of the market throughout the Overstrand area and other towns in the study area. All stores were personally visited and their sizes estimated by experienced DPA personnel. An approximation of each store's allocation of space to each of the 5 major product groups was also recorded for each town and precinct within Hermanus. The results were used to 'balance' the market estimates in terms of supply and demand, and to provide a sound foundation for a predictive model that was constructed to estimate the potential of the proposed development both in terms of turnover and space. The results were also important in recommending an appropriate and sustainable tenant mix for the Overstrand Area.

3.4 Delineation of Catchment Area

Catchment areas were delineated on the basis of reactions to the proposed centre in the Household Survey, as well as traffic routes, driving times, physical and perceptual barriers, competitive facilities and mobility of the population. The catchment areas will also be a function of the type and extent of retail developed at the site, and several assumptions were made in this regard, principally that the centre would be an effective alternative to Somerset Mall.

3.5 Desk Research

Additional information on population numbers, household income levels and expenditure patterns were sourced from Statistics South Africa, the Bureau of Market Research, Towns of South Africa (DPA) and DPA's own databank. The Overstrand area is a major tourist destination, and this element of the market was carefully addressed to assess the contribution of tourism to the area's retail market

3.6 Estimates of Market Potential

All information and ratings gathered in the previous modules were used in a computer model constructed to predict the demand for retail and consumer service facilities in the Overstrand over the next fifteen years, the development potential of a major new centre and the likely impact of the proposed new centre on the existing retail facilities in the area.

4. SUMMARY OF RESULTS

The Overstrand municipal area has a total of some 161 000 square metres of retail space at the present time, generating retail sales of R2,3 billion per annum. With population projected to grow at 4,7% per annum over the next ten years, the supply of retail space could be expected to increase at a similar pace, representing some 7 500 square metres per year or about 69 000 square metres net over the next ten years after allowing for 20 000m^2 that is presently vacant.

The Overstrand is made up of the principal town of Hermanus, two secondary towns Kleinmond and Gansbaai, the villages of Stanford and Betty's Bay and several smaller areas. As the biggest town in the area, Hermanus draws retail spend from the whole of the Overstrand as well as the adjacent Municipal areas of L'agulhas and Theewaterskloof. These latter areas include the towns of Caledon and Bredasdorp as well as villages such as Arniston and Napier. When this greater area is considered, there is an existing supply of retail space of some 209 000m^2, generating a total of some R3.0 billion in retail sales.

It is clear from the study that there is a substantial flow of retail spending taking place over the mountain in Somerset West and Cape Town because none of the towns in this broader area is large enough to warrant the presence of the major retail chains. It is also clear that should a major retail facility be established in Hermanus, it would serve the whole area, and would reduce much of the outflow of expenditure.

Taking this into account, it is found that a centre of some 28 000 square metres could be justified in Hermanus by 2013, and that the potential for such a centre would increase to 34 000 metres by 2019 and about 39 000 metres by 2024

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Hermanus is the obvious location for a centre to serve the broader region, but a development of such scale would not be without impact on the existing retail facilities in that town. The smaller towns and villages would not be affected much because Hermanus would deflect most of the spend that is already going elsewhere. But within Hermanus itself there would be consequences.

Hermanus is a very special place, and no-one would like to see the CBD or any of the other retail precincts damaged or blighted because of the development of a new one –stop shopping centre that would draw the business away. When one considers what it is that makes Hermanus special, particularly the CBD, it clearly is the beautiful setting, the festive buzz of activity, the proliferation of restaurants, coffee shops and interesting little shops.

A regional shopping centre typically focuses on fashion retailing, with an assortment of the major clothing chains dominating the centre. In this respect, The Hermanus CBD could lose a fairly substantial part of its clothing retail business. The smaller specialized stores would not be much affected, and the restaurants and coffee shops are expected to gain from the development because of the additional patronage from further afield, which would undoubtedly have a spin –off affect.

A major one stop shopping centre would typically also contain a fair mix of electronics, electrical appliances and other goods in stores such as Game. At present this element of the market is substantially under-served in the area, and is one of the major reasons for people shopping in Somerset Mall.

To minimize potential negative impacts on the CBD and other retail precincts within Hermanus, it is recommended that the proposed new centre contain allocations of space broadly in line with our detailed estimates of potential, and that the tenant mix focus strongly on the chain stores, with only a limited range of specialized independent operators.

5. HOUSEHOLD SURVEY

5.1 Survey Sample

The sample was drawn to cover the Overstrand, Theewaterskloof and Agulhas area as follows:

Central Hermanus (Voelklip, Hermanus Heights, Northcliff etc.)	80
Mount Pleasant, Westcliffe and the Hemel en Aarde estate	45
Zwelihle	20
Sandbaai	15
Fisherhaven and Hawston	30
Onrus and Vermont	30
Gansbaai, Die Kelders Franskraal etc.	40
Stanford	20
Kleinmond	25
Betty's Bay	15
Arniston, Bredasdorp, L'Agulhas, Struisbaai	30
Napier	10
Caledon	40
Total Sample	**360**

This sample covered 220 households in the Primary (Greater Hermanus) area and 140 in the Secondary area. The results of the survey were weighted to the adult population of the respective areas on the basis of the registered number of voters in each ward in 2011

5.2 Profile of Respondents

The weighted profile of respondents showed 69% were married or living with a partner; 16% were previously married and 15% single. The home language was 58% Afrikaans, 21% English and 20% Xhosa. In the secondary areas the sample was quota controlled to exclude people who fell into the EF group as they would be outside the economic bracket to have any interest in a regional type shopping centre. We asked to speak to the person in the household who was responsible for the bulk of the household shopping, and 79% of respondents were female. In terms of age breakdown there was a fairly even distribution in 5 year intervals among the under 60's, and 20% of the respondents were over 60 years of age. Some 41% of household heads were working full time, 15% were self-employed and 6% working part time. 35% were retired.

In terms of ethnic group, 55% were white, 24% coloured and 22% black.

5.3 Distribution of Retail Expenditure

Asked where they buy certain goods and services, it emerged that some 12% of food and groceries is purchased over the mountain as is some 35% of clothing and footwear, and 47% of electronic goods.
People living in the secondary area tend to do considerably more of their shopping in Somerset West and Cape Town; buying 18% of their food, 48% of their clothing and 59% of their electronic goods there.

5.4 Impact of Toll Plaza's

Uncertain

Told that there are likely to be 3 toll plazas's erected between Bot River and Cape Town, costing some R50 to R100 for a round trip in a motor car, 55% of respondents claimed they would reduce their frequency of travel over the mountain, and the same percentage of people claimed it would reduce the amount of money they spent there.

5.5 Attitude to Proposed Shopping Centre

The question was posed; If there was a one – stop shopping centre in Hermanus with a wide variety of stores under one roof, such as a smaller Somerset Mall, including Game, a full Woolworths and a wide selection of national and other chains, how would you feel about that? Do you think that would be a good idea? 89% of respondents rated that a Good or Very good idea. Asked why they said that, 46% said Hermanus needs a proper shopping centre and 39% said Hermanus needs additional shops. For the 11% of respondents who did not feel a new shopping centre was a good idea, 47% said there was no need for more shops and 43% said such a development would damage the CBD.

5.6 Reduction in Over the Mountain Shopping

Respondents were asked “If such a shopping centre were to be built, to what extent do you think it would reduce your expenditure over the mountain?”

The results show that some 60% reduction in outflow could be expected: 67% from the Primary area and 50% from the Secondary.

5.7 Shops wanted at the new Centre

Respondents were asked "Bearing in mind what shops there are in Hermanus and the Overstrand, what shops would you like to see and would use at the proposed new centre?" The question was open ended, allowing respondents to volunteer whatever stores they wished. The top mentioned results are arranged by category below in rank order.

5.7.1 Branded Supermarkets

- Pick n Pay
- Shoprite
- Checkers
- Woolworths

5.7.2 Other Food stores

- Butchery
- Bakery
- Farm Stall
- Home Bakes
- Delicatessen

5.7.3 Branded Clothing Chains

- Woolworths
- Edgars
- Jet
- Mr Price
- Ackerman's
- Foschini
- Milady's

5.7.4 Other Clothing & Footwear Stores

- Shoe stores
- Family Clothing
- Ladies everyday Clothing
- Children's clothing
- Menswear

5.7.5 Branded Furniture, Appliances & Décor stores

- Game
- Lewis
- Mr Price Home
- Boardman's
- @ Home
- Russell's
- Tafelberg Furnishers

5.7.6 Other Furniture, Appliances and Décor stores

- Appliances
- Furniture Store Curtaining
- Hi Fi; TV & Video
- Beds
- Carpets

5.7.7 Branded Gifts, Music, and Books etc.

- C N A
- Musica
- C U M Books
- Exclusive Books
- Bargain Books

5.7.8 Other Gifts, Music, Books etc.

- Gifts
- Books & Stationery
- Music Store
- Musical Instruments

5.7.9 Branded Miscellaneous Goods

- Dischem
- Game
- Clicks
- Vodacom
- MTN

5.7.10 Other Miscellaneous Goods

- Pharmacy
- Variety store
- Discounter
- Homeware
- Cellphones
- Art & Craft materials
- Arts & Crafts

5.7.11 Restaurants & Coffee shops

- Mugg & Bean
- Spur
- Wimpy
- Ocean Basket
- Nando's
- KFC