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**CLASSIFICATION AND HIERARCHY
OF RETAIL FACILITIES IN SOUTH AFRICA**

SEPTEMBER 2010

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CLASSIFICATION AND HIERARCHY OF RETAIL FACILITIES IN SOUTH AFRICA

1. RETAIL AS A VERY UNIQUE URBAN LAND USE

Retail land uses constitute a **significant part** of the urban environment in all **developed**, as well as in a substantial and growing proportion of **developing countries**. In South Africa there are $\pm 1\,619$ formal shopping centres ranging from $1\,000\text{m}^2$ up to almost $150\,000\text{m}^2$. These centres represent ± 17 million m^2 of an estimated 37million m^2 of all retail facilities. South Africa is one of very few countries where the unplanned and planned retail is almost on the same level. This clearly indicates the tempo at which planned shopping centre development has accelerated during the last 25 years.

The retail sector of the local economy represents almost 14% of the total Gross Domestic Product (GDP) of South Africa, and almost a million people are employed in a very large number of stores throughout the country. The annual sales from all these retail facilities are over R524 billion.

Retail development in South Africa is strongly influenced by what is happening worldwide. Current worldwide **economic conditions** are also impacting on the retail sector in South Africa. It is therefore of utmost importance to **understand global economic trends** and the impact on retail development. Shopping centre development in South Africa is also strongly influenced by what is happening in the USA. Urban sprawl and high motor car ownership are the main reasons for following the USA model of retail development. Traditional rural retail development closely corresponds with what is happening elsewhere in Africa where the level of urbanisation is still low.

Town planners, urban geographers, property developers and retailers have a particular interest in the spatial and hierarchical organisation of retailing within metropolitan areas, cities, towns and villages. Berry (1963) developed a broad classification of retail facilities. He identified **three** main components namely: (see Diagram 1.1)

- centres
- ribbons and
- specialised areas

Shopping centres demonstrate a hierarchical arrangement with a ¹**low-order** isolated convenience store (small grocery store) and a neighbourhood centre, both offering low order and a few ²**higher-order** facilities (variety of clothing and household stores). At regional level the most specialised stores, as well as department stores are represented.

Ribbon developments incorporate those retail and service functions mainly orientated to vehicular traffic, including filling stations, fast-food restaurants, motorcar and tyre dealers, nurseries and other similar operations. These functions serve demand created by motorcar customers. Arterial streets with the highest traffic volumes are the most densely developed.

¹ Low order facility refers to a product/store visited frequently for daily use/consumption

² A higher order facility refers to a product/store that needs a large number of people to warrant the existence of such a facility.

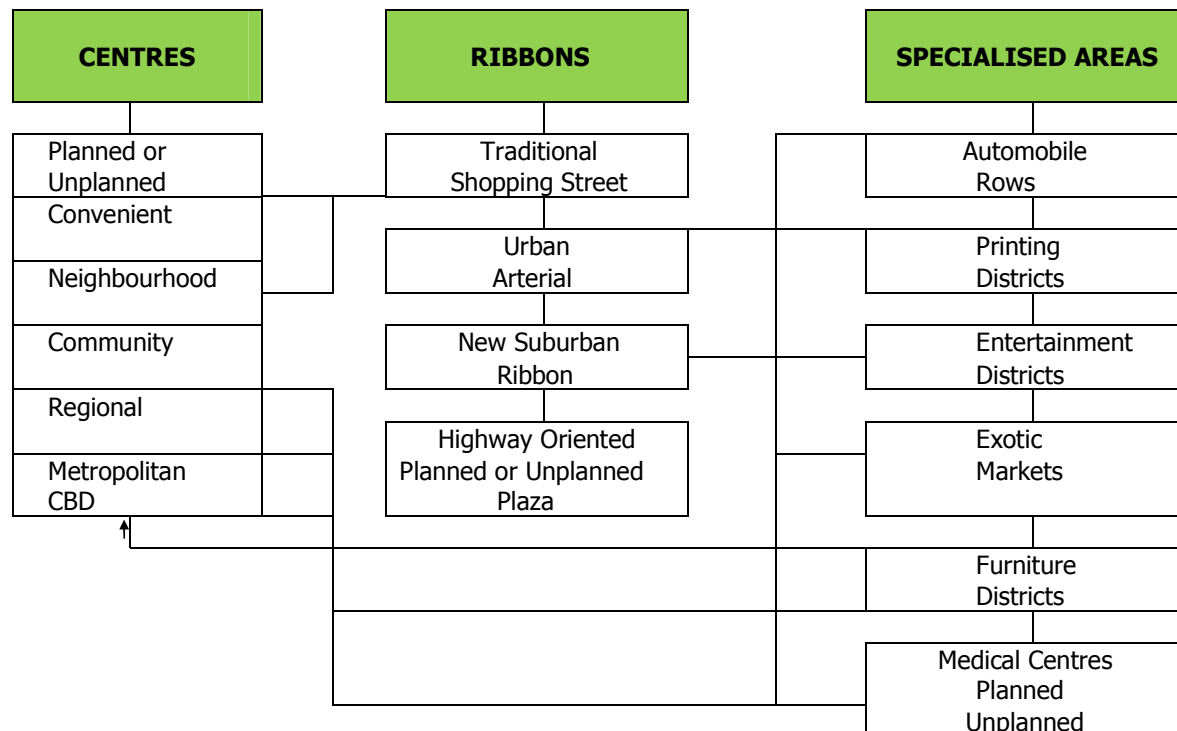
The intersections of two or more major arterials create higher development intensity. Some commercial ribbon streets stretch for kilometres.

Large metropolitan areas also have **specialised function areas**. These are characterised by motor car showrooms and professional office clusters (doctors, dentists and lawyers). Specialised function areas require good accessibility because they draw customers from the entire metropolitan area.

This retail classification remains the most **suitable** to describe the retail landscape today, and is especially appropriate to explain the **hierarchy** of shopping centres.

DIAGRAM 1.1

METROPOLITAN RETAIL STRUCTURE, AFTER BERRY



Source: Berry, 1963

Note: Berry did not indicate any specific sizes for different types of centres.

These categories are not mutually **exclusive**, with many retail functions being found in more than one location. This early model also provided a basis for a more modern classification.

Inner city retailing has been dominated historically by the **unplanned** shopping area, comprising the CBD, speciality product areas and retail clusters at major route intersections. Planned inner-city shopping areas are a more recent development trend.

The classification of **planned suburban shopping centres** is essentially hierarchical, ranging from the neighbourhood shopping centre to the regional and super regional centre. The characteristics of each reflect a different number of stores, store types, total area, selling area, number of parking bays, customer profile and foot traffic volume, rental levels and different trading areas.

The **retail strip** can be differentiated primarily according to location. Strip retailing has an effect on the dominance of a motor car orientated urban shopper.

Many **other** classifications of urban retail types exist and the above mentioned provide a general conceptual framework for understanding the complexity of the retail environment.

All this confirms the dynamic nature of retail as new products, store types; market segments, retail locations and architectural styles emerge. The structure of retail is continuously **changing**, and therefore a more open approach should be followed as far as retail development and redevelopment is concerned.

2. MAJOR RETAIL TYPES - CLASSIFICATION AND HIERARCHY OF RETAIL FACILITIES

The first group of retail types refers to **planned shopping centres** covering the full hierarchy of retail facilities ranging from super regional centres to small local convenience centres. The second group comprises planned specialist/focus/niche centres and airport retail. The third group includes unplanned (also referred to as incremental development) town centre/inner city developments and the fourth group deals with rural retail development. See Table 2.1 for a summary of all the different retail types.

TABLE 2.1

PLANNED AND UNPLANNED RETAIL TYPES IN THE WHOLE SPECTRUM OF RETAIL FACILITIES

Planned		Unplanned	Rural
<u>Core Classification</u>	<u>Specialist</u>		
<ul style="list-style-type: none"> • Small free standing convenience • Neighbourhood • Community • Small regional/ large community • Regional • Super Regional 	<ul style="list-style-type: none"> • Big Box Retailers • Entertainment/casinos • Lifestyle • Value • Hyper • Motor showrooms and related facilities • Filling station stores • Airport retail • Centres at Railway Stations • Organised Flea markets 	<ul style="list-style-type: none"> • CBD/Town Centre • Taxi rank retail/ commuter centre • Informal Traders • Spaza shops • Fresh produce markets • Informal trade 	<ul style="list-style-type: none"> • Rural retail taxi orientated • Town centers • Informal trade • Spaza shops • Planned shopping centres

The **market characteristics** of each type of centre should be well understood and taken into consideration in the planning process for a specific type centre. The most important to be included are the age and lifecycle profile, socio-economic status, disposable income and expenditure levels, as well as different lifestyles of a particular area.

The local **conditions of individual markets** should be considered. For example, the development of centres as part of **coastal towns** has different threshold values and the focus should be on the permanent residents living in the town. The peak tourist months should be regarded as additional support, and not part of the long-term sustainability of a centre.

2.1 Hierarchy of South African Shopping Centres in mainly metropolitan areas – Adjusted Model Kahn and Prinsloo

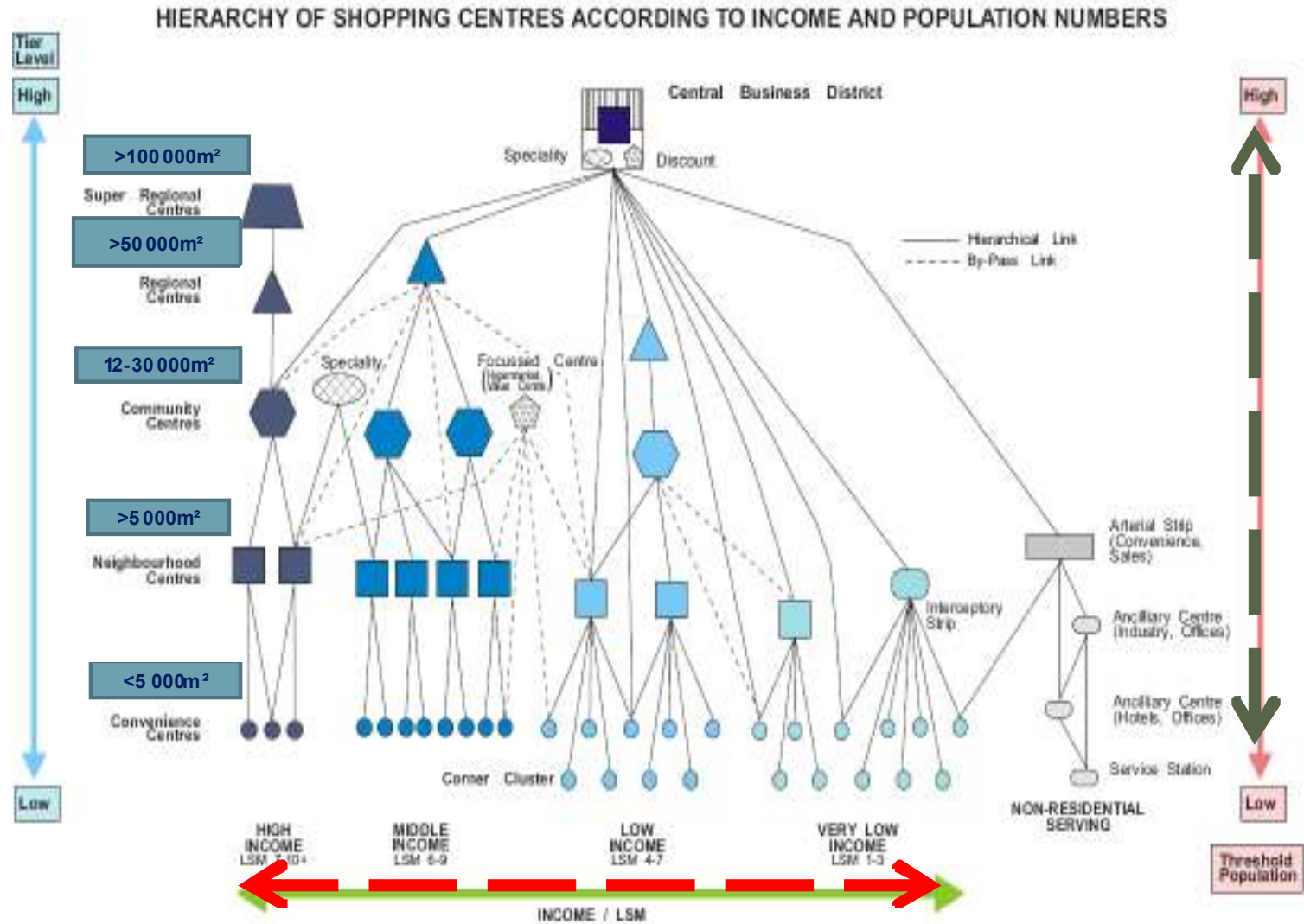
Most international models **were inadequate** to address the entire retail structure and especially South African circumstances. The hierarchical model developed by Prof Kahn (1988) was updated and adjusted for a much better understanding of the urban and metropolitan retail market in South Africa. The following additional aspects were incorporated in this model:

- The difference in **disposal income** amongst **different socio-economic groups is reflected in the use of the LSM classification**. This segmentation model is also used by most retailers to differentiate their products and markets;
- The level of **transport mobility** of the consumer in South Africa has a major impact on how different shopping centres are being supported. The emphasis is on **car ownership** which is increasing in most of the middle and upper income categories. **Taxi transport** is also very important with a direct influence on the development of retail facilities;
- Different **threshold values** for different product categories have a direct impact on the whole hierarchy of shopping centres. The threshold values clearly indicate how many households of a specific LSM group are required to warrant retail of any kind;

It is also of utmost importance to note that the hierarchy of shopping centres consist of **different levels and tiers** of representation, depending on the size of the population and available disposable income. In the metropolitan areas the hierarchy will offer retail facilities ranging from small neighbourhood centres to super regional centres. See Diagram 2.1.

In large towns and smaller cities the hierarchy include **fewer levels** while in rural areas the hierarchy consist of only one or two levels (See Diagram 2.2).

This model is continuously **changing** because of changes in aspirations and rising incomes, increase in mobility and new product/retailers entering the market. The hierarchy and type of shopping centres is part of an evolutionary process where new attractive marketing applications are applied all the time. This is also the reason for the wide variety of typologies and different retail formats.

DIAGRAM 2.1

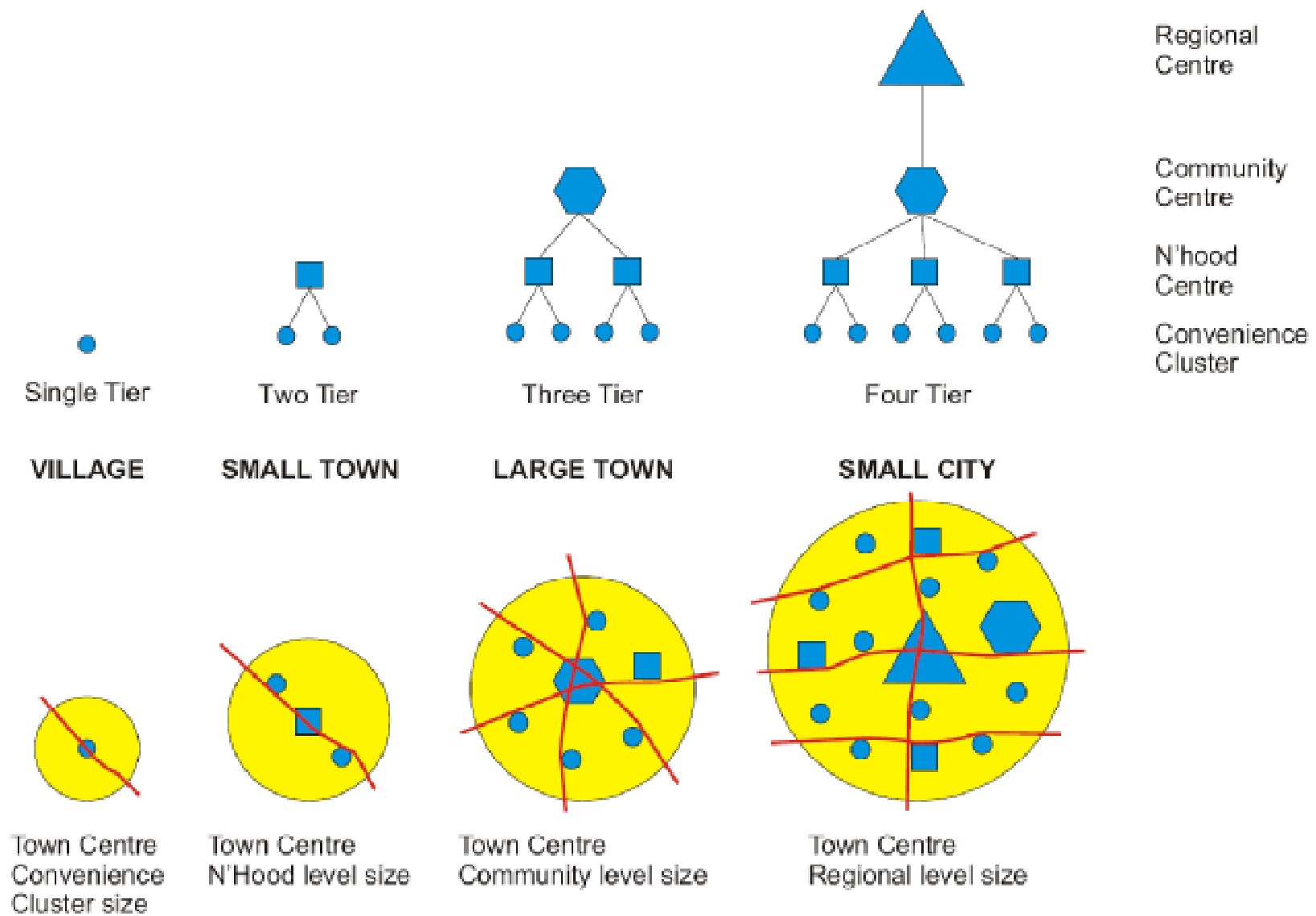
Kahn and Prinsloo (2009)

2.2 Hierarchy of South African Shopping Centres in mainly rural areas and large towns - Model by Prof Kahn

It should be noted that the types, sizes and locational structure of shopping facilities in any settlement are a function of the size and type of settlement. Consequently, a **full hierarchy** of facilities are only found in large metropolitan areas, whereas a more limited hierarchy occurs in smaller settlements.

Diagram 2.2 gives an indication of the different town centre sizes and the role they play in different size settlements. The village represents a one tier retail hierarchy with small retail stores offering a full spectrum of food, clothing and service facilities. As the size of the settlement increases, the level and the number of retail facilities also increase. The most prominent rural retail offering is restricted to a large town where mainly a two/three tier retail hierarchy is present. The largest retail offering in this regard is found in small cities where up to a four tier retail offering could be represented. This however becomes closer to the large urban and metropolitan areas with a well established hierarchy of shopping centres.

As indicated in Diagram 2.2 the retail facilities on different levels are all dependent on a central accessible location.

DIAGRAM 2.2**RETAIL FACILITIES ON DIFFERENT LEVELS**

3. MAJOR RETAIL TYPES: PLANNED SHOPPING CENTRES

The following is a detailed description of all the different retail types forming part of a metropolitan retail structure from the smallest filling station to a super regional mall. The information provided for each retail type will include the following:

- Role and function
- Broad indication of the size of a typical centre measured in Gross Leasable Area (GLA)
- Location criteria
- Market characteristics and threshold values
- Tenant mix
- Trends and changes
- Actions to create retail development

3.1 Small Free Standing and Convenience Centres

Role and Function

The function offered by these centres is mainly **express convenience**, including a café/small food store, takeaway foods, DVD stores, banks and ATM facilities.

Description

This retail facility aims at satisfying the **local** needs of the residents within one or two adjoining suburbs. Such a facility could be a single building or a number of buildings located in close proximity to each other to provide a single destination. These centres could consist of one tenant or a number of very small tenants.

Size (GLA)

Size of centre (m ²) (GLA)	Number of stores	Size of land (ha)
500-5000	5-25	0.15-1.5

Location criteria

These centres are usually located on collector streets in suburbs. Most of these centres require customers to get to the centre by car, but are often also located within walking distance of a large proportion of the local population. The close proximity of a taxi rank will add to the market strength of a convenience centre.

Average radius of primary trade area	Median travel time to the centre	Access requirements
1-1.5km	2-3min	Suburban street or minor collector road

Market characteristics and threshold values

For a successful small free standing and convenience centre, the following threshold values and market support are required:

LSM ³ groups	Number of households	Population
LSM 1-5	<10 000	<40 000
LSM 6-9	<4 500	<15 000
LSM 10-10+	<2 000	<7 000

Tenant mix

- **Anchor tenant:** Usually smaller than $\pm 1\,000\text{m}^2$ with the typical tenants being a café, superette, Woolworths Food or other smaller grocery stores such as Kwik Spar or Pick n Pay Daily.
- Other tenants for these centres are convenience retailers including a pharmacy, deli, butchery, video store, hairdresser, dry cleaner, liquor store, florist and a hardware store. Small eating places/fast-food outlets could be accommodated depending on the micro location.

Trends and changes

Over the last 5 – 10 years the popularity of these centres has mainly been the result of more and better supermarket/grocery/food offerings. With changes in shopping behaviour the emphasis is also more on express food, prepared foods and an attractive offering. Small food anchors like Woolworths Food have moved into these type centres to improve the attractiveness, to increase the trade area and to offer a specialised product. Apart from Woolworths Food stores, other major grocery groups also followed with specific quality/prepared food offerings e.g. Pick n Pay Daily. The **trend worldwide** as far as supermarkets are concerned is the following:

- for grocery stores to become **smaller** and to offer a **unique product** to the more sophisticated shopper, or
- to offer a **broad range of supermarket products** to the broader market.

³The following are examples of different suburbs depicting a specific LSM profile:

LSM 10 and 10+: Umhlanga, Bryanston, Morningside, Woodhill, Mooikloof, Constantia, Summerstrand

LSM 7-9: Bluff, Roosevelt Park, Villieria, Rietfontein, Kuilsrivier, Bellville, Kabega

LSM 5-6: Chatsworth, Cosmo City, Soweto, Vosloorus, Mamelodi

LSM 3-4: Umlazi, Hammanskraal, Orange Farm, Sebokeng

LSM 1-2: Ndwedwe, Masinga, Lusikisiki, Sterkspruit

It is most likely that in future these centres will keep on growing. A major need exists in the township areas to provide more localised convenience /neighbourhood centres. The current trend in the township areas is to focus on neighbourhood, community and in some cases, on regional centres.

Actions to guide retail development

The potential will mainly be determined by the local population, the location of the proposed centre, as well as the anchor tenant. **Some anchor tenants** in this category are more successful than others. In most cases shoppers have a very specific preference based on the product range, the quality and price, the operator, the service, business hours, parking and security, all factors which will impact on the success of these centres.

Many of these centres currently need a **refocus and revamp**. Many are old and offering poor retail facilities. This type of facilities are very popular as part of town centres.

The redevelopment and expansion of small free standing centres (<1 000m²) **should be encouraged** to move to the level of a convenience centre and to focus mainly on upgrade and expansion.

Growth in these types of centres will probably occur in the new residential growth areas in suburbs and townships. Currently, each of the major township areas makes provision for centres on this level. The 'follow-the-roofs' strategy should be implemented in this case. **At least 60%** of the required number of households should be occupied before the retail development will become viable.



Parktown Quarters, Parktown North Johannesburg: This centre was recently revamped and re-tenanted, offering an attractive tenant mix.



SuperSpar in Secunda, attracting shoppers from much wider because of a very good offering.

Examples:

- Parkmore Centre, Sandton
- Blaauwberg Centre, Cape Town
- The Avenues, Port Elizabeth
- Maytime Centre, Durban
- Wilro Corner, Roodepoort
- Fountains Centre, Randburg
- Meyersdal Square, Alberton
- Bromhof Village, Randburg
- Helderberg Village, Somerset West

3.2 Neighbourhood Centres

Role and function

These centres fulfil a **convenience and express convenience role**. The **three** most critical aspects with regard to these centres are the following:

- a reputable, good, attractive, and well known **food anchor**;
- the provision of sufficient **parking** and
- a very good micro location offering **easy access** for residents from the surrounding suburbs.

Description

This retail facility aims at the suburban level with a **larger impact** than the local convenience centre. These centres usually service the surrounding neighbourhood within a 2km range but can also play an intercepting role for passing traffic to other suburbs.

Size (GLA)

Size of Centre (m ²) (GLA)	Number of stores	Size of land (ha)
5 000-12 000	25-50	1.5-3.6

Location criteria

These centres are usually located on **major collector roads** in suburbs or township areas offering high visibility and accessibility to passing traffic intended for the suburb(s) in the immediate vicinity.

Average radius of primary trade area	Median travel time to the centre	Access requirements
1.5-2km	4-9min	Major collector road

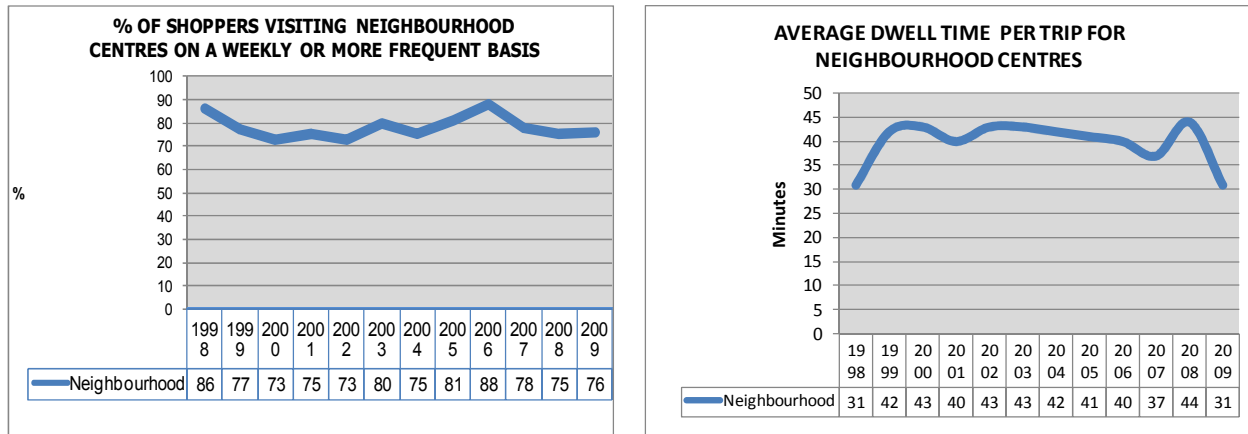
Market characteristics and threshold values

For a successful neighbourhood 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% ⁴	25%	15%		
LSM 1-5	20 258	28 333	47 246	127 499	0.1
LSM 6-9	9 004	12 593	20 998	50 372	0.2
LSM 10-10+	3 683	5 152	8 590	18 032	0.54

⁴ Particular centres cannot attract 100% of the disposable income available in an area. Different scenarios ranging from 15% to 35% were included. All these must be seen as broad parameters that will vary from area to area. Example: The required minimum households for the development of a neighbourhood centre in a higher LSM neighbourhood the minimum households required should the centre attract 25% of all the spend on retail products are ± 5000 households.

Benchmark indicators



In most cases the neighbourhood centres are visited by 75%-85% of their customers on a weekly or more frequent basis and the average dwell time is ± 30 -35 minutes.

Tenant Mix

- **Anchor Tenant:** Usually larger than 1 400m² with the typical tenants being Spar, Pick n Pay, Checkers, Shoprite, Woolworths Food and OK Food. The latest trend is where **two food** anchor stores, for example Pick n Pay and Woolworths Food, are located in the same centre. This is also applicable on a combination with other food anchors like Spar and Checkers. The emphasis in this regard is to complement the offering of the larger supermarkets, and to provide a variety of food and grocery products. The preferred supermarket is in most cases a reflection of the socio-economic profile of the residents in the surrounding suburbs. In many cases the food offering is also complimented with stores like Fruit and Veg City and Everfresh.
- The other tenant types to be found in these centres are **convenience retailers** including a pharmacy (stores like Dis-Chem), butchery, video store, hairdresser, dry cleaner, liquor store and a hardware store. There are also other tenants in these centres which could include specialised stores, small clothing stores, restaurants and takeaways, as well as services like medical and banking facilities.
- Part of the tenant mix also includes **independent stores** mainly run by local residents. These shops bring variety in as part of the tenant mix. A good example is home industries.

Trends and changes

In some cases smaller clothing chain stores have become part of the retail tenant mix. With the changes in shopping behaviour additional food offering also occurs, but should be kept to a minimum. More fast-food outlets, coffee shops, as well as branded restaurants open in these types of centres.

Households support on average four different grocery stores per month, which is a substantial increase compared to **two** stores in 1993. The result of this is that you often find a number of convenience centres in close proximity to each other.

The neighbourhood shopping centre is the one type where **saturation** might be applicable mainly because of the variety of different supermarket groups competing in the same area.

Actions to guide retail development

Neighbourhood centre development will mainly happen as part of the following:

- Infill areas in suburban and township areas;
- New growth areas where the threshold value is sufficient to warrant immediate development and
- Greenfields developments where 'follow the roofs' strategies should be followed and developed once a substantial proportion of the threshold value in terms of occupied homes have been reached.

Location of Northcliff Square, Northcliff Johannesburg





Woodbridge Square, Kempton Park



Secunda Plaza

Examples:

- MeerenSee Mall, Richards Bay
- De Marionette Centre, Meyersdal Alberton
- Northcliff Square, Johannesburg
- Capricorn Square, Muizenberg Cape Town
- Metropolitan Centre, Thaba Nchu
- Ithala Centre, New Germany Durban

3.3 Community Centres

Role and function

The role of a community centre is to satisfy the need for shopping facilities between that of a neighbourhood and a regional centre. The community centre has a **larger catchment area** and services more households. The definition of a community centre is often **not precise** and overlapping/duplication occur with neighbourhood centres and small regional/community centres.

The role fulfilled by these centres in township areas is very important, mainly because of transport/taxi orientated facilities, the lack of private transport and to offer a large facility mainly within walking distance of a large portion of the community. In many cases, shoppers are prepared to walk to these large centres and to save on transport costs.

Description

Community centres are offering a wider tenant mix than a neighbourhood centre. These centres however are not large enough to offer a full range of comparative tenants. These centres are sometimes difficult to develop because of the nature of being in between small and large centres.

Size (GLA)

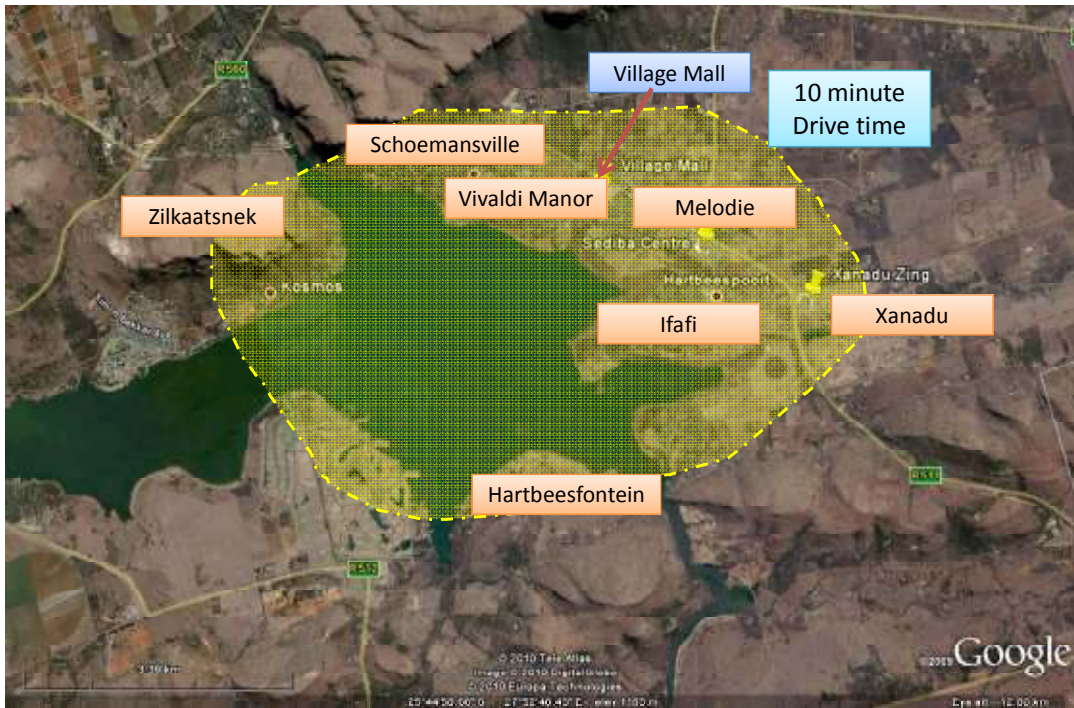
Size of centre (m ²) (GLA)	Number of stores	Size of land (ha)
12 000-25 000	50-100	3.6-7.5

Location criteria

These centres are located on main arterial roads which are accessible from a number of suburbs located in the area. The site must offer high visibility to passing traffic and accessibility to the residents in this area.

Average radius of primary trade area	Median travel time to the centre	Access requirements
2.5-3km	6-14min	Major arterial road

Photo 4.2: 10 Minute Drive Time to Village Mall 2010

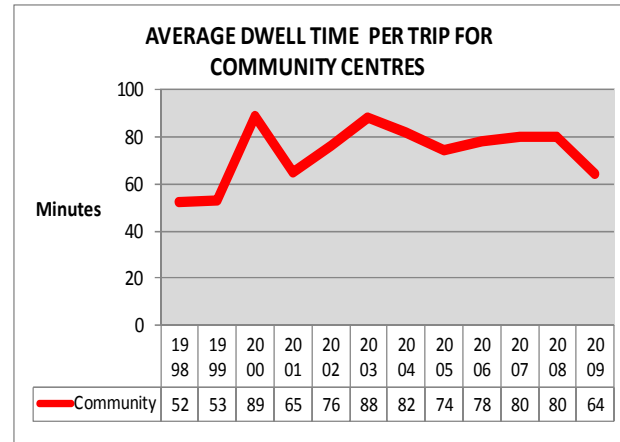
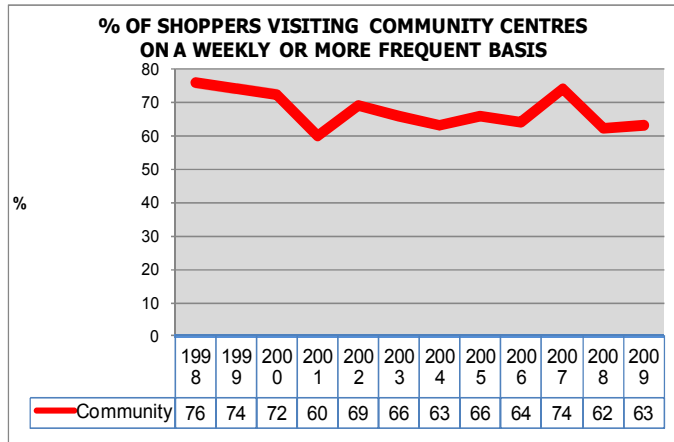


Market characteristics and threshold values

For a successful community 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	44 092	61 667	102 829	277 502	0.1
LSM 6-9	19 596	27 407	45 702	109 628	0.2
LSM 10-10+	8 017	11 212	18 696	39 242	0.54

Benchmark indicators



Between 60% and 70% of the customers of these centres visit these centres on at least a weekly basis with an average dwell time of between 60-80 minutes.

Tenant mix

- **Anchor tenant:** Large supermarket bigger than 2 500m² with the typical tenants being Spar, Pick n Pay Family Store, Pick n Pay, OK Food and Shoprite/Checkers (or combined with a Woolworths Food store);
- Convenience retailers including a pharmacy, butchery, video store, hairdresser, dry cleaner, liquor store and a hardware store;
- National clothing stores (to a limited extent), boutiques, shoes and some comparative shopping;
- Restaurants and takeaways;
- Services like medical facilities, banking and limited office functions;
- Some might have cinemas. In a few of these size centres, cinemas closed because of smaller trades areas.

Trends and changes

Many of the existing community centres have become dated. In many cases developers and owners were successful in **revitalising, upgrading** and **re-tenanting** these centres to fulfil a convenience/community role.

One of the major trends in township development is to offer centres of this nature. The tenant mix is mainly focusing on food, clothing, furniture and services. These size centres are currently the most successful in the township areas ($\pm 17\,000\text{m}^2$ - $25\,000\text{m}^2$).

Actions to guide retail development

The potential for this type of development will mainly be in three different areas, namely:

- **infill** developments where enough potential exist;
- **new growth** areas and a '**follow the roofs**' strategy;
- the **redevelopment** of existing centres, because of the older nature of existing community centres;
- expansion of the tenant mix and the floor area of **existing centres** to offer a wide tenant mix and
- expansion of large neighbourhood centres where sufficient potential exists for the development of community centres.



KaraGlen centre in Edenvale.



Village Mall, Hartebeespoortdam:
This centre caters for local residents
as well as weekenders and day
visitors.



Randridge Mall in Johannesburg:
Growing larger in spite of very strong
competition.

Example

- Rustenburg Plaza, Rustenburg
- Goodwood Mall, Cape Town
- Scottsville Mall, Pietermaritzburg
- Lynnridge mall, Pretoria
- Village Mall, Hartbeespoortdam
- New Redruth Centre, Alberton
- Lonehill Centre, Sandton
- Howard Centre, Cape Town
- Gezina Galleries, Pretoria

3.4 Small Regional Centres/Large Community Centres

Role and function

The role and function of these types of centres are mainly to satisfy the needs of the broader community and to offer a better tenant mix than the community centres. Most of these centres **do not** necessarily fulfil a true regional role, but rather that of a larger community facility.

Some of these centres can also address the needs of a specific **market segment**. Many new centres in this size category have opened during the last 4-6 years. The tenant mix is wider and competes on both ends against community and regional centres. In some cases, especially in the more rural areas, these centres fulfil a much stronger regional role.

Description

This retail facility offers a **wide variety of stores** and is bigger than a community centre, at a better location, with a wider tenant mix but **not yet in the category** of a regional centre.

Such a centre could be a large community centre according to the definition, but due to its role and function in the area, it could be regarded as a **small regional centre**. These centres can also fulfil a regional role in more rural areas.

Size

Size of centre (m ²) (GLA)	Number of stores	Size of land (ha)
25 000-50 000	75-150	7.5-15

Location criteria

Good regional accessibility and the site must offer high visibility to passing traffic and easy accessibility to the residents in the community/region.

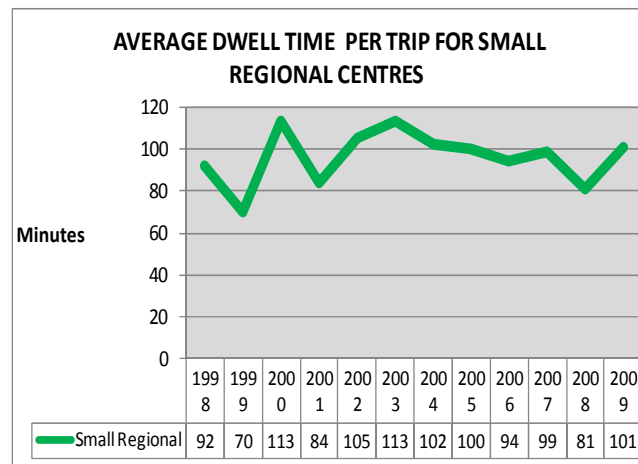
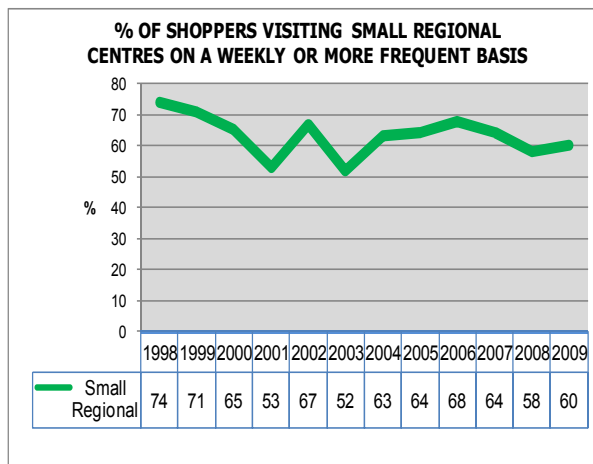
Average radius of primary trade area	Median travel time to the centre	Access requirements
3-5km	10-16min	Major suburban arterial road linking to a highway

Market characteristics and threshold values

For a successful small 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 1-5	89 375	125 000	208 438	562 500	<0.1
LSM 6-9	39 722	55 556	92 639	222 224	0.2
LSM 10-10+	16 250	22 727	37 898	79 545	0.54

Benchmark indicators



Between 60%-65% of their customers visit these centres on a weekly basis and normally stay for ± 95 minutes.

Tenant mix

- **Anchor Tenant:** Large supermarket (>±4 000m²) with the typical tenants being Pick n Pay and Shoprite/Checkers (up to two food anchors can be on offer in one centre, but only in exceptional cases);
- convenience retailers;
- major national clothing anchor stores like Edgars, Woolworths and Mr Price, boutiques, shoe shops and some comparative shopping;
- restaurants and takeaways;
- entertainment such as cinemas, although a number of cinemas have closed in smaller size centres and
- services, such as medical and banking facilities as well as limited office functions.

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

Trends and changes

In most cases, these centres fulfil the needs of the community as well as that of a wider catchment area, based on a variety of different stores. In some cases, community centres could move into this category based on a wider tenant mix offering.

Actions to guide retail development

- The main emphasis will be on **new growth areas**. Provision should be made for small regional centres to expand over time. These facilities will initially act as a **catalyst** for further retail and other development. Depending on the area, provision should be made for office development and other additional types of retail facilities.
- In the case of existing community centres, **expansion** must be allowed to cater for a better tenant mix, existing stores to expand (internal growth) and to offer more eating facilities and new retail concepts.
- **Infill** developments should be allowed.



Westwood Mall, Durban: A new centre overlapping with the trade area of large super regional centre, The Pavilion.



La Lucia Mall, Durban: A strong localised centre in competition with the larger super regional centre, Gateway.



Wonderboom Junction in Pretoria: A new so called small regional centre but mainly acting as a community centre in that area of Pretoria.

Examples

- South Coast Mall, Port Shepstone/Margate
- Mall @ Carnival, Brakpan
- Irene Village Mall, Pretoria
- Walmer Park, Port Elizabeth
- Westwood Mall, Durban
- Paarl Mall, Paarl

3.5 Regional Centres

Role and function

The role and function of these centres are to satisfy the needs of a **large primary and secondary** catchment area. The support from the tertiary trade area usually varies between 8% and 10%. These centres are often supported by a strong **workforce** in the immediate vicinity. They offer a **wider entertainment** component to attract people especially during the evenings and children during holiday periods.

These centres also act as a catalyst for the establishment of a **mixed use node** with retail facilities, office firms, hotels, residential development and entertainment. These areas then develop into strong nodal areas.

Description

This is a **large retail facility** offering a wide variety of stores, sufficient parking facilities and a significant entertainment component.

Size

Size of centre (m ²) (GLA)	Number of stores	Size of land (ha)
50 000-100 000	150-250	15+

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 and traffic obstructions.

Average radius of primary trade areas	Median travel time to the centre	Access requirements
5-8km	14-20min	Major arterial road usually a provincial road linking to a national road

The Galleria in Amanzimtoti is one of the latest regional centres completed at the end of 2009 with a GLA of 88 000m². Main tenants are Checkers Hyper, Game and Nu Metro. Highway road access is of critical importance. This is an example of a new centre that has the size of a regional centre.

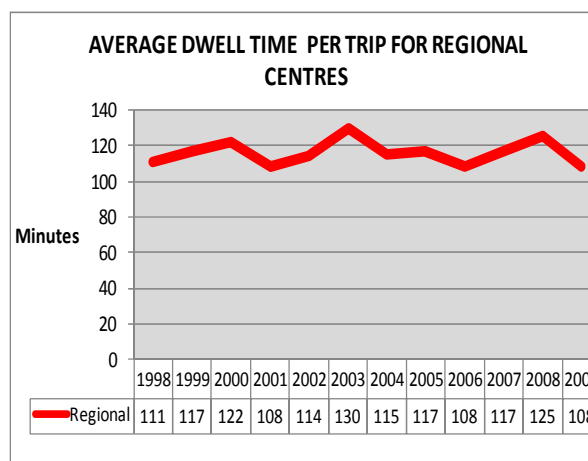
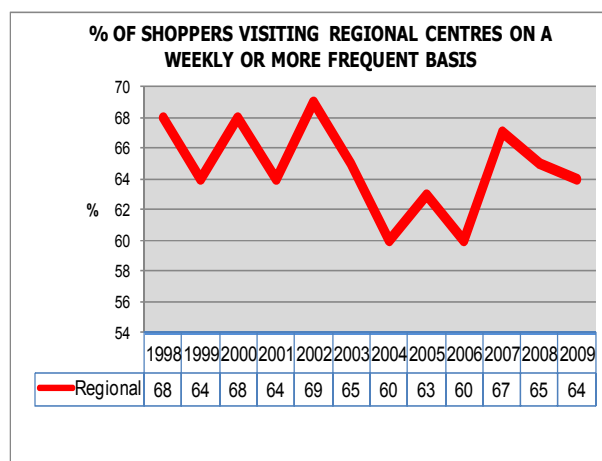


Market characteristics and threshold values

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.



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

3.6 Super Regional Centres

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.

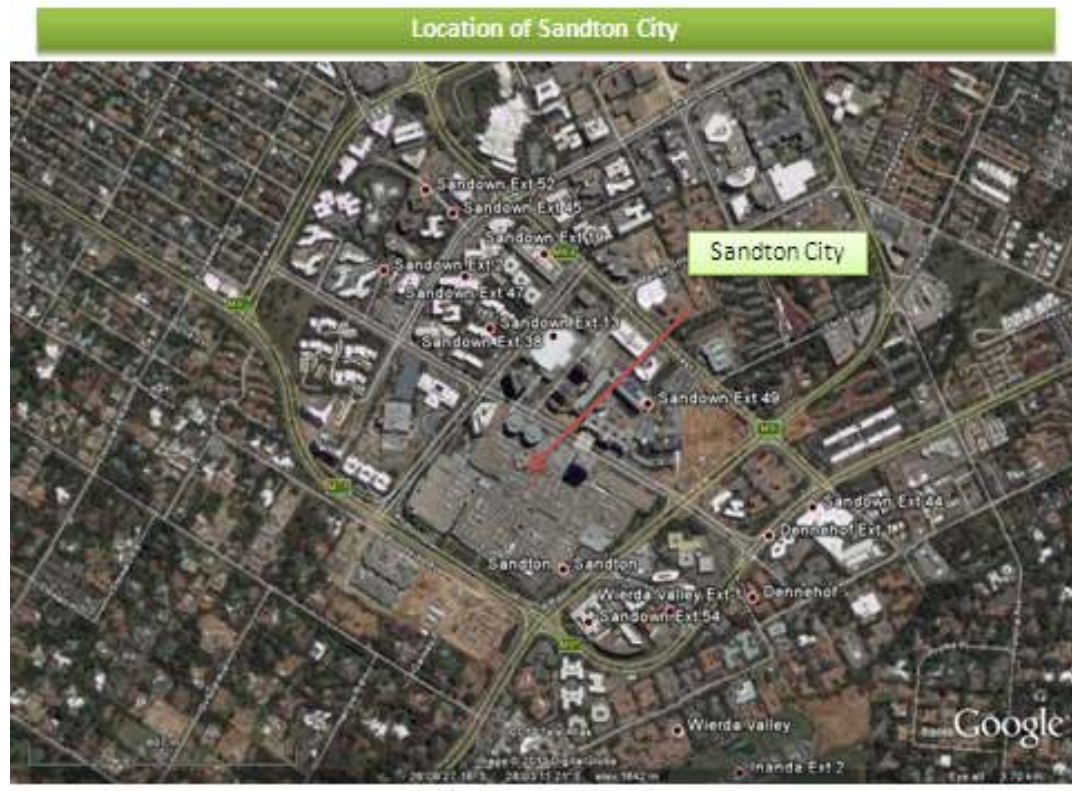
Size

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

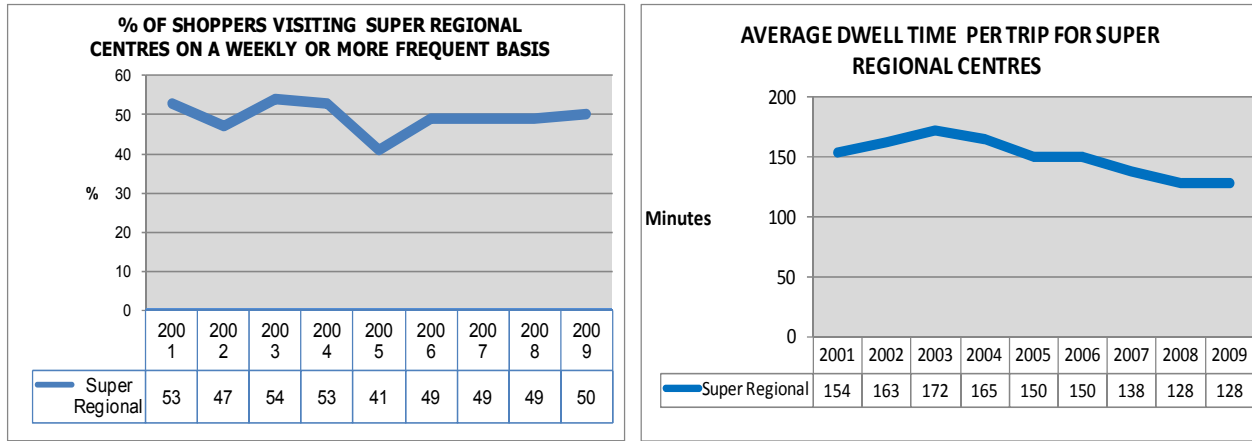


Market characteristics and threshold values

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.



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

4. Major Retail Types: Planned Specialist/Focus/Niche Centres

4.1 Big Box Retailers

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.

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.



Another big box retailer is Mr Price Home

4.2 Entertainment/Casinos

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.





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

4.3 Lifestyle Centres

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 (m²) (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.

Micro Location of East Rand Retail Park



Location of Hillfox Power Centre



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

4.5 Hyper Centres

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.

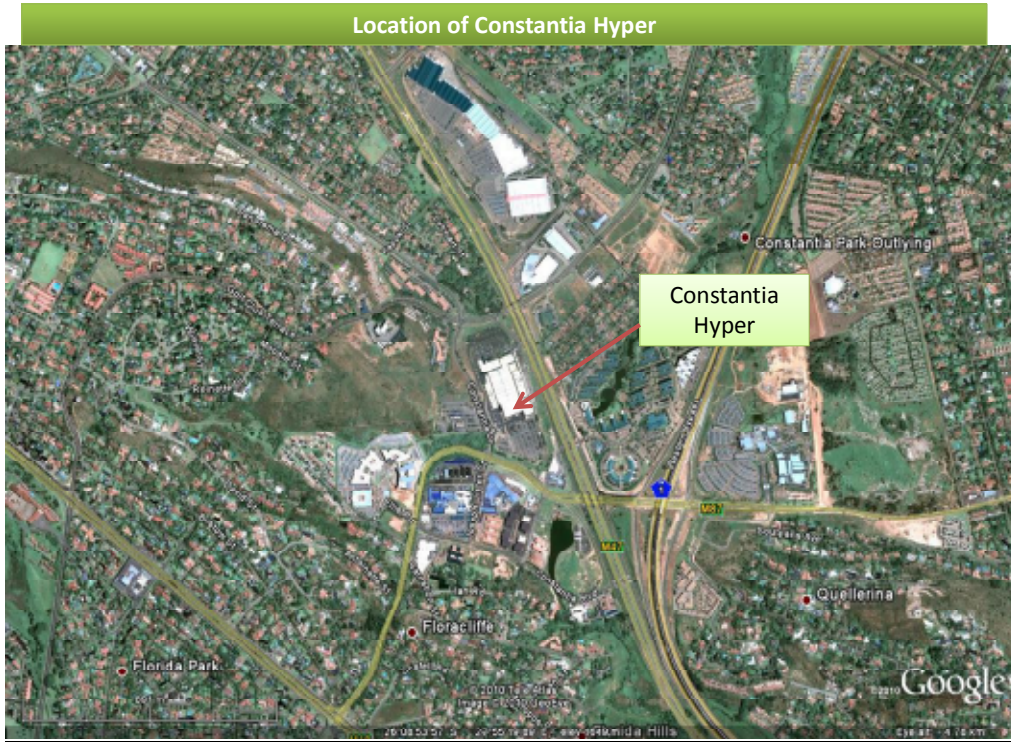
Size

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



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

4.6 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.

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.

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

4.7 Filling Station Stores

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



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.

4.8 Airport Retail

Role and function

The role and function are to satisfy the retail shopping needs for air travellers, as well as family/collectors. The most important is the accessibility and availability of these retail facilities for the highest possible number of air travellers. No specific provision should be made to cater for households in the vicinity of the airport. Airports are not necessarily accessible for households living around the airport.

Description

These facilities are usually located in both the arrival and departure halls of our major international airports. There are also major differences in the retail offering for local and international travellers. The success of these retail facilities is also driven by extra time that passengers/collectors spend while waiting for arrivals and departures.

International terminal retail is dominant on airside departures and of low intensity on landside, whereas domestic terminal retail is stronger on landside, to cater for the meters and greeters, kissers and wavers, as well as the commuters and is less intense on airside departures. Increasingly centralised landside retail cores are becoming dominant.

Size

The size of the facilities will depend on the number of passengers using a particular airport. Large retail facilities are present at OR Tambo International Airport with more than 12 million passengers per annum. Most South African International Airports were upgraded for the 2010 FIFA World Cup offering good quality retail facilities.

Location criteria

It is important to maximise the exposure of the retail facilities to the different user groups. In most overseas airports the retail facilities are **centrally** located to a large number of departure halls.

Tenant mix

The emphases are mainly on food products with coffee shops and sit down fast food and pub restaurants. The tenant mix is also making provision for gifts, books, clothing and services. Duty free facilities are also very popular and occupy large areas of retail space. Lately, stores like Woolworths, Foschini's, Truworths and other branded national clothing stores have opened facilities at the OR Tambo International Airport in South Africa.

Retail facilities at airports like Heathrow and Dubai offer very exclusive fashion, electronic ware and jewellery.

Trends and changes

The most important trend and changes as far as retail shopping is concerned is the expansion of the retail size and the offering available for the different airport user groups.

Actions to guide airport retail development

The potential will be determined by the number of arrivals and departures per airport. OR Tambo International Airport is planned for between 12-15 million passengers per year with a substantial retail component.

Examples of retail in Airports



OR Tambo International airport

5. MAJOR RETAIL TYPES: UNPLANNED RETAIL FACILITIES

A distinction is drawn between the older '**unplanned**' centres of the inner city, including town and city central business districts where individual developments of CBD erven are not coordinated to complement adjacent or opposite erven developments.

These CBD/Town Centre areas range in size from the smaller towns to large metropolitan areas. These facilities are classified as unplanned or **incremental** because of the historical development in CBD/Town Centre areas and the incremental expansion over time.

Taxi rank and commuter centres form part of planned and unplanned retail facilities in CBD/Town Centres. Most facilities at the larger stations/taxi ranks form part of a planned structure, while most of the activities outside the building are unplanned and informal and will be discussed later.

These unplanned and incremental centres do not form part of the traditional hierarchy of shopping centres ranging from a small convenient centre up to a regional centre. The highest level according to the classification by Berry (1967) is the metropolitan CBD which developed as

the strongest/largest retail offering. The CBD consists of planned, unplanned or incremental retail types that developed over many years.

The hierarchy of shopping facilities on the lowest levels of the whole spectrum of rural villages and urban settlements has received no or very little attention in the past. The town centre forms the basis of each tier of retail representation as part of this unplanned and incremental development of retail facilities.

5.1 CBD/Town Centres

Role and function

CBDs in South Africa fulfil a city-wide destination for mainly township residents. The CBDs are also the focus point of public transport and the destination for the majority of workers in our metropolitan areas. The CBDs also offer a very wide range of retail facilities, entertainment, browsing and opportunity to socialise. Most CBDs have a very strong support base and good retail performances.

On town level, the town centre fulfils a similar role catering for all town residents, as well as the farm/rural population. The function of retail in these towns has changed dramatically because of new labour laws. Town centres have become very important shopping destinations, especially over weekends.

Description

CBD shopping facilities form part of street retailing and cater for the nearby residents, but mostly for the people moving in and out of the CBD on a daily basis. In recent years, the consumer base for CBD/Town Centres retailing has been dominated by lower LSM profiles. Most CBDs also have shopping centres as part of the total retail mix, but operate within the broader CBD context. Many of these centres are located close to the taxi /station facilities.

Size

Size of Centre (m ²)	Number of stores
10 000 - ±200 000	Depend on the size of the city/town/metropolitan area

Market characteristics and threshold values

These centres are dependent on a large number of pedestrians coming to the area either to shop or to work. The outstanding characteristic is the dependence on public transport.

Tenant mix

A wide range of tenants can be seen in CBD/Town Centres, including the following:

- large national clothing stores
- furniture stores

- homeware stores
- fast food restaurants
- supermarkets
- cell phone shops/service centres
- banking facilities and
- lower quality clothing, furniture and other stores (mainly independent traders).

Trends and changes

The most important trend is the establishment of a very strong retail component, focusing mainly on the needs of LSM 1-7 shoppers. More focus has been placed on the revitalisation and redevelopment of CBDs lately. Cities like Cape Town have been very successful in creating an attractive living environment for more affluent households. Other metropolitan areas, like Durban, Johannesburg and Pretoria are also following this trend; however, the residential facilities in the CBD areas are of middle market standard.

There is a major need to upgrade the CBD/Town Centre facilities and to make sure that these facilities remain attractive for mainly the commuter, office and local resident market. CBDs also experience major competition from centres in the townships. The upgrade of retail facilities in the CBD of Johannesburg focused on more and better fashion stores as well as new coffee shops.

Actions to guide CBD/Town Centre redevelopment

The focus should be on core areas, major streets and destinations en route to stations and taxi ranks. Poorly located retail facilities will become vacant, rundown and redundant. New retail facilities will mainly develop as upgraded and revitalised existing structures.

Safety and security play a major role in these developments, as well as the revitalisation of the entire CBD. Development guidelines will also have to include the rest of CBD activities, e.g. office development and redevelopment, pedestrian flows, secure areas and attractive environment.



CBD of Durban



The Boxer Superstore in Ladysmith



Informal traders adjacent to Sammy Marks Square, Pretoria

5.2 Taxi Rank Retail/Commuter Centres

Role and function

The role and function of retail facilities at a transport break point are to provide variety retail products for large volumes of commuters using this particular precinct. The precinct usually includes a railway station, taxi and bus ranking facilities. The retail varies from formal shopping centres to informal traders all focusing on arriving and departing commuters.

Description

The outstanding aspect in the case of taxi/commuter centres is the high pedestrian volumes throughout the day. The commuters using these transport breakpoint facilities usually do so because of two reasons namely:

- to connect to other transport facilities or to change routes and
- to work or shop in the area.

During these two actions, the shopping facilities are being used as express convenience or as a destination trip to buy specific products from the surrounding retail facilities.

Size

Size of centre (m ²) (GLA)	Number of stores
1 000-15 000	5-50

Market characteristics and threshold values

The commuter volumes using different stations vary from 20 000 to 30 000 people per day. The key aspect is to ensure that the layout of the centre is such that pedestrians **walk through** the centre and **do not bypass** the retail facilities.

Location criteria

It is of utmost importance that any retail facility planned at the taxi rank/stations is placed in such a way that it attracts pedestrians through the centre. The micro location in this regard becomes of utmost importance. Should a centre be built in the opposite direction from the normal pedestrian flow patterns, the centre will be missed and will become less attractive and not successful. The positioning of the centre must therefore maximise the through flow of pedestrians.



Tenant mix

A wide range of tenants can be seen in taxi/commuter centres, including the following:

- large national clothing stores
- homeware stores like Jet Mart and Diskom
- fast-food restaurants
- supermarkets
- cell phone shops/service centres and
- ATM facilities

Trends and changes

These centres have become very popular over the years and more and more of these centres were developed.

Actions to guide taxi/commuter centre redevelopment

The potential for a shopping centre at this particular location will very much depend on train, bus and taxi commuter volumes.

The most important guidelines are:

- to be aware of pedestrian volumes using the precinct on a daily basis;
- to establish whether these volumes will be of a permanent basis and
- to make sure that the centre is build to maximise the through flow of traffic.

Taxi/commuter centre development will mainly happen as part of the following:

- CBD/Town Centre redevelopment
- New taxi ranks and railway stations



Taxi rank in Mshwati



Bus station in Gaborone, Botswana

5.3 Flea Markets/Informal Trade

In this regard a distinction is drawn between formally organised markets and spontaneous informal traders. The former is located and run from a **built structure** on a permanent basis. The informal traders do not occupy formal retail space and could move around during one particular day e.g. exposing their products for the commuters arriving along one particular street during the morning, and along another street for the commuters leaving the area in the afternoon.

Role and function

The main function is to provide **convenience** or **speciality** products from fixed or non-fixed premises. They also form part of subsistence economies in specific areas within cities/towns/rural areas.

Description

Distinguish between formal flea markets based on a fixed time and location at a permanent rented stand and informal trade which is something different with many product categories, no fixed operating hours or location, and no formal lease agreement exist.

Size

The informal trading space ranges from a few square meters up to $\pm 50\text{m}^2$. The stalls as part of a formal flea market also vary according to the same size categories and the whole offering varies based on the total volume of pedestrians/commuters. There is no fixed size and will depend on volumes, climatic conditions as well as tastes and preferences of the commuters.

Location criteria

Informal traders are dependent on large and regular volumes of passing pedestrian/vehicle traffic. These facilities are footloose (not at a fixed location) and will move to where pedestrians are.

Market characteristics and threshold values

The success of the informal traders is totally dependent on high passing pedestrian volumes.

Tenant mix

A variety of products are sold, including:

- food
- clothing and shoes
- fruit and vegetables
- electronic equipment and cell phones
- cigarettes and
- music and DVDs

Competition sometimes exists in the same area (within meters of each other).

The typical formal flea market offers similar products, but of better quality.

Trends and changes

Informal trade will continue to exist, especially at good locations, as well as in CBD areas where high traffic or pedestrian volumes are present. It forms part of the township/taxi ranks/commuter shopping facilities where large numbers of people gather on a regular basis.

Actions to guide informal trade/flea markets development

Potential of these facilities will mainly depend on the location and type of adjacent facilities.

In many cases, the informal sector within the CBD areas creates problems associated with dirtiness. A specific policy must be in place with regard to informal traders. As far as formal flea markets are concerned, the potential will mainly be determined by the product, the awareness of these facilities and the offering of unique product categories.



Informal traders on street in Gaborone



Informal offering near Umlazi, Durban

5.4 Spaza Shops

Role and function

The function of Spaza shops should be regarded as part of the **informal** trade sector. In many cases this also forms part of the subsistence economic base. The function is merely to collect an extra income and to offer express convenience facilities to the immediate vicinity in poorer townships and suburban areas.

Description

The Spaza shop forms part of the dwelling unit or an outbuilding on a residential stand. This is an informal retail facility that first developed in the townships as a result of the lack of formal retail facilities in the area. Some of these stores are now also opening in the suburbs.

The premises consist mainly of a converted garage, a room in the house or small separate structure on the yard or on the pavement.

Size

The size of these stores is usually smaller than 50m², and in exceptional cases will be up to ±100m².

Location criteria

These stores can be found **anywhere** in a township or residential area, and although a location with high visibility is usually required, this is not always the case. These facilities usually cater for surrounding households ranging from **100 to 300 meters** away, depending on the nature of the area and the level of competition.

Market characteristics and threshold value

These Spaza shops are mainly found in **low and middle low socio economic areas**. No specific market related guidelines exist in this regard. The opening of stores is mainly driven by entrepreneurship.

Product mix

A typical Spaza shop provides mainly convenience grocery goods needed on a day to day basis (similar to a garage store, but on a **smaller** basis). Liquor is sold from the taverns, in most cases without the necessary licenses.

Trends and changes

The reasons for existence of this type of facility are mainly twofold namely:

- the lack of convenient grocery shopping facilities in the area or,
- economic conditions where a household decides to open a small store to earn an income.

This is regarded as temporary phenomena strongly associated with poor economic conditions prevailing at a specific time.

Over the last 10 years Spaza shops have shown major growth in especially the township areas. This function will keep on providing in the needs of the express convenience market. More formal local, neighbourhood and community centres are currently being built in the township areas, which will have an impact on the Spaza shops. These Spaza shops satisfy a very specific need in the immediate vicinity of the household and will continue operating. They satisfy a very specific express convenience role. Therefore, the impact of formal community and regional centres occurs on a totally different level of the hierarchy of shopping facilities. It should not be protected by legislation and free market principals will determine the future of each individual Spaza shop.

The future and success of these Spaza shops are mainly owner driven, and will depend on the product range and the close proximity to customers in the immediate vicinity.



Botshabelo, Spaza Shop

6. RURAL RETAIL DEVELOPMENT

This is included as a **separate** section. Retail development in the rural areas is unplanned in most cases, while lately the emphasis has been on the development of planned shopping centres. The type and size of the development will depend on the location of the rural town/village, as well as the attraction of larger towns and cities. Most of the developments can also be described as incremental developments.

The development history of rural retail development has its roots in the former homeland policies where a number of smaller settlements were established as towns and places of economic decentralisation.

Examples of weak retail centres are Kanyamazane near Nelspruit, Phokeng and Thlabane near Rustenburg and Elim near Makhado, all located too close to the bigger towns. Retail in Giyani, located 120 km from Tzaneen, 150 km from Polokwane and 70km from Thohoyandou is an example of much stronger rural retail developments. Queenstown, Burgersfort, Lephalale, Umtata and QuaQua are all good examples of how distance from other retail developments have a major attraction to local shoppers

The whole hierarchy of shopping centre facilities is mainly applicable on all the appropriate levels/tiers in metropolitan areas, while only **one or two** planned retail types can be justified in rural areas. See Diagram 2.2. The required threshold values for large planned shopping centres are not achieved, and in most cases the largest facilities are in the **order of a community centre**. The rest of the retail forms part of the town/village centre occupied in small single free standing buildings on 2 or 3 tiers of the retail hierarchy.

Role and function

Rural retail development will mainly depend on the location and the total number of people living within the broader catchment area, transport to the rural node/town, and the level of competition, the existing facilities and most importantly, the income of these households. Apart from the traditional town centre a number of community size centres have developed in the larger town/smaller cities lately.

Retail in these areas is usually very strong because of the very large trade areas. These trade areas normally coincide with the **sphere of influence** of a particular town which is influenced by schools, hospitals and other community facilities.

Description

These types of centres are in most cases built according to the profile and needs of the local residents. It is a very dynamic and challenging area for retail development. With rising affluence and economic decentralisation incentives into the future, a great opportunity arises as urban townships reach an oversupply status.

Size

Rural centres mainly vary in size between 5 000m² and 30 000m². The size of the centres ranges from neighbourhood centres to large community/small regional centres. The size of the centre will depend on the threshold population within the town as well as the sub region. The town's sphere of influence will play a major role in this regard.

Location criteria

The most important location criterion for rural retail development, is to establish itself in the main town/rural community close to taxi facilities and the main road running through the village or town. Distance to major towns plays a very important role in the success of retail facilities in these areas.

Market characteristics and threshold values

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

LSM groups	Households	Population
LSM 1-5	20 000-210 000	100 000-560 000

Very large numbers of households are required to warrant retail development. The emphasis is on the town centre with a number of small buildings on street level. Lately community size centres have developed in most of the larger rural communities.

Tenant mix

The tenant mix of these centres would usually comprise of food, clothing, furniture and services.

Trends and changes

A number of these centres were built during the last 5 years. Centres in the size range of 16000m² – 22000m² are very popular. The households supporting these centres are in many cases dependent on money provided by family residing and working in the metropolitan areas.

Actions to guide rural retail development

The number of households and level of income are of critical importance. The centre must be very close to the main taxi rank for the area. It can be expected that the outflow to the larger city areas will continue.

Examples



Kopanong Centre, Hammanskraal. A very busy and successful centre as part of the fringe between urban townships and rural development



Moratiwa Crossing, near Nebo

SUMMARY TABLE: CLASSIFICATION AND HIERARCHY OF RETAIL FACILITIES IN SOUTH AFRICA

Type of Centre	Size of centre (m ²)(GLA)	Trade area	Access Requirements	No. of households	Population	Socio-economic groups	Ave Radius (km)	Median Travel time (minutes)	Main tenants
CORE CLASSIFICATIONS									
Small free standing and convenience centre	500 – 5 000 5-25 stores	Serves part of a suburb	Suburban street	LSM 1-5, (<10 000) LSM 6-9, (<4 500) LSM 10-10+, (<2 000)	<40 000 <15 000 <7 000	All LSM groups	1 – 1.5	<3	<ul style="list-style-type: none"> • Café/Superette • few convenience stores
Neighbourhood centre	±5 000-±12 000 25-50 stores	Centrally located for a group of suburbs	Major collector roads	LSM 1-5, (20 300-47 000) LSM 6-9, (9 000-20 100) LSM 10-10+, (3 700-8 600)	±135 000 ±51 000 ±18 500	All LSM 4-10	2	4-9	<ul style="list-style-type: none"> • supermarket • convenience • some small specialised stores
Community centre	±12 000-±25 000 50-100 stores	Strategically located to serve a suburban community	Major arterial road	LSM 1-5, (44 000-103 000) LSM 6-9, (20 000-46 000) LSM 10-10+, (8 000-19 000)	±295 000 ±115 500 ±41 000	All LSM 4-10	3	6-14	<ul style="list-style-type: none"> • large supermarket • convenience • small national clothing • restaurants & takeaways • services
Small regional/ Large community centre	±25 000-±50 000 75-150 stores	Specific sub region of city (can be large self contained community, i.e. Chatsworth)	Major suburban arterial road linking to a provincial highway	LSM 1-5, (90 000-209 000) LSM 6-9, (40 000-90 000) LSM 10-10+, (17 000-38 000)	±600 000 ±280 000 ±83 000	All LSM 4-10	5	10-16	<ul style="list-style-type: none"> • large supermarket • 1 or 2 large clothing anchors • Strong national tenant comparison goods component • boutiques • restaurants • entertainment • services
Regional centre	±50 000-±100 000 150-250 stores	Large region of city/or whole city/rural towns	Major arterial road usually a Provincial main road linking to a National road	LSM 1-5, (180 000-420 000) LSM 6-9, (80 000-185 000) LSM 10-10+, (33 000-76 000)	±1 200 000 ±464 000 ±165 000	All LSM 4-10	8	14-20	<ul style="list-style-type: none"> • large supermarket • (even 2) or hyper • 3 or more large clothing • small clothing stores and boutiques • entertainment, restaurants • services • convenience
Super regional centre	>100 000 >250 stores	Large region in city and surrounding areas/Tourists	Major arterial road usually a Provincial main road, linking to a National road	LSM 6-9, (106 000-250 000) LSM 10-10+, (44 000-101 000)	±623 000 ±217 500	Above average LSM 5-10	10+	24-30	<ul style="list-style-type: none"> • as at regional but more emphasis on entertainment and variety

Type of Centre	Size of centre (m ²)	Trade area	Access Requirements	No. of households	Population	Socio-economic groups	Ave Radius (km)	Median Travel time (min)	Main tenants
SPECIALIST CLASSIFICATIONS									
Big Box Retailers	Vary from 2 000 to 15 000	Depend on type of store or centre - mostly on regional level	Major urban arterial main road	LSM 6-9, (±25 000) LSM 10-10+, (±14 000)	50 000-100 000	Mainly above average LSM 7-10	5-10	10-30	<ul style="list-style-type: none"> specialist traders
Entertainment /Casino	Vary from 2 000 to 30 000	Depend on type of store or centre - mostly on regional level	Major urban arterial main road	5 700 – 85 700	20 000 – 300 000	Average and higher LSM 5-10	5-10	10-30	<ul style="list-style-type: none"> specialist traders/ entertainment and/or theme centre emphasis on food, restaurants & fast food outlets
Lifestyle Centre	15 000 – 50 000 (can be smaller or larger)	Upscale catchment areas	Major urban arterial main road	LSM 6-9 (40 000-60 000) LSM 10-10+ (20 000-30 000)	±200 000 ±105 000	Mainly LSM 9-10	3-8	6 - 20	<ul style="list-style-type: none"> upscale supermarket book stores dining entertainment speciality retail (house/home/garden) fresh produce stores
Value Centre	10 000 – 50 000	Next to regional centre or on main road/highway	Major urban arterial main road	LSM 6-9 (40 000-60 000) LSM 10-10+ (20 000-30 000)	±200 000 ±105 000	Middle to above average LSM 6-10	3-6	10-15	<ul style="list-style-type: none"> emphasis on big box retailers specialist retailers home improvement small to large groceries
Hyper Centre	15 000 – 35 000	Strong correlation with a regional centre	Major urban arterial main road.	LSM 10-10+ (21 400 - 50 000) LSM 6-9 (60 000– 100 000)	75 000 – 175 000	Middle to above average LSM 5-10	6-8	10-15	<ul style="list-style-type: none"> one hyper store (70% of area) convenience line stores services
Motor Showrooms	500 -5 000		Along major arterial routes			Higher LSM suburbs			
Filling Stations	30 - 260	Local & through traffic	Main arterial routes, highways and feeder roads	Depend on the size of the filling station		All LSM 4-10			<ul style="list-style-type: none"> convenience store ATM fast food car wash
Airport Retail	Depending on size of airport	Size of airport will determine size of retail	Accessibility for arrivals & departures & visitors			Mainly higher LSM			<ul style="list-style-type: none"> mainly food curio's & souvenirs clothing exchange services

Type of Centre	Size of centre (m ²)	Trade area	Access Requirements	No. of households	Population	Socio-economic groups	Ave Radius (km)	Median Travel time (min)	Main tenants
UNPLANNED/INCREMENTAL CLASSIFICATIONS									
CBD/ Town Centre	Vary from 10 000 to 300 000 Number of stores depend on size of town	Normally very wide -outlying township areas	Major roads running through the CBD/ Town Centre – focus on taxi/train/bus transport	Normally very high, starting at ±10 000 households	30 000+	Dominant LSM 4-6	Not fixed- Up to 50 km	Mainly by taxi	Wide variety of tenants including: <ul style="list-style-type: none"> • national tenants • supermarkets • homeware stores • furniture stores • cell phone shops • banking facilities
Taxi Rank Retail /Commuter Centre	1 000 to 15 000 Depending on station	Same as above	Highly accessible area adjacent to taxi ranks/station	Same as above	20 000 – 300 000 People per day	Mainly LSM 1-6	Not fixed- Up to 50 km	20 minutes plus	<ul style="list-style-type: none"> • national tenants • supermarkets • homeware stores • fast food outlets • cell phone shops • ATM facilities
Flea Markets/ Informal Trade	Vary from a few stands to hundreds of stands	Focusing on passing pedestrian volumes	High volumes of pedestrian traffic is important	Not applicable	Pedestrian volumes need to be very high	Mainly LSM 1-6	Part of larger town/rural trade area	Passing by	<ul style="list-style-type: none"> • food • clothing and shoes • fruit and vegetables • electronic equipment and cell phones • music and DVDs
Spaza Shops	10 – 50	Provide the surrounding residents – walking distance 400-800m		200 - 400+	2 000 +	Mainly LSM 1-6	Up to 500m	Up to 5 minutes walking time	<ul style="list-style-type: none"> • convenience grocery goods • cigarettes
Rural Retail Development	5 000 – 30 000	Whole community up to 50km	Close to main community and taxi facility	20 000 - 210 000	80 000 – 560 000	Mainly LSM 1-5	Very wide up to 80 km	Up to 45 minutes	<ul style="list-style-type: none"> • depend on the size – need to focus on the needs of the surrounding community

7. CONCLUSION

The first classification of retail facilities goes back to the middle sixties of the previous century. Most of the overseas classifications, including that of the International Council of Shopping Centres as well as the latest European Classification of Shopping Centres only focused on the broad core classification. Shopping centres were classified into several basic categories including community centres, neighbourhood centres and strip centres. Early shopping centres tended to be fairly uniform designed to satisfy more of the mass merchandise demands while offering the convenience of one stop shopping. (In South Africa 1965- 1980)

The next major trend in shopping centre development was the age of the regional mall. (1970-1990) These regional centres were enclosed (malls) and most of our older regional malls were built during this period. These are currently amongst the best performing centres in the country.

The last phase is that of product differentiation and the development of a large number of speciality type centres. (Post 1994) The approach is to offer different retail facilities to the market. The success of these speciality centres varies from development to development.

The development trend in South Africa will definitely focus on the following in future:

- The close monitoring of urbanisation trends to identify new development opportunities in the metropolitan areas;
- The saturation of especially the upper LSM markets where the focus will in future fall much more on experience and exclusivity together with convenience.
- The growth in the middle segments of the market will create more opportunities in especially the metropolitan and urban markets;
- According to all the above mentioned it is clear that development opportunities still exist in township areas to complement the existing hierarchy of shopping centres with more neighbourhood centres;
- \pm 60% of the total population in South African is urbanised. It means that most of the 20 million rural inhabitants are still in need for better retail facilities.

The retail arena is extremely competitive with developers seeking sustainable and better opportunities to offer something unique to satisfy the changing needs of the customers. Retailers also need to grow their business by opening new stores. The classification of retail facilities as indicated above can go a long way to increase market efficiency and help focus development activities on viable product categories.

The classification as spelled out above will also assist town planners to understand new retail formats like mixed use, lifestyle centres, infill developments and how specific speciality retail categories work.

A classification of retail facilities will always **change** as this sector of the economy **keeps changing**. It remains the most dynamic urban land use because of the continuously changes in shopper behaviour, needs, trends and preferences.

This classification was designed to cater for the unique retail offering in the broad South African market. South Africa is the one country where the supply of retail facilities is almost 50% based on traditional and organised retailing. This classification was therefore broadened to make provision for a much broader approach. This broader approach also clearly highlighted the development opportunities that still exist in specific retail development segments and categories.

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