

# Strategic upgrades enhance Dipula's retail assets

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Dipula Income Fund (JSE: DIB) is strategically refreshing a number of its retail assets to provide modern, accessible appealing shopping experiences for both retailers and customers. Its ambitious plans for advantageous upgrades and capital expenditure in its predominantly retail portfolio are already taking shape.



Izak Petersen, chief executive officer of Dipula Income Fund

Dipula is a SA REIT (real estate investment trust) invested in a R10bn portfolio of 169 properties spanning one million square metres across nine provinces in South Africa. Its retail property portfolio represents more than 60% of its gross rental income. Dipula invests in urban convenience centres and lower LSM retail in townships, rural areas and towns throughout South Africa.

Izak Petersen, chief executive officer of Dipula Income Fund, says: “We are optimistic about the defensive performance of retail property and believe in optimising this by keeping our shopping centres fresh, relevant and appealing to both retailers and customers. Enhancing the aesthetics, tenant mix and offering ensures that our centres continue to offer a pleasant and convenient shopping alternative in every area where we are invested.”

Dipula has earmarked more than R200m for upgrades and capital expenditure in its retail portfolio, including projects underway at Umzimkulu and Harding Corner in KwaZulu-Natal, Gezina Galleries in Pretoria and Chilli Lane in Johannesburg, to mention a few. Dipula also recently completed the revamp of Gillwell Mall in East London.

## Revamp to ramp up Gezina Galleries' appeal

At Gezina Galleries, the 17,000sqm community centre located to the north of Pretoria's CBD, Dipula is busy with a project that will update the aesthetic appeal of the centre and enhance its tenant mix. A highlight of the project is the upgrade of the Gezina Galleries Checkers to the retailer's very latest spec. Dipula is investing R40m in the upgrade, which is scheduled for completion by March 2024.

“We are pleased that this refurbishment, which has been a while in the making, is now gaining momentum. We believe the project will be worth the wait and it will be positive for tenants, shoppers and all our stakeholders,” says Petersen.



Rendering of Dipula's Gezina Galleries in Pretoria

### Elevating the customer experience at Chilli Lane

Chilli Lane, the 13,000sqm community centre in Sunninghill, is undergoing a makeover and receiving a tenant mix enhancement, including a new restaurant area with an improved restaurant offering. The R15m project will be completed before the festive season.

“Improving the customer experience with the addition of more leisure options adds real value to this asset, which has become the go-to for its local community,” notes Petersen.



Rendering of Dipula's Chilli Lane in Johannesburg

### Gillwell Mall is now the biggest one-stop shopping destination in downtown East London

Patrons of Gillwell Mall in East London are enjoying an enhanced shopping experience thanks to a recent upgrade by Dipula. Gillwell Mall plays an important role as a mainstay of retail for the lower LSM market in East London.

The upgrade was completed at a cost of approximately R20 million and achieved with minimal interference to tenant trading.

Petersen reports: “This refurbishment ensures that the mall retains its position as the one-stop shopping destination of choice for our market.”



Exterior of Dipula's Gillwell Mall in East London

### Boosting an already solid performance

The mall's performance has been solid over the long term, with respectable tenant turnovers and vacancies at negligible levels. Petersen reports that both tenant turnovers and footfall numbers have surpassed pre-Covid levels. "Our emphasis has always been on driving footfall, improving customer experience and enhancing the tenant mix," he says.

The project involved a façade upgrade, the creation of an additional entrance which provides direct access to the lower ground level enabling better customer flows through the centre, the addition of a new anchor and an updated tenant mix including more fashion. Boxer is the new anchor on the lower ground level that will complement Shoprite as the ground-level anchor tenant. The refreshed façade presents an iconic yet inviting face to the surrounding city.

In addition to its defensive grocery anchors, Gillwell Mall is tenanted by a variety of national clothing retailers, together with service-oriented tenants and some entertainment and dining offerings aimed at providing a single convenient destination to meet shoppers' primary needs.



Interior of Dipula's Gillwell Mall in East London

### A one-stop destination

Gillwell Mall has just over 22,000sqm of gross lettable area (GLA) and is conveniently situated at the intersection of Fleet Street and Gillwell Road. This prime location connects East London to the airport, Port Alfred, Gqeberha, and the city's busy industrial area near the harbour. Serving as a focal point between these areas and local townships, the mall mainly caters to residents and workers in the area. Additionally, it attracts students from the nearby University of Fort Hare



campus and residences, as well as numerous government employees living and working in the area.

“East London’s weather can be extreme, and the mall provides the ideal refuge for our customers. At the same time, people have access to quality products and services and can shop, do their banking, withdraw social grants and take care of a variety of personal tasks all under one roof,” Petersen says.

Gillwell Mall has materially enhanced the retail offering in the East London CBD and is now its largest single retail facility. “The centre plays a role in providing neat and dignified shopping in a CBD where there is massive underinvestment,” Petersen emphasises.

The upgrade is already bearing fruit: trading, footfall and dwell times at the centre have significantly increased. “Gillwell Mall is one of our core retail assets and aligns perfectly with our investment philosophy of providing relevant, convenient retail that is defensively tenanted and serves the most important needs of shoppers,” Petersen notes.

### **Playing an integral role in the community**

Dipula’s shopping centres play more than a retail role in their local communities. “Dipula places immense importance on sustainable and community-based initiatives aimed at improving people’s lives beyond the retail experience,” says Petersen.

Gillwell Mall is a fitting example of this. It created around 100 jobs during its revamp. An estimated 400 people hold permanent jobs at the centre. A key feature of the mall is its basement taxi rank, offering easy access and a safe, organised space to the community given that the mall serves as a transit hub, being near many public transport resources.

From a corporate social investment perspective, the mall provides sheltered trading spaces for informal vendors, sponsors sports clubs and NGOs and showcases local artists.

Furthermore, as is the case at several of Dipula’s other retail centres, plans are underway to enhance sustainability with efficient lighting and alternative water and power backups, including solar energy.

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