

# SA shopping malls continue to thrive, despite contrary views

Recent suggestions that large shopping malls in South Africa are dying or becoming redundant are simply not accurate. While malls may be changing hands, those being sold within the property industry are undergoing revamps to meet evolving shopper needs.



Source: Supplied. Surine Griffin, chief operations officer at Broll Property Management.

Surine Griffin, chief operations officer at Broll Property Management, says while it is true that the South African shopping landscape is evolving, this does not mean shopping centres are dying or becoming white elephants any time soon.

“Recent reports in the media have drawn comparisons with the retail environment in the United States, where shopping behaviour and trends differ significantly from SA. Our shopping centres may not be trading at the same levels they were prior to the pandemic, but they are still trading – and trading well.”

Of course, online shopping is increasing in SA, especially grocery shopping. “Shopping for necessities is the largest driver of e-commerce in SA. For tenants, however, overall turnover from online shopping accounts for less than 5% of their total sales, a figure that has grown by about 40% since Covid,” notes Griffin.

In addition, Griffin notes that malls continue to be built in SA, mostly in the 20,000 square metre to 30,000 square metre category. “There has definitely been a decline in the construction of mega malls, but the number of mid-sized malls being

built is on the rise. And, numerous older centres are being revamped, a trend that is evident in all provinces throughout the country. To add to this, some property owners are expanding overseas.”

She says South Africans continue to enjoy visiting centres for the experience of eating out or shopping, particularly fashion items. “Many people who live in outlying and rural areas look to community shopping centres to get unique experiences.

“In this respect, landlords are creating a greater number of ‘experiences’ for their visitors, increasing the number of activations and other activities aimed at enticing and entertaining visitors to malls,” she says.

## Immersive shopping experiences

She says there is also a move towards more immersive and interactive shopping, in line with trends in Japan and Singapore, which she visited recently. “Although in its early stages in SA, shopfronts are starting to include movement to showcase products and attract customers.

“Malls are also increasing the number of interactive and pause areas – incorporating lifestyle-centric furniture and accessories – in common spaces to allow for reading, relaxation and dining.

“Some are converting roof space with artificial grass, lounges and umbrellas to invite people to take a break or have lunch. These efforts are aimed at making consumers feel safe, relaxed and able to spend more time in the centres.”



### Shopping malls or entertainment destinations?

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That said, this shift in SA is slower than in other countries, given that South African landlords have had to prioritise challenges relating to load shedding and riots.

“Load shedding and riots have increased pressure on SA landlords’ bottom lines. They have been compelled to invest in sustainability and security measures to ensure their centres are more secure and continue to trade during power outages,” says Griffin.

## Strategic cost management

She says property managers such as Broll are focusing on reducing costs in the prevailing market. “We are focused on ensuring we manage the expense line tightly to add value to the bottom line for our clients. New, cost-effective initiatives are being considered and tech-forward solutions are being explored and implemented.

“Another focus is filling vacancies. On the back of recent agreements to end long-term exclusivity deals, several new local players are entering the market, presenting us with the opportunity to bring them into our centres and to offer our consumers greater variety.”

Broll’s Energy, Water and Sustainability (EWS) arm is focused on helping clients navigate new regulations and become more resilient in the face of looming power and water cuts.

“Broll EWS is well positioned to assist clients in improving the overall productivity of their built environments, from minimising energy spending and reducing operating costs; to creating automated processes to ensure correct billing and recharging of accounts; and coming up with mitigating strategies to reduce the risks associated with energy and water scarcity.

“There is no doubt that shopping malls are here to stay for the foreseeable future. At Broll, we are committed to offering property owners the best possible support to ensure they are well positioned to attract footfall and provide consumers with compelling shopping experiences,” concludes Griffin.

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