MEDIA RELEASE FROM SOUTH AFRICAN COUNCIL OF SHOPPING CENTRES (SACSC)

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IPD Retail Trading Density Index shows growth in shopping centre sales

South African Council of Shopping Centres (SACSC) sponsored research has revealed that trading at shopping centres around the country increased, significantly in some instances, in 2015.

MSCI’s latest IPD Retail Trading Density Index for the quarter to 31 December 2015, compiled in collaboration with the SACSC, tracks the performance of shopping centres based on information gleaned directly from retail property owners and managers.

Released quarterly, this valuable retail research tool takes into account the entire spread of shopping centres, from the largest to the smallest – super-regional, regional, small-regional, community and neighbourhood shopping centres. The latest edition of the index tracked 94 shopping centres with a combined gross lettable area of just over 4 million square meters.

SACSC CEO Amanda Stops reports that, for the year 2015, community centres outgrew other retail centre types by boosting trading density by 8.7 percent year-on-year.

This was followed by small-regional centres and regional shopping centres with trading density growth of 6.2 percent and 5.6 percent, respectively.

South Africa’s mega-malls, or super-regional shopping centres, notched up trading density growth of 4.9 percent year-on-year.

The country’s smallest categorised shopping centres, neighbourhood centres, on the other hand, lagged with the lowest trading density growing sales 2.4 percent in 2015. However, this increase still outstrips the country’s economic growth for the year of 1.3 percent.

“Community centres achieved the highest average Rand spend per square metre of retail space a month in fourth quarter of 2015 for food and department stores,” reveals Stops. The food index includes grocers, liquor stores, sweets and speciality food stores. The department stores category includes shops of this kind of sizes, including mini and junior department stores.

“At the same time, we can see that community centres performed a close second place for food services, after super-regional malls,” says Stops. Food services include restaurants, coffee shops and fast-food outlets.
Super-regional shopping centres came tops in three of the five retail trading categories measured in the research. Besides food services, they also achieved the highest trading density for apparel trading, comprising womenswear, menswear, childrenswear, unisex wear and accessories. Home décor stores, including retailers focused on furnishings, antiques, art and décor, also achieved the highest trading densities in super-regional shopping centres.

Stops says: “MSCI’s IPD Retail Trading Density Index allows us to track and monitor the performance of shopping centres and their retailers in South Africa. It is valued as an important tool, considering the impact of varying social and economic factors affecting the retail sector.”

Phil Barttram, Executive Director – MSCI, comments: “The IPD Retail Trading Density Index provides a unique perspective for mall owners to monitor and adapt to evolving trends. Increased competition and changing consumer behaviour is already beginning to reflect in mall performance. As a result we see an increasing need for malls to differentiate themselves and clearly communicate their role within their catchment areas.”

The SACSC is the official umbrella body of all involved in shopping centres, including: owners, developers, managing agents, brokers, professionals, retailers, marketers, service providers, financiers and researchers. It was officially launched in 1991 to advance the retail and retail property sectors of South Africa.

SACSC promotes the interests of the sector, both in South Africa and internationally, while addressing issues and meeting challenges within the industry. It engages with associated sectors and other stakeholders on behalf of its members and highlights the role of shopping centres as a major resource for all communities in South Africa.

**The 6th Annual SACSC Research Conference takes place on 13 April 2016, at the Maslow Hotel, Sandton Central.**

*For more information or to book a seat, visit [www.sacsc-researchconference.co.za](http://www.sacsc-researchconference.co.za)*

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