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BUSY: Construction workers move up and down the facade of the Mall of Africa in the last week before it opens to the public on Thursday. The mall, in Midrand, has more than 300 shops and will be the largest on the continent to be built in a single phase
Picture: SIZWE NDINGANE

Monster mall set to dilute spend elsewhere

JOAN MULLER

MALL of Africa, which opens this week, is expected to draw shoppers away from existing malls, lured by the novelty of new stores and more than 300 shops.

Keillen Ndlovu, head of listed property at Stanlib, said the opening of Mall of Africa was bound to have a diluting effect on spending in other Gauteng centres.

"Mall of Africa is likely to take some shoppers away from Centurion Mall, Sandton City and Fourways Mall."

JSE-listed mall owners like Growthpoint Properties and Hyprop Investments have already reported lower trading densities (turnover per square metre) at some malls.

"The key issue is competition from new centres. With the economy not really growing and consumer income under pressure, there's just not enough growth in spending to absorb additional retail space," said Growthpoint CEO Norbert Sasse at the group's recent interim results presentation.

After the opening of Mall of Africa, the number of shopping centres exceeding 50 000m² in greater Johannesburg (including Centurion) will stand at 32, according to the latest directory of the South African Council of Shopping Centres. Over the past 18 months alone, three new regional malls have opened, including Mall of the South in Aspen Hills, Forest Hill near Centurion, and Cradlestone Mall on the West Rand.

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The new R5-billion mega-mall, just off the N1 highway at Waterfall City in Midrand, opens on Thursday.

At 130 000m², Mall of Africa is the largest shopping centre to be built from scratch in South Africa in a single phase.

But it's not the country's top mall in terms of area. Gateway in Umhlanga is 150 000m², followed by Canal Walk in Cape Town at 147 000m² and Sandton City at 141 000m², the SACSC figures show.

The joint owners, JSE-listed Attacq (80%) and Atterbury Property Developments (20%), have promised that Mall of Africa will set a new benchmark for shopping centres on the continent.

Atterbury CEO Louis van der Watt said the joint venture had created a shopping and entertainment experience "unlike anything seen before".

Other centres, such as the V&A Waterfront in Cape Town, and Sandton City, Nelson Mandela Square and Rosebank Mall in Johannesburg, have already secured the first South African stores of sought-after international brands such as H&M, Forever 21 and Starbucks.

Mall of Africa does have some international firsts, such as Zara Home, Armani Exchange, Asics, The Kooples, Women'secret, Soap Stories and Scandinavian sports apparel brand Helly Hansen. Other international tenants are Forever New, River Island, Mango, Cotton On, Versace and Zara. Local anchors are Checkers, Edgars, Game, Woolworths and nine Ster-Kinekor cinemas as well as The Foschini Group, Mr Price and Truworths.

While these may be the usual suspects, many of the stores will be larger than those in other malls. For instance, the Woolworths store will stretch over 10 000m², roughly the size of the entire Morningside Shopping Centre in Sandton.

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