Appendix B6

Electrical Report

ELECTRICAL (BULK) SERVICES REPORT

FOR THE

PROPOSED STANDERTON SHOPPING CENTRE DEVELOPMENT

(PORTION 2 OF THE FARM GROOTVERLANGEN 409-IS)

PREPARED BY:

PLANTECH

Electrical & Mechanical Consulting Engineers

P O Box 146
PERSEQUOR PARK
0020

Tel: (012) 349-2253
Fax: (012) 349-2390
E-mail: plantech@plantech.co.za

PREPARED FOR:

METROPLAN
TOWN PLANNERS AND URBAN DESIGNERS

PO Box 916
Groenkloof
PRETORIA
0027
Tel: [+2712] 804-2522
Fax: [+2712] 804-2877
E-mail: harriet@metroplan.net

DOCUMENT REVISION HISTORY:

Revision	Revision Date	Revision Comments	Originator	Reviewed by	Admin check
R0	2016/06/28	First Draft	JDV	PV	AV

DOCUMENT DISTRIBUTION LIST:

Name	Company	Designation
Harriet Joubert	Metroplan	

ORIGINATOR DETAILS:

Name:	JD Voigt
Designation:	Director – Pr Eng
Pr Eng Number:	20080371
Signed:	

REVIEWER DETAILS:

Name:	Philip Vivier
Designation:	Director – Pr Eng
Pr Eng Number:	20130050
Signed:	

FILE LOCATION:

A15670702-ELECTRICAL BULK SERVICES REPORT-STANDERTON-2016-06-28

CONTENTS OVERVIEW

Page

Figures

ELECTRICAL (BULK) SERVICES REPORT FOR THE PROPOSED STANDERTON SHOPPING CENTRE DEVELOPMENT (PORTION 2 OF THE FARM GROOTVERLANGEN 409-IS)

1. INTRODUCTION

This Electrical Engineering Services Report for the bulk electrical supply to the proposed land development area, known as Standerton Shopping Centre, has been prepared as a supporting technical document for the township establishment application of the remainder of portion 2 of the farm Grootverlangen 409-IS. This report provides a high level comment on the existing electricity infrastructure and available electrical capacity that is required to supply this development. This report will form part and will be included as part of the township establishment process.

The proposed development is located within the licence electricity supply area of the Lekwa Local Municipality. The Lekwa Local Municipality is therefore responsible for the electrical supply to this development.

2. LAND DEVELOPMENT AREA

2.1 PROPOSED STANDERTON SHOPPING CENTRE

2.1.1 LOCATION

The Standerton shopping centre is proposed to be developed on Portion A and Portion B, which will become two erven of the remainder of Portion 2 Grootverlangen 409-IS. The proposed shopping centre will be located on the Northwest corner of the R23 and R546 Road intersection adjacent to Walter Sisulu Drive on the Western side of Standerton. The access to the development will be from Walter Sisulu Drive.

Figure 1 below indicates the locality map of the proposed site.

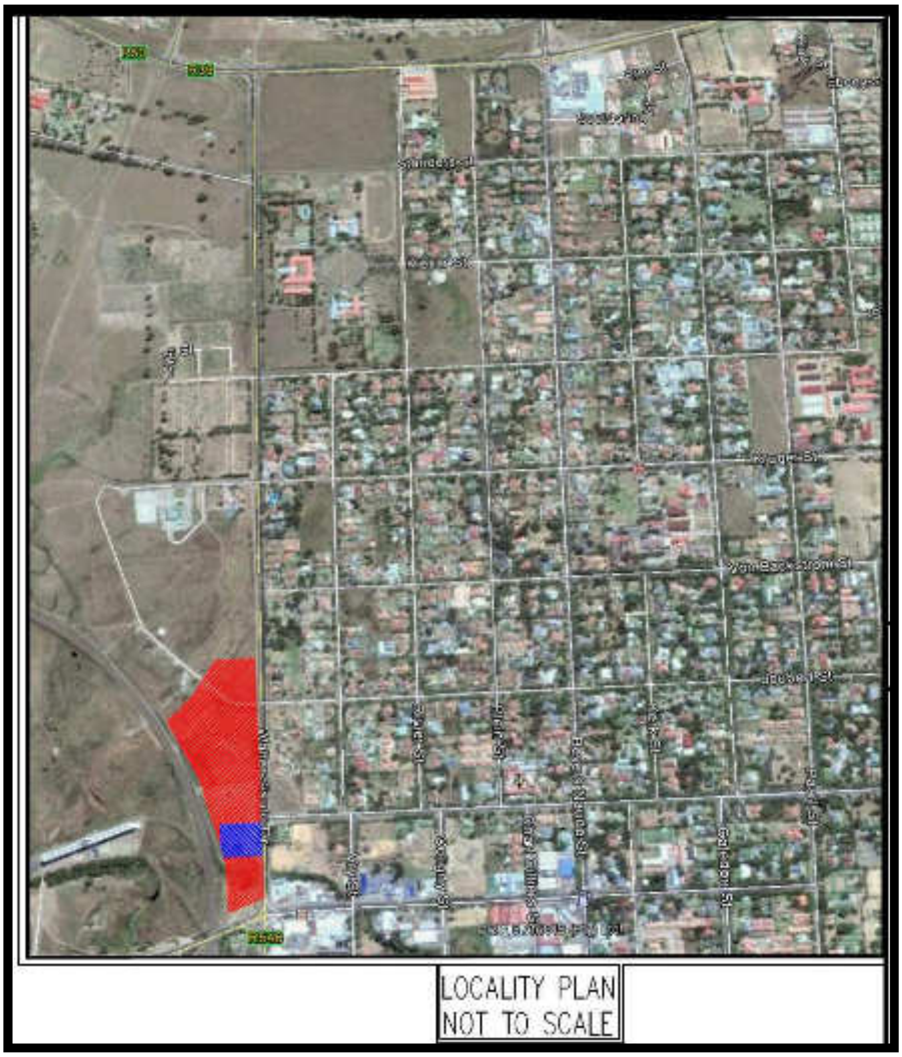


Figure 1: Locality Plan

2.2 LAND USE

The townplanners, Metroplan, has indicated that the Developer intends to apply for a mixed usage development known as the Standerton Shopping Centre. The township application will be made for a 2 erf township zoned "special" and provision will be made for internal shops, places of refreshment, banks, hotels, offices (including medical and dental suites), dry cleaners, laundromats, a gymnasium, vehicle sales, marts and showrooms (including workshops), fitment centres, places of amusement and wholesale trade.

The combined land area, consisting of both portions of portion 2 of the farm Grootverlangen 409-IS, is 6.314 ha.

The township application shall be for a Floor Area Ratio (FAR) of 0.4, which will result in a building of approximately 25,000 m^2 Gross Floor Area (GFA).

2.3 BULK ELECTRICAL SUPPLY DEMAND

2.3.1 Due to the uncertainty of the exact mixture of the proposed mix usage development for the Standerton Shopping Centre at this stage, a conservative After Diversity Maximum Demand (ADMD) of 10 VA/m^2 was used for the calculation of the bulk electrical supply requirement.

2.3.2 Therefore, based on a gross floor area of 25,000 m^2, the expected conservative bulk supply demand requirement to the site will be 2,500 kVA.

3. EXISTING CAPACITY ALLOCATED TO THE DEVELOPMENT AREA

3.1 It is still to be confirmed what the existing rights are on the development area, but it was assumed that it will either have no allocation or will be agricultural which has a minimal allocation, compared with the applied for rights of 25,066 m^2.

4. ELECTRICAL INFRASTRUCTURE REQUIREMENTS

4.1 PRIMARY INFRASTRUCTURE

4.1.1 The Notified Maximum Demand (NMD) of Standerton at the Eskom infeed points is currently 55 MVA, and the current maximum demand of Standerton is 65 MVA as indicated by the Lekwa Local Municipality representatives.

4.1.2 Senior representatives of the Lekwa Local Municipality still needs to confirm if the demand of the planned development will be restricted because of the increase of the main demand of Standerton over and above the NMD from Eskom.

5. SECONDARY INFRASTRUCTURE REQUIREMENTS

5.1 An existing medium voltage (MV) network is located next to Walter Sisulu Drive along the full length of the Eastern boundary of the proposed development. The MV network consists of CA Substation located just South of the development and Shannon Substation, which is located on Walter Sisulu Drive adjacent to the development and across from the T-junction with Von Backstrom Street, as indicated on Figure 2. CA Substation supplies Shannon Substation via a 35 mm^2, 3c, AL, PILC, 11 kV cable.

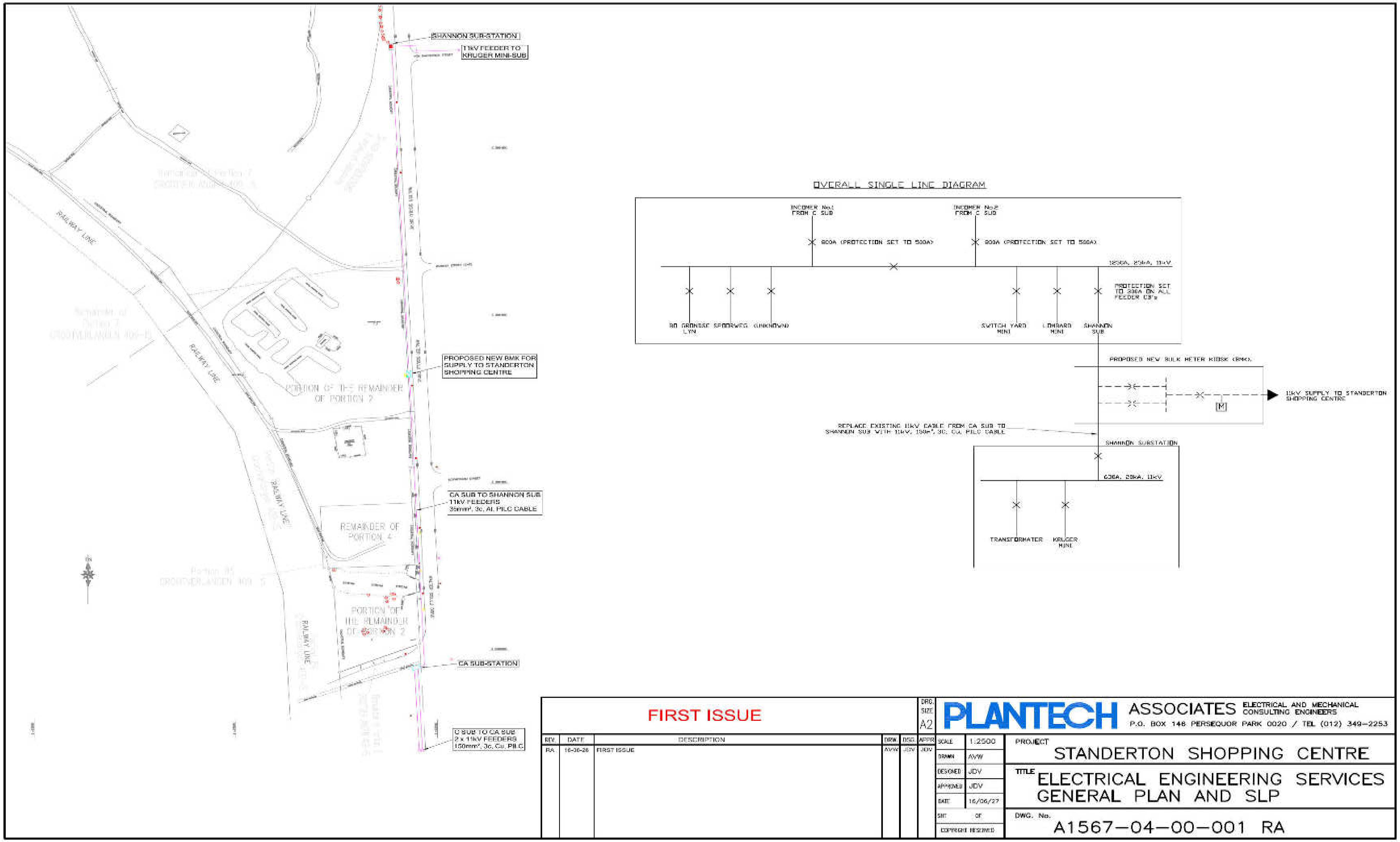


Figure 2: Electrical Engineering Services General Plan and SLP

The Lekwa Local Municipality representatives indicated that the installed cable between CA Substation and Shannon Substation, along Walter Sisulu Drive, will have to be upgraded to a 150 mm^2, 3 Cu, PILC 11 kV cable whereafter a Bulk Metering Kiosk (BMK) can be installed along Walter Sisulu Drive, at the intersection with the proposed development, as the primary metered supply to the development.

The Developer will from this point be responsible for the internal reticulation of the development area.

6. EXTERNAL SUPPORTING ELECTRICAL INFRASTRUCTURE

The representatives of the Lekwa Local Municipality also confirmed that should any of the streets around the development be upgraded as part of the development's conditions of establishment, the Developer will have to provide the necessary street lights to service these roads. The Lekwa Local Municipality has also standardised on LED type street lights.

7. CONNECTION/SERVICE CHARGES

The Lekwa Local Municipality charges a once-off rate of R30,000.00 for a new electrical connection to a new development.

8. CONCLUSION

8.1 The Standerton Shopping Centre development will have an expected maximum demand of 2.5 MVA.

8.2 An existing medium voltage network is available to service the new development, but will require the existing 11 kV, 35 mm^2, 3c, Al, PILC cable to be upgraded to an 11 kV, 150 mm^2, 3c, Cu, PILC cable and will also require the installation of a new Bulk Metering Kiosk at the entrance to the development.

8.3 The Lekwa Local Municipality will have to confirm the supply capacity from Eskom, due to the increased demand of the development.

8.4 Over and above the network upgrades, the Developer will be required to pay a new connection fee of R30,000.00 to the Lekwa Municipality.

Appendix B7

Market Study

Standerton Retail
Market Study

MARKET RESEARCH FINDINGS
&
RECOMMEDATIONS

August 2016

DEMACON Market Studies
PO BOX 95530
WATERKLOOF
0145
Tel: +27 12 460 7009
Fax: +27 12 346 5883
Cell: +2782 898 8667
E-mail: hein@demacon.co.za
Website: www.demacon.co.za

Demacon is a member of

SOUTH AFRICAN PROPERTY OWNERS ASSOCIATION (SAPOA)

SAPOA
THE VOICE OF COMMERCIAL PROPERTY

SOUTH AFRICAN COUNCIL OF SHOPPING CENTRES (SACSC)

South African Council of Shopping Centres

The information contained in this report has been compiled with the utmost care and accuracy within the parameters specified in this document. Any decision based on the contents of this report is, however, the sole responsibility of the decision maker.

Enquiries:
Hein du Toit
+27 12 460 7009 (t)
+27 12 346 5883 (f)
+27 82 8988 667 (c)
hein@demacon.co.za
www.demacon.co.za

TABLE OF CONTENTS

EXECUTIVE SUMMARY

PROJECT BRIEF

Demacon Market Studies were commissioned by **Metroplan** to assess the economic drivers and trends, trade area-based demographic profile and development and growth potential of the proposed **Standerton Shopping Centre.**

It is our understanding that market research is required on the **proposed Standerton Shopping Centre development,** to inform strategic planning and tenanting decisions regarding **current and future development potential, optimum tenant composition**, **market penetration rates, etc**.

The remainder of the report is structured in terms of the following main headings:

Chapter 2: Area Background & Location Analysis
Chapter 3: Economic Market Overview
Chapter 4: Demographic Market Overview
Chapter 5: Survey Results
Chapter 6: Retail Market Analysis
Chapter 7: Summary & Development Recommendations

DEVELOPMENT CONCEPT

The development schedule for the proposed Standerton Retail Centre are outlined in Table 1.

Table 1: Standerton shopping centre schedule of areas

Proposed Retail Development (6.3140 ha/63 140 m²)	
Erf 1	
Supermarket	3 305 m²
Large Shop	1 132 m²
Fashion	2 810 m²
Satellite Shops & Food	11 440 m²
Value Retail	772 m²
Total Erf 1	**19 459 m²**
Erf 2	
Fast Food (Drive Through)	±350 m²
Total Erf 2	**±350 m²**
Grand Total	**19 809 m²**
Parking Provided	
Erf 1	
Open Parking	561
Covered Parking	305
Total Parking Erf 1	**866**
Taxi Holding Area	10
Erf 2	
Open Parking	41
Total Parking Erf 2	**41**
Total Parking Provided	**907**

Source: Metroplan, 2016

Figure 1: Standerton shopping centre development plan

Source: Metroplan, 2016

ECONOMIC MARKET OVERVIEW

Table 2 summarises the key economic indicators and trends for the Lekwa Local Municipality and Gert Sibande District.

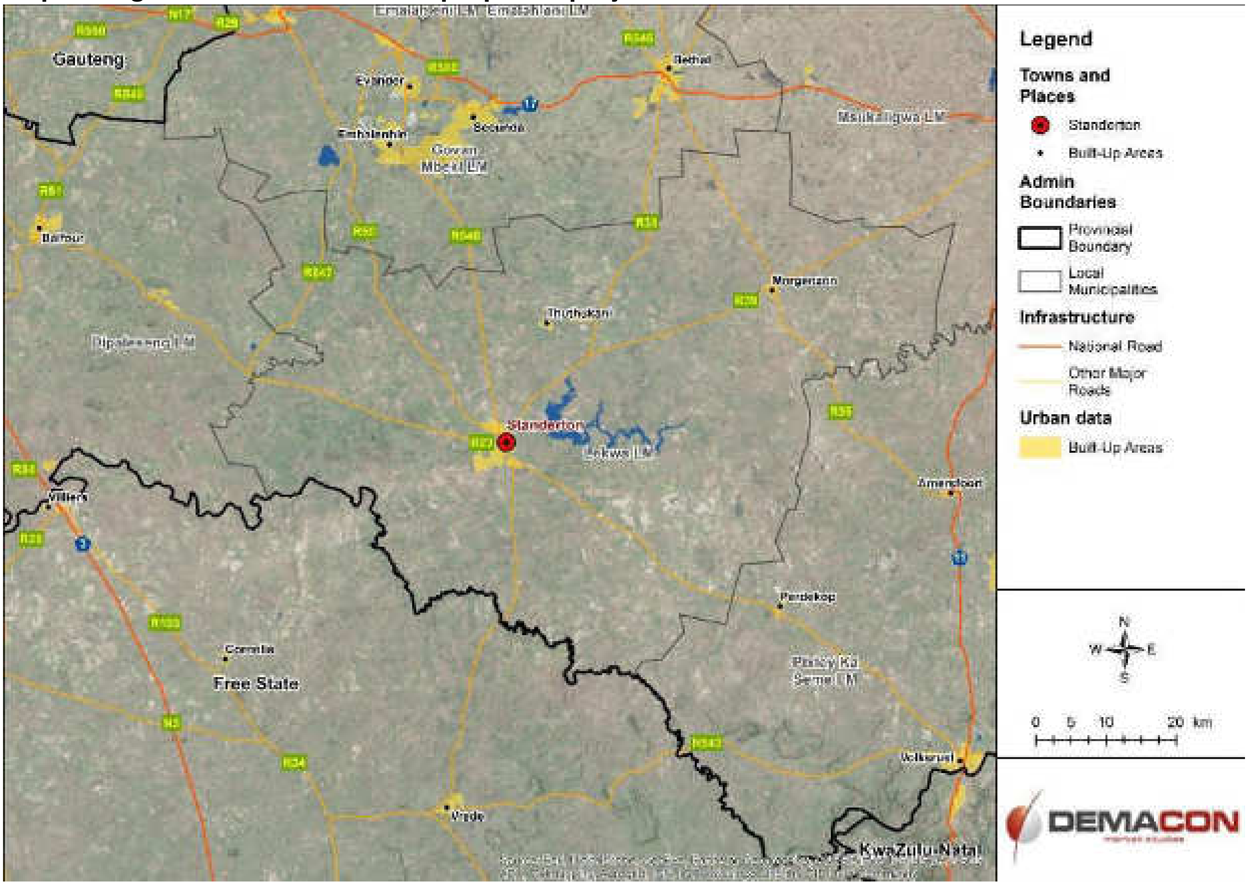
Table 2: key economic indicators

Variable	Market Characteristics
Size of the Economy (2013)	✓ Gert Sibande District Municipality contributes 28.6% towards Mpumalanga Province. ✓ Lekwa Local Economy contributes 9.8% towards Gert Sibande District.
Dominant Economic Contributions (2013)	**<u>Lekwa Local Economy</u>** ✓ Finance and Business Services – 31.9% ✓ Mining and Quarrying – 27.6% ✓ Agriculture and Forestry – 12.5% ✓ Manufacturing – 9.7% ✓ Wholesale and Retail Trade – 8.9%
Economic Growth Performance (Time Period 1996 – 2013)	**<u>Gert Sibande District Municipality</u>** ✓ Growth in the District economy has averaged **2.6%** per annum since 1996 ✓ Since 2008, growth in the district economy has averaged **1.6%** per annum **<u>Lekwa Local Economy</u>** ✓ Growth in the local economy has averaged **2.5%** per annum since 1995 ✓ Since 2008, the local economy recorded an average growth of **1.6%** per annum

Variable	Market Characteristics
Trade Sector Performance (Time Period 1996 – 2013)	**<u>Lekwa Local Economy</u>** *Wholesale and retail trade sector* ✓ Growth in the local economy has averaged -0.2% per annum since 1996 ✓ Since 2008, growth in the local economy has averaged -1.4% per annum *Catering and accommodation sector* ✓ Growth in the local economy has averaged -3.2% per annum since 1996 ✓ Since 2008, growth in the local economy has averaged -7.1% per annum
Final Consumption Expenditure & Disposable Income (Time Period 1996 – 2013)	**<u>Lekwa Local Economy</u>** ✓ *Final consumption expenditure* of the local economy obtained average growth of **6.0%** over the time period 1996 – 2013 and **6.7%** since 2008. ✓ Real disposable income of households obtained average growth of **5.1%** since 1996 and experience a decrease to **5.8%** since 2008.

Note: the latest local area economic data is only available up to 2013. The local business cycle follows the national cycle closely. In the context of the national recovery – including economic growth and retail sales – local economic growth and growth in disposable income is expected to reveal a similar trend since 2013.

Map 1: Regional orientation of the proposed project location



LOCATION ANALYSIS

❖ Area Background

- ✓ Standerton has been identified as the Primary node in the Lekwa Local Municipality,
- ✓ Standerton is also perceived to be a Secondary Node in the greater district area,
- ✓ The proposed development site is situated in a Mixed Use area according to the Spatial Development Framework
- ✓ The development site is located along Walter Sisulu Drive (R546) which provides great access and through flow of traffic,
- ✓ The development site is also located in close proximity of the CBD and could compliment the use and development of the site.

❖ Location Assessment

The proposed Standerton Shopping Centre development site is situated on a parcel of land straddled by Walter Sisulu Drive (R546) to the East and a railway line to the West. The development site extends along Walter Sisulu Drive (R546) from Krogh Street (south) to Kruger Street (north).

The development site is located on Portions of the Remainder of Portion 2 of the Farm Grootverlangen 409-IS. The approximate size of the development site is 6.314 hectares or 63 140 m².

Map 2: Location of the Standerton shopping centre

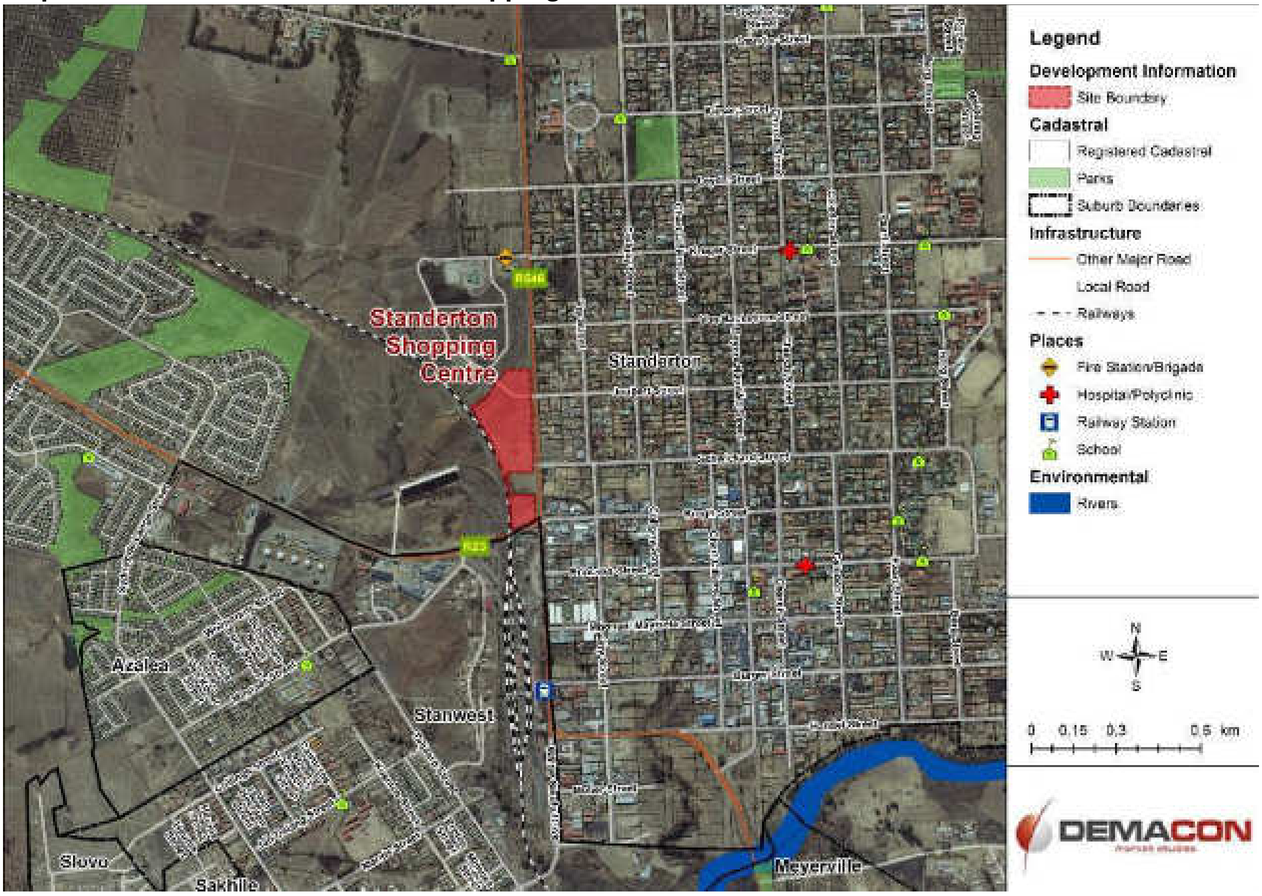


Table 3 illustrates the site rating for the location assessment of the Standerton Shopping Centre.

Table 3: Retail assessment

Proposed Land Use	Percentage
Retail	72,2%

* Note: 80%+ indicates an exceptional site rating; a site rating of 70 – 80% is high and indicates that most important fundamentals for successful retail development is in place; a rating of 60 – 70% indicates some critical factors may be lacking but could possibly be addressed; projects with a sub 60% rating are not recommended for consideration.

In terms of the site evaluation results, it is clear that the site rating for retail are positive and high. The site rating suggests that the most important fundamentals for a successful development are in place.

DEMOGRAPHIC OVERVIEW

In order to isolate the demographic component affected by the proposed new development, a primary and secondary market area was delineated. The market areas will be used to discuss relevant demographic characteristics.

The primary market area delineated for the purposes of this section was based on a 10-minute drive time from the proposed development location. The secondary market area considers the wider consumer market in relation to existing retail nodes. A polygonal area was drawn and relevant demographic information captured.

The socio-economic indicators used throughout this section has been informed by **SACSC Criteria**, as well as the following:

- ✓ Consumer market behaviour and expenditure trends,
- ✓ Regional and sub-regional levels of accessibility,
- ✓ Geographic barriers, and
- ✓ General consumer mobility patterns and drive times.

Map 3: Proposed site location and primary and secondary trade areas

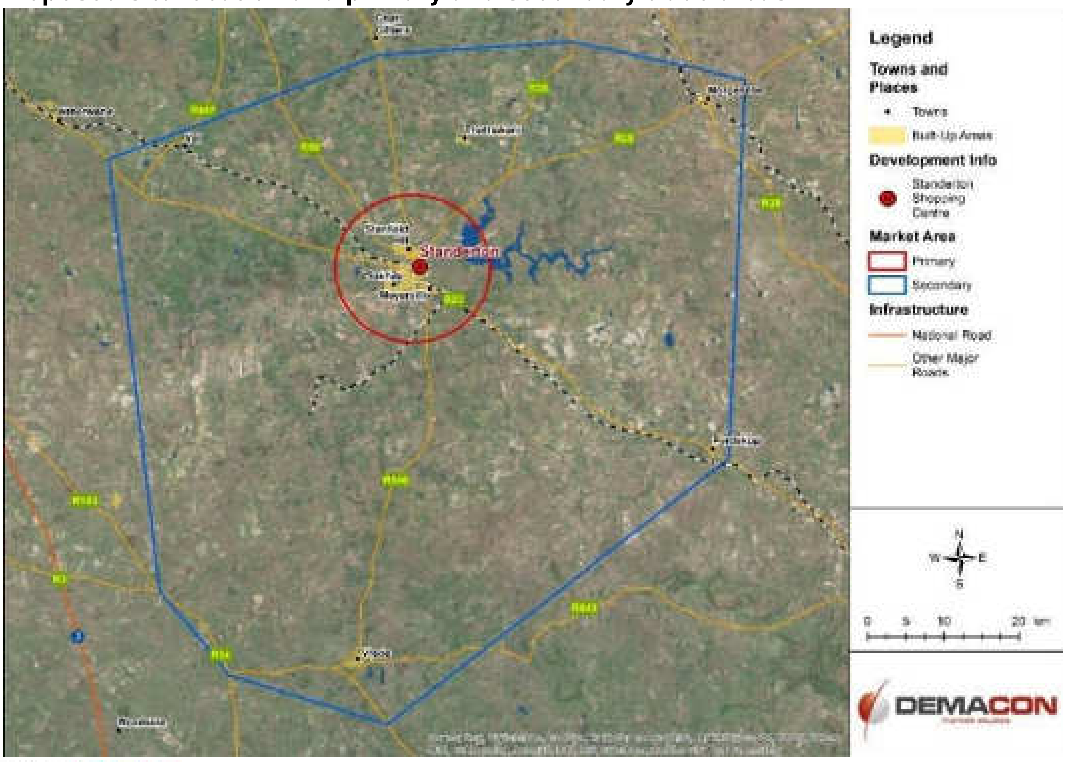


Table 4 below provides a summary of the socio-economic characteristics of the primary market area population.

Table 4: Key socio-economic indicators of the primary trade area, 2016 (approximately 10-minute drive time)

Variable	Market Characteristics Primary market
Population Size	89 956 people 24 844 households
Household Size	3.6 people / household
Age & Gender Profile	18.1% male, 17.8% female - 10 to 19 years 36.5% male, 33.2% female - 20 to 40 years 19.8% male, 21.4% female – 40 to 60 years 6.4% male, 9.0% female - 60 years+
Highest Level of Education	33.1% - Some secondary 26.4% - Some primary 20.5% - Grade 12/Std 10/Form 5 6.4% - No schooling 8.4% - Higher education 5.2% - Completed primary
Level of Employment	63.8% are economically active of which 74.0% are employed and 26.0%% are unemployed
Dwelling Types	66.4% - House or brick/ concrete block structure on a separate stand or yard or on a farm 18.2% - Room or flat let on a property or larger building 10.0% - Informal dwellings (including backyard informal) and traditional dwellings
Tenure Status	31.3% - Rented tenure 43.1% - Owned and fully paid off 13.9% - Occupied rent free 11.7% - Owned but not yet paid off
Race Profile	82.4% - Black African 12.3% - White 3.8% - Coloured 1.6% - Indian/Asian
Average Household Income (2016)	R104 513 per annum, R8 709 per month – (All LSM) R163 410 per annum, R13 618 per month – (LSM 4 to 10+)
LSM Profile	50.7% % - LSM 1 - 3 49.3% - LSM 4 to 10+

Source: Demacon, ex StatsSA, 2016

The primary market profile reveals the following pertinent characteristics:

- ✓ In the primary market, an estimated **89 956 people** or **28 844 households** reside within a 10-minute drive time polygon,
- ✓ The racial profile of the primary market represents predominantly Black Africans (82.4%), 12.3% Whites, 3.8% Coloureds and 1.6% Indian/Asians,
- ✓ The primary market area is characterised by a large segment of young adults and children, fewer mature adults and smaller percentage of elderly.
- ✓ A large proportion of population in the market area have not completed primary or secondary education while a small portion of received a matric certificate or completed higher education.
- ✓ 63.8% of the market is economically active of which 74.0% is employed and 26.0% is unemployed. This reflects low dependency ratios in the study area.
- ✓ The **weighted average annual household income** in the **primary area** for 2016 amounts to:
  - **R104 513 per annum,** which translates into **R8 709 per month (All LSM** – this calculation includes the no income segment)

- **R163 410 per annum,** which translates into **R13 618 per month (LSM 4 to 10+)**

✓ ***49.3%*** of households in the primary market area fall within the **LSM 4 and higher** category.

Table 5 below provides a summary of the socio-economic characteristics of the secondary market area population.

Table 5: Key socio-economic indicators of the secondary trade area, 2016

Variable	Market Characteristics Primary market
Population Size	54 538 people 13 386 households
Household Size	4.1 people / household
Age & Gender Profile	21.0% male, 19.9% female - 10 to 19 years 31.8% male, 29.5% female - 20 to 40 years 17.9% male, 18.9% female – 40 to 60 years 7.4% male, 9.7% female - 60 years+
Highest Level of Education	32.4% - Some secondary 25.9% - Some primary 19.4% - Grade 12/Std 10/Form 5 9.5% - No schooling 7.5% - Higher education 5.4% - Completed primary
Level of Employment	53.3% are economically active of which 73.4% are employed and 26.6%% are unemployed
Dwelling Types	68.7% - House or brick/ concrete block structure on a separate stand or yard or on a farm 13.7% - Room or flat let on a property or larger building 12.9% - Informal dwellings (including backyard informal) and traditional dwellings
Tenure Status	44.5% - Rented tenure 32.9% - Occupied rent free 16.1% - Owned and fully paid off 6.5% - Owned but not yet paid off
Race Profile	91.6% - Black African 7.4% - White 0.5% - Coloured 0.5% - Indian/Asian
Average Household Income (2016)	R67 852 per annum, R5 654 per month – (All LSM) R112 585 per annum, R9 382 per month – (LSM 4 to 10+)
LSM Profile	58.8% % - LSM 1 - 3 41.2% - LSM 4 to 10+

Source: Demacon, ex StatsSA, 2016

The secondary market profile reveals the following pertinent characteristics:

✓ In the primary market, an estimated **54 538 people** or **13 386 households** reside within the secondary market area,

✓ The racial profile of the primary market represents predominantly Black Africans (91.6%), 7.4% Whites, 0.5% Coloureds and 0.5% Indian/Asians,

✓ The secondary market area is characterised by a large segment of young adults and children, fewer mature adults and smaller percentage of elderly.

✓ A large proportion of population in the market area have not completed primary or secondary education while a small portion of received a matric certificate or completed higher education.

✓ 53.3% of the market is economically active of which 73.4% is employed and 26.6% is unemployed. This reflects low dependency ratios in the study area.

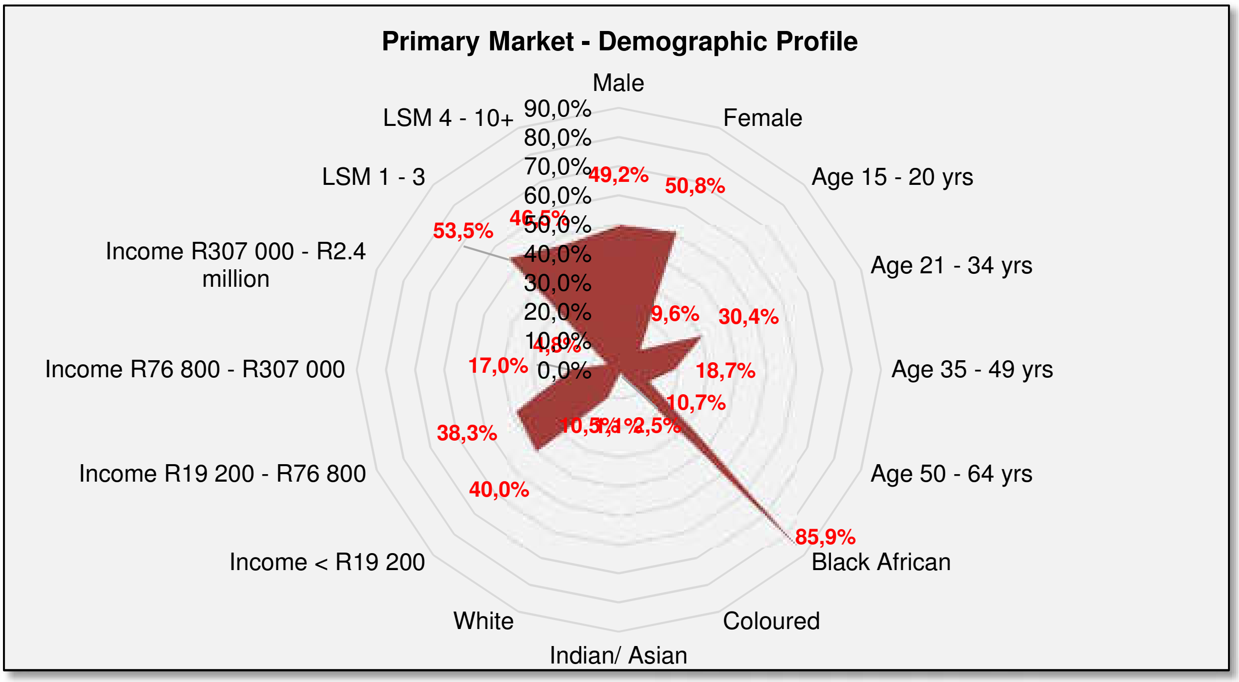
✓ The **weighted average annual household income** in the **secondary area** for 2016 amounts to:

- **R67 852per annum,** which translates into **R5 654 per month (All LSM** – this calculation includes the no income segment)
- **R112 585 per annum,** which translates into **R9 382 per month (LSM 4 to 10+)**

✓ ***41.2%*** of households in the secondary market area fall within the **LSM 4 and higher** category.

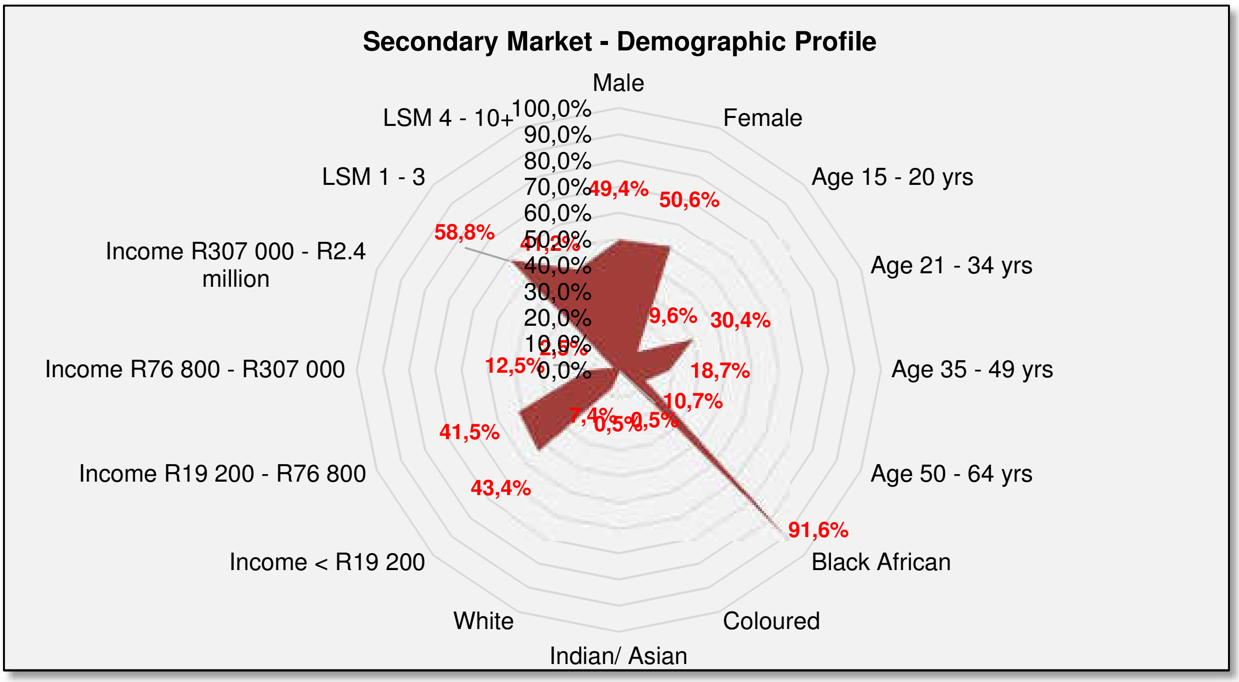
Figure 2 summarises the demographic profile of the primary catchment population and Figure 3 summarises the demographic profile for the secondary catchment population.

Figure 2: Demographic profile – primary catchment



Source: Demacon, 2016

Figure 3: Demographic profile – secondary catchment



Source: Demacon (2016)

Consumer Segments

Changes have been taking place within shopping centres, largely due to changes in their market segment's life styles. Increased emphasis is being placed on the creation of spaces and atmospheres within malls where people feel comfortable and are encouraged to linger longer. Focus is turned towards the experience and convenience of centres, offering consumers the opportunity to relax and interact with friends and family.

Defining the Consumer Generations

Silent Generation - aged 65 years +. Shaped by major influences including the Great Depression and two world wars. Not surprisingly, this cohort values savings, morals and ethics, and tends to be very patriotic. Family togetherness and conformity are also very important attributes for them.

Baby Boomers - Born immediately after World War ii, now aged between 50 and 64 years. Influenced in their upbringing by strong economic growth and generally full employment, they are generally considered to be adaptive and flexible. Baby Boomers are regarded as having defined themselves largely by their careers, with a high proportion considered to be workaholics. They are increasingly moving into the retirement phase of their life, but many plan to continue working.

Generation X - Aged between 35 and 49 years. A bridging generation, which joined the workforce generally during periods of economic prosperity (the mid to late 1980s onwards). Generation Xs are highly educated but more questioning of convention than the Baby Boomers. They are also generally more interested in balancing family, life and work, and much less inclined to sacrifice time, energy and relationships for career advancement like the Baby Boomers did.

Millennials - Aged 21 to 34 years. The majority of this generation has never known a world without mobile phones, laptops and cable television. This cohort is the one that tends to cop most criticism at the moment, with labels such as 'used to instant everything', 'believe they can separate effort from reward', 'do not live to work but work to live'. This segment is the most formally educated and most sophisticated of all the generations before it. Detailed research has shown that they are looking for brands that resonate with their peers. They are very image driven and so value, for example, electronic toys, piercings and tattoos. Other research shows that they pay less attention to quality than other generations.

Generation Z – Aged 15 to 20 years. The labels being attached to this generation include 'realistic', 'highly connected' and 'digital natives'. Generation Z s are seen to be wary with their money, having seen their parents lose jobs and their older siblings move back home because housing is so expensive. Via expert use of social media and the internet, they have already become demanding purchasers. They research diligently, are marketing savvy and are much less likely to make impulse purchases. They will find the best deals and will expect to test out products physically or virtually before they commit to buy. Generation Z will, apparently, want brands to show their long-term value.

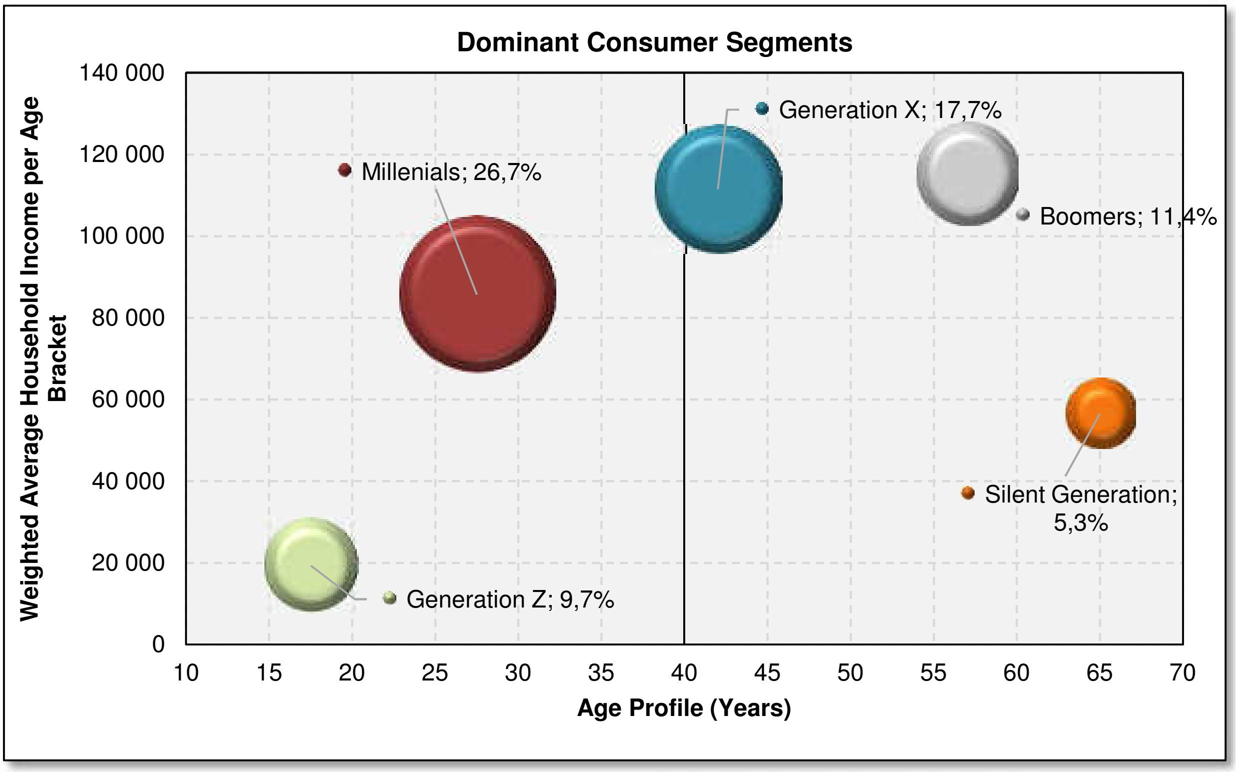
Consumer Market Segments to Consider

The following diagram reflects the dominant consumer market segments present within the primary trade area. Each of these market segments share similar characteristics and aspirational values.

The important market segments to consider with regards to market, include:

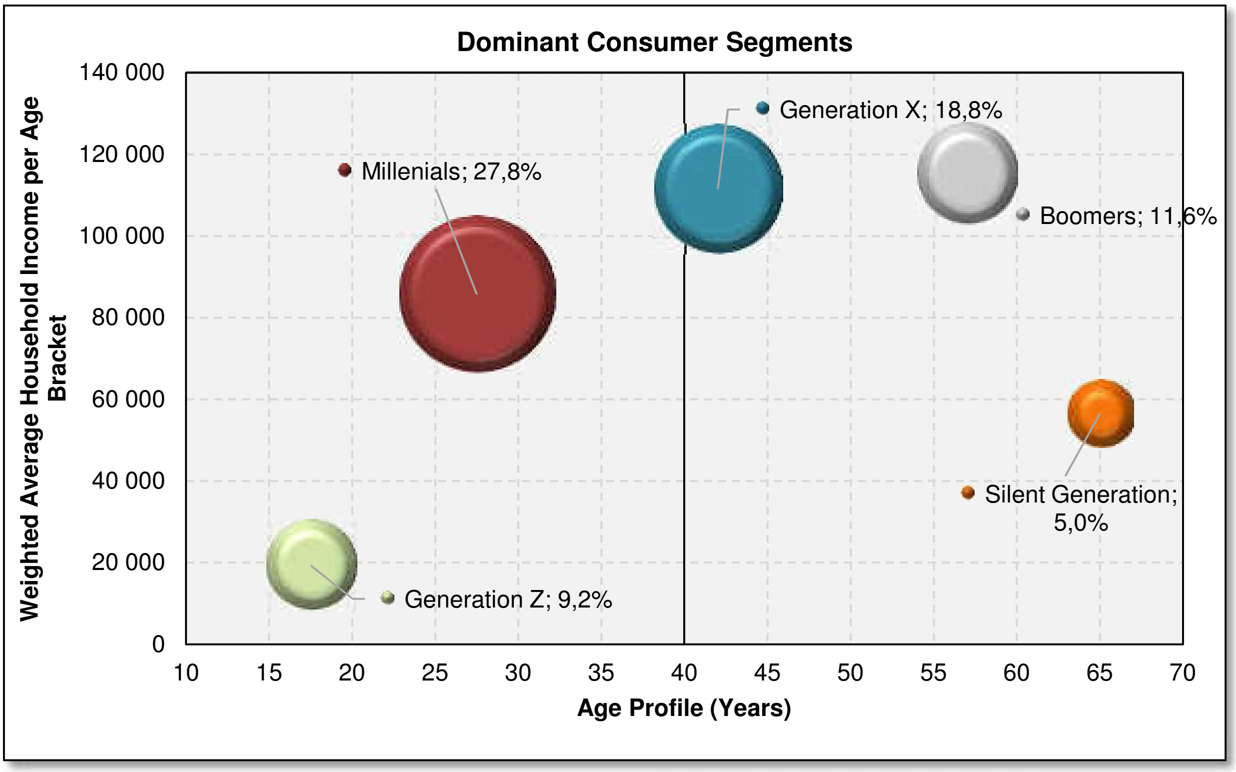
1. **Millennials**
2. **Generation X**
3. **Boomers.**

Figure 4: Dominant consumer segments – primary catchment area



Source: Demacon, 2016

Figure 5: Dominant consumer segments – secondary catchment area



Source: Demacon (2016)

Defining Market Segments & Relation to Retail Environment:

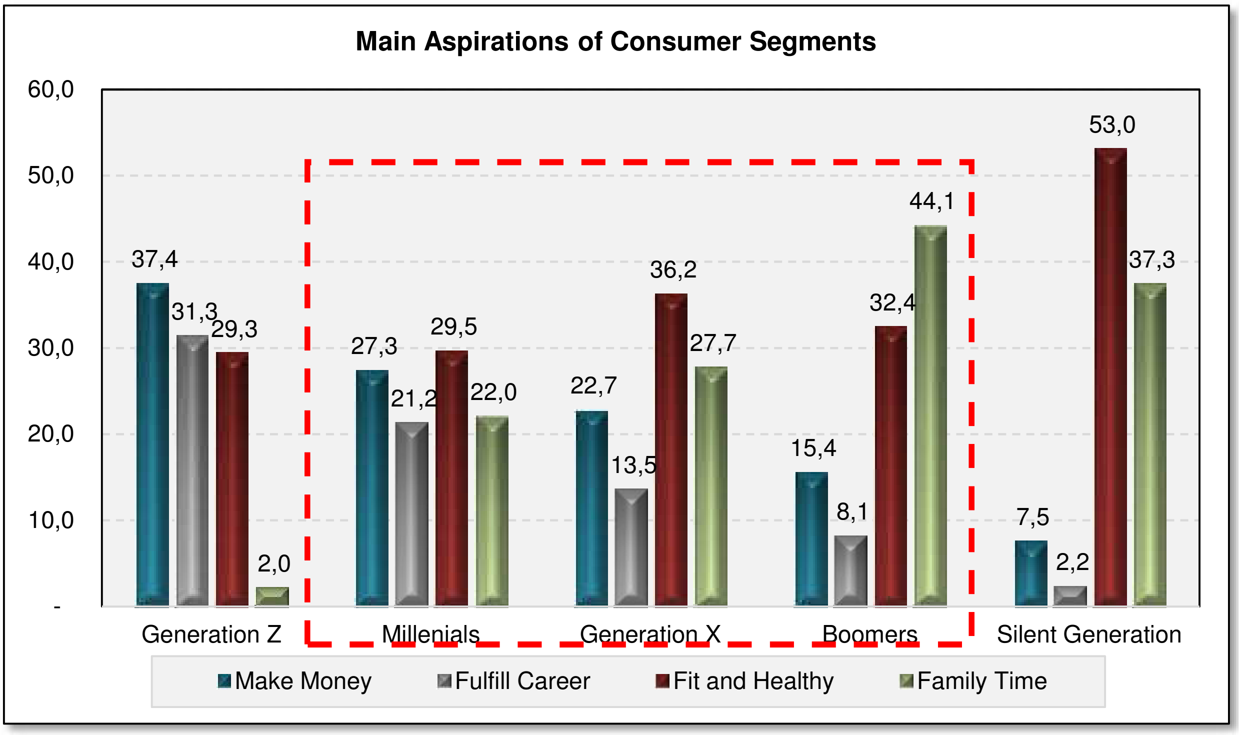
Millennials: Aged 21 to 34 years of age. They represent young people with more choice over what they spend their money on. They crave intuitive experiences and unique entertainment.

Their focus is on convenience and price and they reflect lower levels of brand loyalty. They shop for bargains (take part in promotions) and seek inspiration (buy on impulse). They are less purpose driven than the older consumer segments and make use of the entertainment options to spend time with friends. Main purpose for visits to a mall include shopping for clothes, shoes and accessories, followed by groceries and household goods. They also visit restaurants, cafés, spend leisure time and make use of services and entertainment offerings. They prefer not to shop alone. It is anticipated by JLL that they will want the following within shopping centres in future: a variety of smaller niche shops in authentic places where they can eat a variety of foods, drink coffee and hang out with their gadgets, friends and colleagues. This consumer segment is mobile and experience-driven.

Generation X: Aged 35 to 49 years of age. Reflect slightly older more predictable and richer consumer segments. This market segment is relatively fixed, brand loyal and asset-holding. Consumers most often shop for grocery and household goods, followed by clothing, shoes and accessories. They try to spend as much time with their families as possible and largely prefer shopping with family members. They tend to perceive shopping as an obligation and necessity. They do support food courts, cafés and delis while shopping.

Boomers: Aged 50 to 64 years of age. The ageing shoppers look for social interaction and leisure experiences in shopping malls. They seek personal attention, opposed to, speed. They prefer high quality products at good prices. These consumers are wiser, more experienced and have plenty of time for scrutinising products and information gathering before making choices. They place emphasis on security, safe parking areas, mall furniture and a range of places offering them social and leisure experience.

Figure 6: Main aspirations of consumer segments



Source: Demacon, Ex. Nielsen, 2016

The three consumer market segments reflect the following main aspirations:

<u>Millennials:</u>

- ✓ Highest aspiration is to be fit and healthy
- ✓ Second aspiration is to make money

✓ Third aspiration is to make time for their families.

Generation X:

✓ Highest aspiration is to be fit and healthy
✓ Second aspiration is to make time for their families
✓ Thirdly is to make money (with emphasis on the provision for retirement).

Boomers:

✓ Their highest aspiration is to spend time with their families
✓ This is followed by the aspiration to be / and stay fit and healthy
✓ Thirdly, and to a lesser extent, making money.

All of these market segments places emphasis on being **fit and healthy and to spend time with their families**. Centres providing for facilities where they can fulfil these aspirations will attract the largest share of these segments.

These market segments also reflect lower risks pertaining to over-indebtedness, and much lower impacts to be induced by interest rate hikes. Millennials and Generation X represent higher spenders compared to the Boomers. A strong focus for these segments is towards quality of products and services.

They also reflect higher frequencies of restaurant and fast food visitations compared to that of the Boomers. The Boomers are loyal to the brands that they support, and relatively set in their shopping ways, although not excessively brand conscious.

SURVEY RESULTS

Table 6 provides a synthesis of the retail market surveys conducted in and around Standerton for the purposes of this study.

Table 6: Retail market surveys: synthesis

Variables	Findings
SECTION A: SOCIO ECONOMIC INFORMATION	
Place of employment	• Standerton – 77.4% • Outside Standerton – 18.9% • Florapark – 3.8%
Number of members in household	• 2 members – 23.7% • 4 members – 22.7% • 5 members – 22.7% • 3 members – 16.5% • 1 member – 8.2% • 6 members – 3.1% • 7 members – 3.1%
Number of breadwinners in household	• 1 breadwinner – 61.2% • 2 breadwinners – 37.6% • 4 breadwinners – 1.2%
Indicate your occupation	• Professionals – 40.0% • Entrepreneurs – 10.0% • Legislators, senior officials & managers – 10.0% • Service workers & shop & market sales workers – 10.0% • Technicians & associated professionals – 8.0%

Variables	Findings
Current employment status (employed, unemployed, self-employed, Student, Pensioner)	• Permanently employed – 47.1% • Pensioner – 21.6% • Self-employed – 15.7% • Part-time employed – 13.7% • Unemployed – 2.0%
Home language?	• Afrikaans – 50.5% • Zulu – 34.7% • English – 11.9% • Sesotho – 3.0%
Main method of transport used for shopping	• Private vehicle – 85.7% • Taxi – 11.0% • Bus – 3.3%
Number of vehicles do you owned	• Two vehicles – 47.6% • One vehicle – 42.7% • Three vehicles – 9.8%
Age and gender of person predominantly responsible for household shopping	<u>Gender</u> • Female – 62.0% • Male – 38.0% <u>Age Profile</u> • 20 to 40 years – 41.8% • 60 to 80 years – 29.6% • 40 to 60 years – 28.6%
Race / ethnic group	• Black African – 51.8% • White – 44.6% • Coloured – 3.6%
Please describe your household	• Retired – golden nests / elderly – 29.3% • Parents with adult children – 24.4% • Single-Working – 19.5% • Couple/Married – 17.1% • Parents with small children – 7.3% • Mature adults – 2.4%
SECTION B: GENERAL CONSUMER BEHAVIOUR	
A product/service is chosen based on	• Previous use/experience – 67.9% • Advertisements / brochures – 22.2% • Independent research – 4.9% • Peer reviews – 4.9%
A *<u>product/service</u>*, is chosen according to	<u>Definitely important:</u> • Healthy – 91.1% • Affordability – 86.2% • Durability – 82.0% • Eco/green – 79.7% • Loyalty to brand – 79.7% • Novelty – 77.1%
A *<u>retail environment</u>*, is chosen according to:	<u>Definitely important:</u> • The feeling of community it offers – 59% • The prestige it offers – 55% • Specific retailer – 53% • Convenience – 45% • Proximity – 43%
Do you shop online (do shopping over the internet)?	• No – 83.0% • Yes – 17.0%
Frequency of online shopping	• Once a month – 44.4% • More than once a year – 22.2% • Every week – 18.5% • More than once a month – 14.8%

Variables	Findings
Preferred medium to buy the following types of products	*Preferred medium to buy all of these categories was via shopping centre (89%).Online shopping (11%)* • Food & groceries • Clothes & shoes • Fashion accessories • Home décor & furnishings • Household appliances • Electronic equipment • Health & beauty products • Books / gifts / stationary • Sport & outdoor gear • Entertainment (e.g. movies)
In terms of internet and smartphone technology, I:	• Use it daily – 37.0% • Have basic knowledge on usage – 25.9% • Don't know how to use it – 20.4% • Use it every week – 9.3% • Use it once a month – 7.4%
In terms of social media, I:	• Know about it, don't use it – 44.4% • Use it daily – 35.6% • Don't know how to use it – 11.1% • Use it every week – 8.9%
SECTION C – CURRENT RETAIL EXPENDITURE & LEAKAGES	
In your opinion, what would best describe the convenience retail offering in your area?	• Inadequate – existing facilities should be expanded – 62.3% • Inadequate – new facilities should be developed – 37.7%
In your opinion do retail centres in the area cater adequately to all your retail requirements?	• Yes – 64.0% • No – 36.0%
Need for an additional shopping centre in the Standerton area	• Yes – 74.4% • No – 25.6%
Shop at the new shopping centre if it were built	• Yes – 84.0% • No – 16.0%
Type of shops and services you feel there is a demand for in the new shopping centre	Shops: • Supermarket – 76.7% • Hardware – 75.7% • Restaurant/TA – 75.7% • Hobby store – 75.7% • Home décor – 67.0% • Furniture store – 64.1% • Book/gift store – 64.1% • Liquor store – 61.2% Services: • Hairdressers – 75.7% • Doctors – 67.0% • Dentist – 67.0% • Banks – 64.1% • Laundromats – 63.1% • Photo-lab – 63.1% • Optometrist – 55.3% • Video store – 55.3%
Any other shops or services you would like to be included	• Grocery store (Cambridge food, Checkers, Food lovers market, Pick n Pay) – 32.7% • Department store (Checkers Hyper, Game) – 30.9% • Clothing & footwear (Grasshoppers, Identity, Markham, Woolworths) – 14.5% • Restaurant (Ocean basket, Wimpy) – 10.9%

Variables	Findings
	• Personal care (spa, Sorbet, Virgin active) – 7.3% • Fast food (KFC, Nandos) – 3.6%
How would the retail centre development in the Standerton area affect your current shopping behaviour	• I will never have to shop elsewhere – 30.8% • I will shop less frequently outside the area – 26.9% • I will shop less frequently at my previously preferred shopping centre – 34.6% • My shopping patterns will remain unaffected – 7.7%
Grocery Anchor Preferences	
Preferred grocer for purchasing *bulk grocery items* in general	• Pick n Pay – 42.7% • Spar – 31.7% • Woolworths Food – 19.5% • Checkers – 6.1%
Is this particular bulk (i.e. monthly) grocer present in your area?	• Yes – 82.6% • No – 17.4%
If yes, in which shopping centre is the bulk grocer located	• Outside Standerton – 40.0% • Standerton Centre – 33.3% • The Junxion Centre – 22.2% • The monument Shopping Centre – 5.0%
Frequency of your bulk grocery shopping	• Monthly – 59.6% • Every two weeks – 36.2% • More than once a week – 2.1% • Less frequently – 2.1%
Preferred grocery store for purchasing *convenience* (i.e. day to day shopping) grocery items in general	• Pick n Pay – 55.2% • Spar – 25.4% • Checkers – 18.0% • Woolworths Food – 1.5%
Is this particular convenience grocer present in this market area?	• Yes – 70.2% • No – 29.8%
If yes, in which shopping centre is the convenience grocer located?	• Standerton Centre – 58.4% • Outside Standerton – 35.0% • The Junxion Centre – 3.9% • The Monument Shopping Centre – 2.6%
Frequency of your top-up / convenience grocery shopping	• Every two weeks – 39.1% • Weekly – 23.4% • More than once a week – 21.9% • Daily – 15.6%
In your view, should the new shopping centre have 2 full-line grocery anchors (e.g. a Pick 'n Pay as well as a Woolies)	• Yes – 85.9% • No – 14.1%
Expenditure Leakage	
Favourite shopping centre in the area	• The Junxion Centre – 46.4% • Standerton Centre – 31.9% • The Monument Shopping Centre – 21.7%
Favourite shopping centre/mall in the wider region	• Secunda Mall – 41.7% • Secunda Value Centre – 31.9% • Secunda Shopping Centre – 9.7% • Checkers Mall – 8.3% • Mall@Emba – 6.9% • Secunda Plaza – 1.4%
Frequency of visits to shopping centres/malls outside Standerton	• Monthly – 53.9% • Less frequently – 22.4% • Weekly – 15.8% • More than once a week – 7.9%
Shopping centre/mall visited when doing shopping outside Standerton	• Secunda Mall – 76.7% • Shopping centres in Gauteng – 23.3%

Variables	Findings
Percentage retail spend at shopping centres within and outside Standerton	• Within Standerton – 75.3% • Outside Standerton – 24.7%
Average spend at shopping centres within and outside Standerton	Within Standerton: • R1 001 – R1 501 – 31.4% • R2 001 – R3 001 – 22.9% • R751 – R1 000 – 17.1% • R201 – R500 – 14.3% • R501 – R750 – 11.3% • R1 501 – R2 000 – 2.9% Outside Standerton: • R3 001 – R5 000 – 50.0% • R501 – R750 – 20.8% • R201 – R500 – 16.7% • R1 501 – R2 000 – 4.2% • R2 001 – R3 000 – 4.2% • More than R5 000 – 4.2%
Your overall favourite shopping centre for each of the following commodities	Top-up groceries & convenience goods • Outside Standerton - 43,5% • Standerton - 36,5% • The Junxion centre - 15,3% • The Monument centre - 4,7% Monthly groceries • Outside Standerton - 52,8% • Standerton centre - 33,3% • The Junxion centre - 9,7% • The Monument centre - 4,2% Clothing, shoes & accessories • Outisde Standerton - 53,4% • Standerton centre - 32,9% • The Junxion centre - 9,6% • The Monument centre - 4,1% Household appliances (home theatre system, computer, etc.) • Outside Standerton - 52,8% • Standerton centre - 33,3% • The Junxion centre - 9,7% • The Monument centre - 4,2% Household furnishings (furniture, lamps, curtains etc.) • Outside Standerton - 39,7% • Standerton centre - 32,9% • The Monument centre - 16,4% • The Junxion centre - 11,0% Hardware goods • Outside Standerton - 34,2% • Standerton centre - 32,9% • The Monument centre - 19,2%

Variables	Findings
	• The Junxion centre - 13,7% <u>Gifts books and confectionary</u> • Outside Standerton - 34,2% • Standerton centre - 32,9% • The Monument centre - 19,2% • The Junxion centre - 13,7% <u>Specialty / value goods</u> • Outside Standerton - 45,8% • Standerton centre - 33,3% • The Junxion centre - 13,9% • The Monument centre - 6,9% <u>Personal Care Services</u> • Standerton centre - 33,3% • Outside Standerton - 33,3% • The Monument centre - 19,4% • The Junxion centre - 13,9% <u>Restaurants, entertainment</u> • Outside Standerton - 42,3% • Standerton centre - 39,4% • The Junxion centre - 14,1% • The Monument centre - 4,2% <u>Financial Services and Banking</u> • Outside Standerton - 48,3% • Standerton centre - 30,0% • The Junxion centre - 16,7% • The Monument centre - 5,0%

Source: Demacon Household Survey, 2016

SUMMARISED INTERPRETATION

In terms of the above information and analysis, the following conclusions and interpretations are highlighted to surmise the data reviewed in this chapter.

Type of Shopper

- ✓ Shoppers in the area can be considered to be primarily retired (golden nests / elderly) and parents with adult children households. Other household dynamics include single (working) and couples / married households.
- ✓ Employed persons, be it permanently, part-time or self-employed, make up more than three quarters of respondents, while more than one fifth of respondents are pensioners.
- ✓ Average household income indicated that more than half of respondents are low income households that earn an income less than R3 500 per month. Roughly a quarter of respondents earn incomes between R3 501 and R30 000 while more than one fifth earn average incomes above R100 000.
- ✓ The racial dynamics of respondents also showed a diversified mixture between Black African and White ethnic groups. A small proportion of respondents are coloured.

The information suggests that respondent households are largely aging with many households being pensioners or households where adult children are present. This aging household structure explains the large constituency of households that receive a pension as income. It is also encouraging that households that are employed (in some manner) are the overwhelming proportion of respondents that could indicate the availability of capital for expenditure.

Even though a large proportion of respondents are employed, the vast majority earn incomes below R3 500 which acclimates the area as largely lower income. Capital availability is present though, with a large portion of respondent households earning large salaries.

Although capital for expenditure could be available in the area, racial dynamics could alternatively influence retail demand whereby the needs and preferences of different racial groups tend to differ.

General Consumer and Shopping Behaviour

- ✓ When selecting/choosing a product respondents indicated that they are likely to choose based on previous use / experience as well as advertisements and brochures. Peer reviews and independent research are approaches that are seldom used.
- ✓ When respondents select a retail environment their choice is primarily based on the sense of community that is derived from the space. The prestige of a retail environment along with the location of a specific retailer also guide choices made by respondents.
- ✓ Respondents are also more likely to do shopping at a shopping centre rather than making use of online shopping platforms.
- ✓ Respondents indicated that the frequency to which they would shop at preferred retail centres and outside of Standerton would decline if a new shopping centre was to be built. Less than a third of respondents indicated that they would never have to shop anywhere else, while only 8% of respondents said that they would be unaffected.

The information suggests that respondents are inclined to remain with products that are familiar or have appeal when advertised. The lack of research or peer reviews do not sway respondents and as such the availability of a product at a retail location would influence the need to visit the specific retail space. Along with the availability of a specific product, the retail space should also evoke a sense of community whilst offering prestige. These elements are important to respondents when visiting retail centres.

Apart from the elements that would attract respondents, respondents indicated that their choice of retail environment would be influenced by a new shopping centre, with many respondents clearly indicating that a change in frequency of visits to other centres and areas would be influenced. These elements would be supported by a base of shoppers that would rather go to a shopping centre to conduct shopping than complete online purchases.

Demand for a New Shopping Centre

- ✓ Respondents indicated that if a new shopping centre was to be built, 84% would shop at the new facility.
- ✓ Respondents also indicated that a supermarket, hardware store, restaurant, hobby store, home décor store, furniture store, book/gift store, butchery, liquor store, clothing store, banks, hairdresser, doctor and dentist were the main stores/services that have to be included as part of the new retail centre.
- ✓ Respondents also noted that specific shops such as grocery stores (Cambridge Foods, Checkers and Food Lovers Market) and department stores (Checkers and Game) are a priority.

The information suggests that a high demand exists for a new shopping centre that would provide a shopping selection that includes groceries, maintenance, hobbies, decorative and furniture, beautification and health services. The data further shows that offerings in regards to grocery options are insufficient and that new options are required, while fashion options are more acceptable and no apparent need exists.

Grocery Stores

- ✓ Respondents indicated that bulk grocery shopping is completed at a Pick n Pay and Spar that is visited mostly on a monthly or bi-weekly basis.
- ✓ Pick n Pay, Spar and Checkers are grocers that respondents prefer when doing convenience shopping. Many respondents visit convenience grocers every two weeks, with almost a quarter of respondents visiting weekly and one fifth visiting more than once a week.
- ✓ Bulk grocery shopping is primarily done outside of Standerton, while convenience shopping is conducted in Standerton.
- ✓ In the respondent's view, 85.9% feel that the new shopping centre should have two full-line anchor grocers.

The information suggests that Pick n Pay is the primary grocer choice for bulk and convenience shopping in the area. The information could also suggest that a limitation in choice exists, with only selected bulk grocers present in the area. Respondents are more likely to travel outside of Standerton to conduct bulk grocery shopping. Respondents having to travel outside of Standerton for bulk grocery shopping could indicate why shopping is typically done on a monthly or bi-weekly basis. For convenience grocery purchases, respondents largely conduct shopping inside Standerton. The frequency of convenience shopping is also higher. The respondents also feel that the area could benefit from two full-line anchor grocers as part of the new retail development.

Retail Expenditure and Leakage

- ✓ Respondents noted that their favourite retail centre in Standerton is the Junxion Complex, while their favourite shopping centre or mall in the wider region is the Secunda Mall.
- ✓ Shopping centres and malls outside Standerton are primarily frequented at least once a month.
- ✓ Retail expenditure by respondents within Standerton accounted for approximately 75% of the household retail budget, while 25% was spent at retail locations outside Standerton.
- ✓ Roughly 42.8% of respondents spend between R201 and R1 000 on a typical visit to a shopping centre in Standerton. More than 34% of respondents spend between R1 001 and R2 000 on a typical visit, while the remainder of respondents spend more than R2 000.
- ✓ Approximately 37.5% of respondents spend between R201 and R1 000 when visiting a retail centre outside of Standerton. Only 8% of respondents spend between R1 001 and R2 000 and between R2 001 and R3 000 on a typical visit. More than 50% of respondents spend more than R3 001 on a typical visit outside of Standerton.
- ✓ Respondents also feel that retail offerings in the area are inadequate. The majority (60%) of respondents feel that retail offerings should be expanded, while the remainder feel that new retail offerings should be built.

The information suggests that bulk grocery shopping is conducted outside Standerton and is conducted on a monthly basis. Convenience shopping is primarily conducted in Standerton and is concluded more frequently. Comparatively, spending per type by respondents in Standerton are largely lower than amounts spent when outside Standerton.

The information further suggests that retail expenditure leakage is apparent in the market area. The larger spend value at shopping centres outside Standerton and the preference of these shopping centres for various shopping items indicate that retail expenditure leakage is apparent and that a gap exists for new retail options.

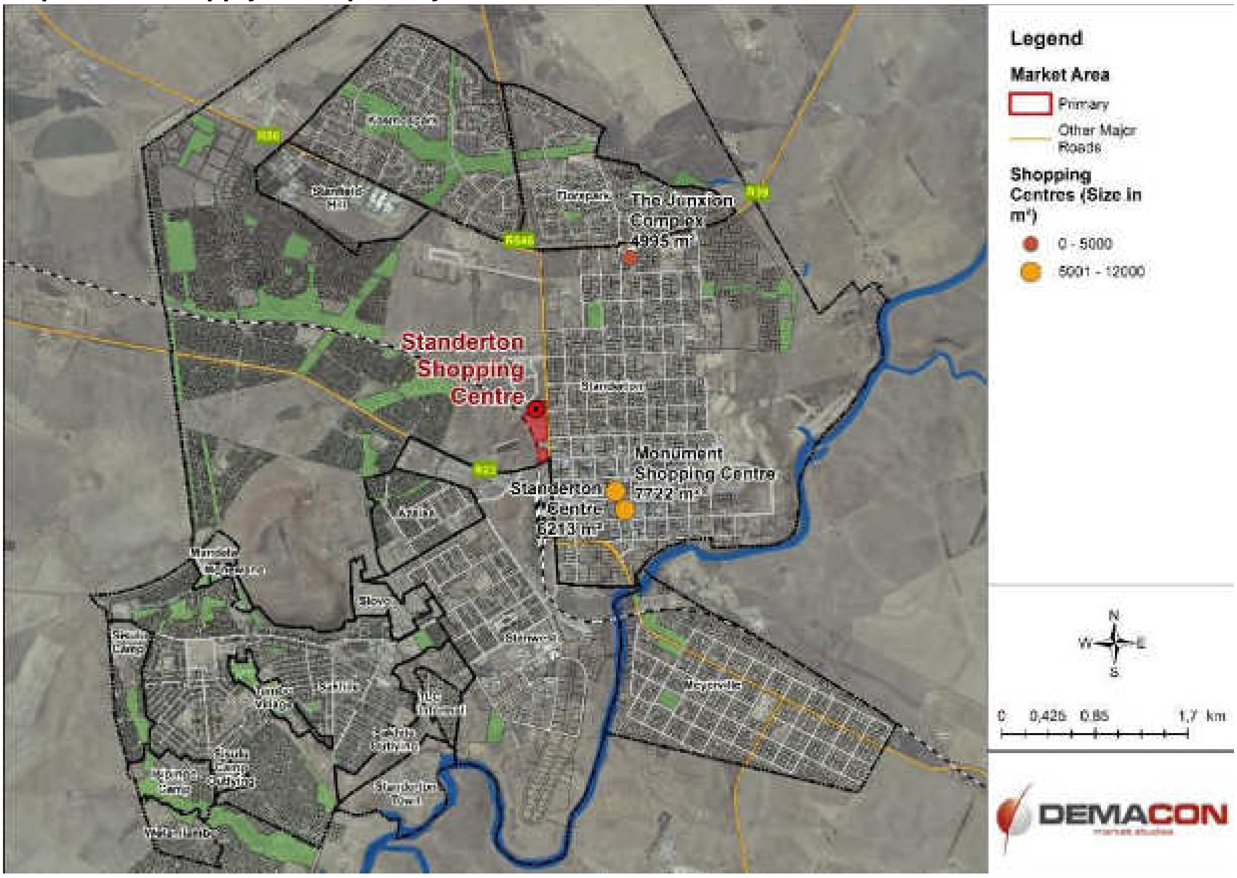
The expansion of retail offerings in the area is primarily viewed as expansions of current retail facilities rather than the construction of new offerings.

RETAIL SUMMARY

Subsequent paragraphs provide an overview of the existing and proposed retail centres within the primary and secondary market area. The findings of the assessment are based on the following sources of information:

- ✓ Shopping Centre Directory, SA Council of Shopping Centres, 1996 – 2016
- ✓ Demacon GIS, 2016

Map 4: Retail supply in the primary market area



❖ SUMMARY OF RETAIL SUPPLY

Table 7 shows the existing retail supply located in the primary trade area. Table 8 highlights retail supply located beyond the secondary trade area because of the limited retail supply in the secondary trade area.

Table 7: Retail supply in the primary market area

Name of retail centre	Description
PRIMARY MARKET SHOPPING CENTRES	
Monument Shopping Centre (1.7 km)	• Type of centre: Neighbourhood centre • Size: **7 722 m²** • Location: Cnr Beyers Naudn, Mbonani, Mayisela, Charl Cilliers & Burger Streets, Standerton • Anchor tenants: Edcon, Capitec, Foschini, Mr Price, Nedbank, Pepkor, Truworths • Parking: 161 • Number of shops: 24 • Year refurbished: No refurbishment yet
Standerton Centre (1.5 km)	• Type of centre: Neighbourhood centre • Size: **6 213m²** • Location: 36-42 Charl Cilliers Street, Standerton • Anchor tenants: KFC, Russells, Beares, Geen & Richards, OK Furniture • Parking: 0 • Number of shops: 16 • Year refurbished: 2006
The Junxion Complex (2.3 km)	• Type of centre: Local convenience centre • Size: **4 995 m²** • Location: Cnr Beyers Naudp & Baumann Streets, Standerton • Anchor tenants: Pick n Pay Family • Parking: 595 • Number of shops: 26 • Year refurbished: 2008
TOTAL PRIMARY SQM	• **18 930 m²**

Table 8: Retail supply beyond the secondary market area

SECONDARY MARKET SHOPPING CENTRES	
Mall@Emba (49.6 km)	• Type of centre: Community Centre • Size: **24 600 m²** • Location: Cnr Mbalenhle Avenue & Old Provincial Road Secunda • Anchor tenants: Shoprite, Pick n Pay, Jet Mart, ABSA, Edgars Active, Ackermans • Parking: 690 • Number of shops: 83 • Year refurbished: 2012
Secunda Value Centre (62.7 km)	• Type of centre: Neighbourhood Centre • Size: **8 722 m²** • Location: PDP Kruger Road, Secunda • Anchor tenants: Builders Warehouse, Westpack Lifestyle, Burger King • Parking: 0 • Number of shops: 0 • Year refurbished: Unknown
Secunda Mall (60.8 km)	• Type of centre: Regional Centre • Size: **59 700 m²** • Location: Cnr Oliver Tambo & PDP Kruger Avenues, Secunda • Anchor tenants: Woolworths, CheckersHyper, Pick n Pay, Game, Edgars, Dis-Chem, Mr Price • Parking: 0 • Number of shops: 98 • Year refurbished: Unknown
Checkers Mall (60.3 km)	• Type of centre: Community Centre • Size: **14 717 m²** • Location: Cnr Lurgiplein & Heunis Streets, Secunda • Anchor tenants: Checkers, Mr Price, Truworths, Sasol Gym • Parking: 200

	• Number of shops: 22 • Year refurbished:2012
Secunda Shopping Centre (60.5 km)	• Type of centre: Neighbourhood Centre • Size: **7 234 m²** • Location: Rautenbach Avenue, Secunda • Anchor tenants: JDG & Russells • Parking: 300 • Number of shops: 9 • Year refurbished: 2007
Pick n Pay - Secunda Square (60.6 km)	• Type of centre: Neighbourhood Centre • Size: **10 473 m²** • Location: Nico Diedericks Steet, Secunda • Anchor tenants: Pick n Pay, Mr Price Home • Parking: 106 • Number of shops: 26 • Year refurbished: Unknown
Shoprite Centre Secunda (60.9 km)	• Type of centre: Local Convenience Centre • Size: **4 664 m²** • Location: Cnr Lourens Muller Street & Waterson Crescent, Secunda • Anchor tenants: Shoprite • Parking: 300 • Number of shops: 14 • Year refurbished: 1994
Secunda Plaza (60.6 km)	• Type of centre: Neighbourhood Centre • Size: **5 307 m²** • Location: Horwood Street, Secunda • Anchor tenants: Spar, Clicks, PNA, Ackermans, Pep • Parking: 250 • Number of shops: 10 • Year refurbished: Unknown
Game Park Secunda (60.8 km)	• Type of centre: Local Convenience Centre • Size: **4 098 m²** • Location: Horwood Street, Secunda • Anchor tenants: Kosmos Pharmacy • Parking: 0 • Number of shops: 7 • Year refurbished: 2010
Secunda Village (64.7 km)	• Type of centre: Neighbourhood Centre • Size: **6 361 m²** • Location: Rautenbach Street, Secunda • Anchor tenants: Markhams, Legit, Total Sports, Donna Claire • Parking: 0 • Number of shops: 26 • Year refurbished: Unknown
Bethal Sanlam Building (63.3 km)	• Type of centre: Local Convenience Centre • Size: **2 424 m²** • Location: Cnr Eeufees & Mark Streets, Bethal • Anchor tenants: Shoprite , Truworths • Parking: 0 • Number of shops: 4 • Year refurbished: Unknown
Cosmos Shopping Centre Bethal (63.6 km)	• Type of centre: Local Convenience Centre • Size: **4 480 m²** • Location: 41 Du Plooy Street, Bethal • Anchor tenants: Pick n Pay, Pep • Parking: 0 • Number of shops: 29 • Year refurbished: Unknown
Shoprite Centre Ermelo (91.6 km)	• Type of centre: Neighbourhood Centre • Size: **7 023 m²**

	• Location: De Jager St, Ermelo • Anchor tenants: Shoprite, OK Furniture, Geen & Richards • Parking: 0 • Number of shops: 2 • Year refurbished: Unknown
Meent Centre Ermelo (91.6 km)	• Type of centre: Neighbourhood Centre • Size: **6 899 m²** • Location: Cnr De Jager, Oosthuizen & Innes Streets, Ermelo • Anchor tenants: Superspar, Fruit & Veg City • Parking: 150 • Number of shops: 23 • Year refurbished: 2010
Ermelo Mall (91.5 km)	• Type of centre: Community Centre • Size: **20 447 m²** • Location: 50A De Jager Street, Ermelo • Anchor tenants: Shoprite, Jet Mart, Cashbuild • Parking: 292 • Number of shops: 48 • Year refurbished: 2009
Game Centre Ermelo (92.3 km)	• Type of centre: Value Centre • Size: **5 669 m²** • Location: Cnr de Emigratie Road & Voortrekker Avenue, Ermelo • Anchor tenants: Game • Parking: 0 • Number of shops: 21 • Year refurbished: Unknown
Pick n Pay Centre Ermelo (92.6 km)	• Type of centre: Community Centre • Size: **14 797 m²** • Location: Cnr Kerk & Camden Streets, Ermelo • Anchor tenants: Pick n Pay, Mr Video, Kodak, Perfect Water, Spot On • Parking: 420 • Number of shops: 16 • Year refurbished: 2014
Amajuba Mall Newcastle (134.8 km)	• Type of centre: Community Centre • Size: **15 542 m²** • Location: Cnr Victoria Road & Allan Street, Newcastle • Anchor tenants: Checkers, Clicks, Hi-Fi Corporation • Parking: 900 • Number of shops: 39 • Year refurbished: 2009
Victorian Mall Newcastle (136.5 km)	• Type of centre: Neighbourhood Centre • Size: **12 000 m²** • Location: Scott Street, Newcastle • Anchor tenants: The Hub, Cambridge Foods, AutoZone • Parking: 400 • Number of shops: 19 • Year refurbished:2012
Scott Street Mall Newcastle (136.8 km)	• Type of centre: Community Centre • Size: **17 665 m²** • Location: Cnr Montague & Scott Streets, Newcastle • Anchor tenants: Pick n Pay, Clicks, Shoe City • Parking: 0 • Number of shops: 21 • Year refurbished: 2012
Newcastle Mall	• Type of centre: Small Regional Centre • Size: **38 000 m²** • Location: Cnr Oak & Ladysmith Roads, Newcastle • Anchor tenants: Pick n Pay, Woolworths, Edgars, Game, Checkers, Mr Price, Truworths, Foschini

	• Parking: 1700 • Number of shops: 96 • Year refurbished: Unknown
BEYOND SECONDARY MARKET SQM	**290 922 m^2**

Source: Demacon, 2016

Findings:

- ✓ The primary market area of the study has approximately 18 930 m² retail floor space that serves the local and broader communities of Standerton. The secondary market area does not have any retail offerings and as such the market area beyond the secondary market area was considered. The market area beyond the secondary market area shows that 290 922 m² of built retail space exist.
- ✓ Supply figures provided in this chapter cannot be directly correlated with the demand of the market area due to the fact that most of the centres are trading off multiple trade areas and trade area overlap occurs.
- ✓ It should also be noted that the proposed Standerton Shopping Centre is situated just north of the Central Business District of the town. The CBD primarily consists of street front retail that has limited parking space. This type of configuration as retail option has lost its appeal and could be an indicator for the leakage of disposable income from the area.

In terms of the retail demand modelling, the recommended market gap analysis indicates the options for the project according to the retail demand modelling.

❖ **Gap Analysis**

Development Type	Effective Market Gap	Development Prospects
Community Centre	Yes	Moderate

The development and overall sustainability of a retail facility relies strongly on its location. The following **location requirements** determine the success of a retail facility:

- ✓ **Sufficient buying power –** this refers to the disposable income per household in the catchment area of a retail facility, which is available to be spent at the specific retail facility.
- ✓ **Competition –** this plays an important role in the location of a retail facility. The sustainability and viability of a retail facility is higher with no competition than in an area with competition.
- ✓ **Competitive shopping / clustering –** this refers to the location of similar retail facilities in close proximity of each other. The result is lower prices as well as the improvement of services and products to the benefit of the consumer.
- ✓ **Accessibility –** the accessibility of a retail location to the labour force as well as consumers is an important locational factor in the development of retail facilities.
- ✓ **Land –** land as a locational factor refers to the market value of land or the lease value of structures. Lower values provide better development opportunities.
- ✓ **Role and function in shopping centre hierarchy –** retail facilities in a given geographical area are ranked in a hierarchy that services a given portion of the consumer population, according to each centre's unique size, composition, role and function.

❖ **Retail Market Demand Summary**

Findings:

- ✓ Retail expenditure in the primary market area for 2016 amounts to approximately **R749 785 580,** which is significantly higher than that of the secondary market area that amounts to **R255 395 237**.
- ✓ Demand generated by consumers in the primary and secondary market areas have been quantified and determined to be roughly **18 953 m²** in the primary market, and **6 456 m²** in the secondary market area.
- ✓ By completing the necessary retail demand modelling exercise, it was determined that the optimum centre size, informed by the baseline scenario, could be **±12 705 m² GLA**. a second scenario the, optimistic scenario indicated that the optimum centre size could be **±17 469 m² GLA**.

❑ **Centre Classification and Recommendations**

Size and Parking:

- ✓ In the context of residual nodal capacity calculations, indications suggest, that the optimum centre size for the Standerton Retail Centre could ideally be approximately **±12 705 m² GLA** under Baseline Scenario conditions. The Optimistic Scenario suggests that a centre of approximately **±17 469 m² GLA** centre could be established.
- ✓ Based on the optimum centre sizes for both scenarios, the proposed retail development is classified as a **community centre** by SACSC.
- ✓ The optimum market entry point would be from 2018 onwards.
- ✓ The estimated sales potential of the proposed retail centre under the baseline scenario conditions are **R474 916 235**, while under the conditions of the optimistic scenario the estimated sales potential increase to **R653 009 824**.
- ✓ The potential for on-site jobs for both baseline and optimistic scenarios have been determined to contribute **±423** and **±582** jobs respectively.
- ✓ The mixture and composition of tenants in the proposed retail development will determine the performance thereof.
- ✓ The centre could house between **50 and 100 shops**.
- ✓ Ample parking should be provided at a ratio of **6 bays per 100 m² retail GLA**.

Layout and Design:

- ✓ The layout and design of the proposed retail centre should be influenced to provide a sense of community and offer a level of prestige to its shoppers.
- ✓ The parking area should be accessible, convenient, paved and well-lit in the evenings.
- ✓ Land should be reserved for future expansion.
- ✓ The development project should be situated next to a major arterial road in order to improve access and visibility.
- ✓ The development should comply with modern design standards
- ✓ The development should reflect high quality, in order to provide a pleasant experience
- ✓ Attention should be paid to quality design features such as sidewalks, street furniture, etc.

Main Tenants:

The main tenants that form part of the proposed retail development should include:

- ✓ Large supermarket (such as Checkers, Cambridge Food, Pick n Pay, Spar or Food Lovers Market),

- ✓ Small national clothing retailer (Identity, Markhams or Woolworths),
- ✓ Various restaurant and take-away options (Ocean Basket, Wimpy, KFC or Nandos), and
- ✓ Services (Hairdressers, doctors, dentists and banks).

Based on results from the conducted household surveys, main anchors should include a supermarket, a hardware shop, restaurants, a hobby shop and various other smaller line shops.

The challenge will be to find a **balance** between **market demand** (as revealed by consumer income and spending patterns) and **tenant demand** (i.e. the expressed desire by tenants to occupy space in the centre) and **investor demand** (i.e. the need for capital growth).

❖ Case Study of Comparative Shopping Centres

Based, inter alia, on the dualistic nature of the market in which the proposed shopping centre exists, case studies have been selected to allow for a comparative analysis.

For the purposes of the case study analysis, shopping centres in similar size and functionality were selected. The centres selected are:

- ✓ Kriel Mall
- ✓ Phalaborwa Mall
- ✓ Mkhondo Mall

Kriel Mall

Kriel Mall is a community centre situated in the town of Kriel along Bronwyn Street. The mall was constructed in 1980 and later refurbished in 2013. The mall consists of approximately 84 stores of which the anchor tenants are Super Spar, Shoprite Checkers and Built-It. The mall is owned by Investec Property Fund Ltd.

Table 1.1: Kriel Mall Characteristics

Location	3 Bronwyn Street, Kriel
Size (m^2 GLA)	22 127
Classification	Community Centre
Shops	84
Floors	1
Parking	1 110
Anchor Tenants	Super Spar Shoprite Checkers Build-It

Mall@PietRetief

The Mall@PietRetief is a community centre situated in the town of Piet Retief at the corner of Brand Street (R543) and Church Street (N2). The mall was constructed in 2015 and consists of 50 stores of which Shoprite Checkers, Spar and Edgars are the anchor tenants. The mall is owned by Zarafusion (Pty) Ltd.

Table 1.2: Mall@PietRetief Characteristics

Location	Cnr R543 (Brand Street) and N2 (Chruch Street), Piet Retief
Size (m² GLA)	23 000
Classification	Community Centre
Shops	50
Floors	1
Parking	
Anchor Tenants	Shoprite Checkers Spar Edgars

Eden Square

Eden Square is located in Phalaborwa on the corner of Mandela and Palm Avenues. The shopping centre was developed in 1977 and no refurbishments have been recorded. The shopping centre has 50 shops of which Pick n Pay Family is the anchor tenant. The shopping centre is owned by the Community Property Company.

Table 1.3: Eden Square Characteristics

Location	Cnr Mandela & Palm Avenues, Phalaborwa
Size (m² GLA)	13 365 m² (Potential expansion to: 22 126 m²)
Shops	50
Floors	1
Parking	411
Anchor Tenants	Pick n Pay Family

CHAPTER 1: BACKGROUND & INTRODUCTION

1.1 INTRODUCTION

The purpose of this chapter is to provide a concise background to the project, a site description and location as well as a report outline.

1.2 PROJECT BRIEF

Demacon Market Studies were commissioned by **Metroplan** to assess the economic drivers and trends, trade area-based demographic profile and development and growth potential of the proposed **Standerton Shopping Centre.**

It is our understanding that market research is required on the **proposed Standerton Shopping Centre development,** to inform strategic planning and tenanting decisions regarding **current and future development potential, optimum tenant composition**, **market penetration rates, etc**.

A market study is required to provide market based data and recommendations in terms of, *inter alia*:

- ✓ **demographic** *status quo* and trends of the anticipated **target market**, including point of origin, affordability levels, retail expenditure, etc.
- ✓ economic *status quo* and trends, including **main economic drivers and trends** in the region
- ✓ **location analysis & site evaluation**
- ✓ **SDF** / Urban Design Framework Alignment
- ✓ catalytic effect of **new and / or comparable projects** in the market area on future trade
- ✓ **market activity and growth**
- ✓ **main competitors** in the market, i.e. comparable projects aimed at similar target market
- ✓ forecast **take-up** rates
- ✓ **extrapolated market profile**, i.e. future resident population
- ✓ corresponding **product offer and type**
- ✓ **timing** / **phased implementation** and optimum point of market entry
- ✓ future **demand thresholds**
- ✓ **Market potential assessment** (including 5 and 10 year growth forecast)
- ✓ **Recommendations**, including optimum centre size, recommended tenanting options, future expansion potential, optimum point of market entry, etc. – including relevant diagrams, graphs, maps, etc.

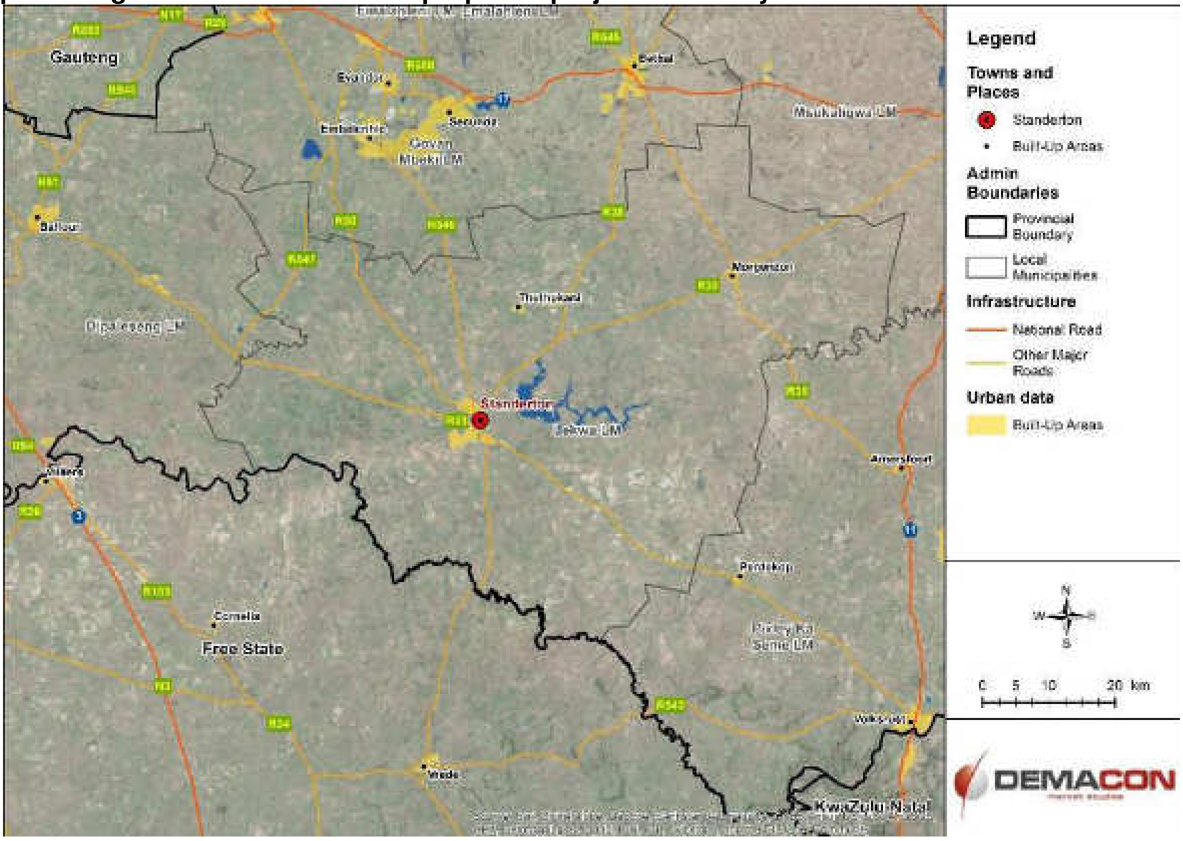
DEMACON's approach is purely market based and we will apply our extensive involvement as well as recent research and market intelligence on the subject matter to complement the market study.

1.3 LOCATION ATTRIBUTES

The proposed shopping centre is situated in the town of Standerton. Standerton is located in the Lekwa Local Municipality and forms part of the Gert Sibande District and Mpumalanga Province. The Lekwa Local Municipality forms part of the Border between Mpumalanga and the Free State provinces and is bordered by the Govan Mbeki and Msukaligwa Local Municipalities to the north, the Pixley ka Seme Local Municipality to the east and Dipaleseng Local Municipality to the west.

Map 1.1 shows the regional orientation of the proposed project and study area.

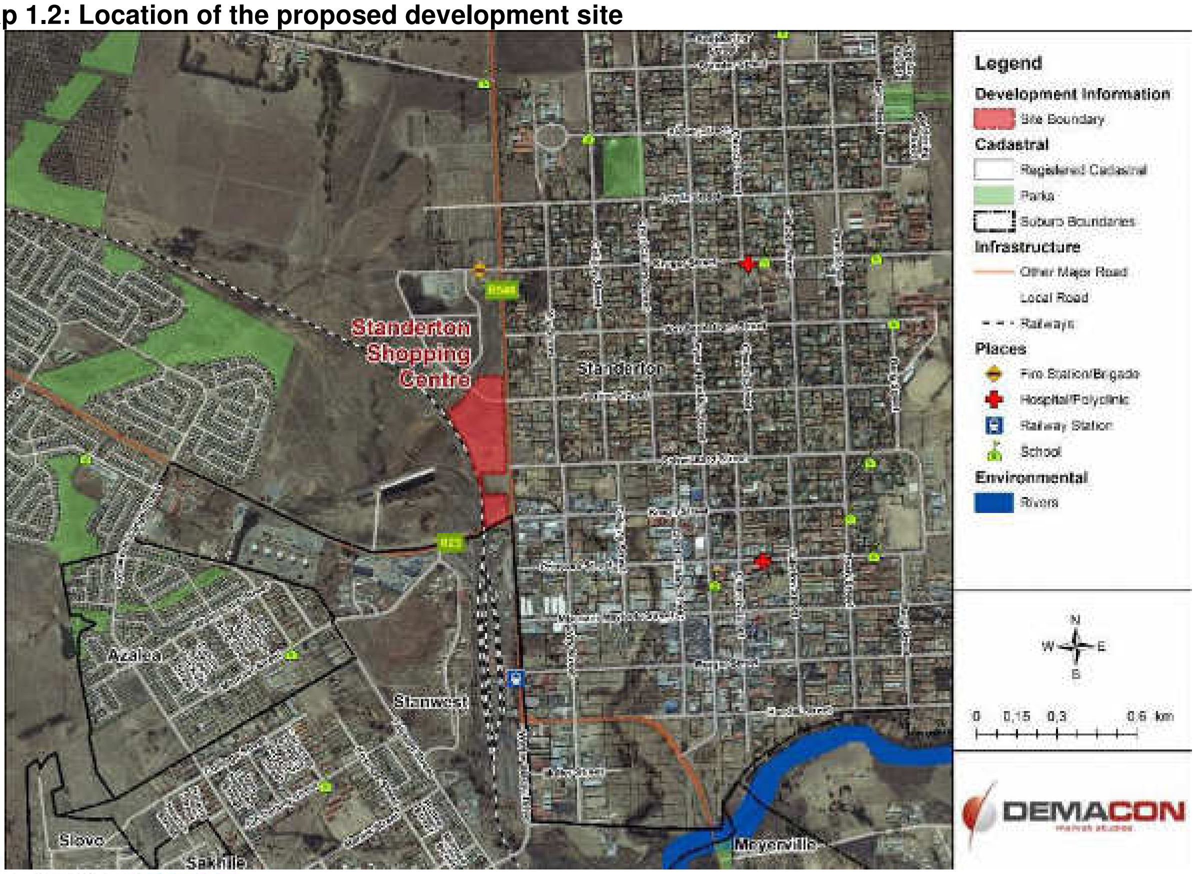
Map 1.1: Regional orientation of the proposed project and study area



❖ Site Description

Map 1.2 shows the location of the proposed development site in context of Standerton

Map 1.2: Location of the proposed development site



The proposed Standerton Shopping Centre development site is situated on a parcel of land straddled by Walter Sisulu Drive (R546) to the East and a railway line to the West. The development site extends along Walter Sisulu Drive (R546) from Krogh Street (south) to Kruger Street (north). The development site is located on Portions of the Remainder of Portion 2 of the Farm Grootverlangen 409-IS. The approximate size of the development is 6.314 hectares or 63 140 m^2.

The proposed development site has been assessed and analysed in greater detail in Chapter 2 of the document, and will provide more information regarding the potential that the proposed development site possesses.

1.4 REPORT OUTLINE

The remainder of the report is structured in terms of the following main headings:

Chapter 2: Area Background & Location Analysis
Chapter 3: Economic Market Overview
Chapter 4: Demographic Market Overview
Chapter 5: Survey Results
Chapter 6: Retail Market Analysis
Chapter 7: Summary & Development Recommendations

The following Chapter provides the location analysis.

CHAPTER 2: AREA BACKGROUND & LOCATION ANALYSIS

2.1 INTRODUCTION

The chapter aims to provide a contextual background to the greater development area in which the proposed development is located, along with an overview of the development site and analysis thereof to determine the suitability in the wider market area.

This chapter is outlined by the following sub-headings:

- ✓ Spatial Development Frameworks,
- ✓ Development Site Assessment, and
- ✓ Synthesis.

2.2 SPATIAL DEVELOPMENT FRAMEWORKS

2.1.1 MPUMALANGA PROVINCIAL SPATIAL DEVELOPMENT FRAMEWORK (2013)

The Mpumalanga Provincial Spatial Development Framework (2013) identified 9 strategic objectives that will allow the province to spatially diversify and support urban development and growth of the economy to support local communities and strengthen the access that these communities have in regards to employment and economic facilities.

These strategic objectives have been identified as:

- ✓ Strategic Objective 1: Capitalise on the regional spatial development initiatives
- ✓ Strategic Objective 2: Focus development on development corridors and nodes
- ✓ Strategic Objective 3: Protect biodiversity and agricultural resources
- ✓ Strategic Objective 4: Economic development and job creation supporting and guiding the spatial development pattern of Mpumalanga
- ✓ Strategic Objective 5: Accommodating urbanisation within the province
- ✓ Strategic Objective 6: The integration of the historically disadvantaged communities into a functional nodal and settlement pattern
- ✓ Strategic Objective 7: Tenure Upgrading
- ✓ Strategic Objective 8: Promote the development of rural areas that can support sustainable economic, social and engineering infrastructure)
- ✓ Strategic Objective 9: Infrastructure Investment

The strategic objectives gave way to defined Strategic Focus Areas or Areas of Intervention. These strategic focus areas are directed at nodes and corridors in the province and specifically focusses on broadening the capacity of these nodes and corridors.

In the context of the Mpumalanga Provincial Spatial Development Framework (2013), **Standerton** has been identified as a **Secondary Activity Node**. The objectives of these nodes are to:

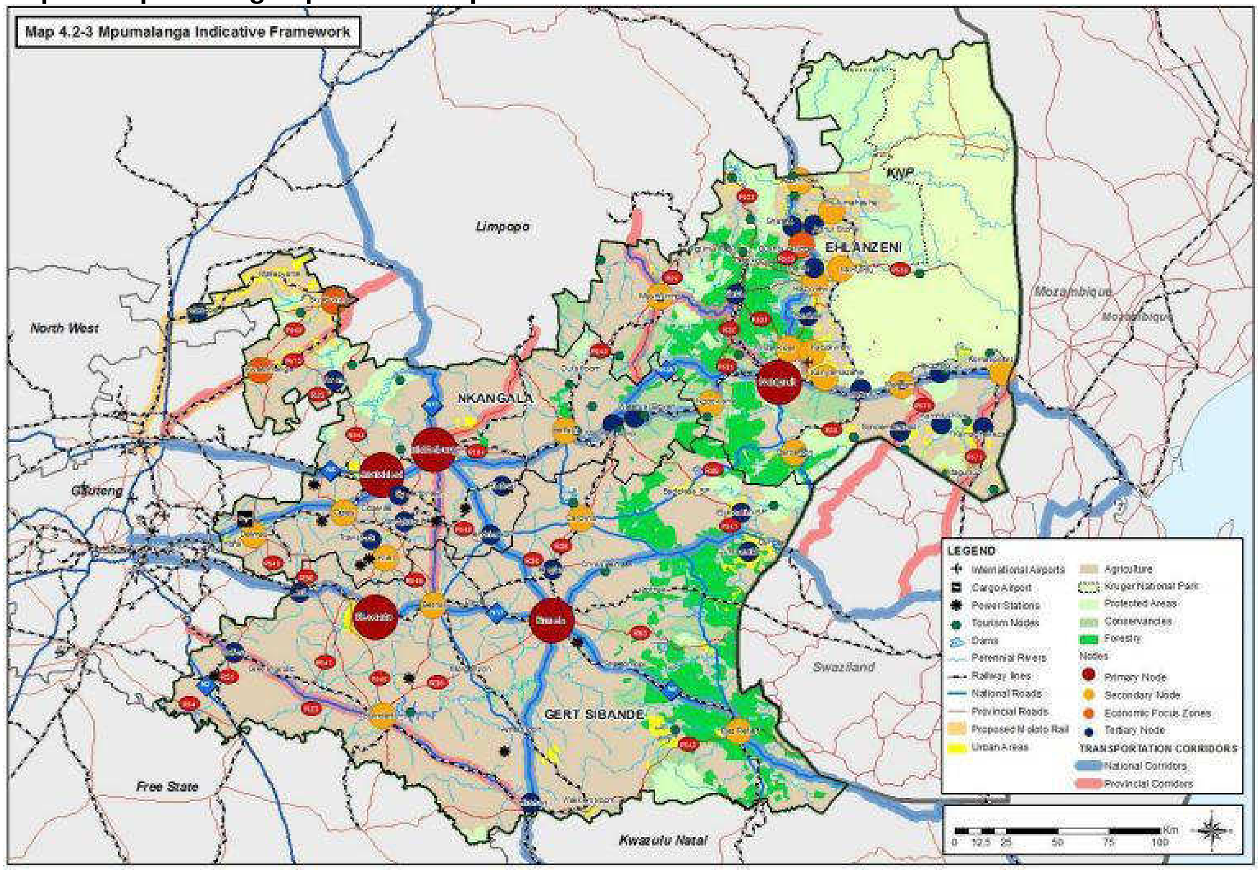
- ✓ Balance the population with economic activities, and
- ✓ To provide social, economic and engineering infrastructure in support of the existing population.

In combination with nodal growth and development, corridor development is also a primary concern in the Mpumalanga SDF, as well as in the Mpumalanga Vision 2030. According to these documents, current and future provincial and national corridors are distributed throughout Mpumalanga.

When considering Standerton, the Mpumalanga SDF and Vision 2030 highlight that the R23 Road is a primary provincial corridor which functions as a freight corridor between Gauteng and eThekwini. Implications as a result of this means that growth and development should be directed towards the nodal areas along this corridor. With specific intent, Standerton and Volksrust have been highlighted as nodal areas along these routes that should promote and assist in developing the importance of the corridors.

Map 2.1 below shows the spatial development framework of the Mpumalanga Province.

Map 2.1: Mpumalanga Spatial Development Framework



2.1.2 GERT SIBANDE DISTRICT SPATIAL DEVELOPMENT FRAMEWORK (2014)

The Gert Sibande District Spatial Development Framework has in essence also highlighted the use and implementation of a nodal hierarchy throughout the district. The nodal hierarchy focusses on large, medium and small towns as primary, secondary and tertiary nodes.

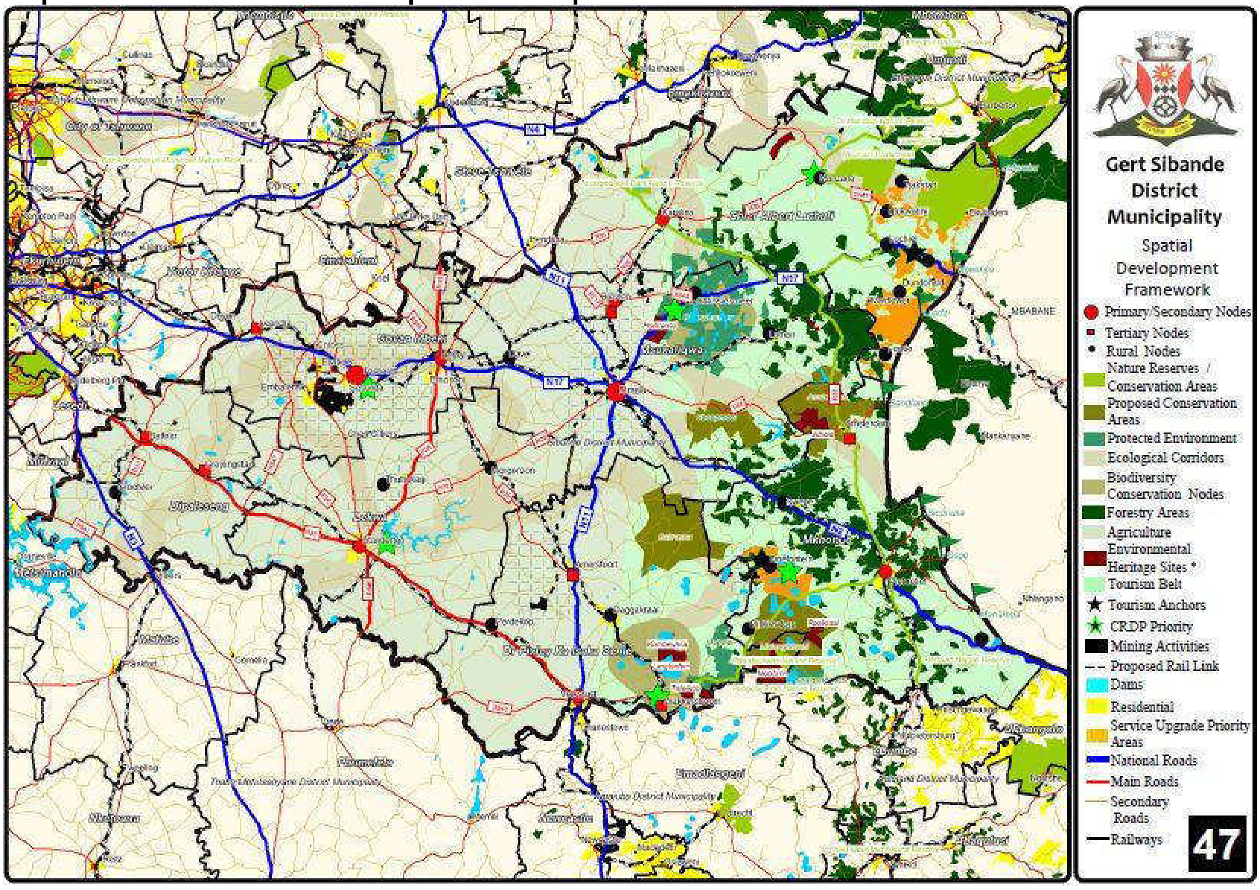
In this regard, **Standerton** has been identified as a **secondary node** in the district. According to the SDF, the secondary node is an area of **high need** and **medium to high development potential** which prioritises the provision of services, housing and infrastructure.

Apart from the nodal importance of Standerton, the Grootdraai Dam (located just east of Standerton) is also considered to be a **Tourism Anchor** point for the district. The attraction of tourists from the western parts of the district to the central and eastern regions will be facilitated by these anchor points. These tourism areas should be supported by strong nodes in the area.

The SDF also suggests the establishment of **agri-industrial** activities in and around nodes that are central to agricultural areas in the district. By this extension, Standerton has been highlighted as an area where such industries should be implemented to compliment the downstream processing options of agriculture in the district.

Map 2.2 below shows the Spatial Development Framework for the Gert Sibande District.

Map 2.2: Gert Sibande District Spatial Development Framework



2.1.3 LEKWA SPATIAL DEVELOPMENT FRAMEWORK (2008)

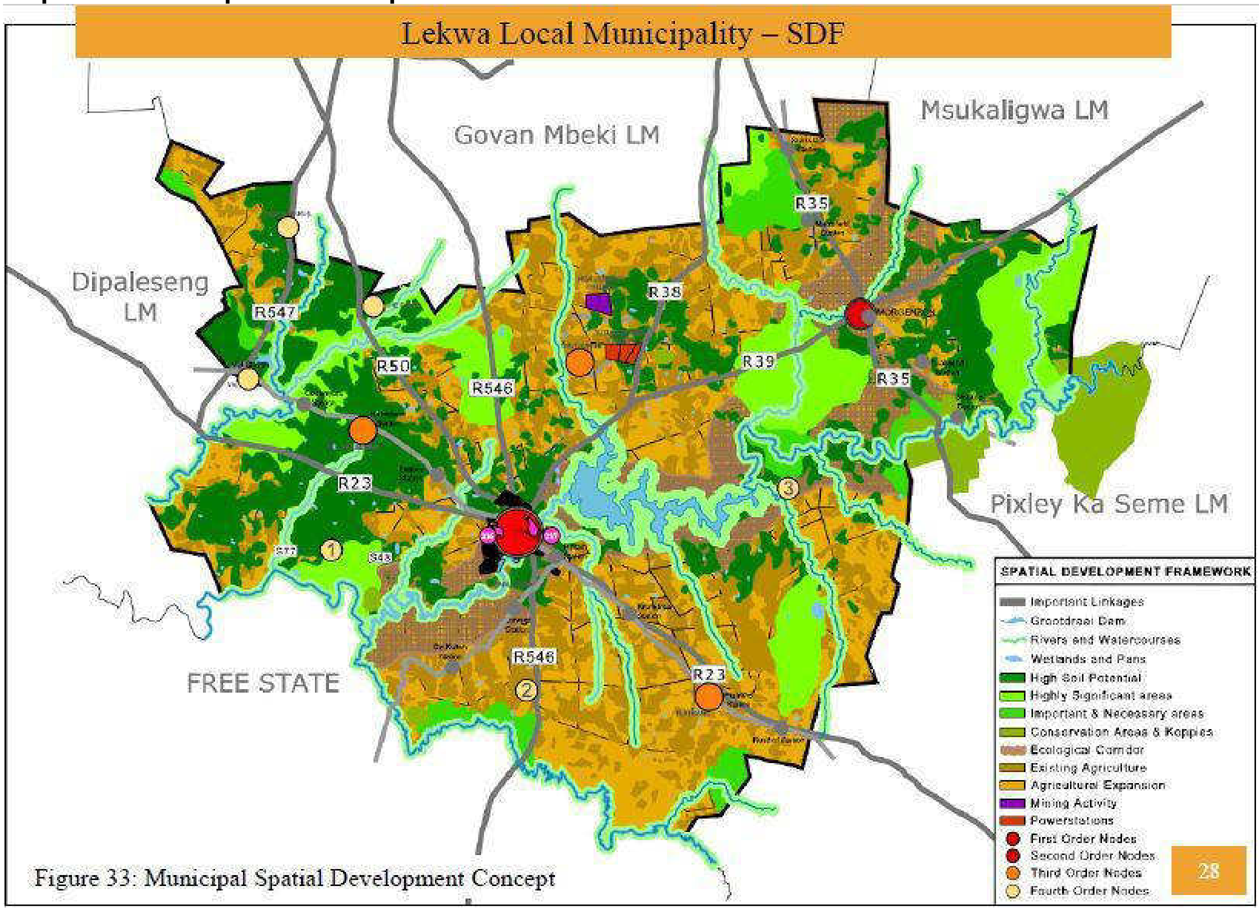
The Lekwa Spatial Development Framework (SDF) is focussed on the effective development of Standerton as its **primary node** and functional economic and urban centre that can feed and grow the various other nodal points throughout the municipal area.

Based on the nodal hierarchy proposed in the Lekwa SDF, **Standerton** has been identified as the **primary node** of the municipality. The SDF has not identified any second order nodes and has thus highlighted that the town of Morgenzon, which is a third order node, can be upgraded and grown to a second order node. Other third order nodes identified by the SDF include Thuthukani, Platrand and Holmdene.

These nodes have been strategically selected to correspond with **primary corridors** such as the **R23** and **R35** roads. The R23 road is the primary economic and access corridor in and out of the municipality, while the R35 provides access to Secunda, the primary economic hub of the district. Apart from road access, rail linkages are also supported by the Shozoloza/Meyl passenger rail service stopping at the Standerton Rail Station while travelling between Gauteng and Durban.

Map 2.3 shows the Spatial Development Framework (SDF) of the Lekwa Local Municipality.

Map 2.3: Lekwa Spatial Development Framework



The SDF also outlines strategic plans for the primary nodal areas in the municipality. The proposed strategic plan for Standerton is shown in Map 2.4.

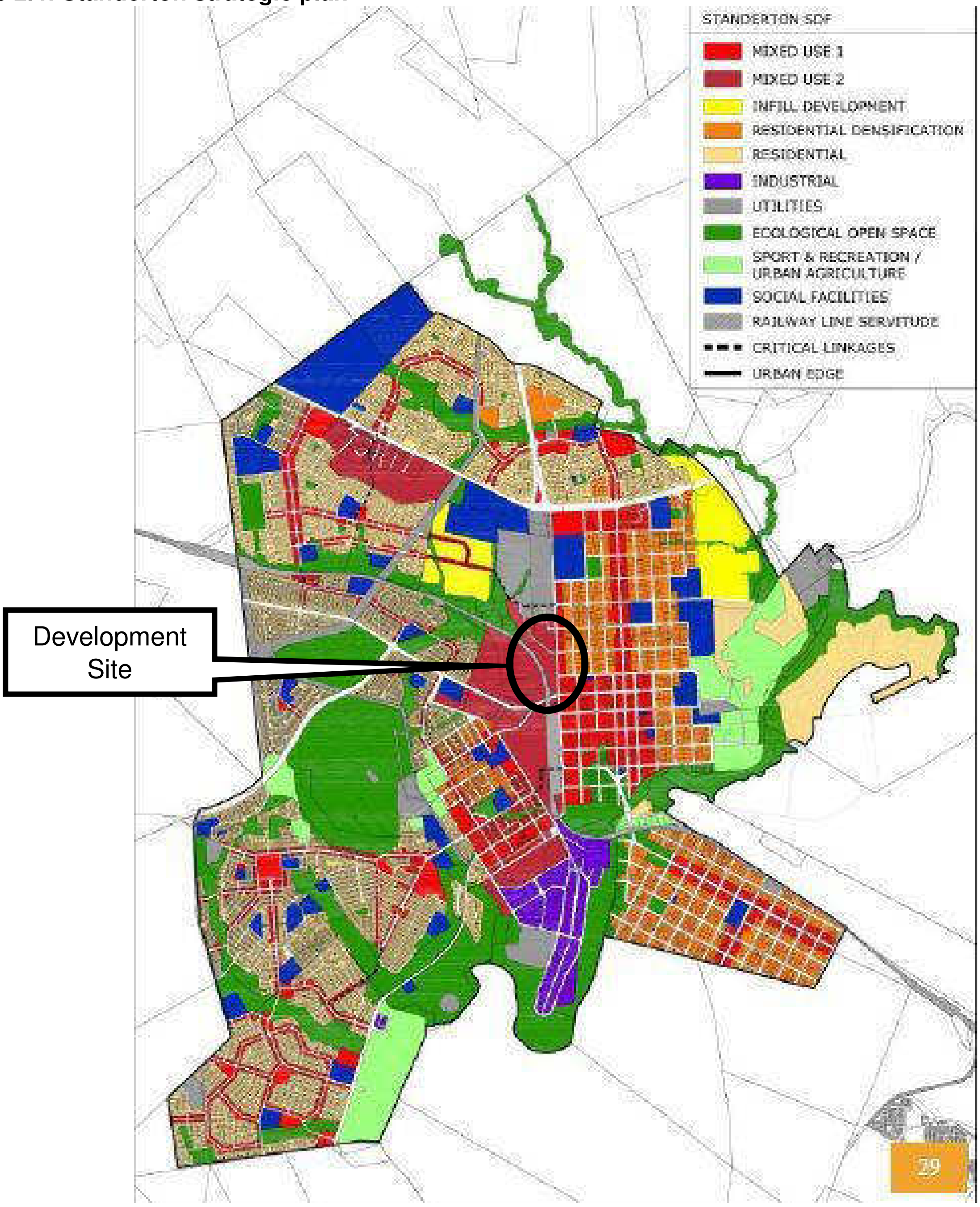
The Standerton strategic plan proposes that residential and commercial infill development be proposed on vacant tracts of land with specific focus on creating a hierarchy of smaller nodes to serve the local community of the town. The most important of these nodes would be the CBD area and the Junxion Shopping Centre.

Apart from driven focus on the CBD and Junxion Complex, various precincts in Standerton have been identified of which the Station Precinct is classified as a priority precinct. The proposed development site is strategically located within the Station Area Precinct.

The precinct will function as a linkage mechanism, once developed, to link the eastern and western parts of the town. The Station Precinct is primarily seen as a mixed use area that will have complimenting economic, residential and social functions to support local and surrounding communities. The precinct is also tasked with promoting and driving densification whereby higher density residential activities are promoted.

The proposed development site is located in a **primary nodal area** for the SDF which is classified as being a **Mixed Use 2** area. This compliments the purpose of the development and aligns to the future development concept of the town.

Map 2.4: Standerton strategic plan



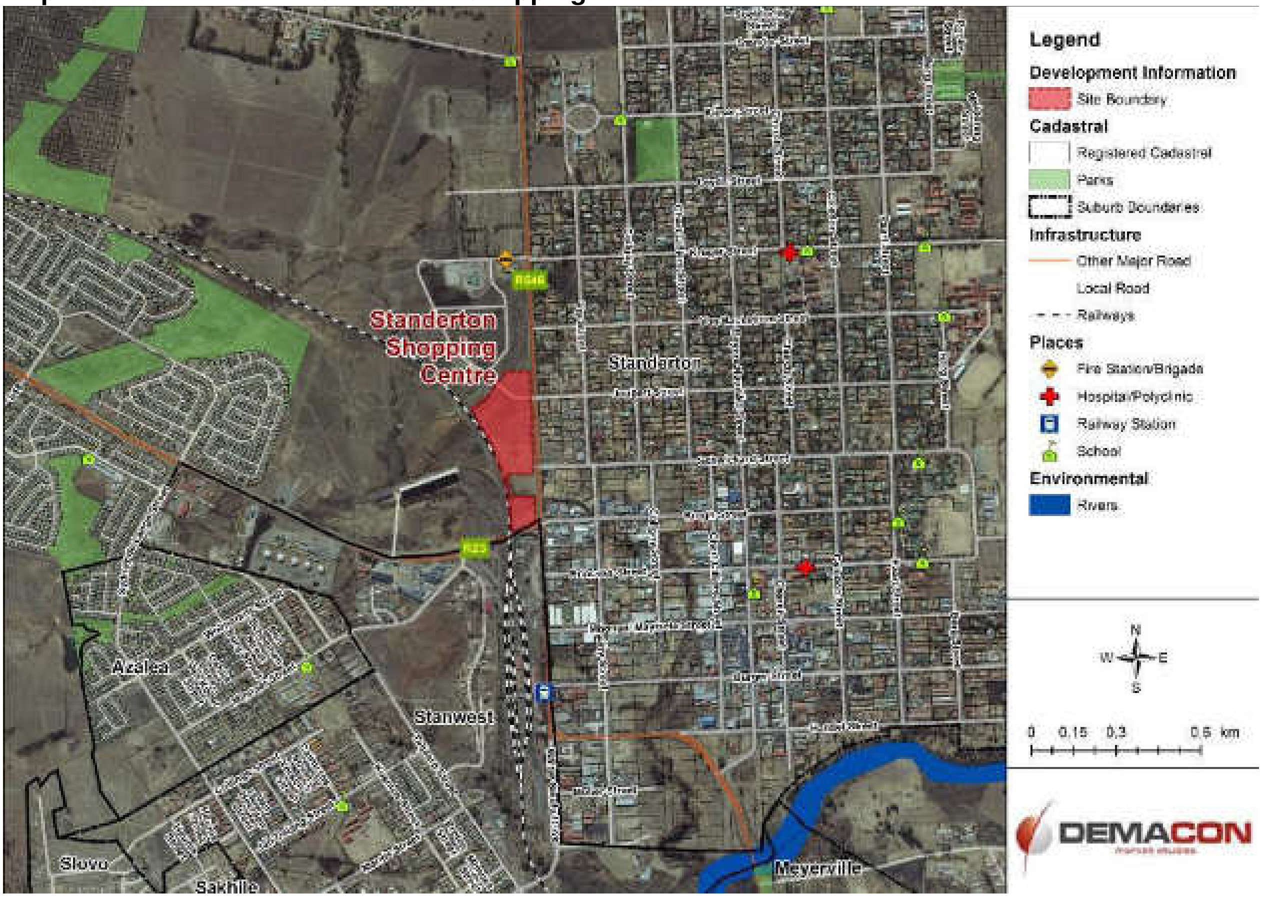
2.3 DEVELOPMENT SITE ASSESSMENT

2.3.1 SITE DESCRIPTION

The proposed Standerton Shopping Centre development site is situated on a parcel of land straddled by Walter Sisulu Drive (R546) to the East and a railway line to the West. The development site extends along Walter Sisulu Drive (R546) from Krogh Street (south) to Kruger Street (north).

The development site is located on Portions of the Remainder of Portion 2 of the Farm Grootverlangen 409-IS. The approximate size of the development site is 6.314 hectares or 63 140 m².

Map 2.5: Location of the Standerton Shopping Centre



2.3.2 DEVELOPMENT CONCEPT

The retail schedule of areas of the proposed Standerton Shopping Centre is shown in Table 2.1. Following Table 2.1, Map 2.6 shows the proposed development plan for the upper and lower levels.

Table 2.1: Standerton Shopping Centre schedule of areas

Proposed Retail Development (6.3140 ha/63 140 m²)	
Erf 1	
Supermarket	3 305 m²
Large Shop	1 132 m²
Fashion	2 810 m²
Satellite Shops & Food	11 440 m²
Value Retail	772 m²
Total Erf 1	**19 459 m²**
Erf 2	
Fast Food (Drive Through)	±350 m²
Total Erf 2	**±350 m²**
Grand Total	**19 809 m²**
Parking Provided	
Erf 1	

Open Parking	561
Covered Parking	305
Total Parking Erf 1	**866**
Taxi Holding Area	10
Erf 2	
Open Parking	41
Total Parking Erf 2	**41**
Total Parking Provided	**907**

Source: Metroplan, 2016

Map 2.6: Standerton Shopping Centre Development Plan

Source: Metroplan, 2016

2.3.3 LOCATION ASSESSMENT

Market potential is influenced not only by consumer income and expenditure, but also in particular by the characteristics of the retail site/location under consideration. Retail centres and other urban property markets have specific location requirements and given the fact that the development potential of an array of other uses should also be tested, these should also be included in the location assessment exercise.

To this effect, ***DEMACON Site Evaluation Models*** © are utilised. These DEMACON models are pragmatic and are based on the assignment of values to various location factors. Firstly, the site is evaluated on a ten-point scale, with ten being the highest. Secondly, weights are attached to these factors, in order of importance (1 to 5, with 5 being the most important).

Table 2.2 illustrates the Retail Site Evaluation Model for the Standerton Shopping Centre development.

Table 2.2: Retail Assessment

Location Factors	Grade 1-10	Weight 1-5	Points
Consumer Volumes	8	5	40
Income / LSM profile	6	5	30
Population Growth	6	4	24
Visibility	8	4	32
Accessibility	8	4	32
Functional & Complimentary Uses	6	3	18
Effective Market Gap	9	4	36
Proximity to Intermodal Facilities, e.g. BRT Route, Taxi / Bus terminus	7	3	21
Address Value	7	4	28
Availability of Land	8	4	32
Future Expansion Potential	6	4	24
Directional Growth of Area	7	4	28
Proximity to Labour	7	3	21
Proximity to Suppliers	7	3	21
Perceived Level of Security	8	4	32
Total			**419**
Score			**72,2%**

Source: Demacon, 2016

* Note: 80%+ indicates an exceptional site rating; a site rating of 70 – 80% is high and indicates that most important fundamentals for successful retail development is in place; a rating of 60 – 70% indicates some critical factors may be lacking but could possibly be addressed; projects with a sub 60% rating are not recommended for consideration.

Because of its location in Standerton town, the development site is surrounded by higher density areas, as oppose to more rural locations. The development site is also just north of the central business district of the town, which is characterised with street front retail and limited parking access.

Walter Sisulu Drive (R546) is a regional road which is evidently also one of the primary connecter roads in the area. This provides the opportunity to access through fare traffic from surrounding areas. The R23 road, which is situated just south of the proposed development also functions as a regional road which further compliments the accessibility of the development.

2.4 SYNTHESIS

❖ Area Background

- ✓ Standerton has been identified as the Primary node in the Lekwa Local Municipality,
- ✓ Standerton is also perceived to be a Secondary Node in the greater district area,
- ✓ The proposed development site is situated in a Mixed Use area according to the Spatial Development Framework
- ✓ The development site is located along Walter Sisulu Drive (R546) which provides great access and through flow of traffic,
- ✓ The development site is also located in close proximity of the CBD and could compliment the use and development of the site.

❖ Location Assessment

- ✓ The location assessment showed a score of 72.2%,
- ✓ The score is considered to be high and shows that the fundamental components to support the proposed development are in place.

Current demand for retail products are driven by the underlying economic structure and components that form part of local and regional indicators of the economy. The structure and historical trends of the economy impact on the future demand for retail products and as such are important factors to consider when reviewing applicability and sustainability. The following chapter will provide an overview of the economic conditions relevant to the proposed development.

CHAPTER 3: ECONOMIC MARKET OVERVIEW

3.1 INTRODUCTION

An intricate, though well-defined relationship exists between the economy and urban real estate markets. The performance of specific economic sectors serves as proxy for the performance of these real estate markets. The purpose of this chapter is to outline the salient features of the market area economy (reference is made to the **Gert Sibande District Municipality** and the **Lekwa Local Economy**) in terms of selected time series economic indicators; most notably the economic profile and growth trends within the local economy.

As such, this chapter provides insight into the composition and stability of the sub-region economy and hence, provides a more comprehensive assessment of medium- to long-term investment prospects than the conventional demographic analysis.

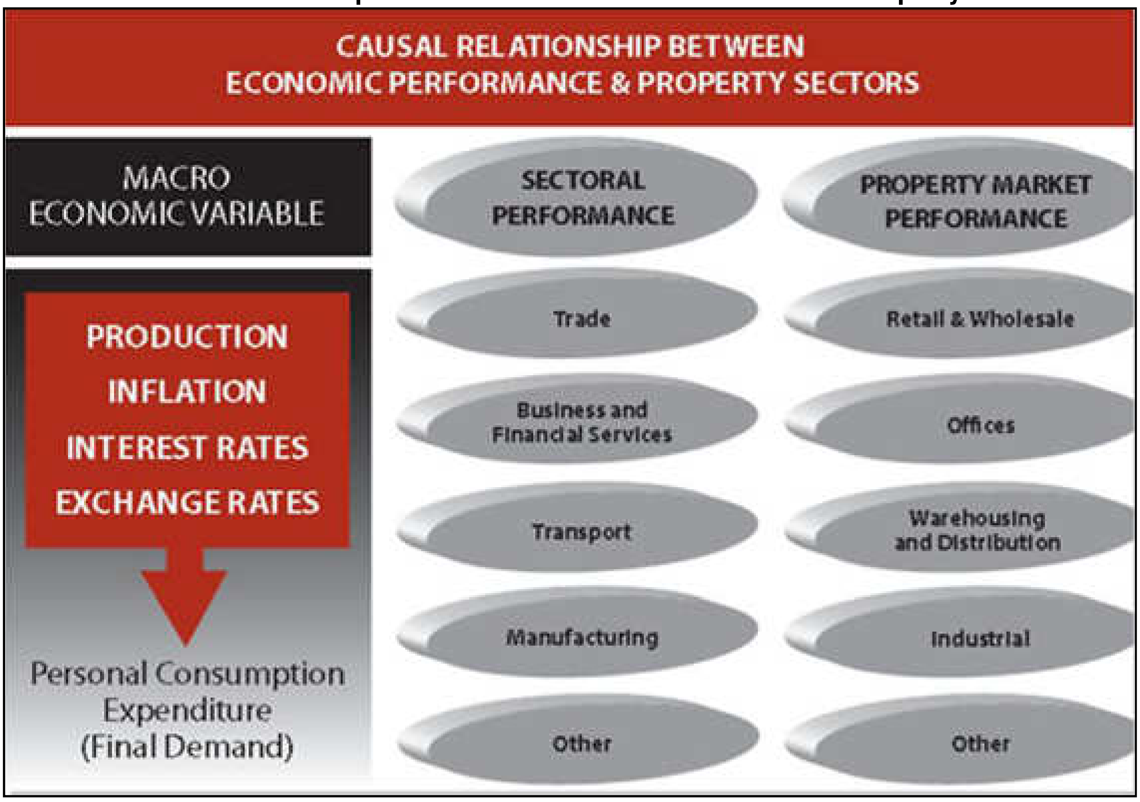
Subsequent sub-sections provide a concise overview of the local economy in terms of the following aspects:

- ✓ Reference Framework
- ✓ Economic Insight
- ✓ Property Market Outlook
- ✓ Sectoral Positioning of SA Real Estate
- ✓ Local Economic Trends
- ✓ Synthesis

3.2 REFERENCE FRAMEWORK

The causal relationship between economic sector performance and property market performance is illustrated in Diagram 3.1.

Diagram 3.1: Causal Relationship between Economic Performance and Property Sectors

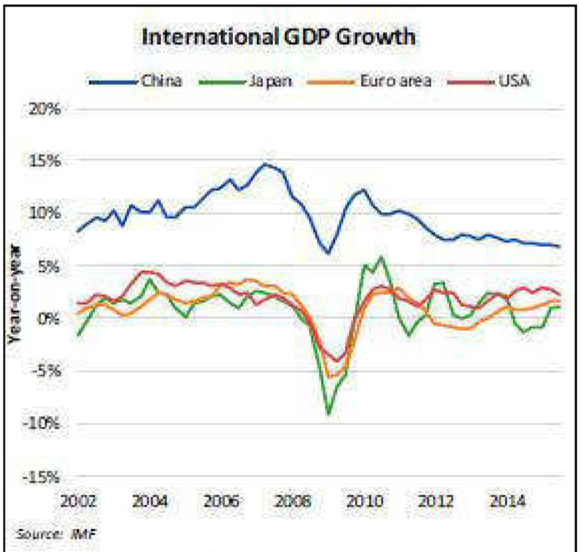


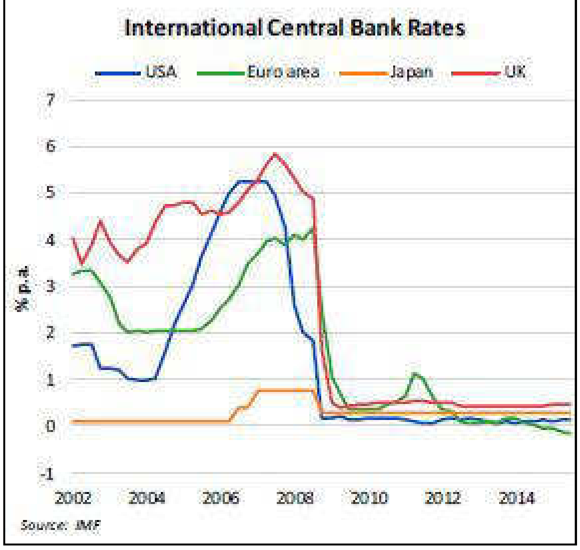
© 2016 H du Toit, MSc,PhD (in process)

3.3 ECONOMIC INSIGHT

3.3.1 GLOBAL ECONOMIC HIGHLIGHTS

- ✓ Global growth, currently estimated at 3.1 percent in 2015, is projected at 3.4 percent in 2016 and 3.6 percent in 2017. The pickup in global activity is projected to be more gradual than in the October 2015 World Economic Outlook (WEO), especially in emerging market and developing economies.





- ✓ In 2015, global economic activity remained subdued. Growth in emerging market and developing economies—while still accounting for over 70 percent of global growth—declined for the fifth consecutive year, while a modest recovery continued in advanced economies.
- ✓ Three key transitions continue to influence the global outlook:
  - o the gradual slowdown and rebalancing of economic activity in China away from investment and manufacturing toward consumption and services,
  - o (2) lower prices for energy and other commodities, and
  - o (3) a gradual tightening in monetary policy in the United States in the context of a resilient U.S. recovery as several other major advanced economy central banks continue to ease monetary policy.
- ✓ Risks to the global outlook remain tilted to the downside and relate to ongoing adjustments in the global economy: a generalized slowdown in emerging market economies, China's rebalancing, lower commodity prices, and the gradual exit from extraordinarily accommodative monetary conditions in the United States. If these key challenges are not successfully managed, global growth could be derailed.

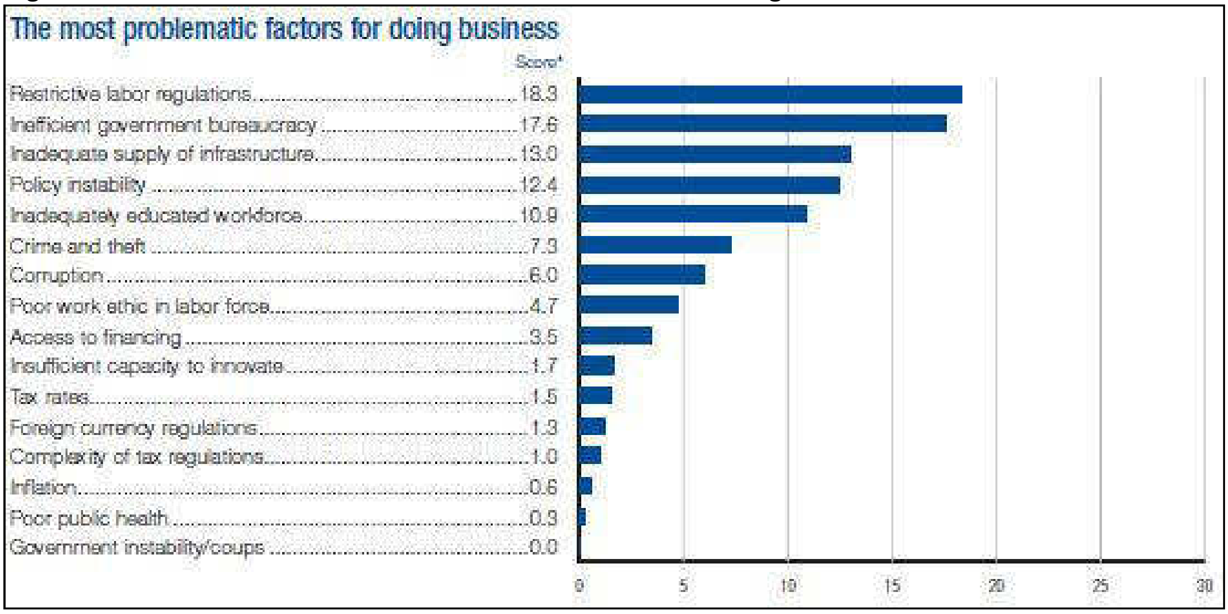
3.3.2 GLOBAL COMPETITIVENESS

- ✓ The Global Competitiveness Index analyses the factors driving productivity and prosperity in 140 countries, representing 98.3% of world GDP. Much of South Africa's progress up the ranks can be attributed to a 16-place jump in the indicator termed technological readiness, from position 66 to 50.
- ✓ This pillar measures "the agility with which an economy adopts existing technologies to enhance the productivity of its industries, with

specific emphasis on its capacity to fully leverage information and communication technologies in daily activities and production processes for increased efficiency and enabling innovation for competitiveness".

- ✓ The WEF's Global Competitiveness Report 2015–2016 showed that South Africa's ranking for efficiency in the labour market also improved, from 113 to 107, although there are still areas of concern, particularly in key sub-indicators including: co-operation in labour-employer relations, where South Africa came in stone last at position 140; hiring and firing practices, not much better at 138; flexibility of wage determination, 137; and linkage between pay and productivity, 127.
- ✓ South Africa declined in half of the index's 12 pillars. The country's institutions dropped two places, to 38, and the financial market, though still by far the most developed in Africa, dropped from position 7 to 12. Education remains problematic, especially in terms of the quality of maths and science education, where South Africa ranks at the very bottom of the 140 countries measured. Languishing near the back of the class for internet access in schools, at 119, also leaves a lot of room for improvement.

Figure 3.1: South Africa's Most Problematic Factors for Doing Business

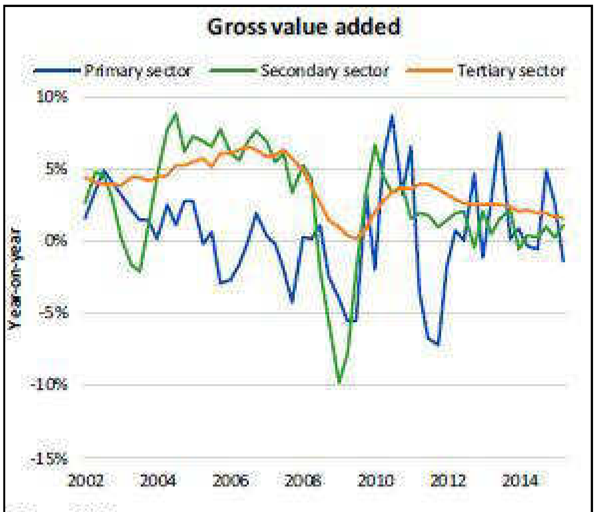


Source: Global Competitiveness Report, 2015-2016

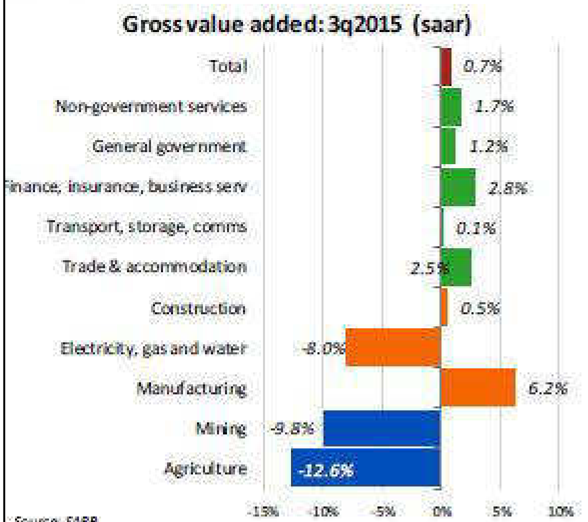
3.3.3 GENERAL ECONOMIC OUTLOOK FOR SOUTH AFRICA, 2016

- ✓ Growth in the third quarter of 2015 amounted to 0.7% (annualised) which was a slight improvement on the -1.3% recorded in the second quarter. The economy has narrowly avoided a technical recession (two quarters of negative growth), but the fourth quarter growth rate is likely to again be in negative territory.
- ✓ Growth is expected to disappoint and to amount to only 0.6% in 2016 after registering around 1.2% in 2015. All real gross domestic expenditure components are expected to shrink in 2016, with only the value of real export growth causing overall economic growth to turn out slightly positive.
- ✓ Foreign direct investment into South Africa has all but dried up in 2015. Whereas R62.6 billion net FDI occurred in 2014, only around R8 billion FDI was recorded during the first three quarters of 2016.
- ✓ With the December CPI headline inflation rate still to be announced, CPI is bound to have averaged around 4.7% y/y in 2015 compared with the 6.1% recorded in 2014. However, CPI headline in 2016 is again expected to breach the upper target level of 6%. Inflation is forecast to rise quite sharply — by more than 6.5% in the first quarter.

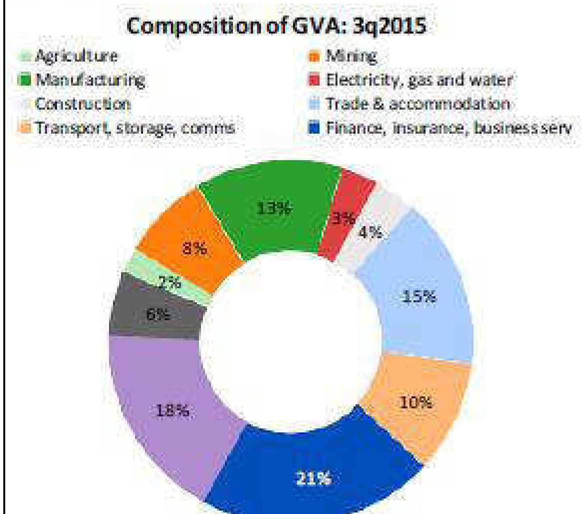
- ✓ The road ahead for the rand remains laden with risks and uncertainties. Not only are there numerous political risks to contend with, but economic weaknesses abound. Some of these include: A large current account deficit; a deteriorating outlook for domestic investment markets which could see additional capital flight; dwindling domestic growth prospects; pressure on government finances and a looming threat of downgrading South African government debt to junk status
- ✓ The current-account deficit is expected to average 3.8% of GDP in 2015 from 5.4% of GDP recorded in 2014. In 2016 the deficit ratio should relent to around 2.6% as export values in rand terms stand to benefit from the weaker rand. However, export volume growth will most likely continue to remain under pressure owing to weak growth in Europe and some major emerging markets.
- ✓ South African Bond yields are expected to average 9.5% during the next few months. However, a substantial increase in yields – to perhaps above 13% – could result from much higher than expected inflation and/or further sovereign risk downgrades to junk status.
- ✓ Despite an easing in equity prices during the second half of 2015, valuations remained high, with the Alsi PE ratio averaging 19.3 during December. A number of indicators are signalling weakening equity market conditions for the next 12 to 18 months.
- ✓ Household real consumption, accounting for more than 61% of gross domestic expenditure (GDE), registered a deceleration throughout 2015 — from 2.4% in the first quarter to 1.2% in the second quarter and only 0.9% in the third quarter of 2015. Consumption of durable goods disappointed the most. This category experienced its fifth consecutive quarterly decline and dropped by 2.2% (saar— seasonally adjusted annualised rate) in the third quarter of 2015. Spending on vehicles was the worst affected of the durable goods categories, have fallen by -10.3% in the third quarter.



Source: SARB



Source: SARB



Source: Stats SA

3.3.4 MACRO-ECONOMIC FUNDAMENTALS

In terms of broad macroeconomic trends, the following are some of the dominant trends regarding the national economy and the impact of macroeconomic indicators on the property sector.

Table 3.1: Economic Forecasts (Quarter 1): 2014 – 2019

Variable	2014	2015	2016*	2017*	2018*	2019*
GDP (real, %)	1.5	1.4	1.7	2.2	2.7	3.0
Household Consumption Expenditure (real, y/y %)	1.4	1.6	1.7	2.2	2.6	2.8
Government Consumption Expenditure (real, y/y %)	1.9	0.2	0.7	0.7	0.7	0.7
Fixed Investment (real, y/y %)	-0.4	0.7	2.0	3.4	4.9	6.8
Imports, goods & non-factor services (real, y/y %)	-0.5	7.2	8.7	8.3	7.5	10.5
Balance: Current Account (saa) - % GDP	-5.4	-4.0	-4.2	-4.4	-4.6	-4.5
Consumer Inflation (Av: y/y %)	6.1	4.7	5.7	5.6	5.6	5.4
Prime Overdraft Rate (year-end: %)	9.25	9.50	9.75	10.00	10.50	11.00

Source Investec Specialist Bank, 2016
*Note: * refers to forecasted values.*

SA's economic growth outlook over the next couple of years is weak compared to historically as it continues to hike interest rates. Most commodity exporters have cut interest rates to stimulate growth. The IMF recently said "the weak commodity price outlook is estimated to subtract almost 1 percentage point annually from the average rate of economic growth in commodity exporters over 2015–17 as compared with 2012–14". It adds "commodity-exporting countries with more flexible exchange rates, less pro-cyclical fiscal policy, and a higher level of credit to the private sector exhibit less growth variation over commodity price cycles." SA's fiscal policy is pro-cyclical this year as it hikes taxes and slows expenditure growth, while the economy sees its growth dwindle. Marked rand weakness occurred this year, both on the commodity and emerging market effect. A return to global trend growth over the longer-term, and associated lift in the commodity cycle, could see the rand return to PPP. Overall, domestic demand is weak in South Africa, pressure on costs and profitability persist, while policy uncertainty, particularly threats to private sector property rights, undermines confidence and private sector fixed investment, with employment weak to lower.

3.3.5 COMPOSITE BUSINESS CYCLE INDICATORS – SARB, MAY 2016

Demacon is of the opinion that the composite leading business cycle indicator is one of **the most** useful indicators to follow for the following reasons:

(1) It is a composite indicator – consists of various sub-indicators, including;

- ✓ Job advertisement space in the Sunday Times newspaper: Percentage change over twelve months
- ✓ Number of residential building plans passed for flats, townhouses and houses larger than 80m2
- ✓ Interest rate spread: 10-year government bonds less 91-day Treasury bills
- ✓ Index of prices of all classes of shares traded on the JSE
- ✓ Real M1 money supply (deflated with CPI): Six month smoothed growth rate
- ✓ Index of commodity prices in US dollar for a basket of South Africa's export commodities
- ✓ Composite leading business cycle indicator of South Africa's major trading-partner countries: percentage change over twelve months

- ✓ Gross operating surplus as a percentage of gross domestic product
- ✓ Opinion survey of business confidence: Manufacturing, construction and trade
- ✓ Net balance of manufacturers observing an increase in the average number of hours worked per factory worker (half weight)
- ✓ Net balance of manufacturers observing an increase in the volume of orders received (half weight)
- ✓ Number of new passenger vehicles sold: Percentage change over 12 months.

(2) Forward looking – i.e. indicative of future growth expected to materialise over the short to medium term, i.e. the next 12-18 months.

Note: The composite business cycle indicators were rebased to 2010=100

- ✓ The **composite leading business cycle** indicator increased by 0,3 per cent on a month-to-month basis in March 2016. Four of the nine component time series that were available for March 2016 increased, while five decreased. The largest positive contribution to the movement in the composite leading indicator in March resulted from an increase in the US dollar based export commodity price index, as well as an acceleration in the six-month smoothed growth rate in the real M1 money supply. The largest negative contributions in March came from a decrease in the number of residential building plans passed, followed by a deceleration in the twelve-month percentage change in job advertisement space.
- ✓ The **composite coincident business cycle** indicator increased by 0,6 per cent on a month-to-month basis in February 2016.
- ✓ The **composite lagging business cycle** indicator increased by 0,2 per cent on a month-to-month basis in February 2016.

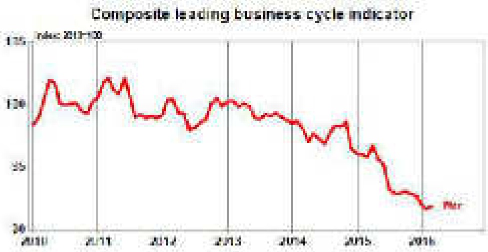


Table 3.2: Composite Business Cycle Indicators

Description (Indices 2010 = 100)	Aug 2015	Sept 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016
Leading indicator *12 month percentage change*	92.8 *-5.0*	92.9 *-5.5*	93.1 *-5.3*	92.8 *-5.8*	92.7 *-3.9*	92.0 *-4.2*	91.6 *-4.5*	91.9 *-4.0*
Coincident indicator *12 month percentage change*	114.1 *0.4*	114.4 *0.0*	114.6 *-0.4*	115.1 *-0.3*	*115.9* *-0.1*	115.5 *0.2*	116.2 *0.1*	- -
Lagging indicator *12 month percentage change*	105.0 *0.0*	104.4 *-0.8*	104.2 *-1.3*	104.9 *-1.5*	103.8 *-1.7*	103.8 *-1.2*	104.0 *-1.4*	- -

Source: SARB, May 2016

****The composite business cycle indicators are revised continuously following revisions to underlying component time series data.***

The latest Leading Indicator (a good indicator of near term moves in both the economy as well as the residential mortgage market) data point to appear, increased by 0.3 percentage points in March 2016 compared with the preceding month. In terms of the latest press release (May 2016), the current value of the leading indicator for March 2016 is **91.9**.

The leading indicator affirms that the national economy remains under pressure – which ultimately impacts the consumer in general and the retail sector (including shopping centres) in particular.

Extensive private and public sector capital investment (including new real estate development and associated investment in infrastructure) is required to reignite economic growth.

The New Economic Growth Path: Focus on Employment

Everyone agrees on the need to generate many more jobs, but finding common policy ground remains elusive Economic Development Minister Patel unveiled the government's New Growth Path (NGP) blueprint for South Africa recently. The NGP puts job creation at the centre of government policy making. Through a combination of coordinated macro- and microeconomic policies, supported by a social pact between the main role players in the economy, the government hopes to create around five million jobs by 2020 and reduce the unemployment rate from 25% currently to about 15%.

Though much detail is yet to be released, the NGP targets six main areas for job creation. Infrastructure is given a prominent position, both in its ability to directly create jobs through construction (particularly housing), the provision of equipment, through operation and maintenance, but also by helping to reduce bottlenecks that have restrained growth and employment elsewhere in the economy. Agriculture, both in terms of smallholder schemes for those working the land in terms of agro processing are highlighted as important ways of creating employment in rural areas.

The promotion of mining is sought, with a particular focus on increased beneficiation as a way of encouraging fabrication and not just smelting, through the introduction of targeted export taxes, and through the setting up of a state-owned mining company to co-exist with the private sector. The manufacturing sector too is discussed, as is tourism and, of course, public sector employment. Just as critical as the actual ideas and policies are for the success of the NGP, any successful implementation will require generating the necessary buy-in within the various factions within the ANC, between the ANC's political partners, and from business and from civil society. Once the discussion moves from the overview of where jobs might be created, to the micro and macro framework that would support the NGP, things become much more difficult.

3.4 PROPERTY MARKET OUTLOOK

The recent bout of further weakening in the Rand has made South Africa residential property cheaper on average for aspirant foreign buyers dealing in some of the world's major currencies.

However, this does not necessarily imply stronger growth in foreigner demand for domestic property. Working against this improved affordability is a deterioration in investor sentiment towards South Africa, while property's popularity as a global asset class is perhaps not quite what it was about 2 years ago.

Late-2015 and early in 2016, the Rand's long term depreciating trend, dating back to 2011, once again gathered steam. The drivers of this have been numerous, including a multi-year export commodity price slide, frequent Emerging Market jitters in an uncertain global economic environment, the arrival of US interest rate hiking and a well-documented myriad of domestic structural constraints on economic growth.

The numbers make for dismal reading. In January to date, the Trade- Weighted Rand Index (measured against a basket of currencies based on the extent of SA's trade with those countries) had declined (depreciated) by -22.3% year-on-year, faster than December's -16.5%. The Index has shown an average year-on-year decline in all but 3 months of the last 54 months. It is now -47.8% down on the level of July 2011. This translates into big declines in South African residential property values when measured in foreign currency terms.

While South African property, on average, has become substantially cheaper for many aspirant foreign buyers who deal in some of the major developed world currencies, the FNB Estate Agent Survey for the 4th quarter of 2015 doesn't point to any major surge in foreigner buying. Rather, they continue to suggest that foreigner buying is off its "highs" reached around 2014.

Taking the quarterly distributions, FNB construct their Foreign Home Buying Confidence Index on a scale of -2 to 2, where +2 would imply 100% of respondents claiming a "lot more" foreign buyers and -2 meaning a 100% saying a "lot less", with all the other possible distributions somewhere in between. This index's value has declined from a +0.17 high at the end of 2014 to +0.05 by the 4th quarter of 2015.

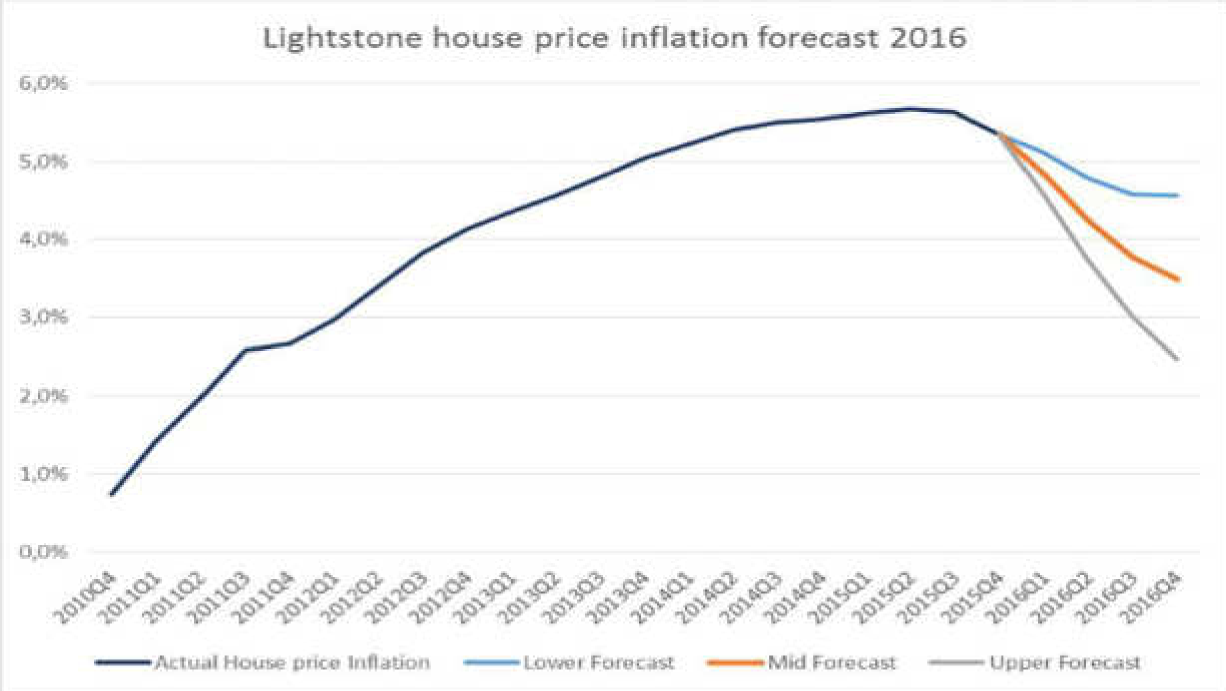
The index remains positive, suggesting agents as a group still pointing to growth in foreign buyer numbers, but indicating that the pace of growth has been broadly slowing through 2015, and must be very low by now.

Whilst the major decline in domestic average home values in foreign currency terms, due to a sharp weakening in the Rand, could conceivably be a reason for some foreign "bargain hunters" to buy local property, it is perhaps important to understand that the weaker Rand is reflective of a deterioration in investor sentiment towards South Africa for reasons highlighted earlier. So, working against cheaper property one has a sentiment deterioration which can be a negative factor. We thus place limited emphasis on a weak rand's ability to drive foreigner buying higher.

A more important factor, FNB believe, is that property globally has perhaps just "gone off the boil" through 2014 and 2015, thereby losing some of its shine as an asset class for the wealthy. This is not to say global property as a whole is doing badly just yet, but FNB have seen some slower price growth of late when compared to back in 2014.

Whereas the big monetary and fiscal stimulus around the time of last decade's Financial Crisis boosted the global economy and property, driving Knight Frank's Global House Price Index (PPP weighted) to a peak growth rate of 5.9% year-on-year late in 2013, this rate has since tapered to more modest levels as the global stimulus wears thin. In the 3rd quarter of 2015, the inflation rate was a more moderate 2.7%, suggesting that the general excitement around property globally may have waned somewhat.

Figure 3.2: House Price Inflation Forecast



Source: Lightstone, 2016

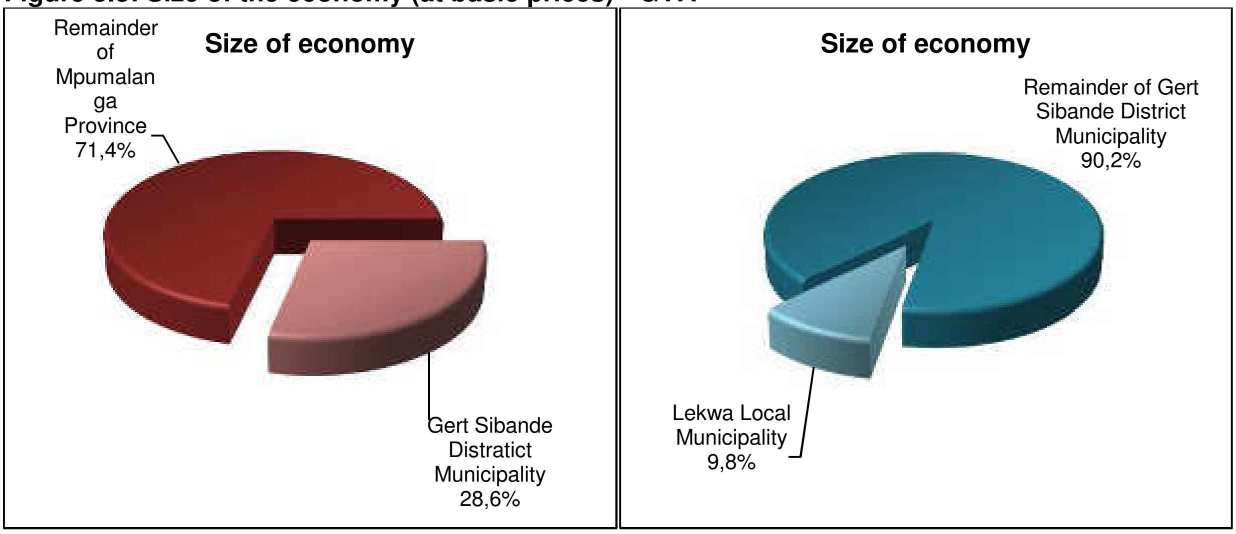
3.5 LOCAL ECONOMIC TRENDS

The proposed development site is located in the Lekwa Local Municipality and Gert Sibande District Municipality. The following section will highlight the economic performance of these municipal areas. The following map (Map 3.1) also provides a visual representation of the proposed development site in context of both local and district municipal areas.

3.3.6 SIZE OF THE ECONOMY

Figure 3.3 provides a graphical representation of the inherent size of local economies in their larger regional areas. The figure shows the size of the Lekwa Local Municipality economy in relation to the Gert Sibande District Municipality and the size of the Gert Sibande District Municipality economy in relation the Mpumalanga Province economy.

Figure 3.3: Size of the economy (at basic prices) - GVA



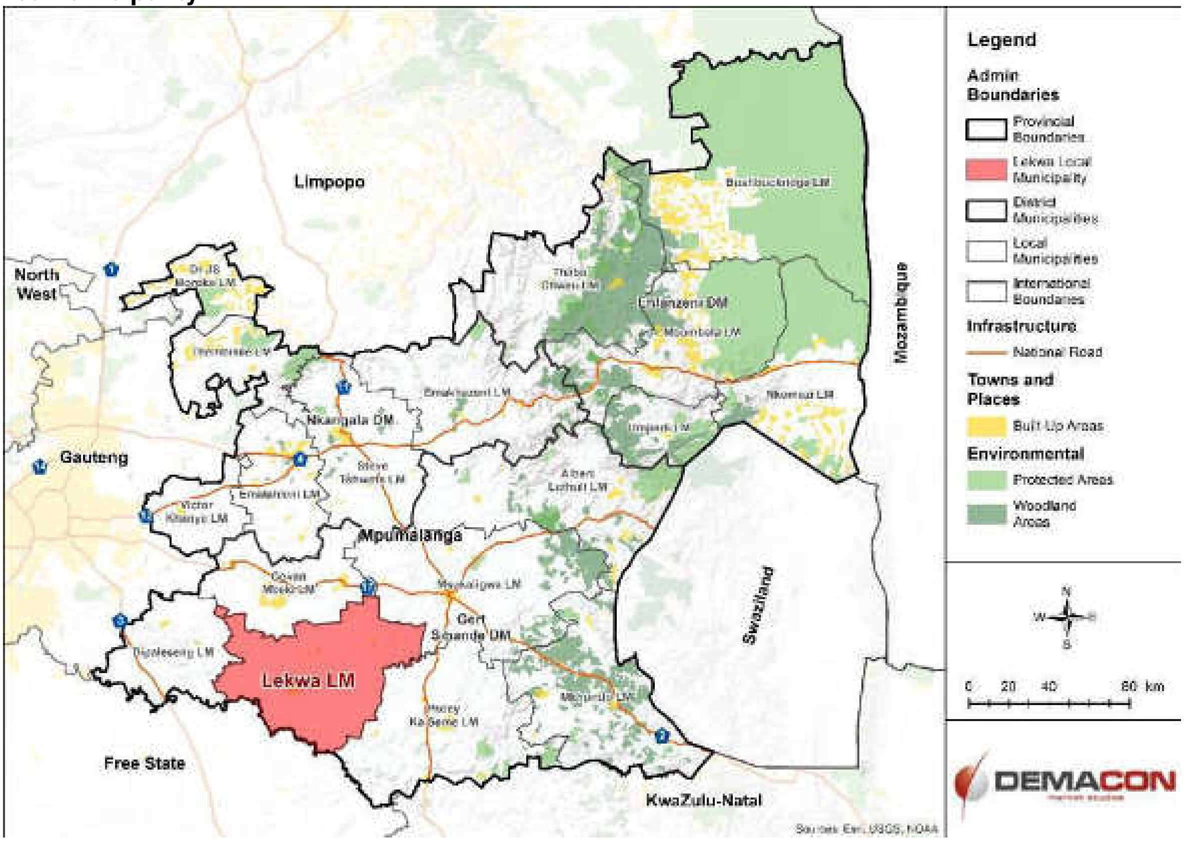
Source: Demacon ex Statssa, 2016

Findings: (Figure 3.3)

- ✓ Figure 3.3. shows that the Gert Sibande District Municipality contributed 28.6% to the economy of the province,
- ✓ While the Lekwa Local Municipality contributed 9.8% to the economy of the district,
- ✓ This indicates that the local economy of Lekwa Local Municipality plays a minimalistic role in the entirety of the district and provincial economies.

The economic contribution made by the Lekwa Municipality towards the greater economic landscape is driven by performance in the subsequent economic sectors of the economy. The performance of these sectors are discussed in the following section.

Map 3.1: Standerton Shopping Centre Site in context of Lekwa Local Municipality and Gert Sibande District Municipality.



3.6.1 ECONOMIC PROFILE

In order to highlight the economic growth trends of the local municipal area, the economic profile of the ten economic sub-sectors are reviewed in terms of their contribution made to the total economy of the municipality.

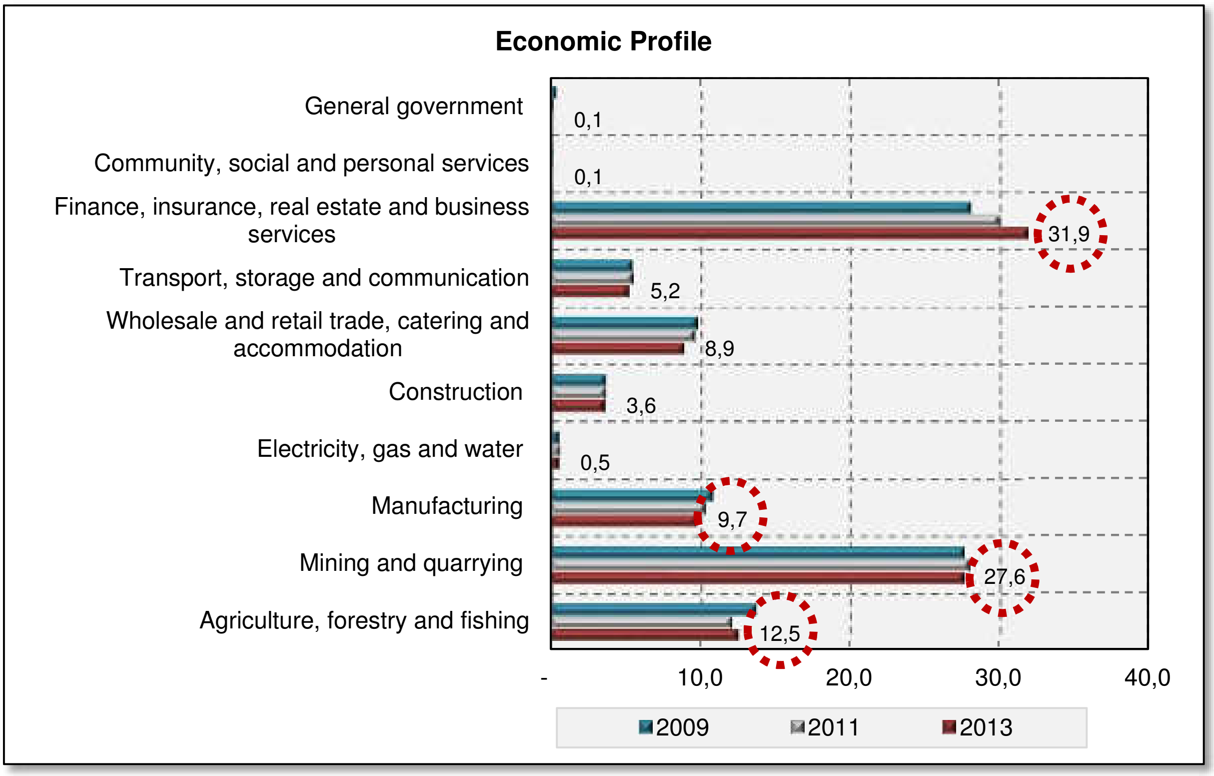
The economic sub-sectors in question refers to the following:

- ✓ General government services
- ✓ Community, social and other personal services
- ✓ Finance and business services
- ✓ Transport and communication
- ✓ Trade sector (Wholesale and retail; catering and accommodation)
- ✓ Construction
- ✓ Electricity and water

- ✓ Manufacturing
- ✓ Mining
- ✓ Agriculture, forestry and fishing.

Figure 3.4 shows the contribution made by each economic sub-sector to the total economy of the Lekwa Local Municipality.

Figure 3.4: Economic profile of Lekwa local economy, 2009 to 2013 (GVA at basic prices)



Source: Demacon ex Statssa, 2016

Findings: (Figure 3.4)

The main driving forces behind the economy of Lekwa Municipality are the finance, insurance, real estate and business services and mining and quarrying sectors that, in combination, contribute 59.5% to the total economy.

- ✓ The largest contributing sector is the finance, insurance, real estate and business services sector which increased its proportional contribution from 28% in 2009 to 31.9% in 2013,
- ✓ The second largest contributing sector is the mining and quarrying sector which has seen no change in share since 2009,
- ✓ The third largest contributing sector is the agriculture, forestry and fishing sector which has experienced a proportional contraction in share from 13.7% in 2009 to 12.5% in 2013, and
- ✓ The fourth largest contributing sector is the manufacturing sector which has also been proportionally decreasing in share since 2009 from 10.8% to 9.7% in 2013.

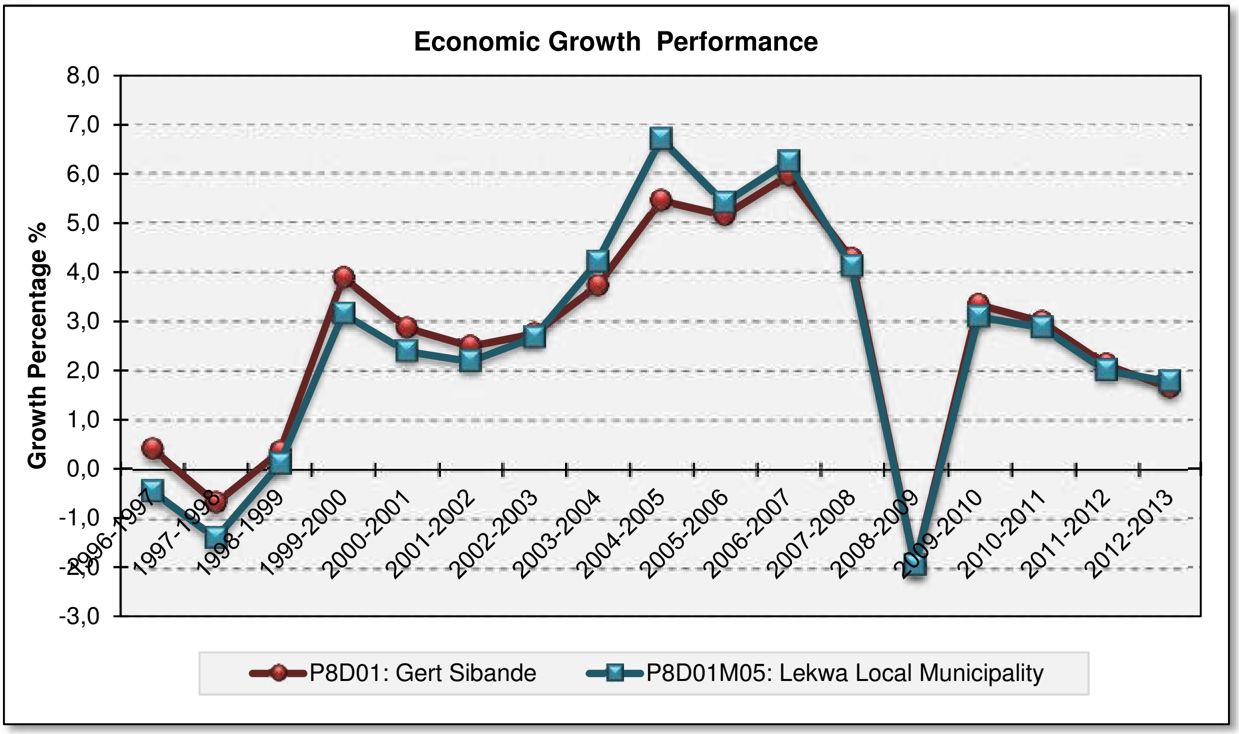
The proportional shift of an economic sector in the Lekwa local economy can be attributed to shifts in other economic sectors and does not necessarily point to slower growth in some sectors. Rather proportional decreases and/or increases are influenced by the share other sectors have and how these shares have changed over time.

The growth rate of the local economy of Lekwa Municipality will be investigated in the following section.

3.6.2 ECONOMIC GROWTH

Figure 3.5 shows the economic growth trends of the Lekwa Local Municipality compared to growth trends experienced by the Gert Sibande District between 1996 and 2013.

Figure 3.5: Economic growth performance, 1996 to 2013 (GVA at basic prices)



Source: Demacon ex Statssa, 2016

Findings: (Figure 3.5)

- ✓ The average economic growth rate of the Gert Sibande District over the long term (1996 to 2013) was **2.6%** per annum. The average economic growth rate over the short term (2008 to 2013) was **1.6%** per annum.
- ✓ The average economic growth rate of the Lekwa Local Municipality over the long term (1996 to 2013) was **2.5%** per annum. The average economic growth rate over the short term (2008 to 2013) was **1.5%** per annum.

Development Implications
✓ Economic growth in the local and regional economy reflects a similar cyclical trend that correlates with growth trends experienced in the SA domestic economy over the same period of time.
✓ Most notable negative impacts that had a lagged effect on domestic demand and consumer expenditure include the 1997/1998 Asian Crisis (more commonly referred to as the Asian Flu), followed by record high prime lending rates of 25.5% in August 1998 and all time high exchange rates in January 2002 (R16.64:1£ and R11.61:1$).
✓ The global financial crisis that erupted in 2007 and progressively spread to the real economy resulted in world output growth slowing to 3% in 2008, from 5.2% the previous year. Economic conditions continued deteriorating well into 2009, with output estimated by the International Monetary Fund (IMF) to have declined by 0.6%. As global demand waned and production levels were curtailed, world trade registered a staggering 12% contraction

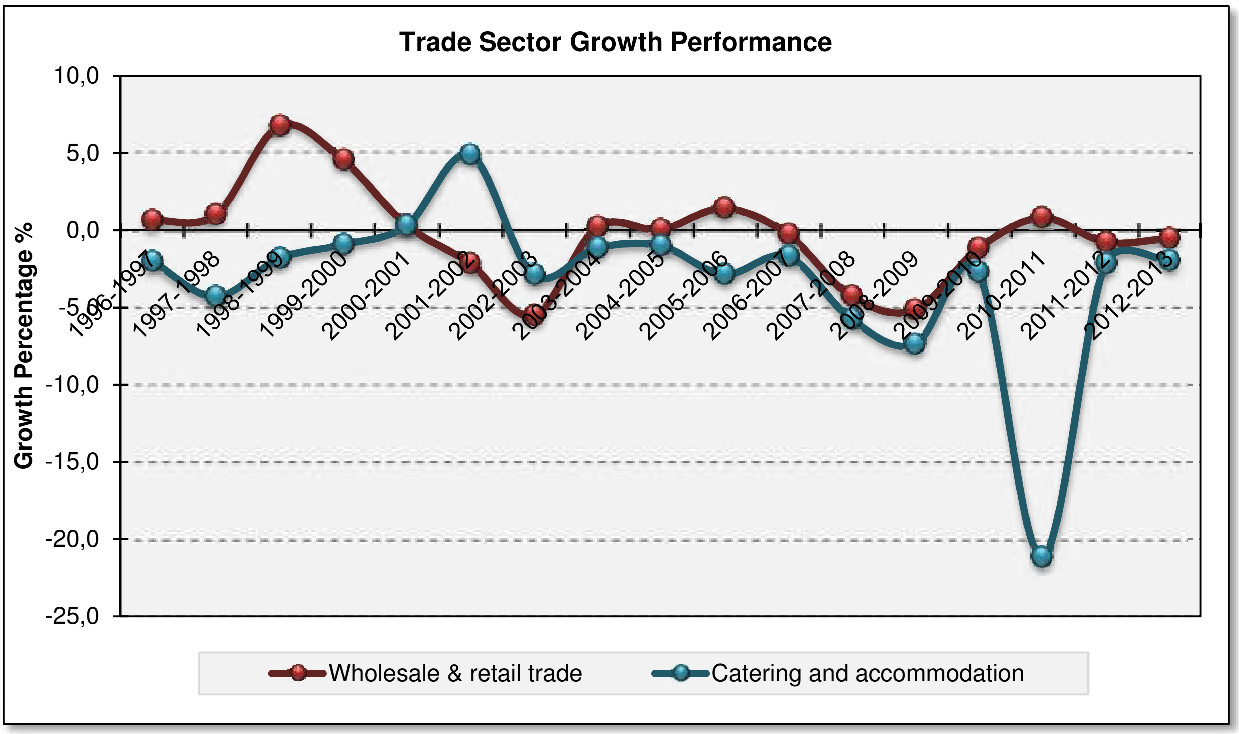
Development Implications
in 2009, according to the World Trade Organisation (WTO). This followed a dismal 2% growth in the volume of world trade in 2008. ✓ The global economy emerged from recession in 2010, although the pace of recovery has varied substantially across regions, and particularly at country level. Certain emerging and developing economies, especially those that managed to side-step a recession quite effectively, such as China and India, have seen a visible improvement in their growth momentum. Nevertheless, a number of emerging economies continue experiencing difficulties in resuming and sustaining higher growth trajectories. ✓ In South Africa, signs of recovery from the economy's first recession in 17 years gradually emerged during the last six months of 2009. Gross domestic product (GDP) expanded in real terms by 3.1% (on a quarter-on-quarter basis) in the fourth quarter of 2009, accelerating to 4.6% in the first quarter of 2010. However, economic growth slowed to 2.8% and 2.6% in the subsequent two quarters of 2010 respectively. ✓ Although the global economic recovery has been swifter than initially anticipated, its multi-speed characteristics have become more pronounced and the momentum has lost some steam in several advanced economies. Fiscal austerity measures in several countries, particularly in Europe, high unemployment rates and yet excessive household indebtedness underpin expectations of a slowdown, particularly in the industrialised nations, and rising concerns over the sustainability of the global economic recovery. Recently announced by the United States authorities, the second round of quantitative easing (known as QE2 and amounting to a massive US$600 billion) reflects this uneasiness. ✓ The South African economy continued to report growth in economic activity during the opening six months of 2010, although there have been signs of the momentum being weaker than initially anticipated. The recovery in demand has been slow, especially from the household segment, as well as externally. After reducing inventory levels during the recession, companies eventually started rebuilding them, resulting in an upturn in production, albeit still at levels below those reached in 2008 for most economic sectors. ✓ The local business cycle reflects a negative trend with reference to 2007 to 2009. The local business cycle follows the national cycle closely. In the context of the national recovery - including economic growth and retail sales - local economic growth and growth in disposable income is expected to reveal a similar recovery trend since 2009. ✓ The domestic growth outlook remains subdued and below-trend growth is expected to persist. The forecast of the National Reserve Bank pertaining to GDP growth remained at 2.8 per cent for 2010, a slight recovery is however expected towards 2011 and 2012 with average estimated growth rates of 3.3 per cent and 3.6 per cent respectively. This bodes well towards the metropolitan regions of the national economy, which in general leads the economic recovery curve and in general reflects economic growth rates exceeding that of the national average.

3.6.3 TRADE SECTOR PERFORMANCE

The trade sector comprises establishments engaged in retailing merchandise, generally without transformation, and rendering of services incidental to the sale of merchandise. Trade thus involves the selling or arranging the purchase or sale of goods from resale, and selling durable, semi-durable and non-durable consumer goods. The trade sector is sensitive to business cycle fluctuations, which in turn are extremely sensitive to global economic fluctuations.

The state of this sector is therefore an ultimate and direct reflection of consumer demand. The impact of macro and micro economic forces on the trade sector therefore extends to both supply and demand side dynamics of the product value chain. The trade sector is the all-important interface between producer, wholesaler and consumer. Figure 3.6 below shows the growth of the trade sector between 1996 and 2013.

Figure 3.6: Trade sector growth performance, 1996 to 2013 (constant 2005 prices)



Findings: (Figure 3.6)

- ✓ The data shows that the trade sector as a whole attained its highest growth periods between 1998 and 1999 and 2005 to 2006. The lowest growth periods for the sector was between 2002 and 2003 and 2008 to 2009. The average growth rate for the sector over the long term (1996 to 2013) was **-0.3%**, while over the short term (2008 to 2013) average growth was **-1.3%**.
- ✓ The wholesale and retail trade sub-sector had average growth of -0.2% over the long term (1996 to 2013) and average growth of -1.4% over the short term (2008 to 2013).
- ✓ The catering and accommodation sub-sector had average growth of **-3.2%** over the long term (1996 to 2013) and average growth of **-7.1%** over the short term (2008 to 2013).

3.6.4 GROWTH IN FINAL CONSUMPTION EXPENDITURE AND DISPOSABLE INCOME

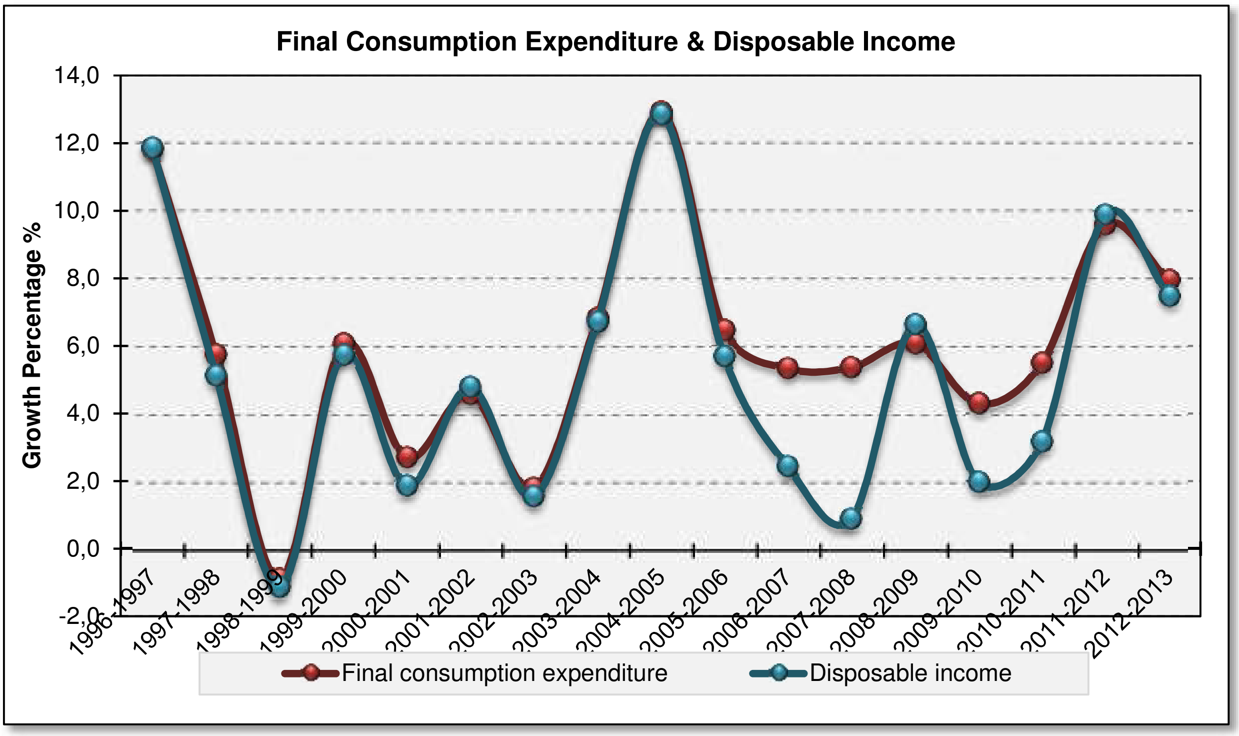
The following illustration (Figure 3.7) provide a comparison in the growth of final consumption expenditure on all goods and services and growth of disposable income of households.

Findings: (Figure 3.7)

Figure 3.7 shows that consumption expenditure and disposable income have maintained similar growth and change trajectories between 1996 and 2006. Between 2006 and 2008 the gap increased between the two variables whereby disposable income decreased compared to consumption expenditure. The same trend can be observed between 2009 and 2010.

- ✓ Final consumption expenditure had average growth of **6.0%** over the long term (1996 to 2013) and **6.7%** over the short term (2008 to 2013).
- ✓ Disposable income had an average annual growth of **5.1%** over the long term (1996 to 2013) and **5.8%** over the short term (2008 to 2013).

Figure 3.7: Growth in final consumption expenditure and disposable income (constant 2005 prices)



Source: Demacon ex Statssa, 2016

3.6.5 HOUSEHOLD EXPENDITURE PER CATEGORY

The trade sector is largely driven by expenditure on goods and services (retail sales) by a wide variety of consumer elements such as households, businesses, government departments and exports. Retail sales can be classified in accordance to different types of goods and services. Goods, in this instance, can be considered in terms of durable, semi-durable and non-durable goods.

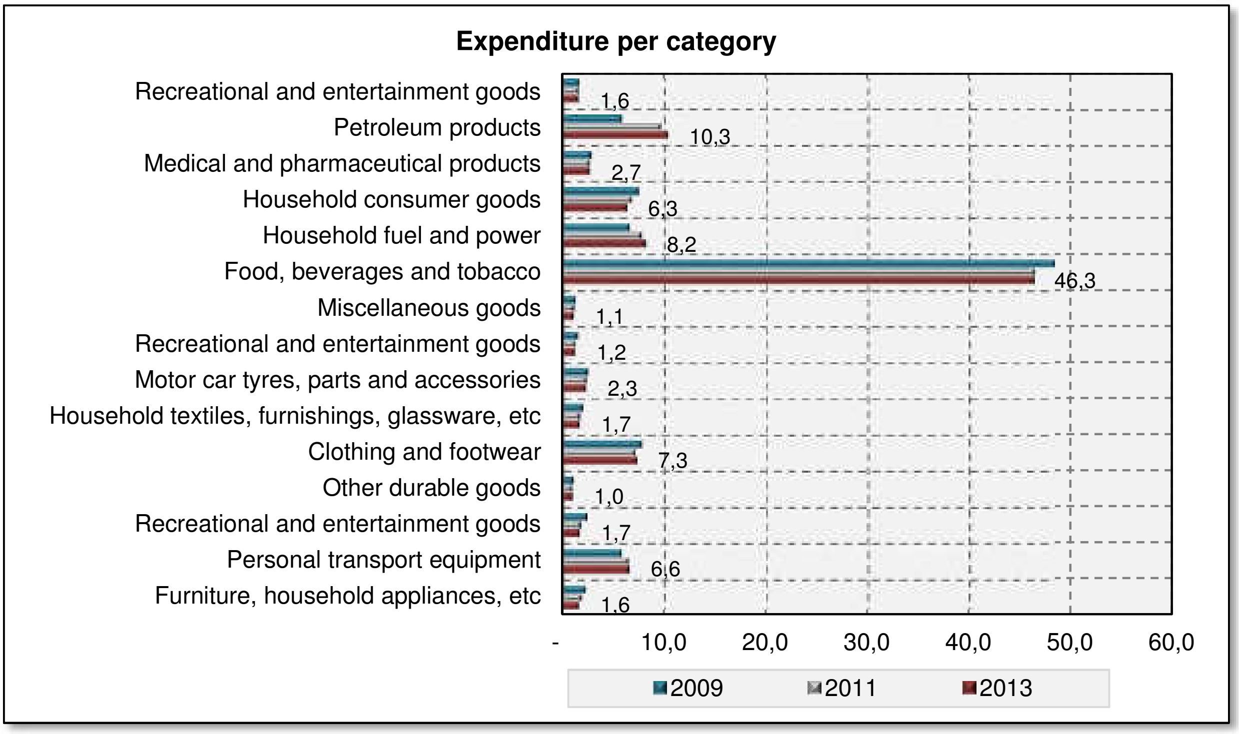
Durable goods refer to items such as furniture, personal transport equipment and entertainment goods, while semi-durable goods refer to clothing, footwear and household textiles. Non-durable goods refer to food, medicine and petroleum products. These goods are consumed and used on a daily basis.

Figure 3.8 shows the expenditure by households in the Lekwa Local Municipality for various categories of goods as described above.

Findings: (Figure 3.8)

- ✓ The Figure shows that Food, beverages and tobacco goods are the primary expenditure item for households in the municipality with a percentage contribution of 46.3%.
- ✓ Petroleum products are the second greatest item for expenditure by household with a percentage contribution of 10.3%.
- ✓ Household fuel and power, clothing and footwear, personal transport equipment and household consumer goods are other items that expenditure by households are prominent.

Figure 3.8: Household expenditure by category - Lekwa local economy (constant 2005 prices), 2009 to 2013



Source: Demacon ex Statssa, 2016

3.6 SYNTHESIS

This module provided an overview of the macro-economic trends underlining the local economy, supported by an overview on the performance of the South African property market.

❑ LOCAL ECONOMIC TRENDS SUMMARY

Table 3.**3** summarises the key economic indicators of **Gert Sibande District Municipality** and **Lekwa Local Economy.**

Table 3.3 : Key Economic Indicators

Variable	Market Characteristics
Size of the Economy (2013)	✓ Gert Sibande District Municipality contributes 28.6% towards Mpumalanga Province. ✓ Lekwa Local Economy contributes 9.8% towards Gert Sibande District.
Dominant Economic Contributions (2013)	**Lekwa Local Economy** ✓ Finance and Business Services – 31.9% ✓ Mining and Quarrying – 27.6% ✓ Agriculture and Forestry – 12.5% ✓ Manufacturing – 9.7% ✓ Wholesale and Retail Trade – 8.9%
Economic Growth Performance (Time Period 1996 – 2013)	**Gert Sibande District Municipality** ✓ Growth in the District economy has averaged **2.6%** per annum since 1996 ✓ Since 2008, growth in the district economy has averaged **1.6%** per annum **Lekwa Local Economy**

Variable	Market Characteristics
	✓ Growth in the local economy has averaged **2.5%** per annum since 1995 ✓ Since 2008, the local economy recorded an average growth of **1.6%** per annum
Trade Sector Performance (Time Period 1996 – 2013)	**Lekwa Local Economy** *Wholesale and retail trade sector* ✓ Growth in the local economy has averaged **-0.2%** per annum since 1996 ✓ Since 2008, growth in the local economy has averaged **-1.4%** per annum *Catering and accommodation sector* ✓ Growth in the local economy has averaged **-3.2%** per annum since 1996 ✓ Since 2008, growth in the local economy has averaged **-7.1%** per annum
Final Consumption Expenditure & Disposable Income (Time Period 1996 – 2013)	**Lekwa Local Economy** ✓ *Final consumption expenditure* of the local economy obtained average growth of **6.0%** over the time period 1996 – 2013 and **6.7%** since 2008. ✓ Real disposable income of households obtained average growth of **5.1%** since 1996 and experience a decrease to **5.8%** since 2008.

Note: the latest local area economic data is only available up to 2013. The local business cycle follows the national cycle closely. In the context of the national recovery – including economic growth and retail sales – local economic growth and growth in disposable income is expected to reveal a similar trend since 2013.

The economic indicators of an area form the basis for current demand for residential and commercial product offering and also serve as drivers for future growth in demand. An improving economy has positive implications for disposable income growth and thus residential purchasing power in the near term.

Although the former is true, the data for the Lekwa local economy suggests that a leakage of disposable income exists. This can be seen in that final consumption expenditure and disposable income has seen positive growth between 1996 and 2013 while the trade sector (wholesale and retail trade and catering and accommodation) has been steadily growing at a negative rate. The disparity in growth between disposable income generated by households and the trade sector allows for the view that leakage of capital for retail purposes are an apparent trend.

Market potential is not influenced by economic and demographic trends alone, but also by macro and micro area dynamics. In the context of the above, Chapter Four provides a demographic profile of the study area under consideration.

CHAPTER 4: DEMOGRAPHIC MARKET OVERVIEW

4.1 INTRODUCTION

The demand for commercial activities is, in part, based on demand generated by the demographic component of a specific market area or catchment. The current demographic composition in a market area coupled with past trends and future potential growth, impact on the current and future demand for commercial activities and more specifically retail.

The purpose of this chapter is to provide analysis of the demographic component of a market area that can be considered alongside Chapter 3 to complete a demographic and economic perspective of interactions between population and their local economic conditions. The chapter will set out a delineated primary and secondary market area and review information about the population that reside in the market area.

More purposefully, the chapter contains the following sub-sections:

- ✓ Market Area Delineation and Population Size
- ✓ Age & Gender Profile
- ✓ Highest Level of Education
- ✓ Employment Status
- ✓ Dwelling Types
- ✓ Type of Tenure
- ✓ Race Profile
- ✓ Average Annual Household Income
- ✓ Living Standard Measurement
- ✓ Synthesis

4.2 MARKET AREA DELINEATION AND POPULATION SIZE

In order to isolate the demographic component affected by the proposed new development, a primary and secondary market area was delineated. The market areas will be used to discuss relevant demographic characteristics.

The primary market area delineated for the purposes of this section was based on a 10-minute drive time from the proposed development location. The secondary market area considers the wider consumer market in relation to existing retail nodes. A polygonal area was drawn and relevant demographic information captured.

The socio-economic indicators used throughout this chapter has been informed by **SACSC Criteria**, as well as the following:

- ✓ Consumer market behaviour and expenditure trends,
- ✓ Regional and sub-regional levels of accessibility,
- ✓ Geographic barriers, and
- ✓ General consumer mobility patterns and drive times.

Map 4.1 shows the proposed development site and primary trade area.

Map 4.1: Proposed site location and primary and secondary trade areas

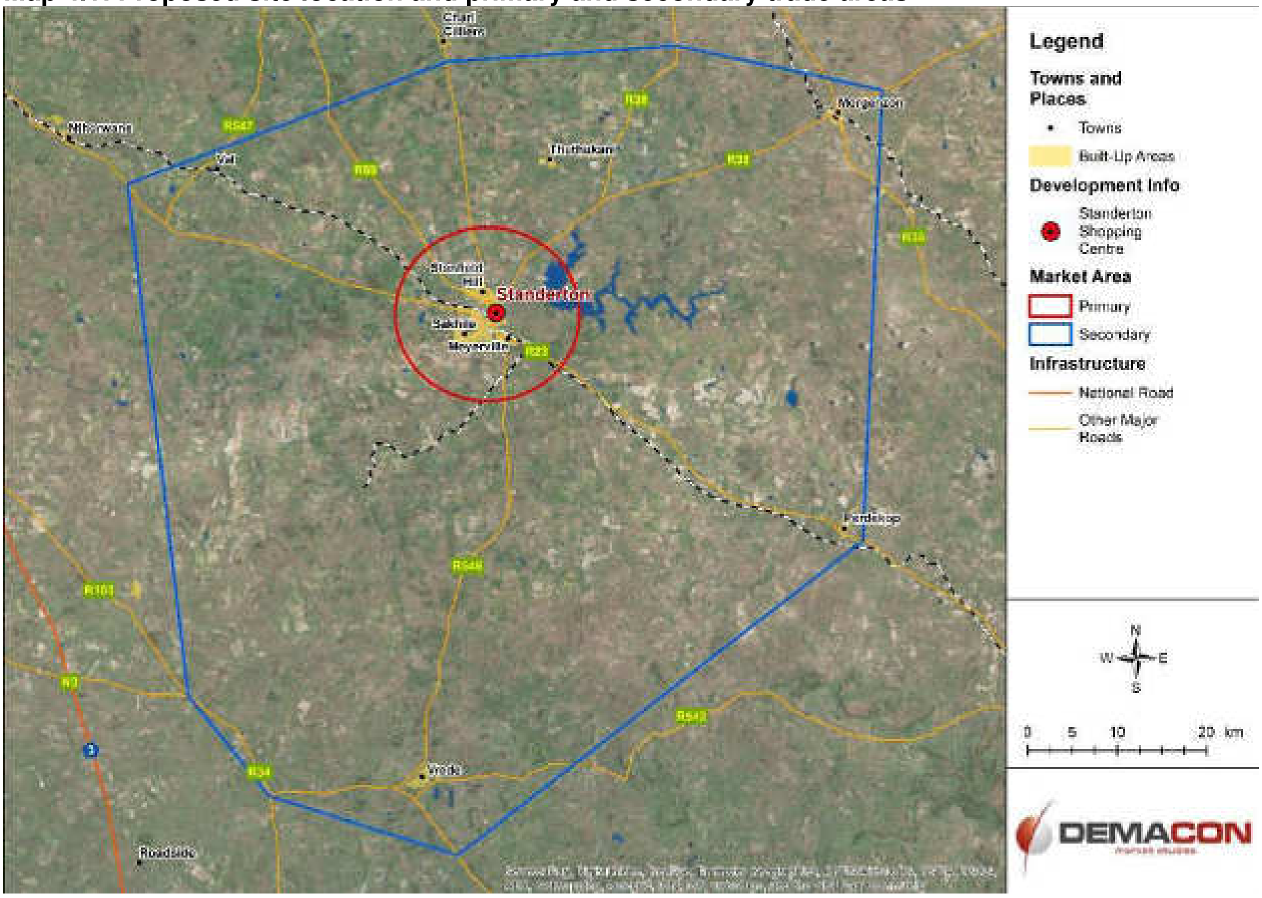


Table 4.1 below provides information regarding the population size of the primary trade area, while Table 4.2 provides information regarding population size in the secondary trade area.

Table 4.1: Population size of the primary trade area (10-minute drive time), 2016

Sub-Place Name	Population per Sub-Place	Households per Sub-Place	Household Size per Sub-Place
Lekwa NU	1 225	241	5,1
Sakhile Ext 2	1 157	330	3,5
Sakhile Ext 4	13 737	4 046	3,4
Sakhile SP	25 525	7 617	3,4
Azalea Ext 1	5 446	1 469	3,7
Florapark	2 606	723	3,6
Kosmospark	5 153	1 501	3,4
Meyerville	4 491	1 181	3,8
Standerton Ext 6	12 481	3 792	3,3
Standerton Ext 7	3 008	853	3,5
Standerton SP	10 616	2 371	4,5
Stanfield Hill	121	28	4,3
Stanwest	44	13	3,4
TOTAL 2011	**85 610**	**24 165**	**3,5**
TOTAL 2016	**89 956**	**24 844**	**3,6**

**Based on the new census 2011 figures*
Source: Demacon, ex Statssa 2016

Findings: (Table 4.1)

- ✓ Table 4.1 above shows that roughly 89 956 people and 24 844 households reside in the primary market area,
- ✓ The average household size for the whole primary market area is approximately 3.6 people per household,
- ✓ The average annual growth rate for population is 1.0%, while for households the growth rate is 0.56%

Table 4.2: Population size for the secondary trade area, 2016

Sub-Place Name	Population per Sub-Place	Households per Sub-Place	Household Size per Sub-Place
Phumelela NU	2 139	535	4,0
Mafube NU	439	126	3,5
Seme NU	687	105	6,5
Lekwa NU	14 874	2 929	5,1
Dipaleseng NU	178	48	3,7
Govan Mbeki NU	132	34	3,9
Thembalihle SP	15 728	4 167	3,8
Vrede Industrial	22	7	3,1
Vrede SP	1 857	651	2,9
Vrede SP1	81	30	2,7
Perdekop SP	3 540	828	4,3
Siyazenzela	1 540	470	3,3
Holfentein Brickworks	310	71	4,4
New Denmark Colliery	0	0	0
Morgenzon SP	1 892	375	5,0
Sivukile SP	5 752	1 721	3,3
Thuthukani Thusong Service	2 663	896	3,0
Tutuka SP	69	28	2,5
TOTAL 2011	**51 903**	**13 021**	**4,0**
TOTAL 2016	**54 538**	**13 386**	**4,1**

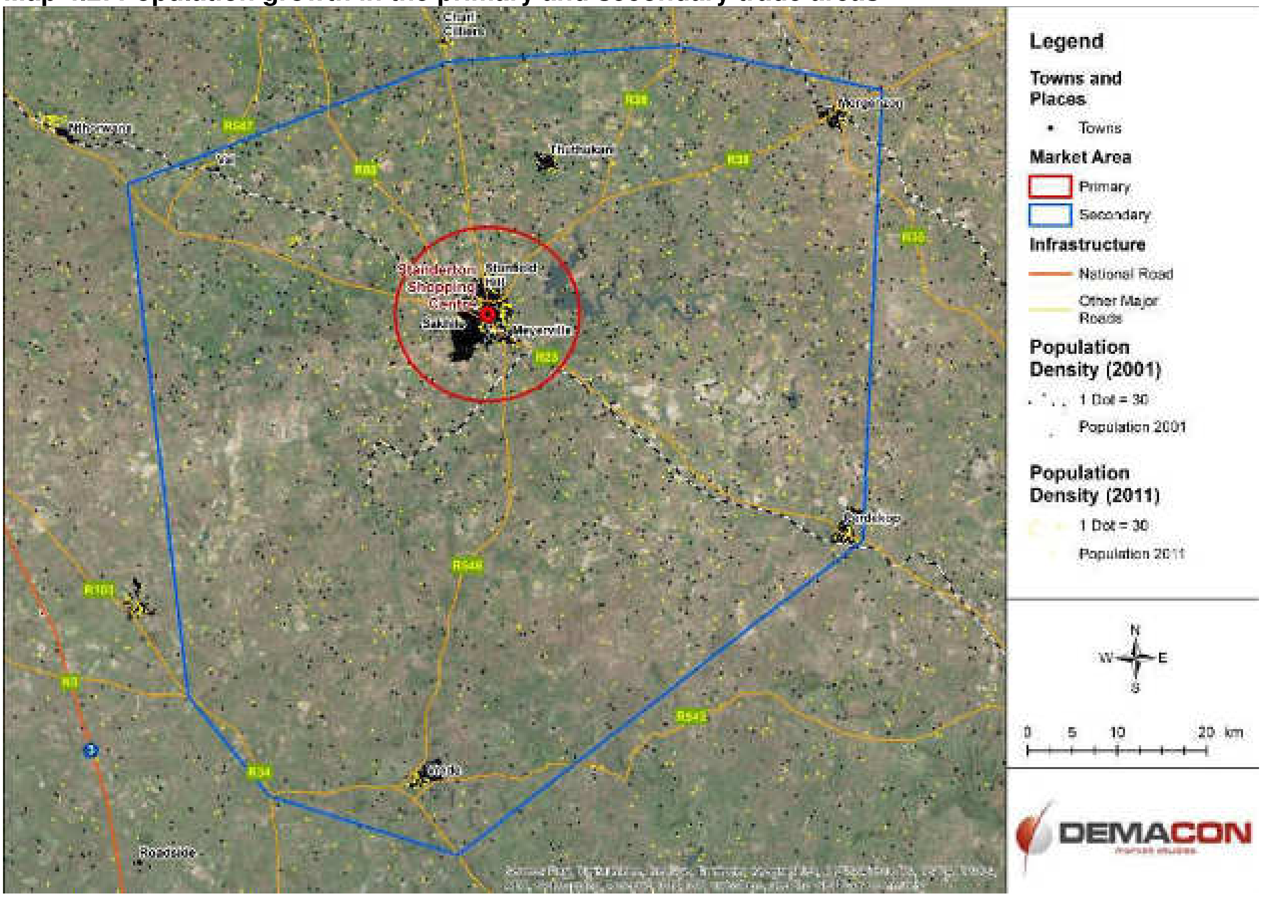
**Based on the new census 2011 figures*
Source: Demacon, ex Statssa 2016

Findings: (Table 4.2)

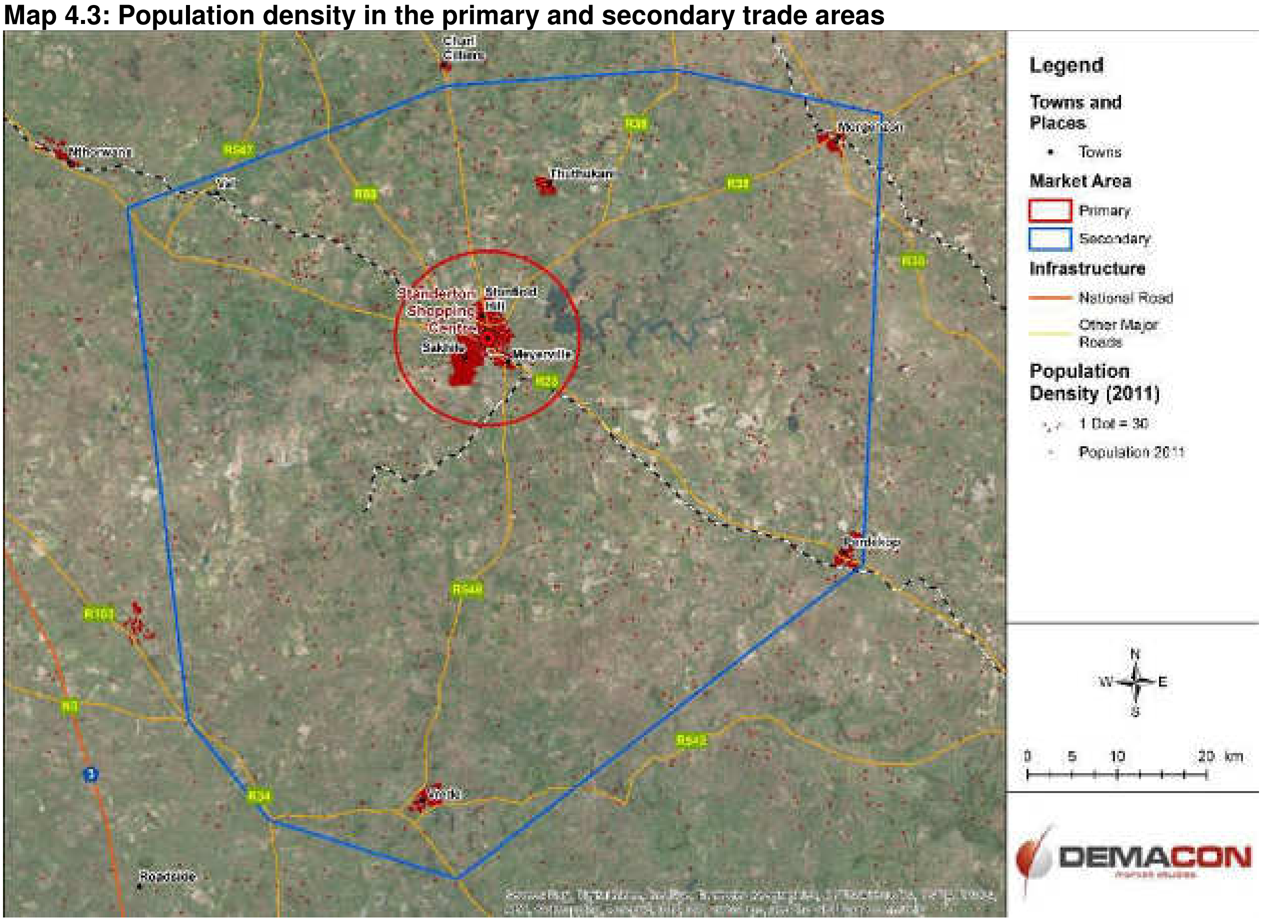
- ✓ Table 4.2 above shows that roughly 54 538 people and 13 386 households reside in the secondary market area,
- ✓ The average household size for the whole secondary market area is approximately 4.1 people per household,
- ✓ The average annual growth rate for population is 1.0%, while for households the growth rate is 0.56%

The following Maps (Map 4.2 and 4.3) show the change in population between 2001 and 2011 as well as the density of population. This is achieved by making use of census information at a sub-place level and applying a dot-density representation.

Map 4.2: Population growth in the primary and secondary trade areas



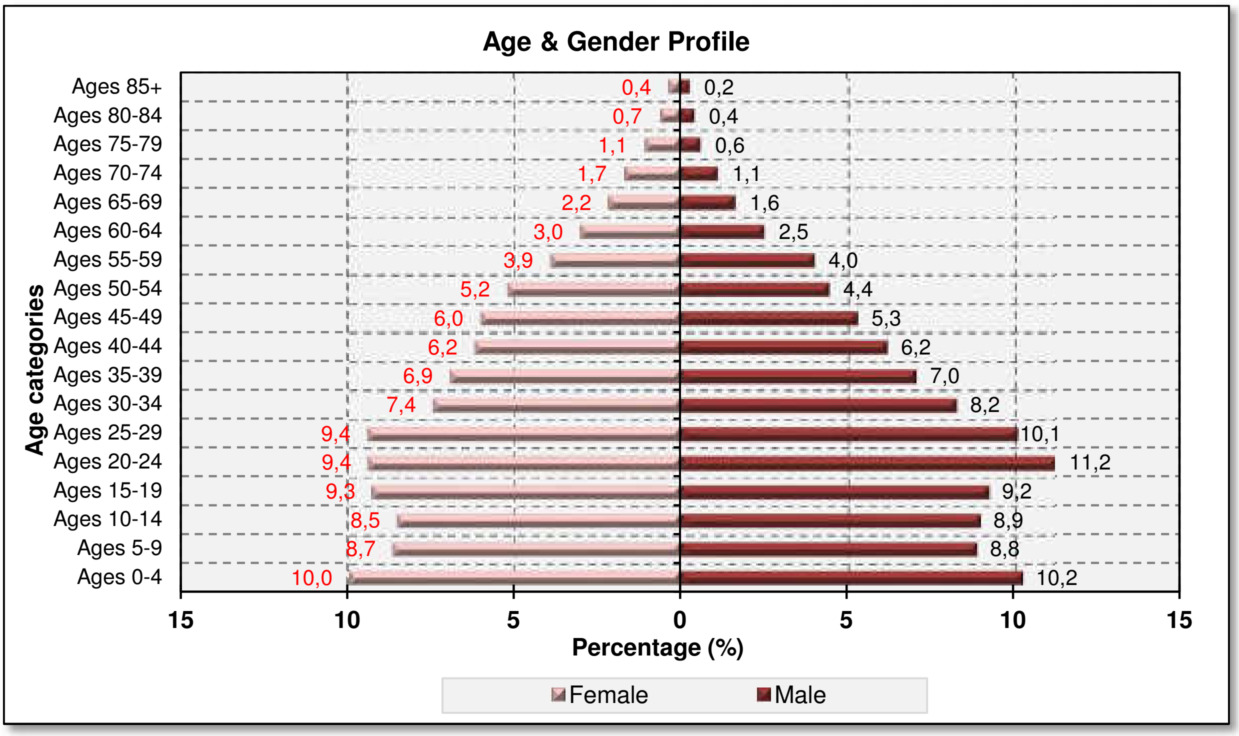
Map 4.3: Population density in the primary and secondary trade areas



4.3 AGE AND GENDER PROFILE

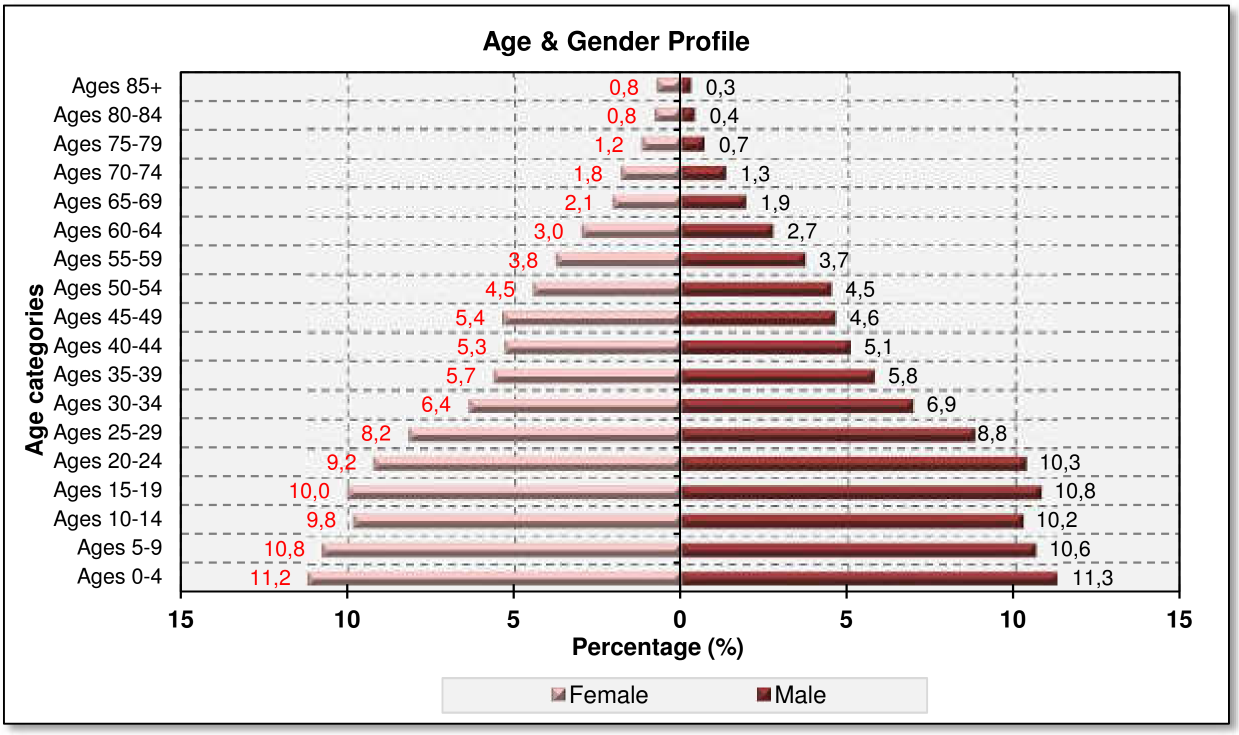
The age and gender distribution of a specific area also serves as an important indicator, with reference to consumer demand behaviour and preferences - in particular the dominant age groups. Figure 4.1 illustrates the age and gender profile of the primary consumer market, while Figure 4.2 illustrates the age and gender profile for the secondary market area.

Figure 4.1: Age and gender profile of the primary market area



Source: Demacon, ex Statssa 2016

Figure 4.2: Age and gender profile of the secondary market area



Source: Demacon, ex Statssa 2016

Findings: (Figure 4.1)

- ✓ Young adults and children make up the largest segment of population in the market area and are supported by a smaller maturing population segment,
- ✓ The largest segment of the market population are between the ages of 20 and 40 and consists of 36.5% males and 33.2% females,
- ✓ The second largest segment of the market population are between the ages of 40 and 60 and consists of 19.8% males and 21.4% females,
- ✓ The third largest segment of the market population are between the ages of 10 and 19 and consists of 18.1% males and 17.8% females,
- ✓ The fourth largest segment of the market population are 60 years and older and consists of 6.4% males and 9.0% females.

Findings: (Figure 4.2)

- ✓ Young adults and children make up the largest segment of population in the market area and are supported by smaller maturing population segment,
- ✓ The largest segment of the market population are between the ages of 20 and 40 and consists of 34.8% males and 29.5% females,
- ✓ The second largest segment of the market population are between the ages of 10 and 19 and consists of 21.0% males and 19.9% females,
- ✓ The third largest segment of the market population are between the ages of 40 and 60 and consists of 17.9% males and 18.9% females,
- ✓ The fourth largest segment of the market population are 60 years and older and consists of 7.4% males and 9.7% females.

Definition: This entry provides the distribution of the population according to age. Information is included by sex and age group (0-14 years, 15-64 years, 65 years and over). The age structure of a population affects a nation's key socio-economic issues.

Economies with young populations (high percentage under age 15) need to invest more in schools, while economies with older populations (high percentage ages 65 and over) need to invest more in the health sector. The age structure can also be used to help predict potential political issues. For example, the rapid growth of a young adult population unable to find employment can lead to unrest.

4.4 LEVEL OF EDUCATION

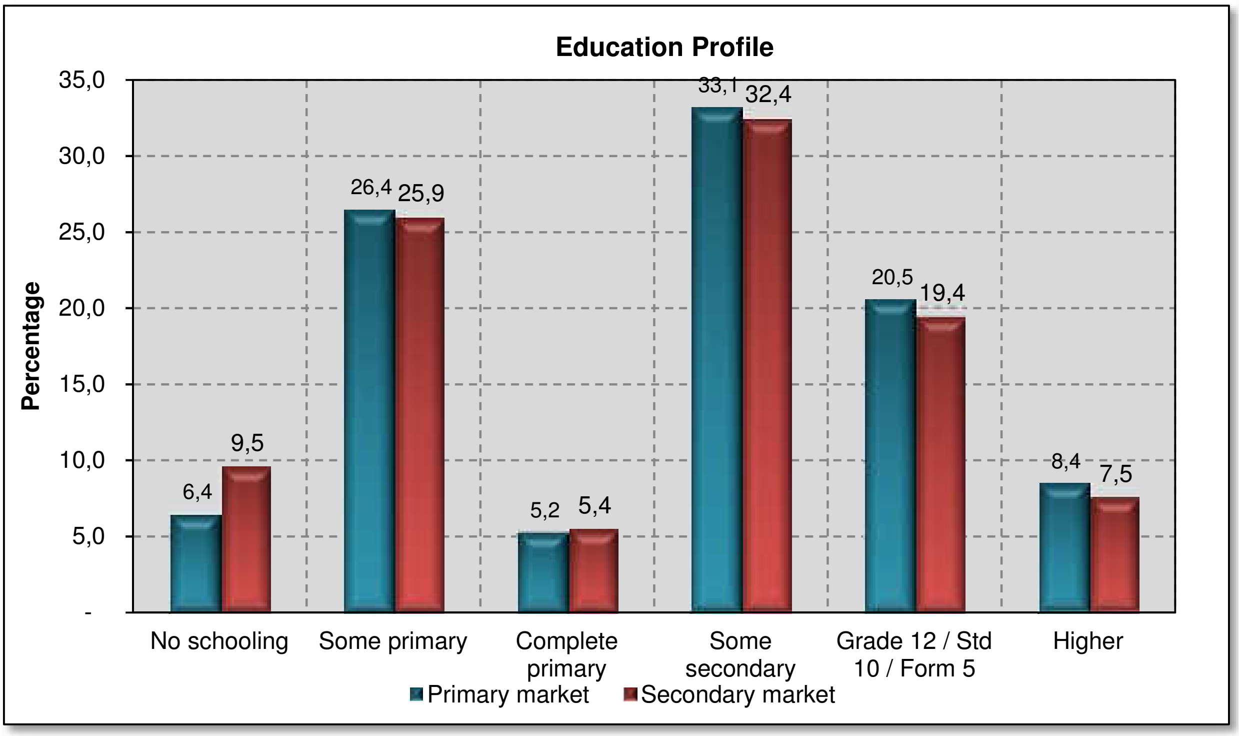
The highest level of education serves as proxy for human development within the consumer market. The level of employment is also an important indicator, impacting on the level of human development as well as on the level of disposable community income.

Figure 4.3 shows the highest level of education for population in the primary and secondary market area.

Findings: (Figure 4.3)

- ✓ Figure 4.3 shows that the largest proportion of the population within the primary market area, approximately 33.1%, have some secondary education, while in the secondary market area 32.4% of the population have some secondary education,
- ✓ More than a quarter of the population in both the primary and secondary market areas have achieved some primary education,
- ✓ More than one fifth of the primary market area have completed high school, while 19.4% of the secondary market have achieved this.

Figure 4.3: Highest level of education in the primary and secondary market area



Source: Demacon, ex Statssa 2016

Development Implications

A number of factors contribute to the general property development climate in a specific geographical area. Of the socio-economic factors that provide an initial indication of market potential are levels of education and standards of living. A moderate segment of the adult market population is educated and it is anticipated that this will be reflected in the employment and overall living standard profile of the market. In the primary and secondary market areas, the higher education segment amounts to **8.4% and 7.5%** respectively. According to Census 2011, the percentage of people aged 20 or older who have higher education increased from 8.4% in 2001 to 12.1%. The number of those who matriculated increased from 20.4% to 28.5%. Those who had no schooling at all decreased from 17.9% to 8.6%.
http://www.southafrica.info/about/facts.htm#.UclhoZx3fwl#ixzz2XDbeVKs4

4.5 EMPLOYMENT STATUS

Employment is the primary means by which individuals who are of working age may earn an income that will enable them to provide for their basic needs. As such, employment and unemployment rates are important indicators of socio-economic well-being. The level of employment also impacts on the disposable income patterns of the market area and is indicative of dependency ratios.

Figure 4.4 shows the level of employment for population in the primary market area and Figure 4.5 shows the level of employment in the secondary market area.

Findings: (Figure 4.4)

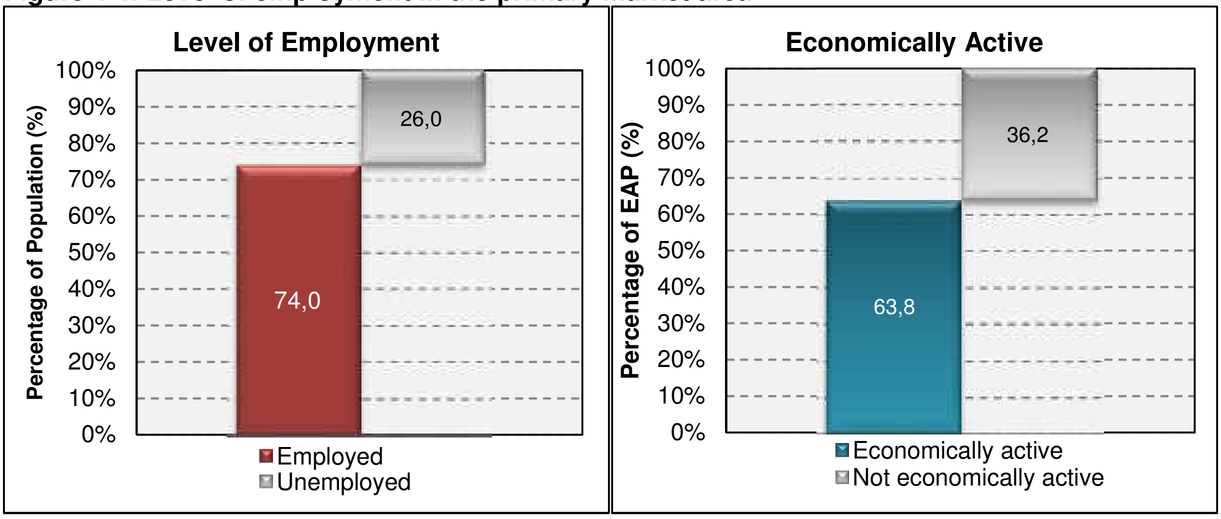
- ✓ Figure 4.4 shows that approximately 74.0% of the population in the primary market area are economically active. The remaining 26.0% represents population that fall outside the scope of the economically active population definition and represents, children, youth, the elderly and disable persons that are not able to be employed,

- ✓ For the economically active proportion of population, roughly 63.8% are employed individuals.

Findings: (Figure 4.5)

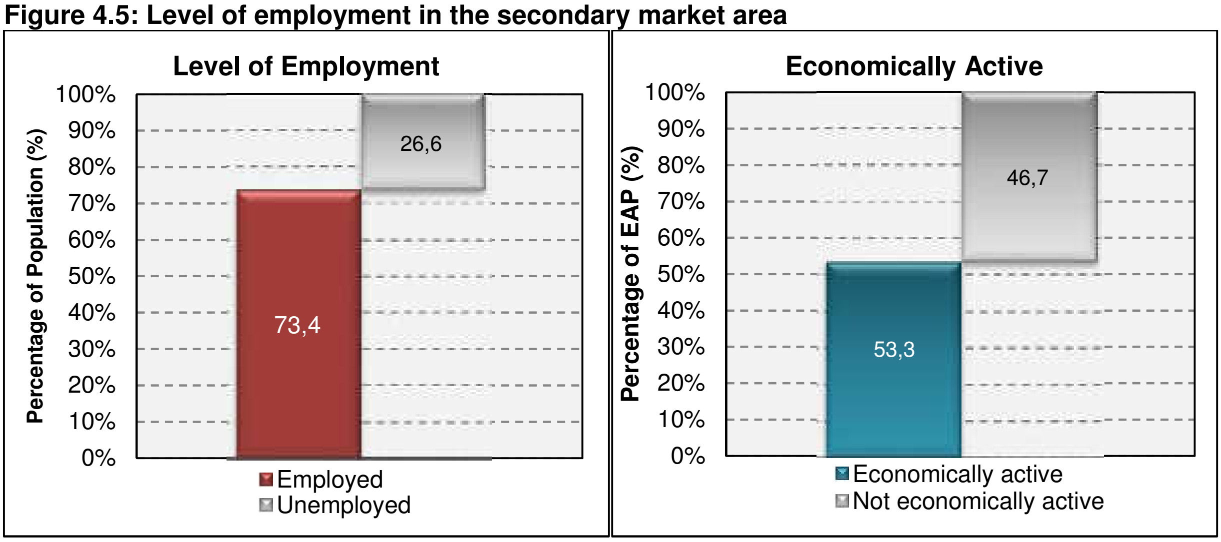
- ✓ Figure 4.5 shows that approximately 73.4% of the population in the market area are economically active. The remaining 26.6% represents population that fall outside the scope of the economically active population definition and represents, children, youth, the elderly and disable persons that are not able to be employed,
- ✓ For the economically active proportion of population, roughly 53.3% are employed individuals.

Figure 4.4: Level of employment in the primary market area



Source: Demacon, ex Statssa 2016

Figure 4.5: Level of employment in the secondary market area



Source: Demacon, ex Statssa 2016

Development Implications

The primary and secondary markets are characterised by a considerable economically active market segment, reflecting low dependency ratios.

Unemployment rate by province:

In terms of the latest Quarterly Labour Force Survey of StatsSA for 2016Q1, the official unemployment rate increased by 2,2 percentage points in Q1: 2016 compared to Q4: 2015. Increases in the official unemployment rate were recorded in all provinces, except for Limpopo. The largest increases were recorded in North West (4,2 percentage points), Free State (4,1 percentage points) and Mpumalanga (4,1 percentage points). The official unemployment rate decreased by 1,6 percentage points in Limpopo. In comparison to the same period last year, the unemployment rate increased by 0,3 of a percentage point. During this period, the official unemployment rate increased in Free State (3,5 percentage points), Gauteng (1,7 percentage points) and Mpumalanga (1,4 percentage points). Large annual decreases were observed in Northern Cape (6,3 percentage points) and Limpopo (1,9 percentage points).

Between Q4: 2015 and Q1: 2016, the expanded unemployment rate increased by 2,5 percentage points to 36,3%. During this period, seven of the nine provinces recorded increases in the expanded unemployment rate. The largest increase was recorded in Eastern Cape (4,2 percentage points), North West (4,1 percentage points), Free State (3,1 percentage points), and Gauteng (3,1 percentage points). Annual changes reflected an increase of 0,2 of a percentage point in the expanded unemployment rate. Five provinces recorded increases in the expanded unemployment rate during this period.

Source: Quarterly Labour Force Survey, Quarter 1, 2016

Table 4.3: Unemployment rate by province

	Official unemployment rate					Expanded unemployment rate				
	Jan-Mar 2015	Oct-Dec 2015	Jan-Mar 2016	Qtr-to-qtr change	Year-on-year change	Jan-Mar 2015	Oct-Dec 2015	Jan-Mar 2016	Qtr-to-qtr change	Year-on-year change
	Per cent			Percentage points		Per cent			Percentage points	
South Africa	26,4	24,5	26,7	2,2	0,3	36,1	33,8	36,3	2,5	0,2
Western Cape	21,0	19,4	20,9	1,5	-0,1	23,3	22,0	23,0	1,0	-0,3
Eastern Cape	29,6	27,4	28,6	1,2	-1,0	43,2	40,3	44,5	4,2	1,3
Northern Cape	34,1	25,8	27,8	2,0	-6,3	42,6	38,9	38,7	-0,2	-3,9
Free State	30,4	29,8	33,9	4,1	3,5	38,4	36,3	39,4	3,1	1,0
KwaZulu-Natal	23,6	20,5	23,2	2,7	-0,4	38,2	36,8	39,3	2,5	1,1
North West	28,4	23,9	28,1	4,2	-0,3	43,2	38,9	43,0	4,1	-0,2
Gauteng	28,4	27,6	30,1	2,5	1,7	32,8	30,2	33,3	3,1	0,5
Mpumalanga	28,4	25,7	29,8	4,1	1,4	40,7	39,4	41,2	1,8	0,5
Limpopo	20,1	19,8	18,2	-1,6	-1,9	40,8	38,6	38,4	-0,2	-2,4

Note: Q1:2015 estimates (column Jan-Mar 2015) are from the 2013 Master Sample.

The unemployment rate of **Mpumalanga Province** for the first quarter of 2016 was approximately ***29.8%.***

4.6 DWELLING TYPES

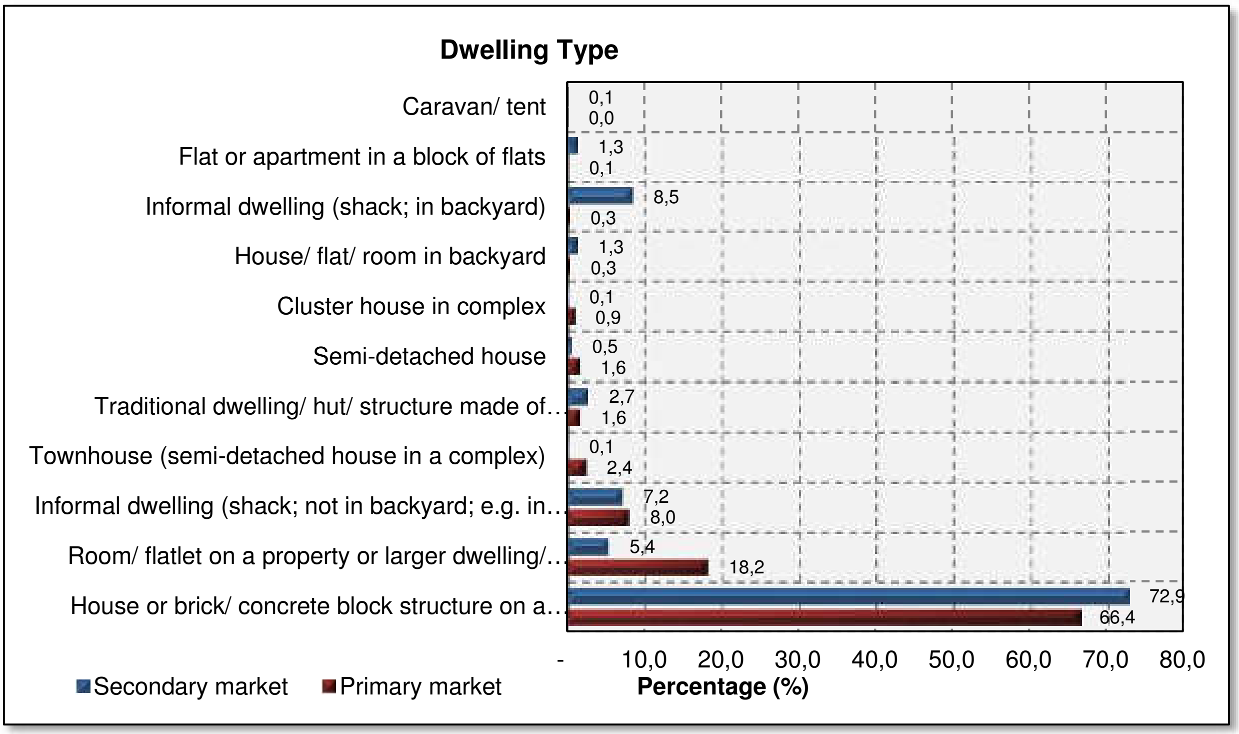
Figure 4.6 shows the proportional split of different dwelling types in the primary and secondary market areas.

Findings: (Figure 4.6)

- ✓ Figure 4.6 shows that more than two thirds (66.4%) of households in the primary market area reside in a house or brick/concrete structure, compared to almost three quarters (72.9%) of households in the secondary market area,
- ✓ A room or flat let on a property or larger building is a secondary choice for 18.7% of residents in the primary market area, compared to 5.4% in the secondary market area,

- ✓ Informal (including backyard informal) and traditional dwellings are home to 10.0% of residents in the primary market area, compared to 18.4% in the secondary market area.

Figure 4.6: Dwelling types in the primary and secondary market areas



Source: Demacon, ex Statssa 2016

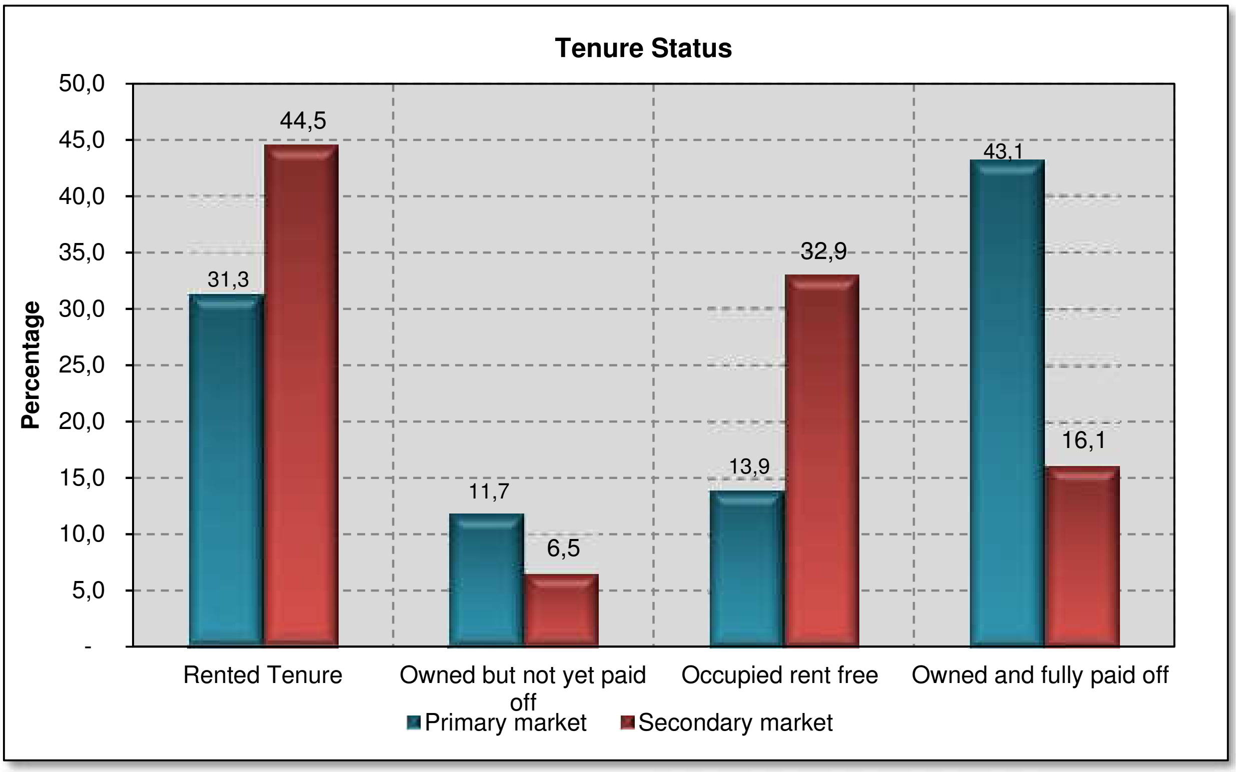
4.7 TENURE STATUS

Based on the type of structure households occupy in the market area, tenure status also provides information regarding the propensity of households to own property. Figure 4.7 shows the distribution of tenure for population in the market area.

Findings: (Figure 4.7)

- ✓ Figure 4.7 shows that 31.3% of households have rented tenure over the property or dwelling in which they reside in the primary market area compared to 44.5% in the secondary market area,
- ✓ Households that currently own the property on which they reside amount to 43.1% in the primary market area compared to 16.1% in the secondary market area,
- ✓ Households that occupy they dwelling or property rent free are 13.9% of households in the primary market area compared to 32.9% in the secondary market area,
- ✓ Households that have not fully paid for the property or dwelling in which they reside amount to 9.9% of households in the primary market area, compared to 6.5% in the secondary market area.

Figure 4.7: Tenure status of households in the primary and secondary market areas

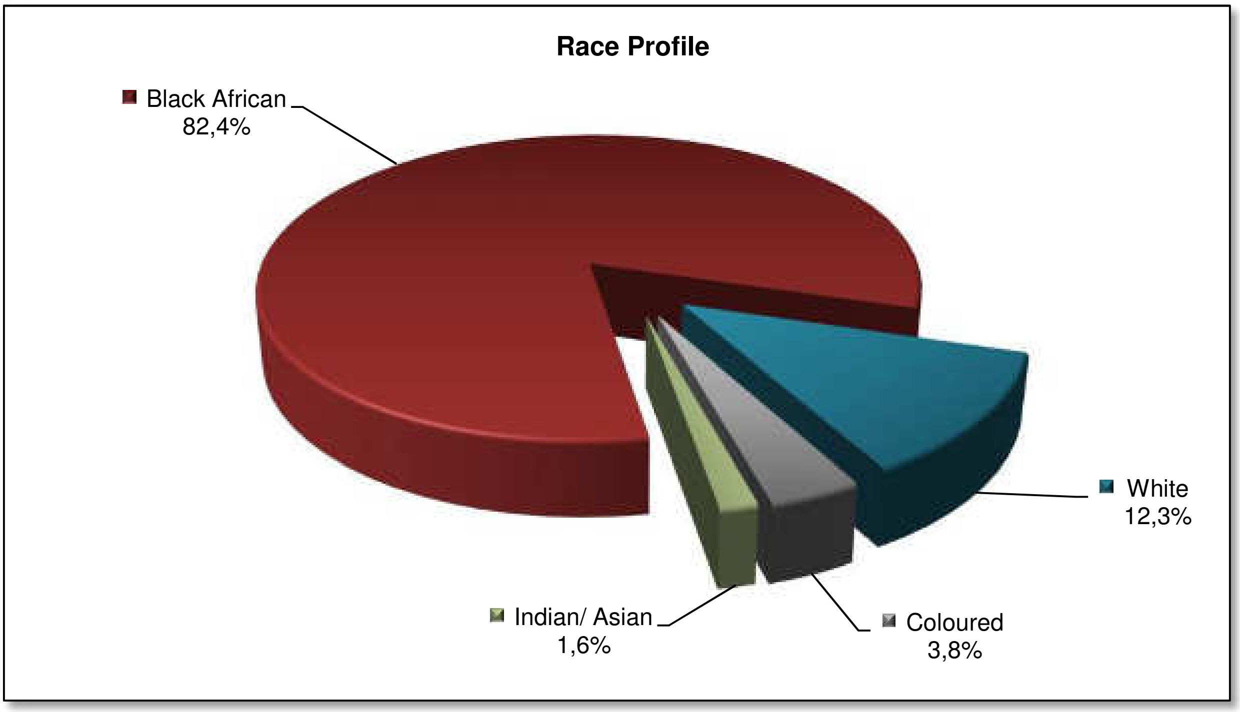


Source: Demacon, ex Statssa 2016

4.8 RACE PROFILE

The racial profile of the market area will impact on consumer choices and preferences for retail and residential products. The demand generated by different racial groups could also influence the scope of supply in the market area. Figure 4.8 shows the racial profile of the primary market area and Figure 4.9 shows the racial profile of the secondary market area.

Figure 4.8: Racial profile of the primary market area

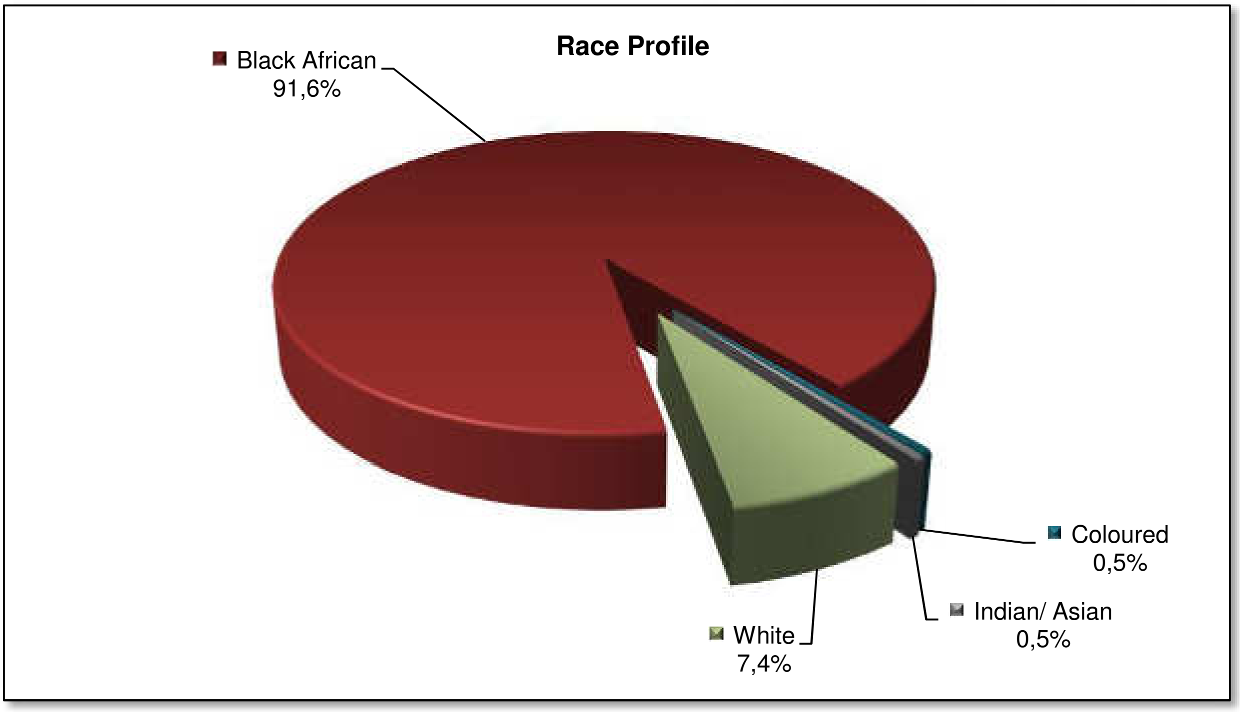


Source: Demacon, ex Statssa 2016

Findings: (Figure 4.8)

- ✓ Figure 4.8 shows that the largest proportion of the primary market (82.4%) are Black African,
- ✓ The White (12.3%) and Coloured (3.8%%) racial groups are the second and third largest segments in the primary market area,
- ✓ The Indian/Asian racial group are the smallest segment and contributes 1.6% to the primary market profile.

Figure 4.9: Racial profile of the secondary market area



Source: Demacon, ex Statssa 2016

Findings: (Figure 4.9)

- ✓ Figure 4.9 shows that the largest proportion of the secondary market (91.6%) are Black African,
- ✓ The White (7.4%) racial group is the second largest segment in the secondary market area,
- ✓ The Indian/Asian and Coloured racial groups are the smallest segments of the secondary market area and contributes 0.5% each to the market profile.

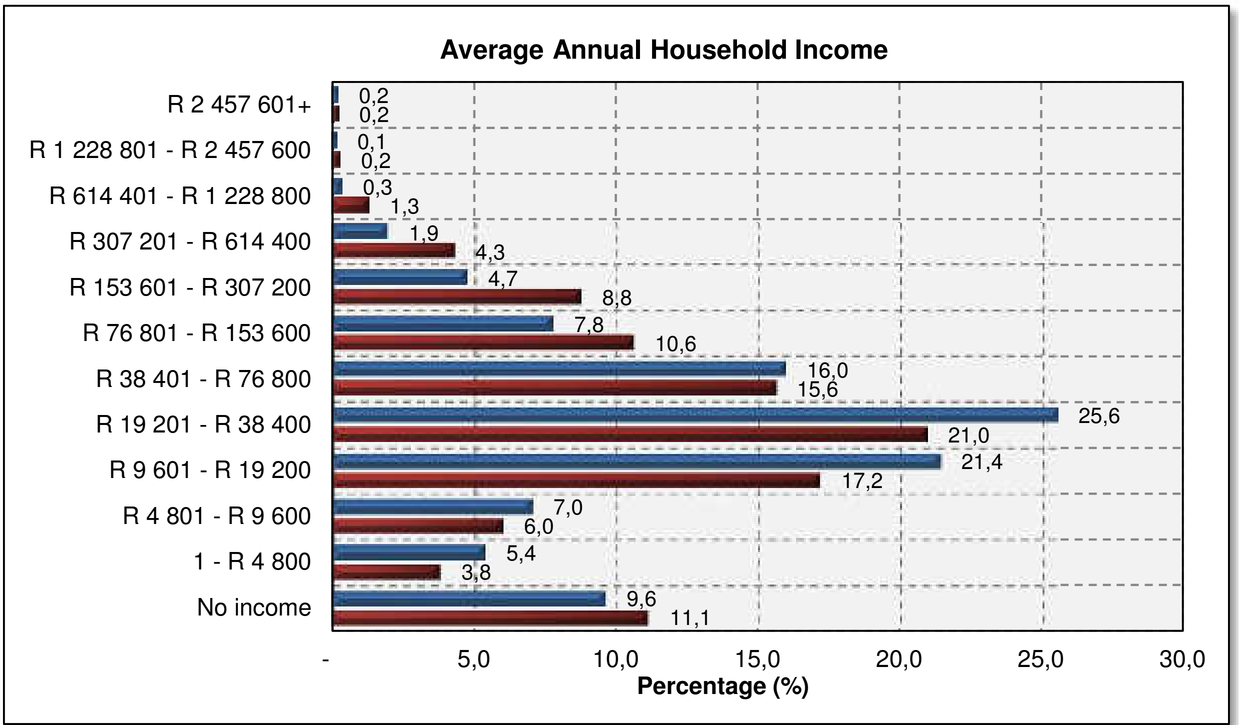
4.9 ANNUAL HOUSEHOLD INCOME

Average annual household income provides an indication of the likely demand that could exist for a variety of consumer products. Varying income levels have differential needs and demands when considering retail products and services.

The extent to which households would demand a certain product or service would impact on the size and supply of said product or services. Living standards for households could also be viewed in terms of their average annual income and could influence asset ownership. The average floor space that a retail outlet provides or expands too is also influenced by the capacity of local households to sustain such supply.

Figure 4.10 shows the average annual household income for the primary and secondary market areas.

Figure 4.10: Average annual household income of the primary and secondary market area



Source: Demacon, ex Statssa 2016

Findings: (Figure 4.10)

- ✓ Approximately 59.1% of households in the primary market area and 69% of households in the secondary market area can be considered to be **low income** households (monthly income less than R3 500),
- ✓ The largest segment of households (21.0% in the primary market area and 25.5% in the secondary market area) earn an annual income between R19 201 and R38 400
- ✓ Affluent households (R1 228 801 and more) only make up 0.4% and 0.3% of the consumer market segments in the primary and secondary market areas,
- ✓ The weighted average annual household income in the primary area for 2016 amounts to:
  - R104 513 per annum, which translates into R8 709 per month (for all LSM groups and also includes the no income segment),
  - For LSM groups 4 and higher the weighted income is R163 410 per annum, which translates to R13 618 per month,
- ✓ The weighted average annual household income in the secondary area for 2016 amounts to:
  - R67 852 per annum, which translates into 5 654 per month (for all LSM groups and also includes the no income segment),
  - For LSM groups 4 and higher the weighted income is R112 585 per annum, which translates to R9 382 per month,

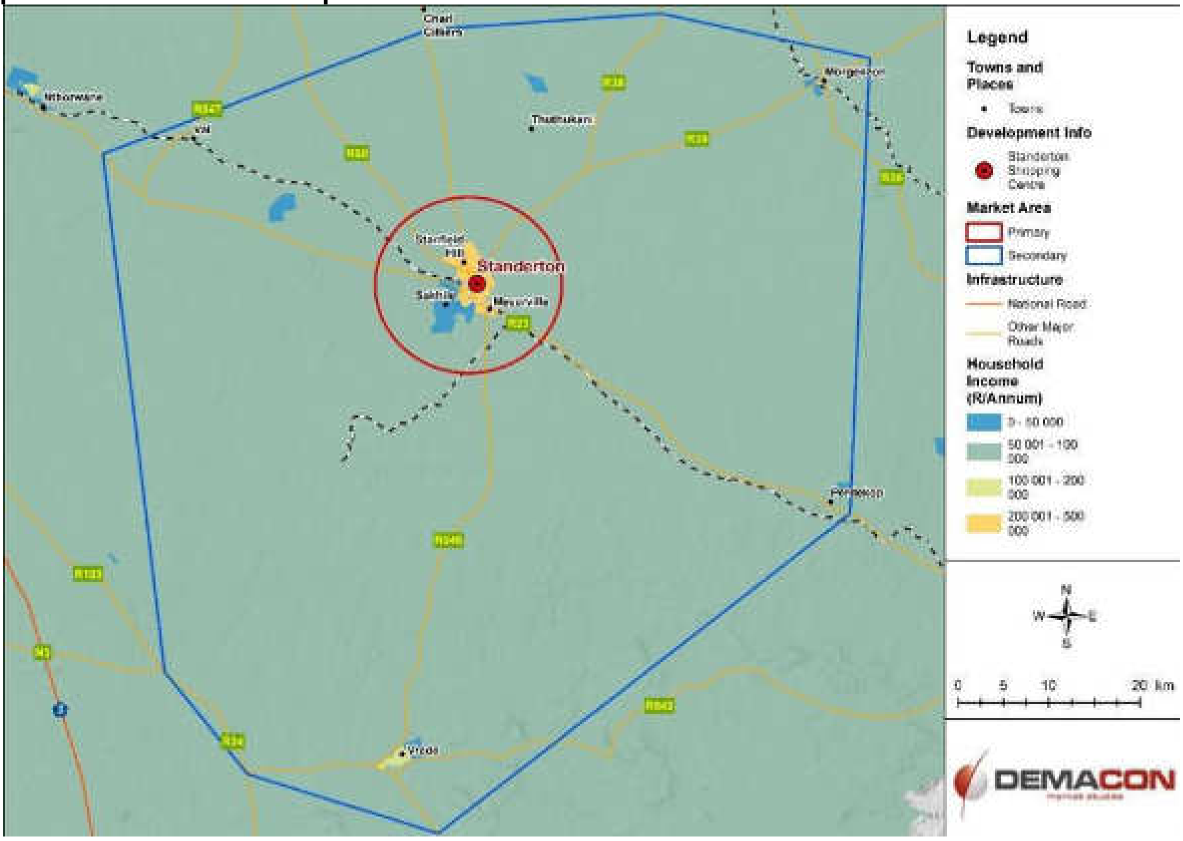
The dualistic nature of the market, coupled with the appreciable size of the land holding, create opportunities for an equally diversified product mix offering to the market.

Development Implications

This indicates that the market area is predominantly characterised by a **low to middle income earning consumer market**. Overall, these income trends correlate with the findings of the preceding sections and impact directly on the overall living standard measurement of the market.

Map 4.4 below shows the average household income per sub-place for the market area

Map 4.4: Household income profile



4.10 LIVING STANDARD MEASUREMENT

The LSM index is an internationally recognised instrument designed to profile a market in terms of a continuum of progressively more developed and sophisticated market segments. The LSM system is based on a set of marketing differentiators, which group consumers according to their standard of living, using criteria such as degree of urbanisation and ownership of assets (predominantly luxury goods).

Essentially, the LSM system is a wealth measure based on standard of living, rather than income alone. The market segmentation continuum is divided into ten LSM segments, where LSM 1 signifies the lowest living standard and LSM 10+ signifies the highest living standard. The LSM categories are defined and weighted in terms of the following 29 variables (refer to Table 4.4: Living Standard Measurement (LSM) **Variables**).

It is important to note that the LSM system is widely applied internationally for marketing and branding purposes, and that it is therefore not an instrument developed locally to label or stereotype certain market segments.

Table 4.4: Living Standard Measurement (LSM) Variables

1	Hot running water	16	Less than 2 radio sets/household
2	Fridge/freezer	17	Hi-Fi/music centre
3	Microwave oven	18	Rural outside

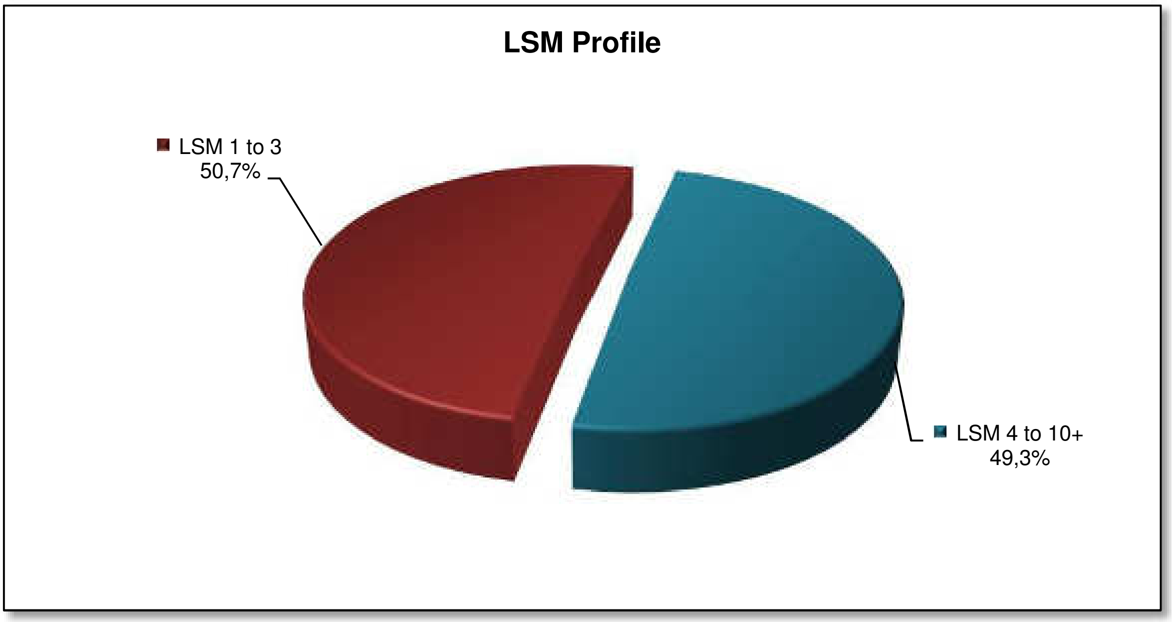
4	Flush toilet in/outside house	19	Built-in kitchen sink
5	No domestic in household	20	Home security service
6	VCR	21	Deep freezer
7	Vacuum cleaner/floor polisher	22	Water in home/plot
8	No cell phone in household	23	M-net/DSTV subscription
9	Traditional hut	24	Dishwasher
10	Washing machine	25	Electricity
11	PC in home	26	Sewing machine
12	Electric stove	27	DVD player
13	TV set	28	1 cell phone per household
14	Tumble dryer	29	Motor vehicle in household
15	Home telephone		

Figures 4.11 and 4.12 summarises the current status of the consumer market in terms of the LSM index. Essentially, the LSM index summarises the net result of market indicators discussed in preceding paragraphs.

The objective is to assess whether *minimum demand thresholds* can be met by households within the market area sustaining the market potential, taking due cognisance of demand potential and effective competitive supply of commercial and residential activities. Demand modelling therefore only focuses on LSM 4 - 10+ segments of the market.

Figure 4.11 shows the living standard measure indicator for the primary market area and Figure 4.12 shows the living standard measure indicator for the secondary market area. Note: The LSM profile presents the income-defined segment of the market i.e. excluding households within the undetermined income category.

Figure 4.11: Living standard measure indicator for the primary market area

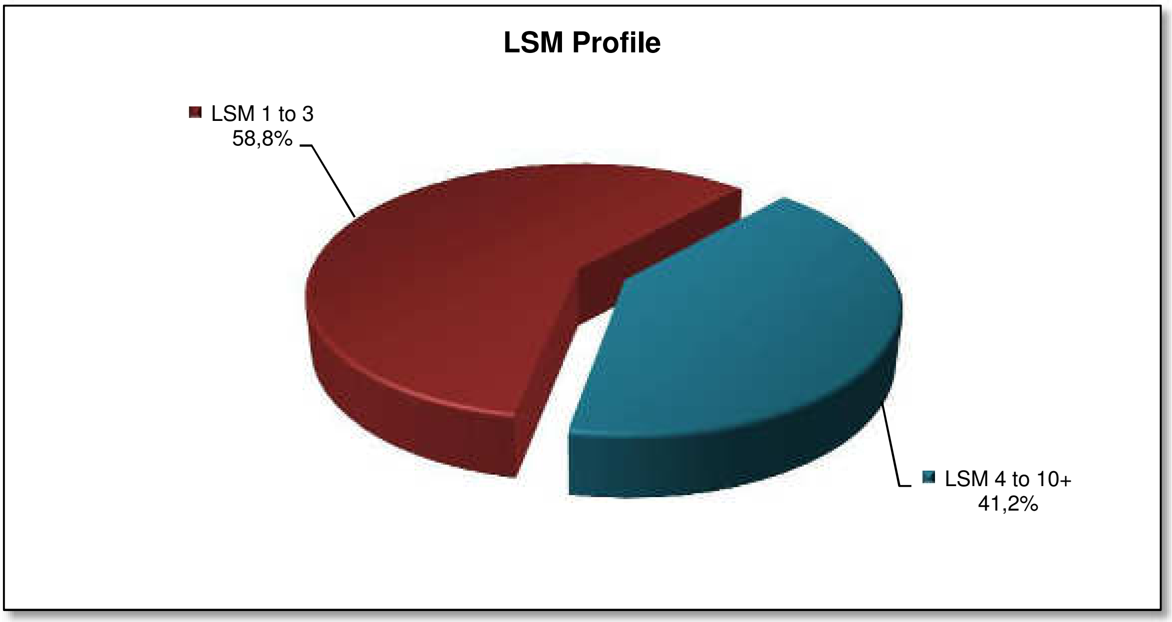


Source: Demacon, ex StatsSA, 2016
**Based on the new census 2011 figures*
Source: Demacon calculations

Findings: (Figure 4.11)

✓ Figure 4.11 shows that 50.7%% of households in the primary market area form part of LSM 1 to 3 while the remaining 49.3% form part of the remaining LSM groups.

Figure 4.12: Living standard measure indicator for the secondary market area



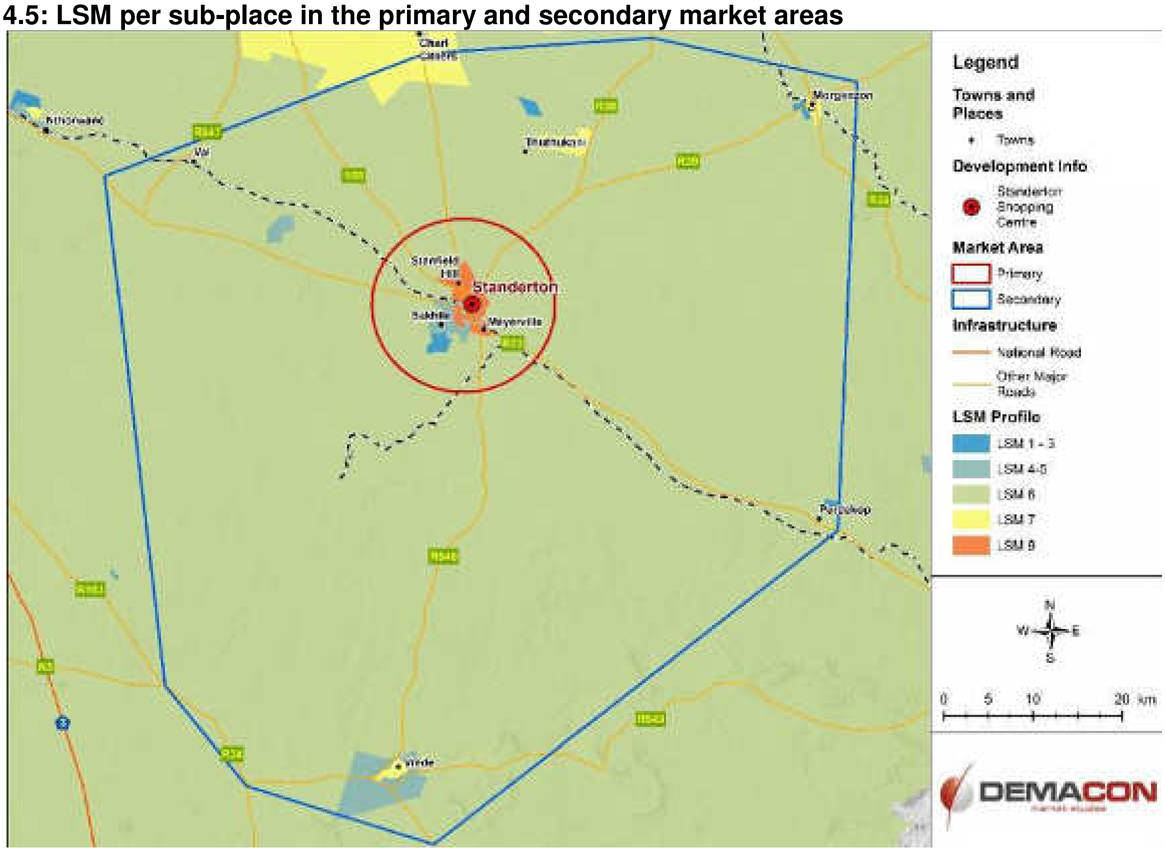
Source: Demacon, ex StatsSA, 2016
**Based on the new census 2011 figures*
Source: Demacon calculations

Findings: (Figure 4.12)

- ✓ Figure 4.12 shows that 58.8%% of households in the secondary market area form part of LSM 1 to 3 while the remaining 41.2% form part of the remaining LSM groups.

Map 4.5 below shows the distribution of the dominant LSM category per sub-place for the market area.

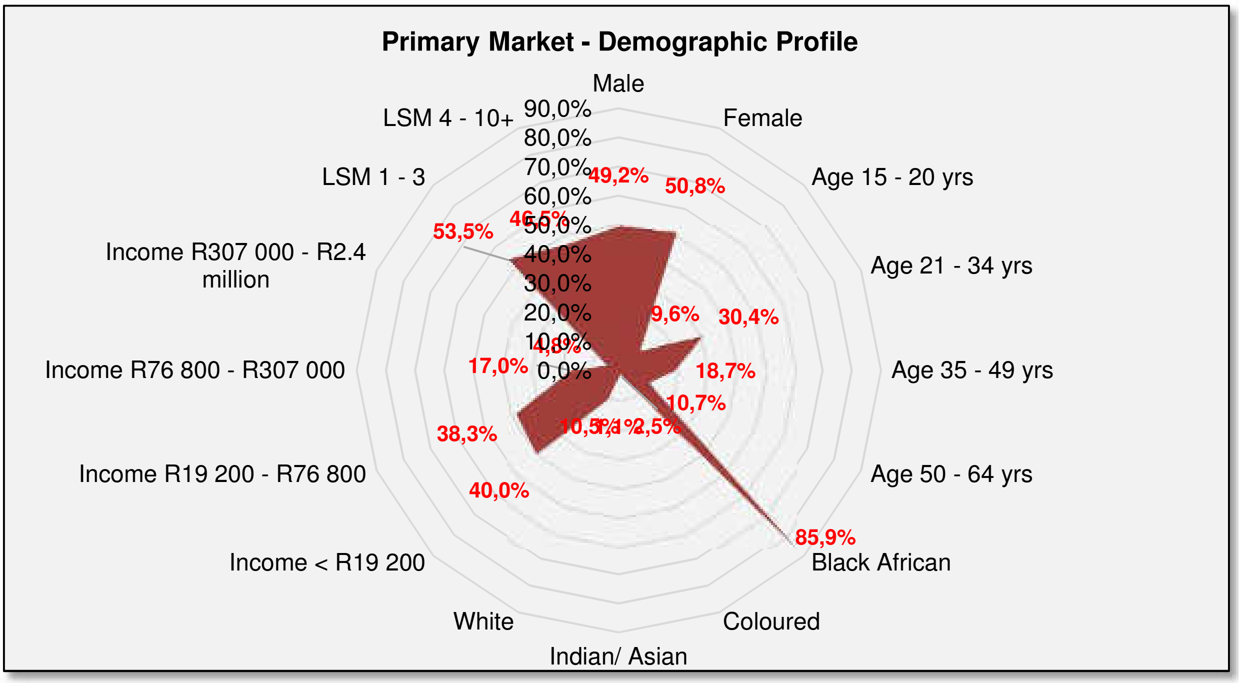
Map 4.5: LSM per sub-place in the primary and secondary market areas



4.11 DEMOGRAPHIC PROFILE AND CONSUMER SEGMENTS

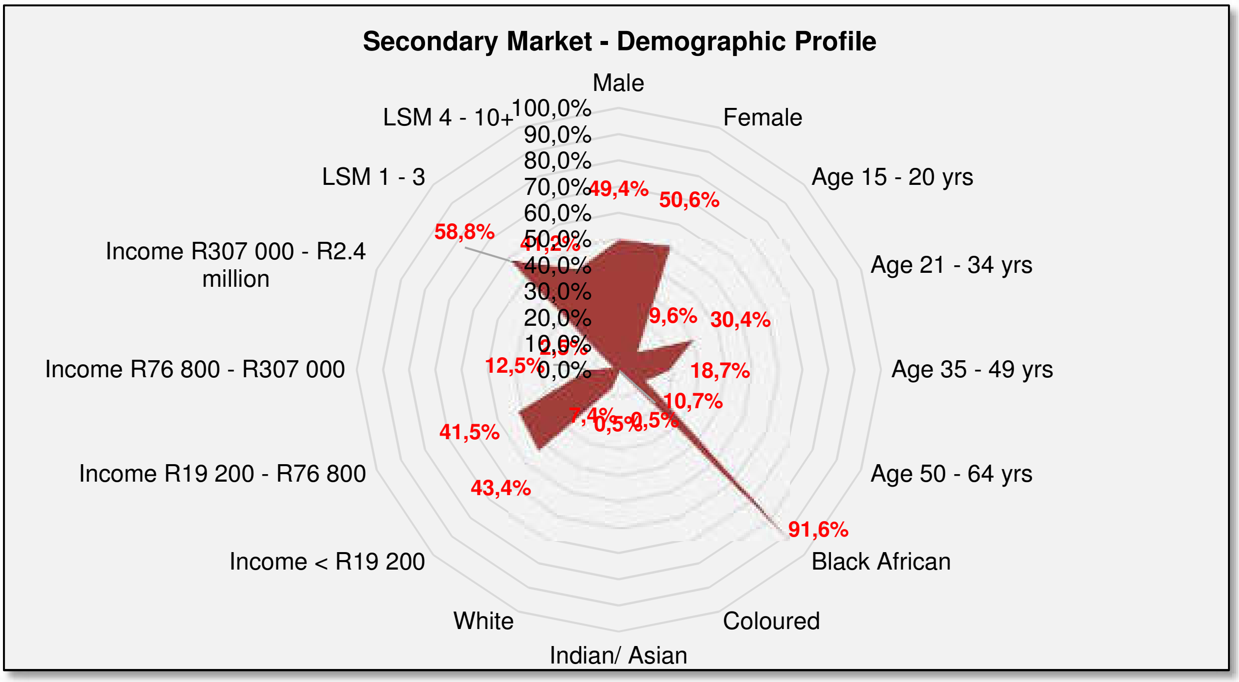
Figure 4.13 summarises the demographic profile of the primary catchment population and Figure 4.14 summarises the demographic profile for the secondary catchment population.

Figure 4.13: Demographic profile - primary catchment



Source: Demacon, 2016

Figure 4.14: Demographic profile - secondary catchment



Source: Demacon (2016)

Consumer Segments

Changes have been taking place within shopping centres, largely due to changes in their market segment's life styles. Increased emphasis is being placed on the creation of spaces and atmospheres within malls where people feel comfortable and are encouraged to linger longer.

Focus is turned towards the experience and convenience of centres, offering consumers the opportunity to relax and interact with friends and family.

Defining the Consumer Generations

Silent Generation - aged 65 years +. Shaped by major influences including the Great Depression and two world wars. Not surprisingly, this cohort values savings, morals and ethics, and tends to be very patriotic. Family togetherness and conformity are also very important attributes for them.

Baby Boomers - Born immediately after World War ii, now aged between 50 and 64 years. Influenced in their upbringing by strong economic growth and generally full employment, they are generally considered to be adaptive and flexible. Baby Boomers are regarded as having defined themselves largely by their careers, with a high proportion considered to be workaholics. They are increasingly moving into the retirement phase of their life, but many plan to continue working.

Generation X - Aged between 35 and 49 years. A bridging generation, which joined the workforce generally during periods of economic prosperity (the mid to late 1980s onwards). Generation Xs are highly educated but more questioning of convention than the Baby Boomers. They are also generally more interested in balancing family, life and work, and much less inclined to sacrifice time, energy and relationships for career advancement like the Baby Boomers did.

Millennials - Aged 21 to 34 years. The majority of this generation has never known a world without mobile phones, laptops and cable television. This cohort is the one that tends to cop most criticism at the moment, with labels such as 'used to instant everything', 'believe they can separate effort from reward', 'do not live to work but work to live'. This segment is the most formally educated and most sophisticated of all the generations before it. Detailed research has shown that they are looking for brands that resonate with their peers. They are very image driven and so value, for example, electronic toys, piercings and tattoos. Other research shows that they pay less attention to quality than other generations.

Generation Z – Aged 15 to 20 years. The labels being attached to this generation include 'realistic', 'highly connected' and 'digital natives'. Generation Z s are seen to be wary with their money, having seen their parents lose jobs and their older siblings move back home because housing is so expensive. Via expert use of social media and the internet, they have already become demanding purchasers. They research diligently, are marketing savvy and are much less likely to make impulse purchases. They will find the best deals and will expect to test out products physically or virtually before they commit to buy. Generation Z will, apparently, want brands to show their long-term value.

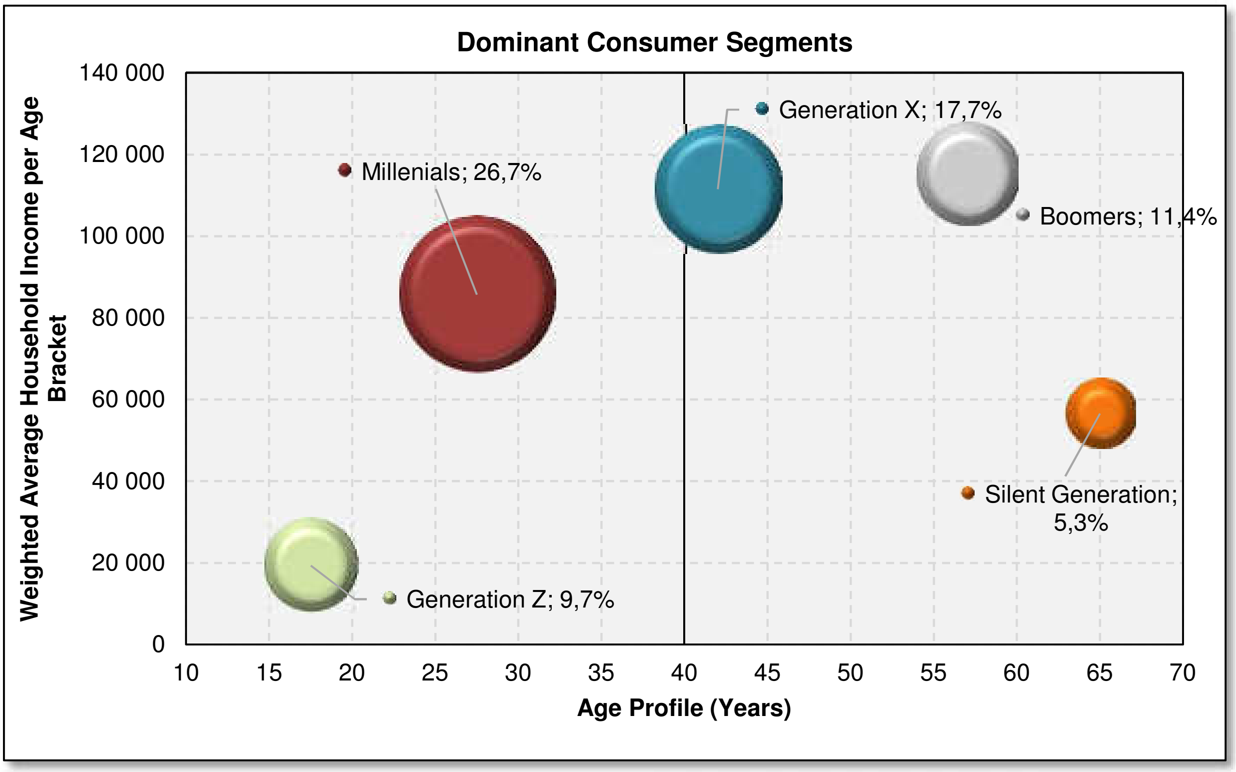
Consumer Market Segments to Consider

The following diagram reflects the dominant consumer market segments present within the primary trade area. Each of these market segments share similar characteristics and aspirational values.

The important market segments to consider with regards to market, include:

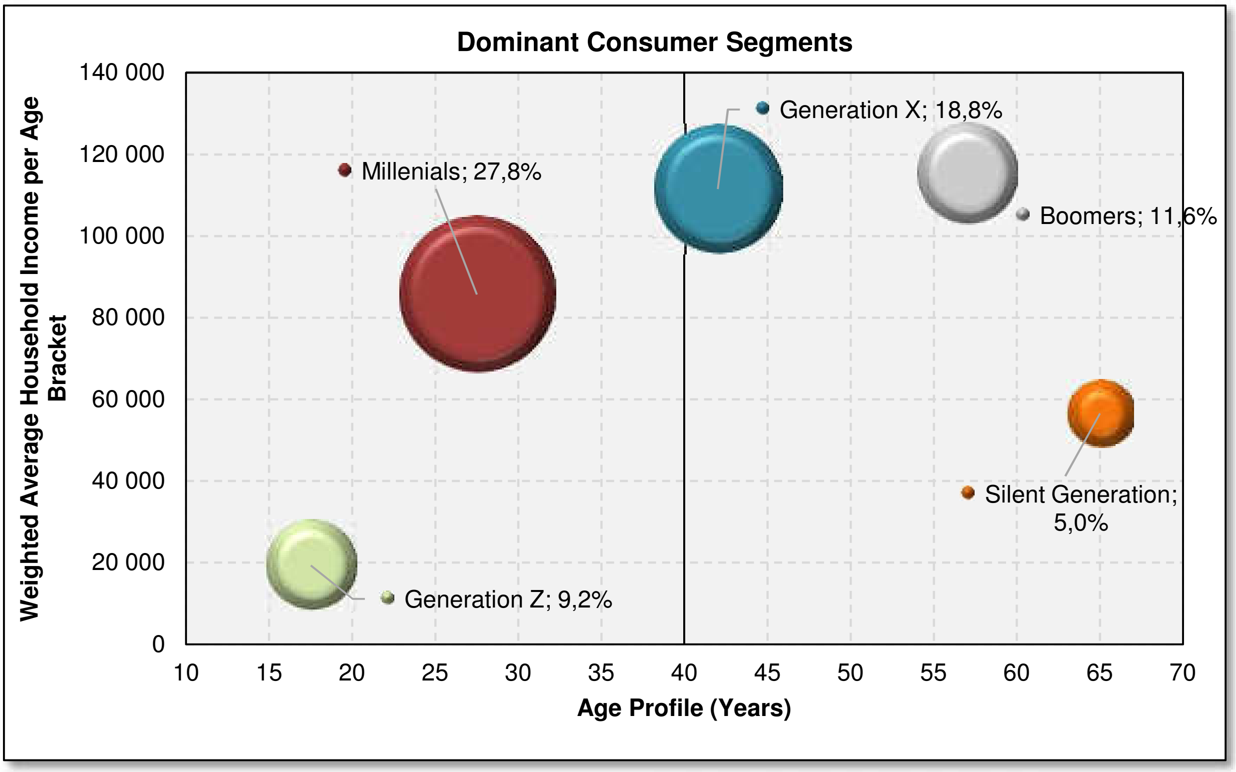
4. **Millennials**
5. **Generation X**
6. **Boomers.**

Figure 4.15: Dominant consumer segments – primary catchment area



Source: Demacon, 2016

Figure 4.16: Dominant consumer segments - secondary catchment area



Source: Demacon (2016)

Defining Market Segments & Relation to Retail Environment:

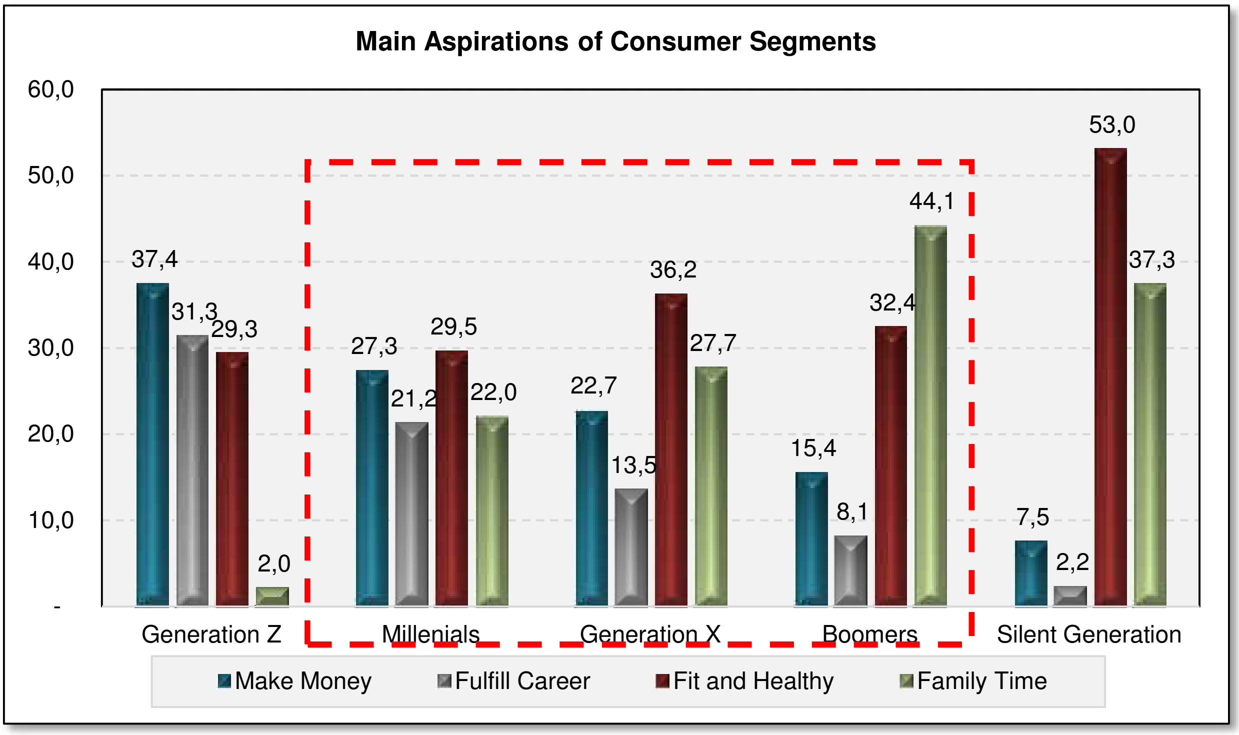
Millennials: Aged 21 to 34 years of age. They represent young people with more choice over what they spend their money on. They crave intuitive experiences and unique entertainment.

Their focus is on convenience and price and they reflect lower levels of brand loyalty. They shop for bargains (take part in promotions) and seek inspiration (buy on impulse). They are less purpose driven than the older consumer segments and make use of the entertainment options to spend time with friends. Main purpose for visits to a mall include shopping for clothes, shoes and accessories, followed by groceries and household goods. They also visit restaurants, cafés, spend leisure time and make use of services and entertainment offerings. They prefer not to shop alone. It is anticipated by JLL that they will want the following within shopping centres in future: a variety of smaller niche shops in authentic places where they can eat a variety of foods, drink coffee and hang out with their gadgets, friends and colleagues. This consumer segment is mobile and experience-driven.

Generation X: Aged 35 to 49 years of age. Reflect slightly older more predictable and richer consumer segments. This market segment is relatively fixed, brand loyal and asset-holding. Consumers most often shop for grocery and household goods, followed by clothing, shoes and accessories. They try to spend as much time with their families as possible and largely prefer shopping with family members. They tend to perceive shopping as an obligation and necessity. They do support food courts, cafés and delis while shopping.

Boomers: Aged 50 to 64 years of age. The ageing shoppers look for social interaction and leisure experiences in shopping malls. They seek personal attention, opposed to, speed. They prefer high quality products at good prices. These consumers are wiser, more experienced and have plenty of time for scrutinising products and information gathering before making choices. They place emphasis on security, safe parking areas, mall furniture and a range of places offering them social and leisure experience.

Figure 4.17: Main Aspirations of Consumer Segments



Source: Demacon, Ex. Nielsen, 2016

The three consumer market segments reflect the following main aspirations:

Millennials:

- ✓ Highest aspiration is to be fit and healthy
- ✓ Second aspiration is to make money

- ✓ Third aspiration is to make time for their families.

Generation X:

- ✓ Highest aspiration is to be fit and healthy
- ✓ Second aspiration is to make time for their families
- ✓ Thirdly is to make money (with emphasis on the provision for retirement).

Boomers:

- ✓ Their highest aspiration is to spend time with their families
- ✓ This is followed by the aspiration to be / and stay fit and healthy
- ✓ Thirdly, and to a lesser extent, making money.

All of these market segments places emphasis on being **fit and healthy and to spend time with their families**. Centres providing for facilities where they can fulfil these aspirations will attract the largest share of these segments.

These market segments also reflect lower risks pertaining to over-indebtedness, and much lower impacts to be induced by interest rate hikes. Millennials and Generation X represent higher spenders compared to the Boomers. A strong focus for these segments is towards quality of products and services.

They also reflect higher frequencies of restaurant and fast food visitations compared to that of the Boomers. The Boomers are loyal to the brands that they support, and relatively set in their shopping ways, although not excessively brand conscious.

4.12 SYNTHESIS

Table 4.5 below provides a summary of the socio-economic characteristics of the primary market area population.

Table 4.5: Key Socio-Economic Indicators of the primary trade area, 2016 (approximately 10-minute drive time)

Variable	Market Characteristics Primary market
Population Size	89 956 people 24 844 households
Household Size	3.6 people / household
Age & Gender Profile	18.1% male, 17.8% female - 10 to 19 years 36.5% male, 33.2% female - 20 to 40 years 19.8% male, 21.4% female – 40 to 60 years 6.4% male, 9.0% female - 60 years+
Highest Level of Education	33.1% - Some secondary 26.4% - Some primary 20.5% - Grade 12/Std 10/Form 5 6.4% - No schooling 8.4% - Higher education 5.2% - Completed primary
Level of Employment	63.8% are economically active of which 74.0% are employed and 26.0%% are unemployed
Dwelling Types	66.4% - House or brick/ concrete block structure on a separate stand or yard or on a farm 18.2% - Room or flat let on a property or larger building 10.0% - Informal dwellings (including backyard informal) and traditional dwellings
Tenure Status	31.3% - Rented tenure 43.1% - Owned and fully paid off

Variable	Market Characteristics Primary market
	13.9% - Occupied rent free 11.7% - Owned but not yet paid off
Race Profile	82.4% - Black African 12.3% - White 3.8% - Coloured 1.6% - Indian/Asian
Average Household Income (2016)	R104 513 per annum, R8 709 per month – (All LSM) R163 410 per annum, R13 618 per month – (LSM 4 to 10+)
LSM Profile	50.7% % - LSM 1 - 3 49.3% - LSM 4 to 10+

Source: Demacon, ex StatsSA, 2016

The primary market profile reveals the following pertinent characteristics:

- ✓ In the primary market, an estimated **89 956 people** or **28 844 households** reside within a 10-minute drive time polygon,
- ✓ The racial profile of the primary market represents predominantly Black Africans (82.4%), 12.3% Whites, 3.8% Coloureds and 1.6% Indian/Asians,
- ✓ The primary market area is characterised by a large segment of young adults and children, fewer mature adults and smaller percentage of elderly.
- ✓ A large proportion of population in the market area have not completed primary or secondary education while a small portion of received a matric certificate or completed higher education.
- ✓ 63.8% of the market is economically active of which 74.0% is employed and 26.0% is unemployed. This reflects low dependency ratios in the study area.
- ✓ The **weighted average annual household income** in the **primary area** for 2016 amounts to:
  - o **R104 513 per annum,** which translates into **R8 709 per month (All LSM** – this calculation includes the no income segment)
  - o **R163 410 per annum,** which translates into **R13 618 per month (LSM 4 to 10+)**
- ✓ ***49.3%*** of households in the primary market area fall within the **LSM 4 and higher** category.

Table 4.6 below provides a summary of the socio-economic characteristics of the secondary market area population.

Table 4.6: Key Socio-Economic Indicators of the secondary trade area, 2016

Variable	Market Characteristics Primary market
Population Size	54 538 people 13 386 households
Household Size	4.1 people / household
Age & Gender Profile	21.0% male, 19.9% female - 10 to 19 years 31.8% male, 29.5% female - 20 to 40 years 17.9% male, 18.9% female – 40 to 60 years 7.4% male, 9.7% female - 60 years+
Highest Level Of Education	32.4% - Some secondary 25.9% - Some primary 19.4% - Grade 12/Std 10/Form 5 9.5% - No schooling 7.5% - Higher education 5.4% - Completed primary
Level Of Employment	53.3% are economically active of which 73.4% are employed and 26.6%% are unemployed
Dwelling Types	68.7% - House or brick/ concrete block structure on a separate stand or yard or on a farm 13.7% - Room or flat let on a property or larger building

Variable	Market Characteristics Primary market
	12.9% - Informal dwellings (including backyard informal) and traditional dwellings
Tenure Status	44.5% - Rented tenure 32.9% - Occupied rent free 16.1% - Owned and fully paid off 6.5% - Owned but not yet paid off
Race Profile	91.6% - Black African 7.4% - White 0.5% - Coloured 0.5% - Indian/Asian
Average Household Income (2016)	R67 852 per annum, R5 654 per month – (All LSM) R112 585 per annum, R9 382 per month – (LSM 4 to 10+)
LSM Profile	58.8% % - LSM 1 - 3 41.2% - LSM 4 to 10+

Source: Demacon, ex StatsSA, 2016

The secondary market profile reveals the following pertinent characteristics:

- ✓ In the primary market, an estimated **54 538 people** or **13 386 households** reside within the secondary market area,
- ✓ The racial profile of the primary market represents predominantly Black Africans (91.6%), 7.4% Whites, 0.5% Coloureds and 0.5% Indian/Asians,
- ✓ The secondary market area is characterised by a large segment of young adults and children, fewer mature adults and smaller percentage of elderly.
- ✓ A large proportion of population in the market area have not completed primary or secondary education while a small portion of received a matric certificate or completed higher education.
- ✓ 53.3% of the market is economically active of which 73.4% is employed and 26.6% is unemployed. This reflects low dependency ratios in the study area.
- ✓ The **weighted average annual household income** in the **primary area** for 2016 amounts to:
  - **R67 852per annum,** which translates into **R5 654 per month (All LSM** – this calculation includes the no income segment)
  - **R112 585 per annum,** which translates into **R9 382 per month (LSM 4 to 10+)**
- ✓ ***41.2%*** of households in the secondary market area fall within the **LSM 4 and higher** category.

CHAPTER 5: SURVEY ANALYSIS

5.1 INTRODUCTION

The following sub-sections provide information on the retail preferences of the consumer market. Proportionally stratified consumer surveys were performed in Standerton and surrounding areas. Proportionally stratified surveys represent the potential captive market for potential buyers. The sub-sections of this Chapter contain findings of these surveys in terms of responses to the retail market, preferences and expectations.

The findings will be represented based on the following sub-headings:

- ✓ Socio-economic information
- ✓ General consumer behaviour
- ✓ Current retail expenditure and leakages
- ✓ Synthesis

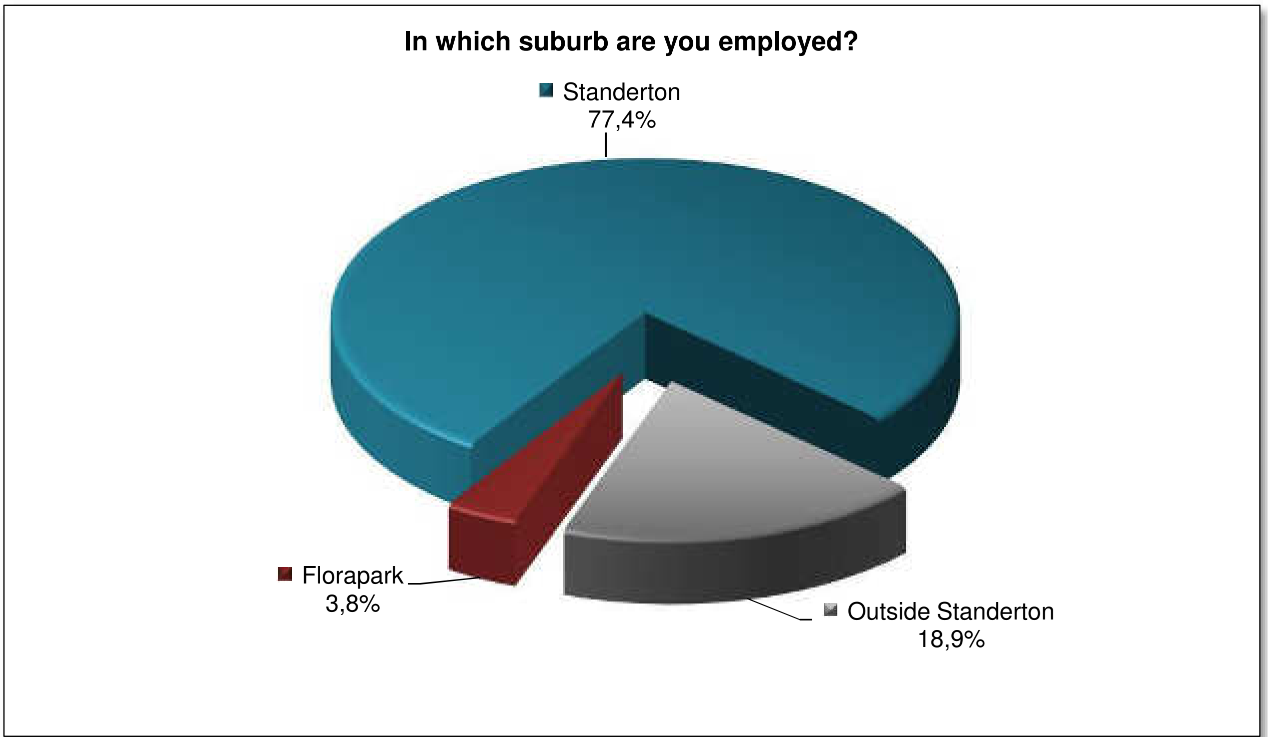
Note: Results in this section are perception based.

5.2 SOCIO-ECONOMIC INFORMATION

This section provides information regarding the socio-economic dynamics of the respondents interviewed. The section reviews information such as the suburb in which respondents work, household size, number of breadwinners, occupational information, racial composition and language preferences.

❖ In which suburb are you employed?

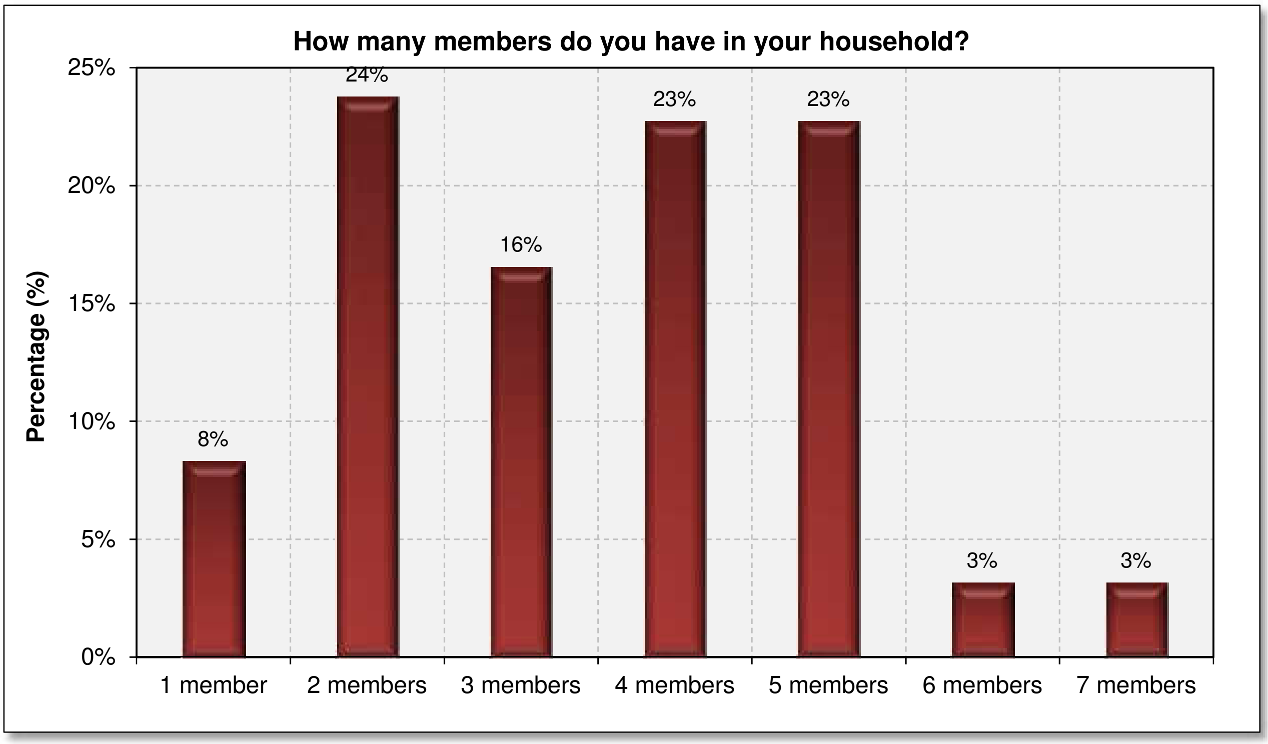
Figure 5.1: In which suburb are you employed?



Source: Demacon Household Survey, 2016

❖ How many members do you have in your household?

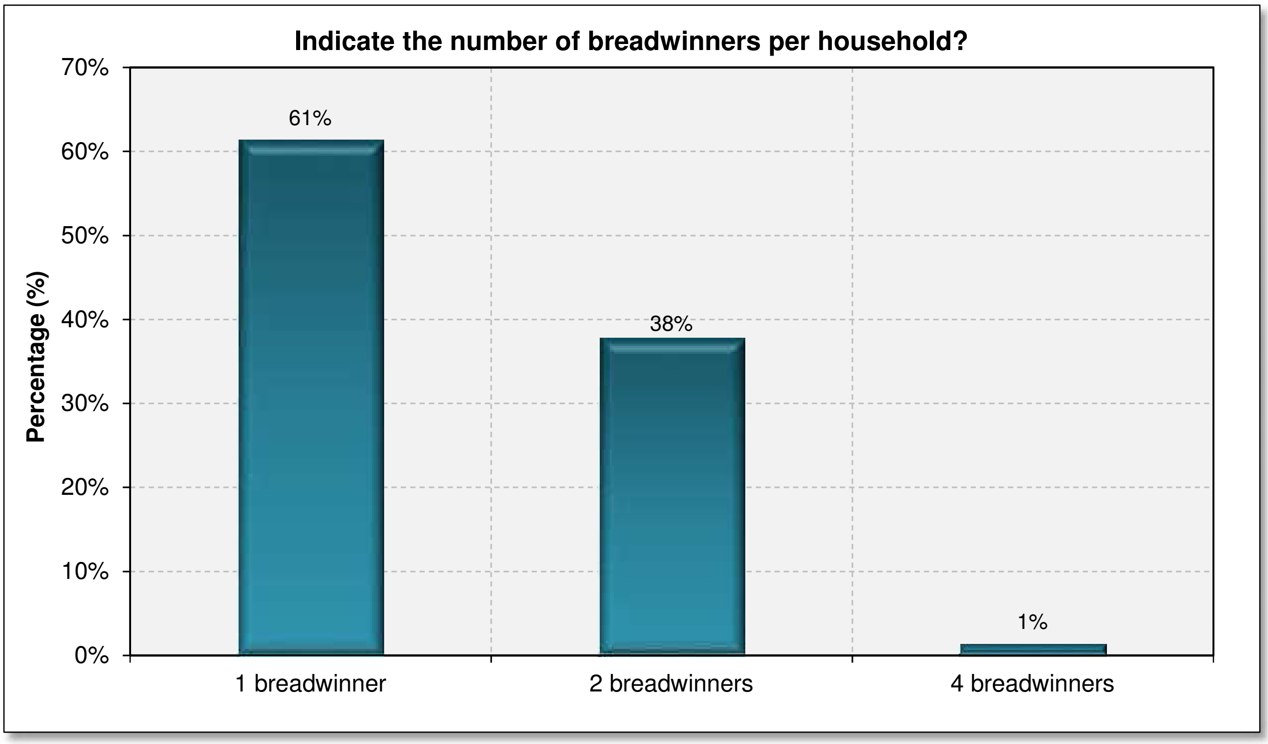
Figure 5.2: How many members do you have in your household?



Source: Demacon Household Survey, 2016

❖ Indicate the number of breadwinners per household?

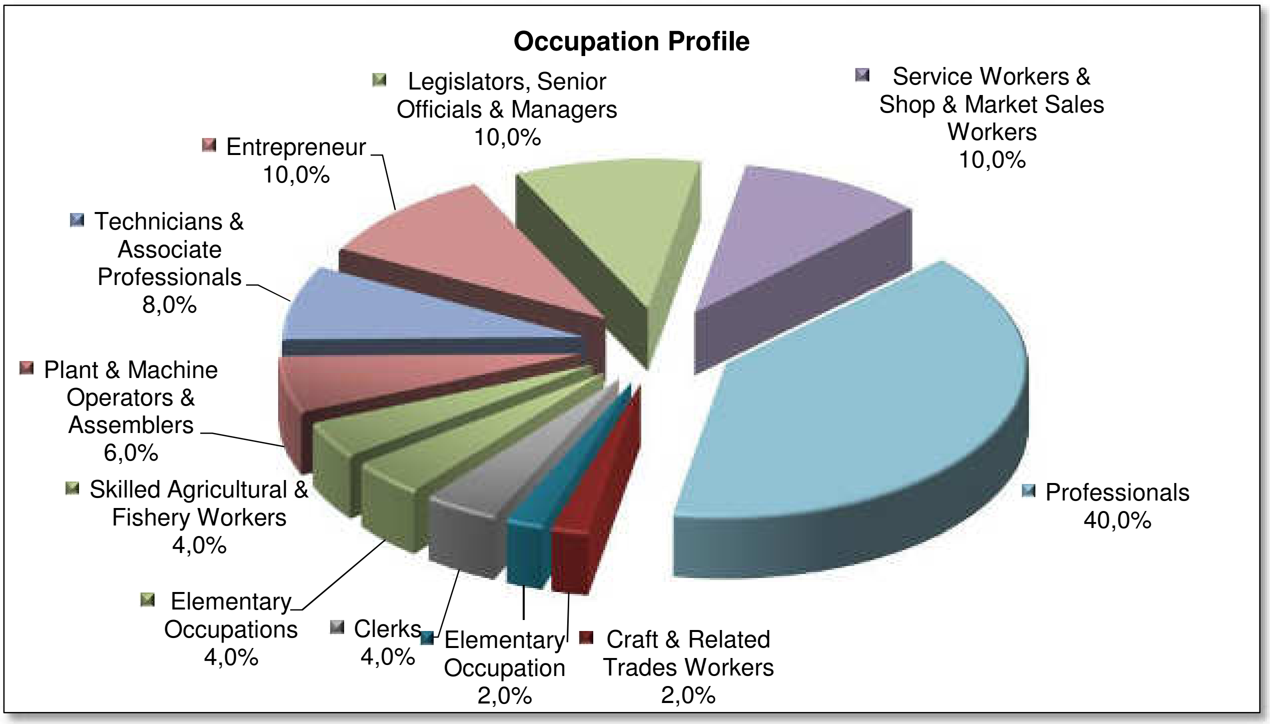
Figure 5.3: Indicate the number of breadwinners per household



Source: Demacon Household Survey, 2016

❖ Indicate your occupation

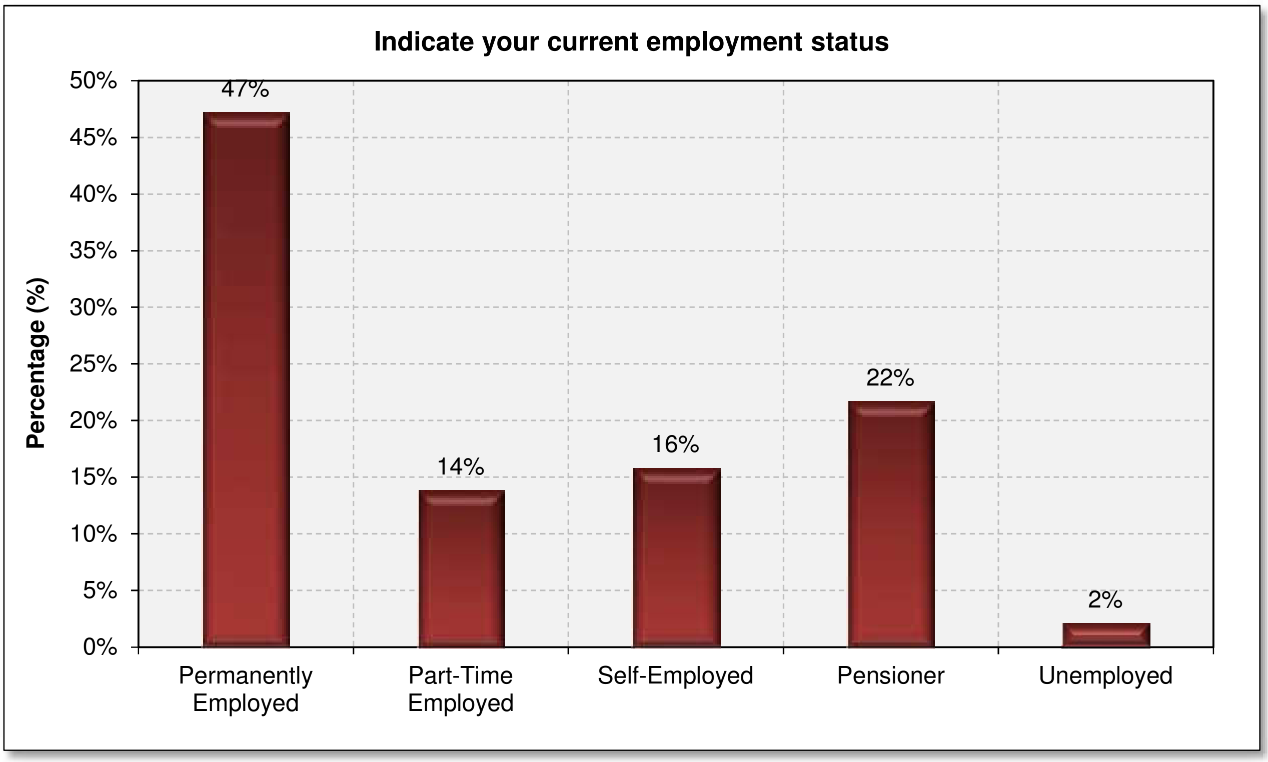
Figure 5.4: Indicate your occupation



Source: Demacon Household Survey, 2016

❖ Indicate your current employment status

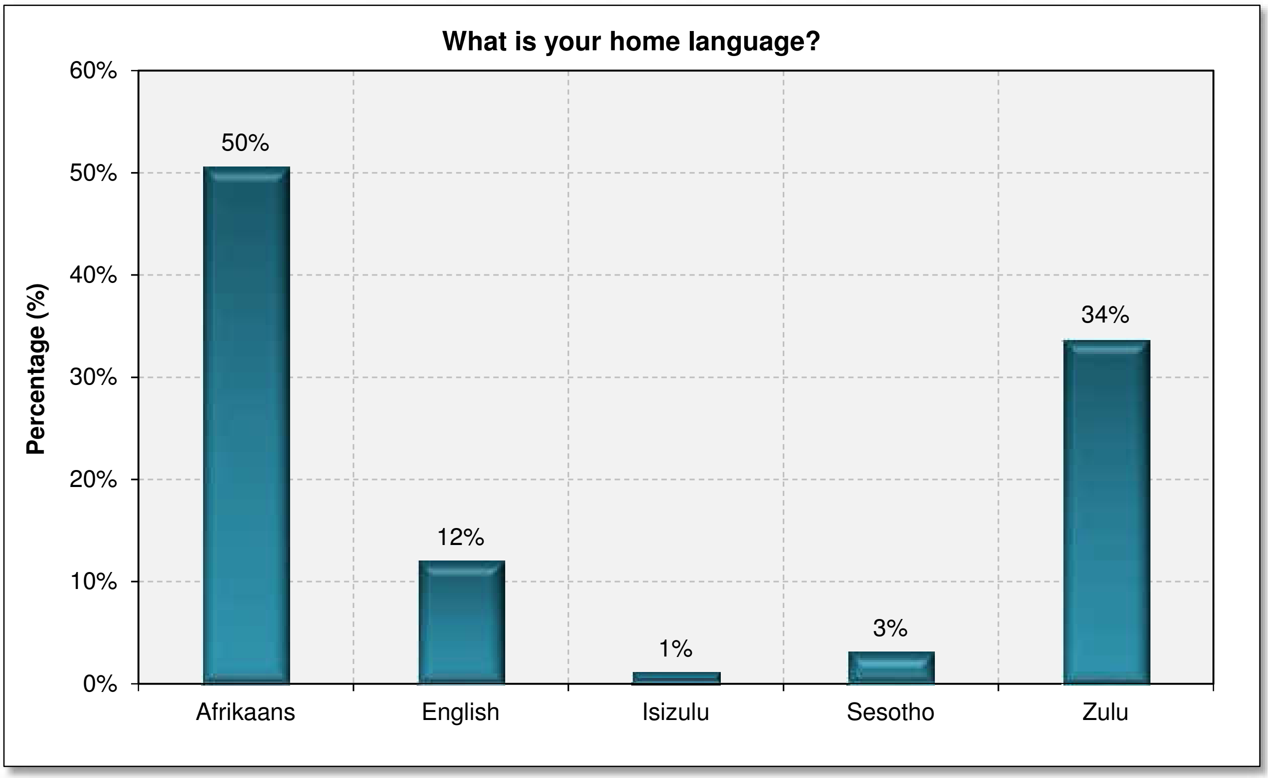
Figure 5.5: Indicate your current employment status



Source: Demacon Household Survey, 2016

❖ What is your home language?

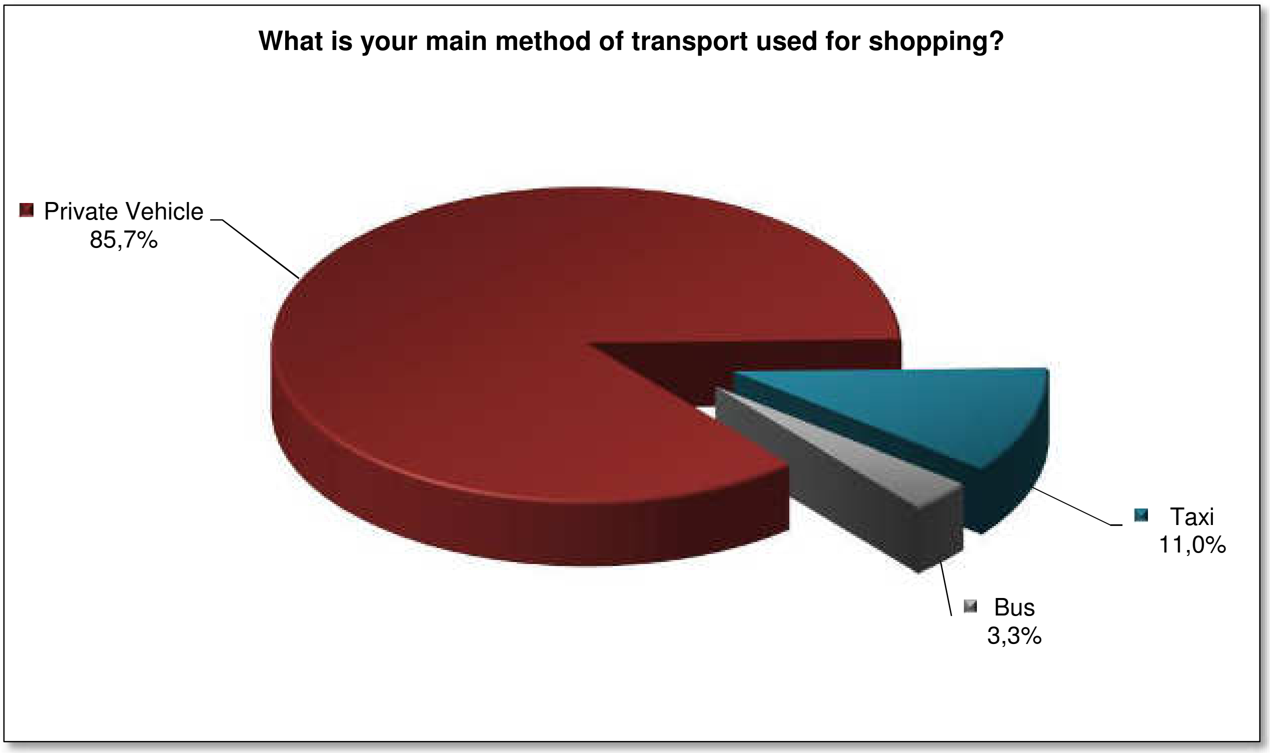
Figure 5.6: What is your home language?



Source: Demacon Household Survey, 2016

❖ What is your main method of transport used for shopping?

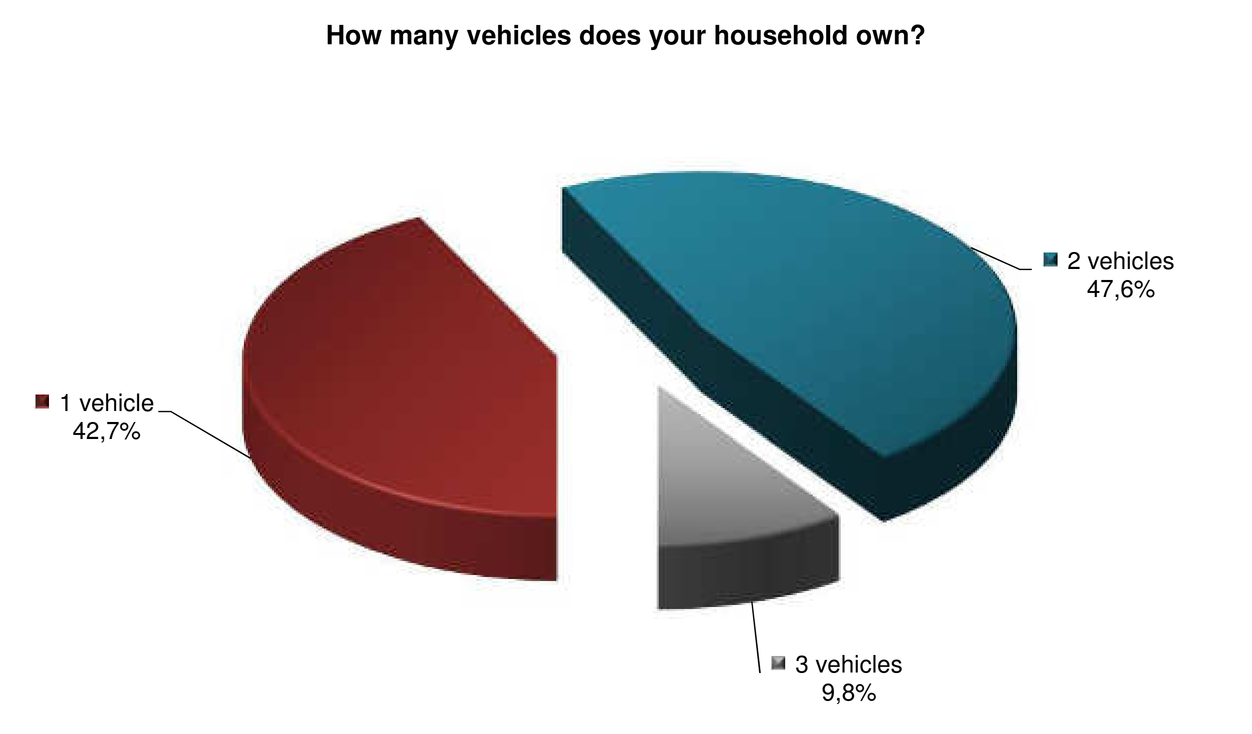
Figure 5.7: What is your main method of transport used for shopping?



Source: Demacon Household Survey, 2016

❖ How many vehicles does your family own?

Figure 5.8: How many vehicles does your family own?

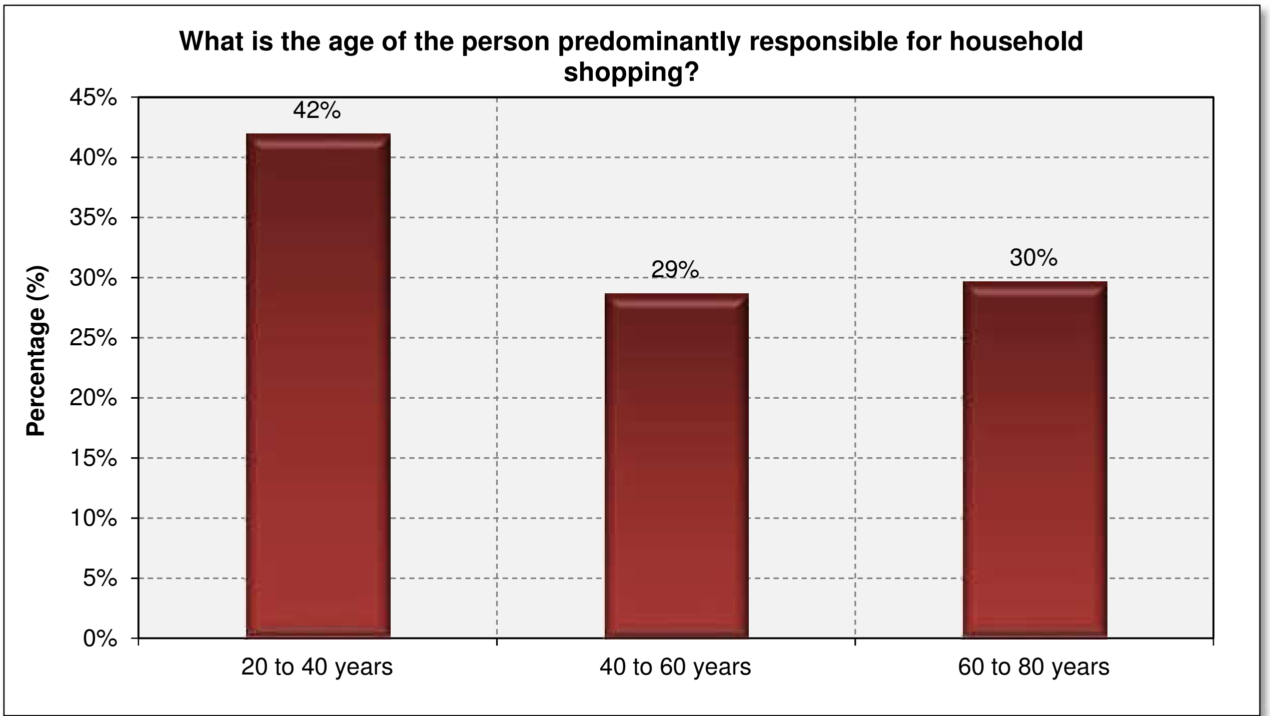


Source: Demacon Household Survey, 2016

❖ What is the AGE and GENDER of the person predominantly responsible for household shopping?

Age

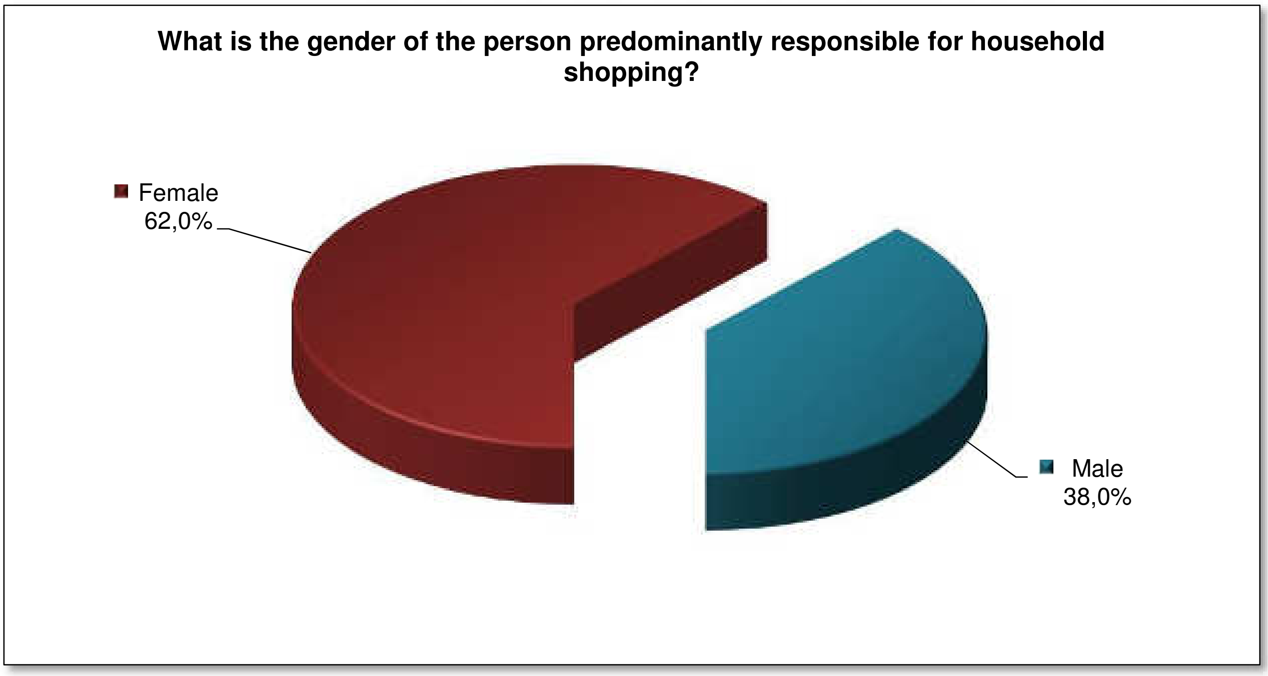
Figure 5.9: What is the age of the person predominantly responsible for household shopping?



Source: Demacon Household Survey, 2016

Gender

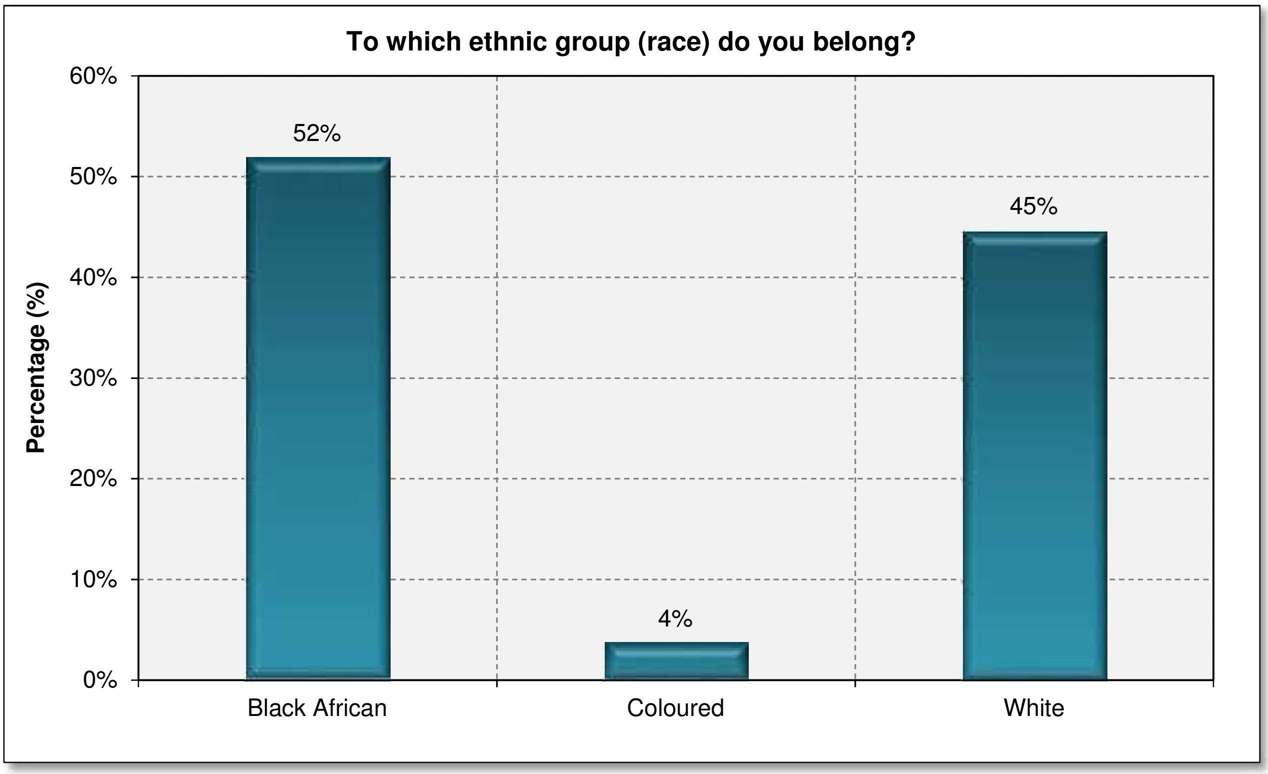
Figure 5.10: What is the gender of the person predominantly responsible for household shopping?



Source: Demacon Household Survey, 2016

❖ To which ethic group (race) do you belong?

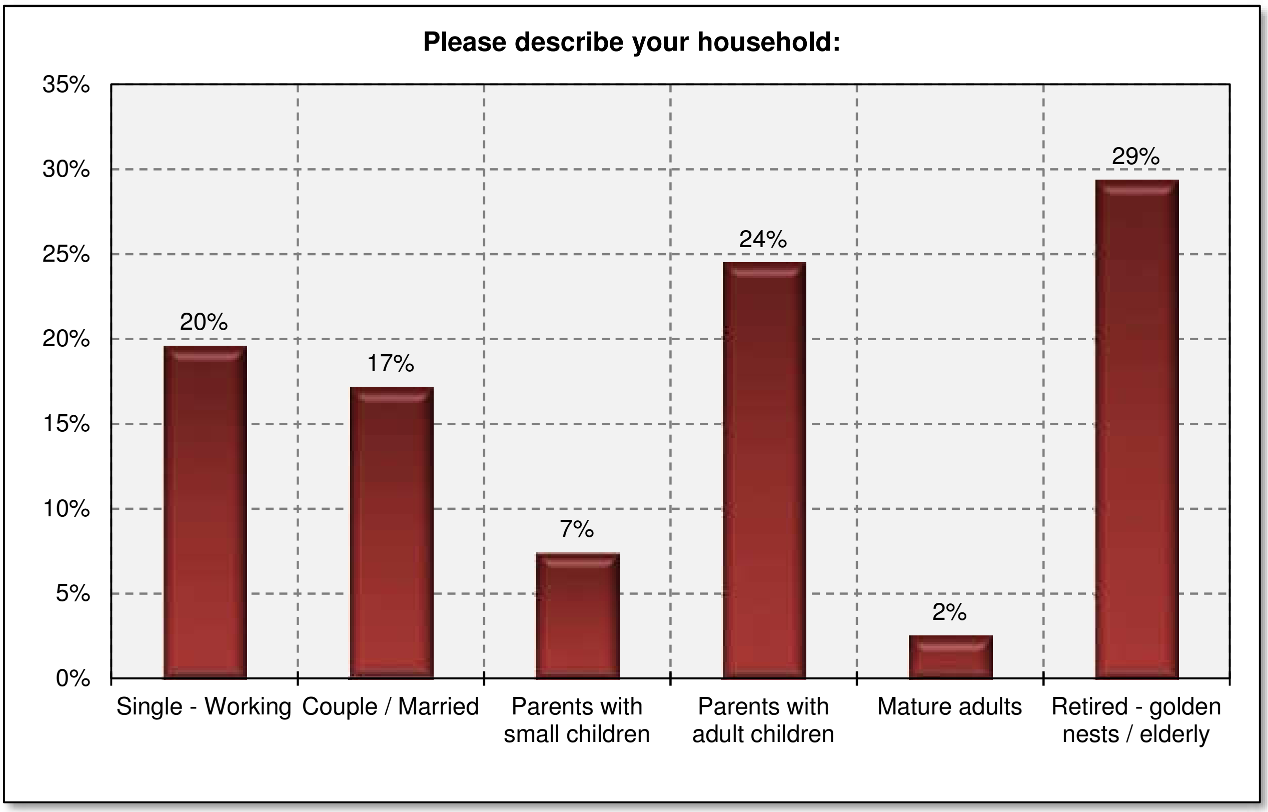
Figure 5.11: To which ethic group (race) do you belong?



Source: Demacon Household Survey, 2016

❖ Describe your household

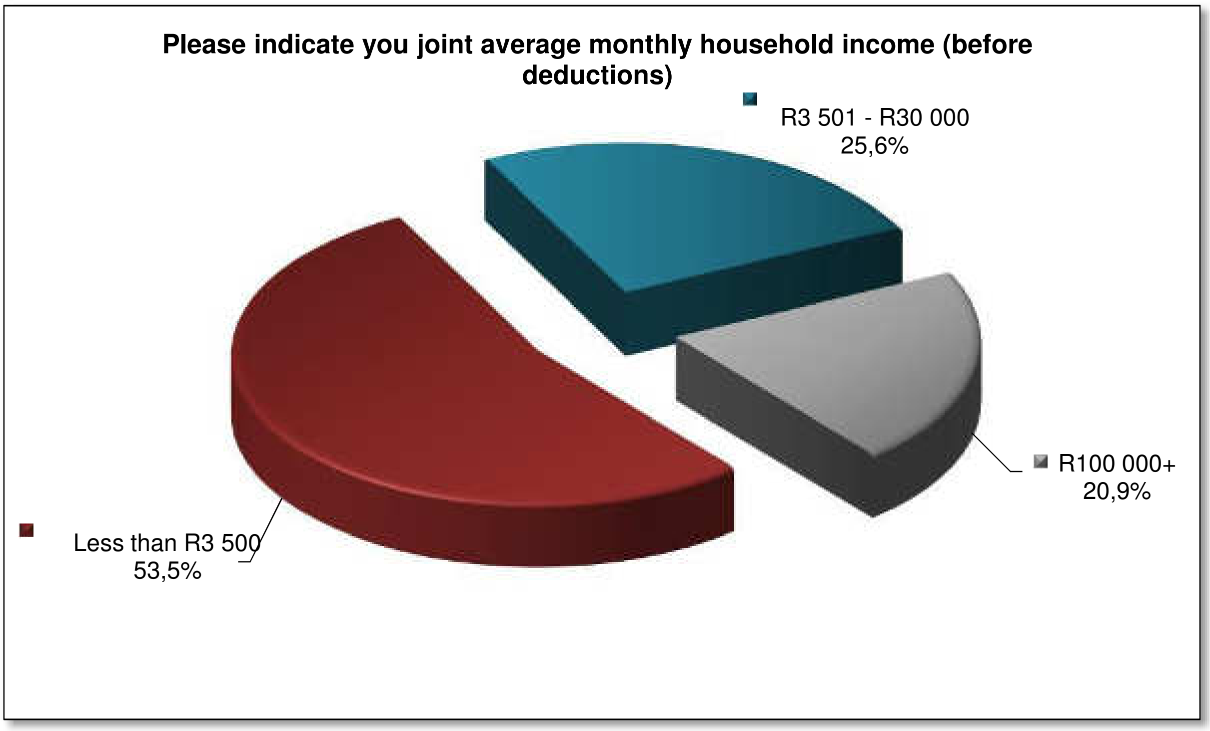
Figure 5.12: Describe your household



Source: Demacon Household Survey, 2016

❖ Average joint monthly income (before deductions)

Figure 5.13: Average joint monthly income (before deductions)



Source: Demacon Household Survey, 2016

Findings: (Figure 5.1 to Figure 5.13)

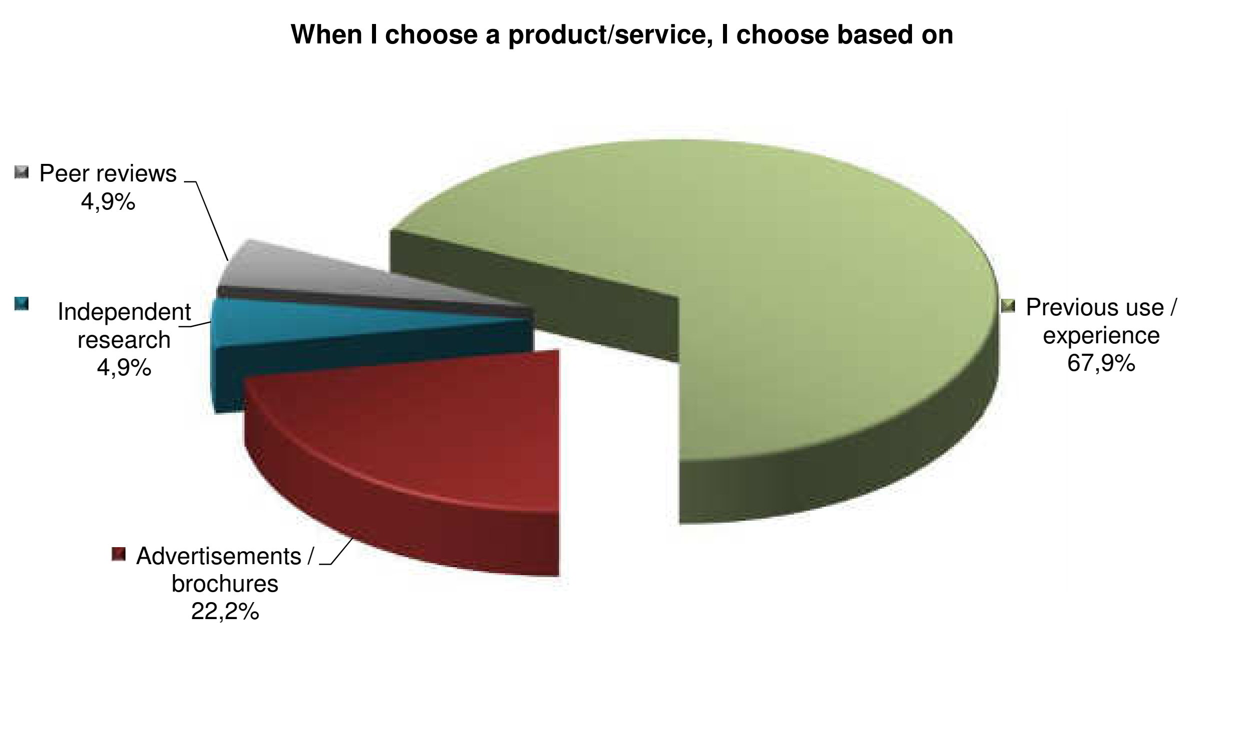
- **Place of employment**
  Approximately 77.4% of respondents indicated that their place of employment is located in Standerton, followed by Florapark (3.8%). Roughly 18.8% of respondents indicated that they are employed outside of Standerton in nearby towns and places.
- **Household size**
  The largest proportion of respondents (24.0%) indicated that their household contains 2 members, followed by households with 4 and 5 members (23.0% respectively). Approximately 16.0% of respondents have 3 members part of their household while 8% indicated that they are single members.
- **Number of breadwinners**
  Respondents who indicated that a single breadwinner is present in their household accounts for 61.0% of respondents. Households with two breadwinners make up 38% of replies.
- **Occupational types**
  Roughly 32% of respondents indicated that they form part of professional occupations, while entrepreneurs, legislators, senior official and managers and service workers are 30% of occupations.
- **Current employment status**
  Roughly 47% of respondents are permanently employed, followed by pensioners (22%), self-employed individuals (16%) and part time employees (14%).
- **Home language**
  Respondents who speak Afrikaans as a home language represent 50% of respondents, while 34% are representative of the Zulu language. English as a home language represents 12% of respondents while Sesotho is being represented by 4% of respondents.
- **Method of transport used for shopping**
  Private vehicles (86%) are the main transportation used by respondents for shopping purposes. Roughly 11% of respondents make use of taxis to do shopping while 3% make use of bus services.
- **Number of vehicles owned by households**
  Approximately 47.6% of households have two vehicles in their household, while 42.7% have a single vehicle. Households that have three vehicles to their disposal represents 9.8% of respondents.
- **Gender and age profile**
  Respondents indicated that female household members are the predominantly responsible person for shopping purposes. Respondents further indicated that members of the household between the ages of 20 and 40 (42%) are largely responsible for doing shopping. Household members between the ages of 60 and 80 (30%) are the second age group responsible for shopping followed by household members between the ages of 40 and 60 (29%).
- **Racial profile**
  Approximately 52% of respondents indicated that they are Black African followed by White (45%) and Coloured (4%) ethnic groups.
- **Household description**
  Roughly 29% of respondents indicated that their household can be described as being retired, followed by parents with adult children (24%), single (20%) and couples or married (17%) households.
- **Average joint monthly income (before deductions)**
  More than half of respondents noted that their joint monthly household income is R3 500 and less, while more than a quarter of respondents earn a salary between R3 500 and R30 000. Approximately 20% of households earn an income greater than R100 000.

5.3 GENERAL CONSUMER BEHAVIOUR

This section will provide insights in regards to respondents behaviour when considering retail and shopping. The section will determine the process for selecting products, the importance of different products and services, the selection of retail outlets and the use of online shopping platforms.

- **When I choose a product/service, I choose based on:**

Figure 5.14: When I choose a product/service, I choose based on:



Source: Demacon Household Survey, 2016

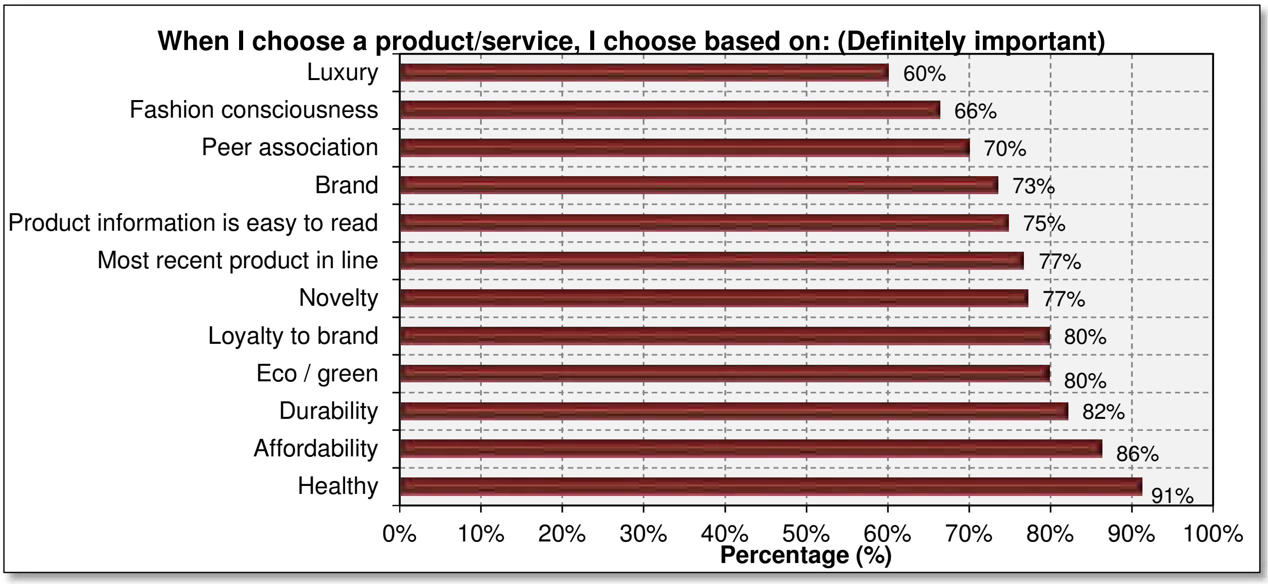
- **When I choose a product/service, I usually choose it according to the following rating:**

Table 5.1: When I choose a product/service, I usually choose it according to the following rating:

Aspect	Not important	Somewhat important	Definitely important
Affordability	11%	3%	86%
Durability	6%	12%	82%
Luxury	18%	22%	60%
Brand	0%	27%	73%
Peer association	11%	19%	70%
Fashion consciousness	7%	27%	66%
Novelty	6%	17%	77%
Eco / green	0%	20%	80%
Healthy	0%	9%	91%
Loyalty to brand	0%	20%	80%
Most recent product in line	8%	16%	77%
Product information is easy to read	4%	22%	75%

Source: Demacon Household Survey, 2016

Figure 5.15: When I choose a product/service, I choose based on: (Definitely important)



Source: Demacon Household Survey, 2016

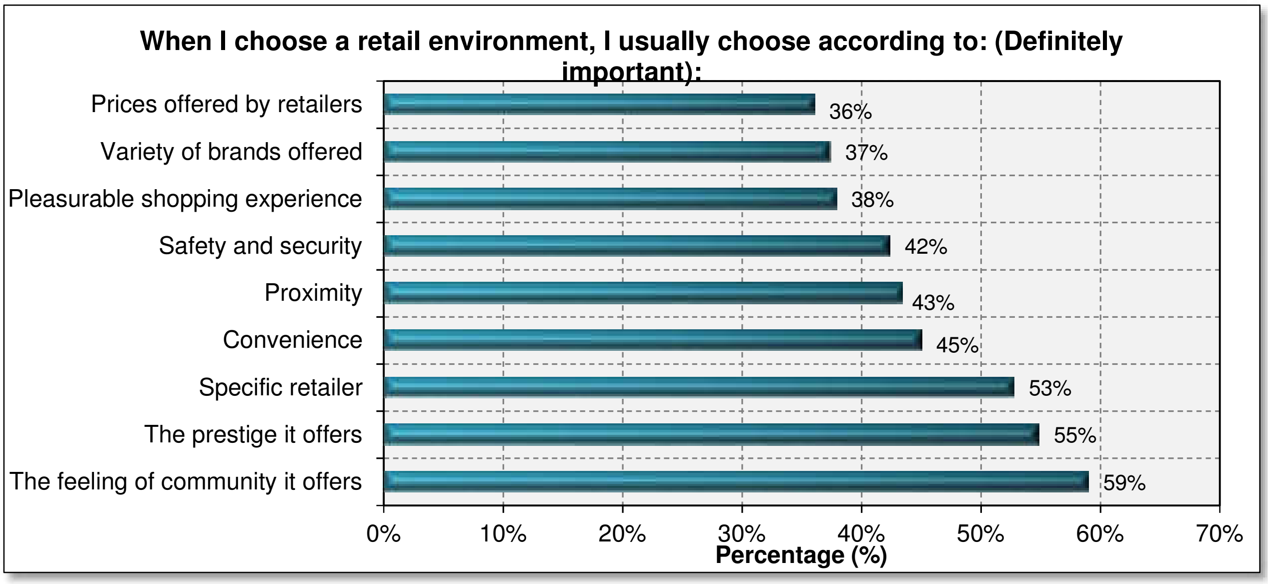
❖ When I choose a retail environment, I choose it according to the following rating:

Table 5.2: When I choose a retail environment, I choose it according to the following rating:

Aspect	Not important	Somewhat important	Definitely important
Proximity	0%	57%	43%
Convenience	1%	54%	45%
Variety of brands offered	17%	45%	37%
Prices offered by retailers	17%	47%	36%
Specific retailer	0%	47%	53%
Pleasurable shopping experience	0%	62%	38%
Safety and security	0%	58%	42%
The prestige it offers	0%	45%	55%
The feeling of community it offers	0%	41%	59%

Source: Demacon Household Survey, 2016

Figure 5.16: When I choose a retail environment, I usually choose according to: (Definitely important)



Source: Demacon Household Survey, 2016

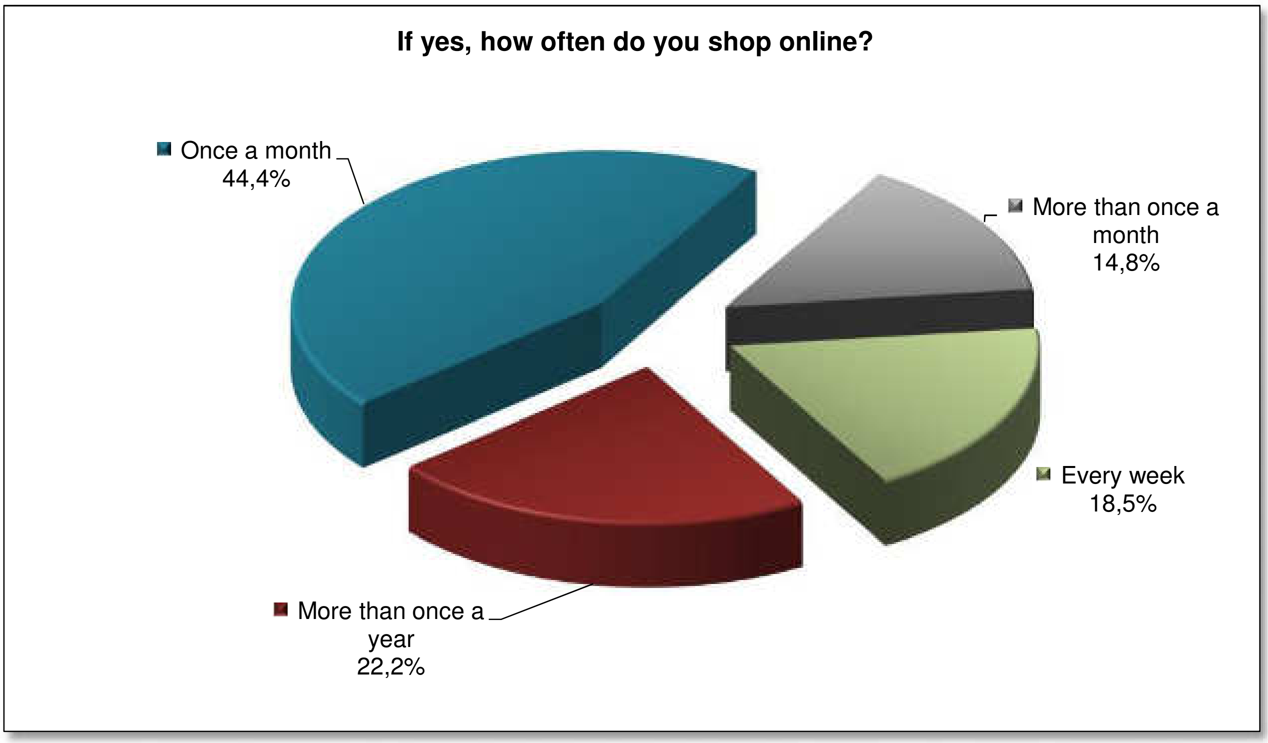
❖ Do you shop online?

Figure 5.17: Do you shop online?

Source: Demacon Household Survey, 2016

❖ If yes, how often do you shop online?

Figure 5.18: If yes, how often do you shop online?



Source: Demacon Household Survey, 2016

❖ Which medium do you prefer to use to buy the following types of products?

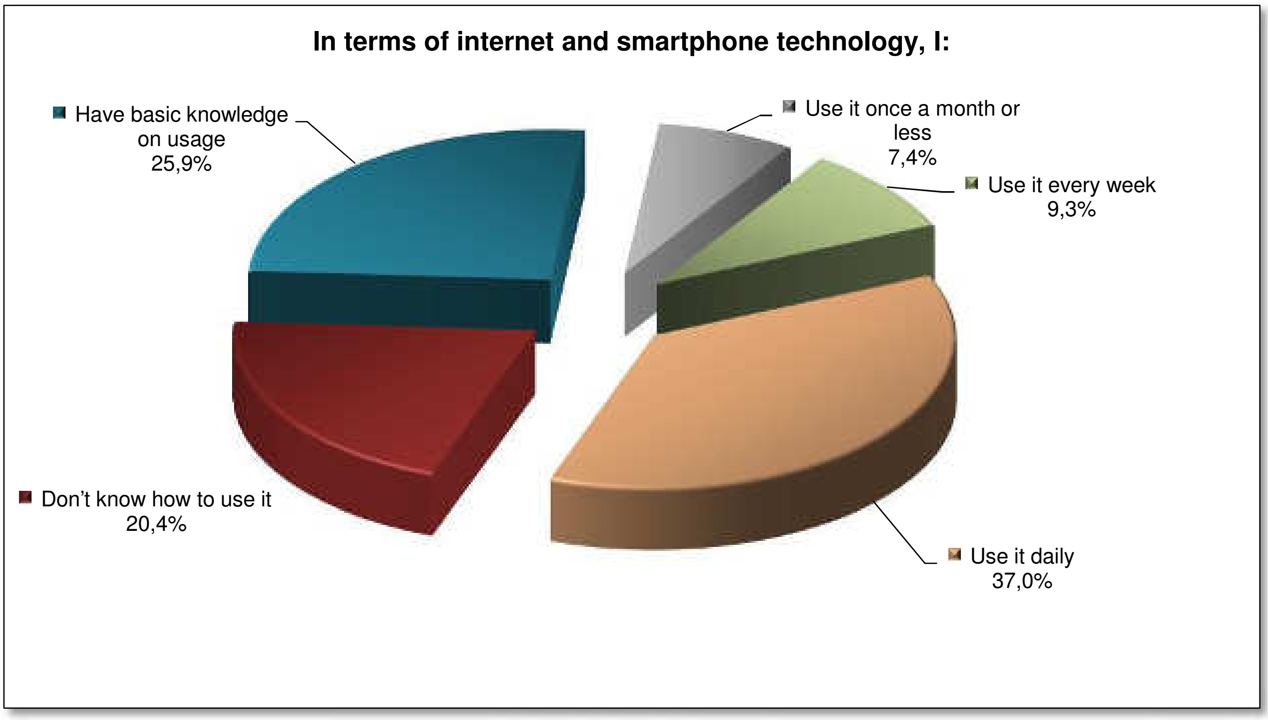
Table 5.3: Which medium do you prefer to use to buy the following products?

Aspect	Online shopping	Shopping centre
Food & groceries	10%	90%
Clothes & shoes	22%	78%
Fashion accessories	12%	88%
Home décor & furnishings	12%	88%
Household appliances	3%	97%
Electronic equipment	3%	97%
Health & beauty products	14%	86%
Books / gifts / stationary	14%	86%
Sport & outdoor gear	3%	97%
Entertainment (e.g. movies)	14%	86%

Source: Demacon Household Survey, 2016

❖ In terms of internet and smartphone technology, I:

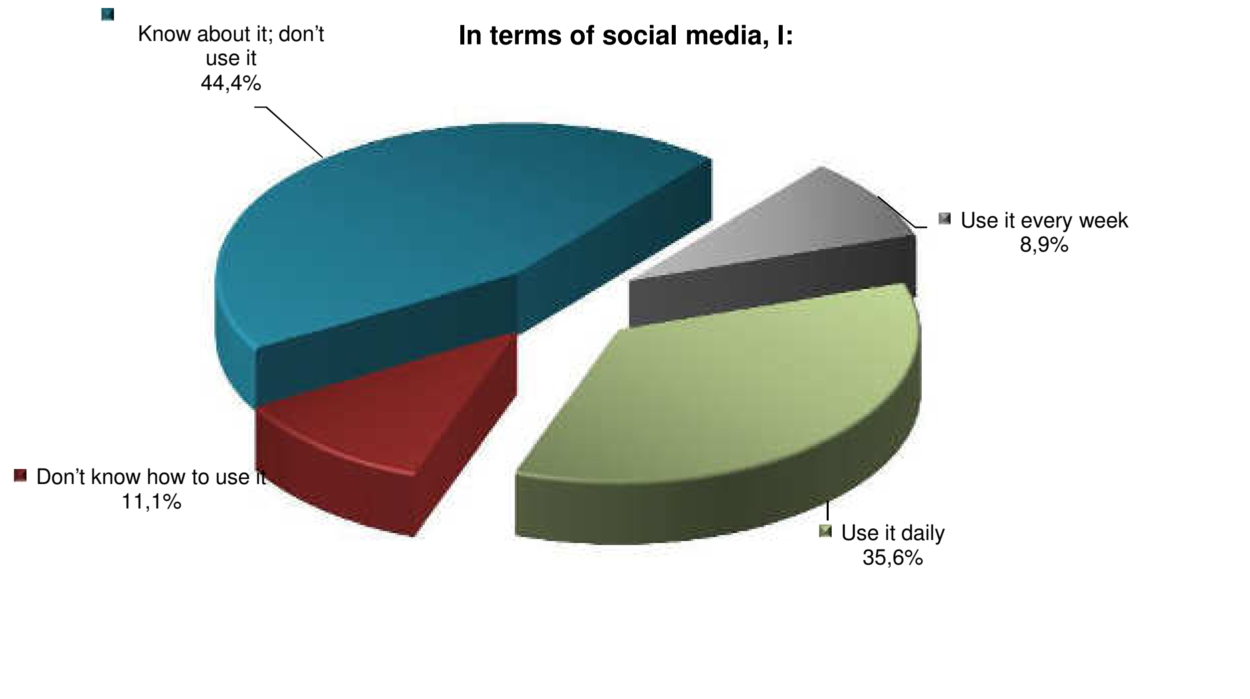
Figure 5.19: In terms of internet and smartphone technology, I:



Source: Demacon Household Survey, 2016

❖ In terms of social media, I:

Figure 5.20: In terms of social media, I:



Source: Demacon Household Survey, 2016

Findings: (Figure 5.14 to Figure 5.20 and Table 5.1 to Table 5.3)

- **Best description of retail offering in your area**
  Approximately 62% of respondents noted that current retail facilities in the area should be expanded, while 38% of respondents feel that new retail offerings should be constructed.
- **When a product/service is chosen, it is based on:**
  The majority of respondents (68%) indicated that a product or service is selected based on previous use or experience with the particular product. Approximately 22% of respondents choose a product or service based on advertisements, while 10% of respondents make use of peer reviews and independent research.
- **When a product/service is chosen, the following rating is applied:**
  Respondents indicated that health (91%) plays a significant role in the selection of products. Respondents also consider affordability (86%), durability (82%), eco/green nature of the product (80%) and loyalty to brand (80%) to be important when selecting a product.
- **When a retail environment is chosen, the following ratings are applied:**
  A retail environment is chosen by respondents based on the feeling of community the environment offers (59%), the prestige the environment offers (55%), and as a result of a specific retailer (53%).
- **Do you shop online (over the internet)?**
  Approximately 83% of respondents indicated that they do not participate in online shopping, while only 17% of respondents do participate.
- **If yes, how often do you shop online?**
  Of the respondents who participate in online shopping, 44.4% do online shopping once a month, compared to 22.2% of respondents who do online shopping once a year. Approximately 14.8% of respondents participate in online shopping more than once a month, while 18.5% partake every week.

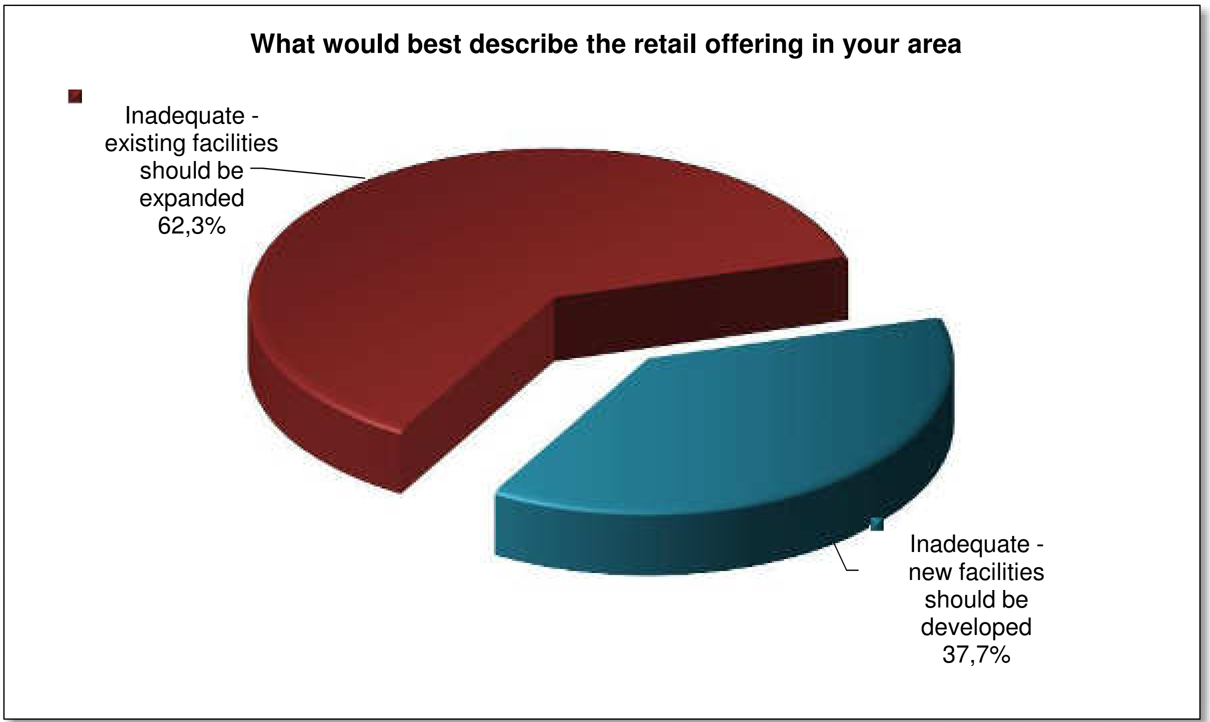
- **Which medium is preferred to use to buy the following types of products:**
  On average, 89% of respondents prefer to make use of a shopping centre to purchase items such as food and groceries, clothing, home décor and electronic equipment. Clothing items are the largest participant in terms of online shopping of which 22% of respondents make use of online shopping to purchase these items.
- **How often is internet and smartphone technology utilised?**
  Roughly 37% of respondents make use of the internet or smartphone on a daily basis, while only 26% have basic knowledge of the use of these facilities. Approximately 20% of respondents do not know how to use the internet or a smartphone.
- **How often is social media utilised?**
  Approximately 44% of respondents know about social media but do not make use of it, while 11% of respondents do not make use of it. The daily use of social media is accomplished by 36% of respondents which is followed by 9% of respondents who make use of it at least one a week.

5.4 CURRENT RETAIL EXPENDITURE AND LEAKAGES

This section will provide information in regards to the spending by respondents on retail items. The section also explores the leakage of retail spending from the local market area and tries to determine the preferences and habits of respondents.

- **In your opinion, what would best describe the retail offering in your area?**

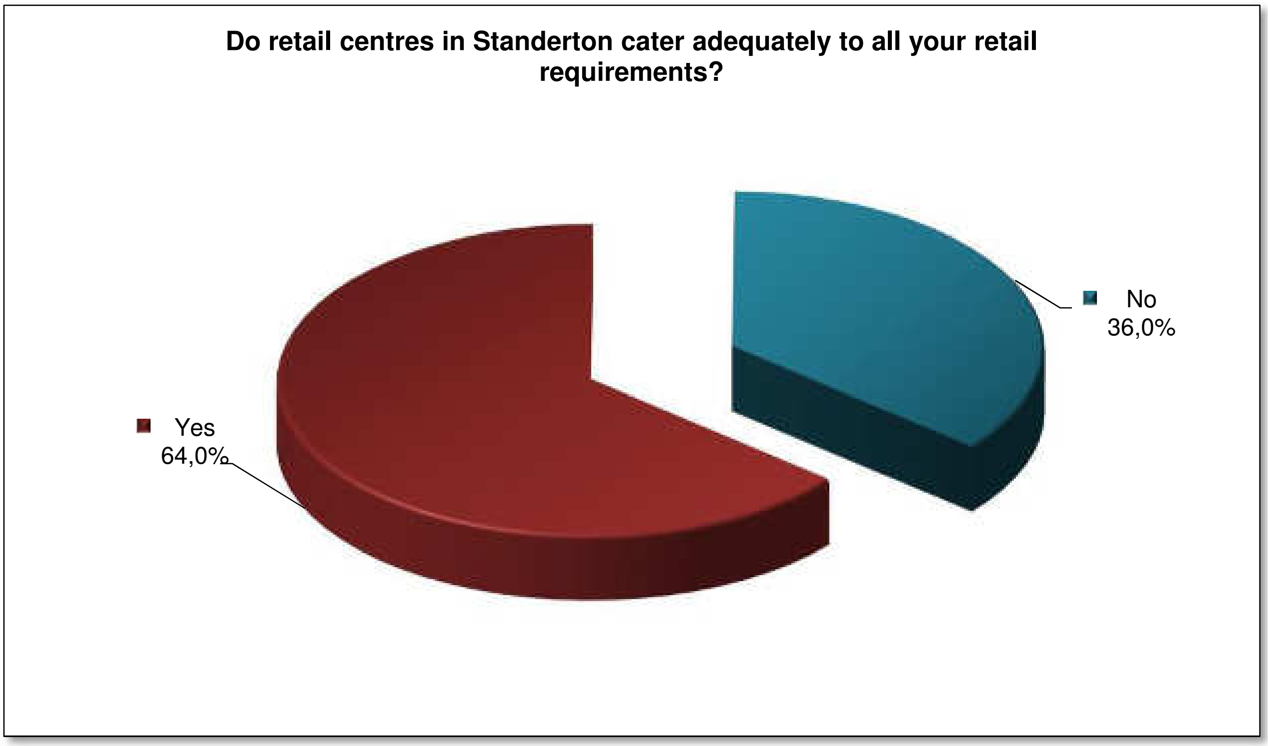
Figure 5.21: What would best describe the retail offering in your area



Source: Demacon Household Survey, 2016

❖ In your opinion, do retail centres in Standerton cater adequately to all your retail requirements?

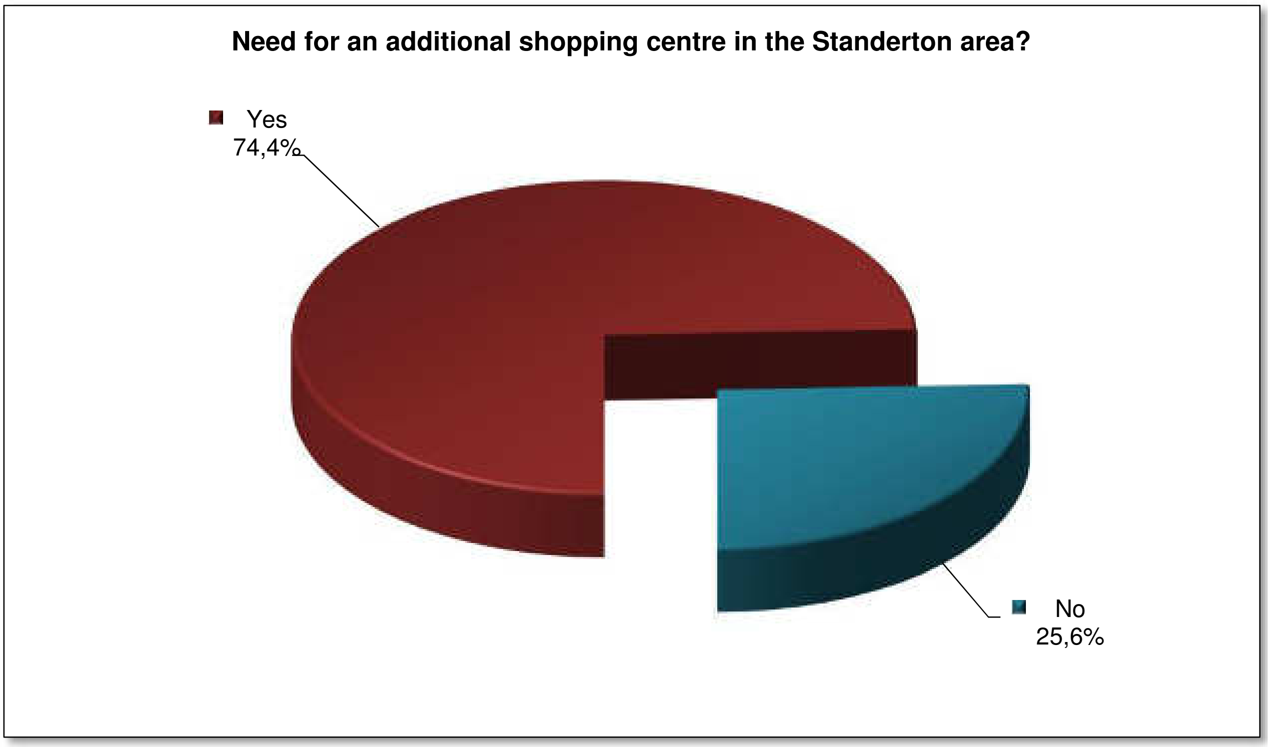
Figure 5.22: Do retail centres in Standerton cater adequately to all your retail requirements?



Source: Demacon Household Survey, 2016

❖ Do you feel there is a need for a new shopping centre in the Standerton area?

Figure 5.23: Do you feel there is a need for a new shopping centre in the Standerton area?



Source: Demacon Household Survey, 2016

❖ Would you shop at the new shopping centre if it were built?

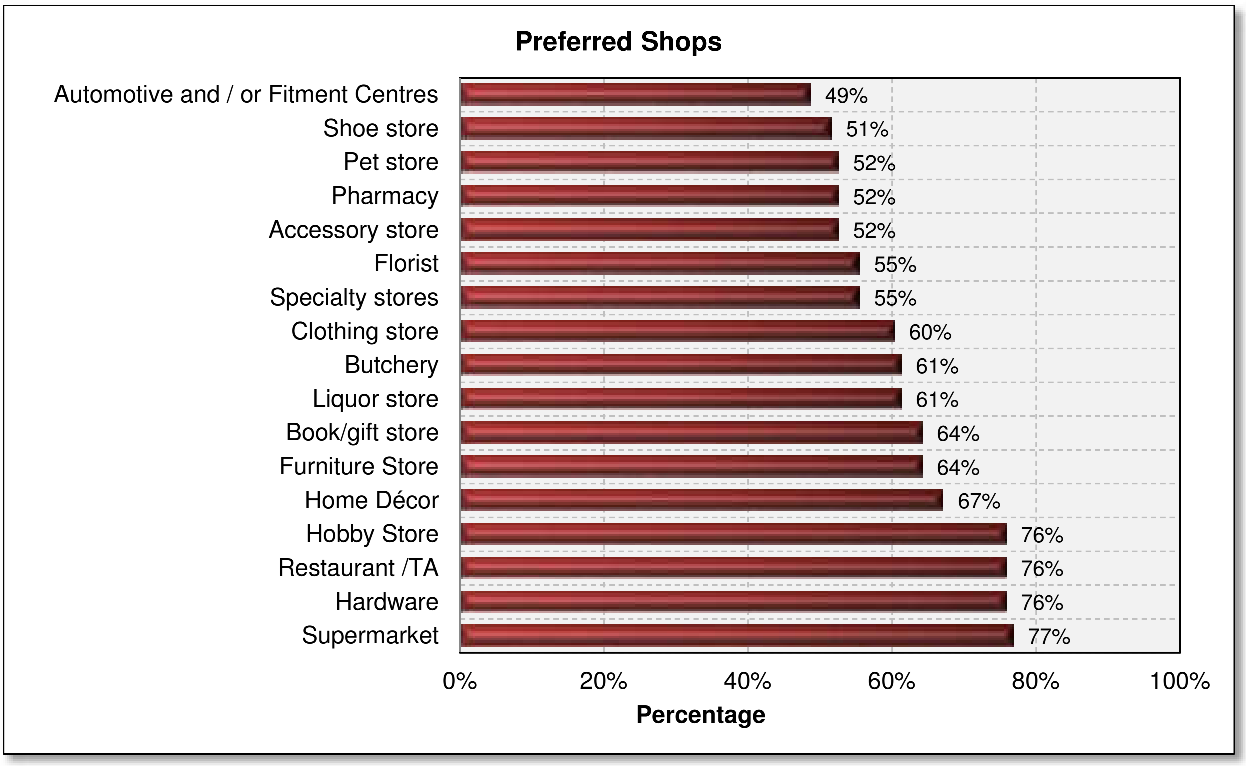
Figure 5.24: Would you shop at the new shopping centre if it were built?

Source: Demacon Household Survey, 2016

❖ If YES, what type of shops and services do you feel are in demand (would you like to see) in this new shopping centre?

Shops

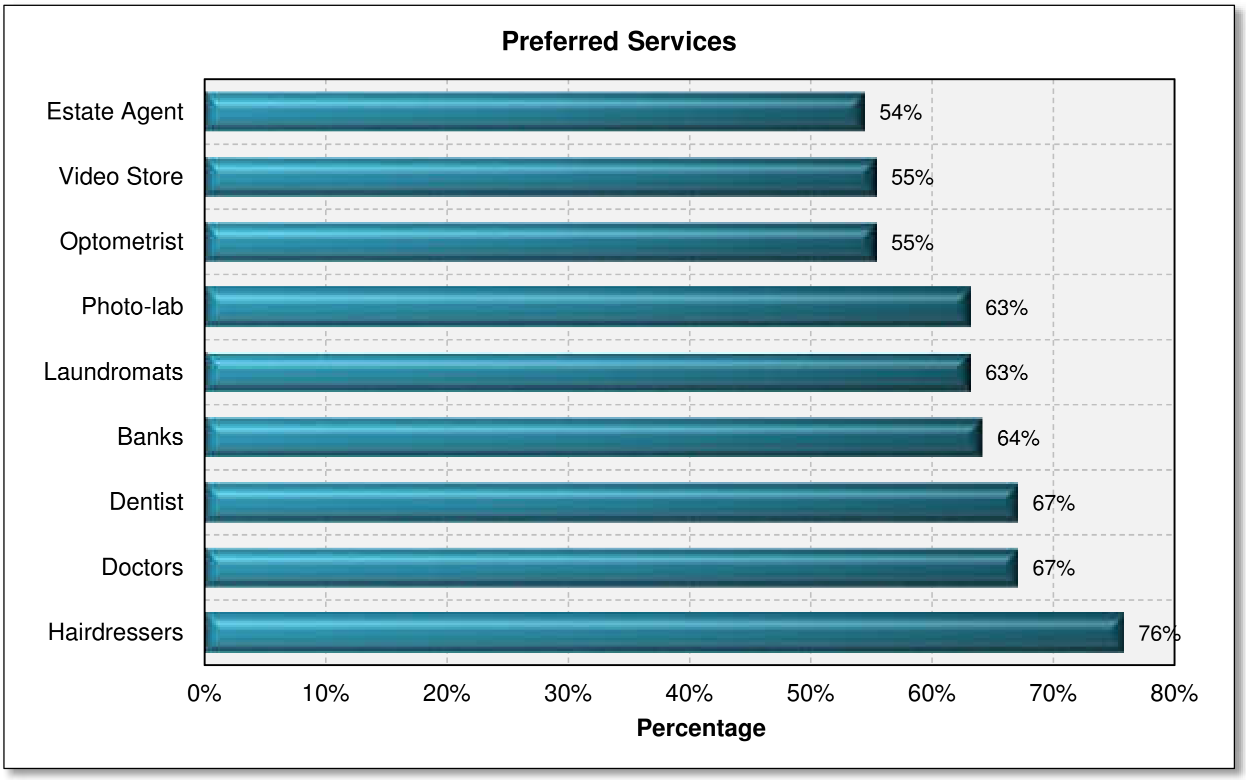
Figure 5.25: Preferred shops that are demand in the new shopping centre



Source: Demacon Household Survey, 2016

Services

Figure 5.26: Preferred services in demand in the new shopping centre

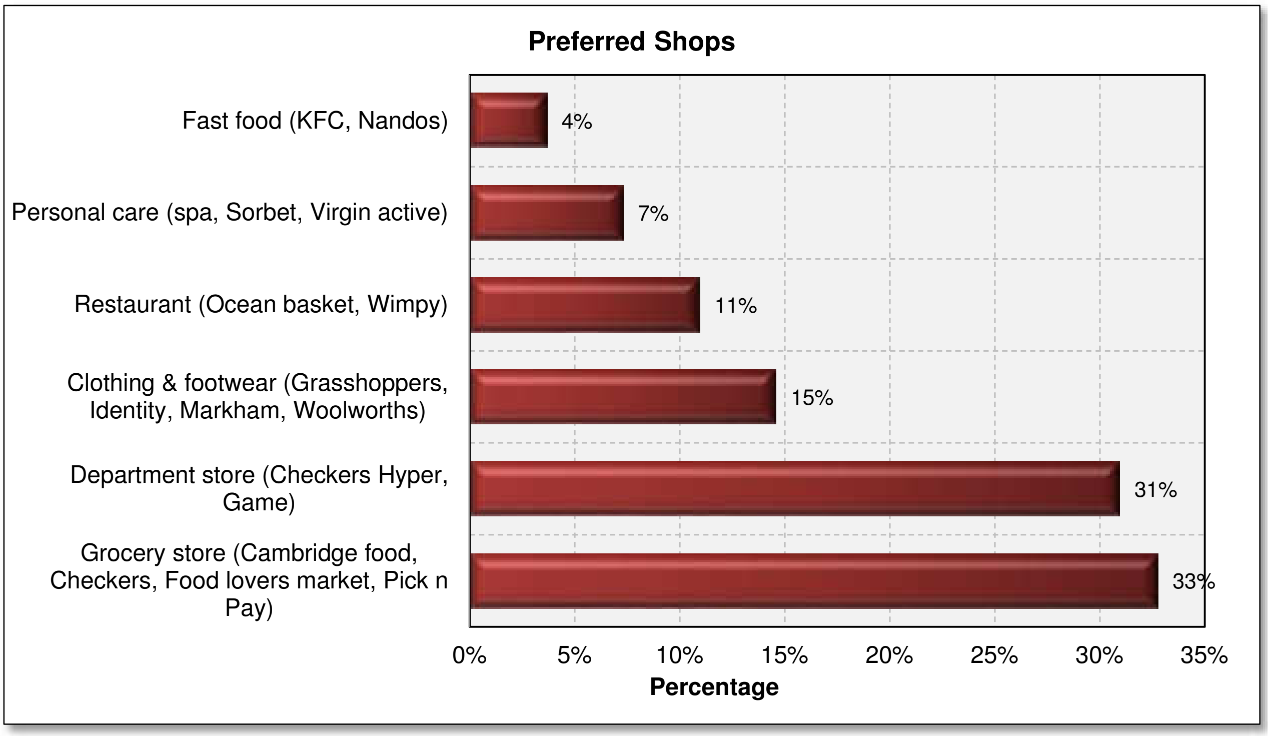


Source: Demacon Household Survey, 2016

- **List any other shop or service you would like to be included**

Shops

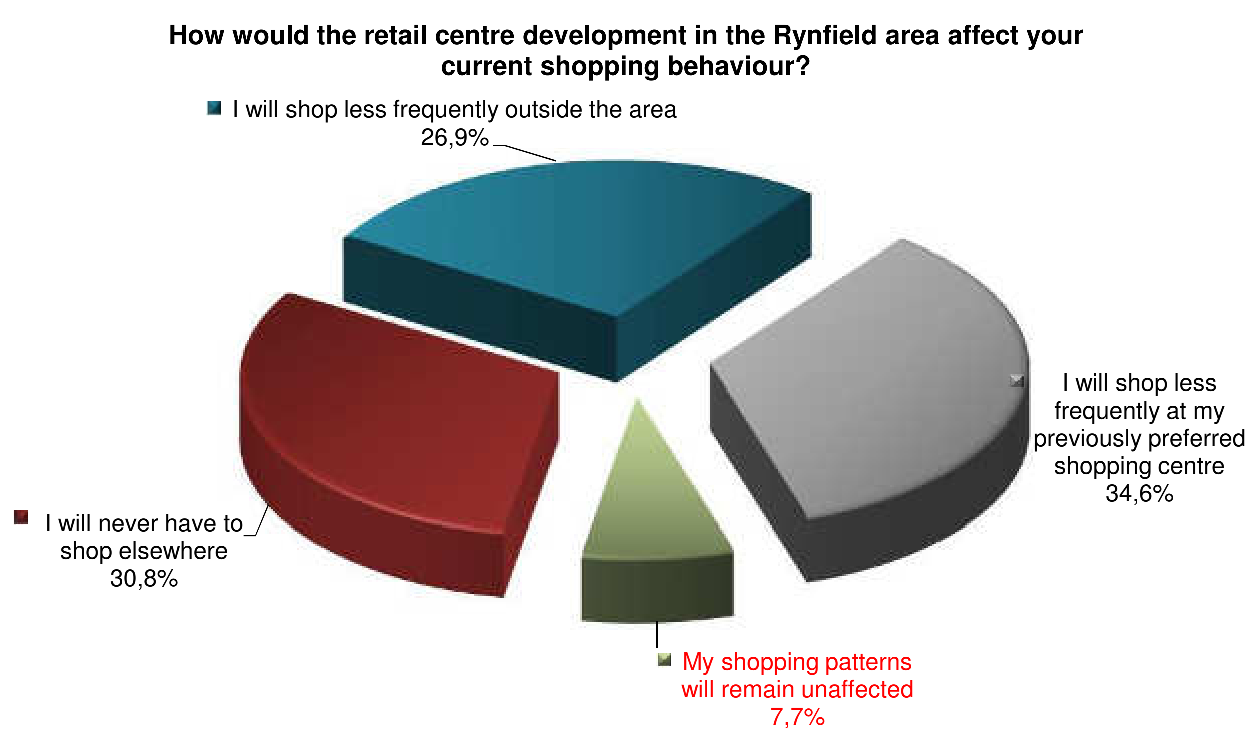
Figure 5.27: Preferred shops to be included



Source: Demacon Household Survey, 2016

❖ **How would the retail centre development in Standerton affect your current shopping behaviour?**

Figure 5.28: How would the retail centre development in Standerton affect your current shopping behaviour?



Source: Demacon Household Survey, 2016

Findings: (Figure 5.21 to Figure 5.28)

- ✓ **Do retail centres in Standerton cater adequately to all your retail requirements?** Approximately 64% of respondents indicated that retail supply in Standerton do cater to the requirements of respondents, while 36% of respondents feel that their needs are not met.
- ✓ **Demand for a new shopping centre in Standerton** More than 74% of respondents feel that a demand exists for a new shopping centre in Standerton, compared to the remaining 26% that feel that no demand exists.
- ✓ **Would you shop at the new shopping centre?** Even though some respondents indicated that the current retail supply meets their needs and that no demand exists for a new shopping centre, approximately 84% of respondents would shop at the newly built shopping centre.
- ✓ **Shop types that a demand exists for.**
  - Supermarket (77%)
  - Hardware (76%)
  - Restaurant (76%)
  - Hobby store (76%)
  - Home décor (67%)
- ✓ **Service types that a demand exists for.**
  - Hairdresser (76%)
  - Doctors (67%)
  - Dentists (67%)
  - Banks (64%)

- Laundromats (63%)

✓ **Shops respondents preferred to be included:**
- Grocery store (Cambridge food, Checkers, Food lovers market, Pick n Pay) – 33%
- Department store (Checkers Hyper, Game) – 31%
- Clothing & footwear (Grasshoppers, Identity, Markham, Woolworths) – 15%
- Restaurant (Ocean basket, Wimpy) – 11%
- Personal care (spa, Sorbet, Virgin active) – 7%
- Fast food (KFC, Nandos) – 4%

✓ **Shopping behaviour**

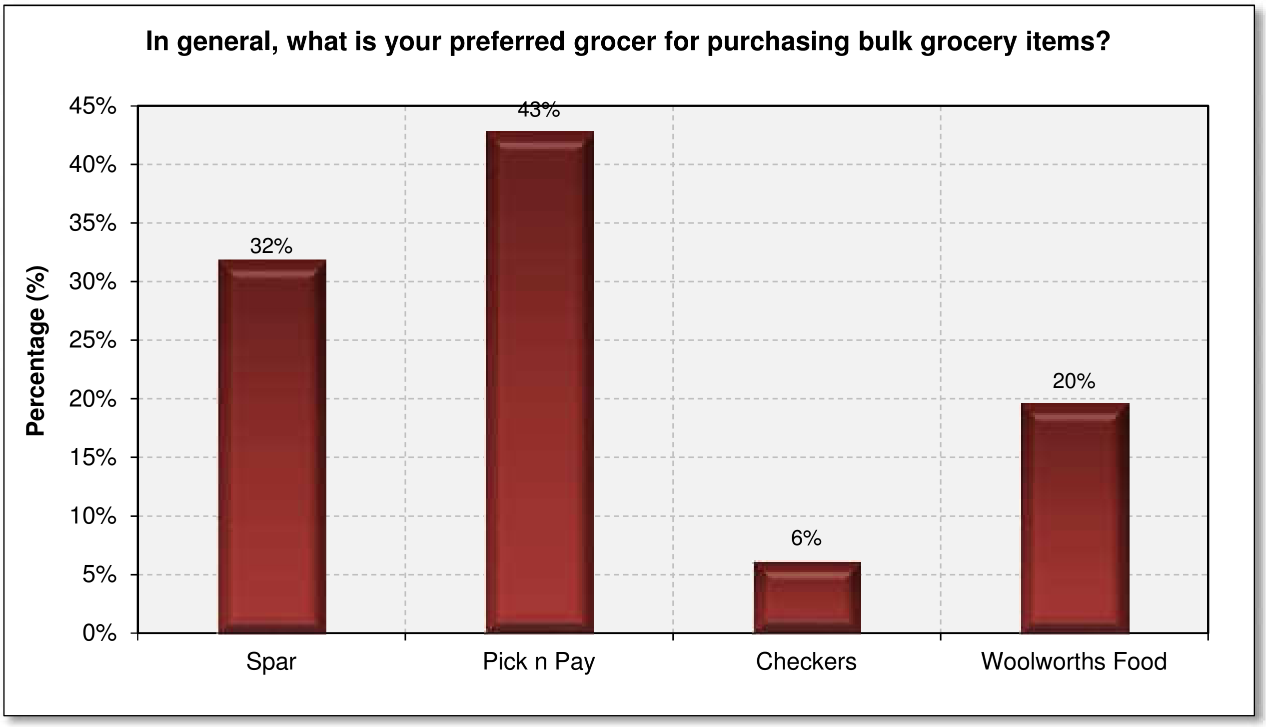
Approximately 35% of respondents indicated that they will shop less at their previously preferred shopping centre. Likewise, 31% of respondents indicated that they would never have to shop anywhere else. For 27% of respondents, shopping will not have to be accomplished outside Standerton. Only 8% of respondents indicated that their shopping patterns will stay unchanged.

The low percentage of respondents that indicated that their shopping patterns will remain unchanged indicates that a high anticipated degree of consumer behaviour elasticity exists in the market area.

GROCERY ANCHOR PREFERENCES

❖ **In general, what is your preferred grocer for purchasing bulk grocery items?**

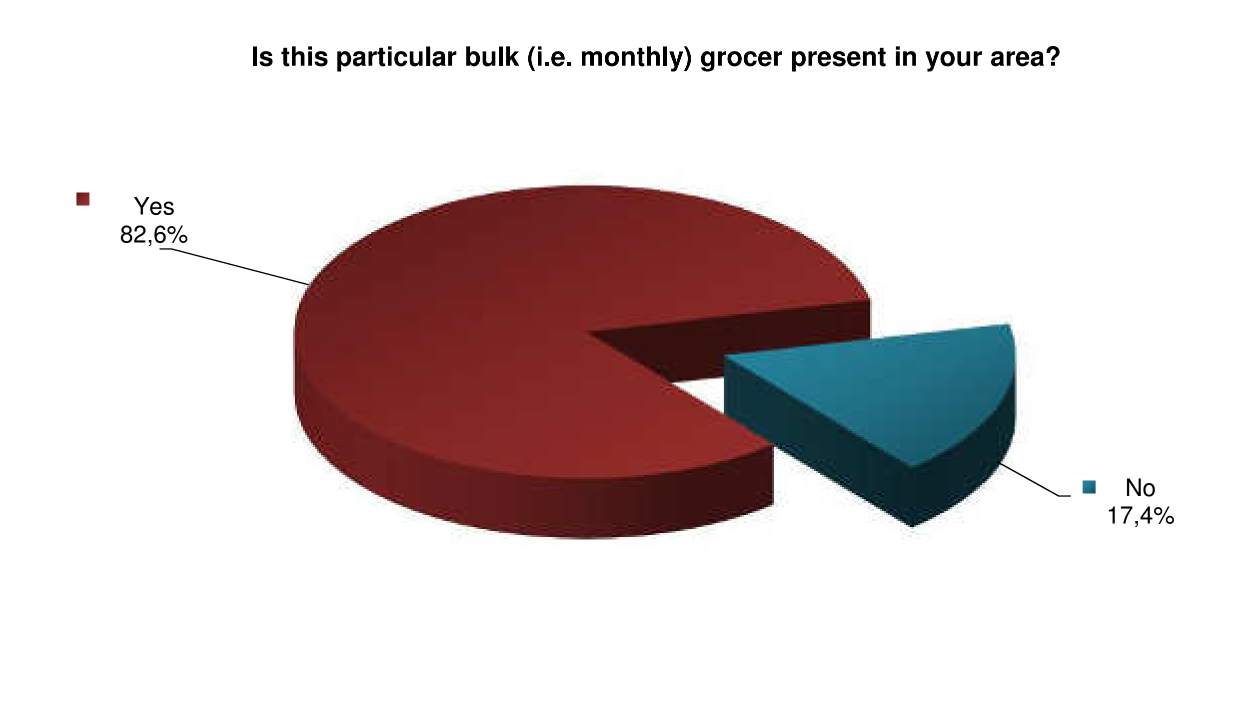
Figure 5.29: In general, what is your preferred grocer for purchasing bulk grocery items?



Source: Demacon Household Survey, 2016

❖ Is this particular bulk (i.e. monthly) grocer present in your area?

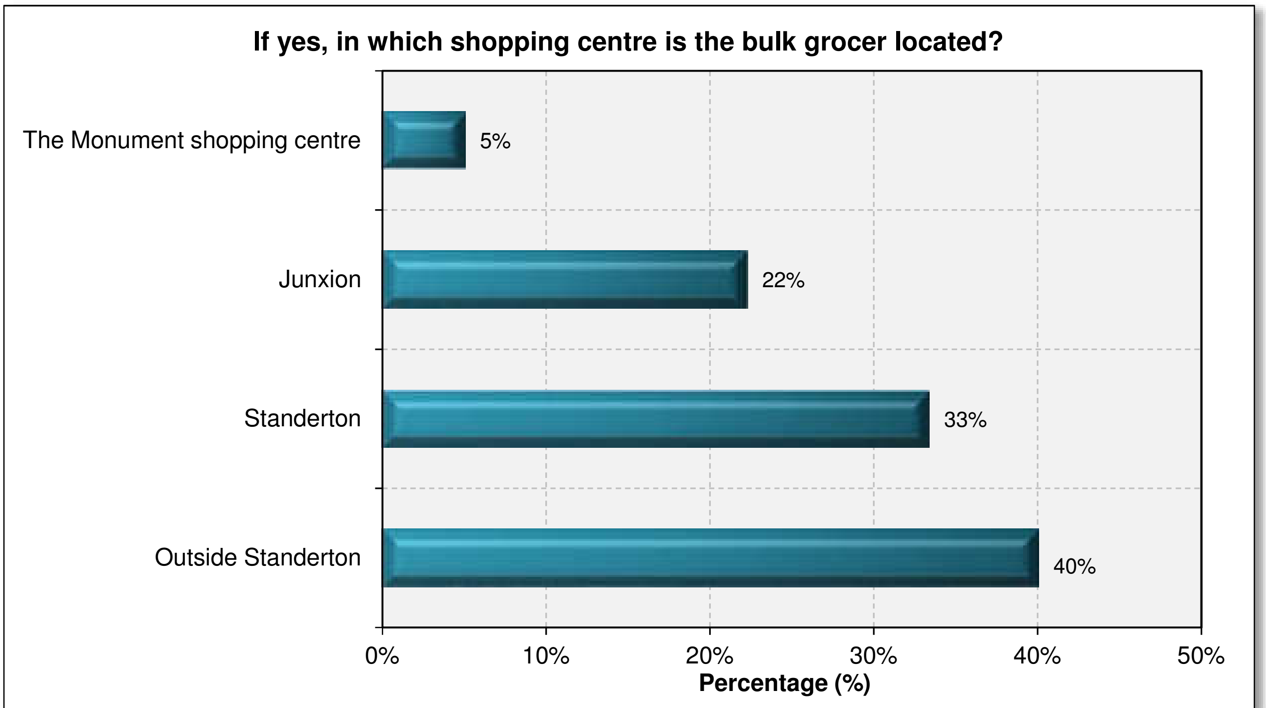
Figure 5.30: Is this particular bilk (i.e. monthly) grocer present in your area?



Source: Demacon Household Survey, 2016

❖ If yes, in which shopping centre is the bulk grocer located?

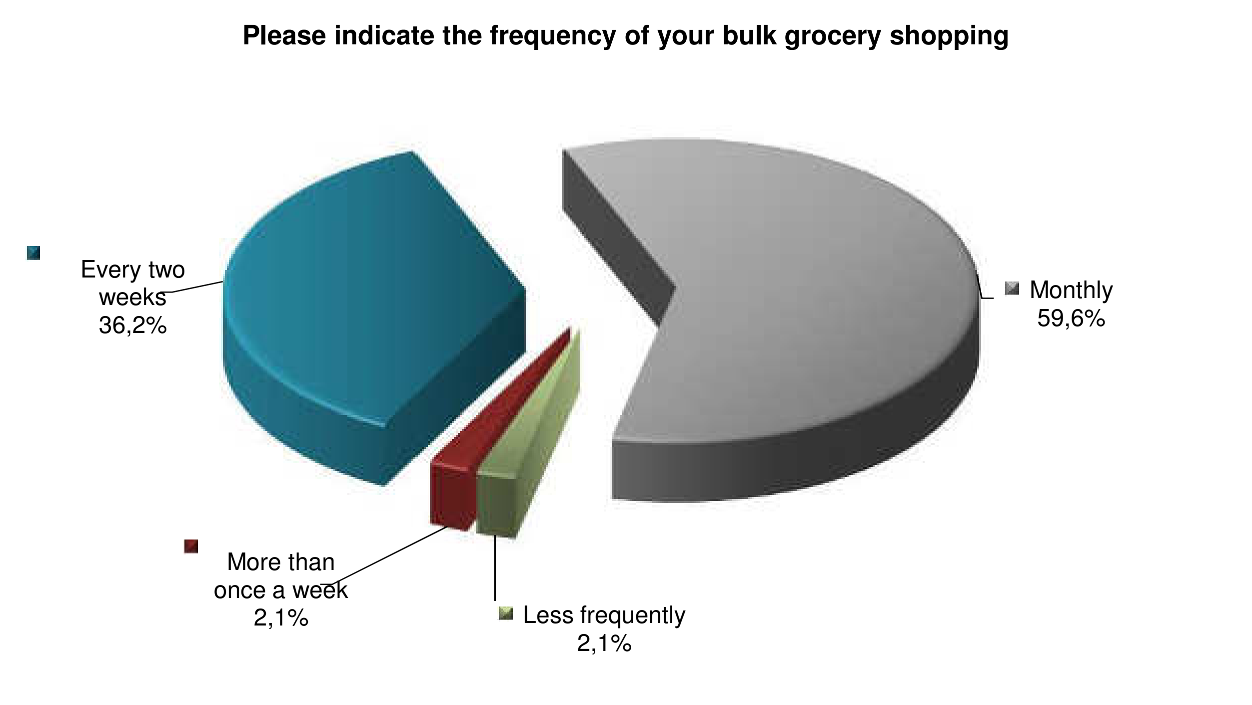
Figure 5.31: If yes, in which shopping centre is the bulk grocer located?



Source: Demacon Household Survey, 2016

❖ Please indicate the frequency of your bulk grocery shopping.

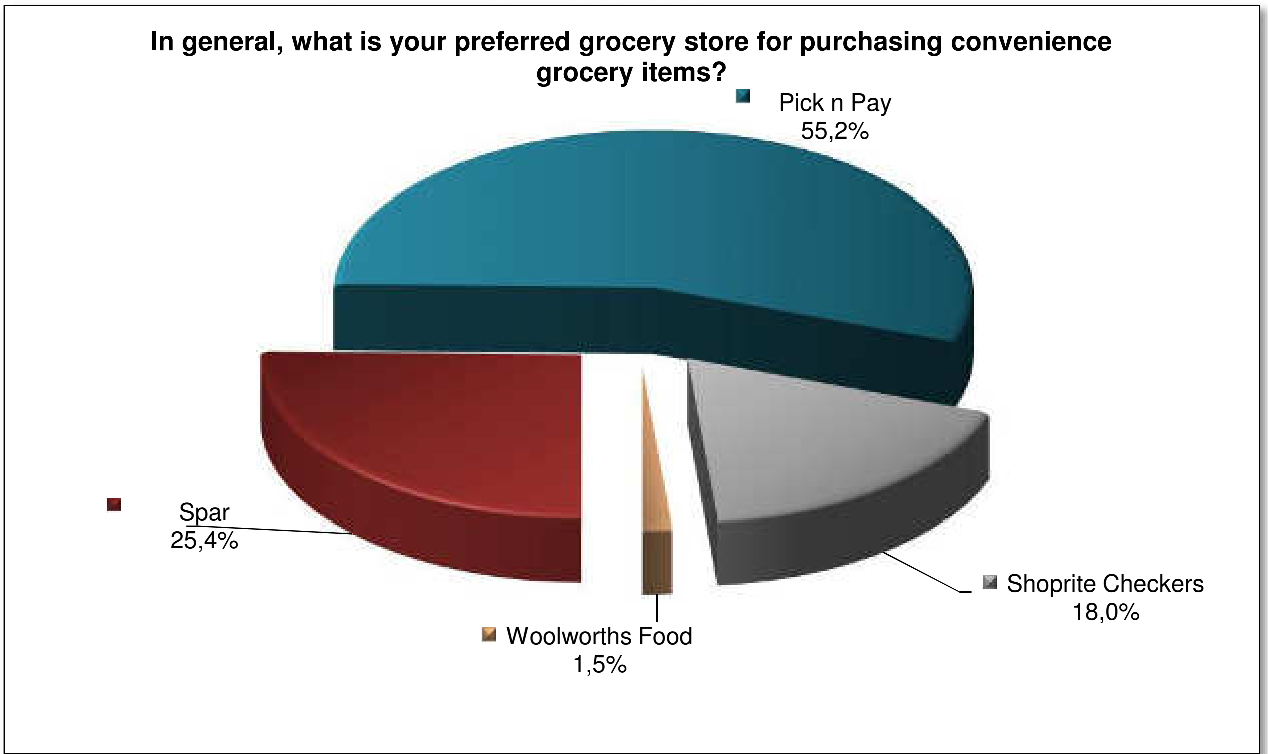
Figure 5.32: Please indicate the frequency of your bulk grocery shopping



Source: Demacon Household Survey, 2016

❖ In general, what is your preferred grocery store for purchasing convenience (i.e. day to day shopping) grocery items?

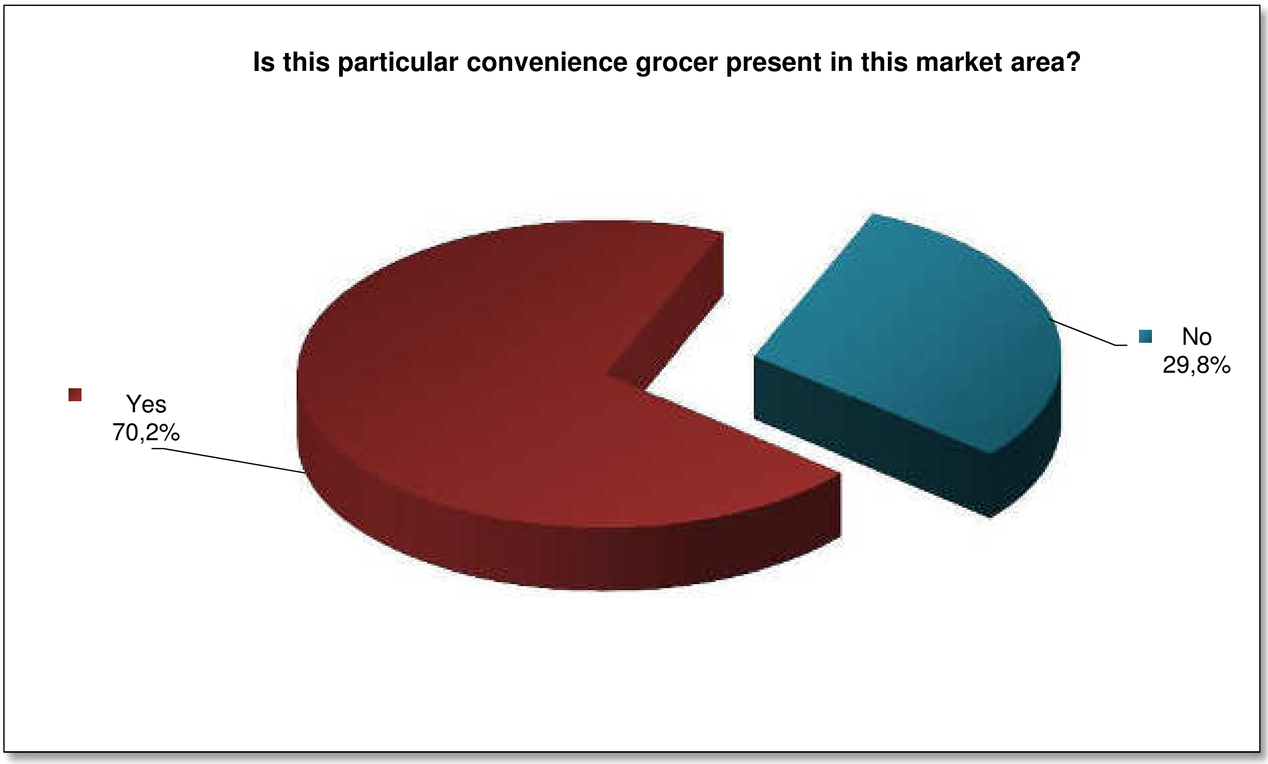
Figure 5.33: In general, what is your preferred grocery store for purchasing convenience grocery items?



Source: Demacon Household Survey, 2016

❖ Is this particular convenience grocer present in this market area?

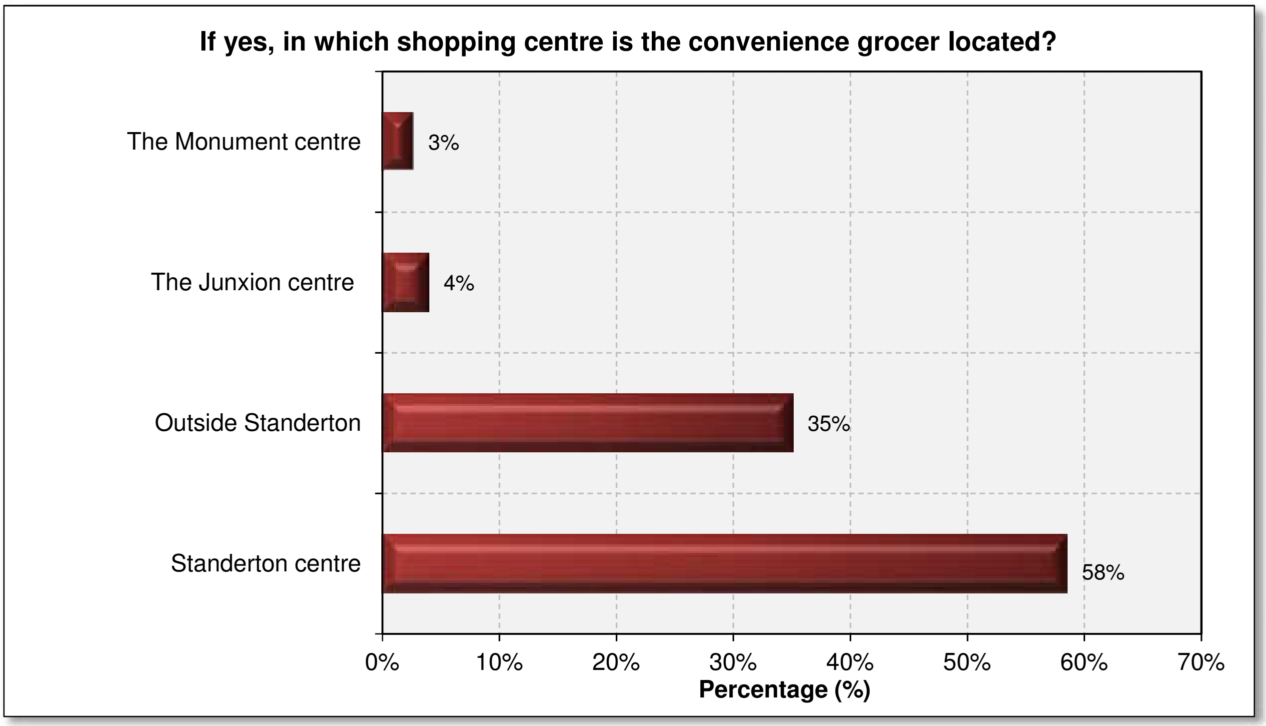
Figure 5.34: Is this particular convenience grocer present in this market area?



Source: Demacon Household Survey, 2016

❖ If yes, in which shopping centre is the convenience grocer located?

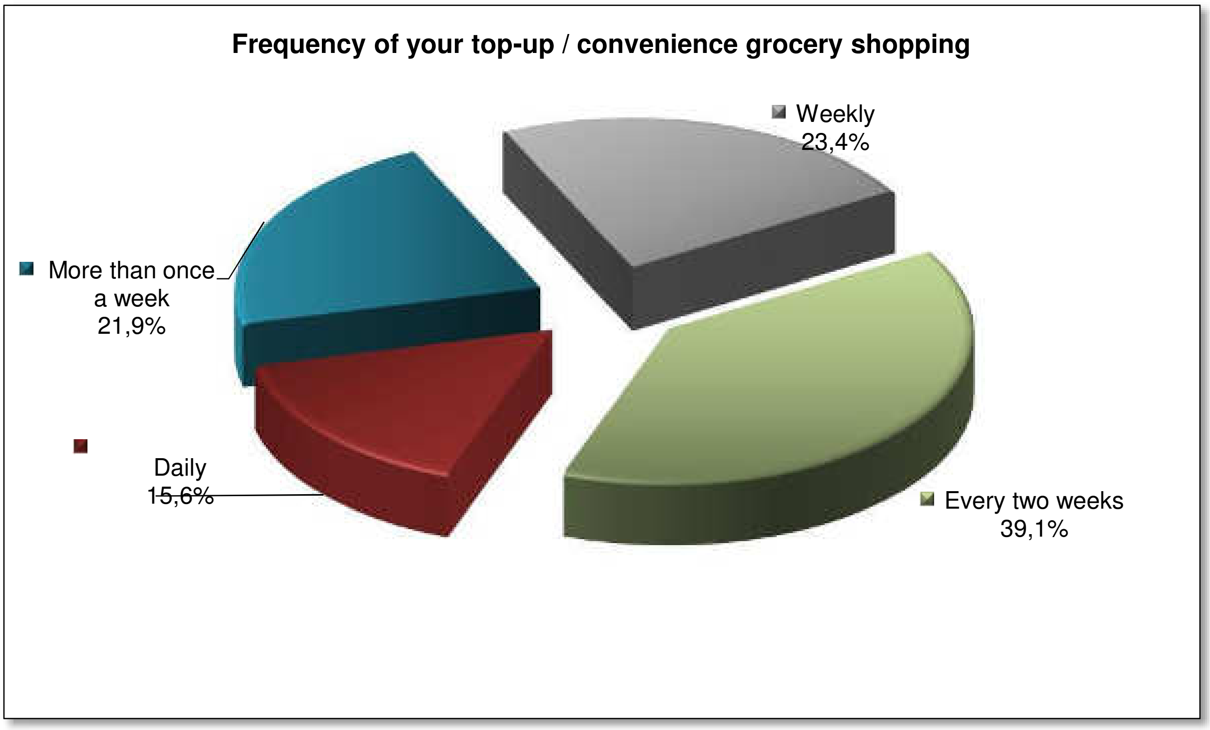
Figure 5.35: If yes, in which shopping centre is the convenience grocer located?



Source: Demacon Household Survey, 2016

❖ Please indicate the frequency of your top-up / convenience grocery shopping.

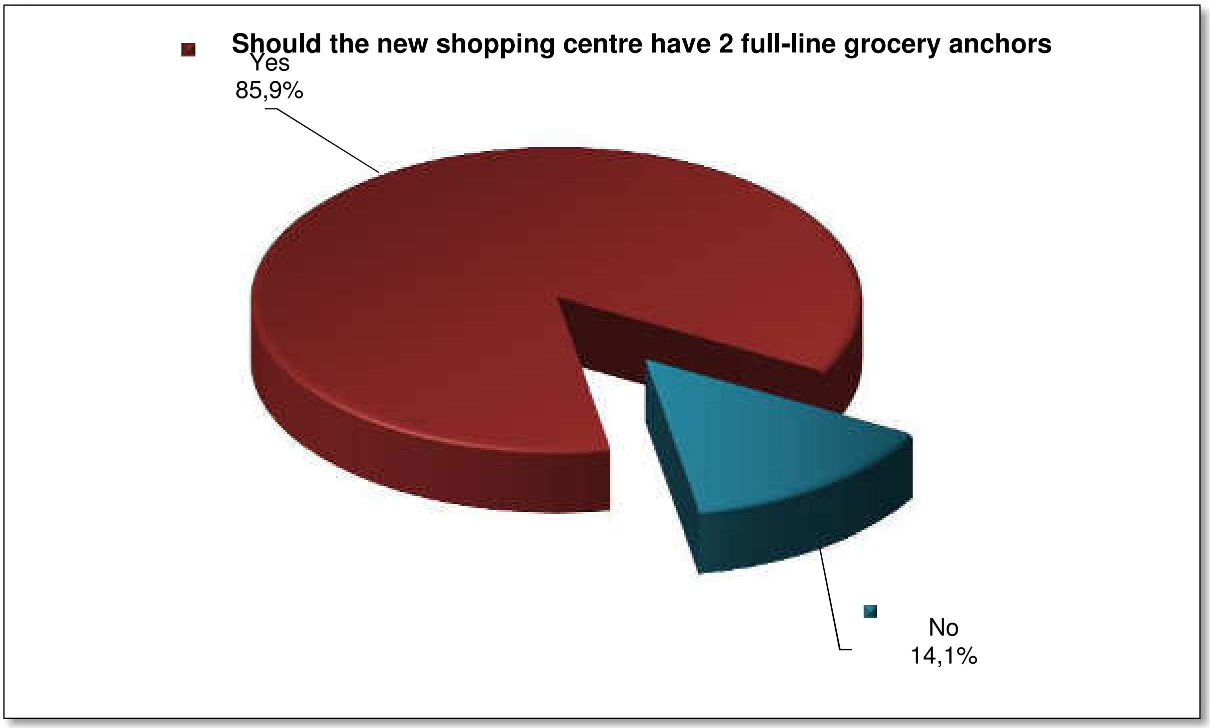
Figure 5.36: Frequency of your top-up / convenience grocery shopping



Source: Demacon Household Survey, 2016

❖ In your view, should the new shopping centre have 2 full-line grocery anchors (e.g. a Pick n Pay as well as a Checkers)

Figure 5.37: Should the new shopping centre have 2 full-line grocery anchors



Source: Demacon Household Survey, 2016

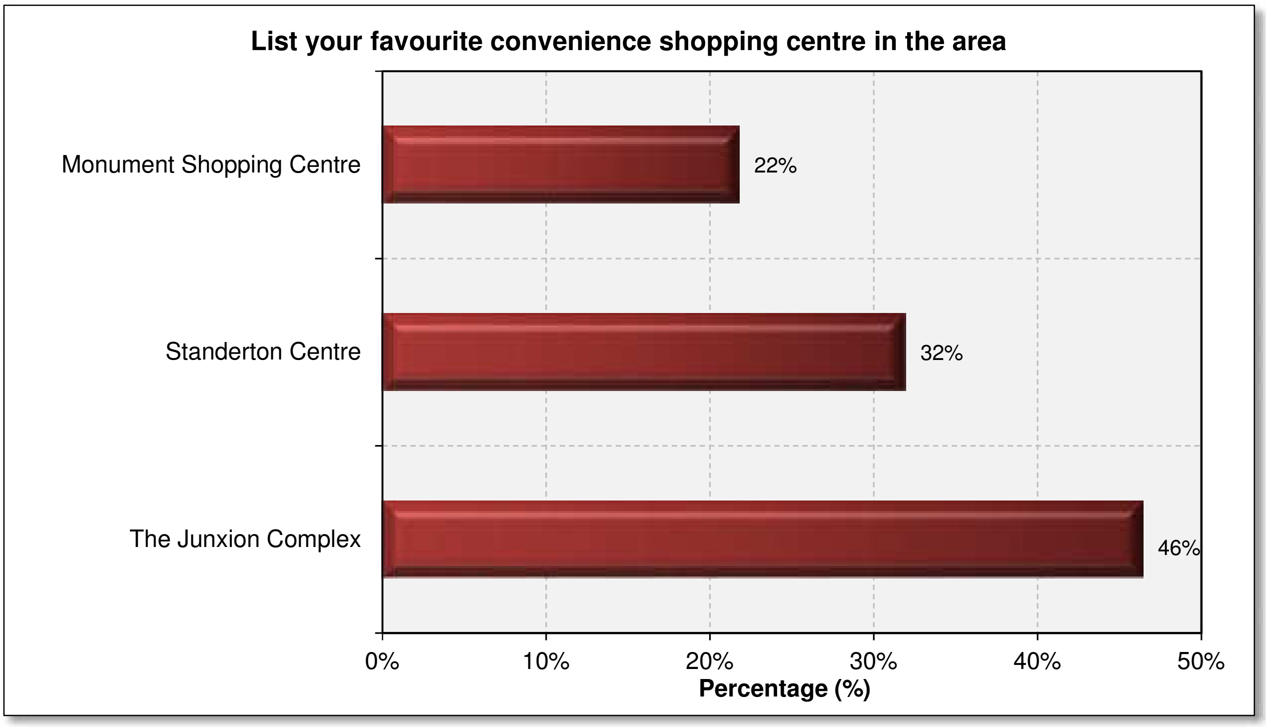
Findings: (Figure 5.29 to Figure 5.37)

- ✓ **Preferred grocer for purchasing bulk grocery items.**
  Respondents indicated that their preferred grocer for purchasing bulk retail items include Pick n Pay (43%), Spar (32%), Woolworths Food (20%) and Checkers (6%).
- ✓ **Is this bulk grocer in your area?**
  Approximately 82.4% of respondents indicated that their preferred bulk grocer is located in the local area.
- ✓ **In which shopping centre is the bulk grocer?**
  The majority of respondents (40%) indicated that their preferred grocer is situated outside Standerton, meaning that respondents would have to travel to a nearby town to gain access to these grocers. The remaining respondents indicated that their preferred bulk grocer is located in the Standerton Centre (33%), followed by Junxion Centre (22%) and The Monument Shopping Centre (5%).
- ✓ **Frequency of bulk grocery shopping.**
  Nearly 60% of respondents noted that bulk grocery shopping is done on a monthly basis, while 36.2% noted that bulk grocery shopping is done twice monthly.
- ✓ **Preferred grocer for purchasing convenience grocery items.**
  Approximately 55% of respondents noted that Pick n Pay is the preferred grocer for convenience items, followed by Spar (25%), Shoprite Checkers (18%) and Woolworths Food (1.5%).
- ✓ **Is this convenience grocer in your area?**
  According to more than 70% of respondents their preferred convenience grocer is located in their local area.
- ✓ **In which shopping centre is the convenience grocer?**
  Approximately 58% noted that their preferred convenience grocer is situated in Standerton, followed by grocers outside Standerton (35%), The Junxion Centre (4%) and The Monument Centre (3%).
- ✓ **Frequency of convenience grocery shopping.**
  The majority of respondents (39%) noted that they visit their preferred convenience grocer every two weeks, while 23% of respondents make weekly visits. Roughly 22% of respondents visit a convenience grocery more than once a week and 16% make daily visits.
- ✓ **Need for two full-line grocery anchors.**
  An overwhelming 86% of respondents noted that they would prefer two grocery anchors to form part of the proposed shopping centre.

EXPENDITURE LEAKAGE

❖ List your favourite shopping centre in Standerton

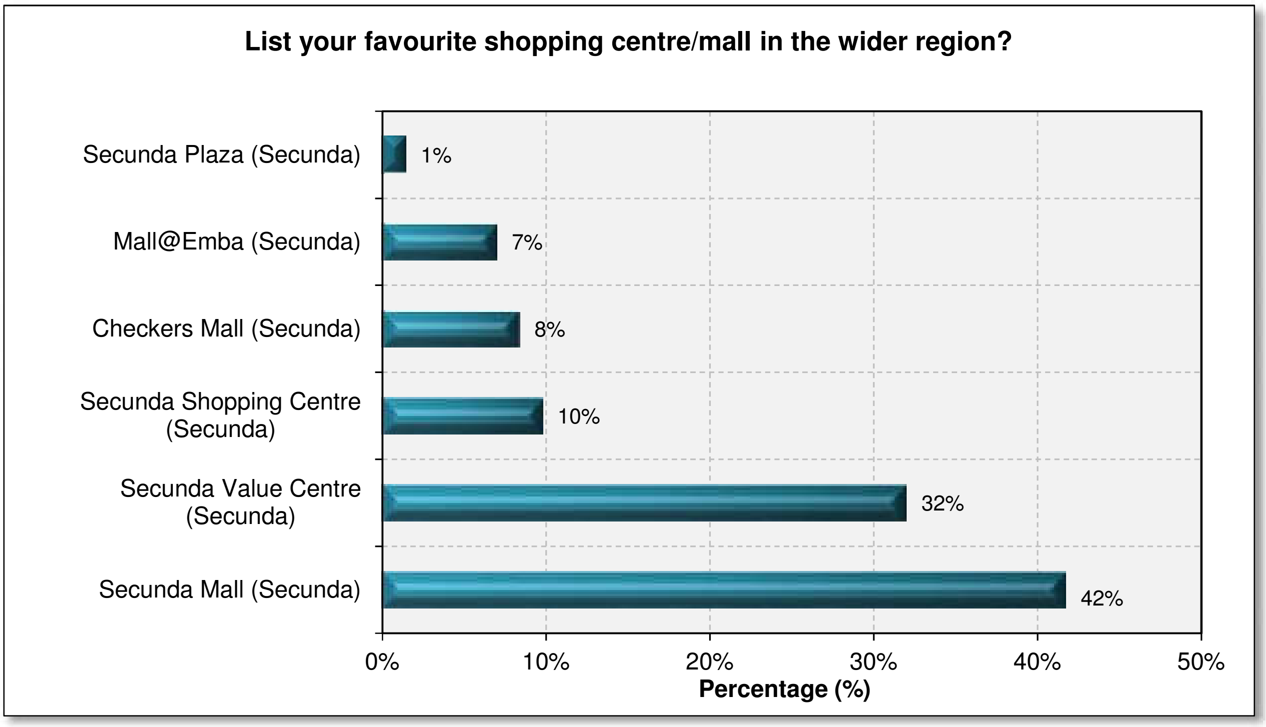
Figure 5.38: List your favourite convenience shopping centre in the area



Source: Demacon Household Survey, 2016

❖ List your favourite shopping centre/mall in the wider region.

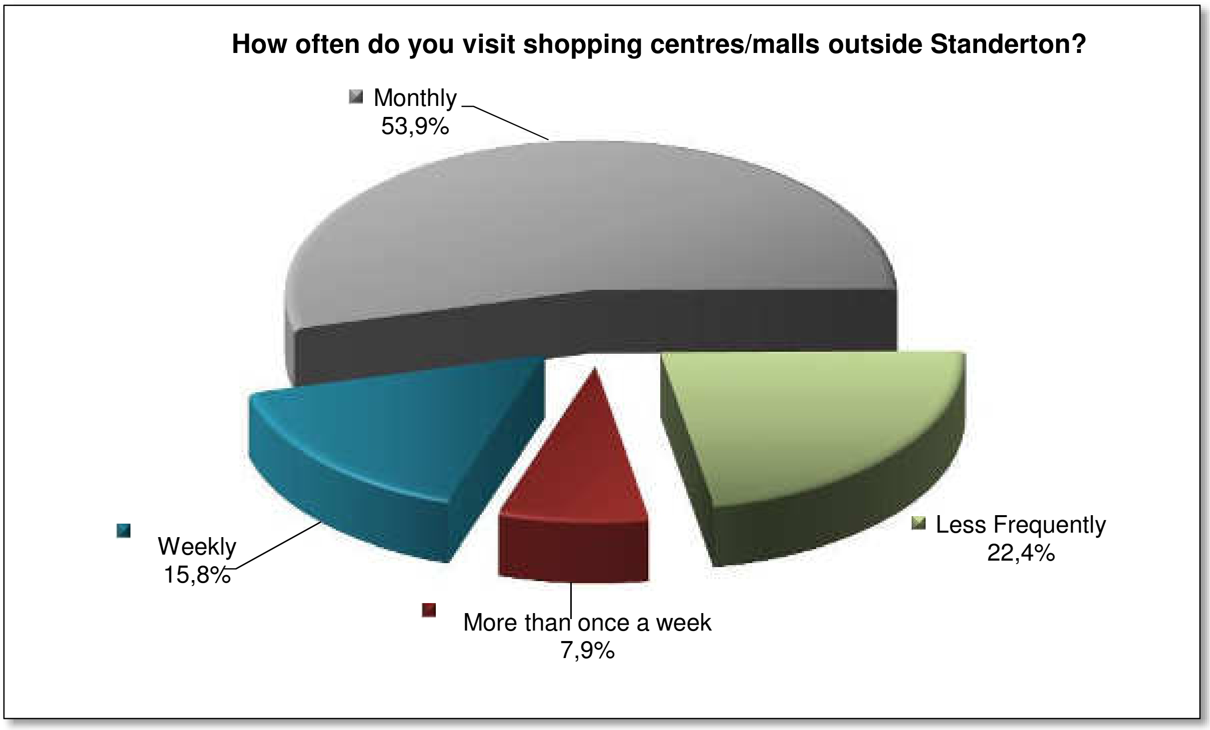
Figure 5.39: List your favourite shopping centre/mall in the wider region



Source: Demacon Household Survey, 2016

❖ How often do you visit shopping centres/malls outside Standerton?

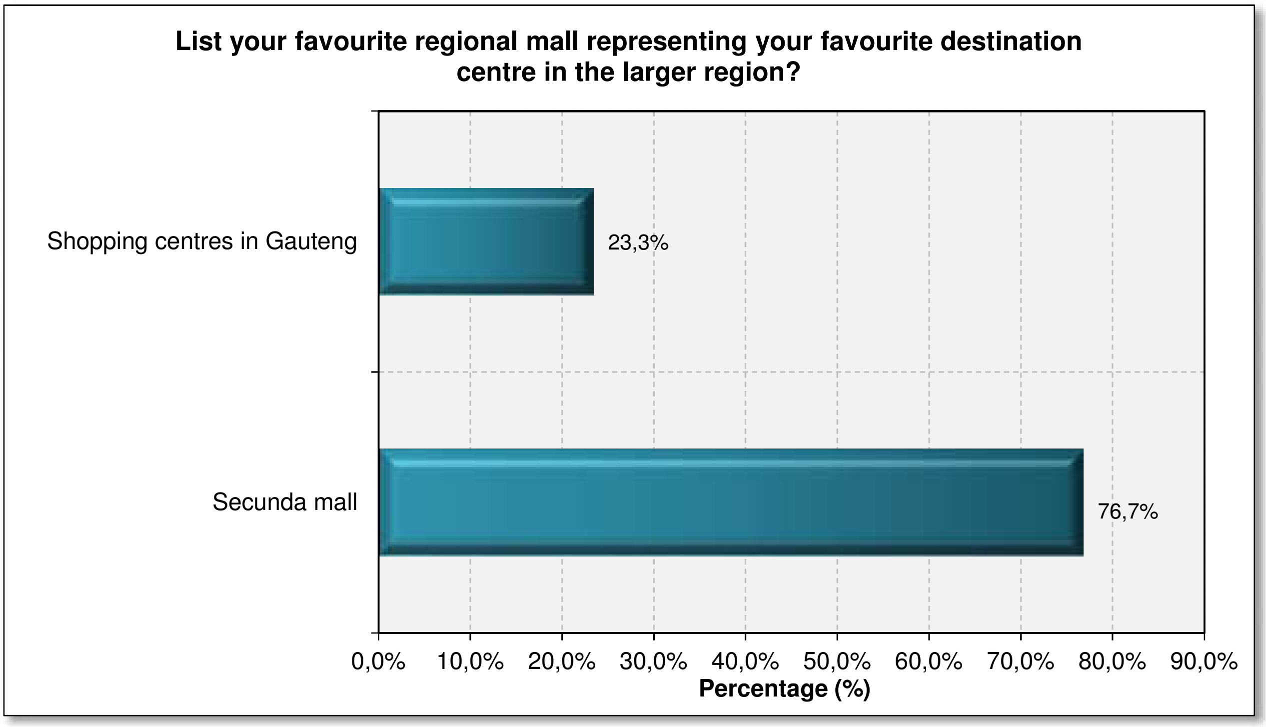
Figure 5.40: How often do you visit shopping centres/malls outside Standerton?



Source: Demacon Household Survey, 2016

❖ If your shopping is done outside Standerton, which shopping centre/mall do you primarily visit?

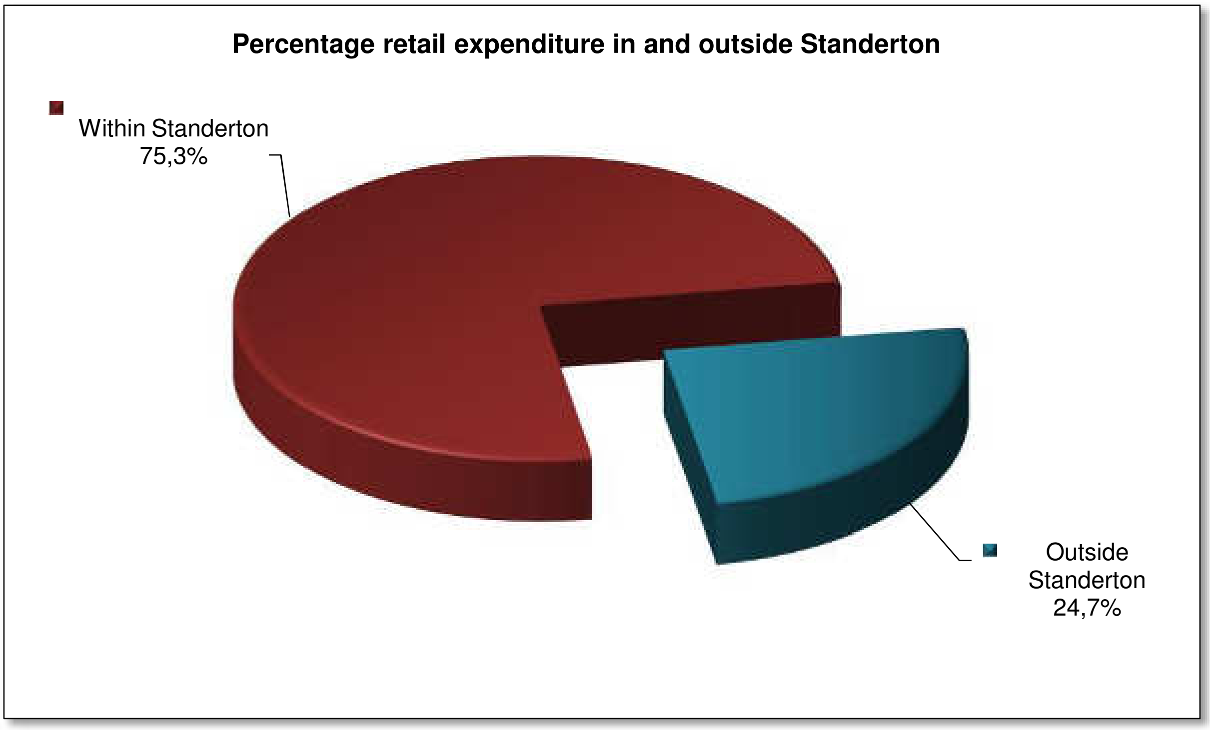
Figure 5.41: If your shopping is done outside Standerton, which shopping centre/mall do you primarily visit?



Source: Demacon Household Survey, 2016

❖ **In the last month, what percentage of retail expenditure was spent at centres within Standerton and outside of Standerton?**

Figure 5.42: Percentage retail expenditure in and outside Standerton

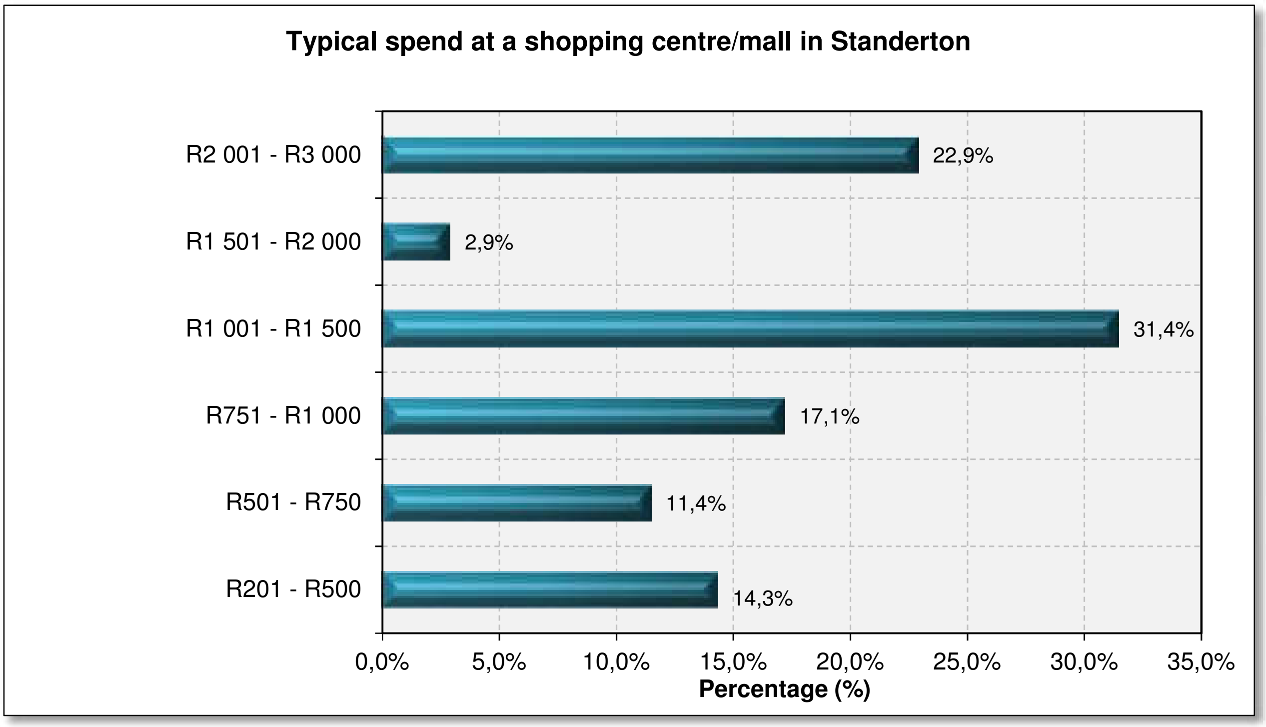


Source: Demacon Household Survey, 2016

❖ **On a typical visit to a shopping centre/mall, how much do you spend?**

Inside Standerton

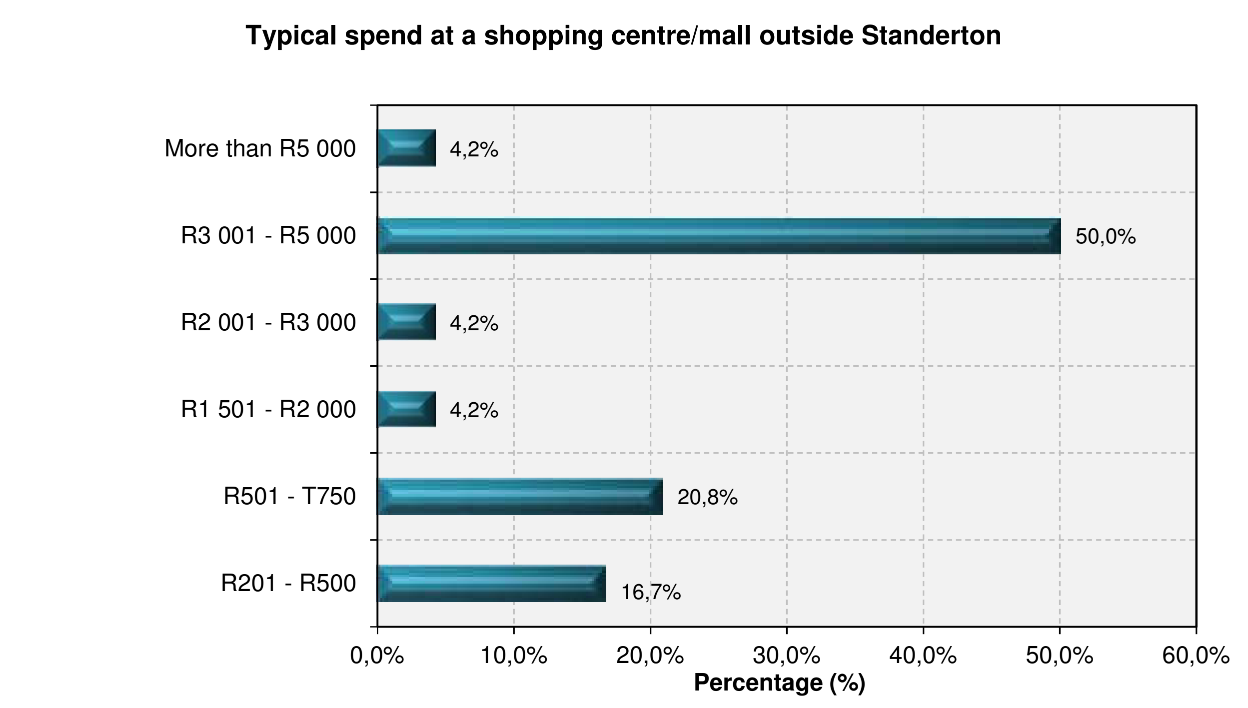
Figure 5.43: Typical spend at a shopping centre/mall in Standerton



Source: Demacon Household Survey, 2016

Outside Standerton

Figure 5.44: Typical spend at a shopping centre/mall outside Standerton



Source: Demacon Household Survey, 2016

❖ **Please indicate your overall favourite shopping centre for each of the following commodities.**

Table 5.4: First choice shopping centre for various commodities

Commodity	1st Choice of Shopping Centre (Top 4 Shopping Centres)	
Top-up groceries & convenience goods	Outside Standerton	44%
	Standerton	36%
	The Junxion centre	15%
	The Monument centre	5%
Monthly groceries	Outside Standerton	53%
	Standerton centre	33%
	The Junxion centre	10%
	The Monument centre	4%
Clothing, shoes & accessories	Outside Standerton	53%
	Standerton centre	33%
	The Junxion centre	10%
	The Monument centre	4%
Household appliances (home theatre system, computer, etc.)	Outside Standerton	53%
	Standerton centre	33%
	The Junxion centre	10%
	The Monument centre	4%
Household furnishings (furniture, lamps, curtains etc.)	Outside Standerton	40%
	Standerton centre	33%
	The Monument centre	16%
	The Junxion centre	11%
Hardware goods	Outside Standerton	34%
	Standerton centre	33%

Commodity	1st Choice of Shopping Centre (Top 4 Shopping Centres)	
	The Monument centre	19%
	The Junxion centre	14%
Gifts books and confectionary	Outside Standerton	34%
	Standerton centre	33%
	The Monument centre	19%
	The Junxion centre	14%
Specialty / value goods	Outside Standerton	46%
	Standerton centre	33%
	The Junxion centre	14%
	The Monument centre	7%
Personal Care Services	Standerton centre	33%
	Outside Standerton	33%
	The Monument centre	19%
	The Junxion centre	14%
Restaurants, entertainment	Outside Standerton	42%
	Standerton centre	39%
	The Junxion centre	14%
	The Monument centre	4%
Financial Services and Banking	Outside Standerton	48%
	Standerton centre	30%
	The Junxion centre	17%
	The Monument centre	5%

Source: Demacon Household Survey, 2016

Results: (Figure 5.38 to Figure 5.44 and Table 5.4)

- ✓ **Favourite shopping centre in Standerton**
  The favourite shopping centre for respondents in Standerton are the Junxion Centre (46%), followed by the Standerton Centre (32%) and the Monument Shopping Centre (22%).
- ✓ **Favourite shopping centre/mall in the wider region**
  The favourite shopping centre for respondents in the wider region is the Secunda Mall (42%), followed by the Secunda Value Centre (32%) and the Secunda Shopping Centre (10%).
- ✓ **Frequency of visits to shopping centres/malls outside Standerton**
  Roughly 54% of respondents visit a shopping centre outside Standerton on a monthly basis. Approximately 16% of respondents visit a shopping centre outside Standerton weekly and 8% more than once a week. 22% of respondents noted that they visit shopping centres outside Standerton less frequently.
- ✓ **Shopping centre/mall primarily visited when doing shopping outside Standerton**
  The Secunda Mall is primarily visited by 77% of respondents when doing shopping outside Standerton. The remaining respondents (23%) noted that they travel to shopping centres in the Gauteng area.
- ✓ **Percentage of retail expenditure within and outside Standerton**
  Approximately 75% of total retail spend by respondents are within Standerton.
- ✓ **Typical spend when visiting a shopping centre/mall**
  Roughly 31.4% of respondents spend between R1 001 and R1 500 when visiting a shopping centre in Standerton, followed by 22.9% of respondents that spend between R2 001 and R3 000.

When respondents visit a shopping centre outside Standerton, roughly 50% spend between R3 001 and R5 000, followed by 20.8% of respondents that spend between R501 and R750.

✓ **Favourite shopping centre for various commodities**

- Top-up groceries & convenience goods
  - Outside Standerton - 44%
  - Standerton - 36%
  - The Junxion centre - 15%
  - The Monument centre - 5%
- Monthly groceries
  - Outside Standerton - 53%
  - Standerton centre - 33%
  - The Junxion centre - 10%
  - The Monument centre - 4%
- Clothing, shoes & accessories
  - Outside Standerton - 53%
  - Standerton centre - 33%
  - The Junxion centre - 10%
  - The Monument centre - 4%
- Household appliances (home theatre system, computer, etc.)
  - Outside Standerton - 53%
  - Standerton centre - 33%
  - The Junxion centre - 10%
  - The Monument centre - 4%
- Household furnishings (furniture, lamps, curtains etc.)
  - Outside Standerton - 40%
  - Standerton centre - 33%
  - The Monument centre - 16%
  - The Junxion centre - 11%
- Hardware goods
  - Outside Standerton - 34%
  - Standerton centre - 33%
  - The Monument centre - 19%
  - The Junxion centre - 14%
- Gifts books and confectionary
  - Outside Standerton - 34%
  - Standerton centre - 33%
  - The Monument centre - 19%
  - The Junxion centre - 14%
- Specialty / value goods
  - Outside Standerton - 46%
  - Standerton centre - 33%
  - The Junxion centre - 14%
  - The Monument centre - 7%
- Personal Care Services
  - Standerton centre - 33%
  - Outside Standerton - 33%
  - The Monument centre - 19%
  - The Junxion centre - 14%
- Restaurants, entertainment
  - Outside Standerton - 42%
  - Standerton centre - 39%

  - The Junxion centre - 14%
  - The Monument centre - 4%
- Financial Services and Banking
  - Outside Standerton - 48%
  - Standerton centre - 30%
  - The Junxion centre - 17%
  - The Monument centre - 5%

5.5 SYNTHESIS

Table 5.5 provides a synthesis of the retail market surveys conducted in and around Standerton for the purposes of this study.

Table 5.5: Retail Market Surveys: Synthesis

Variables	Findings
SECTION A: SOCIO ECONOMIC INFORMATION	
Place of employment	• Standerton – 77.4% • Outside Standerton – 18.9% • Florapark – 3.8%
Number of members in household	• 2 members – 23.7% • 4 members – 22.7% • 5 members – 22.7% • 3 members – 16.5% • 1 member – 8.2% • 6 members – 3.1% • 7 members – 3.1%
Number of breadwinners in household	• 1 breadwinner – 61.2% • 2 breadwinners – 37.6% • 4 breadwinners – 1.2%
Indicate your occupation	• Professionals – 40.0% • Entrepreneurs – 10.0% • Legislators, senior officials & managers – 10.0% • Service workers & shop & market sales workers – 10.0% • Technicians & associated professionals – 8.0%
Current employment status (employed, unemployed, self-employed, Student, Pensioner)	• Permanently employed – 47.1% • Pensioner – 21.6% • Self-employed – 15.7% • Part-time employed – 13.7% • Unemployed – 2.0%
Home language?	• Afrikaans – 50.5% • Zulu – 34.7% • English – 11.9% • Sesotho – 3.0%
Main method of transport used for shopping	• Private vehicle – 85.7% • Taxi – 11.0% • Bus – 3.3%
Number of vehicles do you owned	• Two vehicles – 47.6% • One vehicle – 42.7% • Three vehicles – 9.8%
Age and gender of person predominantly responsible for household shopping	Gender • Female – 62.0% • Male – 38.0% Age Profile • 20 to 40 years – 41.8% • 60 to 80 years – 29.6%

Variables	Findings
	• 40 to 60 years – 28.6%
Race / ethnic group	• Black African – 51.8% • White – 44.6% • Coloured – 3.6%
Please describe your household	• Retired – golden nests / elderly – 29.3% • Parents with adult children – 24.4% • Single-Working – 19.5% • Couple/Married – 17.1% • Parents with small children – 7.3% • Mature adults – 2.4%
SECTION B: GENERAL CONSUMER BEHAVIOUR	
In your opinion, what would best describe the convenience retail offering in your area?	• Inadequate – existing facilities should be expanded – 62.3% • Inadequate – new facilities should be developed – 37.7%
A product/service is chosen based on	• Previous use/experience – 67.9% • Advertisements / brochures – 22.2% • Independent research – 4.9% • Peer reviews – 4.9%
A *product/service*, is chosen according to	Definitely important: • Healthy – 91.1% • Affordability – 86.2% • Durability – 82.0% • Eco/green – 79.7% • Loyalty to brand – 79.7% • Novelty – 77.1%
A *retail environment*, is chosen according to:	Definitely important: • The feeling of community it offers – 59% • The prestige it offers – 55% • Specific retailer – 53% • Convenience – 45% • Proximity – 43%
Do you shop online (do shopping over the internet)?	• No – 83.0% • Yes – 17.0%
Frequency of online shopping	• Once a month – 44.4% • More than once a year – 22.2% • Every week – 18.5% • More than once a month – 14.8%
Preferred medium to buy the following types of products	*Preferred medium to buy all of these categories was via shopping centre (89%).Online shopping (11%)* • Food & groceries • Clothes & shoes • Fashion accessories • Home décor & furnishings • Household appliances • Electronic equipment • Health & beauty products • Books / gifts / stationary • Sport & outdoor gear • Entertainment (e.g. movies)
In terms of internet and smartphone technology, I:	• Use it daily – 37.0% • Have basic knowledge on usage – 25.9% • Don't know how to use it – 20.4% • Use it every week – 9.3% • Use it once a month – 7.4%
In terms of social media, I:	• Know about it, don't use it – 44.4% • Use it daily – 35.6%

Variables	Findings
	• Don't know how to use it – 11.1% • Use it every week – 8.9%
SECTION C – CURRENT RETAIL EXPENDITURE & LEAKAGES	
In your opinion do retail centres in the area cater adequately to all your retail requirements?	• Yes – 64.0% • No – 36.0%
Need for an additional shopping centre in the Standerton area	• Yes – 74.4% • No – 25.6%
Shop at the new shopping centre if it were built	• Yes – 84.0% • No – 16.0%
Type of shops and services you feel there is a demand for in the new shopping centre	Shops: • Supermarket – 76.7% • Hardware – 75.7% • Restaurant/TA – 75.7% • Hobby store – 75.7% • Home décor – 67.0% • Furniture store – 64.1% • Book/gift store – 64.1% • Liquor store – 61.2% Services: • Hairdressers – 75.7% • Doctors – 67.0% • Dentist – 67.0% • Banks – 64.1% • Laundromats – 63.1% • Photo-lab – 63.1% • Optometrist – 55.3% • Video store – 55.3%
Any other shops or services you would like to be included	• Grocery store (Cambridge food, Checkers, Food lovers market, Pick n Pay) – 32.7% • Department store (Checkers Hyper, Game) – 30.9% • Clothing & footwear (Grasshoppers, Identity, Markham, Woolworths) – 14.5% • Restaurant (Ocean basket, Wimpy) – 10.9% • Personal care (spa, Sorbet, Virgin active) – 7.3% • Fast food (KFC, Nandos) – 3.6%
How would the retail centre development in the Standerton area affect your current shopping behaviour	• I will never have to shop elsewhere – 30.8% • I will shop less frequently outside the area – 26.9% • I will shop less frequently at my previously preferred shopping centre – 34.6% • My shopping patterns will remain unaffected – 7.7%
Grocery Anchor Preferences	
Preferred grocer for purchasing *bulk grocery items* in general	• Pick n Pay – 42.7% • Spar – 31.7% • Woolworths Food – 19.5% • Checkers – 6.1%
Is this particular bulk (i.e. monthly) grocer present in your area?	• Yes – 82.6% • No – 17.4%
If yes, in which shopping centre is the bulk grocer located	• Outside Standerton – 40.0% • Standerton Centre – 33.3% • The Junxion Centre – 22.2% • The monument Shopping Centre – 5.0%
Frequency of your bulk grocery shopping	• Monthly – 59.6% • Every two weeks – 36.2%

Variables	Findings
	• More than once a week – 2.1% • Less frequently – 2.1%
Preferred grocery store for purchasing *convenience* (i.e. day to day shopping) grocery items in general	• Pick n Pay – 55.2% • Spar – 25.4% • Checkers – 18.0% • Woolworths Food – 1.5%
Is this particular convenience grocer present in this market area?	• Yes – 70.2% • No – 29.8%
If yes, in which shopping centre is the convenience grocer located?	• Standerton Centre – 58.4% • Outside Standerton – 35.0% • The Junxion Centre – 3.9% • The Monument Shopping Centre – 2.6%
Frequency of your top-up / convenience grocery shopping	• Every two weeks – 39.1% • Weekly – 23.4% • More than once a week – 21.9% • Daily – 15.6%
In your view, should the new shopping centre have 2 full-line grocery anchors (e.g. a Pick 'n Pay as well as a Woolies)	• Yes – 85.9% • No – 14.1%
Expenditure Leakage	
Favourite shopping centre in the area	• The Junxion Centre – 46.4% • Standerton Centre – 31.9% • The Monument Shopping Centre – 21.7%
Favourite shopping centre/mall in the wider region	• Secunda Mall – 41.7% • Secunda Value Centre – 31.9% • Secunda Shopping Centre – 9.7% • Checkers Mall – 8.3% • Mall@Emba – 6.9% • Secunda Plaza – 1.4%
Frequency of visits to shopping centres/malls outside Standerton	• Monthly – 53.9% • Less frequently – 22.4% • Weekly – 15.8% • More than once a week – 7.9%
Shopping centre/mall visited when doing shopping outside Standerton	• Secunda Mall – 76.7% • Shopping centres in Gauteng – 23.3%
Percentage retail spend at shopping centres within and outside Standerton	• Within Standerton – 75.3% • Outside Standerton – 24.7%
Average spend at shopping centres within and outside Standerton	Within Standerton: • R1 001 – R1 500 – 31.4% • R2 001 – R3 000 – 22.9% • R751 – R1 000 – 17.1% • R201 – R500 – 14.3% • R501 – R750 – 11.4% • R1 501 – R2 000 – 2.9% Outside Standerton: • R3 001 – R5 000 – 50.0% • R501 – R750 – 20.8% • R201 – R500 – 16.7% • R1 501 – R2 000 – 4.2% • R2 001 – R3 000 – 4.2% • More than R5 000 – 4.2%
Your overall favourite shopping centre for each of the following commodities	Top-up groceries & convenience goods • Outside Standerton - 43,5% • Standerton - 36,5% • The Junxion centre - 15,3%

Variables	Findings
	• The Monument centre - 4,7% Monthly groceries • Outside Standerton - 52,8% • Standerton centre - 33,3% • The Junxion centre - 9,7% • The Monument centre - 4,2% Clothing, shoes & accessories • Outisde Standerton - 53,4% • Standerton centre - 32,9% • The Junxion centre - 9,6% • The Monument centre - 4,1% Household appliances (home theatre system, computer, etc.) • Outside Standerton - 52,8% • Standerton centre - 33,3% • The Junxion centre - 9,7% • The Monument centre - 4,2% Household furnishings (furniture, lamps, curtains etc.) • Outside Standerton - 39,7% • Standerton centre - 32,9% • The Monument centre - 16,4% • The Junxion centre - 11,0% Hardware goods • Outside Standerton - 34,2% • Standerton centre - 32,9% • The Monument centre - 19,2% • The Junxion centre - 13,7% Gifts books and confectionary • Outside Standerton - 34,2% • Standerton centre - 32,9% • The Monument centre - 19,2% • The Junxion centre - 13,7% Specialty / value goods • Outside Standerton - 45,8% • Standerton centre - 33,3% • The Junxion centre - 13,9% • The Monument centre - 6,9% Personal Care Services • Standerton centre - 33,3% • Outside Standerton - 33,3% • The Monument centre - 19,4% • The Junxion centre - 13,9%

Variables	Findings
	Restaurants, entertainment • Outside Standerton - 42,3% • Standerton centre - 39,4% • The Junxion centre - 14,1% • The Monument centre - 4,2% Financial Services and Banking • Outside Standerton - 48,3% • Standerton centre - 30,0% • The Junxion centre - 16,7% • The Monument centre - 5,0%

Source: Demacon Household Survey, 2016

5.5.1 SYNTHESIS AND UNDERSTANDING

In terms of the above information and analysis, the following conclusions and interpretations are highlighted to surmise the data reviewed in this chapter.

Type of Shopper

- ✓ Shoppers in the area can be considered to be primarily retired (golden nests / elderly) and parents with adult children households. Other household dynamics include single (working) and couples / married households.
- ✓ Employed persons, be it permanently, part-time or self-employed, make up more than three quarters of respondents, while more than one fifth of respondents are pensioners.
- ✓ Average household income indicated that more than half of respondents are low income households that earn an income less than R3 500 per month. Roughly a quarter of respondents earn incomes between R3 501 and R30 000 while more than one fifth earn average incomes above R100 000.
- ✓ The racial dynamics of respondents also showed a diversified mixture between Black African and White ethnic groups. A small proportion of respondents are coloured.

The information suggests that respondent households are largely aging with many households being pensioners or households where adult children are present. This aging household structure explains the large constituency of households that receive a pension as income. It is also encouraging that households that are employed (in some manner) are the overwhelming proportion of respondents that could indicate the availability of capital for expenditure.

Even though a large proportion of respondents are employed, the vast majority earn incomes below R3 500 which acclimates the area as largely lower income. Capital availability is present though, with a large portion of respondent households earning large salaries.

Although capital for expenditure could be available in the area, racial dynamics could alternatively influence retail demand whereby the needs and preferences of different racial groups tend to differ.

General Consumer and Shopping Behaviour

- ✓ When selecting/choosing a product respondents indicated that they are likely to choose based on previous use / experience as well as advertisements and brochures. Peer reviews and independent research are approaches that are seldom used.

- ✓ When respondents select a retail environment their choice is primarily based on the sense of community that is derived from the space. The prestige of a retail environment along with the location of a specific retailer also guide choices made by respondents.
- ✓ Respondents are also more likely to do shopping at a shopping centre rather than making use of online shopping platforms.
- ✓ Respondents indicated that the frequency to which they would shop at preferred retail centres and outside of Standerton would decline if a new shopping centre was to be built. Less than a third of respondents indicated that they would never have to shop anywhere else, while only 8% of respondents said that they would be unaffected.

The information suggests that respondents are inclined to remain with products that are familiar or have appeal when advertised. The lack of research or peer reviews do not sway respondents and as such the availability of a product at a retail location would influence the need to visit the specific retail space. Along with the availability of a specific product, the retail space should also evoke a sense of community whilst offering prestige. These elements are important to respondents when visiting retail centres.

Apart from the elements that would attract respondents, respondents indicated that their choice of retail environment would be influenced by a new shopping centre, with many respondents clearly indicating that a change in frequency of visits to other centres and areas would be influenced. These elements would be supported by a base of shoppers that would rather go to a shopping centre to conduct shopping than complete online purchases.

Demand for a New Shopping Centre

- ✓ Respondents indicated that if a new shopping centre was to be built, 84% would shop at the new facility.
- ✓ Respondents also indicated that a supermarket, hardware store, restaurant, hobby store, home décor store, furniture store, book/gift store, butchery, liquor store, clothing store, banks, hairdresser, doctor and dentist were the main stores/services that have to be included as part of the new retail centre.
- ✓ Respondents also noted that specific shops such as grocery stores (Cambridge Foods, Checkers and Food Lovers Market) and department stores (Checkers and Game) are a priority.

The information suggests that a high demand exists for a new shopping centre that would provide a shopping selection that includes groceries, maintenance, hobbies, decorative and furniture, beautification and health services. The data further shows that offerings in regards to grocery options are insufficient and that new options are required, while fashion options are more acceptable and no apparent need exists.

Grocery Stores

- ✓ Respondents indicated that bulk grocery shopping is completed at a Pick n Pay and Spar that is visited mostly on a monthly or bi-weekly basis.
- ✓ Pick n Pay, Spar and Checkers are grocers that respondents prefer when doing convenience shopping. Many respondents visit convenience grocers every two weeks, with almost a quarter of respondents visiting weekly and one fifth visiting more than once a week.
- ✓ Bulk grocery shopping is primarily done outside of Standerton, while convenience shopping is conducted in Standerton.
- ✓ In the respondent's view, 85.9% feel that the new shopping centre should have two full-line anchor grocers.

The information suggests that Pick n Pay is the primary grocer choice for bulk and convenience shopping in the area. The information could also suggest that a limitation in choice exists, with only selected bulk grocers present in the area. Respondents are more likely to travel outside of Standerton to conduct bulk grocery shopping. Respondents having to travel outside of Standerton for bulk grocery shopping could indicate why shopping is typically done on a monthly or bi-weekly basis. For convenience grocery purchases, respondents largely conduct shopping inside Standerton. The frequency of convenience shopping is also higher. The respondents also feel that the area could benefit from two full-line anchor grocers as part of the new retail development.

Retail Expenditure and Leakage

- ✓ Respondents noted that their favourite retail centre in Standerton is the Junxion Complex, while their favourite shopping centre or mall in the wider region is the Secunda Mall.
- ✓ Shopping centres and malls outside Standerton are primarily frequented at least once a month.
- ✓ Retail expenditure by respondents within Standerton accounted for approximately 75% of the household retail budget, while 25% was spent at retail locations outside Standerton.
- ✓ Roughly 42.8% of respondents spend between R201 and R1 000 on a typical visit to a shopping centre in Standerton. More than 34% of respondents spend between R1 001 and R2 000 on a typical visit, while the remainder of respondents spend more than R2 000.
- ✓ Approximately 37.5% of respondents spend between R201 and R1 000 when visiting a retail centre outside of Standerton. Only 8% of respondents spend between R1 001 and R2 000 and between R2 001 and R3 000 on a typical visit. More than 50% of respondents spend more than R3 001 on a typical visit outside of Standerton.
- ✓ Respondents also feel that retail offerings in the area are inadequate. The majority (60%) of respondents feel that retail offerings should be expanded, while the remainder feel that new retail offerings should be built.

The information suggests that bulk grocery shopping is conducted outside Standerton and is conducted on a monthly basis. Convenience shopping is primarily conducted in Standerton and is concluded more frequently. Comparatively, spending per type by respondents in Standerton are largely lower than amounts spent when outside Standerton.

The information further suggests that retail expenditure leakage is apparent in the market area. The larger spend value at shopping centres outside Standerton and the preference of these shopping centres for various shopping items indicate that retail expenditure leakage is apparent and that a gap exists for new retail options.

The expansion of retail offerings in the area is primarily viewed as expansions of current retail facilities rather than the construction of new offerings.

CHAPTER 6: RETAIL MARKET ANALYSIS

6.1 INTRODUCTION

Chapter 6 of the report focusses on determining the development potential that exists in the designated market areas. To fully understand and assess the potential, a review of the current supply and future demand should be completed along with an overview of current trends that could impact on the proposed development. The following sub-sections will be reviewed in this chapter:

- ✓ Local Development Perspective,
- ✓ Shopping Centre Performance Indicators,
- ✓ Market Potential Assessment,
    - Retail Market Supply,
    - Retail Market Demand Estimation,
    - Tenant Composition,
- ✓ Synthesis.

6.2 LOCAL DEVELOPMENT PERSPECTIVE

The development and overall sustainability of a retail facility relies strongly on its location. The following **location requirements** determine the success of a retail facility:

- ✓ *Visibility and exposure:* Retail facilities should be highly visible and accessible to potential consumers. It should be located in proximity to efficient road and transport networks.
- ✓ *Accessibility:* Retail facilities must be accessible to local labour force as well as consumers. It should be accessible on a local and regional level, as well as on a site specific basis referring to the ingress and egress from the development.
- ✓ *Functionality & complimentary:* The centre should fit the urban context and should be functionally compatible.
- ✓ *Sufficient buying power:* Total disposable income of the market area population that is available to be spent at a specific retail facility.
- ✓ *Competition:* Existing shopping centres present competition and has an impact on the sustainability of future developments.
- ✓ *Role & function in hierarchy:* Should fit in with existing retail hierarchy of the area.
- ✓ *Address value:* Retail locates in areas where household expenditure is high, where it is accessible and visible.
- ✓ *Growth:* Growth in market population, disposable income and retail support impact on developments.
- ✓ *Traffic volume:* Level of traffic volumes contribute to level of support and exposure.

6.3 RETAIL MARKET POTENTIAL

The demand-side dynamics within the market have been concisely described in preceding chapters, supported by a retail market growth assessment. An assessment of the net effective demand for additional retail floor space will be made in this chapter. A growth forecast, respectively for a five and ten-year horizon are provided based on economic, population and income growth prevalent in the market.

Retail demand modelling has become increasingly specialised over the past decade. One particular aspect that has changed is a notable shift away from broad based supply-demand estimations to multivariate, differentiated models. Contemporary models focus on specific expenditure patterns of selected LSM market segments.

The retail development potential estimations will be addressed under the following headings:

- ✓ Retail Supply
- ✓ Retail Demand
- ✓ Development Potential

The demand and supply side of the retail market can be defined in terms of the following:

Defining Demand

Retail demand depends on a variety of customer-related aspects. It can be conceptualised as follows:

$$\mathbf{D_{ret} = f\ \{P_o;\ P_{\%};\ Q;\ Y;\ R_e;\ C_p;\ S_f\}}$$

Where:

P_o	=	Population size
$P_{\%}$	=	Population growth
Q	=	Existing quality of retail space
Y	=	Household income
R_e	=	Household expenditure patterns
C_p	=	Consumer preferences
S_f	=	Seasonality factors

Defining Supply

The supply of retail markets entails the following:

$$\mathbf{S_{ret} = f\ \{D_{ret};\ GLA_{ret};\ R;\ S_c;\ C_c;\ L_u;\ I_a;\ S_p;\ V_{ret}\}}$$

Where:

D_{ret}	=	Demand
GLA_{ret}	=	Current rentable/useable area
R	=	Rent/m^2
S_c	=	Competition
C_c	=	Construction cost
L_u	=	Surrounding land uses
I_a	=	Infrastructure availability
S_p	=	Speculative climate
V_{ret}	=	Vacancy

6.3.1 RETAIL SUPPLY IN THE MARKET AREA

Subsequent paragraphs provide an overview of the existing and proposed retail centres within the primary and secondary market area. The findings of the assessment are based on the following sources of information:

- ✓ Shopping Centre Directory, SA Council of Shopping Centres, 1996 – 2016
- ✓ Demacon GIS, 2016

❖ EXISTING SUPPLY

Table 6.1 shows the existing retail supply located in the primary trade area. Table 6.2 highlights existing retail supply beyond the secondary market area. The review of retail supply beyond the secondary market area was completed because of the lack of existing retail offerings in the secondary market area and as a result, local consumers may travel outside these boundaries to other retail centres to fulfil retail needs and requirements. A representation of the distribution of retail supply is also provided in Map 6.1.

Table 6.1: Retail supply in the primary market area

Name of retail centre	Description
PRIMARY MARKET SHOPPING CENTRES	
Monument Shopping Centre (1.7 km)	• Type of centre: Neighbourhood centre • Size: **7 722 m²** • Location: Cnr Beyers Naudn, Mbonani, Mayisela, Charl Cilliers & Burger Streets, Standerton • Anchor tenants: Edcon, Capitec, Foschini, Mr Price, Nedbank, Pepkor, Truworths • Parking: 161 • Number of shops: 24 • Year refurbished: No refurbishment yet
Standerton Centre (1.5 km)	• Type of centre: Neighbourhood centre • Size: **6 213m²** • Location: 36-42 Charl Cilliers Street, Standerton • Anchor tenants: KFC, Russells, Beares, Geen & Richards, OK Furniture • Parking: 0 • Number of shops: 16 • Year refurbished: 2006
The Junxion Complex (2.3 km)	• Type of centre: Local convenience centre • Size: **4 995 m²** • Location: Cnr Beyers Naudp & Baumann Streets, Standerton • Anchor tenants: Pick n Pay Family • Parking: 595 • Number of shops: 26 • Year refurbished: 2008
TOTAL PRIMARY SQM	• **18 930 m²**

Table 6.2: Retail supply located beyond the secondary market area

SHOPPING CENTRES BEYOND THE SECONDARY MARKET AREA	
Mall@Emba (49.6 km)	• Type of centre: Community Centre • Size: **24 600 m²** • Location: Cnr Mbalenhle Avenue & Old Provincial Road Secunda • Anchor tenants: Shoprite, Pick n Pay, Jet Mart, ABSA, Edgars Active, Ackermans • Parking: 690 • Number of shops: 83 • Year refurbished: 2012
Secunda Value Centre (62.7 km)	• Type of centre: Neighbourhood Centre • Size: **8 722 m²** • Location: PDP Kruger Road, Secunda • Anchor tenants: Builders Warehouse, Westpack Lifestyle, Burger King • Parking: 0 • Number of shops: 0 • Year refurbished: Unknown
Secunda Mall (60.8 km)	• Type of centre: Regional Centre • Size: **59 700 m²** • Location: Cnr Oliver Tambo & PDP Kruger Avenues, Secunda • Anchor tenants: Woolworths, CheckersHyper, Pick n Pay, Game, Edgars, Dis-Chem, Mr Price • Parking: 0 • Number of shops: 98 • Year refurbished: Unknown

Checkers Mall (60.3 km)	• Type of centre: Community Centre • Size: **14 717 m²** • Location: Cnr Lurgiplein & Heunis Streets, Secunda • Anchor tenants: Checkers, Mr Price, Truworths, Sasol Gym • Parking: 200 • Number of shops: 22 • Year refurbished:2012
Secunda Shopping Centre (60.5 km)	• Type of centre: Neighbourhood Centre • Size: **7 234 m²** • Location: Rautenbach Avenue, Secunda • Anchor tenants: JDG & Russells • Parking: 300 • Number of shops: 9 • Year refurbished: 2007
Pick n Pay - Secunda Square (60.6 km)	• Type of centre: Neighbourhood Centre • Size: **10 473 m²** • Location: Nico Diedericks Steet, Secunda • Anchor tenants: Pick n Pay, Mr Price Home • Parking: 106 • Number of shops: 26 • Year refurbished: Unknown
Shoprite Centre Secunda (60.9 km)	• Type of centre: Local Convenience Centre • Size: **4 664 m²** • Location: Cnr Lourens Muller Street & Waterson Crescent, Secunda • Anchor tenants: Shoprite • Parking: 300 • Number of shops: 14 • Year refurbished: 1994
Secunda Plaza (60.6 km)	• Type of centre: Neighbourhood Centre • Size: **5 307 m²** • Location: Horwood Street, Secunda • Anchor tenants: Spar, Clicks, PNA, Ackermans, Pep • Parking: 250 • Number of shops: 10 • Year refurbished: Unknown
Game Park Secunda (60.8 km)	• Type of centre: Local Convenience Centre • Size: **4 098 m²** • Location: Horwood Street, Secunda • Anchor tenants: Kosmos Pharmacy • Parking: 0 • Number of shops: 7 • Year refurbished: 2010
Secunda Village (64.7 km)	• Type of centre: Neighbourhood Centre • Size: **6 361 m²** • Location: Rautenbach Street, Secunda • Anchor tenants: Markhams, Legit, Total Sports, Donna Claire • Parking: 0 • Number of shops: 26 • Year refurbished: Unknown
Bethal Sanlam Building (63.3 km)	• Type of centre: Local Convenience Centre • Size: **2 424 m²** • Location: Cnr Eeufees & Mark Streets, Bethal • Anchor tenants: Shoprite , Truworths • Parking: 0 • Number of shops: 4 • Year refurbished: Unknown
Cosmos Shopping Centre Bethal (63.6 km)	• Type of centre: Local Convenience Centre • Size: **4 480 m²** • Location: 41 Du Plooy Street, Bethal • Anchor tenants: Pick n Pay, Pep

	• Parking: 0 • Number of shops: 29 • Year refurbished: Unknown
Shoprite Centre Ermelo (91.6 km)	• Type of centre: Neighbourhood Centre • Size: **7 023 m²** • Location: De Jager St, Ermelo • Anchor tenants: Shoprite, OK Furniture, Geen & Richards • Parking: 0 • Number of shops: 2 • Year refurbished: Unknown
Meent Centre Ermelo (91.6 km)	• Type of centre: Neighbourhood Centre • Size: **6 899 m²** • Location: Cnr De Jager, Oosthuizen & Innes Streets, Ermelo • Anchor tenants: Superspar, Fruit & Veg City • Parking: 150 • Number of shops: 23 • Year refurbished: 2010
Ermelo Mall (91.5 km)	• Type of centre: Community Centre • Size: **20 447 m²** • Location: 50A De Jager Street, Ermelo • Anchor tenants: Shoprite, Jet Mart, Cashbuild • Parking: 292 • Number of shops: 48 • Year refurbished: 2009
Game Centre Ermelo (92.3 km)	• Type of centre: Value Centre • Size: **5 669 m²** • Location: Cnr de Emigratie Road & Voortrekker Avenue, Ermelo • Anchor tenants: Game • Parking: 0 • Number of shops: 21 • Year refurbished: Unknown
Pick n Pay Centre Ermelo (92.6 km)	• Type of centre: Community Centre • Size: **14 797 m²** • Location: Cnr Kerk & Camden Streets, Ermelo • Anchor tenants: Pick n Pay, Mr Video, Kodak, Perfect Water, Spot On • Parking: 420 • Number of shops: 16 • Year refurbished: 2014
Amajuba Mall Newcastle (134.8 km)	• Type of centre: Community Centre • Size: **15 542 m²** • Location: Cnr Victoria Road & Allan Street, Newcastle • Anchor tenants: Checkers, Clicks, Hi-Fi Corporation • Parking: 900 • Number of shops: 39 • Year refurbished: 2009
Victorian Mall Newcastle (136.5 km)	• Type of centre: Neighbourhood Centre • Size: **12 000 m²** • Location: Scott Street, Newcastle • Anchor tenants: The Hub, Cambridge Foods, AutoZone • Parking: 400 • Number of shops: 19 • Year refurbished:2012
Scott Street Mall Newcastle (136.8 km)	• Type of centre: Community Centre • Size: **17 665 m²** • Location: Cnr Montague & Scott Streets, Newcastle • Anchor tenants: Pick n Pay, Clicks, Shoe City • Parking: 0 • Number of shops: 21 • Year refurbished: 2012

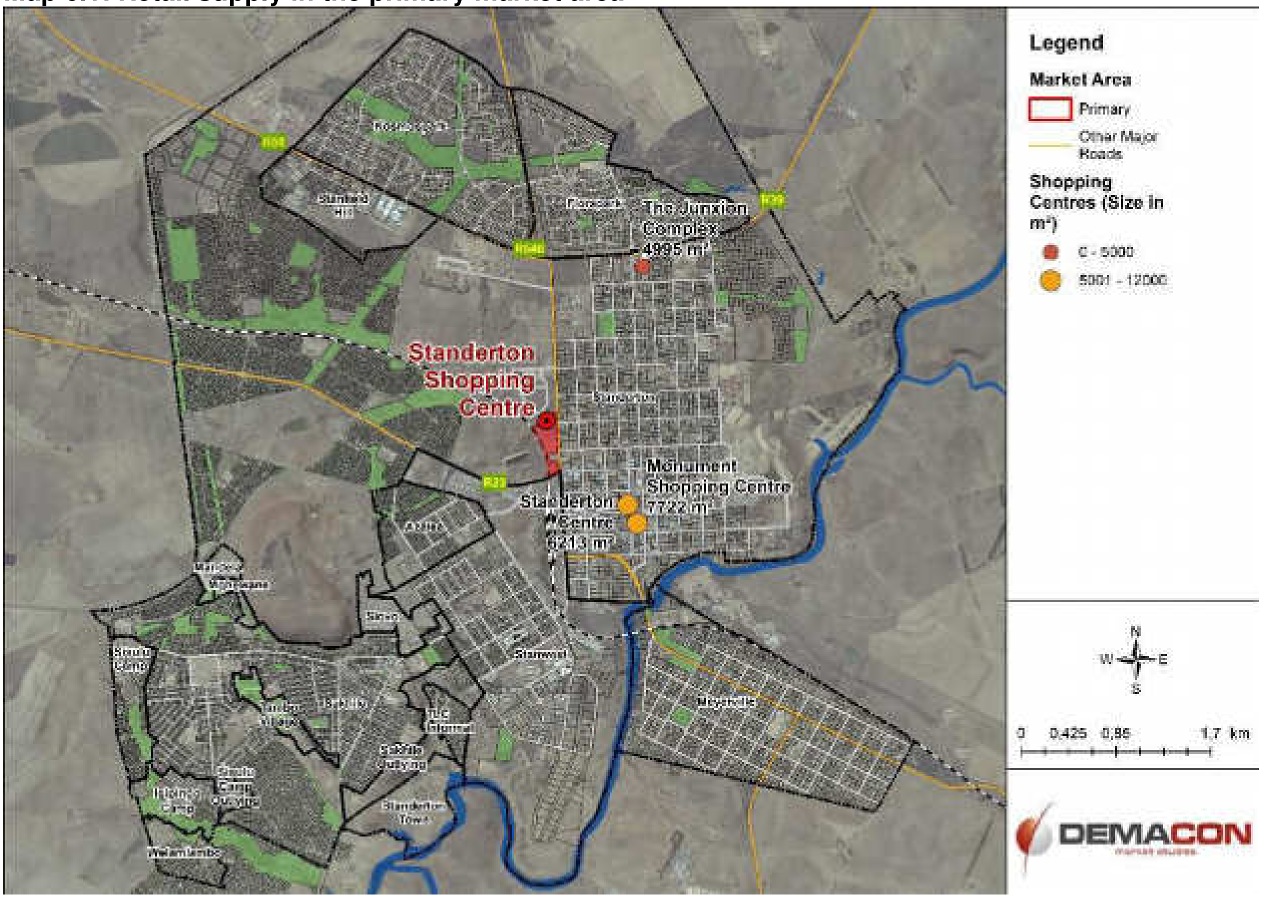
Newcastle Mall	• Type of centre: Small Regional Centre • Size: **38 000 m²** • Location: Cnr Oak & Ladysmith Roads, Newcastle • Anchor tenants: Pick n Pay, Woolworths, Edgars, Game, Checkers, Mr Price, Truworths, Foschini • Parking: 1700 • Number of shops: 96 • Year refurbished: Unknown
TOTAL BEYOND SQM	**290 922 m²**

Source: Demacon, 2016

Findings: (Table 6.1 and Table 6.2)

- ✓ Table 6.1 shows that built retail supply amounts to approximately **18 930 m²** in the primary market area,
- ✓ In the secondary retail market area, no built retail supply exists. In order to quantify potential supply in the broader region, retail supply in the nearby towns and settlements outside the secondary market area were considered.
- ✓ Table 6.2 suggests that beyond the secondary market area, approximately **290 922 m²** of built retail space exists.
- ✓ The above supply figures cannot directly be correlated with the demand of the market area due to the fact that most of the centres are trading off multiple trade areas and trade area overlap occurs.
- ✓ It should also be noted that the proposed Standerton Shopping Centre is situated just north of the Central Business District of the town. The CBD primarily consists of street front retail that has limited parking space. This type of configuration as retail option has lost its appeal and could be an indicator for the leakage of disposable income from the area.

Map 6.1: Retail supply in the primary market area



6.3.2 RETAIL MARKET DEMAND ESTIMATIONS

The retail market is a derived demand. The primary demand drivers are community income and expenditure profiles. An important concept in retailing is the fact that different order size shopping centres cater to different consumer needs and hence, do not compete directly for market share. In this context, the objective of this sub-section is to access the magnitude of retail development that can be sustained by the node and the new resident community.

The retail demand estimations are conducted based on prevalent population and income growth trends (all values: 2016 constant prices). The demand estimations are considered conservative and realistic. Subsequent paragraphs indicate the market potential analysis of the proposed development. The retail market estimations are based on a trade area based technique.

The following tables summarise the current and forecast market expenditure and the retail floor space for retail facilities within the retail node per described scenario. Demand values are presented for **2016, 2021 and 2026 (all values: constant 2016 prices)** and represents the LSM 4-10+ market.

- **RETAIL EXPENDITURE**

- **Primary Market Area**

Table 6.3: Primary market area retail expenditure, 2016, 2021 and 2026

Retail Category	2016 Rand / Annum	2021 Rand / Annum	2026 Rand / Annum
Bulk groceries	R 283 418 938	R 298 639 319	R 314 677 077
Top-up groceries	R 84 725 767	R 89 275 775	R 94 070 131
Clothing, shoes, accessories	R 125 214 187	R 131 938 535	R 139 023 999
Furniture and homeware	R 36 739 492	R 38 712 504	R 40 791 473
Hardware goods	R 13 496 140	R 14 220 920	R 14 984 623
Gifts, books and confectionary	R 27 742 065	R 29 231 891	R 30 801 724
Specialty / value goods	R 8 997 427	R 9 480 613	R 9 989 748
Restaurants, entertainment	R 92 973 408	R 97 966 337	R 103 227 401
Personal care	R 29 241 636	R 30 811 993	R 32 466 683
Other personal goods & services	R 47 236 490	R 49 773 220	R 52 446 179
Total	**R 749 785 550**	**R 790 051 108**	**R 832 479 039**

Source: Demacon Retail Demand Model, 2016

- **Secondary Market Area**

Table 6.4: Secondary market area retail expenditure, 2016, 2021 and 2026

Retail Category	2016 Rand / Annum	2016 Rand / Annum	2016 Rand / Annum
Bulk groceries	R 96 539 400	R 101 217 241	R 106 121 748
Top-up groceries	R 28 859 662	R 30 258 064	R 31 724 226
Clothing, shoes, accessories	R 42 651 005	R 44 717 670	R 46 884 476
Furniture and homeware	R 12 514 367	R 13 120 753	R 13 756 523
Hardware goods	R 4 597 114	R 4 819 869	R 5 053 417
Gifts, books and confectionary	R 9 449 624	R 9 907 508	R 10 387 578
Specialty / value goods	R 3 064 743	R 3 213 246	R 3 368 944
Restaurants, entertainment	R 31 669 009	R 33 203 539	R 34 812 425
Personal care	R 9 960 414	R 10 443 049	R 10 949 069
Other personal goods & services	R 16 089 900	R 16 869 540	R 17 686 958
Total	**R 255 395 237**	**R 267 770 478**	**R 280 745 365**

Source: Demacon Retail Demand Model, 2016

❖ Market Retail Floor Space Demand

The above expenditure patterns translate into the demand for retail floor space as summarised in the table below.

✓ Primary Market Area

Table 6.5: Primary market area retail floor space demand 2016, 2021 and 2026

Retail Category	2016 m² GLA	2021 m² GLA	2026 m² GLA
Bulk groceries	6 033	5 484	4 984
Top-up groceries	1 804	1 639	1 490
Clothing, shoes, accessories	3 685	3 349	3 044
Furniture and homeware	1 081	983	893
Hardware goods	397	361	328
Gifts, books and confectionary	730	664	603
Specialty / value goods	237	215	196
Restaurants, entertainment	2 736	2 487	2 260
Personal care	860	782	711
Other personal goods & services	1 390	1 263	1 148
Total	**18 953**	**17 227**	**15 658**

Source: Demacon Retail Demand Model, 2016

✓ Secondary Market

Table 6.6: Secondary market area retail floor space demand, 2016, 2021 and 2026

Retail Category	2016 m² GLA	2016 m² GLA	2016 m² GLA
Bulk groceries	2 055	1 859	1 681
Top-up groceries	614	556	503
Clothing, shoes, accessories	1 255	1 135	1 027
Furniture and homeware	368	333	301
Hardware goods	135	122	111
Gifts, books and confectionary	249	225	204
Specialty / value goods	81	73	66
Restaurants, entertainment	932	843	762
Personal care	293	265	240
Other personal goods & services	473	428	387
Total	**6 456**	**5 839**	**5 281**

Source: Demacon Retail Demand Model, 2016

❖ Tenant Composition and Apportionment

Given the above market potential estimation, based on the Residual Demand Technique, the Market Share Model could assist in refining the tenant composition of the proposed centre. PhD research conducted by the author indicates that the share technique should not be applied in isolation, but only once market potential has been established, to inform centre composition and tenant mix.

In the context of the market potential analysis, empirical data was utilised to estimate the apportionment of additional floor space. The tables below indicate the retail tenant mix apportionment per market area and the findings provide guidelines for centre tenanting and merchandising.

❑ Baseline Scenario

✓ Primary and Secondary Market

Table 6.7: Retail tenant mix apportionment (baseline scenario), 2016

Retail Category	Min Demand (m²)	Max Demand (m²)	Midpoint (m²)	Floor Space Apportionment (%)
Bulk groceries	2 831	3 640	3 235	31,8%
Top-up groceries	846	1 088	967	9,5%
Clothing, shoes, accessories	1 729	2 223	1 976	19,4%
Furniture and homeware	507	652	580	5,7%
Hardware goods	186	240	213	2,1%
Gifts, books, confectionary	343	441	392	3,9%
Speciality / value goods	111	143	127	1,2%
Restaurants, entertainment	1 284	1 651	1 467	14,4%
Personal care	404	519	461	4,5%
Other personal goods & services	652	839	745	7,3%
Total demand	**8 893**	**11 434**	**10 164**	**100%**

Source: Demacon Retail Demand Model, 2016

The table above indicates that the market potential for retail in the primary and secondary market areas for 2016 is approximately **10 164 m² retail GLA**. The potential is calculated on average benchmark trading densities and market shares for similar centres in comparable market areas.

The centre will, however, not be operational in 2016 and optimum centre size should take in account the short term growth in demand, as well as the acceptable addition of 10% to 20% for **non-retail services**.

❑ Optimistic Scenario

✓ Primary and Secondary Market

Table 6.8: Retail tenant mix apportionment (optimistic scenario), 2016

Lower limit	Min Demand (m²)	Max Demand (m²)	Midpoint (m²)	Floor Space Apportionment (%)
Bulk groceries	4 044	4 853	4 449	31,8%
Top-up groceries	1 209	1 451	1 330	9,5%
Clothing, shoes, accessories	2 470	2 964	2 717	19,4%
Furniture and homeware	725	870	797	5,7%
Hardware goods	266	319	293	2,1%
Gifts, books, confectionary	490	588	539	3,9%
Speciality / value goods	159	191	175	1,2%
Restaurants, entertainment	1 834	2 201	2 017	14,4%
Personal care	577	692	634	4,5%
Other personal goods & services	932	1 118	1 025	7,3%
Total demand	**12 705**	**15 246**	**13 975**	**100%**

Source: Demacon Retail Demand Model, 2016

The table above indicates that the market potential for retail in the primary and secondary market areas for 2016 is approximately **13 975 m² retail GLA**. The potential is calculated on average benchmark trading densities and market shares for similar centres in comparable market areas.

The centre will, however, not be operational in 2016 and optimum centre size should take in account the short term growth in demand, as well as the acceptable addition of 10% to 20% for **non-retail services**.

Based on the results shown in the tables above (Table 6.6 and Table 6.7), the recommended centre options are shown in Table 6.8 below.

Table 6.9: Ideal tenant mix apportionment at optimum point of market entry (baseline and optimistic scenario's)

Retail Category	Baseline Scenario Min Demand (m²)	Optimistic Scenario Min Demand (m²)
Groceries	5 253	7 223
Clothing, shoes, accessories	2 470	3 396
Furniture and homeware	725	996
Hardware goods	266	366
Gifts, books and confectionary	490	673
Specialty / value goods	159	218
Restaurants, entertainment	1 834	2 522
Personal care	577	793
Other personal goods & services	932	1 281
Total	**12 705**	**17 469**

Source: Demacon Retail Demand Model, 2016

Subsequent paragraphs indicate the total retail demand for the retail components of the project.

❖ Total Retail Demand

The total retail market potential is summarised in Table 6.9.

Table 6.10: Summary of total market demand, 2016, 2021 and 2026

Retail Expenditure	2016 Rand / Annum	2021 Rand / Annum	2026 Rand / Annum
Primary Market	R 749 785 550	R 790 051 108	R 832 479 039
Secondary Market	R 255 395 237	R 267 770 478	R 280 745 365
Retail Demand	**2016 m² GLA**	**2021 m² GLA**	**2026 m² GLA**
Primary Market	18 953	17 227	15 658
Secondary market	6 456	5 839	5 281

Source: Demacon Retail Demand Model, 2016

❖ Standerton Optimum Centre Size

Table 6.10 provides information regarding the optimum centre size for the baseline and optimistic scenario's for the proposed Standerton Retail Centre.

Table 6.11: Optimum centre size options

	Baseline Scenario (Rand / m²)	Optimistic Scenario (Rand / m²)
Point of market entry	2018+	2018+
Additional growth in demand for centre (m²)	0	0
Retail GLA at OPME	10 164	13 975
Services GLA at OPME	2 541	3 494
Cinemas & entertainment	0	0

	Baseline Scenario (Rand / m²)	Optimistic Scenario (Rand / m²)
OPME Centre size (m²)	**12 705**	**17 469**
On-site job creation	423	582
Retail sales potential (R 2016 value)	R474 916 235	R653 009 824
Total capital investment (R 2016 value)	R241 387 742	R331 908 145
Additional parking bays required	762	1 048
Parking infrastructure & landscaping cost	18 142 194	24 945 517

Source: Demacon Retail Demand Model, 2016

Centre size and recommendations:

- In the context of residual nodal capacity calculations, indications suggest, that the optimum centre size for the Standerton Retail Centre could ideally be approximately **±12 705 m² GLA** under <u>Baseline Scenario</u> conditions. The <u>Optimistic Scenario</u> suggests that a centre of approximately **±17 469 m² GLA** centre could be established.
- The optimum point of market entry should be from 2018 onwards.
- The total annual sales potential of the centre under the <u>Baseline Scenario</u> could be approximately **R474 916 235**, while under the <u>Optimistic Scenario</u> annual sales potential could reach **R653 009 824**.
- Roughly **423** permanent on-site jobs could be generated by the centre under the <u>Baseline Scenario</u>. Similarly, **582** permanent on-site jobs could be generated under the <u>Optimistic Scenario</u>.
- Performance of the shopping centre will be dependent on achieving the correct tenant mix.

6.4 CASE STUDY ANALAYSIS OF COMPARATIVE SHOPPING CENTRES

Based, inter alia, on the dualistic nature of the market in which the proposed shopping centre exists, case studies have been selected to allow for a comparative analysis.

For the purposes of the case study analysis, shopping centres in similar size and functionality were selected. The centres selected are:

- ✓ Kriel Mall
- ✓ Phalaborwa Mall
- ✓ Mkhondo Mall

6.4.1 KRIEL MALL

Kriel Mall is a community centre situated in the town of Kriel along Bronwyn Street. The mall was constructed in 1980 and later refurbished in 2013. The mall consists of approximately 84 stores of which the anchor tenants are Super Spar, Shoprite Checkers and Built-It. The mall is owned by Investec Property Fund Ltd.

Table 6.12: Kriel Mall Characteristics

Location	3 Bronwyn Street, Kriel
Size (m² GLA)	22 127
Classification	Community Centre
Shops	84

Floors	1
Parking	1 110
Anchor Tenants	Super Spar Shoprite Checkers Build-It

6.4.2 MALL@PIETRETIEF

The Mall@PietRetief is a community centre situated in the town of Piet Retief at the corner of Brand Street (R543) and Church Street (N2). The mall was constructed in 2015 and consists of 50 stores of which Shoprite Checkers, Spar and Edgars are the anchor tenants. The mall is owned by Zarafusion (Pty) Ltd.

Table 6.13: Mall@PietRetief Characteristics

Location	Cnr R543 (Brand Street) and N2 (Chruch Street), Piet Retief
Size (m² GLA)	23 000
Classification	Community Centre
Shops	50
Floors	1
Parking	
Anchor Tenants	Shoprite Checkers Spar Edgars

6.4.3 EDEN SQUARE

Eden Square is located in Phalaborwa on the corner of Mandela and Palm Avenues. The shopping centre was developed in 1977 and no refurbishments have been recorded. The shopping centre has 50 shops of which Pick n Pay Family is the anchor tenant. The shopping centre is owned by the Community Property Company.

Table 6.14: Eden Square Characteristics

Location	Cnr Mandela & Palm Avenues, Phalaborwa
Size (m² GLA)	13 365 (Potential expansion to: 22 126 m²)
Shops	50
Floors	1
Parking	411
Anchor Tenants	Pick n Pay Family

6.5 SYNTHESIS

The preceding chapters provide a basis from which an empirical assessment of the retail market potential can be conducted. This section will highlight the supply aspects of the market area and conduct a GAP analysis. The market demand aspects of the market areas will also be reviewed and recommendations regarding the size and types of tenants that should form part of the proposed development are provided.

- ❑ **Retail Market Supply Summary**

Findings:

- ✓ The primary market area of the study has approximately 18 930 m² retail floor space that serves the local and broader communities of Standerton. The market area beyond the secondary market area shows that 290 922 m² of built retail space exist. It should be noted that shopping centres beyond the scope of the secondary market area have been included because the secondary market has no built retail space supply.
- ✓ Supply figures provided in this chapter cannot be directly correlated with the demand of the market area due to the fact that most of the centres are trading off multiple trade areas and trade area overlap occurs.

In terms of the retail demand modelling, the recommended market gap analysis indicates the options for the project according to the retail demand modelling.

- ❑ **Gap Analysis**

Development Type	Effective Market Gap	Development Prospects
Community Centre	Yes	Moderate

The development and overall sustainability of a retail facility relies strongly on its location. The following **location requirements** determine the success of a retail facility:

- ✓ **Sufficient buying power –** this refers to the disposable income per household in the catchment area of a retail facility, which is available to be spent at the specific retail facility.
- ✓ **Competition –** this plays an important role in the location of a retail facility. The sustainability and viability of a retail facility is higher with no competition than in an area with competition.
- ✓ **Competitive shopping / clustering –** this refers to the location of similar retail facilities in close proximity of each other. The result is lower prices as well as the improvement of services and products to the benefit of the consumer.
- ✓ **Accessibility –** the accessibility of a retail location to the labour force as well as consumers is an important locational factor in the development of retail facilities.
- ✓ **Land –** land as a locational factor refers to the market value of land or the lease value of structures. Lower values provide better development opportunities.
- ✓ **Role and function in shopping centre hierarchy –** retail facilities in a given geographical area are ranked in a hierarchy that services a given portion of the consumer population, according to each centre's unique size, composition, role and function.

- ❑ **Retail Market Demand Summary**

Findings:

- ✓ Retail expenditure in the primary market area for 2016 amounts to approximately **R749 785 580,** which is significantly higher than that of the secondary market area that amounts to **R255 395 237**.

- ✓ Demand generated by consumers in the primary and secondary market areas have been quantified and determined to be roughly **18 953 m²** in the primary market, and **6 456 m²** in the secondary market area.
- ✓ By completing the necessary retail demand modelling exercise, it was determined that the optimum centre size, informed by the baseline scenario, could be **±12 705 m² GLA**. a second scenario the, optimistic scenario indicated that the optimum centre size could be **±17 469 m² GLA**.

❑ Centre Classification and Recommendations

Size and Parking:

- ✓ In the context of residual nodal capacity calculations, indications suggest, that the optimum centre size for the Standerton Retail Centre could ideally be approximately **±12 705 m² GLA** under Baseline Scenario conditions. The Optimistic Scenario suggests that a centre of approximately **±17 469 m² GLA** centre could be established.
- ✓ Based on the optimum centre sizes for both scenarios, the proposed retail development is classified as a **community centre** by SACSC.
- ✓ The optimum market entry point would be from 2018 onwards.
- ✓ The estimated sales potential of the proposed retail centre under the baseline scenario conditions are **R474 916 235**, while under the conditions of the optimistic scenario the estimated sales potential increase to **R653 009 824**.
- ✓ The potential for on-site jobs for both baseline and optimistic scenarios have been determined to contribute **±423** and **±582** jobs respectively.
- ✓ The mixture and composition of tenants in the proposed retail development will determine the performance thereof.
- ✓ The centre could house between **50 and 100 shops**.
- ✓ Ample parking should be provided at a ratio of **6 bays per 100 m² retail GLA**.
- ✓ The parking area should be accessible, convenient, paved and well-lit in the evenings.
- ✓ Land should be reserved for future expansion.
- ✓ The development project should be situated next to a major arterial road in order to improve access and visibility.

Main Tenants:

The main tenants that form part of the proposed retail development should include:

- ✓ Large supermarket,
- ✓ Convenience stores
- ✓ Small national clothing retailer,
- ✓ Various restaurant and take-away options, and
- ✓ Services.

The challenge will be to find a **balance** between **market demand** (as revealed by consumer income and spending patterns) and **tenant demand** (i.e. the expressed desire by tenants to occupy space in the centre) and **investor demand** (i.e. the need for capital growth).

CHAPTER 7: SUMMARY & RECOMMENDATIONS

7.1 INTRODUCTION

The purpose of this chapter is to integrate the findings of the previous chapters into a concise summary and set of development recommendations with reference to the optimum capacity of the proposed retail development.

7.2 SUMMARY OF DEMOGRAPHICS AND KEY LOCATION ATTRIBUTES

- ✓ It was determined that the Standerton Shopping Centre Project has a primary and secondary market area.
- ✓ The primary market area has approximately 89 956 people and 24 844 households. The average household size for the market area is 3.6. (49.3% within LSM 4 to 10+).
- ✓ The secondary market area has approximately 54 538 people and 13 386 households. The average household size for the market area is 4.1. (41.2% within LSM 4 to 10+).
- ✓ The site is situated in Standerton and bordered by Walter Sisulu Drive to the immediate East, the R23 road to the South and the railway line alignment to the West on Portions of the Remainder of Portion 2 of the farm Grootverlangen 409 IS. The total property size amounts to 6.3140 hectares or 63 140 m².
- ✓ The proposed development is located in a low to middle income consumer market.
- ✓ The location of the Standerton Shopping Centre aligns to the future growth initiatives of the local council and as such can stimulate and expand on economic opportunities and growth. The proposed development site is located in a future Mixed Use zone.
- ✓ The tendency of local consumers to proceed to retail facilities outside the trade areas of Standerton, implies a need for certain retail products and actions. It is anticipated that the proposed development could fill the gap in the local markets, especially bulk groceries.
- ✓ The sustainability of the expansion will however hinge on effective market entry, critical mass and matching retailers with the consumer market profile.

7.3 SITE EVALUATION RESULTS

The proposed development site is located on a parcel of land in Standerton town along Walter Sisulu Drive (R546). Because of its location in Standerton town the development site is surrounded by higher density areas, as oppose to more rural locations. The development site is also just north of the central business district of the town, which is characterised with street front retail and limited parking access.

Walter Sisulu Drive (R546) is a regional road which is evidently also one of the primary connecter roads in the area. This provides the opportunity to access through fare traffic from surrounding areas. the R23 road, which is situated just south of the proposed development also functions as a regional road which further compliments the accessibility of the development.

The development site was evaluated based on a set of criteria as outlined in Chapter 2. The following table provides the results of that analysis.

Table 7.1: Retail site assessment score

Total	Percentage
Retail Site Assessment	72,2%

Source: Demacon, 2016

* Note: 80%+ indicates an exceptional site rating; a site rating of 70 – 80% is high and indicates that most important fundamentals for successful retail development is in place; a rating of 60 – 70% indicates some critical factors may be lacking but could possibly be addressed; projects with a sub 60% rating are not recommended for consideration.

The analysis results indicate that the development site is favourable. The score attained by the development site is 72.2% which is considered to be a high score and also shows that the fundamental components to support the proposed development are in place.

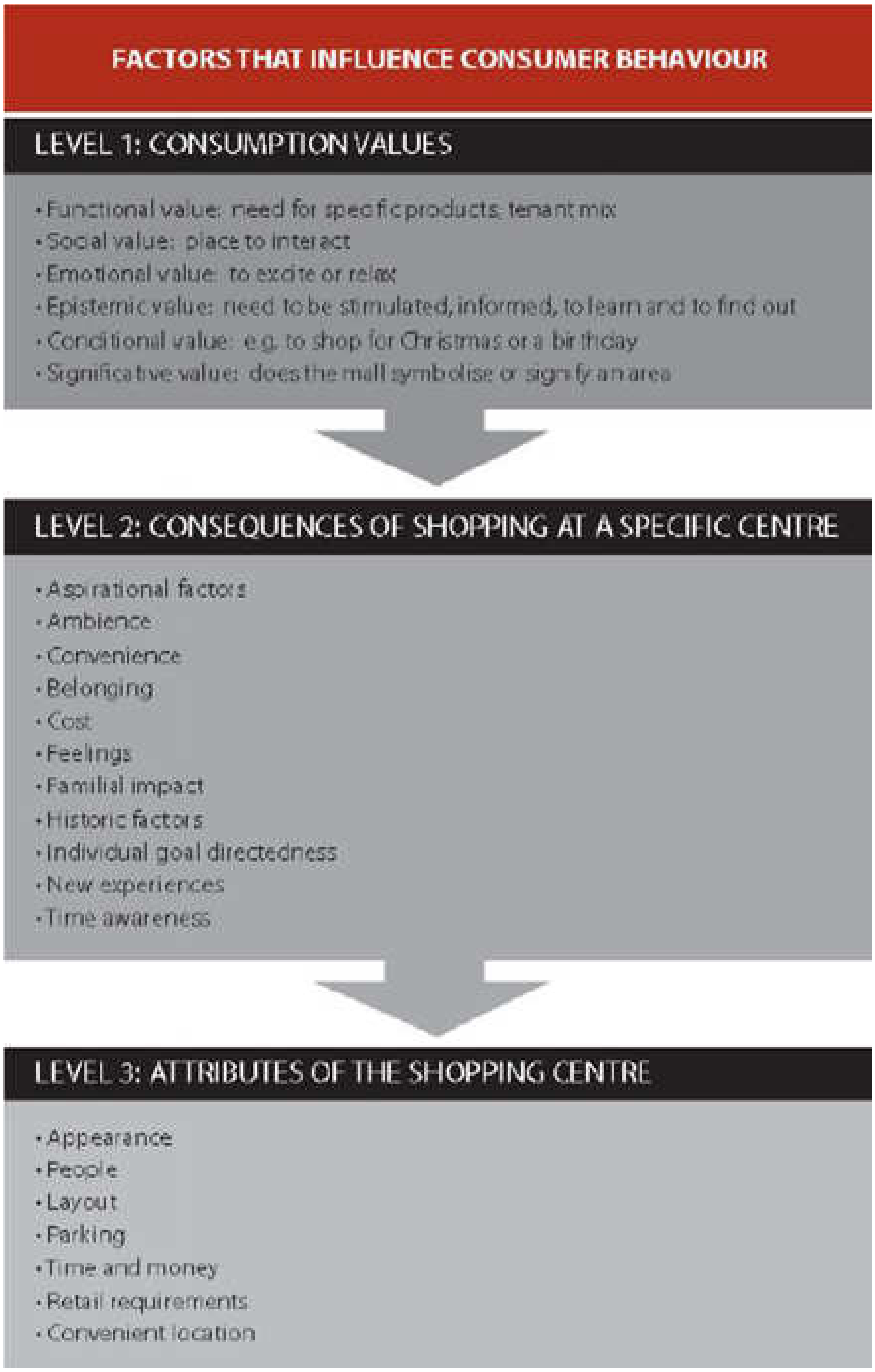
7.4 RETAIL MARKET RECOMMENDATIONS

7.3.1 FACTORS THAT INFLUENCE CONSUMER BEHAVIOUR

It has been established through empirical research that the factors listed below impact directly on a centres power of attraction. In addition to proven market demand, centre design should accommodate these values (Figure 7.1).

These aspects affirm that physical factors are only one dimension of consumer behaviour patterns. Other factors such as cognitive, emotional and experiential factors are increasingly contributing to the viability of retail centres. The sustainability of a centre is dominated by level one, thus the importance of providing the correct tenant mix as part of the shopping centre. The tenant mix should adhere to the demands and preferences of the market population.

Figure 7.1: Factors that influence consumer behaviour



7.3.2 RETAIL MARKET SUPPLY

- ✓ The total existing supply of shopping centre retail floor space in the primary market area presently amounts to roughly 18 930 m² (as built).
- ✓ There exists no existing retail supply in the secondary market area and was expanded to include towns on the fringe of the secondary market area. The present retail floor space amounts to 290 922 m² (as built).
- ✓ The above supply figures can not directly be correlated with the demand of the market area due to the fact that most of the centres are trading off multiple trade areas and trade area overlap occurs.

In terms of the retail demand modelling, the recommended market gap analysis indicates the options for the project according to the retail demand modelling.

7.3.3 GAP ANALYSIS

In terms of the retail demand modelling, the recommended market gap analysis indicates the options for the project according to the retail demand modelling.

Development Type	Effective Market Gap	Development Prospects
Community Centre	Yes	Moderate

The development and overall sustainability of a retail facility relies strongly on its location. The following **location requirements** determine the success of a retail facility:

- ✓ **Sufficient buying power –** this refers to the disposable income per household in the catchment area of a retail facility, which is available to be spent at the specific retail facility.
- ✓ **Competition –** this plays an important role in the location of a retail facility. The sustainability and viability of a retail facility is higher with no competition than in an area with competition.
- ✓ **Competitive shopping / clustering –** this refers to the location of similar retail facilities in close proximity of each other. The result is lower prices as well as the improvement of services and products to the benefit of the consumer.
- ✓ **Accessibility –** the accessibility of a retail location to the labour force as well as consumers is an important locational factor in the development of retail facilities.
- ✓ **Land –** land as a locational factor refers to the market value of land or the lease value of structures. Lower values provide better development opportunities.
- ✓ **Role and function in shopping centre hierarchy –** retail facilities in a given geographical area are ranked in a hierarchy that services a given portion of the consumer population, according to each centre's unique size, composition, role and function.

7.3.4 SUMMARY OF DEMAND ANALYSIS

The following table summarises the demand analysis for both primary and secondary market areas as well as for the baseline and optimistic scenarios.

Table 7.2: Recommended centre options

	Baseline Scenario (Rand / m²)	Optimistic Scenario (Rand / m²)
Point of market entry	2018+	2018+
Additional growth in demand for centre (m²)	0	0
Retail GLA at OPME	10 164	13 975
Services GLA at OPME	2 541	3 494
Cinemas & entertainment	0	0
OPME Centre size (m²)	**12 705**	**17 469**
On-site job creation	423	582
Retail sales potential (R 2016 value)	R474 916 235	R653 009 824

	Baseline Scenario (Rand / m²)	Optimistic Scenario (Rand / m²)
Total capital investment (R 2016 value)	R241 387 742	R331 908 145
Additional parking bays required	762	1 048
Parking infrastructure & landscaping cost	18 142 194	24 945 517

Source: Demacon Retail Demand Model, 2016

7.3.5 CENTRE SIZE AND RECOMMENDATIONS

Size and Parking:

- ✓ In the context of residual nodal capacity calculations, indications suggest, that the optimum centre size for the Standerton Retail Centre could ideally be approximately **±12 705 m² GLA** under Baseline Scenario conditions. The Optimistic Scenario suggests that a centre of approximately **±17 469 m² GLA** centre could be established.
- ✓ Based on the optimum centre sizes for both scenarios, the proposed retail development is classified as a **community centre** by SACSC.
- ✓ The optimum market entry point would be from 2018 onwards.
- ✓ The estimated sales potential of the proposed retail centre under the baseline scenario conditions are **R474 916 235**, while under the conditions of the optimistic scenario the estimated sales potential increase to **R653 009 824**.
- ✓ The potential for on-site jobs for both baseline and optimistic scenarios have been determined to contribute **±423** and **±582** jobs respectively.
- ✓ The mixture and composition of tenants in the proposed retail development will determine the performance thereof.
- ✓ The centre could house between **50 and 100 shops**.
- ✓ Ample parking should be provided at a ratio of **6 bays per 100 m² retail GLA**.

Layout and Design:

- ✓ The layout and design of the proposed retail centre should be influenced to provide a sense of community and offer a level of prestige to its shoppers.
- ✓ The parking area should be accessible, convenient, paved and well-lit in the evenings.
- ✓ Land should be reserved for future expansion.
- ✓ The development project should be situated next to a major arterial road in order to improve access and visibility.
- ✓ The development should comply with modern design standards
- ✓ The development should reflect high quality, in order to provide a pleasant experience
- ✓ Attention should be paid to quality design features such as sidewalks, street furniture, etc.

Main Tenants:

The main tenants that form part of the proposed retail development should include:

- ✓ Supermarket (such as Checkers, Cambridge Food, Spar, Pick n Pay or Food Lovers Market),
- ✓ Small national clothing retailer (Identity, Markhams or Woolworths),
- ✓ Various restaurant and take-away options (Ocean Basket, Wimpy, KFC or Nandos), and
- ✓ Services (Hairdressers, doctors, dentists and banks).

Based on results from the conducted household surveys, main anchors should include a supermarket, a hardware shop, restaurants, a hobby shop and various other smaller line shops. The dualistic nature of the market area could potentially support dual anchor grocery tenants.

The challenge will be to find a **balance** between **market demand** (as revealed by consumer income and spending patterns) and **tenant demand** (i.e. the expressed desire by tenants to occupy space in the centre) and **investor demand** (i.e. the need for capital growth).

7.5 SYNTHESIS

- ✓ The information above indicates that the proposed development site is favourably located in the context of the area. information gathered from local households indicate that the local residents favour the new shopping centre and would conduct their shopping at the facility.
- ✓ The proposed development site is also complimented by the fact that the site is situated on a portion of land that the Spatial Development Framework had identified as future mixed use 2.
- ✓ The information further suggests that a community centre could be supported in the local market area. The potential for the proposed retail centre was estimated to be ±12 705 m² GLA under baseline scenario conditions and ±17 469 m² GLA under optimistic scenario conditions.
- ✓ In the local market area, it was determined that a retail leakage exists which could be captured by the new development. The new development will also contribute positively to the local economy through employment creation.
- ✓ The optimum point of market entry would be 2018+.
- ✓ The annual sales that the proposed centre could attain under the baseline scenario is R474 916 235, while under the optimistic scenario annual sales could be R653 009 824.
- ✓ Potential permanent employment that could be created is estimated to be ±423 for the baseline scenario, compared to ±582 for the optimistic scenario.
- ✓ Performance will be dependent on, inter alia, appropriate tenant composition.
- ✓ The survey results indicated that the following tenants are highly preferred by local shoppers:
    - Supermarkets
    - Restaurants
    - Hardware shop
    - Hobby shop
    - Fashion outlets
    - Etc.

Appendix B8

Motivating Memorandum

METROPLAN
TOWN PLANNERS AND URBAN DESIGNERS

MOTIVATING MEMORANDUM

COMBINED APPLICATION FOR TOWNSHIP ESTABLISHMENT IN TERMS OF SECTION 59 AND SUBDIVISION IN TERMS OF SECTION 71 AND ALL RELEVANT SECTIONS OF THE PROVISIONS OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT BY-LAW FOR LEKWA LOCAL MUNICIPALITY, 2016 -

THE REMAINDER OF PORTION 2 OF THE FARM GROOTVERLANGEN 409 IS

PROPOSED STANDERTON EXTENSION 9

CONTACT PERSONS:
Viljoen du Plessis
Harriet Joubert

DATE:
JULY 2016

T +27 12 804 2522
F +27 12 804 2877
E mail@metroplan.net

PO Box 916 Groenkloof 0027 Pretoria
96 Rauch Avenue Georgeville Pretoria 0184
www.metroplan.net

1 FACTS AND CIRCUMSTANCES RELEVANT TO THE APPLICATION

1.1 EXECUTIVE SUMMARY

The Lekwa Local Municipality entered into a Deed of Sale with Sky Village Properties CC (Registration number 2001/077408/23) for the alienation of two portions of the Remainder of Portion 2 of the Farm Grootverlangen 409 IS, measuring ±5,4123 and ±0.9017ha respectively. These portions of land will be refered to in this memorandum as the subject properties or the land development area.

The subject properties are located to the direct west of Walter Sisulu Drive and south of the R23, in Standerton. It is intended to establish a vibrant mixed use business development on the subject properties.

Not only will the proposed development offer a variety of land uses including, but not limited to, shops, food outlets, offices, motor retail facilities etc, but it will also optimize the use of land whilst strengthening the fiscal basis of the Municipality by increasing the potential income for the Municipality with the sale of the subject properties, the increase in rates and taxes, strengthened economic growth and the improved infrastructure development.

In terms of the Deed of Sale, applications need to be submitted by Sky Village Properties CC for-

- the subdivision of the Remainder of Portion 2 of the Farm Grootverlangen 409 IS to allow for the subject portions to be registered under separate title; and
- the establishment of a township to procure a land use change that will allow for the development of the proposed mixed use development.

This memorandum deals with the combined application for township establishment and subdivision as provided for the Spatial Planning and Land Use Management By-Law for Lekwa Local Municipality, 2016.

The Lekwa Municipality confirmed that the township name reserved for this development is **STANDERTON EXTENSION 9.**

1.2 LOCAL AUTHORITY

The subject properties are situated within the Municipal boundaries of the Lekwa Local Municipality, Mpumalanga Province.

1.3 PROPERTY DETAILS

The property details are summarised in Table 1 below:

TABLE 1: Property details

PROPERTY DESCRIPTION	SIZE	OWNERSHIP	TITLE DEED
A portion of Remainder of Portion 2 of the farm Farm Grootverlangen 409 IS.	5.4123ha	The Lekwa Local Municipality	G321/1908
A portion of Remainder of Portion 2 of the farm Farm Grootverlangen 409 IS.	0.9017ha	The Lekwa Local Municipality	G321/1908

A copy of the Title Deed is attached as **ANNEXURE A** and the SG diagrams are attached as **ANNEXURE B**, the mandates to attend to the application on behalf of the Lekwa Municipality, being the registered property owner at the time of submission of the application are attached as **ANNEXURE C.**

1.4 LOCALITY, LAND USE AND AREA PERSPECTIVE

The Lekwa Local Municipality was established on the 5th of December 2000. The municipality is located in the Gert Sibande District Municipality, which is one of three District municipalities in Mpumalanga Province. The Municipal area is located on the border of the Free State Province and is indirectly connected to Gauteng and Durban via N3. It is also located to the south of the TEKS area (Trichardt, Evander, Kinross, Secunda), which is the economic hub in the region.

Standerton forms part of the larger Lekwa area of jurisdiction which lies on the banks of the Vaal River in Mpumalanga. The area is known for its cattle-, dairy-, maize- and poultry farming. Influential businesses such as Nobel, and Early Bird have established in Standerton in support of the agricultural land uses in the area.

The subject properties form part of land situated amidst the urban development area of Standerton. The Central Business District of Standerton lies to the south-east of the subject properties. The land development area is bordered by Walter Sisulu Drive to its immediate west. The R23 borders onto the southern-most boundary of the land development area and the western boundary follows the alignment of the railway line. The locality is illustrated on the local and regional locality maps, attached as **PLAN 1** and **PLAN 2** and the insert below **(INSERT 1)**.

INSERT 1: Locality

The inserts below serve to illustrate the site and its surroundings.

INSERT 2: A picture taken from the south, showing the R23 which forms the southern boundary of the site and Walter Sisulu Drive which fronts the site on its eastern side.

INSERT 3: A picture taken from Walter Sisulu Drive facing north and showing the railway line which forms the western boundary of the site.

INSERT 4: A picture taken from Walter Sisulu Drive, showing the site in a south-western direction with the Silos and the railway to the west of the subject properties.

INSERT 5: A picture taken from the extension of Kruger Street facing south towards the entrance of the Standerton Fire Brigade which is located to the far north of the subject properties.

INSERT 6: This picture shows the Municipal Licensing Offices with the site to its south-east.

The land uses in the area are illustrated on the attached land use plan (**PLAN 3**) and the aerial photo of the area (**PLAN 4**).

1.5 SERVITUDES AND RESTRICTIVE CONDITIONS

1.5.1 SERVITUDES AND RESTRICTIVE CONDITIONS

The Title Deed, G321/1908 and SG diagrams for the properties refer to some servitudes over the Remainder of Portion 2 of the farm Grootverlangen 409 IS. Due to the vast extent and scattered location of the portions of the Remainder, detailed conveyancer's and land surveyor's investigations will confirm the status and position of any servitudes. The compilation plan on record at the offices of the Surveyor General, Plan number IS7C, does not show any of the servitudes to affect the subject properties. Refer to **ANNEXURE B.**

1.5.2 RESTRICTIVE CONDITIONS

The Title Deed for the subject properties does not contain any conditions of title that needs to be removed to allow for the proposed development.

1.6 ZONING

According to the Standerton Town Planning Scheme, 1995 the subject properties are zoned "Agricultural". A copy of the zoning certificate is attached as **ANNEXURE D** and a zoning map is attached as **PLAN 5.**

1.7 MINERAL RIGHTS

The Department of Minerals and Energy has been approached with a request to confirm whether any mining or prospecting rights have been issued or are under consideration by the Department. The relevant correspondence is attached as **ANNEXURE E**.

1.8 LAND CLAIMS

The land claims commissioner has been requested to confirm whether any land claims have been received or are under consideration for the subject properties. Copies of the correspondence is attached as **ANNEXURE F**.

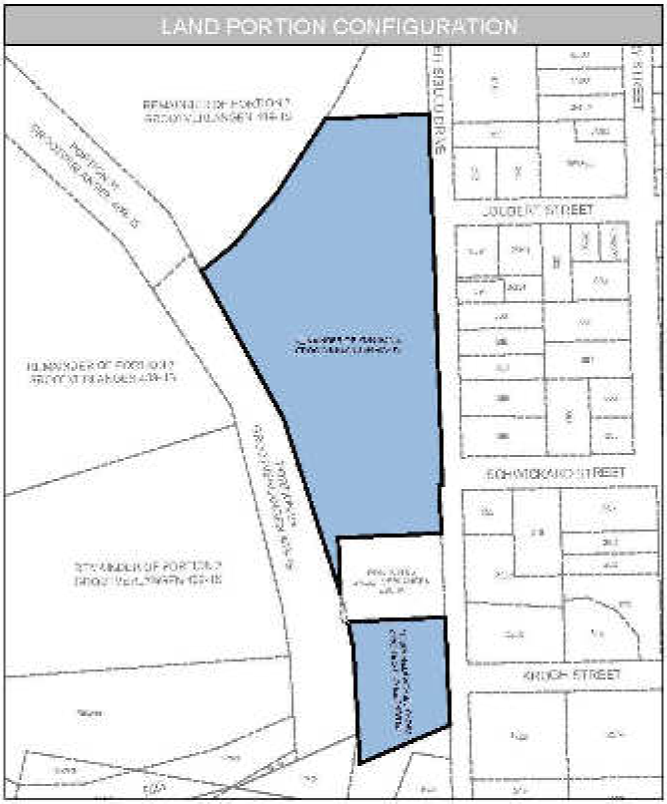
2 DEVELOPMENT PROPOSAL

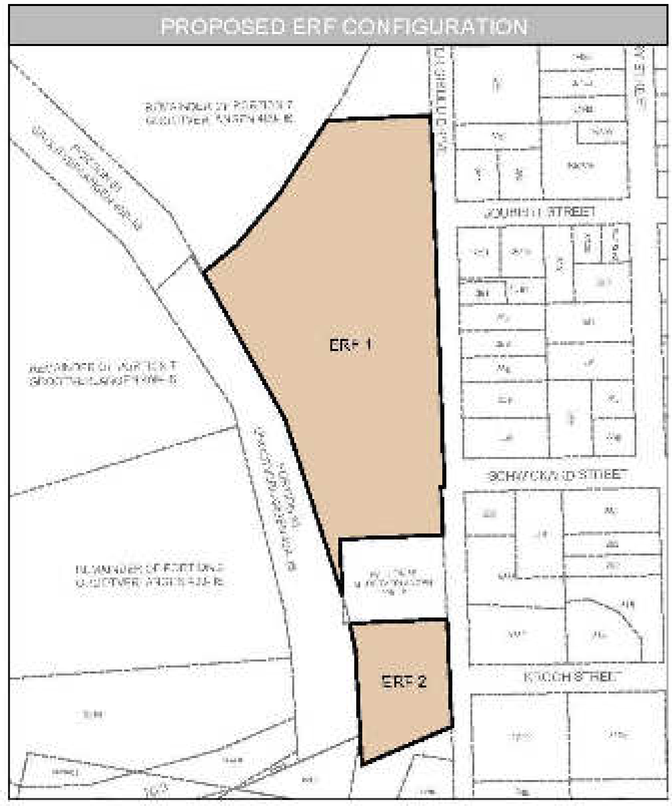
2.1 THE APPLICATION

A combined application is herewith made for subdivision and township establishment in terms of the provisions of the Spatial Land Use Management By-law for Lekwa Local Municipality, 2016. The township will be known as Standerton Extension 9 as confirmed by the Lekwa Local Municipality. Refer to **ANNEXURE H**.

The development site will include two portions of Portion 2 of the farm Grootverlangen 409 IS measuring ±5.4123ha and ±0.9017ha respectively. These portions will be subdivided from the larger Remaining Extent of Portion 2 of the farm Grootverlangen 409 IS, which is scattered all over Standerton due to previous subdivisions and township establishment. The surveyor General already allocated Portion numbers for the 2 Portions (i.e. Portions 151 and 152 of the farm Grootverlangen 409 IS). The combined area of the land development area is ±6.314ha. The conceptual subdivision sketch plan is attached as **PLAN 6** and the configuration of the subject properties versus the erven in the proposed township is illustrated in **INSERT 7** below.

INSERT 7: Conceptual land configuration





It is proposed to establish a township consisting of two erven for purposes of developing a mixed use development. This will form the first phase of a larger intended mixed use development. The proposed zoning for both erven is "Special" for shops, places of refreshment (including drive through facilities), banks, hotels, offices (including medical and dental suites), dry cleaners, laundromats, a gymnasium, vehicle sales marts and showrooms (including workshops), fitment centres, places of amusement, and wholesale trade.

This development will allow for a mixed use business development (retail mall) of some ±22 000m² Gross Floor Area.

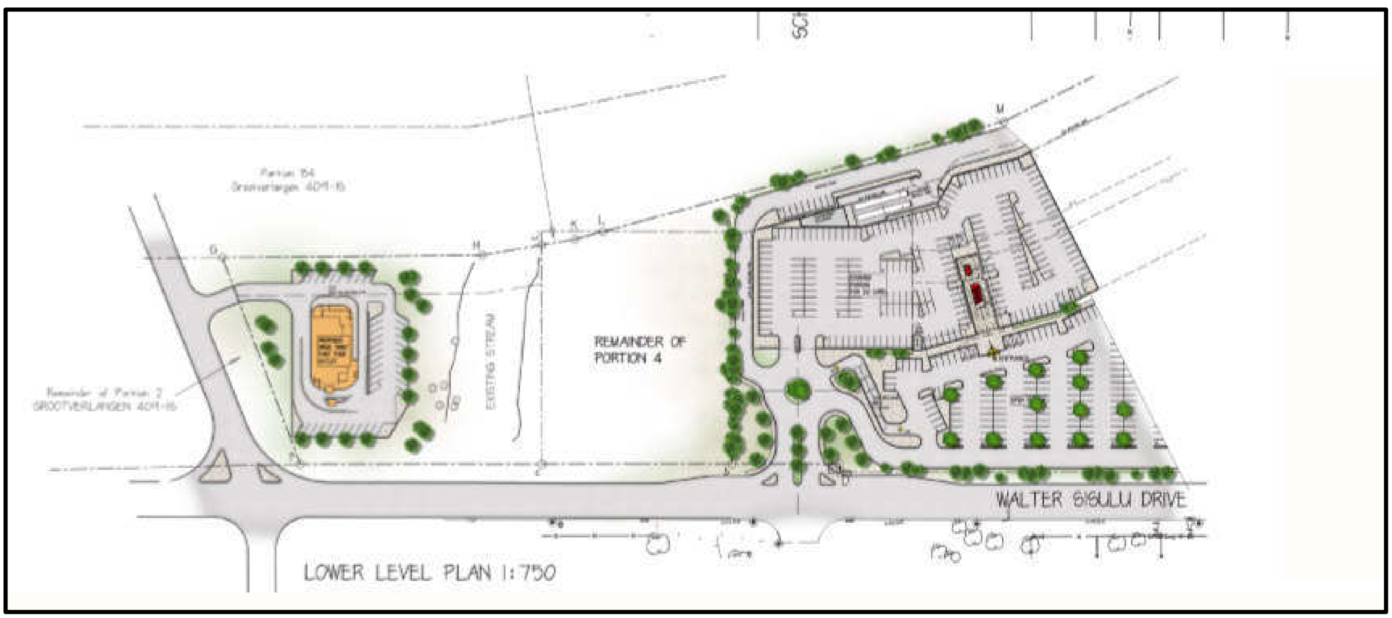
2.2 PROPOSED DEVELOPMENT

It is intended to develop a mixed use development, which will include *inter alia* shops, places of refreshment (including drive through facilities), banks, hotels, offices (including medical and dental suites), dry cleaners, laundromats, a gymnasium, vehicle sales marts and showrooms (including workshops), fitment centres, places of amusement, and wholesale trade.

INSERTS 8 AND 9 below are architectural impressions of the proposed site layout of the buildings on the properties.

INSERT 8: Conceptual upper level plan

INSERT 9: Conceptual lower level plan



The preliminary site layout plan is attached as **PLAN 7** and the conceptual architectural sketches are attached as **ANNEXURE G**.

3 SPECIALIST INPUT

3.1 DETAILED MARKET STUDY

Demacon Market Studies have been appointed to attend to the required market research to assess the economic drivers and trends, trade area based demographic profile, as well as the development and growth potential of the proposed development.

An estimated 22 668 households and 83 697 people (2016) reside within a ten-minute drive time from the proposed development site. Existing retail supply within the market area include The Junxion Complex (4 995m^2 GLA), Standerton Centre (6 213m^2 GLA), and Monument Shopping Centre (7 722m^2 GLA). These existing shopping centres can all be classified as convenience-type neighbourhood shopping centres.

An initial appraisal of the supply-demand profile of the market area would suggest that a community-type shopping centre (i.e. a centre of up to 22 000m^2 GLA) will be viable. The recommended centre size will be finalised once the detailed market research has been completed.

Refer to **ANNEXURE J**. The detailed study forms part of the addendum to the application: **APPENDIX A**

3.2 GEOTECHNICAL REPORT

Soilkraft CC has been instructed to attend to a geotechnical soil investigation

The site is located within the Vryheid formation, which forms part of the Ecca group of the Karoo supergroup. The geology of the Vryheid formation is coarse to medium sandstone, and shale. The soils that occur may be highly variegated, exhibiting patches of rubble and saprolite. There are many surface rocks, and it is expected that these rocks be interspersed within the soils. Towards the lowest point in the landscape, it can be expected to find more vertic soils with swelling and shrinking properties.

Refer to **ANNEXURE K**. The findings of the investigation are included in the geotechnical report which forms part of the addendum to the application: **APPENDIX B**

3.3 CIVIL SERVICES REPORT

EDS Engineering Design Services (Pty) Ltd attended to investigation on the availability of civil services. The pre-liminary findings confirms inter alia that the Lekwa Local Municipality renders engineering services to the area. Services should be available taking the close of proximity of the CDB into consideration

- The preliminary connection size for water is 160mm for fire, and 63mm for a water connection which will apply to the proposed development
- The daily water takeoff will be 120 KL per day
- The daily sewer outflow will be 80 Kl per day
- Stormwater can be discharged into the natural stream crossing the property on the southern tip.

Refer to **ANNEXURE L**. The details of the investigations are contained in a civil services report which forms part of the addendum to the application: **APPENDIX C**

3.4 FLOODLINE STUDY

SRK Engineers did a floodline determination and included the findings in a report.

The report forms part of the addendum: Refer to **APPENDIX D**.

3.5 ELECTRICAL SERVICES REPORT

Plantech Electrical, Mecanical and Electronic Consulting Engineers investigated the availability of electrical services and confirm as follows:

The proposed development is located within the license electricity supply area of the Lekwa Local Municipality and the Municipality is therefore responsible for the electrical supply to this development.

A conservative After Diversity Maximum Demand (ADMD) of 10 VA/m2 was used for the calculation of the bulk electrical supply requirement and it is expected conservative bulk supply demand requirement to the site will be some 2,500 kVA.

The Notified Maximum Demand (NMD) of Standerton at the Eskom infeed points is currently 55 MVA, and the current maximum demand of Standerton is 65 MVA as indicated by the Lekwa Local Municipality representatives. The Lekwa Local Municipality still needs to confirm if the demand of the planned development will be restricted because of the increase of the main demand of Standerton over and above the NMD from Eskom.

An existing medium voltage (MV) network is located next to Walter Sisulu Drive along the full length of the Eastern boundary of the proposed development. The MV network consists of CA Substation located just South of the development and Shannon Substation, which is located on Walter Sisulu Drive adjacent to the development and across from the T-junction with Von Backstrom Street.

The Lekwa Local Municipality representatives indicated that the installed cable between CA Substation and Shannon Substation, along Walter Sisulu Drive, will have to be upgraded to a 150 mm2, 3 Cu, PILC 11 kV cable whereafter a Bulk Metering Kiosk (BMK) can be installed along Walter Sisulu Drive, at the intersection with the proposed development, as the primary metered supply to the development.

Should any of the streets around the development be upgraded as part of the development's conditions of establishment, the Developer will have to provide the necessary street lights to service these roads.

Refer to **ANNEXURE M**. The electrical services report forms part of the addendum to the application: **APPENDIX E**

3.6 TRAFFIC IMPACT STUDY

EDS Engineering Design Services (Pty) Ltd attended to traffic surveys and compiled a Traffic Impact Assessment.

A meeting was held with the HOD Infrastructure (Mr Herbert Shai) and Manager: Roads & Transport (Ms Zandi Mgadi) at the municipal offices on the 28th June 2016, whereby the proposed development is supported. The following were discussed and agreed on;

- The northern portion of the site (proposed Erf 1) will comprise two access points, taken off Walter Sisulu Drive.
- The southern portion of the site (proposed Erf 2) would comprise at least one access point, taken off either Walter Sisulu Drivne or Krogh Street (R23) – this to be investigated further.
- Site access to be applied for and the anticipated site accessibility be included in the traffic impact study for the approval of the municipality.
- The study area identified by the traffic engineer is acceptable to the municipality.
- No roads improvements are planned within the study area.
- The municipality does not have the road master plan at this stage.
- The latest roads hierarchy plan to be sourced from the Manager of Land and Planning Division
- Parking supply may be relaxed accordingly provided that the public transport holding area is provided on site to support lower parking rate
- A relaxed parking rate will be proposed for municipal approval.

Refer to **ANNEXURE N**. The Traffic Impact Assessment forms part of the addendum: Refer to **APPENDIX F**.

3.7 ENVIRONMENTAL BASIC IMPACT STUDY

Bokamoso Environmental have been instructed to investigate the environmental impacts in terms of the Amended 2014 Environmental Impact Assessment Regulations published in Government Notice No. R982, R983 and R985 of the National Environmental Management Act, 1998 (Act No. 107 of 1998).

Based on the nature and extent of the proposed development the possible concerns to be addressed are inter alia: Visibility, Noise, Dust, Safety, Security, Maintenance of road, Increase in traffic, Socio-economic Impact, Ecological Surroundings, and “Sense of place”.

The Public Participation is anticipated to commence mid-July and thereafter the Basic Assessment Process timeline will be followed.

From the desktop study conducted no significant issues have been identified on the study area, however this will be confirmed during the Basic Assessment Process when specialists conduct their studies on site. The extent of the tributary of the Vaal River towards the south of the study area needs to be confirmed by a wetland specialist.

The proposed development requires authorisation from DARDLEA via the Basic Assessment process outlined in Regulation 982 published in the Government Notice No. 38282 of 04 December 2014 of NEMA.

Refer to **ANNEXURE O**. A copy of the Report forms part of the addendum to the application: **APPENDIX G**.

3.8 CONVEYANCER REPORT AND LAND SURVEYOR CERTIFICATE

MacRobert Attorneys have been appointed to attend to a conveyancer report. A copy of the report forms part of the addendum to the application**: APPENDIX H** and Reed & Partners Land Surveyors surveyed the properties and issued a surveyor certificate. A copy of the certificate forms part of the addendum to the application: **APPENDIX I.**

Refer to **ANNEXURE P.**

4 PLANNING MOTIVATION

4.1 MOTIVATION IN TERMS OF THE DEVELOPMENT PRINCIPLES, NORMS AND STANDARDS SET OUT IN CHAPTER 2 OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT ACT, 2013 ACT 16 OF 2013 (SPLUMA)

(i) SECTION 6(1)

Section 6(1) of the Spatial Planning Land Use Management Act, 2013 (SPLUMA) sets out the general principles that applies to all organs of State and other authorities who are responsible for the implementation of legislation regulating land use development.

These principles include:

6(1)(a)	**The preparation, adoption and implementation of any spatial development framework, policy, or By-law concerning spatial planning and the development or use of land**
	This principle calls for authorities such as the Lekwa Local Municipality to ensure that the required documentation is in place in order to guide, control and consider land use proposals. The Lekwa Local Municipality has prepared and adopted the **Lekwa Spatial Development Framework, 2010** which framework earmarks the subject properties for mixed use development.
6(1)(b)	**The compilation, implementation and administration of any land use scheme or other regulatory mechanism for the management of the use of land**
	The Standerton Town Planning Scheme of 1995 is used to regulate land use development. The Scheme will be replaced/converted into a Land Use Scheme within the specified period of 5 years.
6(1)(c)	**The sustainable use and development of land**
	The Lekwa Local Municipality, in compliance with its role and function as local authority considers applications brought before it, taking into consideration various matters pertaining to the area, the impacts on surrounding amenities and citizens and the sustainability of the proposal, etc. The proposed development contributes to the sustainable use and development of land by increasing development potential and contributing to mixed land uses within an area designated for such purposes.
6(1)(d)	**The consideration by a competent authority of any application that impacts or may impact upon the use and development of land**
	The Lekwa Local Municipality, in compliance with its role and function as local authority allows for public participation in the process for land use and development applications brought before it, taking into consideration various matters pertaining to the area, the impacts on

	surrounding amenities and citizens and the sustainability of the proposal, etc.
6(1)(e)	**The performance of any function in terms of this Act or any other law regulating spatial planning and land use management**
	This principle calls for the Lekwa Local Municipality to perform its role and function in compliance with any and all pieces of legislation.

(ii) SECTION 7

Section 7 of the Spatial Planning Land Use Management Act, 2013 (SPLUMA) lists the principles that have to be complied with by the private sector, Municipality and other related authorities when attending to matters pertaining to spatial planning, land development and land use management. Compliance with the principles is illustrated below:

Principle 7(a) - Principle of Spatial Justice whereby -	
(i)	Past spatial and other imbalances must be redressed through improved access and use of land
	The development will contribute to redressing past spatial imbalances by providing infill development and up market shopping opportunity accessible and in close proximity to residential development for low and middle income groups.
(ii)	Spatial development frameworks and policies at all spheres of government must address the inclusion of persons and areas that were previously excluded, with an emphasis on informal settlements, former homeland areas and areas characterized by widespread poverty and deprivation
	The Spatial Frameworks applicable to the land development area on all spheres of government acknowledges that all persons should have equal access to areas previously excluded. The Municipality has included all areas in the planning documentation, budget documentation etc. This application applauds equal access to all.
(iii)	Spatial planning mechanisms, including land use schemes, must incorporate provisions that enable, redress in access to land by disadvantaged communities and persons
	The spatial planning initiatives of the Lekwa Local Municipality incorporates provisions to include all communities and persons within its area of jurisdiction.
(iv)	Land use management systems must include all areas of a Municipality and specifically include provisions that are flexible and appropriate for the management of disadvantaged areas, informal settlements and former homeland areas
	The Lekwa Municipality incorporated previously disadvantaged areas, settlement areas and

	informal settlements into its planning initiatives both on a spatial and land use management basis.
(v)	Land development procedures must include provisions that accommodate access to secure tenure and the incremental upgrading of informal areas
	The Town of Lekwa Municipality provides for land development procedures to include provisions that accommodate access to secure tenure and the incremental upgrading of informal areas.
(vi)	A Municipal Planning Tribunal considering an application before it, may not be impeded or restricted in the exercise of its discretion solely on the ground that the value of land or property is affected by the outcome of the application
	The Lekwa Local Municipality as an authorized and responsible authority will attend to the fair and unbiased outcome of applications as part of its constitutional responsibility.

Principle 7(b) - Principle of Spatial sustainability whereby spatial planning and land use management systems must -	
(i)	Promote land development that is in the fiscal, institutional and administrative means of the Republic
	The proposed development is not only within the fiscal means of the republic, but will make a contribution to the fiscus on a national and local level. The private developer will carry all the costs of the development and will make financial contributions to the upgrade of bulk services in the area. The increased value of the properties will contribute to the property tax base of the Municipality. The provision of a vibrant shopping experience will allow for economic growth and job opportunities.
(ii)	Ensure that special consideration is given to the protection of prime and unique agricultural land
	The Lekwa Local Municipality takes the protection of prime and unique agricultural land into consideration as part of the responsibility of all to ensure food security in the Country. The Department of Agriculture has confirmed that the provisions of Act 70 of 1970 is not applicable to the subject land portions. Refer to **ANNEXURE I**. The Lekwa SDF makes extensive provision for agriculture within the rural areas and intensification of urban infill development in the urban areas.
(iii)	Uphold consistency of land use measures in accordance with environmental management instruments
	The environmental authorities on a provincial as well as local level are tasked with ensuring that any development complies with environmental policies and legislation in as far as it may be

	relevant to a specific land portion. The development will comply with sustainable environmental practices.
(iv)	Promote and stimulate effective and equitable functioning of land markets
	The development as proposed is based on open market competition and that of a competitive economy. The proposed development will clearly contribute to economic growth by revitalization of the area. It represents a private sector initiative, planned and applied for in the context of such open market competition.
(v)	Consider all current and future costs to all parties for the provision of infrastructure and social services in land developments
	The municipal services system provides for engineering services to the area. The external bulk engineering services infrastructure may need to be upgraded and the developer will in collaboration with the Municipality attend to certain upgrading of services,
(vi)	Promote land development in locations that are sustainable and limit urban sprawl
	The subject properties are located in an existing built up urban area and the proposed development can therefore not be regarded as causing urban sprawl. The development of the land development area will contribute to the optimal use of land. The proposed development is located within an area earmarked for mixed use development in the Lekwa, as well as the district and provincial Spatial Development Frameworks. The aim is to limit urban sprawl and ensure focused development and intensification in strategic localities thereby enhancing urban efficiency and sustainability, whilst protecting valuable environmental and agricultural land in rural areas.
(vii)	Result in communities that are viable
	The proposed development does not only represent an economical investment in the area, but will introduce a vibrant shopping opportunity as a functional part of a viable community. Viable communities consist of different households and income groups. They also offer its residents easy and affordable access to public transport, jobs and services and economic facilities. The proposed development complies with these as it brings a vibrant mixed use development to residents of Standerton income groups and provides them with the full spectrum of urban services.

Principle 7(c) - Principle of efficiency, whereby -	
(i)	Land development optimises the use of existing resources and infrastructure
	The proposed development will benefit from and support the utilization of the existing resources and infrastructure in the area such as Municipal engineering services. As part of the

	development responsibilities will be the construction of a formal taxi holding area, which will encourage the use of public transport.
(ii)	Decision making procedures are designed to minimize negative financial, social, economic or environmental impacts
	The newly drafted By-law of the Lekwa Municipality pertaining to land use management incorporates processes to limit any financial, social, economic or environmental impacts.
(iii)	Development application procedures are efficient and streamlined and timeframes are adhered to by all parties
	Due to the importance of time influencing the cost of the development of any land imposes a responsibility on authorities to administer and consider application processes in such a way to expedite the planning and development processes. The newly drafted By-law of the Lekwa Local Municipality pertaining to land use management envisage a streamlined application process.

Principle 7(d) – the Principle of Spatial resilience, whereby flexibility in spatial plans, policies and land use management systems are accommodated to ensure sustainable livelihoods in communities most likely to suffer the impacts of economic and environmental shocks	
	The land use procedures and policies of the Lekwa Local Municipality allow for well-motivated departure from the spatial planning for areas where a development can contribute to the sustainability of an area and the prosperity of a community.

Principle 7(e) – the principle of good administration, whereby -	
(i)	All spheres of government ensure an integrated approach to land use and land development that is guided by the spatial planning and land use management systems as embodied in this Act
	The responsibility of authorities to ensure integrated governance and a shared vision for an area of jurisdiction is encouraged by this principle. Such integrated approach requires broad consultation and input by authorities when preparing spatial planning documents for any area.
(ii)	All government departments must provide their sector inputs and comply with any other prescribed requirements during the preparation or amendment of spatial development frameworks
	In the compilation of the spatial development frameworks the authorities are obliged to ensure that they effectively participate and give input in order for the frameworks to be inclusive and complete.
(iii)	The requirement of any law relating to land development and land use are met timeously

	The newly drafted By-law of the Lekwa Local Municipality pertaining to land use management envisage a streamlined application process in terms of the given timeframes. The proposed mixed use development finds support in the frameworks on all spheres of government.
(iv)	The preparation and amendment of spatial plans, policies land use schemes as well as procedures for development applications, include transparent processes of public participation that afford all parties the opportunity to provide inputs on matters affecting them
	Community involvement and public participation, where members of the public are granted an opportunity to influence planning decisions is central to this principle. Municipalities, government institutions, developers and members of the public have become increasingly aware of the benefits and opportunities of effective public participation and the application procedures prescribed by the Lekwa Local Municipality allows for public participation.
(v)	Policies, legislation and procedures must be clearly set in order to inform and empower members of the public
	The importance of proper guidance and information on any proposal that may affect members of public is emphasized in this principle. The By-law of the Lekwa Local Municipality as well as the procedures prescribed in the relevant legislation are fairly clear on the procedures of public participation and aims to inform and empower members of public to find benefit in their participation in processes.

4.2 MOTIVATION OF COMPLIANCE WITH SPATIAL DEVELOPMENT FRAMEWORKS IN TERMS OF SECTION 42 OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT ACT, 2013 ACT 16 OF 2013 (SPLUMA)

4.2.1 NATIONAL LEVEL

(i) NATIONAL SPATIAL DEVELOPMENT PERSPECTIVE, 2006

Principle 5 of the National Spatial Development Perspective deals with the spatial distortion of apartheid and calls for future settlement and economic development opportunities to be channeled into activity corridors and nodes that are adjacent to, or that link the main growth centres. It continues to call for infrastructure investment that should primarily support localities that will become major growth nodes in South Africa and the SADC Region to create regional gateways to the global economy.

The proposed development is ideally situated and will provide economic growth and infrastructure upgrading and therefore complies with Principle 5 of the National Spatial Development Perspective.

4.2.2 PROVINCIAL LEVEL

(i) THE MPUMALANGA PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY (MP GDS), 2004 – 2014

This strategy is the overall strategic framework for the Provincial Government. It is the embodiment of the broad strategic policy goals and objectives of the Province and as a policy framework it sets the tone and pace for growth and development in the Mpumalanga, whilst aiming to promote integrated planning.

According to the MP GDS, the growth and development challenges in the Province can be summarised in a few distinct, but interrelated categories, namely:

- Poverty (unemployment and lack of access to opportunities);
- High levels of HIV and AIDS (the Province has one of the highest infection rates in the country with 30%);
- The negative growth rate in the Agricultural and mining sectors;
- Manufacturing of downstream products
- The socio-economic development potential of the province is constrained by insufficient road/rail infrastructure;
- The backlog in the delivery of services, water supply and sanitation, especially in rural areas;
- Lack of appropriate skills which is enhanced by the rural nature of the province;
- Corruption limits the effects of good governance measures and service delivery; and
- Environmental degradation - pressures on environmental resources are not comprehensively monitored.

After consideration of these challenges the Province has identified six priority areas of intervention. These priority areas have been identified primarily based on the social, economic and developmental needs of the Province:

- Economic Development (i.e. investment, job creation, business and tourism development and SMME development);

- Infrastructure Development (i.e. urban/rural infrastructure, housing and land reform);
- Human Resource Development (i.e. adequate education opportunities for all);
- Social Development (i.e. access to full social infrastructure);
- Sustainable Environmental Development (i.e. protection of the environment and sustainable development); and
- Good Governance (i.e. effective and efficient public sector management and service delivery).

(ii) THE MPUMALANGA INTEGRATED SPATIAL FRAMEWORK (MPISF), 2005

The Mpumalanga Integrated Spatial Framework (MPISF), 2005 provides for:

A provincial-wide perspective on social, environmental, economic, transport, settlement and land-use factors, and other development trends and impacts in Mpumalanga and strives to develop a spatial rationale of the scope and location of areas with economic (e.g. tourism, agriculture, petro-chemical) development potential, as well as the areas with the major challenges in terms of addressing poverty, service backlogs, etc. in the Province and for the various district municipal areas.

In harmony with the National Spatial Development Perspective, the MPISF puts forward the following directives:

- There should be development focus on localities with greater economic potential.
- There should be development focus on localities that will facilitate the creation of more sustainable human settlements through the provision of more than just houses and basic infrastructure.
- There should be focus on the development of people through skills development and the creation of social opportunities; thus facilitating choice and ability to move between settlements.
- There should be focus on broadening the range of housing products in appropriate localities to address an extended and diverse need of a range of people, including the elderly, people with disabilities, children headed households, single headed households and migrant families.
- The range of suitable localities within existing settlements for infill development should be broadened, by development of appropriate brown field sites in close proximity to the urban areas.

The proposed development will allow for infill development in an urban area where economic growth will benefit not only the Standerton area, but also the larger area. The proposed development is in compliance with the goals of the policies on Provincial level and serves to contribute and support the principles of the Municipality as set out in the above-mentioned policy documents.

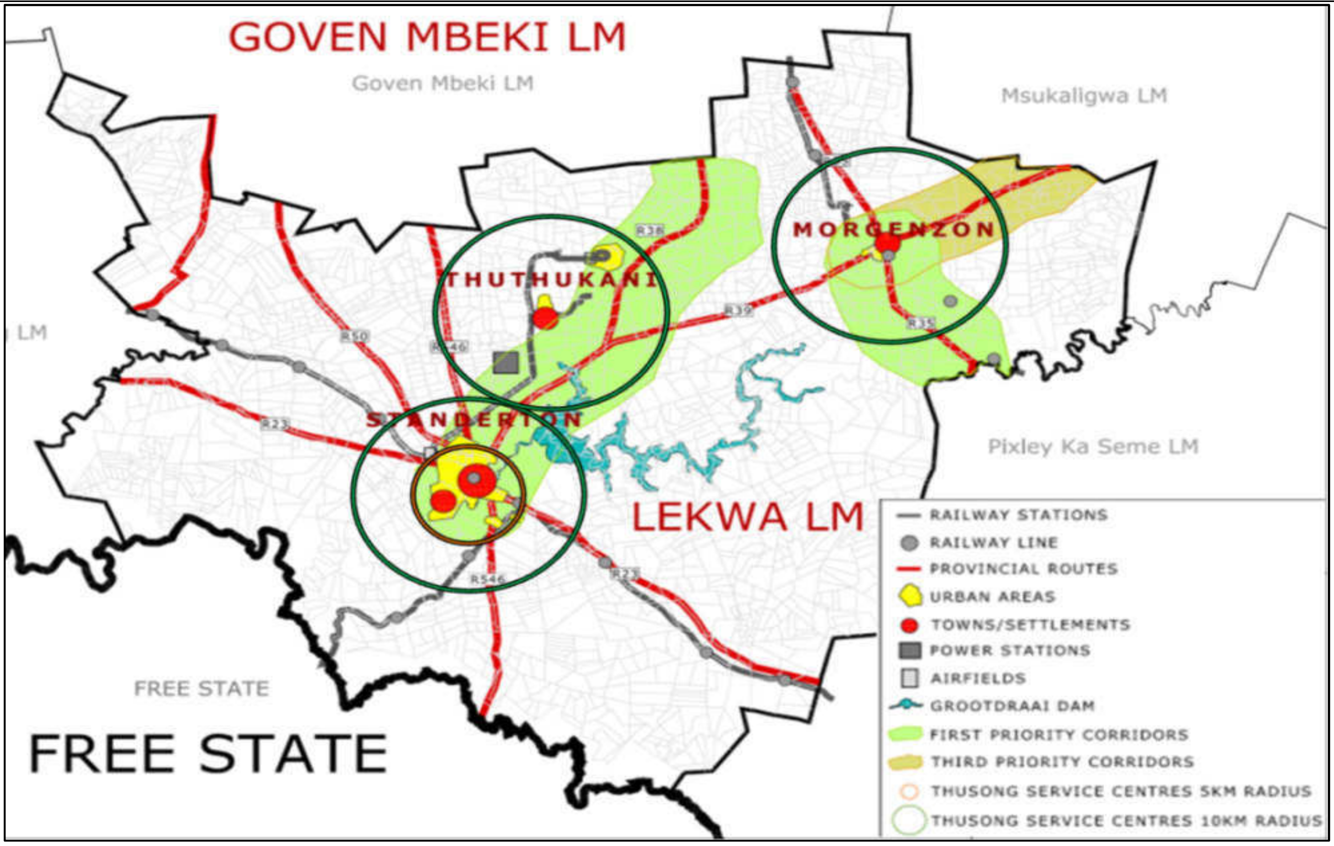
4.2.3 DISTRICT LEVEL

(i) THE GERT SIBANDE SDF, 2014

The Gert Sibande SDF identifies Standerton as a first order node. Standerton is centrally located within the LLM and being the main urban settlement it dominates industrial and manufacturing activities within the local municipal area. In terms of business activities, Standerton is regarded as one of the s that makes the largest contribution to both private sector services, retail activities, and public services and administration activities. It is also the focus of most of the main roads as well as the railway network, thus reinforcing its importance. The largest contributors to the Standerton economy are agriculture, mining, construction and finance and business services. This highlights the importance of Standerton as urban centre.
The framework, echoes the principles of the national and provincial strategic policies and calls for protection of environmental sensitive areas, economic growth, job creation, upliftment of communities and improved service delivery, etc.

The SDF lists specific development proposals with regard to Lekwa Local Municipality and identifies Standerton as a first order node. The framework also acknowledges the R38 between Standerton and Bethal as well as the R35 between Morgenzon and Amersfoort as First Order Priority corridors where development should be encouraged.

INSERT 10: Gert Sibande SDF



The higher order plans provide, amongst others, the following guiding directives in the Gert Sibande SDF for Lekwa Local Municipality:

- Protection and sustainable utilisation of valuable natural resources;
- Improving road and rail infrastructure to stimulate socio-economic development, improve access to comprehensive community facilities and services and facilities and link all settlements;
- Promotion of small and micro-sized rural enterprises;
- The backlog in the delivery of services, water supply and sanitation, especially in rural areas.
- Focusing on localities with greater economic potential.
- Promoting tourism, specifically eco-tourism activities.
- Promoting intensive and extensive commercial farming activities;
- Establishing a functional hierarchy of settlements.
- Facilitating the establishment of business initiatives, rural and agro-industries, co-operatives, cultural initiatives and vibrant local markets; and
- The revitalization of old and creation of new economic, social, and information and communication infrastructure, public amenities and facilities in villages and small rural s, etc

(ii) THE GERT SIBANDE DISTRICT GROWTH AND DEVELOPMENT STRATEGY (GS GDS)

GS GDS aims to guide the development of the District over the next five years, by consolidating and exploiting its natural resources and development opportunities and to assist all role players in helping to grow the District's economy. To this effect and in line with the development priorities of the MP GDS, the District has delineated five district strategic focus areas". These are:

- Tourism Promotion: Traditionally, this sector has not received much attention within the District, yet this sector possesses incredible potential within the District because of the availability of tourist attraction facilities and natural sites e.g. conferencing facilities, casino, resorts, motels and hotels, game farms, wetlands and B&B accommodation;

- Spatial Development Initiatives: The District, in line with the provincial GDS, will explore the economic development nodes identified in order to facilitate the beneficiation and down streaming of products within the mining, agriculture and petrochemical nodes. Focus will be placed on exploring possible partnerships and infrastructure investments needed to act as a catalyst for industrial growth and development.

- Local Economic Development and Growth: The District, in partnership with other spheres of government, will use its resources to:

  - Promote and support SMMEs and emerging entrepreneurs;
  - Promote and support the sustainability of existing business; and
  - Increase local beneficiation and shared economic growth.

- Agriculture, Forestry, Manufacturing and Mining: The District will facilitate and actively promote investment opportunities in downstream opportunities of its raw materials within agriculture, forestry, manufacturing / petrochemicals, and mining sectors.

- Environmental Management: The District boasts one of the country's largest wetlands, and features a unique and sensitive eco-system, responsible for the general well-being of not only the District, but also the economic hub of South Africa, namely Gauteng. Consequently, the District will all support development(s) aimed at meeting the following objectives:

  - Biodiversity;

- Promotion and protection of indigenous plants and vegetation;
- Rehabilitation and revival of local streams and rivers;
- Eco-tourism activities.

(iii) THE GERT SIBANDE DISTRICT INTEGRATED DEVELOPMENT PLAN, 2009/2010 (GSDM IDP)

The GSDM IDP identifies a number of priority development issues and objectives to address the priority issues in the District. These priority issues include the following:

- To accelerate the provision of, and to ensure that all communities have access to clean water and decent sanitation infrastructure.
- To accelerate the provision of, and to ensure that all communities have access to electricity.
- To accelerate the provision of, and to ensure that all communities have access to better roads and storm water infrastructure.
- To provide infrastructure that will create an environment that is conducive to economic growth and development.
- To provide infrastructure via using the approach of the Expanded Public Works Program (EPWP), so as to reduce unemployment.
- To accelerate the provision of quality health services that is affordable and accessible to all communities.
- To support the provision of comprehensive community facilities and services (school, clinics, etc.) to all communities where they are needed.
- To ensure that housing developments are located closer to places of work / economic opportunity.
- To provide comprehensive and effective disaster management, fire and emergency services to all communities.
- To ensure comprehensive transport planning in support of economic growth and development.
- To promote tourist attraction areas, and to increase the participation and beneficiation of the previously marginalised communities.
- To ensure protection of the environment.

The proposed development in in compliance with the goals of the policies of the Gert Sibande District Municipality and serves to contribute and support the principles of the Municipality as set out in the above-mentioned policy documents.

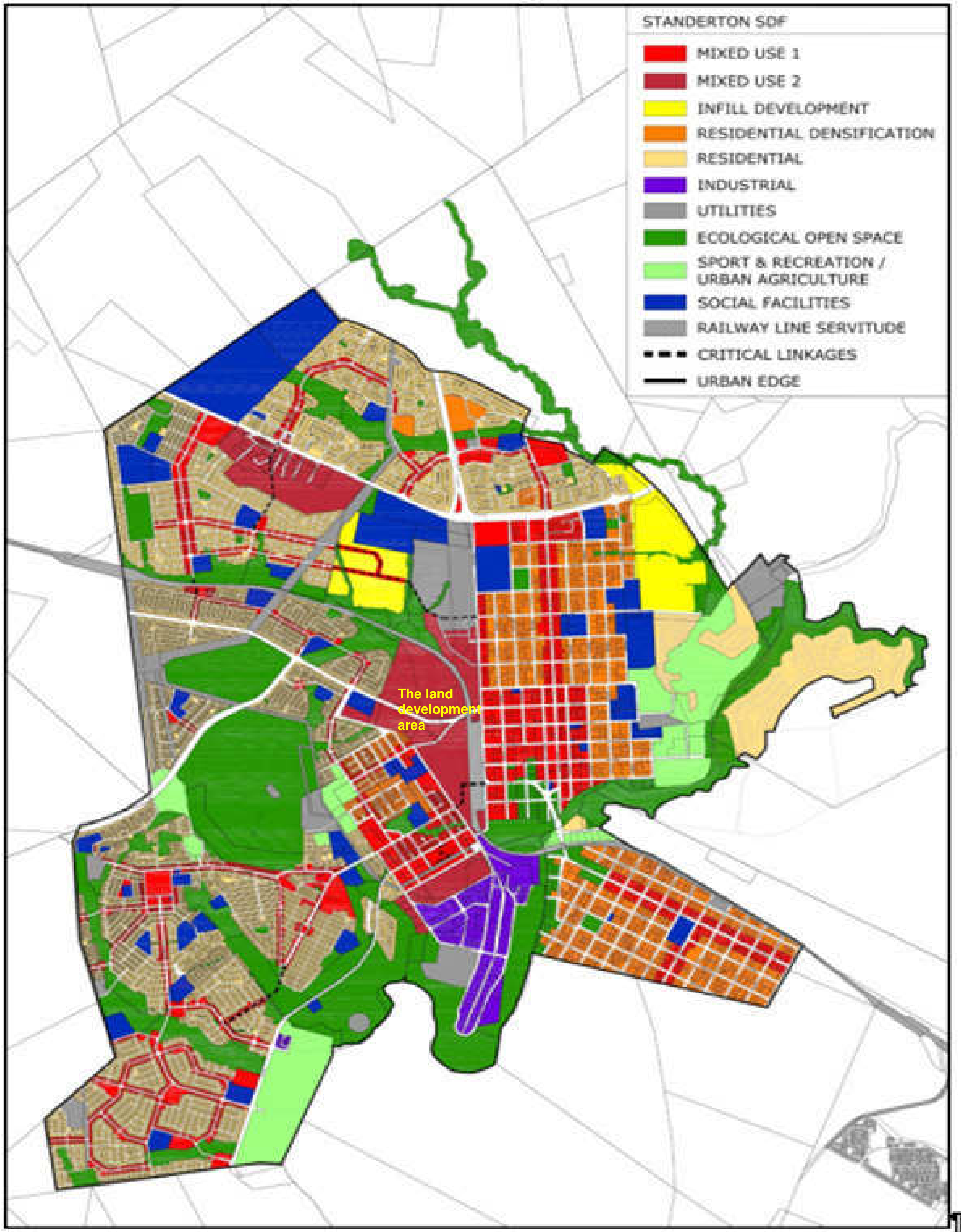
4.2.4 MUNICIPAL LEVEL

(i) LEKWA SDF, 2010

The Lekwa SDF acknowledges that the vast portions of Municipal owned land should be put to better use. The SDF encourages the expansion of uses along major routes. The area to the west of Walter Sisulu Drive and North of the R23 is identified as land earmarked for mixed use and infill development. The SDF also emphasizes the importance of the creation of a functional hierarchy of nodes and identifies the area where Standerton as a first order node. The insert below serves to illustrate the proposals of the SDF.

The proposed development will form the first phase of a larger mixed use development as per the goals of the SDF document. development

INSERT 11: The SDF map


STANDERTON SDF
MIXED USE 1
MIXED USE 2
INFILL DEVELOPMENT
RESIDENTIAL DENSIFICATION
RESIDENTIAL
INDUSTRIAL
UTILITIES
ECOLOGICAL OPEN SPACE
SPORT & RECREATION / URBAN AGRICULTURE
SOCIAL FACILITIES
RAILWAY LINE SERVITUDE
CRITICAL LINKAGES
URBAN EDGE
The land development area

(iv) THE LEKWA INTEGRATED DEVELOPMENT PLAN (IDP) 2016/2017

The Integrated Development Plan, 2016/2017 for Lekwa identifies the challenges confronting the Municipality, which include a declining revenue base and poor management of resources, inefficiencies that limit the manner in which the municipality interface with the communities, aging infrastructure due to truck haulage and deferred maintenance, structural inefficiencies that result in poor service delivery standards, low economic growth and high unemployment rate, vulnerable environmental assets and natural resources.

Objectives were identified in order to optimise development in order to achieve *inter alia* the following priorities:

- Build a local economy to create more employment, decent work and sustainable livelihoods for the residents of Lekwa;
- Improve local public engineering services and infrastructure and broaden the community's access to services;
- Build more united, non - racial, integrated and safer communities.
- Promote more active community participation in local government.
- Ensure more effective, accountable and clean local government that works together with national and provincial governments.

At the background of national, provincial and local legislation, policies and frameworks, the IDP echoes the important role of, amongst others:

- Compact development of our urban areas;
- Optimal usage of land and infrastructure;
- Provision of secure housing opportunities, addressing, *inter alia,* privacy, safety, social facilities and economic opportunities;
- Viable communities with access to clean and sufficient services,
- Promotion of densification and integration; and
- Creation of economic growth and job opportunities, etc.

Effective services provision is catered for in the IDP in the form of allowing for maintenance and management of existing infrastructure, whilst planning for the provision of new engineering services infrastructure. Apart from the money that was paid for the procurement of the land portions that form the subject properties, the bulk services contribution amounts that will be levied for the proposed development will contribute to the funding for the upgrading and maintenance of the services network within the larger Standerton area. The bulk services contribution will contribute to the funding available for upgrading of Lekwa.

The proposed development in in compliance with the goals of the Municipal policies and serves to contribute and support the principles of the Municipality as set out in the above-mentioned policy documents.

4.3 MOTIVATION IN TERMS OF SECTIONS 42 AND 52 OF THE SPATIAL PLANNING AND LAND USE MANAGEMENT ACT, 2013 ACT 16 OF 2013 (SPLUMA)

4.3.1 PROTECTION OF PRIME AND UNIQUE AGRICULTURAL LAND

The subject properties form part of a built up urban area and has no agricultural value. Infill development and densification of land in the urban structure allows for the protection of farmland in the rural areas that has agricultural potential from invasion by development. The National Department of Agriculture confirmed that Act 70 of 1970 is not applicable to the subject properties since the properties vests in ownership of the Municipality. Refer to **ANNEXURE I**

4.3.2 ENVIRONMENTAL IMPACTS

The subject properties form part of a built up urban area. Environmental impacts are regulated in terms of the National Environmental Management Act, 1998 (107 of 1998) (NEMA). In terms of NEMA, the overarching principle is the sustainability of development. The Act defines the meaning of sustainability as the integration of social, economic and environmental factors into planning, implementation and decision making so as to ensure that the development serves current and future generations. The development as proposed will not impact on the environmental amenities in the area, but will contribute to provision of much needed employment opportunity, social upliftment and economic growth.

4.3.3 EQUITABLE FUNCTION OF LAND MARKETS

The land, being located in close proximity to the CBD and located in the precinct identified for mixed use development has extensive potential for growth in value with the envisaged improvements and refurbishments, which will also lead to increased investment potential.

The establishment of a mixed use development in close proximity to the CBD with the associated job opportunities and social amenities increases the equitable function of the land markets in the area.

4.3.4 AVAILABILITY AND COST OF INFRASTRUCTURE OF SERVICES, SOCIAL INFRASTRUCTURE AND OPEN SPACE REQUIREMENTS

Infill development within close proximity to economic centres, educational and social amenities promotes access to job opportunities and ensures the social well-being of the population. It also contributes to the reduction of the ecological footprint as a result of shortened travel distances. In contrast, low intensity developments threaten the sustainability of the town through loss of valuable agricultural land in rural areas and growing urban sprawl, resulting in more expensive modes of transport. In view of the above, it is evident that infill development within urban areas is needed in order to ensure a sustainable town in the long term.

The land development area borders onto Walter Sisulu Drive as well as the R23. Both roads play an important mobility role and are regarded as main arterials in the context of Standerton.

Along with the drive for densification, revitalisation and urban compaction comes the responsibility to provide sufficient and functional engineering services to cater for existing and new development. Detailed engineering services reports are included in the addendum to the application.

4.3.5 IMPACTS ON URBAN SPRAWL

Urban sprawl not only cause the loss of valuable agricultural land, but also put a burden on engineering services provision. The compaction of urban areas serves as an alternative to urban sprawl. The application as submitted proposes development of urban land in close proximity to the CBD. The land has been earmarked for mixed use development and the proposed use is supported in the future planning for Standerton. The Department of Agriculture has already confirmed that the provisions of Act 70 of 1970 is not applicable to the subject properties.

4.3.6 CO-ORDINATED AND HARMONIOUS DEVELOPMENT

Given the fact that the properties are earmarked to form part of a mixed use development in the area, it is important to introduce a use that will not only benefit from the location, but a use that can contribute to the amenity of the area. The proposed use will not only allow for much needed retail variety in the area, but will introduce a vibrant new mixed use development with occupants who have a vested interest in the upkeep of the area.

4.3.7 PUBLIC INTEREST AND THE RIGHTS AND OBLIGATIONS OF ALL THOSE AFFECTED

The intended use will offer a vibrant new mixed use development, in close proximity to the CBD area.

It remains the responsibility of the developer, habitants and local authority to ensure that the obligations of all parties are executed to ensure a sustainable and harmonious development to the benefit of the larger area. There are a general, growing awareness under members of the public as to their rights in terms of public participation. Legislation, frameworks and By-laws all include transparent public participation processes and members of public share in the benefits of these participation processes.

4.3.8 CONSTITUTIONAL TRANSFORMATION IMPERATIVES AND RELATED DUTIES OF THE STATE

The State as well as the private sector has a responsibility in terms of the constitution to see to the rectification of the inequalities of the past and offering opportunities for growth and welfare to each citizen of the Country. The development as proposed is an initiative from the private sector to assist in complying with the goals of transformation in the country.

4.3.9 PROMOTION OF A SAFE, WALKABLE/ NON-MOTORISED AND SUSTAINABLE TOWN

The subject properties lie within a walking distance from the Standerton station.

It will therefore be a requirement for pedestrian walkways to be provided along the perimeter of the development to allow for safe and comfortable pedestrian movement. This will be a post approval requirement of the Municipality and detail designs, applications for way leave etc will follow a successful application.

4.3.10 ACCELERATE HIGHER AND SHARED ECONOMIC GROWTH AND DEVELOPMENT

Standerton has a leading role to play in the economic growth and development of Lekwa, but also of Mpumalanga and the Country as a whole. Sustainable and healthy communities within well managed municipal areas where infrastructural maintenance, upkeep and investment is evident, serves to invite for increased financial investment with the subsequent economic benefit. By allowing for private investment to cater for improvement and development of vacant land by means of infill development, the Municipality encourages investors to optimise the value of urban land. The Municipality is the beneficiary of increased rates and taxes due to infill development and economic growth within the town, allowing for the alleviation of social inequalities such as unemployment, poverty, etc due to the investments and endeavors of the private sector. The proposed development will without doubt contribute to the acceleration of economic growth of the CBD with the associated spin off effects to Standerton and the economy of Mpumalanga province.

4.3.11 FIGHT POVERTY; BUILD CLEAN, HEALTHY, SAFE AND SUSTAINABLE COMMUNITIES

In addition to the above-mentioned, the mixed use development will allow for employment opportunities during the planning, construction and operation phases. Creation of job opportunities is not only a goal of the Municipality, but also a priority of provincial and national government in order to fight poverty and create a fair living to all citizens of the Country. Apart from the professional services required, both skilled and unskilled workers will benefit from the job creation. Employment opportunity will not only open up to private companies, but also to entrepreneurs and individuals during both construction period as well as the operational stage of the development. As part of the development of the subject properties bulk engineering services need to be maintained and new infrastructure built on a constant basis. The job opportunities created by the private sector in construction processes are of great value to, amongst others, the entry level worker and unskilled labour market and should be appreciated.

By allowing for new development, development charges can be levied by the Municipality and new engineering infrastructure or maintenance of existing services can be funded. The k contribution amounts payable to the Municipality also allows for capital input to fund new infrastructure and housing development in previously disadvantaged areas and contributes to building clean, healthy, safe and sustainable communities, not only in privileged areas.

4.4 MOTIVATION OF SUSTAINABLE DEVELOPMENT, NEED AND DESIRABILITY

4.4.1 HISTORICAL SEQUENCE OF EVENTS

The Lekwa Local Municipality entered into an agreement with Sky Village Properties for the procurement of two portions of Portion 2 of the farm Grootverlangen 409 IS. A Deed of Sale was entered into, which put an obligation on the purchaser to acquire the required land use rights for the establishment of a mixed use development (shopping mall) on the properties.

In terms of the Deed of Sale, applications need to be submitted by Sky Village Properties CC for-

- the subdivision of the Remainder of Portion 2 of the Farm Grootverlangen 409 IS to allow for the subject portions to be registered under separate title; and
- the establishment of a township to procure a land use change that will allow for the development of the proposed mixed use development.

This application is seen as the first phase of a larger development. It is intended to develop the whole area earmarked for mixed use development in the SDF as future phases.

4.4.2 UNIQUE PROPERTY FEATURES

In terms of topography the land development area has an average slope of 4.3%. From North to South, the slope descends from 1550m to1532m. The southern section can be described as a valley-bottom. Water drainage currently follows the slope of the land. There is no wetland present on the properties. A tributary of the Vaal River, which is a perennial river, is situated approximately 88m towards the southern portion of the land development area. The tributary flows into the Vaal River, which lies ±1450m to the south-east.

The site is situated in the Soweto Highveld Grassland which is indicated as vulnerable and forms part of the Mesic Highveld Grassland Group. Fauna and Flora species with conservation importance are not expected to occur and/or be resident on the subject properties as the habitat is unsuitable.

Except for the old structures of the former shooting range, the subject properties are vacant. The structures are not of a permanent nature and will be demolished for purposes of the proposed development.

The railway line to the west, the R23 south and Walter Sisulu Drive to the east, wedges the land portions in and give effect to the peculiar shape of the subject properties

4.4.3 SITE SUITABILITY, LAYOUT AND DESIGN

It is proposed to establish a vibrant new mixed use development. The two portions that will form the erven in the township are severed by Portion 4 of the farm Grootverlangen 409 IS. The proposed subdivision is therefore a regularization of the existing natural division of land. It is intended to include Portion 4 as part of the later phases of the larger mixed use development. The two erven that will form the township is indicated on the proposed township layout plan, **PLAN 7**. The insert below is an architectural aerial perspective, which illustrates the layout of the development.

INSERT 12: Aerial perspective

Proposed Erf 1 will consist of a total floor area of some ±22 000m² on first floor level, whilst undercover parking will be provided on ground floor level.

The shape and location of proposed Erf 2 renders it ideal for development of inter alia a fast food and drive through facility. It is therefore proposed to accommodate a fast food outlet of ±400m² on this erf. A stream is situated on the northern boundary of the erf, and the building have been placed as such as to not encroach onto this area.

A total of some 987 parking bays are provided for the two erven combined and taking into consideration that many of the potential visitors to the development will make use of public transportation, a taxi holding area is provided for approximately 10 taxi's. It is therefore submitted that the parking as provided is more than sufficient for the proposed development. The parking ratio proposed is 5 parking spaces per 100m² GLA.

Access to the subject properties are proposed via two access points on Walter Sisulu Drive for Erf 1 and a single access point to Erf 2, some 80m west of the intersection of Walter Sisulu Drive and R23/Kroch Street.

4.4.4 PREVAILING BUILT REGIME

The Standerton CBD is currently well developed with most the major retail groups appropriately represented in the area. The CBD operates as the most important business centre in Lekwa and the local Municipality conscientiously protects the function of the CBD. Apart from the CBD, very little has been done to create retail diversity and complementary shopping opportunity.

Standerton has an estimated ±22 000 households and ±85 000 residents. The subject properties are ideally located in proximity to the densely populated residential townships of Sakile, Standerton extensions 6 and 7 and Azalea to its west and south west as well as the lower density residential townships to its north and east.

A vast number of residents commute to and from Standerton on either a weekly or daily basis due to the lack in residential stock in the neighbouring towns. Coal mining dominates the mining industry in Mpumalanga and the undermining activities associated with the neighbouring areas have proved to affect the residential development potential of towns such as Secunda, Bethal and Ermelo. Limited land is available for residential expansion in the neighbouring towns, which contributes to the growing population of Standerton. Standerton also provide housing to employees of the Tutuka Power Station of ESKOM.
The accessibility and proximity of the subject properties within the larger context of Standerton contributes to the desirability of the proposed use of land

The proposed development will offer a vibrant retail opportunity at an ideal location to the residents of Standerton.

4.4.5 COMPLEMENTARY LAND USE CONFIGURATION

The proposed mixed use development is aimed at broadening the retail opportunities and services offered within Standerton. Although the established businesses located in the CBD area of Standerton have an important role to play in the provision of retail and other business services, there is a need for diversity in shopping, dining, entertainment opportunities within Standerton.

It is important for Standerton to cater for the spending need of the residents to ensure that the income generated in the town are spend locally rather than at other destinations. The proposed development aims to function inter alia as a lifestyle enhancement for Standerton residents. Convenient shopping, dining and entertainment options contributes to the quality of life of a community. Shorter travelling distances and provision of a variety of services at one location, not only adds to the convenience of the shoppers, but also reduce the ecological footprint and function as a catalyst for other development in this part of Standerton. The development intends to add to the services already offered in the CBD by providing for an array of uses which will encourage comparison shopping and which will serve as complementary use in close proximity to the CBD. The development aims to provide a variety of services and retail opportunity to offer an attraction of patronage and business to Standerton. The mix will allow for both convenience and non-convenience shopping opportunity to attract and maintain a diverse shopping base for Standerton.

4.4.6 INFRASTRUCTURAL ADEQUACY

Lekwa Local Municipality provides services to the area in which the subject properties are located.

Engineers were appointed to attend to the investigations as to services availability, the required additional infrastructure to be provided for this development and the associated upgrading of infrastructure that need to be undertaken.

Due to the improved land use rights bulk contributions will be payable to the Municipality for purposes of the improvement and maintenance of the infrastructural network, and the upgrade of bulk services if and where necessary.

5 CONCLUSION

5.1 Combined application is herewith made for subdivision and township establishment in terms of the provisions of the Spatial Land Use Management By-law for Lekwa Local Municipality,

2016. The township will be known as Standerton Extension 9 as confirmed by the Lekwa Local Municipality.

5.2 It is intended to develop a mixed use development on the subject properties.

5.3 The land use applied for is desirable in terms of locality, property size, scale of the development, and accessibility.

5.4 The proposed use with all the positive contributions to its surrounds substantially complies with the growth and spatial development policies on all 3 spheres of government.

5.5 The development is not only in line with Lekwa SDF, but will actively contribute to its implementation.

5.6 It will contribute to achieving the national vision of creation of 'sustainable communities with clean, healthy and safe environment and integrated social services'.

5.7 The development is in line with the national and provincial planning vision.

5.8 The Development will:

- contribute to sustainability through greater urban efficiency by integrating a complementary mixed use development with the uses of the CBD;
- contribute to greater resilience through increasing the offering of shopping typologies and creating viable communities;
- contribute to redressing apartheid spatial imbalances through transforming mono-functional urban areas;
- Address a manifest need for economic growth, job creation and social upliftment that cannot be addressed by the state on its own;
- fit in with its surroundings through the scale and the character of the development;
- complement the surrounding area by linking residential development with non-residential development; and
- contribute to the aesthetics of the area due to the high quality of the design.

5.9 It is therefore the applicant's conviction that the application as submitted can be approved by the Municipality.

PREPARED BY METROPLAN FOR SKY VILLAGE PROPERTIES CC

Appendix B9

Letter from the Department of Agriculture, Forestry and Fisheries

agriculture,
forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

Private Bag X120, Pretoria (Tshwane), 0001
Delpen Building, C/o Annie Botha & Union Street, Riviera, 0084

From: Directorate Land Use and Soil Management
Tel: 012-319-7634 Fax: 012-329-5938 E-mail: Thokob@nda.agric.za
Enquiries: Helpdesk Ref: 2015_09_0075

METROPLAN
RECEIVED
2015 -10- 21
Signature:

Registrar of Deeds
Private Bag x11239
NELSPRUIT
1200

Dear Sir

CONFIRMATION OF APPLICABILITY OF THE SUBDIVISION OF THE AGRICULTURAL LAND ACT 70 OF 1970: REMAINDER OF PORTION 2 OF THE FARM GROOTVERLANGEN NO. 409-IS, MPUMALANGA PROVINCE

Your request to this office with regard to confirmation of applicability of the Subdivision of Agricultural Land Act, Act 70 of 1970 refers.

The above mentioned property is not subject to the provisions of the Subdivision of Agricultural Land Act, 1970 (Act No. 70 of 1970) as it belongs to the Lekwa Local Municipality (State). Section 1(c) of Act 70 of 1970 specifies that:

"1. **Definitions.......**
.......**agricultural land** means any land, except-

(c) land of which the State is the owner or which is held in trust by the State or a Minister for any person;"

Yours faithfully

Lindemann

MR H.J. LINDEMANN
ACTING DIRECTOR: LAND USE AND SOIL MANAGEMENT
DELEGATE OF THE MINISTER
DATE: 16/10/2015

CC:Metroplan Town Planners, P. O. Box 916, Groenkloof, 0027
Your letter bearing reference number MP/GROOTVERLANGEN 409 IS: PORTION 2 dated 17 August 2015 refers

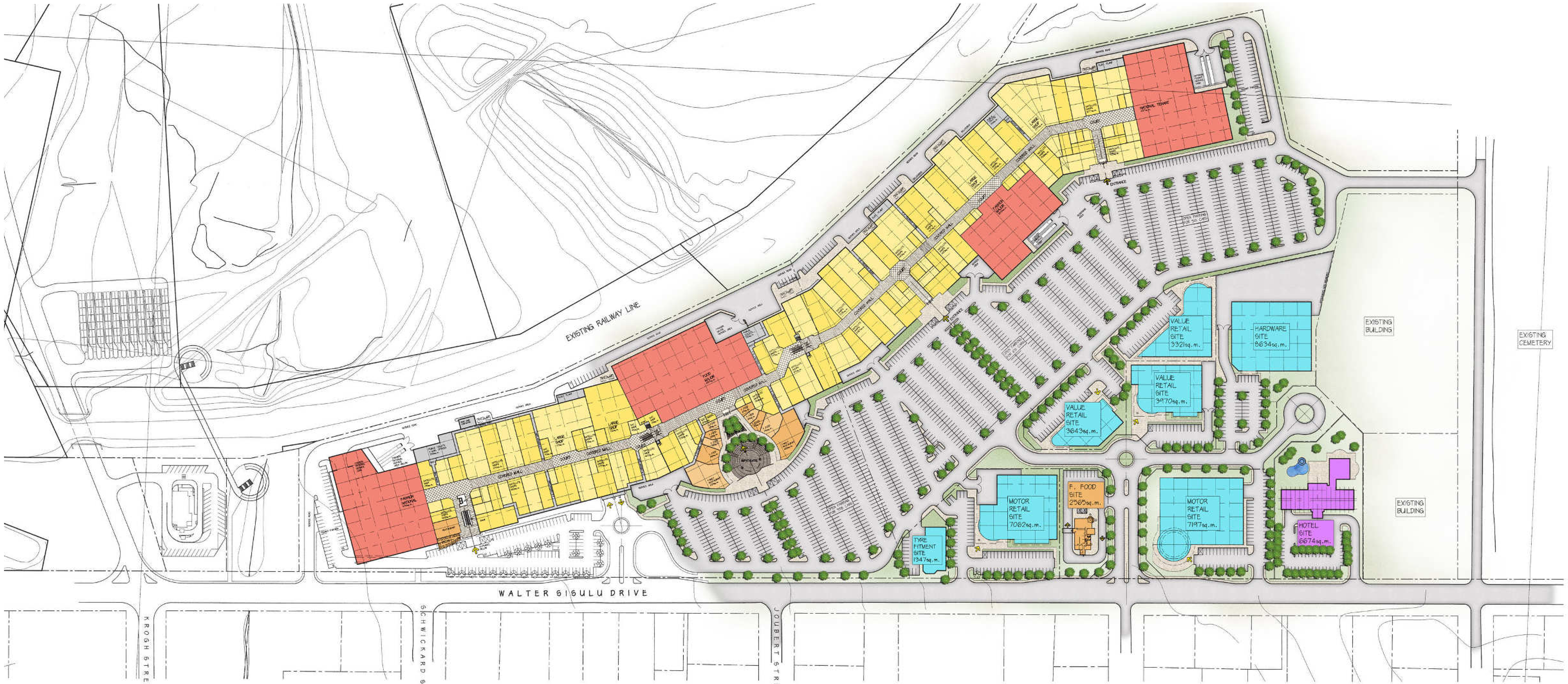
FM / 2015 Grootverlangen 409-IS

Appendix C
Proposed Layout

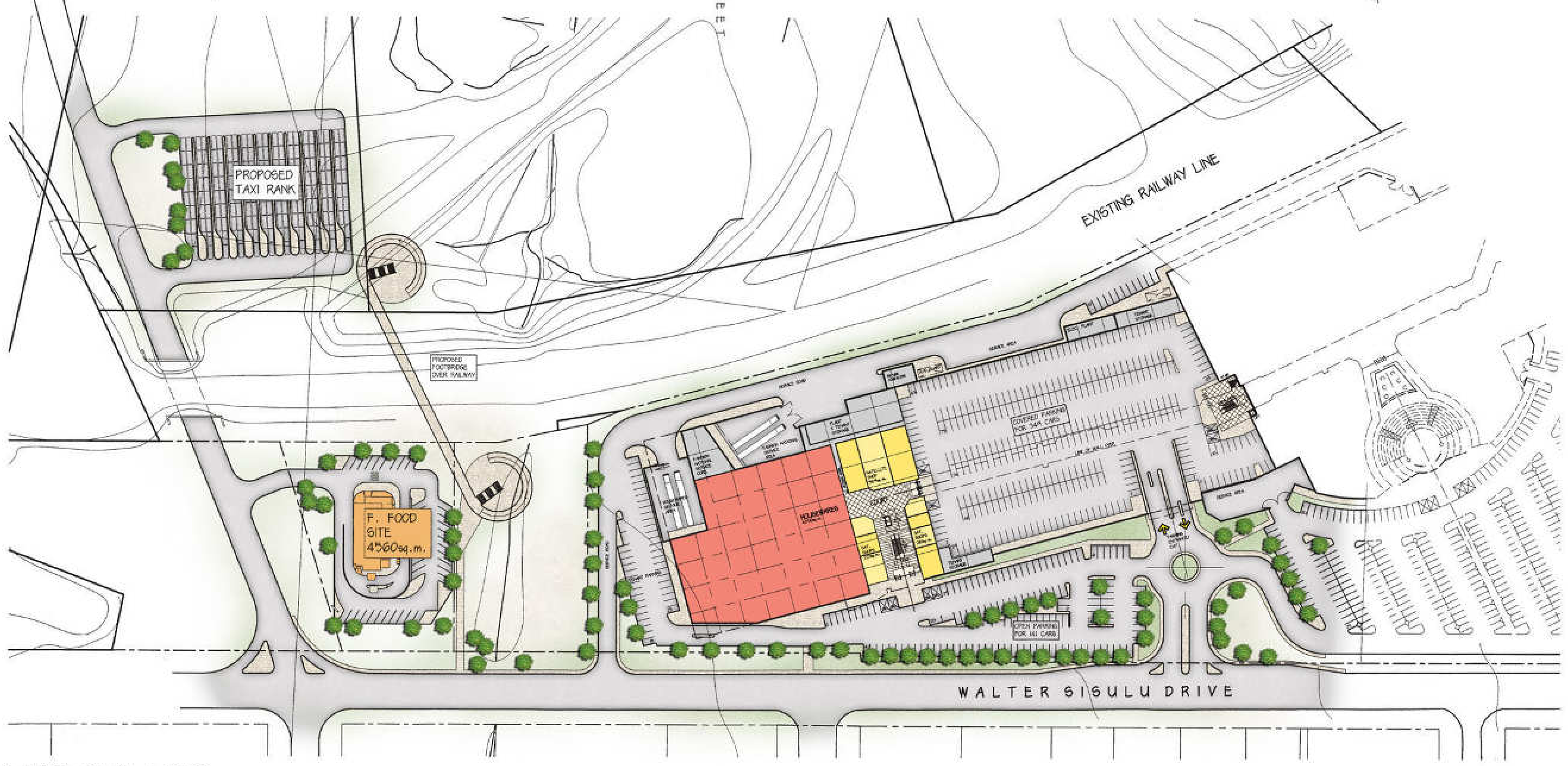
standerton

SHOPPING CENTRE PROPOSAL

MARGOLES DUKES & SMITH
ARCHITECTURE



UPPER LEVEL PLAN 1:1250



LOWER LEVEL PLAN 1:1250

SCHEDULE OF AREAS :-

RETAIL MALL

LOWER LEVEL	
HOUSEWARES	- 4050 sq.m.
SATELLITE SHOPS	- 1071 sq.m.
TOTAL	- 5121 sq.m.
UPPER LEVEL	
FOOD MAJOR	- 4517 sq.m.
FASHION NATIONAL	- 4156 sq.m.
NATIONAL TENANT	- 4157 sq.m.
FASHION MAJOR	- 2830 sq.m.
SATELLITE SHOPS & FOOD	- 30684 sq.m.
TOTAL	- 46344 sq.m.
GRAND TOTAL	- 51465 sq.m.
PARKING PROVIDED	
OPEN ON GRADE	- 1939 spaces
COVERED PARKING	- 349 spaces
TOTAL PROVIDED	- 2288 spaces

i.e. 4.44 spaces/100 sq.m.

* excludes taxis on adjacent site *
* excludes fast food and 'stand alone' sites *

ORIGINAL BID SITE AREA	- +/-6.350 Ha
NEW SITE AREA	- +/-13.005 Ha
TOTAL SITE AREA	- +/-19.355 Ha

site plan

Appendix D

Environmental Management Plan

Draft Environmental Management Programme

Proposed Standerton X 9 of the Farm Grootverlangen 409 IS

October 2016

Table of Contents

List of Figures

List of Tables

1. Project Outline

The Lekwa Local Municipality entered into a Deed of Sale with **Sky Village Properties CC** for the alienation of two portions of the Remainder of Portion 2 of the Farm Grootverlangen 409 IS. These portions of land will be referred to in this Basic Assessment Report as the study area and development site. The development site will include two of Portion 2 of the Farm Grootverlangen 409 IS measuring ±5.4123ha and ±0.9017ha respectively. These portions will be subdivided from the larger Remaining Extent of Portion 2 of the Farm Grootverlangen 409 IS, which is scattered all over Standerton due to previous subdivisions and township establishment. The combined area of the development site is ±6.314ha. ***Refer to Figure 1 for the conceptual land configuration.***

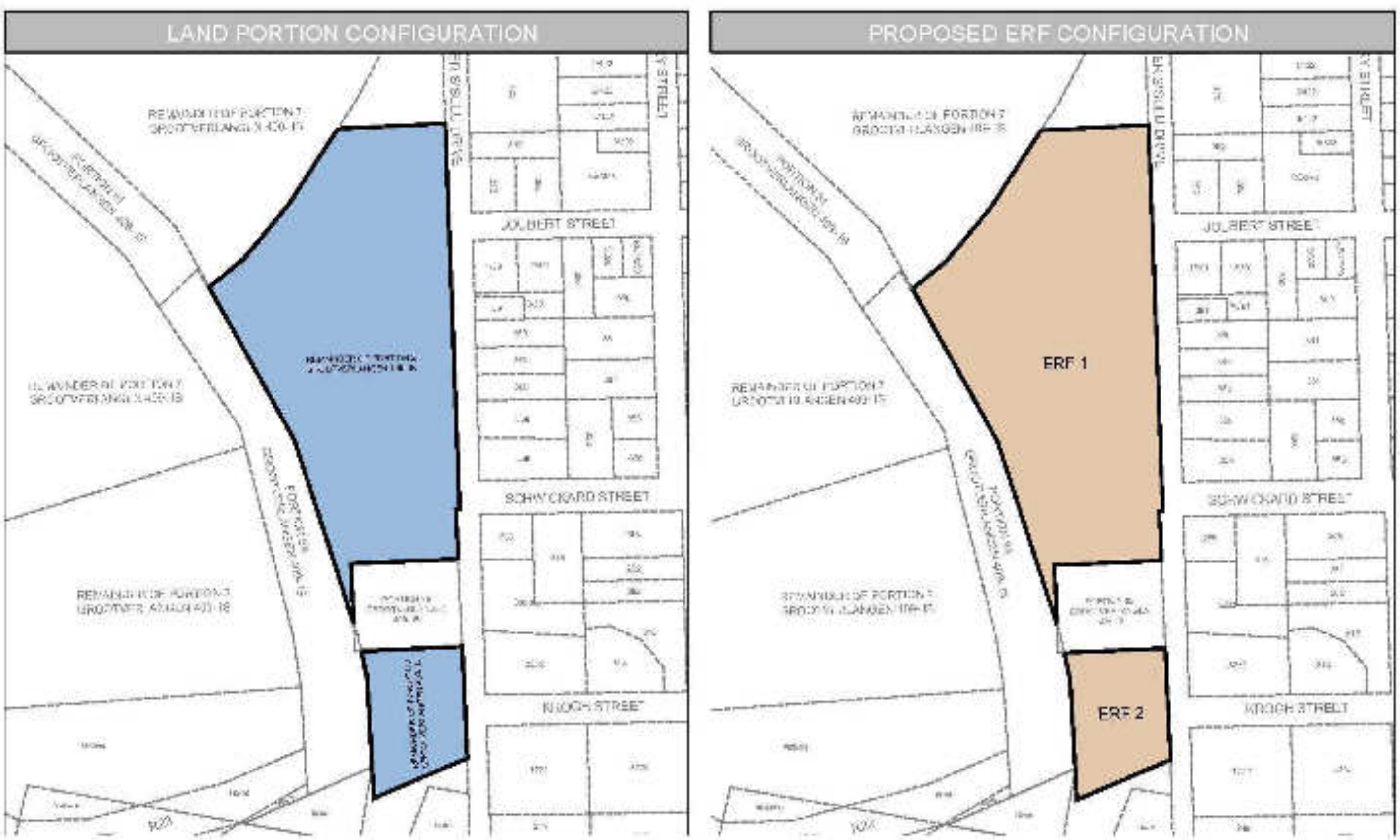


Figure 1: Conceptual Land Configuration

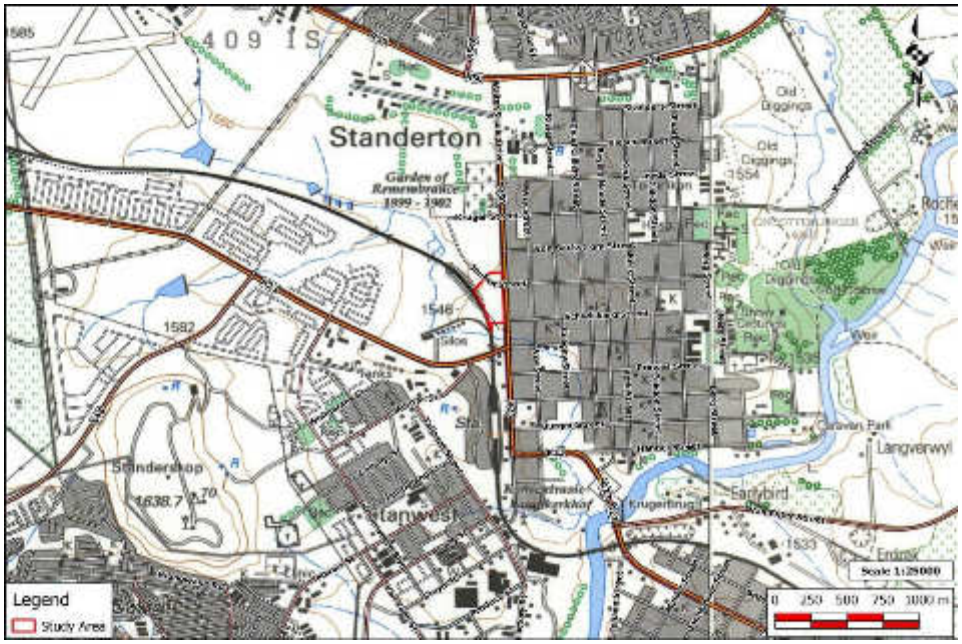


Figure 2: Locality Map

Figure 3: Aerial Map

Sky Village Properties CC proposed to establish a township consisting of two erven for purposes of developing a mixed use development. This will form the first phase of a large intended mixed use development. The proposed zoning for both erven is "Special for shops, place of refreshment (including drive through facilities), banks, hotels, offices (including medical and dental suites, dry cleaners, laundromats, a gymnasium, vehicle sales marts and showrooms (including workshops), fitment centers, places of amusement and wholesale trade. The development will be known as **Standerton Extension 9.**

The study area is located in Standerton west of Walter Sisulu Drive (R546), north of the R23 and east of the Standerton railway line. The study area is within 700 m from the Standerton Train Station and within 600 m from the Standerton Police Station. ***Refer to Figure 2: Locality Map and Figure 3: Aerial Map of the proposed development***

Timeframe for construction:

The proposed development will commence as soon as approval for the proposed development has been secured from the relevant authorities.

The EMPr will be a binding document for purposes of compliance.

2. Receiving Environment

Geology:

According to available geological maps the site is located within the Vryheid formation, which forms part of the Ecca group of the Karoo supergroup. The geology of the Vryheid formation is coarse to medium sandstone, and shale. The soils that occur may be highly variegated, exhibiting patches of rubble and saprolite. There are many surface rocks, and it is expected that these rocks be interspersed within the soils. Towards the lowest point in the landscape, it can be expected to find more vertic soils with swelling and shrinking properties. ***Refer to Appendix B of the Final Basic Assessment Report***.

<u>Geotechnical Considerations and implications for the development:</u>

- **Geology**

  The study area is underlain by dolerite and shale bedrock, with the latter being associated within the Vryheid Formation of the Ecca, Karoo Supergroup.

- **Soil Profile**

  The profiles on site largely consist of multiple residual dolerite horizons. Limited residual shale and shale bedrock was also encountered, while fill materials occurred on the southern parts of the site.

- **Hydrology**

  Perched water was not encountered on the site, but is expected to occur seasonally and may affect founding depths.

- **Conditions of Excavation**

  A minimum proven depth of excavation by backhoe was established at 1500mm. Conditions of excavation to be moisture-dependent and clayey excavation is anticipated in the majority of the materials encountered if they should be excavated in a moist to wet state. The possible occurrence of seepage water may affect excavation on site. Fill materials are expected to prove unstable in unsupported excavation.

- **Geotechnical Classification**

  The site is divided into three zones, namely ***H3***, ***PFill/H3*** and ***PFill*** Precautionary measures are therefore essential.

- **Material Utilisation**

  None of the in situ materials are considered suitable for utilisation in the construction of layers works or earth platforms.

- **Soils Corrosively**

  All soil materials tested proved to be non-corrosive on account of soil acidity, but extremely corrosive on account of soil conductivity.

- **Seismicity**

A 10% probability exists that an earthquake with Peak Ground Acceleration of 0.09g to 0.11g may take place once in 50 years. Tremors in this area are likely to be mining-related rather than naturally occurring.

Hydrology:

The study are is not affected by any rivers or wetlands

Fauna and flora:

The site is situated in the Soweto Highveld Grassland which is indicated as Vulnerable and forms part of the Mesic Highveld Grassland Group. Faunal species with conservation importance are not expected to occur and/or be resident on the study area as there is unsuitable habitat. No sensitive fauna and flora were thus identified and the study area is not regarded as sensitive.

Cultural /Historical:

No cultural and historical features were identified on the study area.

Visual:

Due to the topography the proposed development will have some visual impact and it will be visible from Walter Sisulu Drive.

Noise:

- Noise impacts from normal construction works.

- The operational phase will not have a significant noise impact on the surrounding properties.

Dust:

- Dust could have an impact on the surrounding residences if the construction takes place during the dry and windy months. It is proposed that regular damping down of the study area be done if construction takes place during dry and windy months.

Light:

- The lights from the proposed development could have an impact on the surrounding residents.

3. EMPr Objectives and context

Objectives

The objectives of this programme are to:

- Identify the possible environmental impacts of the proposed activity;
- Develop measures to minimise, mitigate and manage these impacts;
- Meet the requirements of the Record of Decision of MDARDLEA and other Authorities; and
- Monitor the project.

EMPr context

This EMPr fits into the overall planning process of the project by carrying out the conditions of consent set out by the MDARDLEA. In addition, all mitigation measures recommended in the Basic Assessment Report are included in the EMPr.

This EMPr addresses the following four phases of the development:

- Pre-construction planning phase;

- Construction phase;
- Operational phase; and
- Decommissioning phase.

4. Monitoring

In order for the EMPr to be successfully implemented all the role players involved must have a clear understanding of their roles and responsibilities in the project.

These role players may include the Authorities (A), other Authorities (OA), Developer/proponent (D), Environmental Control Officer (ECO), Project Manager (PM), Contractors (C), Environmental Assessment Practitioner (EAP) and Environmental Site Officer (ESO). Landowners, Interested and Affected Parties and the relevant environmental and project specialists are also important role players.

4.1 Roles and responsibilities

Developer (D)

The developer is ultimately accountable for ensuring compliance with the EMPr and conditions contained in the RoD. The developer must appoint an independent Environmental Control Officer (ECO), for the duration of the pre-construction and construction phases, to ensure compliance with the requirements of this EMPr. The developer must ensure that the ECO is integrated as part of the project team.

Project Manager (PM)

The project Manager is responsible for the coordination of various activities and ensures compliance with this EMPr through delegation of the EMPr to the contractors and monitoring of performance as per the Environmental Control Officer's monthly reports.

Environmental Control Officer (ECO)

An independent Environmental Control Officer (ECO) shall be appointed, for the duration of the pre-construction and construction phase of the services and bulk infrastructure, by the developer to ensure compliance with the requirements of this EMPr.

Contact details of appointed ECO

ECO details will be available as soon as developer appointed a company.

- The Environmental Control Officer shall ensure that the contractor is aware of all the specifications pertaining to the project.
- Any damage to the environment must be repaired as soon as possible after consultation between the Environmental Control Officer, Consulting Engineer and Contractor.
- The Environmental Control Officer shall ensure that the developer staff and/or contractor are adhering to all stipulations of the EMPr.
- The Environmental Control Officer shall be responsible for monitoring the EMPr throughout the project by means of site visits and meetings. This should be documented as part of the site meeting minutes.
- The Environmental Control Officer shall be responsible for the environmental training program.
- The Environmental Control Officer shall ensure that all clean up and rehabilitation or any remedial action required, are completed prior to transfer of properties.
- A post construction environmental audit is to be conducted to ensure that all conditions in the EMPr have been adhered to.

Contractor (C):

The contractors shall be responsible for ensuring that all activities on site are undertaken in accordance with the environmental provisions detailed in this document and that sub-contractor and laborers are duly informed of their roles and responsibilities in this regard.

The contractor will be required, where specified to provide Method Statements setting out in detail how the management actions contained in the EMPr will be implemented.

The contractors will be responsible for the cost of rehabilitation of any environmental damage that may result from non-compliance with the environmental regulations.

Environmental Site Officer (ESO):

The ESO is appointed by the developer as his/her environmental representative to monitor, review and verify compliance with the EMPr by the contractor. The ESO is not an independent appointment but must be a member of the contractor's management team. The ESO must ensure that he/she is involved at all phases of the construction (from site clearance to rehabilitation).

Authority (A):

The authorities are the relevant environmental department that has issued the Environmental Authorisation. The authorities are responsible for ensuring that the

monitoring of the EMPr and other authorization documentation is carried out by means of reviewing audit reports submitted by the ECO and conducting regular site visits.

Other Authorities (OA):

Other authorities are those that may be involved in the approval process of the EMPr.

Environmental Assessment Practitioner (EAP):

According to section 1 of NEMA the definition of an Environmental Assessment Practitioner is "the individual responsible for the planning, management and coordination of environmental impact assessments, strategic environmental assessments, environmental management programmes or any other appropriate environmental instruments through regulations".

4.2 Lines of Communication

The Environmental Control Officer in writing should immediately report any breach of the EMPr to the Project Manager. The Project Manager should then be responsible for rectifying the problem on-site after discussion with the contractor. Should this require additional cost, then the developer should be notified immediately before any additional steps are taken.

4.3 Reporting Procedures to the Developer

Any pollution incidents must be reported to the Environmental Control Officer immediately (within 12 hours). The Environmental Control Officer shall report to the Developer on a regular basis (site meetings).

4.4 Site Instruction Entries

The site instruction book entries will be used for the recording of general site instructions as they relate to the works on site. There should be issuing of stop work order for the purposes of immediately halting any activities of the contractor that may pose environmental risk.

4.5 ESA/ESO (Environmental Site Officer) Diary Entries

Each of these books must be available in duplicate, with copies for the Engineer and Environmental Site Officer. These books should be available to the authorities for inspection or on request. All spills are to be recorded in the ESA/Environmental Site Officer's dairy.

4.6 Methods Statements

Methods Statements from the contractor will be required for specific sensitive actions on request of the authorities or ESA/ESO (Environmental Site Officer). All Method Statements will form part of the EMPr documentation and are subject to all terms and conditions contained within the EMPr document. For each instance wherein it is requested that the contractor submit a method statement to the satisfaction of ESA/ESO, the format should clearly indicate the following:

- What? – a brief description of the work to be undertaken;
- How?- a detailed description of the process of work, methods and materials;
- Where?- a description / sketch map of the locality of work; and
- When?- the sequencing of actions with due commencement dates and completion date estimate.

The contractor must submit the Method Statement before any particular construction activity is due to start. Work may not commence until the method statement has been approved by the ESA/ESO.

4.7 Record Keeping

All records related to the implementation of this Management Programme (e.g. site instruction book, ESA/ESO dairy, Methods Statements etc.) must be kept together in an office where it is safe and can be retrieved easily. These records should be kept for two years at any time be available for scrutiny by any relevant authorities.

5. Legislation

5.1 The National Water Act, 1998 (Act No: 36 of 1998)

The purpose of this Act is to ensure that the nation's water resources are protected, used, developed, conserved, managed and controlled in ways that take into account, amongst other factors, the following:

- Meeting the basic human needs of present and future generations;
- Promoting equitable access to water;
- Promoting the efficient, sustainable and beneficial use of water in the public interest;
- Reducing and preventing pollution and degradation of water resources;
- Facilitating social and economic development; and
- Providing for the growing demand for water use.

Impact on proposed Development:

Not Significant – The study area is not affected by a 1:50 and 1:100 year flood line. A Section 21 WULA is not required.

5.2 National Environmental Management: Air Quality Act (Act No. 39 of 2004)

The NEMA: Air Quality Act, 2004 serves to repeal the Atmospheric Pollution Prevention Act, 1965 (Act 45 f 1965). The Air Quality Act regulates air quality in order to protect the environment. It provides reasonable measures for the prevention of pollution and ecological degradation and for securing ecological sustainable development while promoting justification economic and social development.

The purpose of the Act is to set norms and standards that relate to:

- Institutional frameworks, roles and responsibilities;
- Air Quality management planning;
- Air Quality monitoring and information management;
- Air Quality management measures; and
- General Compliance and enforcement.

Amongst other things, it is intended that the setting of norms and standards will achieve the following:

- The protection, restoration and enhancement of air quality in South Africa;
- Increased public participation in the protection of air quality and improved public access to relevant and meaningful information about air quality; and
- The reduction of risks to human health and the prevention of the degradation of air quality.

The Act describes various regulatory tools that should be developed to ensure the implementation and enforcement or air quality management plans. These include:

- Priority Areas, which are air pollution "hot spots";
- Listed activities, which are 'problem' processes that require an Atmospheric Emission License;
- Controlled emitters, which includes the setting of emission standards for 'classes' of emitters, such as motor vehicles, incinerators, etc.;
- Control of noise; and
- Control of odours.

Implications for the development:

Not Significant- It can be expected that a certain amount of dust will be generated, due to earthmoving activities and demolition works.

One should note that the impact of dust pollution is short term and lasting for the duration of construction only.

5.3 National Environmental Management Act (Act 107 of 1998)

The NEMA is primarily an enabling Act in that it provides for the development of environmental implementation plans and environmental management plans. The principles listed in the act serve as a general framework within which environmental management and implementation plans must be formulated.

The principles in essence state that environmental management must place people and their needs at the forefront of its concern and that development must be socially, environmentally and economically sustainable.

Impact on proposed Development:

Significant – The proposed development is listed under the activities as regulated under NEMA.

5.4 The Municipal Systems Act (Act 32 of 2000)

This Act was introduced to provide for the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities, and ensure universal access to essential services that are affordable to all.

Impact on proposed Development:

Not Significant – The local municipality will provide the necessary services for the proposed development.

5.5 National Veld and Forest Fire Act, 1998 (Act No. 101, 1998)

The purpose of this Act is to prevent and combat veld, forest and mountain fires throughout the Republic. Furthermore the Act provides for a variety of institutions, methods and practices for achieving the prevention of fires.

Impact on proposed Development:

Significant – Fires of construction workers may only be lit in the designated site camp as indicated in assistance with the ECO. It is important that a site development camp be located on a part of the application site that is already disturbed. The camp should not be located in close proximity of natural veld grass areas or the drainage channel which connects to the surrounding open spaces in the direct vicinity.

5.6 National Environmental Management Act: Biodiversity Act (Act No. 10 of 2004)

The purpose of the Biodiversity Act is to provide for the management of South Africa's biodiversity within the Framework of the NEMA and the protection of species and ecosystems that warrant National protection. As part of the implementation strategy, the National Spatial Biodiversity Assessment was developed.

Impact on proposed Development:

Not significant – No red listed plant species were identified. The site is currently built up.

5.7 National Spatial Biodiversity assessment

The National Spatial Biodiversity Assessment (NSBA) classifies areas as worthy of protection based on its biophysical characteristics, which are ranked according to priority levels.

Impact on proposed Development:

Not significant – No red listed plant species were identified. The site is currently built up.

5.8 National Road Traffic Act, 1996 (Act No. 93 of 1996)

This Act provides for all road traffic matters which shall apply uniformly throughout the Republic and for matters connected therewith.

Not Significant – The proposed development will comply with the National Road Traffic Act

5.9 Environmental Conservation Act: Noise Regulations, 1989 (Act no.73 of 1989)

The purpose of this Act is to provide measures and management relating Noise levels. This Act enables Noise levels to be acceptable to standards within a specific area and community.

Impact on proposed Development:

Significant – The proposed development may include some noisy activities.

6. Project activities

6.1 Pre-Construction Phase

Table 1: Impacts and Mitigation measures – Pre-construction Phase

TYPE	*Environmental risk or issue*	*Objective or requirement*	*Mitigation measure*	*Performance indicator*	*Responsibility*	*Frequency of Action*
General	**Project contract**	To make the EMPr enforceable under the general conditions of the contract.	The EMPr document must be included as part of the tender documentation for all contractor appointments	The EMPr is included as part of the tender documentation.	Developer	-
	Storm water design	To prevent and restrict erosion, siltation and groundwater pollution.	1) A detailed Storm Water Management Plan must be approved by the Local Authority prior to commencement of construction activities. Must be implemented according to guidelines provided by the relevant Local Authority Departments. 2) The storm water design for the proposed development must be designed to: Reduce and/ or prevent siltation, erosion and water pollution. 3) Storm water runoff should not be concentrated as far as possible and sheet flow should be implemented. 5) Energy dissipaters must be installed	Compilation and approval of Storm water Management Plan.	Engineer Individual Developer	-

TYPE	***Environmental risk or issue***	***Objective or requirement***	***Mitigation measure***	***Performance indicator***	***Responsibility***	***Frequency of Action***
			on the study area to break the speed of the water. 6) Surface storm water generated as a result of the development must not be channeled directly into any natural drainage system or wetland. 7) The Storm Water Management Plan should be designed in a way that aims to ensure that post development runoff does not exceed predevelopment values in: - Peak discharge for any given storm; - Total volume of runoff for any given storm; - Frequency of runoff; and - Pollutant and debris concentrations reaching water courses.			
	Light pollution	To minimise light pollution	Street and security lighting must be designed in order not to spread light into the eyes of oncoming traffic on adjacent Walter Sisulu Drive. Internal streets and security lighting should also be designed not to disturb residents at night. Light beams must face downwards and not higher than a 45 degree angle from the ground.	Lightning effectively designed.	Architect	-
Climate	**Extreme change in micro climate**	To prevent the extreme	Where open parking bays are involved, at least one indigenous	Landscape Development Plan	Landscape Architect	-

TYPE	***Environmental risk or issue***	***Objective or requirement***	***Mitigation measure***	***Performance indicator***	***Responsibility***	***Frequency of Action***
	temperatures	change in micro climate temperatures.	tree for every two open parking bays shall be indicated on the Site Development Plan which shall be approved by the Local Authority and Design Review Committee, if any.	complies		
Fauna and flora	**Floral biodiversity and ecological health**	To ensure that the species introduced to the area, are compatible with the current and future quality of the ecological processes.	1) The Landscape Development Plan (LDP) for the proposed development shall be submitted to the local authority for approval. 2) The LDP should include all formal landscaping including proposed plant species, quantities, sizes and densities. At least 80% of the plant species on site should be indigenous or endemic species.	The Landscape Development Plan submitted to the local authority for approval.	Landscape Architect	-
Preparing Site Access	**Environmental integrity**	To avoid erosion and disturbance to indigenous vegetation.	Designated routes shall be determined for the construction vehicles and designated areas for storage of equipment. Clearly mark the site access point and routes on site to be used by construction vehicles and pedestrians. Provide an access map to all contractors whom in turn must provide copies to the construction workers. Instruct all drivers to use	Access to site is erosion free. Minimum disturbance to surrounding vegetation. Vehicles make use of established access routes.	Contractor	Continuous

TYPE	***Environmental risk or issue***	***Objective or requirement***	***Mitigation measure***	***Performance indicator***	***Responsibility***	***Frequency of Action***
			access point and determined route.			
	Waste storage	To control the temporary storage of waste.	Temporary waste storage points on site shall be determined. These storage points shall be accessible by waste removal trucks and these points should not be located in sensitive areas/areas highly visible from the properties of the surrounding land-owners/tenants/in areas where the wind direction will carry bad odours across the properties of adjacent tenants or landowners.		Contractor ESO	-
		Ensure waste storage area does not generate pollution.	Build a bund around waste storage area to stop overflow into storm water.		Contractor	-

6.2 Decommissioning Phase

Table 2: Impacts and Mitigation measures – Decommissioning Phase

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Performance indicator	Responsibility	Frequency of Action
Contractor's Camp	**Loss of Vegetation and Topsoil.**	To minimize damage to and loss of vegetation and retain quality of Topsoil.	1) Site to be established under supervision of ECO/ESO.	Minimal vegetation removed/ damaged during site activities.	Contractor	Before any construction activity commences and as and when required
	Surface and ground water pollution.	To minimize pollution of surface and groundwater resources.	1) Sufficient and temporary facilities including ablution facilities must be provided for construction workers operating on the site. 2) A minimum of one chemical toilet shall be provided per 10 construction workers. The contractor shall keep the toilets in a clean, neat and hygienic condition. Toilets provided by the contractor must be easily accessible and a maximum of 50 m from the works area to ensure they are utilized. The contractor (who must use reputable toilet-servicing	Effluents managed Effectively. No pollution of water resources from site. Workforce use toilets provided.	Contractor ESO	As and when required

TYPE	***Environmental risk or issue***	***Objective or requirement***	***Mitigation measure***	***Performance indicator***	***Responsibility***	***Frequency of Action***
			company) shall be responsible for the cleaning, maintenance and servicing of the toilets. The contractor (using reputable toilet-servicing company) shall ensure that all toilets are cleaned and emptied before the builders' or other public holidays. 3) No person is allowed to use any other area than chemical toilets. 5) No chemical or waste water must be allowed to contaminate the run-off on site. This could possibly contaminate the drainage channel. 6) Avoid the clearing of the site camp (of specific phase) or paved surfaces with soap. This could drain into the drainage channel on site and contaminate to open space system in the area.			
		To minimize pollution of surface and groundwater resources due to spilling of materials.	1) Drip trays and/ or lined earth bunds must be provided under vehicles and equipment, to contain spills of hazardous materials such as fuel, oil and cement. 2) Repair and storage of vehicles	No pollution of the environment	Contractor ESO	Daily

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Performance indicator	Responsibility	Frequency of Action
			only within the demarcated site area. 3) Spill kits must be available on site. 4) Oils and chemicals must be confined to specific secured areas within the site camp. These areas must be bunded with adequate containment (at least 1.5 times the volume of the fuel) for potential spills or leaks. 5) All spilled hazardous substances must be contained in impermeable containers for removal to a licensed hazardous waste site. 6) No leaking vehicle shall be allowed on site. The mechanic/ the mechanic of the appointed contractor must supply the environmental officer with a letter of confirmation that the vehicles and equipment are leak proof. 7) No bins containing organic solvents such as paints and thinners shall be cleaned on site, unless containers for liquid waste disposal are placed for this purpose on site.			

TYPE	***Environmental risk or issue***	***Objective or requirement***	***Mitigation measure***	***Performance indicator***	***Responsibility***	***Frequency of Action***
		To minimize pollution of surface and Groundwater resources due to effluent.	No effluent (including effluent from any storage areas) may be discharged into any water surface or ground water resource.	No evidence of contaminated water resources.	Contractor ESO	Daily
		To prevent ingress of contaminated water into the ground.	All surface areas utilized for the proposed storage tanks and peripheral infrastructure must be appropriately paved.	Areas paved	Contractor	
		To prevent spillages.	All pipes and connections to the proposed tanks must be provided with flexible coupling.	Flexible couplings provided	Contractor	
	Pollution of the environment	To prevent unhygienic usage on the site and pollution of the natural assets.	1) Weather proof waste bins must be provided and emptied regularly. 2) The contractor shall provide laborers to clean up the contractor's camp and construction site on a daily basis. 3) Temporary waste storage points on the site should be determined. THESE AREAS SHALL BE PREDETERMINED AND LOCATED IN AREAS THAT IS ALREADY DISTURBED. These storage points	No waste bins overflowing No litter or building waste lying in or around the site.	Contractor ESO	Daily Weekly

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Performance indicator	Responsibility	Frequency of Action
			should be accessible by waste removal trucks and these points should be located in already disturbed areas /areas not highly visible from the properties of the surrounding land-owners/ in areas where the wind direction will not carry bad odours across the properties of adjacent landowners. This site should comply with the following: • Skips for the containment and disposal of waste that could cause soil and water pollution, i.e. paint, lubricants, etc.; • Small lightweight waste items should be contained in skips with lids to prevent wind littering; • Bunded areas for containment and holding of dry building waste. 4) No solid waste may be disposed of on the site. 5) No waste materials shall at any stage be disposed of in the open veld of adjacent properties. 6) The storage of solid waste on			

TYPE	***Environmental risk or issue***	***Objective or requirement***	***Mitigation measure***	***Performance indicator***	***Responsibility***	***Frequency of Action***
			the site, until such time as it may be disposed of, must be in a manner acceptable to the local authority and DWS. 7) Cover any wastes that are likely to wash away or contaminate storm water.			
		Recycle material where possible and correctly dispose of unusable wastes.	1) Waste shall be separated into recyclable and non-recyclable waste, and shall be separated as follows: • General waste: including (but not limited to) construction rubble, • Reusable construction material. 2) Recyclable waste shall preferably be deposited in separate bins. 3) All solid waste including excess spoil (soil, rock, rubble etc) must be removed to a permitted waste disposal site on a weekly basis. 4) No bins containing organic solvents such as paints and thinners shall be cleaned on site, unless containers for liquid waste disposal are placed for this purpose on site.	Sufficient containers available on site No visible signs of pollution	Contractor ESO	Daily Weekly

TYPE	***Environmental risk or issue***	***Objective or requirement***	***Mitigation measure***	***Performance indicator***	***Responsibility***	***Frequency of Action***
			5) Keep records of waste reuse, recycling and disposal for future reference. Provide information to ESO.			
	Fauna and Flora	**To ensure protection of existing fauna and flora.**	▪ Dumping of builder's rubble and other waste in the areas earmarked for exclusion must be prevented through fencing or other management measures. These areas must be properly managed throughout the lifespan of the project in terms of fire, eradication of exotics, entrance of vehicles, etc. to ensure continuous biodiversity. All alien species must be eradicated from the study area. The removal of Category 1 Declared invaders from the property is mandatory and Category 2 Declared invaders must be controlled in terms of the Conservation of Agricultural Resources Act, 1983 and Section 28 of NEMA, 1998. An invasive control plan should be implemented every 3	Existing fauna and flora protected	Contractor ESO	Continuously

TYPE	***Environmental risk or issue***	***Objective or requirement***	***Mitigation measure***	***Performance indicator***	***Responsibility***	***Frequency of Action***
			months after construction.			
		To protect the existing fauna and flora.	1) Snaring and hunting of fauna by construction workers on or adjacent to the study area are strictly prohibited and offenders shall be prosecuted. 2) Where possible, work should be restricted to one area at a time. 3) Noise should be kept to a minimum and the development should be done in phases to allow faunal species to temporarily migrate into the conservation areas in the vicinity. 4) The integrity of remaining wildlife should be upheld, and no trapping or hunting by construction personnel should be allowed on clumps and natural grassland areas to be retained and incorporated within the proposed development formal landscaping, must be marked and demarcated before any commencement of construction activities.	No measurable signs of habitat destruction.	Contractor ESO	As and when required
	Increased fire risk to	To decrease fire risk.	1) Fires shall only be permitted in specifically designated areas and	No open fires on site that	Contractor	Monitor daily

TYPE	***Environmental risk or issue***	***Objective or requirement***	***Mitigation measure***	***Performance indicator***	***Responsibility***	***Frequency of Action***
	site and surrounding areas.		under controlled circumstances. 2) Food vendors shall be allowed within specified areas. 3) Fire extinguishers to be provided in all vehicles and fire beaters must be available on site. 4) Emergency numbers/ contact details must be available on site, where applicable.	have been left unattended.		
Construction site	**Geology and soils**	To prevent the damaging of the existing soils and geology.	1) The top layer of all areas to be excavated for the purposes of construction shall be stripped and stockpiled in areas where this material will not be damaged, removed or compacted. 2) All surfaces that are susceptible to erosion, shall be protected either by cladding with biodegradable material or with the top layer of soil being seeded with grass seed/planted with a suitable groundcover.	Excavated materials correctly stockpiled No signs of erosion	Contractor	Monitor daily
		To prevent the loss of topsoil To prevent siltation & water	1) Stockpiling will only be done in designated places where it will not interfere with the natural drainage paths of the environment. 2) In order to minimize erosion and siltation and disturbance to	Excavated materials correctly stockpiled No visible signs of erosion and	Contractor of Developer	Monitor daily

TYPE	***Environmental risk or issue***	***Objective or requirement***	***Mitigation measure***	***Performance indicator***	***Responsibility***	***Frequency of Action***
		pollution.	existing vegetation, it is recommended that stockpiling be done/ equipment is stored in already disturbed/exposed areas. 3) Cover stockpiles and surround downhill sides with a sediment fence to stop materials washing away. 4) Remove vegetation only in areas designated during the planning stage and for the purpose of construction. 5) Rehabilitation/ landscaping to be done immediately after the involved works are completed (will prevent erosion of the topsoil layer on site). 6) All compacted areas should be ripped prior to them being rehabilitated/landscaped by the contractor. 7) The top layer of all areas to be excavated must be stripped and stockpiled in areas where this material will not be damaged, removed or compacted. This stockpiled material should be used for the rehabilitation of the site and for landscaping	sedimentation Minimal invasive weed growth Vegetation only removed in designated areas		

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Performance indicator	Responsibility	Frequency of Action
			purposes. 8) Strip topsoil at start of works and store in stockpiles no more than 1,5 m high in designated materials storage area. 9) During the laying of any cables, pipelines or infrastructure (on or adjacent to the site) topsoil shall be kept aside to cover the disturbed areas immediately after such activities are completed. Rehabilitation of these areas shall be done directly after infill of the trenches. No rocks shall be placed on the topsoil after re-filling.			
	Erosion and siltation	To prevent erosion and siltation.	1) Mark out the areas to be excavated. 2) Large exposed areas during the decommissioning phase should be limited. Where possible areas earmarked for construction during later phases should remain covered with vegetation coverage until the actual construction phase. This will prevent unnecessary erosion and siltation in these areas. 3) Unnecessary clearing of flora	No erosion scars. No loss of topsoil. All damaged areas successfully rehabilitated.	Contractor ESO	Monitor daily

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Performance indicator	Responsibility	Frequency of Action
			resulting in exposed soil prone to erosive conditions should be avoided. 4) The eradication of alien vegetation should be followed up as soon as possible by replacement with indigenous vegetation to ensure quick and sufficient coverage of exposed areas. 5) Storm water outlets shall be correctly designed to prevent any possible soil erosion. 9) All surface run-offs shall be managed in such a way so as to ensure erosion of soil does not occur. 10) Implementation of temporary storm water management measures that will help to reduce the speed of surface water.			
		To minimise pollution of soil, surface and groundwater.	1) Increased run-off during decommissioning must be managed using berms and other suitable structures as required to ensure flow velocities are reduced. 2) The contractor shall ensure that excessive quantities of sand, silt	No visible signs of erosion. No visible signs of pollution.	Contractor	Monitor daily

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Performance indicator	Responsibility	Frequency of Action
			and silted water do not enter the storm water system.			
		To minimise damage to environment during wet periods.	Construction workers and construction vehicles and machinery must stay out of the soggy areas during the wet periods. Barrier tape should be used to demarcate the areas that are drenched with water and it should only be removed when the appointed Environmental Control Officer (ECO)/ site supervisor/ project manager/ main contractor regard the conditions in the affected areas as favourable.		Contractor	
	Fauna and flora	To protect the existing fauna and flora.	1) All exotic invaders and weeds must be eradicated on a continuous basis.		Contractor ESO / Design Review Committee	As and when required Every 6 months
Social	**Noise impact**		• Site workers must comply with the Provincial noise requirements as outlined. • Construction site yards, workshops, concrete batching plants, and other noisy fixed facilities should be located well away from	No complaints from surrounding residents and I & AP.	Contractor	Monitored daily

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Performance indicator	Responsibility	Frequency of Action
			noise sensitive areas. Once the proposed final layouts are made available by the contractor(s), the sites must be evaluated in detail and specific measures designed in to the system. • All construction vehicles, plant and equipment are to be kept in good repair. • Truck traffic should be routed away from noise sensitive areas, where possible. • Noisy operations should be combined so that they occur where possible at the same time. • Decommissioning activities are to be contained to reasonable hours during the day and early evening. Night-time activities near noise sensitive areas should not be allowed. No construction should be allowed on weekends from 14h00 on Saturday afternoons to 06h00 the			

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Performance indicator	Responsibility	Frequency of Action
			following Monday morning. • With regard to unavoidable very noisy decommissioning activities in the vicinity of noise sensitive areas, the contractor should liaise with local residents on how best to minimise impact, and the local population should be kept informed of the nature and duration of intended activities. Very noisy activities will need to be screened off specifically for those in the office and apartment buildings before the structures are cladded. • As construction workers operate in a very noisy environment, it must be ensured that their working conditions comply with the requirements of the Occupational Health and Safety Act (Act No 85 of 1993). Where necessary ear protection gear should be worn.			

TYPE	***Environmental risk or issue***	***Objective or requirement***	***Mitigation measure***	***Performance indicator***	***Responsibility***	***Frequency of Action***
	Dust impact	Minimise dust from the site.	1) Dust pollution could occur during the decommissioning works, especially during the dry months. Regular and effective damping down of working areas (especially during the dry and windy periods) must be carried out to avoid dust pollution that will have a negative impact on the surrounding environment. 2) When necessary, these working areas should be damped down in the mornings and afternoons.	No visible signs of dust pollution. No complaints from surrounding residents and I & AP.	Contractor ESO	Monitored daily
	Safety and security	To ensure the safety and security of the public.	1) Although regarded as a normal practice, it is important to erect proper signs indicating the operations of heavy vehicles in the vicinity of dangerous crossings and access roads or even in the development site if necessary. 2) With the exception of the appointed security personnel, no other workers, friend or relatives will be allowed to sleep on the construction site (weekends included). 3) Construction vehicles and activities to avoid peak hour	No incidences reported	Contractor ECO	Monitored daily

TYPE	*Environmental risk or issue*	*Objective or requirement*	*Mitigation measure*	*Performance indicator*	*Responsibility*	*Frequency of Action*
			traffic times. 4) Presence of law enforcement officials at strategic places must be ensured. 5) Following actions would assist in management of safety along the road ▪ Adequate road marking ▪ Adequate roadside recovery areas ▪ Allowance for pedestrians and cyclists where necessary. ▪ Although regarded as a normal practice, it is important to erect proper signs indicating the danger of the excavation in and around the development site. Putting temporary fencing around excavations where possible.			
	Visual impact	In order to minimise the visual impact.	1) The disturbed areas shall be rehabilitated immediately after the involved construction works are completed. 2) Shade cloth must be used to conceal and minimise the visual	Visual impacts minimized	Contractor ESO	Monitor daily

TYPE	*Environmental risk or issue*	*Objective or requirement*	*Mitigation measure*	*Performance indicator*	*Responsibility*	*Frequency of Action*
			impact of the site camps and storage areas.			
			Advertisements and/or sign boards shall not be erected or displayed on the property without the approval of the municipality and SANRAL first being obtained in terms of municipal by-laws for outdoor advertising.	Visual impacts minimized	Contractor Manager	

6.3 Construction Phase

Table 3: Impacts and Mitigation measures – Construction Phase

TYPE	*Environmental risk or issue*	*Objective or requirement*	*Mitigation measure*	*Performance indicator*	*Responsibility*	*Frequency of Action*
Contractor's Camp	**Loss of Vegetation and topsoil**	To minimize damage to and loss of vegetation and retain quality of Topsoil.	1) Site to be established under supervision of ECO/ESO.	Minimal vegetation removed/ damaged during site activities.	Contractor	Before any construction activity commences and as and when required
	Surface and	To minimize pollution of	1) Sufficient and temporary facilities including ablution	Effluents managed	Contractor ESO	As and when required

TYPE	***Environmental risk or issue***	***Objective or requirement***	***Mitigation measure***	***Performance indicator***	***Responsibility***	***Frequency of Action***
	ground water pollution	surface and groundwater resources.	facilities must be provided for construction workers operating on the site. 2) A minimum of one chemical toilet shall be provided per 10 construction workers. The contractor shall keep the toilets in a clean, neat and hygienic condition. Toilets provided by the contractor must be easily accessible and a maximum of 50m from the works area to ensure they are utilized. The contractor (who must use reputable toilet-servicing company) shall be responsible for the cleaning, maintenance and servicing of the toilets. The contractor (using reputable toilet-servicing company) shall ensure that all toilets are cleaned and emptied before the builders' or other public holidays. 3) No person is allowed to use any other area than chemical toilets. 4) No French drain systems may be installed. 5) No chemical or waste water must be allowed to contaminate	Effectively. No pollution of water resources from site. Workforce use toilets provided.		

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Performance indicator	Responsibility	Frequency of Action
			the run-off on site. This could possibly contaminate the drainage channel. 6) Avoid the clearing of the site camp (of specific phase) or paved surfaces with soap. This could drain into the drainage channel on site and contaminate to open space system in the area.			
		To minimize pollution of surface and groundwater resources due to spilling of materials.	1) Drip trays and/ or lined earth bunds must be provided under vehicles and equipment, to contain spills of hazardous materials such as fuel, oil and cement. 2) Repair and storage of vehicles only within the demarcated site area. 3) Spill kits must be available on site. 4) Oils and chemicals must be confined to specific secured areas within the site camp. These areas must be bunded with adequate containment (at least 1.5 times the volume of the fuel) for potential spills or leaks. 5) All spilled hazardous substances	No pollution of the environment	Contractor ESO	Daily

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Performance indicator	Responsibility	Frequency of Action
			must be contained in impermeable containers for removal to a licensed hazardous waste site. 6) No leaking vehicle shall be allowed on site. The mechanic/ the mechanic of the appointed contractor must supply the environmental officer with a letter of confirmation that the vehicles and equipment are leak proof. 7) No bins containing organic solvents such as paints and thinners shall be cleaned on site, unless containers for liquid waste disposal are placed for this purpose on site.			
		To minimize pollution of surface and groundwater resources by cement.	The mixing of concrete shall only be done at specifically selected sites, as close as possible to the entrance, on mortar boards or similar structures to prevent run-off into drainage line, streams and natural vegetation.	No evidence of contaminated soil on the construction site.	Contractor ESO	Daily
		To minimize pollution of surface and Groundwater resources due	No effluent (including effluent from any storage areas) may be discharged into any water surface or ground water resource.	No evidence of contaminated water resources.	Contractor ESO	Daily

TYPE	***Environmental risk or issue***	***Objective or requirement***	***Mitigation measure***	***Performance indicator***	***Responsibility***	***Frequency of Action***
		to effluent.				
			Groundwater monitoring boreholes should be installed on the groundwater down side.	Groundwater monitoring boreholes installed	Engineer Contractor	
		To minimize pollution of surface and Groundwater resources due leaking equipment.	Leak detection facilities must be installed around the storage tanks and vapour samples must be taken according to a six monthly monitoring programme.	Leak detection facilities installed	Engineer Contractor	
		To prevent ingress of contaminated water into the ground.	All surface areas utilized for the proposed storage tanks and peripheral infrastructure must be appropriately paved.	Areas paved	Contractor	
		To prevent spillages.	All pipes and connections to the proposed tanks must be provided with flexible coupling.	Flexible couplings provided	Contractor	
		To prevent spillages.	All fuel dispensers must include a shut-off valve.	Shut-off valve in fuel dispensers.	Developer Contractor	
	Pollution of the environment	To prevent unhygienic usage on the site and pollution of	1) Weather proof waste bins must be provided and emptied regularly. 2) The contractor shall provide laborers to clean up the	No waste bins overflowing No litter or building waste	Contractor ESO	Daily Weekly

TYPE	***Environmental risk or issue***	***Objective or requirement***	***Mitigation measure***	***Performance indicator***	***Responsibility***	***Frequency of Action***
		the natural assets.	contractor's camp and construction site on a daily basis. 3) Temporary waste storage points on the site should be determined. THESE AREAS SHALL BE PREDETERMINED AND LOCATED IN AREAS THAT IS ALREADY DISTURBED. These storage points should be accessible by waste removal trucks and these points should be located in already disturbed areas /areas not highly visible from the properties of the surrounding land-owners/ in areas where the wind direction will not carry bad odours across the properties of adjacent landowners. This site should comply with the following: • Skips for the containment and disposal of waste that could cause soil and water pollution, i.e. paint, lubricants, etc.; • Small lightweight waste items should be contained in skips with lids to prevent wind littering; • Bunded areas for	lying in or around the site.		

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Performance indicator	Responsibility	Frequency of Action
			containment and holding of dry building waste. 4) No solid waste may be disposed of on the site. 5) No waste materials shall at any stage be disposed of in the open veld of adjacent properties. 6) The storage of solid waste on the site, until such time as it may be disposed of, must be in a manner acceptable to the local authority and DWA. 7) Cover any wastes that are likely to wash away or contaminate storm water.			
		Recycle material where possible and correctly dispose of unusable wastes.	1) Waste shall be separated into recyclable and non-recyclable waste, and shall be separated as follows: • General waste: including (but not limited to) construction rubble, • Reusable construction material. 2) Recyclable waste shall preferably be deposited in separate bins. 3) All solid waste including excess spoil (soil, rock, rubble etc) must	Sufficient containers available on site No visible signs of pollution	Contractor ESO	Daily Weekly

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Performance indicator	Responsibility	Frequency of Action
			be removed to a permitted waste disposal site on a weekly basis. 4) No bins containing organic solvents such as paints and thinners shall be cleaned on site, unless containers for liquid waste disposal are placed for this purpose on site. 5) Keep records of waste reuse, recycling and disposal for future reference. Provide information to ESO.			
	Fauna and Flora	**To ensure protection of existing fauna and flora.**	▪ Dumping of builder's rubble and other waste in the areas earmarked for exclusion must be prevented through fencing or other management measures. These areas must be properly managed throughout the lifespan of the project in terms of fire, eradication of exotics, entrance of vehicles, etc. to ensure continuous biodiversity. All alien species must be eradicated from the study area. The removal of Category 1 Declared invaders from the property is mandatory and	Existing fauna and flora protected	Contractor ESO	Continuously

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Performance indicator	Responsibility	Frequency of Action
			Category 2 Declared invaders must be controlled in terms of the Conservation of Agricultural Resources Act, 1983 and Section 28 of NEMA, 1998. An invasive control plan should be implemented every 3 months after construction.			
		To protect the existing fauna and flora.	1) Snaring and hunting of fauna by construction workers on or adjacent to the study area are strictly prohibited and offenders shall be prosecuted. 2) Where possible, work should be restricted to one area at a time. 3) Noise should be kept to a minimum and the development should be done in phases to allow faunal species to temporarily migrate into the conservation areas in the vicinity. 4) The integrity of remaining wildlife should be upheld, and no trapping or hunting by construction personnel should be allowed on clumps and natural grassland areas to be retained	No measurable signs of habitat destruction.	Contractor ESO	As and when required

TYPE	***Environmental risk or issue***	***Objective or requirement***	***Mitigation measure***	***Performance indicator***	***Responsibility***	***Frequency of Action***
			and incorporated within the proposed development formal landscaping, must be marked and demarcated before any commencement of construction activities.			
	Increased fire risk to site and surrounding areas	To decrease fire risk.	1) Fires shall only be permitted in specifically designated areas and under controlled circumstances. 2) Food vendors shall be allowed within specified areas. 3) Fire extinguishers to be provided in all vehicles and fire beaters must be available on site. 4) Emergency numbers/ contact details must be available on site, where applicable.	No open fires on site that have been left unattended.	Contractor	Monitor daily
Construction site	**Geology and soils**	To prevent the damaging of the existing soils and geology.	1) The top layer of all areas to be excavated for the purposes of construction shall be stripped and stockpiled in areas where this material will not be damaged, removed or compacted. 2) All surfaces that are susceptible to erosion, shall be protected either by cladding with biodegradable material or with the top layer of soil being seeded with grass seed/planted with a	Excavated materials correctly stockpiled No signs of erosion	Contractor	Monitor daily

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Performance indicator	Responsibility	Frequency of Action
			suitable groundcover.			
		To prevent the loss of topsoil To prevent siltation & water pollution.	1) Stockpiling will only be done in designated places where it will not interfere with the natural drainage paths of the environment. 2) In order to minimize erosion and siltation and disturbance to existing vegetation, it is recommended that stockpiling be done/ equipment is stored in already disturbed/exposed areas. 3) Cover stockpiles and surround downhill sides with a sediment fence to stop materials washing away. 4) Remove vegetation only in areas designated during the planning stage and for the purpose of construction. 5) Rehabilitation/ landscaping to be done immediately after the involved works are completed (will prevent erosion of the topsoil layer on site). 6) All compacted areas should be ripped prior to them being rehabilitated/landscaped by the contractor.	Excavated materials correctly stockpiled No visible signs of erosion and sedimentation Minimal invasive weed growth Vegetation only removed in designated areas	Contractor of Developer	Monitor daily

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Performance indicator	Responsibility	Frequency of Action
			7) The top layer of all areas to be excavated must be stripped and stockpiled in areas where this material will not be damaged, removed or compacted. This stockpiled material should be used for the rehabilitation of the site and for landscaping purposes. 8) Strip topsoil at start of works and store in stockpiles no more than 1,5 m high in designated materials storage area. 9) During the laying of any cables, pipelines or infrastructure (on or adjacent to the site) topsoil shall be kept aside to cover the disturbed areas immediately after such activities are completed. Rehabilitation of these areas shall be done directly after infill of the trenches. No rocks shall be placed on the topsoil after re-filling.			
		To ensure stability of structures.	• The foundation recommendations supplied by the involved Geotechnical Engineers must be implemented;			

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Performance indicator	Responsibility	Frequency of Action
			▪ All foundations excavations should be inspected by an experienced engineer prior to casting of concrete.			
		To ensure safety during blasting activities (if required).	• Blasting may only be done by specialists in the field and should be limited to localised areas. • Surrounding land-owners of properties in close proximity of blasting exercises must be informed/ warned (at least one week in advance) of blasting exercises that will take place on the study area. • Warning signs to warn site workers and members of the public of blasting exercises must be erected at strategic points on the study area and the area where the blasting exercises will take place must be fenced off with barrier tape The necessary precautions must be in	Mitigation measures in place Surrounding residents notified	Contractor Engineers ESO	When required

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Performance indicator	Responsibility	Frequency of Action
			place when blasting takes place. • Surrounding residents must be notified of any blasting activities.			
	Erosion and siltation	To prevent erosion and siltation.	6) Mark out the areas to be excavated. 7) Large exposed areas during the construction phases should be limited. Where possible areas earmarked for construction during later phases should remain covered with vegetation coverage until the actual construction phase. This will prevent unnecessary erosion and siltation in these areas. 8) Unnecessary clearing of flora resulting in exposed soil prone to erosive conditions should be avoided. 9) The eradication of alien vegetation should be followed up as soon as possible by replacement with indigenous vegetation to ensure quick and sufficient coverage of exposed areas. 10) Storm water outlets shall be	No erosion scars. No loss of topsoil. All damaged areas successfully rehabilitated.	Contractor ESO	Monitor daily

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Performance indicator	Responsibility	Frequency of Action
			correctly designed to prevent any possible soil erosion. 9) All surface run-offs shall be managed in such a way so as to ensure erosion of soil does not occur. 10) Implementation of temporary storm water management measures that will help to reduce the speed of surface water.			
		To minimise pollution of soil, surface and groundwater.	1) Increased run-off during construction must be managed using berms and other suitable structures as required to ensure flow velocities are reduced. 2) The contractor shall ensure that excessive quantities of sand, silt and silted water do not enter the storm water system.	No visible signs of erosion. No visible signs of pollution.	Contractor	Monitor daily
		To minimise damage to environment during wet periods.	Construction workers and construction vehicles and machinery must stay out of the soggy areas during the wet periods. Barrier tape should be used to demarcate the areas that are drenched with water and it should only be removed when the appointed Environmental Control Officer (ECO)/ site supervisor/		Contractor	

TYPE	***Environmental risk or issue***	***Objective or requirement***	***Mitigation measure***	***Performance indicator***	***Responsibility***	***Frequency of Action***
			project manager/ main contractor regard the conditions in the affected areas as favourable.			
	Fauna and flora	To protect the existing fauna and flora.	1) All exotic invaders and weeds must be eradicated on a continuous basis.		Contractor ESO / Design Review Committee	As and when required Every 6 months
Social	**Noise impact**		• Site workers must comply with the Provincial noise requirements as outlined. • Construction site yards, workshops, concrete batching plants, and other noisy fixed facilities should be located well away from noise sensitive areas. Once the proposed final layouts are made available by the contractor(s), the sites must be evaluated in detail and specific measures designed in to the system. • All construction vehicles, plant and equipment are to be kept in good repair. • Truck traffic should be routed away from noise	No complaints from surrounding residents and I & AP	Contractor	Monitored daily

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Performance indicator	Responsibility	Frequency of Action
			sensitive areas, where possible. • Noisy operations should be combined so that they occur where possible at the same time. • Blasting operations (if required) are to be strictly controlled with regard to the size of explosive charge in order to minimise noise and air blast, and timings of explosions. The number of blasts per day should be limited, blasting should be undertaken at the same times each day and no blasting should be allowed at night. • Construction activities are to be contained to reasonable hours during the day and early evening. Night-time activities near noise sensitive areas should not be allowed. No construction should be allowed on weekends from 14h00 on Saturday afternoons to			

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Performance indicator	Responsibility	Frequency of Action
			06h00 the following Monday morning. • With regard to unavoidable very noisy construction activities in the vicinity of noise sensitive areas, the contractor should liaise with local residents on how best to minimise impact, and the local population should be kept informed of the nature and duration of intended activities. Very noisy activities will need to be screened off specifically for those in the office and apartment buildings before the structures are cladded. • As construction workers operate in a very noisy environment, it must be ensured that their working conditions comply with the requirements of the Occupational Health and Safety Act (Act No 85 of 1993). Where necessary ear protection gear should be worn.			

TYPE	***Environmental risk or issue***	***Objective or requirement***	***Mitigation measure***	***Performance indicator***	***Responsibility***	***Frequency of Action***
	Dust impact	Minimise dust from the site.	1) Dust pollution could occur during the construction works, especially during the dry months. Regular and effective damping down of working areas (especially during the dry and windy periods) must be carried out to avoid dust pollution that will have a negative impact on the surrounding environment. 2) When necessary, these working areas should be damped down in the mornings and afternoons.	No visible signs of dust pollution. No complaints from surrounding residents and I & AP.	Contractor ESO	Monitored daily
	Heritage Sites	To ensure protection of possible heritage sites.	If construction takes place and any archaeological sites are exposed, it should immediately be reported to a museum, preferably one at which an archaeologist is available, so that an investigation and evaluation of the finds can be made.	Archaeological site protected if occurs.	Contractor Developer ESO	Continuously
	Safety and security	To ensure the safety and security of the public.	1) Although regarded as a normal practice, it is important to erect proper signs indicating the operations of heavy vehicles in the vicinity of dangerous crossings	No incidences reported	Contractor ECO	Monitored daily

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Performance indicator	Responsibility	Frequency of Action
			and access roads or even in the development site if necessary. 2) With the exception of the appointed security personnel, no other workers, friend or relatives will be allowed to sleep on the construction site (weekends included). 3) Construction vehicles and activities to avoid peak hour traffic times. 4) Presence of law enforcement officials at strategic places must be ensured. 5) Following actions would assist in management of safety along the road ▪ Adequate road marking ▪ Adequate roadside recovery areas ▪ Allowance for pedestrians and cyclists where necessary. ▪ Although regarded as a normal practice, it is important to erect proper signs indicating the danger of the excavation in and around the			

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Performance indicator	Responsibility	Frequency of Action
			development site. Putting temporary fencing around excavations where possible.			
	Influx of people from other areas	In order to limit the influx of people from other areas.	It is recommended that (where possible) only people from the local communities in and around the application site are employed.	People from local community employed.	Contractor	When required
		Installation of services.	Determine areas where services will be upgraded and relocated well in advance. Discuss possible disruptions with affected parties to determine most convenient times for service disruptions and warn affected parties well in advance (48 hours before the disruption) of dates that service disruptions will take place.	No complaints from I & AP	Contractor ESO	When required
	Visual impact	In order to minimise the visual impact.	1) The disturbed areas shall be rehabilitated immediately after the involved construction works are completed. 2)Shade cloth must be used to conceal and minimise the visual impact of the site camps and storage areas.	Visual impacts minimized	Contractor ESO	Monitor daily
			Advertisements and/or sign	Visual impacts	Contractor	

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Performance indicator	Responsibility	Frequency of Action
			boards shall not be erected or displayed on the property without the approval of the municipality and SANRAL first being obtained in terms of municipal by-laws for outdoor advertising.	minimized	Manager	
	Vegetation	Landscaping	1) When planting trees, care should be taken to avoid the incorrect positioning of trees and other plants, to prevent the roots of trees planted in close proximity to the line of water-bearing services from causing leaking in, or malfunctioning of the services. 2) The proposed planting materials for the areas to be landscaped should preferably be endemic and indigenous. 3) All new trees and shrubs to be planted on the study area shall be inspected for pests and diseases prior to them being planted. 4) The inspection shall be carried out by the maintenance contractor at the property of the supplier and not on the study area.	Landscaping done according to Landscape Development Plan	Landscape architect Contractor	When required

TYPE	***Environmental risk or issue***	***Objective or requirement***	***Mitigation measure***	***Performance indicator***	***Responsibility***	***Frequency of Action***
			5) All trees to be planted shall be in 20L containers with a height of approximately 1,8 metres and a main stem diameter of approximately 300 mm.			
		Loss of plants	1) Aerate compacted soil and check and correct pH for soils affected by construction activities. 2) Make sure plant material will be matured enough and hardened off ready for planting. Water in plants immediately as planting proceeds. 3) Apply mulch to conserve moisture 4) Plant according to the layout and planting techniques specified by the Landscape Architect in the Landscape Development plans for the site.	Landscaping done according to Landscape Development Plan	Landscape architect Contractor	When required
		Spread of weeds	Ensure that materials used for mulching and topsoil/ fertilisers are certified weed free. Collect certifications where available. Control weed growth that appears during construction.	Weed growth controlled	Landscape architect Contractor	When required
		To ensure	1) Compacted soils shall be	Grass have	Landscape	Once a day

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Performance indicator	Responsibility	Frequency of Action
		rehabilitation of the site.	ripped at least 200mm. 2) All clumps and rocks larger than 30mm diameter shall be removed from the soil to be rehabilitated. 3) The soil shall be leveled before seeding. 4) Hydro-seed the soil with Potch mixture or plant with suitable indigenous ground covering as specified). 5) Watering shall take place at least once per day for the first 14 days until germination of seeds have taken place. 6) Thereafter watering should take place at least for 20 minutes every 4 days until grass have hardened off.	hardened off	architect Contractor	Then every 4 days

6.4 Operational Phase

Table 4: Impacts and Mitigation measures – Operational Phase

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Responsibility	Frequency of Action

TYPE	***Environmental risk or issue***	***Objective or requirement***	***Mitigation measure***	***Responsibility***	***Frequency of Action***
SITE CLEAN UP AND PREPARED FOR USE	**Storm water pollution**	Do not allow any materials to wash into the storm water system.	Remove erosion and sediment controls only if all bare soil is sealed, covered or re-vegetated. Sweep roadways clean and remove all debris from kerb and gutter areas. Do not wash into drains.	Contractor	-
		Minimise waste	Decontaminate and collect waste in storage area ready for off-site recycling or disposal Arrange for final collection and removal of excess and waste materials.	Contractor	-
ESTABLISHING PLANTS	**Slow or no re-vegetation to stabilise soil; loss or degradation of habitat**	To ensure re-vegetation to stabilize soil.	Agreed schedule for regular follow-up watering, weed control, mulch supplements and amenity pruning, if needed. Replace all plant failures within three month period after planting.	Contractor	To be agreed
MATERIALS FAILURE	***Structural damage. Loss of site materials.***		Inspect all structures monthly to detect any cracking or structural problems. Confirm with designer if there are design problems. Rectify with materials to match, or other agreed solution.	Contractor	-
DRAINAGE FAILURE	***On-site and downstream drainage pollution or flooding***	Storm Water Management Plan	Inspect all site drainage works and repair any failures. Confer with design engineer and to correct site problems.	Contractor	-
SITE AUDIT	***Eventual project failure***	Successful project establishment.	Routinely audit the works and adjust maintenance schedule accordingly.	Contractor	-
GENERAL			Open fires and smoking during maintenance	Contractor	-

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Responsibility	Frequency of Action
			works are strictly prohibited.		
GEOLOGY	**Erosion of topsoil**	Prevent topsoil erosion.	Due to loose topsoil, the soil must be covered by means of re-seeding and vegetation with suitable ground covering.	Engineer / Contractor /	Once off
		To ensure effective stormwater management.	• Stormwater throughout the site should be managed to accommodate the higher quantities of run off; • Sheet flow should be encouraged as far as possible, and channels should be designed to sufficiently address the problem of erosion; and • Bio-swale system could be implemented to filter water from paved areas and especially from roads and parking areas to sufficiently clean water of heavy metals and other hazardous materials in stormwater on a natural manner. This will further provide an opportunity for water to infiltrate the soil, break the energy of stormwater and keep the water on site for longer.	Owner / Manager	
	Fauna and Flora	To ensure protection of existing fauna and flora.	An invasive control plan should be implemented every 3 months after construction.	Owner/ Manager	Every 3 months
		Visual impact	Advertisements and/or sign boards shall not be erected or displayed on the property without the approval of the municipality and SANRAL first		

TYPE	***Environmental risk or issue***	***Objective or requirement***	***Mitigation measure***	***Responsibility***	***Frequency of Action***
			being obtained in terms of municipal by-laws for outdoor advertising.		
	Noise		• In general the design process of the new Development is to consider, *inter alia*, the following aspects: a) The position and orientation of buildings on the site. b) The enclosure of noisy plant activities in buildings where possible and practical. c) The design of the buildings to minimise the transmission of noise from the inside to the outdoors. d) The insulation of particularly noisy plant and equipment. • Buildings should be placed and orientated in such a manner that, as far as is practicable, noise sensitive areas are shielded from and/or that noise is not channeled towards these areas. • Where possible, certain component buildings planned for the Development should be used as noise barriers. • The design, placement and orientation of the extractor fans for the ventilation of the buildings must take the noise impact aspect into consideration. Equipment with the best noise rating should be used. Roof		

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Responsibility	Frequency of Action
			mounted fans may further require attenuators and need to be screened from noise sensitive areas. • High quality air-conditioning equipment should be installed. Equipment with the best noise rating should be used. • Where required, high quality refrigeration compressors should be installed. Equipment with the best noise rating should be used. Outside building installation should be acoustically encapsulated. • All mechanical equipment is to be well maintained. • Music sound emission levels from speakers planned in the Place of Refreshment facility of the proposed development are to be maintained at reasonable levels. The setting of the levels and quality of sound is subject to the design and size of the room/space involved and needs to be established when the design of the proposed development is finalised.(only if applicable). • The delivery times for trucks should be limited to the hours of between 07h00 and 20h00 on weekdays and between 08h00 and 14h00 on Saturdays (only if applicable).		

TYPE	Environmental risk or issue	Objective or requirement	Mitigation measure	Responsibility	Frequency of Action
		To prevent water pollution.	A Spill response kit comprising of absorbent fibres and associated waste containers should be available on site. All materials for clearing of surface spillages should be stored in a container and moved on a regular basis by an approved contractor to a hazardous waste disposal site.		
		To prevent water pollution.	All surface areas utilized for the proposed storage tanks and peripheral infrastructure must be appropriately paved to prevent ingress of contaminated water into the ground.	Contractor Manager	
		To prevent water pollution	A complete waste handling and separation procedure for the operational phase should be implemented due to the handling, storing and disposal of hazardous chemicals. An oil/water separator should be installed on site, which will allow for the processing and separation of insoluble fuel hydrocarbons and the storm and wash down water of the current dispensing area. Only processed water will be allowed and directed to the local sewage system. Under no circumstances may processed water be directed to the stormwater system.	Contractor Manager	

7. Procedures for environmental incidents

7.1 Leakages & spills

- Identify source of problem.
- Stop goods leaking, if safe to do so.
- Contain spilt material, using spills kit or sand.
- Notify Environmental Control Officer.
- Remove spilt material and place in sealed container for disposal (if possible).
- Environmental Control Officer to follow Incident Management Plan.

7.2 Failure of erosion/sediment control devices

- Prevent further escape of sediment.
- Contain escaped material using silt fence, hay bales, pipes, etc.
- Notify ECO.
- Repair or replace failed device as appropriate.
- Dig/scrape up escaped material; take care not to damage vegetation.
- Remove escaped material from site.
- ECO to follow Incident Management Plan.
- Monitor for effectiveness until re-establishment.

7.3 Bank/slope failure

- Stabilize toe of slope to prevent sediment escape using aggregate bags, silt fence, logs, hay bales, pipes, etc.
- Notify ECO.
- ECO to follow Incident Management Plan.
- Divert water upslope from failed fence.
- Protect area from further collapse as appropriate.
- Restore as advised by ECO.
- Monitor for effectiveness until stabilized.

7.4 Discovery of rare or endangered species

- Stop work.

- Notify ECO.
- If a plant is found, mark location of plants.
- If an animal, mark location where sighted.
- ECO to identify or arrange for identification of species and or the relocation of the species if possible.
- If confirmed significant, ECO to liaise with Endangered Wildlife Trust.
- Recommence work when cleared by ECO.

7.5 Discovery of archeological or heritage items

- Stop work.
- Do not further disturb the area.
- Notify ECO.
- ECO to arrange appraisal of specimen.
- If confirmed significant, ECO to liaise with National, Cultural and History Museum.
- Recommence work when cleared by ECO.

8 EMPr review

The Site supervisor is responsible for ensuring the work crew is complying with procedures, and for informing the work crew of any changes. The site supervisor is responsible for ensuring the work crew is aware of changes that may have been implemented by MDAEDLEA before starting any works.

If the contractor cannot comply with any of the activities as described above, they should inform the ECO with reasons within 7 working days.

Appendix E
Public Participation Information

Appendix Ei

Proof of Site Notices

Appendix Ei

Proof of Site Notices

NOTICE OF BASIC ASSESSMENT PROCESS

Notice is given of an application for a **Basic Assessment Process** to be submitted to the Mpumalanga Department of Agriculture, Rural Development, Land & Environmental Affairs (DARDLEA), in terms of Regulation No. R982 published in the Government Notice No. 38282 of 4 December 2014 of the National Environment Management Act, 1998 (Act No. 107 of 1998) governing **Basic Assessment Procedures (Listing Notice: 1 and 3 – Government Notice R983 & R985)** for the following activity:

Project Name: Standerton Shopping Mall Development

Project Description: The proposed development will consist of the following uses: Retail Shops/Offices; Open Space; and Covered Parking.

Property Description: Remainder of Portion 2 of the Farm Grootverlangen 409 IS, Standerton.

Potential Listing Activities Applied for in terms of NEMA Regulations, 4 December 2014:

GNR 983 (Listing Notice 1)	Activity 9, 10, 11, 12, 19 & 27
GNR 985 (Listing Notice 3)	Activity 4, 12 & 14

(Listed Activities triggered will be confirmed during the Application process)

Proponent Name: Sky Village Properties CC

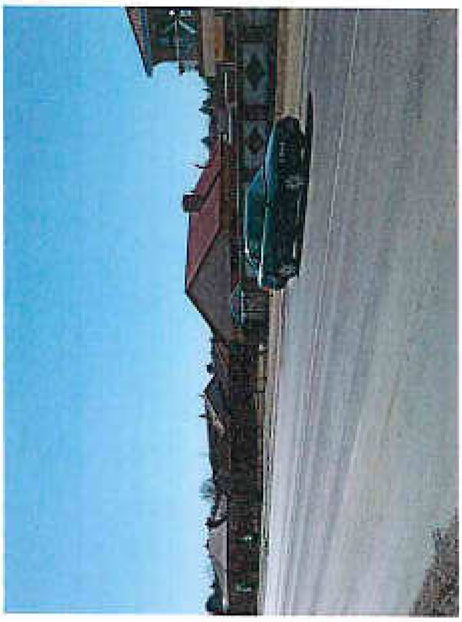
Location: The study area is situated in Standerton west of Walter Sisulu Drive (R546), north of the R23 and east of the Standerton railway line. The study area is within 700 m from the Standerton Train Station and within 600 m from the Standerton Police Station.

Date of Notice: 27 July – 29 August 2016

Queries regarding this matter should be referred to:

Bokamoso Landscape Architects and Environmental Consultants CC
Public Participation registration and Enquiries: **Juanita De Beer**
Project Enquiries: **Bianca Cronjé**
P.O. Box 11375
Maroelana 0161
www.bokamoso.net
Tel: (012) 346 3810
Fax: (086) 570 5659
E-mail: reception@bokamoso.net

In order to ensure that you are identified as an Interested and/or Affected Party (I&AP) please submit your name, contact information and interest in the matter, in writing, to the contact person given above **within 30 days of this Notice.** Please note that you may register throughout the process.





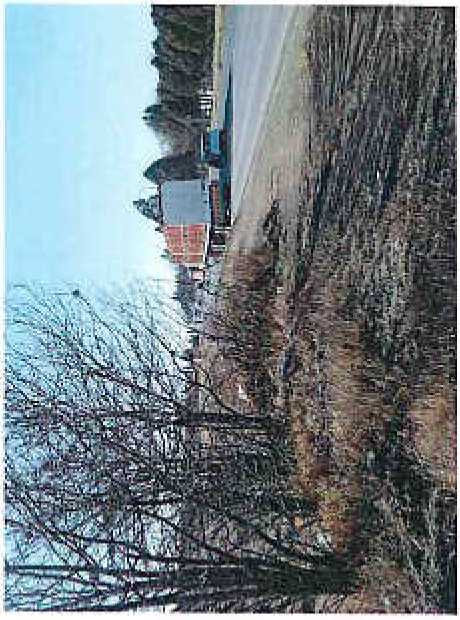
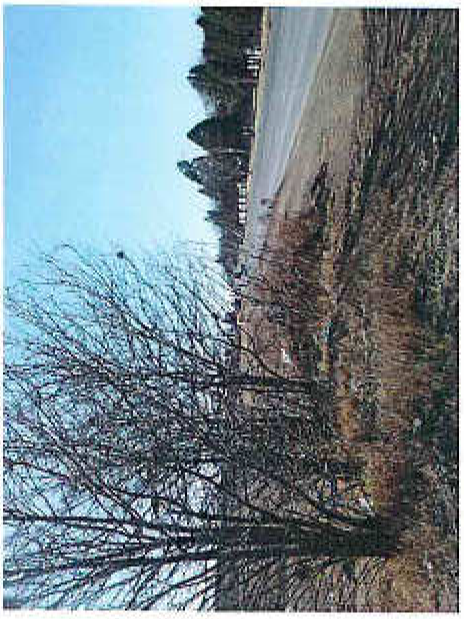




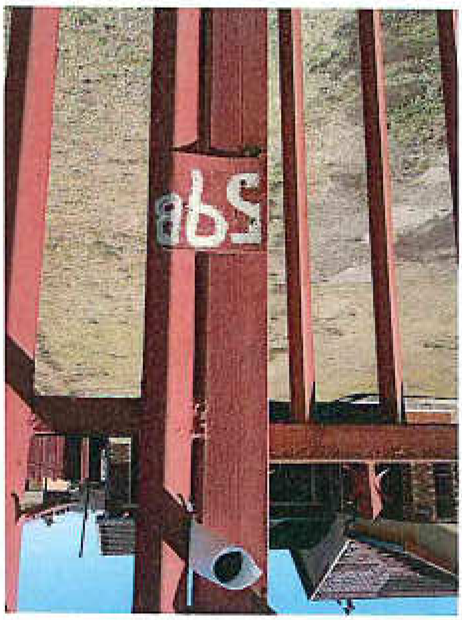






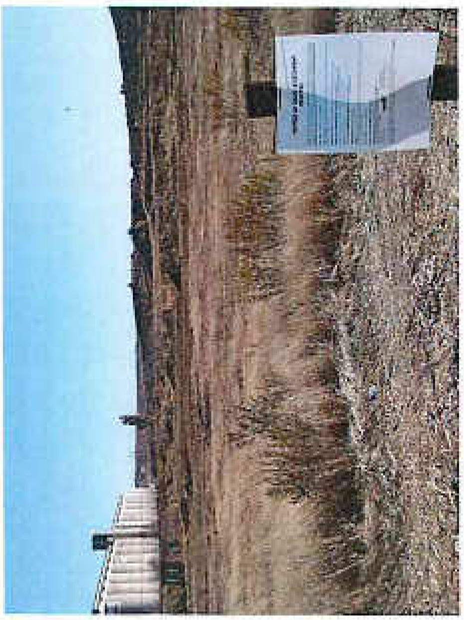






31A

29B



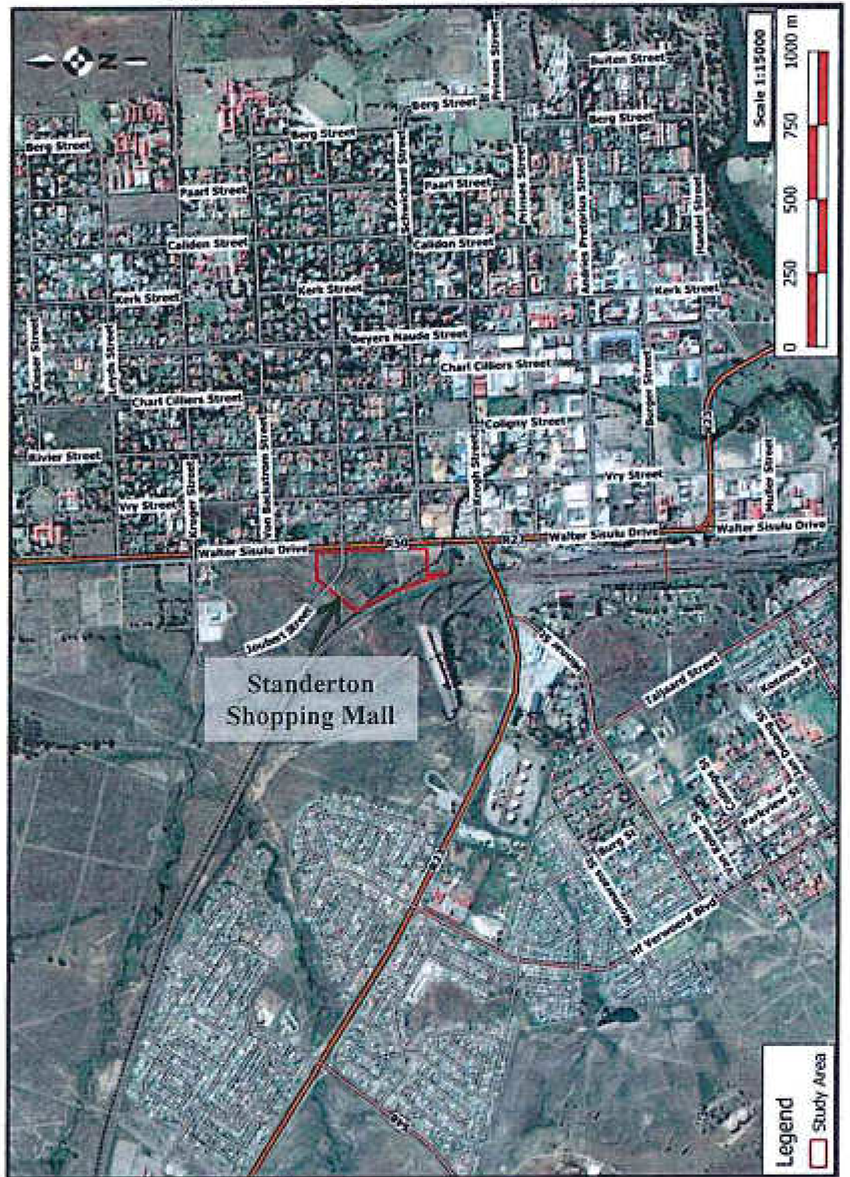




Appendix Eii

Written Notice and Flyers distributed

STANDERTON SHOPPING MALL DEVELOPMENT



Locality Map

NOTICE OF BASIC ASSESSMENT PROCESS

Notice is given of an application for a **Basic Assessment Process** to be submitted to the Mpumalanga Department of Agriculture, Rural Development, Land & Environmental Affairs (DARDLEA), in terms of Regulation No. R982 published in the Government Notice No. 38282 of 4 December 2014 of the National Environment Management Act, 1998 (Act No. 107 of 1998) governing **Basic Assessment Procedures (Notice 1 and 3 – Government Notice R983 & R985)** for the following activity:

Project Name: Standerton Shopping Mall Development

Project Description: The proposed development will consist of the following uses: Retail Shops/Offices; Open Space; and Covered Parking.

Property Description: Remainder of Portion 2 of the Farm Grootverlangen 409 IS, Standerton.

Proponent Name: Sky Village Properties CC

Listing Activities Applied for in terms of NEMA Regulations, 4 December 2014: GNR 983 (Listing Notice 1) – Activity 9, 10, 11, 12, 19 & 27 and GNR 985 (Listing Notice 3) – Activity 4, 12 & 14 **(Listed Activities triggered will be confirmed during the Application process)**

Location: The study area is situated in Standerton west of Walter Sisulu Drive (R546), north of the R23 and east of the Standerton railway line. The study area is within 700 m from the Standerton Train Station and within 600 m from the Standerton Police Station.

Date of Notice: 27 July – 29 August 2016

Queries regarding this matter should be referred to:
Bokamoso Landscape Architects and Environmental Consultants CC
Public Participation registration and Enquiries: **Juanita De Beer**
Project Enquiries: **Bianca Cronjé**
P.O. Box 11375
Maroelana 0161
www.bokamoso.net
Tel: (012) 346 3810
Fax: (086) 570 5659
E-mail: reception@bokamoso.net

In order to ensure that you are identified as an Interested and/or Affected Party (I&AP) please submit your name, contact information and interest in the matter, in writing, to the contact person given above **within 30 days of this Notice.** Please note that you may register throughout the process.

LEBOMBO GARDEN BUILDING
36 LEBOMBO ROAD
ASHLEA GARDENS
0081

P.O. BOX 11375
MAROELANA
0161

Tel: (012) 346 3810
Fax: 086 570 5659
E-mail: reception@bokamoso.net
Website: www.bokamoso.net

Bokamoso ENVIRONMENTAL

Dear Landowner/Tenant **27 July 2016**

You are hereby informed that Bokamoso Landscape Architects and Environmental Consultants CC were appointed, as Environmental Assessment Practitioner by Sky Village Properties CC to conduct the Basic Assessment Process in terms of the amended 2014 NEMA EIA Regulations for the proposed Standerton Shopping Mall Development on Remainder of Portion 2 of the Farm Grootverlangen 409 IS, Standerton.

The proposed Land-uses for the study area are as follows:
Standerton Shopping Mall Development.

In terms of Regulation No. R982 published in the Government Notice No. 38282 of 4 December 2014 of the National Environment Management Act, 1998 (Act No. 107 of 1998) governing Basic Assessment Procedures (Notice 1 and 3 – Governing Notice R983 & R985) of the 2014 amended NEMA Regulations, the EAP must inform all adjacent landowners and tenants of the proposed development.

This letter serves as notification to you, (landowner/tenant) of the property and as notification letter and request that you supply the contact details of any tenants or other interested and affected parties that reside or work on the property to Bokamoso. Bokamoso will then also supply these parties with the necessary notification letters.

Alternatively, you are also welcome to distribute copies of your notification to these parties. We will however require proof that you supplied the notices to the tenants, landowners, workers etc. Another option is to act as representative on behalf of these parties.

Please confirm within 30 days (via email/fax) that you received the landowners/tenant notification and this letter, please note that you can register throughout the whole process. Kindly also confirm the number of tenants, if any on your property and the preferred method of communication.

Please may you notify Bokamoso if you are planning to sell your property as the new owners will be required to be registered as an I&AP.

Regards

JdBeer

....
Juanita De Beer

Standerton Shopping Mall Development - Landowner Notification

Acknowledgement of Receipt of land owner notification concerning the proposed Standerton Shopping Mall Development Project.

	Name	Address	Contact Details	Signature
1		67 Walter Sisulu Drive	Email: Fax: Tel:	
2	Jack	65 Walter Sisulu drive	Email: Fax: Tel: 0734448484	
3	Mandla-Mdluli	63 Walter Sisulu drive	Email: Fax: Tel: 0761394875	
4	Chantal Venter	Joubert str 63A cchantal@hotmail.c	Email: Fax: Tel: 073 3689459	
5		32 Joubert Street	Email: Fax: Tel:	
6		31 Joubert Street	Email: Fax: Tel:	
7	Johannes	61 Walter Sisulu	Email: Fax: Tel: 0733030547	Johannes
8		59B Walter Sisulu-drive	Email: Fax: Tel:	
9		59 A Walter Sisulu dr	Email: Fax: Tel:	
10	Jan Hadebe	59 water Sisulu	Email: Fax: Tel: 0826163436	
11		31A Corner-Walter Sisulu & Schlickard St	Email: Fax: Tel: ~~0730116318~~	
12	Zebros	Zebros Chicken 28 Krogh Street Standerton	Email: Fax: Tel: 0730116318	
13	Billy Bee	" "	Email: Fax: Tel: 0169701673	
14	BP garage	26 Krogh Street	Email: Fax: Tel: 017 7129681	
15	KFC	27 Krogh Street	Email: Fax: 0130100791 Tel:	

Standerton Shopping Mall Development - Landowner Notification

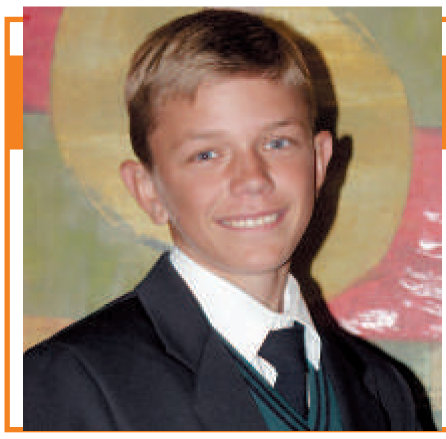
Acknowledgement of Receipt of land owner notification concerning the proposed Standerton Shopping Mall Development Project.

	Name	Address	Contact Details	Signature
1	TOTal Garage Hendrik	Waltersisulu Dr 45	Email: hendrikd45@gmail.com Fax: 017 7126033 Tel: 0823049776	
2	Tobie Joubert	Watersisulu 27	Email: [illegible]@gmail.com Fax: Tel: 0798848531	
3	Henning Viljoen	FOUNTAIN TYRES KROSHSTR 27	Email: FOUNTAINTYRES@STANDERTON.NET Fax: Tel: 0177122230	
4			Email: Fax: Tel:	
5			Email: Fax: Tel:	
6			Email: Fax: Tel:	
7			Email: Fax: Tel:	
8			Email: Fax: Tel:	
9			Email: Fax: Tel:	
10			Email: Fax: Tel:	
11			Email: Fax: Tel:	
12			Email: Fax: Tel:	
13			Email: Fax: Tel:	
14			Email: Fax: Tel:	
15			Email: Fax: Tel:	

Appendix Eiii

Proof of Newspaper Notice

LOCAL SCHOOLS



Hendrik speel nasionaal

Hendrik Hancke van Standerton Akademie is onlangs vir die Beweging vir Christelike Volkseie Onderwys (BCVO) se nasionale 0/13-rugbyspan gekies.

Rugby players receive new kit

The Thobelani Rugby Team recently received a new kit during the launch of the School Sports Premier League. In front are Mkgatla Thwala, Bafana Mbokane, Siyabonga Dhladhla. At the back are Banele Mathebula, Thabang Selepe and Samkelo Malinga.

Standerton Primary's top achievers

These pupils of Standerton Primary School are the top achievers in Grade 7. In front are Vishay Sunder, Divyesh Daya and Ameer Mahomed. A the back are Mieke Swart, Ntando Phiri, Levonia Lombaard and Marzé du Plessis. Mishka Jina and Lintle Maboea were absent when the photo was taken.

Appendix Eiv

List of Interested and Affected Parties

REGISTERED INTERESTED AND AFFECTED PARTIES

Please include all authorities as well as attendees from the public meetings

PROJECT TITLE:____________________________ Standerton Shopping Mall Development

CONTACT	NAME	PHONE	FAX	E-MAIL	ADDRESS (Postal/Physical)
Client	Sky Village Properties CC				
Competent Authority (GDARD, EDTEA, LDEDET etc)	DARDLEA				
Rand Water	Natalie Nkoneigh			mmpshe@randwater.co.za/mmpshe@randwater.co.za	
Eskom				central@eskom.co.za/paia@eskom.co.za	
Mpumalanga Tourism and Parks Agency				info@mtpa.co.za / ifrah@mtpa.co.za	
District Municipality	**Gert Sibande District Municipality -** Isaiah Dladla	071 609 9219		Isaiahd@gsibande.gov.za	
Local Municipality	**Lekwa Local Municipality -**	017 712 9634/017 712 9600		jgvanwyk07@gmail.com	
DWS	Bishop Malatsi			MalatsiB@dws.gov.za	
Heritage Authority (AMAFA, SAHRA)	Benjamin Moduka			bmoduka@mpg.gov.za	
DAFF				WinnersM@daff.gov.za	
Department of Land Claims	Harold Skhosana/Masters Mahlalela			Harold.Skhosana@drdlr.gov.za / masters.mahlalela@drdlr.gov.za	
Standerton Taxi Association	Mandla Mbonani	Cell: 072 179 7498/017 712 2354		standertontaxiassociation01@gmail.com / mandlambonani59@gmail.com	
Department of Health				health@mpuhealth.gov.za	
Spoornet	Loveous Tampane			loveous.tampane@transnet.net	

SANRAL	Klaus Schmid / Victoria Bota			schmidk@nra.co.za / BotaV@nra.co.za	
Ward Councillor - Ward 10	Johannes	0834670155		johannes@standerton.com	
Constituency Head	James Masango	0828910717		jamesm@jantar.co.za	
Rate Payers Assosiation					
Community Assosiation					
Local Newspaper	Standerton Adviser				

Dept/ Company/ Private	NAME	PHONE	FAX	E-MAIL	ADDRESS

Appendix Ev

Communication to and from I&AP

bianca@bokamoso.net

From: juanita@bokamoso.net
Sent: 11 October 2016 04:03 PM
To: BotaV@nra.co.za
Subject: RE: Standerton Extension 9 Development - Errata Public Notice

Dear Victoria Bota,

Thank you for your response, we have registered SANRAL as an Interested and/or Affected Party for the proposed ***Standerton Extension 9 Development*** Project.

We will keep you updated regarding the process in the future.

Kind Regards/Vriendelike Groete

Juanita De Beer

Senior Public Participation Consultant & EAP in training

Landscape Architects &
Environmental Consultants
T: (+27)12 346 3810 I F: (+27) 86 570 5659 I E: juanita@bokamoso.net I www.bokamoso.net
36 Lebombo Street, Ashlea Gardens, Pretoria I P.O. Box 11375 Maroelana 0161

From: Victoria Bota (HO) [mailto:BotaV@nra.co.za]
Sent: 11 October 2016 09:43 AM
To: 'reception@bokamoso.net'
Subject: FW: Standerton Extension 9 Development - Errata Public Notice

Good day

Please register the South African National Roads Agency as an interested and affected party.

Regards

From: juanita@bokamoso.net [mailto:juanita@bokamoso.net]
Sent: 10 October 2016 03:28 PM
To: mmpshe <mmpshe@randwater.co.za>; nkoneigh <nkoneigh@randwater.co.za>; central@eskom.co.za; paia@eskom.co.za; info@mtpa.co.za; ifrah@mtpa.co.za; Isaiahd@gsibande.gov.za; jgvanwyk07@gmail.com; MalatsiB@dws.gov.za; bmoduka@mpg.gov.za; WinnersM@daff.gov.za; Harold.Skhosana@drdlr.gov.za; masters.mahlalela@drdlr.gov.za; loveous.tampane@transnet.net; Klaus Schmid (NR) <SchmidK@nra.co.za>; johannes@standerton.com; jamesm@jantar.co.za
Subject: Standerton Extension 9 Development - Errata Public Notice

Dear Interested and/or Affected Party,

Please refer to the attached Errata Public Notice regarding the proposed ***Standerton Extension 9 Development*** Project.

Kind Regards/Vriendelike Groete

Juanita De Beer

Senior Public Participation Consultant & EAP in training

Landscape Architects &
Environmental Consultants

T: (+27)12 346 3810 I F: (+27) 86 570 5659 I E: juanita@bokamoso.net I www.bokamoso.net

36 Lebombo Street, Ashlea Gardens, Pretoria I P.O. Box 11375 Maroelana 0161

From:	juanita@bokamoso.net
Sent:	27 July 2016 04:59 PM
To:	'jgrobler@geoscience.org.za'; 'bmoduka@mpg.gov.za'; 'MalatsiB@dws.gov.za'; 'central@eskom.co.za'; 'paia@eskom.co.za'; schmidk; mmpshe; nkoneigh; 'info@mtpa.co.za'; 'ifrah@mtpa.co.za'; 'Isaiahd@gsibande.gov.za'; 'jgvanwyk07@gmail.com'; 'loveous.tampane@transnet.net'; 'johannes@standerton.com'; 'jamesm@jantar.co.za'
Subject:	Standerton Shopping Mall Development - Public Participation Process
Attachments:	Public Notice BA.pdf

Dear Interested and/or Affected Parties,

Please refer to the attached Public Notice regarding the proposed ***Standerton Shopping Mall Development*** Project.

Kind Regards/Vriendelike Groete

Juanita De Beer
Senior Public Participation Consultant & EAP in training

Bokamoso

Landscape Architects &
Environmental Consultants
T: (+27)12 346 3810 I F: (+27) 86 570 5659 I E: juanita@bokamoso.net I www.bokamoso.net
36 Lebombo Street, Ashlea Gardens, Pretoria I P.O. Box 11375 Maroelana 0161

Standerton Shopping Mall Development

Our Ref: 9924

an agency of the
Department of Arts and Culture

T: +27 21 462 4502 | F: +27 21 462 4509 | E: info@sahra.org.za
South African Heritage Resources Agency | 111 Harrington Street | Cape Town
P.O. Box 4637 | Cape Town | 8001
www.sahra.org.za

Enquiries: Nokukhanya Khumalo
Tel: 021 462 4502
Email: nkhumalo@sahra.org.za
CaseID: 9924

Date: Tuesday August 16, 2016
Page No: 1

Interim Comment

In terms of Section 38(8) of the National Heritage Resources Act (Act 25 of 1999)

Attention: Sky Village Properties CC

The proposed development will consist of the following uses: Retail Shops/Offices; Open Space; and Covered Parking.

Thank you for informing SAHRA of the proposed Standerton Shopping Mall development located on the remainder of Portion 2 of the farm Grootverlangen 409 IS in the town of Standerton, Lekwa Local Municipality in Mpumalanga Province. Sky Village Properties cc is proposing to construct a retail centre that will include shop spaces, offices, covered parking and associated infrastructure like storm water reticulation system, sewerage removal piping and water pipe lines.

The development is located on a very high palaeontological sensitive zone which SAHRA requires a palaeontological assessment to be conducted to determine whether the development will impact fossiliferous sensitive rocks. Since the surface of the development is disturbed by relatively recent developments, SAHRA exempts the developer from conducting a Palaeontological Impact Assessment (PIA) however a palaeontological watching brief should be done by a qualified palaeontologist. The palaeontologist must monitor the ground clearance and excavations for the foundations of the proposed shopping mall for any fossils that may be uncovered.

SAHRA Archaeology, Palaeontology and Meteorites (APM) Unit does not require a heritage assessment for the proposed development because the surface topography of the proposed development area has been disturbed by recent activities, the possibility of uncovering any archaeological artefacts is low. Therefore SAHRA grants an exemption to the developer from commissioning further heritage studies.
SAHRA will issue a final comment once the following documents area submitted to the case:
- A letter of agreement between the developer and the palaeontologist who will be carrying out the monitoring, the letter should indicate the days in field a palaeontologist will be present on the construction site. If a qualified palaeontologist deems it not necessary to carry out a watching brief they must write a Letter of Recommendation of Exemption from Further Heritage Studies that will be submitted to the case.
- The Basic Assessment Report being compiled for this case.

Standerton Shopping Mall Development

Our Ref: 9924

an agency of the
Department of Arts and Culture

T: +27 21 462 4502 | F: +27 21 462 4509 | E: info@sahra.org.za
South African Heritage Resources Agency | 111 Harrington Street | Cape Town
P.O. Box 4637 | Cape Town | 8001
www.sahra.org.za

Enquiries: Nokukhanya Khumalo
Tel: 021 462 4502
Email: nkhumalo@sahra.org.za
CaseID: 9924

Date: Tuesday August 16, 2016

Should you have any further queries, please contact the designated official using the case number quoted above in the case header.

Yours faithfully

Nokukhanya Khumalo
Heritage Officer
South African Heritage Resources Agency

John Gribble
Manager: Maritime and Underwater Cultural Heritage Unit / Acting Manager: Archaeology, Palaeontology and Meteorites Unit
South African Heritage Resources Agency

ADMIN:
Direct URL to case: http://www.sahra.org.za/node/367897
(MDARDLA, Ref:)

Appendix Evi

Comments and Issues Register

COMMENT AND RESPONSE REPORT-
FOR THE PROPOSED STANDERTON SHOPPING MALL DEVELOPMENT PROJECT

Issue	Commentator	Response
Thank you for informing SAHRA of the proposed Standerton Shopping Mall development located on the remainder of Portion 2 of the Farm Grootverlangen 409 IS in the town of Standerton, Lekwa Local Municipality in Mpumalanga Province. Sky Village Properties cc is proposing to construct a retail centre that will include shop spaces, offices, covered parking and associated infrastructure like storm water reticulation system, sewerage removal piping and water pipe lines. The development is located on a very high palaeontological sensitive zone which SAHRA requires a palaeontological assessment to be conducted to determine whether the development will impact fossiliferous sensitive rocks. Since the surface of the development is disturbed by relatively recent developments, SAHRA exempts the developer from conducting a Palaeontological Impact Assessment (PIA) however a palaeontological watching brief should be done by a qualified palaeontologist. The palaeontologist must monitor the ground clearance and excavations for the foundations of the proposed shopping mall for any fossils that may be uncovered. SAHRA Archaeology, Palaeotology and Meteorites (APM) Unit does not require a heritage assessment for proposed development because the surface topography of the proposed development area has been disturbed by recent activities, the possibility of uncovering any archaeological artefacts is low. Therefore SAHRA grants an exemption to the developer from commissioning further heritage studies. SAHRA will issue a final comment once the following documents area submitted to the case: - A letter of agreement between the developer and the palaeontologist who will be carrying out the monitoring, the letter should indicate the days in field a palaeontologist will be present on the construction site. If a qualified palaeontologist deems it not necessary to carry out a watching brief they must write a Letter of Recommendation	Nokukhanya Khumalo nkhumalo@sahra.org.za **SAHRA**	Noted.

of Exemption from Further Heritage Studies that will be submitted to the case. - The Basic Assessment Report being compiled for this case.		
Please register the South African National Roads Agency as an interested and affected party.	Victoria Bota BotaV@nra.co.za 11 October 2016	Thank you for your response, we have registered SANRAL as an Interested and/or Affected Party for the proposed Standerton Extension 9 Development Project. We will keep you updated regarding the process in the future.

Appendix F

Company Profile and EAP CV

Bokamoso

Landscape Architects &
Environmental consultants

P.O.BOX 11375
Maroelana
0161

Tel: (012) 346 3810
Fax: (086) 570 5559

E-mail: lizelle@bokamoso.net
reception@bokamoso.net
Website: www.bokamoso.net

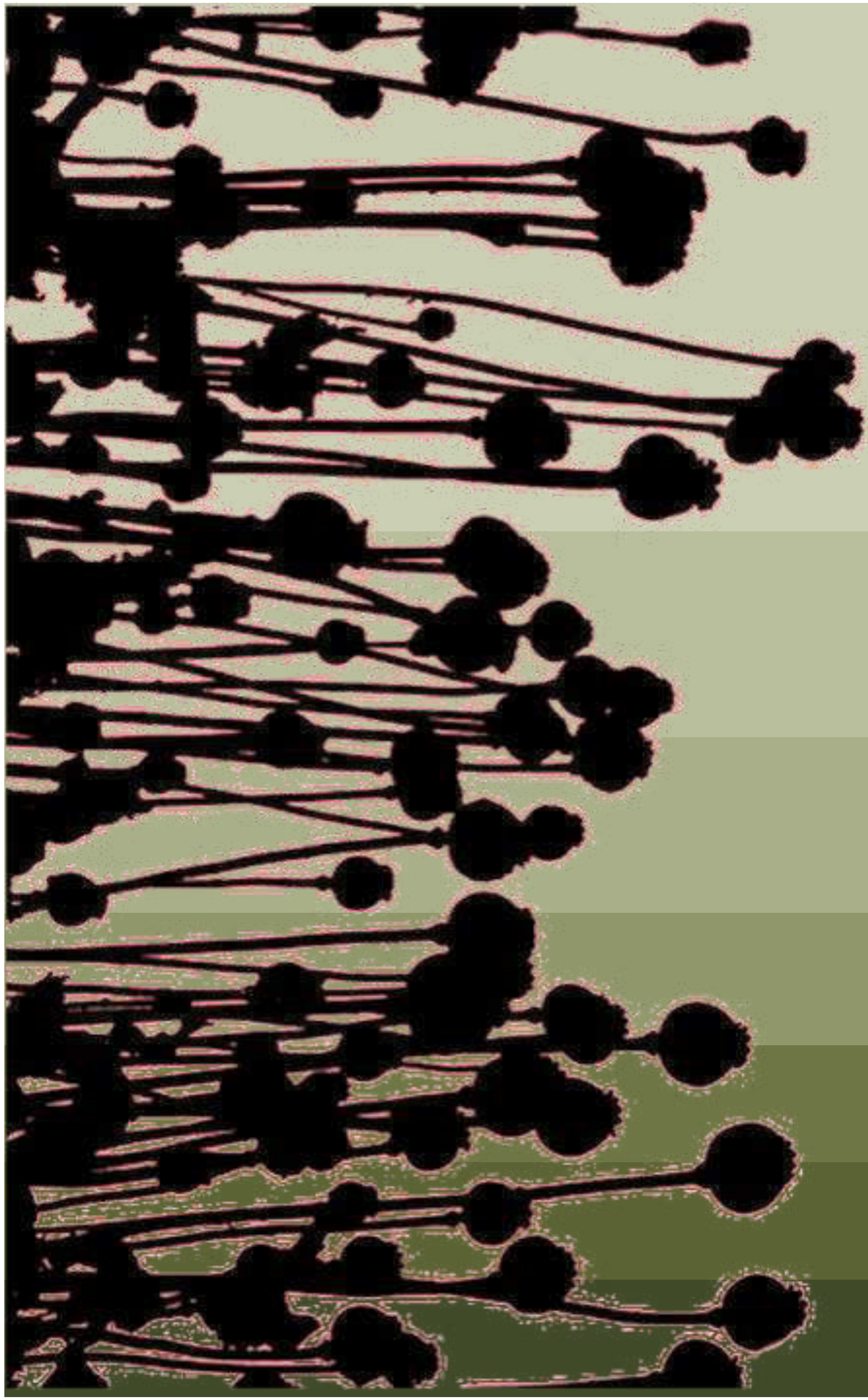
Table of Contents

Bokamoso specialises in the fields of Landscape Architecture and all aspects of Environmental Management and Planning. Bokamoso was founded in 1992 and has shown growth by continually meeting the needs of our clients. Our area of expertise stretches throughout the whole of South Africa. Our projects reflect the competence of our well compiled team. The diversity of our members enables us to tend to a variety of needs. Our integrated approach establishes a basis for outstanding quality. We are well known to clients in the private, commercial as well as governmental sector.

At Bokamoso we stand on a firm basis of environmental investigation in order to find unique solutions to the requirements of our clients and add value to their operations.

01 Executive Summary

011 Company Overview



Vision:

At Bokamoso we strive to find the best planning solutions by taking into account the functions of a healthy ecosystem. Man and nature should be in balance with each other.

Mission:

We design according to our ethical responsibility, take responsibility for successful completion of projects and constitute a landscape that contributes to a sustainable environment. We add value to the operations of our clients and build long term relationships that are mutually beneficial.

Values:

Integrity

Respect

Bokamoso

02 Vision, Mission & Values

Bokamoso stands on the basis of fairness. This include respect within our multicultural team and equal opportunities in terms of gender, nationality and race.

We have a wide variety of projects to tend to, from complicated reports to landscape installation. This wide range of projects enables us to combine a variety of professionals and skilled employees in our team.

Bokamoso further aids in the development of proficiency within the working environment. Each project, whether in need of skilled or unskilled tasks has its own variety of facets to bring to the table.

We are currently in the process of receiving our BEE scorecard. We support transformation in all areas of our company dynamics.

Bokamoso

03 Human Resources

031 Employment Equity

Lizelle Gregory (100% interest)

Lizelle Gregory obtained a degree in Landscape Architecture from the University of Pretoria in 1992 and passed her board exam in 1995.
Her professional practice number is PrLArch 97078.

Ms. Gregory has been a member of both the Institute for Landscape Architecture in South Africa (ILASA) and South African Council for the Landscape Architecture Profession (SACLAP), since 1995.

Although the existing Environmental Legislation doesn't yet stipulate the academic requirements of an Environmental Assessment Practitioner (EAP), it is recommended that the Environmental Consultant be registered at the International Association of Impact Assessments (IAIA). Ms. Gregory has been registered as a member of IAIA in 2007.

Ms. Gregory attended and passed an International Environmental Auditing course in 2008.
She is a registered member of the International Environmental Management and Assessment Council (IEMA).

She has lectured at the Tshwane University of Technology (TUT) and the University of Pretoria (UP). The lecturing included fields of Landscape Architecture and Environmental Management.

Ms. Gregory has more than 20 years experience in the compilation of Environmental Evaluation Reports:
Environmental Management Plans (EMP);
Strategic Environmental Assessments;
All stages of Environmental input ;
EIA under ECA and the new and amended NEMA regulations and various other Environmental reports and documents.

Ms. Gregory has compiled and submitted more than 600 Impact Assessments within the last 5-6 years. Furthermore, Ms. L. Gregory is also familiar with all the GDARD/Provincial Environmental policies and guidelines. She assisted and supplied GAUTRANS/former PWV Consortium with Environmental input and reports regarding road network plans, road determinations, preliminary and detailed designs for the past 12 years.

Consulting

Anè Agenbacht

Introduction to Sustainable Environmental Management—An overview of Principles, Tools,& Issues (Potch 2006)
Leadership Training School (Lewende Woord 2010)
BA Environmental Management (UNISA 2011)
PGCE Education (Unisa 2013) - CUM LAUDE
Project Manager
More than 10 years experience in the compilation of various environmental reports

Mary-Lee Van Zyl

MSc Plant Science (UP)
BSc (Hons) Plant Science (UP)
BSc Ecology (UP)
More than 3 years working experience in the Environmental field
Specialises in ECO works, Basic Assessments, EIA's, and Flora Reports
Compilation of various Environmental Reports

Dashentha Moodley

BA (Hons) Degree in Environmental Management (UNISA) - CUM LAUDE
Bachelor of Social Science in Geography & Environmental Management (UKZN)
More than 6 years experience in WUL Applications & Integrated Environmental Management within water resource management.
Senior Environmental Practitioner & Water Use Licence Consultant
Specialises in Water Use License & Compilation of various Env. Reports

Nadine Duncan

BSc (Hons) Geography (UP)
BSc Landscape Architecture (UP)
More than 10 years experience in compilation of Basic Assessments and EIA Reports
Compilation of various Environmental Reports

Adéle Drake

BA Geography & History (UP)
NQF Level 7 Air Quality Management (UJ)
More than 15 years experience in the field of Environmental Management within Mining Industry (surface and underground), Forestry Industry, Renewable Energy Industry (WEF), and Environmental Consulting. Also ISO 14000, ISO 9000, and Safety Management Auditor.

Ben Bhukwana	**BSc Landscape Architecture (UP)** More than 6 years experience in the field of Landscape Architecture (Design, Construction, Implementation, and Management). Specialises in Landscape Design, ECO, Rehabilitation Plans and Compilation various environmental reports and Compilation of Tender documents
Juanita de Beer	**Diploma Events Management and Marketing (Damelin)** Specializes in Public relations and Public Participation Processes (4 years experience) Specialises in compiling various environmental reports
Alfred Thomas	**CIW Foundation& Internet Marketing (IT Academy)** 12 years experience in GIS and IT in general. GIS Operator and Multimedia Specialist.
Bianca Reyneke	**Applying SHE Principles and Procedures (NOSA)** **Intro to SAMTRAC Course (NOSA)** SHEQ Coordinator and compilation of environmental reports Specialises in compiling various environmental reports
A.E. van Wyk	**BSc Environmental Sciences (Zoology and Geography)** Specialises in compiling various environmental reports
Ronell Kuppen	**BSc (Hons) in Geography (UNISA)** **BA Environmental and Development (UKZN)** More than 5 years experience in Environmental Consulting Specializing in WUL Applications, Waste License Applications, EIAs, Basic Assessments, Public Participations, Borrow Pits Applications and Project Management.

Bokamoso

Elsa Viviers

Interior Decorating (Centurion College)
(Accounting/ Receptionist) and Secretary to Lizelle Gregory

Loura du Toit

N. Dip. Professional Teacher (Heidelberg Teachers Training College)
Librarian and PA to the Project Manager

Merriam Mogalaki

Administration Assistant with in-house training in bookkeeping

Landscape Contracting

Elias Maloka

Assisting with Public Participations and Office Admin
Site manager overseeing landscape installations.
Irrigation design and implementation.
Landscape maintenance
More than 18 years experience in landscape construction works.

The contracting section compromises of six permanently employed black male workers.
In many cases the team consists of up to 12 workers, depending on the quantity of work.

In-house Specialists

Corné Niemandt

MSc Plant Science (UP 2015) – Cum Laude
BSc (Hons) Zoology (UP 2012)
BSc Ecology (UP 2011)
Specialises in vegetation and plant surveys
Compilation of fauna and flora specialist reports
Compilation of fauna and flora specialist reports

Garth van Rooyen

BSc (Hons) Environmental Soil Science
BSc Geology
Soil and Wetland Specialist

01 Environmental Management Services

- Basic Assessment Reports
- EIA & Scoping Reports
- Environmental Management Plans
- Environmental Scans
- Strategic Environmental Assessments
- EMP for Mines
- Environmental Input and Evaluation of Spatial Development Frameworks
- State of Environmental Reports
- Compilation of Environmental Legislation and Policy Documents
- Environmental Auditing and Monitoring
- Environmental Control Officer (ECO)
- Visual Impact assessments
- Specialist Assistance with Environmental Legislation Issues and Appeals
- Development Process Management
- Water Use License applications to DWA
- Waste License Application

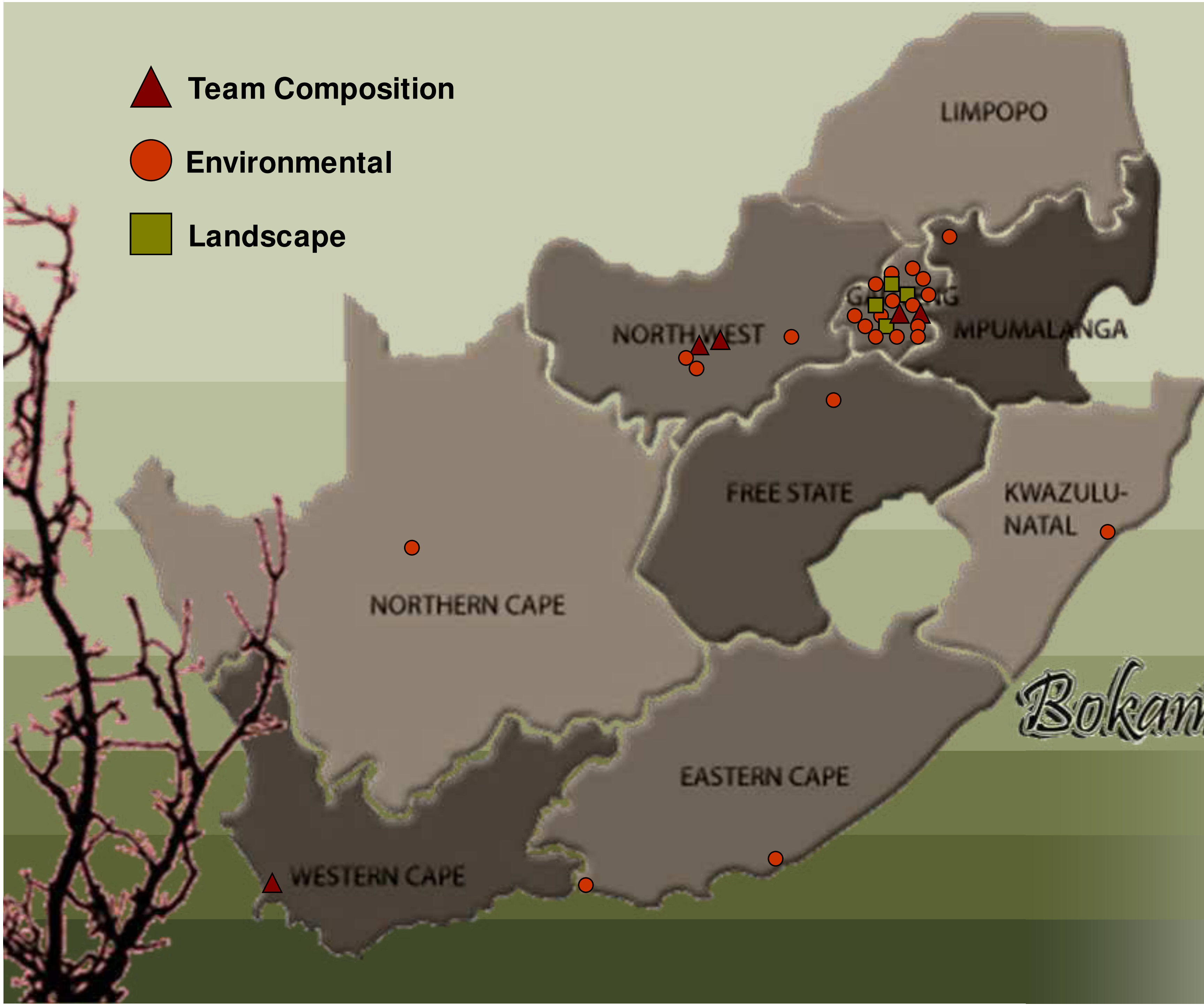
02 Landscape Architecture

- Master Planning
- Sketch Plans
- Planting Plans
- Working Drawings
- Furniture Design
- Detail Design
- Landscape Development Frameworks
- Landscape Development Plans (LDP)
- Contract and Tender Documentation
- Landscape Rehabilitation Works

03 Landscape Contracting

Implementation of Plans for:

- Office Parks
- Commercial/ Retail / Recreational Development
- Residential Complexes
- Private Residential Gardens
- Implementation of irrigation systems



Bokamoso

04 Services

043 Orientation

01 Valpre Bottling Plant, Heidelberg

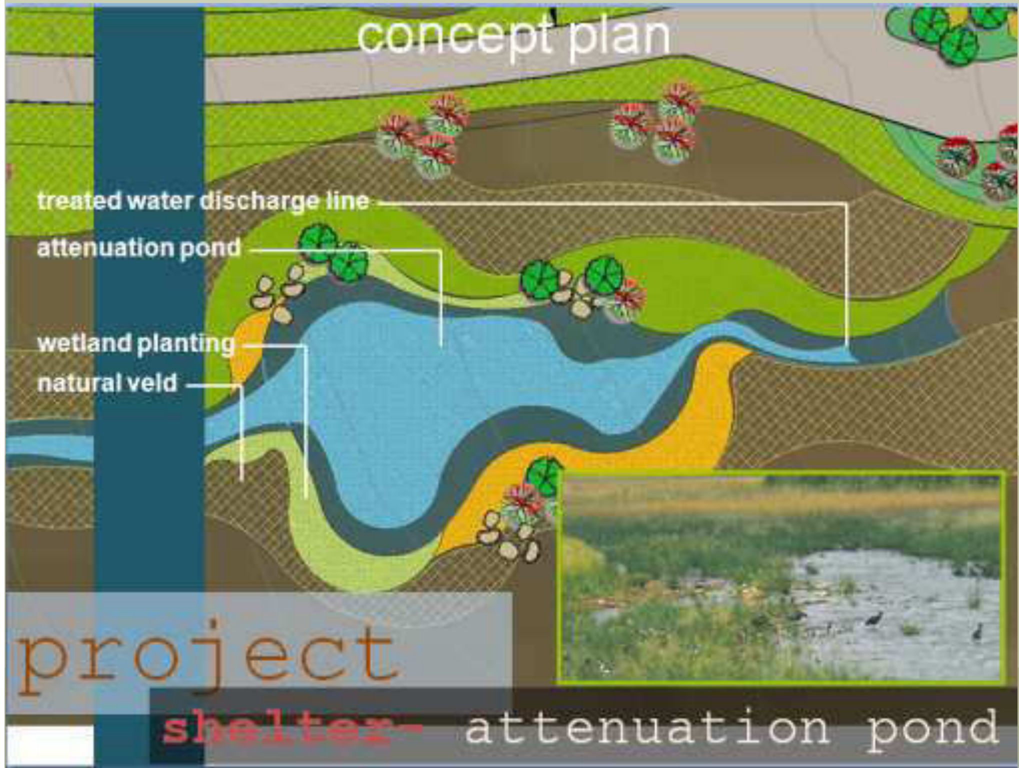
project

shelter- site plan

05 Landscape Projects– Current

051 Commercial

01 Valpre Bottling Plant, Heidelberg

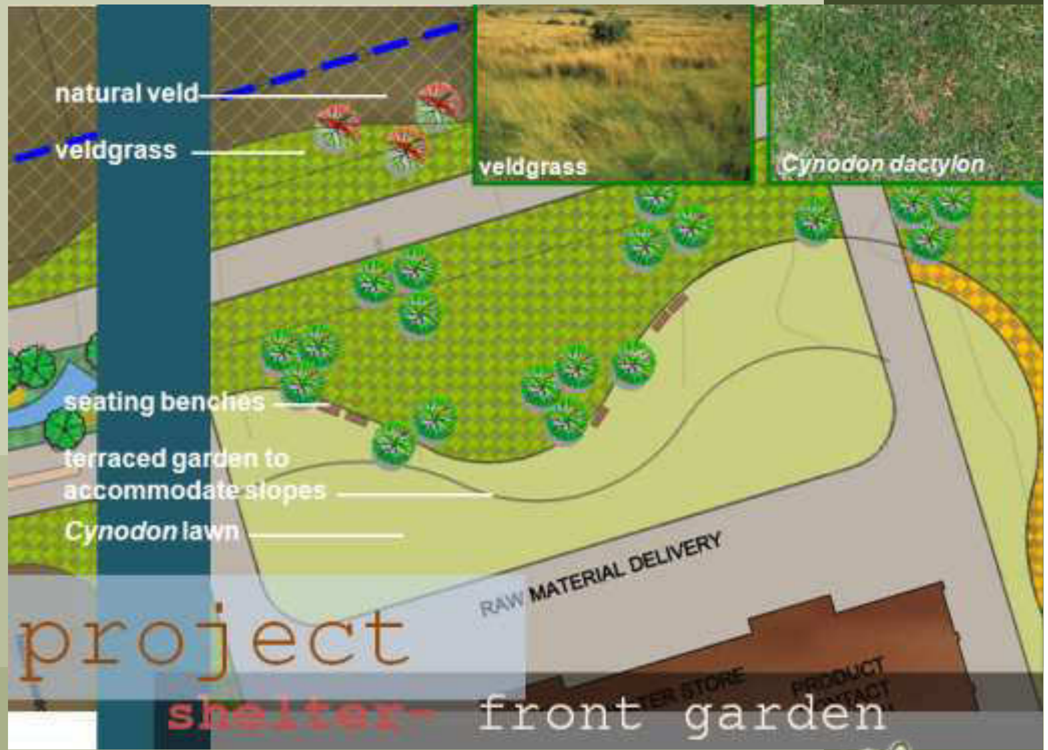


Bokamoso

05 Landscape Projects– Current

051 Commercial

01 Valpre Bottling Plant, Heidelberg



Bokamoso

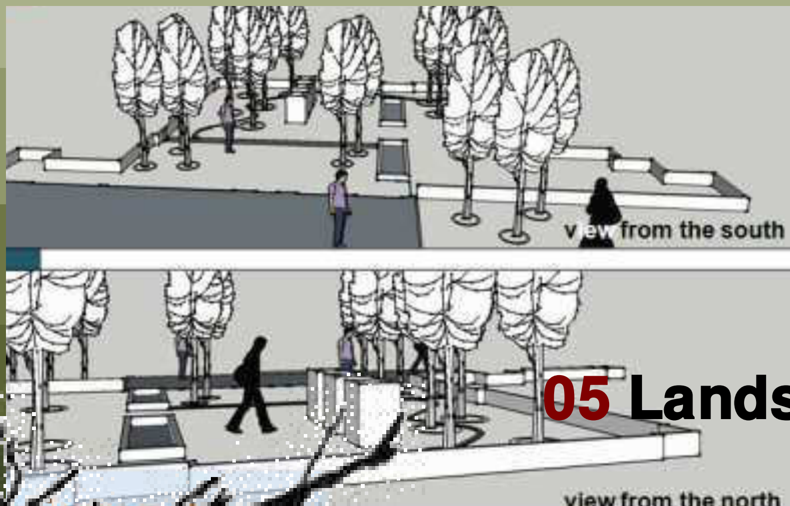




05 Landscape Projects– Current

051 Commercial

01 Valpre Bottling Plant, Heidelberg

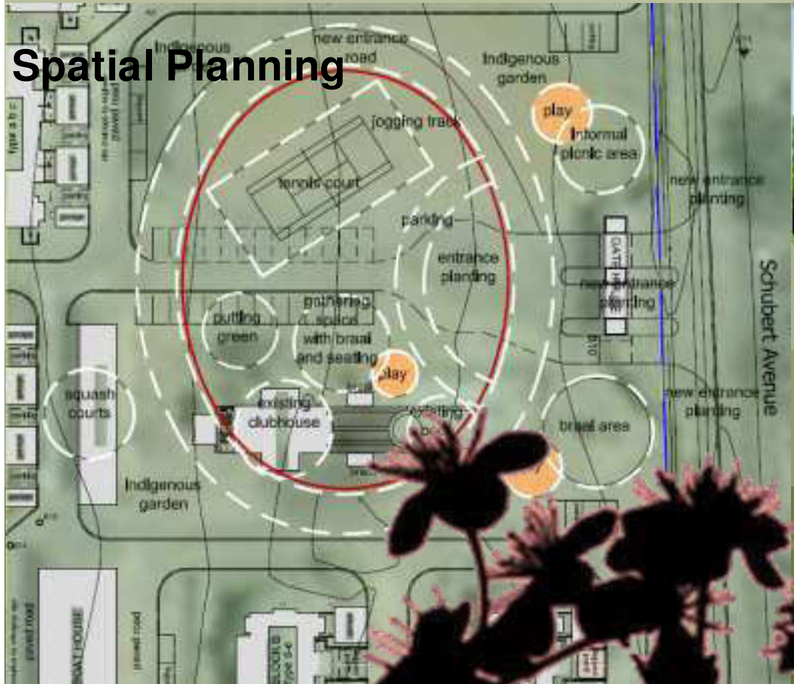


05 Landscape Projects– Current

051 Commercial

02 Melodie Waters, Hartebeespoortdam

Streetscape



Spatial Planning

Indigenous Planting

Bokamoso

05 Landscape Projects – Current

052 Commercial/Recreational

02 Melodie waters, Hartebeestpoortdam

Development Framework

Rehabilitation

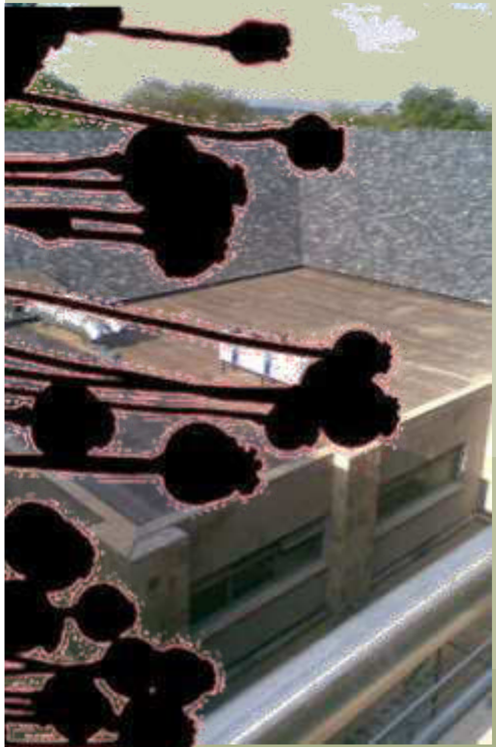
Area Layout

Bokamoso

05 Landscape Projects– Current

052 Commercial/Recreational

03 Grain Building, Pretoria



Bokamoso

05 Landscape Projects– Completed

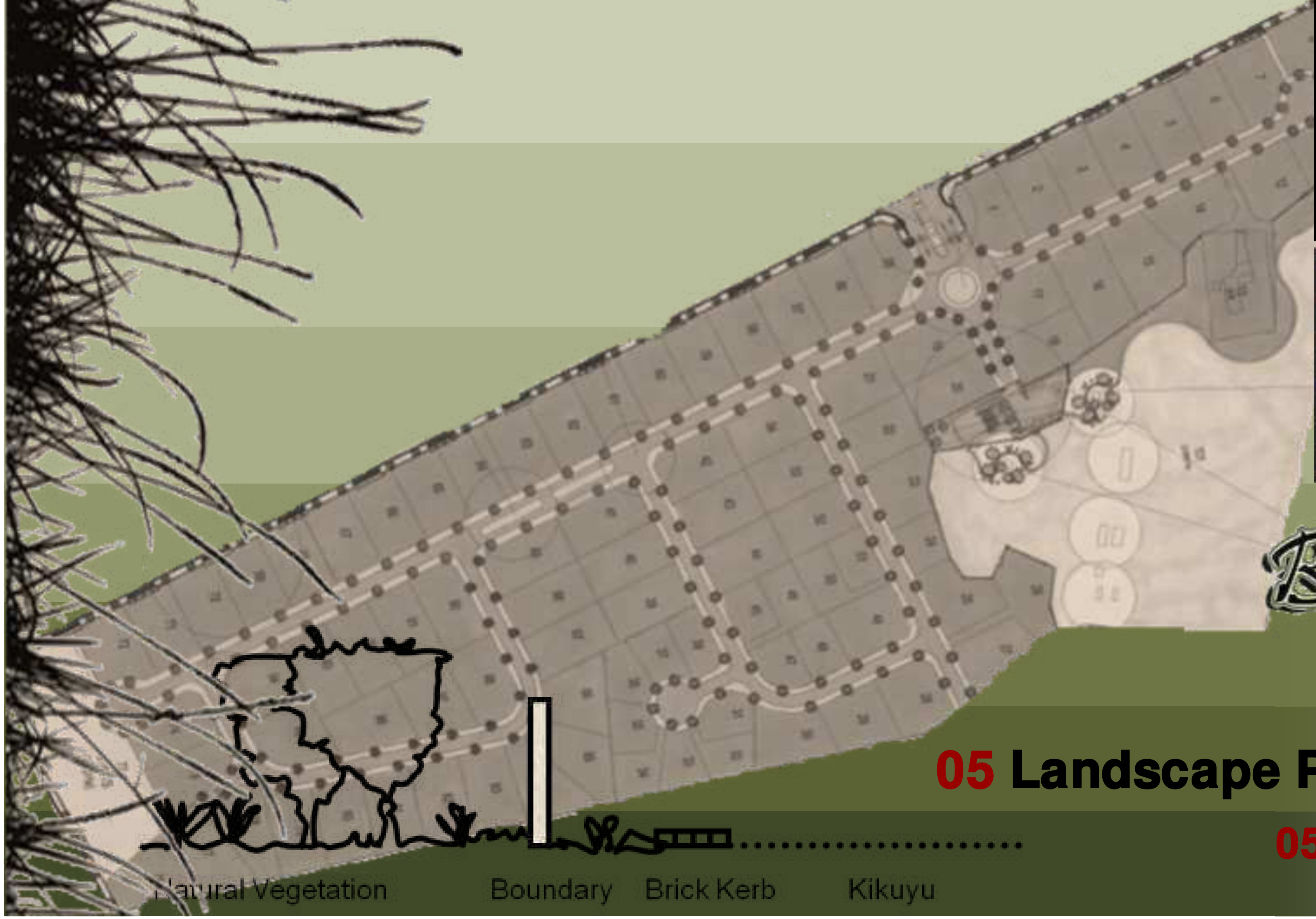
053 Offices

04 Ismail Dawson offices, Pretoria

05 Landscape Projects – Conceptual

053 Offices

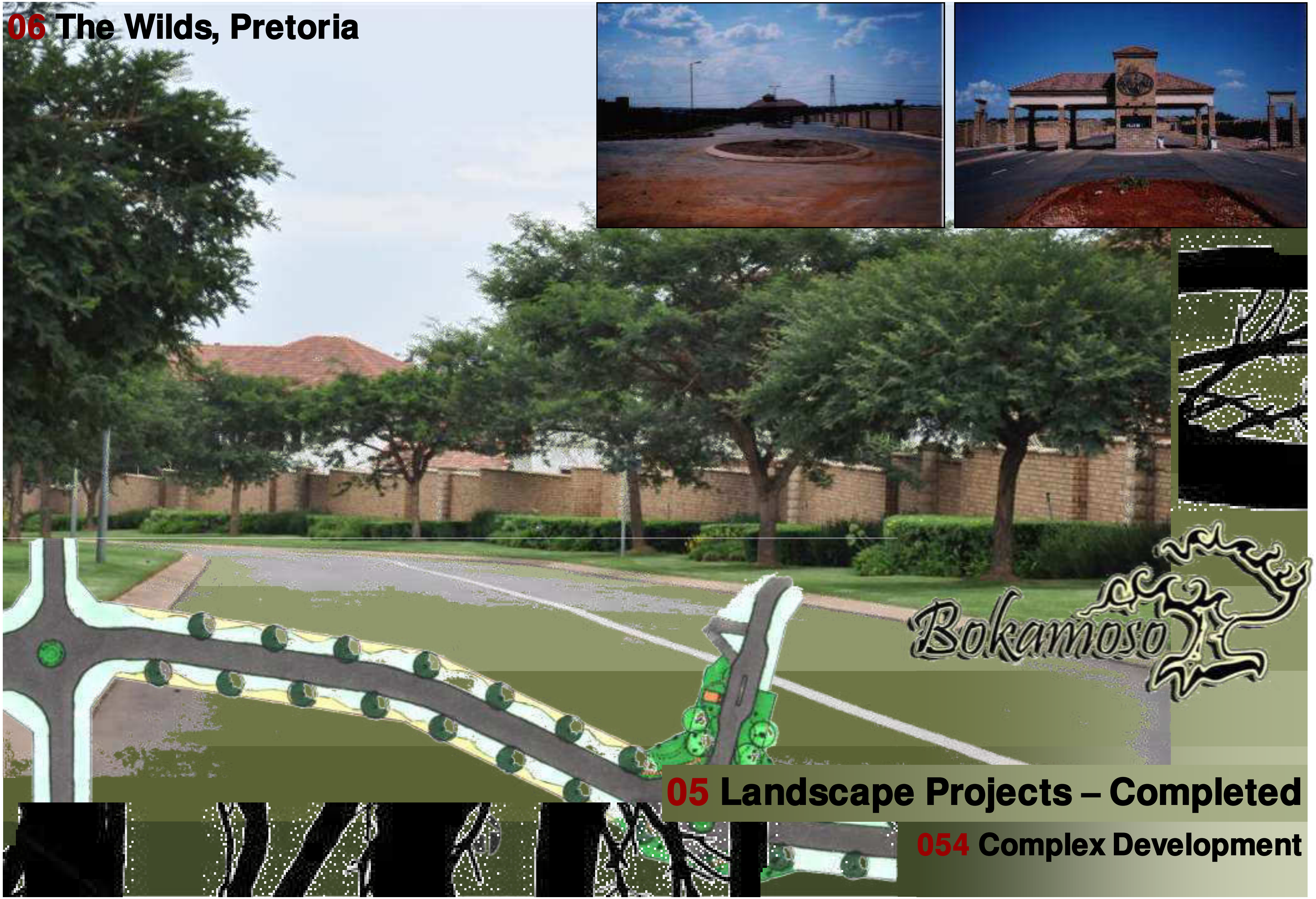
05 Celtic Manor, Pretoria



05 Landscape Projects - Completed

054 Complex Development

06 The Wilds, Pretoria



Bokamoso

05 Landscape Projects – Completed

054 Complex Development

07 The Wilds, Pretoria

08 The Wilds, Pretoria

Bokamoso

05 Landscape Projects – Completed

055 Residential

09 The Wilds, Pretoria

05 Landscape Projects – Completed

055 Residential

010 The Wilds, Pretoria

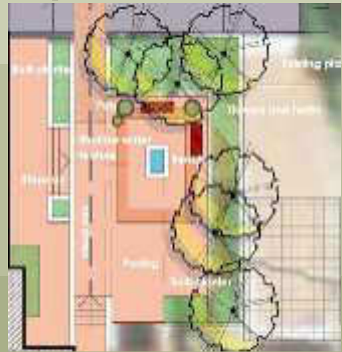
05 Landscape Projects – Completed

055 Residential

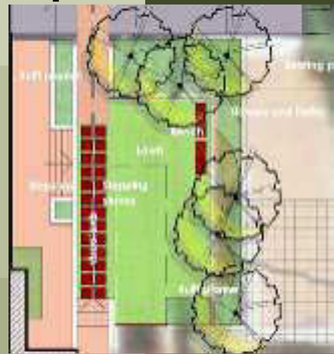
011 Governor of Reserve Bank's Residence, Pretoria

Plant Palette

Option 1



Option 2

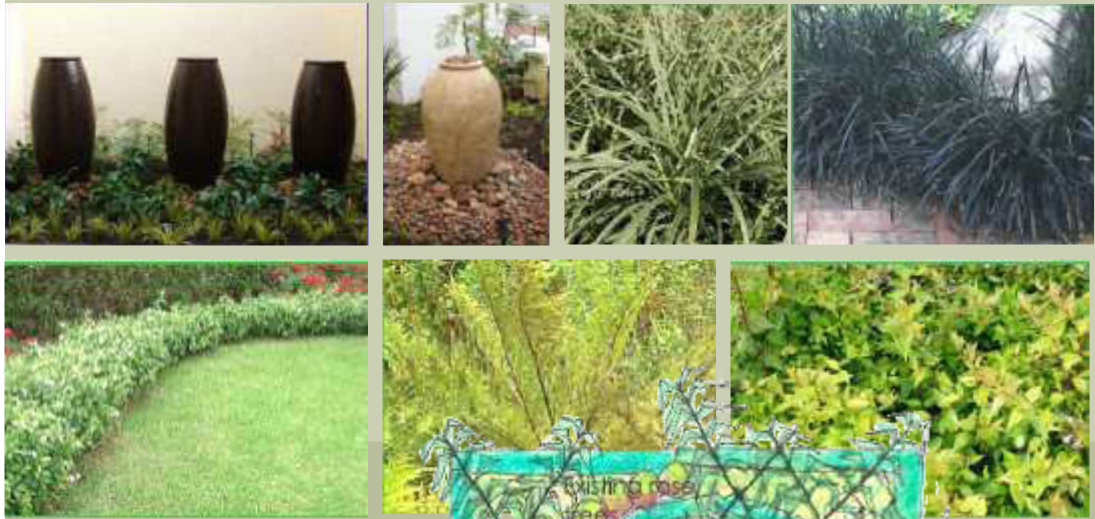


Bokamoso

05 Landscape Projects – Conceptual

055 Residential

012 House Ismail, Pretoria



Front Garden

Back Garden

Bokamoso

05 Landscape Projects - Conceptual

055 Residential

013 Forest Garden, Pretoria

015 Forest Garden, Pretoria

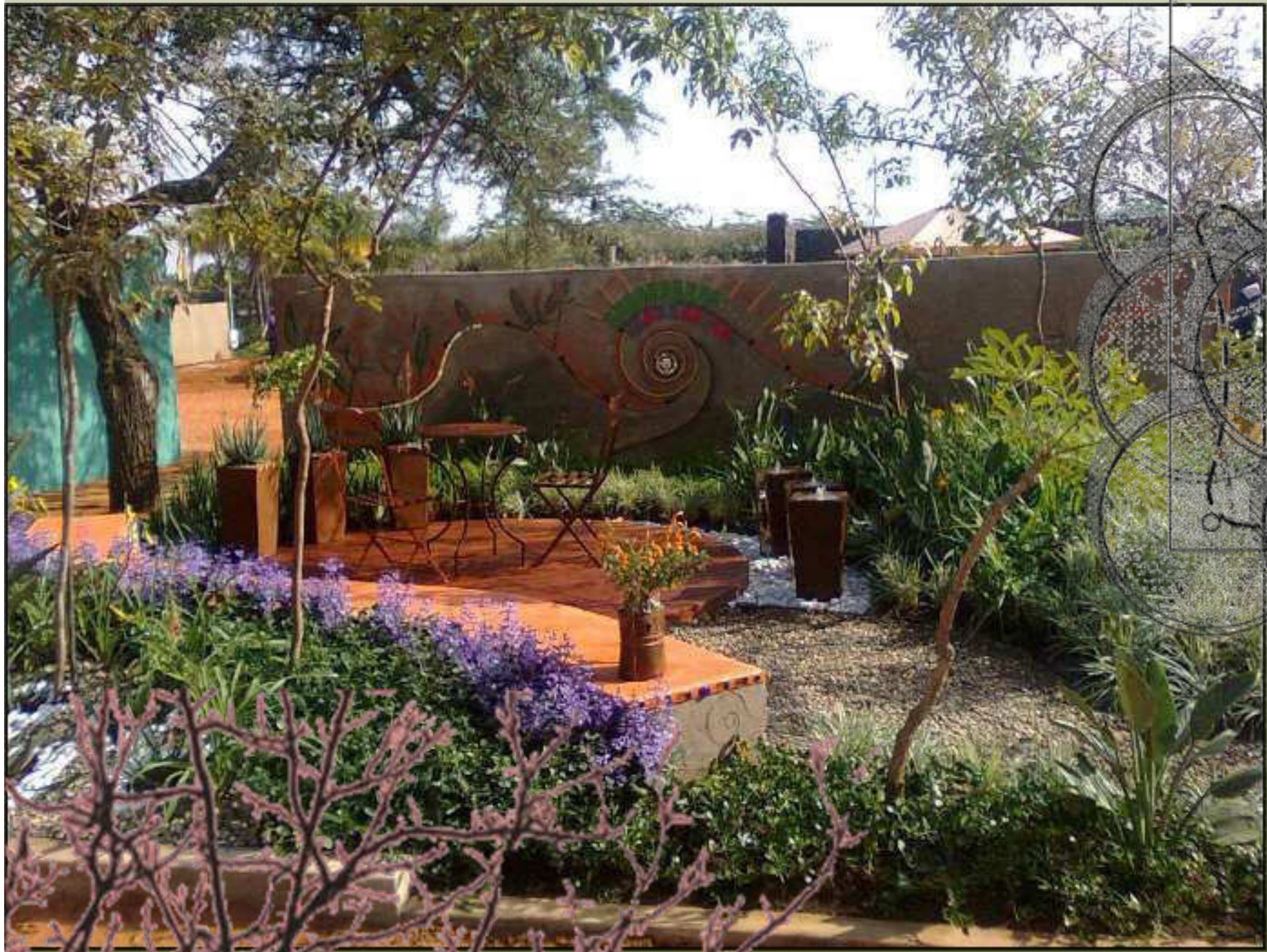
Bokamoso

05 Landscape Projects - Completed

055 Residential

01 Safari Garden Expo

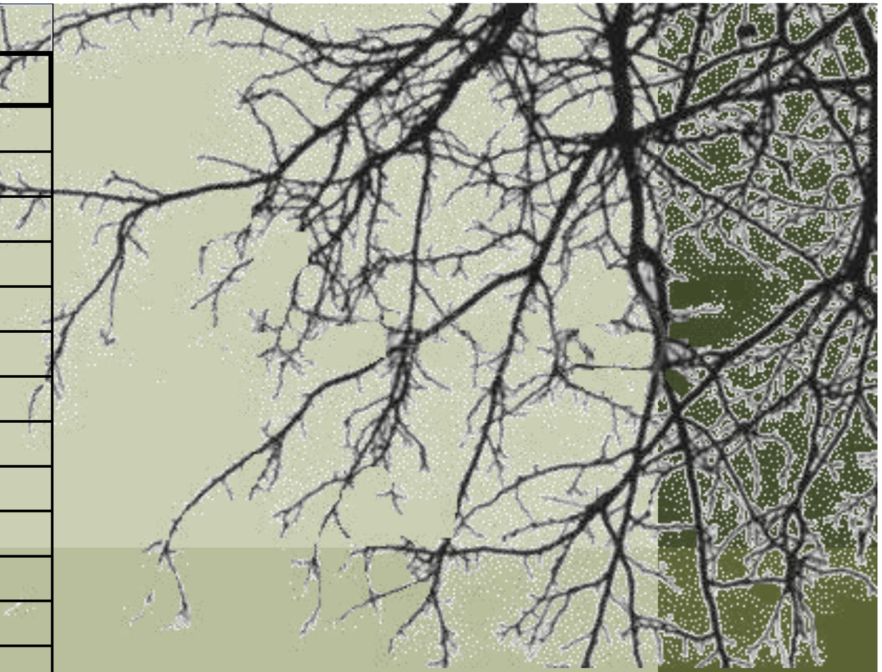
Received a Silver Certificate at the Safari Garden Expo, 2010



02 UNISA Sunnyside Campus, Pretoria

Best Commercial Paving Plan in Gauteng, 1997

Project Name	Status	Project
Environmental Impact Assessment(EIA) and Scoping Report		
Junction 21	ROD	EIA
5 O'clock site access	In Progress	EIA
Bokamoso X 1	In Progress	Scoping & EIA
Doornvallei Phase 6 & 7	In Progress	EIA
Engen Interchange	In Progress	Scoping & EIA
Erasmia X15	In Progress	EIA
Franschkloof	In Progress	EIA
K113	Amendment of ROD	EIA
K220 East	ROD	EIA
K220 West	ROD	EIA
K54 ROD conditions	In Progress	EIA
Knopjeslaagte 95/Peachtree	ROD	EIA
Knopjeslaagte portion 20 & 21	ROD	EIA
Lillieslief/Nooitgedacht	In Progress	EIA
Mooiplaats 70 (Sutherland)	In Progress	EIA
Naauwpoort 1 - 12/Valley View	In Progress	EIA
PeachTree X5	In Progress	EIA
Strydfontein 60	In Progress	EIA
Thabe Motswere	In Progress	Scoping & EIA
Vlakplaats	In Progress	EIA
Waterval Valley	In Progress	EIA
Environmental Opinion		
Doornkloof 68 (Ross)	In Progress	Opinion
Monavoni X 53	In Progress	BA & Opinion
Mooikloof (USN)	In Progress	Opinion
Norwood Mall/Sandspruit	In Progress	Opinion
Riversong X 9	In Progress	Opinion
Sud Chemie	In Progress	Opinion
USN Benjoh Fishing Resort	In Progress	Opinion



The adjacent list host the status of our current projects. Only a selected amount of projects are displayed.

07 Current Environmental Projects

071 EIA, Scoping& Opinion

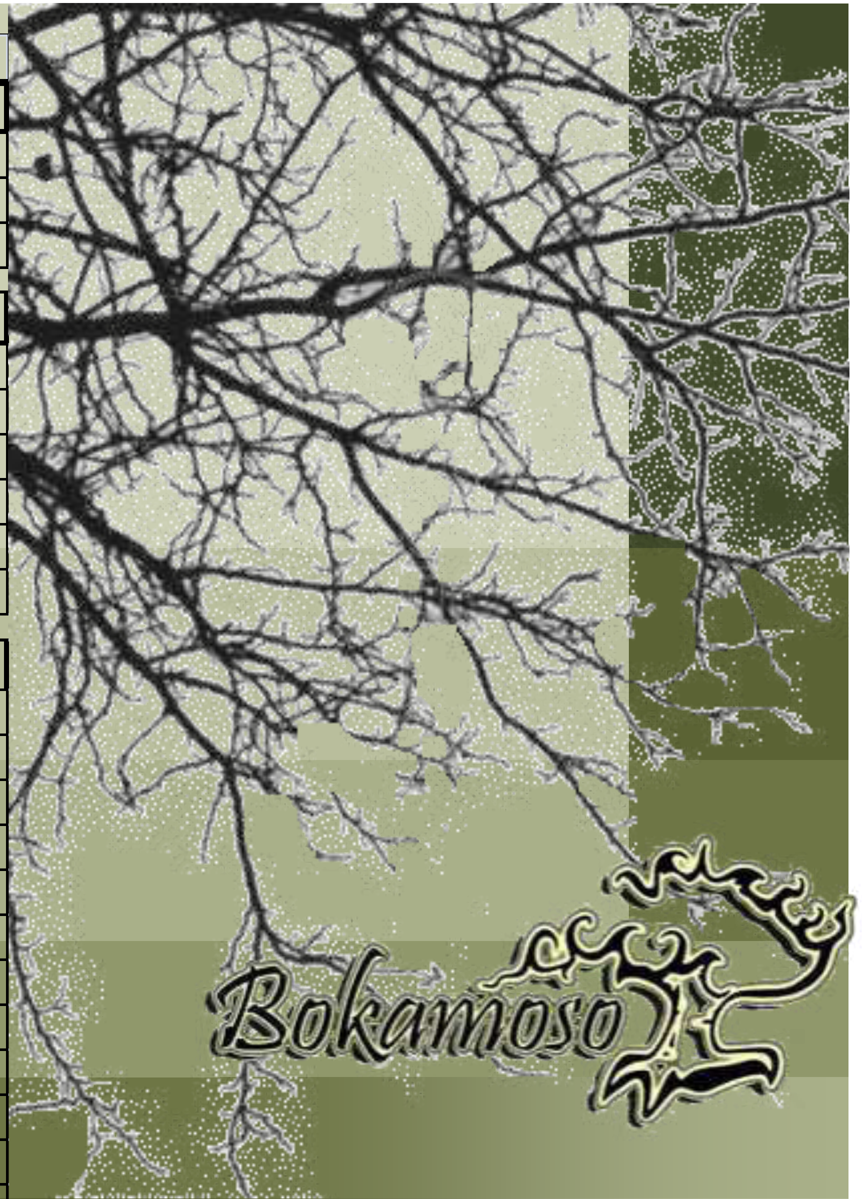
Project Name	Status	Project
Basic Assessment(BA)		
Annlin X 138	In Progress	BA
Clubview X 29	ROD	BA
Darrenwood Dam	In Progress	BA
Durley Holding 90 & 91	In Progress	BA
Elim	In Progress	BA
Fochville X 3	In Progress	BA
Hartebeeshoek 251	In Progress	BA
Klerksdorp (Matlosana Mall)	In Progress	BA
Monavoni External Services	ROD	BA
Monavoni X 45	Amendment of ROD	BA
Montana X 146	In Progress	BA
Rooihuiskraal X29	In Progress	BA
Thorntree Mall	In Progress	BA
Environmental control officer (ECO)		
Grace Point Church	In Progress	ECO
R 81	In Progress	ECO
Highveld X 61	In Progress	ECO
Mall of the North	In Progress	ECO
Olievenhoutbosch Road	In Progress	ECO
Orchards 39	In Progress	ECO
Pierre van Ryneveld Reservoir	In Progress	ECO
Project Shelter	In Progress	ECO
S24 G		
Wonderboom	In Progress	S24 G
Mogwasi Guest houses	Completed	S24 G

Bokamoso

07 Current Environmental Projects

072 BA, ECO & S24 G

Project Name	Status	Project
Objection		
Colesberg WWTW	In Progress	Objection
Nigel Steelmill	Completed	Objection
Chantilly Waters	Completed	Objection
Development facilitation Act- Input (DFA)		
Burgersfort	In Progress	DFA & BA
Doornpoort Filling Station	In Progress	DFA & EIA & Scoping
Eastwood Junction	In Progress	DFA
Ingersol Road (Erf 78, 81 - 83)	In Progress	DFA
Roos Senekal	In Progress	DFA & EIA & Scoping
Thaba Meetse 1	In Progress	DFA & EIA & Scoping
Water Use License Act (WULA)		
Britstown Bulk Water Supply	In Progress	WULA
Celery Road / Green Channel	In Progress	WULA
Clayville X 46	In Progress	WULA
Dindingwe Lodge	In Progress	WULA
Doornpoort Filling Station	In Progress	WULA+DFA+EIA+SC
Eco Park Dam	In Progress	WULA
Groote Drift Potch	In Progress	WULA
Jozini Shopping Centre	In Progress	WULA+BA
K60	Completed	WULA
Maloto Roads	In Progress	WULA
Kwazele Sewage Works	In Progress	WULA
Monavoni External Services	In Progress	WULA+BA
Nyathi Eco Estate	In Progress	WULA
Prairie Giants X 3	In Progress	WULA
Waveside Water Bottling Plant	Completed	WULA



07 Current Environmental Projects

073 Objection, DFA & WULA

Project Name	Status	Project
Environmental Management Plan(EMP)		
Heidelberg X 12	ROD	EMP
Monavoni Shopping Centre	Completed	EMP
Forest Hill Development	Completed	EMP
Weltevreden Farm 105KQ	Completed	EMP+EIA
Raslouw Holding 93	Completed	EMP+BA
Durley Development	Completed	EMP+BA
Rooihuiskraal North X 28	Completed	EMP
Rehabilitation Plan		
Norwood Mall/Sandspruit	In Progress	Rehabilitation
Project Shelter Heidelberg	In Progress	Rehabilitation
Sagewood Attenuation Pond	ROD	Rehabilitation
Velmore Hotel	Completed	Rehabilitation
Grace Point Church	Completed	Rehabilitation
Mmamelodi Pipeline	Completed	Rehabilitation
Visual Impact Assessment		
Swatzkop Industrial Developme	Completed	Assessment +DFA
Erasmia	Completed	Assessment
Signage Application		
Menlyn Advertising	Completed	Signage
The Villa Mall	Completed	Signage+EMP+BA

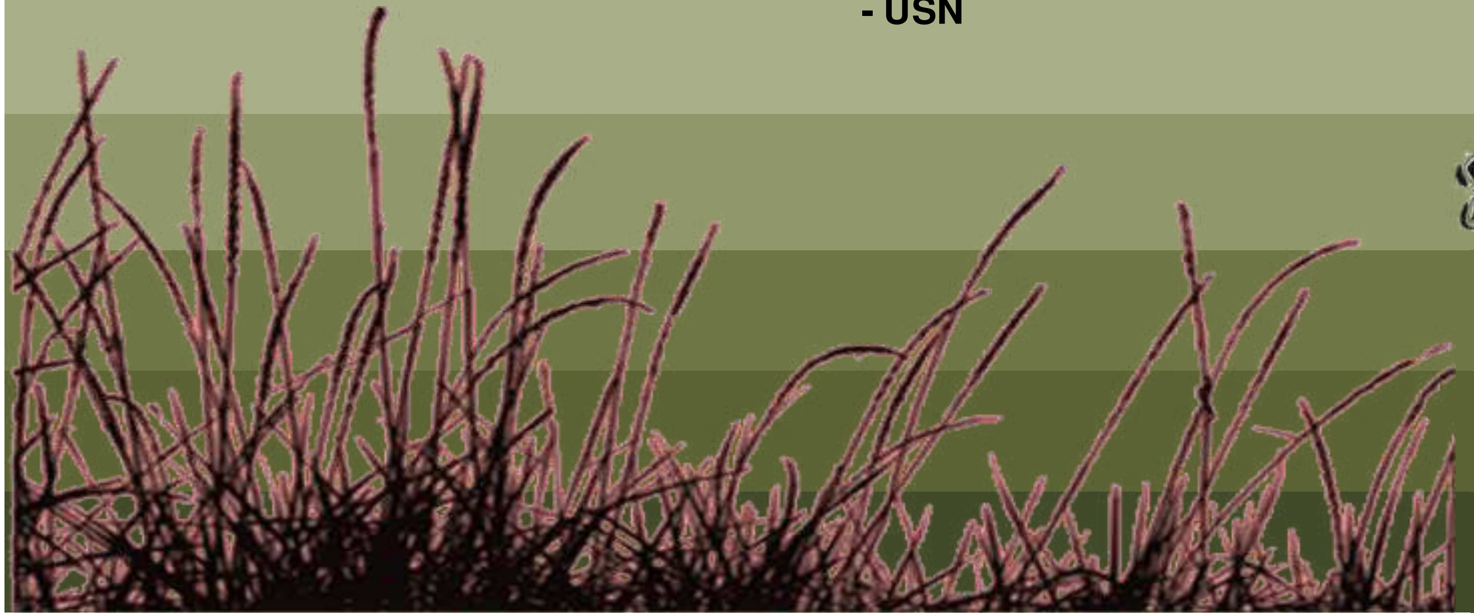
Bokamoso

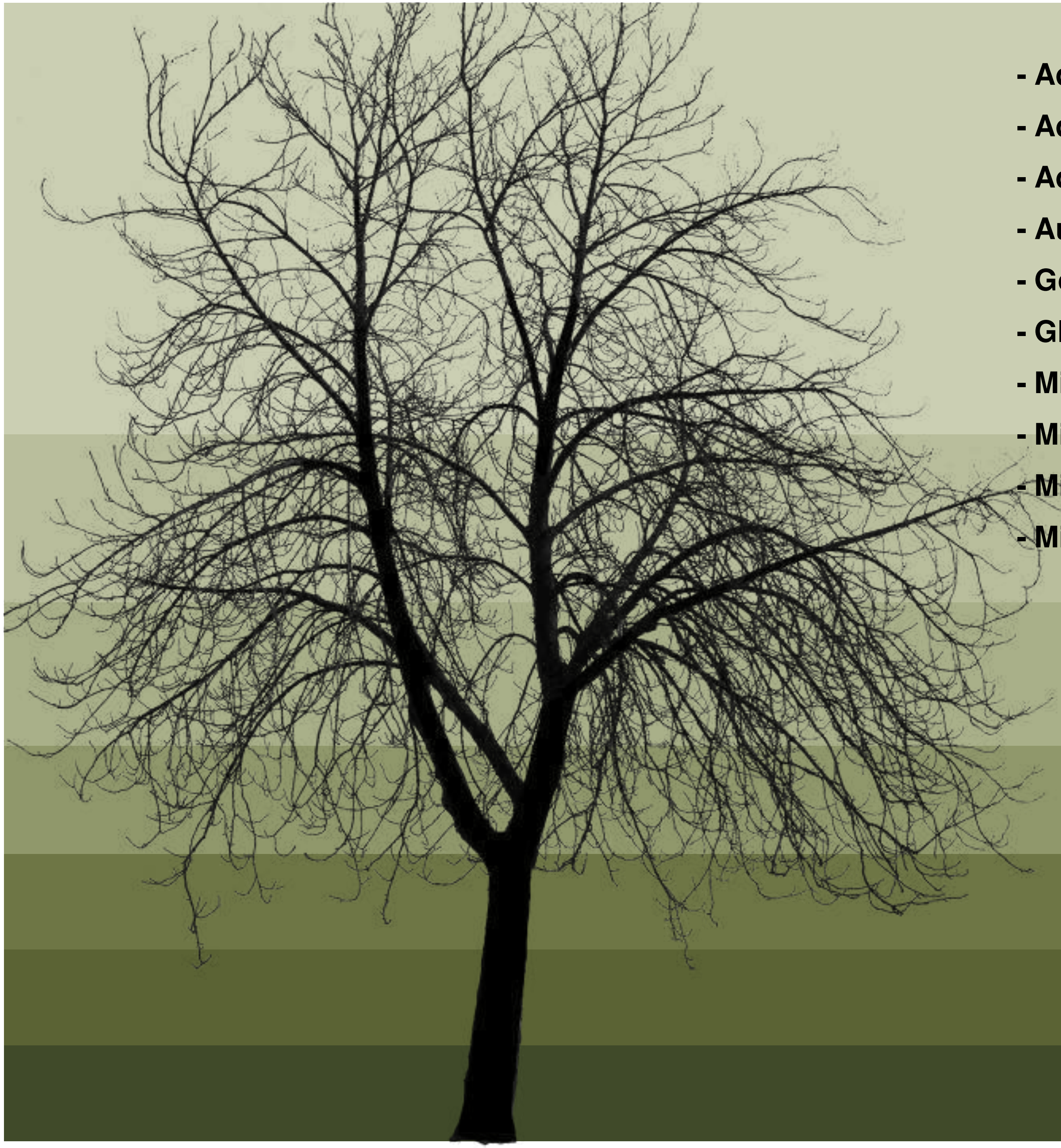
07 Current Environmental Projects

074 EMP, Rehabilitation , Waste Management & Signage Application

08 Indicative Clients

- Billion Property Group
- Cavaleros Developments
- Centro Developers
- Chaimberlains
- Chieftain
- Century Property Group
- Coca Cola
- Elmado Property Development
- Flanagan & Gerard
- Gautrans
- Hartland Property Group
- Moolman Group
- MTN
- M&T Development
- Old Mutual
- Property Investment Company
- Petroland Developments
- RSD Construction
- SAND
- Stephan Parsons
- Twin City Developments
- Urban Construction
- USN





- Adobe Illustrator CS3
- Adobe Photoshop CS3
- Adobe InDesign CS3
- AutoCAD
- Google SketchUP
- GIS
- Microsoft Office Word
- Microsoft Office Excel
- Microsoft Office Publisher
- Microsoft Office Power Point

Bokamoso

09 Tools

Qualifications And Experience In The Field Of Environmental Planning And Management (Lizelle Gregory (Member Bokamoso)):

Qualifications:

-Qualified as ***Landscape Architect*** *at UP 1991;*
-Qualified as ***Professional Landscape Architect in 1997****;*
-A Registered Member at The ***South African Council for the Landscape Architect Profession (SACLAP)*** *with Practise Number:* ***PrLArch97078****;*
- A Registered Member at the ***International Association for Impact Assessment Practitioners (IAIA)****;*
- Qualified as an ***Environmental Auditor in July 2008*** *and also became a Member of the International Environmental Management Association (IEMAS) in 2008.*

Working Experience:

-Worked part time at Eco-Consult – 1988-1990;
-Worked part time at ***Plan Associates as Landscape Architect in training*** *– 1990-1991;*
-Worked as Landscape Architect at ***Environmental Design Partnership (EDP)*** *from 1992 - 1994*
-Practised under ***Lizelle Gregory Landscape Architects*** *from 1994 until 1999;*
*-****Lectured*** *at Part-Time at* ***UP*** *(1999) – Landscape Architecture and* ***TUT*** *(1998- 1999)- Environmental Planning and Plant Material Studies;*
-Worked as ***part time Landscape Architect and Environmental Consultant at Plan Associates*** *and* ***managed their environmental division for more that 10 years*** *– 1993 – 2008 (assisted the* ***PWV Consortium*** *with various road planning matters which amongst others included environmental Scans, EIA's, Scoping reports etc.)*
-Renamed business as ***Bokamoso in 2000*** *and is the only member of Bokamoso Landscape Architects and Environmental Consultants CC;*
*-****More than 20 years experience in the compilation of Environmental Reports,*** *which amongst others included the compilation of various* ***DFA Regulation 31 Scoping Reports****, EIA's for EIA applications in terms of the applicable environmental legislation, Environmental Management Plans, Inputs for Spatial Development Frameworks, DP's, EMF's etc. Also included EIA Application on and adjacent to mining land and slimes dams (i.e. Brahm Fisherville, Doornkop)*

Qualifications And Experience In The Field Of Landscape Architecture (Lizelle Gregory (Member Bokamoso)):

Landscape Architecture:

-Compiled landscape and rehabilitation plans for more than 22 years.

The most significant landscaping projects are as follows:
-Designed the Gardens of the Witbank Technicon (a branch of TUT). Also supervised the implementation of the campus gardens (2004);
-Lizelle Gregory was the Landscape Architect responsible for the paving and landscape design at the UNISA Sunnyside Campus and received a Corobrick Golden Award for the paving design at the campus (1998-2004);
-Bokamoso assisted with the design and implementation of a park for the City of Johannesburg in Tembisa (2010);
-The design and implementation of the landscape gardens (indigenous garden) at the new Coca-Cola Valpre Plant (2012-2013);
-Responsible for the rehabilitation and landscaping of Juksei River area at the Norwood Shopping Mall (johannesburg) (2012-2013);
-Designed and implemented a garden of more than 3,5ha in Randburg (Mc Arthurpark). Bokamoso also seeded the lawn for the project (more than 2,5 ha of lawn successfully seeded) (1999);
-Bokamoso designed and implemented more than 800 townhouse complex gardens and submitted more than 500 Landscape Development Plans to CTMM for approval (1995 – 2013);
-Assisted with Landscape Designs and the Masterplan at Eco-Park (M&T Developments) (2005-2011);
-Bokamoso designed and implemented an indigenous garden at an office park adjacent to the Bronberg. In this garden it was also necessary to establish a special garden for the Juliana Golden Mole. During a recent site visit it was established that the moles are thriving in this garden. Special sandy soils had to be imported and special indigenous plants had to be established in the natural section of the garden.

-Lizelle Gregory also owns her own landscape contracting business**. For the past 20 years she trained more than 40 PDI jobless people (sourced from a church in Mamelodi)** to become landscape contracting workers. All the workers are (on a continuous basis) placed out to work at nurserys and other associated industries;
-Over the past 20 years the Bokamoso team compiled more than 800 landscape development plans and also implemented most of the gardens. Bokamoso also designed and implemented the irrigation for the gardens (in cases where irrigation was required). Lizelle regarded it as important to also obtain practical experience in the field of landscape implementation.