ANNEXURE 'H'

EXECUTIVE SUMMARY OF MARKET STUDY

EXECUTIVE SUMMARY

✓ PROJECT BRIEF

Demacon Market Studies were commissioned by **Stylestar Investments (Pty) Ltd** to perform a comprehensive, specialist market potential assessment to inform strategic planning, tenanting decisions and related investment decisions regarding a *proposed Shopping Centre* of approximately 40 000m^2 within Ermelo, within the Msukaligwa Local Municipal Area, Mpumalanga Province.

In terms of the Hierarchy of Retail Facilities in South Africa a centre of this size can be classified as a small regional centre.

- Predominantly between 25 000 and 50 000sqm
- Location: Major suburban arterial road linking to a provincial highway
- Trade Area: 10 to 16 minute drive time
- Main tenants:
  - *Large supermarket*
  - *1 or 2 large clothing anchors*
  - *Strong national tenant comparison goods component*
  - *Boutiques*
  - *Restaurants*
  - *Restaurants*
  - *Entertainment*
  - *Services.*

✓ ECONOMIC OVERVIEW

The economic indicators for an area form the basis of consumer demand for miscellaneous residential and commercial product offerings – it furthermore serves as driver for future growth in demand. Subsequent paragraphs highlight the main indicators for the market area under investigation.

Table 1: Key Economic Indicators of the Market Area (GVA at constant prices)

Variable	Market Characteristics
Size of the economy (2011)	✓ Msukaligwa Local Economy contributed ***13.4%*** towards the Gert Sibande District Economy
Economic Growth Performance (1995-2011)	✓ Average Annual Growth Rate – ***2.0%***
Dominant Economic Contributors (2011)	✓ Transport & Communication – 19.9% ✓ Trade – 17.0% ✓ Manufacturing – 11.8% ✓ General Government Services – 11.3% ✓ Finance and Business services – 10.6%
Trade Sector Growth Performance (1995-2011)	✓ Average Annual Growth Rate – ***4.8%***

It should be noted that the development indicators – labour and production data – of the latest Census will merely by published May, 2014. Latest forecasts merely run up to 2011. 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 2011.

General Economic Outlook for South Africa

- ✓ According to the African Development Bank, Economic growth is expected to moderately accelerate in 2014 thanks to improved global demand and accommodating macroeconomic policies
- ✓ Economic growth outlook for the African continent is promising and is projected to grow to 5.3% in 2014.
- ✓ South Africa has strong ties to advanced economies, notably the Euro area, make it more vulnerable to their economic slowdown
- ✓ South Africa's growth rate is likely to remain under pressure in the early part of 2014, especially consumer spending, given a recent trend towards increased job cuts. Economic growth will probably improve to 2.9% in 2014, supported by a rebound in exports and downward pressure on imports. It is expected to increase to 3.5% in 2015. Consumption figures will stall as interest rate hikes kick in as well slowing in household credit growth. This however, would pick up again slowly in the second half as real wage increases keep pace with higher inflation.
- ✓ The domestic economy requires a pick-up in exports and infrastructure activity to improve the growth prospects over the next 12 to 24 months.
- ✓ South Africa's inflation rate remains well contained, but with risk to the upside given recent currency weakness.
- ✓ Rand weakened by around 20% in 2013, but remains under pressure given the large current account deficit and further QE tapering. However, weak rand coupled with a resumption in global demand would boost exports and reduce the deficit on the trade balance.
- ✓ Public sector investment growth should grind to a halt as capacity constraints are reached while private sector investment should recover to around 5.6 percent from 2.8 percent.

Property Market Outlook:

- ✓ It is anticipated that local authorities with competitive rates, lower utility costs and incentives for property developers and owners will fair substantially better in attracting private sector investment.
- ✓ In 2014, property development activity will continue on a larger scale and public sector infrastructure spending - like roads, rail and housing - will also have positive impact on private sector developments.
- ✓ Retail will continue its positive performance while the office sector will remain under pressure.
- ✓ Increased pressure on tenant retentions and rental growth are foreseen given the low levels expected for GDP growth.
- ✓ Residential activity in the primary urban areas has strengthened and is now at one of the healthiest levels since 2009. It is anticipated that this year the first signs of real growth will be recorded since 2007 with potential double-digit price growth in the primary urban areas a real possibility.
- ✓ There has been some marginal easing of the mortgage loan criteria, however, continued high levels of household indebtedness will continue to impede overall sales volumes.
- ✓ It is indicated by real estate agencies that the sub-R1.5 million primary sector is likely to be the most robust with the trend towards smaller, more compact and cost effective housing being the primary driver of demand. Secure complexes, gated estates and areas closer to schools, major arterials and feeder roads to business nodes are likely to see the biggest demand.

- ✓ While the low interest rate certainly supports demand, the key macro-economic indicators, most notably economic and job growth will continue to be the drivers of the housing market.
- ✓ The modest economic outlook and continued uncertainty will continue to weigh on the market throughout next year, but we can derive real encouragement from the improved activity and look forward to a somewhat more robust 2014.

Composite Leading Business Cycle Indicator:

The composite leading business cycle indicator remained unchanged in December 2013 compared with the preceding month. Decreases in six of the ten component time series that were available for December 2013 were countered by increases in the remaining four component series. 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, that of December 2013, indicated that the indicator remained the same, on a month-on-month basis - the value remaining at a current value of **100.2.** This value is still above 100 indicating positive economic conditions.

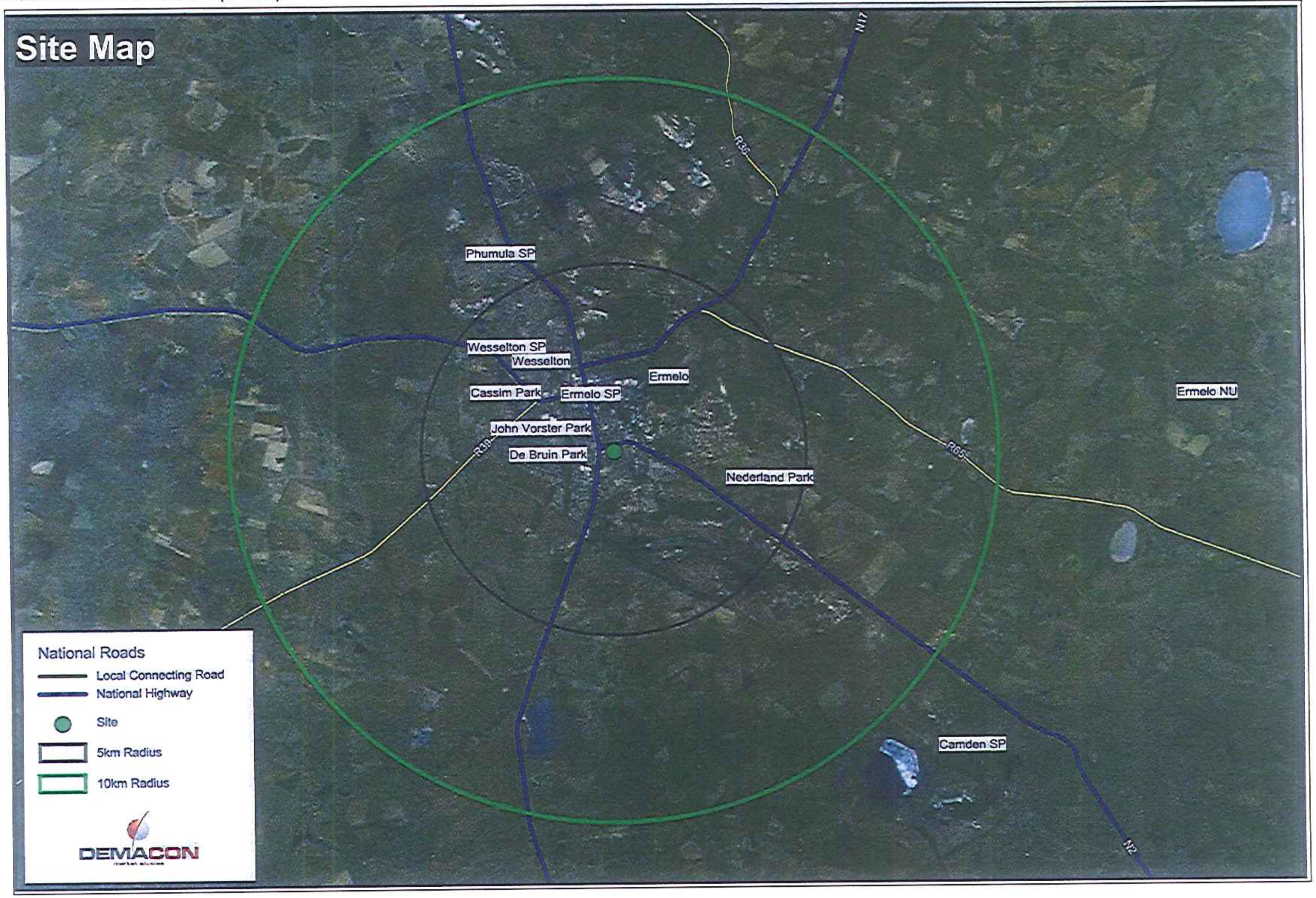
The economic indicators of an area form the basis for current demand for residential and commercial product offering and also serve as drivers for future growth in demand. An improving economy has positive implications for disposable income growth and thus residential purchasing power in the near term. In this context the demand side reflects signs of recovery in terms of retail sales and house price growth. Supply side indicators are similarly revealing initial signs of recovery. These are classical signs of an economic recovery after a recession. During this period development tends to be demand driven (followed in subsequent boom years by an increasing supply trend).

✓ SOCIO-ECONOMIC PROFILE (PRIMARY SOURCE MARKET)

The primary and secondary trade areas for the proposed project were informed by a number of factors:

- The general SACSC criteria
- Consumer market behaviour and expenditure trends
- Regional and sub-regional levels of accessibility
- Geographic barriers
- General consumer mobility patterns and drive times
- Presence of dominant centres.

Map 1: Trade Area Delineation (10km)



Map 2: Secondary Trade Area Delineation (50 to 100km)

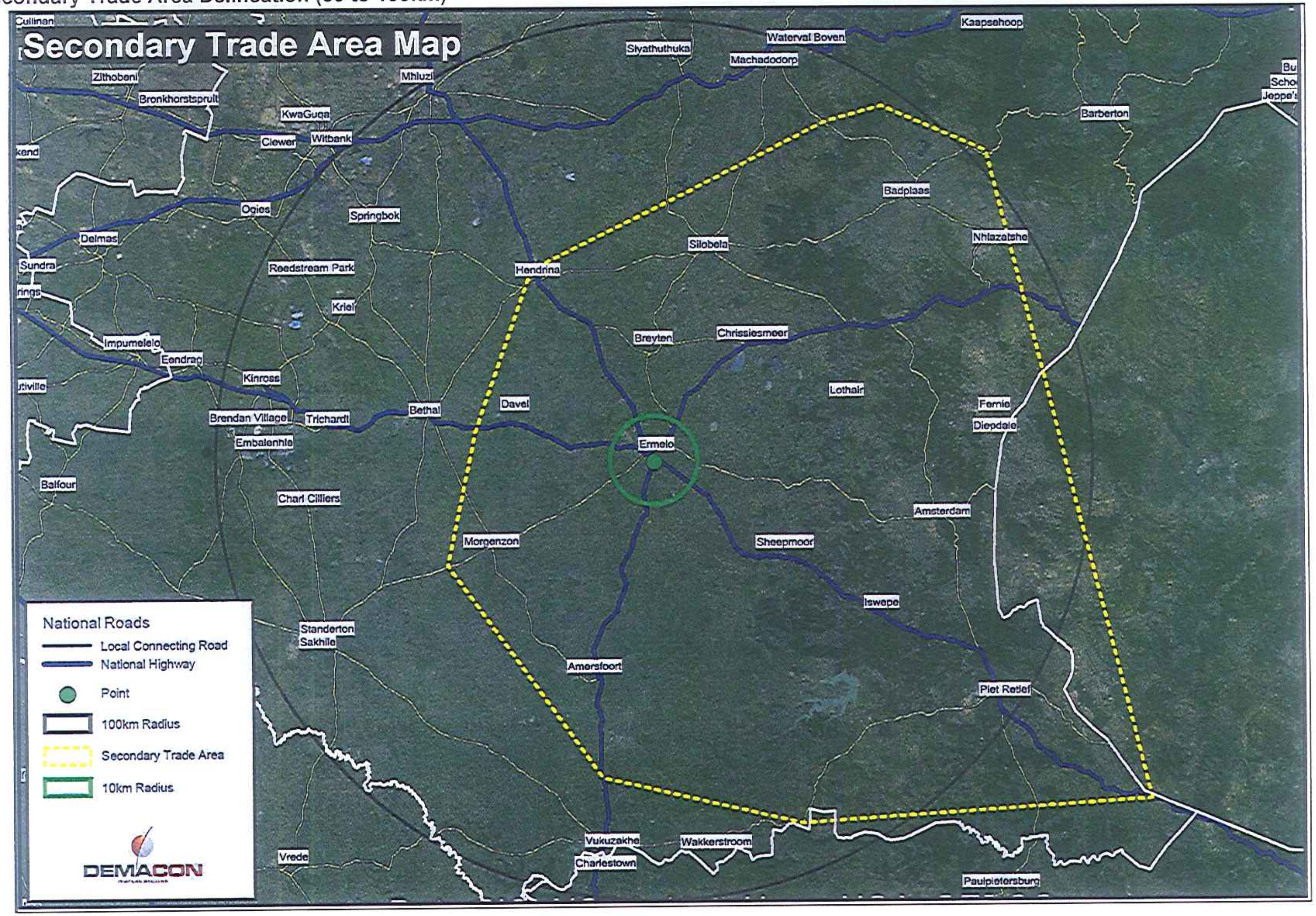


Table 2 provides a summary of the key socio-economic variables characterising the primary and secondary consumer market.

Table 2: Key socio-economic variables of the primary and secondary consumer market, 2014

Variable	Primary Market	Secondary Market
Number of people	✓ 117 065	✓ 421 337
Number of households	✓ 32 009	✓ 105 877
Household Size	✓ 3.7	✓ 4.0
Racial Profile	✓ African Blacks: 86.0% ✓ Whites: 12.1% ✓ Indian/Asian: 1.3% ✓ Coloured: 0.6%	✓ African Blacks: 95.3% ✓ Whites: 3.6% ✓ Indian/Asian: 0.6% ✓ Coloured: 0.4%
Age profile	✓ 0-14: 29.4% ✓ 15-19: 9.8% ✓ 20-34: 29.3% ✓ 35-64: 27.6% ✓ 65+: 4.0%	✓ 0-14: 35.7% ✓ 15-19: 11.6% ✓ 20-34: 24.5% ✓ 35-64: 23.5% ✓ 65+: 4.7%
Level of employment	✓ EAP: 64.7% ✓ Of which: ✓ Employed: 70.3% ✓ Unemployed: 29.7%	✓ EAP: 53.5% ✓ Of which: ✓ Employed: 56.5% ✓ Unemployed: 43.5%
Weighted Average household income	Total market earning an income: ✓ R186 034.4/annum ✓ R15 502.9/month LSM 4 to 10+: ✓ R234 900.9/annum ✓ R19 575.1/month	Total market earning an income: ✓ R104 863.8/annum ✓ R8 738.6month LSM 4 to 10+: ✓ R148 686.1/annum ✓ R12 390.5/month
LSM Profile	✓ LSM 1-3: 46.8% ✓ LSM 4-10+: 53.2%	✓ LSM 1-3: 61.1% ✓ LSM 4-10+:38.9%
Dominant Dwelling Type	✓ House or brick structure on separate stand: 65.4%	✓ House or brick structure on separate stand : 68.8%
Dominant Tenure	✓ Ownership (paid off): 40.6% ✓ Rent: 35.8%	✓ Ownership (paid off): 46.4% ✓ Occupy rent-free: 22.5%

The consumer market profile reveals the following pertinent characteristics:

Primary Market:

- At least **117 065 people or 32 009 households** within the market (2014)
- **Moderate living standards – 53.2%** of households in **LSM 4 – 10+**
- Weighted average household income for households **LSM 4 to 10+ - R19 575.1 per month (2014)**
- Demand for spectrum of middle- to higher-middle priced commercial products and services.

Secondary Market:

- At least **421 337 people or 105 877 households** within the market (2014)
- **Lower living standards – 38.9%** of households in **LSM 4 – 10+**
- Weighted average household income for households **LSM 4 to 10+ - R12 390.5 per month (2014).**
- Demand for spectrum of lower to middle priced commercial products and services.

✓ CONSUMER MARKET PROFILE AND PREFERENCES

The following bullets highlight the findings of the proportionally stratified household surveys conducted in the primary and secondary source markets (telephonically) to assess the market's shopping patterns and perception/preferences towards the proposed regional shopping centre.

The following bullets summarises the findings of the household surveys conducted within the primary and secondary trade areas. It should be acknowledged that these findings represent subjective consumer ratings.

Socio-economic characteristics:

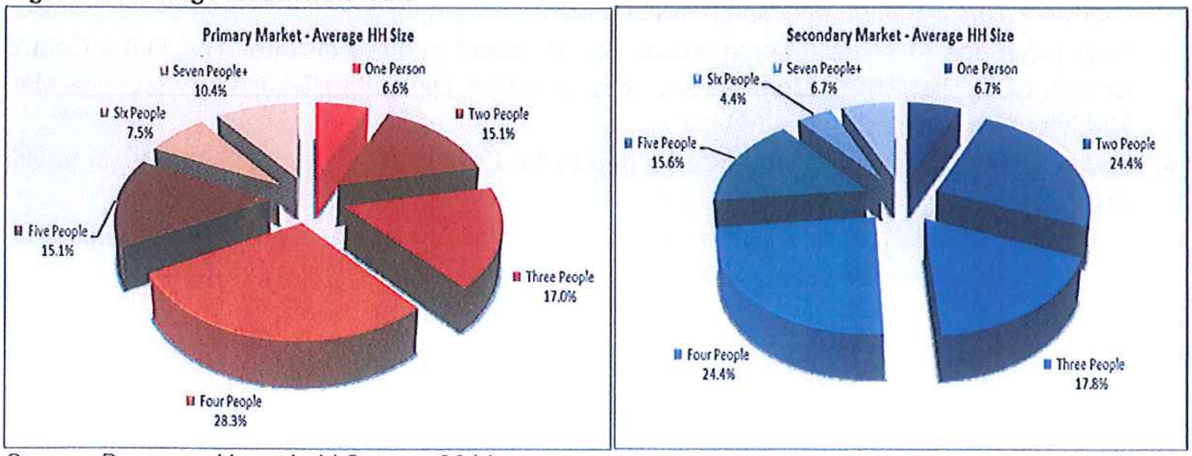
Primary Market:

- The primary consumer market is dominated by African Blacks and Whites, with an average household size of 2 to 4 members, generally with one to two children predominantly aged under 14 years.
- Households are predominantly characterised by single to double income earners predominantly occupied in professional occupations, with a moderate segment of pensioners and house wives. Generally households reflect middle income consumers.
- The person conducting the households retail purchases are predominantly females aged above 40 years.
- Dominant life stages include mature couples, mature families, young families and young couples.

Secondary Market:

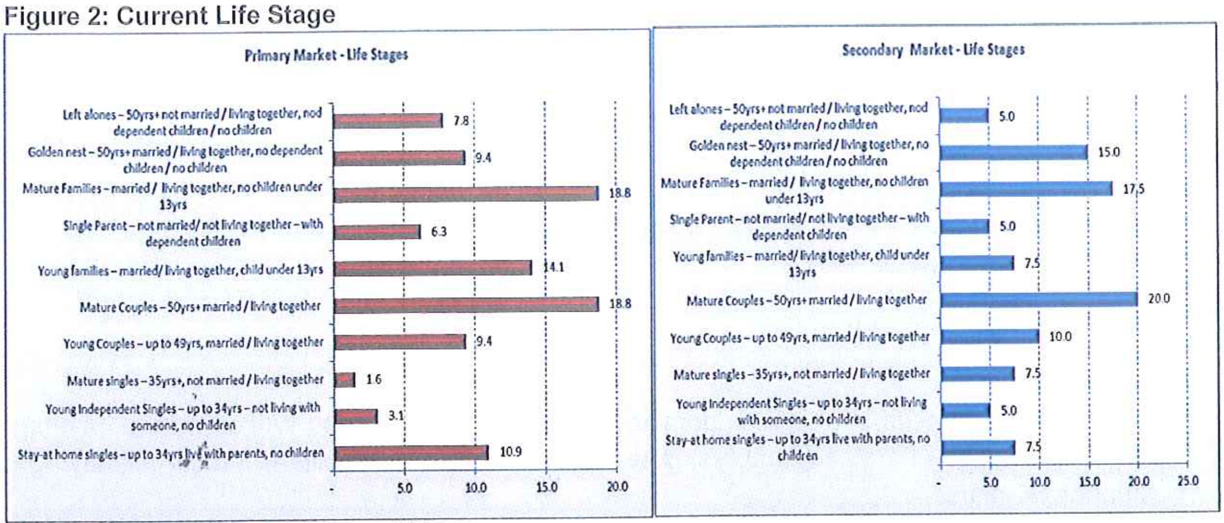
- The secondary consumer market is dominated by Whites and African Blacks, with an average household size of 2 to 4 members, generally with one to two children predominantly aged between 5 and 24 years.
- Households are predominantly characterised by double income earners predominantly occupied in professional occupations, with a moderate segment of pensioners and house wives. Generally households reflect middle income consumers.
- The person conducting the households retail purchases are predominantly females aged above 36 years.
- Dominant life stages include mature couples, mature families, golden nests and young couples.

Figure 1: Average Household Size



Source: Demacon Household Survey, 2014

Figure 2: Current Life Stage



Source: Demacon Household Survey, 2014

Current retail expenditure, gaps and preferences:

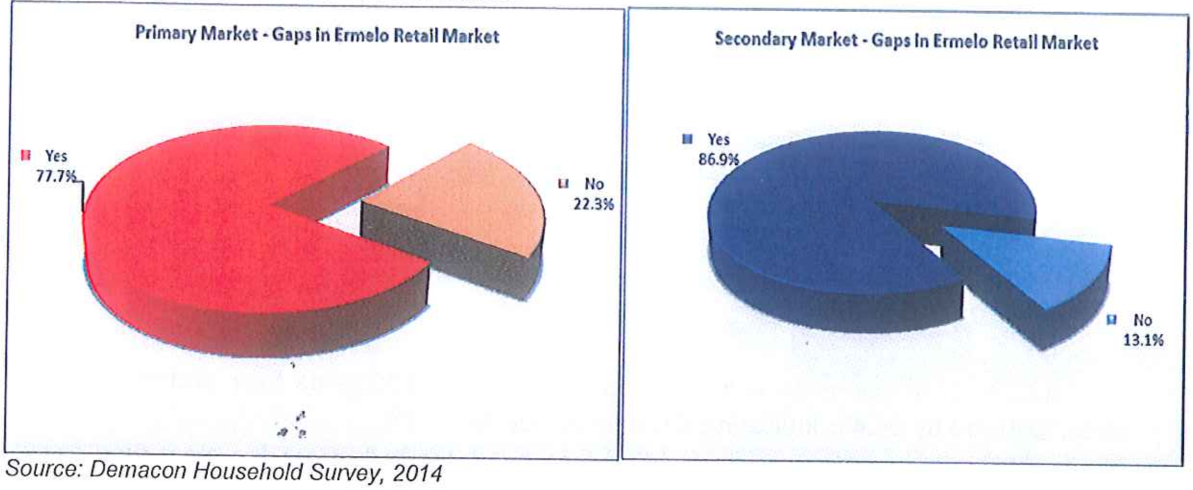
Primary Market:

- Preferred Destination Centres within Ermelo include The Oaks, Ermelo CBD, Pick 'n Pay Centre, Ermelo Mall and the Shoprite Centre.
- Preferred Destination Centres outside of Ermelo include Highveld Mall, Menlyn Park, Secunda Mall, Riverside Mall and other centres in Pretoria.
- With reference to specific commodities the dominant centres include: The Oaks Centre, Pick 'n Pay Centre, Ermelo CBD, Ermelo Mall, Game Centre, Shoprite Centre, The Meent, Riverside Mall, Secunda Mall and Highveld Mall.
- Nearly 78% of respondents indicated a gap in the Ermelo retail market forcing them to visit centres outside of town.
- The dominant type of centres missing from the Ermelo environment includes big box centres, hyper centres and regional centres.

Secondary Market:

- Preferred Destination Centres within Ermelo include The Oaks, Ermelo CBD, Pick 'n Pay Centre, The Meent and Game Centre.
- Preferred Destination Centres outside of Ermelo include Menlyn Park, Pretoria Centres, Highveld Mall, Secunda Mall and Riverside Mall.
- With reference to specific commodities the dominant centres include: The Oaks Centre, Ermelo CBD, Piet Retief, Menlyn Park, Riverside Mall, Highveld Mall, Game, Secunda Mall, Middelburg Plaza and Lakeside Mall.
- Nearly 87% of respondents indicated a gap in the Ermelo retail market forcing them to visit centres outside of town.
- The dominant type of centres missing from the Ermelo environment includes value centres, big box centres and regional centres.

Figure 3: Gaps in the Ermelo Retail Market



Source: Demacon Household Survey, 2014

Consumer and Retail Preferences:

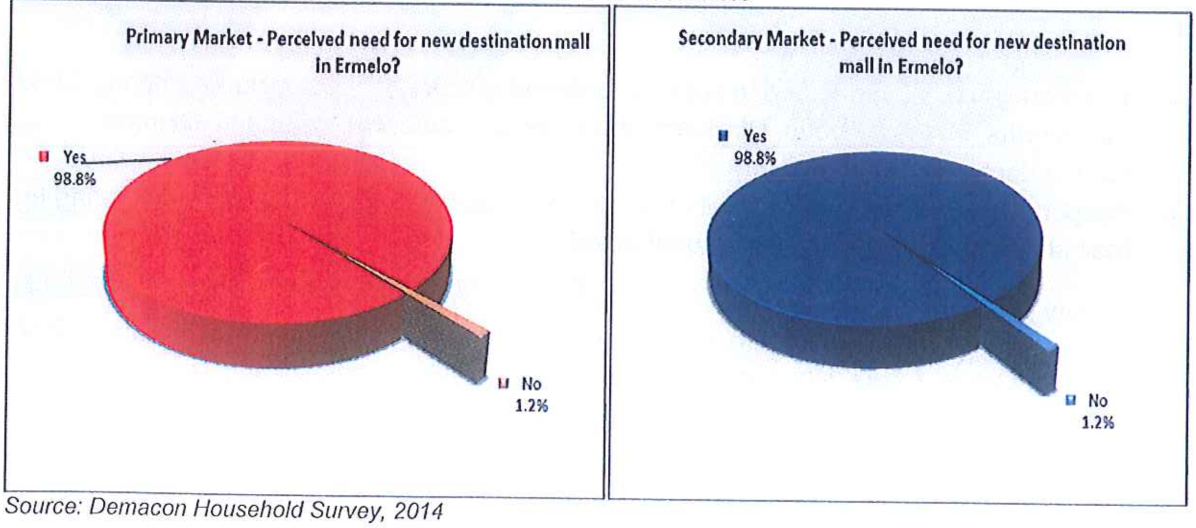
Primary Market:

- Almost 45% of respondents indicated that the retail centres in Ermelo cater adequately to their retail needs.
- Almost 99% of respondents indicated a perceived need for a new destination mall in Ermelo.
- 99.0% of respondents indicated that they will support such a mall it was to be built in Ermelo.

Secondary Market:

- Almost 46% of respondents indicated that the retail centres in Ermelo cater adequately to their retail needs.
- Almost 99% of respondents indicated a perceived need for a new destination mall in Ermelo.
- 98.7% of respondents indicated that they will support such a mall it was to be built in Ermelo.

Figure 4: Perceived need for a new destination mall in Ermelo



Source: Demacon Household Survey, 2014

Grocery Anchor Preferences:

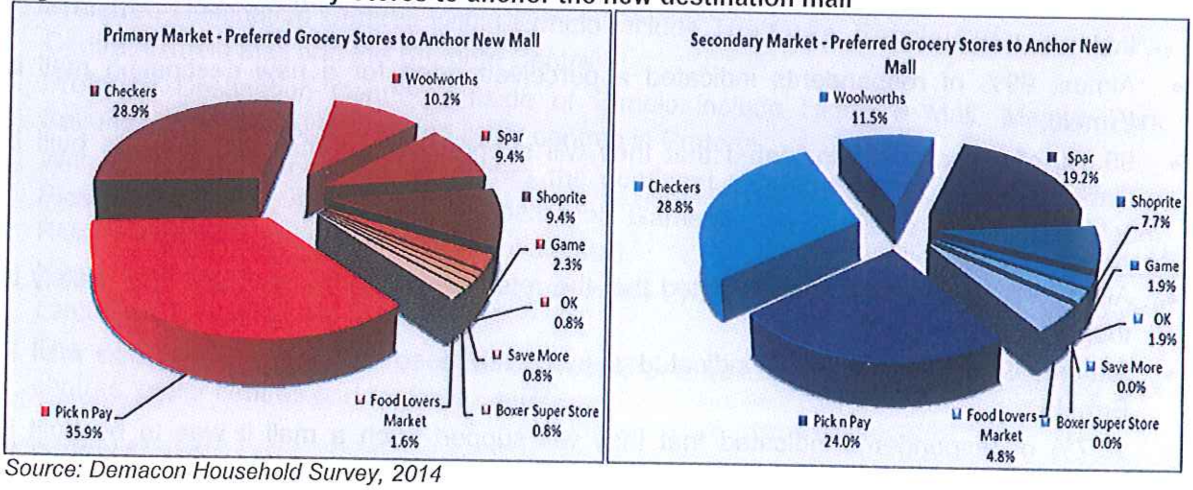
Primary Market:

- Almost 53% of respondents indicated that Pick 'n Pay represents their preferred grocery store, followed by 34.6% indicating Checkers/Shoprite.
- Almost 63% of respondents indicated that they purchase bulk groceries more than once a month.
- The preferred grocery stores to anchor the proposed mall are identified as Pick 'n Pay (35.9%), Checkers (28.9%) and Woolworths Food (10.2%).

Secondary Market:

- Almost 60% of respondents indicated that Pick 'n Pay represents their preferred grocery store, followed by 24.4% indicating Checkers/Shoprite.
- Almost 65% of respondents indicated that they purchase bulk groceries more than once a month.
- The preferred grocery stores to anchor the proposed mall are identified as Checkers (28.8%), Pick 'n Pay (24.0%) and Spar (19.2%).

Figure 5: Preferred Grocery Stores to anchor the new destination mall



Source: Demacon Household Survey, 2014

Supporting Anchor and Anticipated Impact:

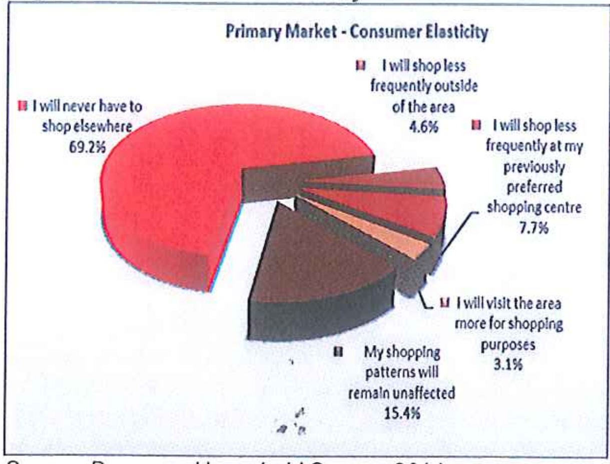
Primary Market:

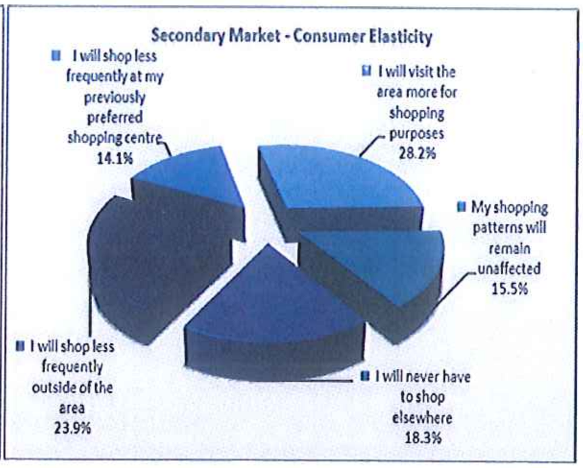
- The stores highest in demand to support preferred grocery anchors include: Edgars, Clicks, Woolworths, Mr Price Group, Dischem, Ster Kinekor, Game, Nu Metro and @Home.
- Respondents are moderately brand conscious.
- Respondents reflected a high level of consumer elasticity with merely 15.4% indicating that their shopping patterns will remain unaffected.

Secondary Market:

- The stores highest in demand to support preferred grocery anchors include: Game, Edgars, Mr Price Group, Clicks, Woolworths, Dischem, Ster Kinekor, Foschini and Truworths.
- Respondents are moderately brand conscious.
- Respondents reflected a high level of consumer elasticity with merely 15.5% indicating that their shopping patterns will remain unaffected.

Figure 6: Consumer Elasticity





Source: Demacon Household Survey, 2014

Psychographics:

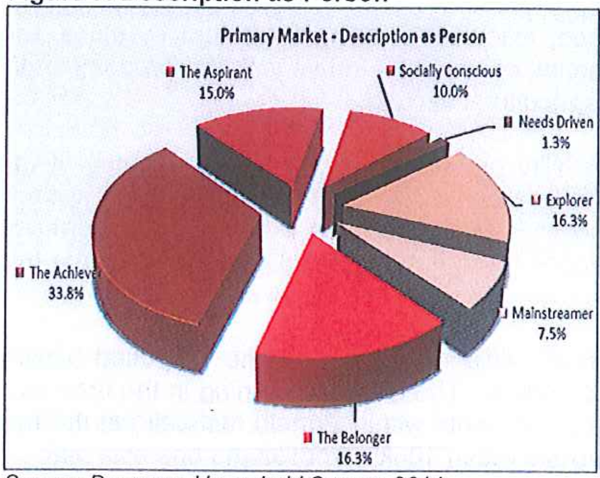
Primary Market:

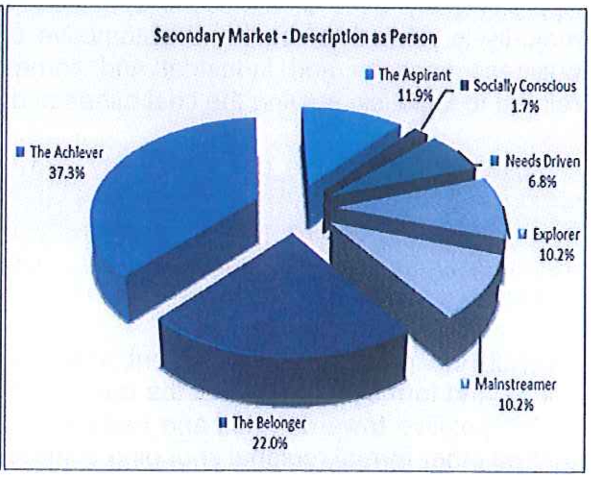
- The larger segment of respondents is married and represents Christians.
- They predominantly view themselves as Achievers, Belongers, Explorers and Aspirants.

Secondary Market:

- The larger segment of respondents is married and represents Christians.
- They predominantly view themselves as Achievers, Belongers, Mainstreamers and Explorers.

Figure 7: Description as Person





Source: Demacon Household Survey, 2014

Implications for the proposed regional mall:

- The consumer market represents middle income earners distributed amongst a range of life stages.
- Consumers view themselves as:
  - Achievers – business people driven for success that are very brand conscious
  - Belongers – family orientated
  - Explorers – continuously exploring new things and products
  - Mainstreamers – buy safe big brands.

- The tenant mix should be sensitive to ... entertainment and restaurants, family orientated stores, entertainment and restaurant concepts and providing familiar safe brands.
- An effective gap is reflected in the Ermelo Retail Environment with a strong demand towards retail centre formats such as regional centres, big box retail, hypermarkets and value centres.
- Respondents reflected a resilient "perceived" need for a new destination mall, supported by high levels of consumer elasticity (reflecting strong levels of committed support).
- The consumer market conduct bulk grocery purchases at moderately high frequencies – boding well towards a mall with a dual food anchorage strategy.
- The preferred grocers to anchor the new mall include Pick 'n Pay and Checkers, and to a much lesser extent Woolworths Food and Spar.
- Key national tenants identified to be combined with dual grocer anchors to ensure consumer support include: Edgars, Woolworths, Mr Price Group, Game, Clicks, Dischem and Ster Kinekor/ Nu Metro.

✓ LOCATION ANALYSIS

Ermelo is regarded as a first order service centre, it represents an agricultural cluster, it also represents a mining focus areas expanding towards the north past Breyten. Numerous new mines are planned for the area. The Camden power station has also been recommisioned. The freeways including the N2, N11 and N17 ensure optimum levels of accessibility. It is therefore evident that the town fulfils an important economic function.

Ermelo represents a primary urban area – at the convergence of three national routes – N... N11, and N17. Ermelo represents the administrative centre to the surrounding rural area. Approximately 81% of municipal businesses are located within Ermelo itself of which ... majority is related to retail and automotive trade, followed to a smaller extent by office a... business services and industrial and commercial concerns. Industries are predomina... related to logistics, serving the coal mines and agricultural sectors.

... high levels of accessibility and visibility originating from the convergence o... ...ulted in high volumes of heavy vehicles moving through the ...structure. This situation is likely to be exacer... ...is however planned to elevea...

General **location attributes, which bodes well towards the development of additional retail,** include the following:

- Ermelo represents a primary urban area within the municipal area.
- Ermelo is located at the convergence of the N2, N11 and N17.
- Ermelo represents the administrative centre to surrounding rural areas.
- The bulk of private sectors businesses in the municipal area are concentrated in the Ermelo town.
- Ermelo is located in a growing mining area – with new mines to open over the medium term.
- Mothballed power stations are re-opened.
- Railway projects are underway to improve export opportunities.
- High growth area (middle to higher income) – largely due to mining and power stations.
- The development site is located adjacent to a proposed activity node and forms part of a mixed use development corridor.
- It is located in direct proximity of convenience retail, business, residential, educational and social facilities.

Table 3: Retail Assessment of the Proposed Site

Location Factors	Grade 1-10	Weight 1-5	Points
Consumer Volumes	8	5	40
Income / LSM profile	7	5	35
Population Growth	7	4	28
Visibility	8	4	32
Accessibility	8	4	32
Functional & Complimentary Uses	8	3	24
Effective Market Gap	8	4	32
Proximity to Intermodal Facilities, e.g. BRT Route, Gautrain, Rail/Taxi/Bus terminus	8	3	24
Address Value	8	4	32
Availability of Land	8	4	32
Future Expansion Potential	7	4	28
Directional Growth of Area	7	4	28
Proximity to Labour	8	3	24
Proximity to Suppliers	7	3	21
Perceived Level of Security	7	4	28
		Total	**440**
		Score	**75.9%**

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 are 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 future expansion potential represents a function of:

- Future growth in demand
- Site size and capacity
- Future supply including approved retail rights in the area.

The site is situated off-centre to the central spine of business activity within Ermelo and a sizeable development will be required to achieve the desired critical mass and power of attraction.

However, given the location assessment it is evident that the **most important fundamentals** for retail centre development are in place, **scoring 75.9% as ideal retail location** - boding well towards the proposed development.

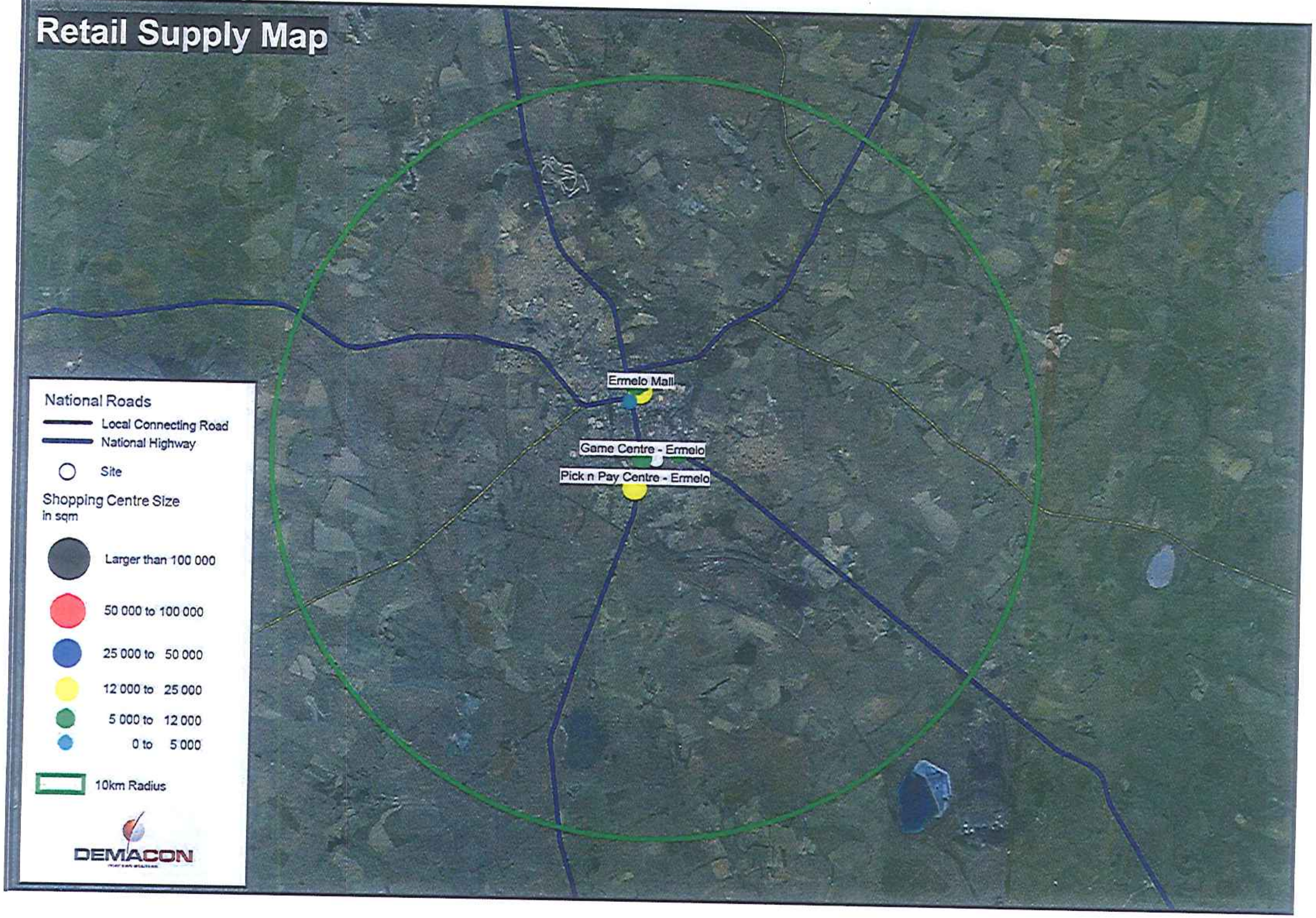
✓ DEVELOPMENT OPTIONS AND RECOMMENDATIONS

Retail Supply:

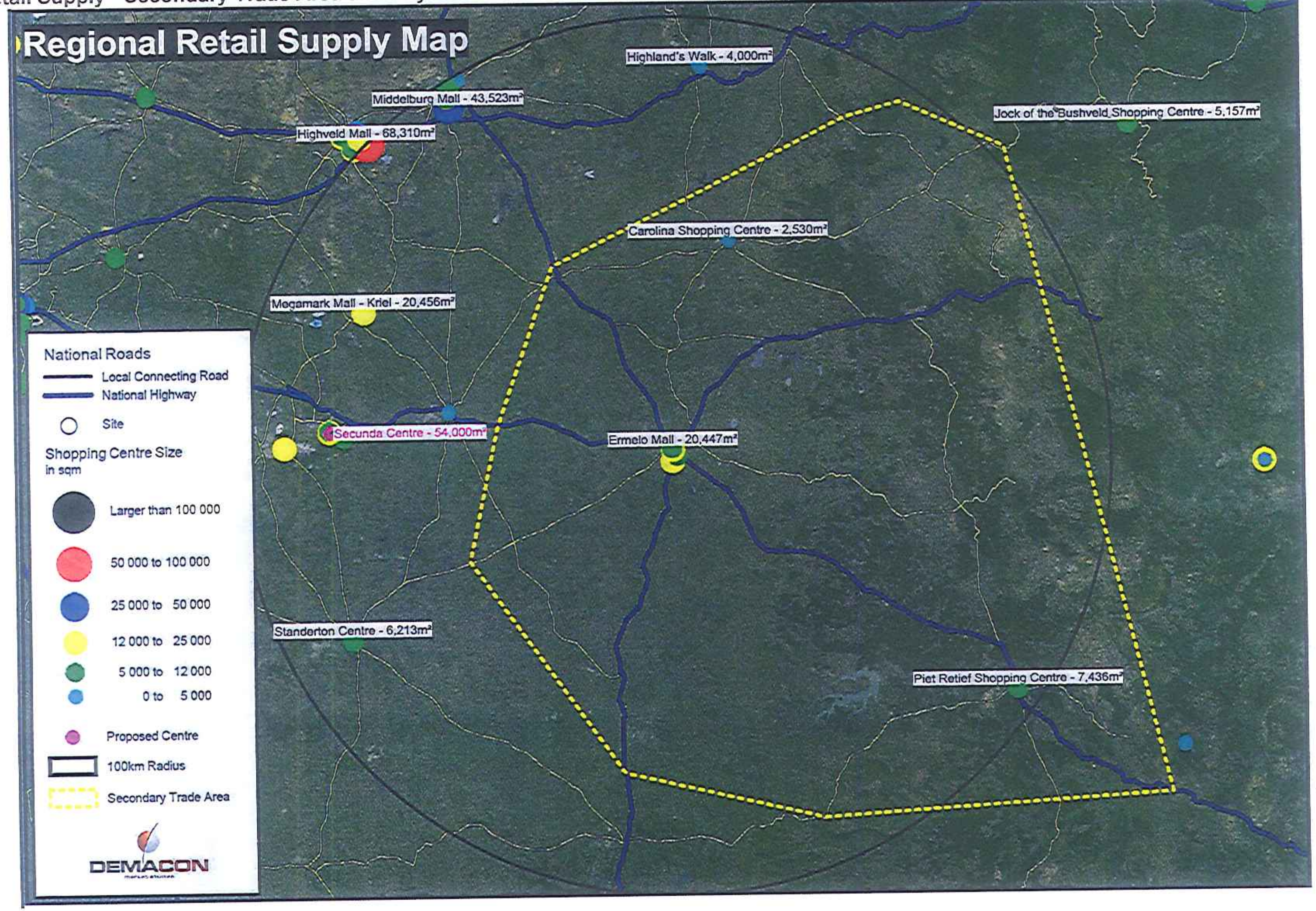
- Retail supply within the primary trade area amounts to **72 095m^2 shopping GLA**. It consists of 2 community centres, 3 neighbourhood centres, 2 big box retailers and one local convenience centre.
- Retail supply within the secondary trade area amounts to **11 207m^2 shopping GLA**. It consists of a neighbourhood centre and a local convenience centre.
- It is understood that a retail centre of approximately 30 000m^2 GLA is proposed within Ermelo, with the primary market area. It is furthermore understood that the rights do not yet vest in the site and furthermore that no development application has, as yet, been submitted either.
- It is evident that no regional shopping centres are located within the primary, as well as, secondary trade area.
- The closest regional shopping centres are located within Middelburg and Witbank (Emalahleni) respectively, approximately 100km from Ermelo.
- Another regional centre was recently completed within Secunda of approximately 54 000sqm retail GLA – slightly closer than the regional centres within Middelburg and Emalahleni.

To conclude, 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 in multiple trade areas and trade area overlap is present. Therefore, to determine the supportive net effective demand calculation, just an apportionment of the supply can be added to the market.

Map 3: Retail Centre Supply – Primary Trade Area



Map 4: Retail Supply - Secondary Trade Area and Beyond



Gap analysis:

Development Type	Effective Market Gap	Development Prospects
Regional Shopping Centre	Yes	Medium to High

Development Potential:

ASSUMPTIONS RELEVANT TO THE STUDY:

- **Baseline Scenario**: the scenario is based on future expectations which are comparable to growth and market shares over the past decade. It is considered as a fair assumption, since the previous decade did include a growth spike (2003-2007), but also two noteworthy dips (1998-2002 and the 2008-2010 recession), which balances the forecast. Baseline scenario is based on a market share of 20% to 25%.
- **Optimistic Scenario**: is based on higher market shares (30% to 35%) observed in other towns impacted by injections from new mines and energy projects such as power stations.

BASELINE SCENARIO:

Table 4 indicates the potential development size of the proposed regional centre that could be supported by the current market (given a market share of 22.5%).

Table 4: Recommended Centre Size – Baseline Scenario

2014 Market size (R billion)	3.1
Total Shopping GLA Floor Space Demand*	152 116
Average Annual Growth	2 060
Average Market Share	22.5%
Optimum centre size (m² GLA)	**42 048**
Optimum point of market entry (OPME)	2017/2018
Annual sales potential (R million)	967.1
Employment (on-site)	1 402
Capital Investment (R million)	546.6
Parking bays required	2 523
Parking infrastructure & landscaping cost (R millions)	60.0

Source: Demacon Retail Demand Model, 2014
**Total Shopping GLA Floor Space Demand refers to market demand of LSM 4 to 10+ towards contemporary, modern retail floor space.*

Centre size and recommendations:

- ✓ **The optimum centre size for the Ermelo Shopping Centre (under the baseline scenario) could ideally measure approximately ±42 000m² GLA.**
- ✓ The optimum point of market entry will be **2017/2018.**
- ✓ The development should be able to attain an annual sales potential of approximately *R967.1 million* (based on benchmark trading densities) and create 1 402 *permanent on-site jobs.*
- ✓ Performance will be dependent on, *inter alia*, appropriate tenant composition.

OPTIMISTIC SCENARIO:

Table 5 indicates the potential development size of the proposed regional centre that could be supported by the current market (given a market share of 32.5%).

Table 5: Recommended Centre Size – Optimistic Scenario

2014 Market size (R billion)	3.1
Total Shopping GLA Floor Space Demand*	152 116
Average Annual Growth	2 060
Average Market Share	32.5%
Optimum centre size (m² GLA)	**59 181**
Optimum point of market entry (OPME)	2017/2018
Annual sales potential (R billion)	1.4
Employment (on-site)	1 973
Capital Investment (R million)	769.1
Parking bays required	3 551
Parking infrastructure & landscaping cost (R millions)	84.5

Source: Demacon Retail Demand Model, 2014

**Total Shopping GLA Floor Space Demand refers to market demand of LSM 4 to 10+ towards contemporary, modern retail floor space.*

Centre size and recommendations:

- ✓ **The optimum centre size for the Ermelo Shopping Centre (under the optimistic scenario) could ideally measure approximately ±59 200m² GLA.**
- ✓ The optimum point of market entry will be **2017/2018.**
- ✓ The development should be able to attain an annual sales potential of approximately *R1.4 billion* (based on benchmark trading densities) and create 1 973 *permanent on-site jobs.*
- ✓ Performance will be dependent on, *inter alia*, appropriate tenant composition.
- ✓ Centres of 30 000 – 40 000m² and larger are increasingly adopting a dual food anchor strategy. Dual food anchor strategies align well with the rationale of multiple fashion anchors: it increases critical mass, stimulates competition, facilitates comparative shopping and promotes trade. A similar strategy is recommended for the proposed regional mall in Ermelo.

Given the development potential reflected in the market research report, it is anticipated that the town of Ermelo will continue along a positive growth path. It is anticipated that developments contributing to the diversification and expansion of the existing commercial/ business landscape will further strengthen these growth trends, thereby enforcing the regional destination function of the town.

The need for a ring-road system to cater to continuing expanding traffic demand through town affirms this notion and the fact that the town's function is expanding.

Based on market research it is recommended that a full-fledged regional mall could be developed in the market area ***(55 000 to 60 000m² shopping GLA).***