Desktop Demographic Assessment:

Uitval, Kwa-Zulu Natal

May 2014

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2. This is a Desktop Assessment and did not include fieldwork and a site visit. All findings are subject to a full study.
3. This report was done to determine the viability of a shopping centre or mixed use scheme. Any tenant recommendations made in this report are anecdotal and not substantiated through primary research. Retailers must do their own research.
Client’s Brief

The objective of this desktop assessment is to determine the demographic feasibility of a retail centre development on a 2.728 ha site on Portion 46 of The Farm Uitval No 1244 - Gt, KZN. Please note that this will be a Basic Desktop Study and will not include fieldwork or a site visit.

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Uitval is a rural settlement in the north-western part of Kwa-Zulu Natal Province and is located south of Dundee (± 53km) and north-east of Ladysmith (±54km).
• A catchment area was delineated to indicate the excepted area of primary support.
• The catchment area mainly contains the rural villages and settlements in the area.
• Several factors limit the catchment boundaries which include mountainous terrain and its resulting travel distance, larger towns like Dundee to the north and Ladysmith to the west and population spread.
• Good support can be expected from the catchment area as formal retail is very limited.

• Dundee’s retail offer and the population spread limit the boundary to the north.

• Ladysmith’s presence restrict the western boundary and inflow to the catchment.

• Pomeroy is currently the closest town to Uitval with some retail.
From this aerial photo view, the site seems to be well located within the surrounding residential stock.
The site is located ±54km from Ladysmith and ±53km from Dundee.
It would also seem that the Ladysmith/Pomeroy road is the main road through the area, therefore, the site is well located to intercept possible passing trade.
Due to the lack of retail in the catchment area, high levels of outflow occur to Ladysmith.

This outflow will always be present for higher order goods (furniture, clothing, etc.) even if a retail offer is provided in the catchment.

The challenge for the proposed development will be to intercept current outflow, especially now that new retail developments has recently opened in Ezakheni and one proposed for Tugela Ferry.

These retail developments will further contribute to the outflow from the catchment.
Census Enumerated Areas

Demographics for the catchment area were extrapolated from the 2011 National Census.

In order to forecast demographics to a current 2014 count, a growth rate of -0.38% per annum were calculated between the 2001 and 2011 National Census.

This negative growth rate can be due to urbanization. Residents of the rural areas are migrating towards the towns and cities for employment and better living conditions.
Demographic Overview (ii)

**Age Profiles per Person**
- Age Groupings:
  - 80 to 84
  - 70 to 74
  - 60 to 64
  - 50 to 54
  - 40 to 44
  - 30 to 34
  - 20 to 24
  - 10 to 14
  - 0 to 4

- Number of People:
  - 0 to 2,000
  - 2,000 to 4,000
  - 4,000 to 6,000
  - 6,000 to 8,000
  - 8,000 to 10,000
  - 10,000 to 12,000

**Education People Over 20**
- Education Levels:
  - Tertiary Education
  - Matriculated
  - Some High School
  - Complete primary
  - Some primary
  - No schooling

- Source: 2001 Official Census

**Employment Status** (people aged 15 to 65)
- Employed: 50%
- Unemployed: 12%
- Not Economically Active: 38%

**Employment per Sector** (Persons aged 16 to 65)
- Formal Sector: 77%
- Informal Sector: 17%
- Private Household: 6%

Source: 2011 National Census

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The household density technique is applied to the demographic data in order to establish the household density; thus this technique incorporates the first of two important variables for retail: density of households.

Each area is “weighed” by the number of households to create this hot to cold shading. The densest areas (red) have a high density of households.

Where are the people?
• This model is representative of the 2014 catchment area dwellings and warrant an estimated ±32,730 m² GLA of retail space.

• In order to establish the required market share of the proposed retail centre development, we have assigned realistic market shares to each applicable retail category that we feel can be represented in the area.

• These market shares were applied taking into consideration the type and size of the proposed retail development, the location of the site and the competitors inside and outside the catchment area.

• Some of the market shares can be considered as high – 42% for fashion – and could be difficult to achieve.

• From this, the proposed retail development of between ±5,700 m² and ±6,000 m² would need to capture an average market share of ±10% to be feasible. 5% Inflow was added to the RPE to account for possible inflow from outside the catchment area. We believe this is viable.
• Uitval is a low density rural settlement ±54km north-east of Ladysmith, Kwa-Zulu Natal. The site in question is located on Portion 46 of The Farm Uitval No 1244.

• The proposed site is centrally located within the catchment along the main road through the area.

• A catchment has been delineated for the proposed ±5,700m² retail development and shows the possible area of primary support. Physical and psychological boundaries that were considered in the catchment delineation are mountainous terrain and its resulting travel distance, larger towns like Dundee to the north and Ladysmith to the west and population spread.

• The proposed development has to be accessible, easy to use and visible to both the passing transient market and the catchment area residents.

• High volumes of outflow occur from the catchment area due the presence of strong retail offerings in the surrounding towns and due to the limited retail facilities inside the catchment. The largest and most prominent retail facilities are located within Ladysmith to which residents could travel regularly and have to pay ±R46 per trip.

• A demographic growth rate of -0.83% were calculated for the catchment area. This was done through comparing the 2001 and 2011 National Census counts for the catchment.

• This negative growth rate can be due to urbanization – residents looking for employment elsewhere.

• This catchment Census data were then further used to better understand the catchment area residents. According to the 2011 Catchment census data, 99% of the residents are black while 50% are not economically active.

• The household density technique is applied in order to establish the household density, thus the highest density of households is known throughout the area.

• A realistic market share was applied to each convenience type retail category. This calculates that a proposed development of between ±5,700m² and ±6,000m² GLA will need a 10% market share. We believe this is viable. 5% inflow was added that could occur from other rural settlements outside the catchment area.

• The site is well located for the establishment of a Convenience Type retail centre that cater to the daily convenience needs of the residents.

• Being a desktop study we cannot comment on ideal tenant mix but we believe that this is a good site for the development of convenience centre.

• Findings in this desktop study are subject to the completion of a Full Market Study.

Please note: This is a desktop study and does not include the detail of a full feasibility study nor fieldwork or a site visit. It must be emphasized that numerous factors determine the feasibility of a site and that demographics are only one success-determining factor contributing to the possible development of a site. These factors include, among other, the operator, marketing, logistics & micro site location which are not addressed in this assessment. This is primarily a demographic indication of the potential in the area.
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