

Retailer agility inspires hope for shopping mall trade

Young and driven local retail entrepreneurs, such as Theo Baloyi of Bathu Shoes and Drip Footwear's Lekau Sehoana, are helping to build a positive future for physical retail by successfully growing innovative chains of stores that are finding favour among local shoppers.



Legends Barber. Supplied

Commenting on the resilience of SA retailers in a challenging economic climate, worsened by Covid-19 and the recent riots, Paul Gerard, MD of property developer and investor Flanagan & Gerard, said, "The agility of many retailers has really impressed us, and we have witnessed them adapt their offerings and innovate to be more relevant to changing customer needs.

"We are particularly excited by the incredible local entrepreneurs with whom we have had the privilege of doing business. Among them are Bathu Shoes, Drip Footwear and Legends Barber, to name but a few. These are genuine South African success stories that have taken our market by storm and inspire us with confidence about the future of retail. They are world-class and have what it takes to make their mark globally."

Gerard believes that these role models for aspiring retail entrepreneurs are only the tip of the iceberg of what is to come for South African retail. "We have also taken note of other exciting new names like Tshepo Jeans, Sneaker Shack and Veldskoene, and we are excited to see these names grow in the SA retail landscape. As retail continues to evolve, so do our retail spaces and the way we work with retailers," he said.



Bathu Footwear. Source: Supplied

Structuring sustainable deals

From March 2020 to date, the Flanagan & Gerard portfolio of 10 shopping centres welcomed 113 new stores, which have been crucial for adapting to the changing retail environment emerging in South Africa, the company said.

This portfolio spans five of South Africa's provinces: Ballito Junction Regional Mall in KwaZulu-Natal; Morningside Shopping Centre, Springs Mall and Vaal Mall in Gauteng; Highveld Mall and Middelburg Mall in Mpumalanga; Thavhani Mall, Musina Mall and Mall of the North in Limpopo; and the new redevelopment of Boardwalk Mall in the Eastern Cape.



Young entrepreneur Lekau Sehoane opens 6th Drip Footwear store

16 Feb 2021



The challenges of the past 18 months, brought about by the global pandemic and, more recently, the devastating unrest in KwaZulu-Natal and Gauteng, have had a massive impact on South Africa. The retail ecosystem – consumers, retailers and landlords alike – have been particularly impacted, the company said.

“The tough and uncertain times we are in, including various and changing lockdown rules, have hurt many businesses. Unfortunately, some retailers were not in a financial position to survive the prolonged trading restrictions, which resulted in a sharp increase in vacancies within shopping centres countrywide. Re-letting space and renewing leases has required a

strategic, savvy approach to structuring sustainable deals for both tenant and landlord,” said Gerard.

Flanagan & Gerard and its partners in the different assets across its 500,000sqm portfolio, have let a combined 15,500sqm, or 3% of the portfolio’s gross lettable area (GLA), during the lockdown – minimising vacancies to less than 1% of GLA at end-July 2021.

“These deals include national retail groups expanding their footprints in better-performing categories, and with exciting brands that see excellent opportunities and bright futures in our shopping centres, notwithstanding current macro trading conditions,” explained Gerard.



First Soko District retail concept to open at Rosebank Mall

26 Jul 2021



Retail category performance

Homeware is one of the categories where sales per square metre have outperformed, reported Gerard, with more people prioritising decorating, DIY projects and renovations, so they can enjoy their homes while spending more time in them.

“Other stellar turnover performances have come from electronics stores, which have helped keep people connected and set up home offices, and apparel focusing on value, casual wear and athleisure. It is also worth mentioning that supermarkets and pharmacies in our portfolio have performed exceptionally throughout, providing essential goods that customers spend the most on.”

Flanagan & Gerard’s investment partners include the likes of Growthpoint Properties, Grapnel Property Group, Menlyn Maine, Moolman Group, Resilient REIT and Vukile Property Fund.

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