

# Annual Shopping Centres Congress around the corner

The 16th annual SA Council of Shopping Centres (SACSC) Congress will be held from 19-21 September 2012 at the International Convention Centre in Durban. Delegates hoping to gain a diversity of insight will not be disappointed, as the theme of Connect: The Power of Personal plays out across a variety of retail topics.



Artist perspective: Moratiwa Property Developers is developing a 10,000sqm shopping centre known as Keya Rona meaning "its ours" at Sun City road.

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Successful township and rural retail development is all about an individual, case-by-case approach. It is something that Jason McCormick of McCormick Property Developers and Michael Masemola of Moratiwa Property Developers will address on the second day of the Congress. "Developers in the past were reticent to enter township retail markets, not least because the political and economic factors in traditional urban areas were easier," McCormick explains. "The normalising of SA society however has led to a growing middle-class in rural areas and former townships, making it more viable for property developers."

The saturation of traditional retail nodes has also played a role, driving developers to seek out new opportunities.

Nevertheless, challenges do exist: lack of bulk services infrastructure, slow land acquisition processes, lower net rental income and strict legislative requirements. "Developing in emerging nodes is not for the faint-hearted, nor even for retail developers who have been successful in traditional nodes. These areas are littered with the carcasses of ill-conceived retail projects, where developers dismally underestimated the complexities."

Still, adds Masemola, South Africa can expect to see more rural and township retail developments - and he points out that government has played a pivotal role in strengthening the economies in these areas. "Initiatives such as the Rural Development and Township Neighbourhood Grant Programmes seek to boost the rural and township economies. As such, private development is likely to continue until it reaches a satisfactory level in the eyes of both the state and retailers."

"The issue of township development is an important one," says Ken Reynolds, regional executive: Nedbank Corporate Property Finance. "The bank is involved in a number of such developments as these fall under the bank's strategic objective

of providing a significant economic boost to the local community in a previously under-serviced area for the benefit and empowerment of the stakeholders involved."

The role of technology and the changing face of online consumers is another topic being tackled at the Congress, as Stafford Masie of Take 2 Technology takes the podium on Day 3 to assess technology's continuing impact on retail.

"Technology is changing your customer and your customer will change your company," says Masie, pointing to an increasingly knowledgeable - and changing - customer as a key factor. For example, he explains, online users right now tend to reflect the upper LSMs, but this will change dramatically over the next 36 months as smart phone penetration grows. "I expect to see a break-through player in South Africa within the next two to three years, a company that offers the same value proposition as amazon.com does today, but this time, around the corner from the SA shopper."

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