

Supersized Fourways Mall will take on Sandton City

Accelerate Property Fund and its development partner, Fourways Precinct, plan to turn the Fourways shopping centre into a super-regional centre of 170,000m², adding a further 90,000m² of new space in a major expansion...



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Explaining the rationale behind the expansion, Accelerate's chief operating officer, Andrew Costa, said many potential customers who lived or worked in the Fourways area were shopping at other larger malls because they offered more diverse offerings.

Speaking after the release of Accelerate's results for the year to March, Costa said new residential developments and improved infrastructure meant that Fourways Mall was in a position to become a much larger shopping centre which would accommodate national and international tenants' full product ranges.

"Currently Fourways Mall is about 64,000m² large. We have found that this just does not accommodate enough larger tenants as we would like them to be accommodated.

"We have lost about 60% of our customer base to Sandton City because we just cannot give our major tenants the space they want. Part of the goal from listing is to turn Fourways into an effective shopping node," Costa said.

The group owns some existing buildings near the 64,000m² mall, which will be integrated into the shopping centre, with the 90,000m² of new build.

Accelerate achieved a total return for the year of 47.7%, of which about 37% accounted for capital growth and about 10% for distribution growth.

Meago Asset Managers director Thabo Ramushu said Accelerate's move to redevelop Fourways would be supported by the catchment area of the shopping centre.

"The results were in line with expectations ... they are trying to take on additional risk on the Fourways Mall shopping centre development in order to convert the Fourways Mall into a superregional of 170,000m². This bodes well for entrenching the node and capitalising on the catchment area," he said.

Source: Business Day

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