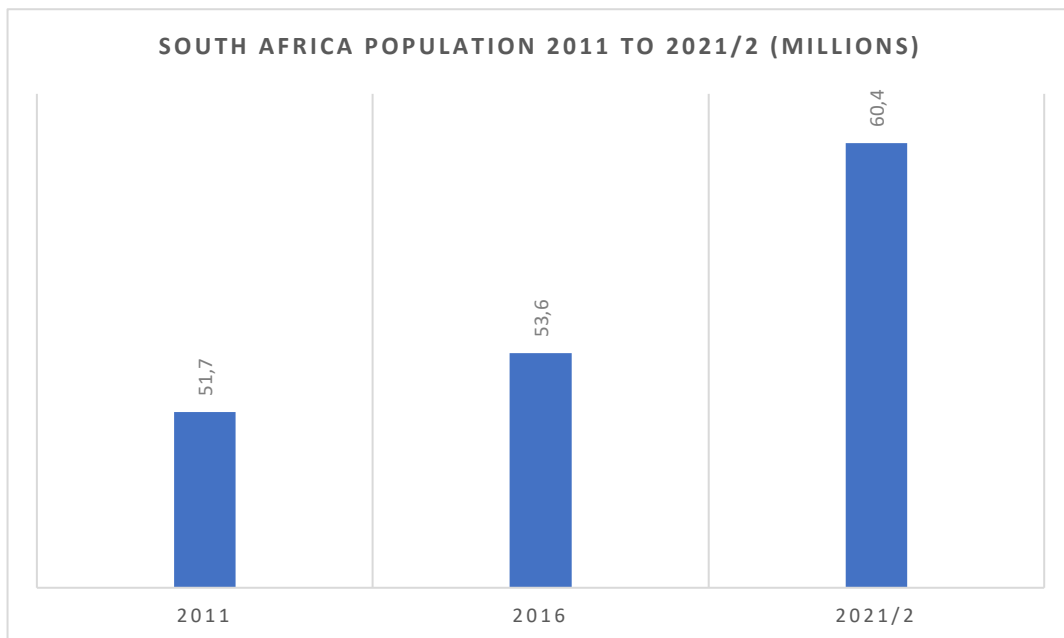


SACSC SHOPPING CENTRE DIRECTORY 2022

MOST EVER SHOPPERS - LATEST DEMOGRAPHIC TRENDS IN SOUTH AFRICA

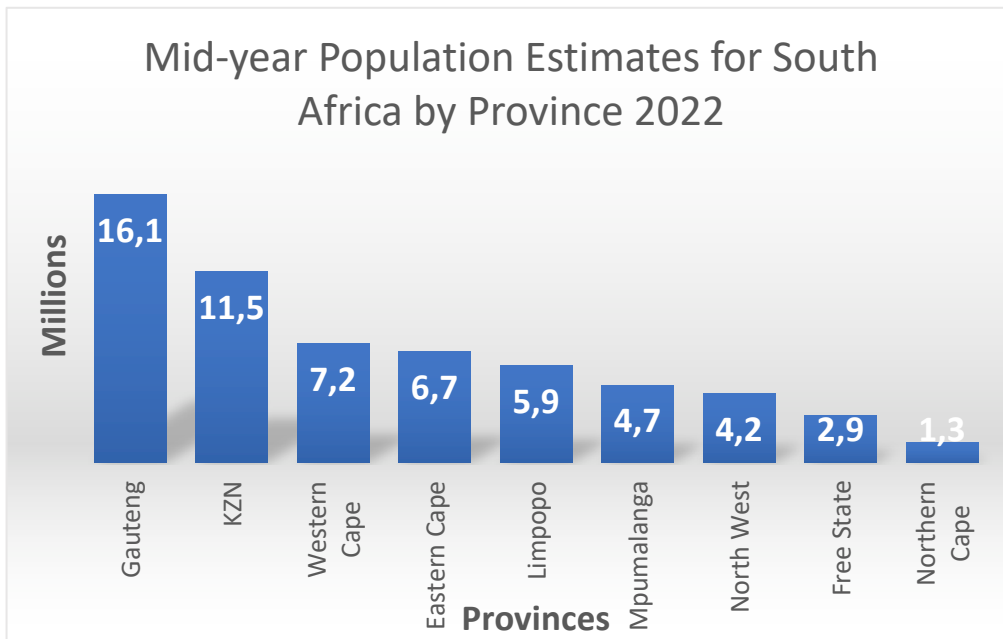
This shopping centre directory will have a shelf life of 3-4 years. By then we would have received all the census 2021/22 information. This will allow us to analyse shopping centre trends and shopping behaviour in much more detail. By then the 2024 election would have taken place. Unfortunately, South Africa is influenced by election to election. The municipal elections were held only one year ago and we are awaiting the ANC congress in December 2022, all working towards a national election in 2024.

Less than two months ago the mid-year 2022 population statistics were released. Although limited in scope, these figures highlighted specific trends as well as the impact of Covid-19 on population numbers, life expectancy and death rates in South Africa. There are currently **60.6** million people in South Africa, and it is expected that the 17.3 million households will increase to 18 million households by 2025/7. The uncertainty regarding the actual number of foreigners living in South Africa remains a big question mark. The estimated figures in this regard varies between three and five million people.



Source: Stats SA

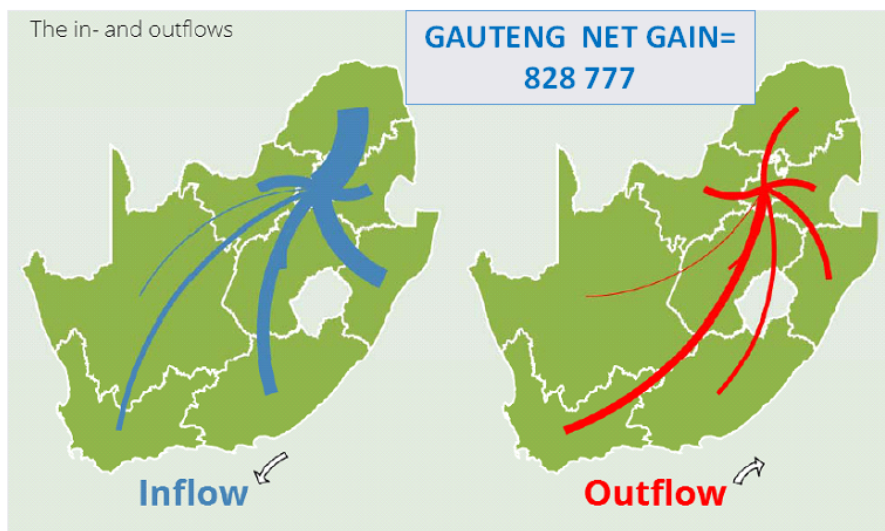
There are **16.1** million people in Gauteng, followed by KZN with 11.5 million and the Western and Eastern Cape with 7.2 million and 6.7 million people, respectively. This has a direct impact on the demand and supply of various types of retail and shopping centre facilities.



Source: Stats SA, Midyear Population Estimates, 2022

Migration, relocation and semigration are the same words used for people relocating inside South Africa. Most people are relocating to Gauteng and the Western Cape. Gauteng with 16.1 million people will gain almost 1 million additional migrants within the next 5 years. There is also a clear outflow from Gauteng to especially the Western Cape.

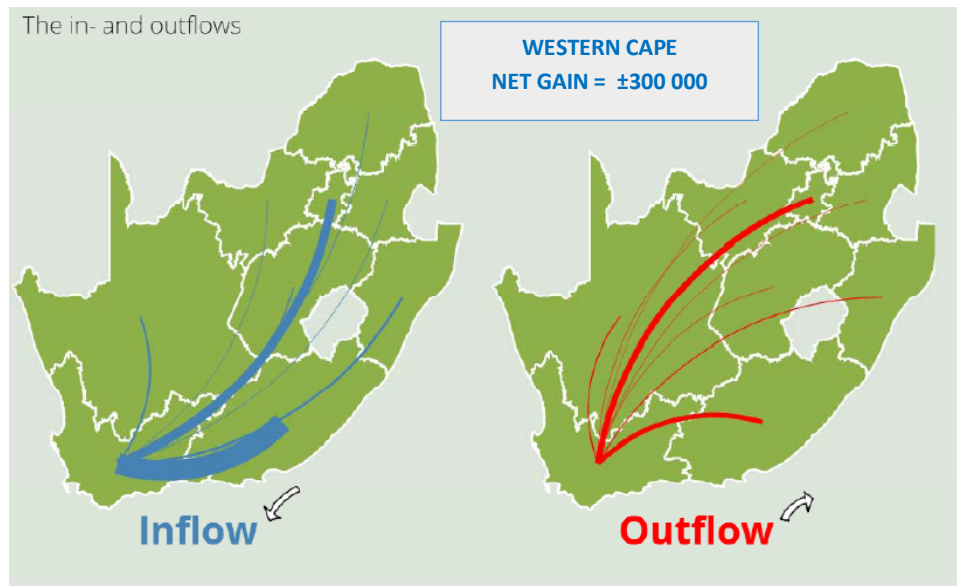
MIGRATION BETWEEN PROVINCES



Source: Stats SA, Midyear Population Estimates, 2022

The Western Cape will gain approximately three hundred thousand people over the next 5 years. The Western Cape is also the preferred destination for the so-called semigration where people

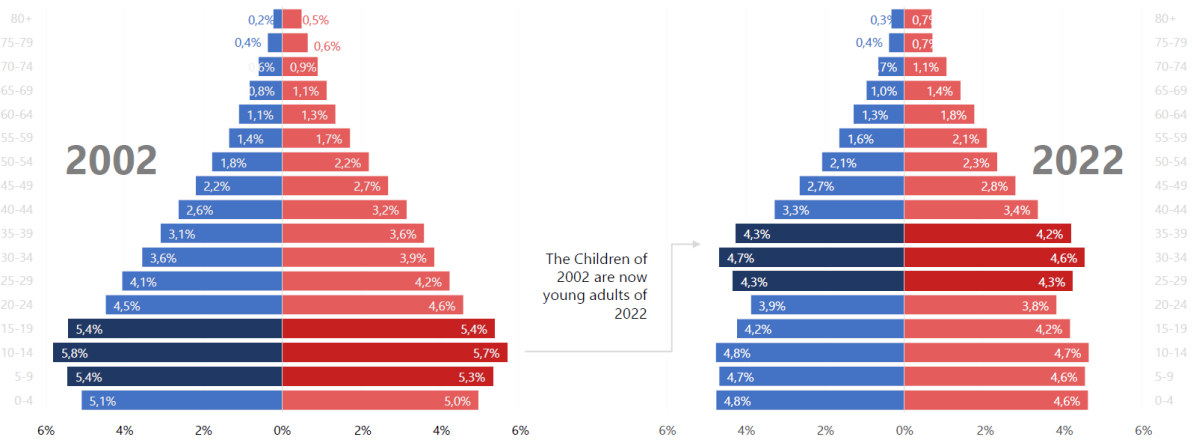
move from one province to the other, mainly as a result of Covid-19, and changes in live-work environments. The Southern and Western Cape areas are very popular, attracting people from not only Gauteng, but also from KZN. Up to **150 new households** move into the George / Mossel Bay area per month. Safety and security, competent municipalities, good schools, proximity to the George Airport, retirement and work-from-home are the main reasons for moving to the Southern Cape.



Source: Stats SA, Midyear Population Estimates, 2022

The adult population in South Africa increased from 11.2 million to **17.4 million** over a 20-year period since 2002. This represents the **highest number of adults ever in South Africa**. This will have a very significant impact on the buying behaviour of people in terms of housing, cars, and shopping. The demand for various types of housing will be positive over a 5–10-year period. The number of registered vehicles is growing at above 5% per annum and this is likely to continue. Despite a 5% vacancy in shopping centre space there will always be new developments to cater for population growth and to replace old run-down shopping facilities. ±40% of existing shopping centres were built before the year 2000. This is a very important fact and centres must continuously renew, revamp and reposition themselves.

SA age structure by 5 year age groups, 2002 vs 2022

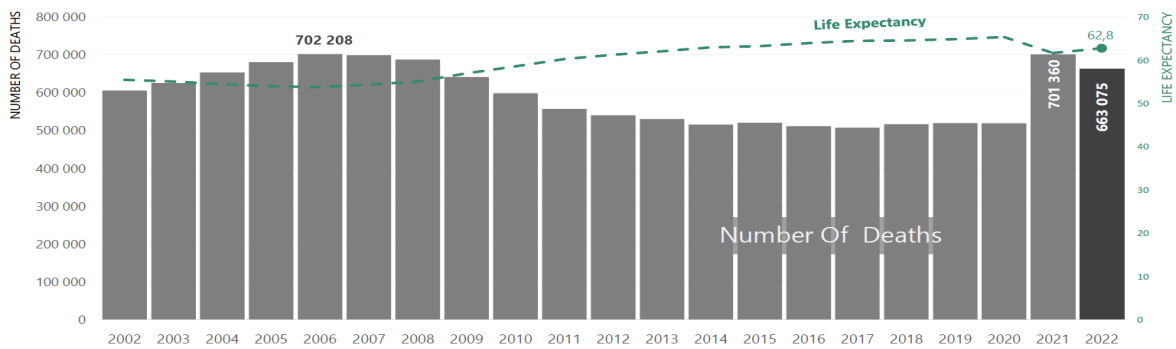


Source: Stats SA, Midyear Population Estimates, 2022

Another important aspect regarding the age structure of the South African population is the fact that people older than 60 has shown the **highest** growth (2.3% per year) over the last 20 years. Children between 0-14 years have shown the slowest growth. All this is reflected in the age structure diagram. An increase in adults and older people will directly influence shopping behaviour while areas with younger children will have an impact on the future supply of education facilities.

The number of deaths has been on the same level from 2012 to 2020 (just over 500 000 deaths per annum). The number of deaths in 2021 and 2022 increased to well above 650 000 up to 700 000 people per year because of Covid-19. These deaths also resulted in a lower life-expectancy rate of 61 years compared to 64 years before Covid.

Estimated deaths and total life expectancy at Birth over time, 2002-2022



Source: Stats SA, Midyear Population Estimates, 2022

The impact of a lower GDP growth, higher inflation, higher interest rates and higher prices in general has not been discussed in detail, but have an adverse impact on household income, disposable income and shopping patterns and behaviour. The population and demographic trends are however positive in terms of increasing numbers.

Shopping centre owners, managers and marketers must be aware of all these macro changes with a clear understanding of the impact on the local market and specific centre trade areas. Many suburbs have an aging demographic profile and centres become dated. A good understanding of these areas is required on an ongoing basis. Suburbs located on the outskirts of cities form part of urban sprawl. These new growth areas create opportunities for further property development.