

RESILIENCE AND GROWTH: The trajectory of retail is always up

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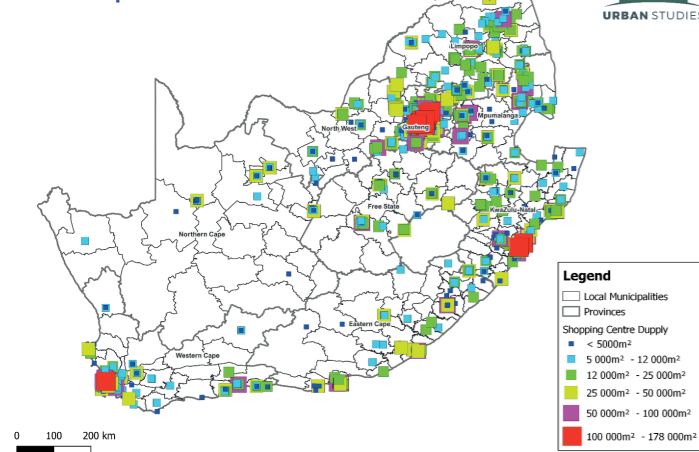


South Africa's population is expected to increase to 65 million people by the end of 2025 and to further increase to approximately 70 million by the end of 2030. By then the country would be 70% urbanised. All these changes coincide with the shelf life of this Shopping Centre Directory.

Shopping centres will remain a vital component in meeting consumer needs and capturing a share of their disposable income. The retail sector currently represents more than 12% of the total GDP of South Africa. Total retail sales have increased from R630bn in 2011 to more than R1.4 trillion in 2024. The real growth over the last 2 years in this sector has been between 1.5% and 2.5%.

The map below shows the distribution of shopping centres in South Africa. The most comprehensive list indicated that there are ± 2 400 shopping centres larger than 1 000m² representing >28 million m². (Marketing Decisions, May 2025)

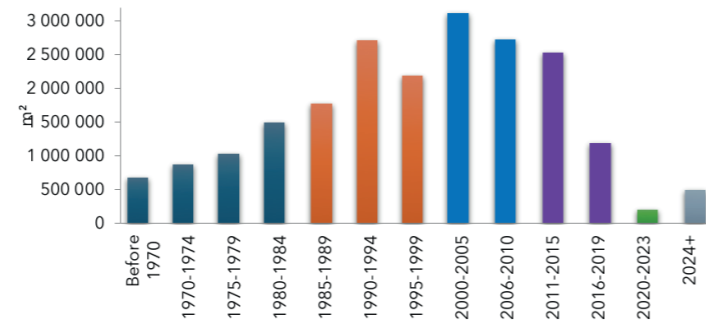
Retail Footprint: Number and Size Centres (2025)



The graph below shows the growth in the supply of new shopping centre space since the early 1960's - a trend over 65 years. The high growth era was between the year 2000 and 2010. Before the World Economic Crises in 2008 the South African economy was growing at between 4% and 6% per annum.

The impact of Covid 19 is very clear and the start of a recovery period in the construction of new centres since 2024. Twenty-five centres are under construction, representing close to 500 000m². The most important about these centres is that twelve of those under construction will be larger than 20 000m². More 1.6 million m² are in different planning stages.

Shopping Centre Development Over 60 Years



There is a strong focus of recently completed rural centres in KZN, Mpumalanga and Northwest province. The strong focus on these provinces is also clear on the map above. The growth in township centers increased from 120 to 250 over a 12-year period, and rural centres from 90 to 156 centres.

The average size of these centres is between ±11 000m² to ±14 000m², showing marginal increases over the years.



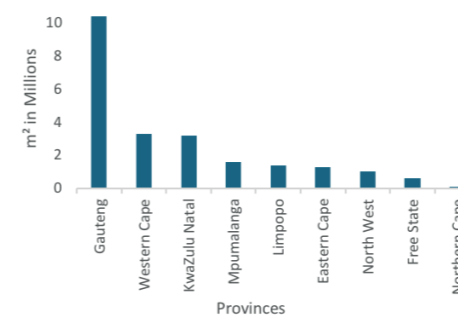
According to the SACSC Shopping Centre Directory (2025), there are currently just over 1 400 shopping centres in South Africa exceeding 5 000m² in size, collectively accounting for more than 24 million m² of retail space. This marks a steady growth from approximately 1 200 centres recorded a decade ago.

In spite of this increase there are also several closures during the last 5 years because centres burnt down (riots in 2021), centres now fulfilling a commercial role, centres converted into residential, and centres that were demolished. The age of all these centres plays a very important role and after 30 to 40 years these centres were not functional anymore.

There are more than 200 shopping centres that are older than thirty years and never been revamped or upgraded. This creates specific opportunities.

An analysis of the data covered in this Directory, where the focus is on shopping centres larger than 5 000m², highlights very specific trends on a provincial level. It is never ideal to work on provincial level because shopping centre growth is determined on the micro level. However, it is important to take note of possible oversupply, lack of centres and possible gaps in the market.

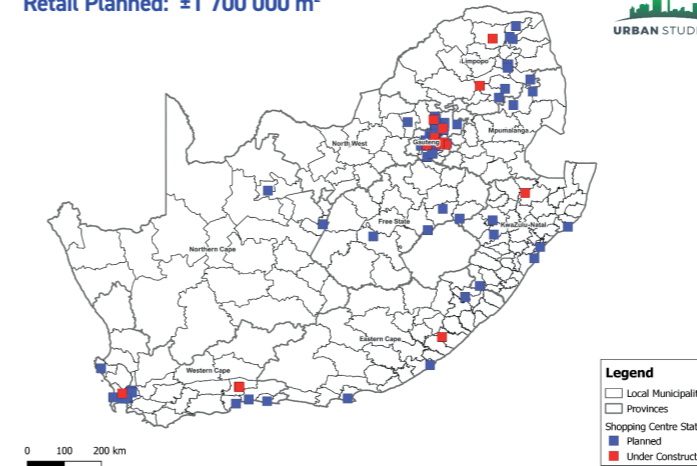
GLA of Centres > 5 000m² per Province 2025



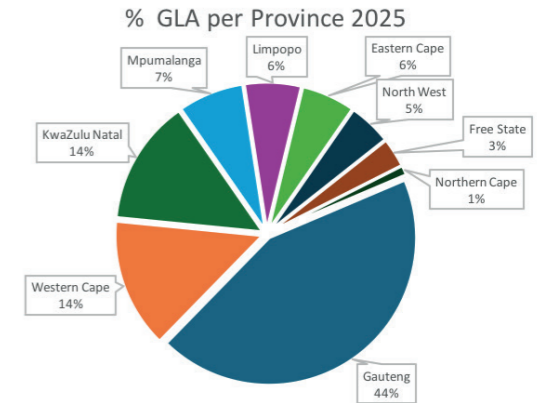
44% of the total shopping centre space (10.5 million m² of a total 24 million m²) is in **Gauteng**. This is 10% more than the province's contribution to the GDP of 33%. This also confirms a high average annual household income of >R250 000.

The shopping centre floorspace per person in Gauteng is also the highest at 0.65m² per capita. This is much higher than the national average of 0.38m². The focus of centres under construction as well as planned centres is still on Gauteng in spite of a 'saturated market' - see Map below.

Shopping Centre Status: Under Construction: ± 500 000 m² Retail Planned: ±1 700 000 m²

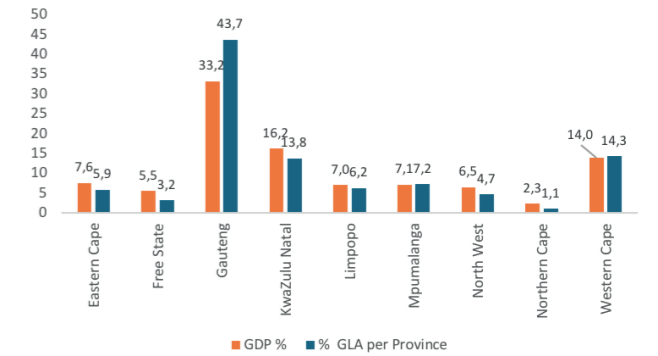


The **Western and Southern Cape** fulfil a strong second place where the proportion of shopping centre space is direct in line with the GDP contribution of the province. With increased semigration, the demand for retail will increase and a number of centres are currently under construction. The average household income is also the highest based on the socio-economic profile of the people moving to the province.

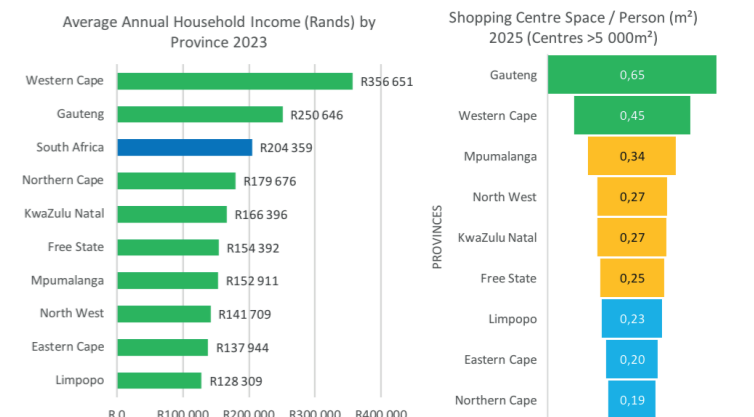


The highest growth outside the metropolitan areas is in Limpopo and Mpumalanga. There are an increasing number of new centres planned for these two provinces.

% GDP vs GLA per Province 2025



Source: Stats SA Income and Expenditure Report and Shopping Centre Directory, 2025



Despite concerns regarding the oversupply and saturation of the shopping centre industry the growth in new shopping centres will continue mainly because of population growth, growth in the rural as well as in the middle and higher end of the market. The redevelopment of old centres will also receive more attention in the next five years.

More than 500 000m² of new shopping centre space will be built during the next 2-3 years. This confirms the statement that because we live in a culture of consumption the natural trajectory of retail is up. The main threats remain lower consumer spent, low economic growth and the long-term impact of online shopping.