

papers for the SA Council of Shopping Centres (SACSC) titled "Retail cannibalisation — all are guilty".

What worries him from this research is that developments like Welkom are ignoring the retail fundamentals, such as counting the new rooftops in an area to determine new demand before building. "The economic situation three years ago was so positive that retailers started ignoring the principles of responsible store openings," says Prinsloo in the report. "Fashion retailers thought they might miss opportunities. This is a clear indication of herd mentality. Certain metropolitan areas are reaching saturation."

With low rents come low risks for the big retailers. But the burden on the small retailers is beginning to worry some developers, chief among them Louis Norval, codeveloper and manager of some prize-winning centres, such as Clearwater Mall on Johannesburg's West Rand.

He didn't mince words at the annual SACSC conference in Johannesburg a few weeks ago, calling the rental gap between large and small traders immoral and blaming it for the rapid expansion of retail malls, the obliteration of mom-and-pop retailers and the unremitting sameness of most malls. And if a small retailer is successful, he's usually taken over by a big one.

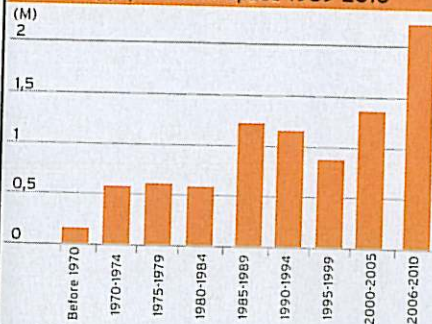
Norval was the most loudly cheered of speakers at the conference, clearly hitting a nerve.

The cannibalisation Prinsloo worries about is where retailers are nibbling at their own stores too close by, where trading densities are reduced, and where malls are too close together and have to share too many shoppers.

Cannibals like Goldfields Mall can eat the heart of a town in one bite. **Ian Fife**

## NEW CEILING

Supply of retail space 1969-2010



SOURCE: SA COUNCIL OF SHOPPING CENTRES, 2009/2010