

Rosebank centre gets shot in the arm

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The Zone @ Rosebank shopping centre is set to undergo an extensive redevelopment to the value of about R500m, its biggest revamp since it was built in the 1990s...



Rosebank Mall. Image credit: [Sunday Times](#)

Retail property has outperformed industrial and office property since the 2008-09 recession. The recent interest of global clothing brands in large retail space in SA has encouraged the redevelopment of existing malls and the building of new malls.

The Zone, which is owned by Old Mutual Properties, was most popular in the first decade of the 2000s but it has underperformed over the past few years, with customers rather shopping at nearby malls such as The Mall of Rosebank or Hyde Park Corner.

The building of a station for the Gautrain public transport service in 2010 and the opening of Standard Bank's Rosebank office has brought a larger customer base to the centre.

"Rosebank is finally becoming a strong live, work and play node and it makes sense for us to redevelop The Zone and meet the new demand," Desmond Heunis, regional manager at Old Mutual Property for Gauteng and Mpumalanga, said on Wednesday. "We recognise that the mall has not performed as well as we wanted it to do in the past few years."

The inclusion of offices and new residential developments in the area would provide the mall with support, Heunis said.

"Shopping centres are now all about live, work and play in Johannesburg. Previously many of the professionals were based in Sandton mostly and Rosebank just did not enjoy the same kind of demand.

"But, it is now becoming a node in itself and that means that malls like The Mall of Rosebank and The Zone can actually feed off one another and thrive," Heunis said.

Before the R500m injection, The Zone was valued around R1bn.

A large feature of the redevelopment is the overhaul of the mall's food offering. A new food court will be positioned on the top floor and will be about 1,600m² in size.

It will launch in August. The main food tenants will include Wakaberry, Spur and Mike's Kitchen that have performed well in the mall and new tenants such as pizza restaurant Panarottis and Asian fusion restaurant Simply Asia.

Heunis said Old Mutual had chosen to choose anchor tenants that directly served the professionals moving into Rosebank offices such as Standard Bank and new law firms in the area. Two new anchor tenants are Viva Gym and a Super Spar.

These stores will begin marketing next month and are expected to open their doors in September and November, respectively.

Head of listed property funds at Stanlib, Keillen Ndlovu, said even though shopping centres were under pressure from weakening consumer spending amid slow economic growth, popular retail brands were still demanding space.

Global brands especially competed for the largest stores.

"Demand from local and offshore retailers provides an underpin for bigger shopping centres regardless of the weaker macroeconomic environment," Ndlovu said.

Source: Business Day

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