

PROPERTY: Phase Two Of Wonderpark Shopping Centre Expansion Complete

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The second-phase of JSE-Listed Emira Property Fund's massive R540 million expansion of its flagship Wonderpark Shopping Centre in Pretoria has opened to the public.

It was completed in April and now the third phase of the current expansion is set to be complete by November, in time for the festive season.

"This is the biggest expansion yet at Wonderpark Shopping Centre and also represents the group's biggest capital expenditure on the most valuable asset in its property portfolio," says James Templeton, CEO of Emira Property Fund.

The expansion is as a result of strong demand from existing and new retailers wanting to come in to the shopping centre. Construction as part of the upgrade, which would increase the centre's size by more than 30%, started in November 2012 and the first phase opened last November.

"The opening of the second phase marks another milestone in this significant expansion project. It gives the centre an exciting and more extensive tenant mix, with an enlarged Game and Edgars, as well as a brand new Dischem, amongst others, opening to the public in April," says Templeton.

"When the overall extension is complete in November this year, the size of Wonderpark Shopping Centre will reach the 90 000m² mark. The centre was around 63 000m² when the upgrade began. This expansion and substantial redevelopment will transform it from a regional shopping centre to a 'super-regional' in Pretoria," he adds.

The centre is the largest and most valuable property asset in Emira's R10.2 billion portfolio.

"When the expansion is complete, our flagship property will be worth around R1.4 billion, thus increasing the value and quality of our portfolio. The project is already delivering results at Wonderpark Shopping Centre, having been well received by both tenants and shoppers," says Templeton.

Preliminary feedback from tenants has been exceptionally positive. Woolworths and Truworths opened as part of the first-phase in November 2013, with both stores showing exceptional year-on-year growth in turnover of 50% to 60% in the six months to April 2014. Trading has been substantially above opening targets for tenants in the newly-opened second phase, which includes feedback from Game and Edgars.

The capital investment in the centre is expected to yield an incremental yield of in excess of 8% to Emira PI holders. In addition to substantially improving the tenant mix, the expansion has seen the centre secure new long-term leases, which will ensure its continued dominance in its catchment area.

Wonderpark Shopping Centre's expansion sees the extension of the retail footprint of major existing tenants including anchors Game, Woolworths and Pick 'n Pay, which is spending R25m on an upgrade to its current store, as well as Truworths, Jet and Edgars. Great new additions include major national retail brands Dischem, which opened in April, as well as Checkers, Hi Fi Corporation, PQ Clothing, Cotton On, The Hub, Totalsports, Queenspark, @Home and Nedbank, which will all open as part of the third-phase.

Templeton says in addition to national retail demand, the expansion was supported by extensive shopper, household and market research conducted by Urban Studies. The expansion would also protect Wonderpark Shopping Centre's market share against competing and future centres.

The retail sector is the top performing sector in the South African commercial property market and represents more than half of the listed property sector on the JSE. Emira's exposure to the retail sector sits at 36% and will increase with the expansion at its flagship centre.

"Wonderpark Shopping Centre represents a hugely exciting and important redevelopment for Emira. It is also well-timed with the centre set to mark its 30th birthday next year," says Templeton.