

R540m expansion for Wonderpark Shopping Centre completed

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Pretoria's Wonderpark Shopping Centre received a massive R540 million phase two expansion from the owners Emira Property Fund

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Pretoria's Wonderpark Shopping Centre has received a whopping R540 million phase two expansion from the owners Emira Property Fund, which will add a host of top retailers to the existing tenant mix.

The property fund said phase two was completed in April and now the third phase of the current expansion is set for November completion.

“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.

As part of the second phase, Massmart's Game branded store was enlarged, as was Edgars. A DisChem store was also opened.

Templeton says when the overall extension is complete in November this year, the size of the centre will reach the 90,000m² mark.

"The mall was about 63,000m² when the upgrade began. This expansion and substantial redevelopment would transform the centre from a regional shopping centre to a "super-regional" centre in Pretoria," he said.

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 R1.4bn, 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," Mr Templeton said.

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.

Emira has had relatively large exposure to offices in the past, but this shopping centre expansion suggested the company was re-balancing its portfolio towards retail assets, which pleased analysts.

Old Mutual Investment's Evan Robins said the expansion suggested Emira had agility and was easing its reliance on offices. "Emira's bugbear was that it had relatively high office exposure — particularly to secondary offices, which have been the most troubled area.

"Through asset management, this substantial shopping centre expansion is an example, as has been the disposal of some office blocks, the fund's exposure to secondary quality offices has been reduced," Mr Robins said.