



# Growthpoint Investor Showcase

# 2024

November 2024



# 02

## RETAIL

GROWTHPOINT  
PROPERTIES



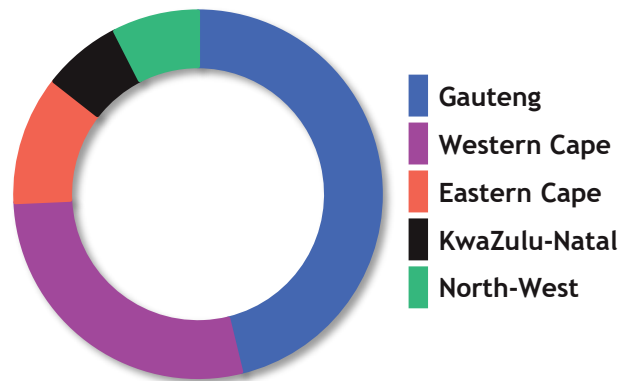
N1 City Mall, Cape Town

# PORTFOLIO COMPOSITION - FY24



	FY24
Number of properties	37
GLA (m <sup>2</sup> )	1 144 074
Vacancy (m <sup>2</sup> )	62 590
Valuation (R million)	25 574
Value per m <sup>2</sup> (R)	22 189

## GEOGRAPHICAL SPLIT BY VALUE - JUNE (%)



## SEGMENTAL SPLIT BY VALUE - JUNE (%)





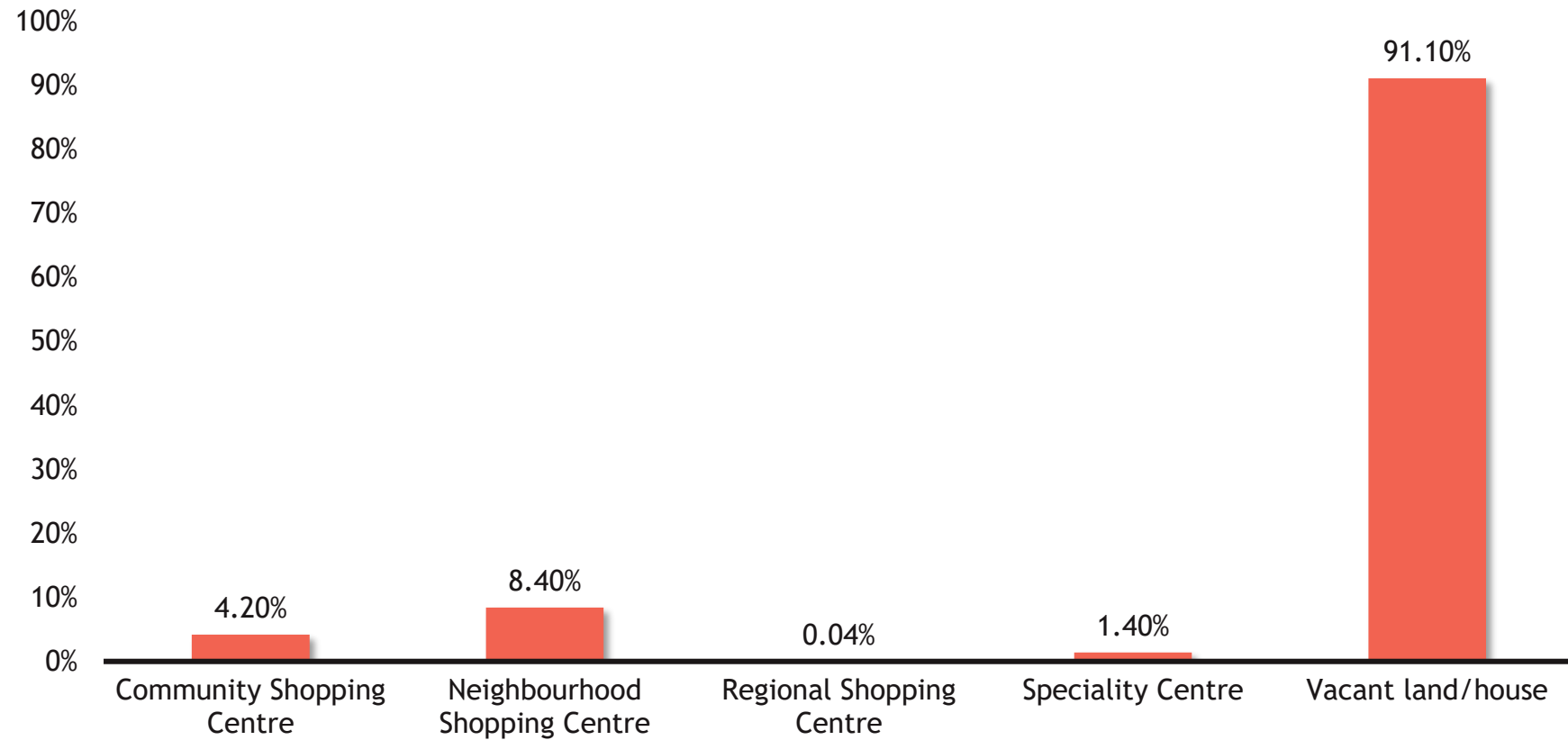
# KEY PERFORMANCE INDICATORS (KPI'S)



Greenacres, Port Elizabeth

	FY24	FY23	FY22
Vacancy	5.5%	6.3%	5.5%
Renewal success rate	86.4%	83.3%	85.0%
Weighted average renewal growth (by gross rental)	-2.1%	-9.1%	-13.6%
Weighted average renewal lease period (years)	4.0	3.8	3.5
Weighted average future escalations on renewals	6.4%	6.2%	6.0%
Letting success rate	81.9%	75.9%	80.5%

# RETAIL REVALUATION - FY24



# VALUATIONS



Waterfall Mall, Rustenberg

**Like on like valuation increased by 0.89% (+R224m)**

**Factors influencing value were:**

- Marginal decrease in weighted average cap rate, from 8.03% to 7.99%
- Marginal increase in weighted average exit cap rate, from 8.4% to 8.46%
- A marginal decrease in market rental growth rate from 4.8% to 4.7%
- The weighted average expense growth rate remains high at 6.41% (FY23: 6.39%)
- The assumed lag period required to re-let space has shortened

# RETAIL TRENDS



Waterfall Mall, Rustenberg

- Low consumer confidence due to high interest rates and unemployment, low GDP growth and political uncertainty has put a high strain on the retail sector during the period
- Valuations should show growth given reduced interest rates, lower vacancy levels, growth in turnover and an improved renewal environment
- Growth of e-commerce and on-demand continues to impact traditional retail - retailers adapting by integrating an omnichannel strategy including 'click & collect'
- Trading densities are however still improving well beyond pre-Covid era
- Footcount is still trending upwards since Dec 2021, but shopper behaviour has been modified
- Vacancies are still trending downwards, compared to its peak early 2021
- Cost of occupation has been trending down continuously and seems to be averaging at levels slightly below those experienced in 2015 - renewal levels are now largely stagnant with positive renewal levels anticipated in 2025
- Growth categories include Food and Health (non-discretionary), Food Services and Value Fashion



# RETAIL TRENDS CONTINUED



Waterfall Mall, Rustenberg

- More than 150 days of no load shedding and reduced diesel expenditure has had a positive effect on the sector and hopefully bodes well for the future
- Water scarcity issues are definite risks in Gauteng and KZN and water backup solutions is a focus
- Arrears levels have improved substantially
- Community centres remain robust but both large and small regional centres continue to recover
- Portfolio derisking and optimisation is a focus through:
  - A targeted disposal and acquisition program, maintaining core properties, exiting CBD areas and acquiring dominant assets in defined primary markets
  - Enhancing core properties through upgrades, which would include Solar PV and Water Backup projects
  - The right sizing, optimisation and re-tenanting of certain national traders in response to changes in consumer and retailer needs - there is a decline in the required banking space - cinemas are generally trading poorly and there are indications of closures - declining performance, and loss of market share with some of the bigger retailers such as Game, Edgars and Pick 'n Pay which will, likely, continue into 2024/25 financial year



# SALES, ACQUISITIONS & DEVELOPMENTS



La Lucia Mall, Durban

## Sales & acquisitions

- No acquisitions during the period
- 3 disposals totaling R490.5m during the period:
  - City View
  - City Mall
  - Sedgars, Woodmead
- Further 6 disposals totaling R1 491m in the pipeline
  - Golden Acre and Grand Parade - R497m
  - Nissan and Toyota Dealerships, Woodmead - R126m
  - Mark Park Vereeniging - sold R253m
  - Village Square, Randfontein - R455m
  - Virgin Gym Three Rivers, Vereeniging - R28m
  - Waterfall Value Centre, Rustenberg - R132m

# DEVELOPMENTS, SOLAR AND EXTENSIONS



La Lucia Mall, Durban

## Developments & extensions

- River Square Extension
  - Completed (FY24)
  - Development cost - R49.8m
- Vaal Mall Phase 6 (Access Road and Solar)
  - Completed (FY24)
  - Development Cost - R37.9m
- Solar Installations in 5 Regionals
  - 11.4MW Completed (FY24)
  - Development cost R146m
- Bayside Mall Redevelopment
  - Dec 2024 Completion
  - Development cost R415m (FY24: R208.3m)

# DEVELOPMENTS, SOLAR AND EXTENSIONS CONTINUED



La Lucia Mall, Durban

## Developments & extensions

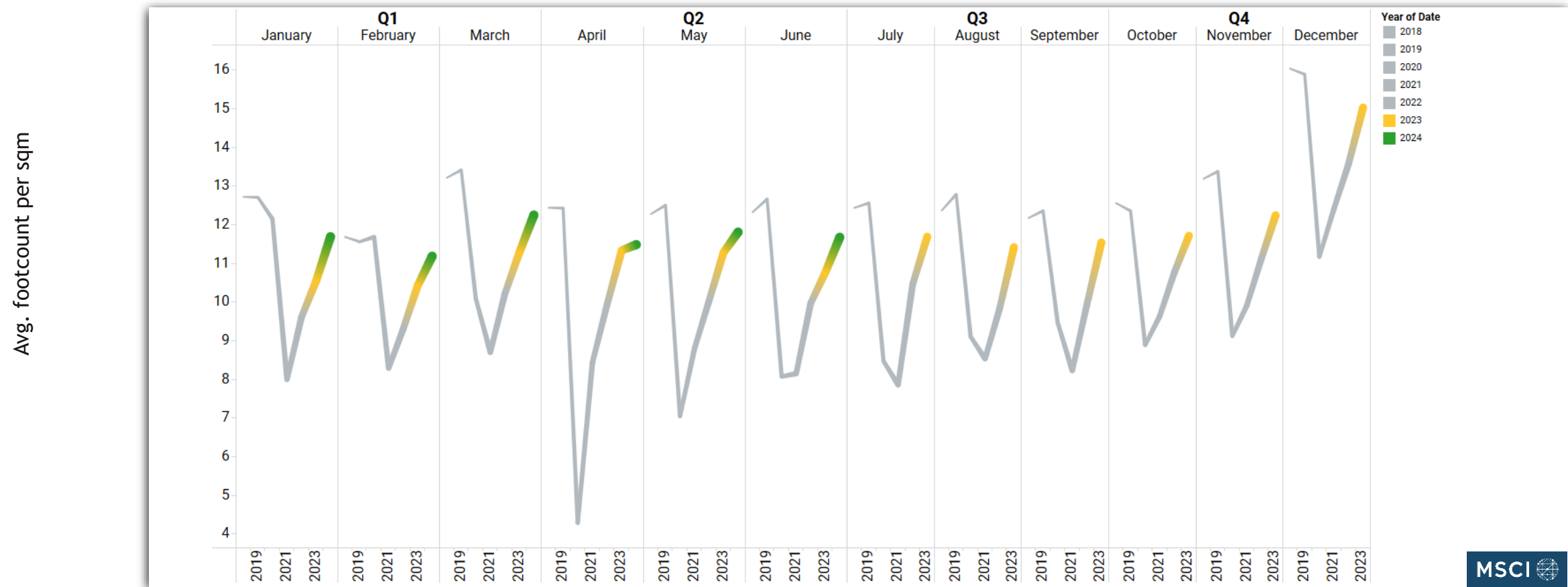
- Beacon Bay Drive-thru extension
  - Completed (FY24)
  - Development Cost R8.9m
- Watercrest Mall Shoprite and Checkers
  - Nov 2024
  - Development cost - R27.5m
- Beacon Bay Builders Express and Upgrade
  - Jun 2025
  - Development Cost - R113.4m
- Solar in Progress (11.96MW), excluding Bayside
  - Mar 2025
  - Development Cost - R207.6m



# FOOTCOUNT TRENDS - MSCI

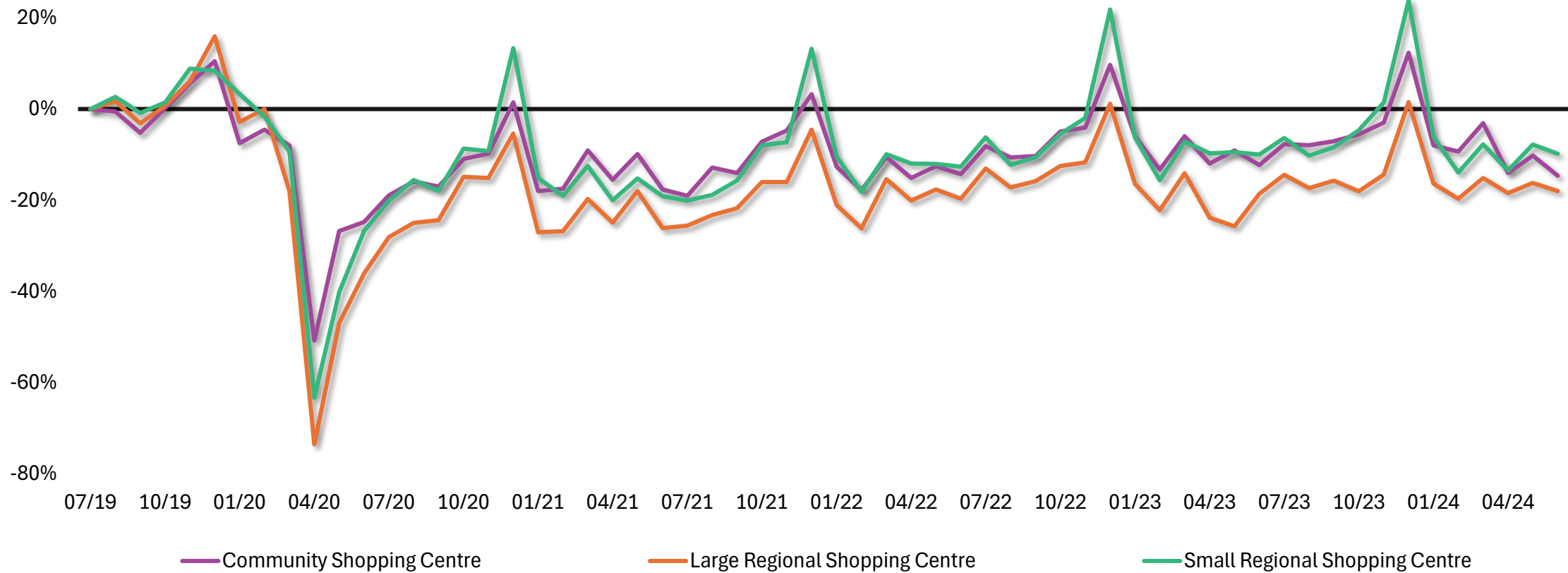
Monthly footcount improved in Q2 but remained below pre-pandemic level

FOOTCOUNT PSQM PER MONTH (2018-2024), ALL CENTRES



# FOOTCOUNT TRENDS - GROWTHPOINT

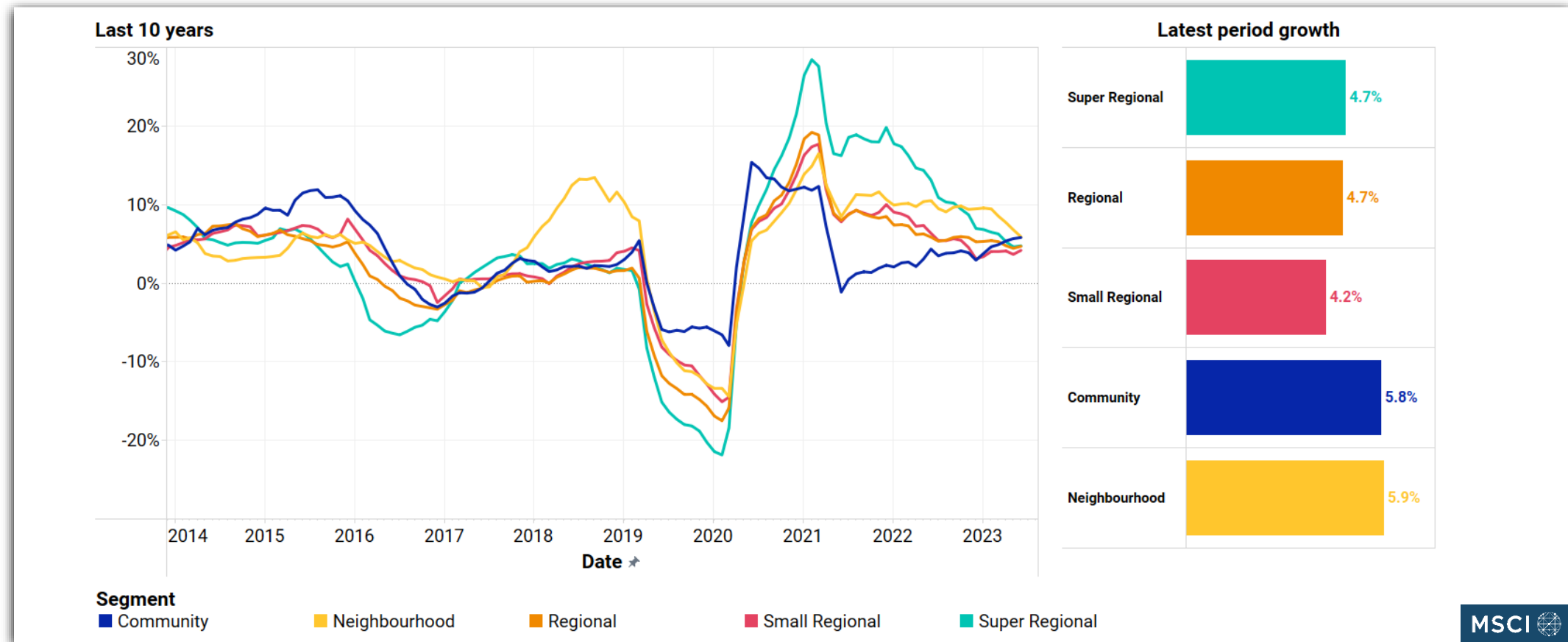
## FOOTCOUNT TRENDS - INDEXED JULY 2019



# TRADING DENSITY BY CENTRE TYPE - MSCI

## Annualised trading density growth by segment

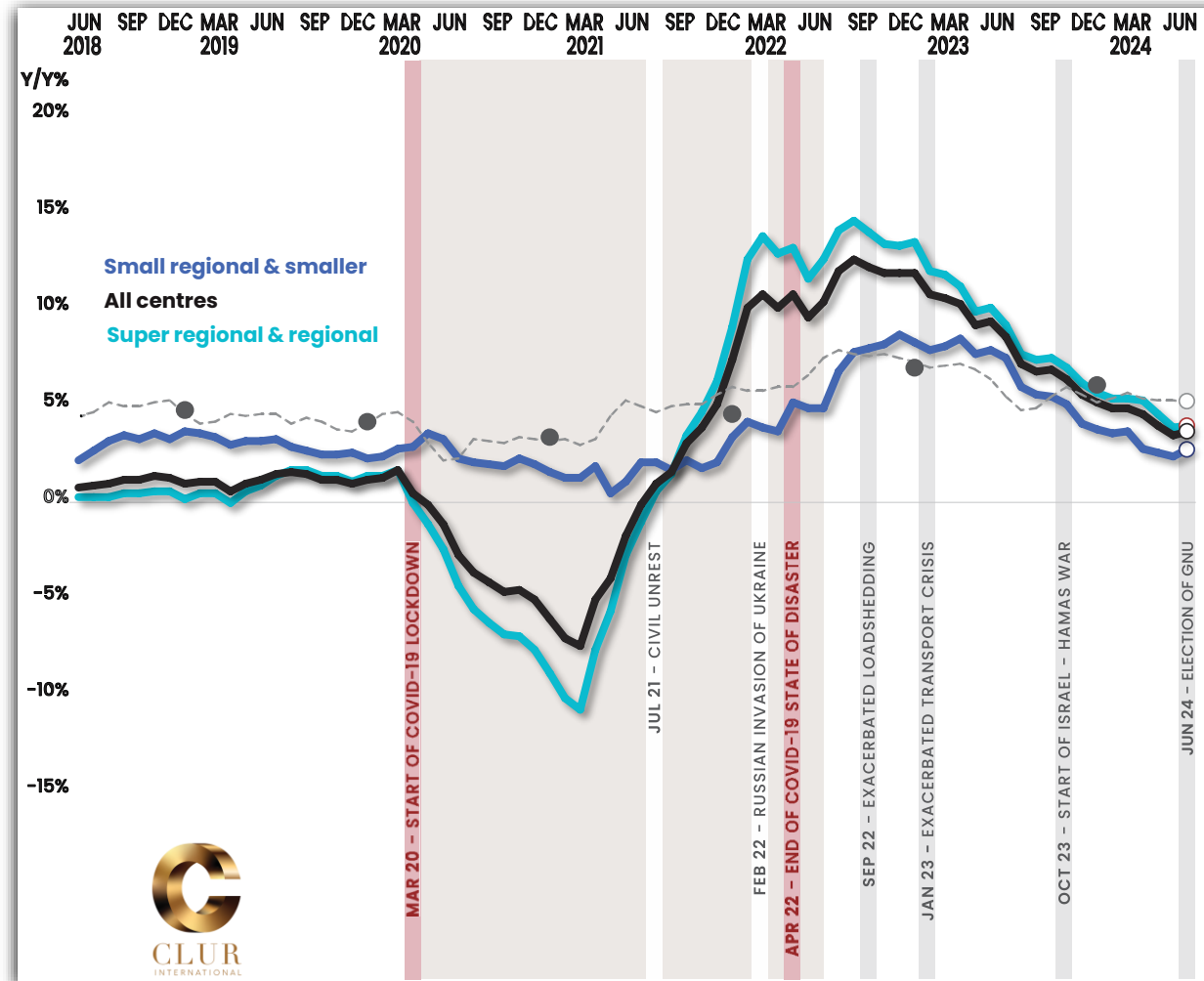
ANNUALISED SALES/SQM GROWTH; CURRENT PRICE TERMS; Y/Y





# RENT TO SALES RATIO - CLUR INDEX

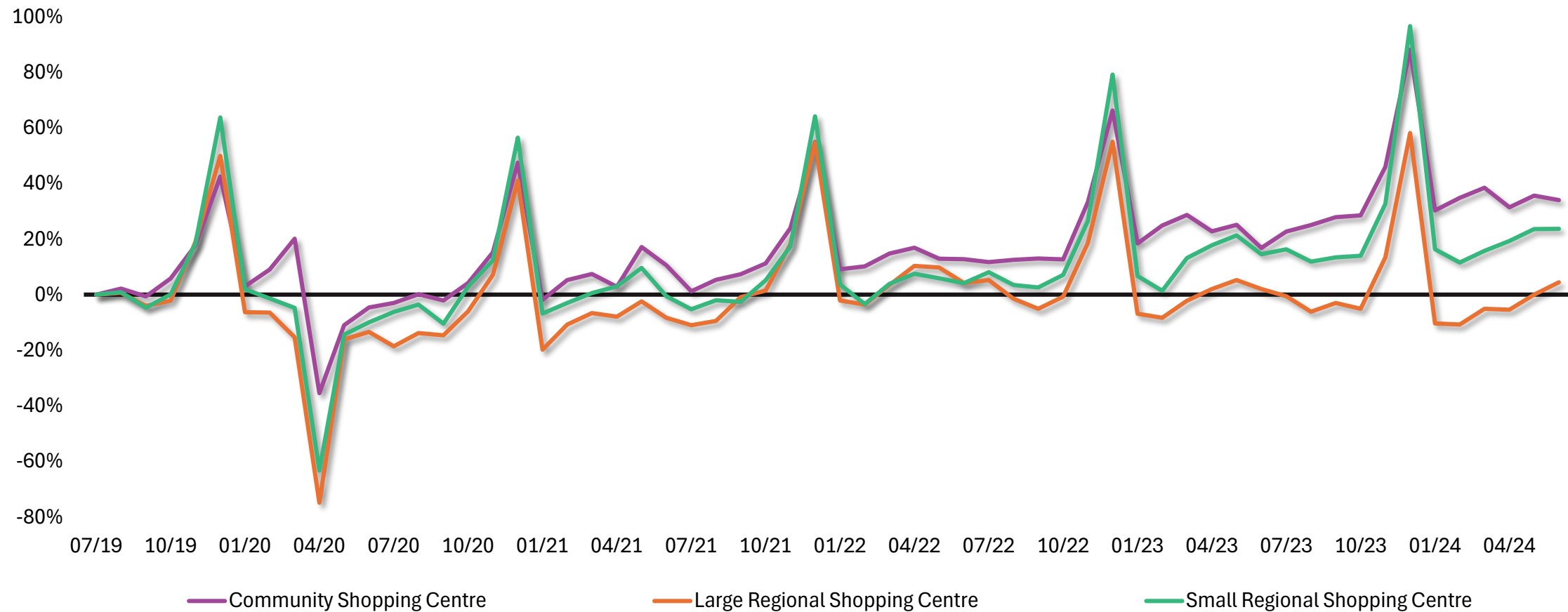
Dominant indices - Annualised trading density (lower) & Y/Y% Growth (upper)



- The Q224 national Clur Index for All Centres closed with annualised trading density y/y% growth of 3.6%
- Highest y/y% growth was shown by Super-Regional and Regional Centres, at 3.9%
- Community and Smaller Centres showed the lowest growth rate of the pack at 1.7%
- Super-Regional Centres showed the greatest contraction of -1.5% versus the first quarter
- All Centres Index contracting by -0.9% for the same period

# TRADING DENSITY BY CENTRE TYPE - GROWTHPOINT

## TRADING DENSITY TREND - INDEXED JULY 2019



# TRADING DENSITY BY CATEGORY - MSCI

## MSCI South Africa Retail Trading Index

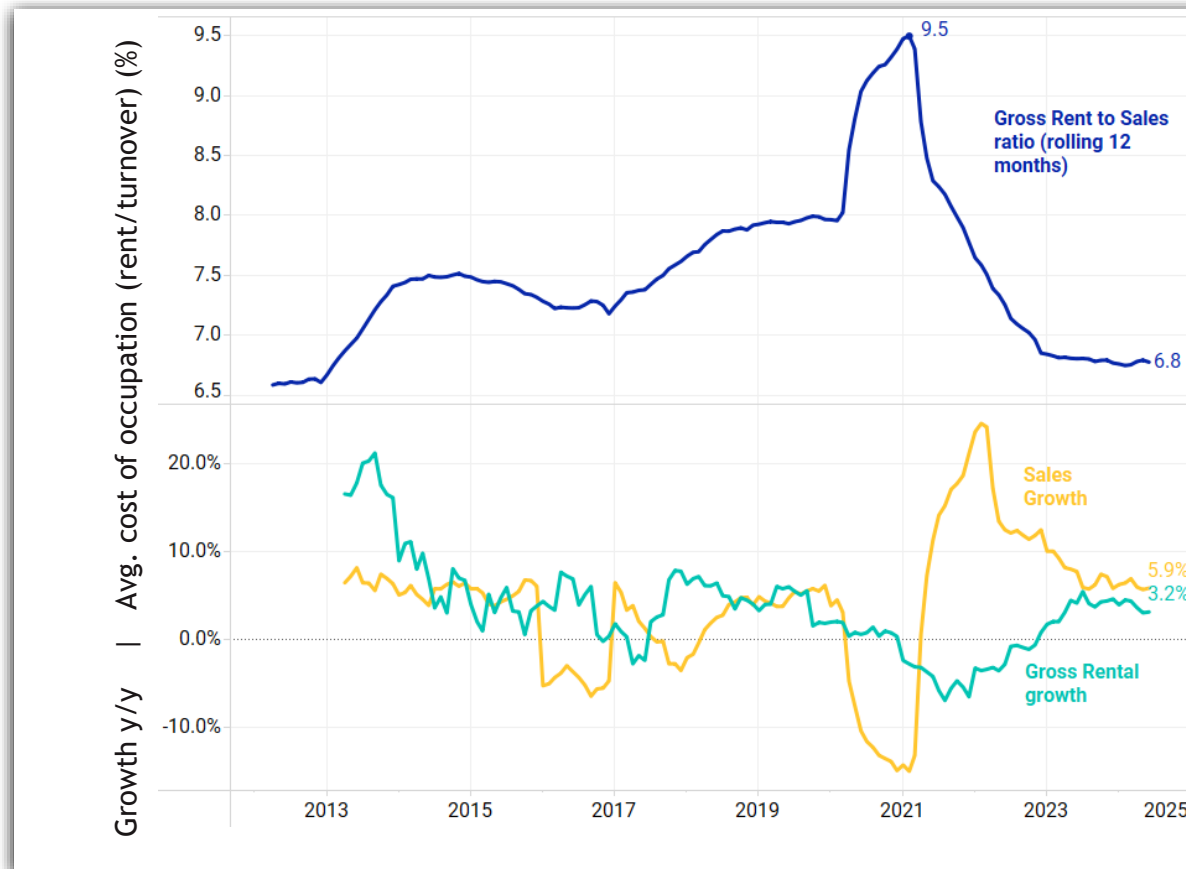
Merchandise Category	Annualised Trading Density (avg)	% of Let Floorspace	June 2024 vs June 2023	June 2024 vs June 2019	year-on-year % change					Merchandise Category	Annualised Trading Density (avg)	% of Let Floorspace	June 2024 vs June 2023	June 2024 vs June 2019	year-on-year % change				
					2019	2020	2021	2022	2023						2019	2020	2021	2022	2023
Accessories, Jewellery & Watches	100,831	0.6	4.4%	26.5%	5.2%	-13.0%	6.1%	21.2%	8.3%	Health and Beauty	71,473	5.0	6.1%	7.6%	4.4%	-3.6%	-0.6%	5.0%	1.4%
Apparel	33,958	20.1	4.0%	16.8%	1.3%	-10.2%	3.1%	15.9%	5.8%	Homeware, Furniture & Interior	22,004	6.6	1.9%	6.6%	7.4%	-4.4%	7.5%	1.8%	-0.5%
Barrows/Kiosks	64,422	0.0	6.0%	8.3%	-4.0%	-22.1%	2.9%	15.8%	9.8%	Luggage	50,648	0.1	-3.8%	89.1%	4.8%	-19.0%	0.3%	65.6%	32.8%
Books/Cards/Stationery	33,622	0.9	13.2%	10.9%	3.3%	-13.4%	-15.3%	16.0%	16.5%	Motor Related	28,696	1.5	1.5%	1.0%	-2.7%	-46.2%	1.1%	43.1%	27.8%
Department Stores	35,554	13.7	7.9%	0.7%	4.7%	-5.4%	-6.1%	1.1%	4.5%	Services	34,393	0.6	8.4%	15.2%	6.8%	-23.6%	6.7%	22.5%	6.9%
Electronics	76,925	2.1	4.6%	49.0%	6.3%	-7.2%	17.8%	18.6%	9.5%	Speciality	34,249	4.5	6.3%	11.0%	-0.9%	-11.4%	8.8%	2.3%	5.8%
Entertainment	3,694	2.4	1.7%	-12.1%	2.9%	-25.6%	-56.0%	98.3%	33.3%	Sportswear and Outdoor	42,717	3.2	-2.8%	40.4%	6.1%	-11.0%	6.0%	32.4%	16.4%
Eyewear & Optometrists	65,894	0.5	3.8%	16.0%	3.4%	-11.2%	4.8%	10.6%	8.1%										
Food	51,061	19.0	4.7%	25.2%	4.1%	1.1%	2.1%	6.9%	8.5%										
Food Service	53,014	5.7	7.7%	37.0%	4.6%	-17.5%	1.2%	29.3%	18.2%										



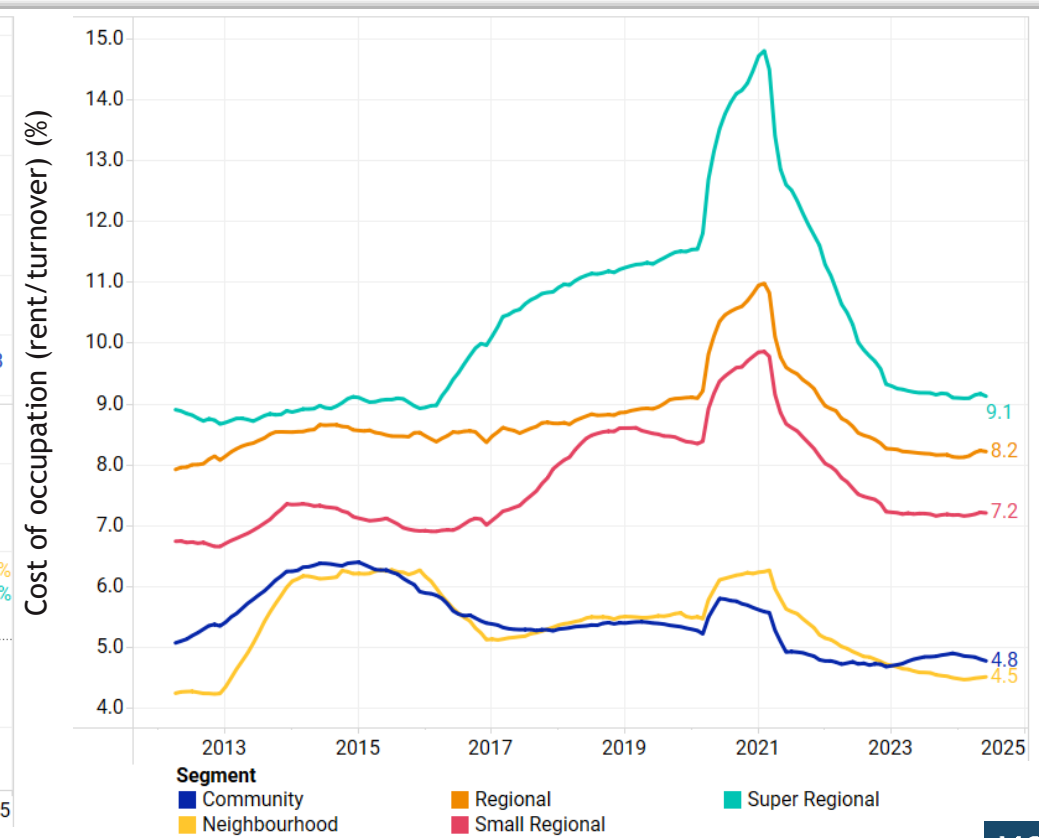
# RENT TO SALES RATIO - MSCI

Cost of occupancy the lowest in more than a decade - sales growth has slowed but still much faster than gross rent growth

**GROSS RENT TO SALES**  
GROSS RENTAL GROWTH VS. SALES GROWTH



**GROSS RENT TO SALES RATIO PER SEGMENT**  
ROLLING 12 MONTH RENT/SALES



# RENT TO SALES RATIO - GROWTHPOINT

Typology	TD	Effort ratio	Turnover	TD	Turnover contribution
Gauteng	2 528	8.7%	12 890 613 633	2.5%	38.7%
Western Cape	3 590	6.6%	10 283 770 636	11.3%	30.8%
KwaZulu-Natal	3 596	5.9%	4 485 676 792	1.1%	13.5%
Eastern Cape	3 019	8.3%	3 749 470 504	7.8%	11.2%
North-West Province	2 874	9.0%	1 927 300 090	-1.6%	5.8%
Total	2 991	7.6%	33 336 831 656	5.3%	100.0%



THANK YOU

QUESTIONS