RETAIL DECENTRALISATION IN PAARL: EVALUATING ECONOMIC AND SOCIAL IMPACTS OF PAARL MALL

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AUTHOR'S DECLARATION

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ABSTRACT

As retailers increasingly relocate their places of businesses towards the edges of cities, malls are becoming a prominent form of shopping in many cities across the globe. However, this phenomenon has had a substantial effect on town centres and local economies. This is attributed to the large efflux of people from the centre of towns towards the edges of cities. Retail decentralisation tends to have other consequences as well such as increased dependency on private vehicle transport given the peripheral locations of shopping malls. Retail decentralisation has meant that Central Business Districts had to start competing with decentralised shopping malls as evident throughout many cities across the globe. The decline of business activity in CBDs in some instances have resulted in a lack of employment opportunities and an overall decrease in town income. Limited access for people who are less privileged and who don't have private motor transport at their disposal also contributes to criticisms of decentralised shopping locations. These negative impacts are visible in many cities in South Africa. This study's focus is on the town of Paarl located in the Western Cape. Specifically, the study aimed to investigate the impact of Paarl Mall on the local economy as well as on socio-economic conditions of people living in Paarl. The study used Gross Value Added data of comparable towns in the Western Cape, as well as age, income and employment levels to determine how the economic and socio-economic conditions in Paarl have changed since the establishment of the mall. Interviews with store managers and assistants at Paarl Mall and in the CBD were conducted in order to gain insight into the perceptions regarding the impact of the Paarl Mall on the CBD. The empirical findings revealed an improvement of income levels and employment between 2001 and 2011, as well as overall positive perceptions of the Paarl Mall. GVA has also shown an improvement.

KEYWORDS AND PHRASES:

Retail, Decentralisation, Central Business District, Provincial Spatial Development Framework

OPSOMMING

Soos winkelsentrums alhoemeer hul besighede na die buitewyke van stede verskuif, word winkelsentrums ŉ prominente vorm van inkopies regoor die wêreld. Hierdie verskynsel het egter 'n wesenlike uitwerking op stad sentrums en plaaslike ekonomieë gehad. Dit word toegeskryf aan die groot uitstroming van mense vanaf die middestad na die kante van stede. Kleinhandel desentralisasie het ook ander gevolge, soos verhoogde afhanklikheid aan privaat voertuig vervoer, gegewe die perifere ligging van winkelsentrums. Kleinhandel-desentralisasie het daartoe gelei dat sentrale sakegebiede met gedesentraliseerde winkelsentrums moes begin meeding, soos blyk uit baie stede regoor die wêreld. Die afname in bedryfsaktiwiteite in SSKs het in sommige gevalle die gevolg gehad dat daar nie genoeg werksgeleenthede is nie en 'n algehele afname in die stad se inkomste ook was. Beperkte toegang vir mense wat minder bevoorreg is en die wat nie privaat motorvervoer tot hul beskikking het nie, dra ook by tot kritiek op gedesentraliseerde inkopiesentrums. Hierdie negatiewe impakte is in baie stede in Suid-Afrika sigbaar. Hierdie studie is gefokus op die dorp van Paarl in die Wes-Kaap. Spesifiek was die studie daarop gemik om die impak van Paarl Mall op die plaaslike ekonomie, sowel as op sosio-ekonomiese toestande van mense in die Paarl te ondersoek. Die studie het Bruto Toegevoegde Waarde van vergelykbare dorpe in die Wes-Kaap, sowel as ouderdom, inkomste en indiensnemings vlakke gebruik om te bepaal hoe die ekonomiese en sosio-ekonomiese toestande in die Paarl verander het sedert die stigting van die winkelsentrum. Onderhoude met winkelbestuurders en assistente by Paarl Mall en in die SSK is uitgevoer om insig te verkry van die persepsies rakende die impak van die Paarl Mall op die SSK. Die empiriese bevindinge het 'n verbetering van inkomste vlakke en indiensneming tussen 2001 en 2011 getoon, sowel as algehele positiewe persepsies van die Paarl Mall. Die Bruto Toegevoegde Waarde het ook ŉ verbetering vertoon.

TREFWOORDE EN FRASES:

Kleinhandel, Desentralisasie, Sentrale Sake Kern, Ruimtelike Ontwikkelings Raamwerk

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CONTENTS

AUTHOR'S DECLARATION ii

ABSTRACT iii

OPSOMMING iv

ACKNOWLEDGEMENTS v

CONTENTS vi

TABLES viii

FIGURES ix

APPENDICES x

ABBREVIATIONS AND ACRONYMS xi

CHAPTER 1: INTRODUCTION 1

1.1 Background 1

1.2 Study Area 3

1.3 Problem Statement 5

1.4 Research Questions 6

1.5 Hypothesis 6

1.6 Methodology 6

CHAPTER 2: LITERATURE STUDY 8

2.1 Introduction to retail decentralisation 8

2.1.1 What is decentralisation? 8

2.1.2 International Context 8

2.1.3 South African Context 10

2.2 Paarl Mall and Lady Grey Street 12

2.3 Effects of Decentralisation 14

2.4 Conclusions 16

CHAPTER 3: METHODOLOGY DESCRIPTION 17

CHAPTER 4: QUANTITATIVE ANALYSIS 19

4.1 Nominal GVA Data Analysis 19

4.2 The Socio-Economic Status of Paarl 22

4.2.1 Age Analysis 22

4.2.2 Income Distribution Analysis ... 24

4.2.3 Employment, Unemployment and the Not Economically Active Analysis ... 25

4.3 Paarl Store assistant survey and their perceptions ... 31

4.3.1 The effect of Paarl Mall on business operations according to business operators in Paarl ...31

CHAPTER 5: CONCLUSION ... 36

5.1 Does the overall picture contribute to the mall having a positive or negative effect on the CBD? ...36

5.1.1 Literature Findings ... 36

5.1.2 What were the effects of retail decentralisation on Paarl? ... 37

5.2 Policy Implications ... 39

5.3 Future Research ... 40

REFERENCES ... 42

PERSONAL COMMUNICATIONS ... 47

APPENDICES ... 48

APPENDIX A: QUESTIONNAIRE / INTERVIEW QUESTIONS ... 48

TABLES

Table 1: Municipalities with high growth potential towns and decentralised malls.. 19
Table 2: Percentage Change in employment, Unemployment and Not Economically Active Population in Paarl suburbs for 2001 to 2011 30
Table 3: Summary of the Findings of the Study.. 37

FIGURES

Figure 1: Locational Map of Paarl 3
Figure 2: Paarl Mall Map 12
Figure 3: Improvement of Central Business District Masterplan 13
Figure 4: Gross Nominal GVA for high growth potential towns 20
Figure 5: Percentage Change in GVA from previous year 21
Figure 6: Age Distribution of Paarl for 2001 and 2011 22
Figure 7: Percentage Change in age categories from 2001 to 2011 in Paarl. 23
Figure 8: Monthly income levels of Paarl for 2001 to 2011 24
Figure 9: 2001 Employed, unemployed and not economically active population per suburb 25
Figure 10: 2011 Employed, unemployed and not economically active population per suburb 26
Figure 11: 2001 – 2011 percentage difference in unemployment by suburb in Paarl 27
Figure 12: 2001 – 2011 percentage difference in employment by suburb in Paarl 27
Figure 13: 2001 – 2011 percentage difference in not economically active by suburb in Paarl 28
Figure 14: Proportion of answers for Question 1:'Do you think that the mall has had a negative effect on the town centre?' 31
Figure 15: Proportion of answers for Question 2:' Where would you prefer to shop?' 32
Figure 16: Proportion of answers for Question 4:'Do you think that the state of the infrastructure at the mall is of a greater quality than at the town centre?' 32
Figure 17: Proportion of Answers for Question 3: 'Are there any fluctuation \s or irregularities in the numbers of customers?' 33
Figure 18: Proportion of answers for Question 5: 'Do you think it is necessary to fix up the CBD' 34
Figure 19: Proportion of answers for Question 6:' Do you prefer to work in town or in the mall?' 34
Figure 20: Proportion of answers for Question 7: 'Do you think the situation of the town centre and the mall change soon?' 35

APPENDICES

Questionnaire/ Interview Questions……………………………………..……………………………………48

ABBREVIATIONS AND ACRONYMS

Central Business District (CBD)……………………………………………………………………………..1

Provincial Development Framework (PSDF)………………………………………………………..........2

Statistics South Africa (Stats SA)………………………………………………………………………………3

Spatial Development Framework (SDF)…………………………………………………….……….…...4

Public-Private Partnership (PPP)……………………………………………..……………………………......5

Geographic Information System (GIS)……………………………………………………..……...……...17

CHAPTER 1: INTRODUCTION

1.1 Background

Retail decentralisation has occurred for many years worldwide and refers to retailers and businesses relocating from central areas towards the edge of the city (Schiller, 1988). The last 40 years have witnessed a shift of a large percentage of the commercial activity from the CBD towards the edge of the city (Schiller, 1988). Processes such as urban blight and suburbanisation have contributed towards the shift from the traditional town centre towards out-of-centre developments occurring in many cities. Decentralisation of retail began with the continued expansion of the built-up area in the post-war years and the increasing ownership of private motor cars by consumers, which followed with clusters of decentralised retailers and numbers of business nodes increasing and expanding (Beavon, 2010).

The effect of retail decentralisation on traditional CBD's has been a recurring issue well represented in literature (see Bourne, 1992; Broadway, 1995; Morris, 1997). The rapid expansion of decentralised shopping centres has resulted in a precipitous decline of business activity in CBDs (Hall & Breheny, 1987). More simply put, suburban shopping malls have a deteriorating effect on the CBD's of towns. An example of this occurrence is in the North-West of London where many British high streets are deteriorating and some are in a critical condition. The steady march of out of town developments with ample parking and, more recently, of internet shopping means the proportion of retail spending captured by town centres further declined. This, according to Schiller (1988) can be seen in property prices of inner cities, the behaviour of retailers as well as the location of new shopping developments.

As a result of shifting demographics, household downsizing, more educated consumers, new channel formats as well as other trends that are requiring the retail industry to quickly adjust and modify existent models, in South Africa, the retail industry is changing and becoming more complex (PricewaterhouseCoopers and TNS Retail Forward, 2007). For example, in Johannesburg, the continuous development of larger suburban and out of centre shopping malls, which are around 5000m^2 and 15 000m^2 in size, the composition of the decentralised retailing is indicative of a lasting trend (Beavon, 2010).

Since the end of apartheid, there has been a great amount of interest in small-town developmental issues (Donaldson, et al., 2012). A shift in the growth of larger centres that have extended service fields and a more diversified economy and which often displaced and absorbed the functions of smaller towns in their area has occurred in the Western Cape. This has had a major effect on local economies of smaller towns with more retailers being absorbed into the larger centres. The Western Cape Provincial Spatial Development Framework (2014) confirms the international trend that retail and office decentralisation trends have a negative impact on the performance of town centres and that these impacts primarily relate to lack of integration. Town centres struggle to recover from the negative impacts resulting from competing centres. This trend is especially harmful for smaller towns. In many cases, these towns are heavily reliant on cultural and historical monuments and buildings located in town centres, which act as economic catalysts. With comparably fewer opportunities for economic investment and the associated ability to revitalise inner city areas than its larger city counterparts it could struggle to recover (Western Cape Government, 2014).

The study area of this paper is Paarl, a town located in the Western Cape Province of South Africa. It is rich in terms of cultural and heritage assets and is home to the Afrikaanse Taalmonunent (Van Zyl & Rossouw, 2016). Many small towns in South Africa have experienced gradual economic decline of their town centres hosting cultural and heritage resources. The presence of these assets, which are worthy of protection from a National cultural heritage point of view, elevates the possibility of negative consequences for towns such as Paarl and its CBD resulting from processes such as retail decentralisation. Historically the traditional CBD contained the greatest concentration of offices and retail stores and reflected the town's highest land values and its tallest buildings (Murphy & Vance, 1954). Therefore, the CBD had the greatest amount of pedestrian and vehicular traffic meaning the highest economic output from the CBD. This had been the case for the proposed area of study, however, the gravitation point of the traditional economic centre, similar to other towns in South Africa, has subsequently moved to the periphery of Paarl since the development of the Paarl Mall in 2005.

Despite the debated consequences of retail decentralisation discussed in international and local literature, the Western Cape Government approved the proposal for the Paarl Mall and concurrently identified a number of potential benefits of the Paarl Mall for Paarl (Western Cape Government, 2014). Benefits related to evidence from previous studies are when designed, planned and located appropriately, commercial as well as office developments can assist in improving the economic performance, usability, attractiveness and experiential quality of a town centre (Western Cape Government, 2014). According to the Western Cape PSDF (2013), in centre and edge of centre developments are the recommended locations. Edge of town centre or Greenfield developments are mainly dominated by non-retail land uses and is within walking distance from the town centre whilst in centre developments is locate in the historic town centre (Guy, 1998). These locations are recommended for new large scale commercial or retail developments seeing as they have the least negative and most positive impacts on the town centre and overall town economy.

Malls also add to the competitiveness of the town and region by retaining and increasing consumer spend (Western Cape Government, 2014), thereby stimulating local economies. Employment is expected to increase as well, because of the increase in retailers in malls. An expected 1 job / 300m2 of retail was anticipated in the Paarl Mall (Western Cape Government, 2013). The size of Paarl Mall is about 37 037.62m² (Paarl Mall, 2012). The mall was expected to create 123.44 jobs in the area. The intention of the study is to investigate the legitimacy of the expectation of positive benefits yielded by the approval of the Paarl Mall. This will occur by investigating the economic and socio-economic conditions in Paarl over time since the establishment of the Paarl Mall, as well as by assessing the perceptions of retailers in the CBD and Paarl Mall regarding the impact of the Paarl Mall.

1.2 Study Area

The area of study is the town of Paarl, which falls under the jurisdiction of the Drakenstein Municipality. According to the Western Cape Government Municipal Economic Review and Outlook (2015), Drakenstein is one of the Western Cape's largest economies. Paarl falls under the jurisdiction of the Drakenstein local Municipality, which means that the area can be associated with high economic growth rates. Paarl is the main economic hub and administrative centre of the Drakenstein Municipal area (Drakenstein Municipality, 2010). According to Stats SA (2011), the town is home to approximately 112 045 people. The town has a CBD as well as a shopping mall on the periphery along a national road. These two areas of retail and economic activity are located approximately 3.9 kilometres from one another.

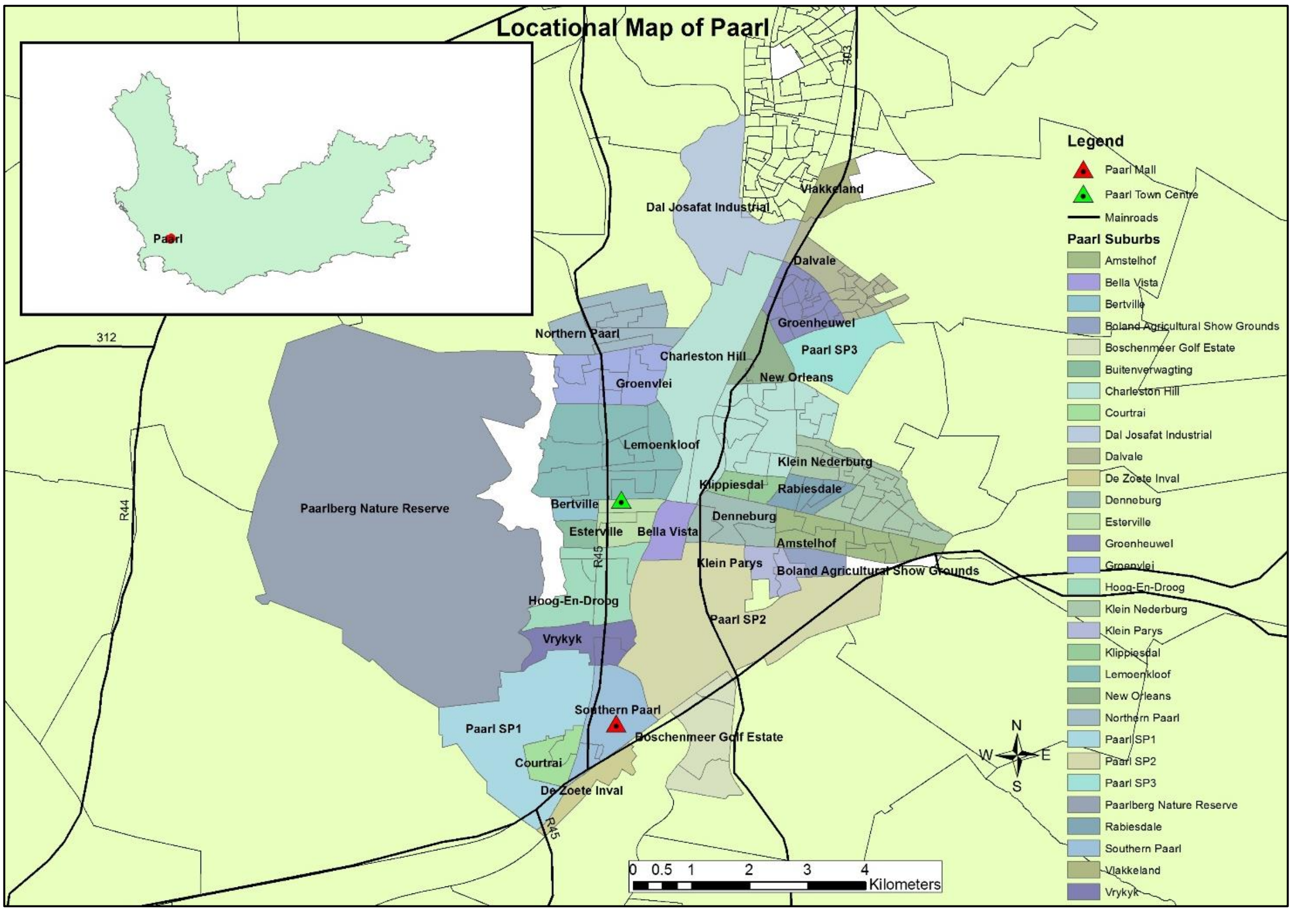


Figure 1: Locational Map of Paarl

The Drakenstein area has been classified as an area with very high economic and growth potential in a study by Donaldson et al. (2012) that investigated the growth potential of towns in the Western Cape. This study was based on poverty, human development, human resource quality, population structure and growth, retail and services, tourism potential, economic size, diversity and growth, availability of water, natural potential, land availability, transport and communications infrastructure, governance, safety and security (Donaldson, et al., 2012). The high economic growth potential of Drakenstein may be ascribed to by its strong spatio-economic and functional relationship with the Cape Town Metropolitan Area (Donaldson, et al., 2012). Paarl Forms part of the greater Cape Town functional region in which it plays the role of the Cape Winelands service and admin centre, which provides tertiary education and is a popular tourist destination (Western Cape Government, 2016). Considerable amounts of interaction occur with the Cape Town Metropolitan area, which is approximately 60 kilometres away. Although the Drakenstein area is classified as a high economic potential area or area with high developmental potential, its infrastructural performance can still improve (Donaldson, et al., 2012).

According to the Drakenstein Municipal Spatial Development Framework (2015), Paarl is the economic hub of the Drakenstein Municipality and the focus of interventions should be on increasing the efficiency of the urban structure of the Paarl area. This can be accomplished through increasing the economic output in nodes within the area. One of the development nodes falls within the Lady Grey street area, which is the CBD of Paarl. The Drakenstein Municipality also has many strategies in place in order to invest in urban renewal at key nodes, such as the area around Huguenot Station, the Paarl CBD and Paarl Station (Drakenstein Municipality, 2015). Plans such as the Huguenot Station Precinct Plan, Paarl CBD and Main Road Urban Design Framework and the Paarl’s Hamlet Master Plan for development are just a few of the future strategies (Drakenstein Municipality, 2015). The area in which Paarl Mall is situated is under considerable pressure for private development in the form of lower density upmarket gated-community type residential development as well. The Drakenstein SDF states that the traditional CBD of Paarl must be protected from decentralised commercial development. According to Drakenstein Municipality (2015), the municipality should protect the sense of place and also the town’s urban and cultural landmarks. The developments in and around Paarl Mall are not expected to influence the Paarl CBD negatively.

Paarl Mall has been a relatively influential economic trigger and functions exceptionally well due to a great variety of shops, monitored parking facilities and a hygienic area with good logistical access (TCN, 2008). The Mall hosts many stores and is a key destination for shoppers. Many of the main businesses situated around Lady Grey Street are the anchor tenants in Paarl’s CBD. This may have somewhat changed recently since the town has acquired a Mall in 2005.

Lady Grey Street forms a link between Paarl East and Paarl West. The Paarl CBD is aligned along this street. Lady Grey Street has showed neglect and signs of a downturn in the last decade because of higher vacancies and many high-retail brands leaving (Drakenstein Municipality, 2015). The CBD has experienced a rapid increase in crime as reported in anecdotal interviews with store managers and clerks and is also noticeable is a strong security presence along Lady Grey Street.

The opening of Paarl Mall in 2005 was perceived as a threat to businesses in the CBD at the time because it offers a larger variety of retail and parking space is available in abundance. Many well-known stores abandoned the CBD to move towards the newer vacant spaces offered by the Paarl Mall. (Drakenstein Municipality, 2015). Following the noticeable decline of business activity in the CBD, plans to reinvest in the Paarl CBD was proposed by Drakenstein Municipality in partnership with a private company called Anytime Investments (Drakenstein Municipality 2016, Pers Com). A Public-Private Partnership has been agreed on in order to improve security as well as the overall experience of the Paarl CBD. In 2009, a proposed lease of municipal land and public space for the redevelopment of a section of the Paarl CBD was agreed. The Drakenstein SDF (2015) also notes that agreements to improve pavements as well as parking areas have been the main priority of plans for urban renewal. The PPP that was approved by the various stakeholders also promotes the cosmetic improvements of the Paarl CBD.

1.3 Problem Statement

The Paarl CBD, predominantly Lady Grey Street, used to be the main commercial node of the town. However, since the establishment of a mall in 2005 on the edge of the town (as approved by the local municipality) the commercial activity along Lady Grey Street has witnessed a steady decline. The approval of the Paarl Mall was motivated based on a PSDF specialist study that suggested that the mall could contribute to local economic development in Paarl and therefore improve the socio-economic conditions of those living in Paarl (Western Cape Government, 2013). It was also identified that the development proposal for the mall aligned with the policies put forward by the Drakenstein Municipal SDF (Drakenstein Municipality, 2015). In view of the gradual decline of the CBD, the question arises as to whether the assumptions made by the local municipalities and the PSDF was correct at the time. This assumption was that; Paarl Mall would improve the overall socio-economic conditions. The purpose of the study is therefore to investigate whether in Paarl; the effect of retail decentralisation has had a positive or negative effect on 1) the overall economy of Paarl, 2) socio-economic conditions in Paarl and 3) business operations in the CBD.

1.4 Research Questions

The paper will aim to determine whether Paarl Mall has had a negative or positive effect on the overall town economy, the socio-economic conditions in town, and the business environment of the CBD.

The following research questions are posed in order to prove the validity and outcome of the study:

- How and why did retail decentralisation take place in Paarl?
- Did the overall economy of Paarl improve since the establishment of the mall?
- Have the socio-economic conditions of people living in Paarl improved or declined since the establishment of the Paarl Mall?
- Did the establishment of the Paarl mall have a negative or a positive effect on business operations according to business operators in Paarl?
- Can it be reasonably deduced that the Paarl Mall has had a negative or positive effect on the Paarl town centre?

1.5 Hypothesis

The impact, which Paarl Mall has had on the town of Paarl, is questionable. Although the Provincial Spatial Development Framework (2014) has predicted a positive effect on the town of Paarl, the town centre has changed for the worse and the overall socio-economic conditions did not improve. The hypothesis is that retail decentralisation in this instance did not lead to the growth and stimulation of retail uses in the city centre but it rather has a beneficial effect on the retail of out of town centre retail schemes at the expense of the town centre. One can deduce that off-centre retail schemes thus have a negative effect on towns and town centres of smaller towns as it diverts economic spending power out of traditional high street shopping areas. Peripheral developments will have a negative effect by diverting individuals into enclosed malls and centres and do not improve socio-economic conditions in surrounding areas of the study area despite the argument made by the Western Cape PSDF that such a development will have a positive effect on the town of Paarl.

1.6 Methodology

The research questions, as mentioned below, will be answered by means of the following:

<u>How and why did retail decentralisation take place in Paarl?</u>

A Qualitative study will be used to identify the historical process and progress concerning the decentralisation of economic activities on an international level. This will provide background on how other countries are experiencing this phenomenon and why it is occurring. In addition, other towns and provinces in South Africa's approaches to retail decentralisation will be investigated to track the process of retail decentralisation nationally. The policies put forward by the Drakenstein Spatial Development Framework will be studied in order to understand the municipal position on support for establishment of peripheral development nodes. Thorough scrutiny of municipal plans and policies as well as information obtained from a discussion with municipal officials about the establishment of the Paarl Mall will be necessary. This all in turn will provide information on why the development has been approved what was to gain from it.

Did the overall economy of Paarl improve since the establishment of the mall?

In order to provide a comparative basis for the analysis of the Paarl economy, nominal GVA data on comparable towns in the Western Cape were used to show the average growth per municipality, the percentage increase in growth or decline as well as the Western Cape's provincial average for the years 2001 to 2015. The results will provide an indication of whether towns with recently established decentralised retail have experienced higher comparable GVA than towns without.

Have the socio-economic conditions of people living in Paarl improved or declined since the establishment of the Paarl Mall?

A quantitative analysis will be done in this instance by making use of census data comparing socio-economic indicators between the period of 2001 and 2011. Age, employment and income will be considered in this case. Trends should emerge from this analysis.

Is there the perception that the Paarl mall has a negative or a positive effect on business operations according to business operators in Paarl?

Perceptions will be obtained through conducting interviews with shop managers/employees in the CBD and in Paarl Mall. These interviews will be done through semi-structured interviews. This aims to provide narrative anecdotal evidence which will illustrate the perception of individuals involved in business operations in both locations as to what effect the mall had on the town centre. The questions posed will be open-ended in nature. About 30 shop assistants or managers will be interviewed in public spaces and will be selected at random. A random selection on stores will take place as well with no special preference given to any outlet.

Can it be reasonably deduced that Paarl Mall has had a negative or positive effect on the Paarl town centre?

Through synthesizing all of the above analyses this will be answered. The overall situation of Paarl and the effect the decentralised mall has had on the town will be answered.

CHAPTER 2: LITERATURE STUDY

2.1 Introduction to retail decentralisation

2.1.1 What is decentralisation?

Decentralisation means the breaking up of large cities into widely separated small towns, or the movement of the industries, retailers and the residential population from the centre to the periphery of the urban area (Hoyt, 1941). The same is applicable to retail decentralisation. Decentralisation, in its simplest form, is described as a general move from the centre of cities towards the edge of cities (Galster, et al., 2001). Changes in employment and income levels are often associated with retail decentralisation. Decentralisation is interrelated with polycentrism. It is noted as a principle of Dutch spatial planning which aims to disperse economic development from overly congested regions and to achieve the re-concentration of urban centres in lesser-developed regions (Hall, 2002).

Urbanisation theory explains retail decentralisation. The main decentralised movements of economic activities and residents are explained by this theory. To describe the decentralisation of malls the urbanisation cycle will be discussed as seen by Champion (2001). The urbanisation cycle starts with the formation of the primate city. This is the rapid in-migration of people from rural areas towards urban areas. As the population increases because of continued in-migration, the primate city expands and suburbs emerge towards the edge of the city centre. The second phase is suburbanisation in which the primate city expands and causes further congestion problems. The third phase is that of counter-urbanisation where decentralisation takes place. People move out of metropolitan areas and towards smaller villages and cities that surrounds the city. People as well as their places of employment moves towards the smaller villages which is surrounding the metropolitan area. The fourth and final stage is that of re-urbanisation. This is the trend in which people move back to the CBD. Evidence of this model is visible in many North American cities.

Decentralised shopping malls are visible around the world. Many shopping malls are located at decentralised locations far from the city centre and are mainly only accessible by car. Decentralisation has occurred in the developed world, more specifically in the USA as well as in the UK. Urban decentralisation occurred after the rapid centralised growth trends of the 19th century. Evidence shows that cities had started to decentralise in the USA when the formation of suburbs occurred. According to Wassmer (2002), the suburbanisation of retail activity occurred because of migration of metropolitan centres away from central cities and a shift towards suburbs, an increase in metropolitan residents with a greater percentage of them preferring to live in the suburbs with the falling automobile transport costs, which also reduced the dependency towards central location shopping. This section will provide more clarity on the phenomenon of the decentralisation of shopping malls.

2.1.2 International Context

The process of decentralisation occurs because of people drawn to city centres in earlier stages of economic growth. As economies mature, due to the process in the urbanisation cycle, usually the more affluent citizens move towards outer suburbs (Bruegmann, 2005). This is the process of decentralisation and is associated with the retail component in many cities. After the two world wars many older CBDs in the USA, which have aged without any adequate reinvestment, were at risk as many newer shopping districts have developed further out from the city (Bruegmann, 2005). In the 1950’s this was compounded due to the post-war baby boom, and cities became overcrowded, slum like and dangerous. This is due to the moving out of people who previously inhabited the buildings in centres and less people remaining in the city. This in turn resulted in buildings becoming dilapidated. The rise of large-scale suburban shopping malls occurred during this period. People flocked towards peripheral areas with safer environments and perceived better economic opportunities. Regional shopping centres have been labelled as a convenient scapegoat for observers who lament the decline in vitality of the central city (Bruegmann, 2005). In the 1950’s and 1960’s much of the retailing has been in the form of the growth of shopping malls. However, since the early 1970s various distinctive forms of retailing have emerged; hypermarkets and super stores, freestanding retail warehouses, clusters or 'parks' of planned and unplanned retail warehouses, and now regional shopping centres (Hall & Breheny, 1987).

In London the process of decentralisation was especially evident. London is a virtuous example of this phenomenon since it was the largest and most economically dynamic city in the Western world in the early modern period (Bruegmann, 2005). From the piling up of populations and commercial industries at higher density central areas, arose a countervailing movement of people moving towards the urban periphery. The need for a sheltered space for trade and transactions was identified for London. Early malls originated in London with the Royal Exchange. London’s need for a place with covered walks had long been proposed in the early years as well. Traders tended to meet twice a day, at noon and in the evening at each street, specializing in various kinds of business (Baer, 2007). This was one of the earliest forms of enclosed streets being used as shopping centres in cities (Hall & Breheny, 1987). Other prominent decentralised shopping centres in London are Canary Wharf and Royal Albert Dock in the Docklands area of London. Some of the other most prominent decentralised shopping malls in the United Kingdom to name a few are Metro Centre in Newcastle, Merry Hill Mall in the West Midlands, Meadowhall Centre in Sheffield and Trafford Centre in Manchester (Lowe, 2005; Pacione, 2009).

In the USA, the movement outwards by people in the 1920’s was even more of a mass movement than that of Europe (Bruegmann, 2005). The increase and expansion of retail and office uses in older downtowns caused a rapid decrease in the numbers of people living in city centres. This was because of the sheer amount of congestion and offices occupying the area. In the latter part of the 1920’s retail also decentralised wherein large new commercial districts appeared in or partially outside central cities such as Chicago (Bruegmann, 2005). Several decentralised shopping centres exist in Chicago such as Hawthorne Centre, Stratford Square and Orlando Square. These shopping districts rivalled the retail sales of traditional downtowns. Flight from blight exerts an influence on the degree of sprawl as seen the urban areas within the USA (Wassmer, 2008). People and businesses have moved out because of the deterioration of inner city areas.

The interstate highway programme championed by President Eisenhower that encouraged the construction of superhighways played a pivotal role in facilitating mass suburbanisation in the USA. The availability of land near highways has encouraged and made it possible to build highways and shopping malls in the USA at the time. During the period of 1960 to 1980 around 30 000 malls were constructed in the USA (Pacione, 2009). This is because of the availability of infrastructure and cheap land near superhighways. Interstate highways have shown increased economic growth and development in economically lagging regions (Rephann & Isserman, 1994). This along with increased private car ownership has increased the prevalence of shopping malls in the USA at the time.

Another major cause of urban decentralisation within towns is the movement of people who live in the city, towards communities with lower taxes on the fringes of the towns (Hoyt, 1941). Arguments also exists in that decentralisation occurs because of certain stores appealing to certain buyers (Doherty, 1943). People prefer a certain type of speciality good, which is found at these larger shopping malls that are often decentralised. Different stores cater for different classes. Higher order goods appeal to customers and will attract them to decentralised locations. A variety of stores are situated within retail malls and proves that merely no one store can completely satisfy the habits of all consumers in an area (Doherty, 1943). People also desire a variety of different products within a short distance and long travelling distances discourage many consumers. However when people make a habit of shopping in centres away from home, it is increasingly difficult for retailers to be able to regain their consumers as in the past (Doherty, 1943).

2.1.3 South African Context

Decentralisation is a strong morphological force occurring in many South African metropolitan areas such as Cape Town, Pretoria, Johannesburg, and Durban (Geyer Jr, et al., 2012). With the end of apartheid, cities inherited an unequal and racially distorted socio-economic state and urban form (Saff, 1998). Political transitions have influenced the CBD in South African cities in the past. The Democratisation of South African cities has influenced cities but affecting the racial composition of CBDs. For example, in Cape Town, there has also been a significant de-racialization of the town centre in recent times. Since the dawn of democratic dispensation in 1994, nearly three-quarters of South Africa’s population are urbanised and, irrespective of their race, live in cities and towns (Du Plessis & Boonzaaier, 2015). However, the South African urban form is still generally characterized by distorted spatial patterns, underdeveloped public transport infrastructure, unequal access to economic and social opportunities, as well as poorly located lower income settlements (Du Plessis & Boonzaaier, 2015).

In Sub-Saharan African countries urbanisation is visible more often than suburbanisation. This is because many of these countries are still developing and are only at the early stages of the urbanisation cycle (Pieterse, 2011). Suburbanisation is visible in developing country cities such as the metropolitan areas of Cape Town and Johannesburg, where economic decentralisation is evident.

Because of urban spread post 1994, the built-up footprint increase relative to the distance from the city centre provides an indication of the extent of the influence of policy measures to achieve improved levels of urban compaction (Du Plessis & Boonzaaier, 2015). However, some areas with more rapid growth are located outside of the centre of cities. In the case of Pretoria and Durban, the maximum increase occurred at distances of 20 km and 26 kilometres from the city centre and in Cape Town and Johannesburg at 32 kilometres and 38 kilometres respectively (Du Plessis & Boonzaaier, 2015). This demonstrates that decentralisation is occurring away from the centre of cities in South African cities. A more decentralised structure is emerging with the focus areas of most significant physical growth at increasing distances from the historical city centres in cities in South Africa.

In the greater Cape Town area, evidence of decentralisation exists. The core city is starting to lose its population in relation to the fringe of the city. This is evident in satellite centres, which are within the daily commuting area, as well as centres on the outskirts of the metropolitan daily commuting area. On the edges of Cape Town, Stellenbosch and Paarl the lateral spread of development has been eroding the landscapes of the Cape Winelands (Western Cape Government, 2016). This all is indicative of spatial deconcentration of the urban system of the Greater Cape Metro Region (Geyer Jr, et al., 2012; Western Cape Government, 2016). The spatial distribution and patterns of new commercial and industrial developments show some centralisation closer to city nodes but also is evident at fringe sub-centres. Cape Town has thus developed a somewhat multicentric pattern. This manifested through strong economic growth at the fringe of the city. Although the CBD of Cape Town is dominant, there is evidence of new development showing lower congruity than historic development patterns, demonstrating population and economic deconcentration (Geyer Jr, et al., 2012). Although a policy focus on infill development as well as concentration along corridors is obvious, the majority of new housing developments has taken place at peripheral locations within close proximity to the declared urban edge. In Johannesburg, the need for inner city regeneration has arisen as a result of the scale of historic suburbanisation. Projects are visible which are focussed on regenerating the Sandton and Newtown areas, which aims to provide affordable housing, and focussing on mixed-use land development (Bethlehem, 2013). The upgrading of surrounding roads, sidewalks and intersections are also planned for. Global trends such as the increase in off-centre developments and the needs of any post-industrial city has caused the need for regeneration (Garner, 2011).

Currently decentralisation is on the rise in South Africa. In South Africa, there has been evidence of the economic and urban regeneration benefits of ‘edge-of-centre’ locations for commercial developments as an alternative to decentralised locations (Western Cape Government, 2014). Edge of centre developments are situated at a location within easy walking distance, about 200 to 300 metres, of the primary shopping area and often provide parking facilities that serve the centre as well as the store, thus enabling one trip to serve several purposes (Department of the Environment, 1996; Guy, 1998). Examples of these edge of centre or greenfield retail developments in South Africa are Canal Walk, Tyger Valley Centre, Sandton City Mall and also Westgate Mall. Commercial benefits on the outskirts of towns clearly do not favour inner cities and town centres thus suffer because of it. In many of the examples above the effects of retail decentralisation may be prevalent.

2.2 Paarl Mall and Lady Grey Street

Paarl Mall was initially planned for in 2000 with an application for rezoning for the area from industrial use towards a special use business zone (Venema, 2016). The area in which it is currently situated has thus been rezoned for commercial use. The rumours of a mall being constructed were received by the media with great surprise. Retail decentralisation was initiated when a mall was proposed and then eventually developed in the Paarl area. Paarl Mall, which is a large regional shopping mall, was opened in 2005 adjacent to Paarl's Hamlet (TCN, 2008). A full offering of retail and parking options are provided for the consumer's preferences as is seen in Figure 2. The establishment of a mall was a major economic trigger in the Southern Paarl Area in which the mall is situated. More residential and commercial developments and improvements have occurred in the area of the mall and its surroundings in recent times. The Mall had conformed to the Spatial Development Framework as well as other relevant planning documents at the time of establishment (Western Cape Government, 2013). According to an official from the Drakenstein Municipality Spatial Planning Department (2016, Pers Com) who will remain anonymous, Paarl mall was planned to provide an increase in growth and

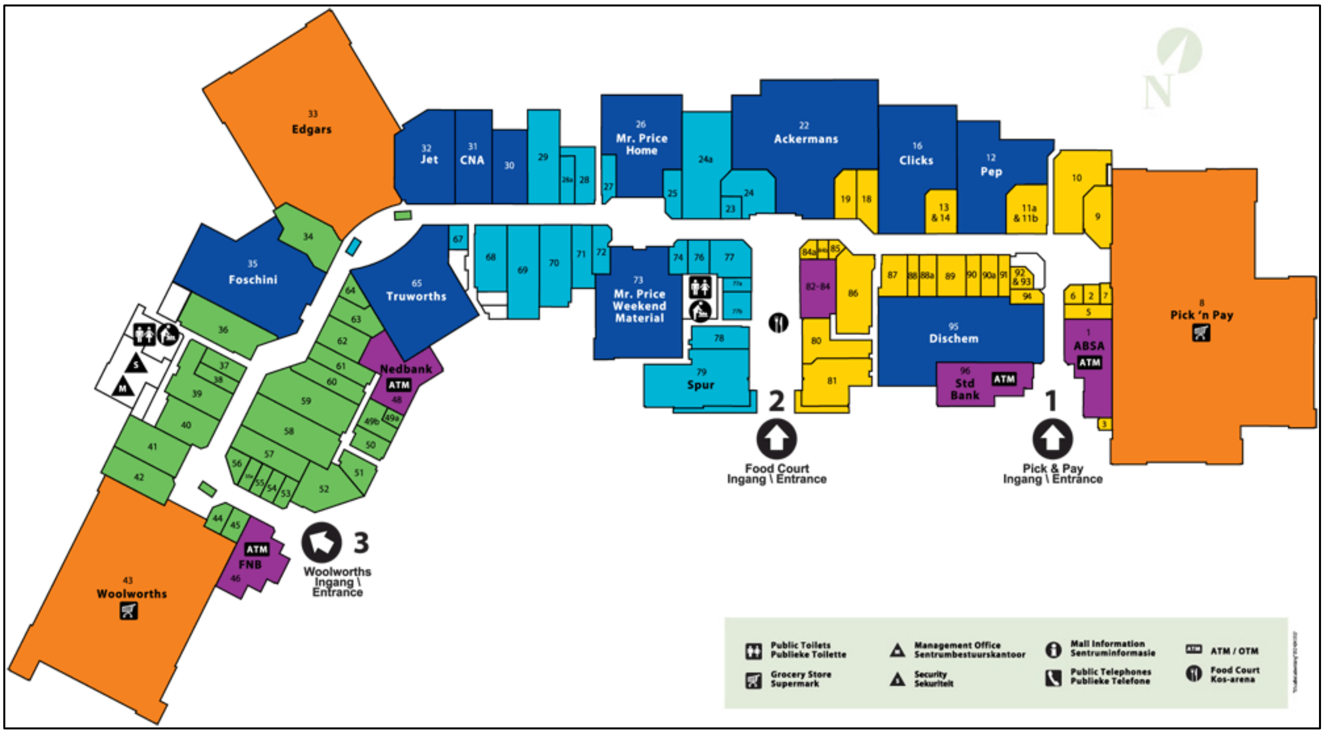


Figure 2: Paarl Mall Map *Source: (Paarl Mall, 2012)*

development in the area of Paarl. However, anticipated negative effects have also been planned for through a Public-Private Partnership with a company called Anytime Investments (Drakenstein Municipality 2016, Pers Com). In 2009 after various complaints about informal traders and the degradation of the CBD in and around Lady Grey Street, the PPP was agreed upon. This partnership aims to upgrade a portion of the Paarl CBD. The lease of property with aims to develop and to control parking has been included in this. This PPP aims to eventually revitalise the town centre. Figure 3 is indicative of the planned improvements and the areas involved. Paarl Mall on the other hand has been located at a fully decentralised location. (Western Cape Government, 2013).

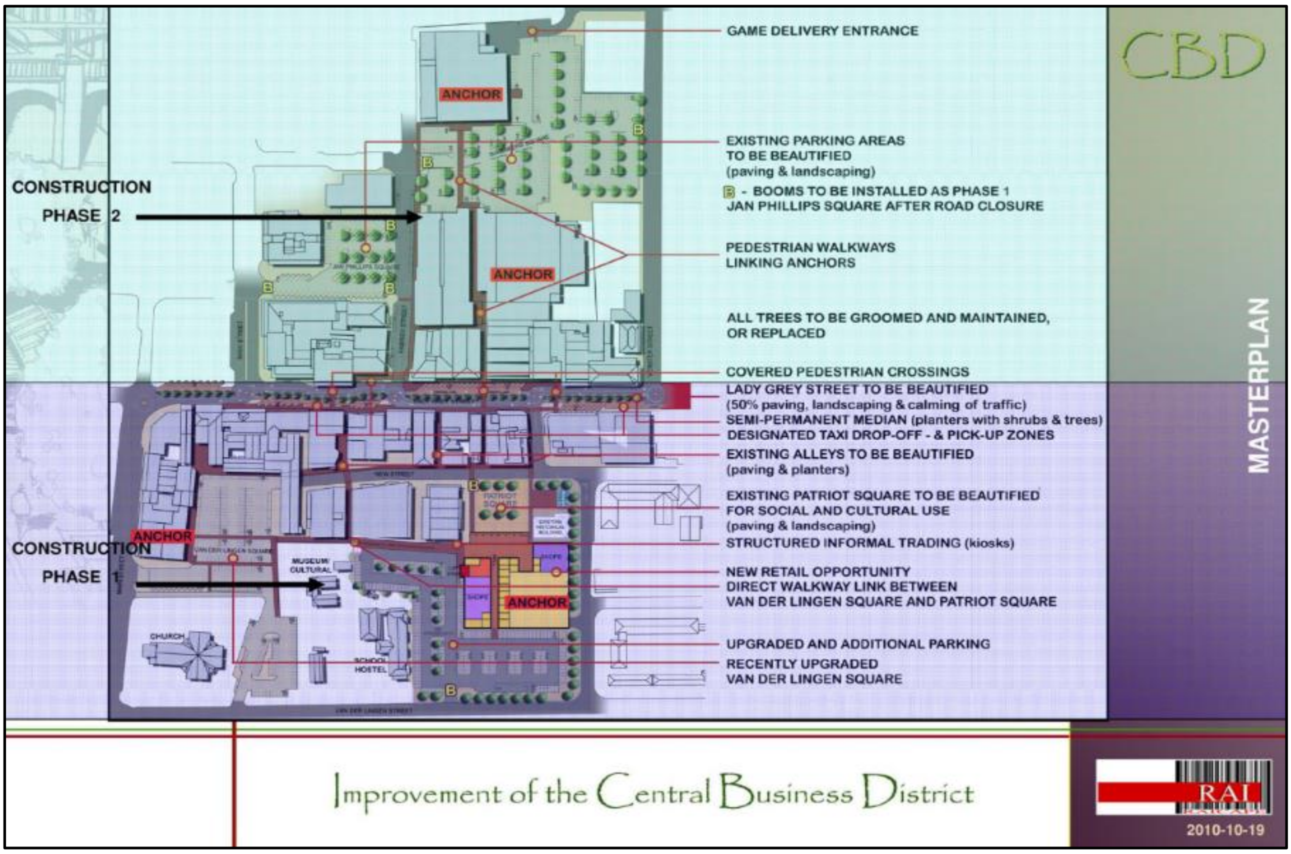


Figure 3: Improvement of Central Business District Masterplan *Source : (Drakenstein Municipality, 2017)*

Various media sources have predicted that the mall would have a positive impact. It is arguable that Paarl mall was initially approved because of Drakenstein Municipality, which is a smaller municipality, being more focussed and dependent on economic growth instead of emphasising efficient urban development and the conservation of valuable resources (Western Cape Department of Environmental Affairs and Development Planning, 2005). Smaller municipalities tend to be supportive of development proposals that contribute to local taxes and increased investment opportunities (Western Cape Department of Environmental Affairs and Development Planning, 2005). Certain towns in the Boland area in which developments have taken place have little regard for policies which are aimed at sustainability and urban growth and often opt to prioritise economic development. Municipalities such as these postulate that market forces dictate growth rather than the management priorities (Western Cape Department of Environmental Affairs and Development Planning, 2005).

Paarl Mall's location and development thereof has protected the heritage resources in the town against redevelopment, however other areas in turn may be affected. According to the Paarl's Hamlet Master Plan for Development (2008), the central business district of Paarl has decayed and become somewhat outdated. The decaying business environment in the historical town centre causes people to move towards the periphery of the town. An initiative to rejuvenate the town centre has been proposed but not initiated as of yet (Western Cape Government, 2013). This means that no recent parking & sidewalk improvements or a town improvement strategy has been done as of yet. This contributes to the negative effect on the centrally located heritage resources.

2.3 Effects of Decentralisation

According to The Western Cape PSDF (2014), it would be more beneficial to invest in town centres since it could create 2-5 more non-retail jobs. The Western Cape PSDF Specialist Study (2014) however also states that decentralised commercial centres has a negative impact on the performance of the town centre. These negative impacts primarily relate to a lack of integration to the town, increases in vehicular travel demand, mono-functional, stand-alone, introverted and sterile development, intrusion of agricultural land and sensitive land as well as retail cannibalism (Western Cape Government, 2014). The above mentioned thus clearly shows the effect of shopping malls on town centres. Retail locations are thus recommended at in centre and edge-of-centre developments New large scale commercial/ retail developments have the least negative and most positive impacts to the town centre and town as a whole if they are situated at the mentioned locations.

Literature indicates that the main anticipated negative impact on town centres is a loss of trade by pre-existing stores and centres resulting from new stores and centres being opened in cities at decentralised locations (Guy, 1998). People have preferred to go towards off-centred retail areas instead because of the diverse retail offering and the convenience of parking space. The attraction forces which larger retail shopping centres with a wider variety have is strong and affects town centres significantly. However, the enhancement of the business environment is often also initiated by decentralised developments. Retail decentralisation may however promote competition may help to stimulate the economy by providing more retail options. Competitive partnerships are initiated by the decentralised developments (Rogerson, 2012; Western Cape Government, 2013).

Decentralised developments may also mesh into the existing retail hierarchy, which may prove to be beneficial for the entire town (Schiller, 1988). Fewer problems are created for the resilient multiple retailer in a town as well, who can ensure against a sales loss in the town centre through obtaining space in the new scheme (Schiller, 1988). As mentioned earlier malls also add to the competitiveness of the town and region by retaining and increasing consumer spend. Retail decentralisation may thus be beneficial to the entire towns economy through this. Marshall's theory of agglomerations which states that firms cluster together to gain an economic advantage may also relate to the impact of clustered retailers at decentralised locations (Florida, 2003). The clustering together of retail firms at decentralised locations may provide businesses with an economic advantage which contributes to the overall economy of towns. Through contributing to the overall GVA the economies of towns will be stimulated by these new decentralised developments. A greater diversity of functions may lead to an attractive city, which will in turn also attract more investment when considering the economic impacts on smaller towns (Florida, 2003). Decentralised retail allows for more creative opportunities as and thus may stimulate the economic aspect of a town. Not a great amount of research has however been done on the complexity of the economic impact of retail decentralisation in South Africa.

Historically, smaller towns are linked with their hinterlands in both a social and economic context (Toerien & Marais, 2012). Economic effects are expected from this. A shifting economy may have an effect on cities. The growth of larger small towns and their CBDs usually comes at the expense of the hinterlands. According to

Toerien and Marais (2012) the changing economy has had an effect on small towns situated outside of metropolitan areas in South Africa. Smaller cities have notably been declining in South African cities whilst there has been growth at metropolitan and intermediate cities (Geyer Jr, et al., 2012; Venema, 2016). Economic activities in the South African rural areas have decreased at the expense of metropolitan areas improving (Toerien & Marais, 2012). Retail decentralisation may thus effect the economy by making certain functions obsolete. Towns that may have been dependent on agriculture, mining and fishing are likely to be affected (Donaldson & Marais, 2012). A loss of trade is expected to occur because of the capture of the consumer base obtained from existing centres as well as a change in the orientation of functions. However, the in-migration of people from agricultural areas stimulates the growth of a town through making themselves available to work in the city (Florida, 2003; Pacione, 2009).

The amount of floor space which off-centred developments utilizes is often quite large. The physical appearance of these developments have often also been criticized for being wasteful regarding the space which it utilizes. They are mostly utilizing space for parking which is an intrusion on the landscapes of cities (Guy, 1998). Landscapes are encroached upon and traffic impacts are also expected because of decentralisation. Increased amounts of traffic flowing outwards could contribute to congestion in towns. The physical deterioration of traditional shopping spaces in town centres often also occurs as well. The effects of decentralisation and social impacts can involve physical deterioration of traditional shopping centres, which includes losing long-term vacancies, the failure to modernise existing stores and lastly the replacement of good-quality or mass-market retail offers by lower-quality discounters (Guy, 1998). The town centres will feel these impacts. Councils in towns often also fail to renew and rejuvenate town centres which causes the town centres go through a period of urban-blight because of this. Emptying out in central areas occurs because of this and municipalities end up with problems to take care of.

2.4 Conclusions

The process of decentralisation occurs because of the opposite effects of concentration as more people are drawn towards city centres in earlier phases of economic growth. As economies mature, people who previously used to live in city centres move outwards towards outer area. This is the process of decentralisation and it is related to the retail component in many cities. People thus move out as a result which as discussed does not benefit the economies of inner city areas.

Decentralisation is considered as undesirable since it imposes a greater cost upon society than necessary. If the corresponding urban development had instead occurred in an area's central place or at a higher overall density it may result in the opposite. Decentralisation is associated with the shrinkage of 'in-town' populations which has caused town centres to struggle. There will thus be a substantial loss of trade which once again proves the negative effect of retail decentralisation. Efforts from public authorities to redevelop and upgrade existing centres has occurred but has also been associated with gentrification. This rejuvenation also caused the upgrading and shift in the socioeconomic status of a given neighbourhood at the expense of another neighbourhood.

The Western Cape PSDF Specialist Study (2014) has stated that decentralised commercial centres do have a negative impact on the performance of town centres. These impacts primarily relate to a lack of integration with existing developments and towns involved. However, it is argued that it is also supposed to create a better way of life through creating 2-5 more jobs in the area (Western Cape Government, 2014). When planned properly a decentralised mall would yield certain positive benefits relating to an increase in economic performance, appeal, usability as well as the experiential quality of the town centre (Western Cape Government, 2014).

CHAPTER 3: METHODOLOGY DESCRIPTION

In order to provide a comparative basis for the analysis of the Paarl economy, nominal GVA data on comparable high growth potential municipalities in the Western Cape were used to show the average growth per municipality and the percentage increase in growth or decline for the years 2001 to 2015. The results will provide an indication of whether towns with recently established decentralised retail have experienced higher comparable GVA than towns without. GVA data for the 10 towns with the highest growth potential was sourced from Quantec. Nominal GVA will be utilised. This Nominal GVA is an approximation since it is difficult to determine the absolute or real output of the various towns. The data used here is based on a municipal scale since it is the only available GVA data for this use.

A quantitative analysis was done by making use of census data comparing socio-economic indicators between the period of 2001 and 2011. Age, employment and income will be considered in this case. Firstly, an age analysis was done on Paarl. People’s income levels as well as the employment and unemployment levels as per suburb were processed. The levels of income will help to illustrate how people have possibly been benefitting or were affected negatively from the decentralised mall. The suburbs of Paarl, as provided by Quantec, was used. Shapefile data provided by The Centre for Geographical Analysis was also used. The small place boundaries and suburbs of Paarl were utilised and were used to plot employment, unemployment as well as the not economically active population by suburb in Paarl. The area of Paarl was studied accordingly as the mall’s effect regarding the socio-economic conditions in Paarl may have changed over the period from 2001 to 2011. The subsequent changes from 2001 to 2011 was analysed for the Paarl area specifically, excluding surrounding towns such as Wellington, Saron and Gouda. The socio-economic status pre and post establishment of the shopping mall will be assessed from this. The causality between the establishment of the mall and the results of the socio-economic analysis cannot definitively be determined however the results will be able to indicate observable trends since the introduction of an additional decentralised business node in town. This condensed data was also used to create graphs, tables and maps showing the percentage difference between employment and unemployment, between the years 2001 and 2011. A ten-year period was used, as it will indicate the change from before and after the establishment of Paarl Mall. GIS software in the form of ArcMap was used in order to create these maps. The percentage difference will be plotted on maps as per suburb from the highest to the lowest in Paarl. The employed, unemployed and not economically active population was each categorised on 5 classes from highest to lowest in each case.

Perceptions as to the effect of the Paarl Mall on the CBD were obtained through conducting interviews with shop managers/employees in the Paarl CBD and in Paarl Mall. These interviews were done through semi-structured interviews. This aimed to provide narrative anecdotal evidence, which will illustrate the perception of individuals involved in business operations in both locations as to what effect the mall had on the town centre. These interview questions were open-ended in nature. About 30 shop assistants or managers were interviewed in public spaces and were selected at random. A random selection on stores took place with no special preference given to any outlet.

Through synthesizing, all of the above the hypothesis will be tested. Interpretations based on a combined analysis and interpretation will determine whether the Paarl Mall has had a negative or positive effect on the Paarl economy, socio-economic conditions, and CBD environment. Taking all of the quantitative and qualitative analyses into account, informed interpretations was made with evidence to defend it. Trends and conclusions were also made from this as well.

CHAPTER 4: QUANTITATIVE ANALYSIS

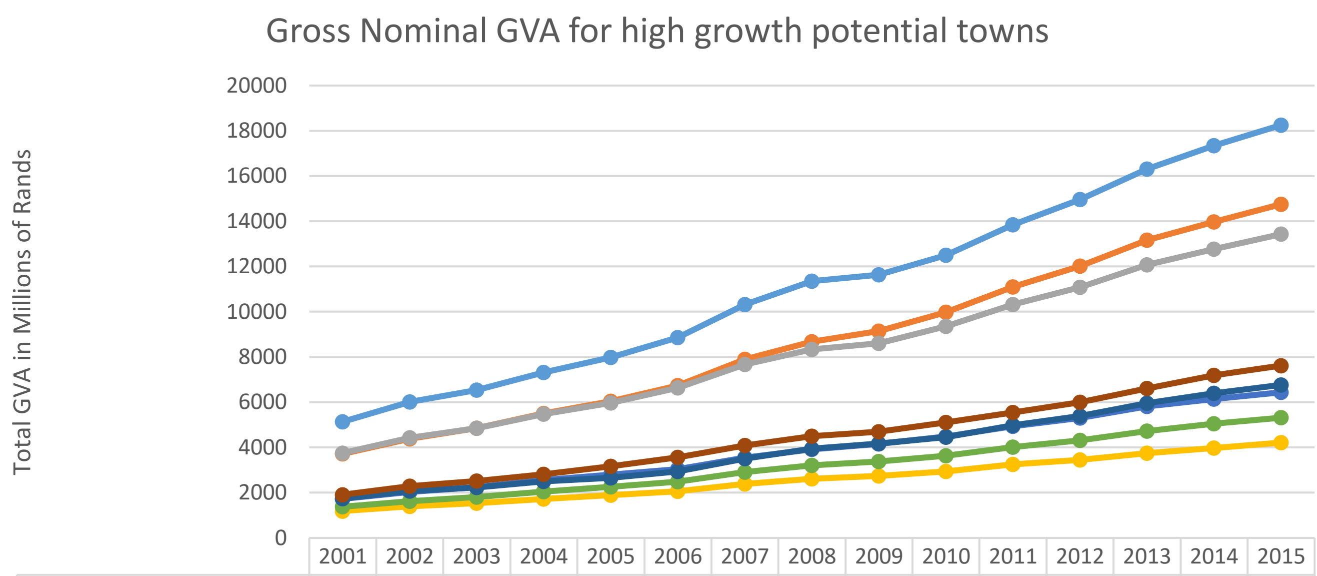
4.1 Nominal GVA Data Analysis

To provide more insight on retail decentralisation's effect on the Paarl area and its effect in other towns, a statistical analysis was conducted on the GVA of towns and their associated municipalities. The top 10 towns with high growth potential were considered, according to the Western Cape Government growth potential specialist study (2014). The Nominal GVA data of these towns was taken into account. These towns are Paarl, George, Stellenbosch, Knysna, Mossel Bay, Betty's Bay, Hermanus, Malmesbury, Vredenburg and Sedgefield. Of these mentioned towns, only seven have shopping malls and only six towns have decentralised shopping malls. Stellenbosch is the only town from those mentioned which has a central city shopping mall. Many of these towns have had their shopping malls established in recent years. Paarl Mall opened in 2005, Weskus Mall in Vredenburg opened in 2009 and Hermanus' Station Square commercial precinct opened late 2012 (Western Cape Government, 2013).

These towns were then narrowed down according to the municipal level since the GVA data required was only available at municipal level. These high growth potential municipalities are Drakenstein, George, Stellenbosch, Knysna, Mossel Bay, Overstrand, Swartland and Saldanha Bay. Table 1 indicates which towns forms part of which municipality. Some of these towns are situated in the same municipality and therefore municipalities were narrowed down to eight. Whether they may have decentralised malls is also indicated on Table 1. Most notably the towns with high growth potential do in fact have decentralised malls but there are also those with central city malls.

Table 1: Municipalities with high growth potential towns and decentralised malls.

Municipality	Towns	Decentralised Mall?
Drakenstein Municipality	Paarl	Yes(Paarl Mall)
	Wellington	
	Saron	
	Gouda	
Stellenbosch Municipality	Stellenbosch	No
	Franschoek	
	Klapmuts	
	Pniel	
	Stellenbosch Farms	
	Jamestown	
Saldanha Bay Municuplity	Saldanha	Yes(Weskus Mall)
	Hopefield	
	Jacobs Bay	
	Langebaan	
	St. Helena Bay	
	Vredenburg	
Swartland Municipality	Malmesbury	No
	Moorreesburg	
	Riebeeck Kasteel	
	Riebeeck West	
	Darling	
	Yzterfontein	
Overstrand Muncipality	Hermanus	Yes(Whale Coast Village Mall)
	Onrus	
	Hawston	
	Gans Bay	
	Betty's Bay	
	Kleinmond	
Mossel Bay Municipality	Mossel Bay	Yes(Langeberg Mall)
	Great Brak River	
	Brandwag	
	Boggoms Bay	
George Muncipality	George	Yes(Garden Route Mall)
	Herold's Bay	
	Wilderness	
	Uniondale	
Knysna Muncipality	Knysna	Yes(Knysna Mall)
	Sedgefield	
	Brenton-on-Sea	
	Buffels Bay	
	LEGEND	
	High Growth potential Towns	Yes has a decentralised Mall
		No decentralised Mall



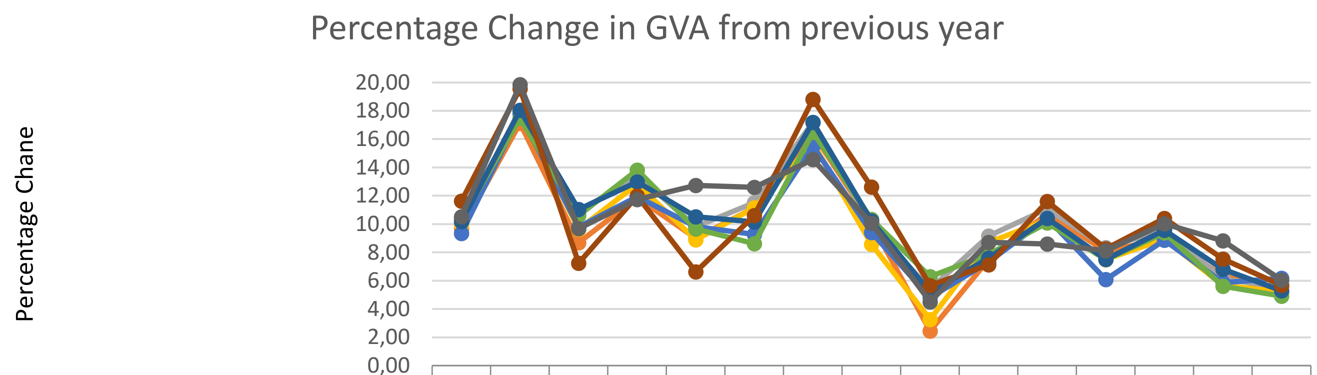
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Drakenstein (WC023)	5138	6017	6540	7317	7975	8864	10316	11353	11631	12505	13849	14966	16310	17348	18250
George (WC044)	3717	4380	4854	5507	6047	6742	7900	8678	9147	9985	11091	12016	13171	13975	14752
Stellenbosch (WC024)	3754	4429	4856	5479	5966	6631	7675	8333	8605	9354	10315	11090	12080	12765	13429
Knysna (WC048)	1192	1403	1540	1724	1894	2069	2390	2615	2740	2941	3248	3445	3751	3970	4215
Mossel Bay (WC043)	1729	2031	2247	2557	2804	3046	3548	3915	4162	4489	4942	5311	5810	6136	6438
Overstrand (WC032)	1380	1629	1808	2043	2257	2487	2914	3212	3378	3635	4014	4315	4727	5048	5316
Swartland (WC015)	1740	2080	2231	2498	2664	2947	3501	3943	4166	4463	4981	5392	5953	6401	6765
Saldanha Bay (WC014)	1914	2293	2516	2811	3169	3568	4088	4500	4703	5111	5551	6001	6603	7185	7619

Figure 4: Gross Nominal GVA for high growth potential towns

Figure 4 illustrates the gross nominal GVA from 2001 to 2015. The GVA in this instance shows the value of goods and services in a given area in Millions of Rands. The GVA has increased in most instances in the period from 2001 to 2015. The Drakenstein municipal area has the highest GVA and also has the highest growth according the figure above. George and Stellenbosch has also shown signs of high growth in GVA but is still considerably lower than Drakenstein. Other Municipalities such as Knysna, Mossel Bay, Overstrand, Swartland and Saldanha Bay has shown slower increases in their GVA.

There may be a predicted trend that municipalities with decentralised retail developments have showed higher GVA and growth than those without. The Stellenbosch and Swartland areas do not have decentralised malls (as seen in Table 1) but is still associated with higher GVA. High GVA and growth is thus non-specific since Stellenbosch does not have a decentralised mall. The Stellenbosch Municipal area however has as the third highest and the Swartland municipal area has the seventh highest nominal GVA of the top high growth potential municipalities. Municipalities with high growth potential may thus not have any decentralised shopping malls at all. Thus, municipal areas with high GVA is not necessarily associated with higher GVA and growth. Higher GVA and growth thereof is therefore non-specific and is not necessarily associated with the presence of shopping malls.

From Figure 4 it is visible that the GVA in the Drakenstein area has had the greatest visible increase in its GVA. Compared to other municipal areas with high growth potential and with decentralised shopping malls present in their associated towns, Drakenstein's GVA has had the largest improvement. This increase could be because of higher growth and development, which has arisen from the development of a shopping mall. As mentioned Paarl Mall opened its doors in 2005. In the period from 2006 to 2009 the GVA had a spike in growth in the Drakenstein area. An 11.14% to 16,39% and 10.05% increase is noted to have occurred in the years 2006, 2007 and 2009 respectively. About a 5.24% increase from the previous year was visible between 2006 to 2007. This is because more goods and services have been offered in the Drakenstein and Paarl area to be specific. This irregular spike in the GVA however did not last long. A more gradual increase in the GVA has occurred after the mentioned period.



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
P1D03M02: Drakenstein (WC023)	9,69	17,13	8,69	11,88	8,99	11,14	16,39	10,05	2,44	7,51	10,75	8,07	8,98	6,36	5,20
P1D05M04: George (WC044)	10,46	17,84	10,82	13,45	9,81	11,50	17,18	9,84	5,41	9,17	11,07	8,33	9,61	6,11	5,56
P1D03M03: Stellenbosch (WC024)	9,93	17,98	9,64	12,83	8,88	11,15	15,75	8,57	3,26	8,70	10,28	7,51	8,93	5,67	5,21
P1D05M07: Knysna (WC048)	9,33	17,74	9,79	11,94	9,81	9,28	15,50	9,40	4,81	7,33	10,41	6,08	8,87	5,85	6,16
P1D05M03: Mossel Bay (WC043)	10,32	17,49	10,62	13,82	9,66	8,61	16,49	10,34	6,29	7,86	10,09	7,48	9,39	5,62	4,91
P1D04M02: Overstrand (WC032)	10,18	18,05	11,03	12,98	10,50	10,16	17,18	10,21	5,19	7,60	10,41	7,50	9,56	6,80	5,29
P1D02M05: Swartland (WC015)	11,62	19,57	7,23	11,98	6,63	10,61	18,81	12,62	5,66	7,12	11,61	8,26	10,39	7,54	5,68
P1D02M04: Saldanha Bay (WC014)	10,51	19,85	9,69	11,73	12,74	12,60	14,57	10,07	4,51	8,70	8,59	8,11	10,03	8,82	6,04

Year

Figure 5: Percentage Change in GVA from previous year

The percentage change in GVA year-on-year is illustrated in Figure 5 above. The greatest increase was approximately between 17-19% in 2002. Signs of slowing growth is evident as this has decreased significantly in recent years. The GVA growth rate across all municipalities in this instance has decreased. In recent years, many of the increases have been below par compared to earlier years. This illustrates that the growth in GVA has not proceeded to increase with great aplomb although many new developments have been noticed in many of the municipal areas take into account. The GVA in the two municipalities without decentralised shopping malls shows similar trends to those with decentralised shopping malls. The Swartland Municipal area has however shown the largest increase in GVA in 2007 and 2008 despite it not having a decentralised shopping mall present. An increase in GVA was present from 2006 to 2007 by 18.81% and 2007 to 2008 by 12.62% in the Swartland Municipal area. In 2011 and 2013 it also showed the highest growth from the previous year as seen in Figure 5. Stellenbosch on the other hand illustrated more normal increases in GVA from the previous year. The Stellenbosch Municipal area has however demonstrated the second lowest growth from the previous year in 2009. Other than the mentioned, Stellenbosch has shown rather average percentage changes in GVA year on year. This all once again demonstrates that High GVA is non-specific and is not necessarily associated with municipal areas that have decentralised malls.

4.2 The Socio-Economic Status of Paarl

According to data sourced from Quantec, the following socio-economic conditions of the Paarl area can be observed. Through doing a statistical analysis, the following is prevalent:

4.2.1 Age Analysis

The population has shown an overall increase in Paarl. Some of the age categories may have however increased more disproportionately than others. The age analysis as shown in Figure 6 below illustrates that the numbers of the older population may have increased lesser than that of the younger population. A larger increase in the amount of younger people in relation to that of the older is visible in the age analysis. However, it may appear that the population may be ageing. This increase in the older age population and the youth can imply numerous things in the case of employment and income, which is discussed in the subsequent sub-sections.

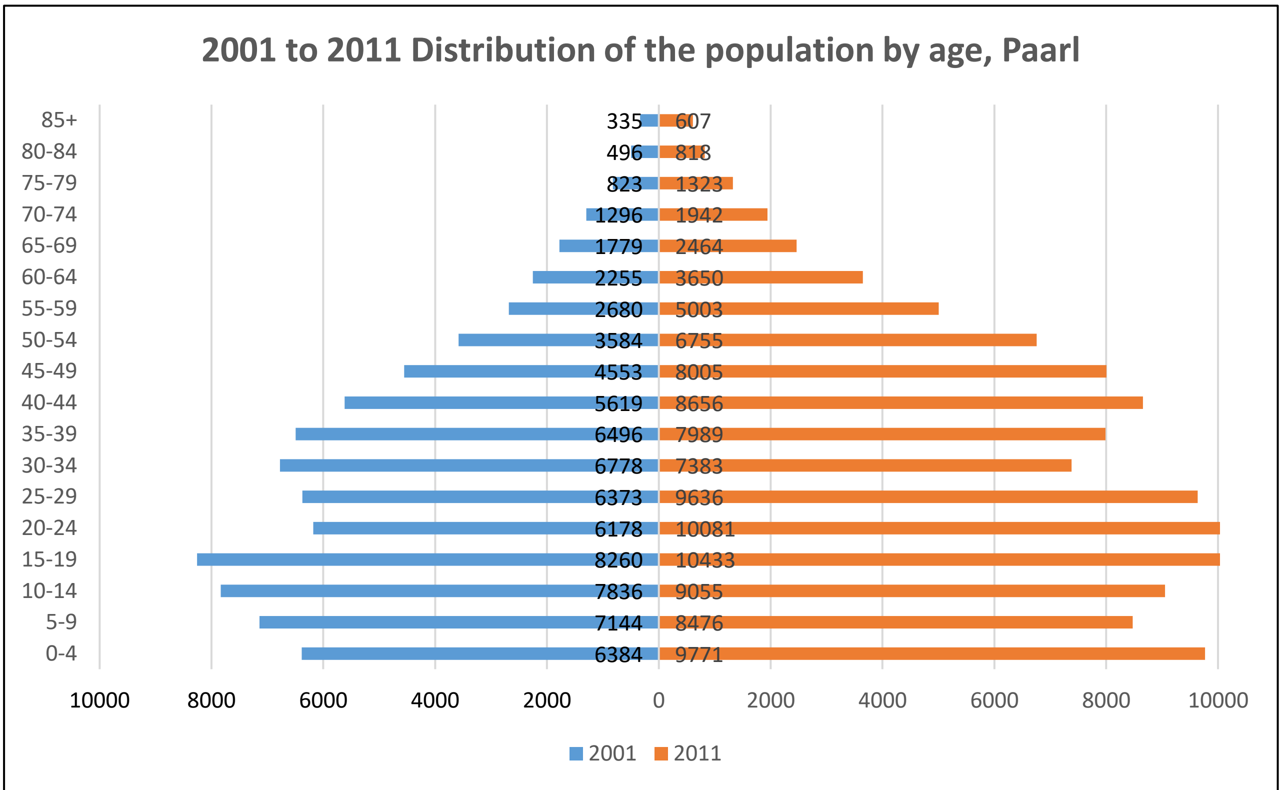


Figure 6: Age Distribution of Paarl for 2001 and 2011.

The town of Paarl has seen an increase in people who are 0-4, 5-9 and 10-14 years old which are classified as youths. These age categories are unable to work. More prominent increases are seen in people who are 15-19, 20-24 and 25-29 as noted in Figure 6. These categories make up most of the population. There has thus been an increase in younger people, which could have numerous implications. An example an increase in people who are students. These people may not be working at all.

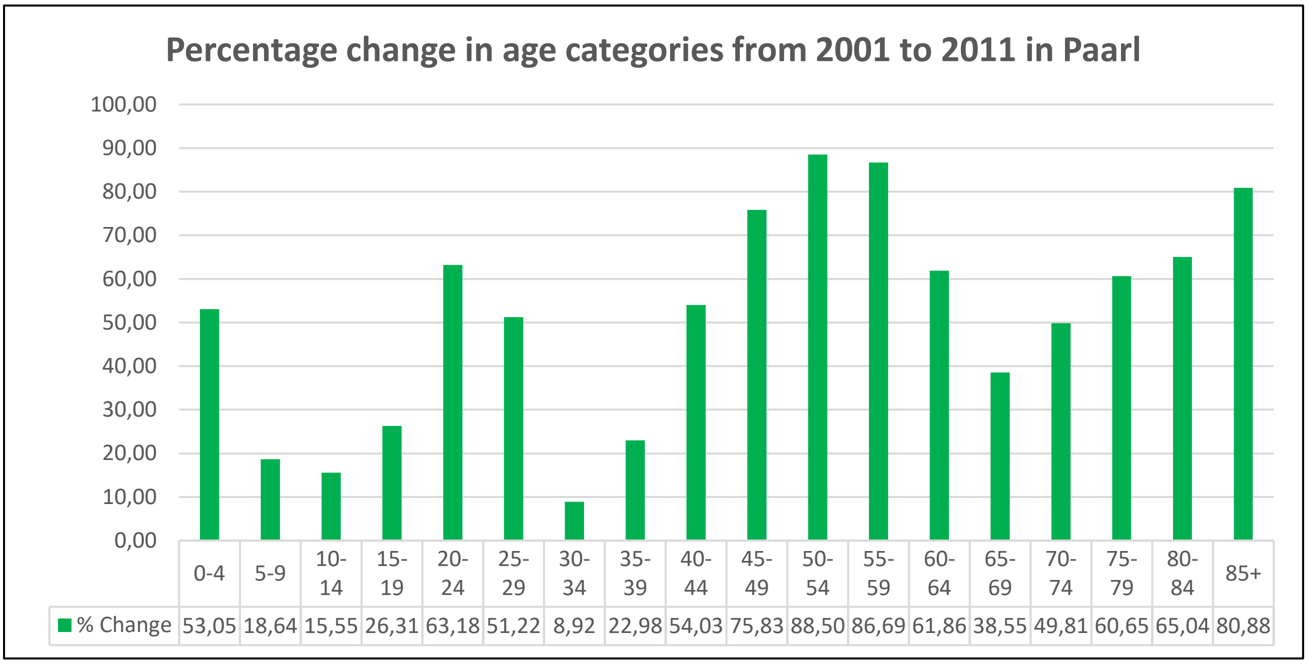


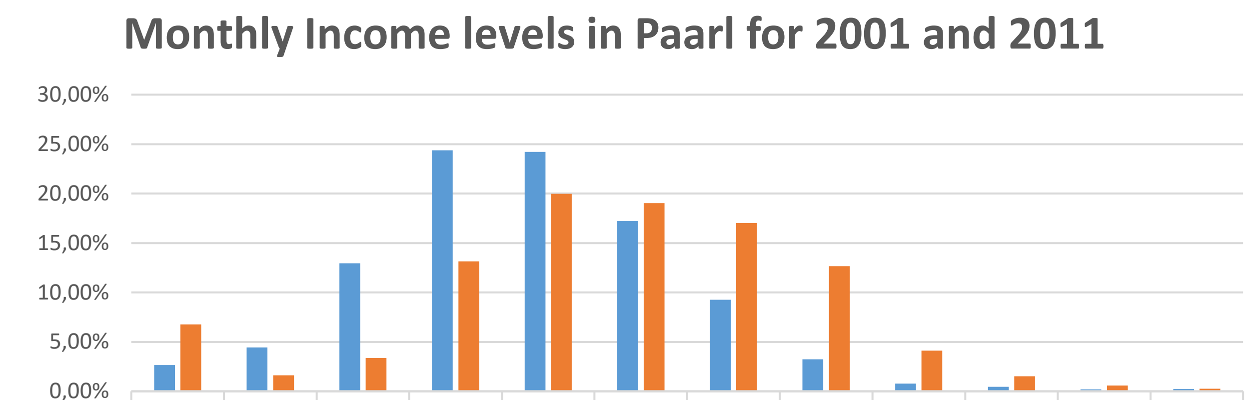
Figure 7: Percentage Change in age categories from 2001 to 2011 in Paarl.

Figure 7 above illustrates the proportionate increase of the various age categories. The highest increase has been noted in the 50-54 and 55-59 age category with 88.5% and 86.69% respectively. These ages are close to the retirement age of 60. Other older age categories such as the 70-74, 75-79, 80-84 and 85+ has also more than doubled. This reinforces the statement that the population of Paarl may be ageing through the older ages showing a greater increase. Younger age categories have also shown some significant increases. The highest noted increases in youths are in the 0-4, 20-24 and 25-29 age categories with 53.05%, 63.18% and 25-29% age categories. These categories have more than doubled. Increases These age categories also evidence of an increase in the population who are unable to work.

The age distribution has become more uneven as the town's population has increased from 2001 to 2011. Older people aged 50 and older have seen a significant increase. More people who are older and within close proximity of the retirement age group has also increased. A higher birth-rate has been observed in 2011. Increases in individuals who are not of working age contributes to the employment rates not having increased as well. The numbers of old people compared to younger is clearly uneven. The difference from 2001 to 2011 can be seen in Figures 6 and 7. The Age distribution in Paarl is uneven seeing that the older people in comparison to younger is relatively uneven.

4.2.2 Income Distribution Analysis

Shown below are the Income levels in Paarl for 2001 and 2011. Most noticeably, the number of individuals with no income in Paarl have increased since 2001. This may be due to the increase in the older population in Paarl and an increase in students and school children discussed in the age distribution sub-section.



	No income	R 1 - R 400	R 401 - R 800	R 801 - R 1600	R 1601 - R 3200	R 3201 - R 6400	R 6401 - R 12800	R 12801 - R 25600	R 25601 - R 51200	R 51201 - R 102400	R 102401 - R 204800	R 204801 or more
2001	2,65%	4,44%	12,96%	24,37%	24,21%	17,21%	9,25%	3,24%	0,79%	0,45%	0,21%	0,21%
2011	6,75%	1,61%	3,37%	13,13%	19,96%	19,02%	17,01%	12,65%	4,13%	1,53%	0,59%	0,25%
% Change	4,10%	-2,83%	-9,60%	-11,24%	-4,25%	1,82%	7,76%	9,41%	3,34%	1,07%	0,38%	0,04%

Figure 8: Monthly income levels of Paarl for 2001 to 2011.

Decreases in the number of people earning within the income groups R1 – R400, R401 – R800, R801 - R1600 by about 2.83%, 9.6%, 11.24% and 4.25% respectively is visible. Lower monthly income categories have thus shown a decrease from 2001 to 2011 according to Figure 8. This may denote many people shifting up the income ladder. The highest decreases were all in the minimum wage level categories. People became more affluent in the sense that an increase is visible in the R3201- R6400 and the R6401 - R12800 brackets by about 1.82% and 7.76% respectively. The highest increase in income is noted in the R12801 - R25600 per month income category with 9.41%. The increases noted was greater than that in the lower income categories, which has in fact decreased. The numbers of middle to higher income levels has also increased significantly seen in Figure 8. An increase 4.1% in the no income group of people has however also occurred. This increase could be attributed to more students and youths in Paarl who are unable to work. Also the birth of infants may attribute to this. Less poor people and those earning minimal to low income monthly is evident. There was a clear increase in middle to higher monthly income categories and thus people's socio-economic circumstances may have improved instead through the shifting up on the income ladder. It is thus clear that middle to higher income groups have increased whilst the amount of lower income people in Paarl has decreased in the period 2001 to 2011.

4.2.3 Employment, Unemployment and the Not Economically Active Analysis

Data sourced from the 2001 census demonstrates the various employment percentages for the year 2001 in Paarl with its various suburbs. This is applicable since it is a measure of employment levels before and after the establishment of Paarl Mall in 2005. Below is the employment, unemployment as well as the not economically active percentages of people as per suburb in Paarl. The quantity of not economically active people is quite high in relation to the employed population. This could explain the increase in the amounts of people with no income and dovetails the finding in the age analysis indicating a substantial increase in elderly and student-age population categories. Employment still remains highest in many of the formal suburbs in 2001. The area with the highest percentage of employment present in 2001 was in the Northern Paarl area. This area has also shown a lower level of unemployment during 2001. Employment percentages compared to that of unemployment were relatively high during 2001.

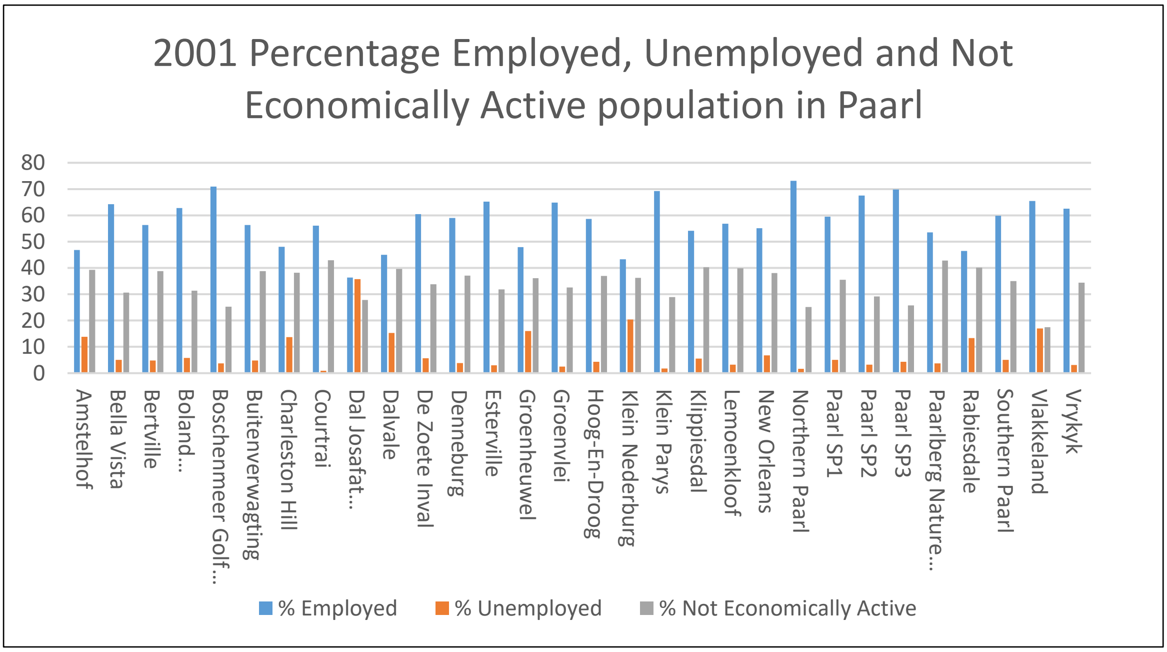


Figure 9: 2001 Employed, unemployed and not economically active population per suburb

Census data on employment of 2011 shows a different occurrence to that of 2001 in which employment percentages have somewhat declined. The highest employed percentage noted was about 77%. This is significantly higher than that of 2001. Most notably there has been an increase in employment across most of the suburbs. This means that an improvement has occurred. Not surprisingly, unemployment rates relative to 2001 have decreased as well. This could be because of many factors. The not economically active population in the Paarl area also decreased overall from 2001 to 2011. An increase was noted in 40% of suburbs whilst the rest has shown a decrease as is seen in Table 2. A person is classified as not economically active if they were able to work and available to work in the week prior to the survey but did not work, or attempted to look for work or did not try to start their own business (Wilkinson, 2014). These people are most commonly students and retired people. Seasonal or temporary unemployment could further contribute to the percentages of the not economically active population increasing. What is visible is that the not economically active population is relatively high and in many cases is higher than the unemployed population in each suburb. The fact that a large amount of the population of Paarl is relatively young according to the age analysis could also contribute to a high not-economically active population of Paarl. The not economically active consists of people who were unemployed during the reference period of the census. An increase in employment is noted in 2011 through an increase in employed people in many suburbs. Figure 10 below also illustrates this.

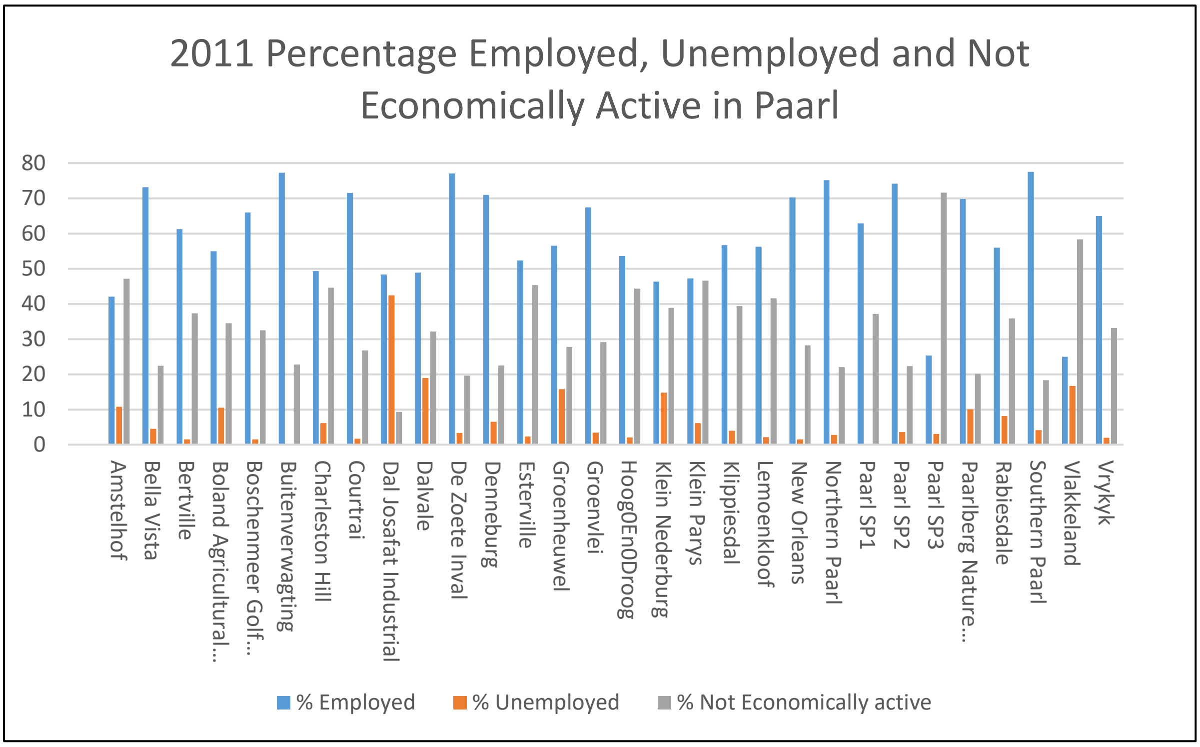


Figure 10: 2011 Employed, unemployed and not economically active population per suburb

The suburbs with the highest and lowest difference in employment from 2001 to 2011 are visible in the following maps. Employment, unemployment and not economically active population's percentages have been mapped accordingly and classified into five classes. The colour ramps represent the highest to the lowest changes in each specific category.

Employment has increased significantly from 2001 to 2011. It has increased as much as 20% in some areas and decreased as much as 44% in others. Employment has increased in Buitenverwagting, Southern Paarl and De Zoete Inval areas with 20.88%, 17.61% and 16.52% respectively. Most notably the Southern Paarl and De Zoete Inval areas which are surrounding Paarl Mall (as seen in Figure 11) has shown a greater increase in employment. Other middle class neighbourhoods, such as New Orleans and Denneberg has also shown an increase in employment. 20 out of the 30 sub places showed an improvement in employment. What is clearly visible is that the percentage of Employed people per suburb in Paarl has increased from the period 2001 to 2011. The employment opportunities created by the Mall may possibly thus have been realised according to Figures 9 and 10. There has also been decreases in employment in some suburbs. The suburbs with the largest decrease in employment are the Vlakkeland and Paarl SP3 areas, with 40.5% and 44.52% respectively. They are also located further away from the two business nodes. These suburbs are located on the eastern side of the town which most of the lower to middle class people tend to reside from. Klein Parys and Esterville which is relatively close to the two business nodes has also shown a decrease in employment as is seen in Table 2.

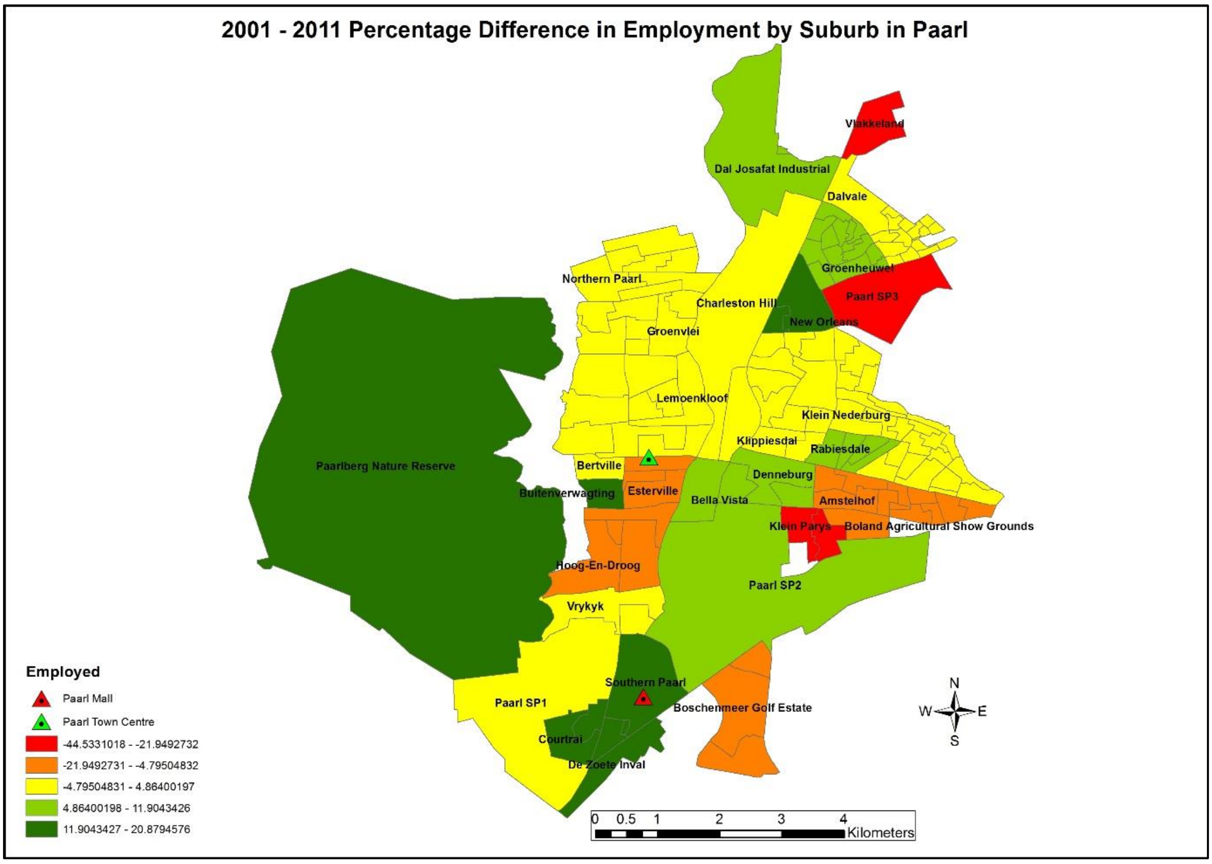


Figure 12: 2001 – 2011 percentage difference in employment by suburb in Paarl

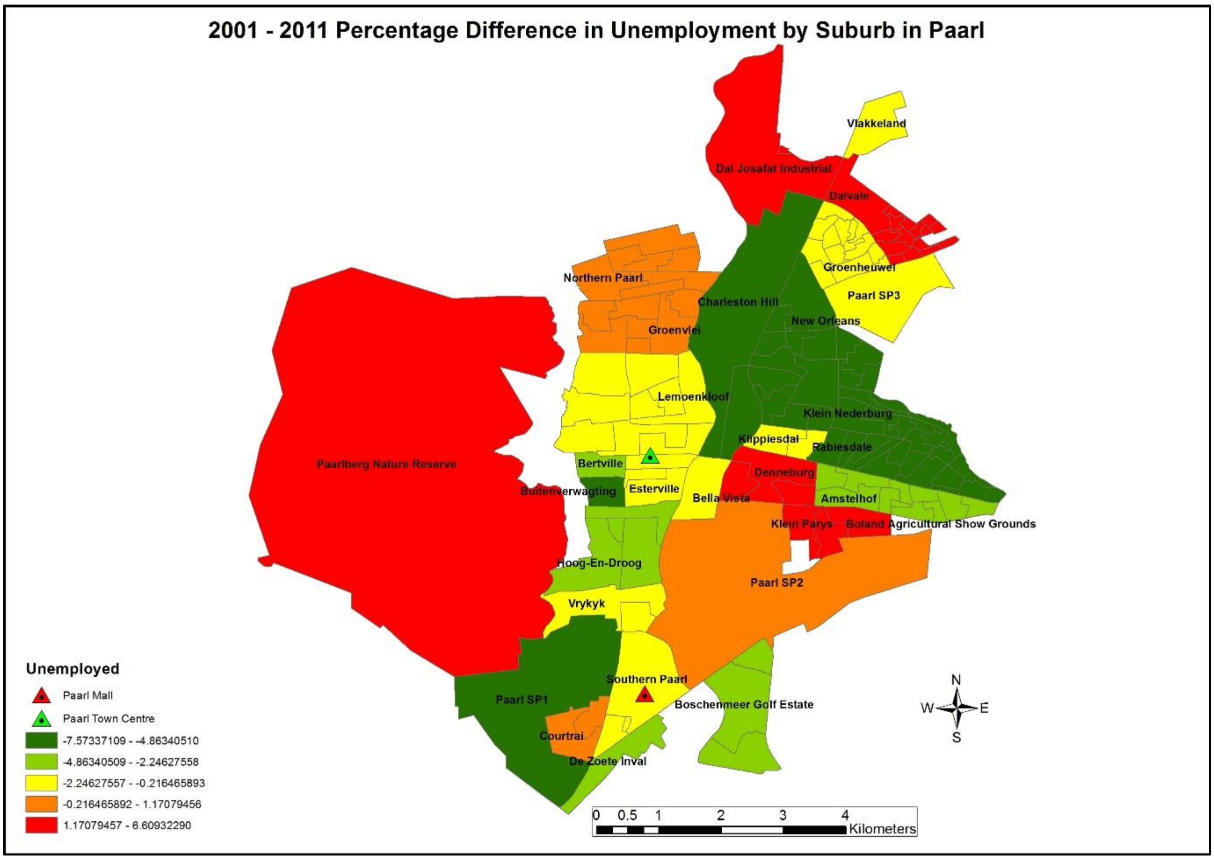


Figure 11: 2001 – 2011 percentage difference in unemployment by suburb in Paarl

Unemployment has however decreased in the Paarl region by an average 0.78% in the period from 2001 to 2011. It has increased the most in the Dal Josaphat Industrial, Paarlberg Nature Reserve, Boland Agricultural Show Grounds and Dalvale. Klein Parys and Denneberg has seen an in increase in unemployment as well. Unemployment decreased the most in Charleston Hill, Klein Nederburg and New Orleans from 2001 to 2011 as seen in Figure 12. A noticeable trend is that Unemployment increased mostly in the Paarl East Area and on the fringes where many lower to middle class people reside from. It appears to have decreased more in middle class suburbs. Employment has increased more rapidly than Unemployment at average in this period of analysis.

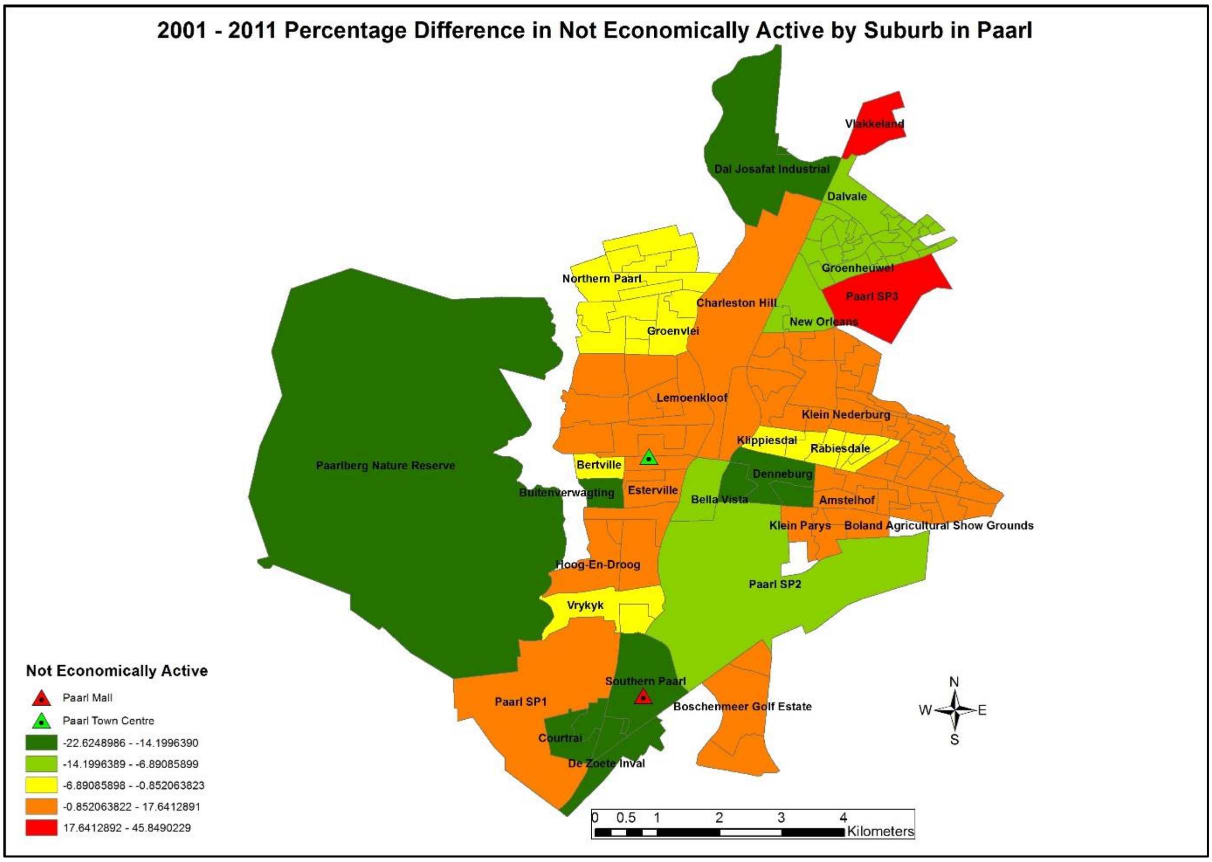


Figure 13: 2001 – 2011 percentage difference in not economically active by suburb in Paarl

The not economically active population has mostly decreased in Paarl. One of the main reasons for this decrease in the not economically active category could be that much of the population were employed instead. With closer analysis it is visible that the numbers of people who are not economically active are significantly high in certain suburbs. The not economically active population has however decreased in 60% of the suburbs in Paarl. It has decreased by an overall average of 0.61% in Paarl. The areas with a high increase in not economically active population are Paarl SP3, Vlakkeland and Klein Parys by 45.85%, 40.82% and 17.64% respectively. These increases are disproportionately higher than in the other suburbs. These three suburbs have notably also seen a decrease in employment. An overall decrease in the not economically active however means more people may have become unemployed. People are likely to be ageing in Klein Parys and the Vlakkeland areas as Figure 13 illustrates an increase in the not economically active populace in these suburbs. An increase in the number of students could also be visible in these areas. The increase in the not economically active population in some suburbs represents an ageing population with a high prevalence of retirement and possibly a growing younger generation.

From the data analysis it is visible that there is a clear increase in employment overall in Paarl from 2001 to 2011. This increase in employment emphasises that the population may have been employed by the establishment of Paarl Mall. A clear increase in employment is visible whilst there is a decrease in unemployment and the not economically active. From the data analysis, it is clearly visible that employment has indeed increased more than the unemployment and not economically active categories. This is also visible in Table 2 with an overall increase in employment. What is most noticeable from all of the above is that employment has increased in Paarl with 1.39%. Unemployment has decreased at average in Paarl by 0.78%. The not economically active population has decreased by 0.61% as well. Table 2 also confirms the various suburbs’ change in employment, unemployment and the not economically active population. People thus may have seen an improvement in socio-economic circumstances with regards to employment opportunities.

Table 2: Percentage Change in employment, Unemployment and Not Economically Active Population in Paarl suburbs for 2001 to 2011

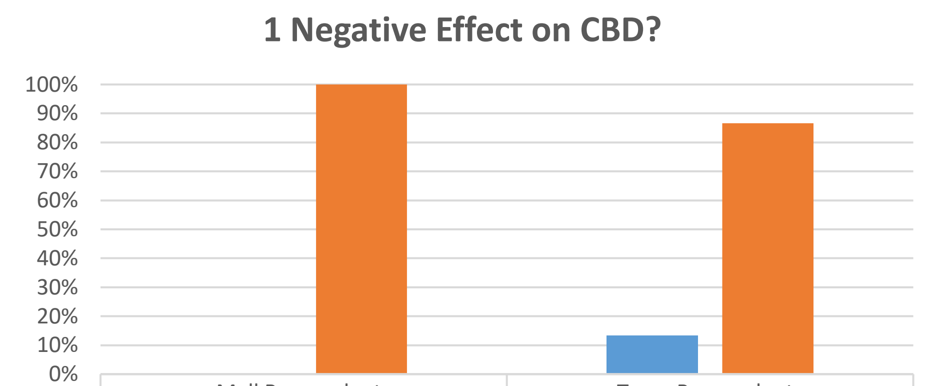
	2001			2011			Difference 2001 to 2011		
SUBURBS	% Employed 2001	% Unemployed 2001	% Not Economically Active 2001	% Employed 2011	% Unemployed 2011	% Not Economically active 2011	% Employed Difference	% Unemployed Difference	% Not Economically Active Difference
Amstelhof	46.85	13.84	39.31	42.05	10.76	47.19	-4.80	-3.08	7.87
Bella Vista	64.20	5.12	30.67	73.13	4.48	22.39	8.93	-0.65	-8.28
Bertville	56.36	4.86	38.77	61.22	1.46	37.32	4.86	-3.41	-1.46
Boland Agricultural Show Grounds	62.82	5.81	31.37	54.93	10.53	34.54	-7.88	4.71	3.17
Boschenmeer Golf Estate	70.96	3.78	25.26	65.96	1.53	32.51	-5.00	-2.25	7.25
Buitenverwagting	56.37	4.86	38.77	77.25	0.00	22.75	20.88	-4.86	-16.02
Charleston Hill	48.10	13.72	38.18	49.28	6.15	44.57	1.18	-7.57	6.39
Courtrai	56.05	0.98	42.98	71.48	1.71	26.81	15.44	0.73	-16.17
Dal Josafat Industrial	36.41	35.76	27.83	48.31	42.37	9.32	11.90	6.61	-18.51
Dalvale	45.05	15.27	39.69	48.88	18.96	32.16	3.83	3.69	-7.52
De Zoete Inval	60.50	5.67	33.83	77.02	3.35	19.63	16.52	-2.32	-14.20
Denneburg	59.06	3.84	37.09	70.97	6.54	22.49	11.90	2.70	-14.60
Esterville	65.21	2.96	31.83	52.35	2.29	45.36	-12.86	-0.66	13.52
Groenheuwel	47.92	15.97	36.11	56.51	15.75	27.74	8.60	-0.22	-8.38
Groenvlei	64.87	2.49	32.65	67.45	3.38	29.17	2.58	0.89	-3.47
Hoog-En-Droog	58.67	4.37	36.96	53.59	2.05	44.36	-5.08	-2.32	7.40
Klein Nederburg	43.35	20.38	36.26	46.36	14.74	38.90	3.00	-5.64	2.64
Klein Parys	69.19	1.82	28.99	47.24	6.13	46.63	-21.95	4.31	17.64
Klippiesdal	54.17	5.56	40.27	56.66	3.91	39.42	2.50	-1.64	-0.85
Lemoenkloof	56.85	3.28	39.87	56.23	2.16	41.61	-0.62	-1.12	1.74
New Orleans	55.15	6.81	38.05	70.26	1.52	28.22	15.12	-5.29	-9.83
Northern Paarl	73.17	1.65	25.18	75.11	2.82	22.08	1.94	1.17	-3.11
Paarl SP1	59.44	5.01	35.55	62.89	0.00	37.11	3.45	-5.01	1.56
Paarl SP2	67.57	3.20	29.23	74.11	3.55	22.34	6.55	0.35	-6.89
Paarl SP3	69.85	4.36	25.79	25.32	3.04	71.64	-44.53	-1.32	45.85
Paarlberg Nature Reserve	53.48	3.73	42.79	69.75	10.08	20.17	16.27	6.36	-22.62
Rabiesdale	46.51	13.31	40.18	55.99	8.15	35.86	9.48	-5.16	-4.33
Southern Paarl	59.89	5.06	35.05	77.50	4.17	18.33	17.61	-0.89	-16.72
Vlakkeland	65.50	16.98	17.52	25.00	16.67	58.33	-40.50	-0.32	40.82
Vrykyk	62.49	3.15	34.36	64.92	1.98	33.10	2.43	-1.17	-1.26
AVERAGE	**57.87**	**7.79**	**34.35**	**59.26**	**7.01**	**33.73**	**1.39**	**-0.78**	**-0.61**

4.3 Paarl Store assistant survey and their perceptions

Interviews have been conducted with store assistants and managers in Paarl Mall and the town centre of Paarl. Interviewees have been selected at random. About 30 shop assistants and managers have been interviewed in the Paarl CBD and in Paarl Mall in total. A number of fixed open ended questions has provided insightful information on the impact of retail decentralisation on the CBD of Paarl and the perception of the people on retail decentralisation. These questions are visible in Appendix A. Open ended answers have however been given but have been processed in order to be presented.

4.3.1 The effect of Paarl Mall on business operations according to business operators in Paarl

The findings of the interviews are as follows. When asked whether they believed that Paarl Mall has had a negative effect on the town centre, in terms of their business operations, 100% and 87% responded from the Mall and Town respectively that it is not detrimental to the health of the town centre (as seen in Figure 14). Numerous respondents employed in the CBD stated that the mall did not have a negative effect since it had its own clientele, which is mostly dependent on public transport in order to do their shopping. Similar responses occurred from people working in Paarl Mall. According to shop assistants there is no negative effect although only 13% of the towns respondents disagreed that the mall is however detrimental. A recurring reasoning was mostly a decline in the physical aspects of the town centre.



	Mall Respondents	Town Respondents
Yes	0%	13%
No	100%	87%

Figure 14: Proportion of answers for Question 1:'Do you think that the mall has had a negative effect on the town centre?'

The perceptions concerning shopping preferences has also emerged from this questionnaire as seen in Figure 15. When shop assistants or managers were asked where they would prefer to shop, about 87 percent of the people interviewed in the mall stated that they would shop in the mall because of factors such as safety or convenience. About 67% of town centre respondents preferred the CBD itself. Respondents in Paarl Mall preferred the Mall and respondents in town respondents preferred the town. This is because of transportation and a lack of linked trips, which could make commuting easier. It is also closer to home for many of these people working in the mall. A logical place for people working in the mall to shop is the mall itself. Many respondents stated the problem of public transport and a lack of it at the mall. People who are transport dependant are unable to reach the destination of Paarl Mall with ease. This has had an influence on their preferences.

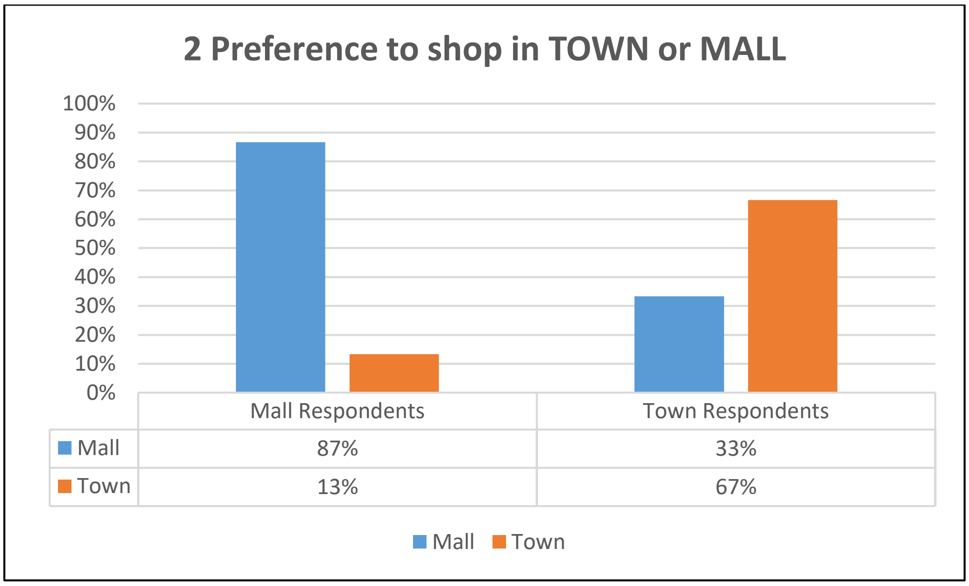


Figure 15: Proportion of answers for Question 2:' Where would you prefer to shop?'

The following question was also posed; "In your opinion, do you think that the state of the infrastructure at the mall is of a greater quality than at the town centre?". Approximately all of respondents stated that the infrastructure at Paarl Mall is of a greater quality than the town centre (see Figure 16). There are better facilities for pedestrians and private vehicles. However, the seven percent of Mall respondents that have stated 'No there', have said that public transport facilities are not of a good quality at the Paarl Mall area. The issue of transport to Paarl Mall has arisen in numerous responses.

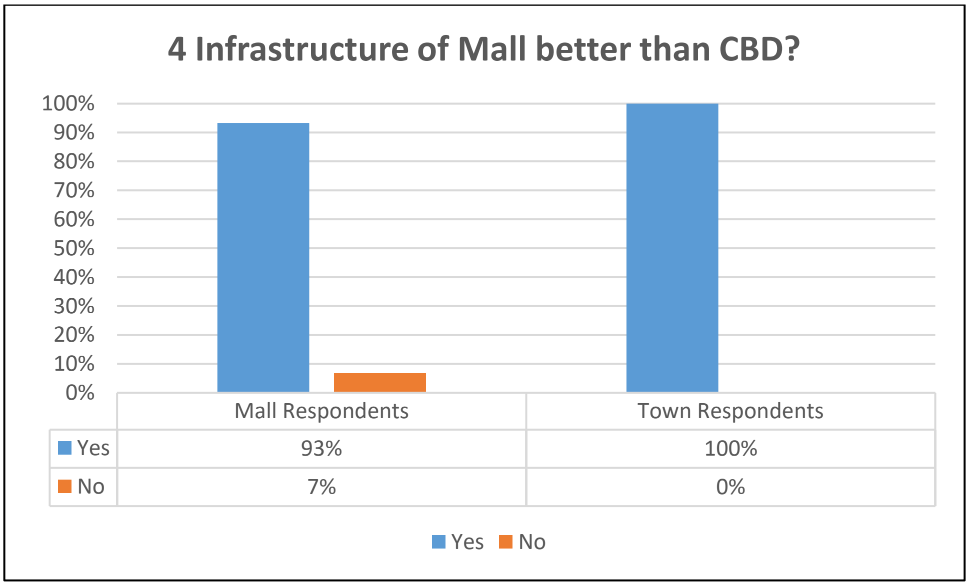


Figure 16: Proportion of answers for Question 4:'Do you think that the state of the infrastructure at the mall is of a greater quality than at the town centre?'

Another question, which was more open ended in nature, has been asked. The question on whether there are any fluctuations or irregularities in customers at the respective stores in Paarl Mall and in the CBD was posed. The various responses are seen in Figure 17. A recurring trend was that it was busy seasonally as well as during certain time of year such as the school holidays. According to respondents the end of the month and mid-month also appeared to be the busiest. Other times of the month, it appeared to be less busy according to the respondents. Respondents were also asked whether they preferred working in Paarl Mall or the town centre, respondents in the town centre said that they preferred working in town. A recurring reason was that it was easier to get into town than to get to Paarl Mall. This is because Paarl mall, as mentioned in the PSDF specialist study, the mall does not actively support public transport and does not provide a friendly environment for pedestrians. Accessibility issues thus tends to play a role on the preferences of people. These people prefer to work where there is easy access and access to public transport.

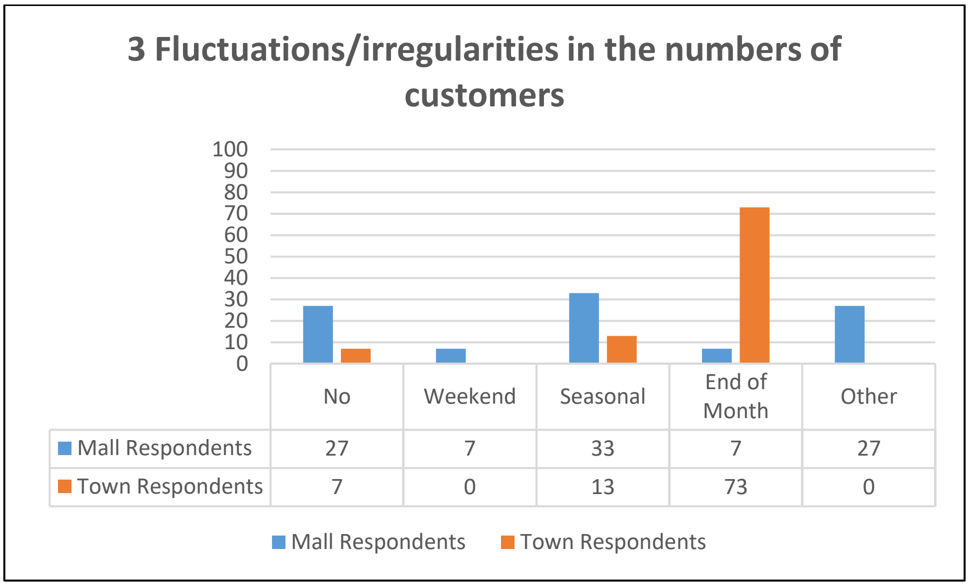


Figure 17: Proportion of Answers for Question 3: 'Are there any fluctuation \s or irregularities in the numbers of customers?'

The necessity to fix and revitalise the Paarl CBD was also posed as a question to respondents. A question was posed to interviewees on whether they think it is necessary to fix up the town centre in order to be more competitive with Paarl mall. About 100% of Mall respondents stated that it is necessary, whilst 80% of town respondents stated that it is necessary as seen in Figure 18. Discussions on the quality of the infrastructure of Paarl Mall relative to that of Paarl's CBD also took place. Approximately all of the interviewees noted that the infrastructure is of a better quality at the location of Paarl Mall and its surroundings which the previous question has also identified. This is because Paarl Mall is a somewhat new development whilst the town centre is relatively older. Decentralisation clearly took its toll in this case through affecting the town centre negatively from a physical point of view, as noted from the respondents.

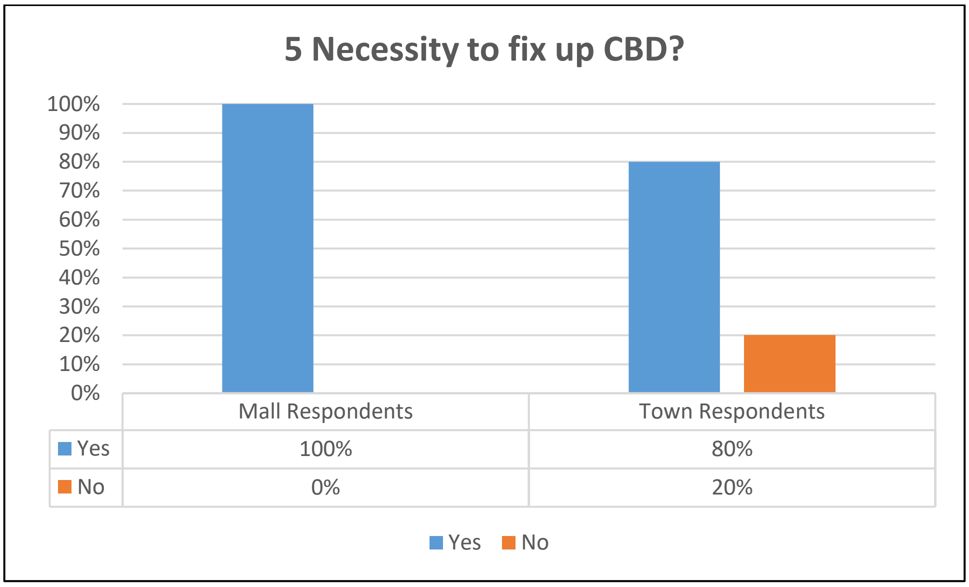


Figure 18: Proportion of answers for Question 5: 'Do you think it is necessary to fix up the CBD'

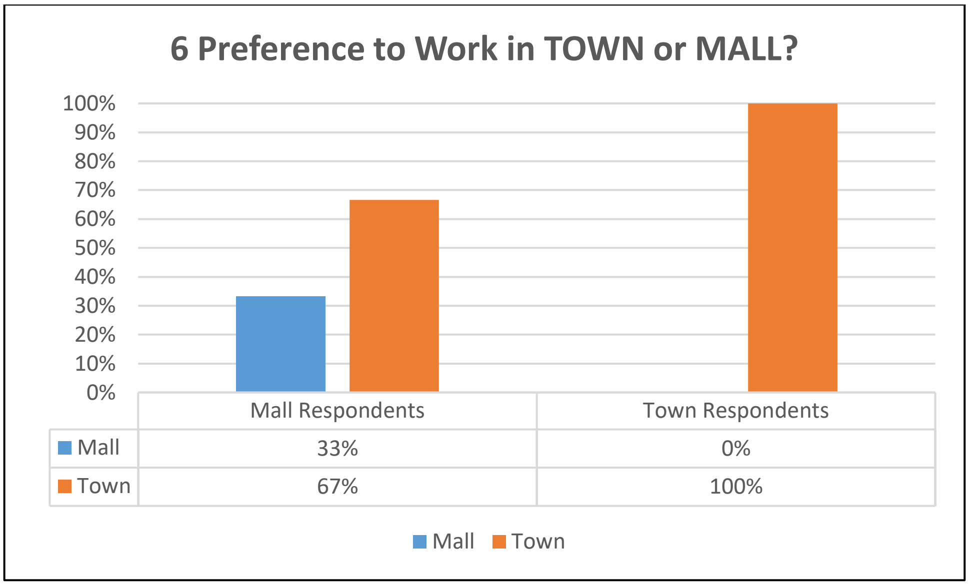


Figure 19: Proportion of answers for Question 6:' Do you prefer to work in town or in the mall?'

When questioned on whether they, the shop assistants or managers, thought that the town centre would improve any time soon, many have disagreed. What has arisen is the problem of little or no upgrading to the town centre. Respondents mentioned that developments and upgrades would take a long time to be realised. This is also visible in Figure 20. Many of the respondents did have some knowledge of improvement plans whilst others were not too well informed. Respondents have bestowed little faith in the local municipality. Many stated that it would take about 5 to 15 years before anything positive and progressive will take place in the town centre. Despite the apparent PPP plan for rejuvenation, the town centre of Paarl is remaining in its current outdated form. The perceptions of these people are that there are no signs of progressive development and revitalisation of the town centre is occurring in the town centre. At the time of data collection there was also not many signs of improvements.

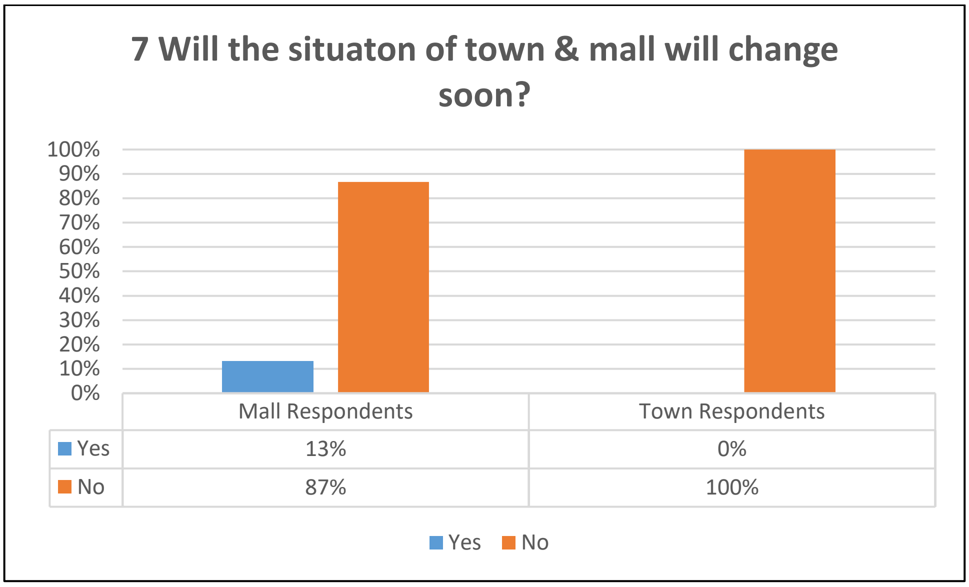


Figure 20: Proportion of answers for Question 7: 'Do you think the situation of the town centre and the mall change soon?'

Respondents' perceptions as to how the Paarl Mall has influenced the town centre are clear. Anecdotal evidence proves that the respondents give the impression to be rather content with the situation of Paarl Mall and the Paarl CBD. The Paarl CBD caters for the public transport dependent consumer whilst Paarl Mall caters mainly for the private vehicle dependent consumer. The respondents did not have an entirely negative perception against Paarl Mall. Although the infrastructure and facilities of the CBD may not be as modern as at Paarl Mall, the effect on respondents did not necessarily provide a negative perception regarding the relationship between the CBD and Paarl Mall. However, the negative perceptions regarding the effect on the CBD relate predominantly to the degradation of infrastructure and the need for modernisation of the area.

According to the respondents, it is clear that Paarl Mall has not necessarily allowed for improvements and developments in the town centre. The malls impact may have however been indirect in this case. It may have shifted the focus of retailers towards the Mall instead and thus causing problems to arise in the CBD. More people prefer to visit the Mall because of safer conditions as well. Conditions such as improved walkways, parking and accessible good quality roads have also been identified by various respondents as problem areas which needs to be addressed. Because of the CBD of Paarl reportedly being quieter in the week as well and safety issues, people prefer to go towards Paarl Mall instead because of the sense of security. Convenience is also an issue as many see the town centre of Paarl as more convenient as it is closer and easier to commute to it. All these various factors contribute towards the impact which the mall has on the town centre.

CHAPTER 5: CONCLUSION

5.1 Does the overall picture contribute to the mall having a positive or negative effect on the CBD?

The findings and the results of the study is noted below. The findings are based upon the literature review, the nominal GVA data analysis as well as the analysis on the socio economic status of the area. This should provide clarity on the validity of the hypothesis and will allow policy implications to be addressed.

5.1.1 Literature Findings

It has been revealed from literature that retail decentralisation generally occurs because of the urbanisation cycle. People move out of the CBDs as they have become more undesirable because of more favourable economic conditions elsewhere. These destinations are usually on the outskirts of cities. To add to this, decentralisation also has a substantial social cost upon society. Literature also states that if the corresponding development had taken place at a central place and at a higher density, less of a social cost would be imposed. It is also clear that decentralisation is associated with the shrinkage of in town populations. This refers to a decline in the number of consumers and a substantial loss of trade.

When Paarl Mall was proposed, it had aligned with the SDF and other planning documents of the time (Western Cape Government, 2013). However, evidence is present that the location of Paarl Mall has the surroundings of a sensitive cultural and agricultural environment, which is being degraded and eroded because of the mall. According to Paarl's Hamlet Master Plan (2008) for development, the CBD of Paarl has in fact decayed and become outdated.

The questionable approval of a mall in Paarl was also discovered. Paarl Mall may have been approved because of smaller municipalities being more focussed on opportunities for economic growth while sometimes making decisions that could influence efficient urban development and conservation. Developing and revitalising the CBD of Paarl could have taken place instead. More integration with the heritage of Paarl itself could also have taken place in the planning and developing of the regional shopping centre. The growth potential around the Paarl Mall area is also notably high but this is not necessarily benefitting the CBD of Paarl. Signs of dilapidation are still visible.

A PPP was also agreed between Drakenstein Municipality and Anytime Investments. This has been reported to be slow in realising any results. Mere cosmetic improvements to roads and sidewalks as well as parking control could greatly benefit the CBD business environment. This has however not been realised. In order to compete with Paarl Mall, Drakenstein Municipality should instead take a more hands on approach than to lease land rights to private companies. Confusions in roles played by the respective stakeholders in the PPP agreement has also arisen (Drakenstein Municipality 2016, Pers Com). Infrastructure remains a problem today despite the PPP being agreed and implemented in 2009. Numerous store clerks also mentioned the timeliness of this partnership. The CBD of Paarl however appears to be resilient to outsiders since there are plans in order to revitalise it.

Literature revealed that the location of the mall promotes private vehicular access but does not actively support the promotion of public transport and a pedestrian friendly environment (Western Cape Government, 2013). This implies that the mall is car-oriented and an introverted development that prioritises private vehicular access over public access. This also implies that Paarl Mall has a segregated retail offering prioritising private car ownership based retail over public transport. The plan of the mall however did align with the PSDF and planning documents at the time it was proposed but is having a poor relation to context wherein it is not inclusive of all income classes (Western Cape Government, 2013). The public transport dependent community of Paarl, who desires to visit Paarl Mall, has not been considered during the construction of it. This is also confirmed by the perceptions of business operators in Paarl. Many people who wish to do convenience shopping are often obligated to travel further away towards the periphery of the town to Paarl Mall.

The Western Cape PSDF Specialist Study (2014) states that decentralised commercial centres do have a negative impact on the performance of town centres. These impacts primarily relate to a lack of integration with existing developments and towns involved. Promises of the Western Cape Government Growth Potential Study (2014) and previous studies of the impact of retail decentralisation on towns tend to be somewhat misleading in many ways. The PSDF states that a sequential policy is to be followed in which the town centre comes first. The stakeholders have not necessarily followed the sequence of the town before the mall itself in the case of Paarl Mall. The mall may thus have been developed at the expense of the respective CBD suffering. According literature Malls may have had a negative effect on the town centre.

5.1.2 What were the effects of retail decentralisation on Paarl?

It has been argued that edge of town retail developments has a negative effect on towns and town centres of smaller towns as it diverts economic spending power out of traditional high street shopping areas. The reason for this occurring was described by literature. This has however proved to be untrue by the study and the following findings substantiate why the hypothesis has been proven to be false. Table 3 below illustrates the findings of the study.

Table 3: Summary of the Findings of the Study

Summary of Findings	
Analysis	**Conclusion**
GVA	Grown more in Drakenstein Municipal area than others ↑ (+)
Socio Economic	Age (Population ageing**,** older population increase more rapidly than younger)
	Employment ↑**(+)**
	Unemployment↓**(+)**
	Not Economically Active↓**(+)**
	Income ↑**(+)**
Perceptions	No necessary Negative Effect on town & CBD
	Infrastructure of Mall noteably better
	Typical Seasonal fluctions if any in both CBD and Mall
	There is the necessity to revitalise/ noticed a lack of improvements /slow improvements reported
Overall the Mall has thus had a beneficicial economic impact on town itself but may have influenced the physical aspect of the Paarl CBD Negatively	

According to the GVA data analysis the GVA has improved dramatically in the Drakenstein area. The GVA has also shown rapid signs of growth in the earlier years post development of Paarl Mall. However, it cannot be stated unequivocally that it has occurred because of the development of Paarl Mall. The percentage change year-on-year may however show signs of decelerating in recent years. In comparison with other areas with high growth potential and decentralised malls, Drakenstein has showed similar signs of slowing growth in GVA in recent years. Post development of the decentralised mall has shown a spike in growth in GVA for a maximum of two years in the Drakenstein area. The Drakenstein municipal area still has the highest GVA compared to the other areas. Growth in GVA is still increasing in the Drakenstein area at a more rapid rate than other municipal areas with high growth potential. The overall economic picture regarding GVA has improved in the Drakenstein area in which the small town of Paarl is the major economic contributor.

The census of 2001 and 2011 revealed that over the period of ten years the average annual household income for all households in South Africa more than doubled. In Paarl, this was evident in some ways as the quantitative data analysis proves. The higher to middle-income population has increased significantly whilst there has been a substantial decrease in lower income categories. This all occurred despite increase in people earning no income. Paarl is considered as a town with high growth potential and the statistics provided by the census supports this by showing that employment has somewhat increased. The percentage of employed individuals in Paarl has also increased from 2001 to 2011. This means that employment as has been promised by various strategies and Government publications has in fact improved. Employment has significantly improved in most of the suburbs in Paarl since the construction of the Mall in the Paarl area. Unemployment has also decreased in about 66% of suburbs. People who are not economically active has increased from 2001 to 2011 in about 40% of suburbs. Although some of the population became economically inactive, there was an overall decrease in the not economically active population. There may have been an increase in people earning no income but may be attributed to not economically active people, which may have increased on some occasions. Despite an ageing population and an increasing number of youths there was still an increase in employment and income visible in Paarl. More people shifting up the income ladder and less people earning lower incomes verify whether the population of Paarl's socio-economic conditions have improved. A more in depth analysis needs to be completed in order to determine why the not economically active population has increased in certain areas and whether they form part of the no income category. Socio economic conditions have thus improved in the Paarl area.

The analysis on business operators' perceptions of Paarl Mall and the Paarl CBD have also provided clarity on the effect that the mall has had on the town centre. Paarl Mall has affected the town centre by removing some of its consumer base. The town centre is only busy sporadically when people earn their money according to the respective respondents. Paarl mall on the other hand is also occasionally busy during these times but anchor stores tend to be busy every day and especially on weekends. This implies that lower-income people only visit the mall sporadically and mostly when they are paid. This emphasizes that Paarl Mall may in fact be catering for the private vehicle consumer. Paarl Mall may be offering a segregated retail offering according to responses. Business operators in the town centre and Paarl Mall area did not necessarily see the effect of Paarl

Mall as all negative. It may be perceived as a contributor to the degradation of the CBD according to some of the respondents. Not all of them had a negative perception and many respondents felt that they might not necessarily have been better off without Paarl Mall according to their responses in the questionnaires. Because of the mall, the town centre has suffered physically. Anecdotal evidence has revealed that not many improvements have occurred and crime has increased as well. What is evident the dilapidation of the physical infrastructure of the Paarl CBD as well as it being outdated compared to Paarl Mall. The Paarl CBD is ageing and along with it many problems which are occurring. Paarl Mall thus has had a physical impact upon the town itself. Formal plans for improvements have been however been proposed. According to many respondents there is a rumour of possible upgrades coming soon but no real noticeable improvements as of yet. Improvements have been slow and people are concerned. This is confirmed by the PPP that has been implemented, but according to business operators it is not showing any real results as of yet. The Mall has thus had a negative effect physically according to business operators. The effects may not necessarily have been affecting the economy of Paarl and its CBD negatively. Noticeably the bigger capital spending has also shifted towards the Paarl Mall area. Both high retail and commercial investment has been made in Paarl Mall. However, the Paarl CBD remains an integral shopping destination to people dependent on public transport.

Furthermore, it may however be reasoned that Paarl Mall has in fact had an overall beneficial impact on the area of Paarl. The people in Paarl saw an improvement in their lives from 2001 to 2011. As the above discussed the GVA increased in the Drakenstein area in which Paarl is the main economic hub. Socio-economic conditions have also improved in the Paarl area. Employment has improved overall whilst unemployment decreased along with the not economically active population. There has also been as shift towards more middle-to-higher income categories. The perceptions of store workers were also not negative overall. The only issue that may have arisen from the anecdotal evidence is the effect on the physical deterioration of the Paarl CBD, and the timeliness of the improvements to the Paarl CBD. However, Paarl Mall did not have a negative impact on the socio-economic conditions of Paarl and the CBD. Similar developments in the near future developments may even follow the blueprint of Paarl Mall. Town centres are relatively resilient but they may struggle to recover from the physical impact which decentralised malls may have on them.

5.2 Policy Implications

The revelations discussed in the conclusion can assist the Western Cape Government and Drakenstein Municipality to adapt and combat the effects of decentralisation. The overall picture of the effect of Paarl Mall has proved that Paarl Mall does not have a negative effect on socio-economic conditions, since it may have improved people's socio-economic circumstances in terms of income and employment. The question can be posed to government officials; if Paarl Mall could have been completed in such a short time span, why can't the town centre of Paarl upgraded as fast? It is clear that there has been an impact on the CBD of Paarl physically. Through analysing the phenomenon of retail decentralisation and its effect on the town of Paarl and its CBD, more effective contingency plans can be prepared. Plans for town centre revitalisation and guidelines for it to be enforced is necessary. Though visible plans for revitalisation are present, it is questionable of the efficacy and timeliness of these plans. No real improvements are occurring and the CBD is suffering physically because of this and thus the need for more effective plans is sensible. The sequential policy of the town centre being developed first before any other developments may need to be enforced as well.

A future threat is also that Paarl Mall will become dependent on private capital and developers for survival. The Paarl CBD on the other hand is dependent and municipal management and financing, which will also mean that the CBD will continue to fall behind and in turn making it an unsafe place for people to work and do business. Drakenstein municipality needs to take responsibility for the revitalisation of the town centre instead of privatising it. Regulating of the amount of private influence may need to be implemented.

The factors contributing towards unemployment and the not economically active population increasing in some suburbs will also need to be investigated. With the next census taking place in a few years, a more in depth questionnaire will help to determine the reasons why not economically active population increasing in some suburbs. A possibly more thorough community survey may also prove to be essential in this process. More unambiguous reasons on why the not economically active is high in some cases will be informative. Another measurement of unemployment or the simplification of the categories may also prove to be beneficial.

Policies need to be revised since many of them are becoming outdated. Amended PSDF's and policies stating that decentralisation do not have a substantial impact on communities and livelihoods need to be adapted and rethought. Physical influences of decentralisation need to be taken into account as well. Policies are encouraging decentralisation to occur freely. More emphasis is necessary upon central city malls or town centre regeneration during the policy process as well. The continuous sprawl and decentralisation will eventually lead to more problems, which will eventually need to be resolved as well. With malls going through a cycle of boom and eventual failure in other countries, many municipalities will need to intervene in the near future. Prioritising the health of the Paarl CBD is necessary. It thus needs to be elevated higher upon the planning agenda of the Drakenstein Municipality. The Municipality may also be responsible for the problems that have arisen because of the establishment of Paarl Mall. They have played an integral part in the approval of it and thus the municipality will need to take responsibility to not simply maintain the CBD but also to improve upon what already exists.

5.3 Future Research

Future research may explore the other factors contributing to the timeliness of the improvements on the Paarl CBD. Factors, which may be hindering improvements to the CBD, may be included in future research. Consulting the stakeholders, which are participating in the PPP, will prove to be informative. Consulting other towns in South Africa with similar problems of negligence to the CBD will also provide more clarity on why this may be occurring.

Locality plans may be analysed in the future as well. Through obtaining permission to access the locality plans of Drakenstein, an improved spatial analysis may take place. Comparing the various plans over time may be useful in showing the change in ownership of erven within the Paarl CBD and Paarl Mall areas. This may illustrate and confirm the rapid rate at which tenants and owners may have been moving out over time. A Google street view analysis of older images may also be helpful in this instance.

A more in depth interview on peoples' ability to reach the Paarl Mall may need to be conducted to provide more information that is thorough. Conducting interviews at major transport hubs may be helpful. Conducting interviews in taxi ranks, bus terminals and train stations may provide some insight on this. Capturing data on the numbers of people arriving at the destinations via public transport may provide some new insight as well. Due to safety reasons in the country, it may however be a high risk to conduct interviews and collect data at these areas.

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APPENDICES

APPENDIX A: QUESTIONNAIRE / INTERVIEW QUESTIONS

1. Do you think that the mall has had a negative effect on the town centre?

___

2. Where would you prefer to shop? The town or the mall?

___

3. Are there any fluctuations/irregularities in the numbers of customers shopping at your store?

___

4. In your opinion, do you think that the state of the infrastructure at the mall is of a greater quality than at the town centre?

___

5. Do you think that it is necessary for the town centre to be fixed up in order to be more competitive with the mall?

___

6. Do you prefer working in town or in the mall?

___

7. Do you think that the situation with the mall and the town centre will change anytime soon?

___