



CALL FOR PROPOSALS

Impact of Retail Centres in Township Areas

August 2009

1. Introduction

Urban Landmark's objective is to "make markets work better for the poor". Within its "Market Issues" theme, Urban LandMark wishes firstly, to identify ways to stimulate and strengthen markets within low income areas and secondly, to identify ways to improve the access of the poor to existing and future, relatively well developed, markets within South African Cities. In terms of the first objective, Urban LandMark wishes to explore the impact that retail centres have in township areas.

The last decade has seen a significant increase in the number of retail centres being developed in township areas. This trend has been met with mixed reactions with some arguing that these centres have a negative impact on the local economies by out-competing the local enterprises (e.g. spaza shops) that are already in a vulnerable and precarious position. Others argue that these centres bring a wider range of goods and services closer to the local population at a cheaper price reducing the need to travel. Furthermore, some argue that these centres can play an important catalytic role in generating urban agglomerations thereby initiating urban renewal and the development of vibrant "town centres" in these areas.

Urban LandMark would like to commission research to test some of the above assertions and to explore ways in which the positive impact of these centres can be maximised and the negative impacts minimised.

2. The Proposed Assignment

The assignment will be undertaken in a phased approach. This Term of Reference refers to **PHASE 1 ONLY**. The phases will involve the following:

Phase 1:

- 2.1 Determine a typology of retail centres that occur in township areas.
- 2.2 Determine the impact of a selection of such centres on the following:
 - Existing local enterprises.

- Consumers in terms of inter alia choices, cost, and travel and how this impacts on shopping patterns.
- 2.3 Identify key trends in terms of the type and scale of centres likely to be developed in these areas in the future.
- 2.4 In light of these changing trends, identify the possible impacts with respect to point 2.2 above.
- 2.5 In light of the above, identify concrete and clear interventions that can be undertaken by all relevant actors to:
- Minimise the negative impact of such centres on local enterprises and entrepreneurs.
 - Ensure that these centres maximise opportunities for local enterprises and entrepreneurs operating within the area, including how these enterprises and entrepreneurs can gain sustainable access to these centres as suppliers and retailers.

It is intended that the research be backed by as much quantitative evidence as possible. However, it is also important that the research not be too narrowly focused and that it arrives at some general conclusions as well.

In **PHASE 1**, it is envisaged that **three** diverse, but representative case studies will be chosen around which the research will be focussed. The case-studies should reflect a national geography to allow for some general conclusions to be reached. The case-studies are to be agreed upon by Urban LandMark.

It is further envisaged that that existing quantitative data will be used to undertake **PHASE 1**, but where no quantifiable data exists, the successful service provider will be expected to collect primary data.

Phase 2:

- 2.6 Determine the impact of a selection of such centres, with respect to:
- The impact that the centres have on the surrounding properties in terms of their use, development, ownership and value.
 - The impact that the centres have with respect to infrastructure utilisation, provision and augmentation.
 - The role that centre design has on the impacts identified in Phase 1 and Phase 2.
 - The role that broader town planning has on the impacts identified in Phase 1 and Phase 2.
- 2.7 Identify concrete and clear interventions that can be undertaken by the different actors (developers, shopping centre managers, local authorities etc.) to maximise the

positive impacts and minimise the negative impacts of such centres, especially with respect to stimulating local property markets, maximising the access of local residents to such markets and establishing long term opportunities for township residents.

3. Deliverables from PHASE 1 of the Assignment

The successful service provider will provide Urban LandMark with a research report that includes the following:

- 3.1 A summary of the key findings.
- 3.2 A literature review with respect to points 2.1 – 2.5 outlined above.
- 3.3 A typology of retail centres that occur in township areas.
- 3.4 Quantifiable evidence of the impact of such centres on existing local enterprises.
- 3.5 Quantifiable evidence of the impact of such centres on consumers in terms of inter alia choices, cost, and travel and how this impacts on shopping patterns.
- 3.6 Key trends in terms of the type and scale of centres likely to be developed in these areas in the future.
- 3.7 How these trends are likely to impact on local enterprises and consumer shopping patterns.
- 3.8 Concrete and clear interventions that can be undertaken by all relevant actors to:
 - Minimise the negative impact of such centres on local enterprises and entrepreneurs.
 - Ensure that these centres maximise opportunities for local enterprises and entrepreneurs operating within the area, including how these enterprises and entrepreneurs can gain sustainable access to these centres as suppliers and retailers.

The research findings will be presented in the form of a comprehensive report, executive summary of the report, powerpoint presentation, and any data and calculations used to inform the findings. All reports and presentations are to be in hard and soft copies.

4. Expertise Required for PHASE 1

The selected service providers will have the following expertise and experience:

- Expertise and experience in property and retail economics, retailing and retail development, quantitative research and retail design.
- A proven track-record in research in urban land markets.
- An understanding of the characteristics, dynamics and challenges facing the urban poor.

- Extensive networks of government, retail investors, developers, land professionals, academics and non-government organisations, etc. active in township retail centres.
- Proven research and analytical skills;
- Excellent English writing and communication skills;
- Ability to work independently and adhere to deadlines; and
- Ability to work within a broader team of experts.

5. Assignment Timeframe for PHASE 1

Appointment: 21st September 2009

Completion of final report: 15th December 2009

6. Basis of Award for PHASE 1

Urban LandMark will award the contract based on:

- Appropriateness and quality of response to this call as expressed in the proposal, including proposed method (40%)
- Relevant, demonstrated competence of organisation/s and individuals to undertake this work (20%)
- Affirmative action scorecard: ownership, management, staff development (15%)
- Cost breakdown, professional fees (25%).

Urban LandMark reserves the right to ask individuals, organisations or consortia making proposals for best and final offers should this be deemed necessary.

7. Management and Reporting for PHASE 1

The service provider will work in close collaboration with Urban LandMark to develop an agreed approach, common analytical framework and common structure for all the reports.

The service providers will work under the day-to-day supervision of Robert McGaffin, under the overall guidance of Dr. Mark Napier of Urban LandMark. The reporting structures may however be amended should Urban LandMark partner with other organisations to commission the research. The service providers will also be requested to present the research findings to a selected audience to be confirmed. Final approval of the product for the purposes of payment will be at the discretion of Urban LandMark.

8. Submission of Proposals for PHASE 1

Interested parties should submit proposals to Jonathan Diederiks at Urban LandMark (jonathan@urbanlandmark.org.za cc: lerato@urbanlandmark.org.za or by fax to +27 (0)12 342 7639 by 12 noon on the 11 September 2009.

Each proposal must contain an outline of the proposed approach to the work, as well as the CV(s) of the consultant(s) who will do the work, their BEE status, a valid Tax Clearance Certificate as well as complete price quotation.

Evidence of successfully completed similar projects will be very important. A consortium may submit a proposal for the piece of work.

Any queries should be directed to Robert McGaffin (robert.mcgaffin@gmail.com) or Mark Napier (mark@urbanlandmark.org.za).