

L2D resilience rides out the storm

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Liberty Two Degrees (L2D), which owns some of SA's premium shopping centres, says its iconic asset portfolio and strategy to actively manage its precincts will enable it to remain resilient during the tough South African economic climate.



L2D owns shares in Sandton City complex, the Eastgate complex, Melrose Arch and Nelson Mandela Square.

CEO Amelia Beattie said during an investor update for the nine months to September that L2D was managing to extract value regardless of consumers being weak and trading densities under pressure.

"Our portfolio has seen a slight slowdown in the rate of decline of trading densities over the last quarter, complemented by a good demand for retail space. To further support this, we continually look to add value to our tenants' businesses and increase investment in innovations that enhance consumer experiences."

Despite trading densities being under pressure in the retail sector, the rate of decline in the portfolio slowed down from -6% in June to -4.7% in September. This marginal improvement in the rate of decline was mainly attributable to Nelson Mandela Square improving from -17.1% to -13.5%; Sandton City from -6.9% to -4.8%; as well as Eastgate from -11% to -9.2%.

"While this is encouraging and may signal the beginning of an improving trading environment, we remain cautious and

continue to look for a sustained growth profile," Beattie said.

Liberty Promenade in Mitchell's Plain, Cape Town, was the best-performing asset for the year in terms of the sales environment, reporting turnover growth of 12% year-on-year to September.

Source: Business Day

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