

# How retail is responding to the Cape Town water crisis

Consumers are not the only ones who have to tighten taps in Cape Town. As South Africa's Mother City approaches the dreaded Day Zero, retailers and shopping centres have to rethink their strategies to keep business running efficiently throughout the drought.



Cape Town is now regarded as the first major city in the world to run out of water. Current dam levels in the city are currently around 26.5%, stabilized temporarily by the 10 billion litres which had been made available to Cape Town by the Groenland Water Users' Association in Grabouw recently.

#### Threats to business

Businesses in Cape Town need to implement effective water-saving measures in a bid to avoid the looming reality of most taps being turned off when water storage reaches 13,5 %.

Aspects of the retail and shopping centre industry that are directly affected by this crisis are:

<sup>•</sup> Building safety: All major shopping centres are sprinkler protected. The reduction in water pressure results in inadequate pressure for sprinklers to operate.

- Food preparation: Restaurants and supermarkets need water to trade. Water supply interruptions impact on their business and also poses a health risk insofar that necessary cleaning cannot be done.
- Ablutions: Toilets need to be flushed. The inability to do so poses as another health hazard to businesses, staff, tenants and customers.

Property companies need to do their part to keep tenants and customers happy during this crisis by implementing measures to control the situation. It is critical that all stakeholders collaborate in order to ensure the best possible outcome for all.

The South African Council of Shopping Centres (SACSC) asked a number of Cape Town's shopping malls and retailers about their plans and campaigns to cope with Day Zero. Their responses are detailed below.

## V&A Waterfront (Growthpoint Properties)

Stephan Le Roux, the director of Growthpoint Properties commented on the various measures they (Growthpoint Properties) have undertaken to ensure that the V&A Waterfront remains steadfast during this challenging time. The V&A Waterfront is regarded as a premier tourist destination in South Africa with tremendous international tourist exposure.

"It is imperative that the V&A continues to operate at an acceptable level. Not only does the precinct have the highest concentration of hotels and restaurants but it is the 'showcase' of Cape Town. Over and above the extensive water-saving initiatives already deployed, the V&A will be constructing their own dedicated desalination plant. Whilst this will not be in time for the current projected D-day, it will ensure future water security," said Le Roux.

He added that Growthpoint was a founding member of the Green Building Council of South Africa (GBCSA) and one of the industry leaders in implementing sustainable and resource-saving technologies, ranging from solar energy to recycling. "We have, over the past number of years, implemented a number of water-saving initiatives across our portfolio such as rainwater harvesting, waterless urinals, replacing water-thirsty plants with indigenous plants and hard landscaping, abandoning irrigation all together-even from boreholes.

"However, notwithstanding the above, and in response to the situation specific to Cape Town, we have been running a public awareness campaign at all our shopping centres with posters in all our ablutions and notifications to our tenants. The number of taps in ablutions have been reduced and water flow from the operating taps have been further reduced to a minimal trickle. Our cleaning contractors have been requested to reduce water consumption by using alternative chemical cleaning products and our maintenance teams are on roving schedules to ensure that all installations are free of water leaks.

"Unfortunately, our efforts are limited to what can be done in common areas and there is little more that can be done. The fact is that shopping centres are public places and we have to have operational ablution facilities."

He said that people can adapt if there is a will to do so. "As such, we have noticed a significant decline in water consumption at our Cape Town properties. Notwithstanding the lower water usage by all, operations and trading are like normal. There is a high level of awareness among our shoppers and people are not only encouraging others to save water but are also policing water waste. The major concern at this stage though is if water supply is totally turned off on 'D-day'. Our shopping centres have to trade - not only because thousands of people depend on the income and salaries but also as the public will continue to need daily access to stores."

Growthpoint says it is also installing boreholes, water tanks and water purification plants where possible, as well as securing chemical toilets.



# Canal Walk, Cape Gate and Somerset Mall (Hyprop Investments Limited)

Camilla Lor, marketing executive for Canal Walk said that Hyprop Investments Limited has instituted stringent measures at all its shopping centres in the affected areas. "This includes limiting the use of water deployed inside the centres and external amenities. To remain top of mind and to reinforce the change in attitude that is required from everyone - shoppers, retailers, visitors, staff, etc – all centres have engaged in regular communications to tenants, including suggestions for easily implementable water saving tactics, as well as highlighting the successes the centres achieve on an ongoing basis."

Lor added that the true cost of this situation is having no water at all and that their centres have already instituted the following actions:

- Reducing demand across the board through ongoing monitoring and awareness campaigns
- · Urinal flush water restricted
- Flushing times on toilets reduced where possible
- Aerators on taps
- Auto-closing taps
- Greywater irrigation only and reduced watering times
- · Grey water to wash/sanitise plant rooms and waste yards in line with health codes
- Working together with all stakeholders to adhere to each centre's water practices
- · Encouraging the prompt reporting of water usage transgressions and leaks to management
- Constant monitoring of the consumptive and pressure data that is gathered through smart water meters installed on the main water supply lines to the centre (CWSC). Viewed remotely, the data provides real-time feedback better aiding water management, monitor leaks and overall operation.

The following is being established to enhance what is already being done:

- Installation of large-scale storage tanks for both potable and grey water
- Furthering filtering of grey water so that it can be utilized in the HVAC cooling towers for evaporation cooling
- · Increased set-point temperature to save water evaporating through the cooling towers
- · Grey water for flushing of toilets.

Hyprop's Western Cape centres have committed a R19 million capex budget to implement these long-term solutions to safeguard against future water stress.



# **Tyger Valley Centre (Mowana Properties)**

Nozipho Khumalo, the national marketing manager for Mowana Properties, said that they had been working tirelessly on various initiatives in a bid to ensure that continuity of business is achieved, should day zero be reached.

"We have identified that all parties need to work together to ensure that we save the precious resource we currently have. We have been working very closely with our largest consumers of water within the centre which are air conditioning, tenant usage and ablutions to aim to drive and exceed the savings on consumption demanded by the council. We have identified and met with the large water users within the mall including anchor tenants and have encouraged water saving throughout the mall.

Various tenants have implemented their own initiatives such as dry water washing at the hair-dressers and the usage of disposable towels. In a bid to save water, we have investigated alternative water sources, such as borehole water in preparation for Day Zero. Day Zero affects all parties and is not the sole responsibility of the landlord. A water expert has just been appointed to assist us with scientific water saving methods and we are also encouraging tenants to play their part and to introduce initiatives of their own."

Khumalo said that Mowana Properties have implemented various initiatives which include but are not limited to:

- Irrigation of gardens has been substantially cut
- Sinking a further borehole to bring the total number on site to three
- · Completion of an electronic water meter system to monitor and control consumption levels
- Supplying borehole water to selected ablutions
- · Encouraging customers to utilize hand sanitizers in the bathrooms, as we have cut the water supply at all basins
- Meeting with high water consumers to encourage water saving in a bid to reduce consumption
- · Managing air-conditioning efficiencies in a bid to reduce water consumption
- Ensuring that the sprinkler system is not compromised to allow for continuous trade

Khumalo added that Mowana Properties was also implementing other initiatives such as rainwater harvesting in preparation for future rainfall and is formulating a formal disaster plan for the centre should Day Zero be reached. "The initiatives mentioned above form the basis and framework around which the disaster plan will be built. Once the formal disaster plan is in place, it will be easier to gauge whether we as a centre are adequately prepared to Day Zero.

"The other area which has had to be adapted has been the education of patrons and customers as to the need to adapt the ablutions to hand sanitizer as opposed to offering water at the hand basins, as we have received complaints as to why water is not being provided. We believe that it is imperative that each individual does their part towards the greater good and it is alarming to note that the severity of Day Zero and the impact that it will have on the economy, is not being taken

seriously by everyone. We will continue to educate and encourage all citizens to do their part."

### Food Lover's Market

Retailers too have rolled up their sleeves as Day Zero approaches. Commenting on the efforts at Food Lover's Market, group head of sustainability, Andrew Millson said that Food Lover's Market had been preparing for this crisis for some time. "We first set up a water emergency group, consisting of various department heads and senior managers, in October 2017. This was primarily aimed at reduction of water use. However as the drought shifted, more emphasis has been placed on Day Zero itself," he said.

Changes that were made at the various Food Lover's Market stores in Cape Town include:

- · Implementing water tanks with rainwater harvesting and filtration at stores, pack-houses and distribution centres
- Daily water readings being collected from all stores and head office
- Working with cleaning companies to limit water usage, and in the event of Day Zero, develop a plan to make sure cleaning can still be fully completed to food safety standards with water brought in from sustainable sources by the cleaning providers
- Weekly updates from all senior managers and department heads, as well as the development of training material to roll out to all employees
- Sourcing of water from sustainable sources to fill tanks should Day Zero arrive
- Working with human resources departments to understand the implications if our colleagues are having to collect water from standpipes during normal trading hours
- Following a variety of meetings with the City of Cape Town, they also invited them to visit the head office and speak to department heads

According to Millson, Food Lover's Market has the right plans in place to ensure that they are able to offer as close to normal service as possible, without ever compromising food safety standards. "A major issue for us, and for many businesses, is that we still do not have a clear indication of exactly which areas will be cut off from the city. This is due to be released next week after which we will be able to finalise Day Zero planning.

"We are all learning a great deal about water - how much we all use and how precious a resource it is. The long-term implications may well be very positive, with a great deal of new infrastructure being put in place leading to a more decentralised reticulation system. People's awareness of water has substantially shifted too, as has the feelings around climate change and how this impacts our lives.

"It will be important to build on this, use this crisis as an opportunity to redefine how we view water and ensure we have better systems implemented in new buildings to deal with the realities of the climate we now find ourselves living in. Some of these examples may be dual reticulation systems so we are no longer flushing with potable water, or even black water systems which are used extensively in other countries."



# Spar

Commenting on efforts at Spar, Ross Bannatyne, new business development manager for Western Cape and Namibia, said that Spar was unique in that they are both a wholesale operation - having six independently-operated distribution centres around the country - as well as retail operation which are the stores and various brands are run independently under a voluntary trading arrangement.

"Our distribution centre has various detailed water plans and measures put in place to significantly reduce our consumption. We have been actively involved at a retail level by engaging, advising, guiding and supporting our retailers and store owners on an ongoing basis. Providing leadership and guidance in terms of water saving initiatives and various other solutions in an attempt to delay Day Zero indefinitely," he said.

Some of the measure Spar has implemented include:

- Increased communication to managers, all staff and customers
- Contacted landlords requesting their collaboration and assistance
- Ensuring that all stores are able to operate if the taps are turned off



Online searches for bottled water skyrocket as consumers stock up on Day Zero supplies 7 Feb 2018



### **Woolworths**

Kirsten Hewitt from Woolworths, said the pending Day Zero will have an impact on operations in the Western Cape and they expect that it may impact staff availability, product availability and store operations.

"We have very clearly defined plans in place to continue operations in our stores, distribution centres and head office. We are also actively working with our suppliers to assist them in finding solutions so that we can continue to meet our commitments to our customers. We have installed water tanks at our Western Cape stores, distribution centres and our head office to ensure uninterrupted water supply in the event of Day Zero. We are investigating alternative water source options such as investing in a desalination solution and alternative water sources outside of the Western Cape," she said.

Hewitt noted that Woolworths' first priority was its staff. "All our staff will be provided with drinking water while at work and water for ablutions across stores, head office and in the distribution centres. We also aim to provide each of our employees in the Western Cape with water to take home to their families every day."

She said that Woolworths had already done a significant amount of work on water conservation efforts:

- At the head office, they're tapping into an underground water supply. Currently, 57% of head office water comes from this source.
- Installing water pulse meters in 90% of SA stores to accurately monitor water usage, allowing them to pick up underground leaks and prevent unnecessary water wastage. Relative water consumption across stores has dropped by 56% from the 2007 benchmark.
- Implementing rainwater harvesting and re-use systems at water-thirsty distribution centres across the country. This means reducing reliance on precious treated water for activities like tray and floor washing as well as toilet flushing.
- Helping farmers reduce water wastage and water pollution through the Farming for the Future Initiative 95% (259) of their primary produce suppliers and 87 of their secondary suppliers are participating.
- Through the WWF-SA's Water Balance Project, they continue to work in clearing alien vegetation that is estimated to capture up to 7% of South Africa's already scarce water resources.

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