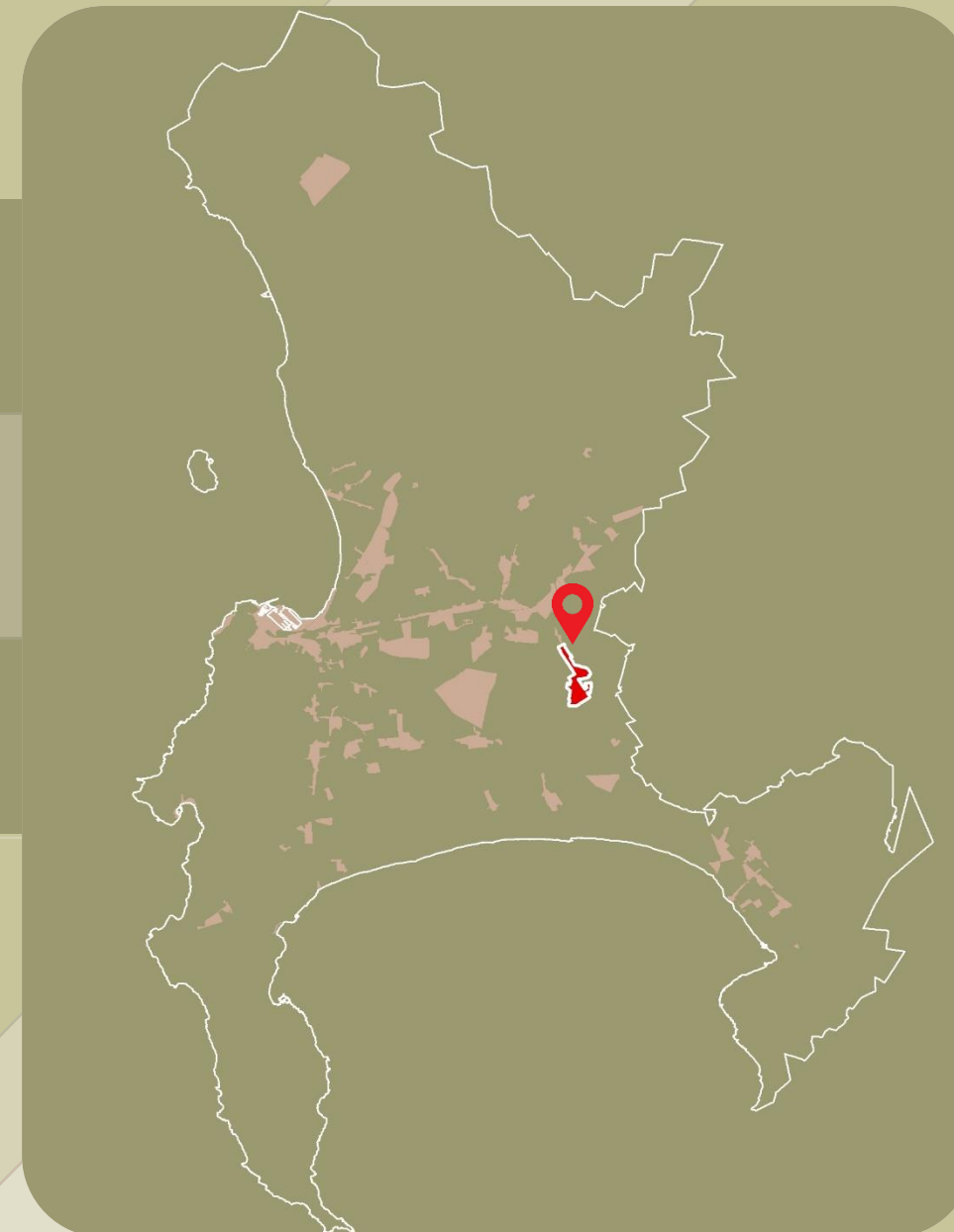


BLACKHEATH/KUILSRIVER INDUSTRIAL ECONOMIC AREA PROFILE

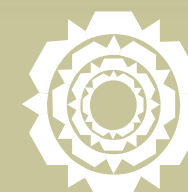
TREND ANALYSIS 2012-2022



Image source: City of Cape Town



June 2025



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Making progress possible. Together.

ACKNOWLEDGEMENTS

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Valuations, Development Management & Policy and Strategy

DISCLAIMER:

The information contained herein is provided for general information only which is not intended to provide definitive answers and as such, is only intended to be used as a guide.

Whilst we strive to provide the best information at our disposal and take reasonable measures to ensure that it is up-to-date and correct, we make no representations or warranties of any kind, express or implied, about the completeness, accuracy, reliability, suitability or availability of information for any purpose. Any reliance you place on the information is at your own risk.



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POLICY & REGULATORY CONTEXT

For the past decade, the global and national economic context has required regional economies to prioritise their investment decisions in space for greater efficiency. The Economic Areas Management Programme (ECAMP), as it was introduced, has therefore been considered a valuable economic data tool that provides valuable insights into the performance of the space economy at an area-specific level.

This update of ECAMP is further aligned with the Urban Planning & Design Department's business strategy to leverage spatial intelligence to unlock value within Cape Town's space economy by:

- a) Tracking the performance and implementation of its spatial development framework policies
- b) Developing the evidence base to inform and adjust said spatial policy
- c) Supporting spatially targeted investment and decision-making
- d) Providing a spatial lens of economic data within the Cape Town context

The following strategic objectives and programmes support the update of ECAMP:



INTEGRATED DEVELOPMENT PLAN 2022-2027

- [Objective 1](#) (Increased jobs and investment in the Cape Town Economy): Targeted urban development programme
- [Objective 15](#) (A more spatially integrated and inclusive city): Spatial strategy monitoring and evaluation project

INCLUSIVE ECONOMIC GROWTH STRATEGY (2021)

- [Applying an economic lens to policy-making by integrating sustainable analysis into City Decision Making in alignment with the MSDF.](#)
- The primary and most immediate scope of work must centre around economic recovery. To this end, implementation of this Strategy will be in the form of a [three-phase recovery approach](#).

MUNICIPAL SPATIAL DEVELOPMENT FRAMEWORK (MSDF, 2023) POLICY & STRATEGY IMPLEMENTATION

- Table 5.1: Spatial strategy 1: Substrategies and policy guidelines ([Policy 2, 4 and 5](#))
- Table A2: Spatial strategy 1: Policy guidelines, strategic and implementation intent ([Policy 4,2 and 4,3](#))

DISTRICT SPATIAL DEVELOPMENT FRAMEWORK (DSDF, 2023): SUB DISTRICT GUIDANCE

- Tygerberg DSDF - Subdistrict 8: Greater Kuils River, Bottelary and Polkadraai areas, Zevenwacht, Stellenbosch farms:
 - District Development Guidelines ([page 60](#))
 - Subdistrict Development Guidelines ([page 89](#))
 - Consolidated subdistrict SDF ([Figure 25: Subdistrict 8: Greater Kuils River, Bottelary and Polkadraai area, Zevenwacht, Stellenbosch farms](#))

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CONCEPTUAL FRAMEWORK

Intended users

This profile provides a cohesive narrative to determine key trends across several data entry points to help inform decision-making. It also aims to help guide investment in cases where data is not readily available to the public.

Conceptual Framework

The reporting of updated time series microeconomic analysis on Cape Town's economic areas is informed by a conceptual framework, which aims to create spatial intelligence on *supply & demand factors according to the 5 themes* which have been identified. The 5 themes allow for an integrated narrative across area-based economic trends. The trends being reported throughout this profile are used to classify and assess the overall performance of Cape Town's economic areas.

Data preparation, sources, assumptions and limitations

The indicators reported in this profile feed off several automated data processes to add intelligence at a land parcel level which is then aggregated into economic areas. This profile draws across various datasets between 2012 and 2022 such as the General Valuation Roll, market reports, building plans, land use applications, property sales and SARS data. While many of the respective datasets are continuously refined over time, this profile will be updated as and when new data is available.

Contact details

Should you wish to make contact, please direct your feedback to the City of Cape Town's Metropolitan Spatial Planning and Growth Management branch via Future.CapeTown@capetown.gov.za.

MICRO-ECONOMIC DEMAND & SUPPLY FACTORS

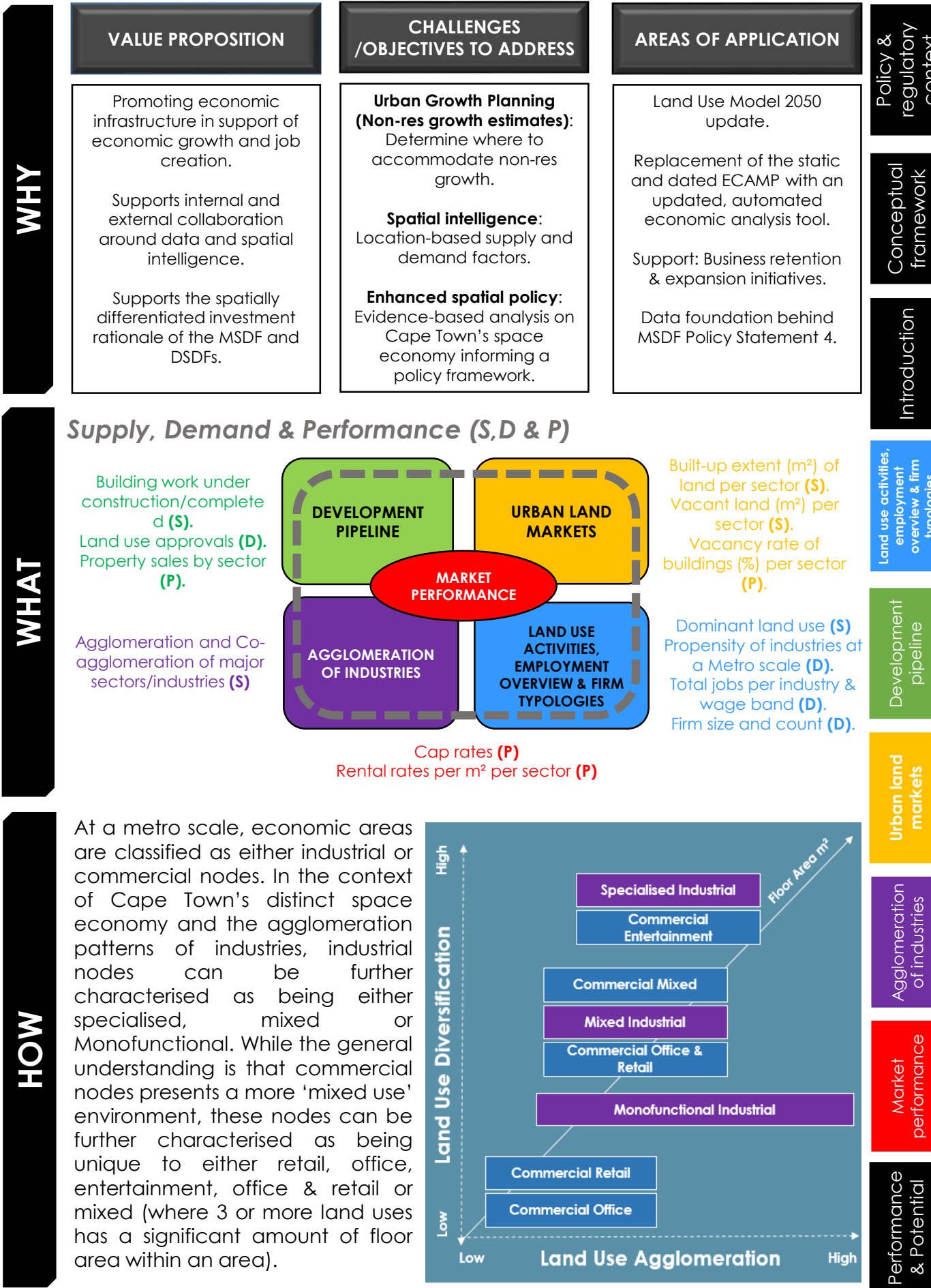
This profile examines a range of micro-economic indicators to highlight trends in supply and demand specific to the economic area. The indicators include:

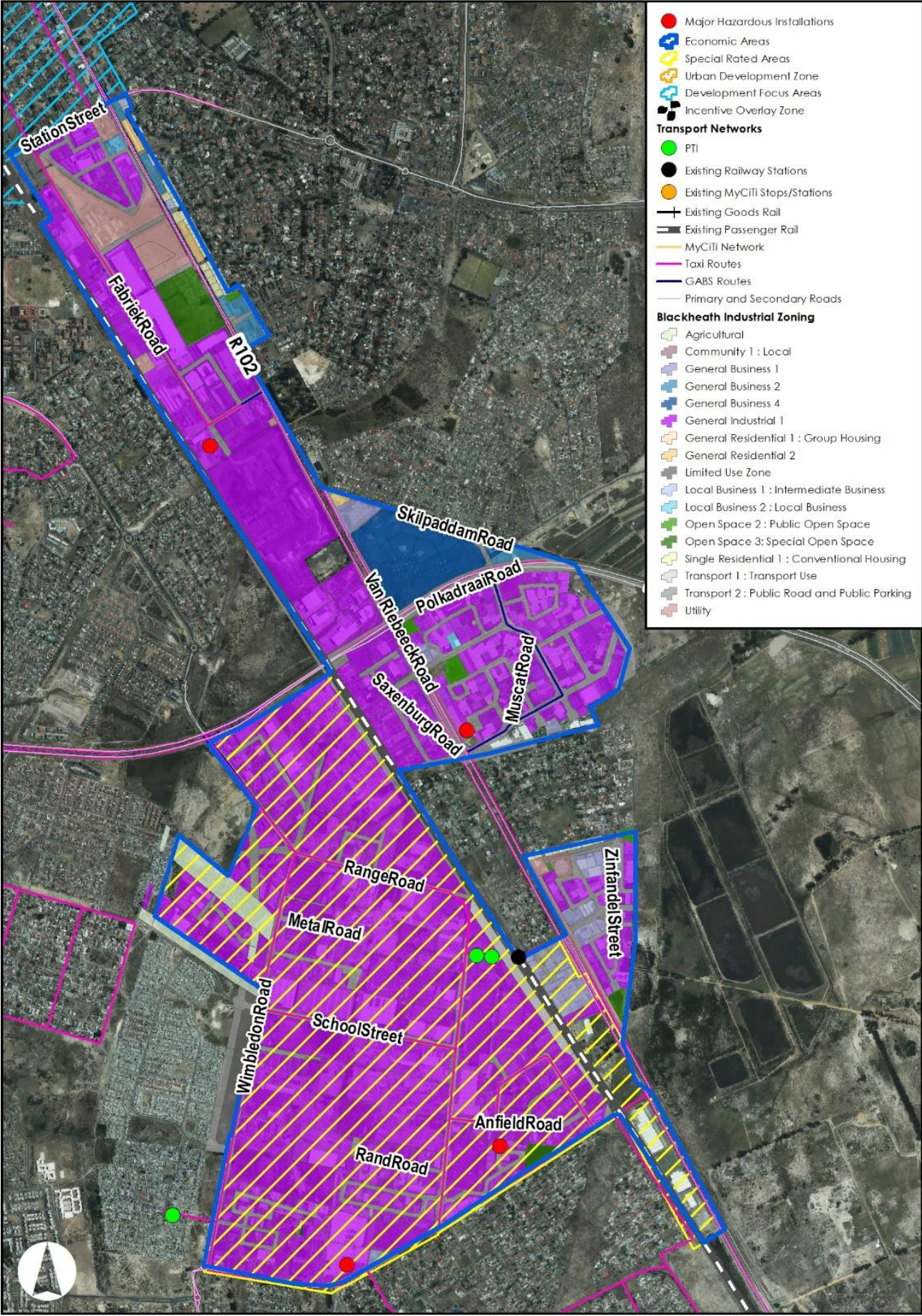
- Property sales per land use sector
- Building work completed
- Types of land use applications approved
- Vacant land per land use sector
- Built-up land and take up rate per land use sector
- Dominant land uses present in an area
- Building vacancy rate overtime
- Capitalisation rate over time
- Rental rate p/m² by land use sector
- Jobs per industry

MACRO-ECONOMIC REPORTS AND INDICATORS

For additional insights into the macro-economic factors affecting the regional economic condition, refer to the following reports for more information on macro-economic indicators related to Cape Town:

- [Economic Performance Indicators for Cape Town](#)
- [Regional Market Analysis and Intelligence 2023/24](#)
- [Provincial Economic Review and Outlook \(PERO\)](#)
- [Municipal Economic Review and Outlook \(MERO\)](#)





BLACKHEATH/KUILSRIVER INDUSTRIAL

Location

- The area is approximately 25km east of Cape Town's Central Business District and the Port of Cape Town. Furthermore, the area is located 12km from Cape Town International Airport.
- It is also situated near the N1, N2 and R300 highways, providing easy access across Cape Town.
- The area includes a Public Transport Interchange and is mostly serviced by rail, GABS and taxis.
- Access to a skilled workforce from surrounding areas, includes the broader Kuils River, Blue Downs and Blackheath areas.

Zoning, land use and form

- The area is predominantly zoned for industrial and commercial purposes.
- The area is mainly characterised by light and heavy industrial uses, which include warehousing, sales, manufacturing, repairs and office accommodation.
- The average land parcel size in the area ranges between 1,000 – 2,500m², with a limited number of land parcels ranging between 5,000 – 10,000m².

Spatial planning mechanisms

- Part of the area is serviced by a Central Improvement District.

Key highlights of the area include:

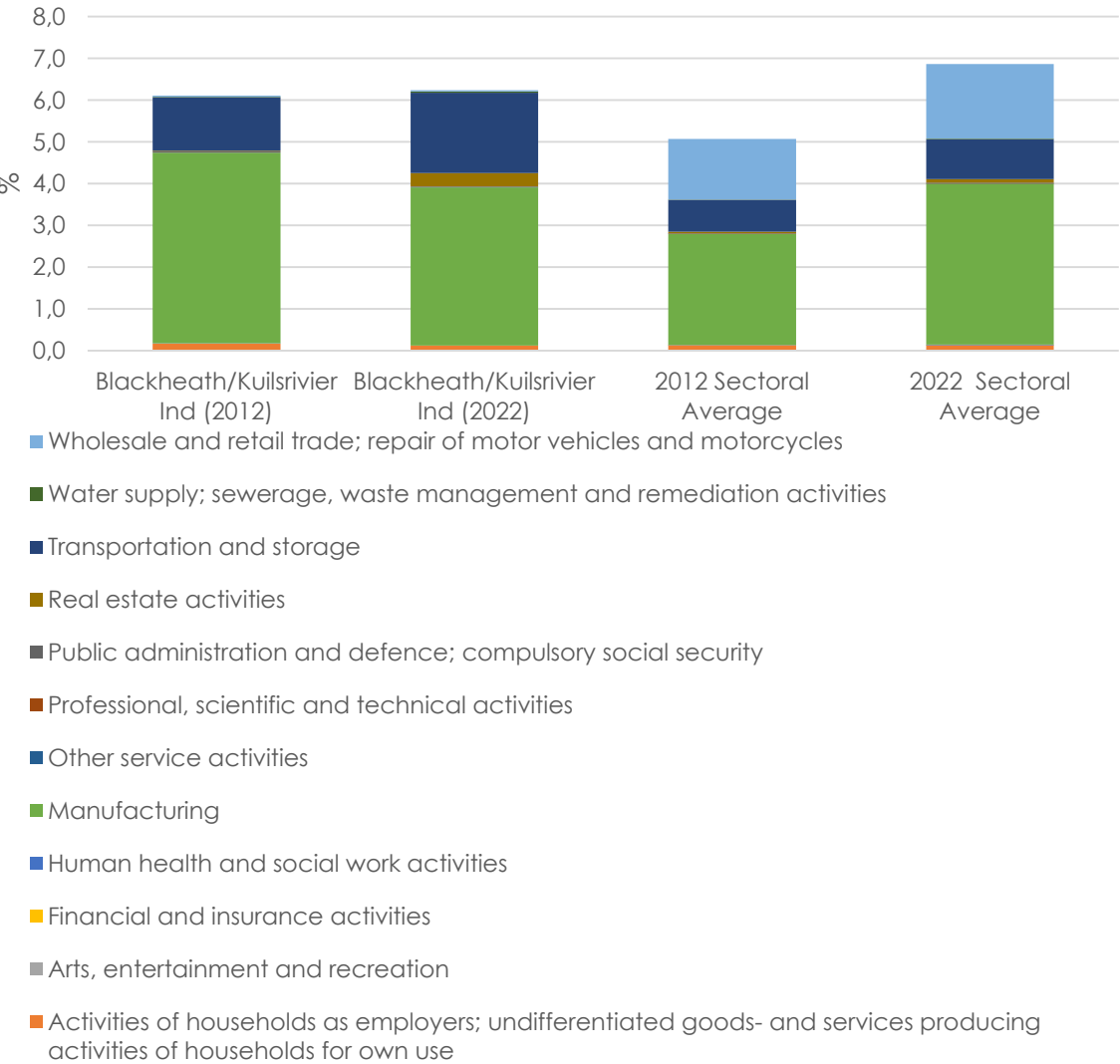
- The area started to establish itself in the 1960s and developed into an industrial economic area.
- [Blackheath City Improvement District](#) was established in 2005.

LAND USE ACTIVITIES

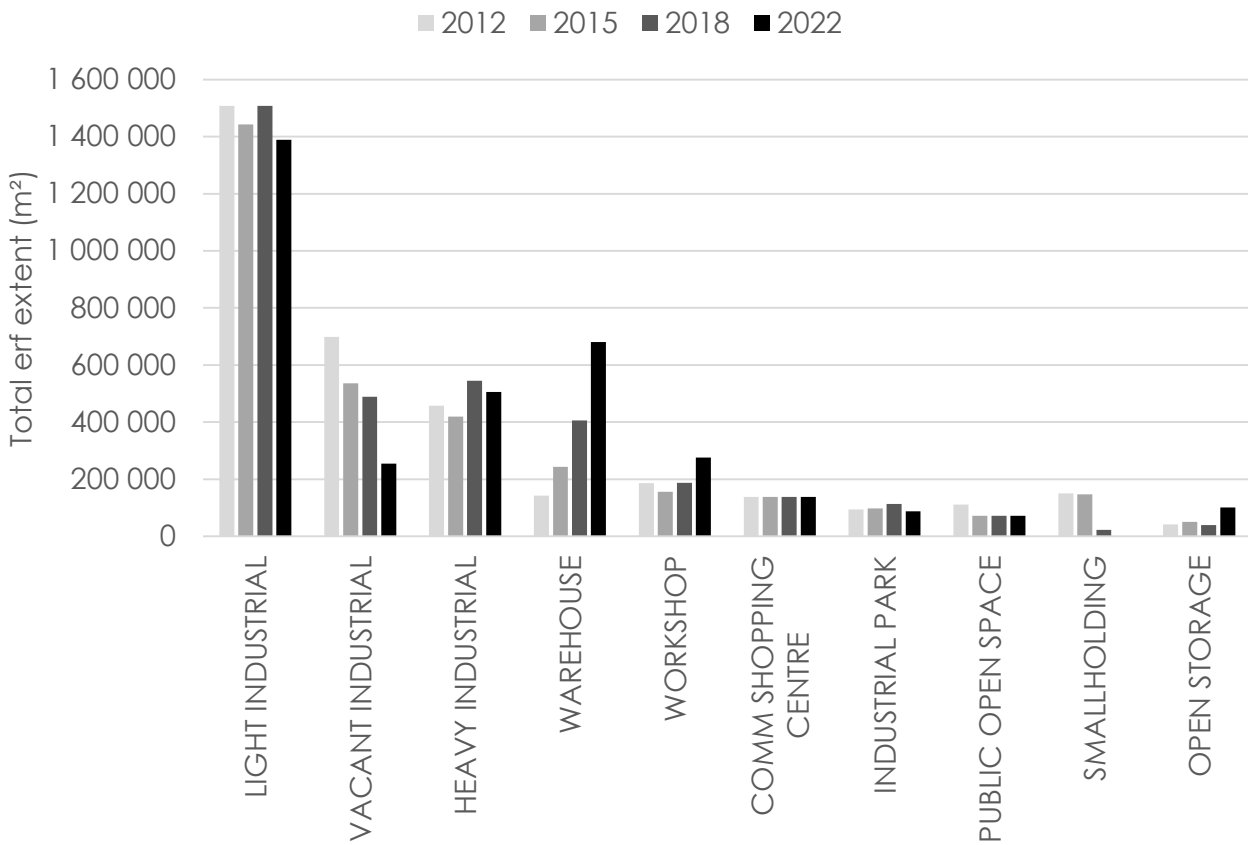
A recent analysis involved converting land use codes from the General Valuation Roll (GV Roll) into Standard Industrial Classification (SIC) codes. This was done to determine the prevalence of industries operating in areas with similar characteristics.

- Between 2012 and 2022, Blackheath/Kuilsriver industrial was mainly characterised by a greater propensity for manufacturing and transport & storage as reflected in the **Nodal Typology**. The nodal typology highlights industries with the most floor area (m²) operating within an economic area.
- The **MetroScale Benchmarking** positions Blackheath/Kuilsriver industrial as being a contributor of manufacturing and transport & storage which performs higher than that of the sectoral average when measured against other industrial areas across Cape Town.
- Additionally, the GV Roll supports the findings from the SIC data by showing the **dominant land use** over time. It details the cumulative floor area (m²) for warehousing, factories, workshops and both light and heavy industrial uses including warehousing and workshops.

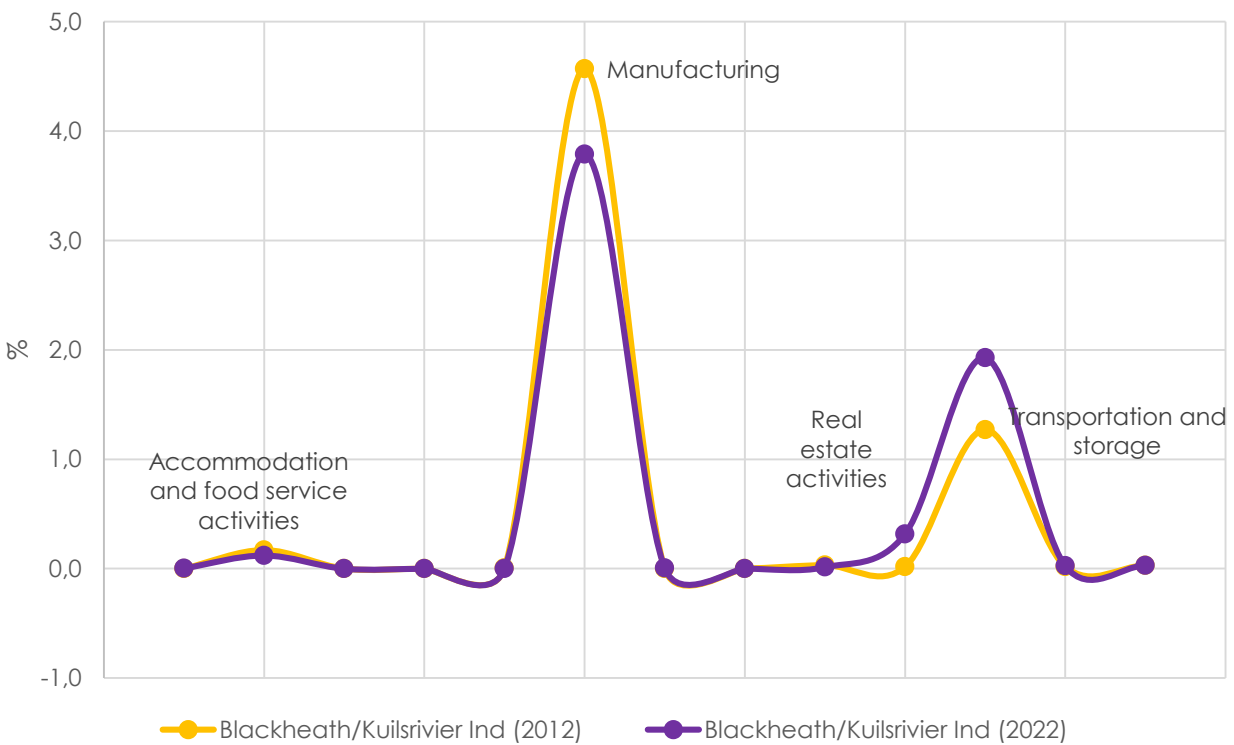
METROSCALE BENCHMARK



TOP 10 MOST DOMINANT LAND USES BETWEEN 2012 AND 2022



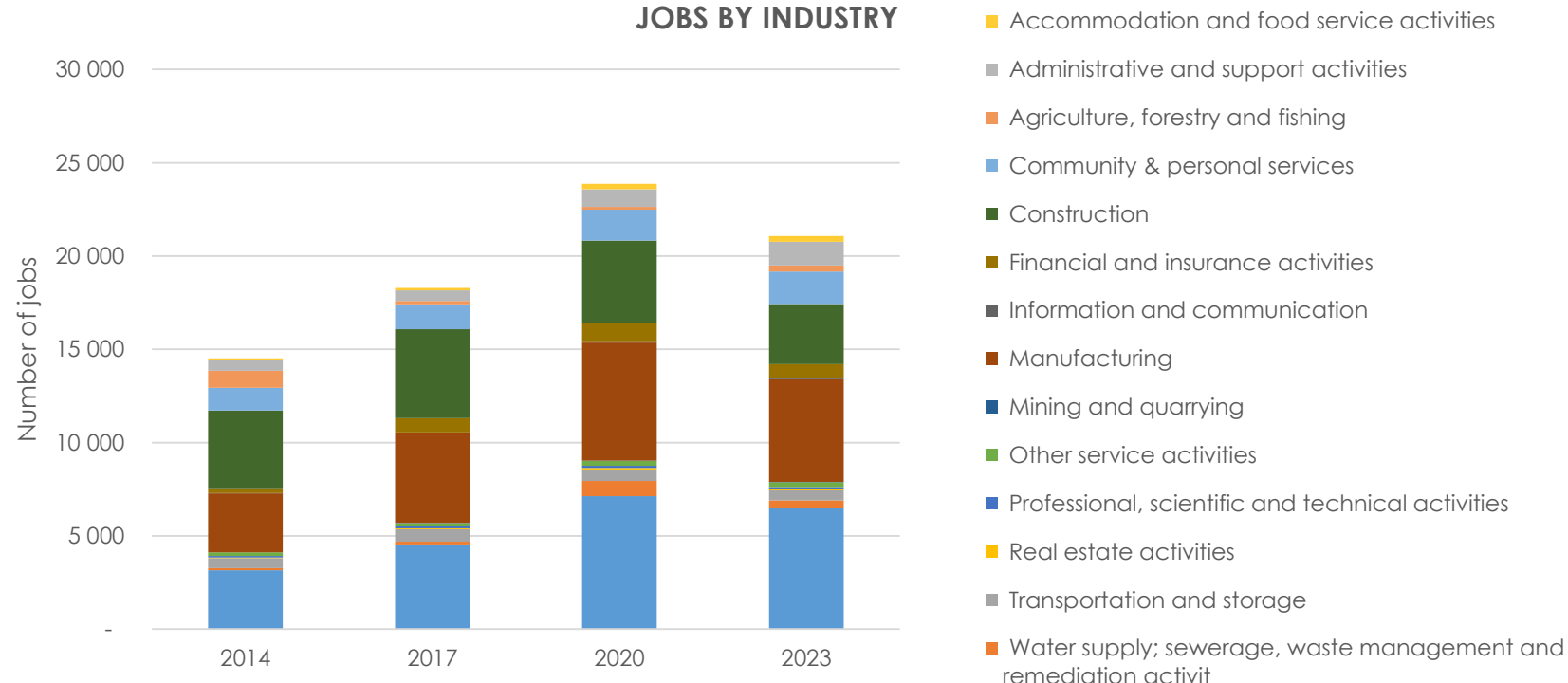
NODAL TYPOLOGY FOR 2012 AND 2022 (Mixed Industrial)



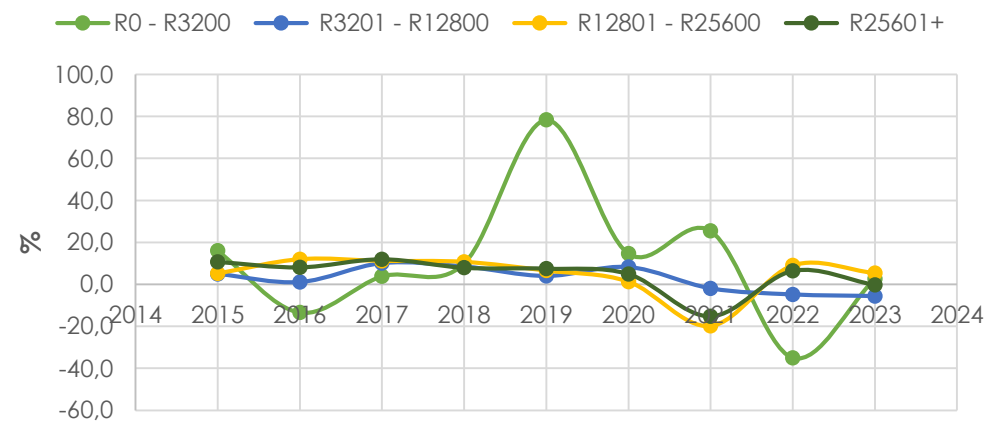
Source: 2012 – 2022 land use codes converted to SIC codes (May 2024 analysis)

EMPLOYMENT OVERVIEW & FIRM TYPOLOGIES

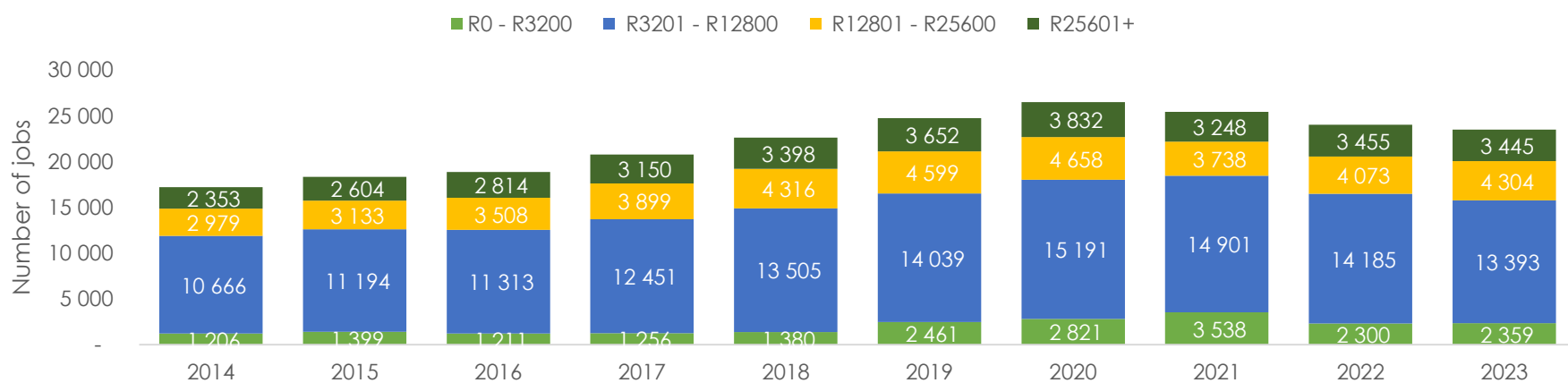
JOBS BY INDUSTRY



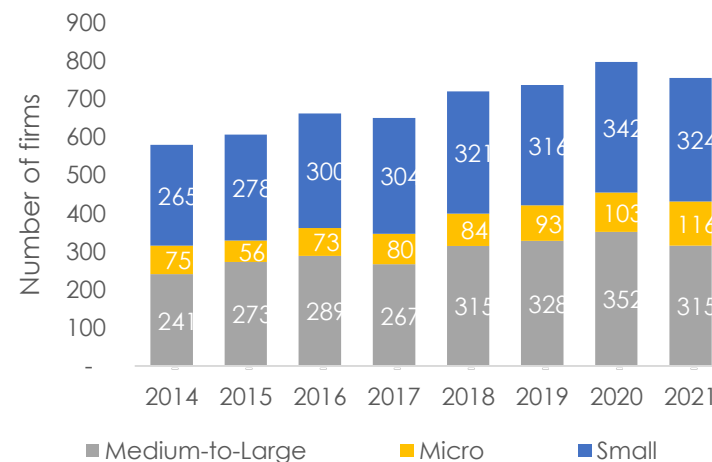
YEAR ON YEAR % CHANGE OF FULL TIME EMPLOYMENT WITHIN EACH WAGE BAND



FULL TIME EMPLOYMENT BY WAGEBAND



NUMBER OF FIRM TYPOLOGIES



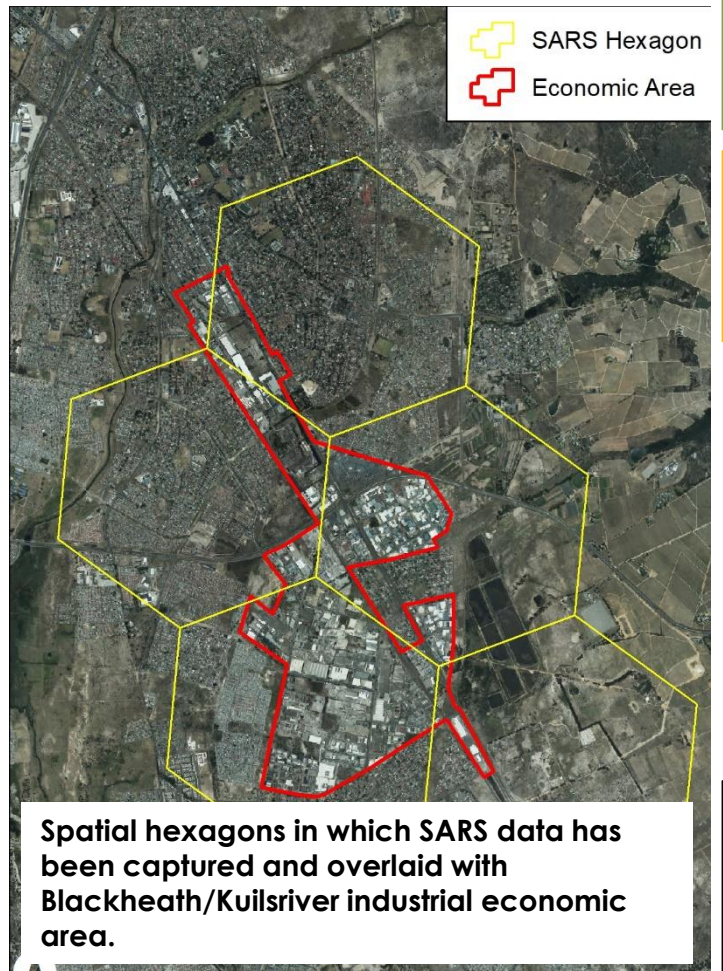
Jobs/Firms

The number of job opportunities in the Blackheath/Kuilsriver Industrial area gradually increased from 14,500 to 24,000 jobs between 2014 and 2020, but decreased to 21,000 in 2023. Over time, the majority of jobs have been concentrated in the wholesale & retail, manufacturing and construction industries.

The total number of firms in the area increased from 600 to 750 between 2014 and 2021. While small firms make up the majority, there is also a significant presence of medium to large businesses, as well as micro firms.

Income bands

The income bands provide insights into the skill levels of employees in the area. The data indicates that a larger proportion of employees earn up to R12,800, with a limited number of employees earning above R12,800.



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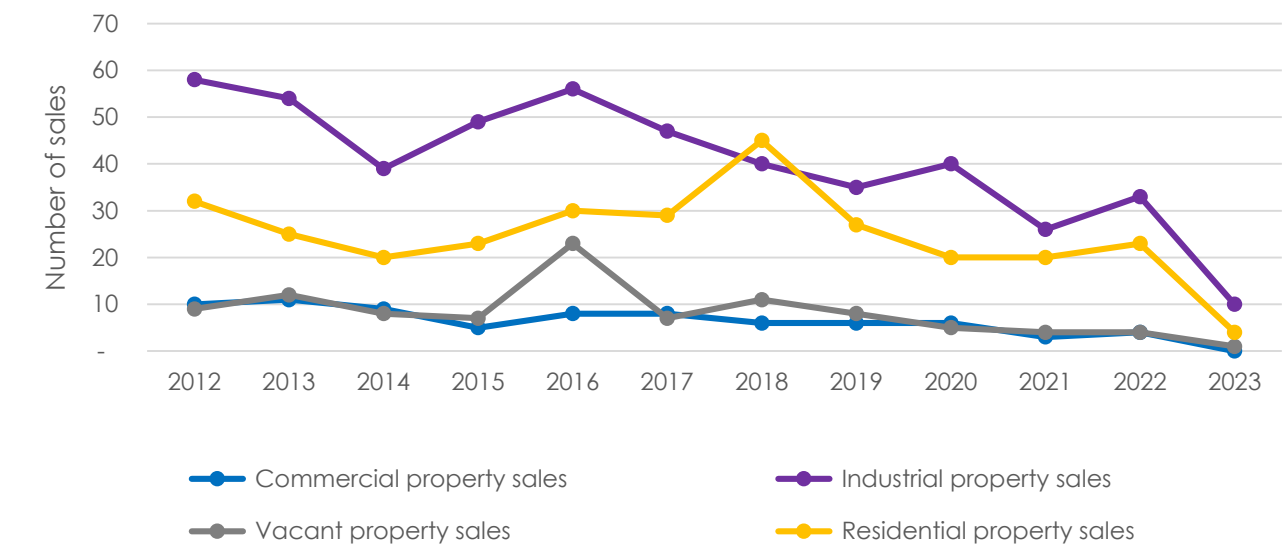
Market performance

Performance & Potential

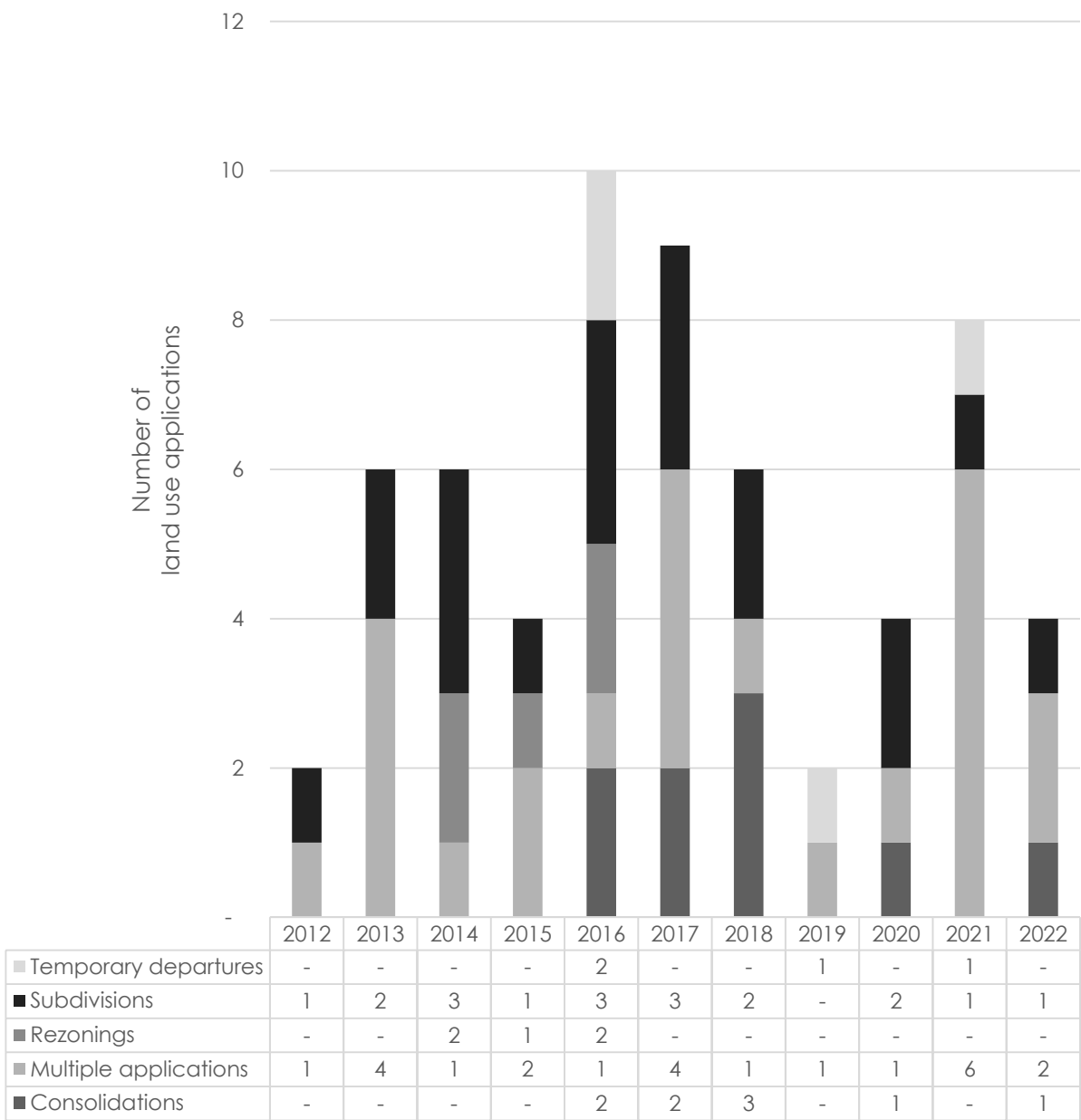
Source: SARS data extract for period between 2014 and 2023. Firm size data only available between 2014 and 2021.

DEVELOPMENT PIPELINE

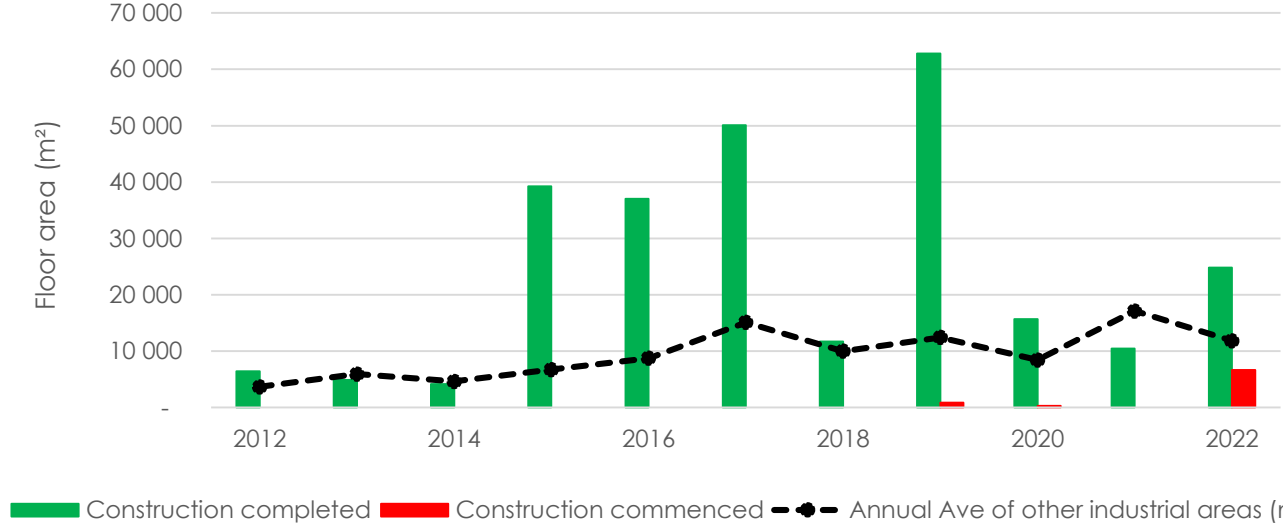
PROPERTY SALES BY SECTOR



APPROVED LAND USE APPLICATIONS



BUILDING WORK COMPLETED/UNDER CONSTRUCTION RELATIVE TO AVERAGE OF AREAS WITH SIMILAR CHARACTER



Property sales

Property sales in the industrial sector were higher compared to other sectors from 2012 to 2022, except in 2018 when residential property sales peaked higher than industrial sales. Overall, property sales across all sectors were at their highest between 2012 and 2018, which started to taper down towards 2023.

Land use applications

Blackheath industrial is predominantly zoned for industrial purposes, with most of the approvals granted for subdivisions and multiple applications, suggesting a demand for a particular property size and rights to be in place. Multiple applications may include a combination of the types seen in the graph.

Building plans

Following property sales and land use approvals, building work activity commenced in 2012 and has mostly reflected building activity being higher than the metro's annual average across other industrial areas for most of the years.

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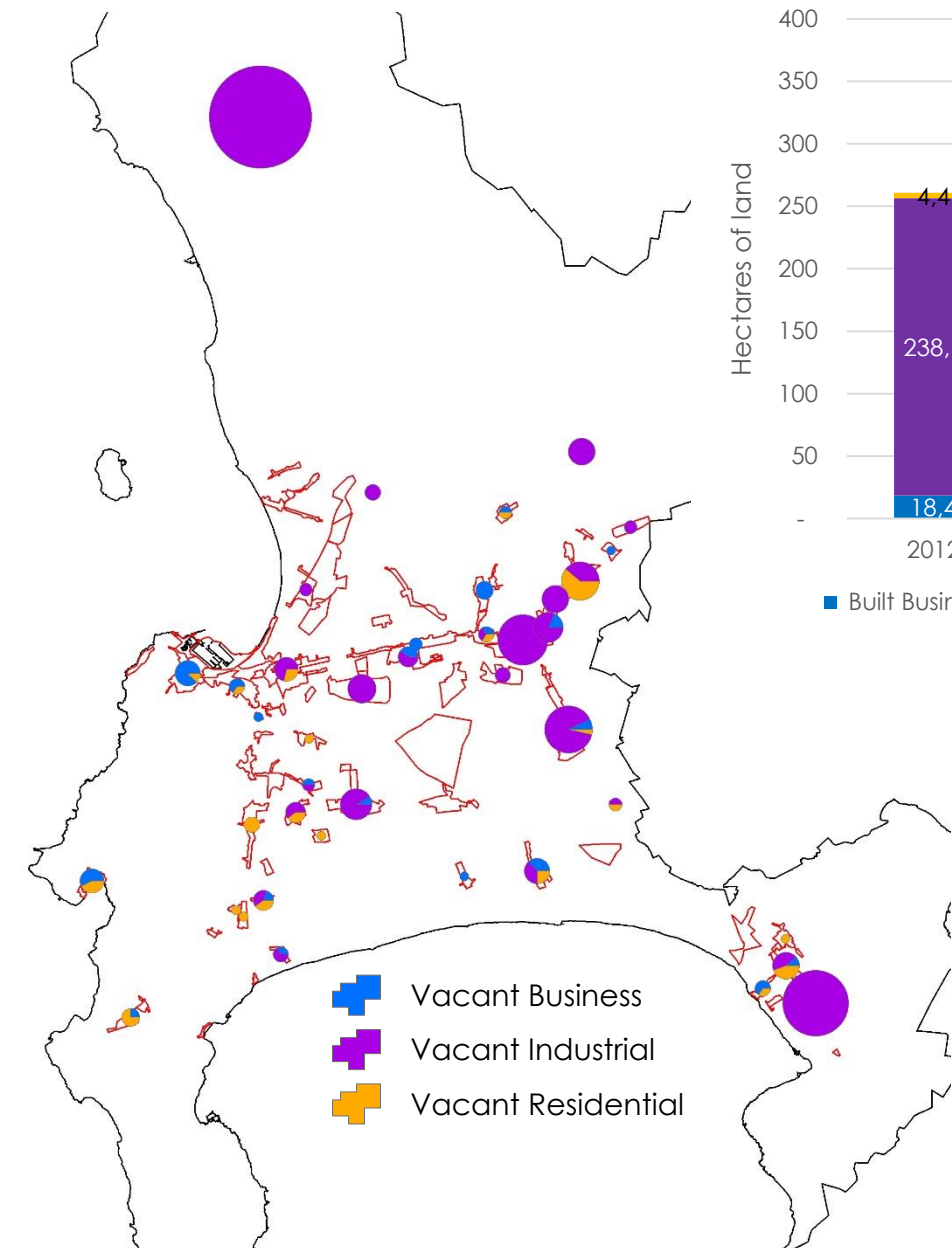
Agglomeration of industries

Market performance

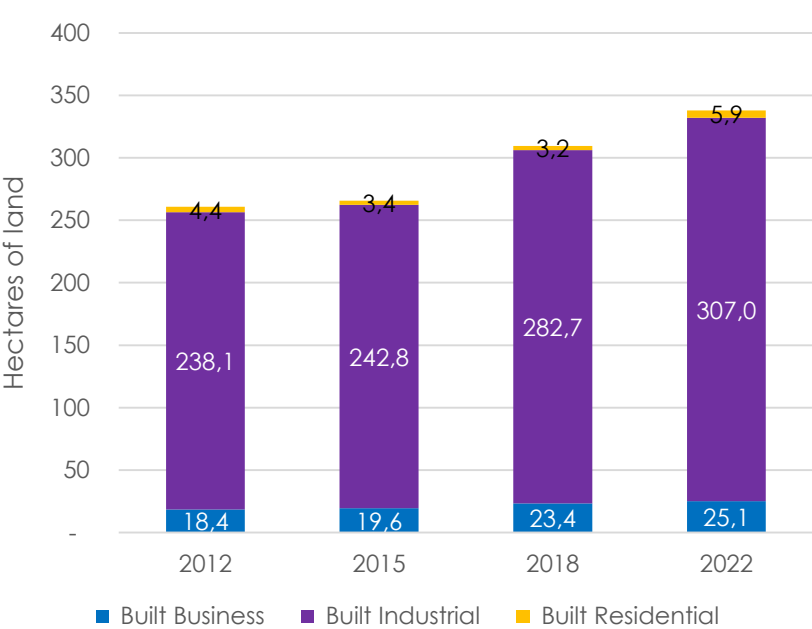
Performance & Potential

LAND USE CHANGE & VACANCY RATES

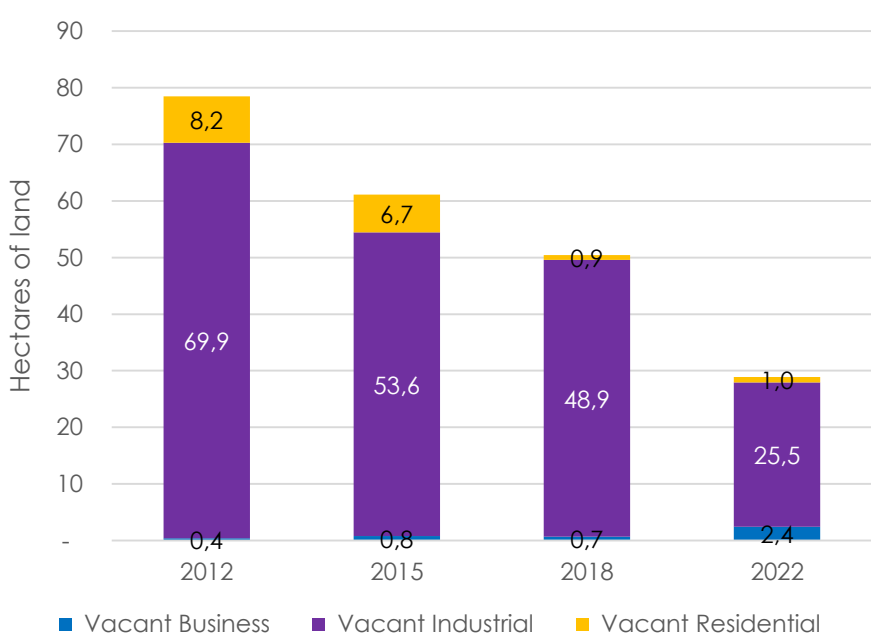
VACANT LAND ACROSS CAPE TOWN (GV 2022)*



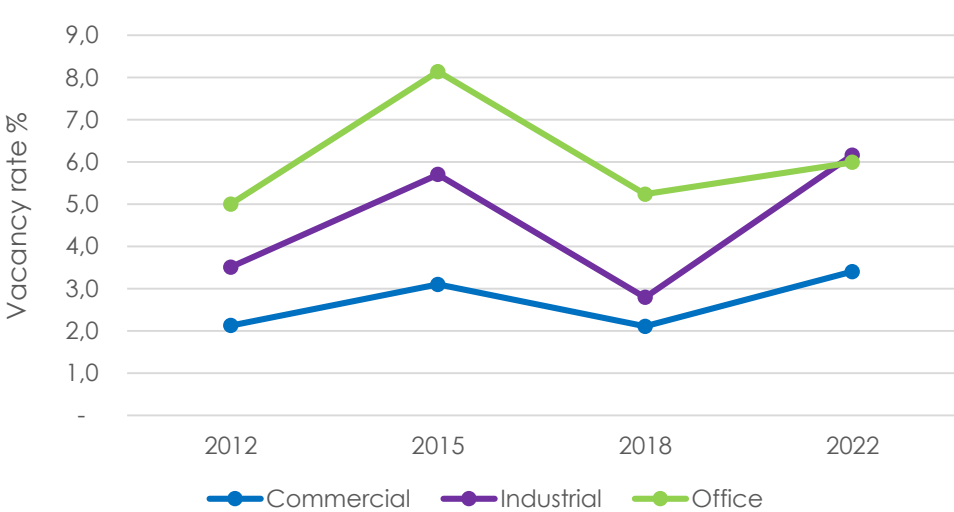
BUILT-UP LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



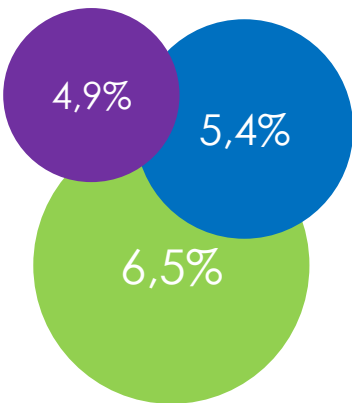
VACANT LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



AVERAGE VACANCY RATE OF EXISTING BUILDINGS



METRO AVERAGE: VACANCY RATES PER SECTOR FOR 2022*



| Number of land parcels that are vacant by size | | | |
|--|------------|------------|-------------|
| Erf Size | Commercial | Industrial | Residential |
| 1) 1-250m² | | | |
| 2) 251-500m² | | | |
| 3) 501-1000m² | | 14 | 5 |
| 4) 1001-2500m² | | 18 | 2 |
| 5) 2501-5000m² | 1 | 5 | 1 |
| 6) 5001-10000m² | | 2 | |
| 7) >10000m² | 1 | 8 | |

Source: City's General Valuation Roll and Market Reports

Vacant land:
The map provides a representation of the latest GV Roll (2022) by illustrating vacant land across the metropolitan area and supplements the graph on vacant land for the 2022 GV year. While the area has experienced a gradual growth in terms of the built-up land, there has been a significant take-up of vacant land between 2012 and 2022, with a considerable amount of vacant land available as of 2022. Furthermore, the available vacant land is also categorised based on the number and size of land parcels, as reflected in the accompanying table.

Vacancy rates:
In addition to vacant land, vacancy rates of existing buildings for the industrial sector increased from 3,5% in 2012 to 6,2% in 2022. The commercial sector has increased from 2,1% in 2012 to 3,4% in 2022, while the office sector has also increased from 5,0% in 2012 to 6% in 2022.

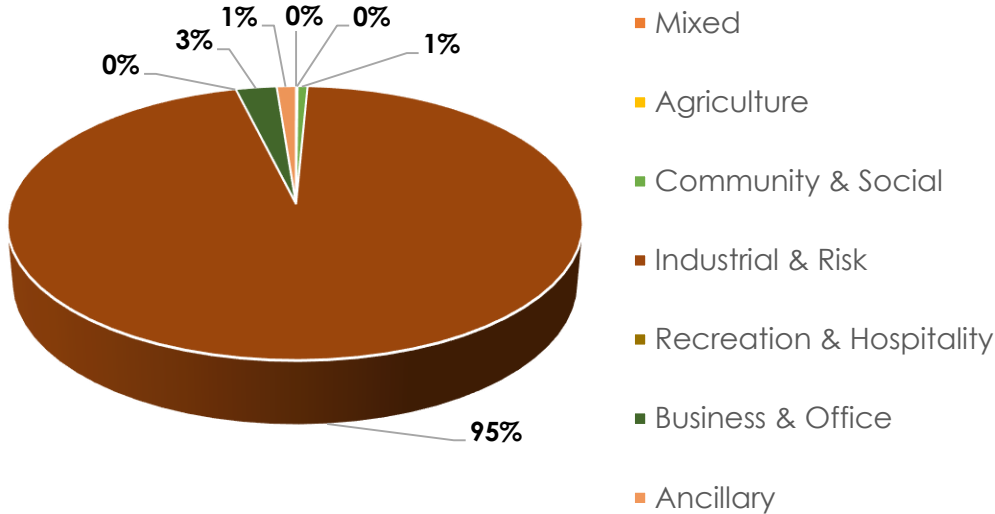
*A metro view that provides further context relative to this economic area.

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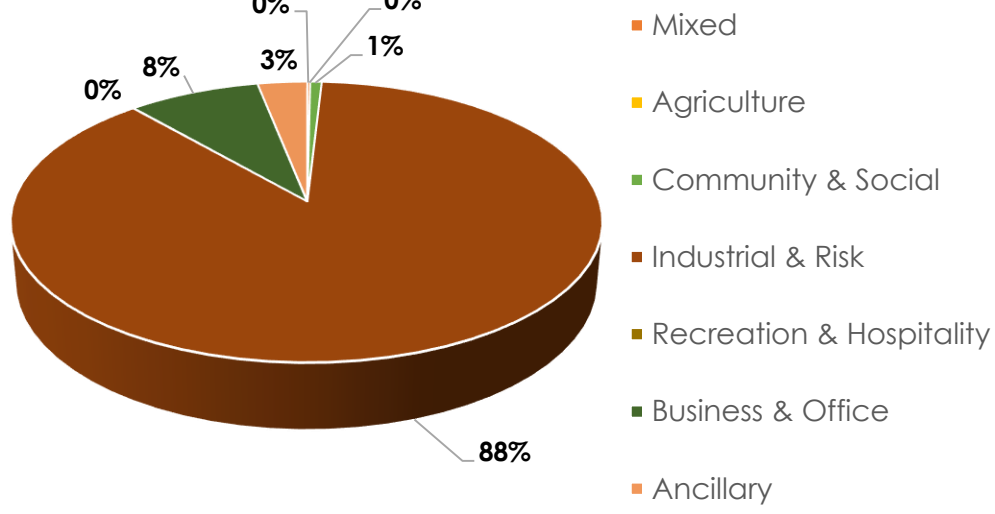
AGGLOMERATION OF INDUSTRIES

SECTORAL AGGLOMERATION AND CO-AGGLOMERATION RELATIONSHIPS

% OF LAND USE GROUPS (2012)



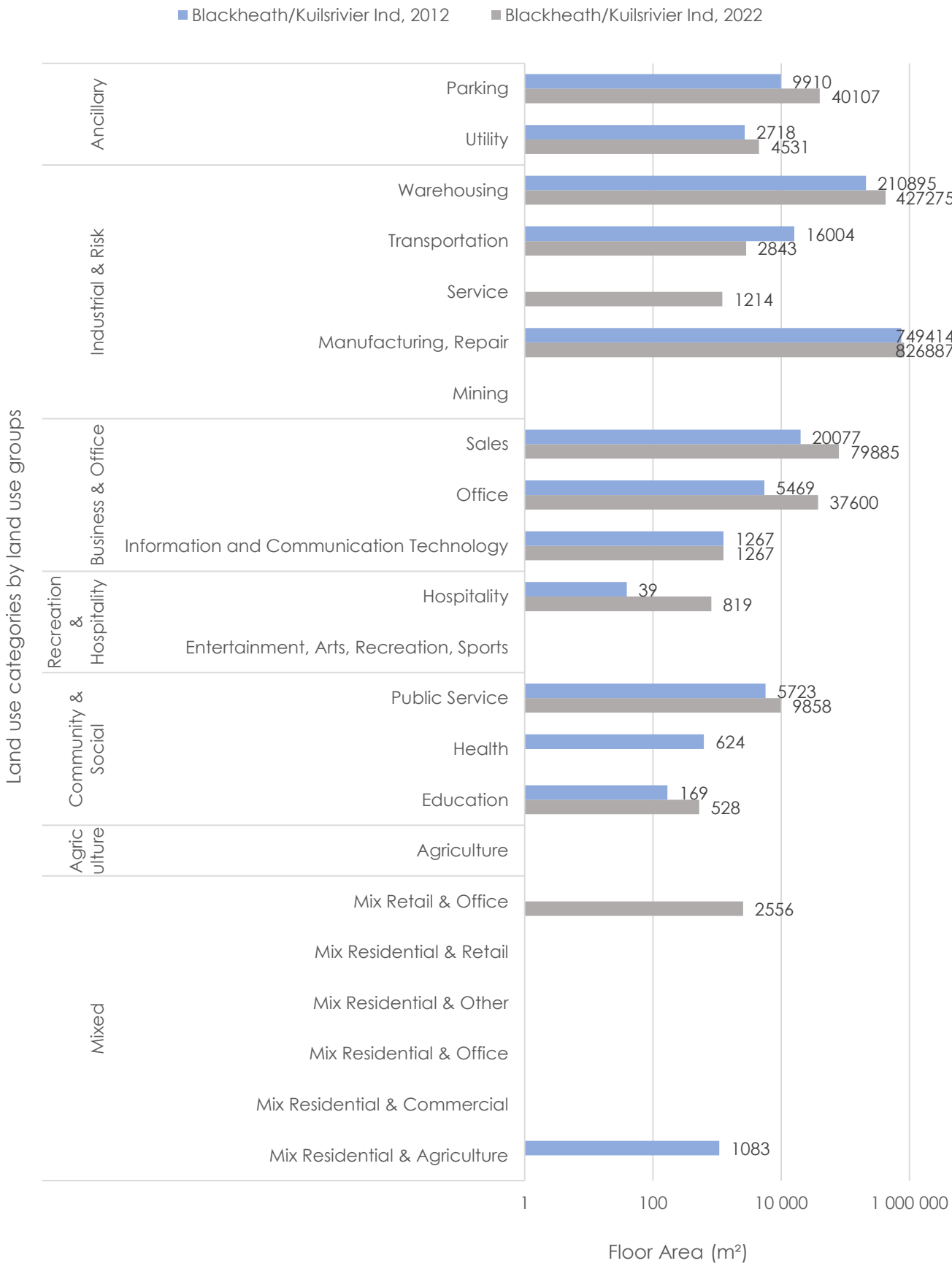
% OF LAND USE GROUPS (2022)



The pie charts represent the % split of land use groups agglomerated in Blackheath/Kuilsriver industrial. This % is based on the cumulative floor area (m²) across the various land uses and as can be seen by the chart, the Industrial & Risks group has been dominant in both 2012 and 2022 compared to the other groups, which are mainly in support of the dominant land use group.

Furthermore, the bar graph represents a comparative view between 2012 and 2022 on the co-agglomeration of land use categories within each of the land use groups. The area shows the most dominance between 2012 and 2022 for manufacturing, repairs and warehousing. The parking floor area, sales and office have increased significantly by 2022. There is also a presence of other land uses, which can be seen to be in support of the most dominant land uses.

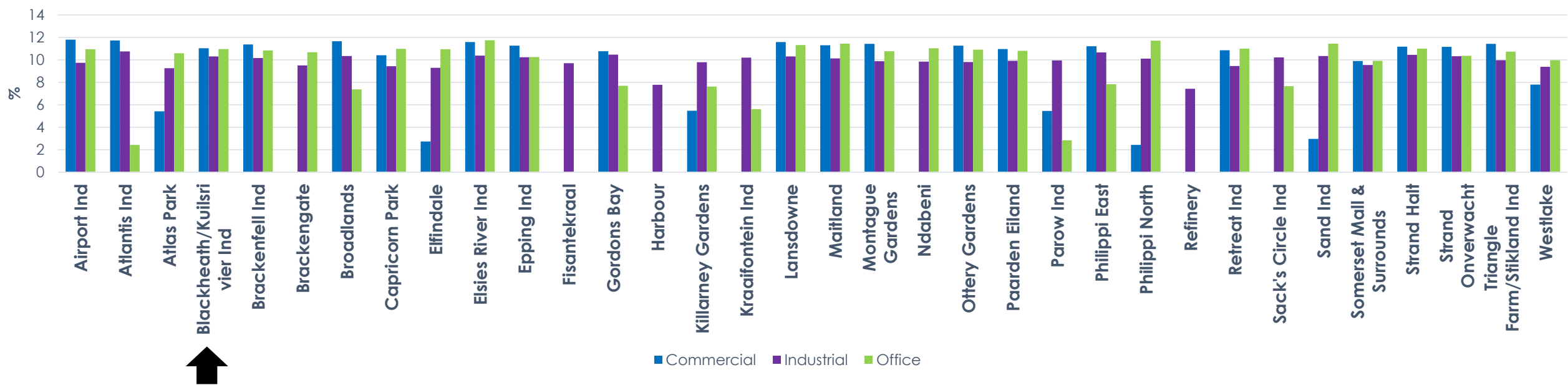
FLOOR AREA PER LAND USE CATEGORY FOR 2012 AND 2022



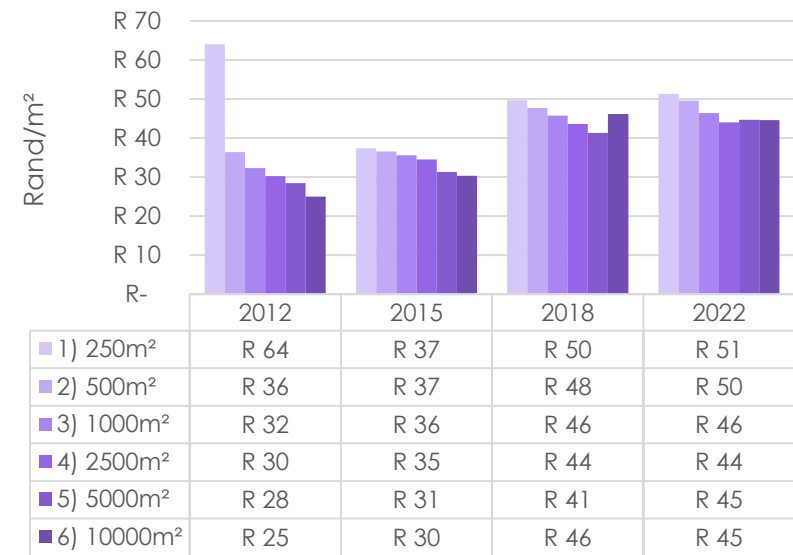
Source: Analysis of GV data (May 2024)

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AVERAGE CAPITALISATION RATE OF BLACKHEATH/KUILS RIVER INDUSTRIAL IN RELATION TO OTHER INDUSTRIAL AREAS FOR THE PERIOD BETWEEN 2012 AND 2022



INDUSTRIAL RENTALS

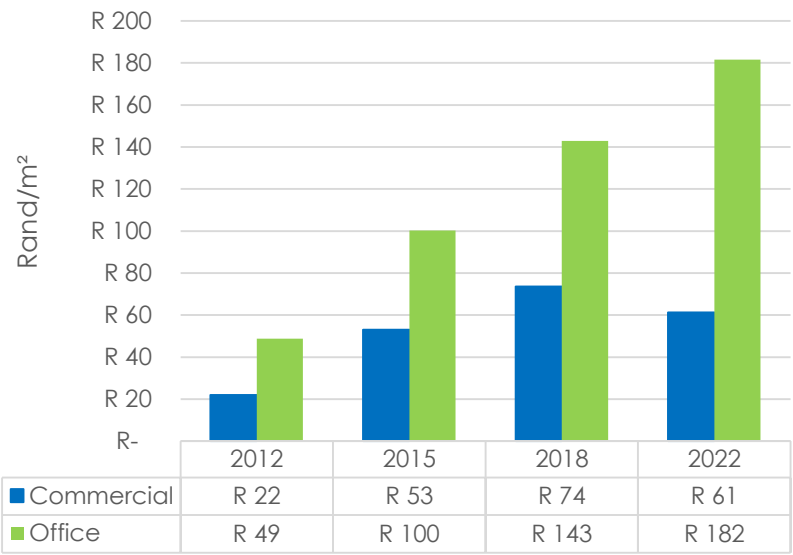


Rental rates

Rental rates across all industrial space gradually increased between 2012 and 2022, with higher rental prices recorded for smaller spaces.

Office rentals increased significantly between 2012 and 2022, while commercial rentals increased between 2012 and 2018, but declined in 2022.

COMMERCIAL AND OFFICE RENTALS



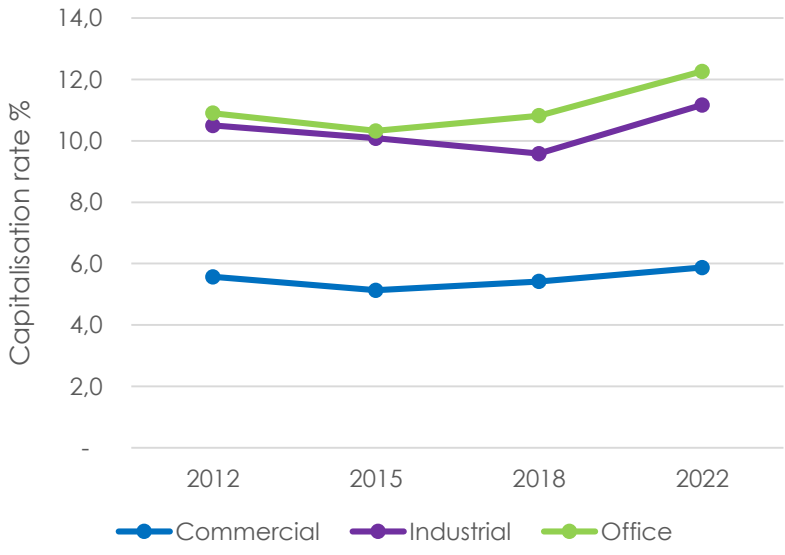
Comparative view on capitalisation rates

The average capitalisation rate between 2012 and 2022 for industrial, office and commercial sectors has been 10,35%, 11,07% and 5.5%, respectively and further indicates its competitiveness relative to other industrial areas.

Year on year capitalisation rates for the industrial sector have increased from 10,5% to 11,2% while the office sector increased from 10,9% to 12.3%. There has mostly been stability in the commercial sector, being consistent at the 6% mark.

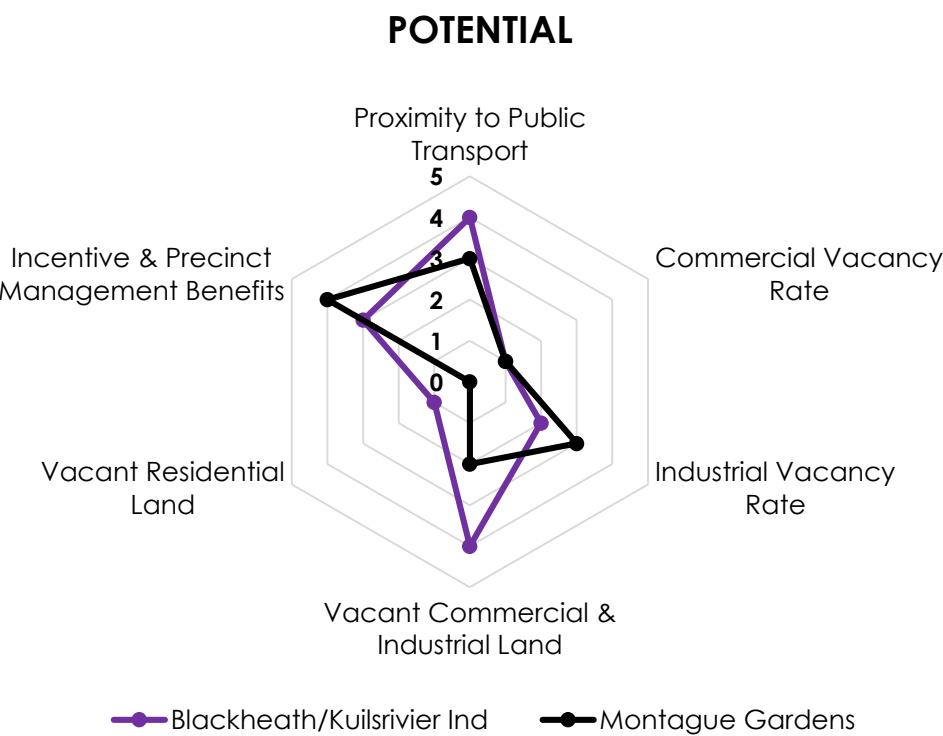
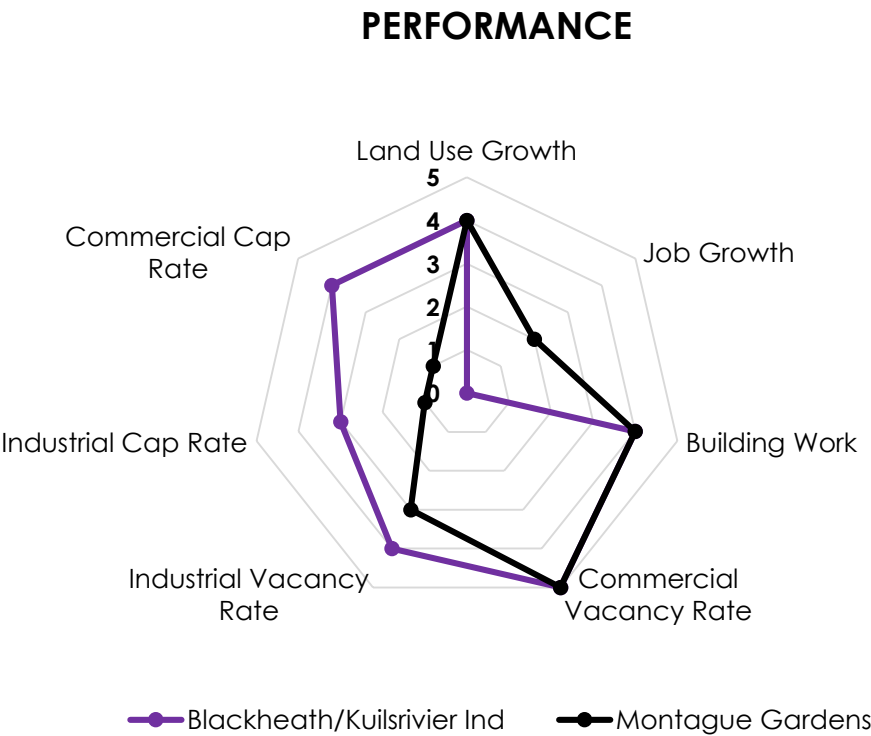
- Higher cap rates = higher investment risk.
- Lower cap rates = lower investment risk.

CAPITALISATION RATES



PERFORMANCE & POTENTIAL

The scores provided below summarise the detailed information presented throughout this profile. The method used to calculate Performance and Potential is based on several measurable individual indicators. The **scoring system ranges from 0 to 5, where 0 indicates low performance or potential and 5 indicates high performance or potential**. This profile compares either to Cape Town CBD (Commercial) or Montague Gardens (Industrial), depending on the classification of the economic area, as these two areas have attracted the most new floor area between 2012 and 2022 within their respective classifications.



| Indicator | | Description |
|-------------|--|--|
| Performance | Land Use Growth | Measures the growth of new floor area (m²) from 2012 to 2022 within an economic area, compared to other economic areas of similar classification. More growth indicates better performance. Source: General Valuation Roll. |
| | Job Growth | Measures the percentage change in jobs within an economic area from 2014 to 2023, comparing this data against other economic areas of similar classification. A higher job prevalence indicates better performance. Source: SARS as of May 2024. |
| | Building Work | Measures building work activity (new and improved m²) within an economic area from 2012 to 2022, compared to other economic areas of similar classification. Increased building work activity indicates better performance. Source: City's DAMS. |
| | Vacancy Rate | Measures the average vacancy rates for the commercial and industrial sectors as of 2022, compared to other economic areas of similar classification. Lower vacancy rates indicate better performance. Source: City's Market Reports. |
| | Capitalisation Rate | Measures the percentage change in capitalisation rates for the commercial and industrial sectors during the years 2012, 2015, 2018, and 2022, comparing them to other economic areas of similar classification. A lower average percentage change between these periods indicates greater maturity and consequently, higher performance. Source: City's Market Reports. |
| Potential | Proximity to Public Transport | Assess the accessibility of various public transport modes near an economic area. Greater access to multiple transport modes indicates higher potential. Source: City's UPD, spatial analysis. |
| | Vacant Land | Assess the availability of vacant land in the commercial, industrial and residential sectors. A higher amount of vacant land across these three sectors as of 2022 indicates greater potential. Source: General Valuation Roll. |
| | Vacancy Rate | Measures the average vacancy rates for the commercial and industrial sectors as of 2022, compared to other economic areas of similar classification. Higher vacancy rates indicate greater potential. Source: City's Market Reports. |
| | Incentive & Precinct Management Benefits | Evaluate the spatial overlap, whether partial or complete, of incentive areas and established precinct management tools within each economic area. A greater degree of overlap suggests increased potential. Source: City's UPD, spatial analysis. |

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