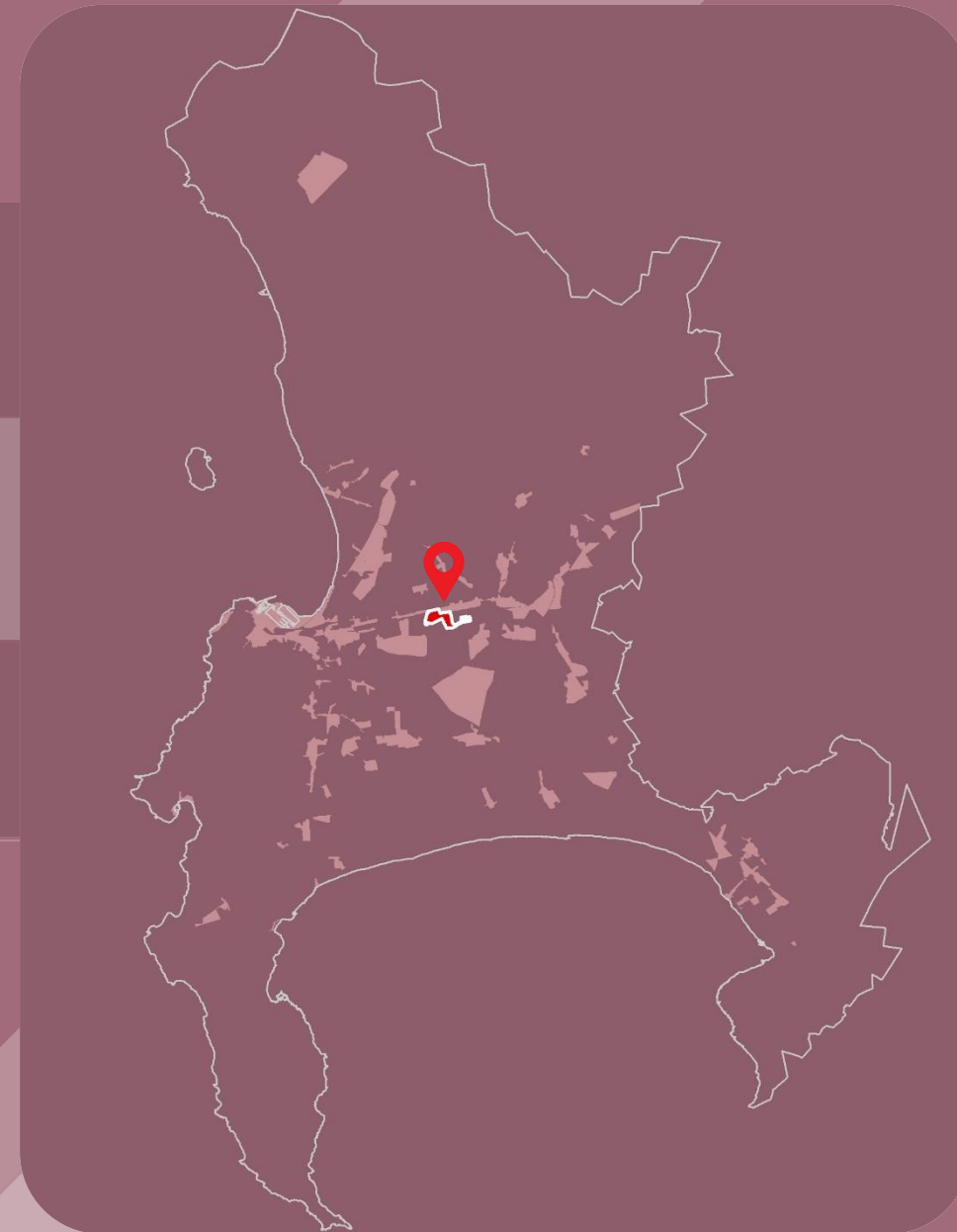


ELSIES RIVER INDUSTRIAL ECONOMIC AREA PROFILE

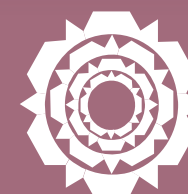
TREND ANALYSIS 2012-2022



Image source: City of Cape Town



June 2025



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Making progress possible. Together.

ACKNOWLEDGEMENTS

SPATIAL PLANNING & ENVIRONMENT DIRECTORATE

Executive Director: Spatial Planning & Environment Directorate
Rob McGaffin

Director: Urban Planning & Design Department
Erika Naude

AUTHORS

Metropolitan Spatial Planning and Growth Management
Annelise de Bruin (Manager)
Ashleigh Manyara, Haleem Tambay, Lance Boyd & Obey Vhuma

SUPPORTED BY

Policy and Strategy: Economic Analysis
Paul Court, Kristoff Potgieter & Jodie Posen

Enterprise & Investment
Faith Kolala, Pauline Van der Spuy & Gerschwin Williams

District Planning and Mechanisms
Nigel Titus & team across the 8 Districts

DATA CUSTODIANS

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:



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 \(MERO\)](#)

WHY

WHAT

HOW

VALUE PROPOSITION	CHALLENGES /OBJECTIVES TO ADDRESS	AREAS OF APPLICATION
<p>Promoting economic infrastructure in support of economic growth and job creation.</p> <p>Supports internal and external collaboration around data and spatial intelligence.</p> <p>Supports the spatially differentiated investment rationale of the MSDF and DSDFs.</p>	<p>Urban Growth Planning (Non-res growth estimates): Determine where to accommodate non-res growth.</p> <p>Spatial intelligence: Location-based supply and demand factors.</p> <p>Enhanced spatial policy: Evidence-based analysis on Cape Town's space economy informing a policy framework.</p>	<p>Land Use Model 2050 update.</p> <p>Replacement of the static and dated ECAMP with an updated, automated economic analysis tool.</p> <p>Support: Business retention & expansion initiatives.</p> <p>Data foundation behind MSDF Policy Statement 4.</p>

Supply, Demand & Performance (S,D & P)

At a metro scale, economic areas are classified as either industrial or commercial nodes. In the context of Cape Town's distinct space economy and the agglomeration patterns of industries, industrial nodes can be further characterised as being either specialised, mixed or Monofunctional. While the general understanding is that commercial nodes presents a more 'mixed use' environment, these nodes can be further characterised as being unique to either retail, office, entertainment, office & retail or mixed (where 3 or more land uses has a significant amount of floor area within an area).

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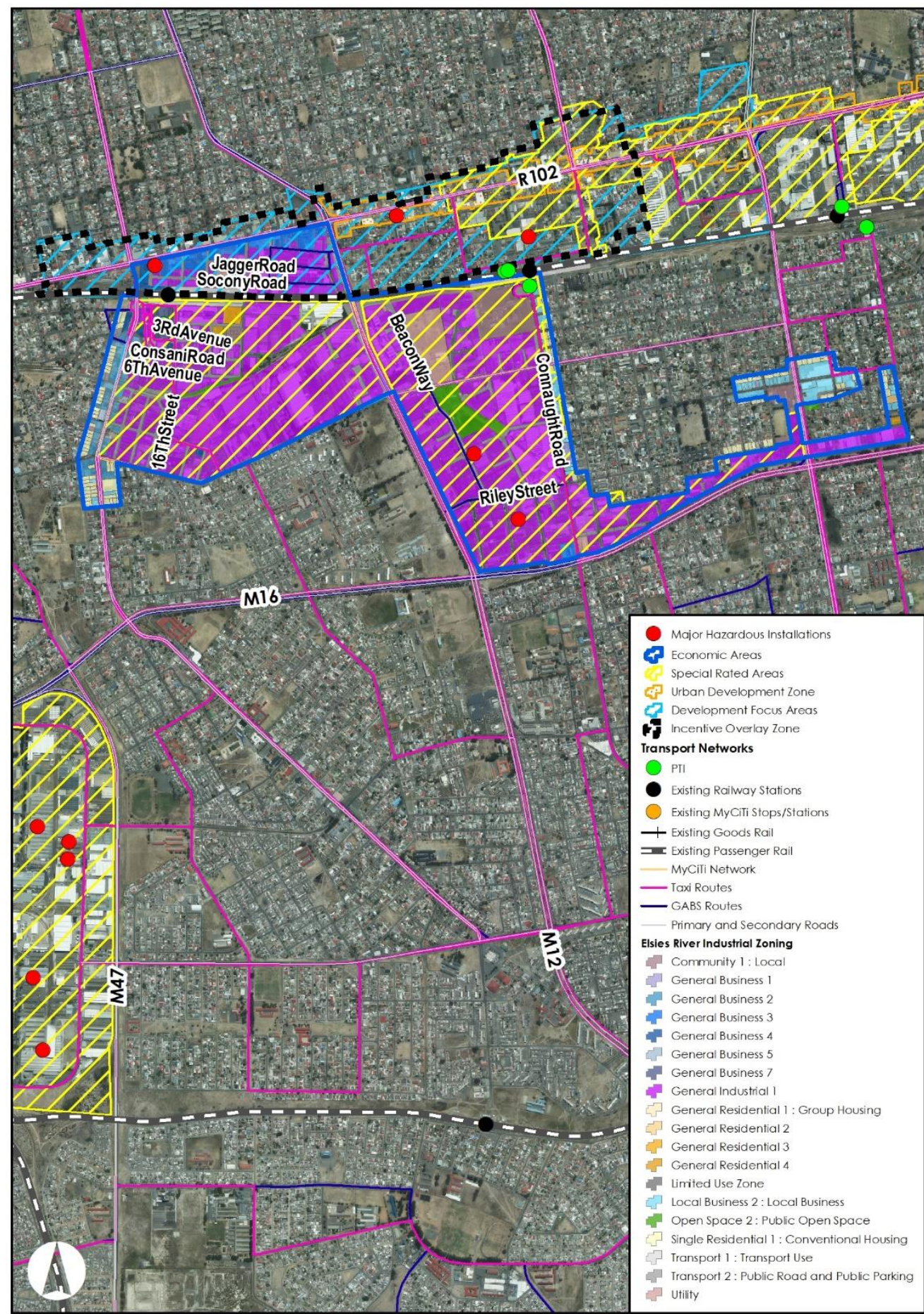
Development pipeline

Urban land markets

Agglomeration of industries

Market performance

Performance & Potential



ELSIES RIVER INDUSTRIAL

Location

- The area is approximately 15km 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 and N2 highways, including other major connector routes, namely, Voortrekker Road and Jan Van Riebeeck Drive, providing easy access across Cape Town.
- The area is serviced by passenger rail, GABS and taxis.
- Access to a skilled workforce from surrounding areas includes the broader Parow, Elsie River, Bellville and Bishop Lavis areas.

Zoning, land use and form

- While the area is divided into two, namely, Elsie River industrial to the west and Beaconvale to the east, the area is predominantly zoned for industrial purposes.
- The area is characterised by light and heavy industrial uses, which include warehousing, sales, manufacturing, repairs, office and public service, including residential.
- The average land parcel sizes range between 1,000 – 2,500m², with a limited number of land parcels ranging between 5,000 – 10,000m².

Spatial planning mechanisms

- The area is serviced by a Central Improvement District.
- The area has also been identified as a Development Focus Area on the Elsie River side in terms of the Tygerberg District Spatial Development Framework.
- The area has been identified as an industrial incentive area.

Key highlights of the area include:

- The area started to establish itself from the 1950s and has developed into an industrial economic area.
- Land banking in the area for social housing has taken advantage of the attractive land value and proximity of public transport networks.
- The area has been identified as part of the City of Cape Town's incentive policy to be targeted for investment.
- [Elsiesriver Industrial City Improvement District](#) was established to reverse the conditions of urban blight experienced at the time, which stifled investment.

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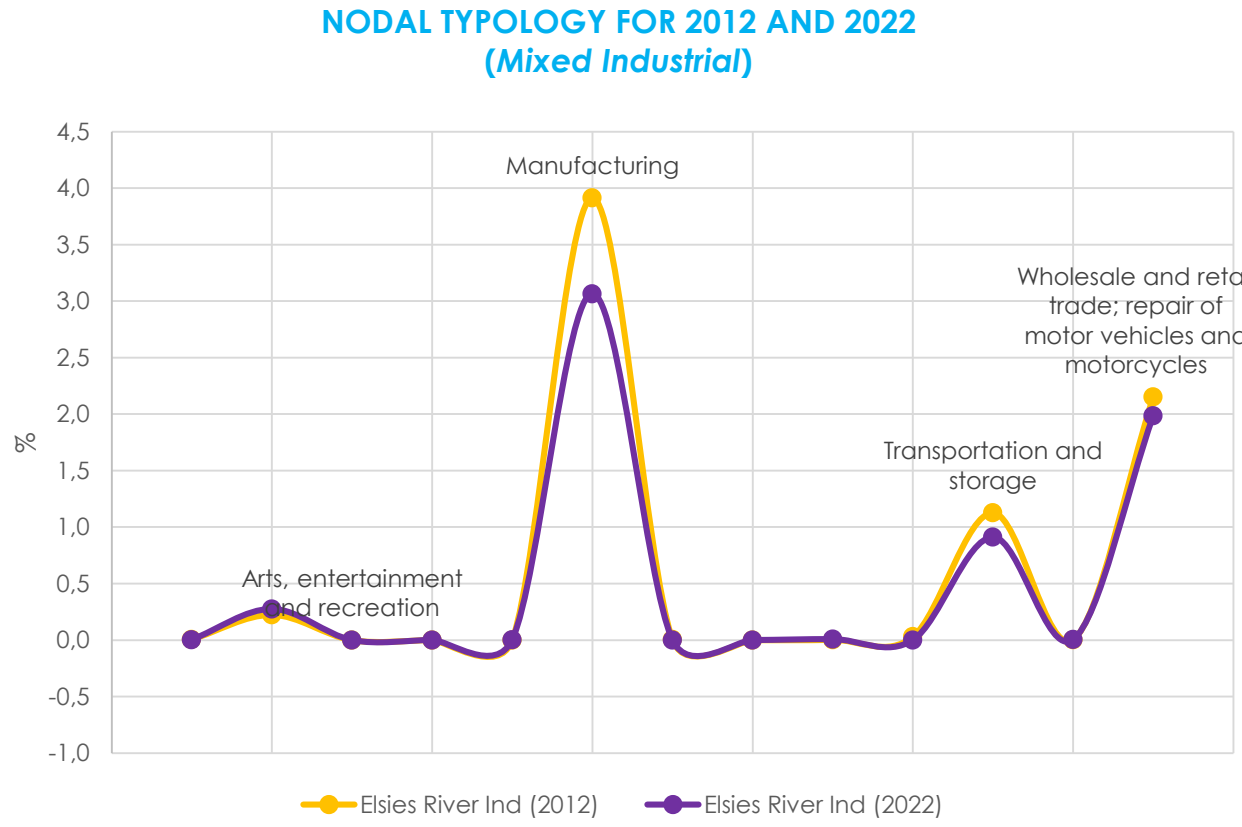
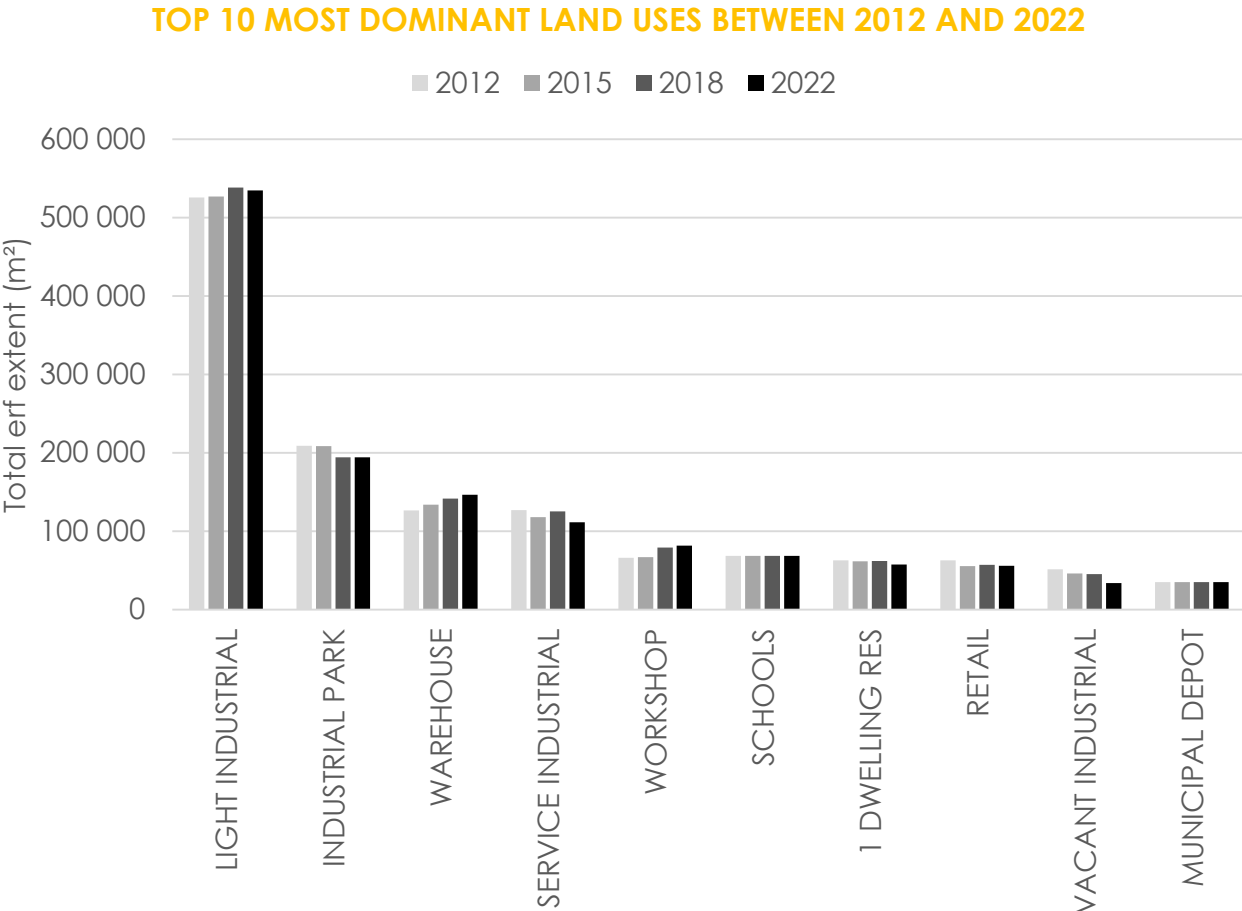
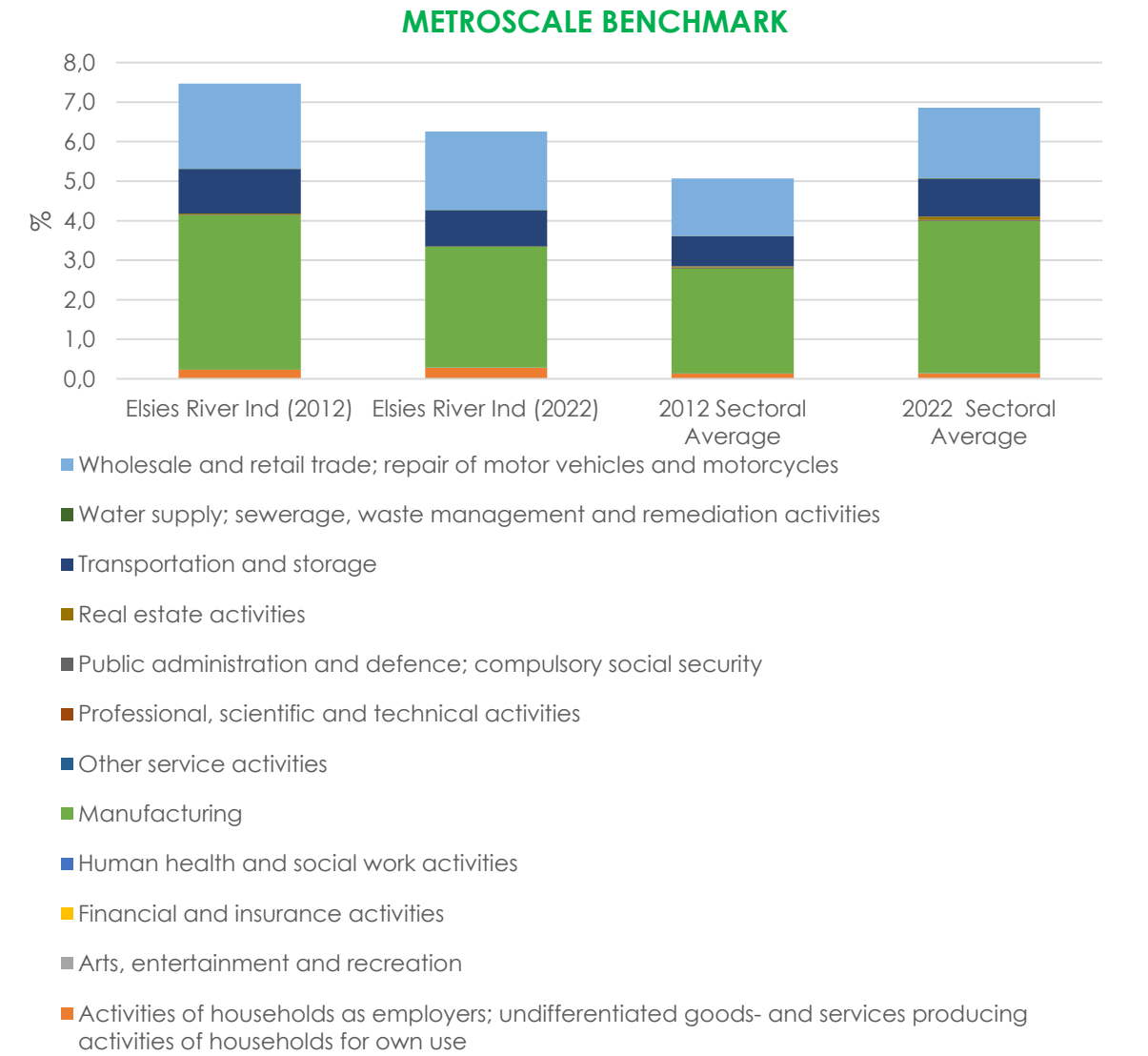
Market performance

Performance & Potential

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, Elsie's River Industrial was mainly characterised by a greater propensity for manufacturing, transport & storage, wholesale & retail, 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 Elsie's River industrial as being a contributor of manufacturing, transport & storage, wholesale & retail which performs higher than that of the sectoral average when measured against other industrial areas across Cape Town
- The GV Roll supplements the findings of the SIC level data by illustrating the **dominant land use** overtime based on the cumulative extent (m²) of floor area for light industrial, industrial parks, warehousing, service industrial and retail.



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

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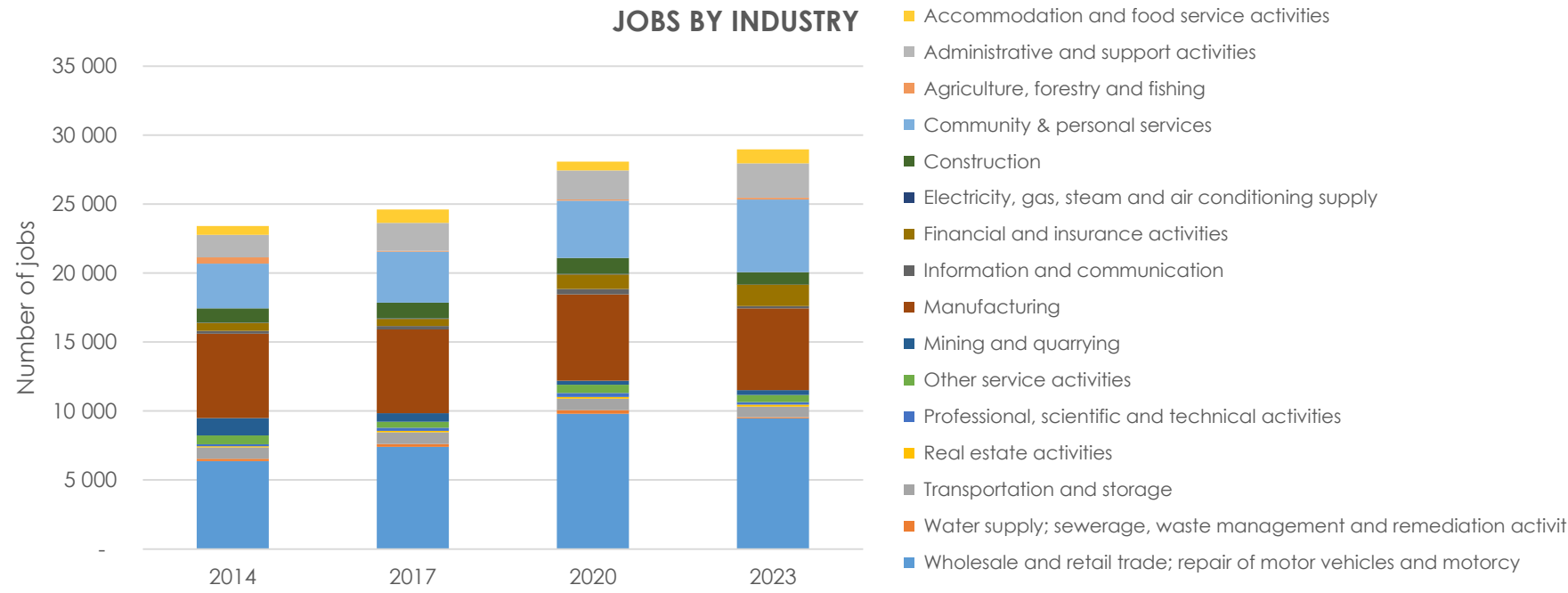
Agglomeration of industries

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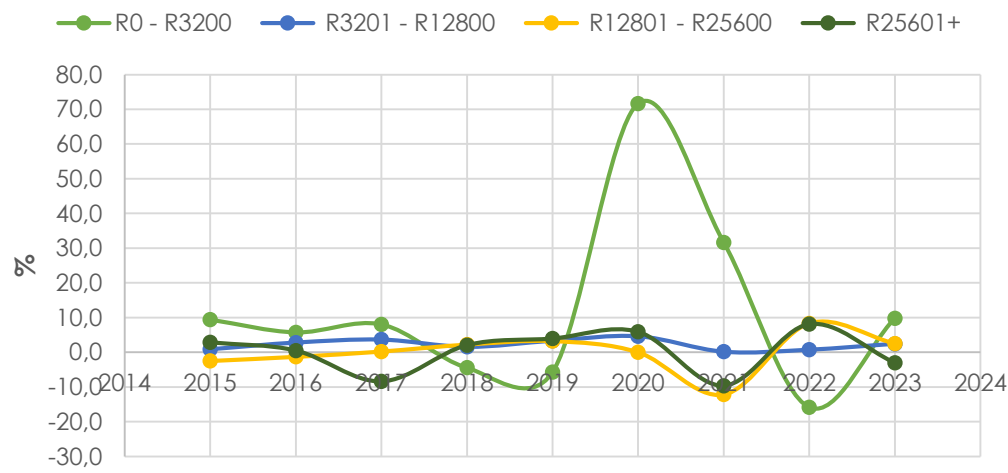
Performance & Potential

EMPLOYMENT OVERVIEW & FIRM TYPOLOGIES

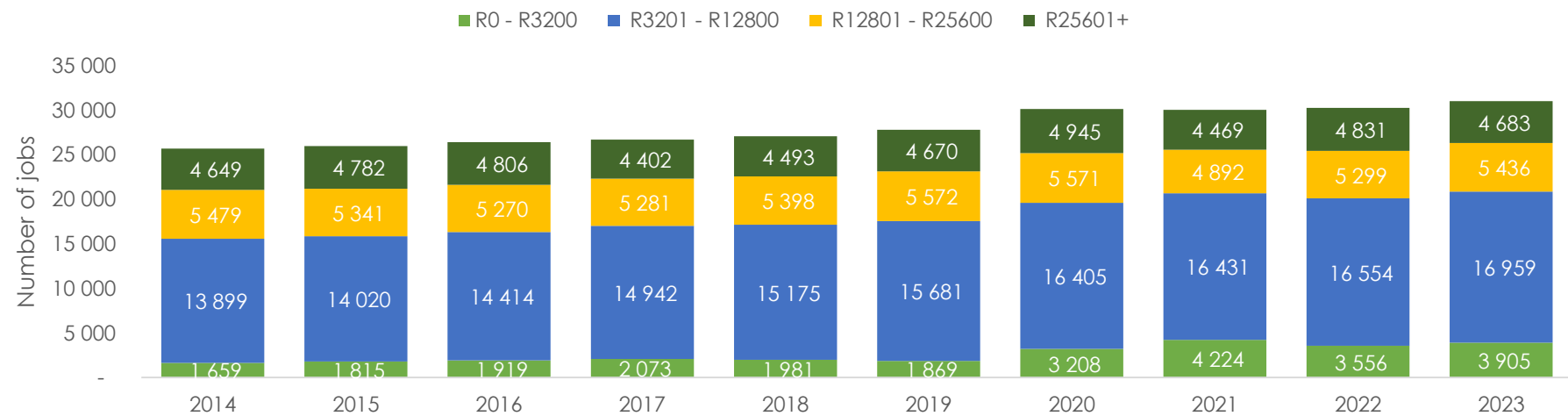
JOBS BY INDUSTRY



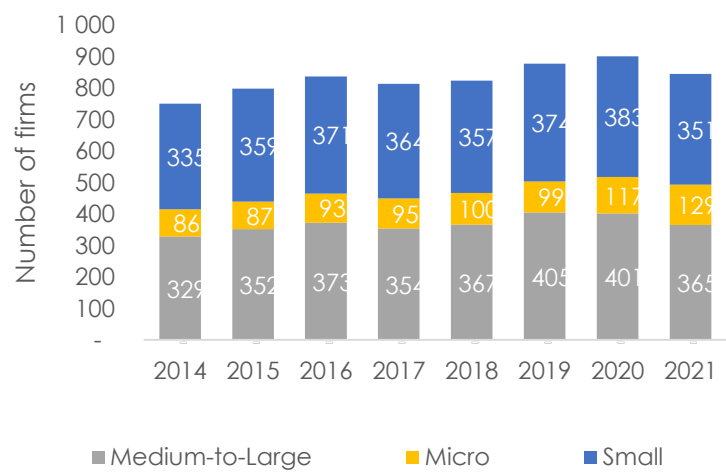
YEAR ON YEAR % CHANGE OF FULL TIME EMPLOYMENT WITHIN EACH WAGE BAND



FULL TIME EMPLOYMENT BY WAGEBAND



NUMBER OF FIRM TYPOLOGIES



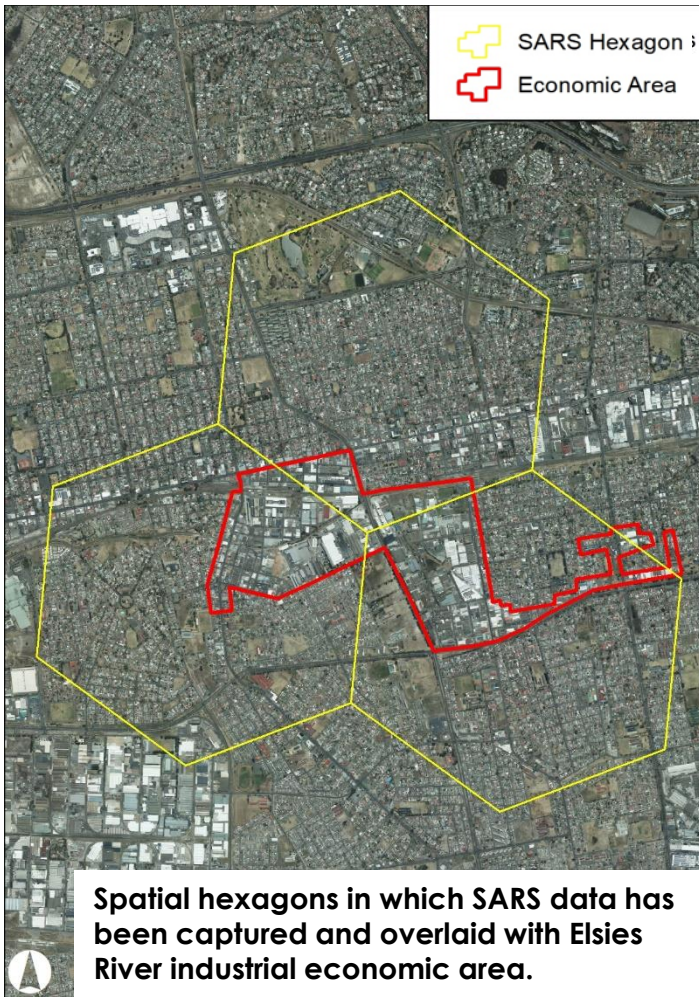
Jobs/Firms

The number of job opportunities in the Elsie's River Industrial area gradually increased from 23,000 to 29,000 jobs between 2014 and 2023. Over time, most jobs were concentrated in wholesale & retail, community & personal activities, manufacturing and administrative activities.

The total number of firms in the area increased from 780 to 800 between 2014 and 2021. Both medium to large and small firms are equally matched in number of firms, with the inclusion of micro firms as well.

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 in the upper income brackets.



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

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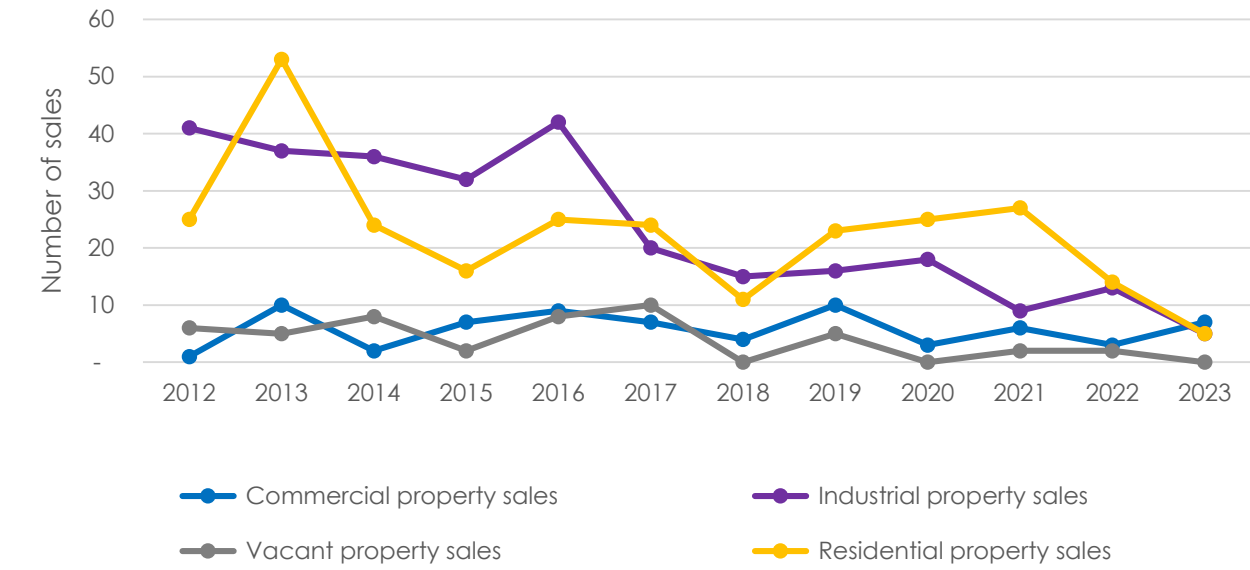
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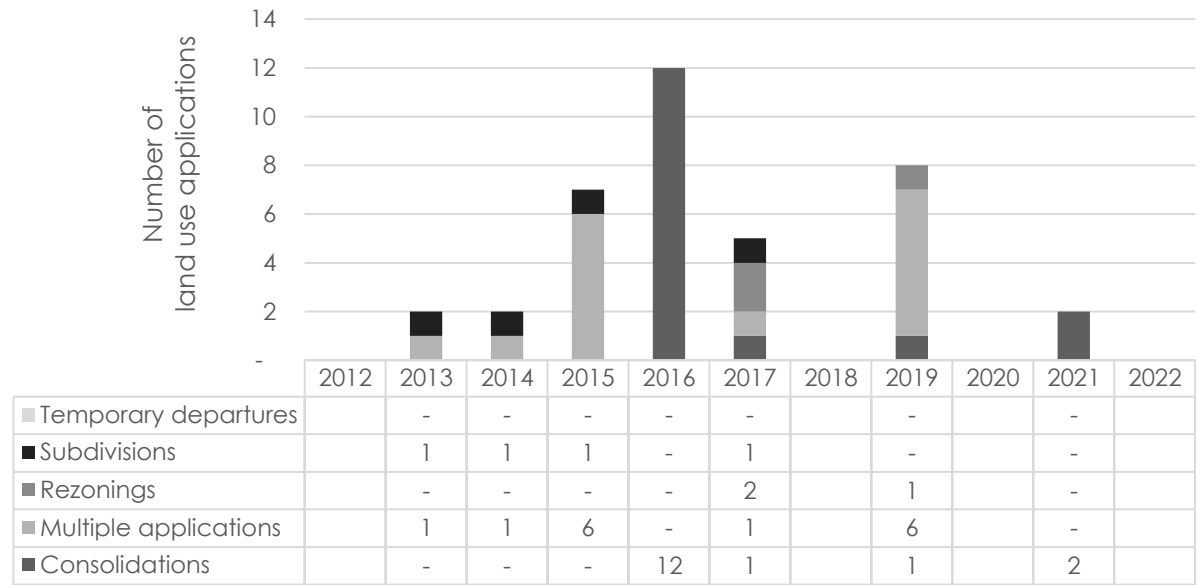
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DEVELOPMENT PIPELINE

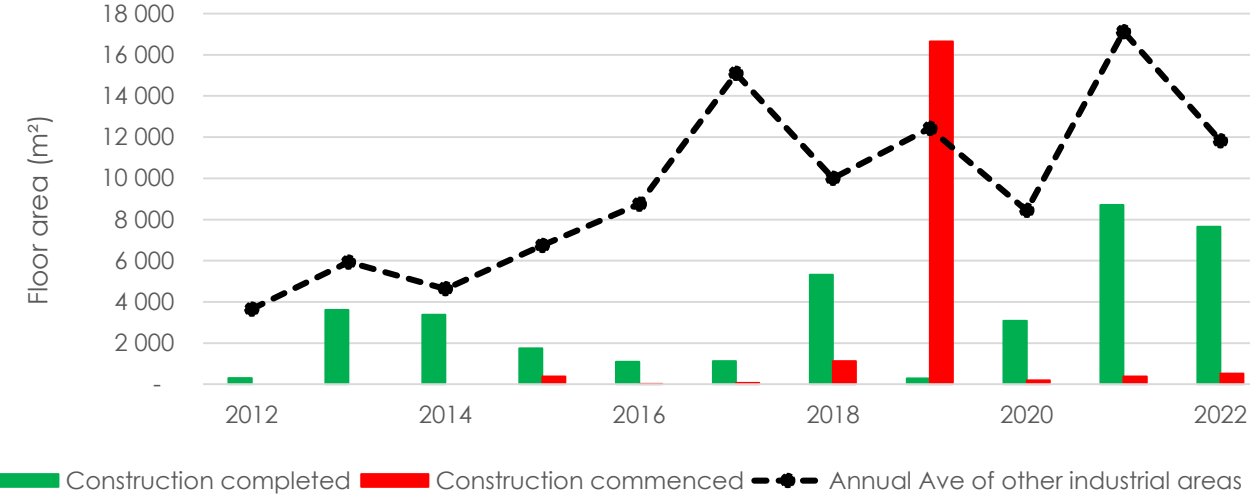
PROPERTY SALES BY SECTOR



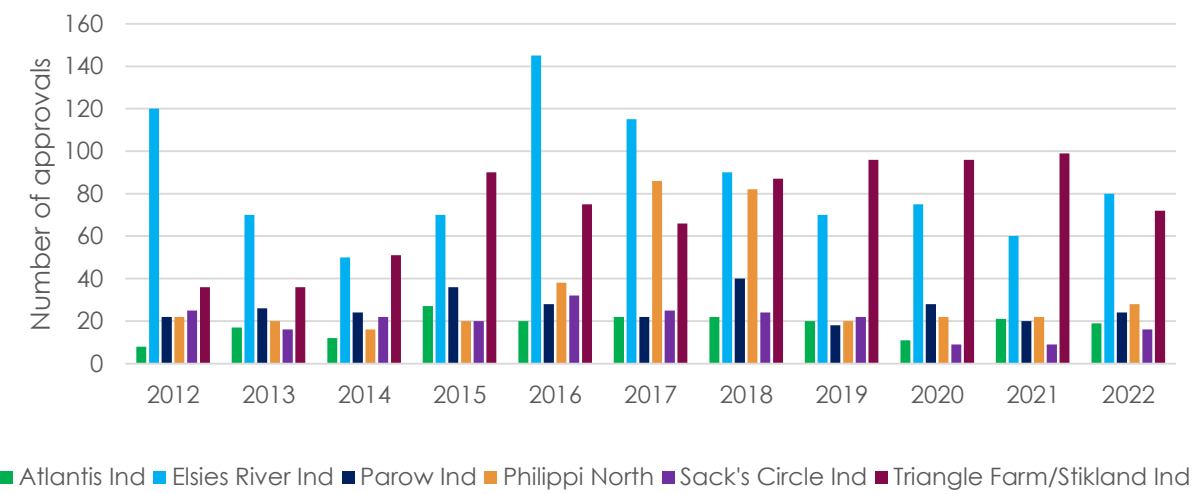
APPROVED LAND USE APPLICATIONS



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



COMPARATIVE VIEW OF BUILDING PLAN APPROVALS ACROSS THE 6 INDUSTRIAL INCENTIVE AREAS (EFFECTIVE AS OF 2018)



Property sales

Property sales for the industrial and residential sectors were the highest and fluctuated throughout the 10 years, starting off with more sales occurring in 2012 and then tapering down towards 2023. The industrial sector observed a peak in sales more than the residential sector between 2014 and 2017. While the residential sector experienced its peak greater than industrial sales in 2013, 2017 and 2019 to 2022. Commercial and vacant land sales also fluctuated actively between 2012 and 2023.

Land use applications

While Elsie's River is predominantly zoned for industrial purposes with a mixed-use character, most approvals came in the form of consolidations, suggesting a demand for bigger property sizes. Multiple application approvals may include a combination of the types seen in the graph.

Building plans

Following on from property sales and land use approvals, building work activity has mostly commenced since 2013 and it exceeded the metro's annual average in 2019 when compared to other industrial areas. While the area is also identified as an incentive area as part of the City's incentives policy (2018 & 2023), the number of building plan approvals competes strongly against the other incentive areas, where incentives include non-monetary benefits for both land use and building plan processes.

Source: City's DAMS (building plans and land use applications extract) and General Valuation Roll.

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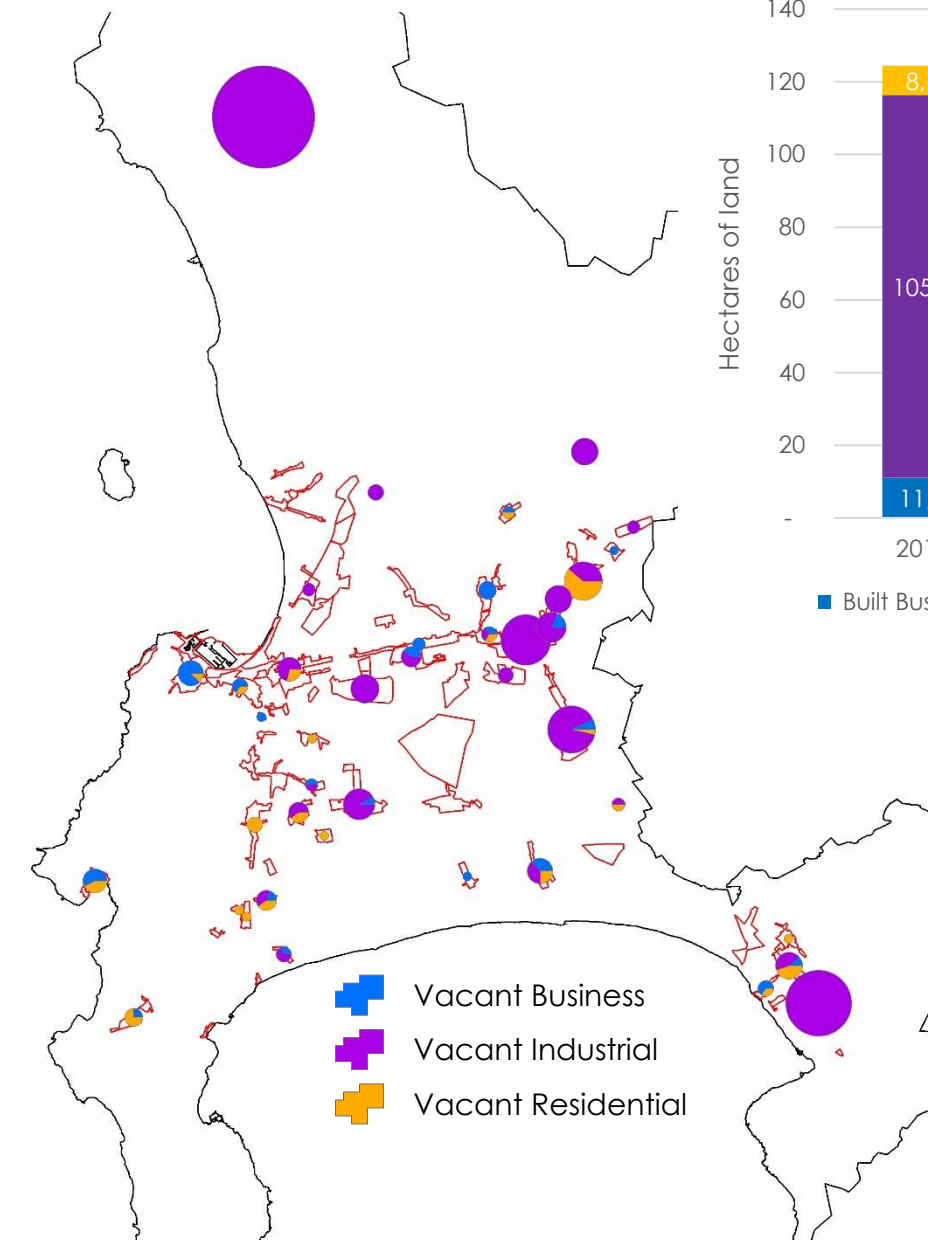
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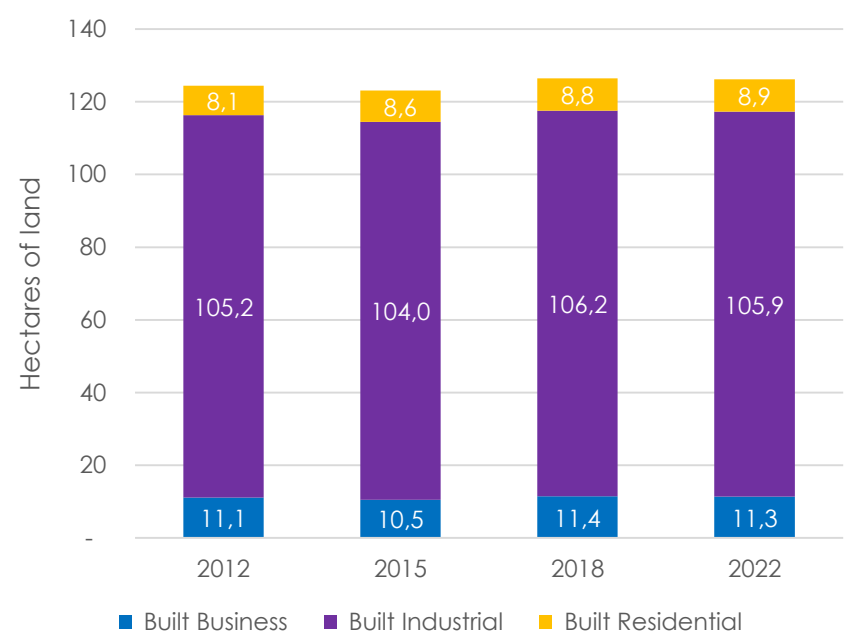
VACANT LAND ACROSS CAPE TOWN (GV 2022)*



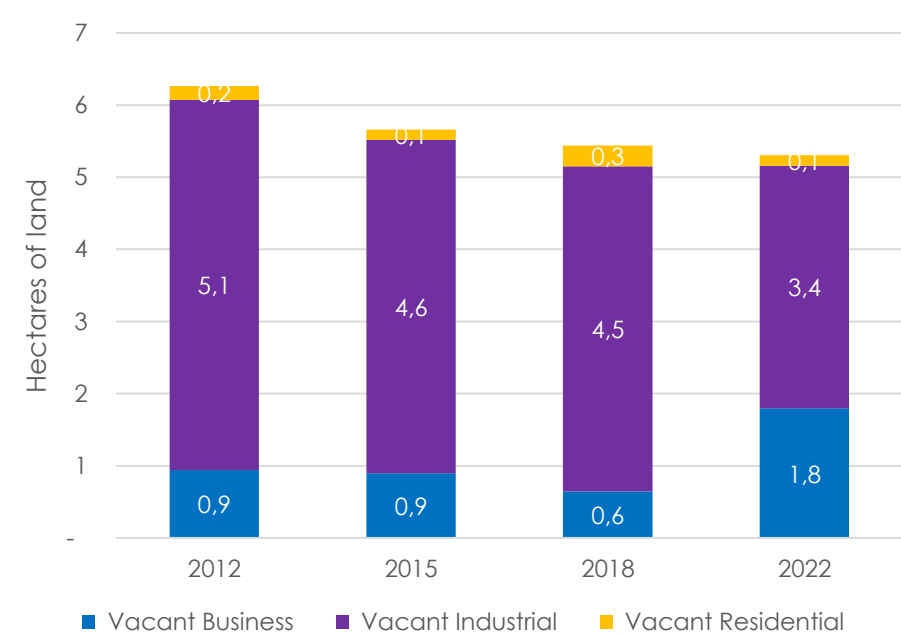
Number of land parcels that are vacant by size			
Erf Size	Commercial	Industrial	Residential
1) 1-250m²	1	1	
2) 251-500m²	5	8	3
3) 501-1000m²	1	2	
4) 1001-2500m²	1	1	
5) 2501-5000m²		1	
6) 5001-10000m²		2	
7) >10000m²	1	1	

Source: City's General Valuation Roll and Market Reports

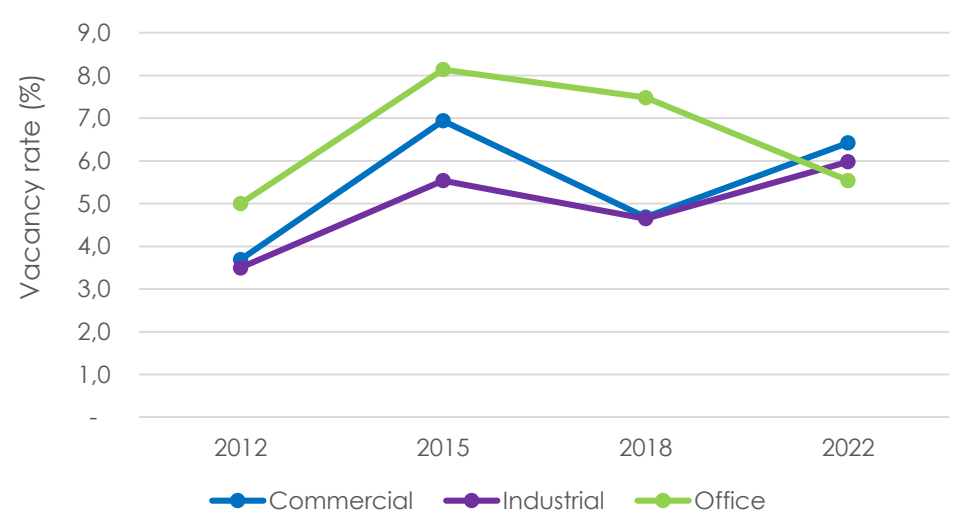
BUILT-UP LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



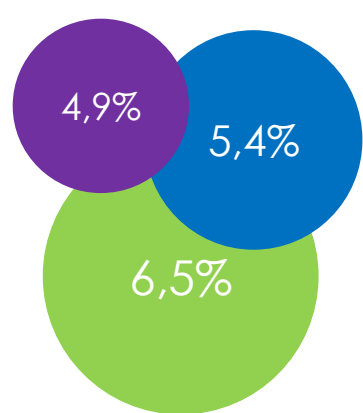
VACANT LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



AVERAGE VACANCY RATE OF EXISTING BUILDINGS



METRO AVERAGE: VACANCY RATES PER SECTOR FOR 2022*



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 mostly been stable in terms of the built-up land, the area also includes a considerable amount of vacant land as of 2022. Furthermore, the vacant land recorded is categorised based on the number and size of land parcels in the accompanying table.

Vacancy rates

In addition to vacant land, vacancy rates for both the industrial and commercial sectors increased from around 3,5% in 2012 to 6% and 6,4%, respectively. Although the office sector increased during periods, it remained consistent around the 5,5% mark between 2012 and 2022.

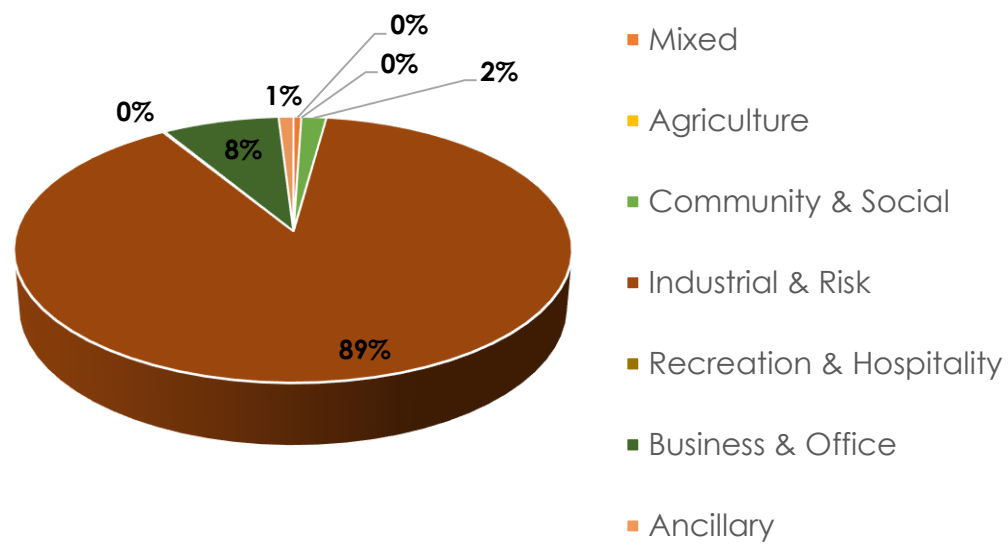
*A metro view that provides further context relative to this economic area.

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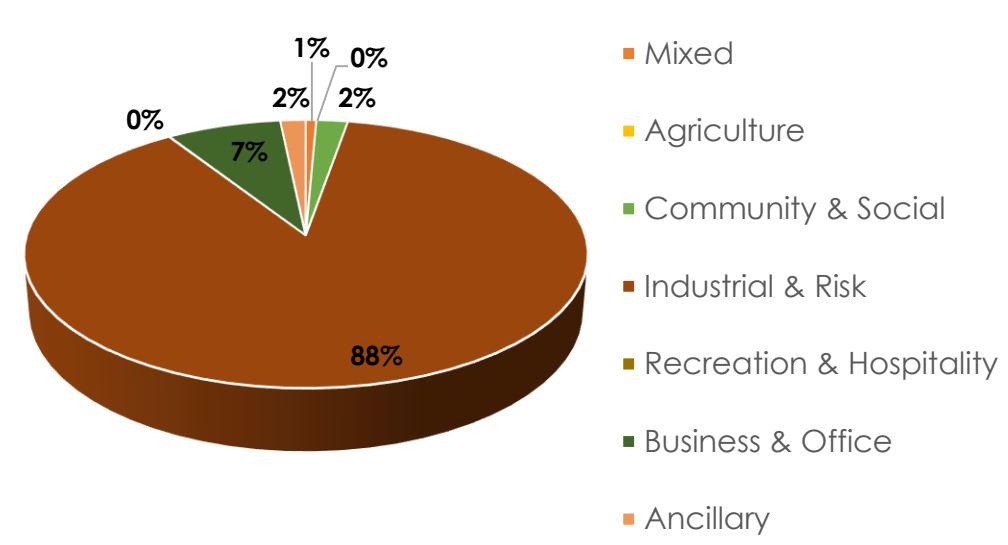
AGGLOMERATION OF INDUSTRIES

SECTORAL AGGLOMERATION AND CO-AGGLOMERATION RELATIONSHIPS

% OF LAND USE GROUPS (2012)



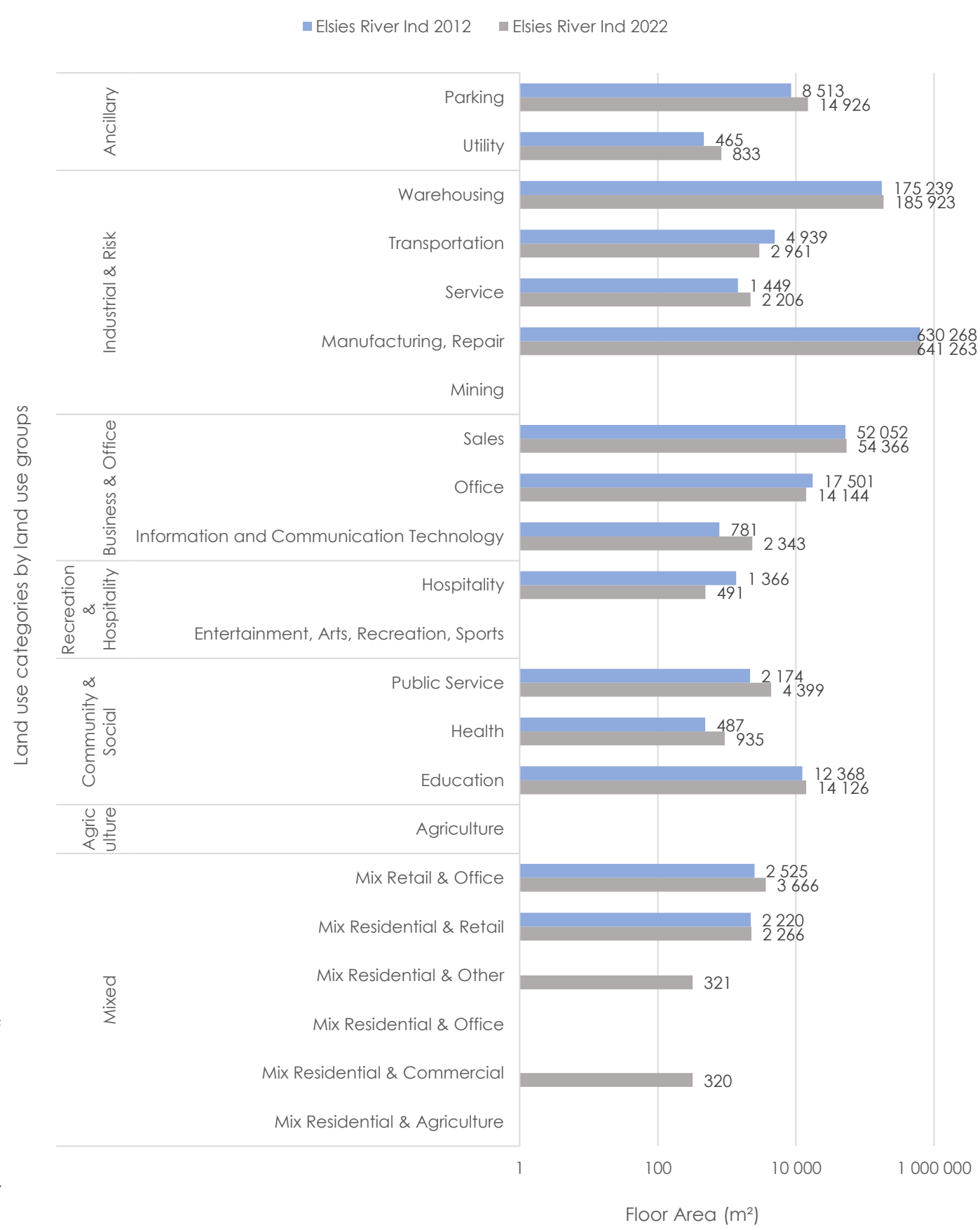
% OF LAND USE GROUPS (2022)



The pie charts represent the % split of land use groups agglomerated in Elsie River 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 consistency in the dominant land use between 2012 and 2022, which is for manufacturing, repairs, warehousing and sales. 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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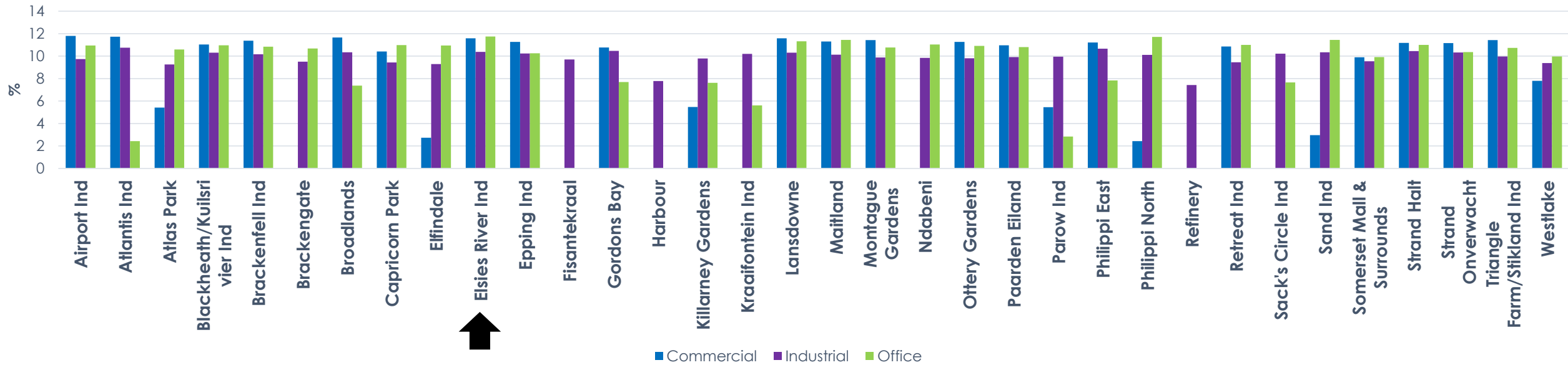
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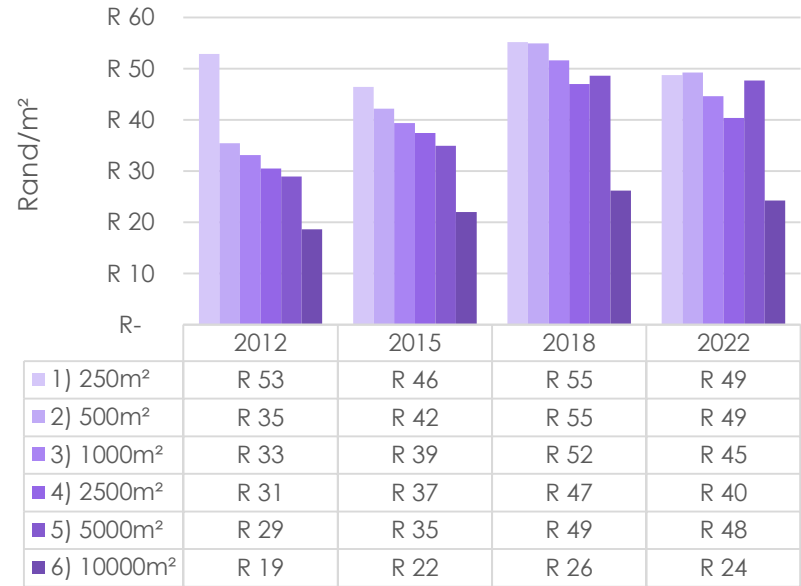
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AVERAGE CAPITALISATION RATE OF ELSIES RIVER INDUSTRIAL IN RELATION TO OTHER INDUSTRIAL AREAS FOR THE PERIOD BETWEEN 2012 AND 2022



INDUSTRIAL RENTALS

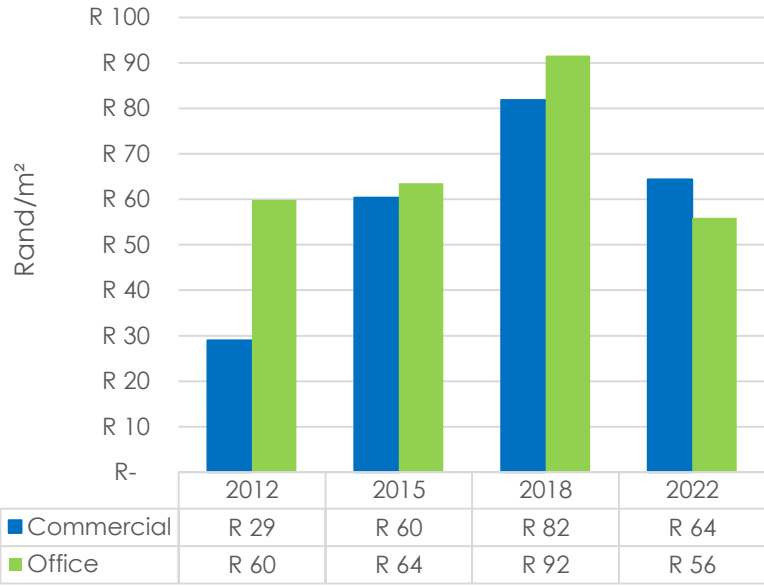


Rental rates

Rental rates across all industrial property sizes gradually increased between 2012 and 2018, with higher rentals seen for the smaller spaces. Rentals also started to decrease in 2022.

Both office and commercial rentals increased between 2012 and 2018. Both sectors' rentals started to decrease in 2022, with commercial rentals being the highest.

COMMERCIAL AND OFFICE RENTALS



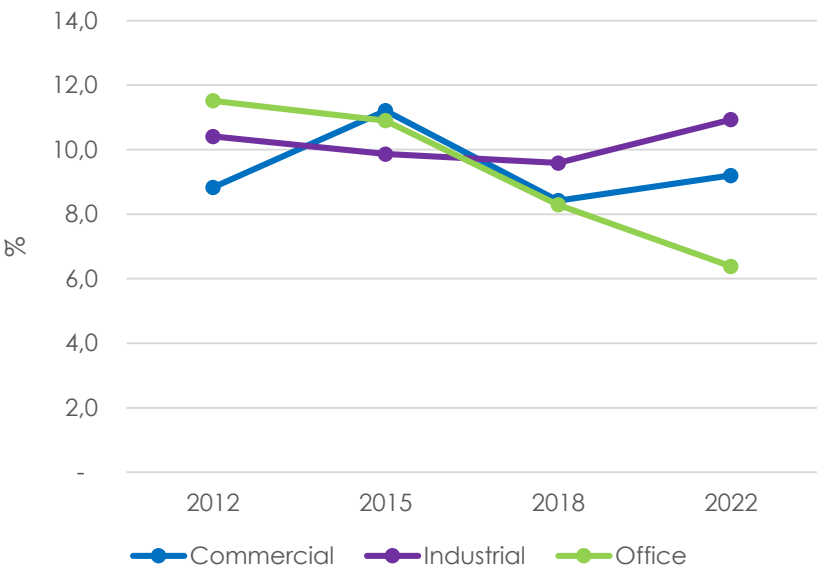
Comparative view on capitalisation rates

The average capitalisation rate between 2012 and 2022 for industrial, office and commercial sectors has been 10,37%, 11,75% and 11,58%, respectively and further indicates its competitiveness relative to other industrial areas.

Year on year capitalisation rates for the industrial sector have mainly been consistent around the 10,3% mark, whereas the office sector decreased from 11,5% to 6,4%. The commercial sector also remained consistent around the 9% mark, although it fluctuated between 2015 and 2018.

- 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.

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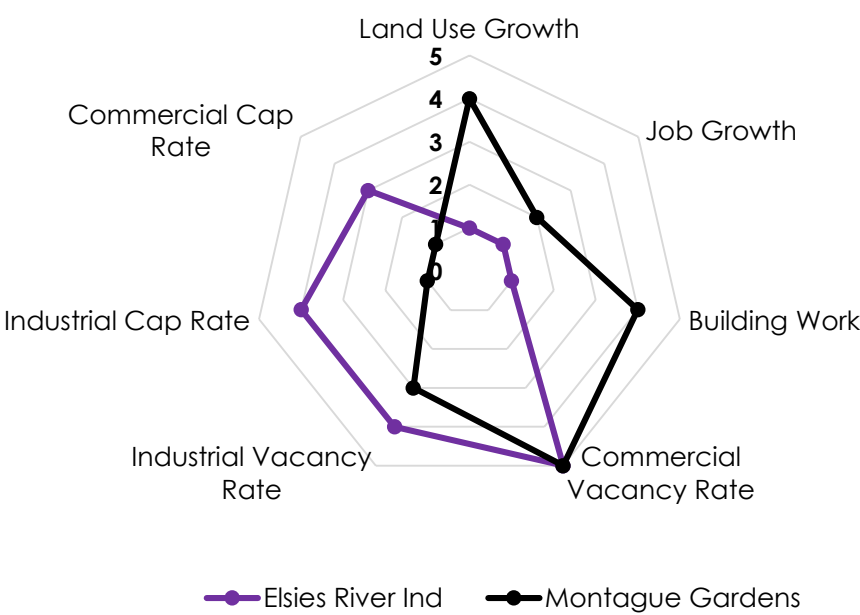
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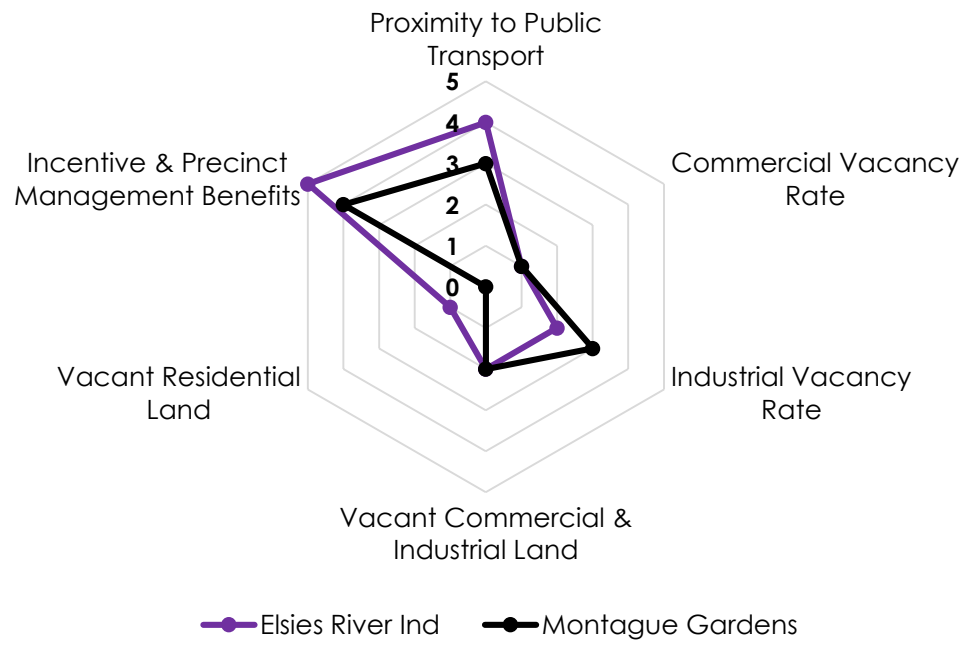
Market performance

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PERFORMANCE



POTENTIAL



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.