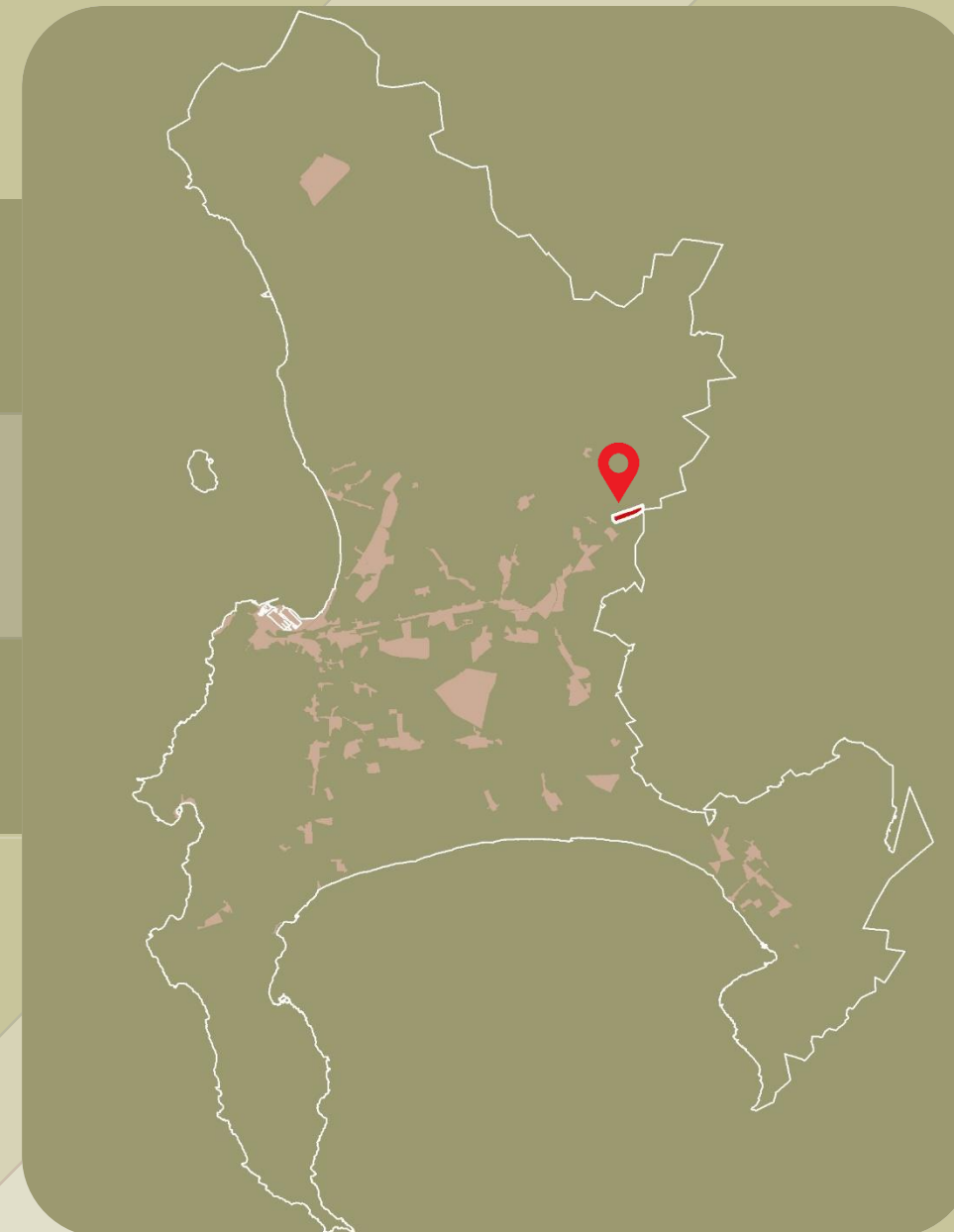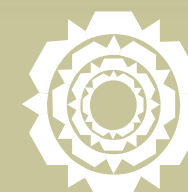# KRAAIFONTEIN INDUSTRIAL

ECONOMIC AREA PROFILE

TREND ANALYSIS 2012-2022

Image source: City of Cape Town

June 2025

CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Making progress possible. Together.

ACKNOWLEDGEMENTS

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STAD KAAPSTAD

POLICY & REGULATORY CONTEXT

Policy & regulatory context

Conceptual framework

Introduction

Land use activities, employment overview & firm typologies

Development pipeline

Urban land markets

Agglomeration of industries

Market performance

Performance & Potential

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

- Northern DSDF - Subdistrict 3: Fisantekraal, Joostenbergvlakte, Bloekombos and Scottsdene Area:
    - District Development Guidelines (page 62)
    - Subdistrict Development Guidelines (page 89)
    - Consolidated subdistrict SDF (Figure 20: Subdistrict 3: Fisantekraal, Joostenbergvlakte, Bloekombos and Scottsdene area)

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.
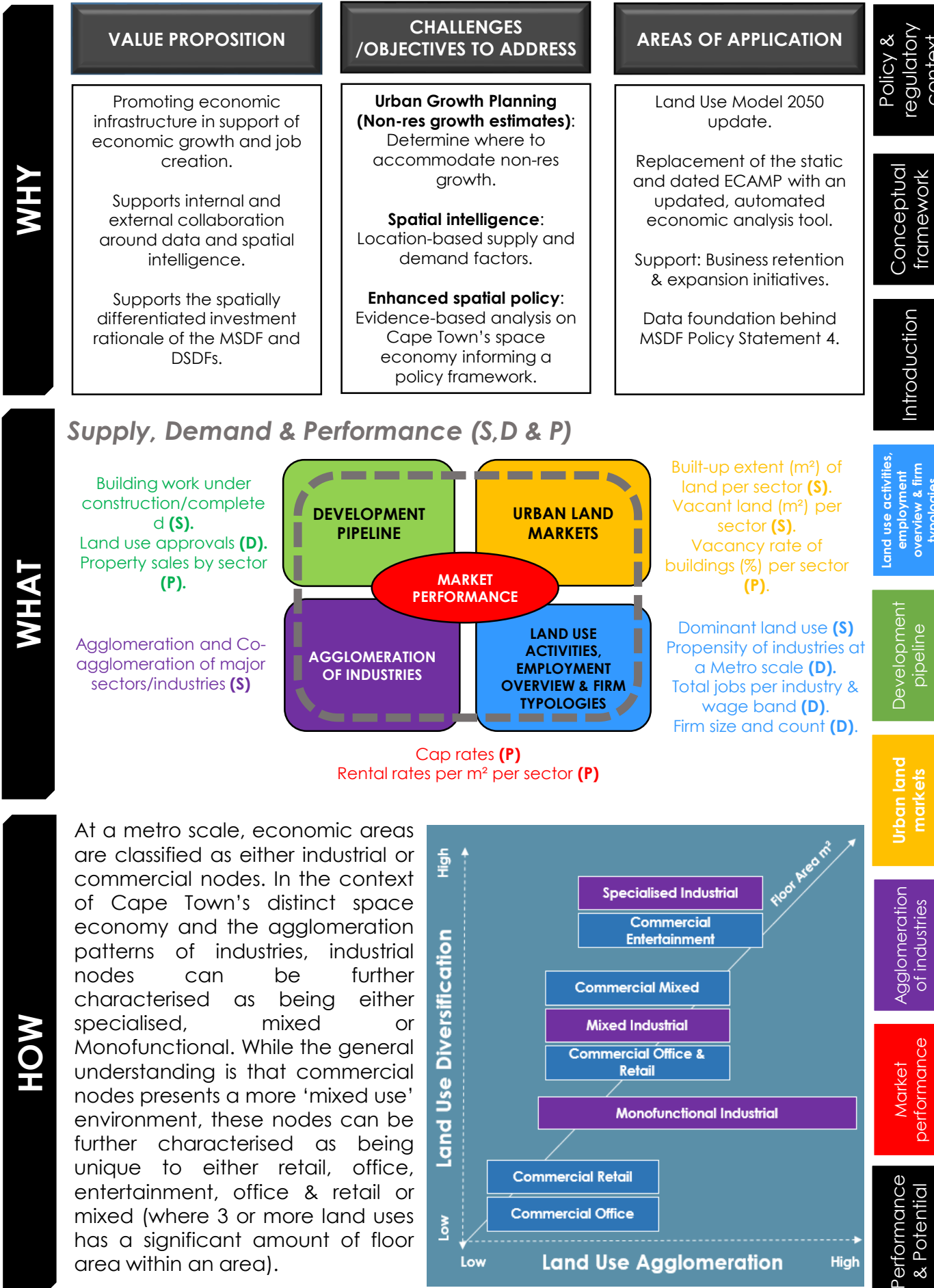

MICRO-ECONOMIC DEMAND & SUPPLY FACTORS
This profile examines a range of micro-economic indicators to highlight trends in supply and demand specific to the economic area. The indicators include:
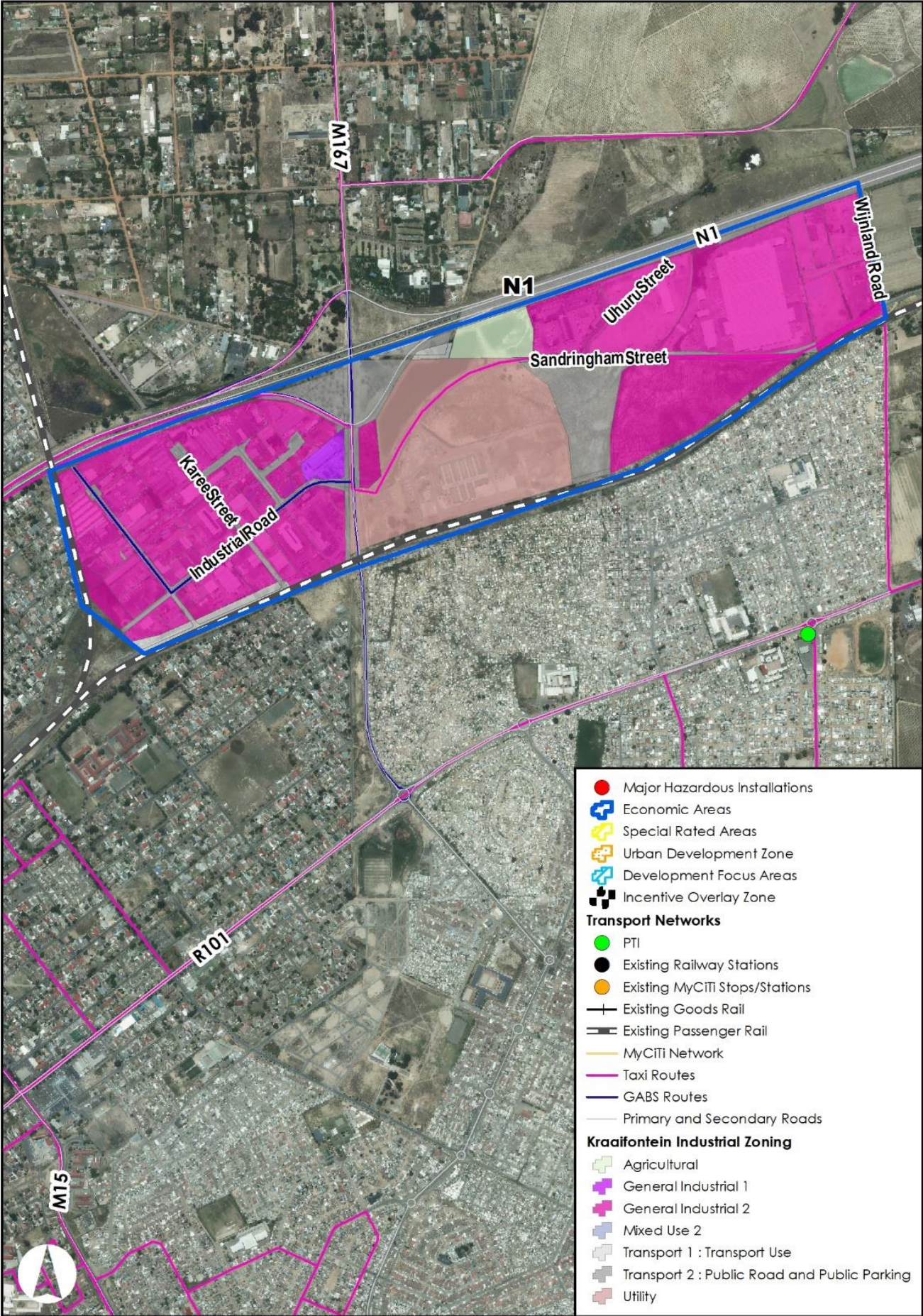
- Property sales per land use sector
- Building work completed
- Types of land use applications approved
- Vacant land per land use sector
- Built-up land and take up rate per land use sector
- Dominant land uses present in an area
- Building vacancy rate overtime
- Capitalisation rate over time
- Rental 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

VALUE PROPOSITION
Promoting economic infrastructure in support of economic growth and job creation.

Supports internal and external collaboration around data and spatial intelligence.

Supports the spatially differentiated investment rationale of the MSDF and DSDFs.

CHALLENGES /OBJECTIVES TO ADDRESS
Urban Growth Planning (Non-res growth estimates): Determine where to accommodate non-res growth.

Spatial intelligence: Location-based supply and demand factors.

Enhanced spatial policy: Evidence-based analysis on Cape Town's space economy informing a policy framework.

AREAS OF APPLICATION
Land Use Model 2050 update.

Replacement of the static and dated ECAMP with an updated, automated economic analysis tool.

Support: Business retention & expansion initiatives.

Data foundation behind MSDF Policy Statement 4.

WHAT

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

Building work under construction/completed **(S)**.
Land use approvals **(D)**.
Property sales by sector **(P)**.

Agglomeration and Co-agglomeration of major sectors/industries **(S)**

Built-up extent (m²) of land per sector **(S)**.
Vacant land (m²) per sector **(S)**.
Vacancy rate of buildings (%) per sector **(P)**.

Dominant land use **(S)**
Propensity of industries at a Metro scale **(D)**.
Total jobs per industry & wage band **(D)**.
Firm size and count **(D)**.

- DEVELOPMENT PIPELINE
- URBAN LAND MARKETS
- MARKET PERFORMANCE
- AGGLOMERATION OF INDUSTRIES
- LAND USE ACTIVITIES, EMPLOYMENT OVERVIEW & FIRM TYPOLOGIES

Cap rates **(P)**
Rental rates per m² per sector **(P)**

HOW
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).

Land Use Diversification (High / Low)
Land Use Agglomeration (Low / High)
Floor Area m²

- Specialised Industrial
- Commercial Entertainment
- Commercial Mixed
- Mixed Industrial
- Commercial Office & Retail
- Monofunctional Industrial
- Commercial Retail
- Commercial Office

KRAAIFONTEIN INDUSTRIAL

Location

- The area is approximately 35km northeast of Cape Town's Central Business District and the Port of Cape Town. Furthermore, it is located 25km from Cape Town International Airport.
- It is also situated near the N1 highway, providing easy access to Cape Town and surrounding areas.
- The area is mainly serviced by GABS and taxis.
- Access to a skilled workforce from surrounding areas, includes the broader Kraaifontein, Brackenfell and Durbanville areas.

Zoning, land use and form

- The area is predominantly zoned for industrial purposes.
- The area is mainly characterised by light and heavy industrial uses, which include warehousing, workshops, municipal depot offices and service industrial.
- The average land parcel sizes in the area mostly vary between 20,000 and 50,000m², with several properties extending beyond 100,000m².

Spatial planning mechanisms

- None

Key highlights of the area include:

- The Kraaifontein Industrial area started to establish itself in the 1970s as an industrial zone, to attract manufacturing and commercial businesses to the area.
- Since 1990, the area has started to develop with businesses setting up operations in the area, particularly in the manufacturing and logistics sectors.
- Over time, the area underwent significant upgrades, including the improvement of roads and utilities, making it a location for businesses to locate.
- The City has also constructed the Kraaifontein Waste Transfer Station; therefore, noteworthy of the buffer around it, which also allows for risk industries to locate in the area.

Policy & regulatory context

Conceptual framework

Introduction

Land use activities, employment overview & firm typologies

Development pipeline

Urban land markets

Agglomeration of industries

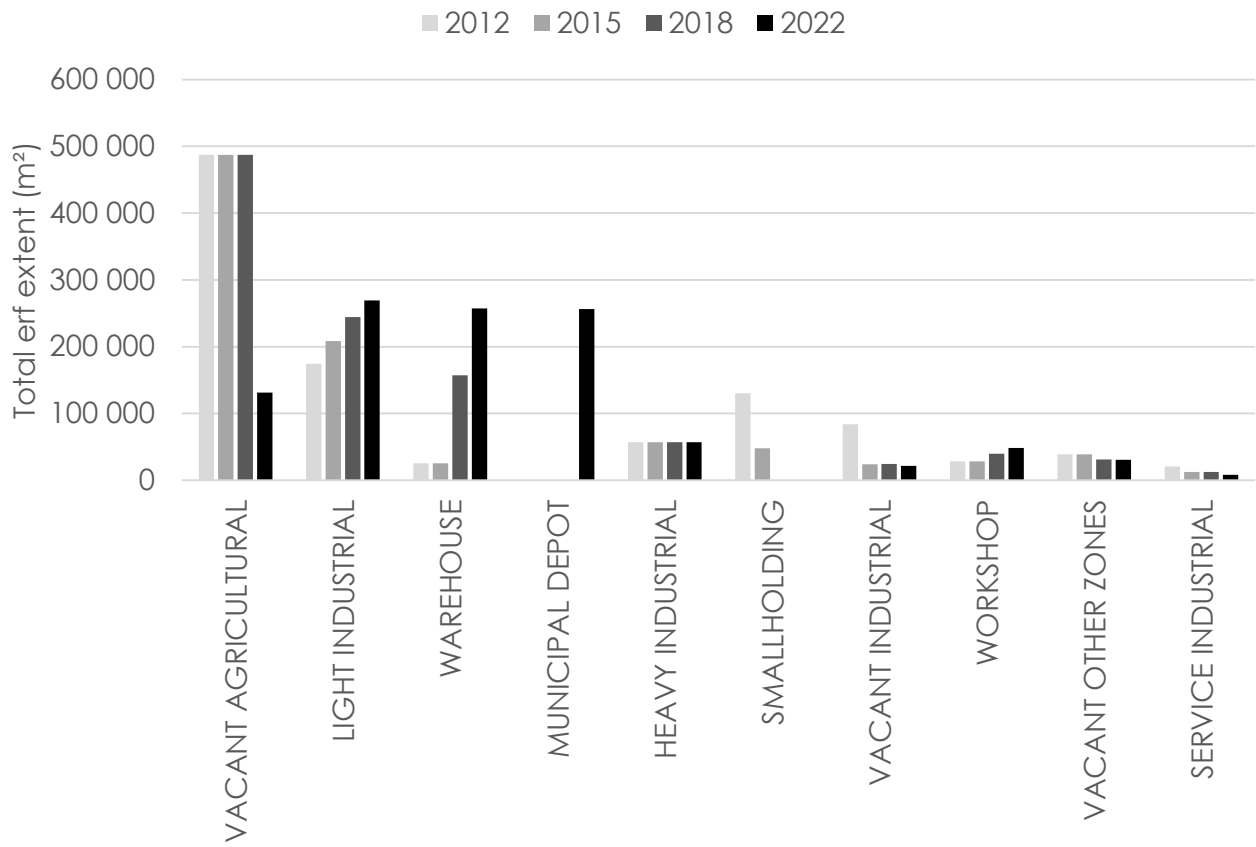Market performance

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.
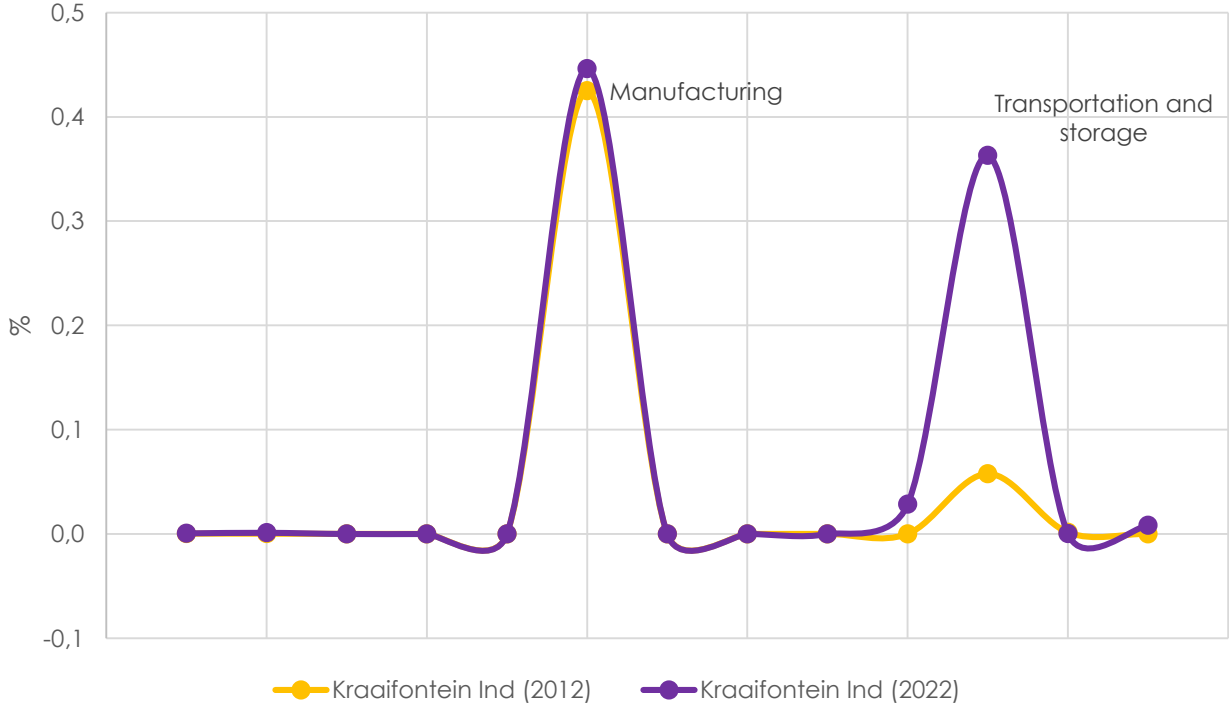
- Between 2012 and 2022, Kraaifontein Industrial was mainly characterised by a greater propensity for manufacturing and transport & storage, as reflected in the **Nodal Typology**. The nodal typology highlights industries with the most floor area (m²) operating within an economic area.

- The **Metroscale Benchmarking** positions Kraaifontein Industrial to being a contributor of manufacturing and transport & storage, which performs lower 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 light and heavy industrial uses with warehousing and vast vacant agricultural land.
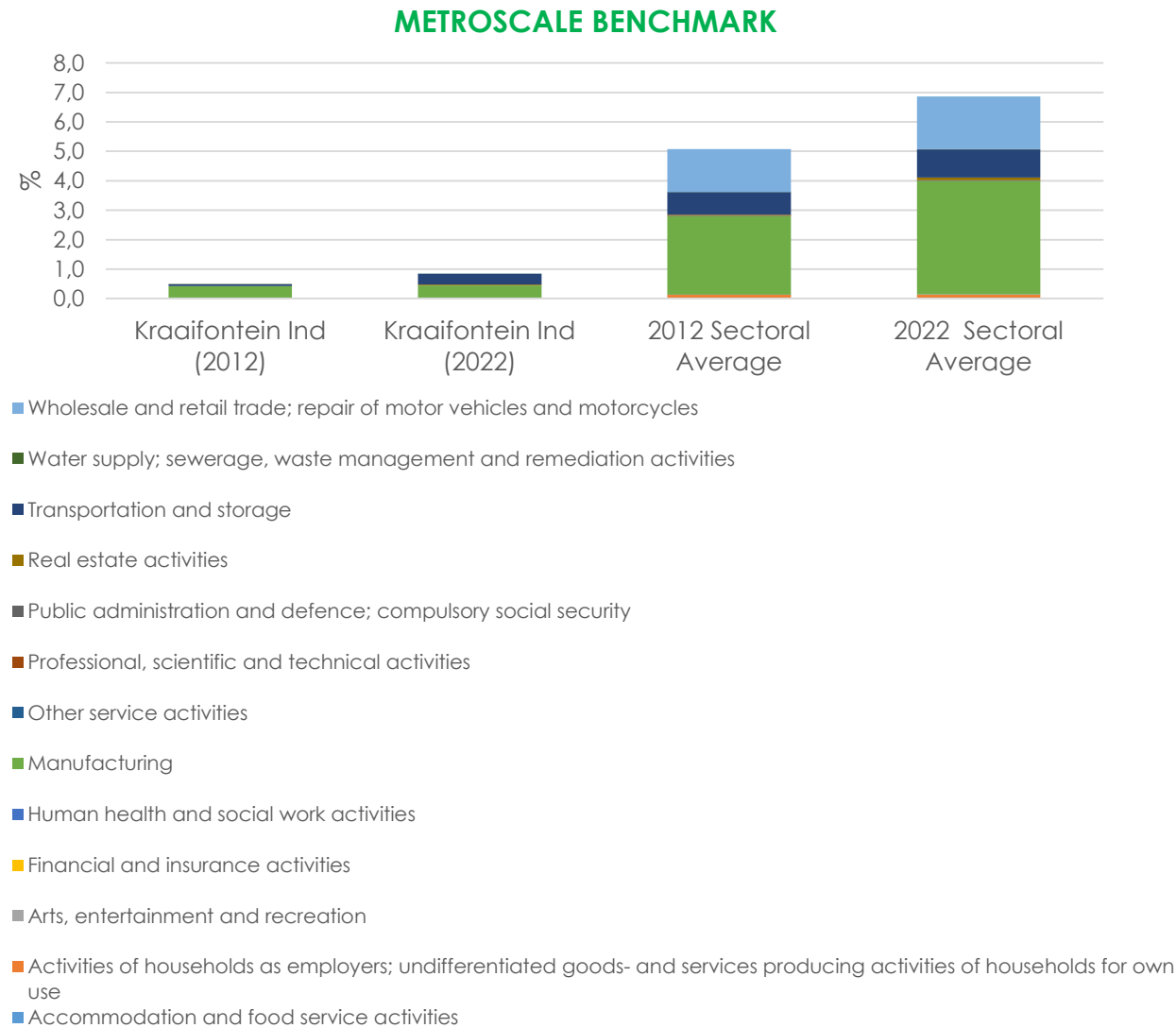
TOP 10 MOST DOMINANT LAND USES BETWEEN 2012 AND 2022

Legend: ■ 2012 ■ 2015 ■ 2018 ■ 2022

METROSCALE BENCHMARK

- Wholesale and retail trade; repair of motor vehicles and motorcycles
- Water supply; sewerage, waste management and remediation activities
- Transportation and storage
- Real estate activities
- Public administration and defence; compulsory social security
- Professional, scientific and technical activities
- Other service activities
- Manufacturing
- Human health and social work activities
- Financial and insurance activities
- Arts, entertainment and recreation
- Activities of households as employers; undifferentiated goods- and services producing activities of households for own use
- Accommodation and food service activities

NODAL TYPOLOGY FOR 2012 AND 2022
(Mixed Industrial)

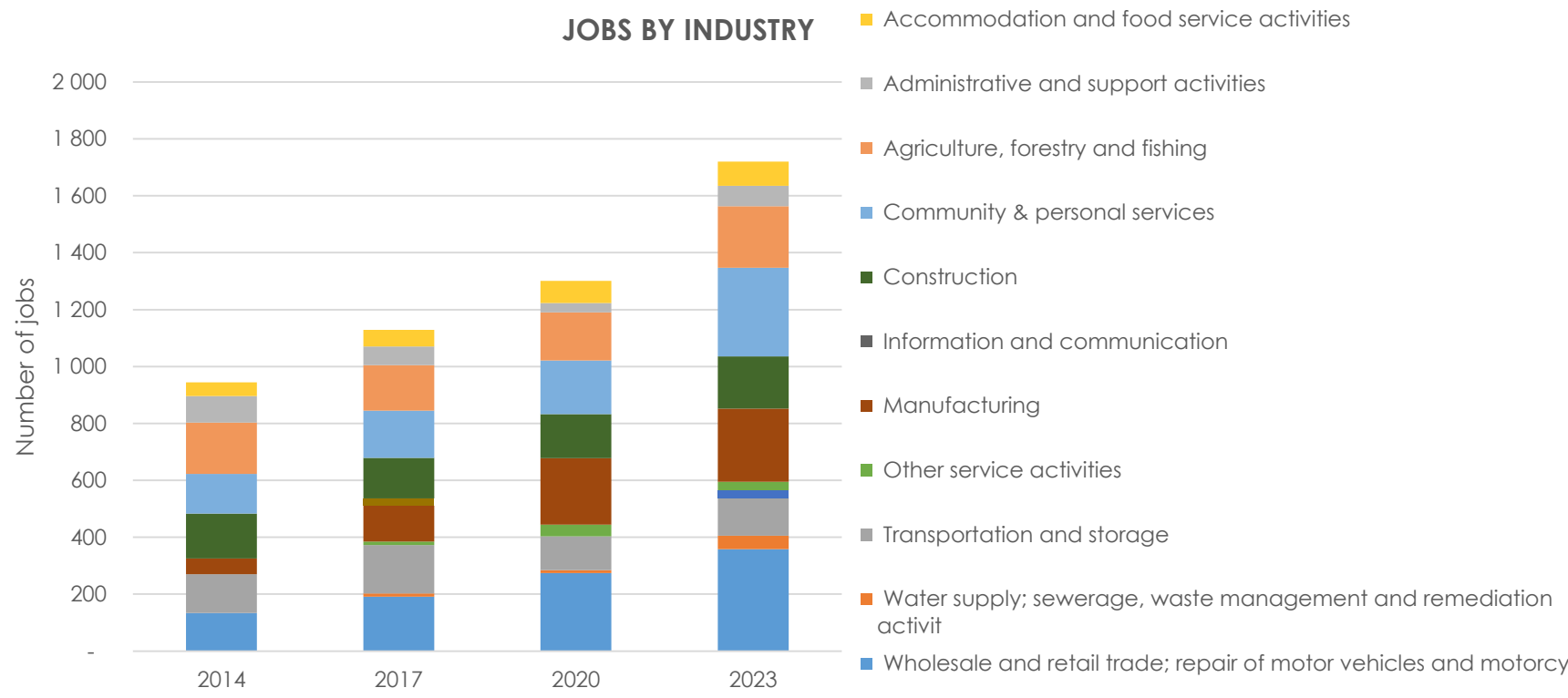Legend: ●— Kraaifontein Ind (2012) ●— Kraaifontein Ind (2022)

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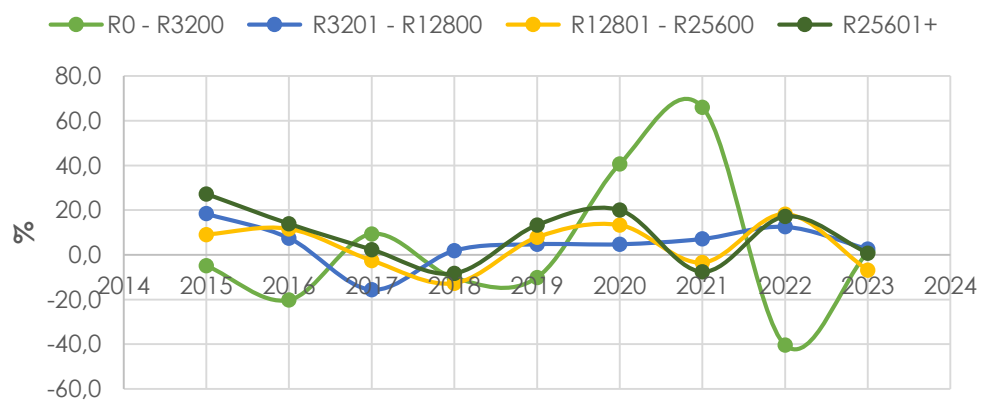
Policy & regulatory context

Conceptual framework

Introduction

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Market performance

Performance & Potential
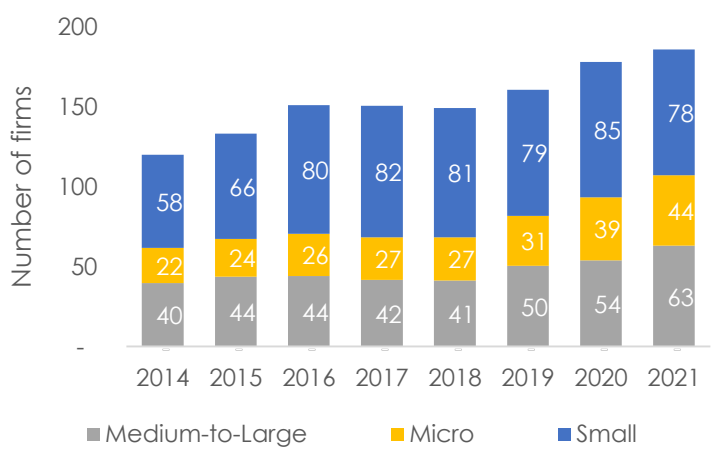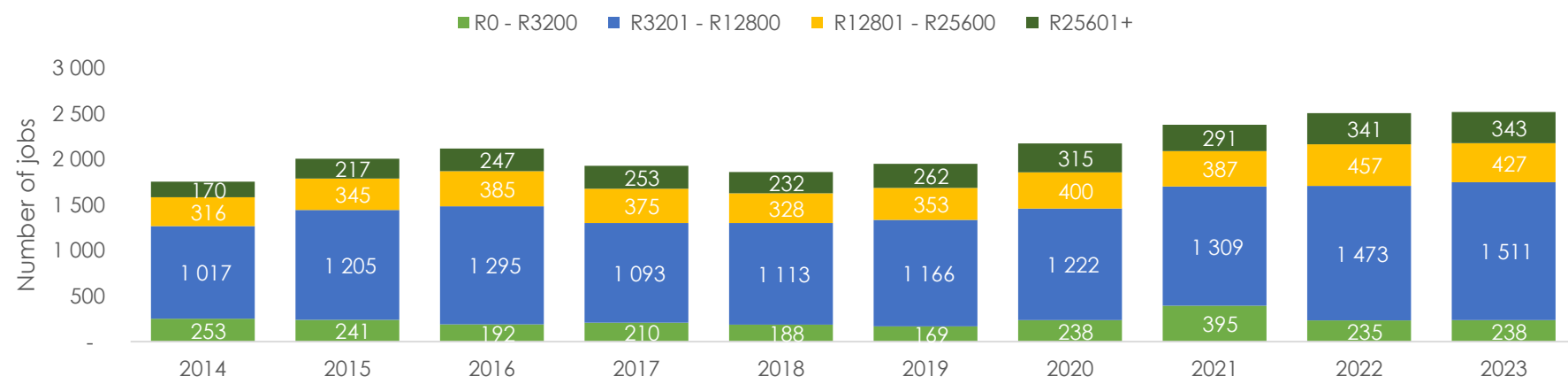
EMPLOYMENT OVERVIEW & FIRM TYPOLOGIES

Policy & regulatory context

Conceptual framework

Introduction

Land use activities, employment overview & firm typologies

Development pipeline

Urban land markets

Agglomeration of industries

Market performance

Performance & Potential

JOBS BY INDUSTRY

Legend:
- Accommodation and food service activities
- Administrative and support activities
- Agriculture, forestry and fishing
- Community & personal services
- Construction
- Information and communication
- Manufacturing
- Other service activities
- Transportation and storage
- Water supply; sewerage, waste management and remediation activit
- Wholesale and retail trade; repair of motor vehicles and motorcy

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

Legend: R0 - R3200 | R3201 - R12800 | R12801 - R25600 | R25601+

NUMBER OF FIRM TYPOLOGIES

Year	Small	Micro	Medium-to-Large
2014	58	22	40
2015	66	24	44
2016	80	26	44
2017	82	27	42
2018	81	27	41
2019	79	31	50
2020	85	39	54
2021	78	44	63

Legend: Medium-to-Large | Micro | Small

FULL TIME EMPLOYMENT BY WAGEBAND

Legend: R0 - R3200 | R3201 - R12800 | R12801 - R25600 | R25601+

Year	R0 - R3200	R3201 - R12800	R12801 - R25600	R25601+
2014	253	1 017	316	170
2015	241	1 205	345	217
2016	192	1 295	385	247
2017	210	1 093	375	253
2018	188	1 113	328	232
2019	169	1 166	353	262
2020	238	1 222	400	315
2021	395	1 309	387	291
2022	235	1 473	457	341
2023	238	1 511	427	343

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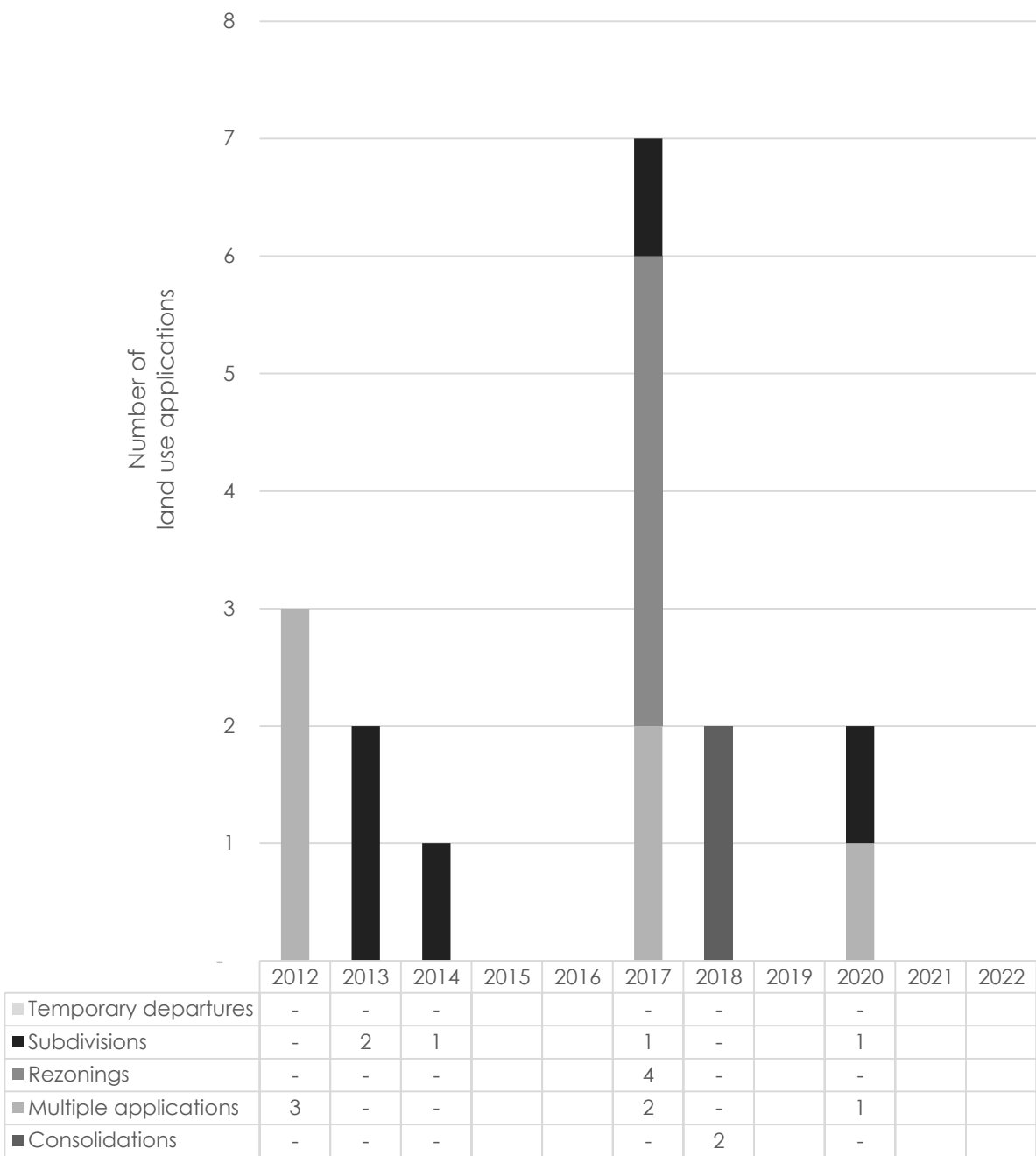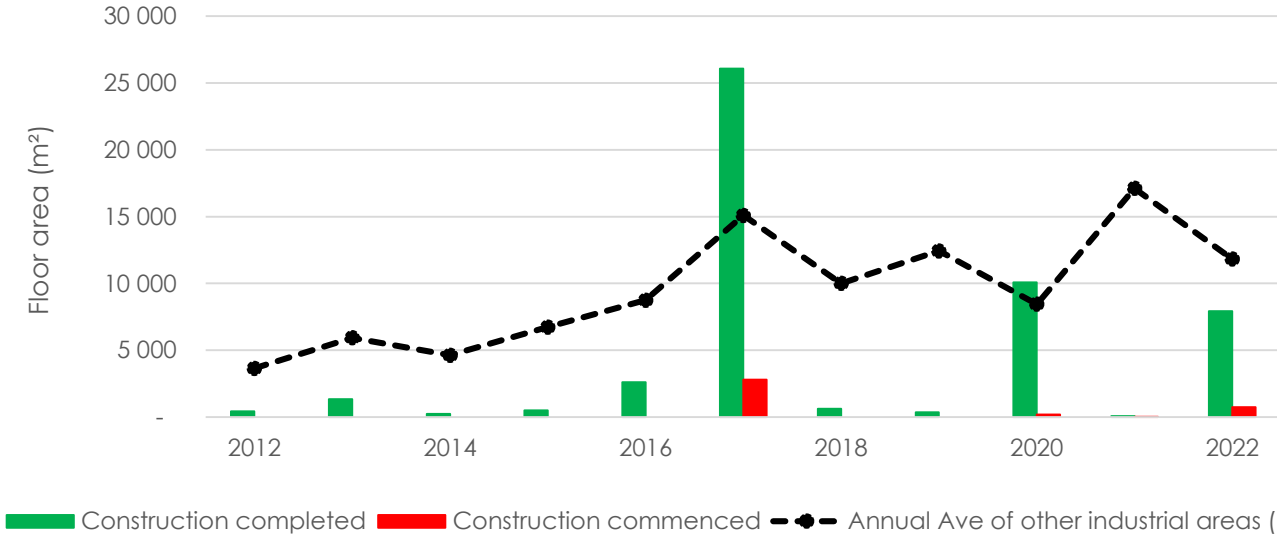
Jobs/Firms

The number of job opportunities in the Kraaifontein Industrial area increased from 900 to 1,700 jobs between 2014 and 2023. Over time, most jobs have been equally concentrated in the manufacturing, wholesale & retail, community services and agriculture activities.

The total number of firms in the area increased from 125 to 175 between 2014 and 2021. While small firms make up the majority, there is also a significant presence of medium to large firms, 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.

Legend: SARS Hexagon | Economic Area
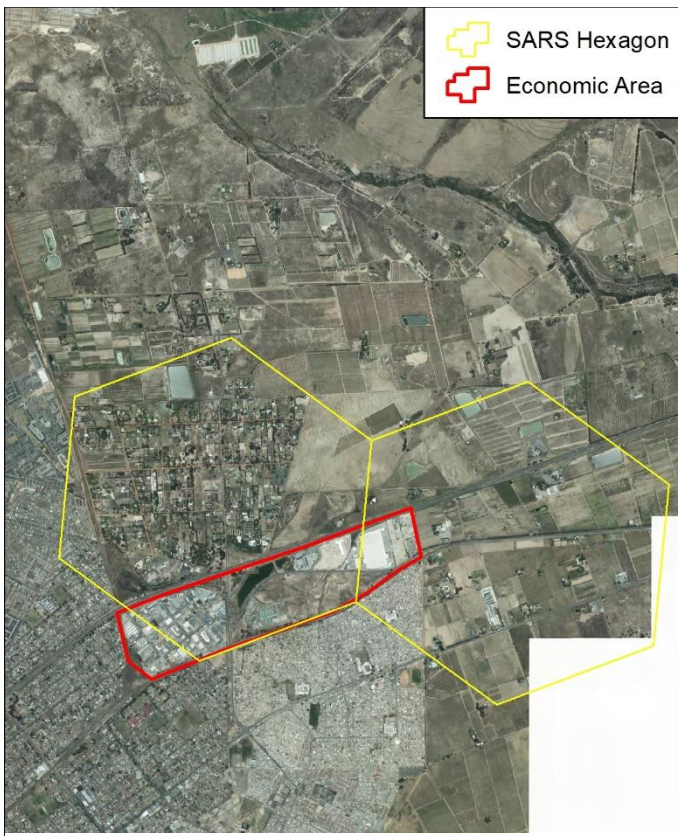
Spatial hexagons in which SARS data has been captured and overlaid with Kraaifontein industrial economic area.

DEVELOPMENT PIPELINE

PROPERTY SALES BY SECTOR

Legend: Commercial property sales; Industrial property sales; Vacant property sales; Residential property sales

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

Legend: Construction completed; Construction commenced; Annual Ave of other industrial areas (m²)

APPROVED LAND USE APPLICATIONS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Temporary departures	-	-	-			-	-		-		
Subdivisions	-	2	1			1	-		1		
Rezonings	-	-	-			4	-		-		
Multiple applications	3	-	-			2	-		1		
Consolidations	-	-	-			-	2		-		

Property sales

Most of the property sales that occurred in the industrial sector experienced their highest amount of sales in 2012 and tapered down till 2023. There has also been a limited amount of sales for vacant land.

Land use applications

While Kraaifontein is predominantly zoned for industrial purposes, approvals granted between 2012 and 2022 were mostly for subdivisions, multiple applications and also rezonings, indicating a demand for a particular zoning and property size, noting that there remains a strong presence of vacant agricultural land.

Building plans

Following on from property sales and land use approvals, building work activity has commenced since 2012 in small amounts, with building activity being higher than the metro's annual average in 2017 and 2020, when compared to other industrial areas.

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

Side tabs: Policy & regulatory context; Conceptual framework; Introduction; Land use activities, employment overview & firm typologies; Development pipeline; Urban land markets; Agglomeration of industries; Market performance; Performance & Potential
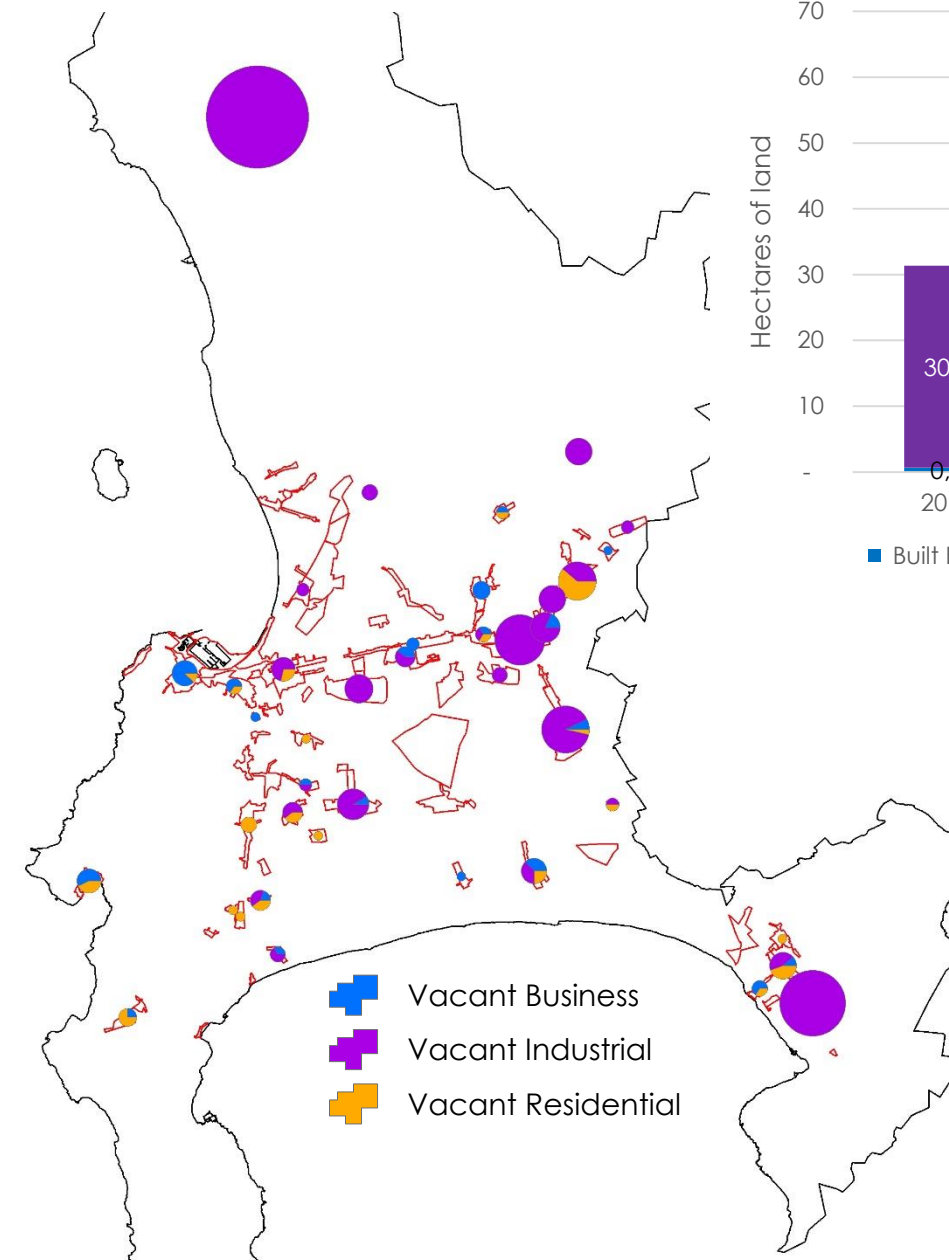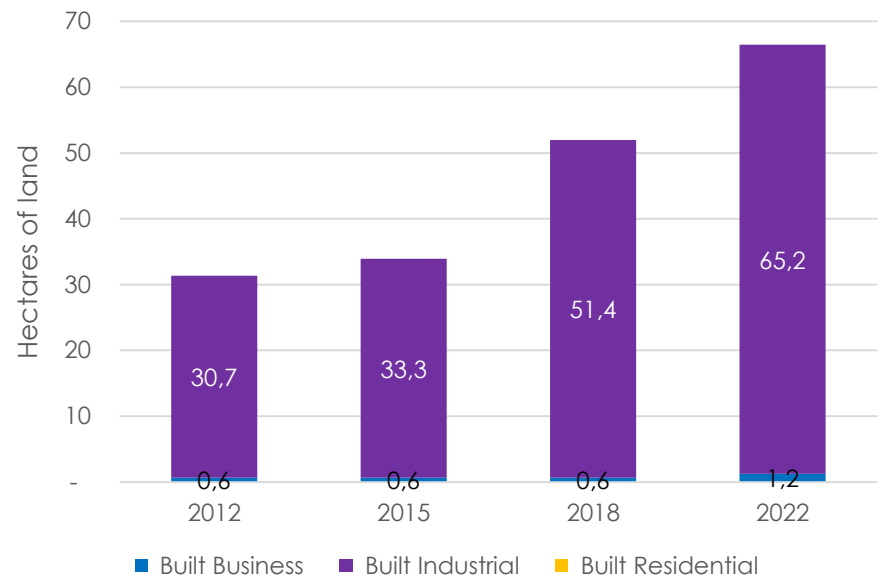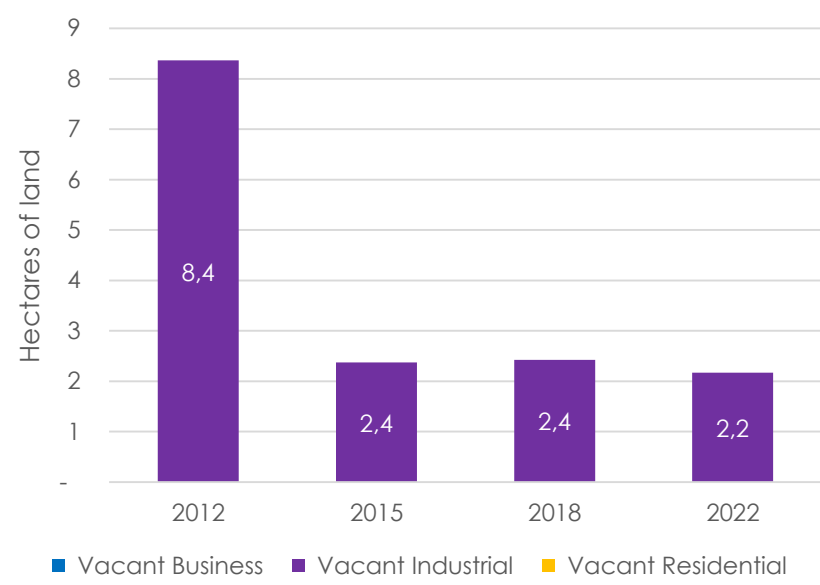
URBAN LAND MARKETS

VACANT LAND ACROSS CAPE TOWN (GV 2022)*

Legend:
- Vacant Business
- Vacant Industrial
- Vacant Residential

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

Hectares of land

Year	Built Industrial	Built Business/Residential
2012	30,7	0,6
2015	33,3	0,6
2018	51,4	0,6
2022	65,2	1,2

Legend: Built Business, Built Industrial, Built Residential

VACANT LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)

Hectares of land

Year	Vacant Industrial
2012	8,4
2015	2,4
2018	2,4
2022	2,2

Legend: Vacant Business, Vacant Industrial, Vacant Residential

AVERAGE VACANCY RATE OF EXISTING BUILDINGS

Vacancy rate %

Legend: Commercial, Industrial, Office
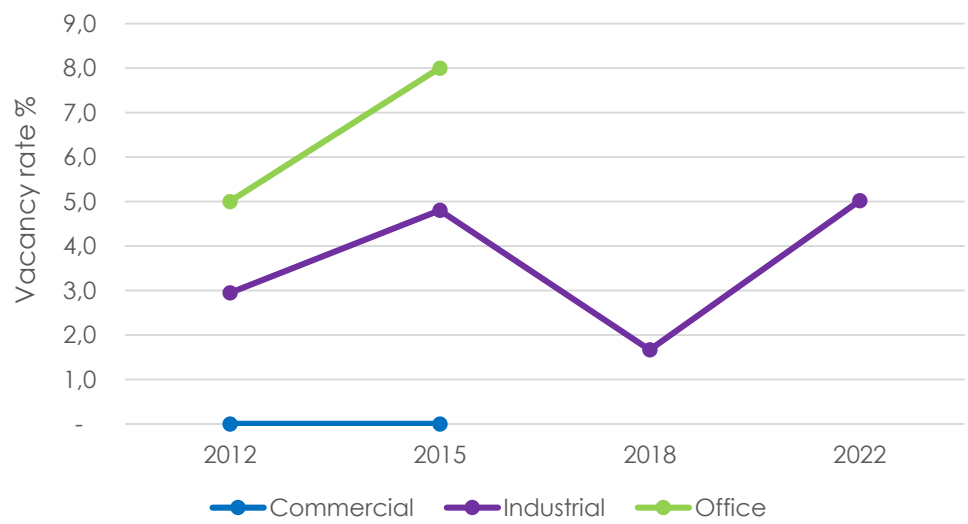
METRO AVERAGE: VACANCY RATES PER SECTOR FOR 2022*

- 4,9%
- 5,4%
- 6,5%
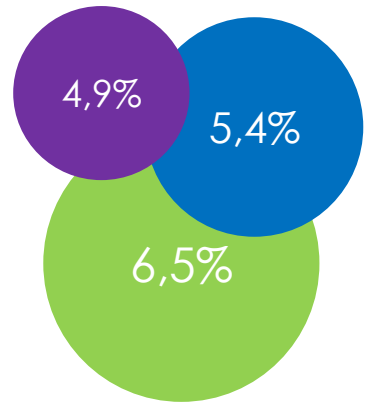
Number of land parcels that are vacant by size

Erf Size	Commercial	Industrial	Residential
1) 1-250m²			
2) 251-500m²			
3) 501-1000m²			
4) 1001-2500m²		1	
5) 2501-5000m²		1	
6) 5001-10000m²		2	
7) >10000m²			

Source: City's General Valuation Roll and Market Reports

Vacant land
The map provides a representation of the latest GV Roll (2022) by illustrating cumulative vacant land across the metropolitan area, which 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 is minimal vacant land, as of 2022. Furthermore, the available vacant land is categorised based on the number and size of land parcels, as reflected in the accompanying table.
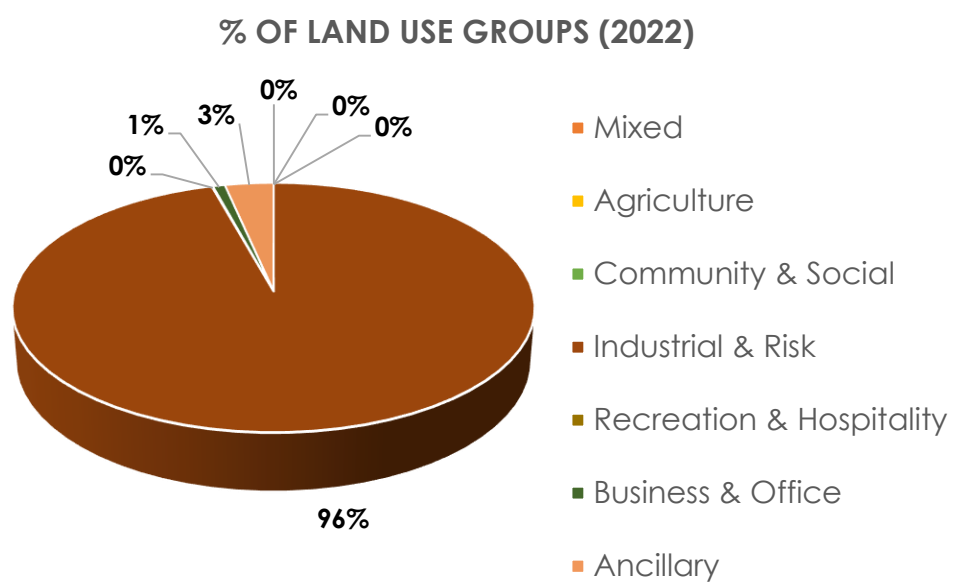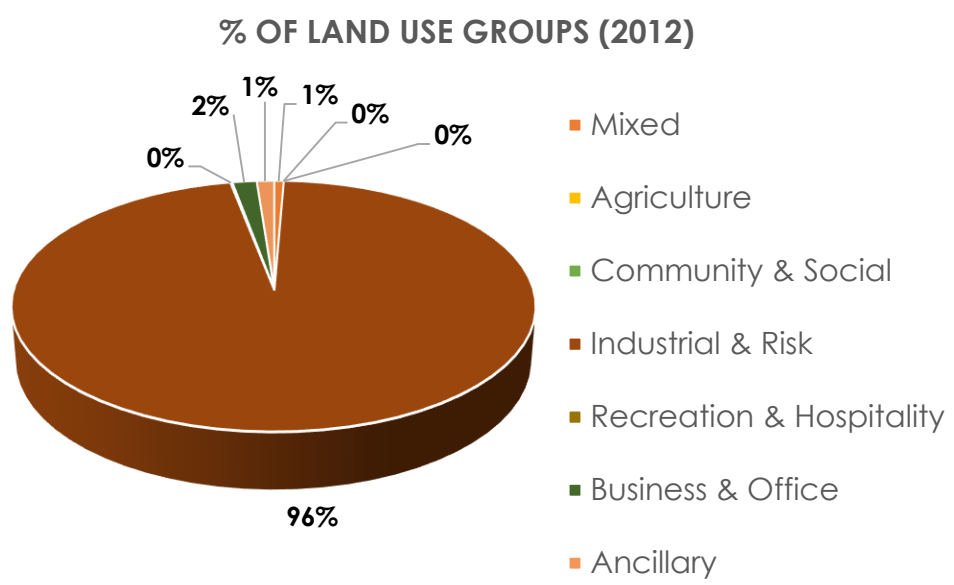
Vacancy rates
In addition to vacant land, the average vacancy rates of existing buildings for the industrial sector increased from 3% in 2012 to 5% in 2022, while the market report data has not captured vacancy rates throughout the period for the office and commercial sectors.

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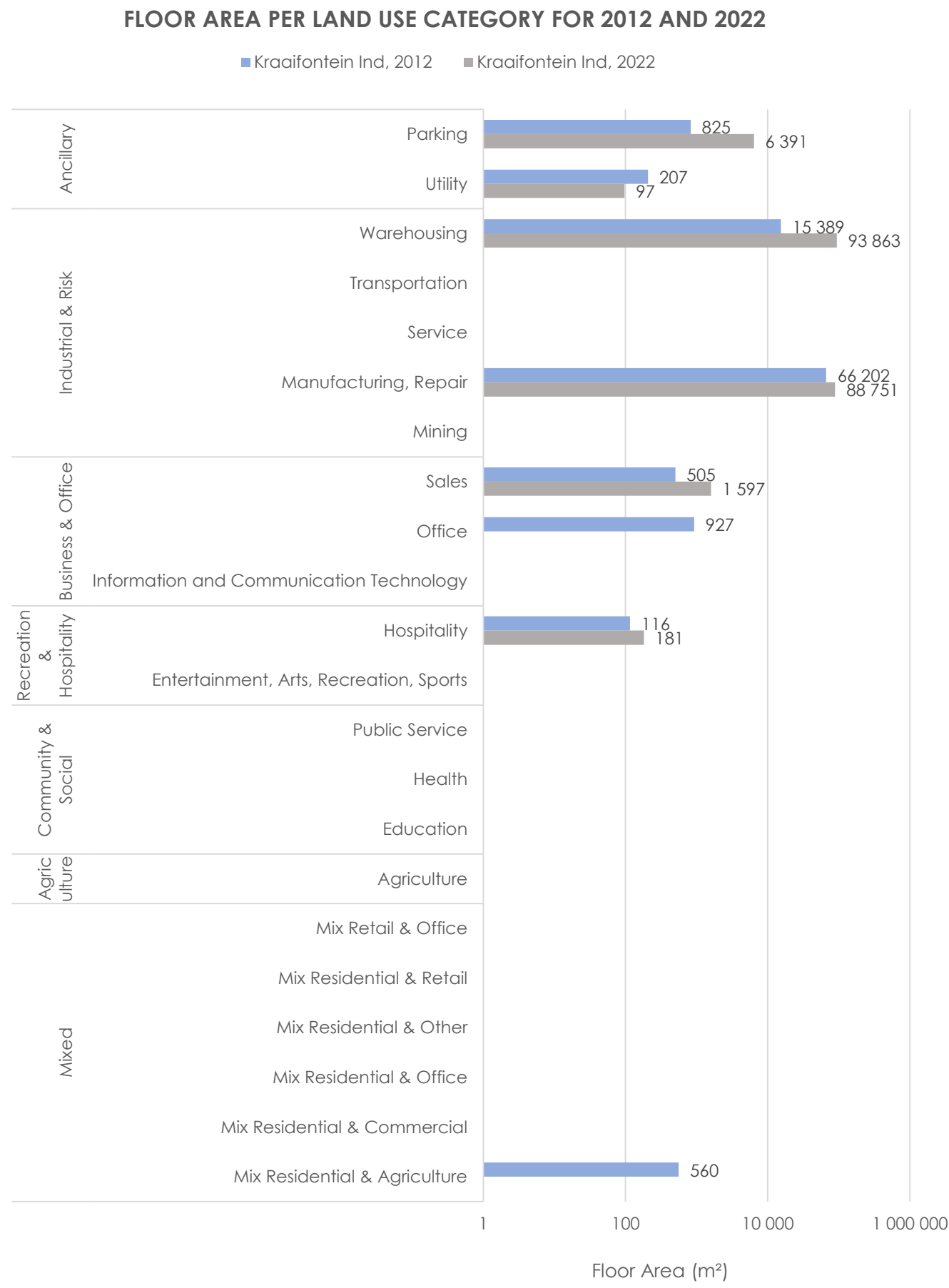
AGGLOMERATION OF INDUSTRIES

% OF LAND USE GROUPS (2012)

- Mixed
- Agriculture
- Community & Social
- Industrial & Risk
- Recreation & Hospitality
- Business & Office
- Ancillary

0%, 2%, 1%, 1%, 0%, 0%, 96%

% OF LAND USE GROUPS (2022)

- Mixed
- Agriculture
- Community & Social
- Industrial & Risk
- Recreation & Hospitality
- Business & Office
- Ancillary

0%, 1%, 3%, 0%, 0%, 0%, 96%

FLOOR AREA PER LAND USE CATEGORY FOR 2012 AND 2022

■ Kraaifontein Ind, 2012   ■ Kraaifontein Ind, 2022

Land use categories by land use groups	Kraaifontein Ind, 2012	Kraaifontein Ind, 2022
Ancillary — Parking	825	6 391
Utility	207	97
Industrial & Risk — Warehousing	15 389	93 863
Transportation		
Service		
Manufacturing, Repair	66 202	88 751
Mining		
Business & Office — Sales	505	1 597
Office	927	
Information and Communication Technology		
Recreation & Hospitality — Hospitality	116	181
Entertainment, Arts, Recreation, Sports		
Community & Social — Public Service		
Health		
Education		
Agriculture — Agriculture		
Mixed — Mix Retail & Office		
Mix Residential & Retail		
Mix Residential & Other		
Mix Residential & Office		
Mix Residential & Commercial		
Mix Residential & Agriculture	560	

Floor Area (m²)

The pie charts represent the % split of land use groups agglomerated in Kraaifontein 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 growth in the dominant land use categories between 2012 and 2022, which is for warehousing, manufacturing and repairs. There is also a presence (minimal) of other land uses, which can be seen to be in support of the most dominant land uses.

Source: Analysis of GV data (May 2024)

AVERAGE CAPITALISATION RATE OF KRAAIFONTEIN INDUSTRIAL IN RELATION TO OTHER INDUSTRIAL AREAS FOR THE PERIOD BETWEEN 2012 AND 2022

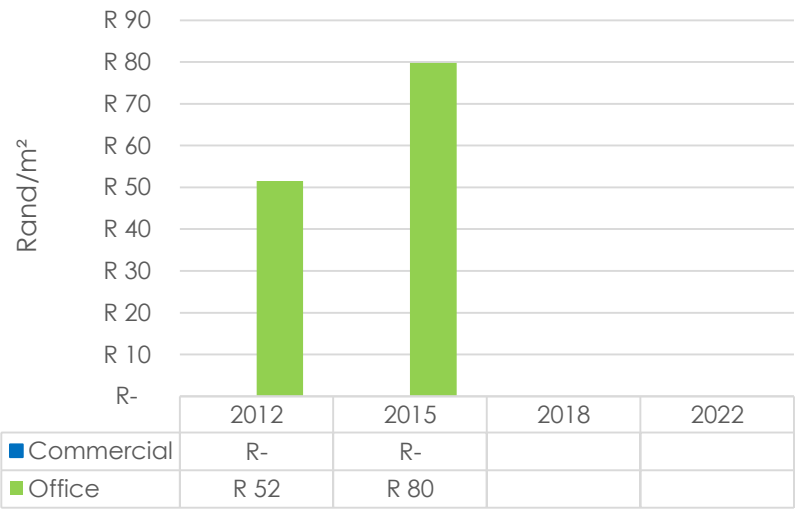■ Commercial ■ Industrial ■ Office

INDUSTRIAL RENTALS

	2012	2015	2018	2022
1) 250m²	R 43	R 38	R 49	R 49
2) 500m²	R 35	R 40	R 49	R 44
3) 1000m²	R 35	R 35	R 53	R 43
4) 2500m²	R 28	R 33	R 41	R 38
5) 5000m²	R 23	R 27	R 35	R 36
6) 10000m²	R-	R-	R 49	R 47

COMMERCIAL AND OFFICE RENTALS

	2012	2015	2018	2022
■ Commercial	R-	R-		
■ Office	R 52	R 80		

CAPITALISATION RATES

Commercial ● Industrial ● Office
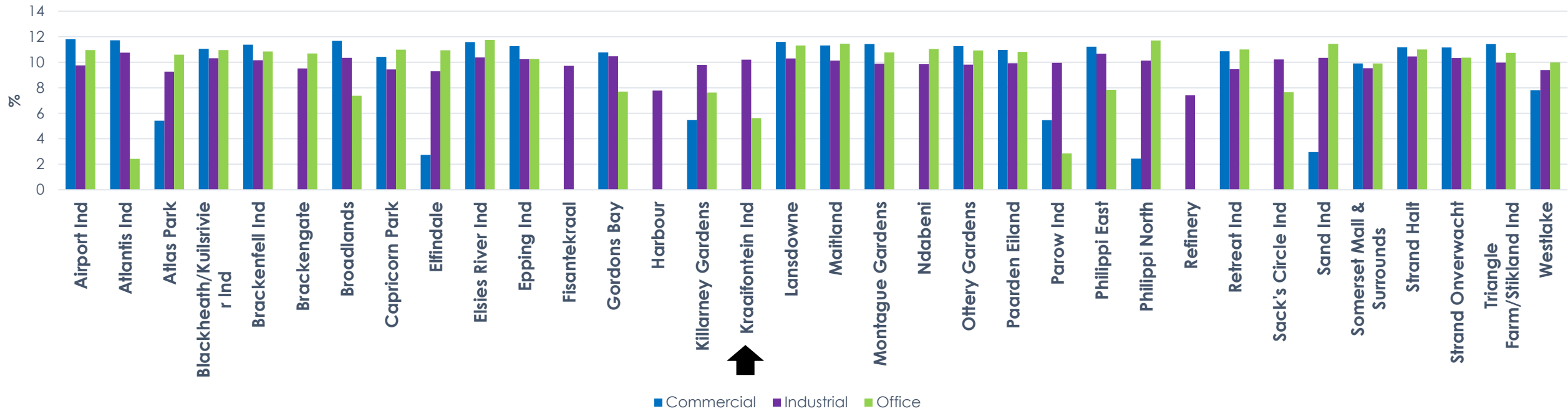
Rental Rates

Rental rates across all industrial space gradually increased between 2012 and 2018, with higher rentals and increases observed in the larger property sizes. Rentals started to decrease in 2022.

No relevant data could be used since the market reports available have not captured rentals for the office and commercial sectors across the different periods within the 10 years.
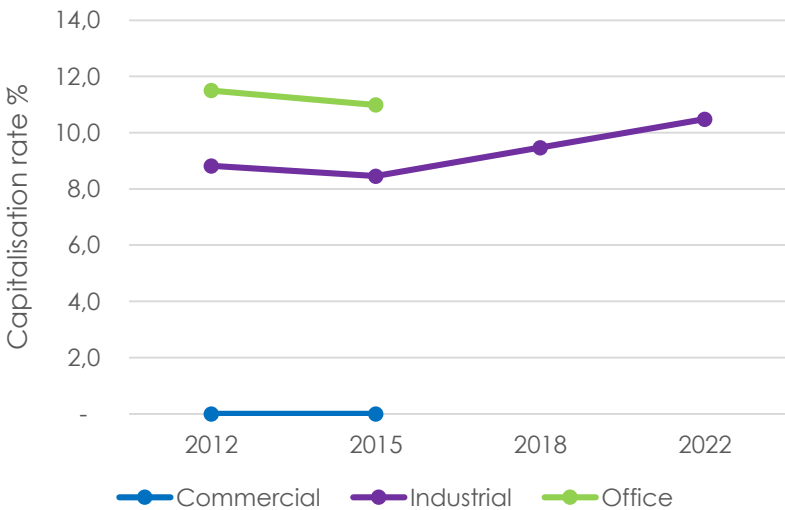
Comparative view on capitalisation rates

The average capitalisation rates from 2012 to 2022 for the industrial and office sectors were 10,21% and 5,62%, respectively and further indicate its competitiveness relative to other industrial areas.

Year-over-year, capitalisation rates for the industrial sector have increased from 8,8% in 2012 to 10,2% in 2022, with no sufficient capitalisation rates captured for the office and commercial sectors throughout the past 10 years.

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

Source: 2012 – 2022 market reports

Policy & regulatory context

Conceptual framework

Introduction

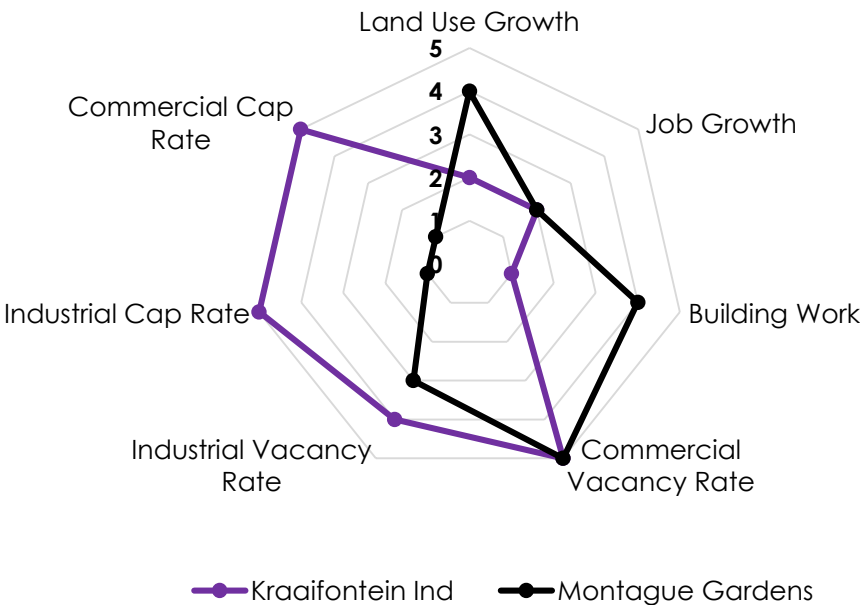Land use activities, employment overview & firm typologies

Development pipeline
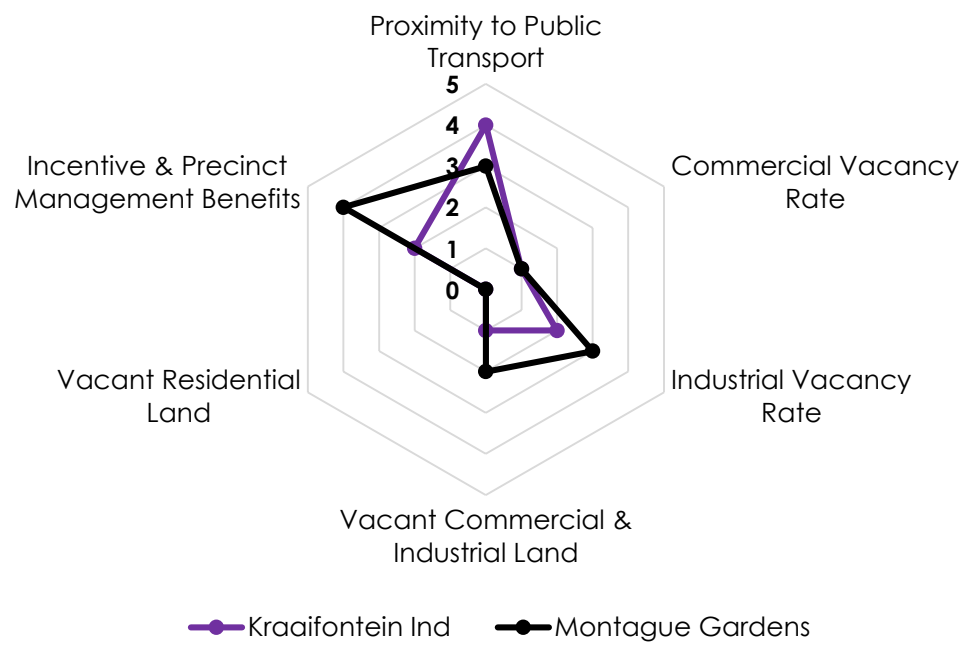
Urban land markets

Agglomeration of industries

Market performance

Performance & Potential

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.

PERFORMANCE

— Kraaifontein Ind — Montague Gardens

POTENTIAL

— Kraaifontein Ind — Montague Gardens

	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.***