

# PHILIPPI EAST INDUSTRIAL ECONOMIC AREA PROFILE

TREND ANALYSIS 2012-2022



Image source: Google Earth



June 2025



CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
STAD KAAPSTAD

Making progress possible. Together.

# ACKNOWLEDGEMENTS

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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.

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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

- Khayelitsha Mitchells Plain Greater Blue Downs District Plan DSDF - Subdistrict 1: Philippi:
  - District Development Guidelines ([page 62](#))
  - Subdistrict Development Guidelines([page 90](#))
  - Consolidated subdistrict SDF ([Figure 16: Subdistrict 1: Philippi](#))

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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](mailto:Future.CapeTown@capetown.gov.za).

## MICRO-ECONOMIC DEMAND & SUPPLY FACTORS

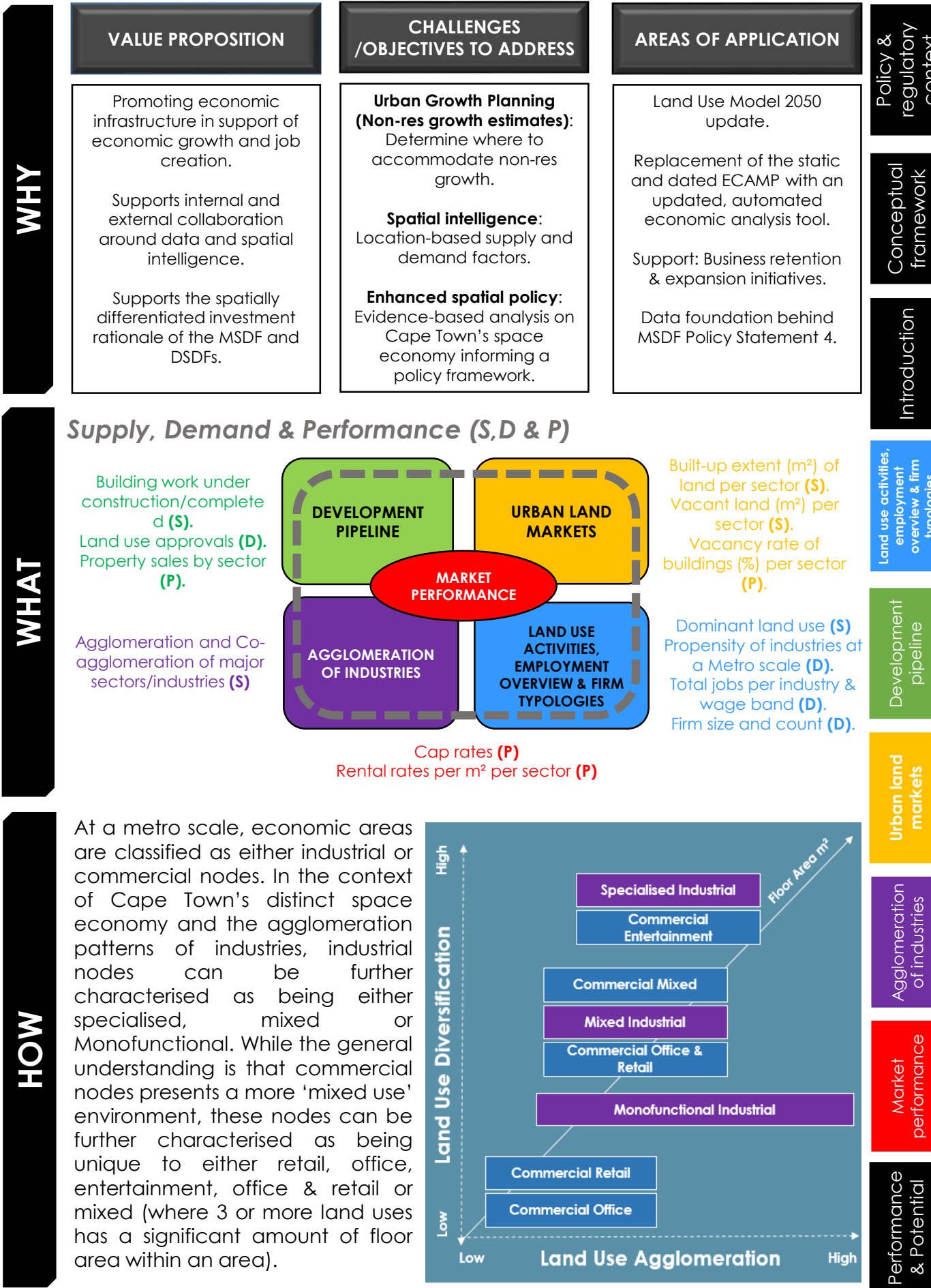
This profile examines a range of micro-economic indicators to highlight trends in supply and demand specific to the economic area. The indicators include:

- 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/m<sup>2</sup> by land use sector
- Jobs per industry

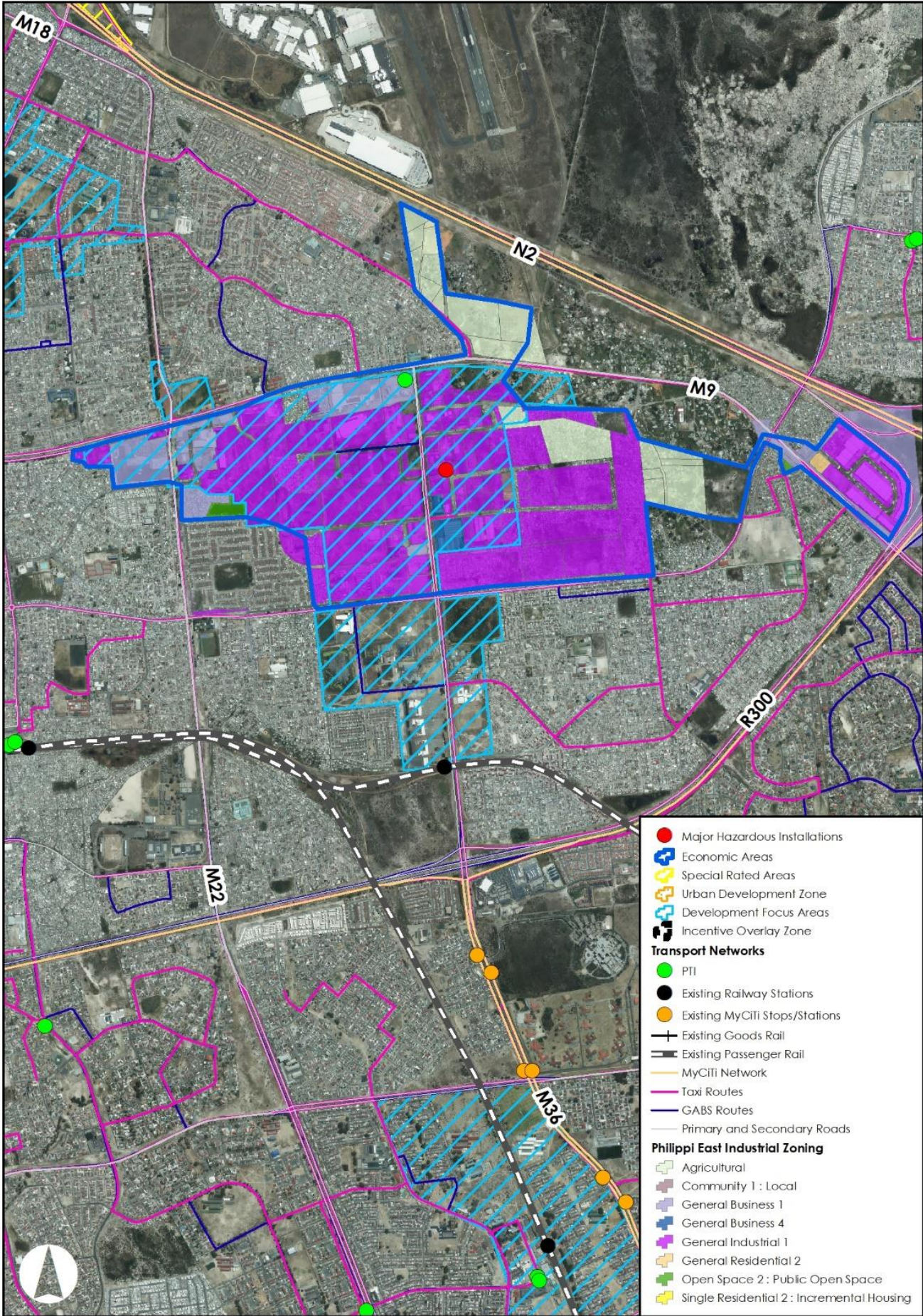
## MACRO-ECONOMIC REPORTS AND INDICATORS

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 \(MERO\)](#)







PHILLIPI EAST INDUSTRIAL

Location

- The area is approximately 15km southeast of Cape Town's Central Business District and the Port of Cape Town. Furthermore, it is located adjacent to the Cape Town International Airport.
- It is also situated near the N2 and R300 highways, providing easy access to areas across Cape Town.
- The area is serviced by GABS and taxis.
- Access to a skilled workforce from surrounding areas, includes the broader Nyanga, Mitchells Plain and Delft areas.

Zoning and Land Use

- The area is predominantly zoned for industrial purposes
- The area is currently characterised by light and heavy industrial uses, which include warehousing, storage, manufacturing, repairs, and retail.
- The average land parcel sizes in the area range between 15,000 – 50,000m², with a limited number of smaller land parcels.

Spatial planning mechanisms

- Part of the area has been identified as a Development Focus Area in terms of the Khayelitsha Mitchells Plain Greater Blue Downs District Plan.

Key highlights of the area include:

- The area started to establish itself from the 1980s and has gradually developed into an industrial economic area, although, still vast amounts of vacant industrial land remain, with some of it being encroached on by informal dwellers due to the housing pressures faced in the broader Philippi area.
- The surrounding areas boast a rich cultural heritage with ongoing initiatives in place to improve living conditions, promote economic development and address social issues.

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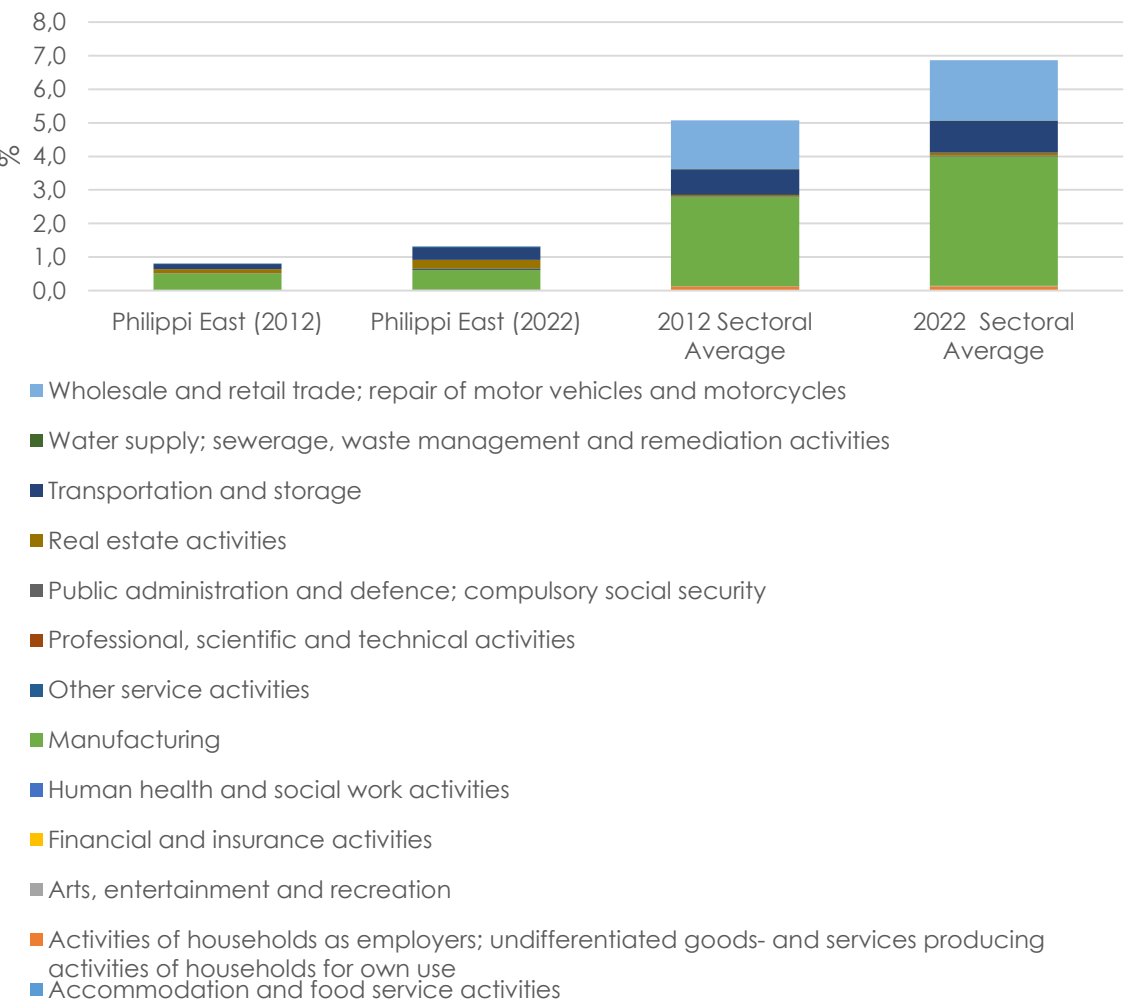


# LAND USE ACTIVITIES

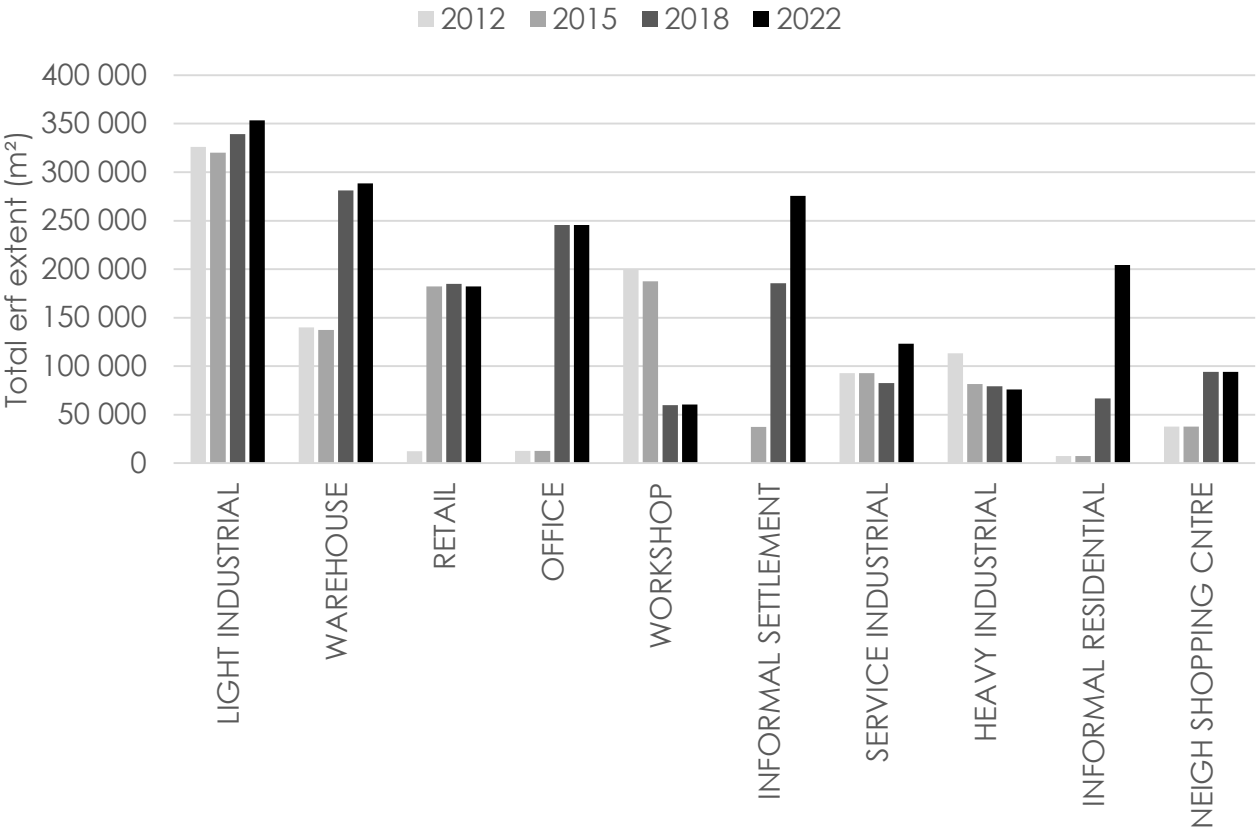
A recent analysis involved converting land use codes from the General Valuation Roll (GV Roll) into Standard Industrial Classification (SIC) codes. This was done to determine the prevalence of industries operating in areas with similar characteristics.

- Between 2012 and 2022, Philippi East industrial was mainly characterised by a greater propensity for manufacturing, transport & storage and real estate activities, as reflected in the **Nodal Typology**. The nodal typology highlights industries with the most floor area (m<sup>2</sup>) operating within an economic area.
- The **MetroScale Benchmarking** positions Philippi East industrial to being a contributor of manufacturing, transport & storage and real estate activities, which performs higher than the sectoral average for real estate activities 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 (m<sup>2</sup>) of floor area for light industrial, warehousing, retail, workshops and office space.

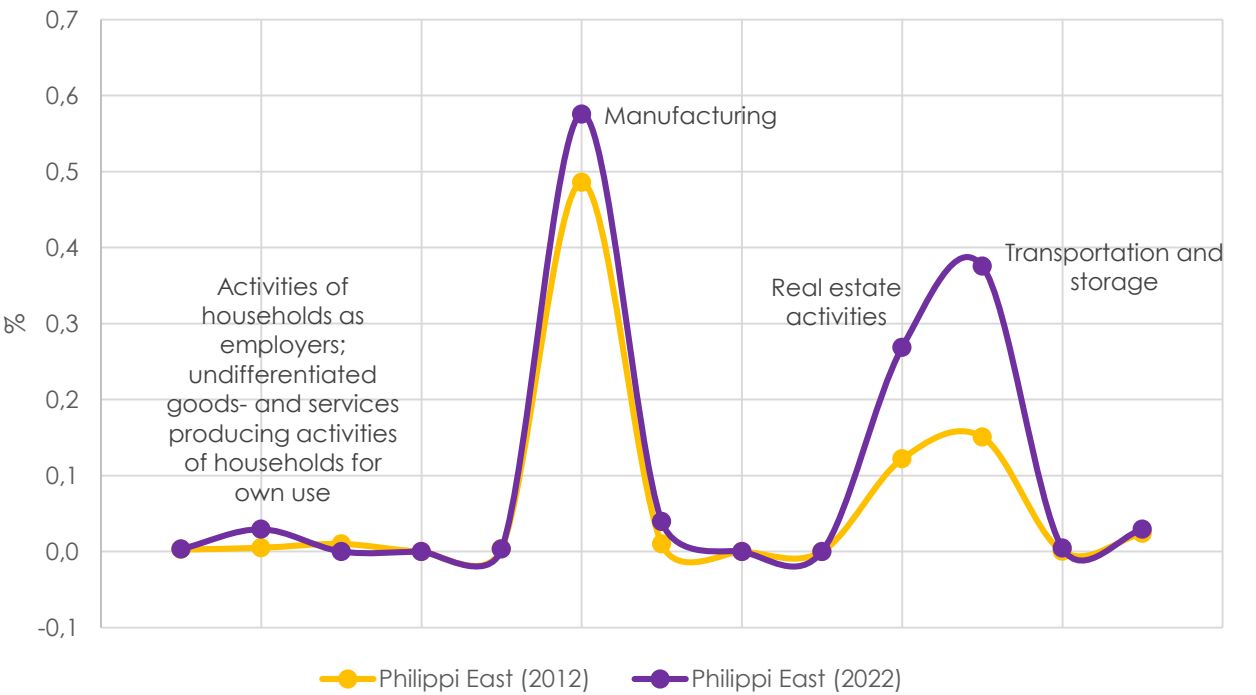
## METROSCALE BENCHMARK



## TOP 10 MOST DOMINANT LAND USES BETWEEN 2012 AND 2022



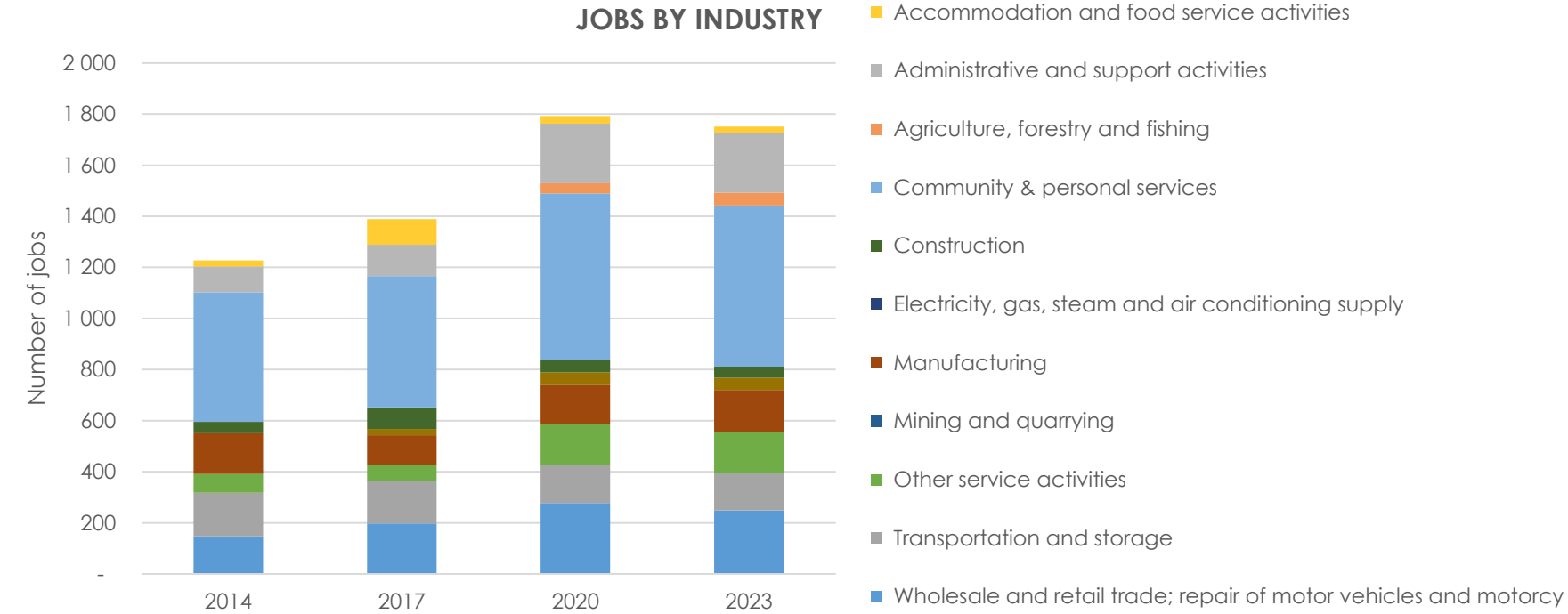
## NODAL TYPOLOGY FOR 2012 AND 2022 (Mixed Industrial)



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

# EMPLOYMENT OVERVIEW & FIRM TYPOLOGIES

JOB'S BY INDUSTRY



## Jobs/Firms

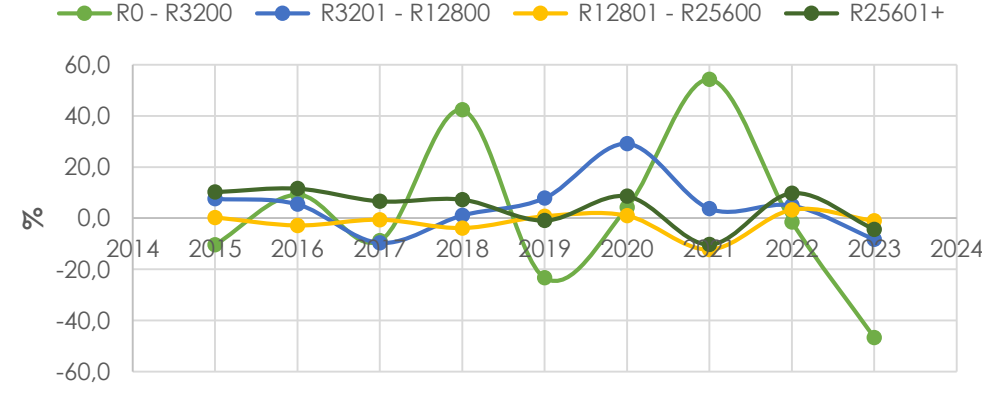
The number of job opportunities in the Philippi East Industrial area gradually increased from 1,200 to 1,800 jobs between 2014 and 2023. Over time, most jobs have been concentrated in the community & personal activities, with jobs spread across other industries, namely wholesale & retail, manufacturing, transport & storage and administrative services.

The total number of firms in the area mostly fluctuated but observed an overall increase from 65 to 85 between 2014 and 2021. Both medium to large and small firms are equally matched in number of firms.

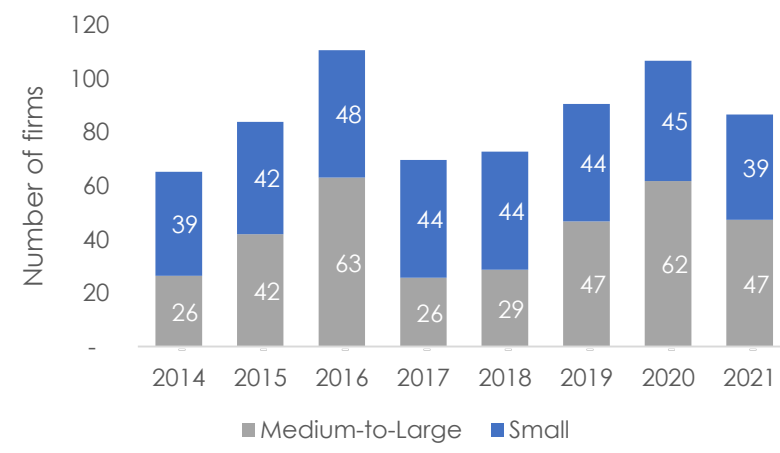
## Income bands

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 in the upper income brackets.

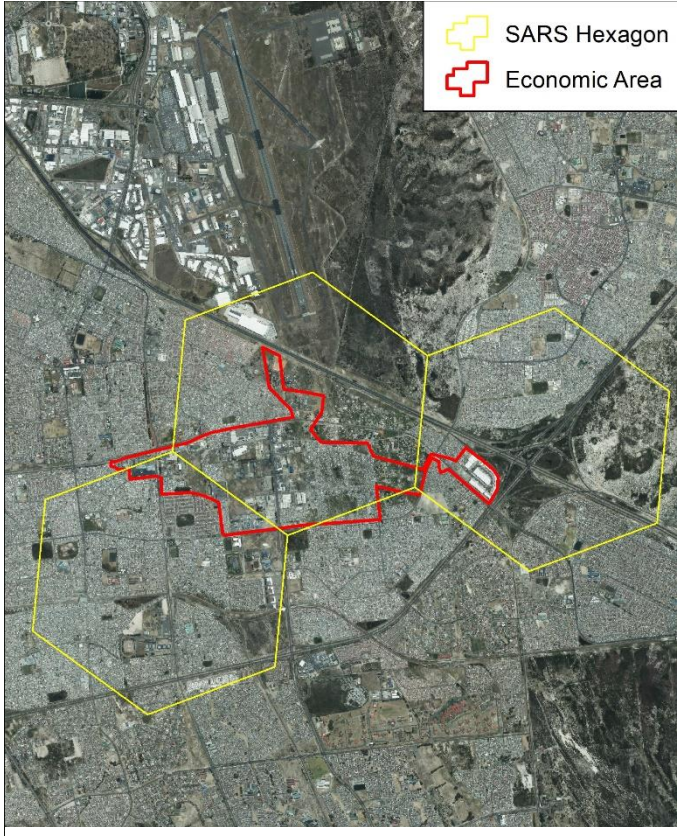
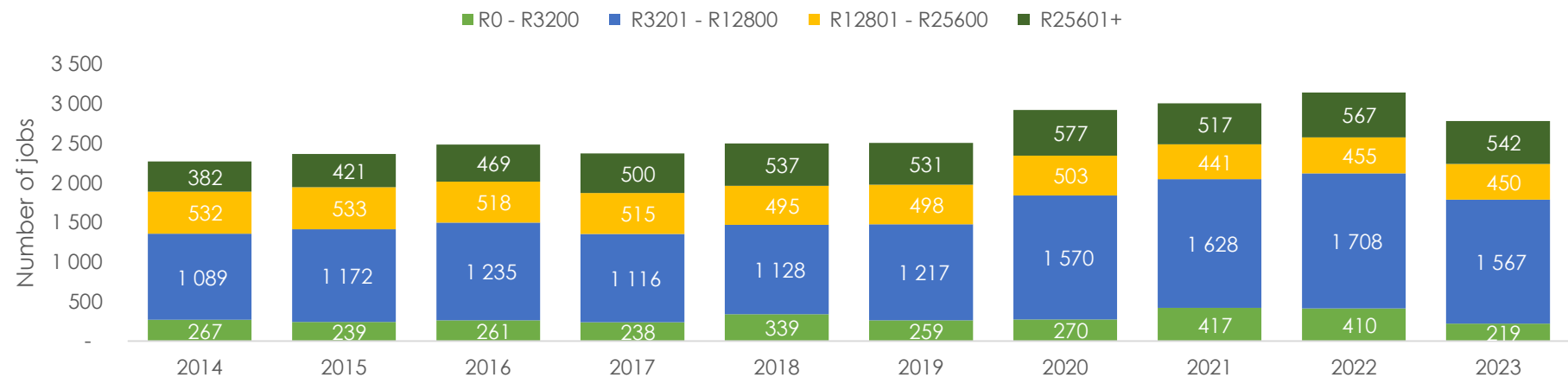
YEAR ON YEAR % CHANGE OF FULL TIME EMPLOYMENT WITHIN EACH WAGE BAND



NUMBER OF FIRM TYPOLOGIES



FULL TIME EMPLOYMENT BY WAGEBAND



Spatial hexagon in which SARS data has been captured and overlaid with Philippi East industrial economic area.

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

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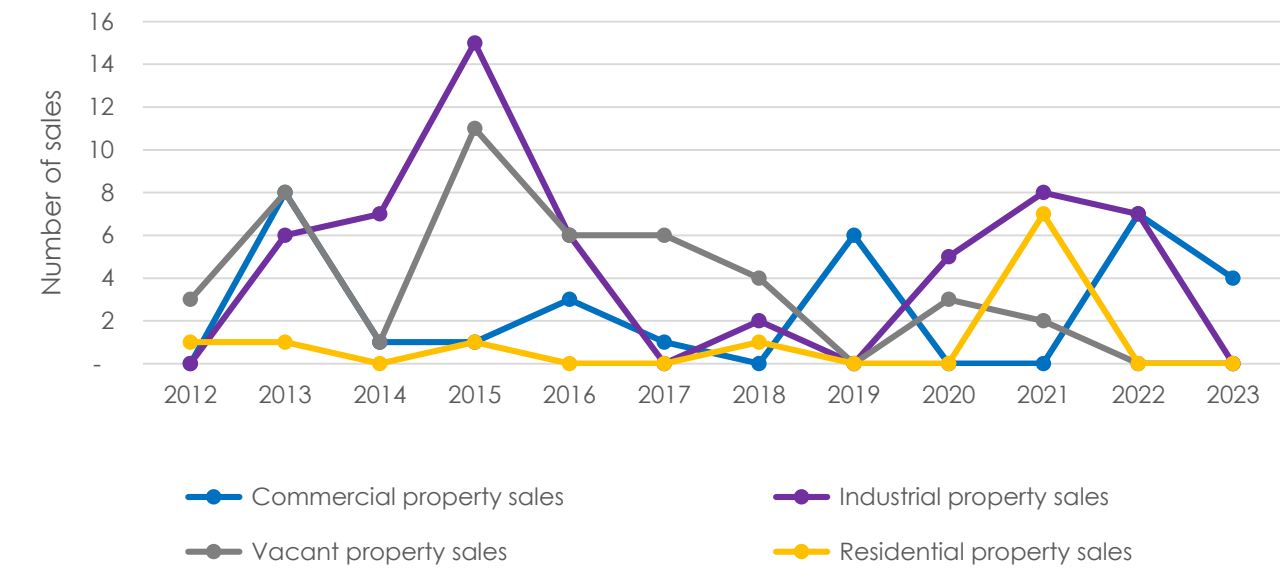
Agglomeration of industries

Market performance

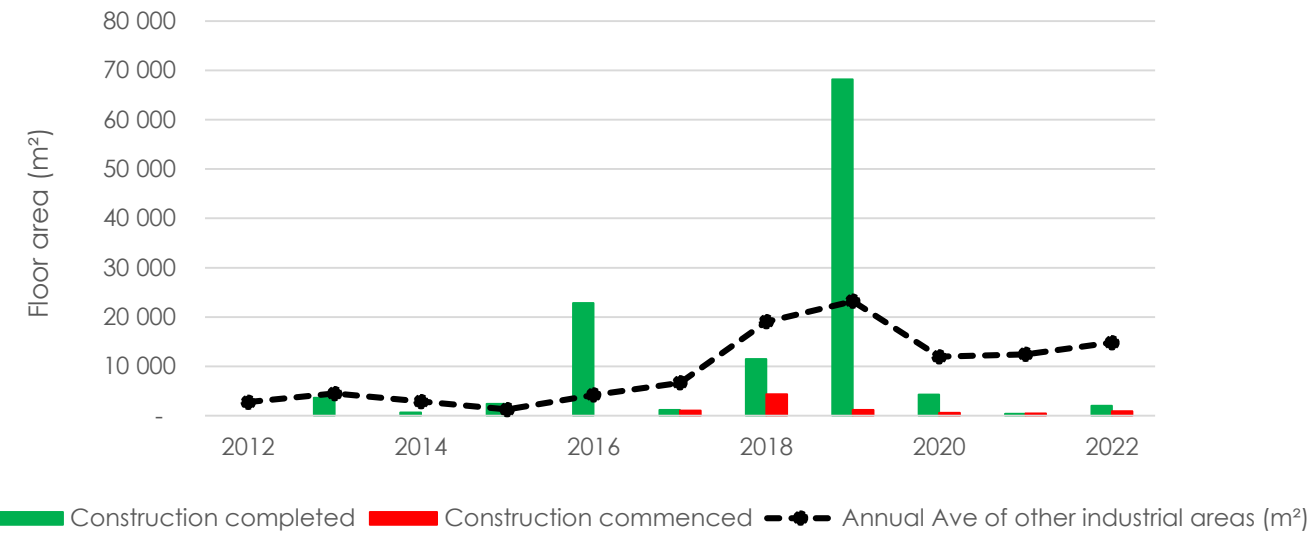
Performance & Potential

# DEVELOPMENT PIPELINE

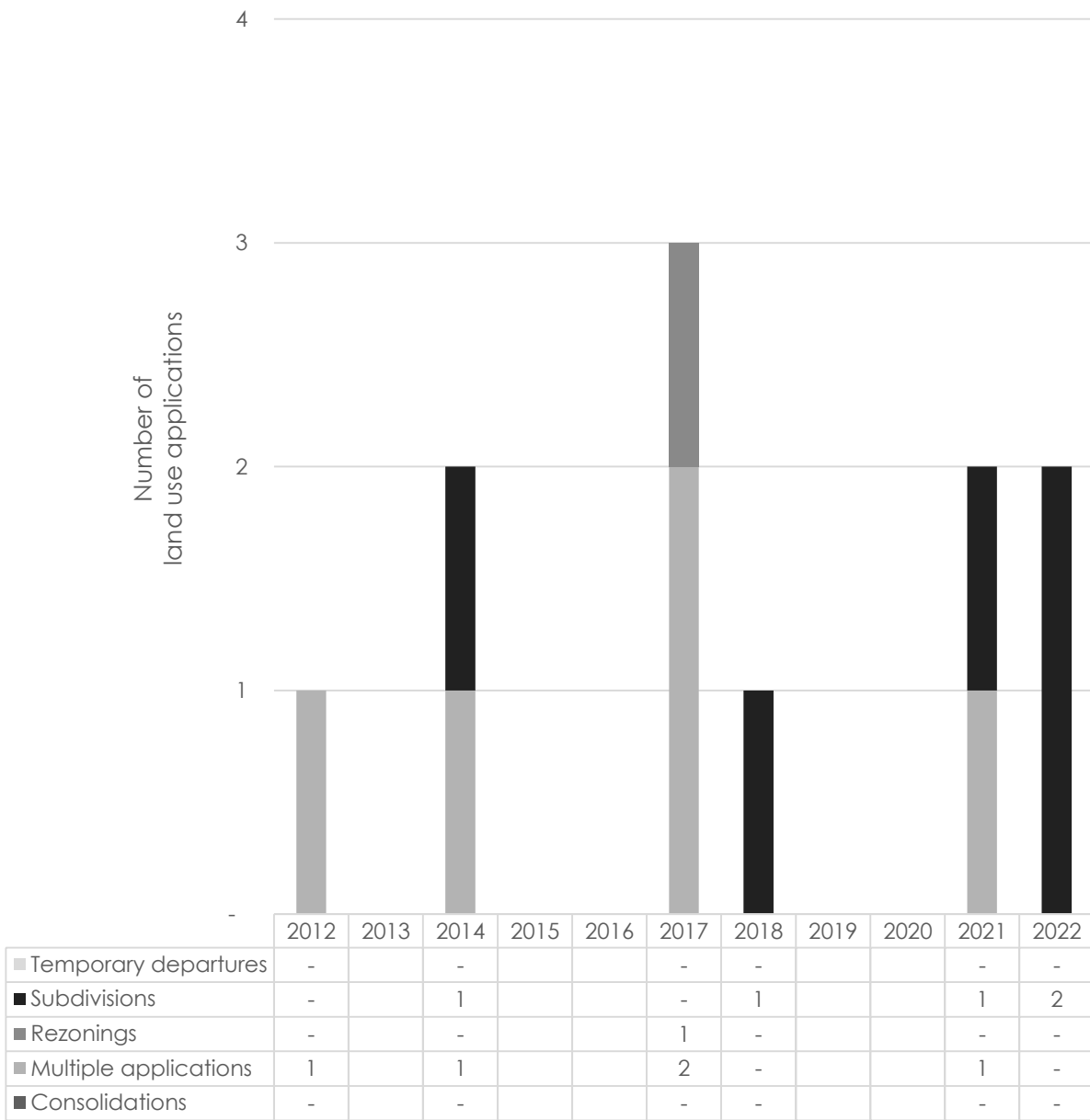
PROPERTY SALES BY SECTOR



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



APPROVED LAND USE APPLICATIONS



## Property sales

Property sales across various sectors mostly fluctuated between 2012 and 2023, with the industrial sector and vacant land sales being the highest. A spike in the residential sector was observed in 2021 and similarly for commercial, where a spike was observed in 2013, 2019 and 2022.

## Land use applications

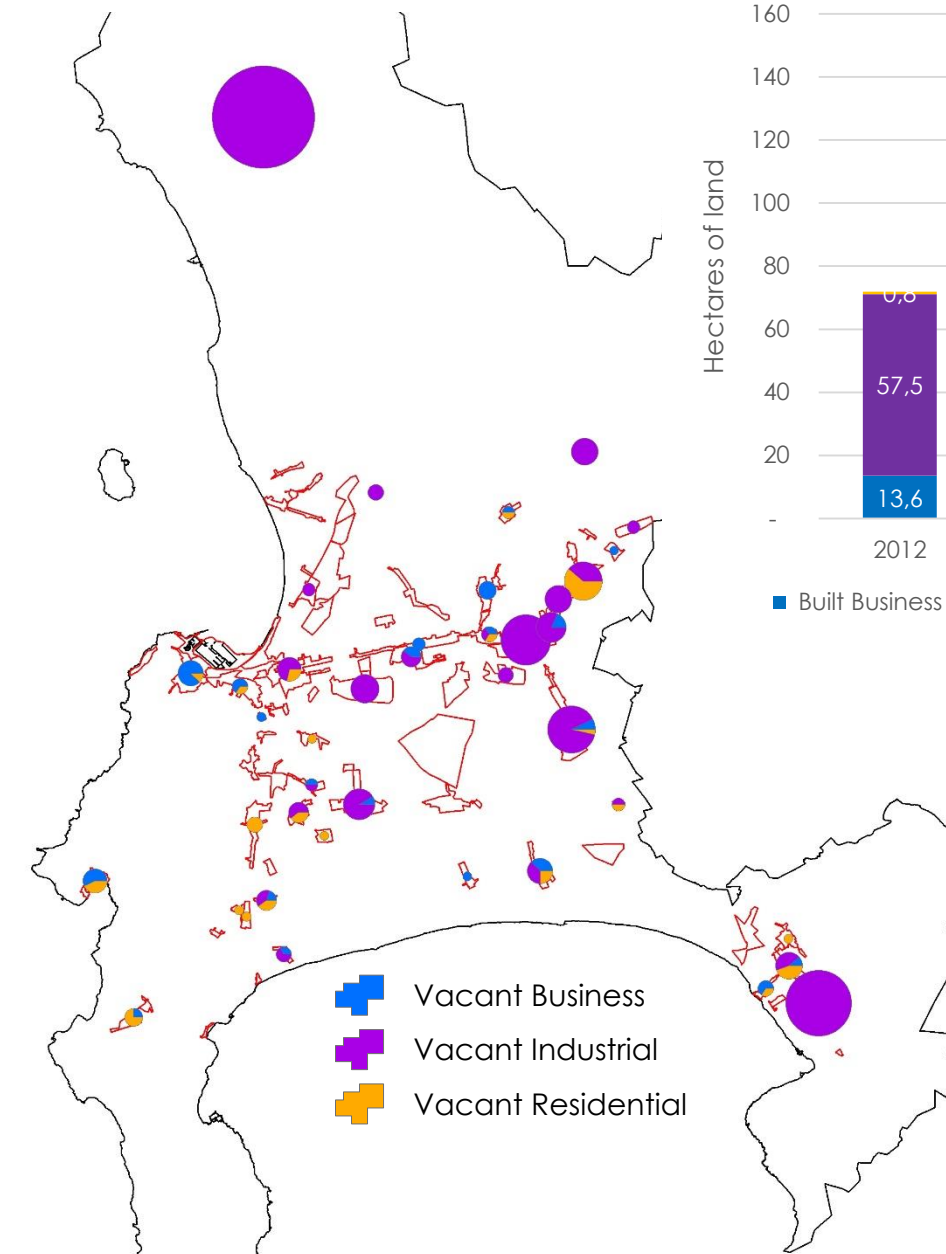
Philippi East industrial is predominantly zoned for industrial purposes, with most of its approvals granted for subdivisions and multiple applications. Multiple application approvals may include a combination of the types seen in the graph.

## Building plans

Following on from property sales and land use approvals, the area reflects a significant amount of building work activity, which has exceeded the metro's annual average in 2016 and 2019 when compared across other industrial areas.



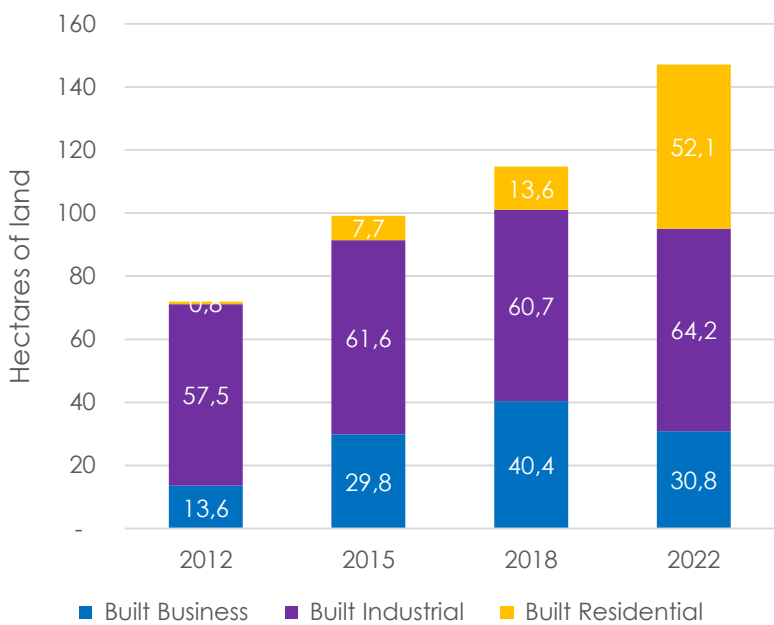
VACANT LAND ACROSS CAPE TOWN (GV 2022)\*



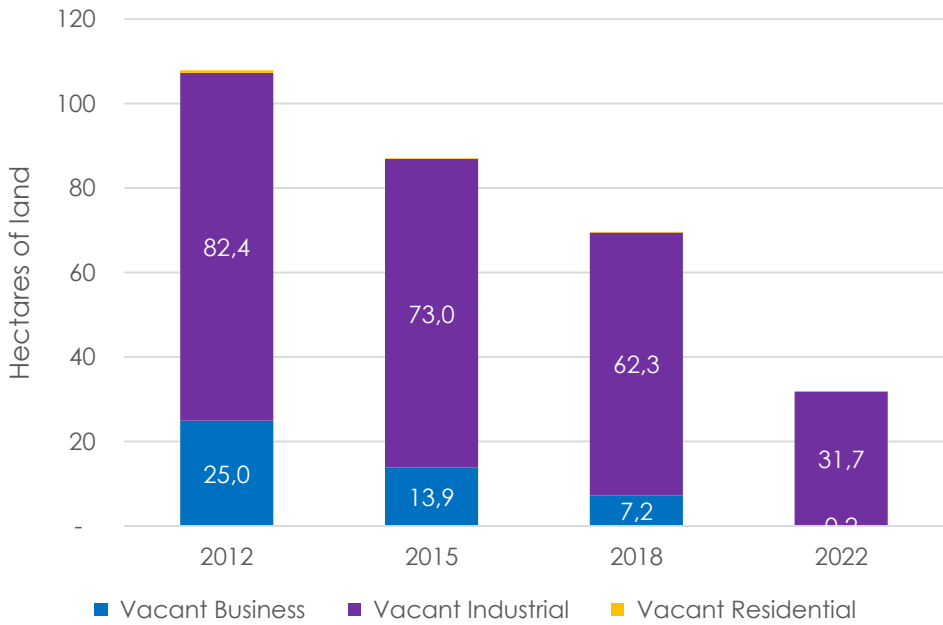
Number of land parcels that are vacant by size			
Erf Size	Commercial	Industrial	Residential
1) 1-250m²			
2) 251-500m²	1	9	
3) 501-1000m²		2	
4) 1001-2500m²	1	8	
5) 2501-5000m²		11	
6) 5001-10000m²		4	
7) >10000m²		9	

Source: City's General Valuation Roll and Market Reports

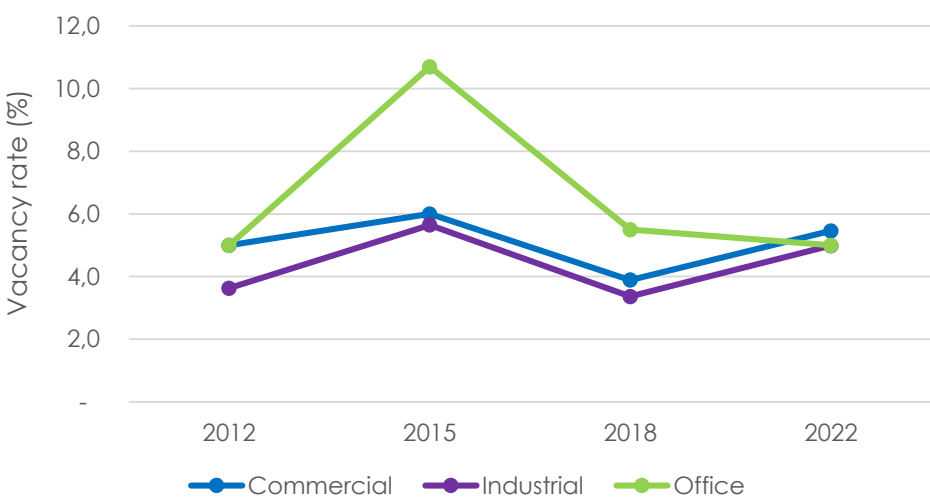
BUILT-UP LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



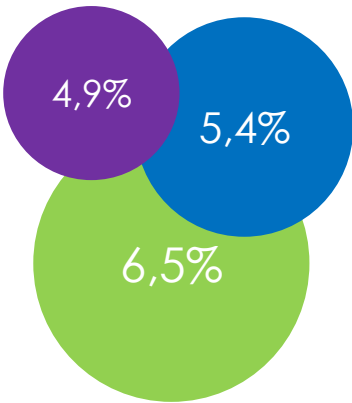
VACANT LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



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 significantly developed in terms of the built-up land, the area also includes a considerable amount of vacant land, as of 2022. Additionally, the remaining vacant land is categorised based on the number and size of the land parcels, as reflected in the accompanying table.

Vacancy rates

In addition to vacant land, vacancy rates of existing buildings in the industrial sector increased from 3,5% in 2012 to 4,6% in 2022. The commercial sector increased from 5% to 5,5% and the office sector remained around the 5% mark.

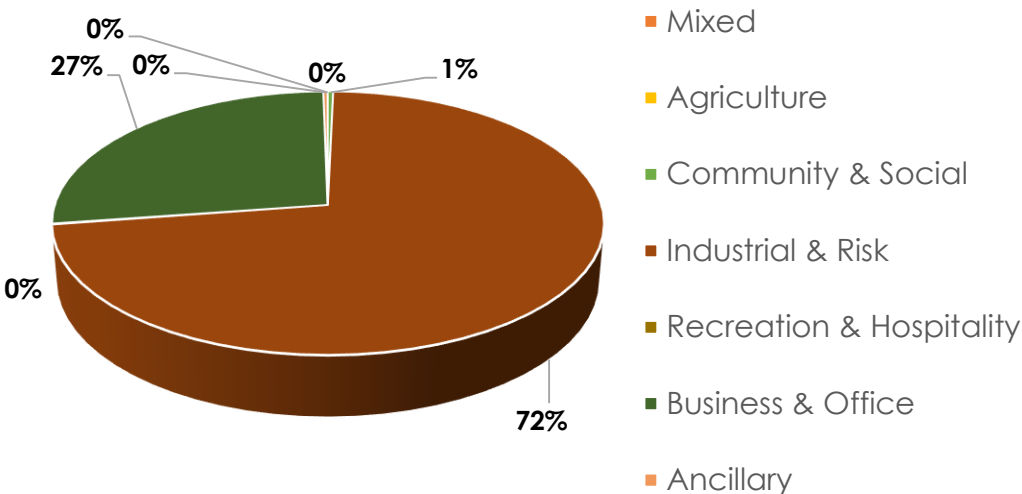
\*A metro view that provides further context relative to this economic area.

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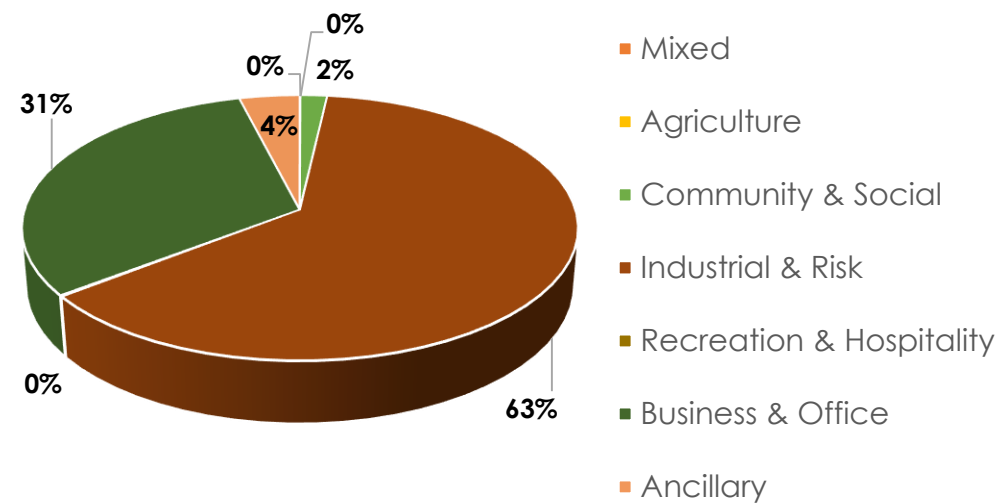
AGGLOMERATION OF INDUSTRIES

SECTORAL AGGLOMERATION AND CO-AGGLOMERATION RELATIONSHIPS

% OF LAND USE GROUPS (2012)



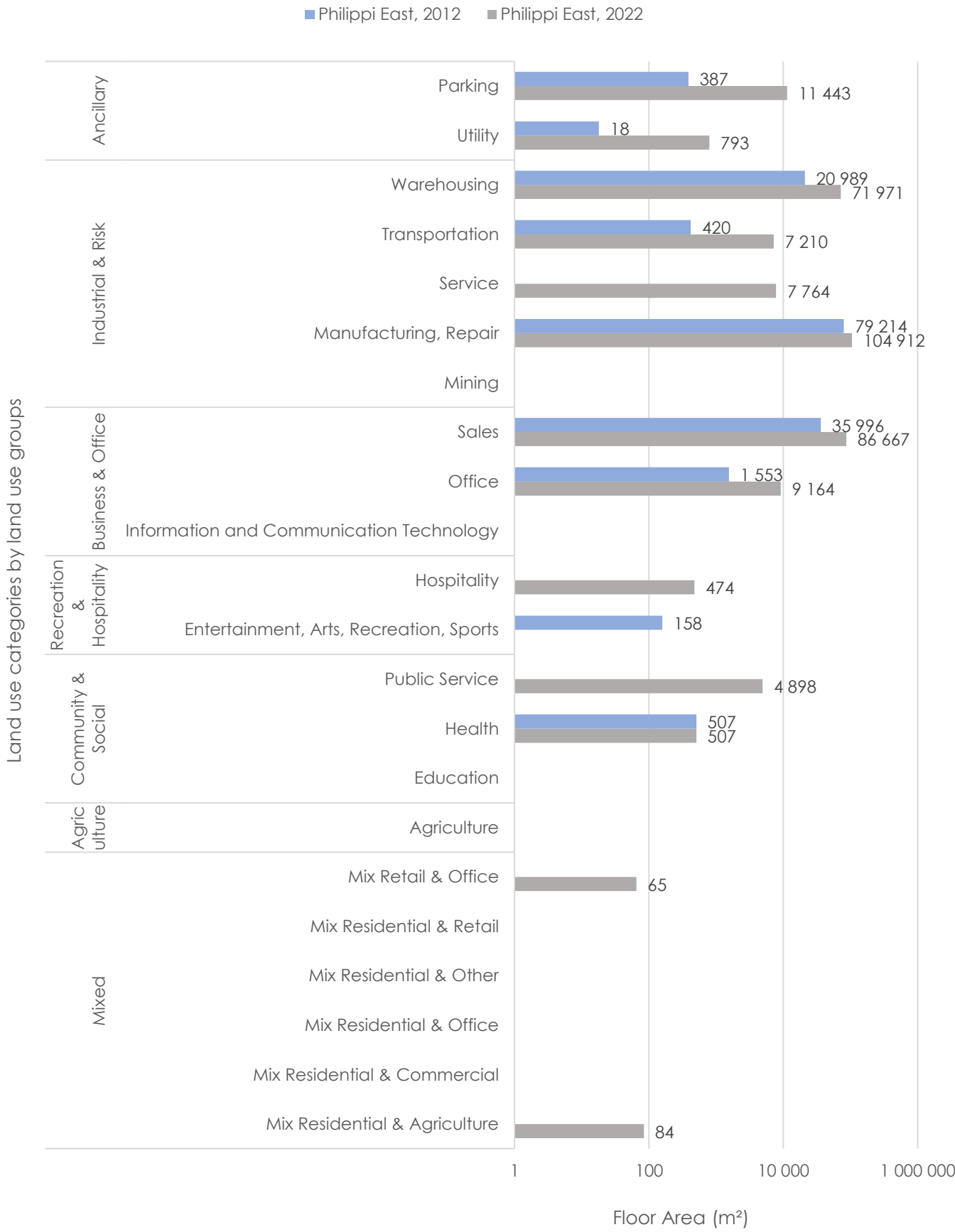
% OF LAND USE GROUPS (2022)



The pie charts represent the % split of land use groups agglomerated in Philippi East industrial. This % is based on the cumulative floor area (m²) across the various land uses. As can be seen in the chart, while the Industrial & Risks group has been most dominant in both 2012 and 2022, a significant amount of business & office has been recorded for the area.

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, sales and warehousing, while there has been a significant increase for parking in 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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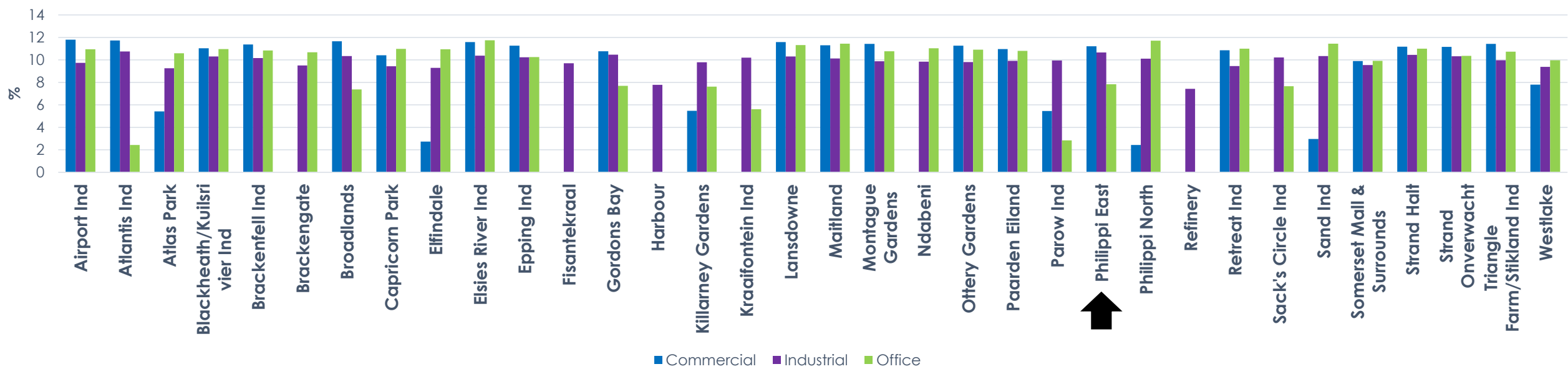
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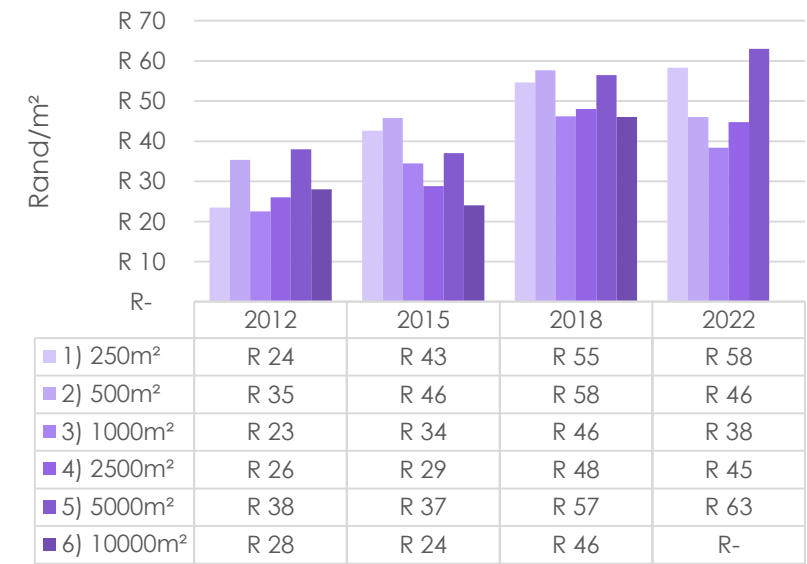
Performance & Potential



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



INDUSTRIAL RENTALS

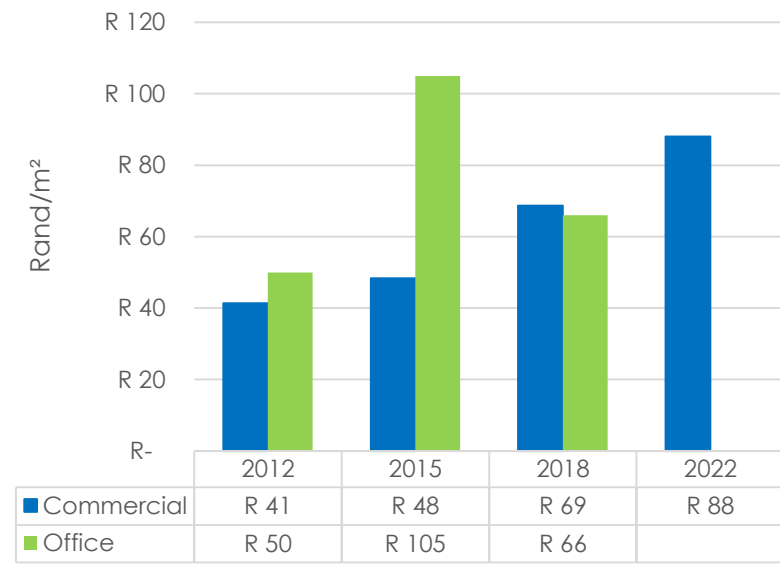


**Rental rates**

Rental rates across all industrial property sizes increased between 2012 and 2022, with greater increases observed for larger property sizes.

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

COMMERCIAL AND OFFICE RENTALS



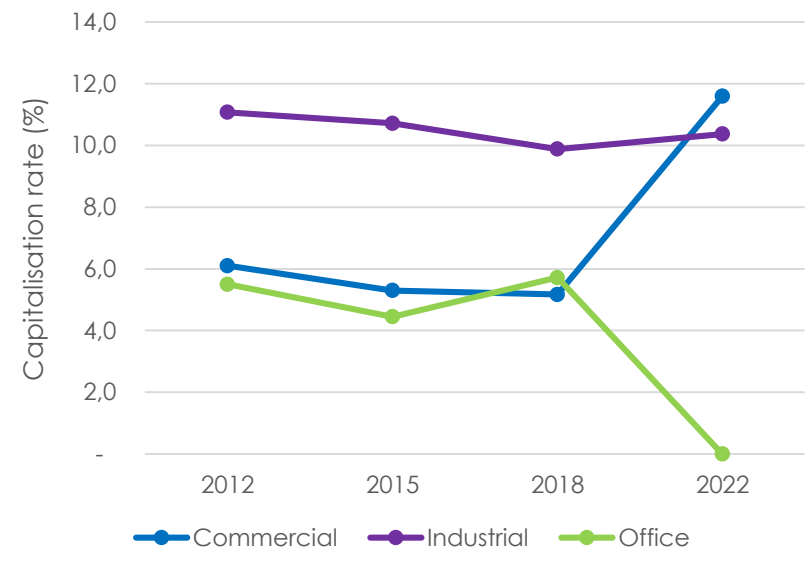
**Comparative view on capitalisation rates**

The average capitalisation rate between 2012 and 2022 for industrial, commercial and office sectors has been 11,22%, 10,68% and 7,83%, respectively and further indicates its competitiveness relative to other industrial areas.

Year on year capitalisation rates for the industrial sector have decreased from 11,1% to 10,4%. The commercial sector has increased from 6% to 11,6% while the office sector decreased from 5,5%.

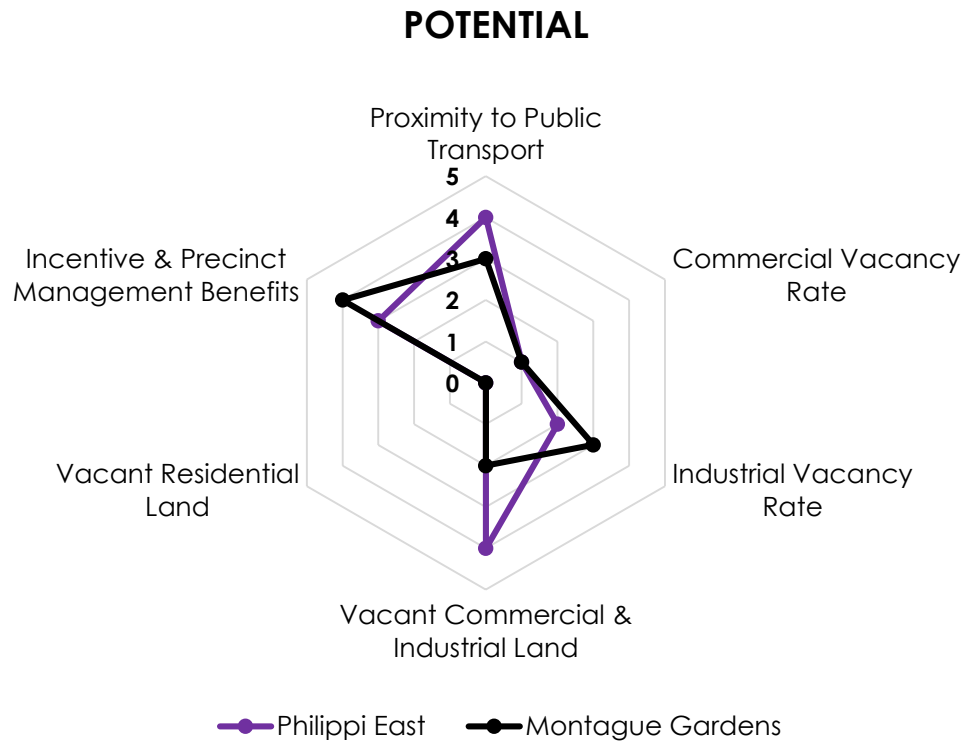
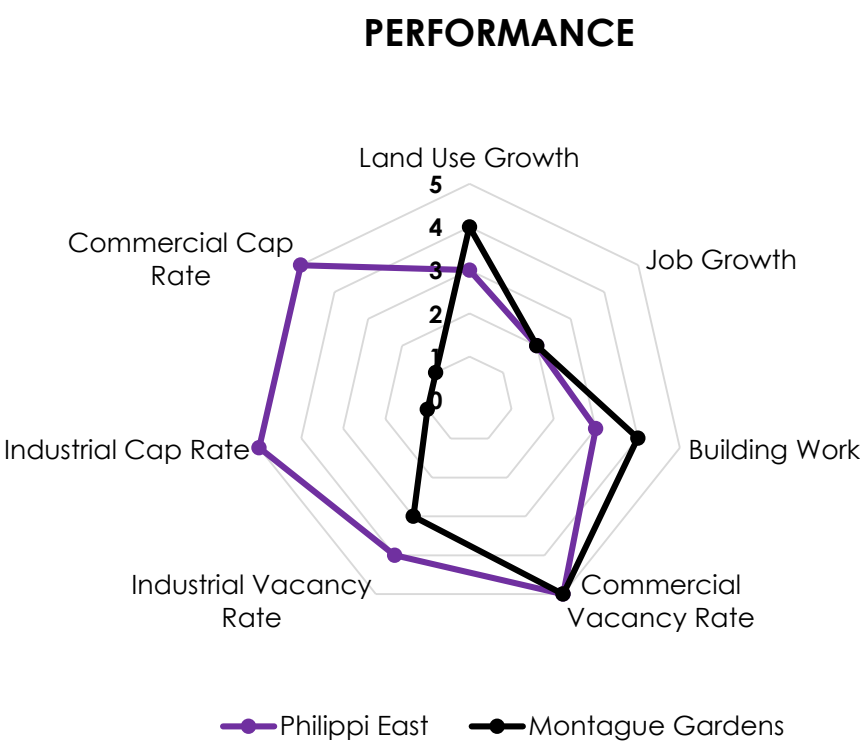
- Higher cap rates = higher investment risk.
- Lower cap rates = lower investment risk.

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. <b>Source: General Valuation Roll.</b>
	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. <b>Source: SARS as of May 2024.</b>
	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. <b>Source: City's DAMS.</b>
	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. <b>Source: City's Market Reports.</b>
	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. <b>Source: City's Market Reports.</b>
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. <b>Source: City's UPD, spatial analysis.</b>
	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. <b>Source: General Valuation Roll.</b>
	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. <b>Source: City's Market Reports.</b>
	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. <b>Source: City's UPD, spatial analysis.</b>

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