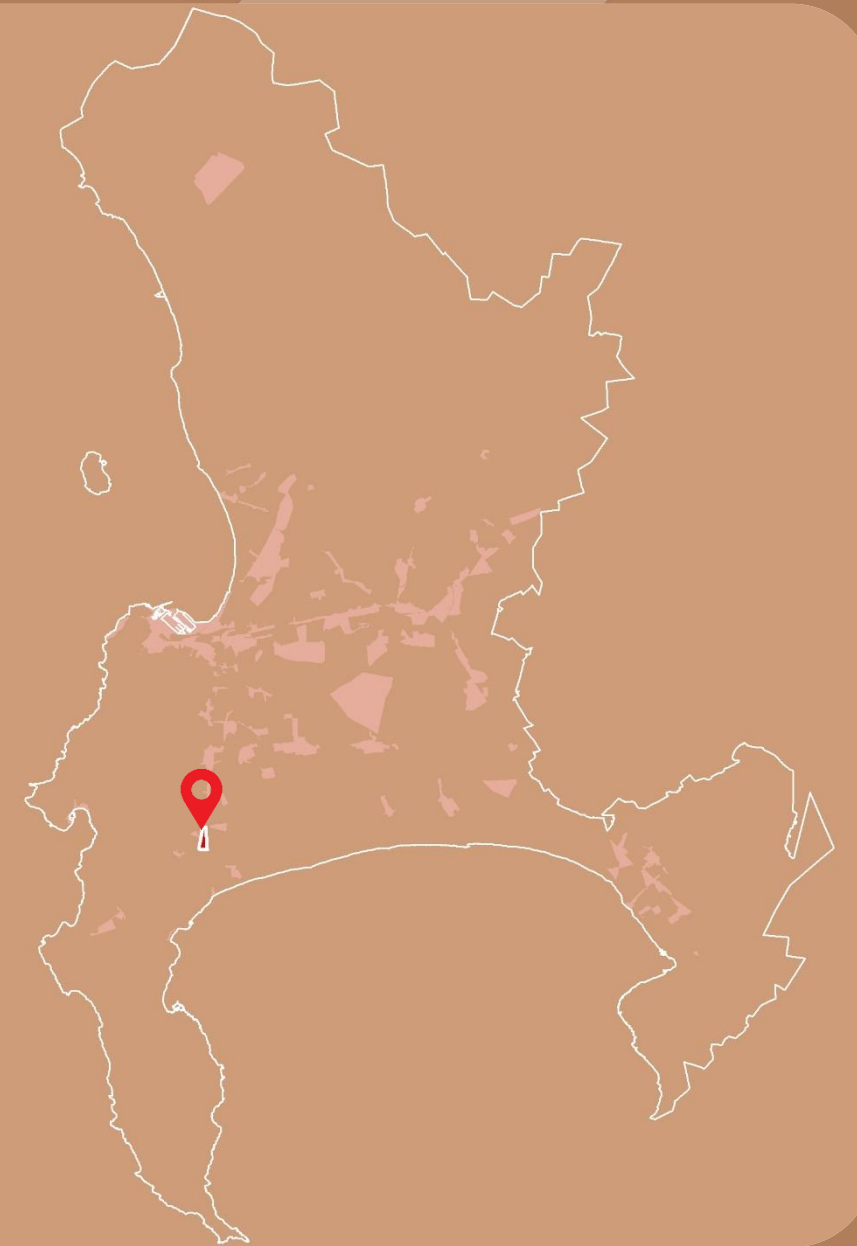# RETREAT INDUSTRIAL ECONOMIC AREA PROFILE

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

CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

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

• Southern DSDF - Subdistrict 3: Mowbray to Muizenberg:
   o District Development Guidelines (page 64)
   o Subdistrict Development Guidelines (page 95)
   o Consolidated subdistrict SDF (Figure 19: Subdistrict 3: Mowbray to Muizenberg)

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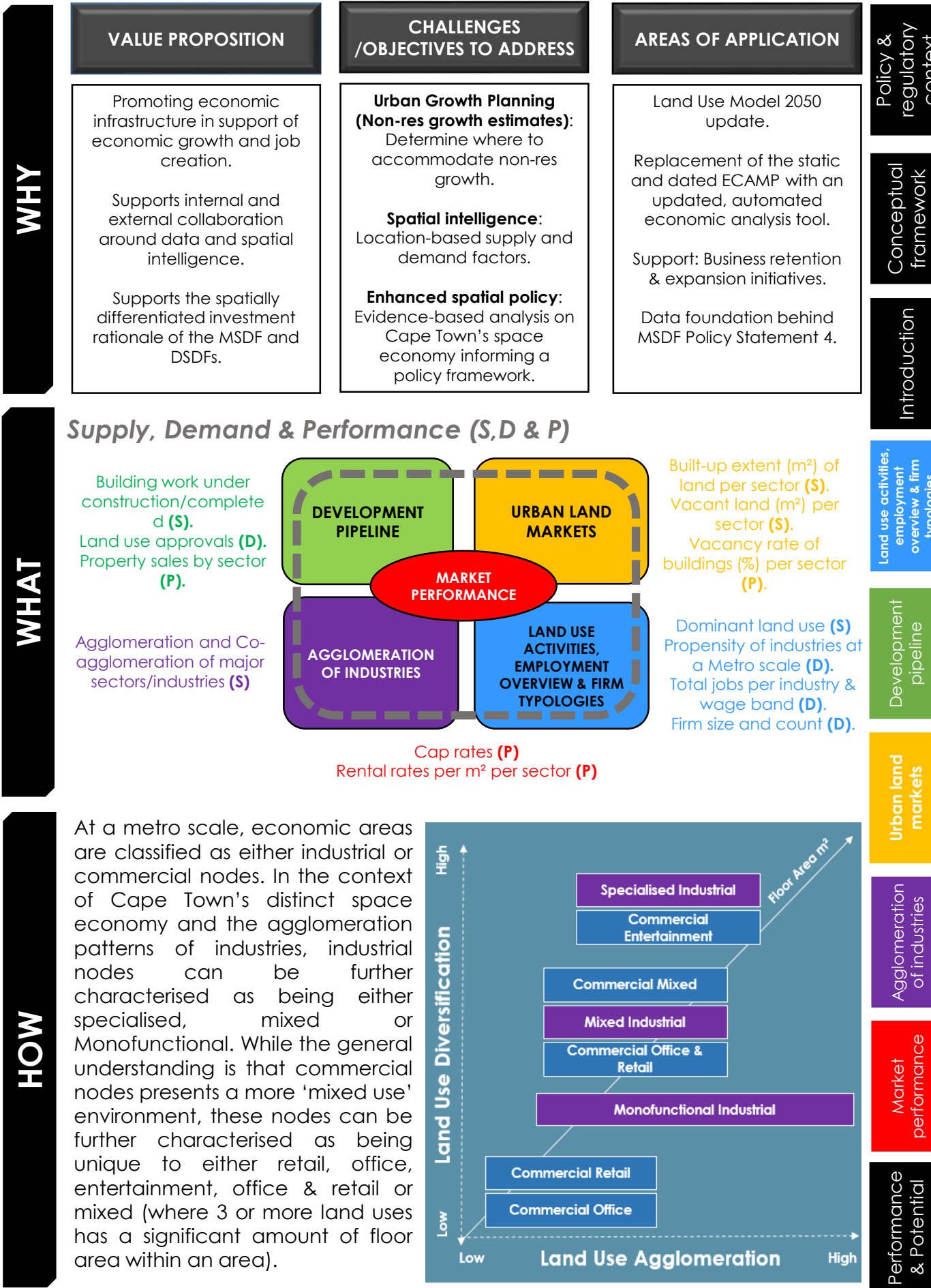
MICRO-ECONOMIC DEMAND & SUPPLY FACTORS
This profile examines a range of micro-economic indicators to highlight trends in supply and demand specific to the economic area. The indicators include:

- 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)**

DEVELOPMENT PIPELINE

URBAN LAND MARKETS

MARKET PERFORMANCE

AGGLOMERATION OF INDUSTRIES

LAND USE ACTIVITIES, EMPLOYMENT OVERVIEW & FIRM TYPOLOGIES

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)**.

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)
Floor Area m²
- Specialised Industrial
- Commercial Entertainment
- Commercial Mixed
- Mixed Industrial
- Commercial Office & Retail
- Monofunctional Industrial
- Commercial Retail
- Commercial Office

Land Use Agglomeration (Low → High)

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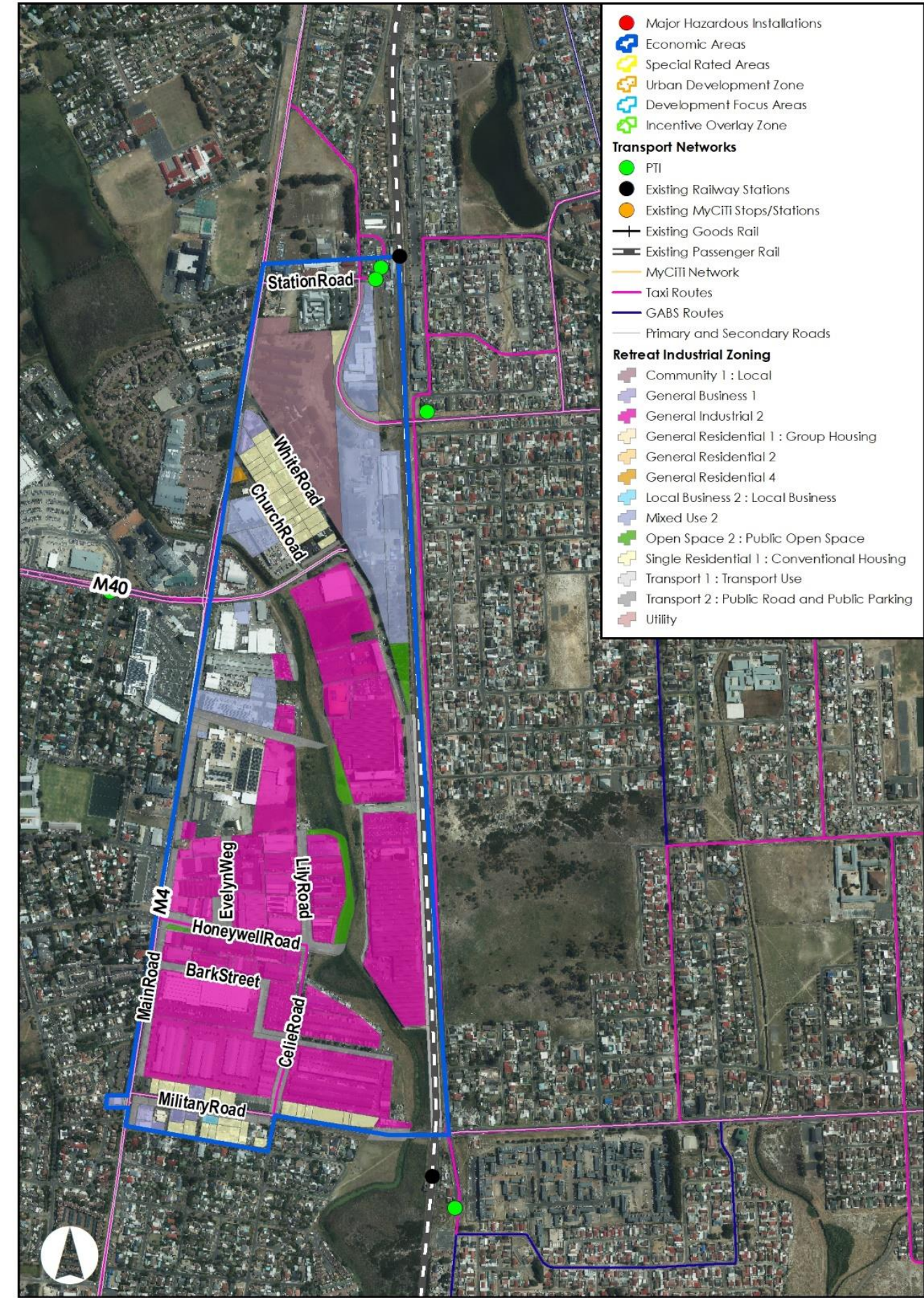- Urban land markets
- Agglomeration of industries
- Market performance
- Performance & Potential

Legend:
- Major Hazardous Installations
- Economic Areas
- Special Rated Areas
- Urban Development Zone
- Development Focus Areas
- Incentive Overlay Zone

Transport Networks
- PTI
- Existing Railway Stations
- Existing MyCiti Stops/Stations
- Existing Goods Rail
- Existing Passenger Rail
- MyCiti Network
- Taxi Routes
- GABS Routes
- Primary and Secondary Roads

Retreat Industrial Zoning
- Community 1 : Local
- General Business 1
- General Industrial 2
- General Residential 1 : Group Housing
- General Residential 2
- General Residential 4
- Local Business 2 : Local Business
- Mixed Use 2
- Open Space 2 : Public Open Space
- Single Residential 1 : Conventional Housing
- Transport 1 : Transport Use
- Transport 2 : Public Road and Public Parking
- Utility

RETREAT INDUSTRIAL

Location
- The area is approximately 25km southeast of Cape Town's Central Business District and the Port of Cape Town. Furthermore, it is located 20km from Cape Town International Airport.
- It is also situated near the M3 and M5 highways, which connect to the N2 and N1 highways, allowing access to other areas across Cape Town.
- The area includes a Public Transport Interchange in the northern parts and is serviced by rail, GABS and taxis.
- Access to a skilled workforce from surrounding areas, includes the broader Steenberg, Kirstenhof, Lakeside and Bergvliet 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, storage, manufacturing, repairs, and offices.
- The average land parcel sizes in the area range between 2,000 – 25,000m², with a limited number of land parcels ranging between 26,000 – 50,000m².

Spatial planning mechanisms
- None

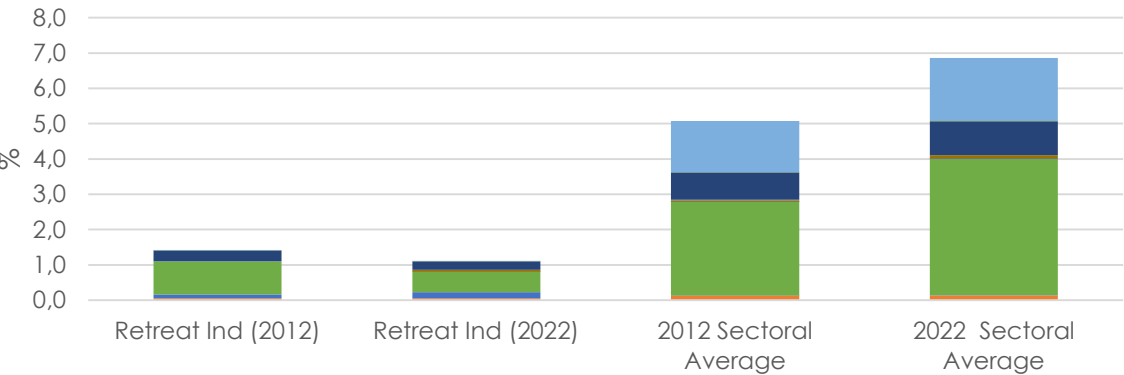**Key highlights of the area include:**

- The area started to develop in the 1960s and has developed into an industrial economic area.
- A large Builders Warehouse and other factory shops and service-oriented enterprises have progressively occupied former industrial premises.
- The area and its broader surroundings have experienced intensification of land uses with an increase in residential stock in the form of apartments.

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
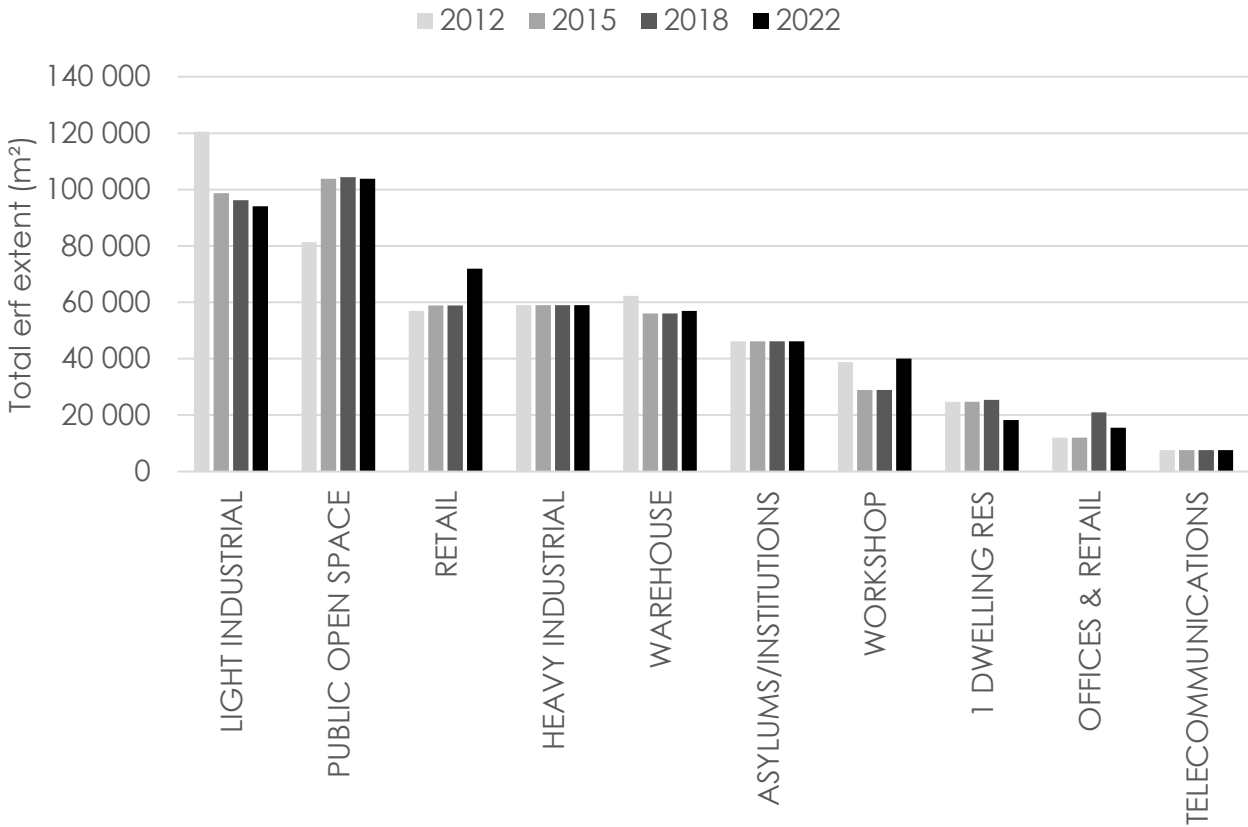
LAND USE ACTIVITIES

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, Retreat industrial was primarily characterised by a greater propensity for manufacturing and transport & storage, as indicated by the **Nodal Typology**. This typology highlights the industries with the largest floor area (m²) operating within the economic area.

- The **Metroscale Benchmarking** positions Retreat industrial as a significant contributor to manufacturing, transport & storage, which performs lower than the sectoral average when compared to 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 industrial, heavy industrial, warehousing and workshops with open spaces in between.
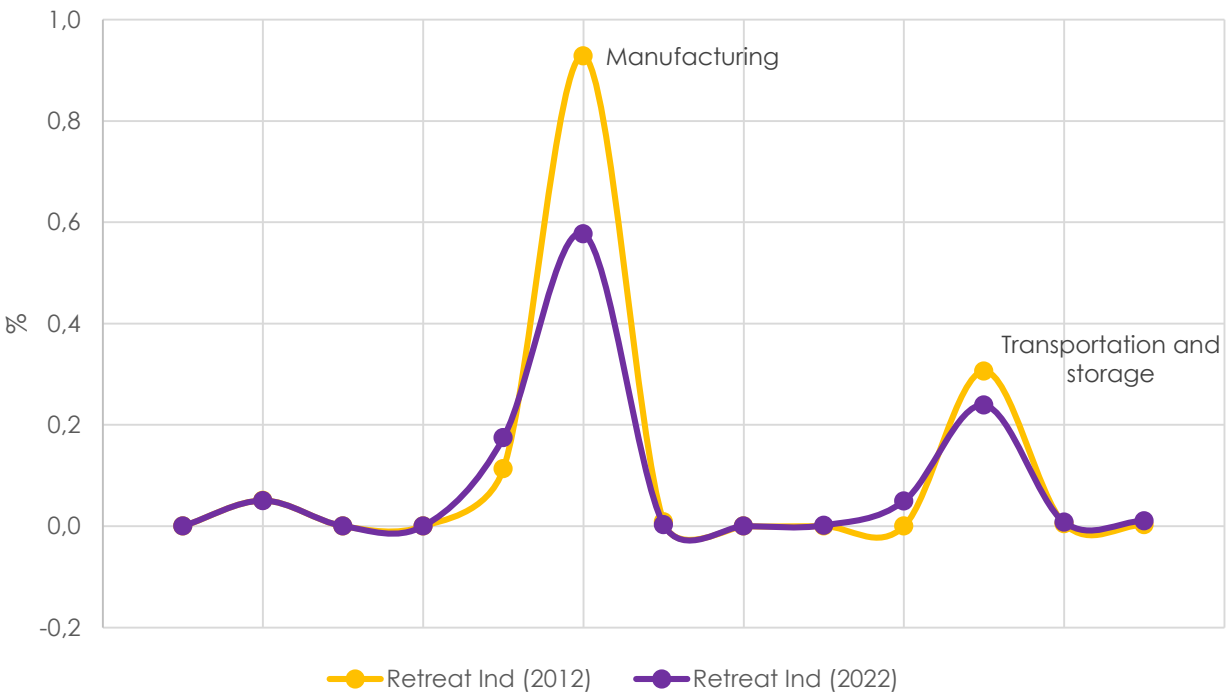
TOP 10 MOST DOMINANT LAND USES BETWEEN 2012 AND 2022

METROSCALE BENCHMARK
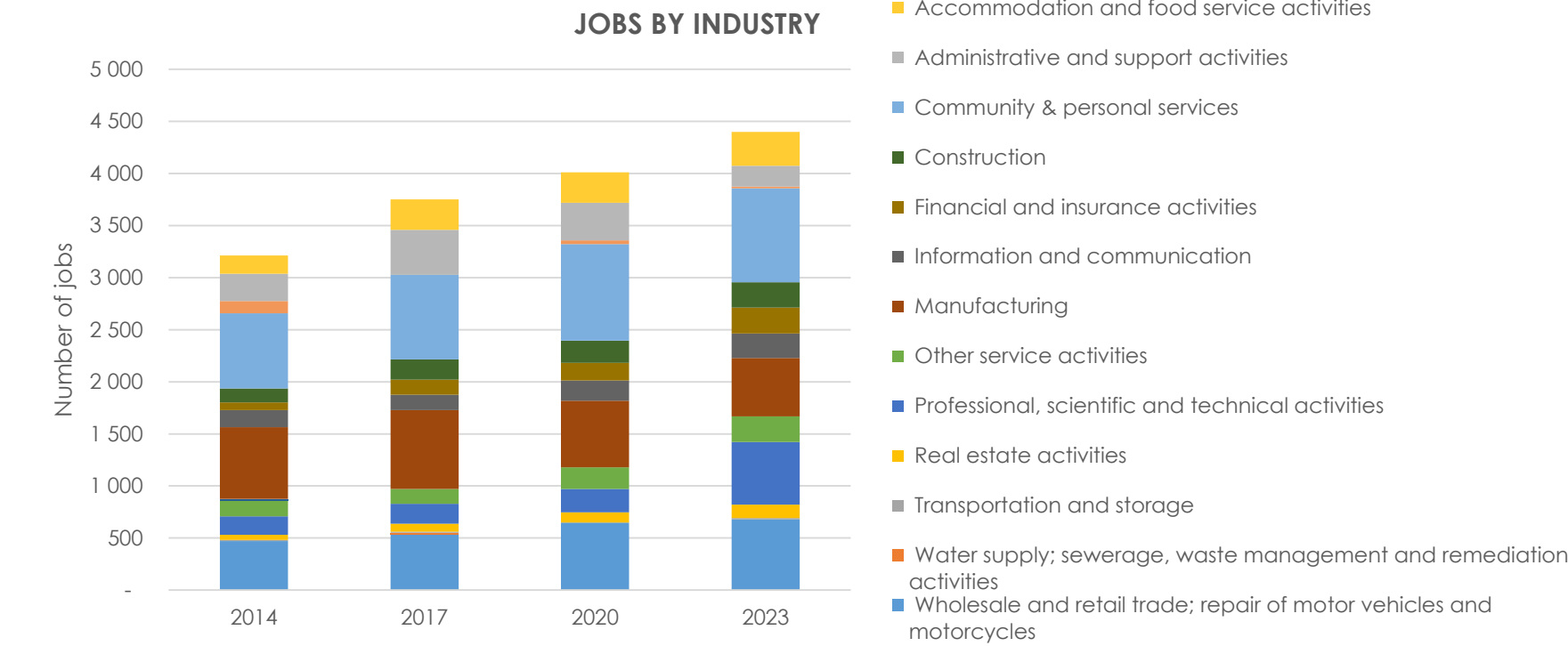

- Wholesale and retail trade; repair of motor vehicles and motorcycles
- Water supply; sewerage, waste management and remediation activities
- Transportation and storage
- Real estate activities
- Public administration and defence; compulsory social security
- Professional, scientific and technical activities
- 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*)

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

Policy & regulatory context
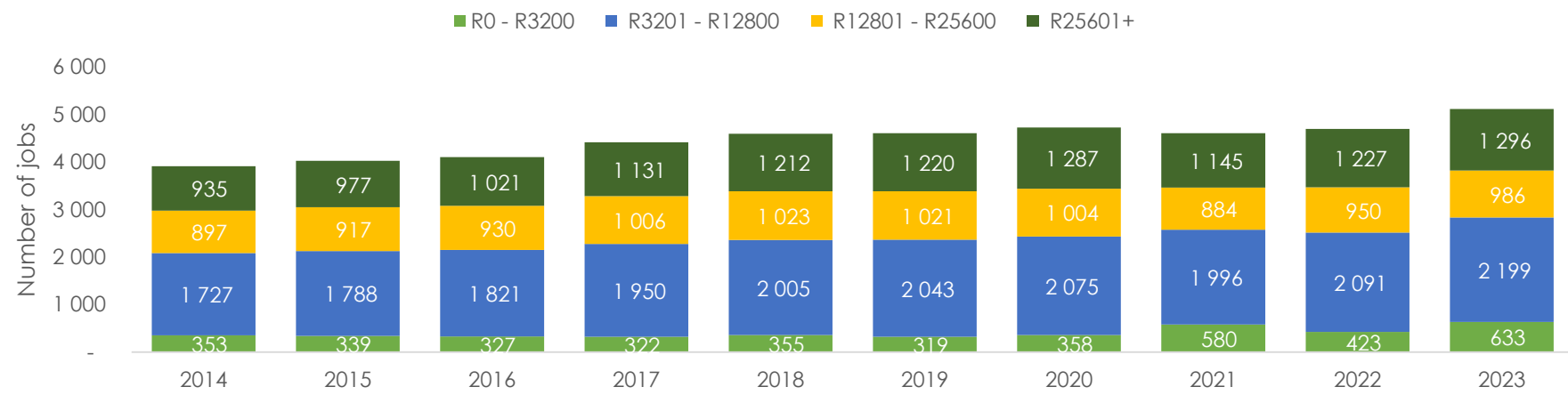
Conceptual framework

Introduction

Land use activities, employment overview & firm typologies

Development pipeline

Urban land markets

Agglomeration of industries

Market performance

Performance & Potential

EMPLOYMENT OVERVIEW & FIRM TYPOLOGIES

JOBS BY INDUSTRY

Legend:
- Accommodation and food service activities
- Administrative and support activities
- Community & personal services
- Construction
- Financial and insurance activities
- Information and communication
- Manufacturing
- Other service activities
- Professional, scientific and technical activities
- Real estate activities
- Transportation and storage
- Water supply; sewerage, waste management and remediation activities
- Wholesale and retail trade; repair of motor vehicles and motorcycles

(Chart: Number of jobs, years 2014, 2017, 2020, 2023)

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

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

NUMBER OF FIRM TYPOLOGIES

(Chart: Number of firms by year)

Year	Small	Micro	Medium-to-Large
2014	121	39	73
2015	132	33	86
2016	133	33	89
2017	140	34	87
2018	145	40	100
2019	150	40	98
2020	158	48	104
2021	157	52	89

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	353	1 727	897	935
2015	339	1 788	917	977
2016	327	1 821	930	1 021
2017	322	1 950	1 006	1 131
2018	355	2 005	1 023	1 212
2019	319	2 043	1 021	1 220
2020	358	2 075	1 004	1 287
2021	580	1 996	884	1 145
2022	423	2 091	950	1 227
2023	633	2 199	986	1 296

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 surrounding Retreat industrial area increased from 3,200 to 4,400 between 2014 and 2023. An overall and consistent growth in jobs was experienced, with the majority of jobs concentrated in community & personal services, professional services and wholesale & retail.

The total number of firms increased from 225 to 300 between 2014 and 2021. While small firms have been the most dominant, there is also a significant presence of medium-to-large firms, including micro firms.
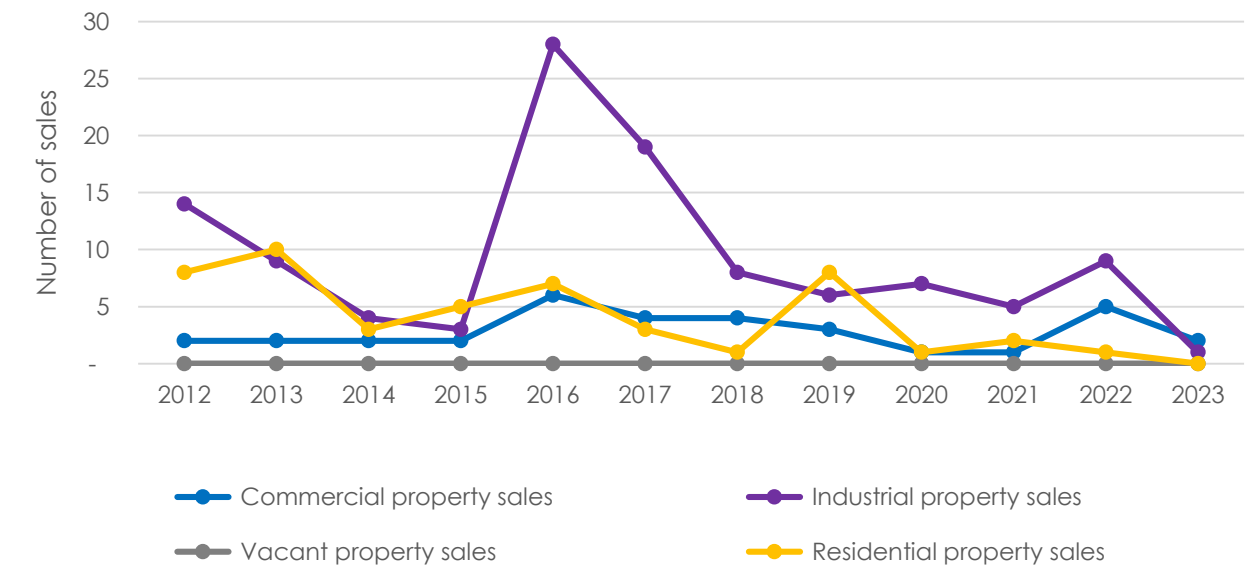
Income bands
The income bands indicate the skill levels of the employed workforce. The data suggests that a larger proportion of employees earn up to R12,800 per month. However, there is also a considerable number of employees earning beyond R12,800.
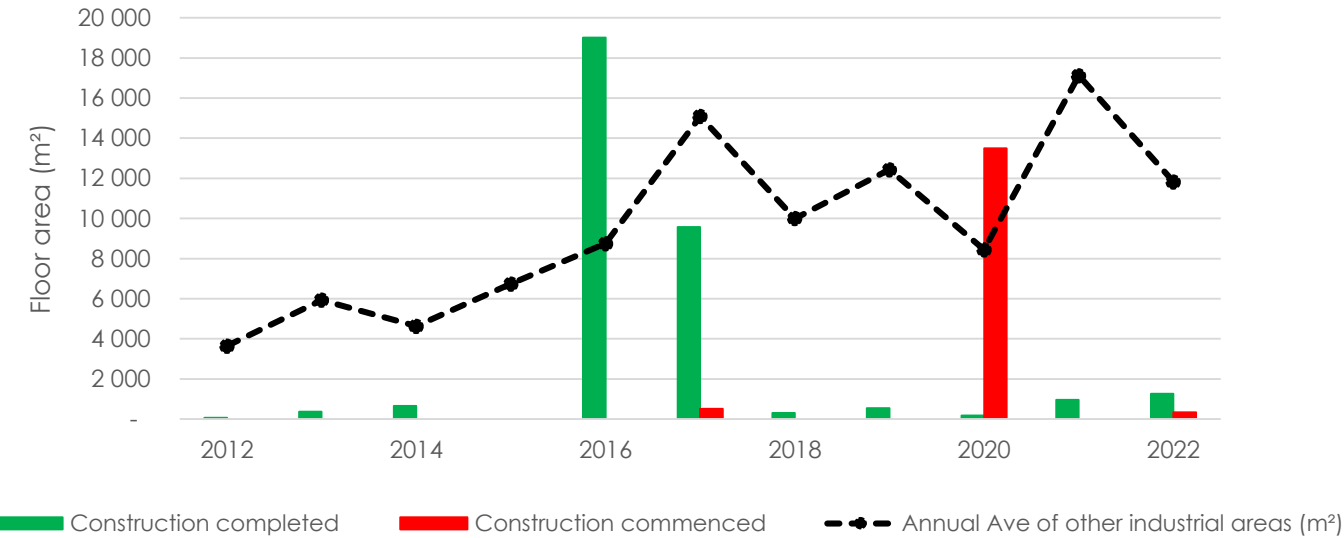

Legend: SARS Hexagon | Economic Area

Spatial hexagon in which SARS data has been captured and overlaid with Retreat industrial economic 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

PROPERTY SALES BY SECTOR

Legend: Commercial property sales, Industrial property sales, Vacant property sales, Residential property sales
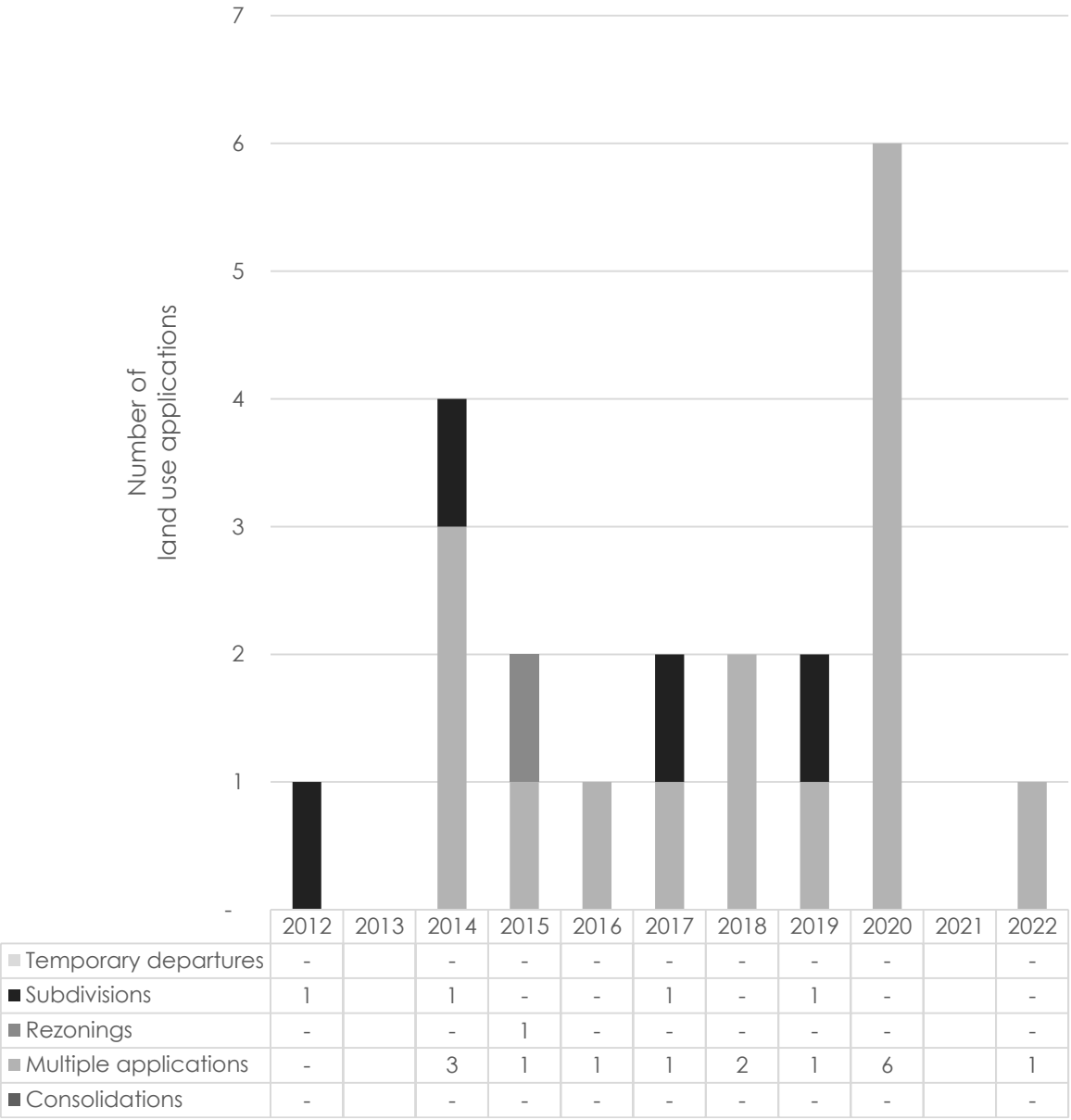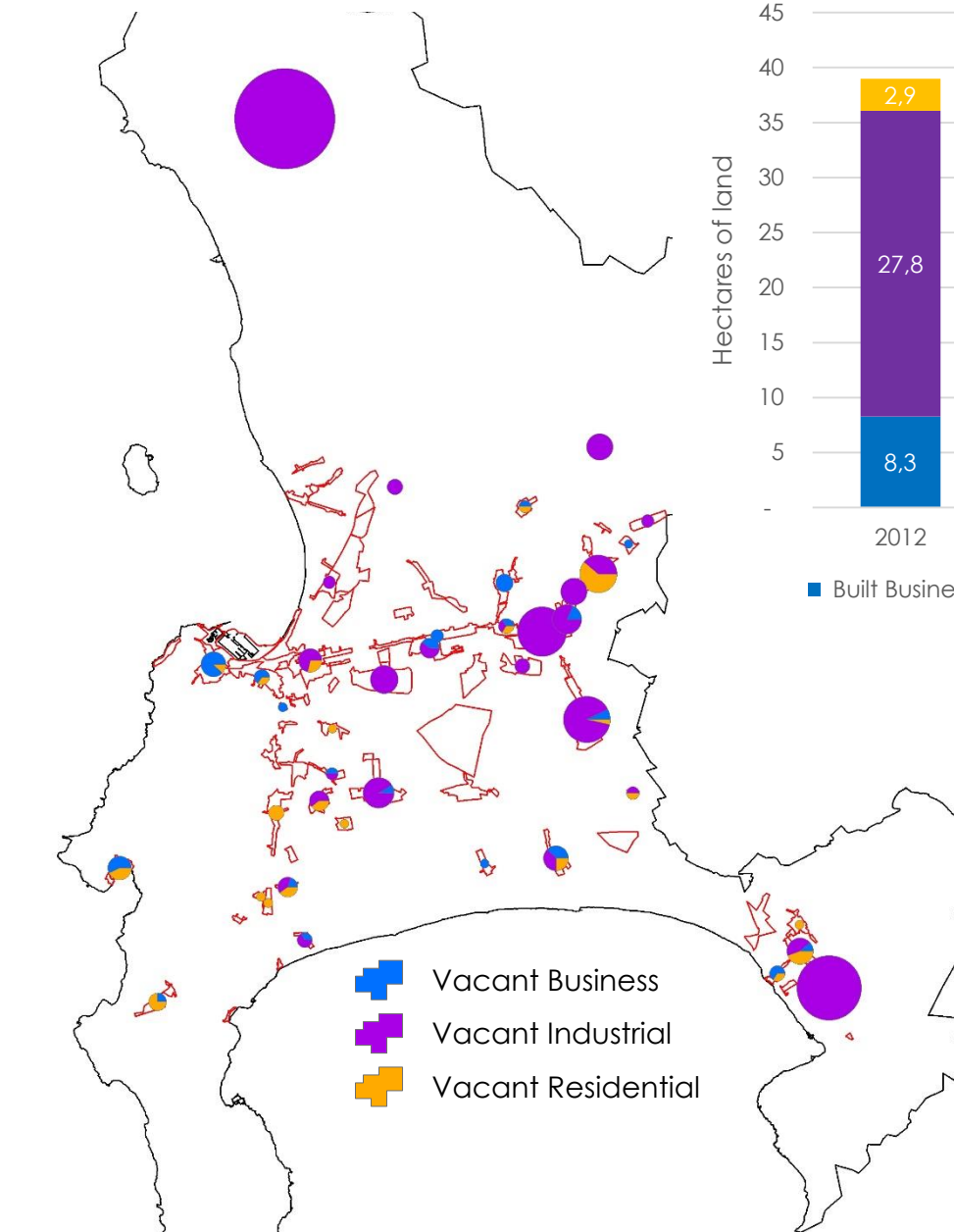
BUILDING WORK COMPLETED/UNDER CONSTRUCTION RELATIVE TO AVERAGE OF AREAS WITH SIMILAR CHARACTER

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	1	-	1	-	-	1	-	1	-	-	-
■ Rezonings	-	-	1	-	-	-	-	-	-	-	-
■ Multiple applications	-	-	3	1	1	1	2	1	6	-	1
■ Consolidations	-	-	-	-	-	-	-	-	-	-	-

Sidebar 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

Property Sales
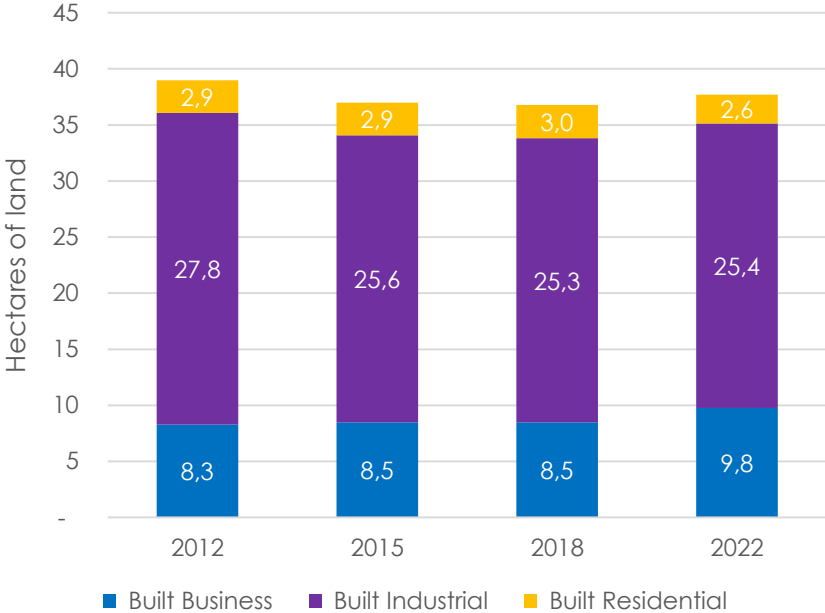Between 2012 and 2022, industrial property sales were higher compared to other sectors. However, residential sales were higher at certain points, specifically in 2013, 2015, 2016 and 2019. Commercial property sales have mostly fluctuated over the past 10 years.

Land Use Applications
Most approvals during this period were highest for multiple applications, indicating diverse land use requirements to be in place for the area. Multiple applications may include a combination of the types seen in the graph.

Building Plans
In light of property sales and land use approvals, building work activity has been minimal over the past decade, remaining below the metro's annual average when compared to other industrial areas. However, in 2016 and 2018, the area experienced building work activity, which was higher than the metro's annual average.

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

LAND USE CHANGE & VACANCY RATES

VACANT LAND ACROSS CAPE TOWN (GV 2022)*

Legend:
- Vacant Business
- Vacant Industrial
- Vacant Residential

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

Y-axis: Hectares of land

Year	Built Business	Built Industrial	Built Residential
2012	8,3	27,8	2,9
2015	8,5	25,6	2,9
2018	8,5	25,3	3,0
2022	9,8	25,4	2,6

Legend: ■ Built Business ■ Built Industrial ■ Built Residential

VACANT LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)

Y-axis: Hectares of land

Year	Vacant Business	Vacant Residential
2012	0,1	1,1
2015	0,1	1,1
2018		1,0
2022		1,1

Legend: ■ Vacant Business ■ Vacant Industrial ■ Vacant Residential
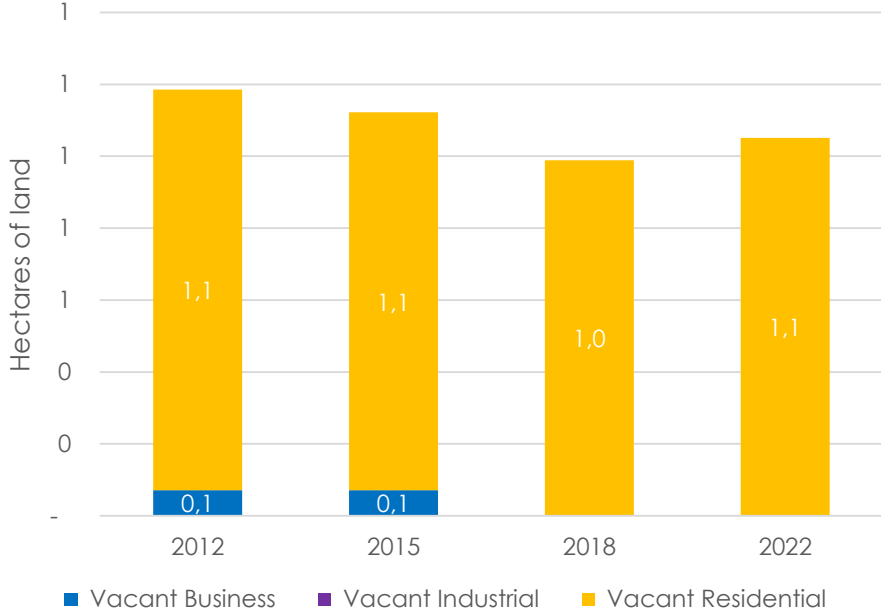
AVERAGE VACANCY RATE OF EXISTING BUILDINGS

Y-axis: Vacancy rate (%)

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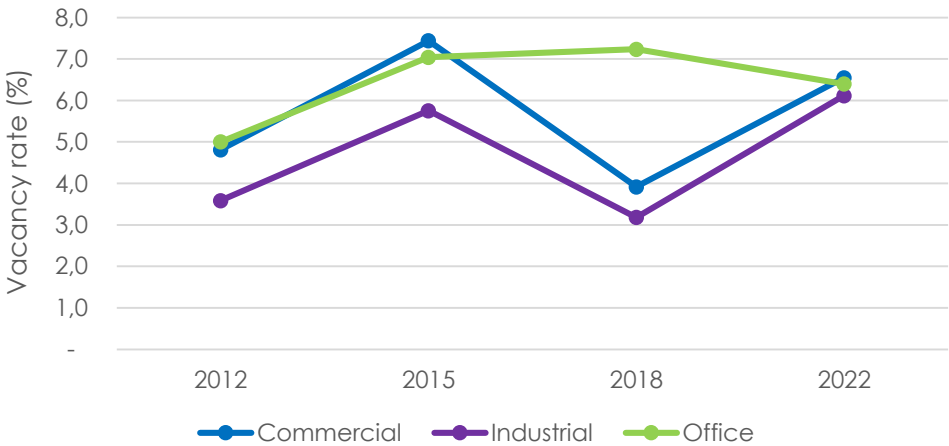
METRO AVERAGE: VACANCY RATES PER SECTOR FOR 2022*

- 4,9%
- 5,4%
- 6,5%

Number of land parcels that are vacant by size

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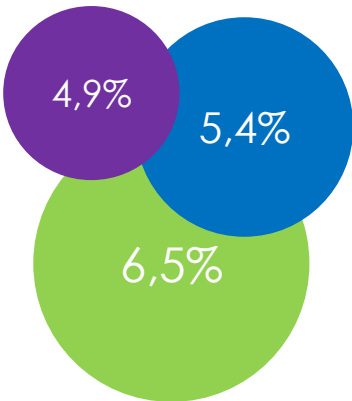
Vacant Land

The map illustrates the latest General Valuation Roll (2022) by showcasing vacant land across the metropolitan area. It complements the 2022 bar graph depicting available vacant land. The region has remained stable in terms of the built-up land, with very little vacant land available, as of 2022, indicating a developed industrial area. 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

Alongside vacant land, the vacancy rates for existing buildings in the industrial sector increased from 3,6% in 2012 to 6,4% in 2022. The commercial sector has also increased from 5% in 2012 to 6,8% in 2022, while the office sector increased from 5% in 2012 to 6,5% in 2022.
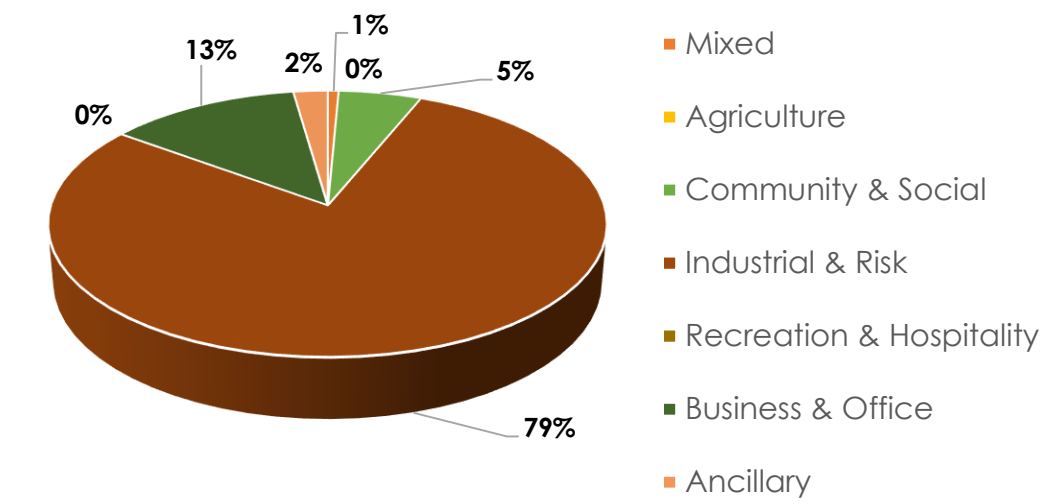
Source: City's General Valuation Roll and Market Reports

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

AGGLOMERATION OF INDUSTRIES

Policy & regulatory context

Conceptual framework

Introduction

Land use activities, employment overview & firm typologies

Development pipeline

Urban land markets

Agglomeration of industries

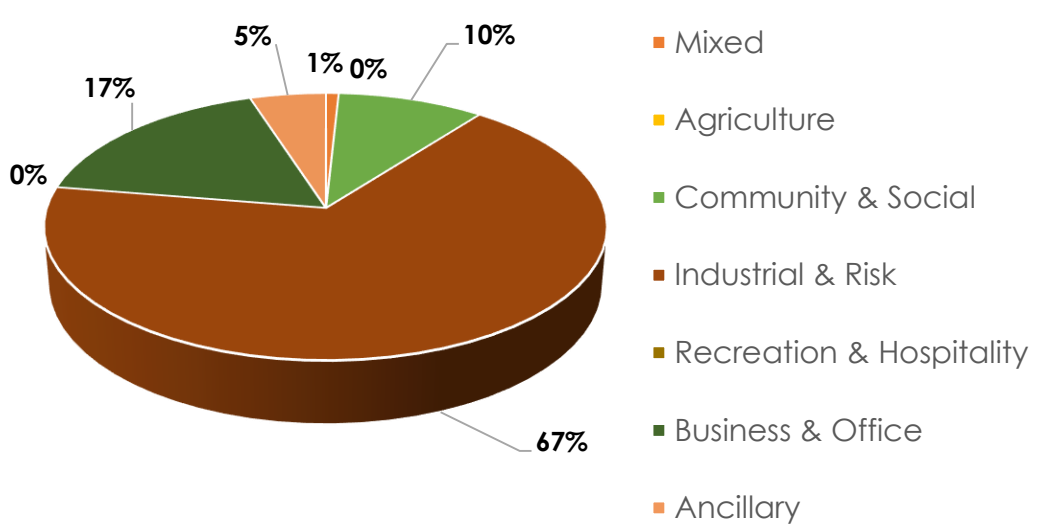Market performance

Performance & Potential

SECTORAL AGGLOMERATION AND CO-AGGLOMERATION RELATIONSHIPS

% OF LAND USE GROUPS (2012)

- 1%
- 13%
- 2%
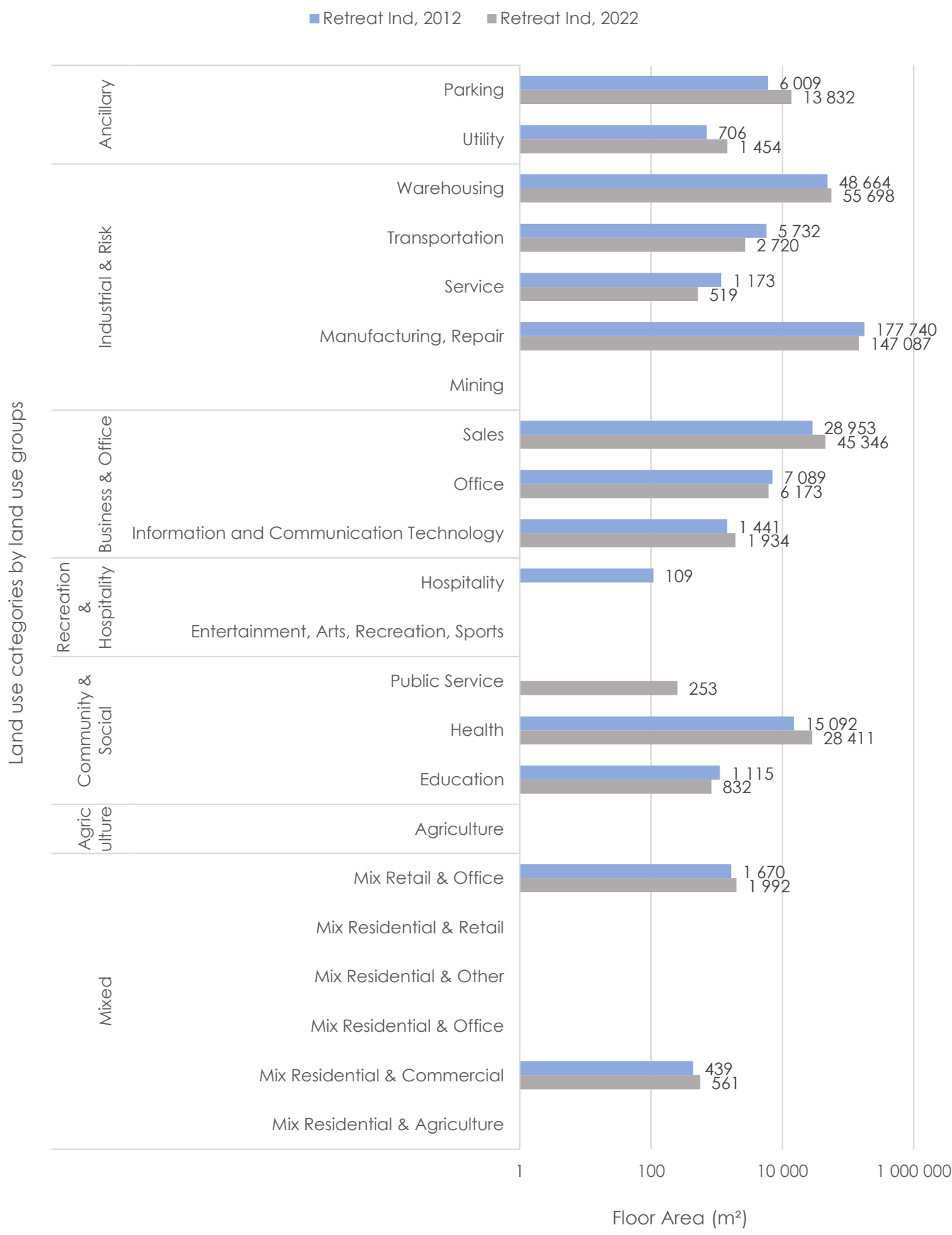- 0%
- 5%
- 0%
- 79%

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

% OF LAND USE GROUPS (2022)

- 5%
- 1%
- 0%
- 10%
- 17%
- 0%
- 67%

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

The pie charts illustrate the percentage distribution of land use groups in the Retreat industrial area, based on the cumulative floor area (m²) across various land uses. As shown in the charts, the Industrial & Risk group has remained predominant in both 2012 and 2022. However, a decrease was observed from 79% to 67% in 2022, with an increase in the Community & Social and Business & Office groups over the same period.

Additionally, the bar graph provides a comparative view of the co-agglomeration of land use categories between 2012 and 2022 within each land use group. The data indicates that manufacturing, warehousing and sales have maintained significant dominance. There is also a presence of other land uses, which can be seen to be in support of the most dominant land uses.
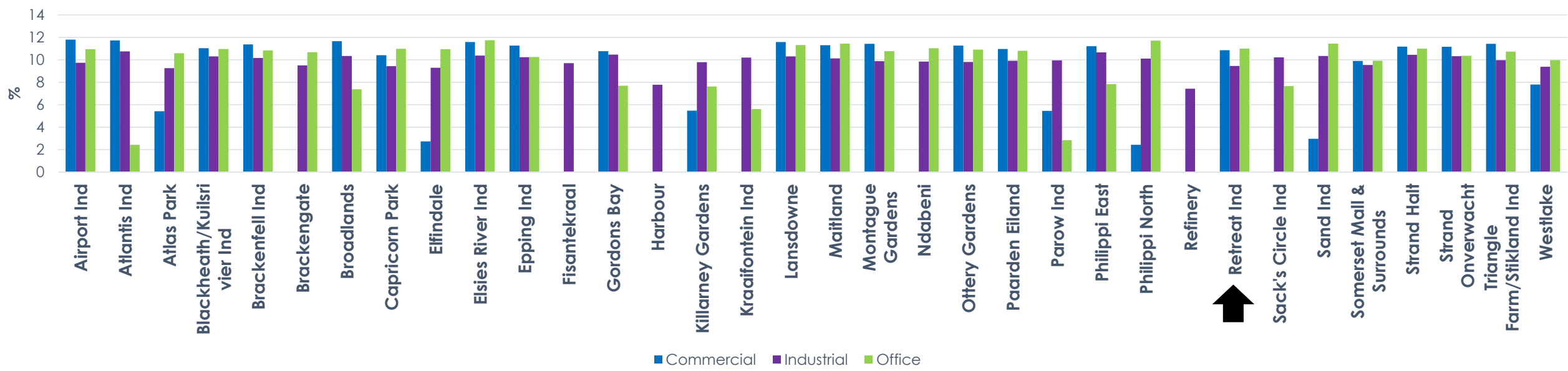
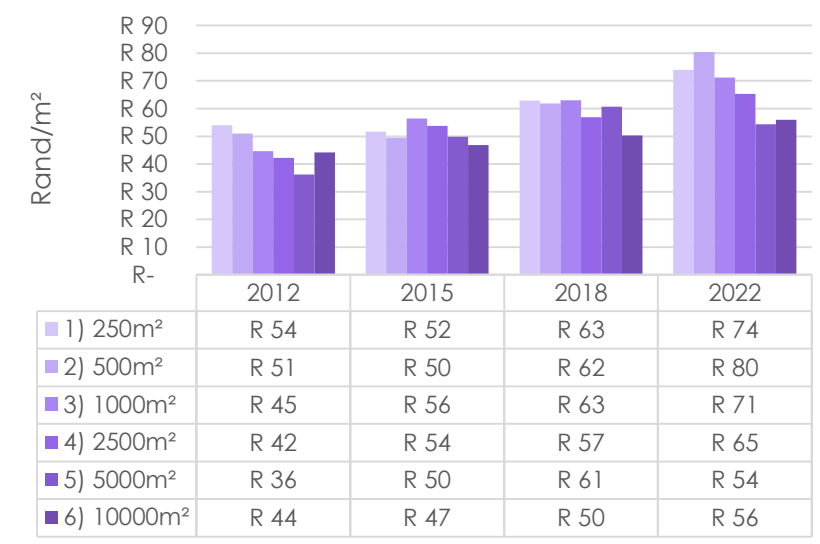## FLOOR AREA PER LAND USE CATEGORY FOR 2012 AND 2022

■ Retreat Ind, 2012   ■ Retreat Ind, 2022

Source: Analysis of GV data (May 2024)

MARKET PERFORMANCE

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

Legend: ■ Commercial ■ Industrial ■ Office

INDUSTRIAL RENTALS

	2012	2015	2018	2022
1) 250m²	R 54	R 52	R 63	R 74
2) 500m²	R 51	R 50	R 62	R 80
3) 1000m²	R 45	R 56	R 63	R 71
4) 2500m²	R 42	R 54	R 57	R 65
5) 5000m²	R 36	R 50	R 61	R 54
6) 10000m²	R 44	R 47	R 50	R 56

COMMERCIAL AND OFFICE RENTALS

	2012	2015	2018	2022
Commercial	R 103	R 133	R 145	R 110
Office	R 55	R 98	R 110	R 109

CAPITALISATION RATES

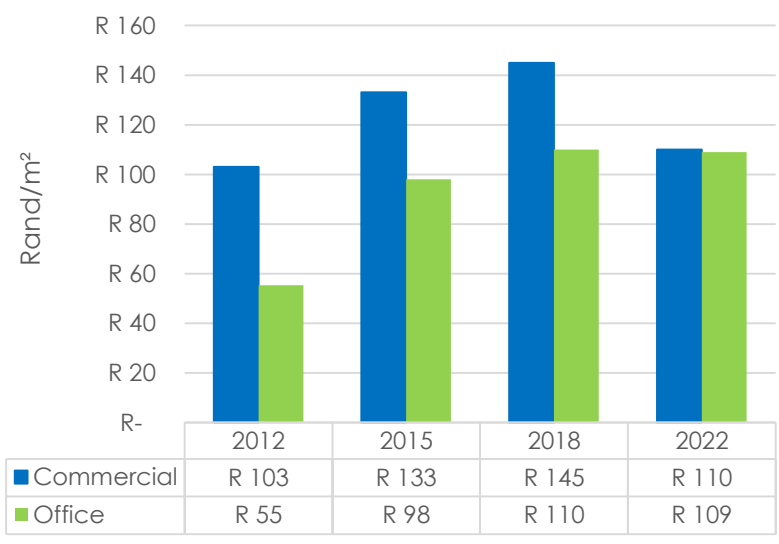Legend: Commercial · Industrial · Office

Rental Rates

Rental rates across all industrial spaces gradually increased from 2012 to 2022, with a significant rise observed in the smaller properties.

Both commercial and office rentals have steadily increased between 2012 and 2018, with both decreasing in 2022 to almost similar rentals across the 2 sectors.

Comparative view on capitalisation rates

The average capitalisation rates from 2012 to 2022 for the commercial, industrial and office sectors were 10,86%, 9,46%, and 10,99%, respectively and further indicate its competitiveness relative to other industrial areas.

Year-over-year, capitalisation rates for the industrial sector have slightly increased from 9,9% in 2012 to 10,5% in 2022 and similarly, the same occurred for commercial and office, increasing from 10,9% in 2012 to 11,7% in 2022.
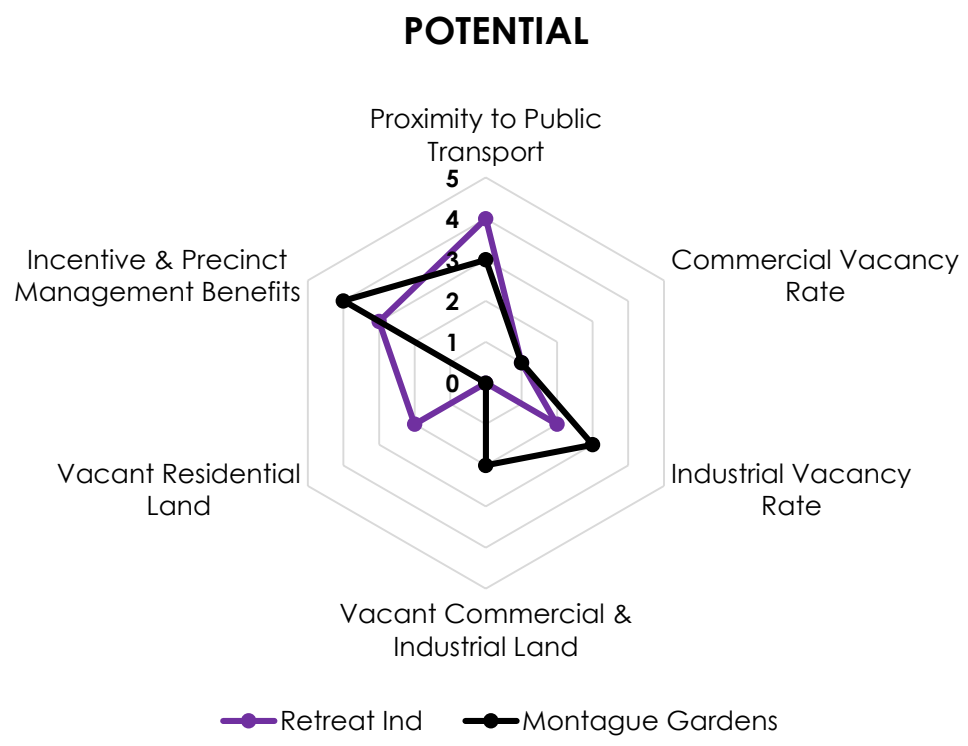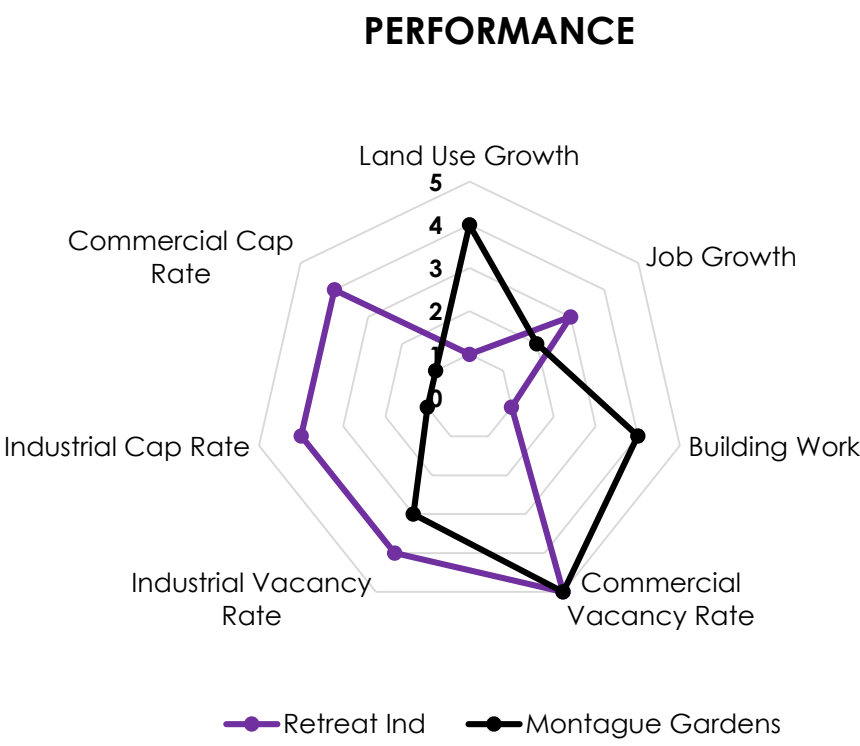
- *Higher cap rates = higher investment risk.*
- *Lower cap rates = lower investment risk.*

Source: 2012 – 2022 market reports
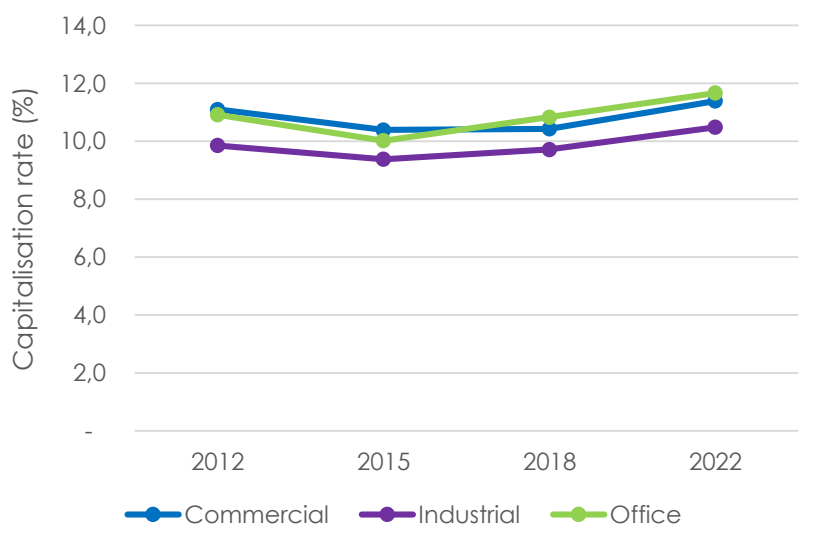
PERFORMANCE & POTENTIAL

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.

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

Radar chart — PERFORMANCE. Axes: Land Use Growth, Job Growth, Building Work, Commercial Vacancy Rate, Industrial Vacancy Rate, Industrial Cap Rate, Commercial Cap Rate. Legend: Retreat Ind, Montague Gardens.

POTENTIAL

Radar chart — POTENTIAL. Axes: Proximity to Public Transport, Commercial Vacancy Rate, Industrial Vacancy Rate, Vacant Commercial & Industrial Land, Vacant Residential Land, Incentive & Precinct Management Benefits. Legend: Retreat 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.***