

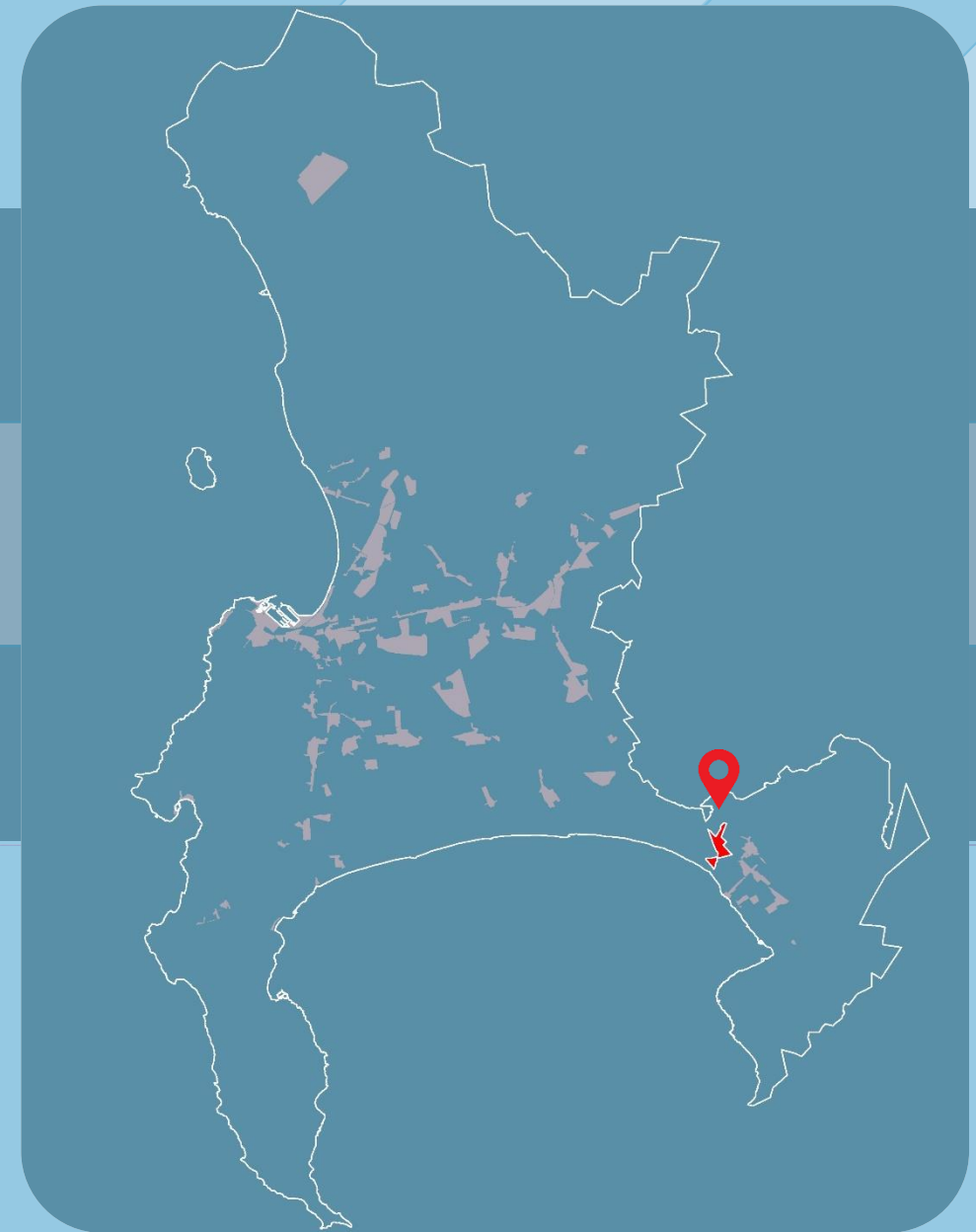
SOMERSET MALL & SURROUNDS

ECONOMIC AREA PROFILE

TREND ANALYSIS 2012-2022



Image source: Google Earth



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

June 2025

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:



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

- Helderberg DSDF - Subdistrict 2: Paardevlei:
 - District Development Guidelines ([page 64](#))
 - Subdistrict Development Guidelines ([page 93](#))
 - Consolidated subdistrict SDF ([Figure 17: Subdistrict 2: Paardevlei](#))

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Agglomeration of industries

Market performance

Performance & Potential

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

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.

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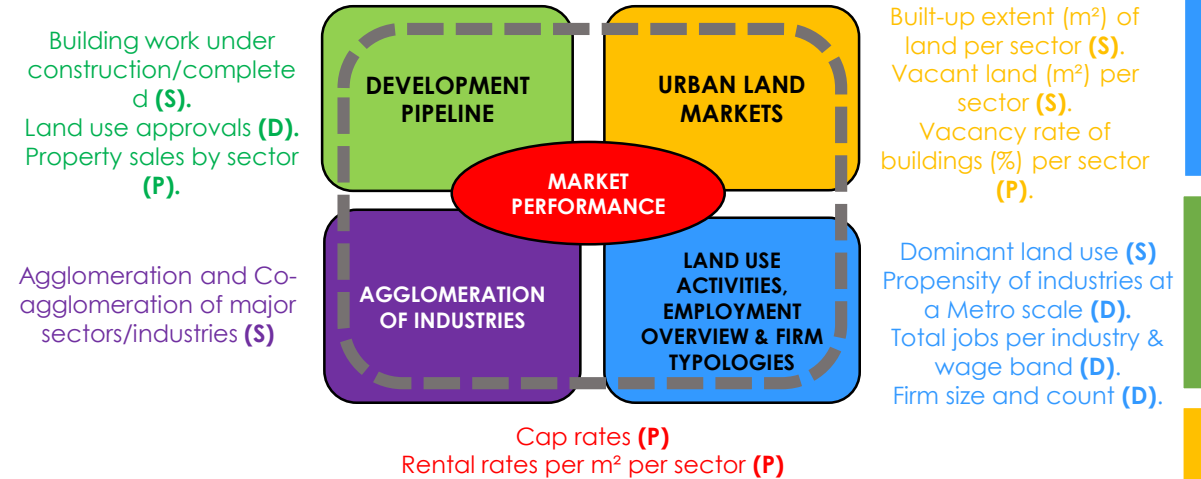
Urban land markets

Agglomeration of industries

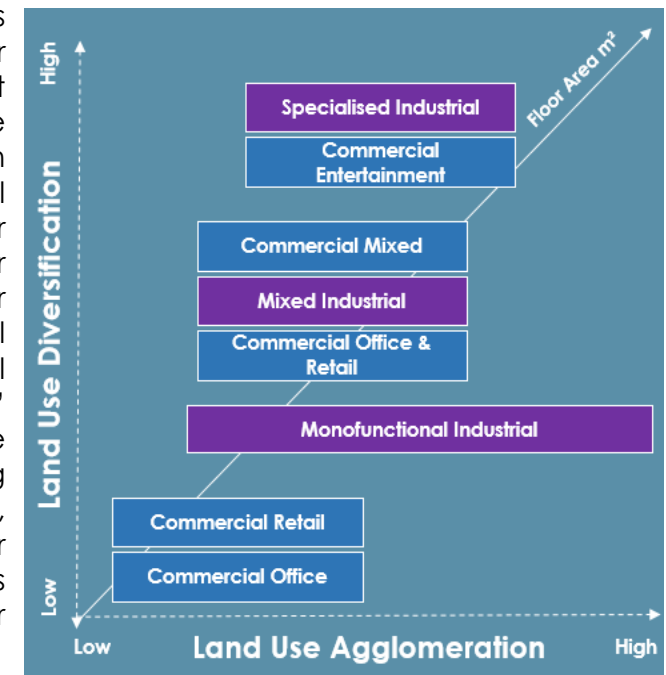
Market performance

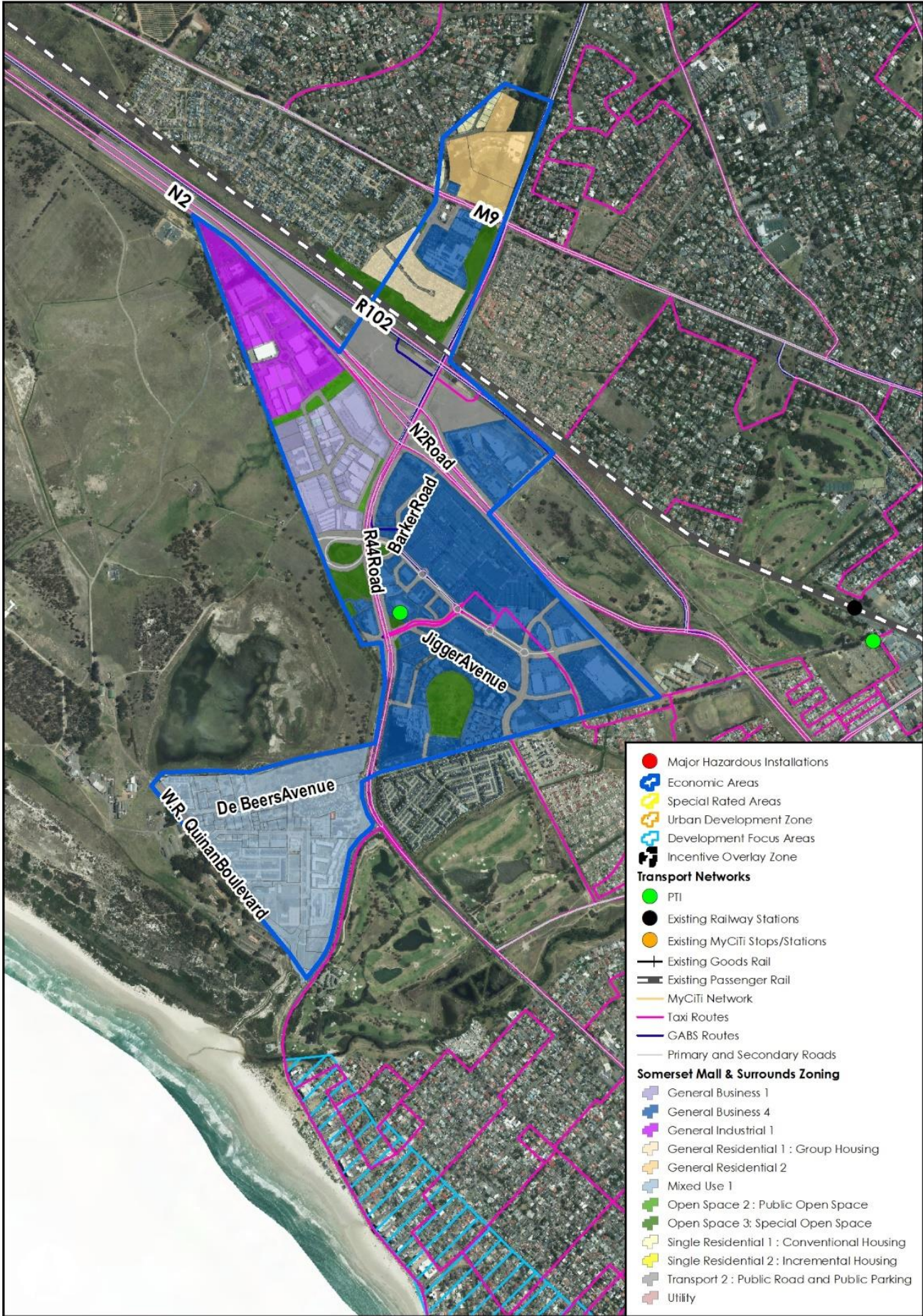
Performance & Potential

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).





SOMERSET MALL & SURROUNDS

Location

- The area is approximately 43km southeast of Cape Town's Central Business District and the Port of Cape Town. Furthermore, it is located 31km from Cape Town International Airport.
- It is also situated off the N2 highway, providing easy access to Cape Town and surrounding areas.
- The area is mainly serviced by taxis.
- Access to a skilled workforce from surrounding areas, includes the broader Somerset West, Strand and Macassar areas.

Zoning, land use and form

- The area is predominantly zoned for mixed-use, business and industrial purposes.
- The area is mainly characterised by light industrial and retail uses, which include malls, shops, manufacturing, repairs, hospitality and flats.
- The average land parcel sizes in the area range between 1,500 – 5,000m², with several bigger blocks ranging between 10,000 and 50,000m².

Spatial planning mechanisms

- None

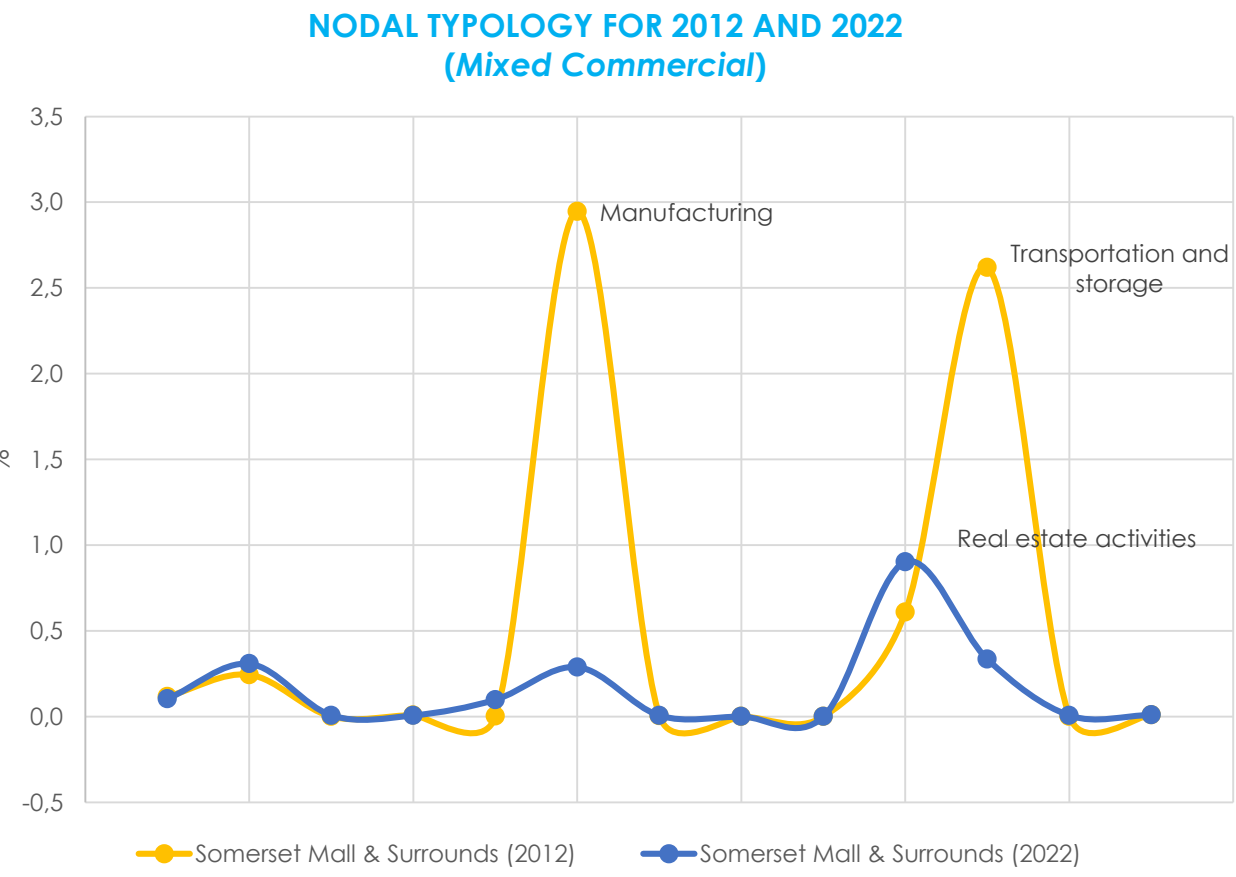
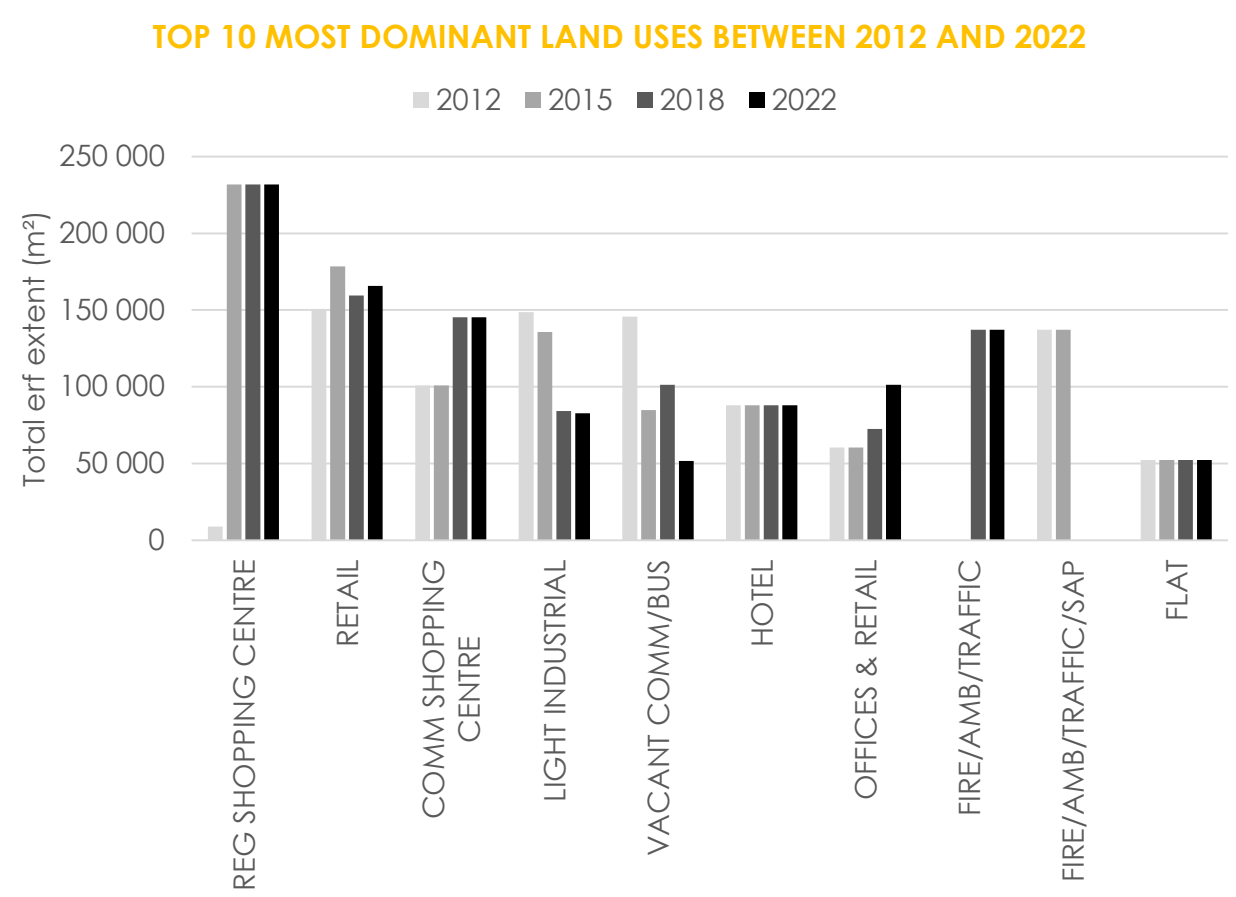
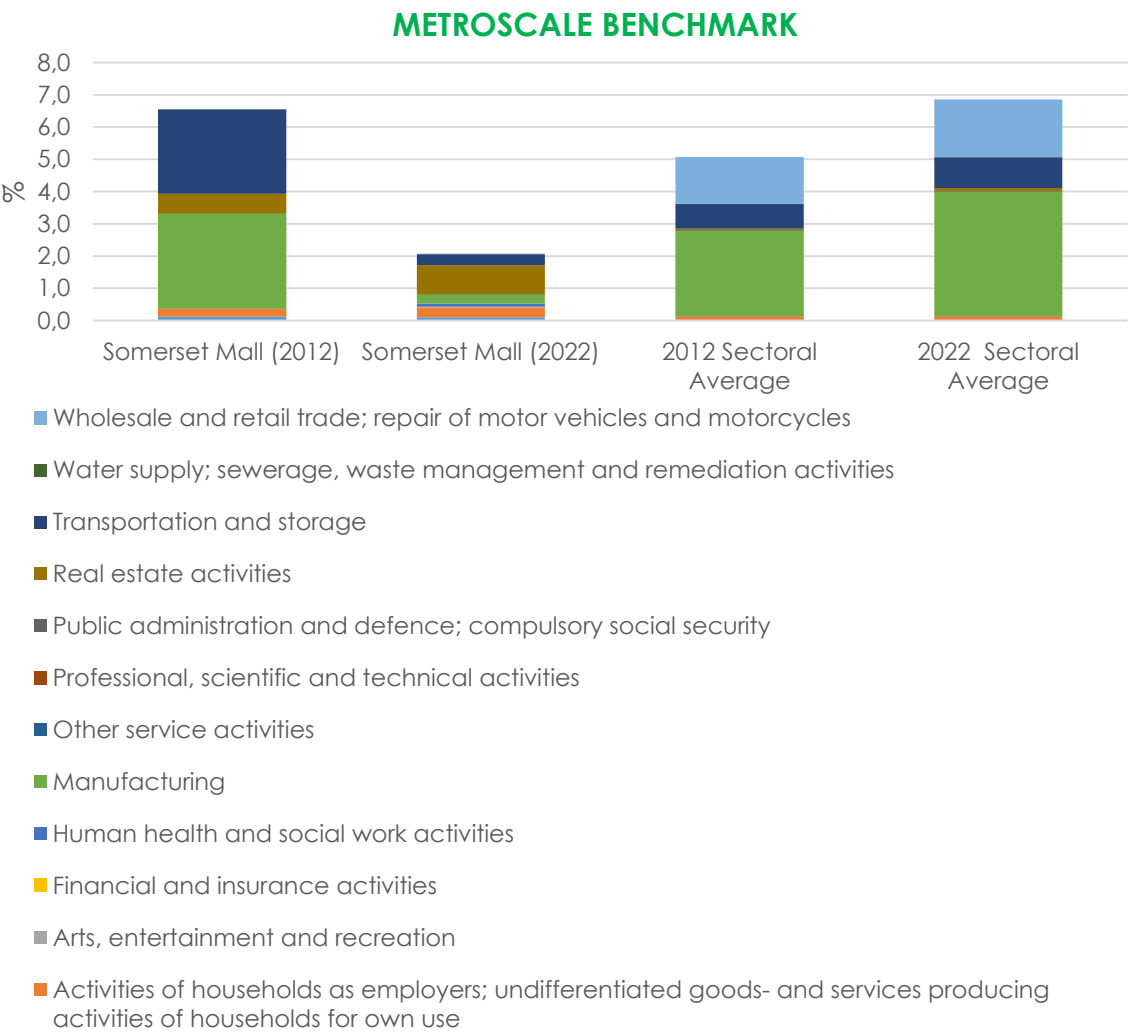
Key highlights of the area include:

- The area started to establish itself from the 1990s, with the first development being Somerset Mall, with the surrounding area being developed into an industrial economic area.
- The broader Somerset area, which includes this precinct, forms part of an emerging metropolitan node as identified in the approved Cape Town Municipal Spatial Development Framework (2023).

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.

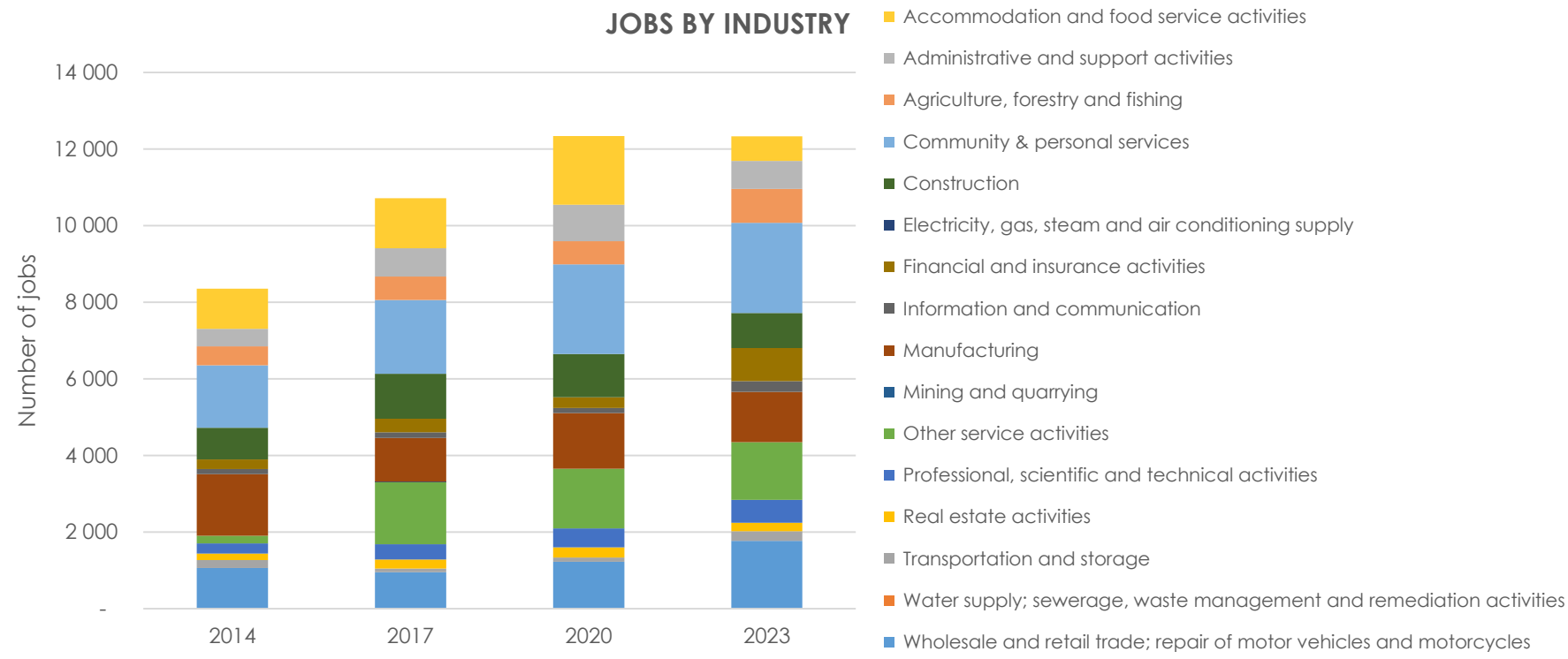
- Between 2012 and 2022, Somerset Mall & Surrounds was mainly characterised by a greater propensity for manufacturing, real estate activities and transport & storage, as reflected in the **Nodal Typology**. The nodal typology highlights industries with the most floor area (m²) operating within an economic area.
- The **MetroScale Benchmarking** positions Somerset Mall & Surrounds to being a contributor of manufacturing and transport & storage, which performs lower than that of the sectoral average when compared to other industrial areas across Cape Town. However, it does perform high in real estate activities.
- The GV Roll supplements the findings of the SIC level data by illustrating the **dominant land use** over time based on the cumulative extent (m²) of floor area for shopping centres, other retail with light industrial, hospitality and offices.



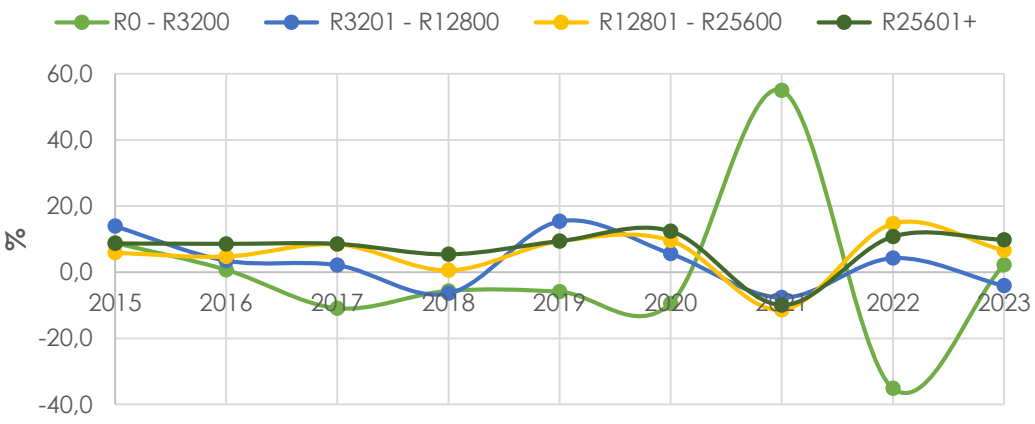
Source: 2012 – 2022 land use codes (May 2024 analysis)

EMPLOYMENT OVERVIEW & FIRM TYPOLOGIES

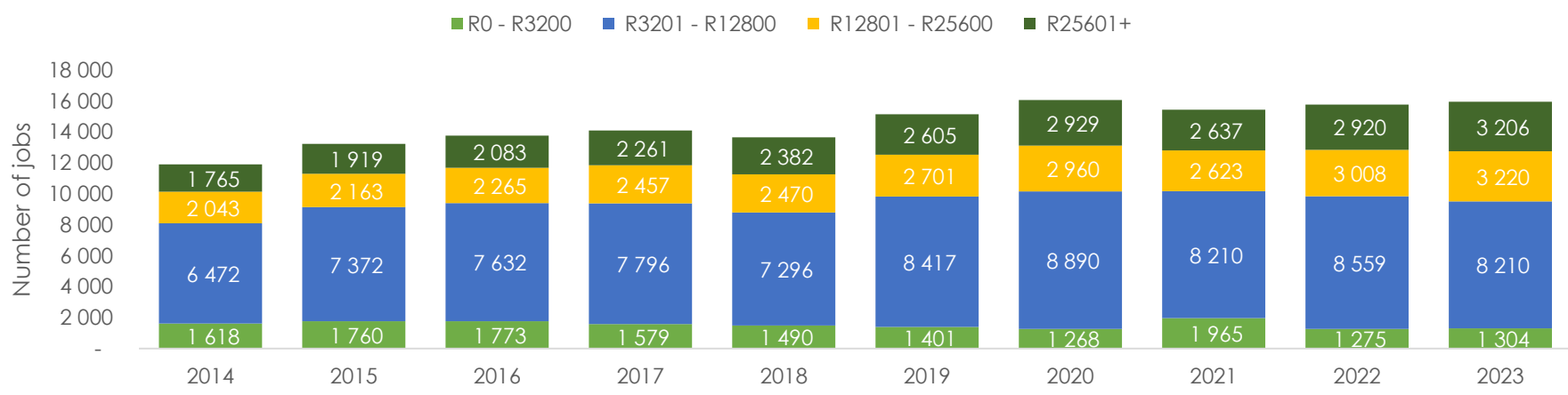
JOBS BY INDUSTRY



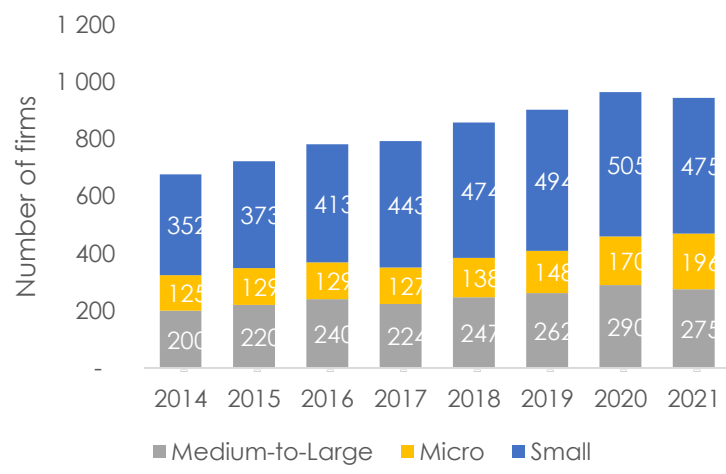
YEAR ON YEAR % CHANGE OF FULL TIME EMPLOYMENT WITHIN EACH WAGE BAND



FULL TIME EMPLOYMENT BY WAGEBAND



NUMBER OF FIRM TYPOLOGIES



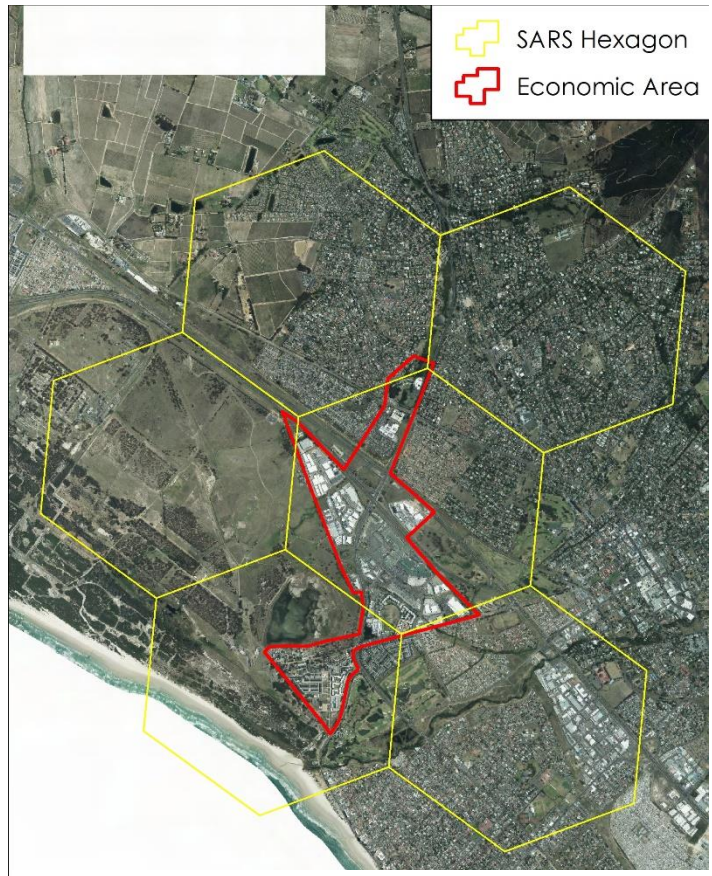
Jobs/Firms

The number of job opportunities in the Somerset Mall & Surrounds area gradually increased from 8,100 to 12,100 jobs between 2014 and 2023. Over time, most jobs have been concentrated across a mix of industries, namely, community & personal activities, manufacturing, financial & insurance activities, construction, wholesale & retail, manufacturing, transport & storage and also administrative activities.

The total number of firms in the area increased from 675 to 900 between 2014 and 2021. While small firms make up the majority, there is also a significant presence of medium to large firms and 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 noteworthy amount of employees earning in the 2 upper income brackets.



Spatial hexagons in which SARS data has been captured and overlaid with Somerset Mall & Surrounds 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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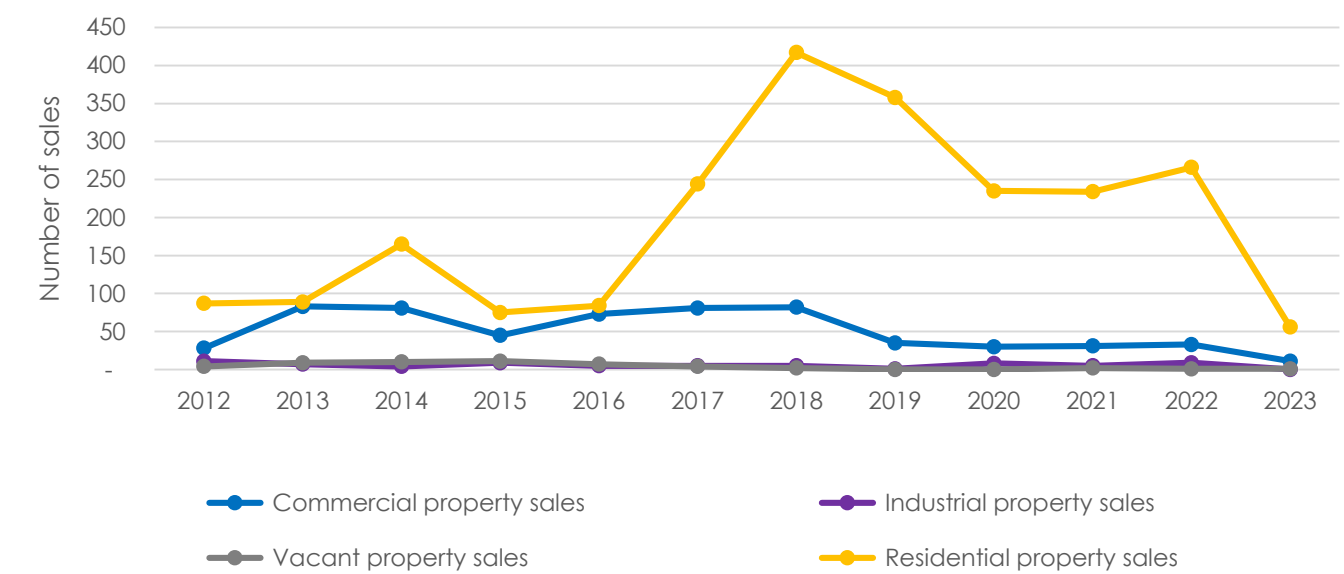
Agglomeration of industries

Market performance

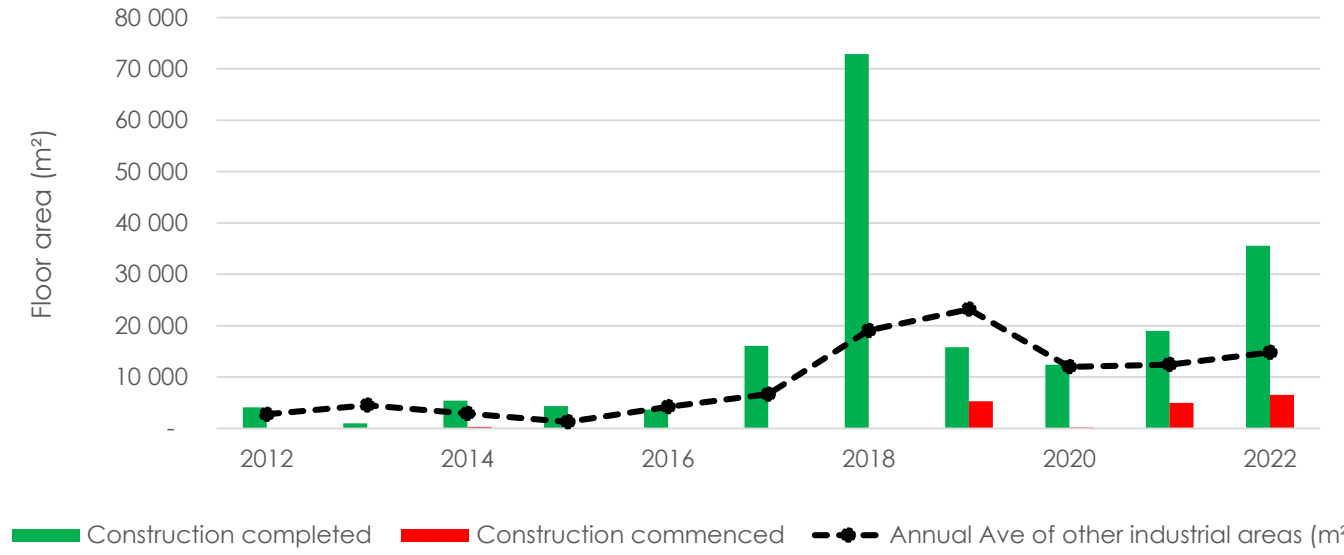
Performance & Potential

DEVELOPMENT PIPELINE

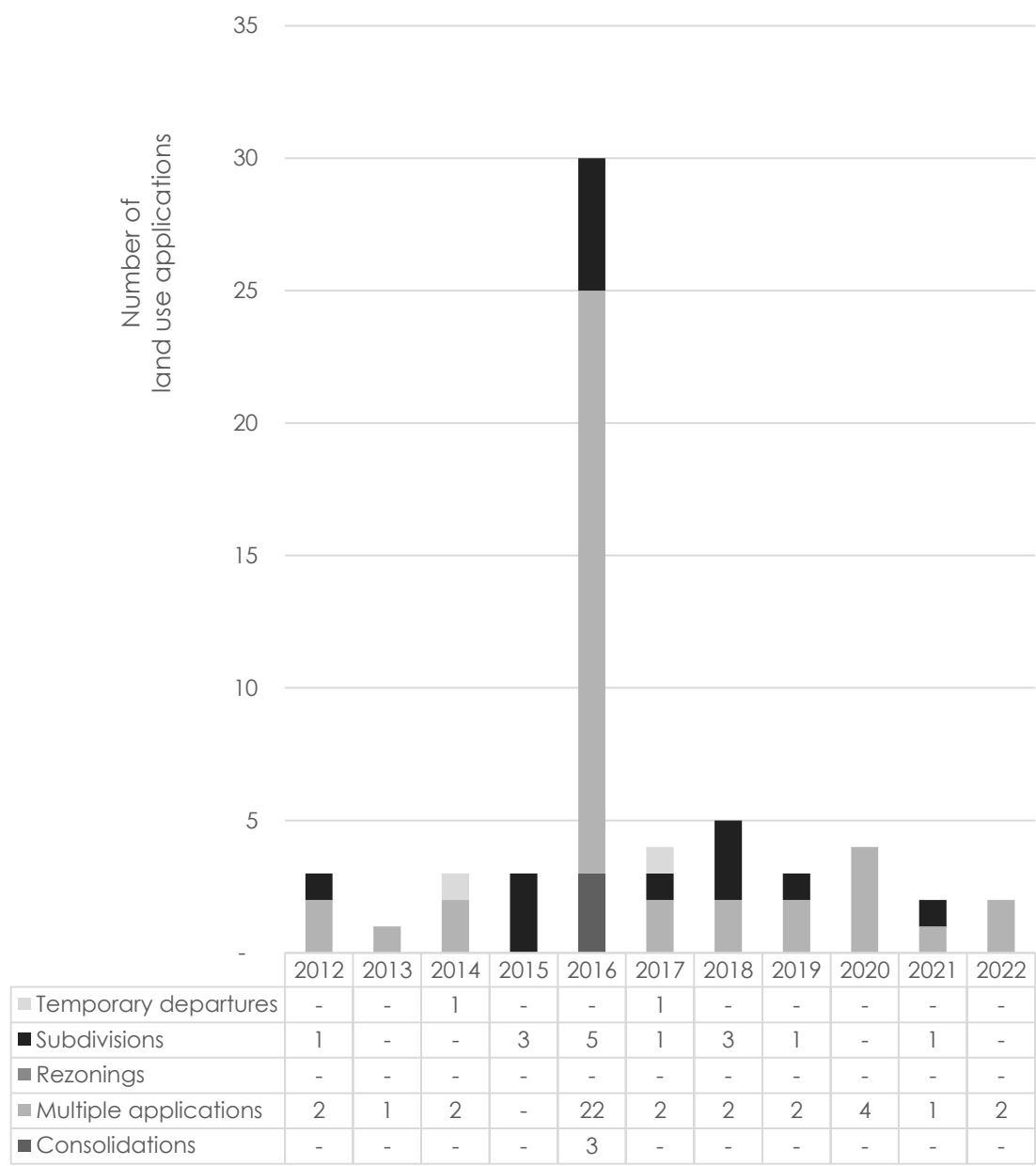
PROPERTY SALES BY SECTOR



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



APPROVED LAND USE APPLICATIONS



Property Sales
Between 2012 and 2022, property sales for the residential sector were notably higher compared to other sectors. Furthermore, the residential property sales were at their highest between 2017 and 2022, while commercial property sales fluctuated, with it being the highest between 2013 and 2018.

Land Use Applications
Land use approvals granted during this period were fairly low, with the most significant spike in 2016. Most approvals were granted for multiple applications, indicating various sets of rights required to be in place, as multiple applications 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 started out low since 2012 and started to increase from 2017. The area experienced building work activity that exceeded the metro's annual average in 2014, 2015, 2017, 2018, 2021 and 2022 when compared to other industrial areas.

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

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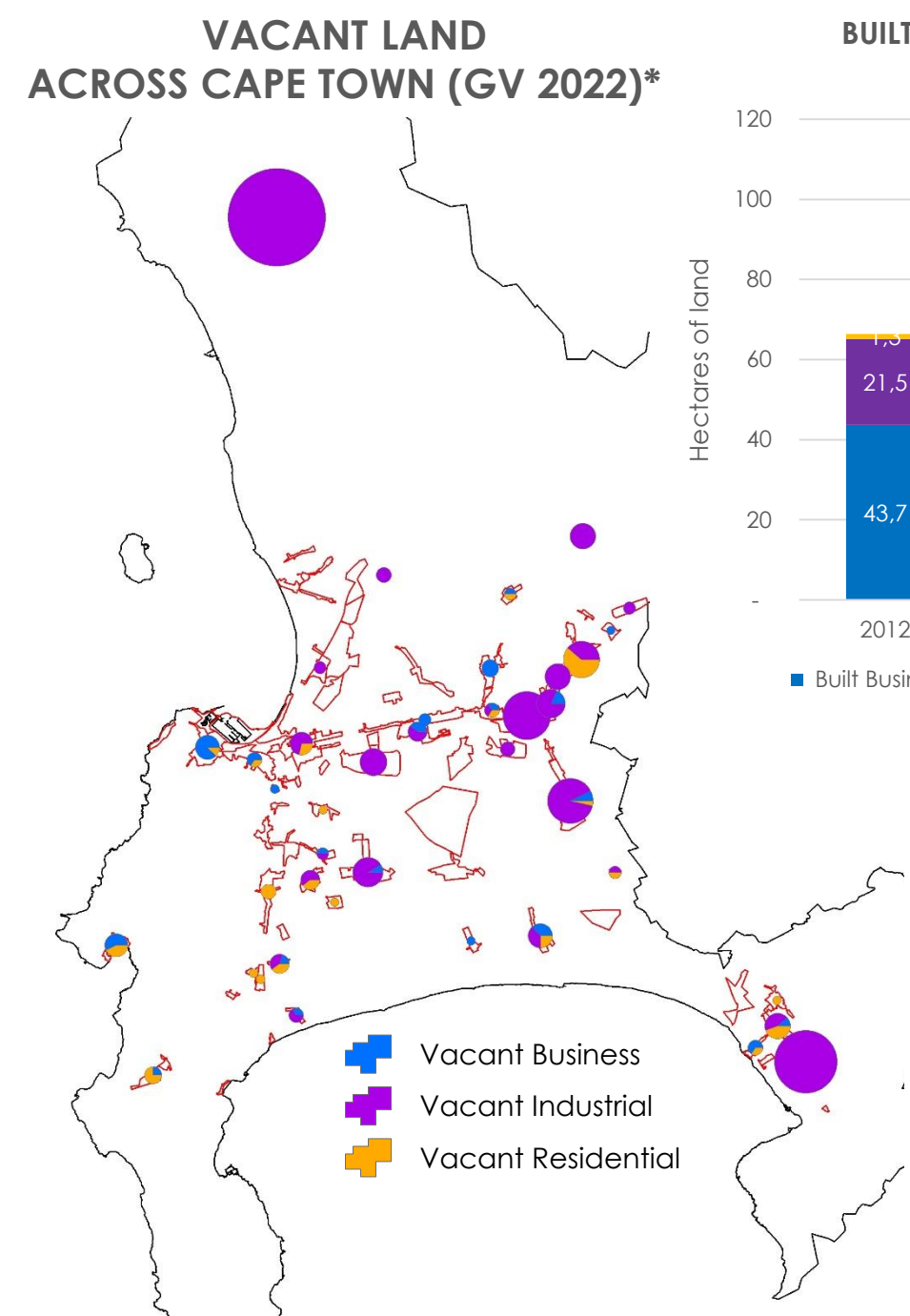
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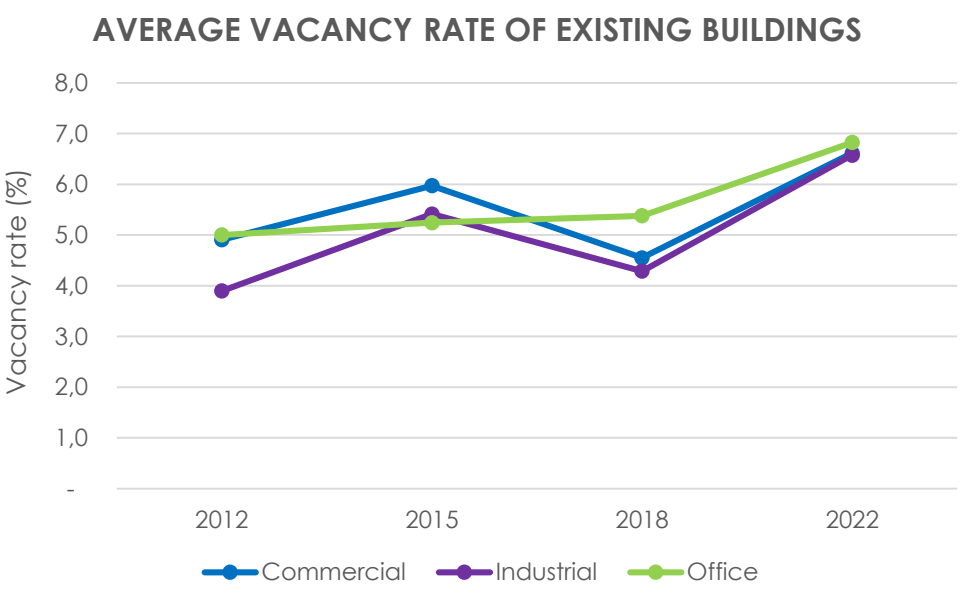
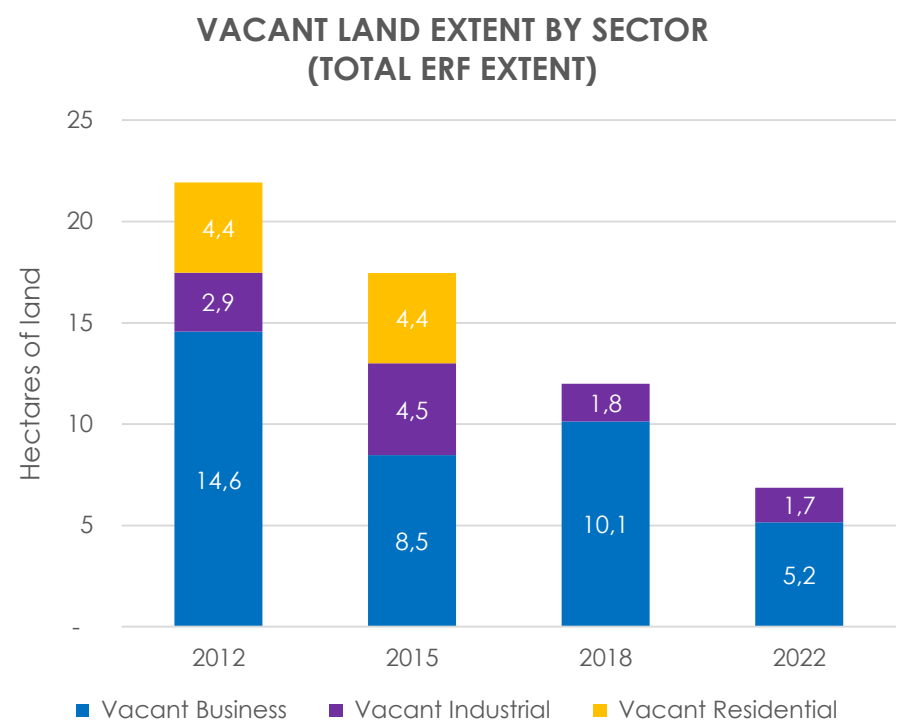
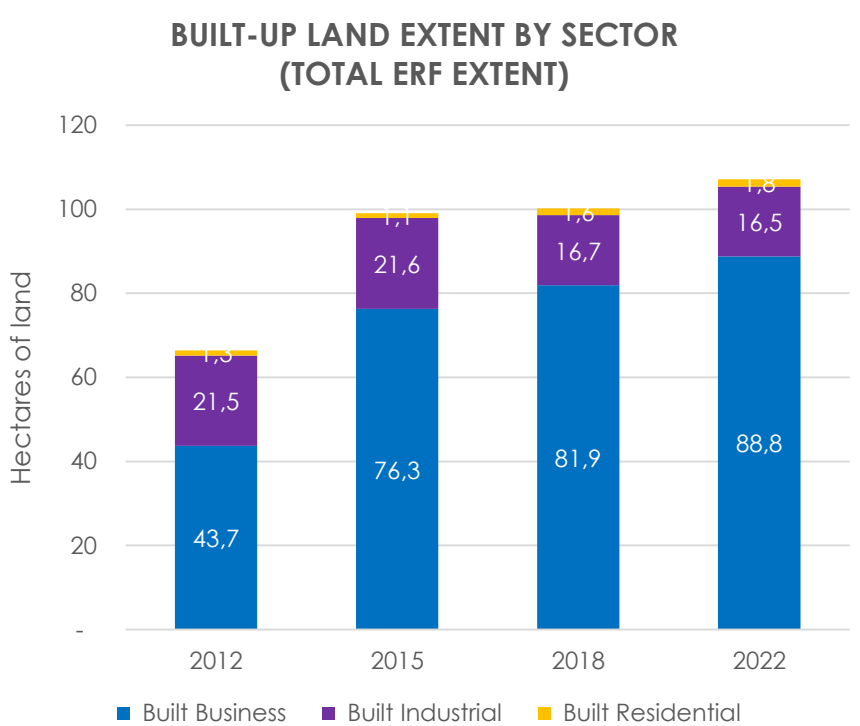
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Performance & Potential

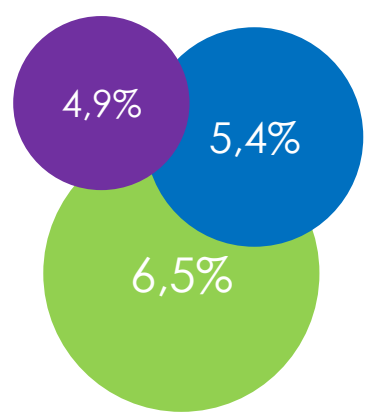


| Number of land parcels that are vacant by size | | | |
|--|------------|------------|-------------|
| Erf Size | Commercial | Industrial | Residential |
| 1) 1-250m² | | | |
| 2) 251-500m² | | | |
| 3) 501-1000m² | 1 | | |
| 4) 1001-2500m² | 1 | 1 | |
| 5) 2501-5000m² | 2 | 1 | |
| 6) 5001-10000m²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

Source: City's General Valuation Roll and Market Reports



METRO AVERAGE: VACANCY RATES PER SECTOR FOR 2022*



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 developed significantly in terms of the built-up land, with minimal vacant land remaining, as of 2022, indicating a well-developed 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 3,9% in 2012 to 6,8% in 2022. Both the commercial and office sectors increased from about 5% in 2012 to 6,9% in 2022.

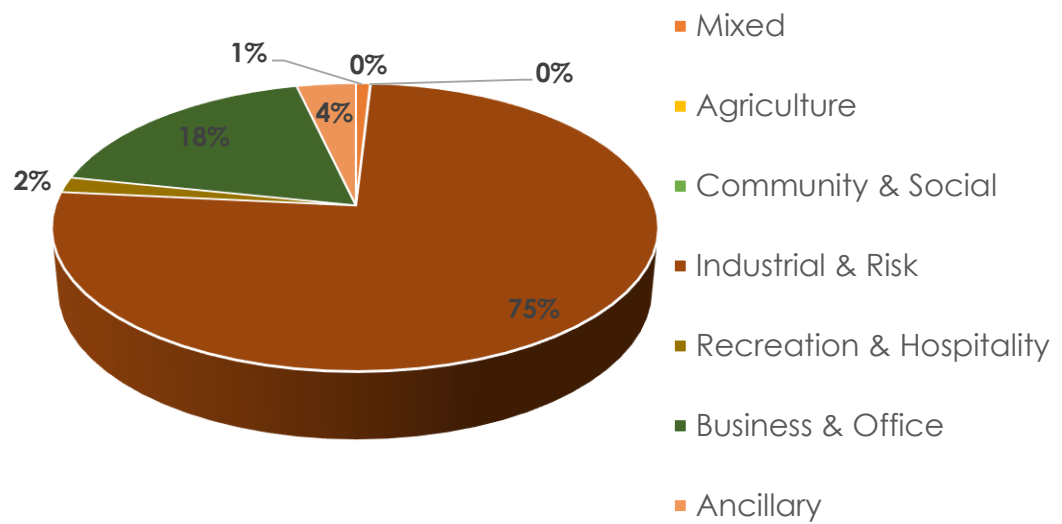
*A metro view that provides further context relative to this economic area.

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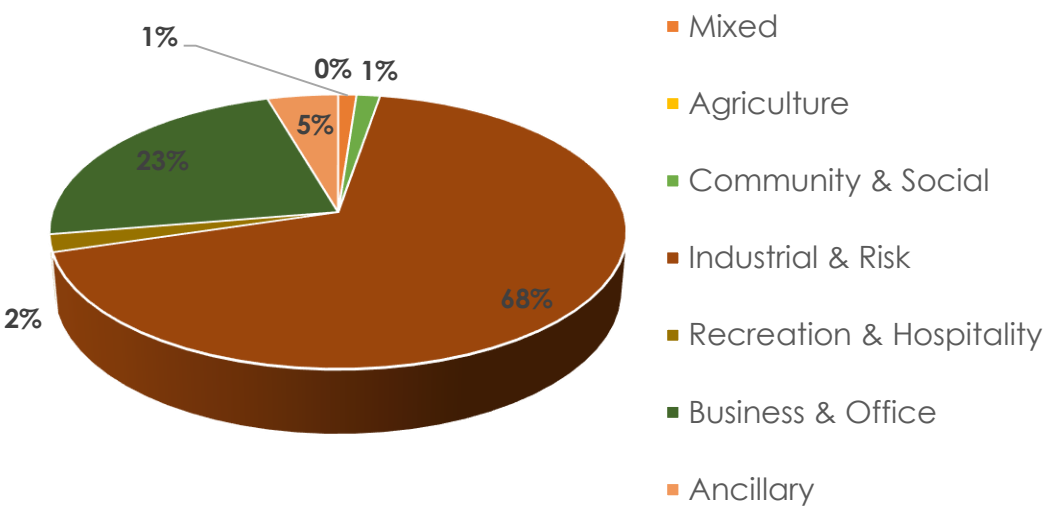
AGGLOMERATION OF INDUSTRIES

SECTORAL AGGLOMERATION AND CO-AGGLOMERATION RELATIONSHIPS

% OF LAND USE GROUPS (2012)



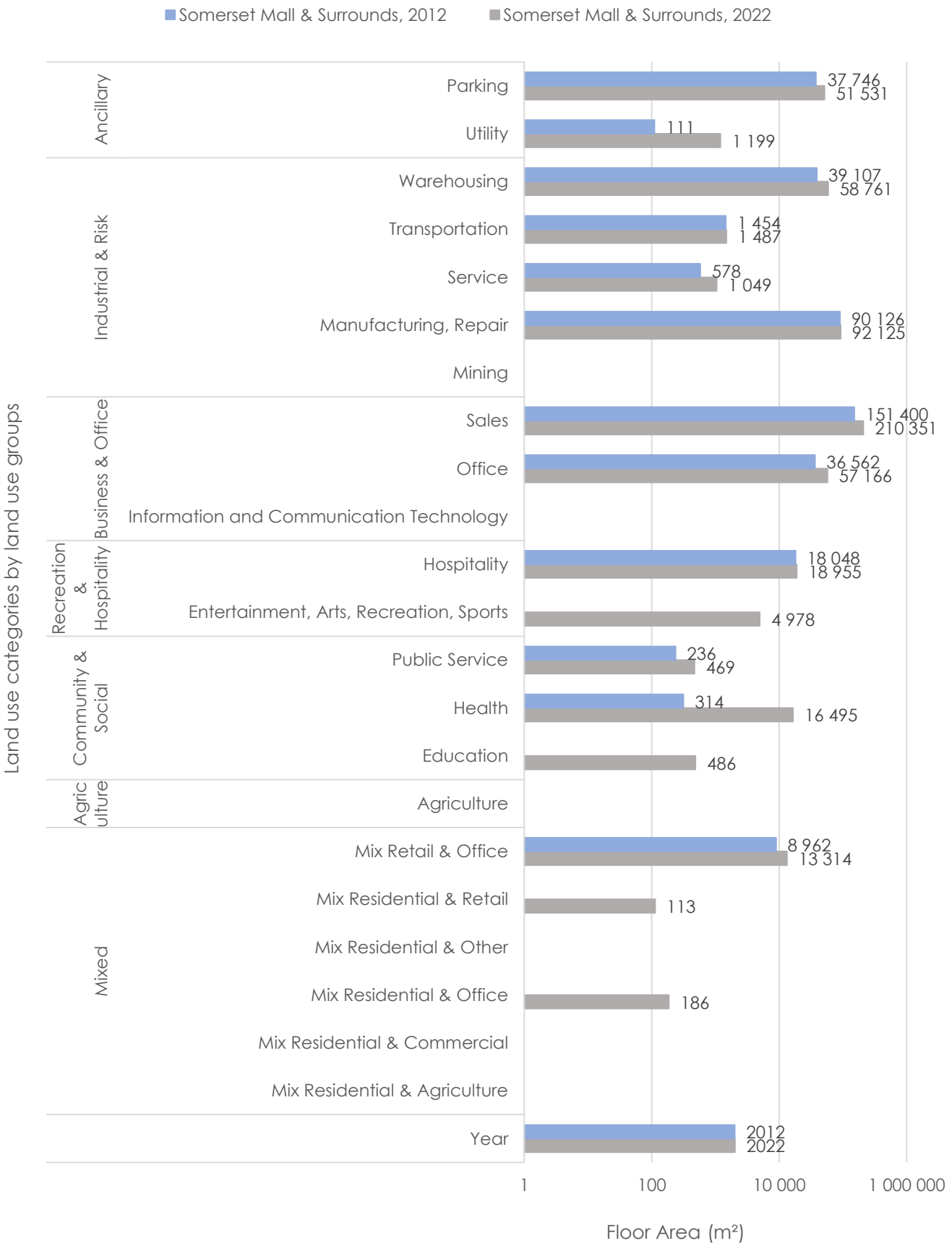
% OF LAND USE GROUPS (2022)



The pie charts illustrate the percentage distribution of land use groups in Somerset West & Surrounds. This % is based on the cumulative floor area (m²) across the various land uses and as can be seen by the charts, the Industrial & Risks group has been dominant in both 2012 and 2022, although decreasing in 2022, whereas Business & Office have increased between 2012 and 2022.

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 sales, office, manufacturing and warehousing have maintained significant dominance, with a noteworthy presence of hospitality and mixed retail and office. 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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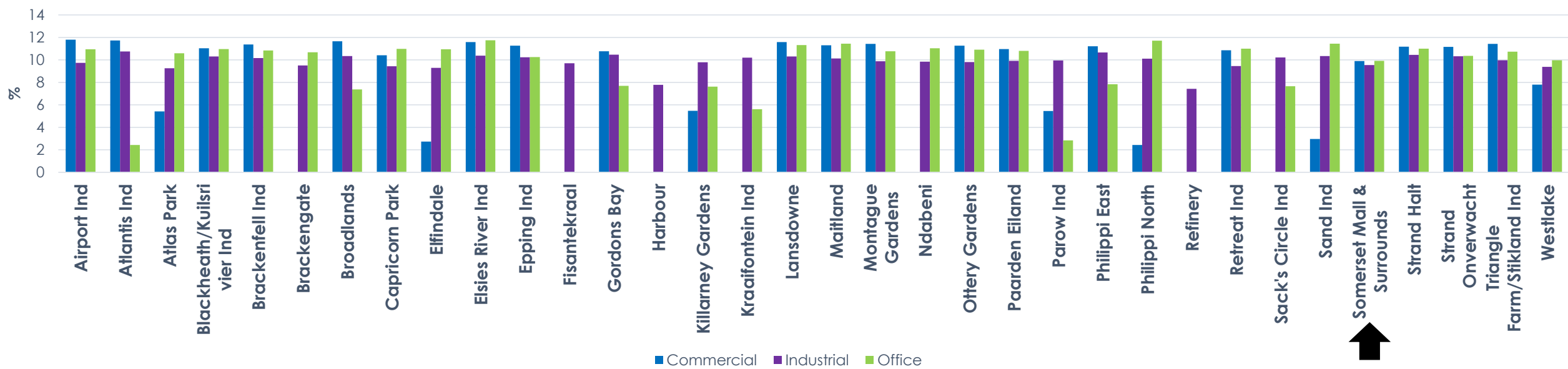
Urban land markets

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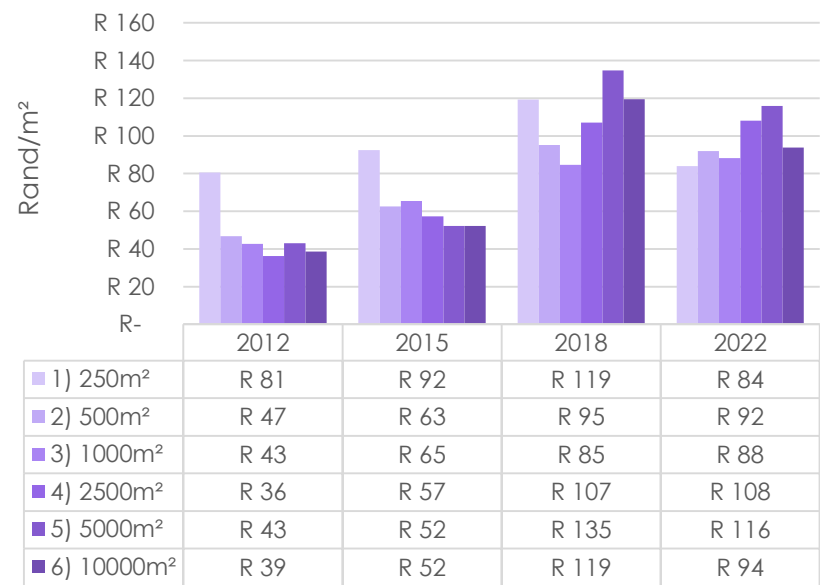
Market performance

Performance & Potential

AVERAGE CAPITALISATION RATE OF SOMERSET MALL & SURROUNDS IN RELATION TO OTHER INDUSTRIAL AREAS FOR THE PERIOD BETWEEN 2012 AND 2022



INDUSTRIAL RENTALS

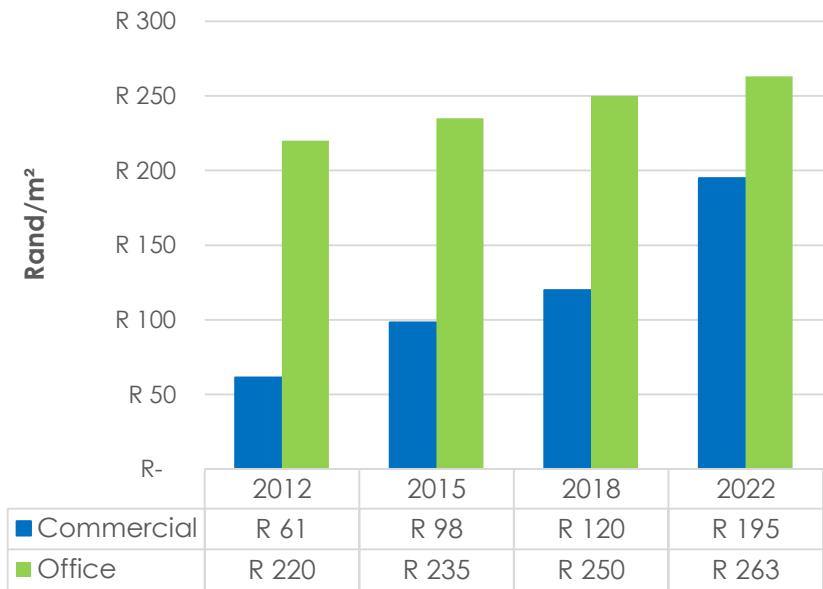


Rental rates

Rental rates across all industrial spaces gradually increased between 2012 and 2018, but decreased in 2022. Higher rental prices have also been observed in the larger property spaces.

Both commercial and office rentals increased overall between 2012 and 2022, with office rentals being higher.

COMMERCIAL AND OFFICE RENTALS



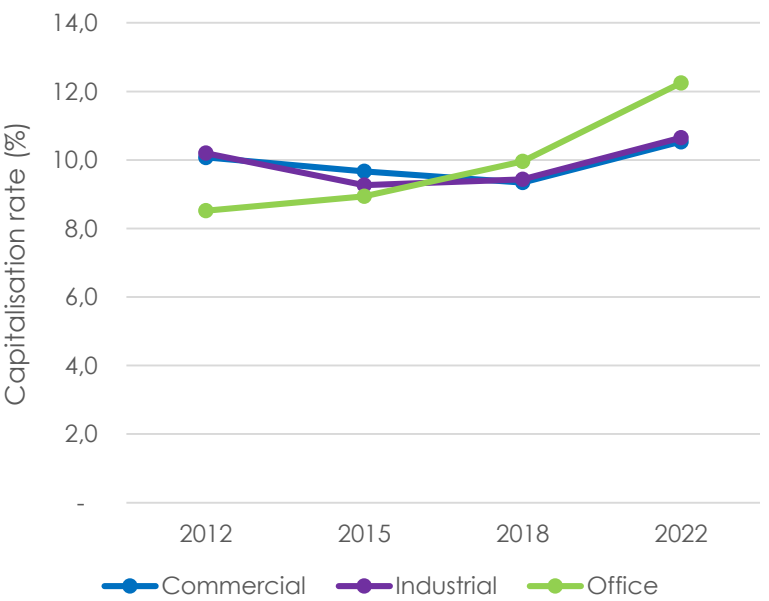
Comparative view on capitalisation rates

The average capitalisation rate between 2012 and 2022 for commercial, industrial and office sectors has been 9,90%, 9,53% and 9,91%, respectively and further indicates its competitiveness relative to other industrial areas.

Year on year capitalisation rates for the commercial and industrial sectors have remained similar, with an increase from 10,2% in 2012 to 10,6% in 2022, while the office sector has increased from 8,5% to 12,2%.

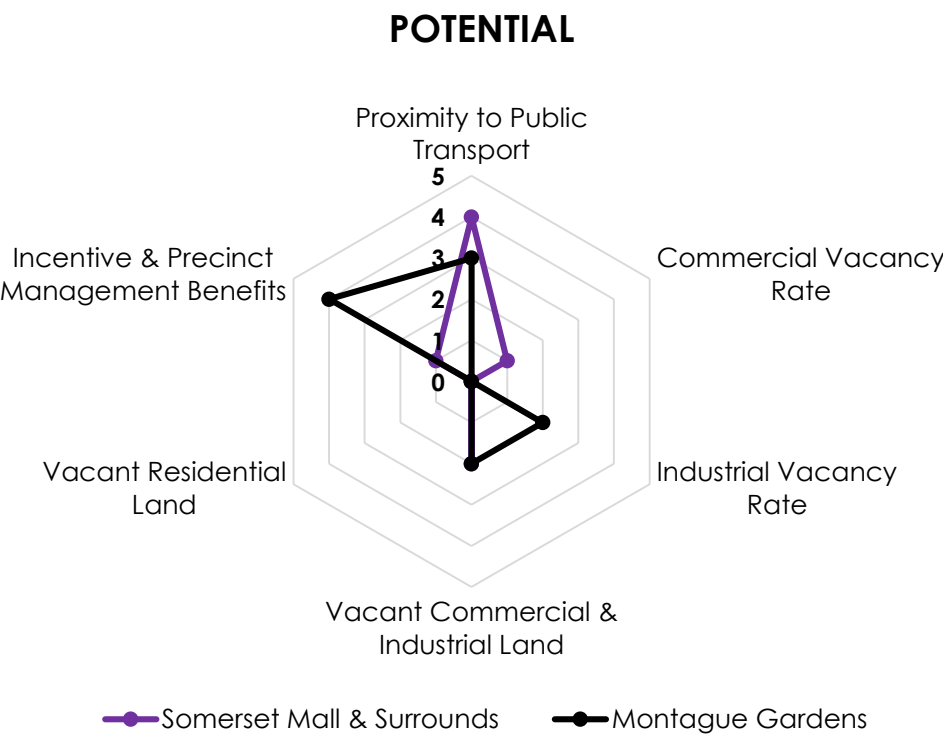
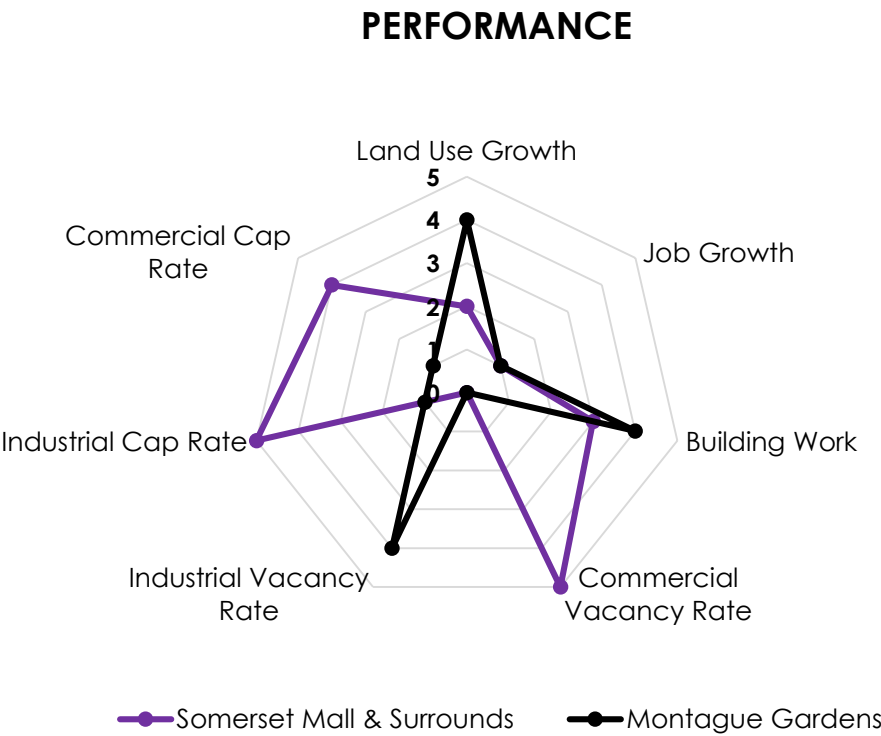
- Higher cap rates = higher investment risk.
- Lower cap rates = lower investment risk.

CAPITALISATION RATES



PERFORMANCE & POTENTIAL

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



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

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