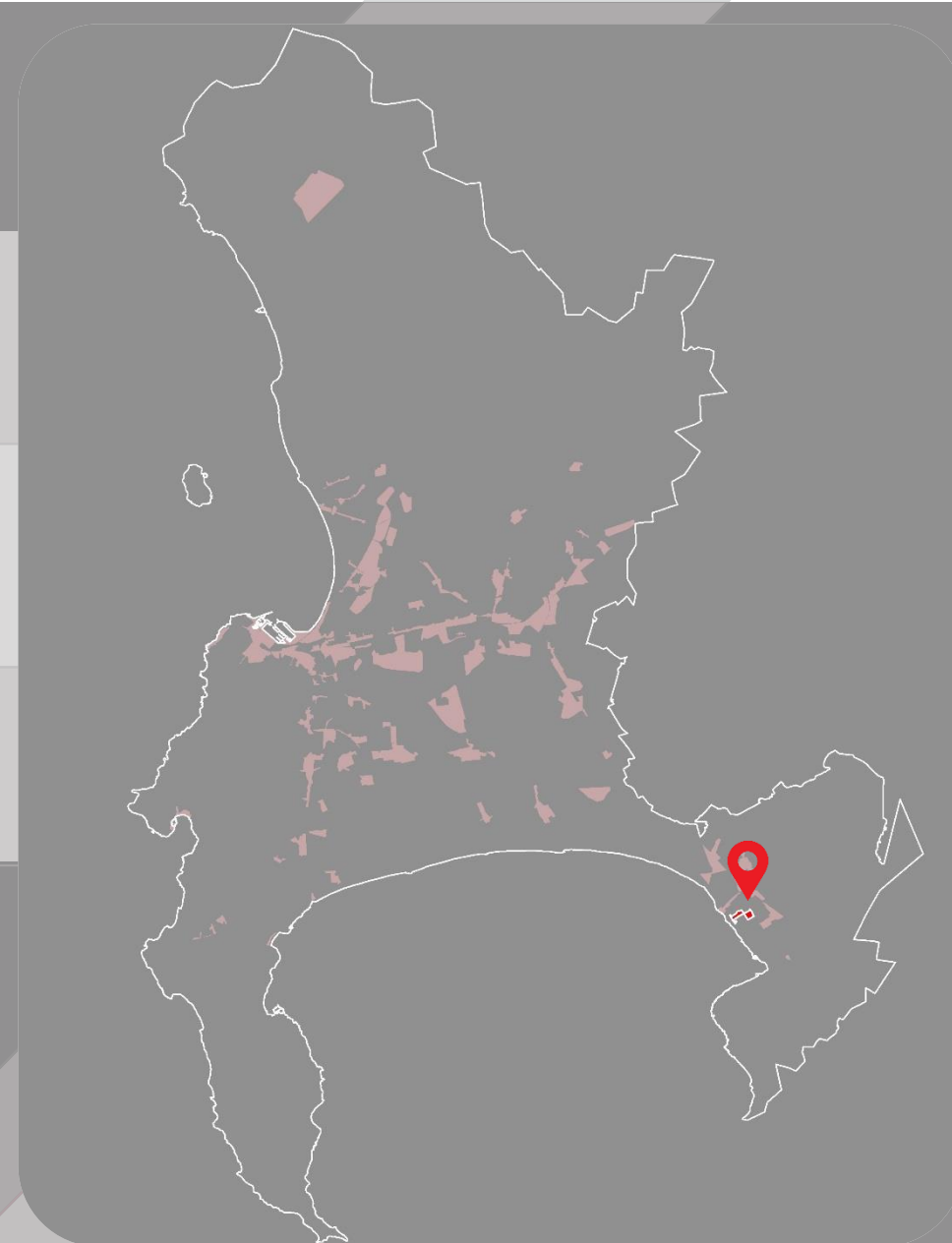


STRAND ONVERWACHT INDUSTRIAL ECONOMIC AREA PROFILE

TREND ANALYSIS 2012-2022



Image source: Google Earth



June 2025



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Making progress possible. Together.

ACKNOWLEDGEMENTS

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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 3: Strand:
 - District Development Guidelines ([page 64](#))
 - Subdistrict Development Guidelines ([page 93](#))
 - Consolidated Subdistrict SDF ([Figure 18: Subdistrict 3: Strand](#))

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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.

MICRO-ECONOMIC DEMAND & SUPPLY FACTORS

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

- Property sales per land use sector
- Building work completed
- Types of land use applications approved
- Vacant land per land use sector
- Built-up land and take up rate per land use sector
- Dominant land uses present in an area
- Building vacancy rate overtime
- Capitalisation rate over time
- Rental rate p/m² by land use sector
- Jobs per industry

MACRO-ECONOMIC REPORTS AND INDICATORS

For additional insights into the macro-economic factors affecting the regional economic condition, refer to the following reports for more information on macro-economic indicators related to Cape Town:

- [Economic Performance Indicators for Cape Town](#)
- [Regional Market Analysis and Intelligence 2023/24](#)
- [Provincial Economic Review and Outlook \(PERO\)](#)
- [Municipal Economic Review and Outlook \(MERO\)](#)

WHY

WHAT

HOW

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

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

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

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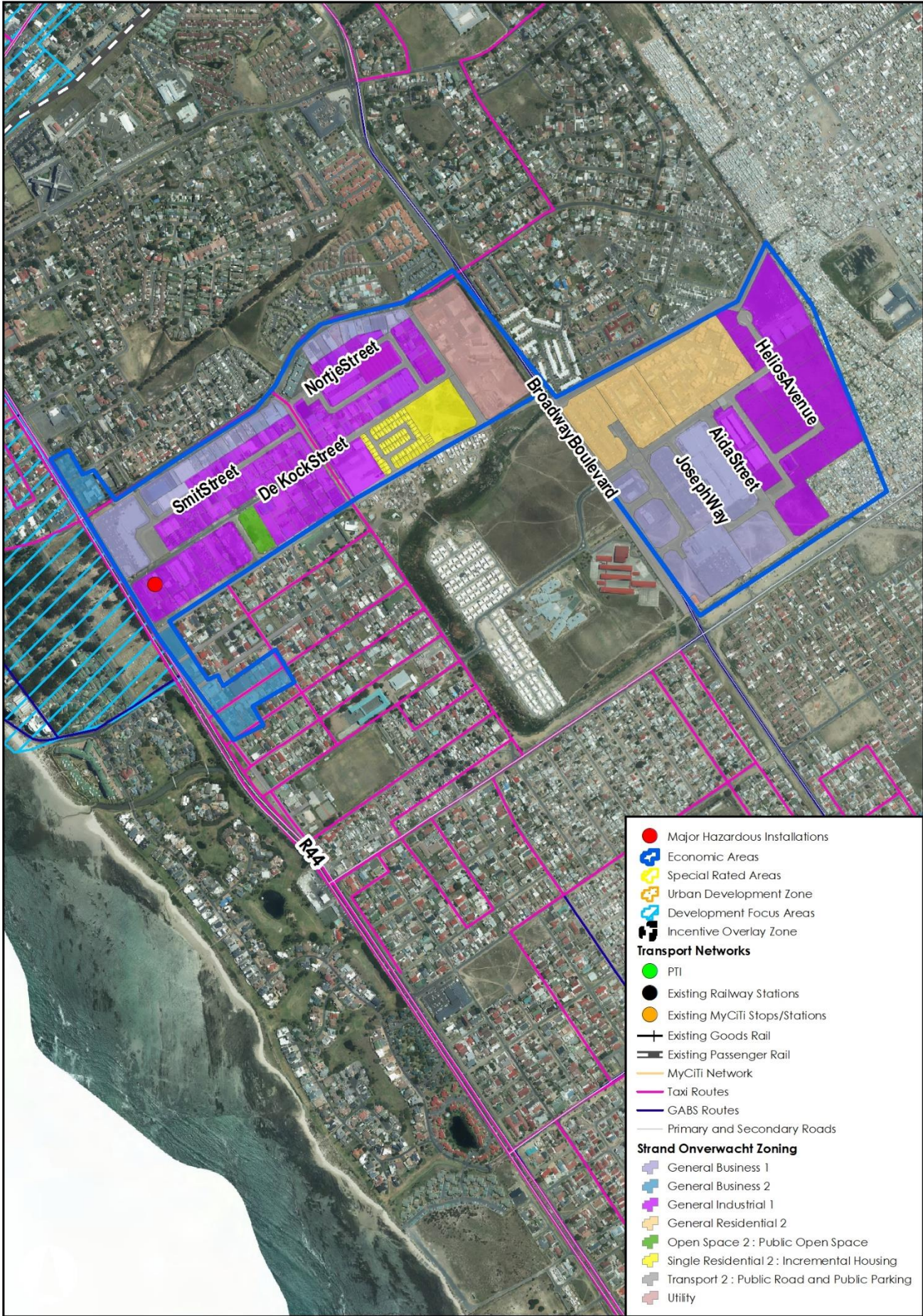
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STRAND ONVERWACHT

Location

- The area is approximately 49km southeast of Cape Town's Central Business District and the Port of Cape Town. Furthermore, it is located 36km from Cape Town International Airport.
- It is also situated near the N2 highway and the R44 (Gordons Bay Drive, providing easy access to Cape Town and surrounding areas.
- The area is mainly serviced by taxis and GABS.
- Access to a skilled workforce from surrounding areas, includes the broader Somerset West, Strand, Gordons Bay and Macassar areas.

Zoning, land use and form

- The area is predominantly zoned for industrial, business and residential, purposes.
- The area is mainly characterised by light industrial, which include retail, storage, warehousing and flats.
- The average land parcel sizes in the area range between 600 – 3,500m², with several bigger blocks ranging beyond 10,000m².

Spatial planning mechanisms

- None

Key highlights of the area include:

- The area started to establish itself from the 1990s and developed into an industrial economic area.
- The area is made up of a diverse community cluster, which generally supports the non-residential functions within the area.

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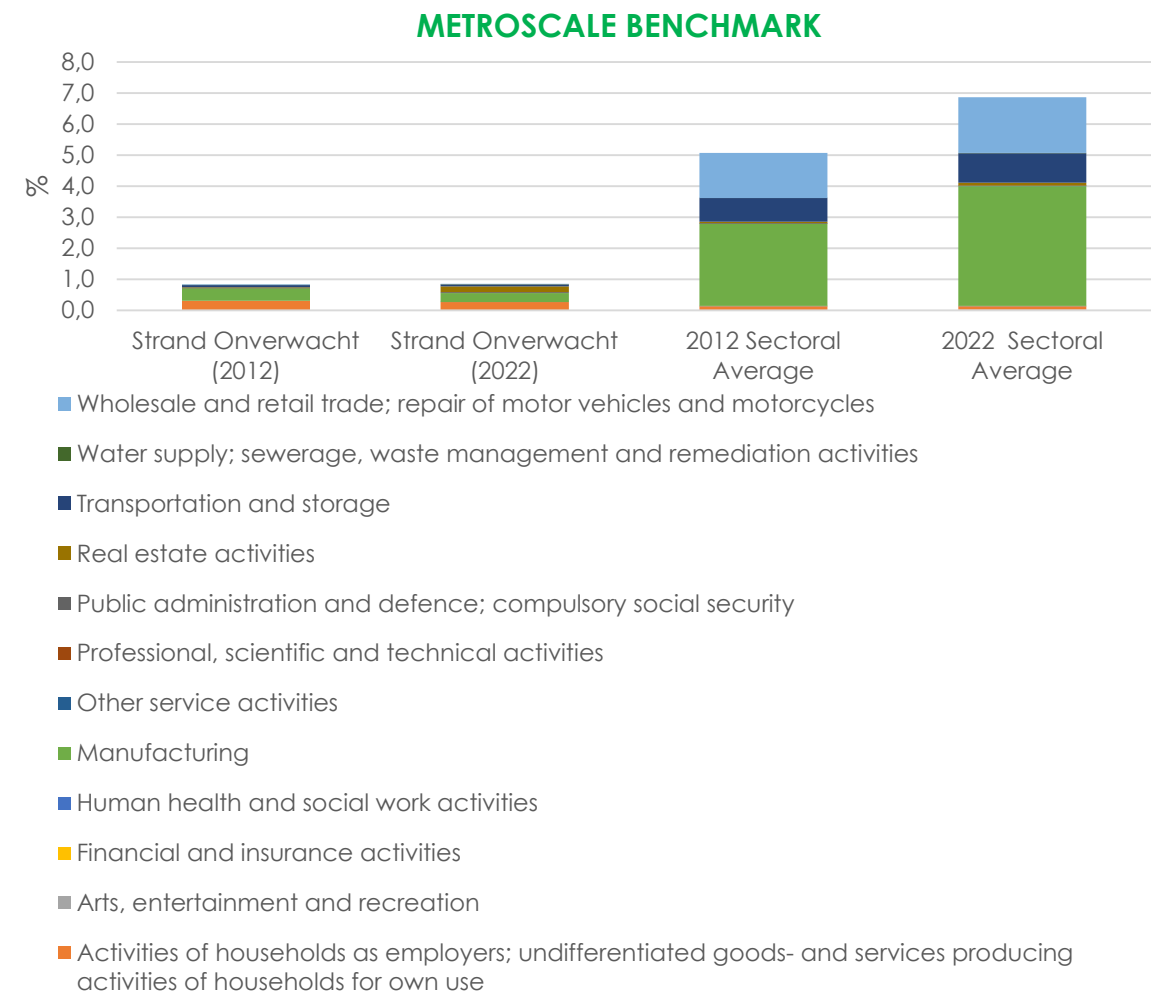
Market performance

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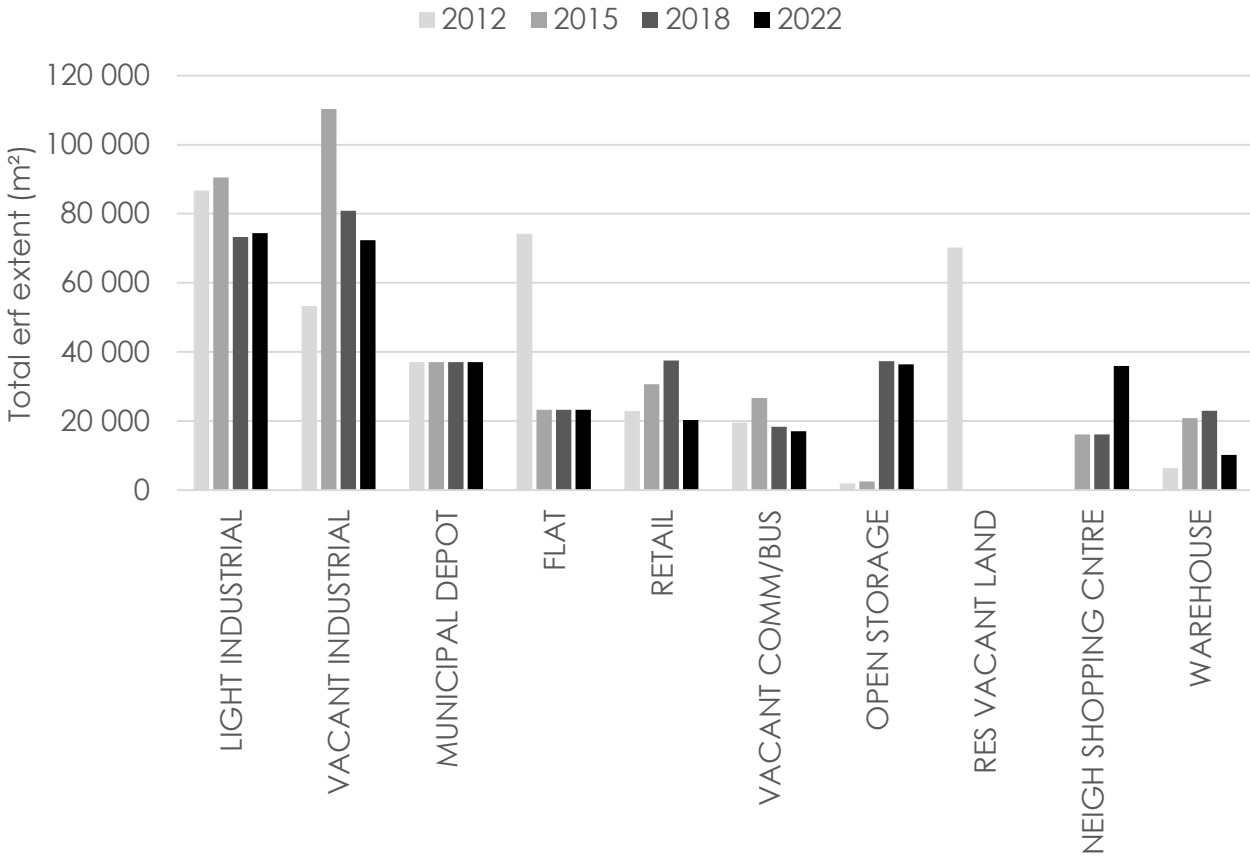
LAND USE ACTIVITIES

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.

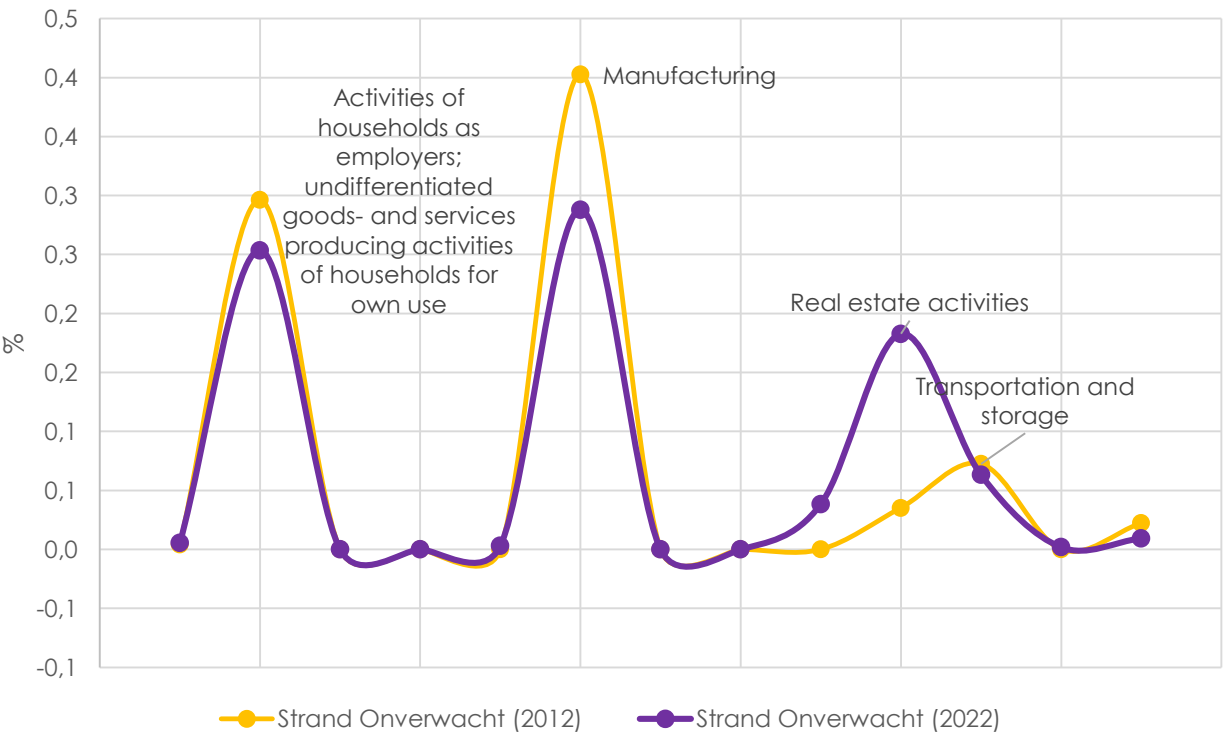
- Between 2012 and 2022, Strand Onverwacht was mainly characterised by a greater propensity for manufacturing, household activities, real estate and transport & storage, as reflected in the **Nodal Typology**. The nodal typology highlights industries with the most floor area (m²) operating within an economic area.
- The **MetroScale Benchmarking** positions Strand Onverwacht 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 household and 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 light industrial, depots, flats, retail, storage and warehousing.



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)

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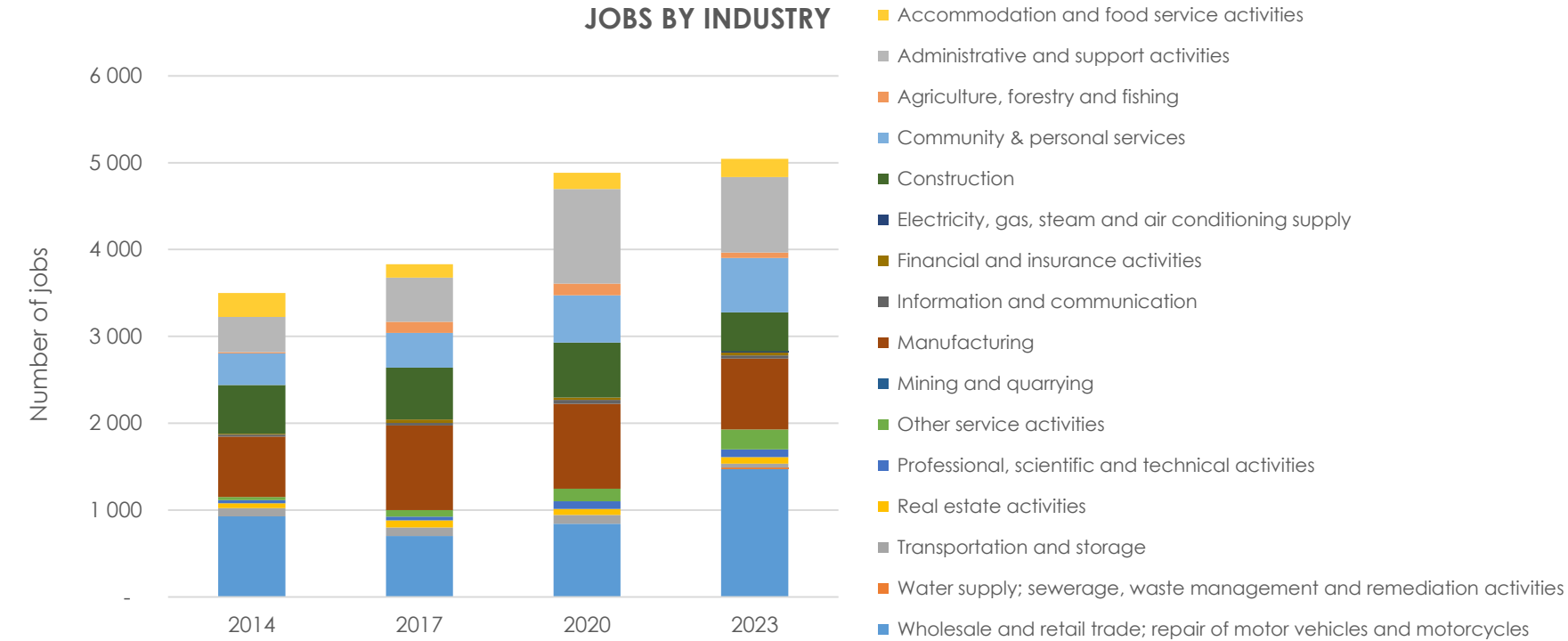
Agglomeration of industries

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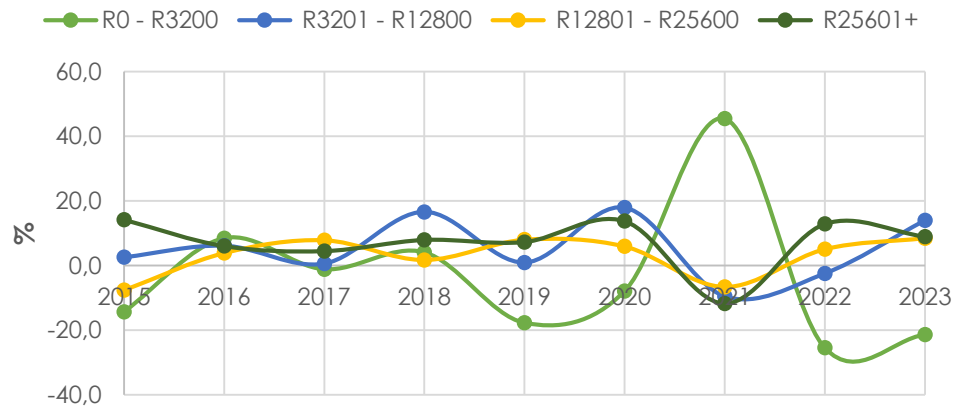
Performance & Potential

EMPLOYMENT OVERVIEW & FIRM TYPOLOGIES

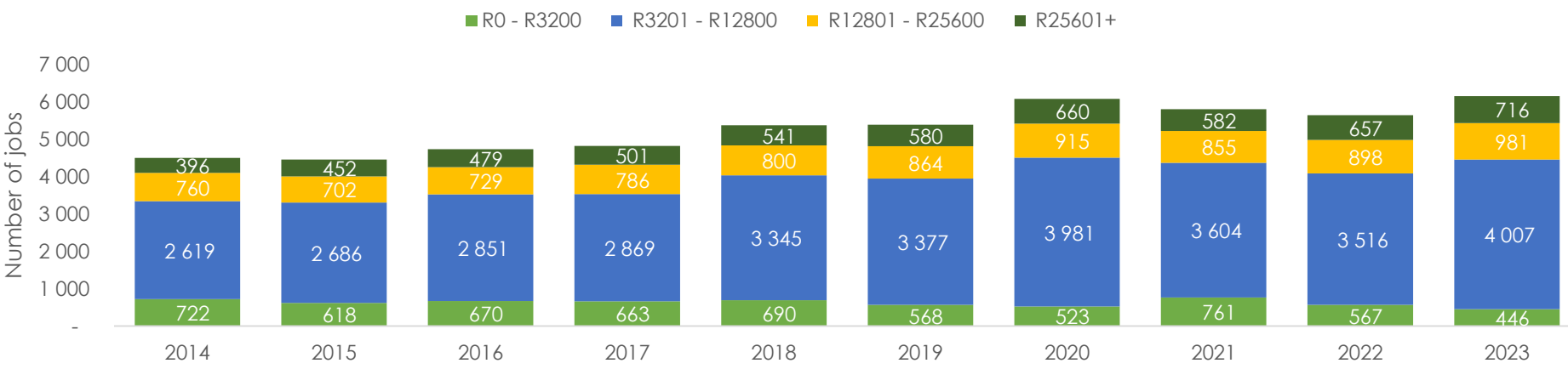
JOBS BY INDUSTRY



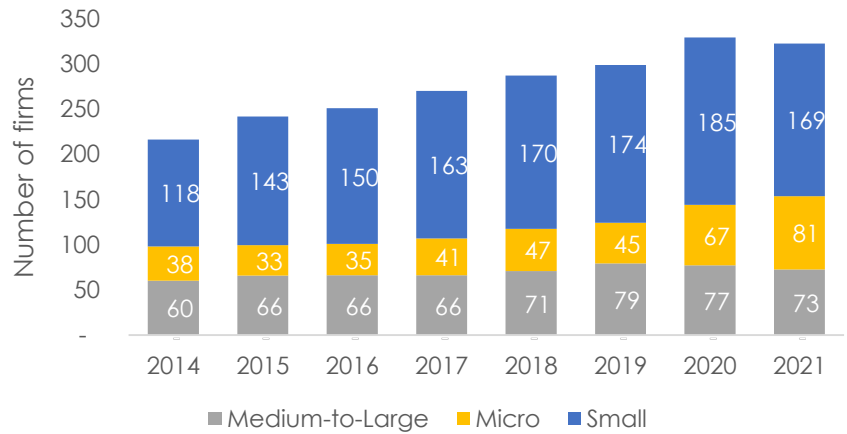
YEAR ON YEAR % CHANGE OF FULL TIME EMPLOYMENT WITHIN EACH WAGE BAND



FULL TIME EMPLOYMENT BY WAGEBAND



NUMBER OF FIRM TYPOLOGIES



Jobs/Firms

The number of job opportunities in the Strand Onverwacht area gradually increased from 3,500 to 5,000 jobs between 2014 and 2023. Over time, most jobs have been concentrated across a mix of industries, namely, community & personal activities, construction, wholesale & retail, manufacturing and also administrative activities.

The total number of firms in the area increased from 210 to 320 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 limited number of employees earning in the 2 upper income brackets.



Spatial hexagons in which SARS data has been captured and overlaid with Strand Onverwacht 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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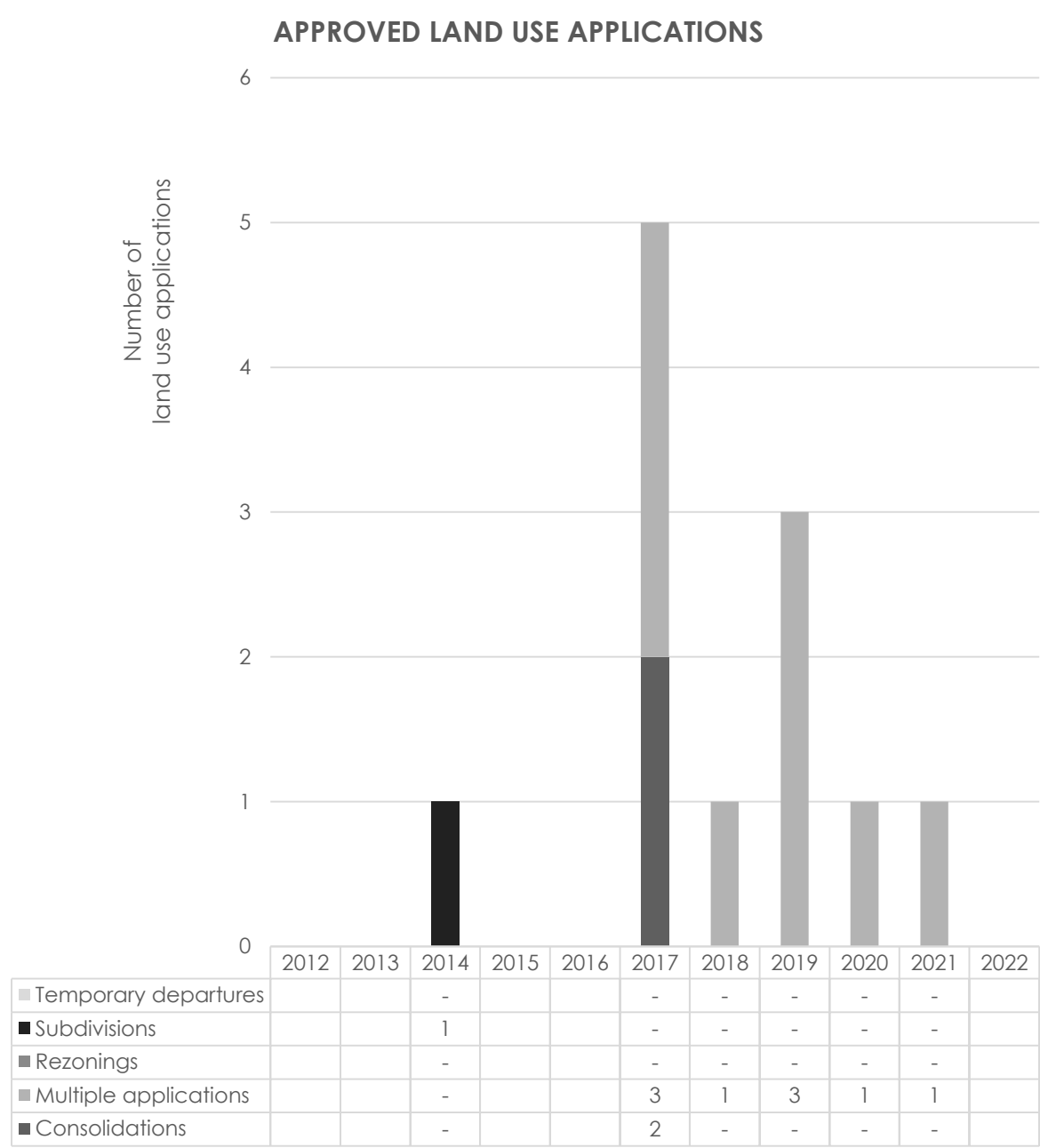
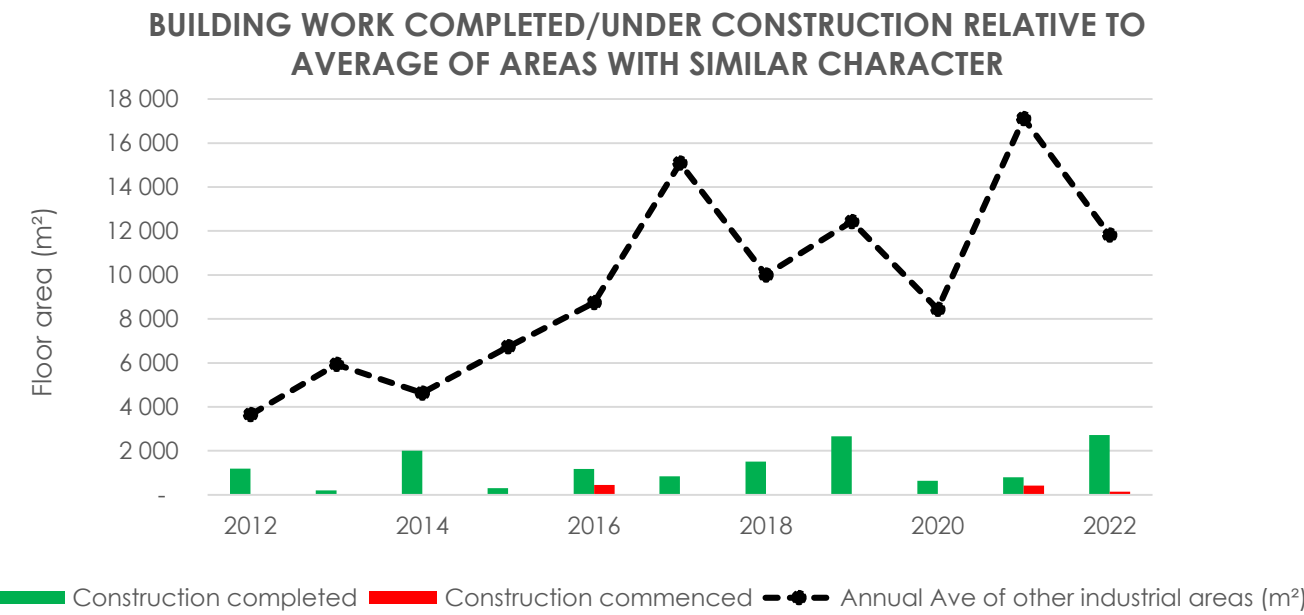
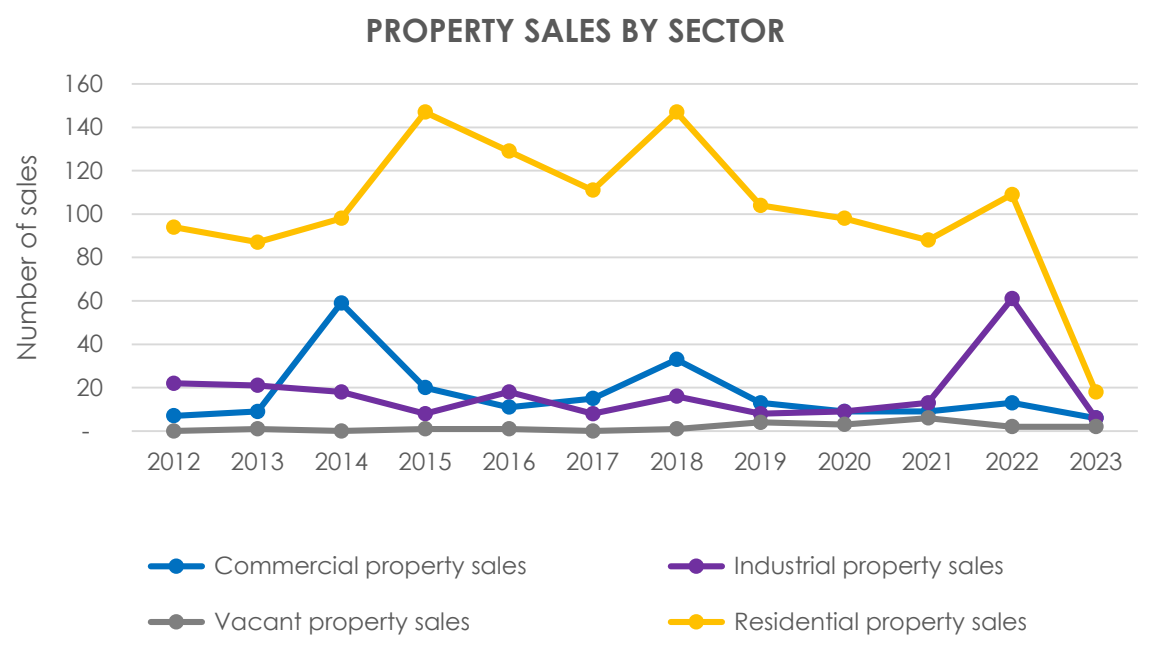
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DEVELOPMENT PIPELINE



Property Sales
Between 2012 and 2022, residential property sales were the highest when compared to other sectors, while property sales for the commercial and industrial sectors fluctuated across each year over the 10 years. Commercial sales were at their peak in 2014 and 2018, while the industrial sales were at their peak in 2022, although both were still lower than the residential sales.

Land Use Applications
The area experienced minimal approvals granted, with most approvals granted for multiple applications. Multiple application approvals 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 consistently low over the past decade and remained below the metro's annual average when compared to other industrial areas.

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

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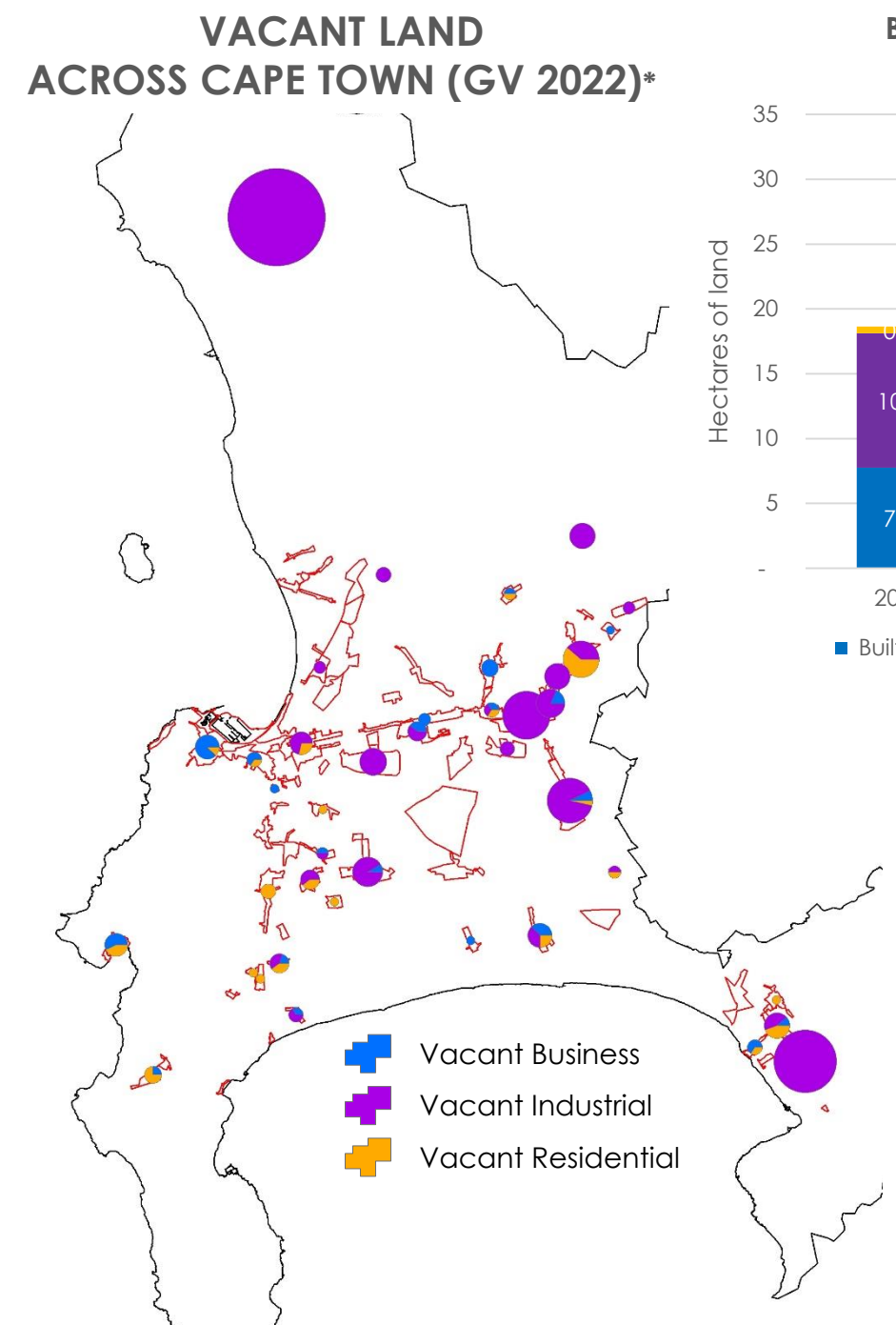
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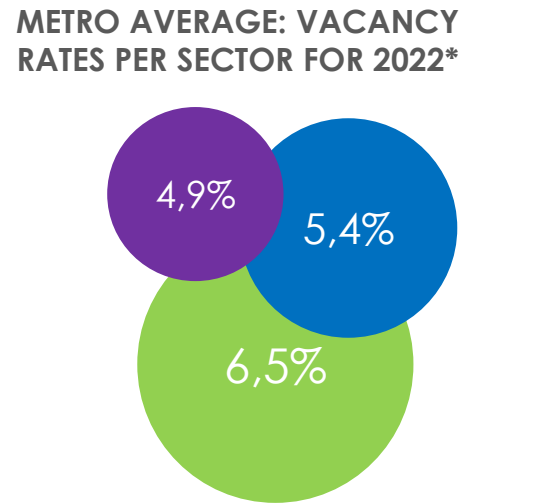
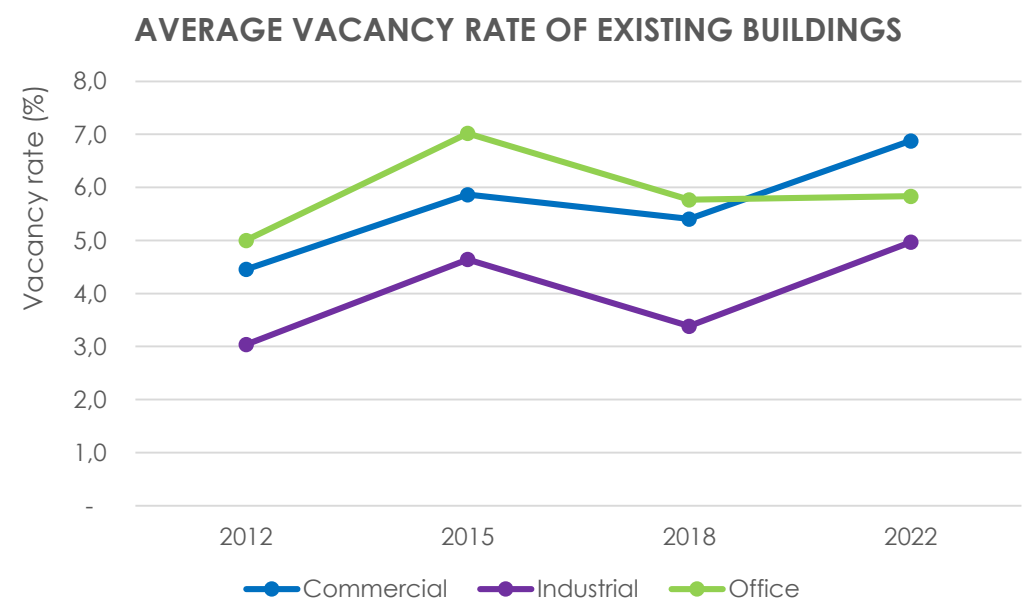
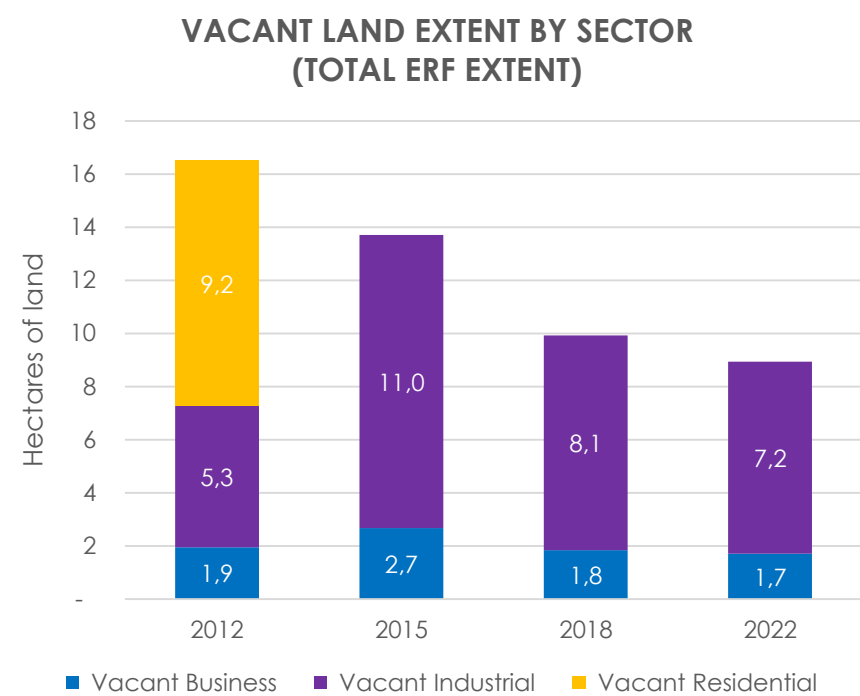
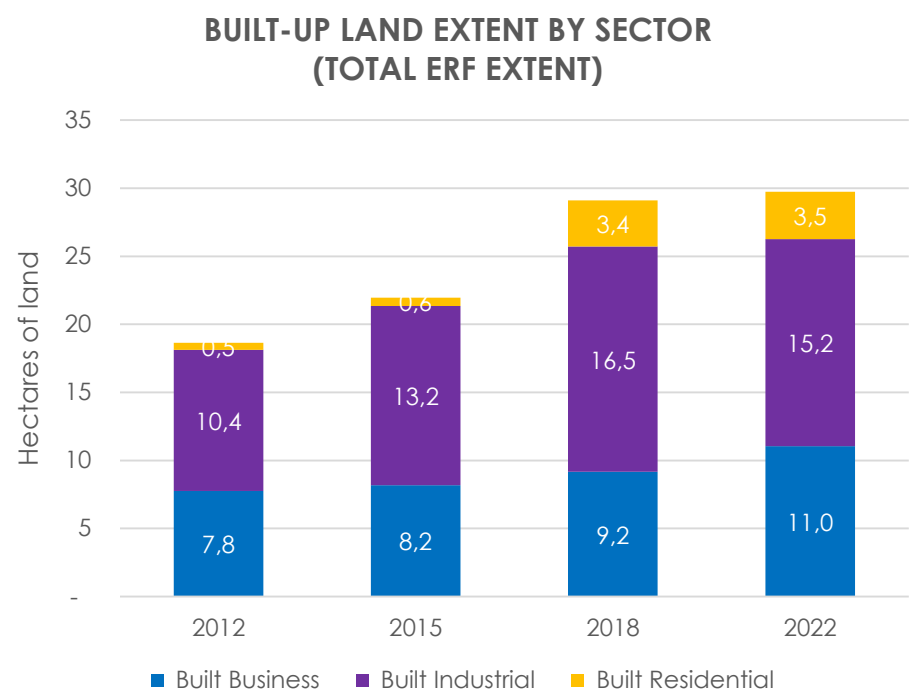
Market performance

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Number of land parcels that are vacant by size			
Erf Size	Commercial	Industrial	Residential
1) 1-250m²			
2) 251-500m²			
3) 501-1000m²	2	10	
4) 1001-2500m²		4	
5) 2501-5000m²		6	
6) 5001-10000m²	2	2	
7) >10000m²		1	

Source: City's General Valuation Roll and Market Reports



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 experienced growth in terms of the built-up land, with a considerable amount of vacant land remaining, 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
Alongside vacant land, the vacancy rates for existing buildings in the industrial sector increased from 3% in 2012 to 5% in 2022. The commercial sector increased from 4,5% in 2012 to 6,9% in 2022, while the office sector increased from 5% to 5,8%.

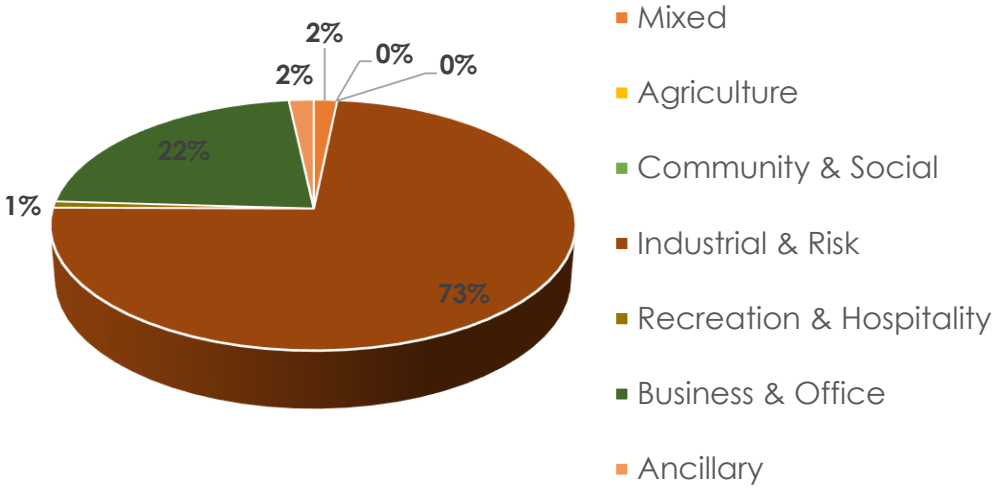
*A metro view that provides further context relative to this economic area.

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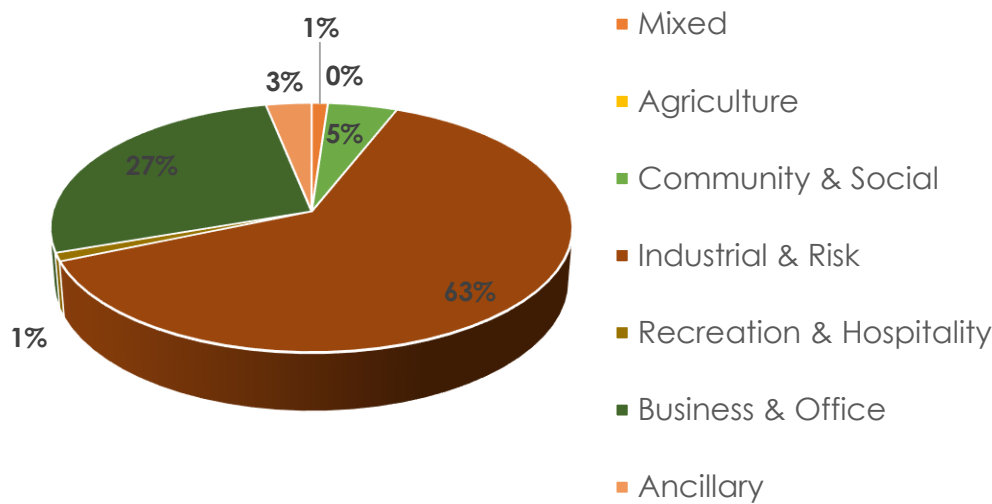
AGGLOMERATION OF INDUSTRIES

SECTORAL AGGLOMERATION AND CO-AGGLOMERATION RELATIONSHIPS

% OF LAND USE GROUPS (2012)



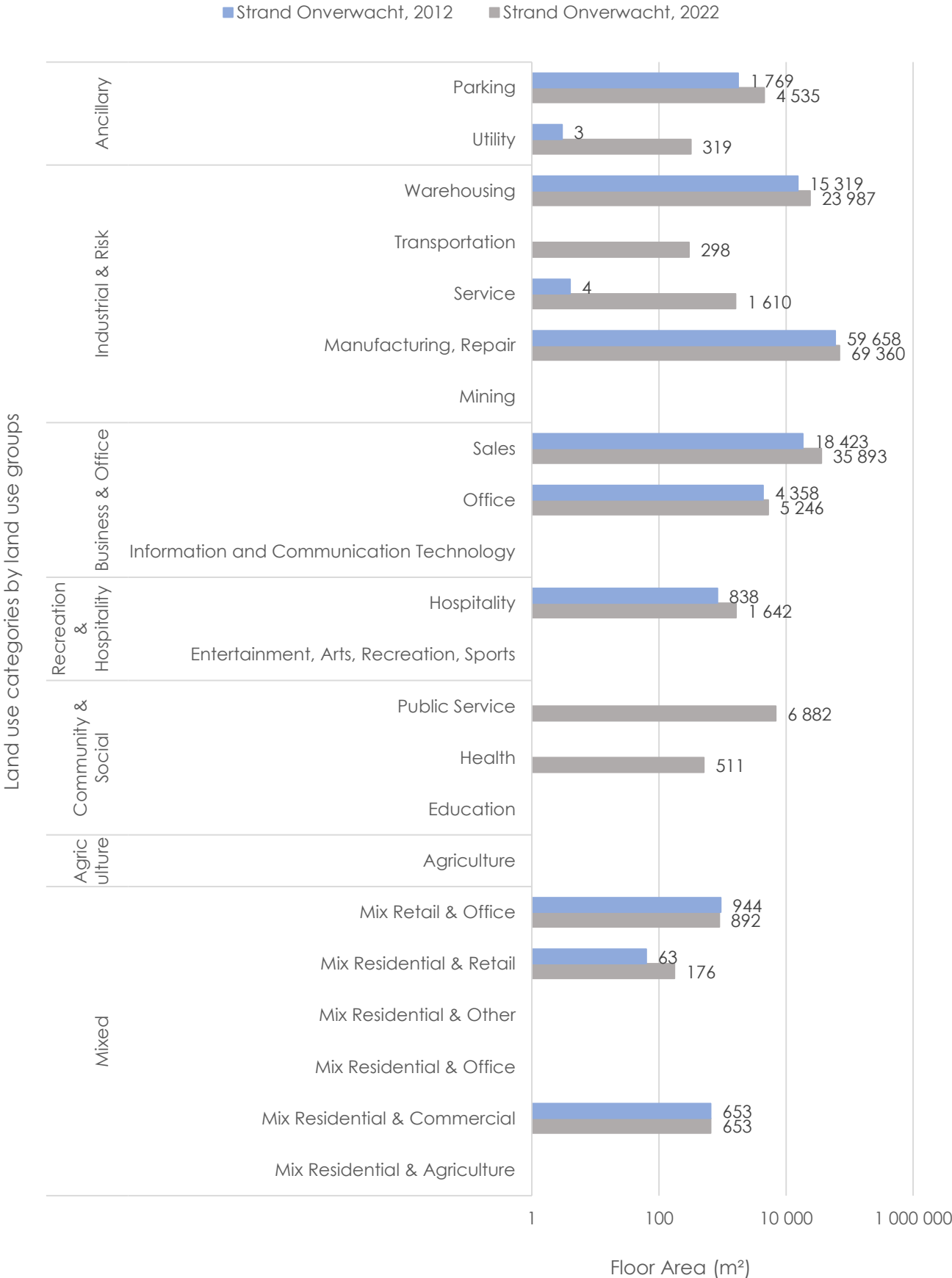
% OF LAND USE GROUPS (2022)



The pie charts illustrate the percentage distribution of land use groups in Strand Onverwacht. 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 manufacturing, sales and warehousing have maintained significant dominance, with a noteworthy presence of office space. There is also a presence of other land uses, which can be seen to be in support of the most dominant land uses.

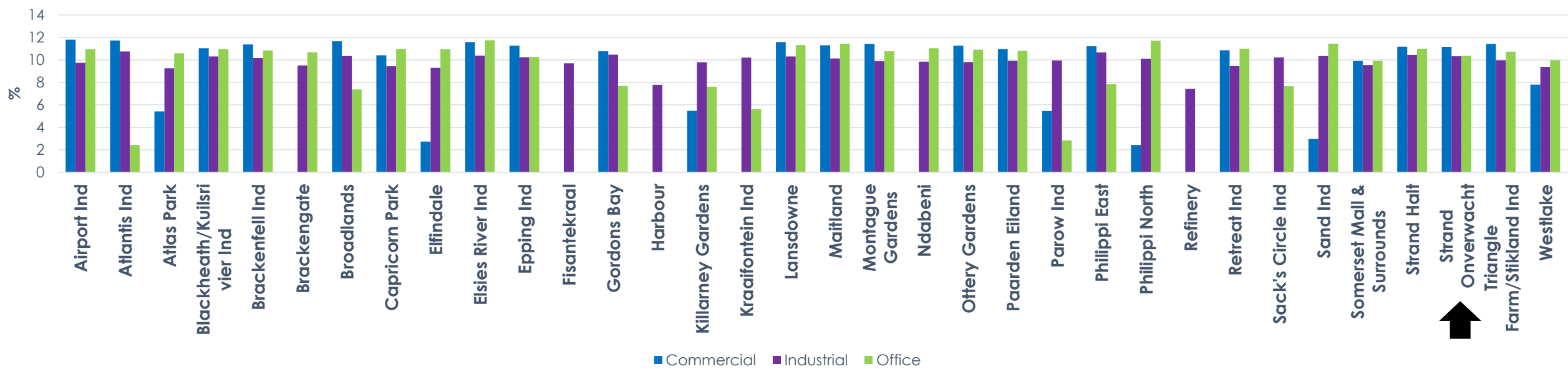
FLOOR AREA PER LAND USE CATEGORY FOR 2012 AND 2022



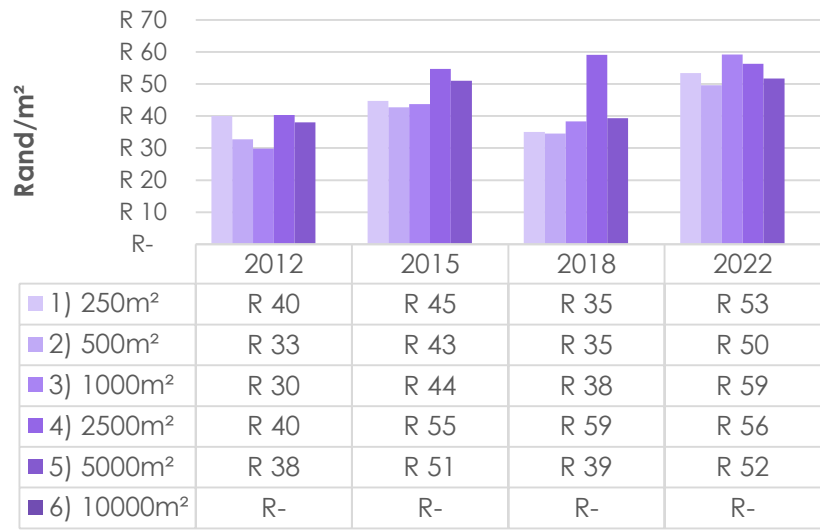
Source: Analysis of GV data (May 2024)

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



INDUSTRIAL RENTALS

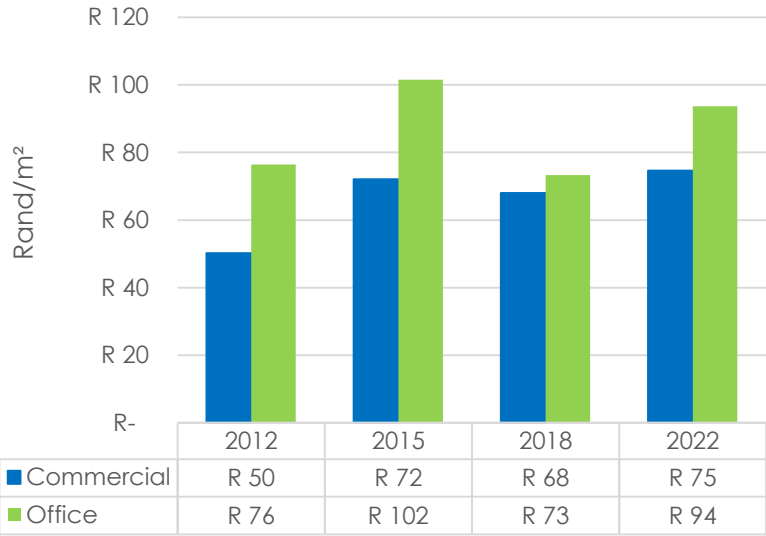


Rental rates

Rental rates across all industrial spaces gradually increased between 2012 and 2022, with rental prices almost similar for both small and larger spaces by 2022.

Both office and commercial rentals fluctuated between 2012 and 2022, with office rentals being the highest.

COMMERCIAL AND OFFICE RENTALS



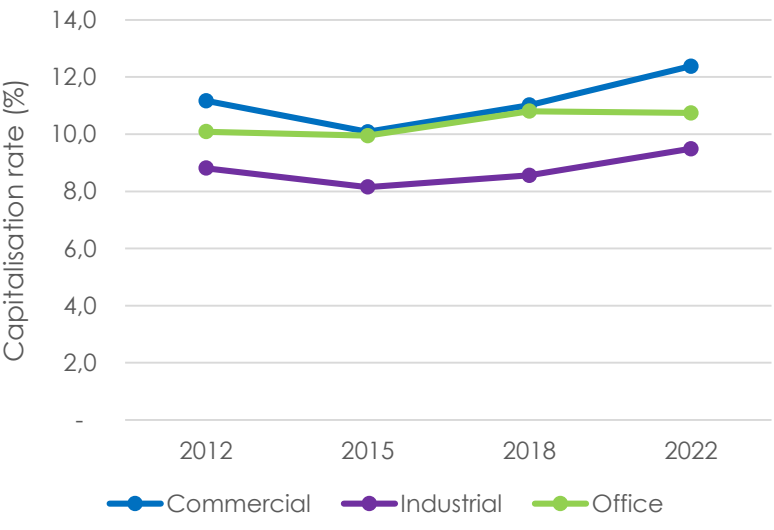
Comparative view on capitalisation rates

The average capitalisation rate between 2012 and 2022 for commercial, industrial and office sectors has been 11,16%, 10,33% and 10,35%, respectively and further indicates its competitiveness relative to other industrial areas.

Year on year capitalisation rates for the industrial sector increased from 8,8% in 2012 to 9,5% in 2022. The commercial sector increased from 11,2% in 2012 to 12,4% in 2022, while the office sector increased from 10,1% to 10,7%.

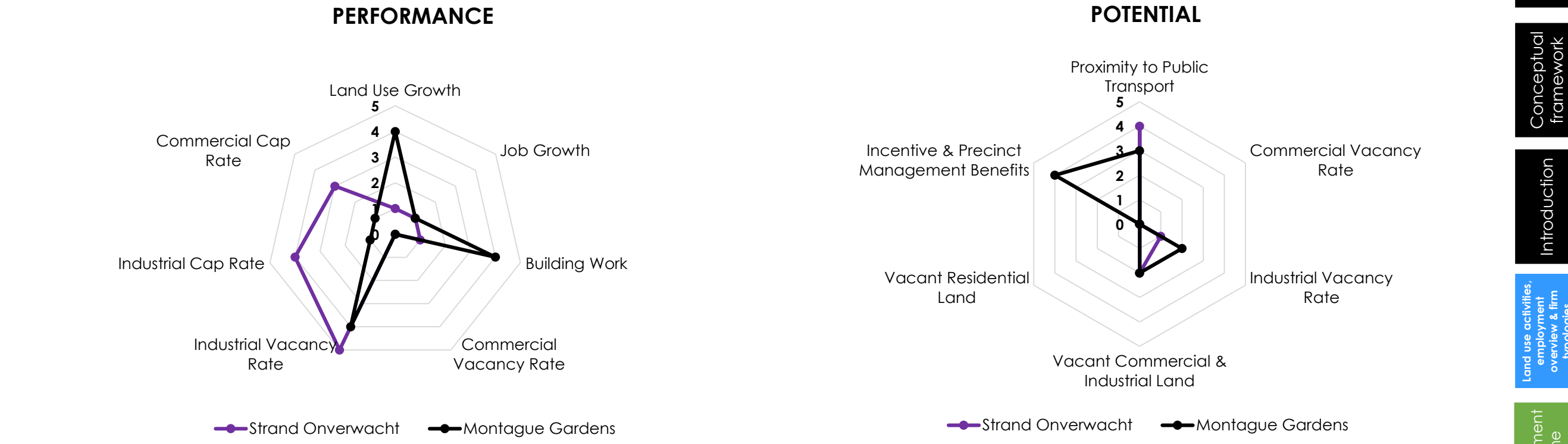
- Higher cap rates = higher investment risk.
- Lower cap rates = lower investment risk.

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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