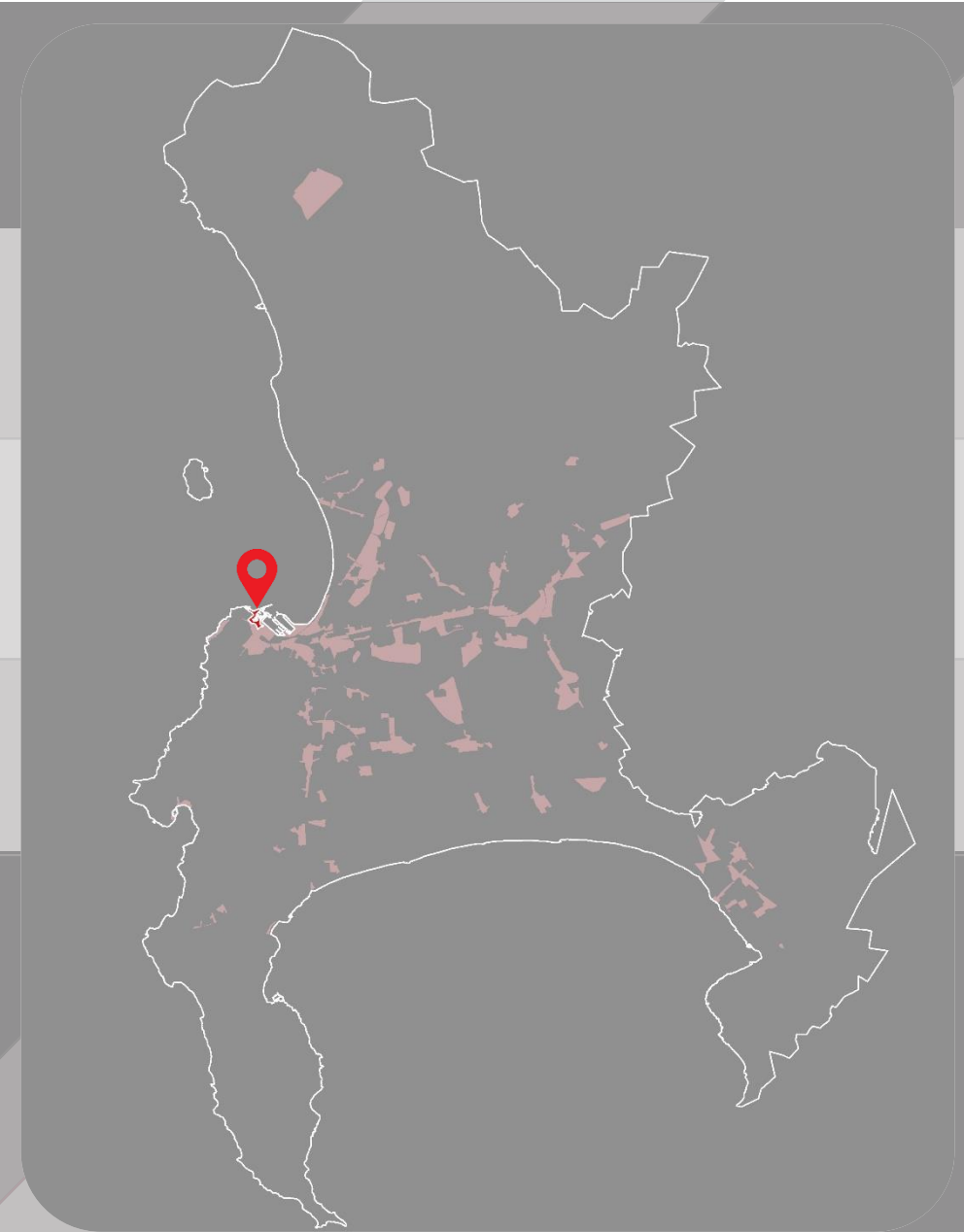


WATERFRONT ECONOMIC AREA PROFILE

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:



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

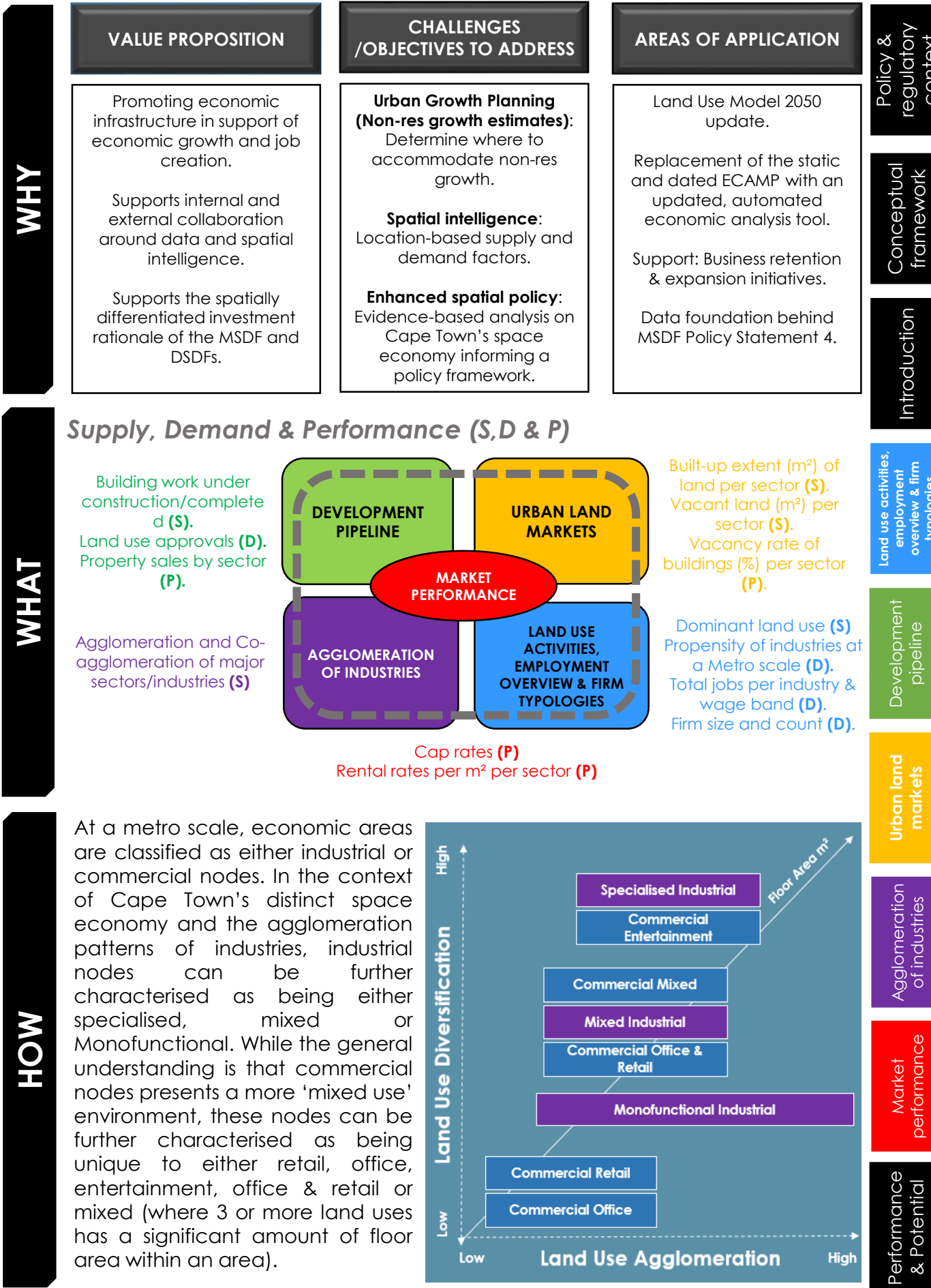
This profile examines a range of micro-economic indicators to highlight trends in supply and demand specific to the economic area. The indicators include:

- 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 \(MERO\)](#)





WATERFRONT

Location

- The area is adjacent to Cape Town's Central Business District and the Port of Cape Town. Furthermore, it is located 23km from Cape Town International Airport.
- It is also situated in proximity to where the N1 and N2 highways converge, allowing access to areas across Cape Town. It is also located near the broader Atlantic Seaboard.
- In terms of public transport, the area is serviced by feeder networks from the Cape Town CBD area and is serviced by MyCiTi and taxis.
- Due to its location, the area also attracts a skilled workforce from areas across Cape Town.

Zoning, land use and form

- The area is predominantly zoned for business, mixed and transport purposes.
- The area is mainly characterised by retail, residential and hospitality, which include malls, recreation areas, hotels, boat building/repairs, warehousing and office accommodation.
- The average land parcel sizes in the area range between 2,500 – 10,000m².

Spatial planning mechanisms

- None

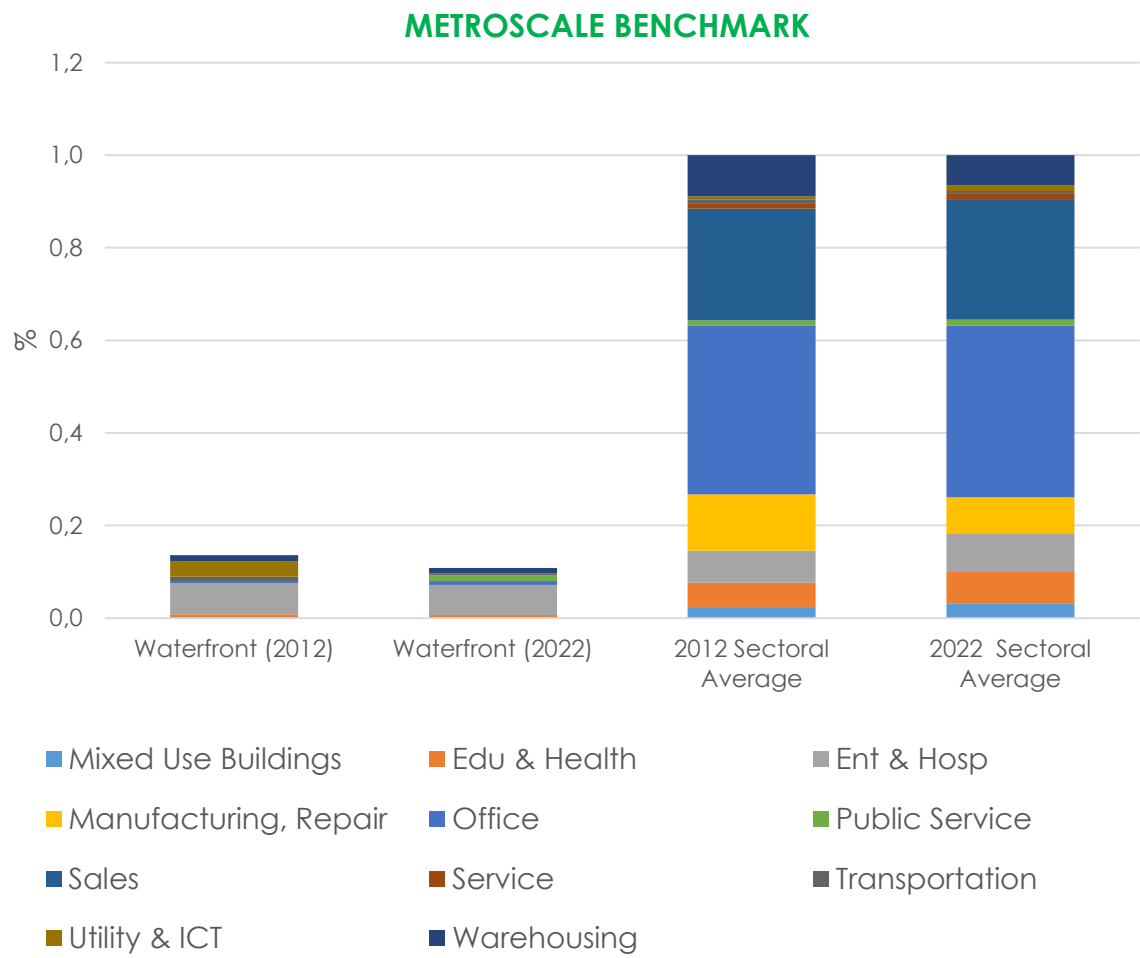
Key highlights of the area include:

- The area began to establish itself in the early 1900s, developing into a commercial and economic hub.
- The V&A Waterfront in Cape Town is a bustling hub offering a blend of attractions, from historical sites and museums to shopping, dining, and entertainment.
- Other highlights include the Two Oceans Aquarium, the Zeitz Museum of Contemporary Art Africa (Zeitz MOCAA), the Cape Wheel, and the opportunity to visit Robben Island.
- Battery Park, being one of the recent developments, offers a variety of activities, including a skate park, basketball court, and a canal area for kayaking and stand-up paddling.
- Along the edges closer to the port is where boat building, repairs and warehousing can be seen and integrates well with the backdrop of Table Mountain and the connection with the ocean.

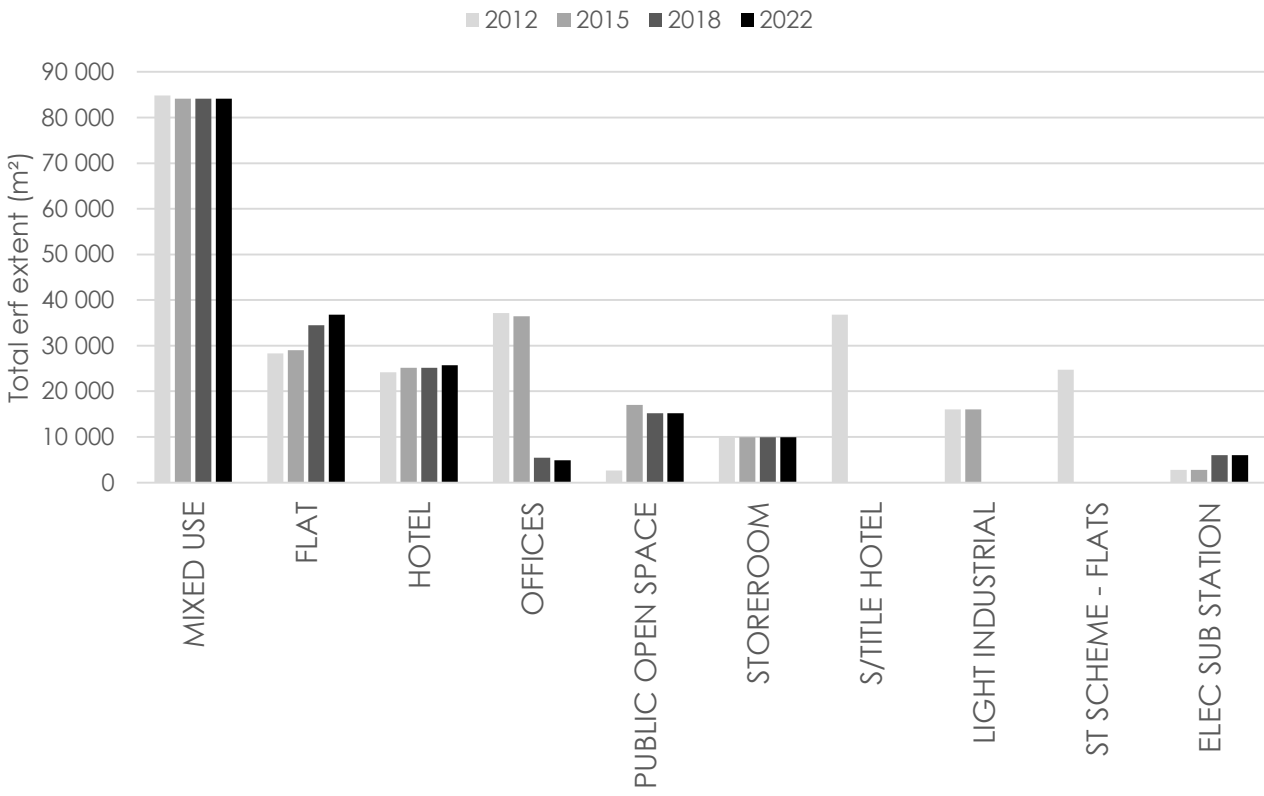
LAND USE ACTIVITIES

A recent analysis involved the conversion of land use codes contained in the General Valuation Roll (GV Roll) into Standard Industrial Classification (SIC) codes to determine the propensity of industries operating in areas of similar character. However, for the commercial nodes, the benchmarking and nodal typology have been drawn from the land use codes.

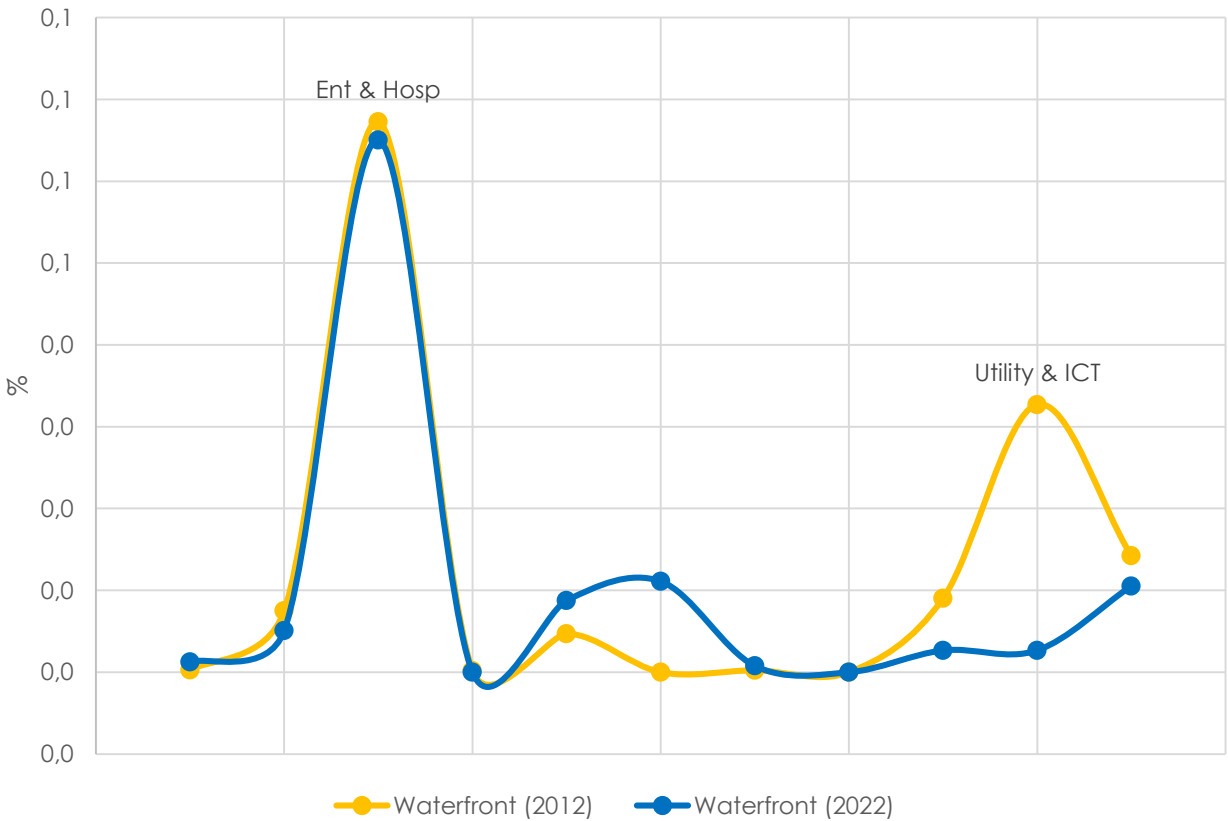
- Between 2012 and 2022, Waterfront was mainly characterised by a greater propensity for entertainment & hospitality and utility & ITC, as reflected in the **Nodal Typology**. The nodal typology highlights industries with the most floor area (m²) operating within an economic area.
- The **MetroScale Benchmarking** positions Waterfront to being a contributor of entertainment & hospitality, which performs higher than that of the sectoral average when measured against other commercial areas across Cape Town.
- Additionally, the GV Roll reflects land use data by showing the **dominant land use** over time based on the cumulative extent (m²) of floor area for mixed use, flats, hotels and office spaces.



TOP 10 MOST DOMINANT LAND USES BETWEEN 2012 AND 2022



NODAL TYPOLOGY FOR 2012 AND 2022 (Entertainment)

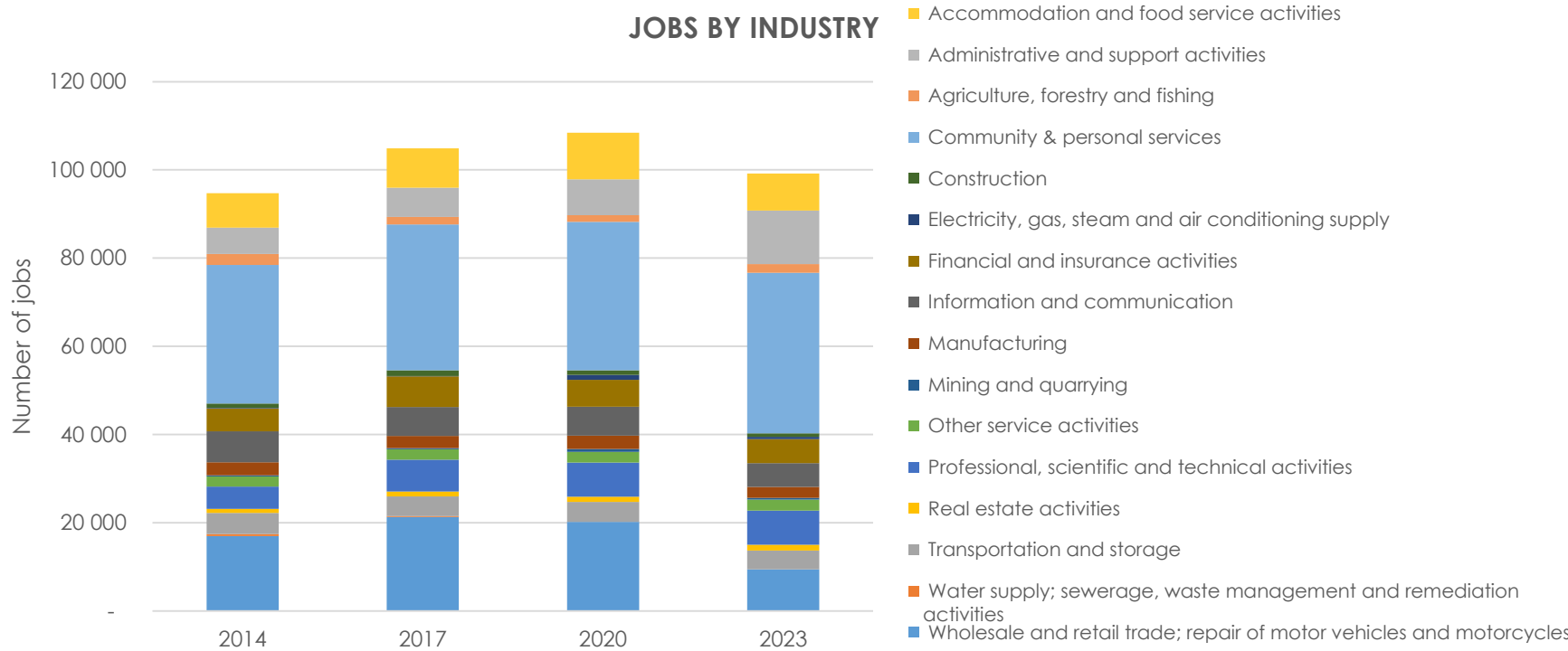


Source: 2012 – 2022 land use codes (May 2024 analysis)

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



Jobs/Firms

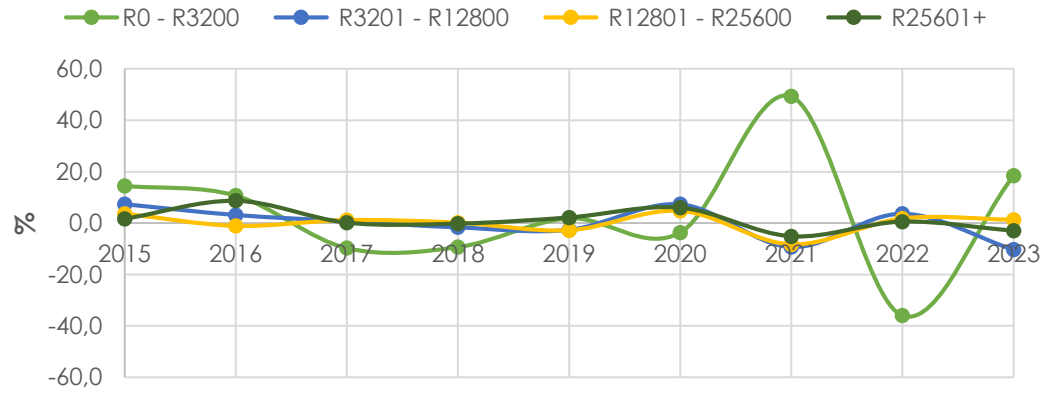
The number of job opportunities surrounding the Waterfront area increased from 98,000 to 108,000 between 2014 and 2020, but decreased between 2020 and 2023. However, an overall growth in jobs has been experienced, with most jobs concentrated in community & personal services, professional services, administrative services, wholesale & retail and accommodation & food services.

The total number of firms increased from 2,300 to 2,500 between 2014 and 2021. While medium-to-large firms have been the most dominant, there has also been a significant presence of small firms, including micro firms, with a limited number of dormant firms.

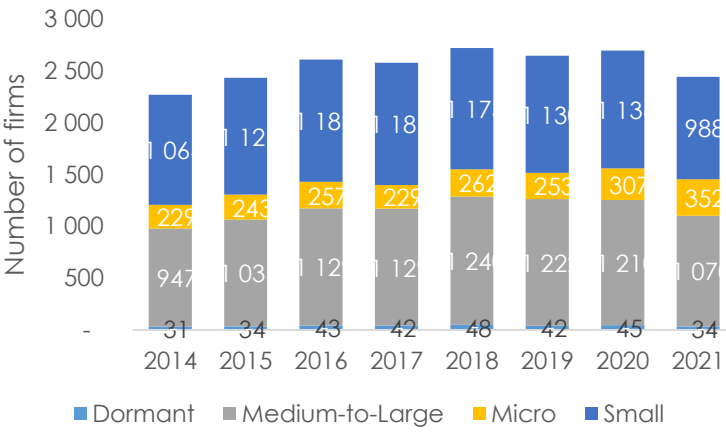
Income bands

The income bands indicate the skill levels of the employed workforce. The data suggests that a larger proportion of employees earn up to and beyond R25,601 per month. However, there is also a considerable number of employees earning up to R12,800.

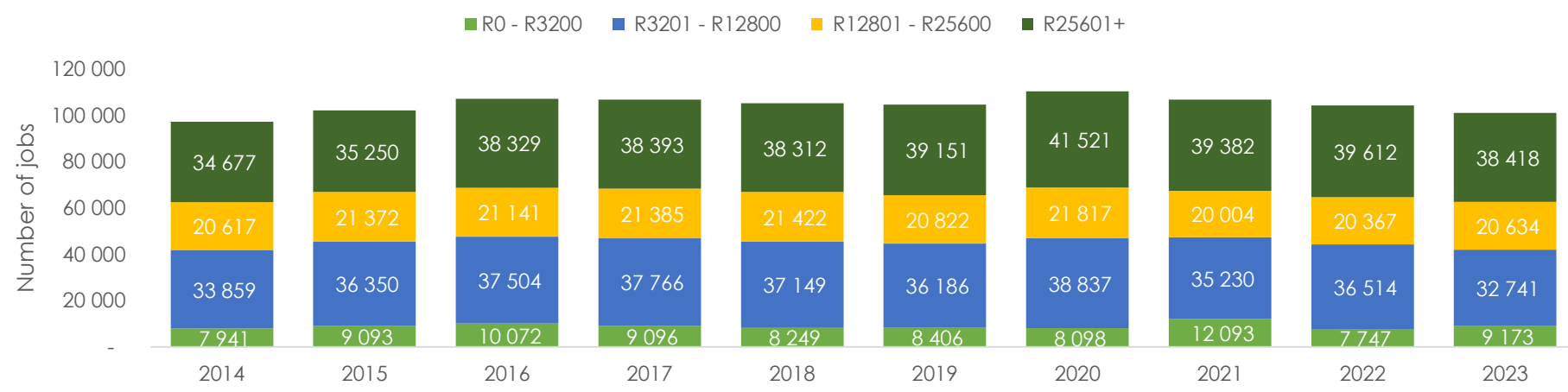
YEAR ON YEAR % CHANGE OF FULL TIME EMPLOYMENT WITHIN EACH WAGE BAND



NUMBER OF FIRM TYPOLOGIES



FULL TIME EMPLOYMENT BY WAGEBAND



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

Policy & regulatory context

Conceptual framework

Introduction

Land use activities, employment overview & firm typologies

Development pipeline

Urban land markets

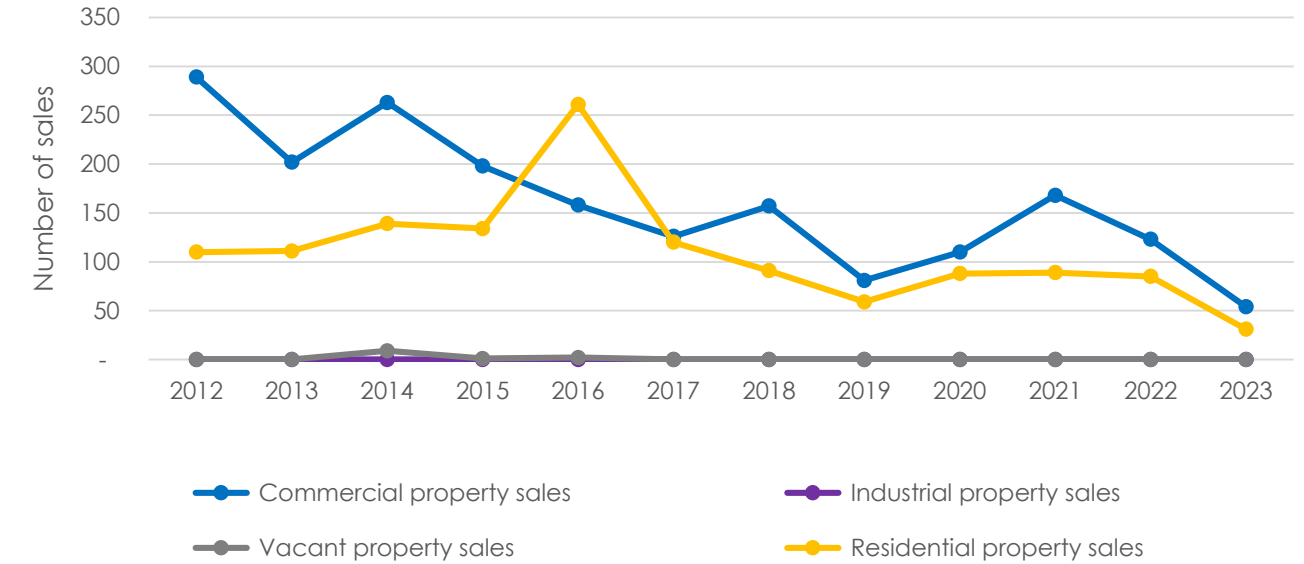
Agglomeration of industries

Market performance

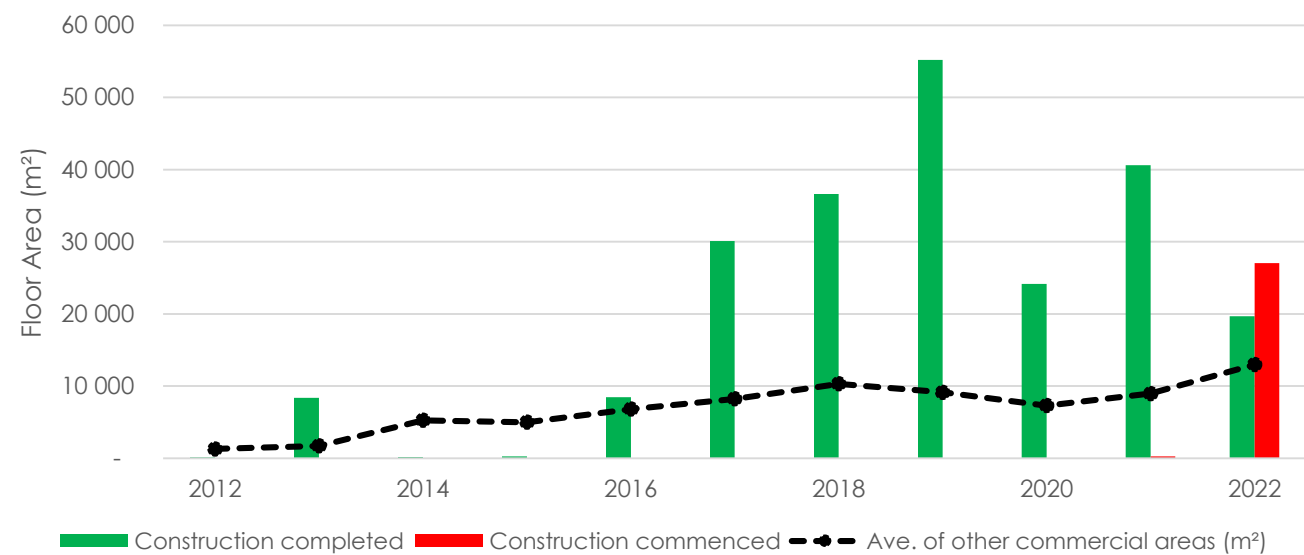
Performance & Potential

DEVELOPMENT PIPELINE

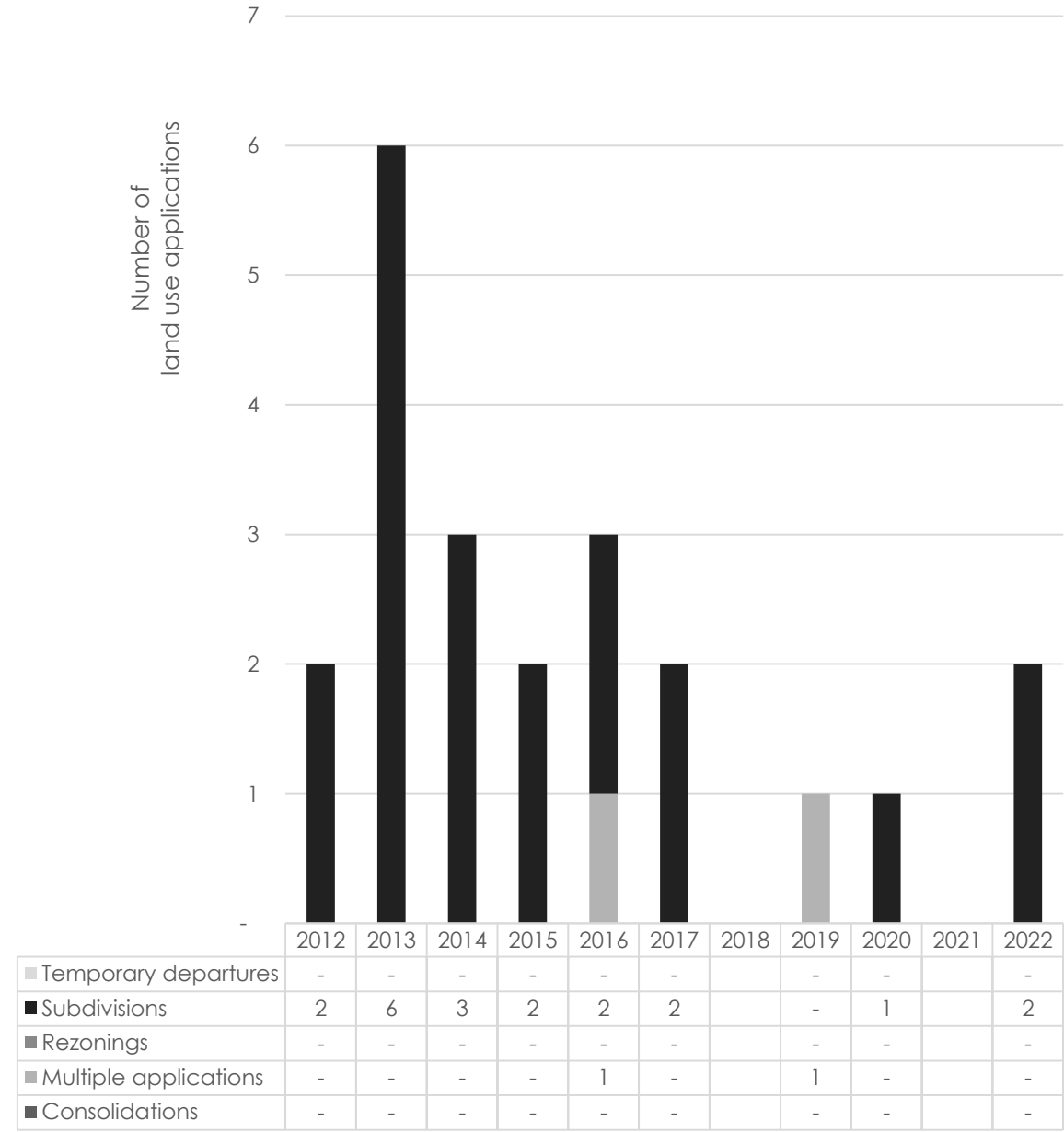
PROPERTY SALES BY SECTOR



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



APPROVED LAND USE APPLICATIONS



Property Sales

Between 2012 and 2022, both residential and commercial property sales fluctuated, with commercial being the higher of the two, whilst residential sales spiked in 2016, beyond that of the commercial sector. The commercial property sales were at their highest during the first 5 years and started to taper down towards 2023.

Land Use Applications

Most approvals during this period were highest for subdivisions, indicating a demand for a particular property size. While no significant approvals were granted, most of the development rights have already been in place for Waterfront.

Building Plans

In light of property sales and land use approvals, building activity has been active over the past decade and positioned well above the metro's annual average between 2017 and 2023 in comparison to other commercial areas.

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

Policy & regulatory context

Conceptual framework

Introduction

Land use activities, employment overview & firm typologies

Development pipeline

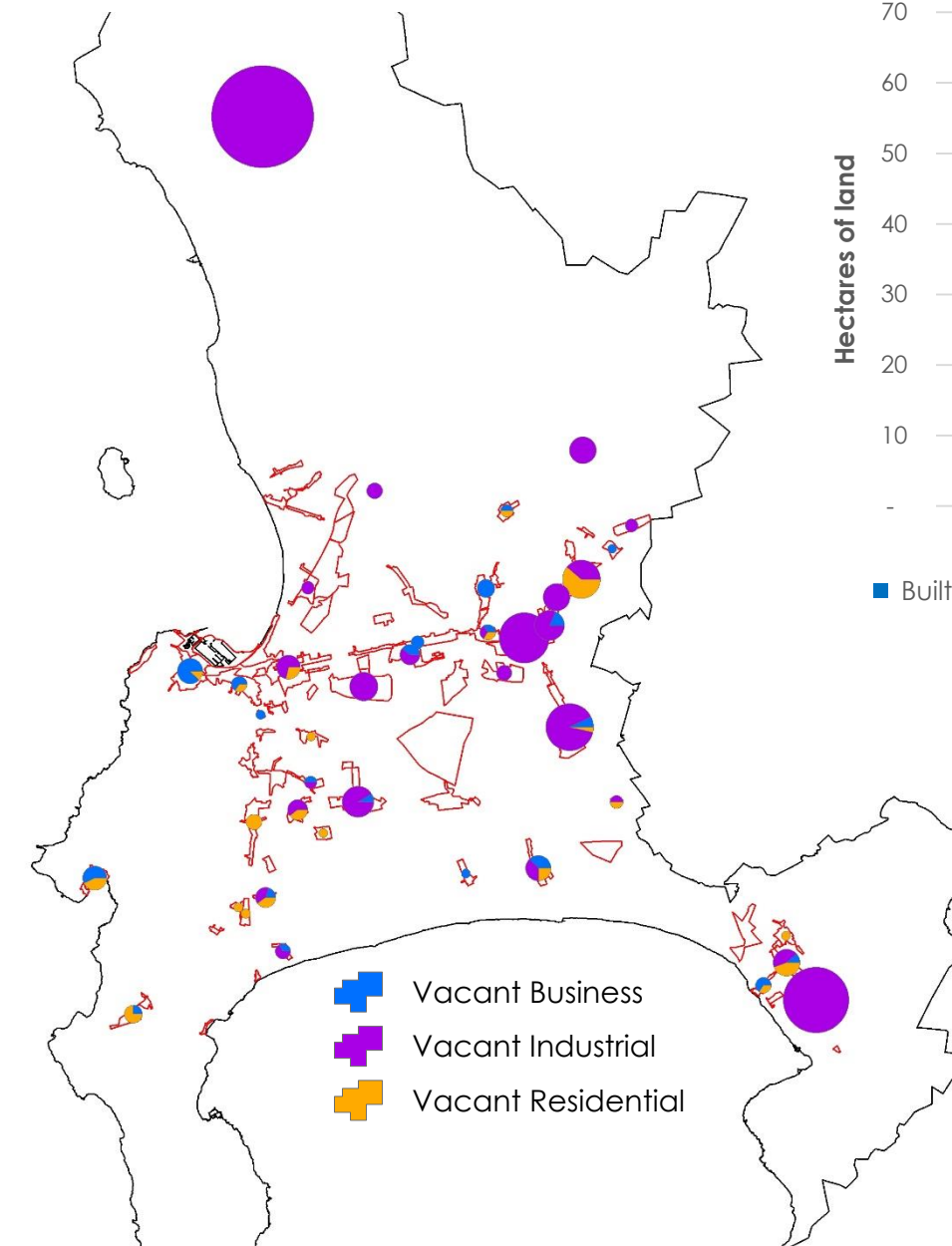
Urban land markets

Agglomeration of industries

Market performance

Performance & Potential

VACANT LAND ACROSS CAPE TOWN (GV 2022)*

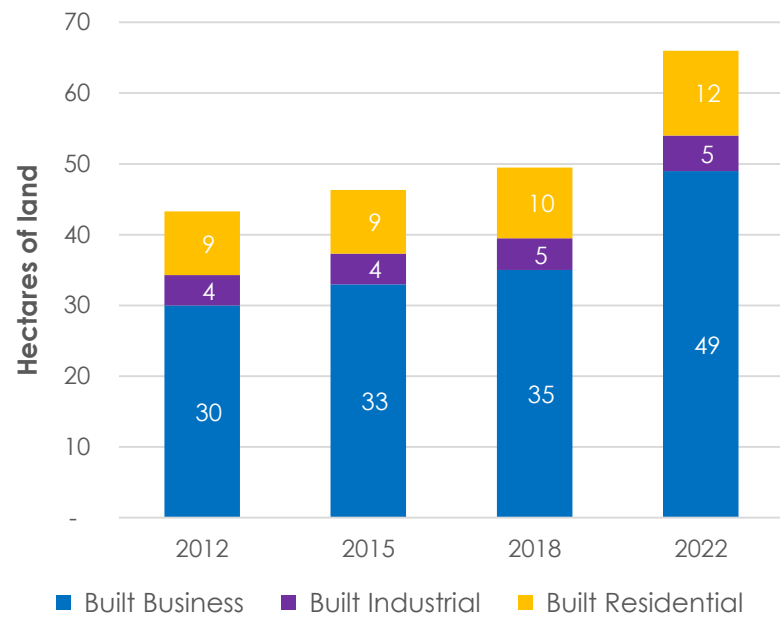


■ Vacant Business
■ Vacant Industrial
■ Vacant Residential

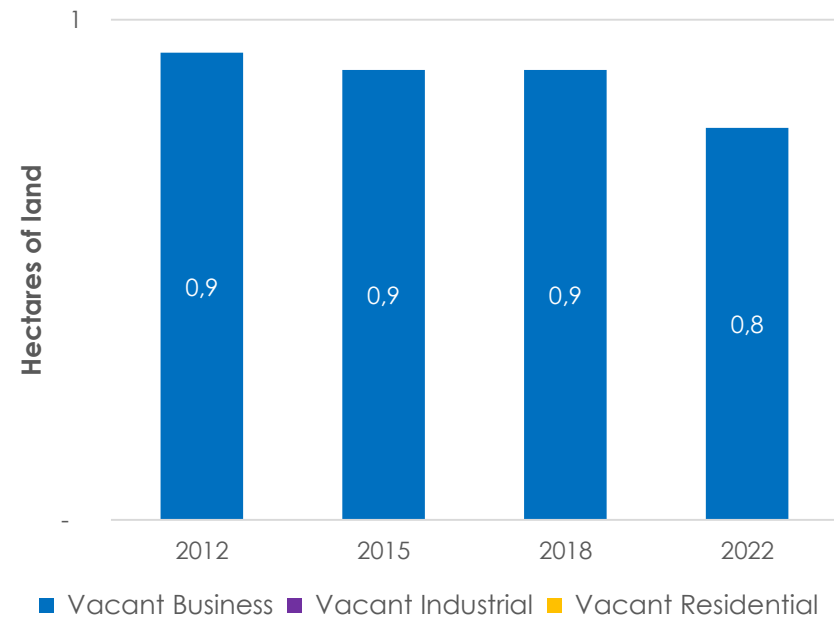
Number of land parcels that are vacant by size			
Erf Size	Commercial	Industrial	Residential
1) 1-250m ²			
2) 251-500m ²			
3) 501-1000m ²			
4) 1001-2500m ²			
5) 2501-5000m ²			
6) 5001-10000m ²	1		
7) >10000m ²			

Source: City's General Valuation Roll and Market Reports

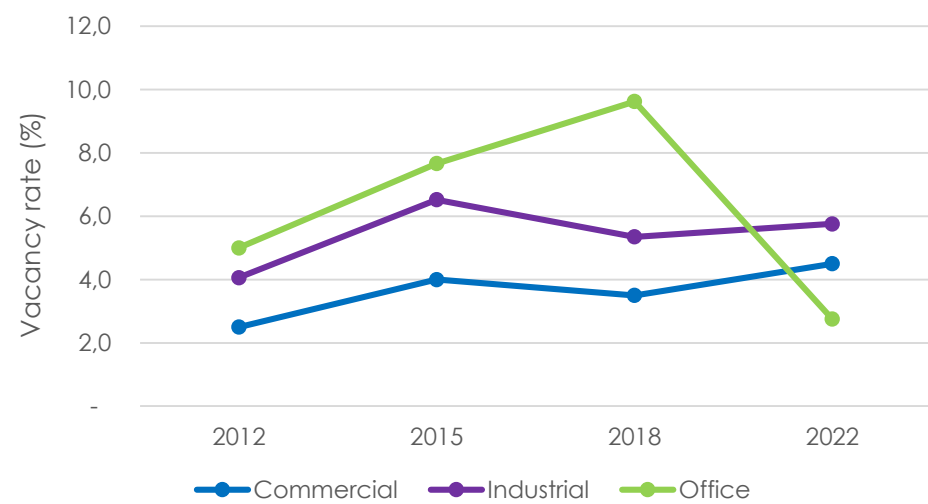
BUILT-UP LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



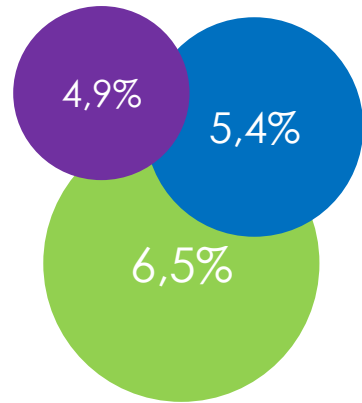
VACANT LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



AVERAGE VACANCY RATE OF EXISTING BUILDINGS



METRO AVERAGE: VACANCY RATES PER SECTOR FOR 2022*



Vacant Land

The map 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 intensified over time in terms of the built-up land, with very little vacant land available as of 2022, indicating a well-developed commercial area. Additionally, the remaining vacant land is categorized based on the number and size of the land parcels, as reflected in the accompanying table.

Vacancy Rates

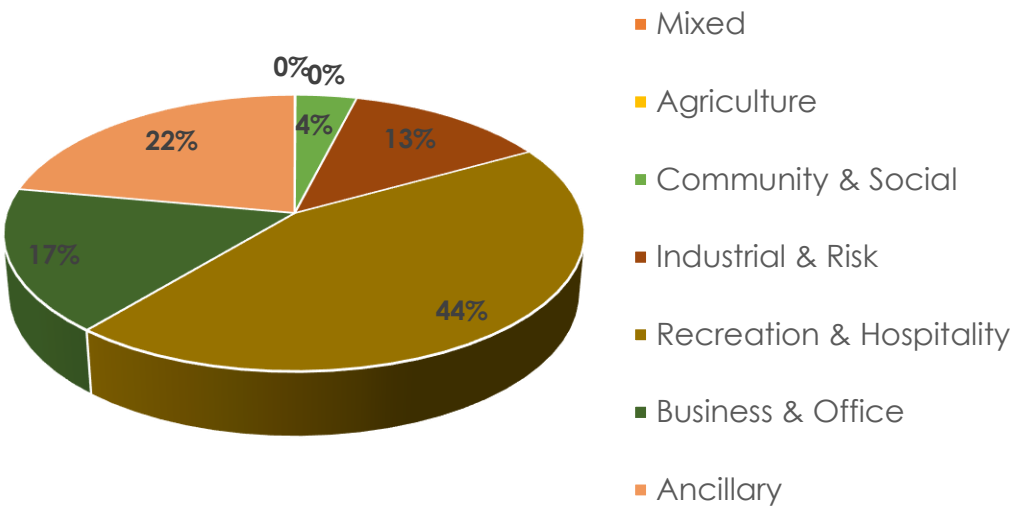
Alongside vacant land, the vacancy rates for existing buildings in the industrial sector increased from 4,1% in 2012 to 5,8% in 2022. Similarly, the commercial sector has also increased from 2,5% in 2012 to 4,5% in 2022, while the office sector decreased from 5% in 2012 to 2,8% in 2022.

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

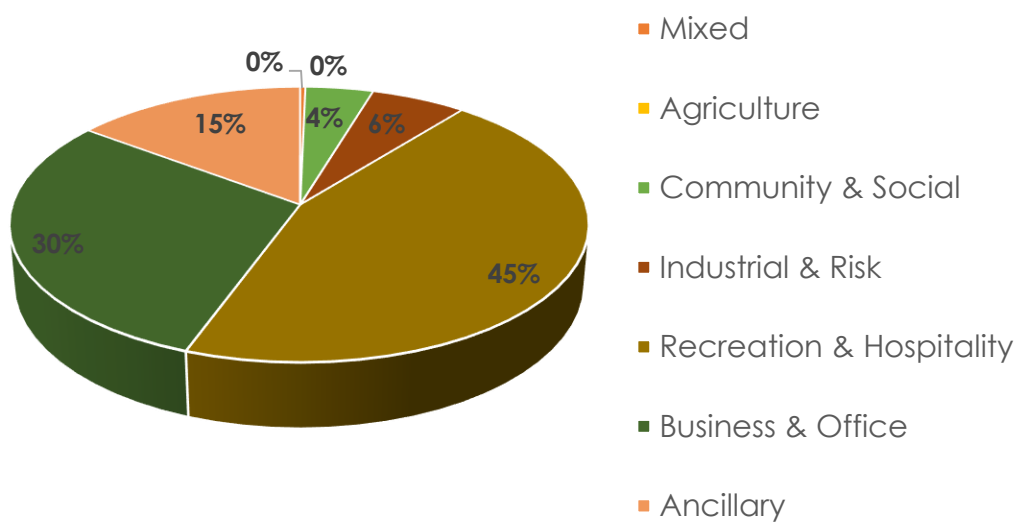
AGGLOMERATION OF INDUSTRIES

SECTORAL AGGLOMERATION AND CO-AGGLOMERATION RELATIONSHIPS

% OF LAND USE GROUPS (2012)



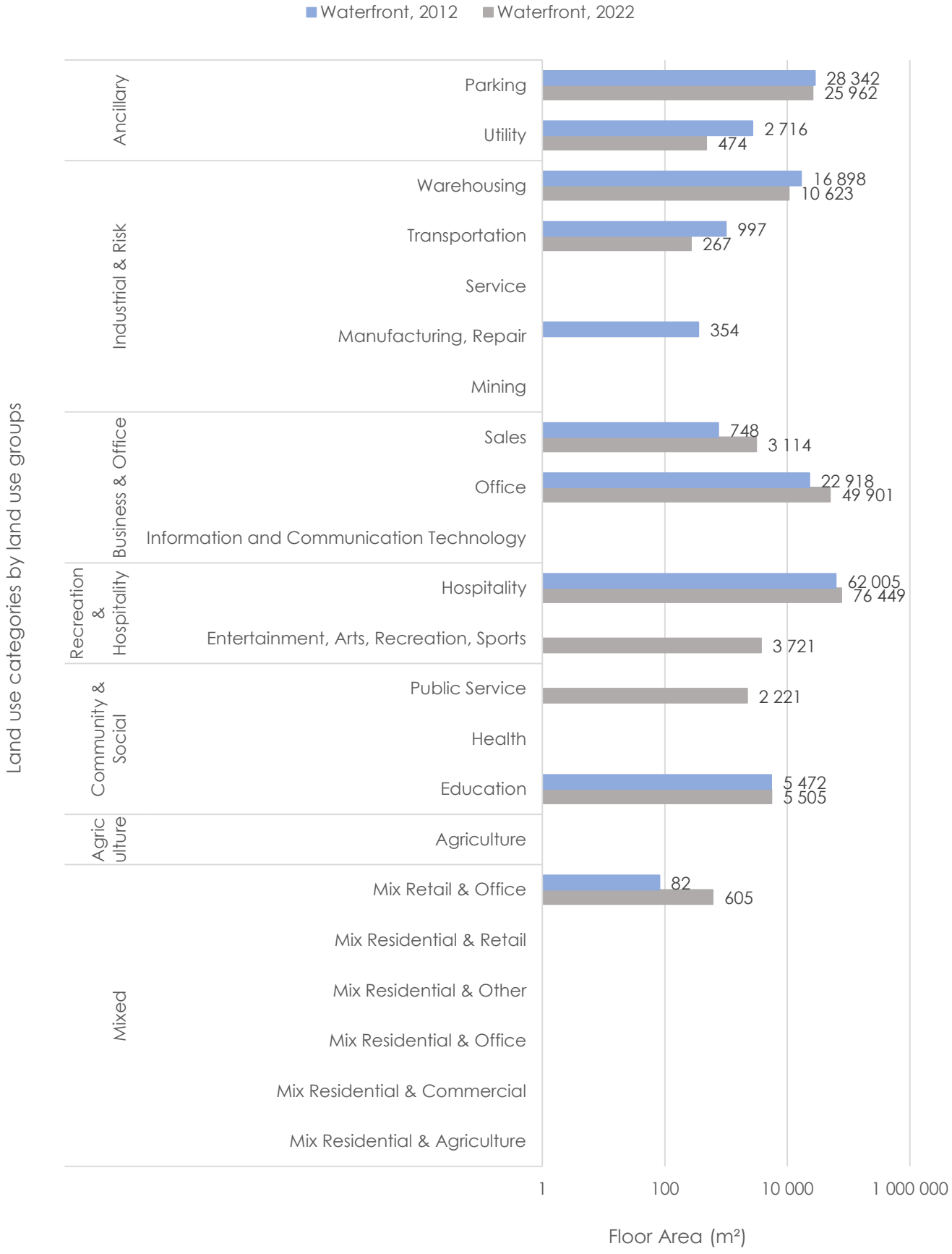
% OF LAND USE GROUPS (2022)



The pie charts illustrate the percentage distribution of land use groups in Waterfront, based on the cumulative floor area (m²) across various land uses. As shown in the charts, the Recreation & Hospitality group has remained predominant in both 2012 and 2022, with a significant increase from 2012 to 2022 in the Business & Office group.

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 hospitality and office have maintained significant dominance. There is also a significant presence of parking, considering the various types of land uses present in the area, which attracts people to the area.

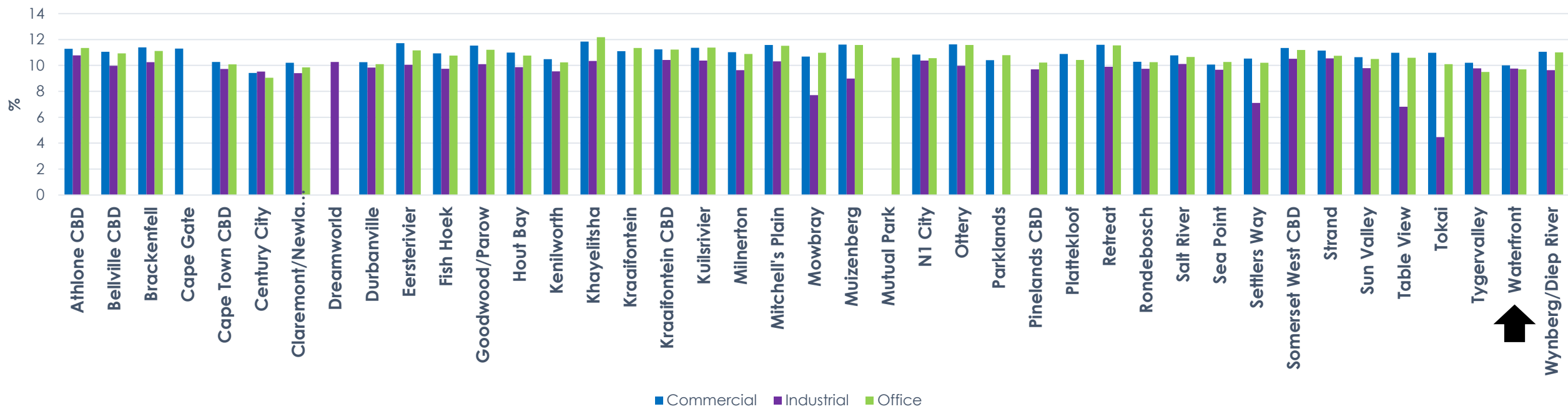
FLOOR AREA PER LAND USE CATEGORY FOR 2012 AND 2022



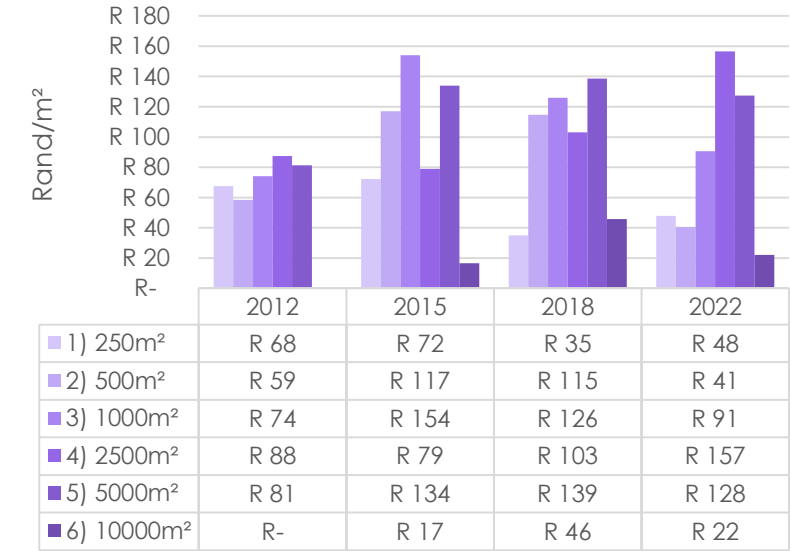
Source: Analysis of GV data (May 2024)

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

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



INDUSTRIAL RENTALS

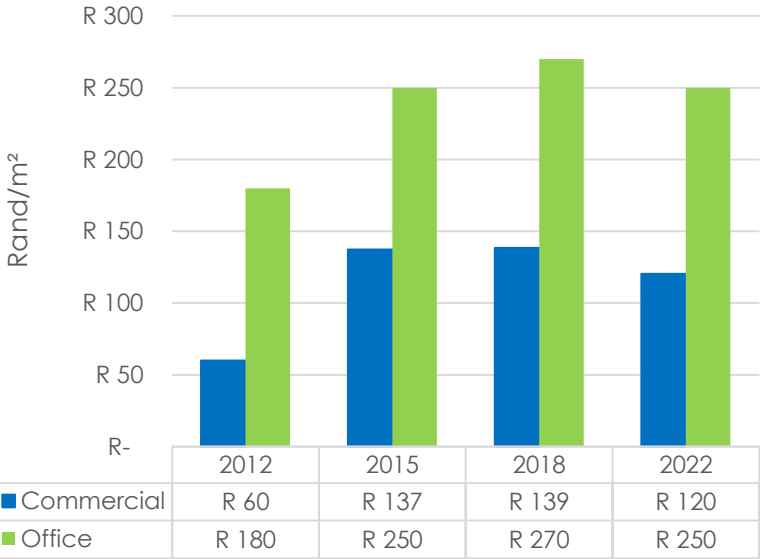


Rental Rates

Rental rates for various industrial property sizes have mostly fluctuated between 2012 to 2022.

Commercial rentals have steadily increased between 2012 and 2018, with a decrease experienced in 2022. Office rentals also increased overall, with a decrease experienced in 2022.

COMMERCIAL AND OFFICE RENTALS



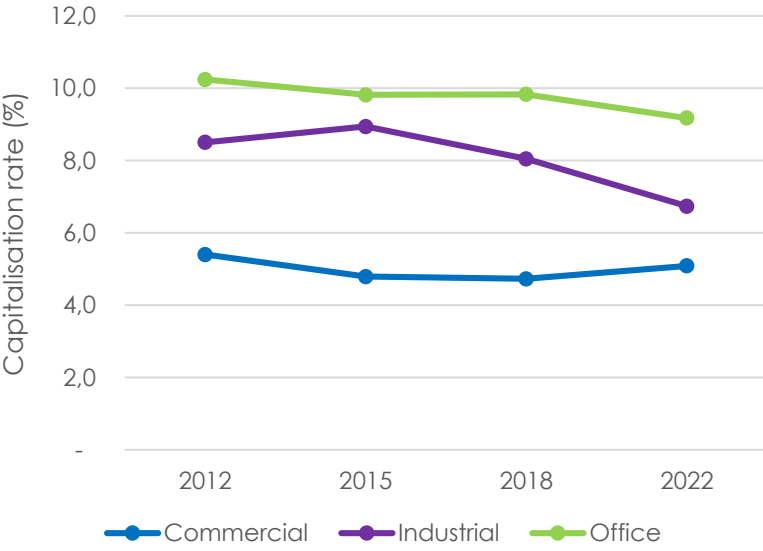
Comparative view on cap rates

The average capitalisation rates from 2012 to 2022 for the commercial, industrial and office sectors were 10%, 9,76%, and 9,7%, respectively and further indicate its competitiveness relative to other commercial areas.

Year-over-year, capitalisation rates for the industrial sector decreased from 8,5% in 2012 to 6,7% in 2022. Similarly, the office sector decreased from 10,2% in 2012 to 9,2% in 2022. Whereas, the commercial sector remained consistent over the past 10 years around the 5,5% mark.

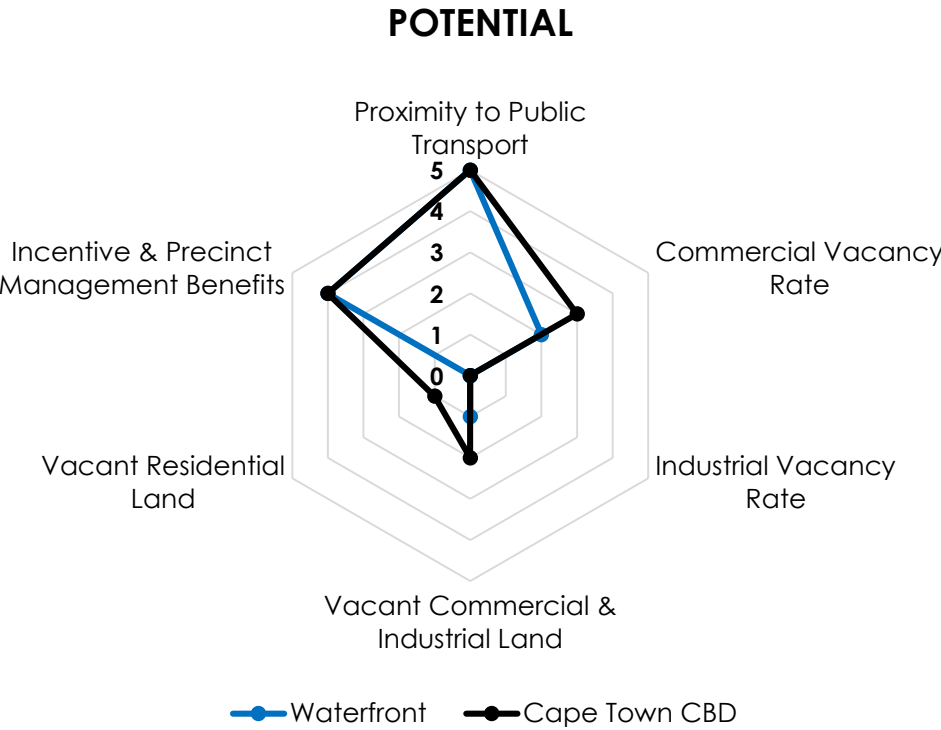
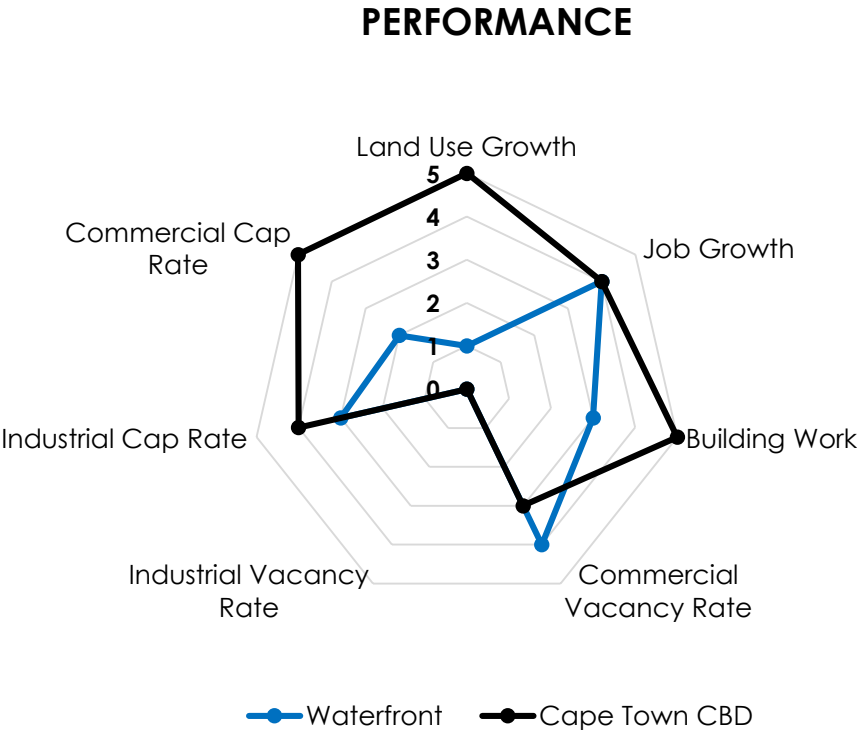
- Higher cap rates = higher investment risk.
- Lower cap rates = lower investment risk.

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.

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