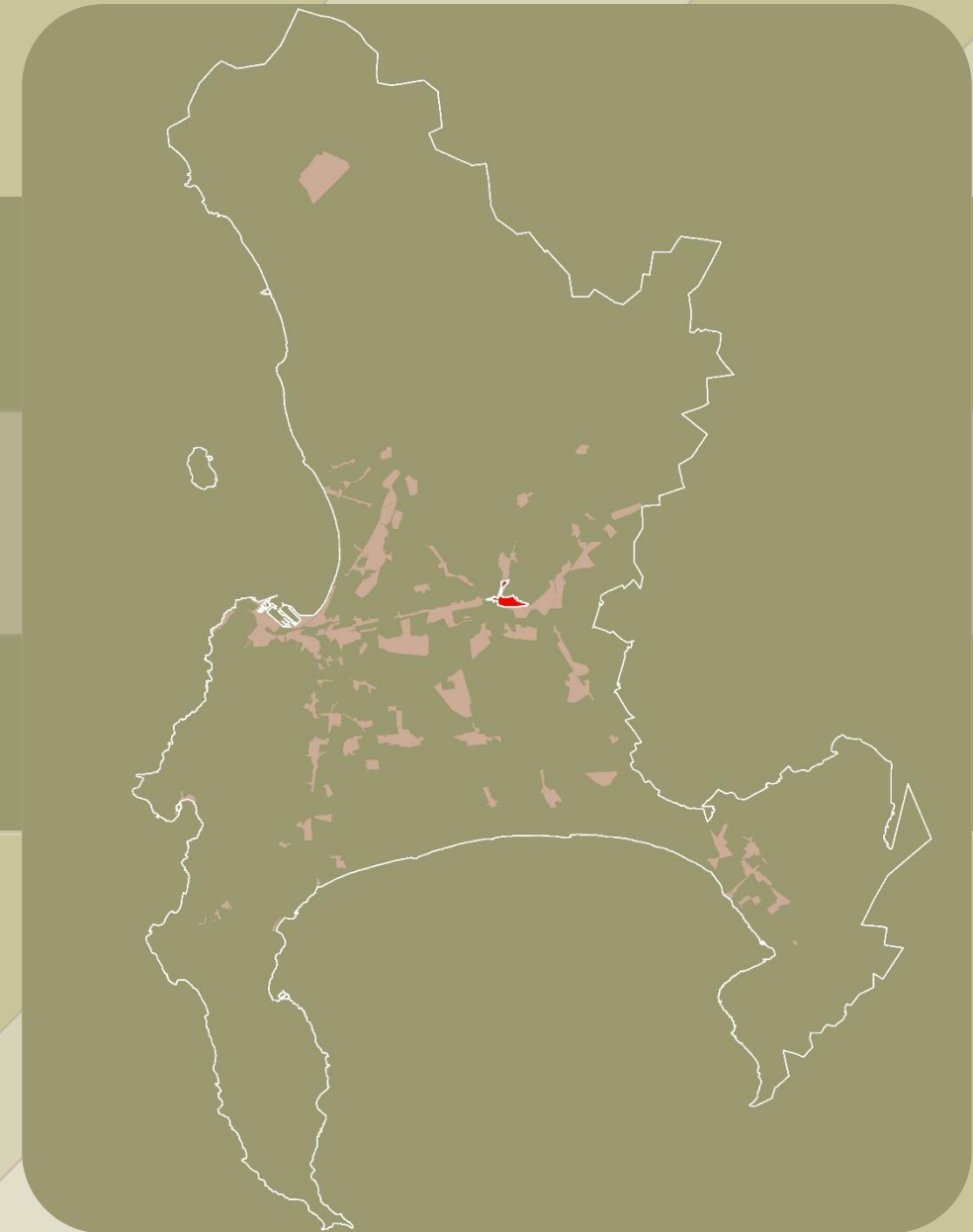


BELLVILLE CBD

ECONOMIC AREA PROFILE

TREND ANALYSIS 2012-2022



June 2024



CITY OF CAPE TOWN
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STAD KAAPSTAD

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

- Tygerberg DSDf - Subdistrict 3: Voortrekker Road/Durban Road (South of the N1) Development Corridor (Including Bellville CBD)
 - Typologies and district elements – Development guidelines ([page 60 - 64](#))
 - Land use guidelines ([page 99](#))
 - New Development Areas ([page 101 – 102](#))
 - Consolidated Subdistrict SDF ([Figure 20: Subdistrict 3: Voortrekker Road/Durban Road \(south of the N1\) development corridor \(including Bellville CBD\)](#))

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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

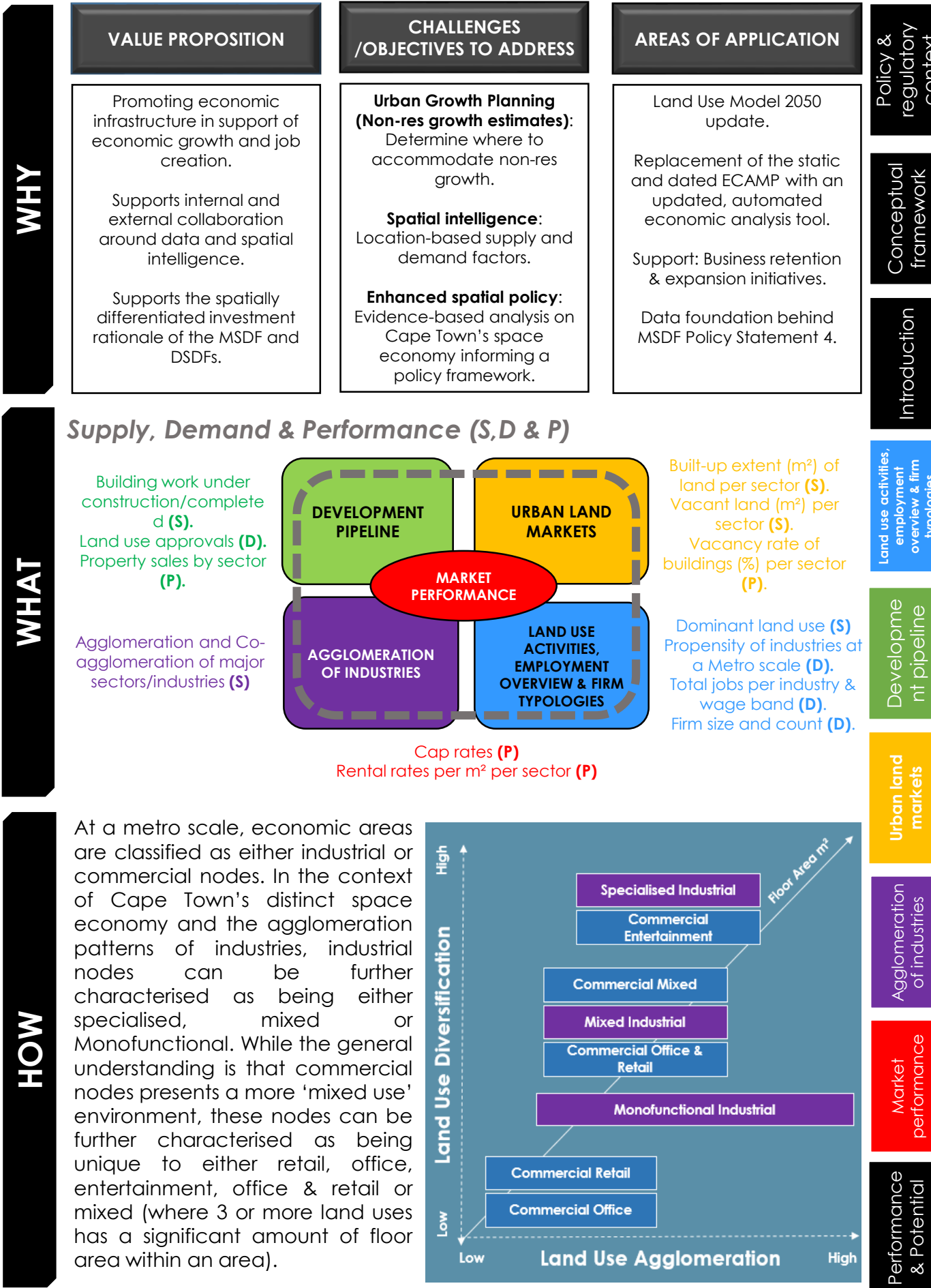
This profile examines a range of micro-economic indicators to highlight trends in supply and demand specific to the economic area. The indicators include:

- 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

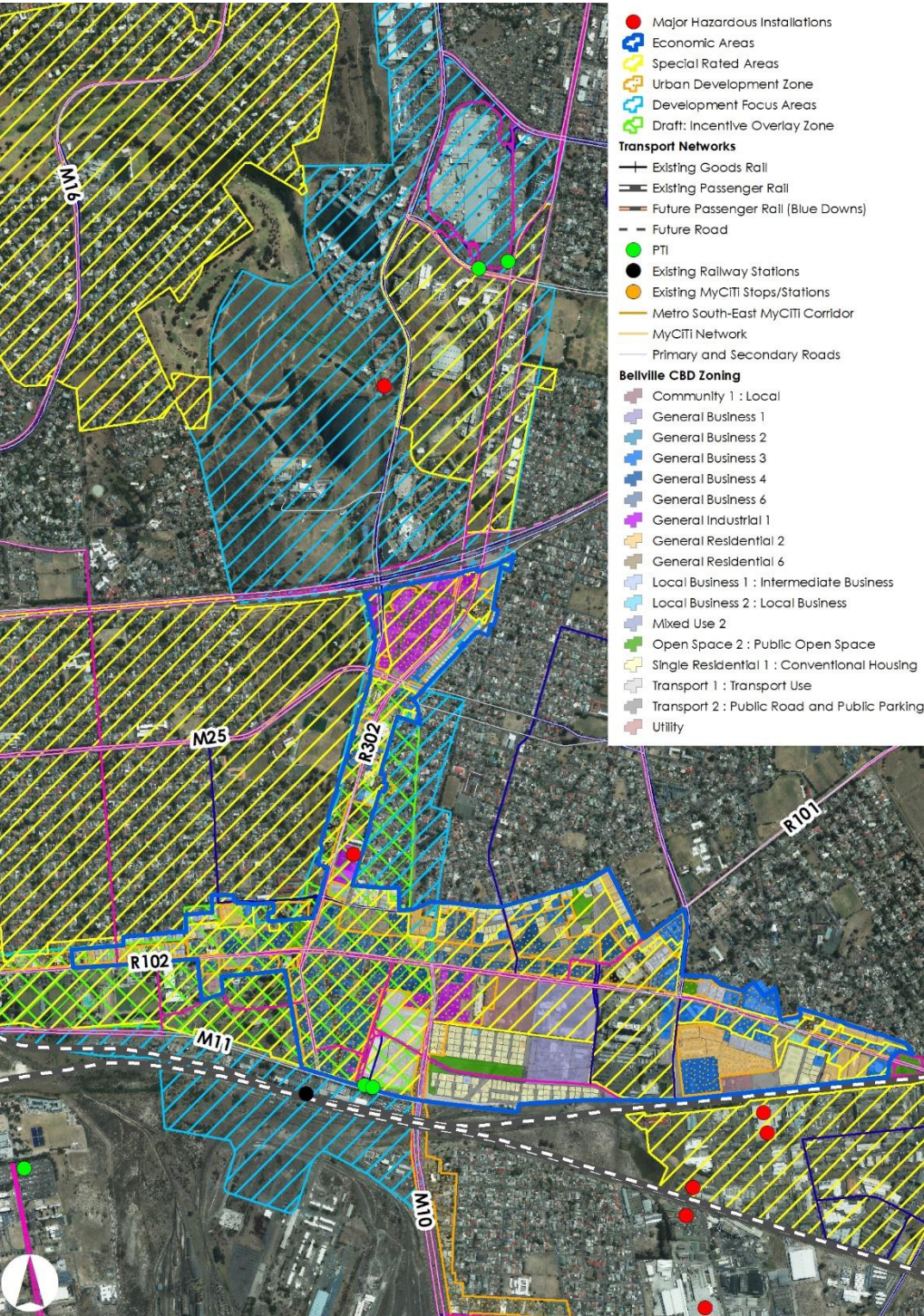
MACRO-ECONOMIC REPORTS AND INDICATORS

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 \(MERO\)](#)



INTRODUCTION



BELLVILLE CBD

Location

- The area is approximately 25km east of Cape Town's central business district and Port of Cape Town. Furthermore, located 10km from Cape Town International Airport to allow for efficient import and export of goods.
- The area includes a Public Transport Interchange and is serviced by rail, taxis and GABS.
- Access to a skilled workforce from surrounding areas includes the broader Bellville area, Durbanville, Parow, Belhar, Delft and Kuilsriver
- Due to its location, the area also attracts skilled workforce from areas across Cape Town.

Zoning and Land Use

- The area is predominantly zoned for business, residential and industrial along the outskirts.
- The area is mainly characterised by office and retail.
- Types of land uses include office, retail, education, health, warehousing, public services and hospitality.

Plot Sizes

- The average plot sizes in the area mostly vary between 750 – 2,000m² with a limited amount of plots ranging beyond 3 000m² for warehousing and other industrial functions.

Spatial planning mechanisms

- The area is serviced by a City Improvement District.
- The area has been identified as a Development Focus Area as part of the Tygerberg District Spatial Development Framework.
- Parts of Bellville CBD, along Voortrekker Road is also incentivised as part of the National Treasury's tax incentive ([Urban Development Zone](#)).

Key highlights of the area include:

- Bellville was established in 1861 and anchored around the railway station being the second busiest in comparison to Cape Town station. Bellville CBD began to develop between 1940 and 1979.
- It is also the second biggest Metropolitan node in Cape Town
- Bellville CBD forms part of the [Voortrekker City Improvement District](#) and was established in 2012.
- In addition to the CID, [the Greater Tygerberg Partnership](#) group is also very active within the Bellville CBD area on a daily basis and a key stakeholder to the City.

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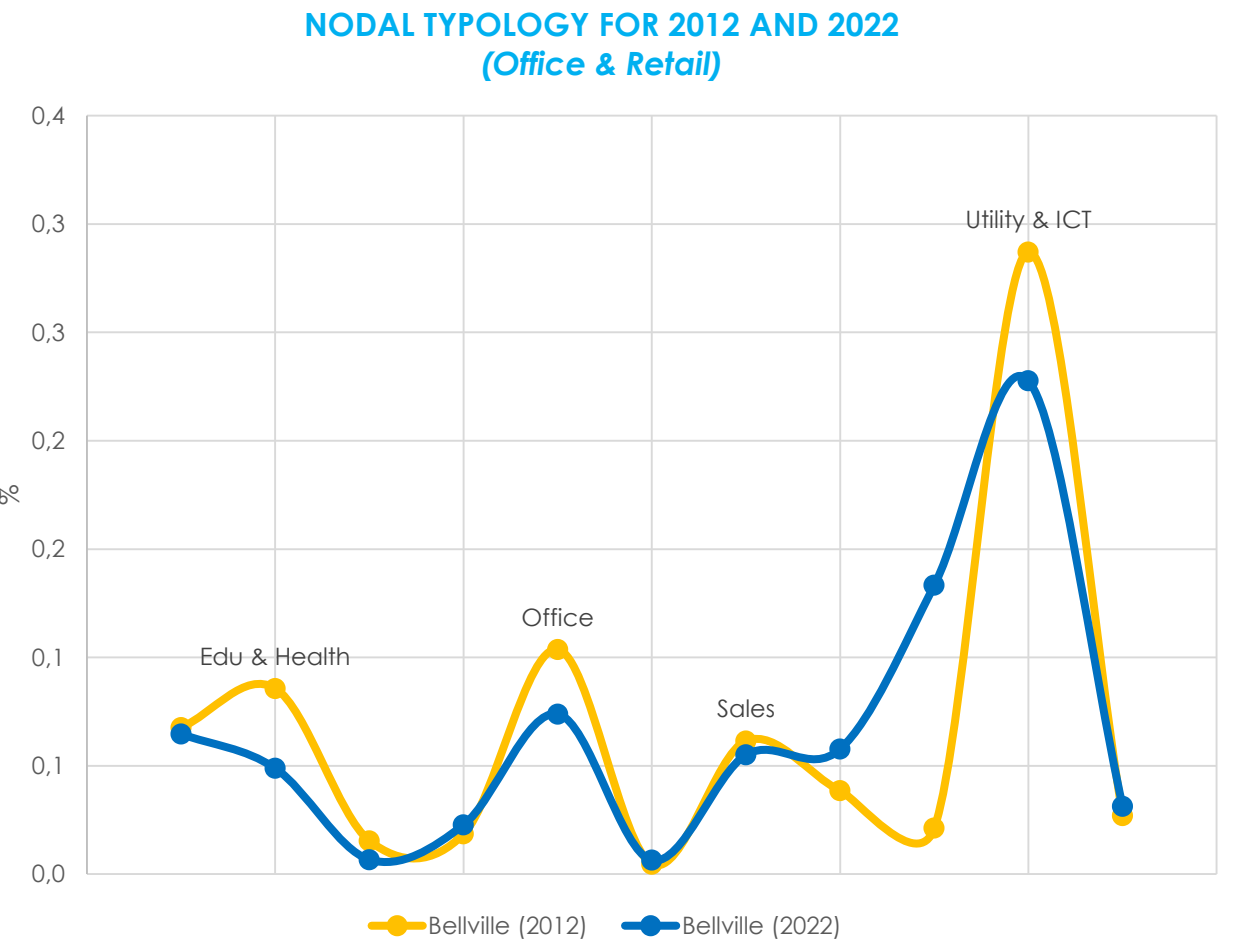
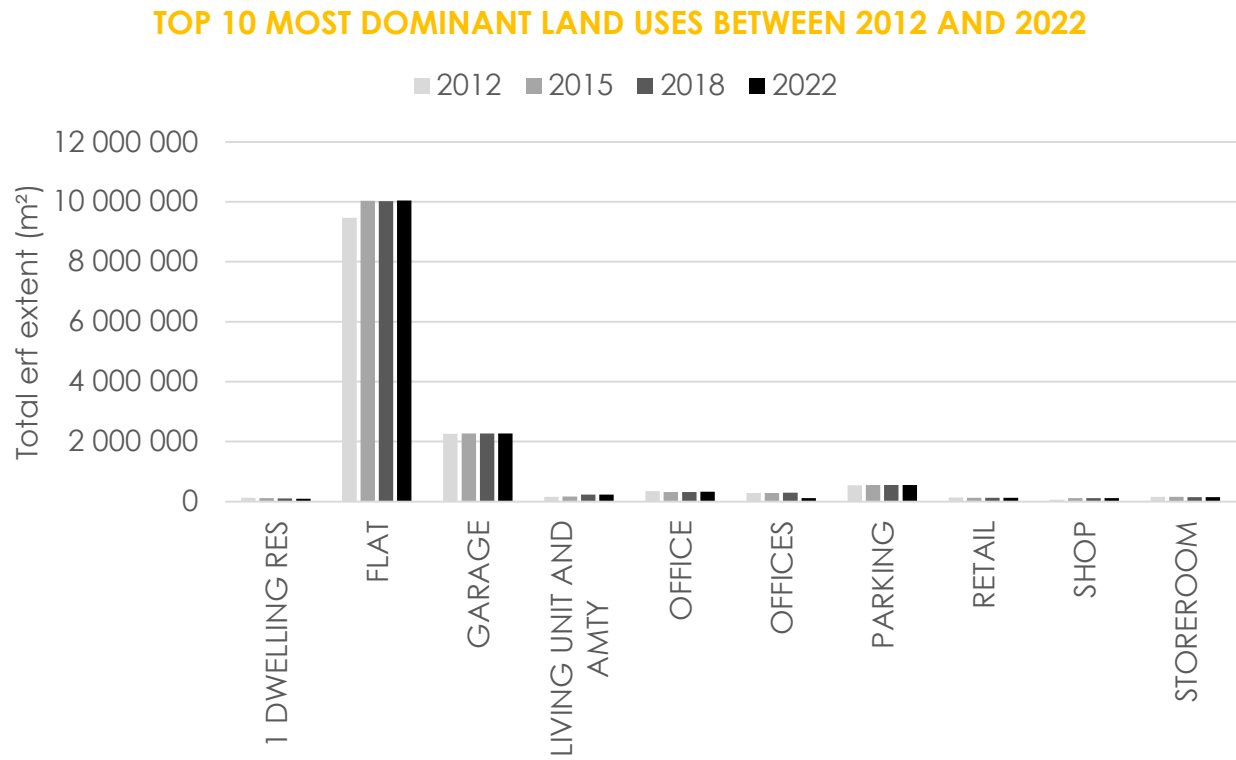
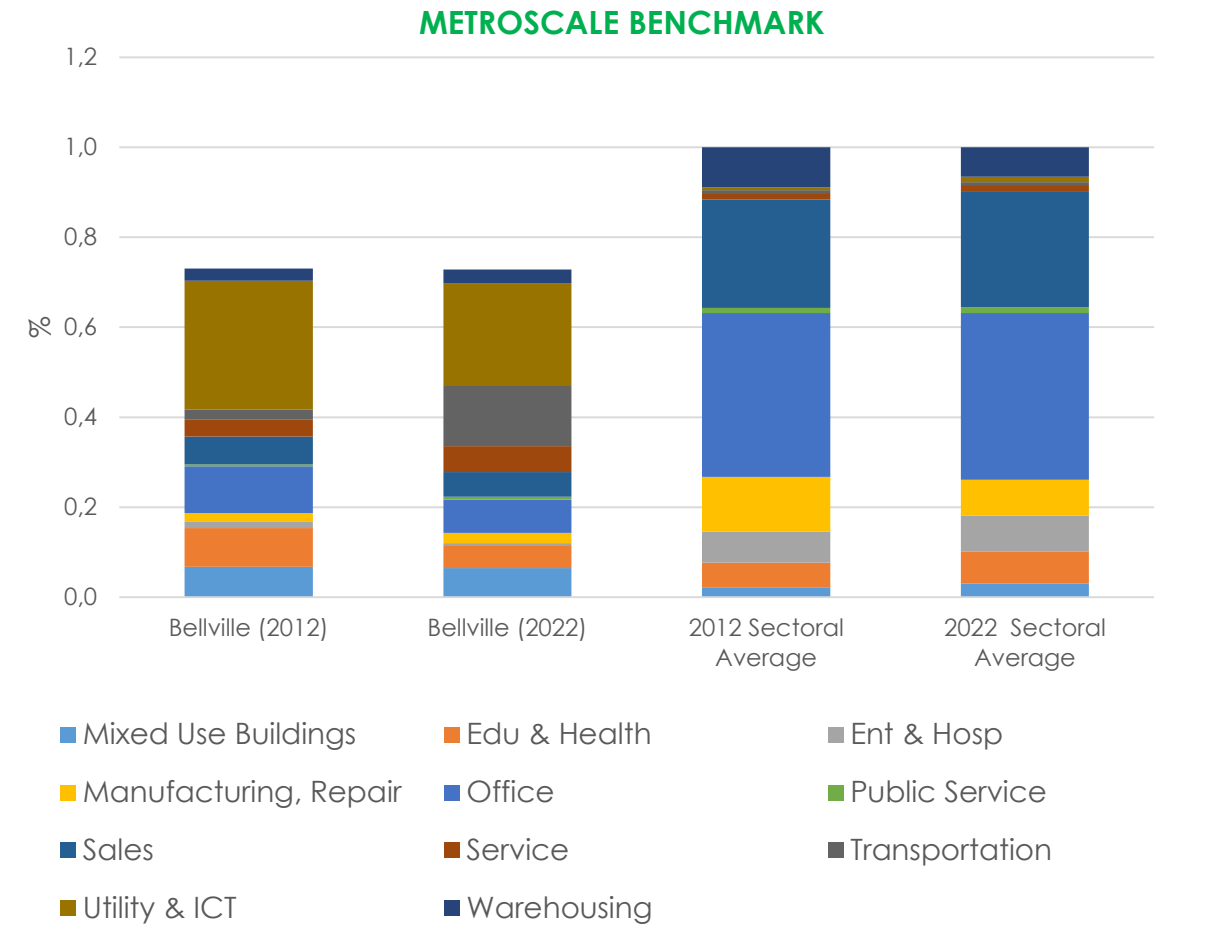
Performance & Potential

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, Bellville CBD was mainly characterised by a greater propensity for utility & ICT, office, education & health and sales as reflected in the **Nodal Typology**. The nodal typology highlights industries with the most floor area (m²) operating within an economic area.

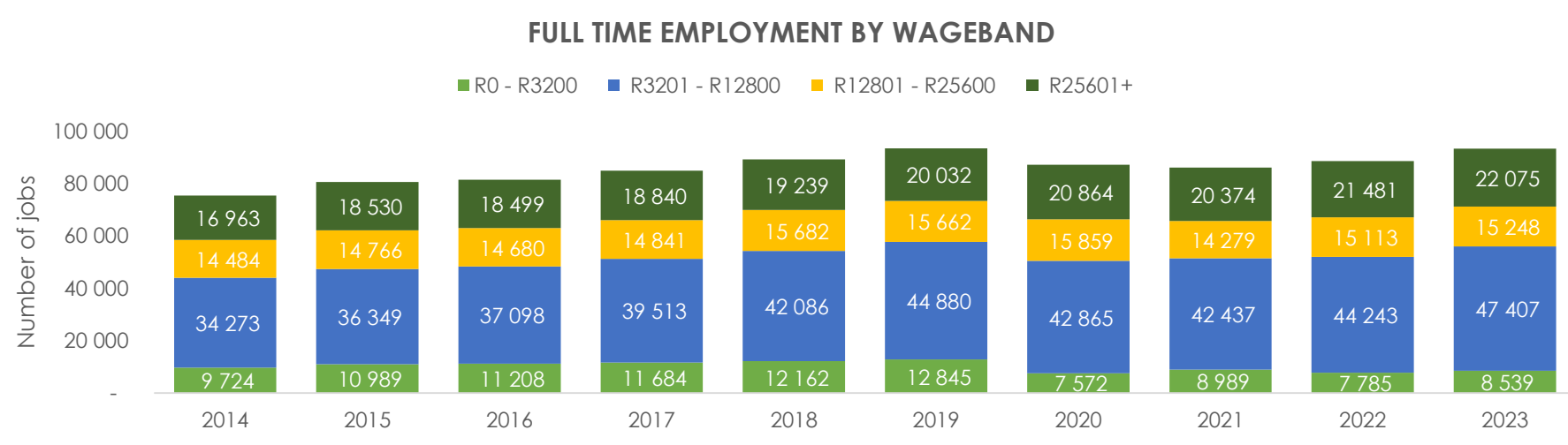
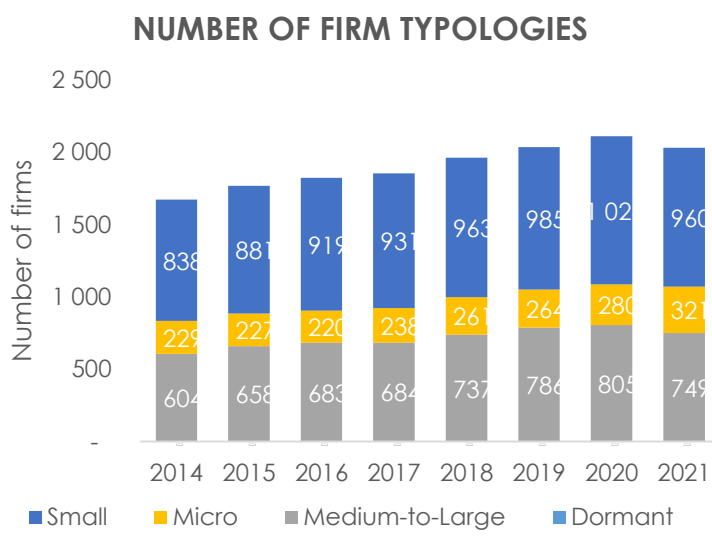
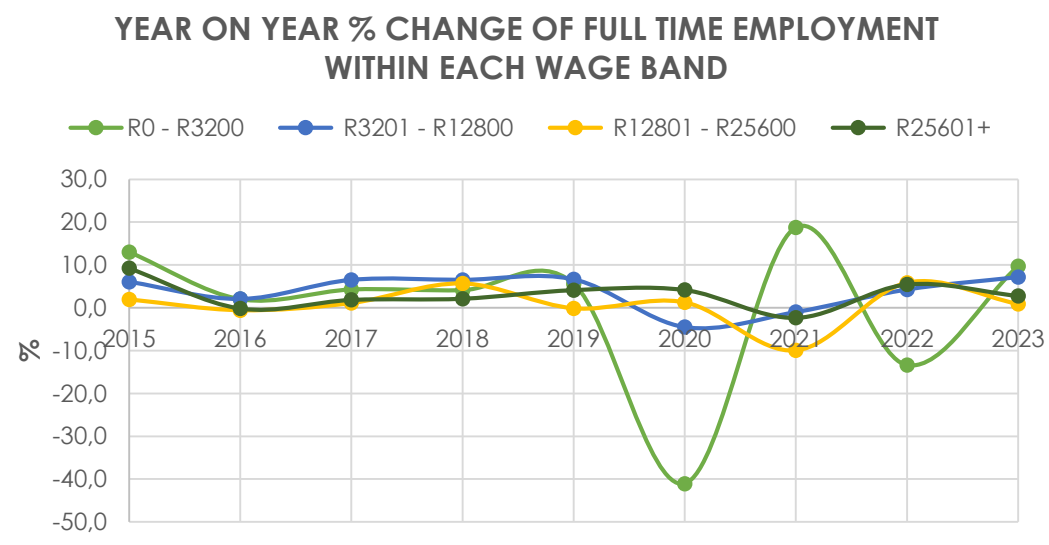
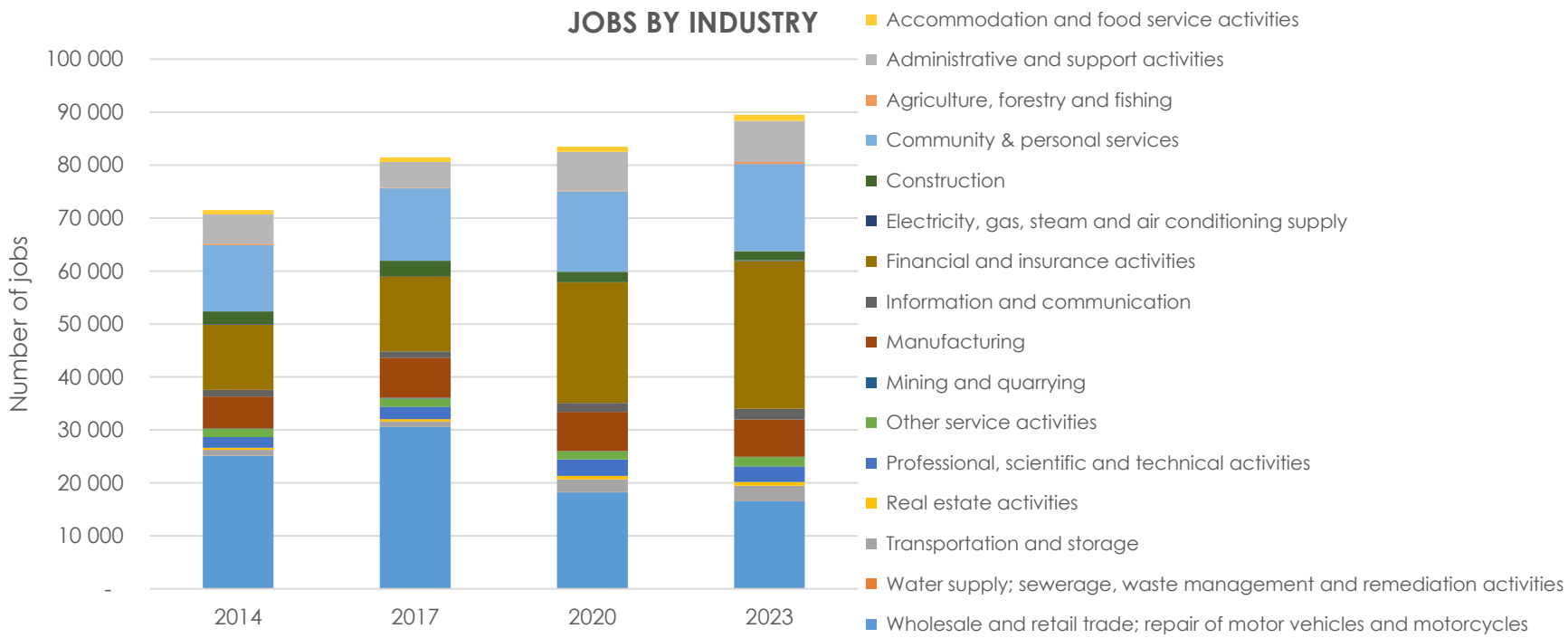
- The **MetroScale Benchmarking** positions Bellville CBD to being a contributor of utility & ICT, mixed-use buildings (office and retail), retail and transportation with levels higher than the sectoral average when compared to other commercial areas across Cape Town.
- Additionally, the GV Roll reflects land use data by showing the **dominant land use** over time. It details the cumulative floor area (m²) for flats and parking spaces. It further shows consistency in land uses such as offices, retail and store rooms.



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

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EMPLOYMENT OVERVIEW & FIRM TYPOLOGIES



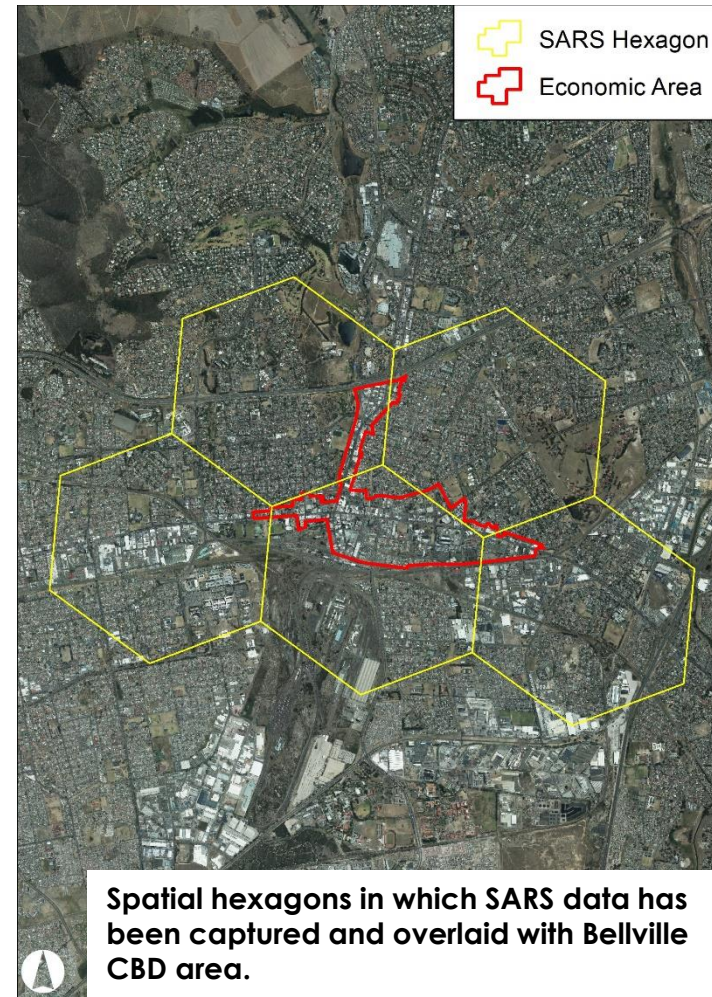
Jobs/Firms

Between 2014 and 2023, the number of job opportunities in the Bellville CBD ranged from approximately 70,000 to 90,000. A steady, yet healthy increase in jobs despite the shocks experienced during the Covid-19 pandemic. Over the years, most jobs have been concentrated in the wholesale & retail, community & personal services, administrative, and financial & insurance industries.

The total number of firms increased overall from 1,600 to 1,800. While small firms dominate the landscape, there is also a significant presence of medium-to-large firms, as well as micro firms.

Income bands

The income bands reflect the skill levels of employed individuals. Data indicates that a larger proportion of employees earns between R12,800 and the upper-income brackets.



Source: SARS data extract for period between 2014 and 2022. Firm size data only available between 2014 and 2020.

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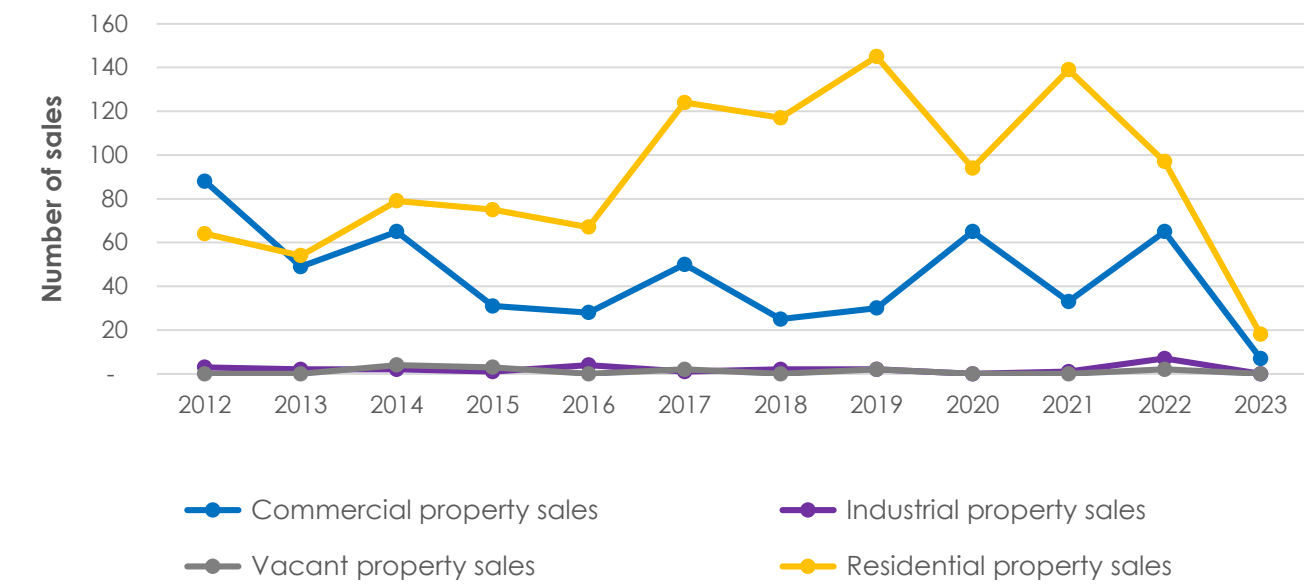
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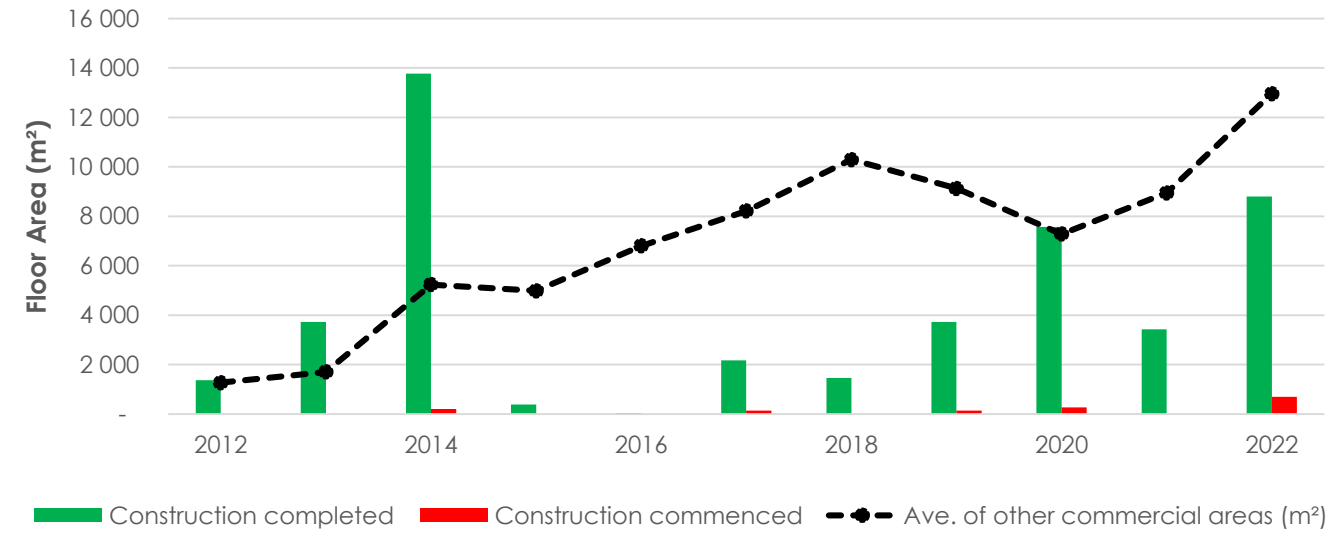
Performance & Potential

DEVELOPMENT PIPELINE

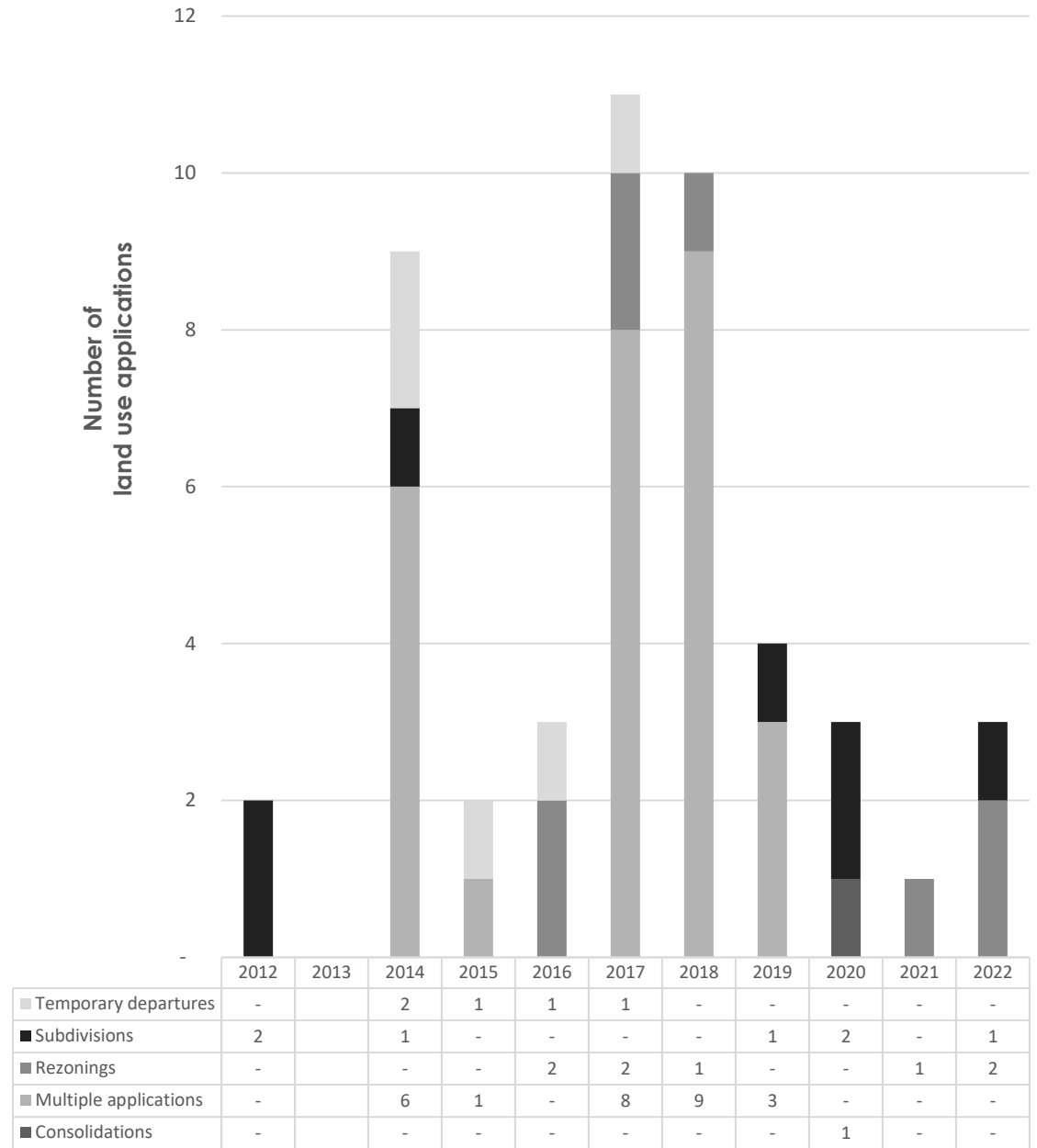
PROPERTY SALES BY SECTOR



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 and transactions of existing built-up industrial land were notably higher in the residential sector compared to other sectors. The only exception was for commercial sector indicating a significant increase in commercial property sales between 2017 to 2020. Overall, property sales have fluctuated up until 2023, when property sales started to taper down.

Land Use Applications

The majority of approvals during this period were for multiple applications, alongside limited rezoning and subdivisions. Multiple application approvals include different application types which have been submitted simultaneously and may include a combination of the types seen in the graph and others.

Building Plans

In light of property sales and land use approvals, building activity has been at a level above the metro average for 2013 and 2014 when compared to other commercial areas. Building work activity picked up again between 2017 and 2023, although, below the metro average for the latter part of the decade. However, still indicating a positive investment confidence within an area that has and is currently undergoing transitioning.

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

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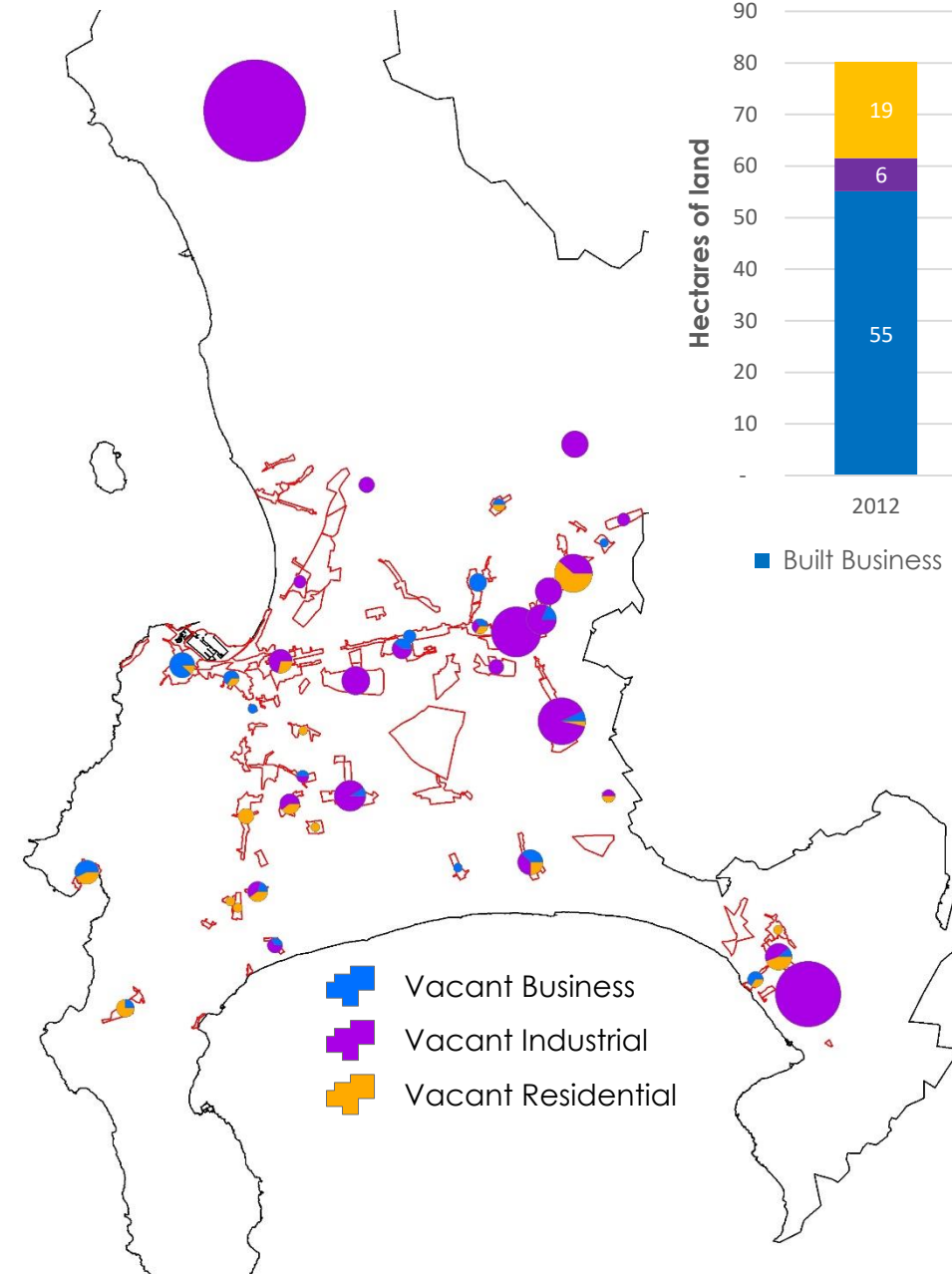
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LAND USE CHANGE & VACANCY RATES

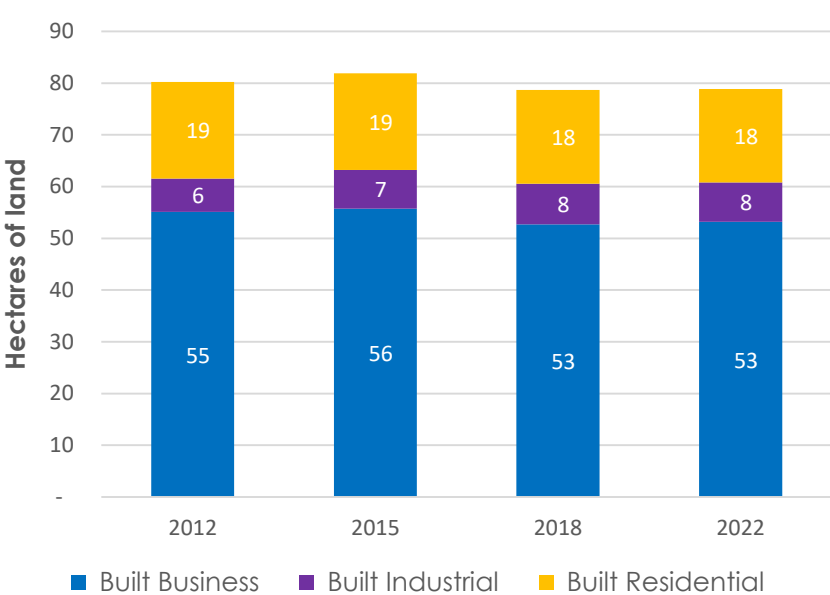
VACANT LAND ACROSS CAPE TOWN (GV 2022)



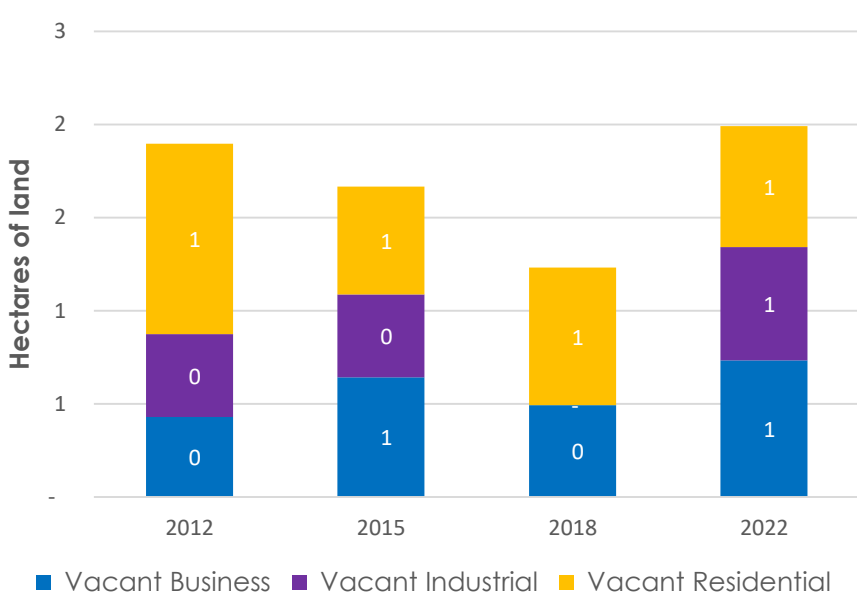
Number of land parcels that are vacant by size			
Erf Size	Commercial	Industrial	Residential
1) 1-250m²	1		3
2) 251-500m²	1	4	1
3) 501-1000m²	7	3	6
4) 1001-2500m²	1	1	1
5) 2501-5000m²			
6) 5001-10000m²			
7) >10000m²			

Source: City's General Valuation Roll and Market Reports

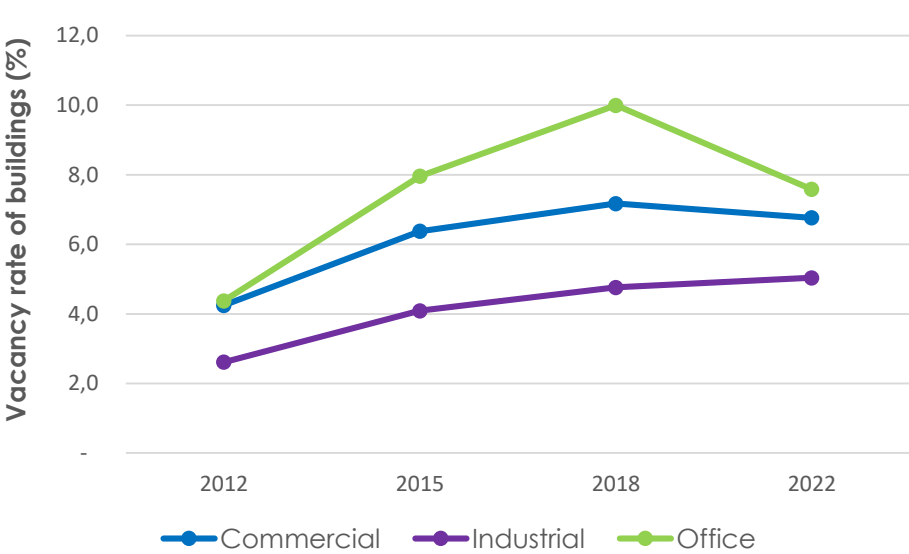
BUILT-UP LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



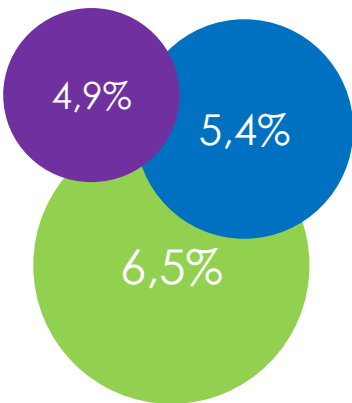
VACANT LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



VACANCY RATE OF EXISTING BUILDINGS



METRO AVERAGE: VACANCY RATES PER SECTOR FOR 2022



Vacant land:

The map provides a representation of the latest GV Roll (2022) by illustrating vacant land across the metropolitan area and supplements the graph on vacant land for the 2022 GV year. While the area has experienced a stable growth rate in terms of the built-up land, vacant land has been limited. Furthermore, the remaining vacant land is further categorised based on the number and size of land parcels.

Vacancy rates:

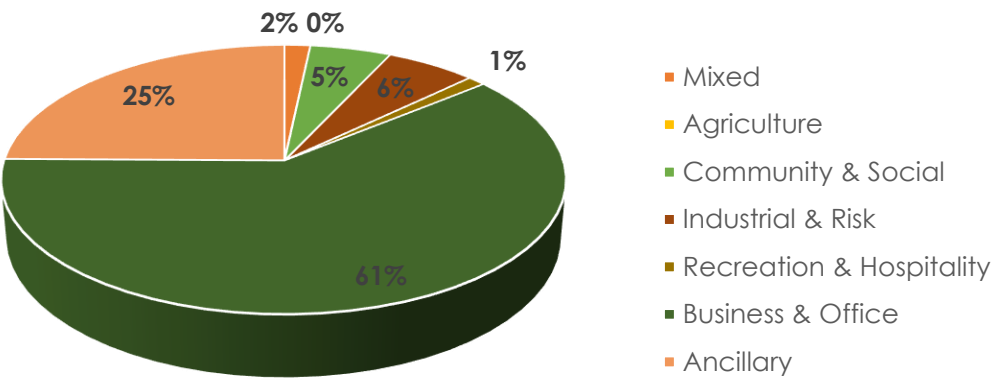
In addition to vacant land, vacancy rates of existing buildings for the commercial sector ranged between 4,4% in 2012 and 6,8% in 2022. The office sector has also increased from 4,4% in 2012 to 7,6% in 2022 while the industrial sector has also increased from 2,6% in 2012 to 5% in 2022.

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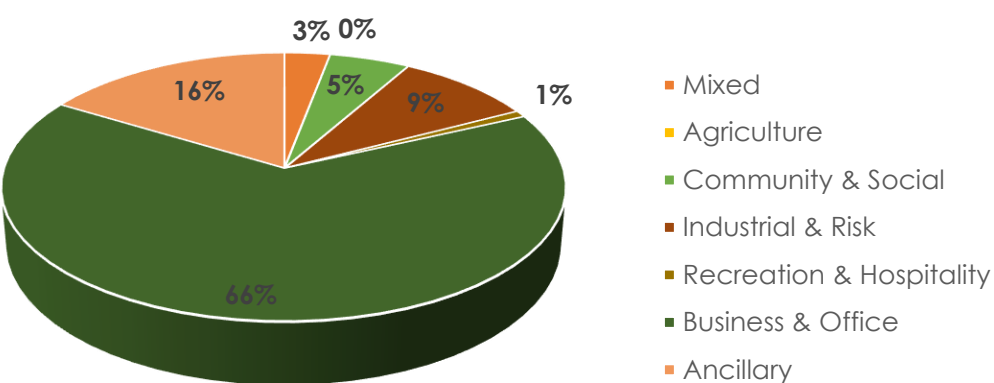
AGGLOMERATION OF INDUSTRIES

SECTORAL AGGLOMERATION AND CO-AGGLOMERATION RELATIONSHIPS

% OF LAND USE GROUPS (2012)



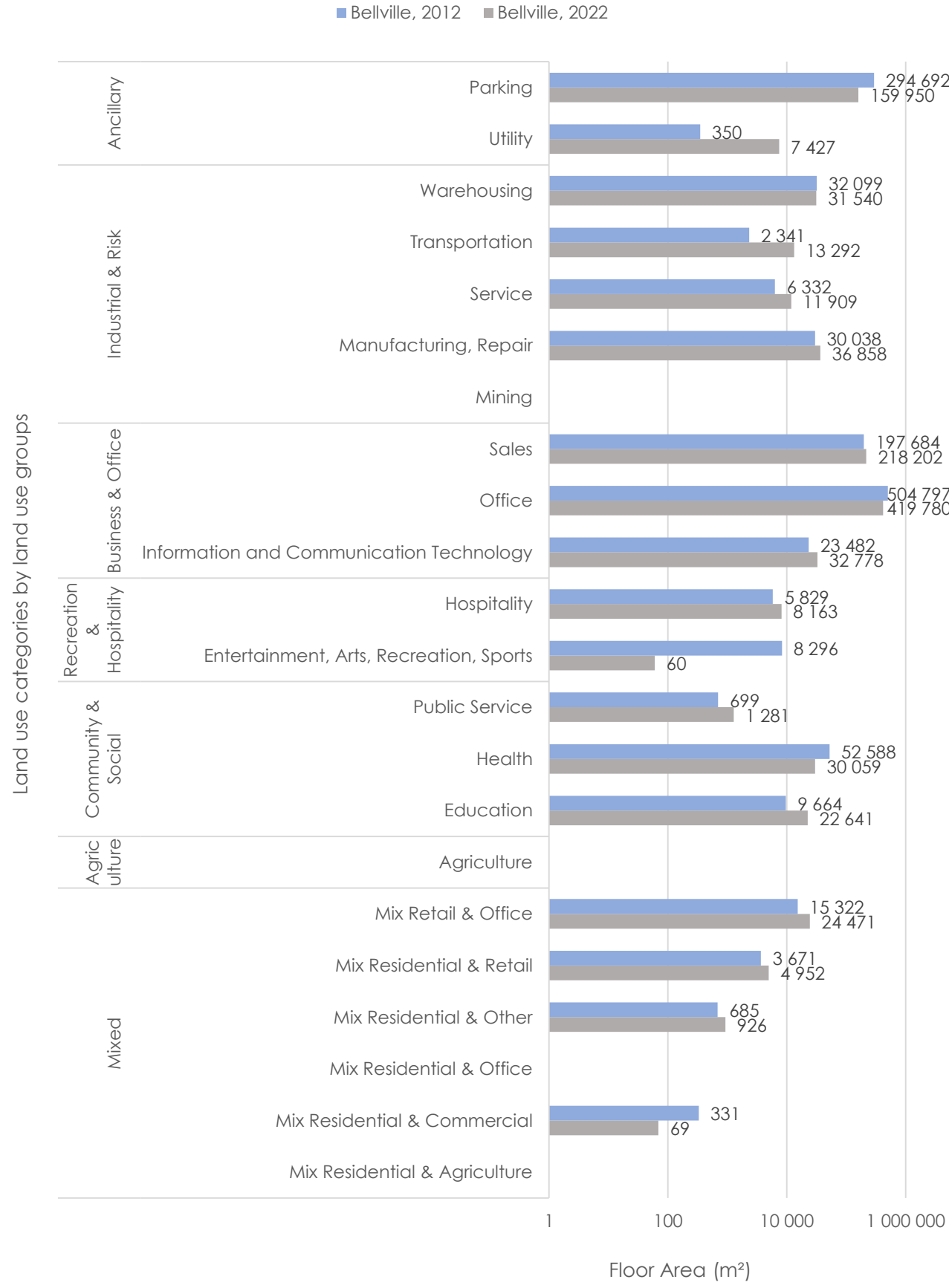
% OF LAND USE GROUPS (2022)



The pie charts illustrate the percentage distribution of land use groups in Bellville CBD, based on the cumulative floor area (m²) across various land uses. As shown in the charts, the Business and Office group has remained predominant in both 2012 and 2022, with an increase from 61% to 66%. In contrast, the ancillary land group has seen a decline over the same period from 25% to 16%.

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 office and sales spaces have maintained significant dominance, with a noteworthy presence of health and education spaces. Furthermore, warehousing, manufacturing and ICT have reflected consistent total floor area over the 10 year period. Other commercial land uses are also visible and seem to benefit from the most dominant land uses in the area.

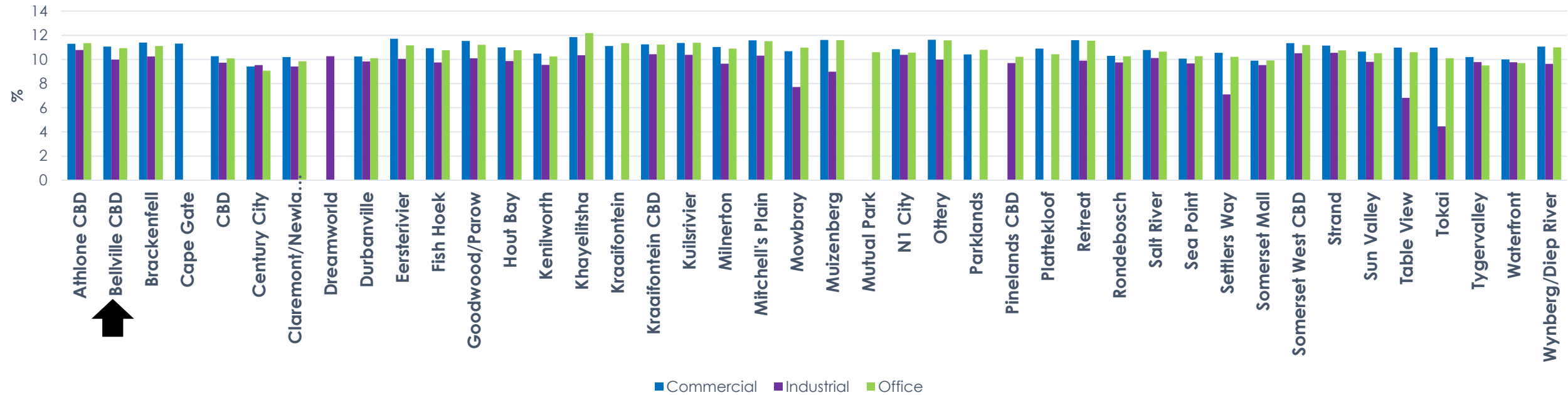
FLOOR AREA PER LAND USE CATEGORY FOR 2012 AND 2022



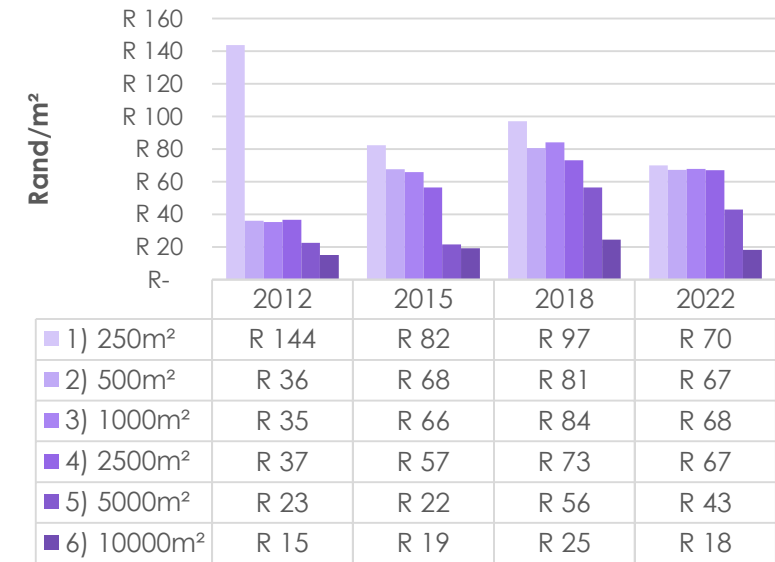
Source: Analysis of GV data (May 2024)

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



INDUSTRIAL RENTALS

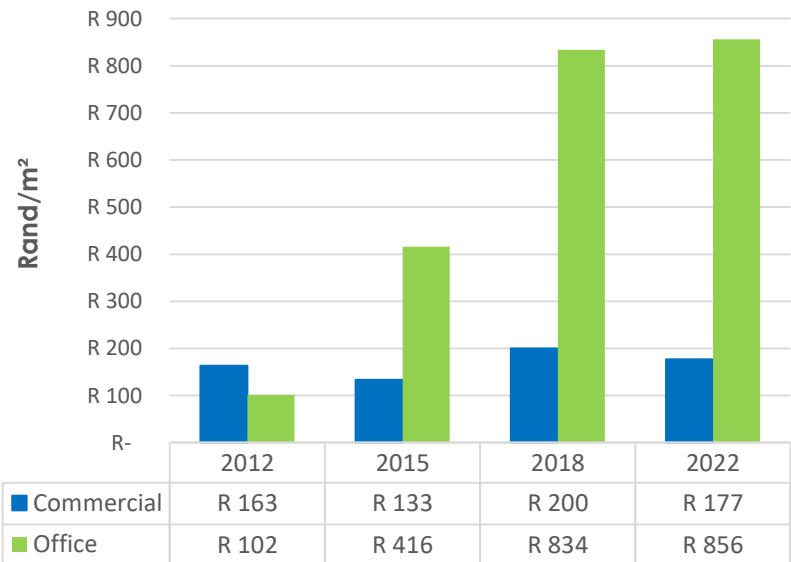


Rental rates

Overall rental rates for all industrial property sizes increased between 2015 and 2018. However, they began to decline in 2022, indicating a decrease in demand for industrial space.

In contrast, office rentals experienced significant increase from 2012 to 2022 and fluctuation in the commercial rental rates over the 10 year period. The data indicates a stronger demand for commercial properties.

COMMERCIAL AND OFFICE RENTALS



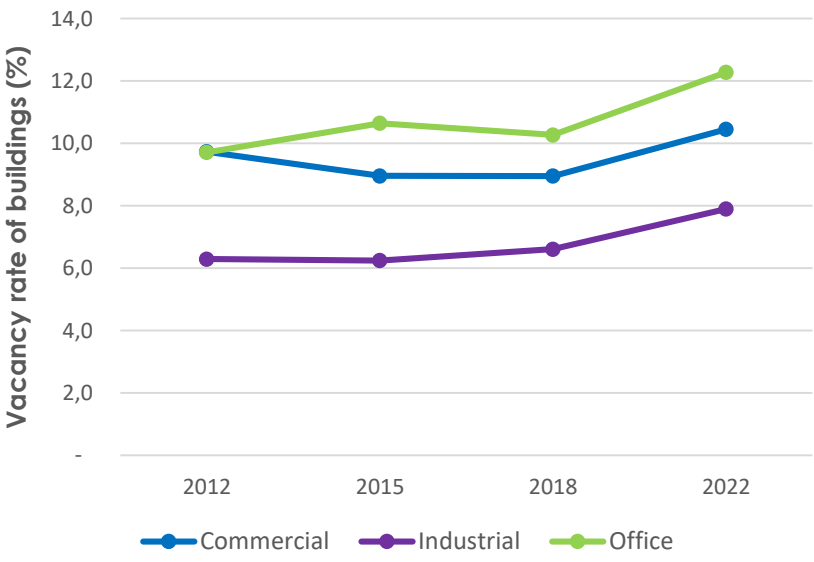
Comparative view on cap rates

The average capitalisation rate between 2012 and 2022 for commercial, industrial and office sectors has been 11,05%, 9,98% and 10,94% respectively and further indicating its competitiveness relative to other commercial areas.

Year on year cap rates for the commercial sector have increased from 9,7% to 10,5% while cap rates for the office sector have also increased from 9,7% to 12,3%. The industrial sector gradually increased from 6,3% to 9%.

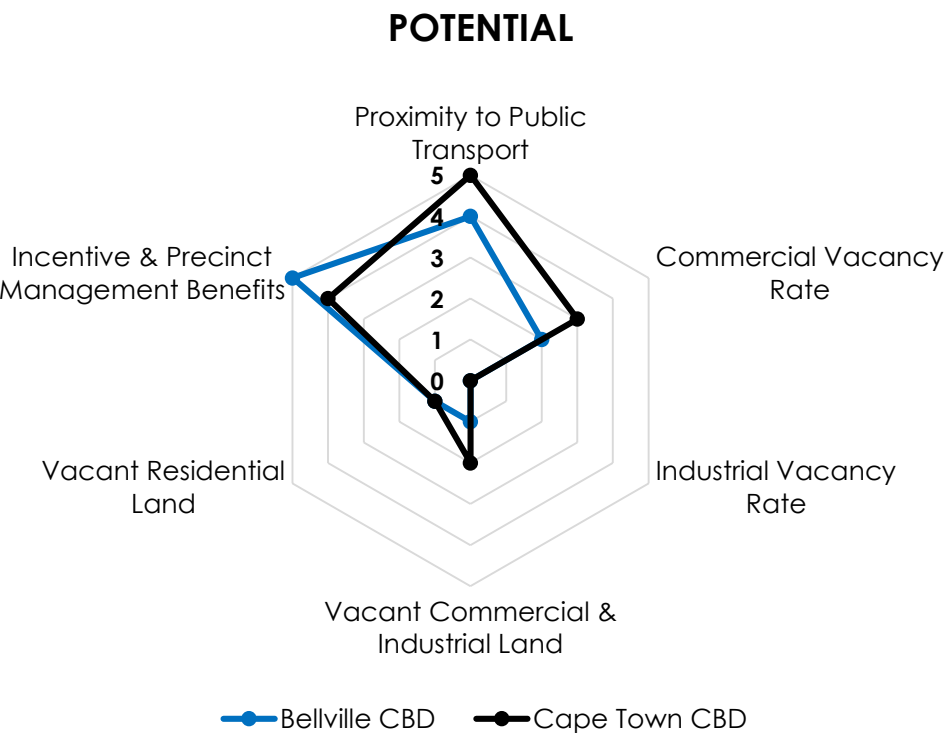
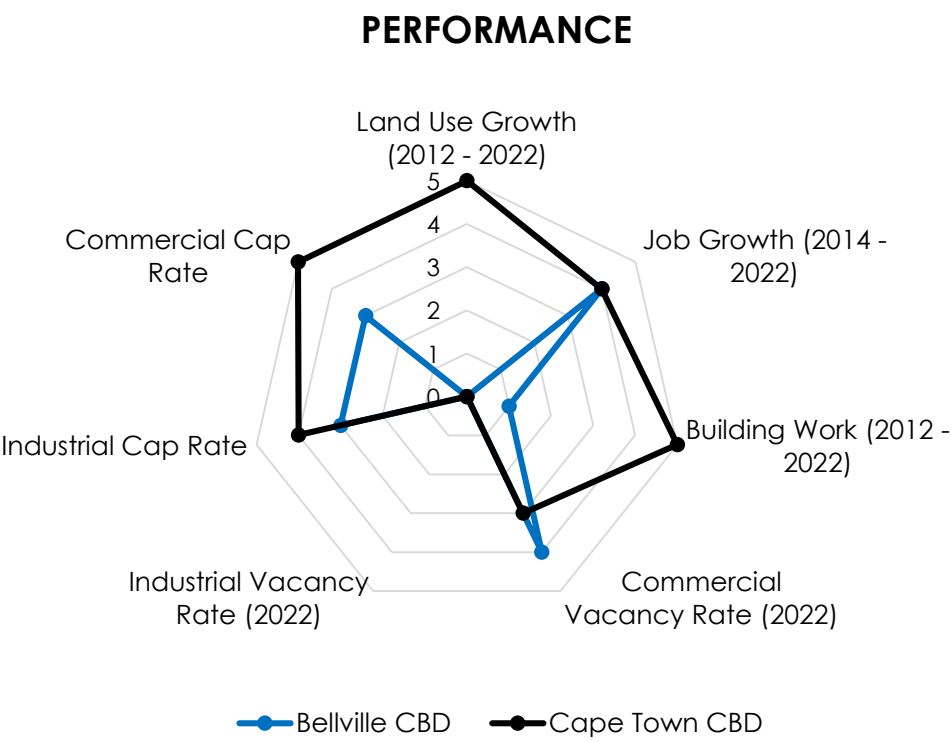
- Higher cap rates = higher investment risk.
- Lower cap rates = lower investment risk.

CAPITALISATION RATES



PERFORMANCE & POTENTIAL

The scores provided below summarize the detailed information presented throughout this profile. The scoring method used to calculate Performance and Potential is based on several measurable individual indicators. The **scoring range is from 0 to 5, where 0 indicates low performance and potential, and 5 indicates high performance and potential**. Each indicator is scored individually. Depending on the classification of an economic area, the profiles are compared either to Cape Town CBD (Commercial) or Montague Gardens (Industrial), as these two areas have attracted the most new floor space between 2012 and 2022 for their respective classifications.



Indicator		Description
Performance	Land Use Growth	Measures the growth of new floor area (m ²) between 2012 and 2022 within an economic area, compared to other economic areas. More growth indicates higher performance. (Source: General Valuation Roll)
	Job Growth	Measures the percentage change in job prevalence between 2014 and 2022 within an economic area, compared to other economic areas. A higher prevalence of jobs correlates with better performance. (Source: SARS as of May 2024)
	Building Work	Measures the activity of building work (new and improved m ²) within an economic area from 2012 to 2022, compared to other economic areas. More building work activity indicates higher performance. (Source: City's DAMS)
	Vacancy Rate	Measures vacancy rates based on the latest 2022 market report across all economic areas. A low vacancy rate indicates higher performance. (Source: City's Market Reports)
	Capitalisation Rate	Measures % change in cap rate between 2012, 2015, 2018 and 2022 across all of the economic areas. The least % change between periods indicates greater maturity and in return, higher performance. (Source: City's Market Reports)
Potential	Proximity to Public Transport	Evaluate the economic areas that are close to public transport options. A higher number of transport modes indicates greater potential. (City's UPD, spatial analysis)
	Vacant Land	Assesses the availability of commercial, industrial, and residential vacant land. A greater amount of vacant land indicates higher potential. (Source: General Valuation Roll).
	Vacancy Rate	Measures vacancy rates according to the 2022 market report. Higher vacancy rates indicate greater potential. (Source: City Market Reports)
	Incentive & Precinct Management Benefits	Evaluates the overlap (partially or fully) of incentive areas and institutionalized precinct management tools within each economic area. A higher presence of incentive and precinct management tools indicates greater potential. (City's UPD, spatial analysis)

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