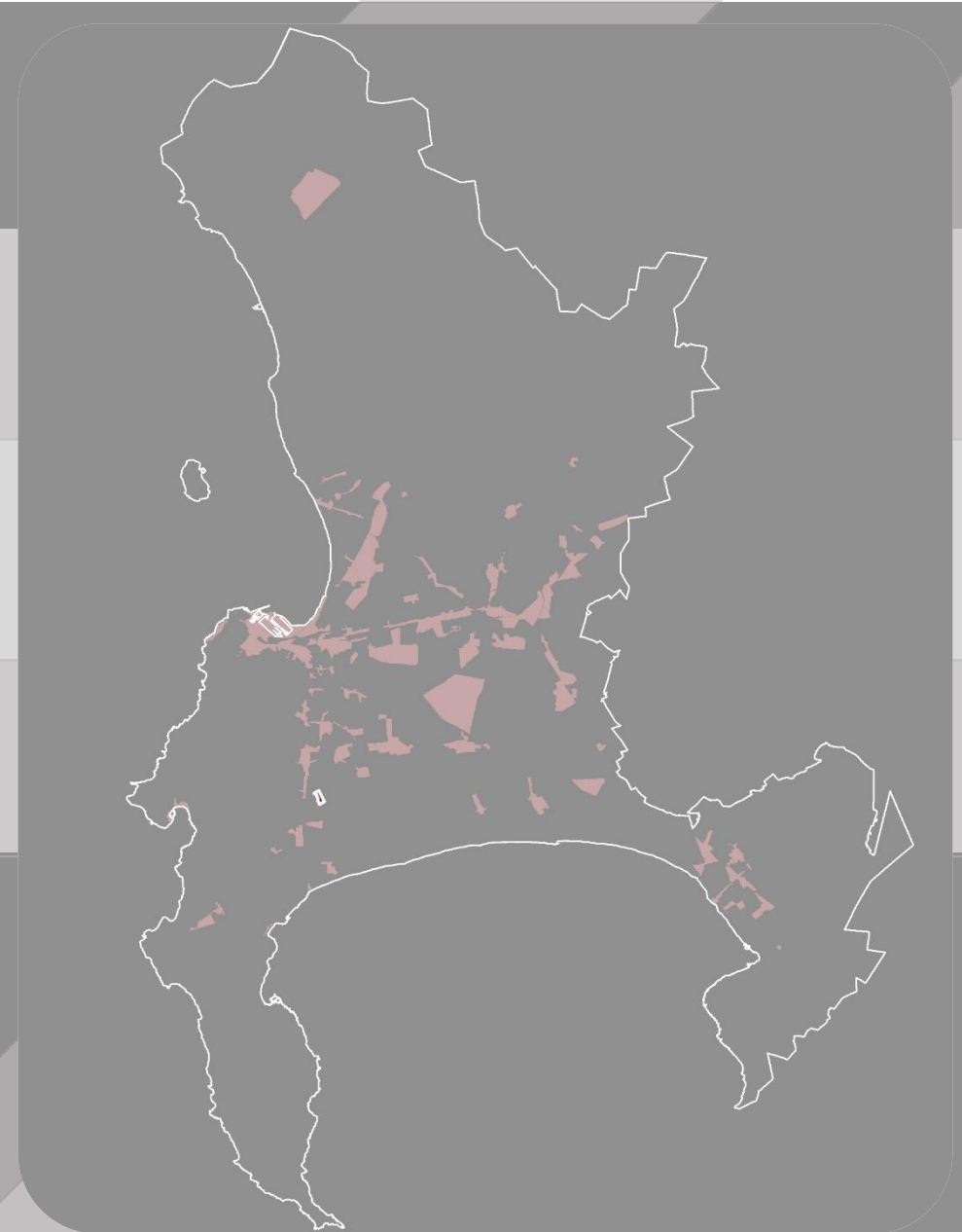


# ELFINDALE INDUSTRIAL ECONOMIC AREA PROFILE

TREND ANALYSIS 2012-2022



June 2024



CITY OF CAPE TOWN  
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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](mailto:Future.CapeTown@capetown.gov.za).

## MICRO-ECONOMIC DEMAND & SUPPLY FACTORS

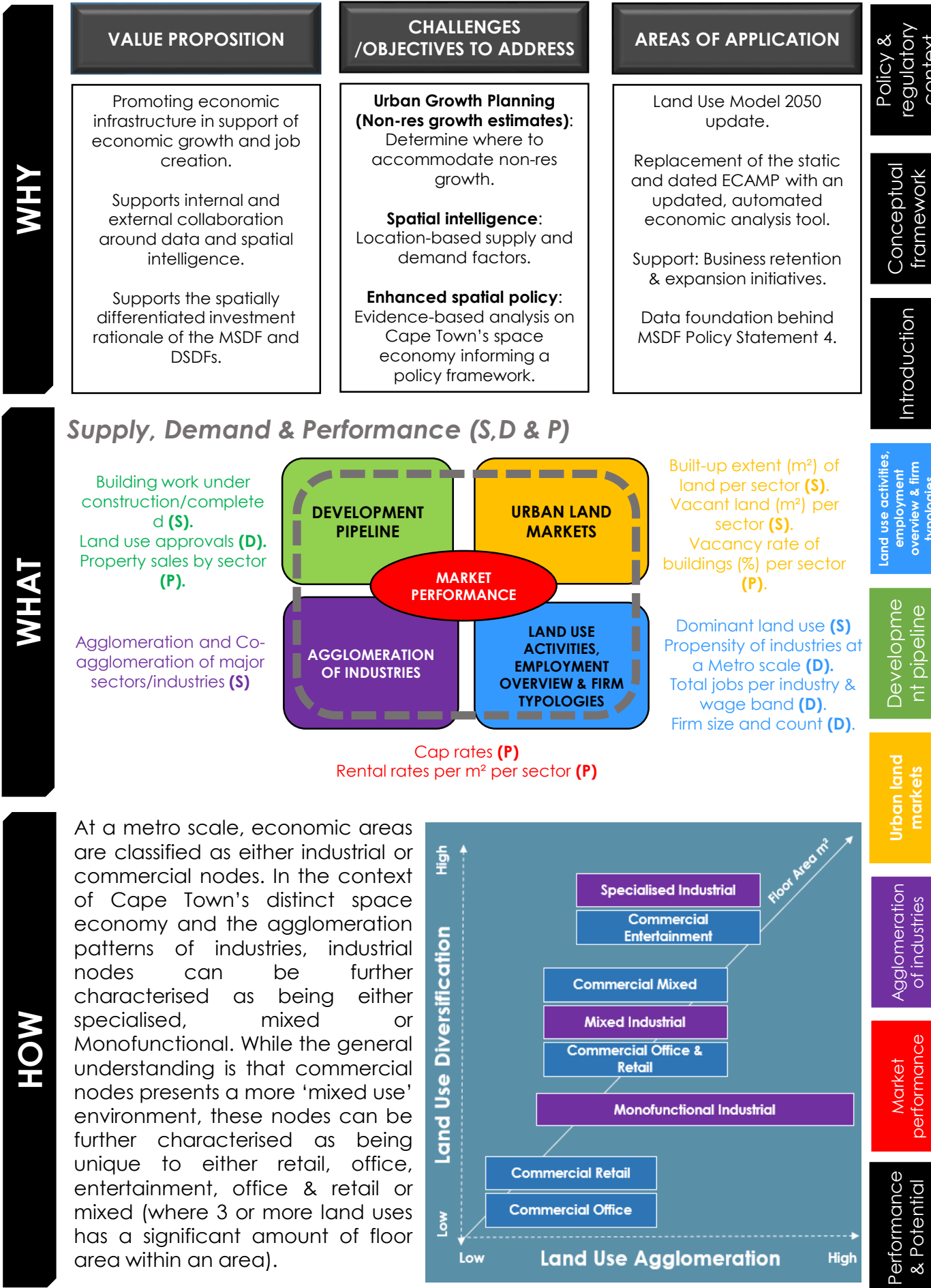
This profile examines a range of micro-economic indicators to highlight trends in supply and demand specific to the economic area. The indicators include:

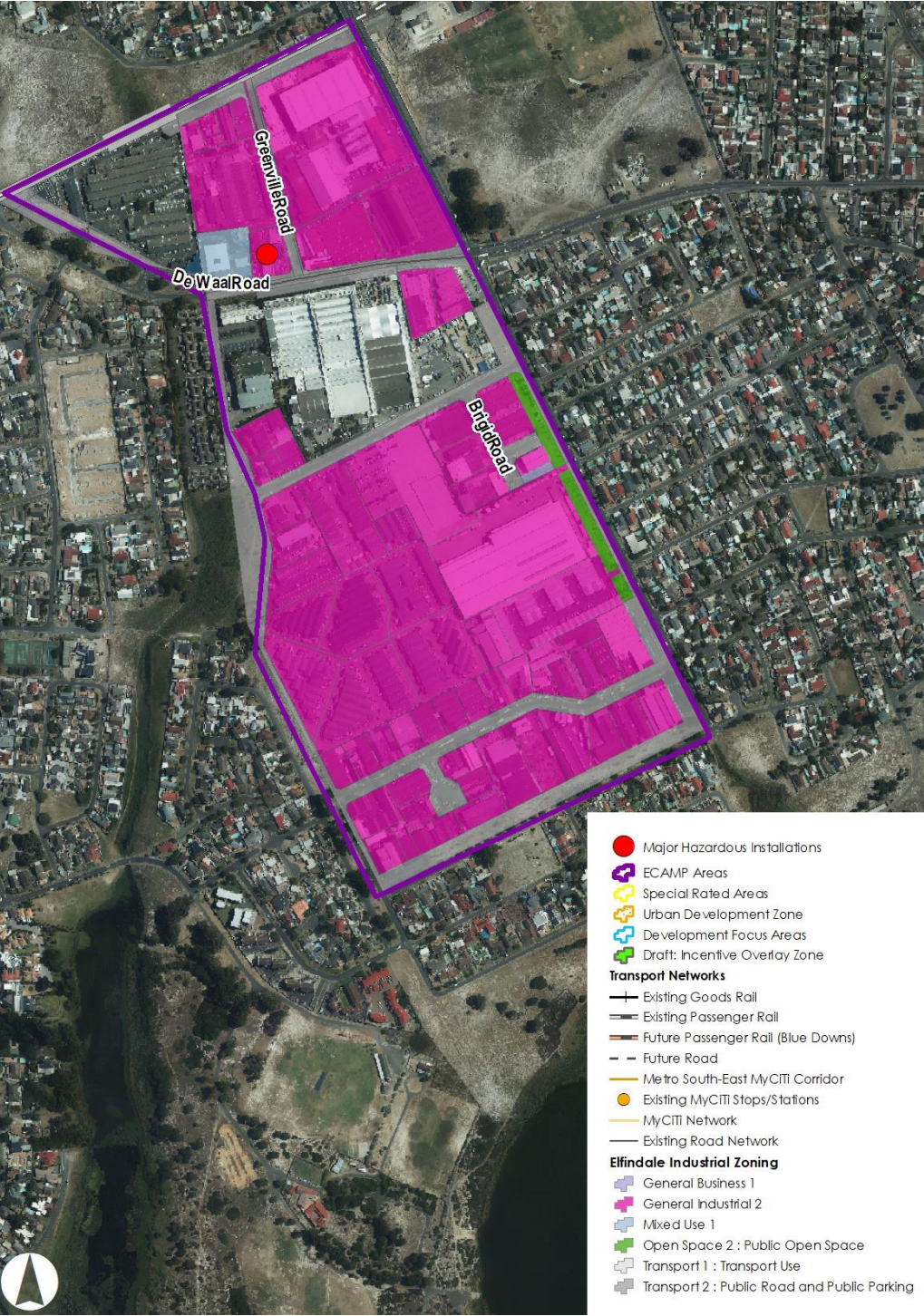
- Property sales per land use sector
- Building work completed
- Types of land use applications approved
- Vacant land per land use sector
- Built-up land and take up rate per land use sector
- Dominant land uses present in an area
- Building vacancy rate overtime
- Capitalisation rate over time
- Rental rate p/m<sup>2</sup> 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 \(MERO\)](#)





ELFINDALE INDUSTRIAL

Location

- Elfindale Industrial is situated approximately 17 km south of Cape Town's central business district and the Port of Cape Town.
- It is also located about 13 km from Cape Town International Airport, facilitating efficient import and export of goods.
- The area has convenient access to the M3 highway, which connects to other major routes across Cape Town.
- Public transportation in the area is primarily serviced by taxis and GABS (Government-Assisted Bus Services).
- Additionally, there is access to a skilled workforce from nearby communities, including Plumstead, Bergvliet, Grassy Park, Retreat, and Ottery.

Zoning and Land Use

- The area is predominantly zoned for industrial use, which allows for activities such as manufacturing, warehousing, and distribution.
- It is primarily characterized by light industrial sites and industrial parks.
- Common types of land uses include warehousing, sales, manufacturing, repairs, and office accommodation.

Plot Sizes

- The average plot sizes in Elfindale Industrial typically range from 1,500 to 7,500 m², with a limited number of plots spanning between 7,500 and 10,000 m².

Spatial planning mechanisms

- There are currently no spatial planning mechanisms in place for this area.

Key highlights of the area include:

- The area began to establish itself in the 1970s and has since developed into a significant industrial economic zone.
- Sigma Connected and other similar industries have been drawn to the area.
- Direct Axis serves as a key anchor company located within the area.

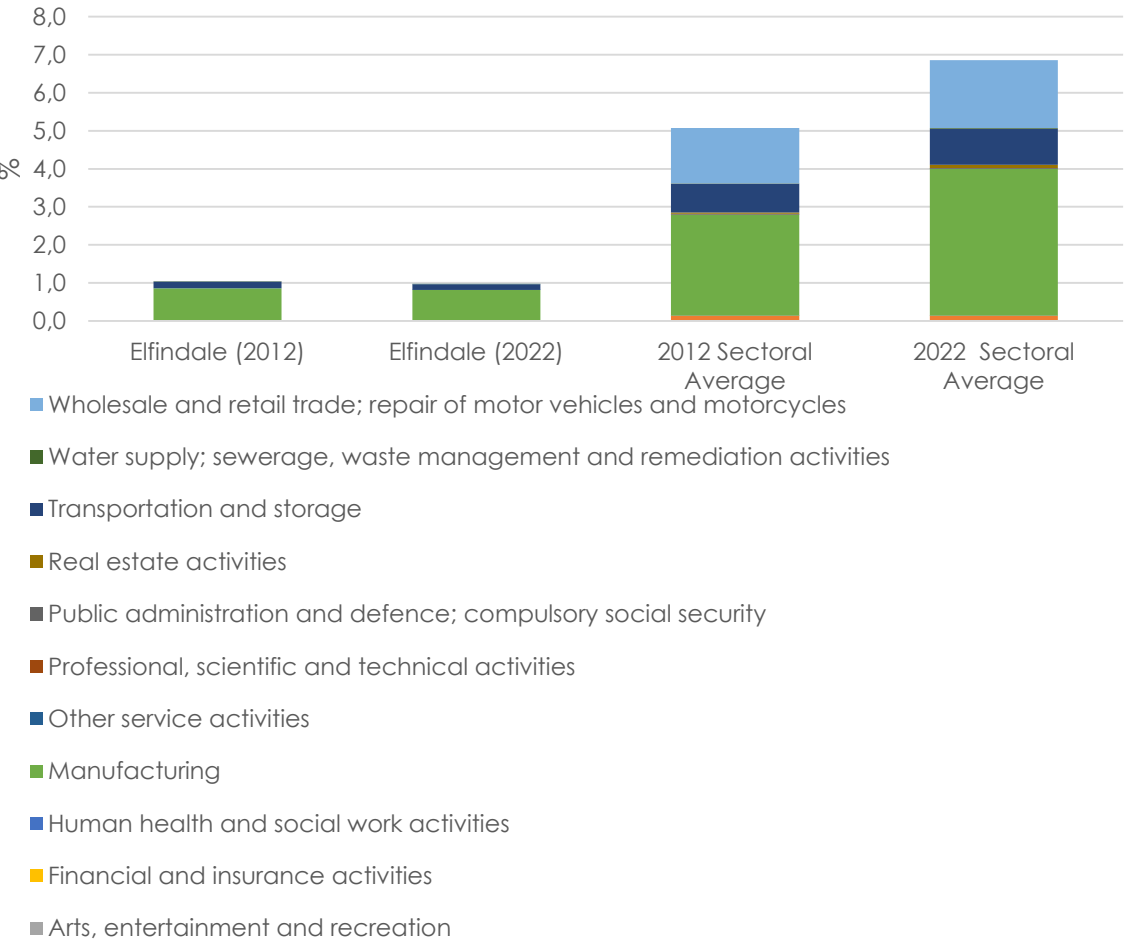
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# LAND USE ACTIVITIES

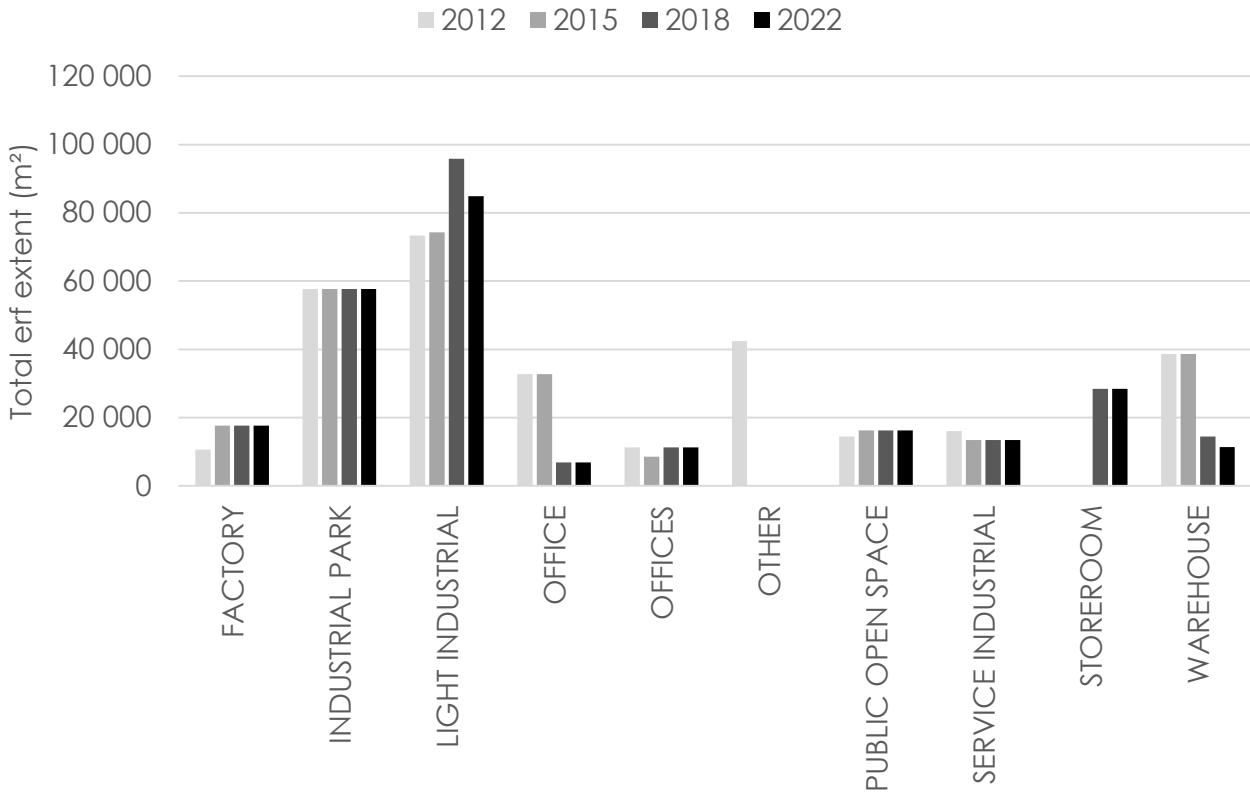
A recent analysis involved converting land use codes from the General Valuation Roll (GV Roll) into Standard Industrial Classification (SIC) codes This was done to determine the prevalence of industries operating in areas with similar characteristics.

- Between 2012 and 2022, the Elfindale industrial area was primarily characterized by a higher concentration of manufacturing and transport & storage sectors, as reflected in the **Nodal Typology**. This typology highlights the industries with the most floor area (m²) operating within a specific economic area.
- The **Metroscale Benchmarking** shows that Elfindale industrial contributes to the manufacturing and transport & storage sectors, although this contribution is lower than the sectoral average when compared to other industrial areas across Cape Town.
- Additionally, the GV Roll complements the findings from the SIC data by illustrating the **dominant land use** over time, based on the cumulative extent (m²) of floor area for various categories including light industrial, industrial parks, factories, service industrial, storerooms, warehouses, and offices.

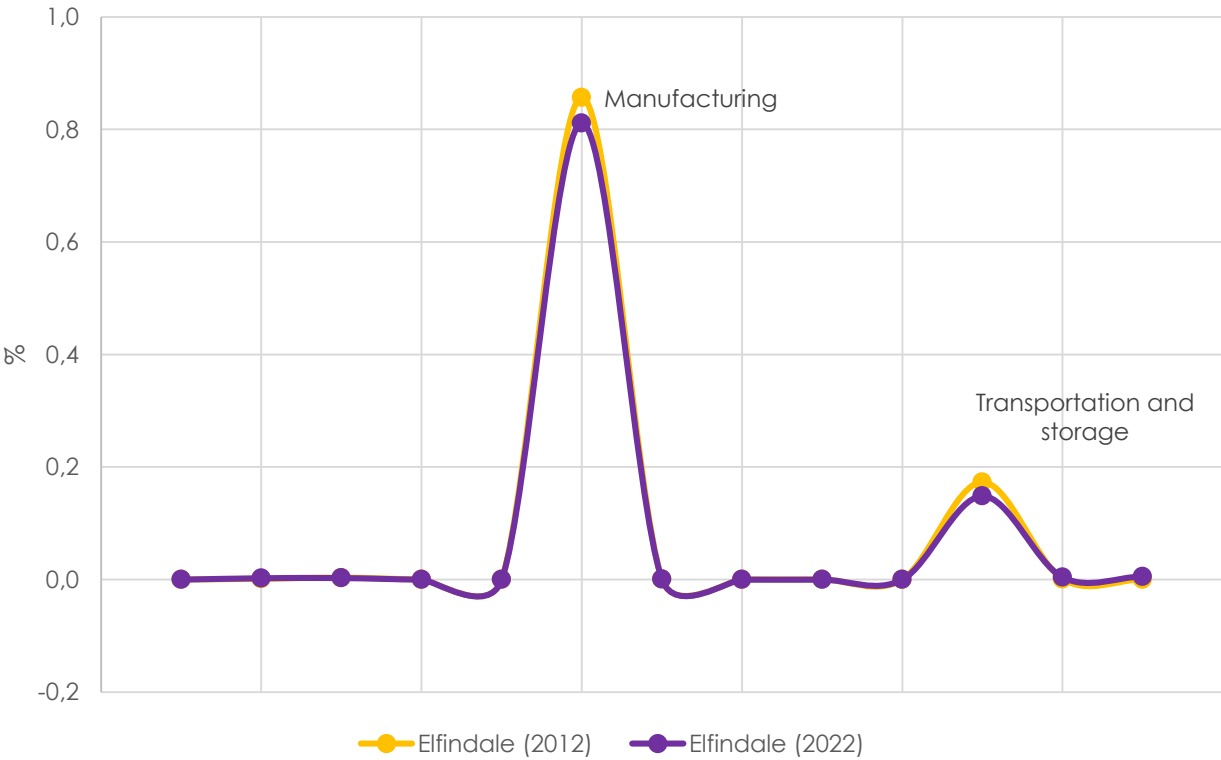
METROSCALE BENCHMARK



CUMULATIVE EXTENT OF THE MOST DOMINANT LAND USES BETWEEN 2012 AND 2022



NODAL TYPOLOGY FOR 2012 AND 2022 (Monofunctional Industrial)



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

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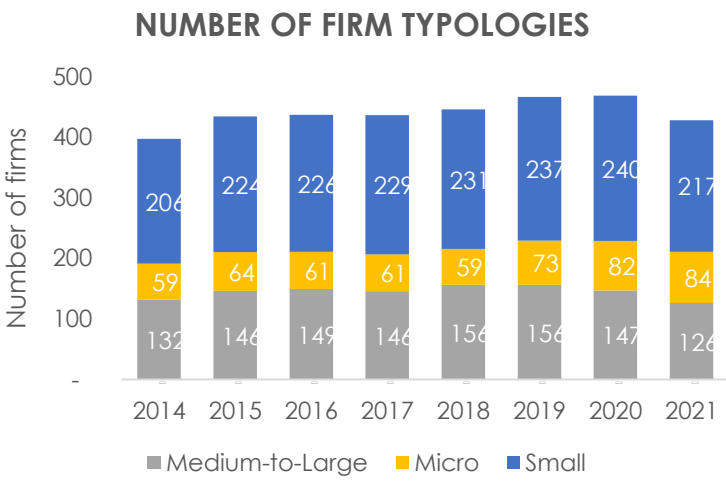
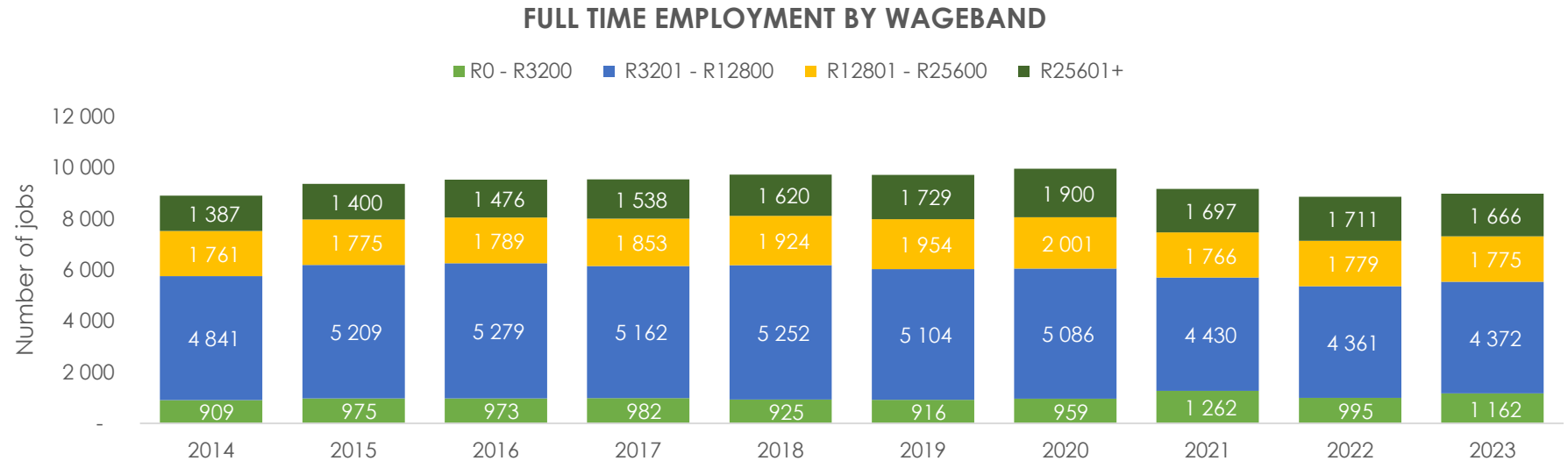
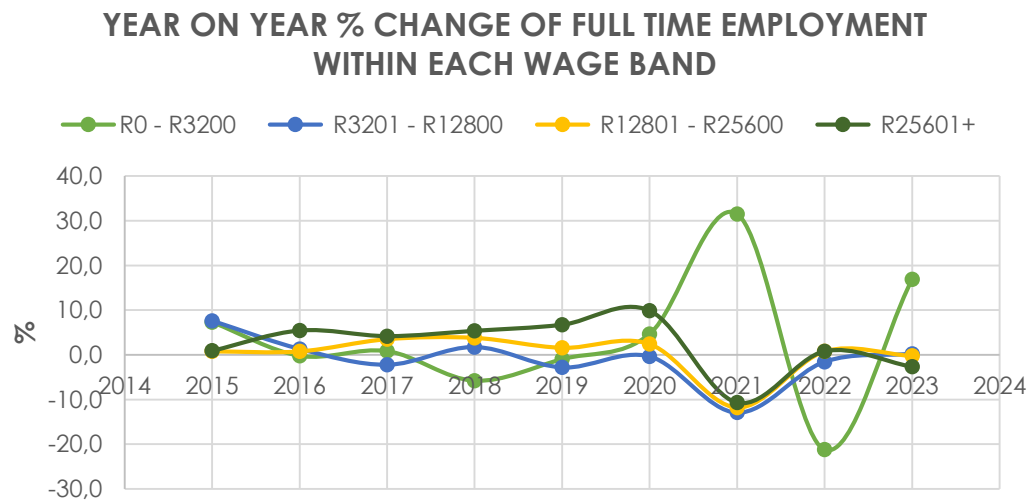
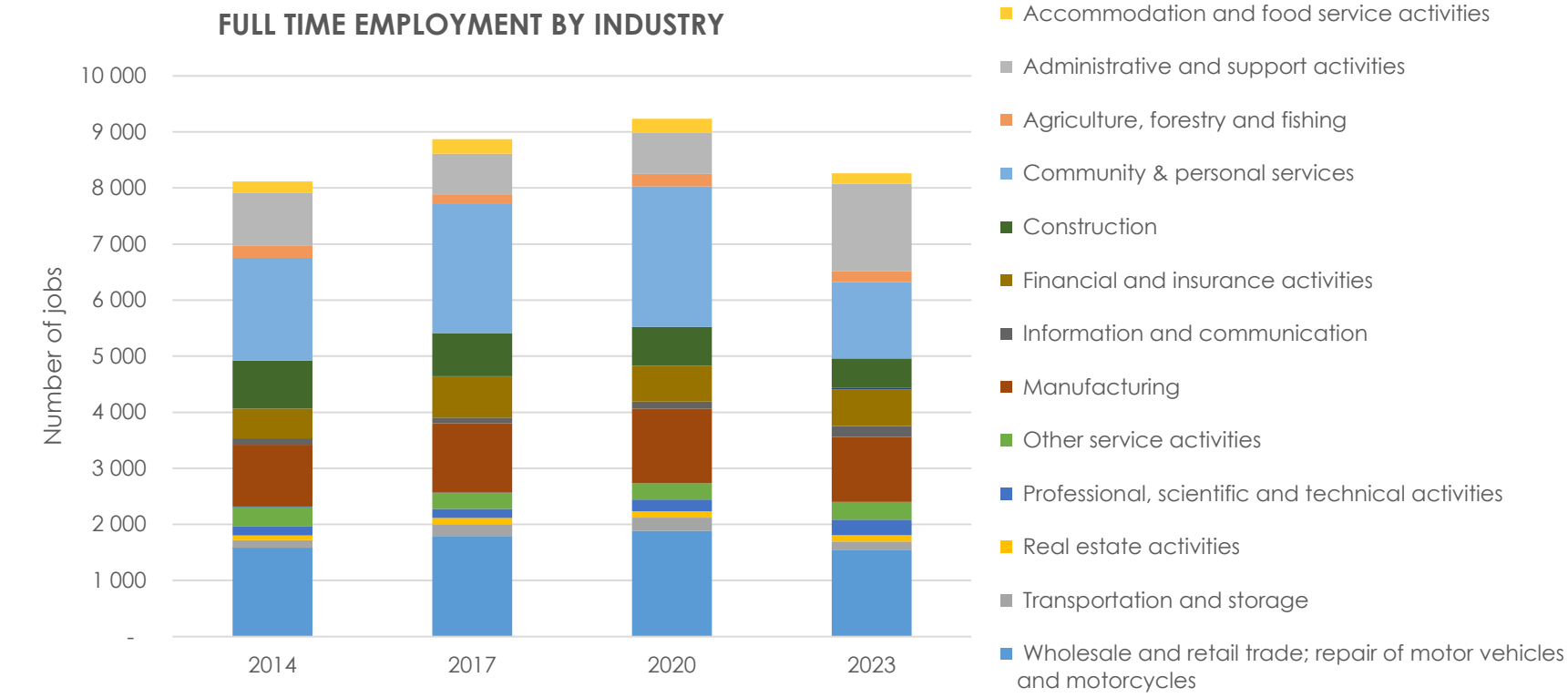
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# EMPLOYMENT OVERVIEW & FIRM TYPOLOGIES



**Jobs/Firms**

The number of job opportunities in the Elfindale industrial area remained steady at 8,000 between 2014 and 2023. There was an increase in jobs from 2017 to 2020, but a decline in 2023 can be attributed to the impact of the Covid-19 pandemic. Over time, the majority of jobs have been concentrated in the wholesale, administrative support, construction, manufacturing, and financial services sectors.

The total number of firms fluctuated around the 400 mark between 2014 and 2021. While small firms are the most common, there is also a significant presence of medium-to-large firms. Additionally, micro firms have shown the most growth.

**Income bands**

The income bands provide insight into the skill levels of the employed workforce. The data indicates that a larger proportion of employees earn up to R12,800 per month.



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

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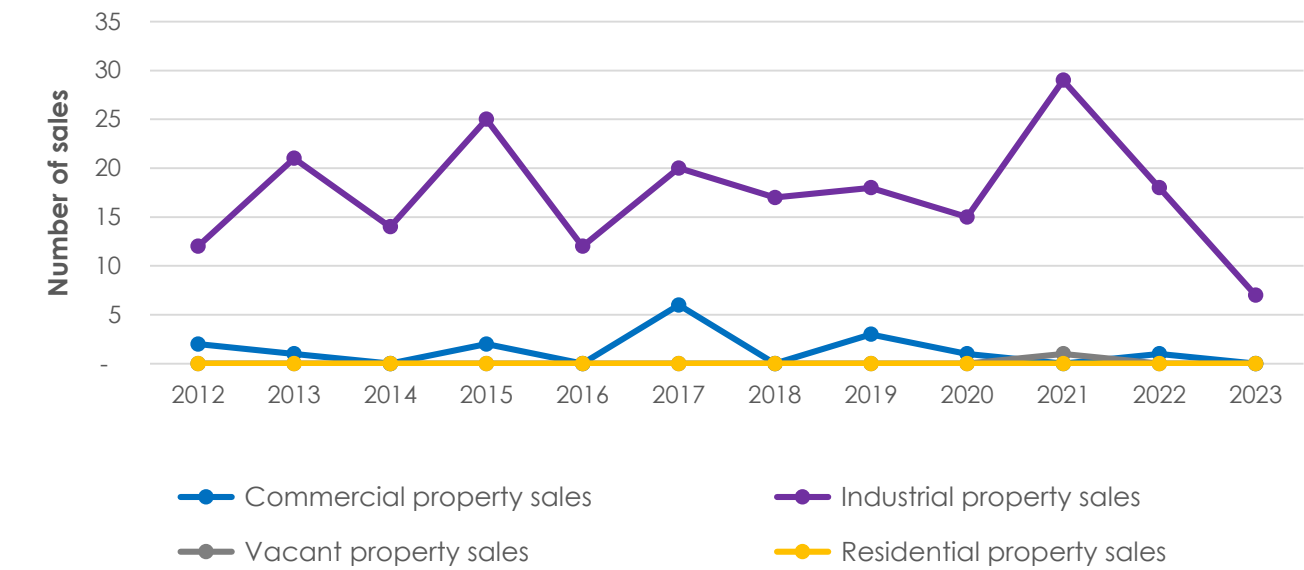
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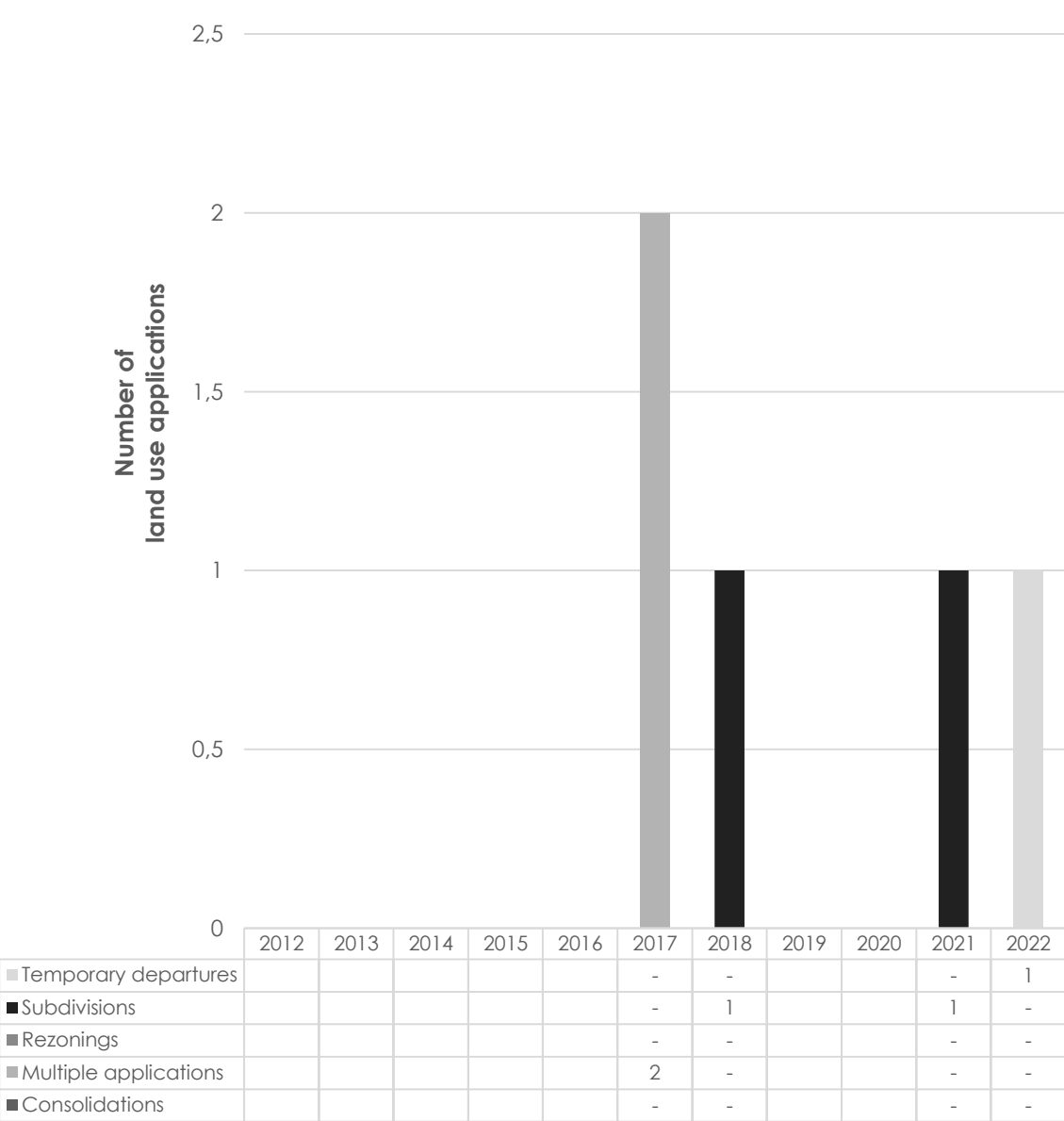
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# DEVELOPMENT PIPELINE

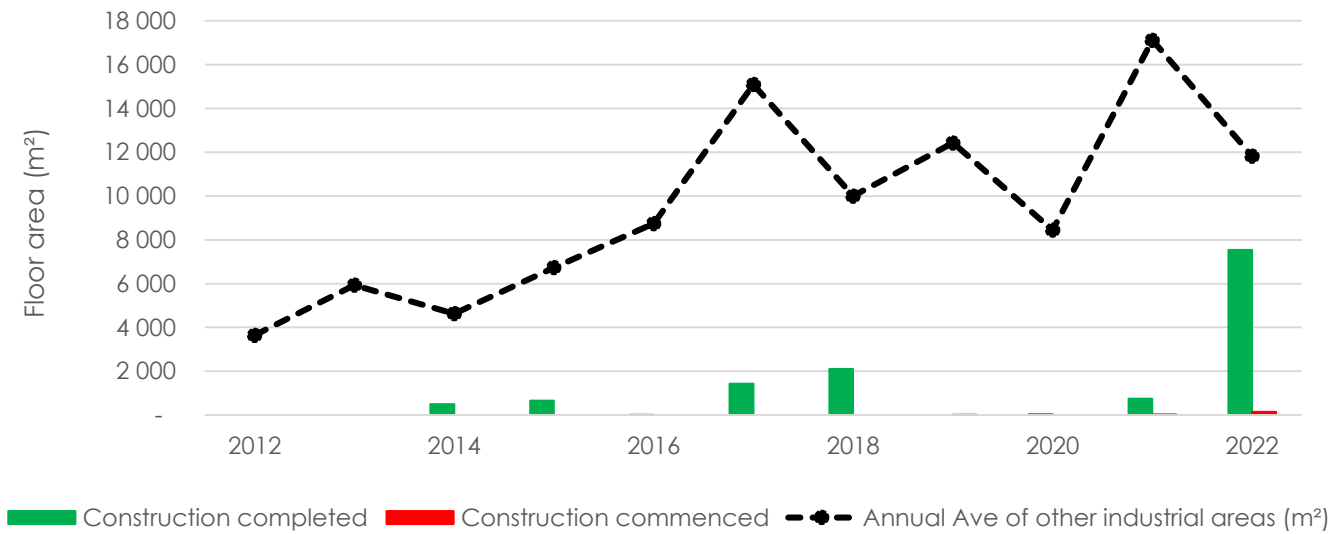
PROPERTY SALES BY SECTOR



APPROVED LAND USE APPLICATIONS



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



## Property sales

Property sales in the area showed significant fluctuations for industrial properties between 2012 and 2021, but they have begun to decline in 2023.

## Land use applications

There were no significant land use approvals granted, indicating that the area did not experience an increase in land use intensity between 2012 and 2022. However, the two subdivision approvals suggest a preference for specific property sizes.

## Building plans

There were no significant land use approvals granted, indicating that the area did not experience an increase in land use intensity between 2012 and 2022. However, the two subdivision approvals suggest a preference for specific property sizes.

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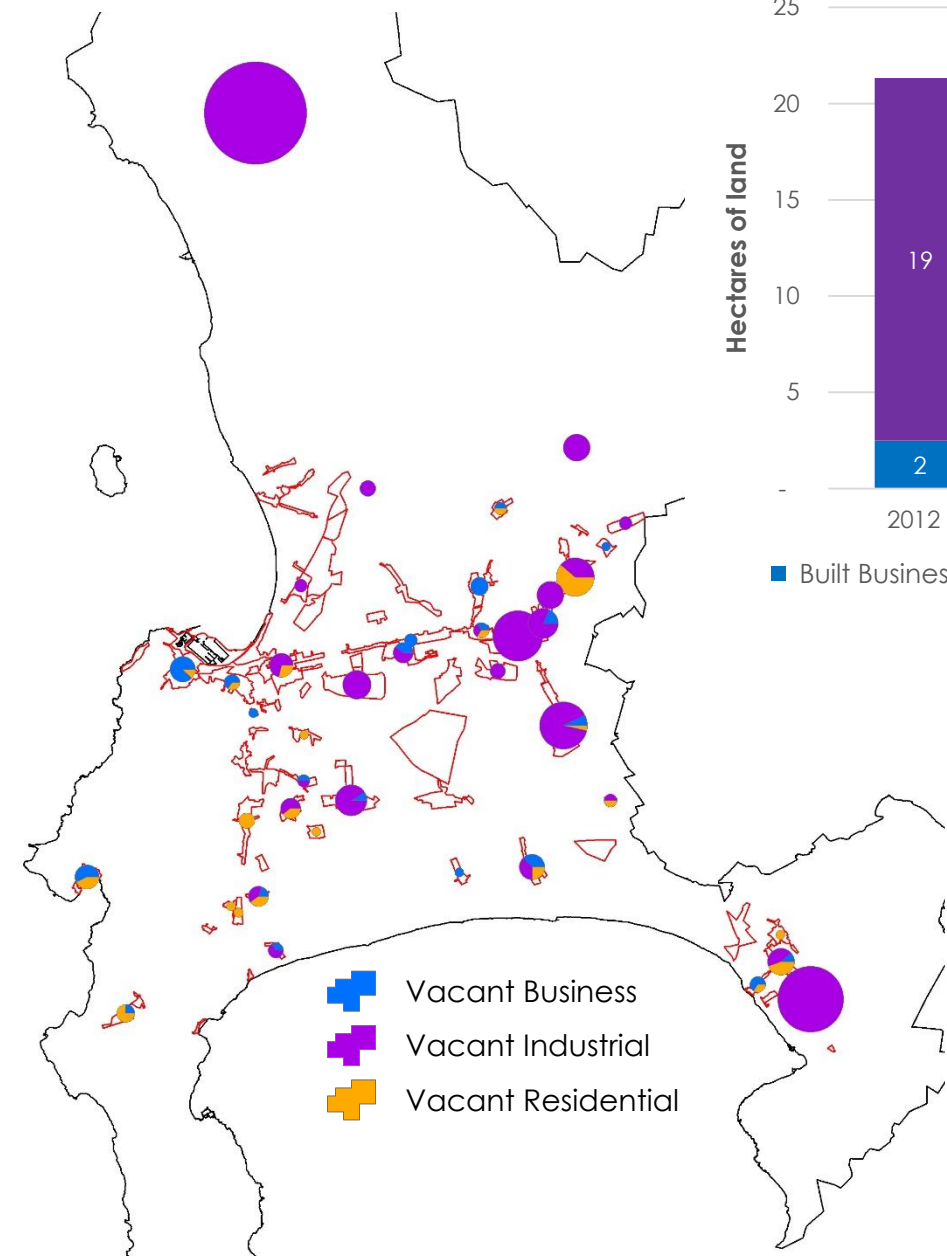
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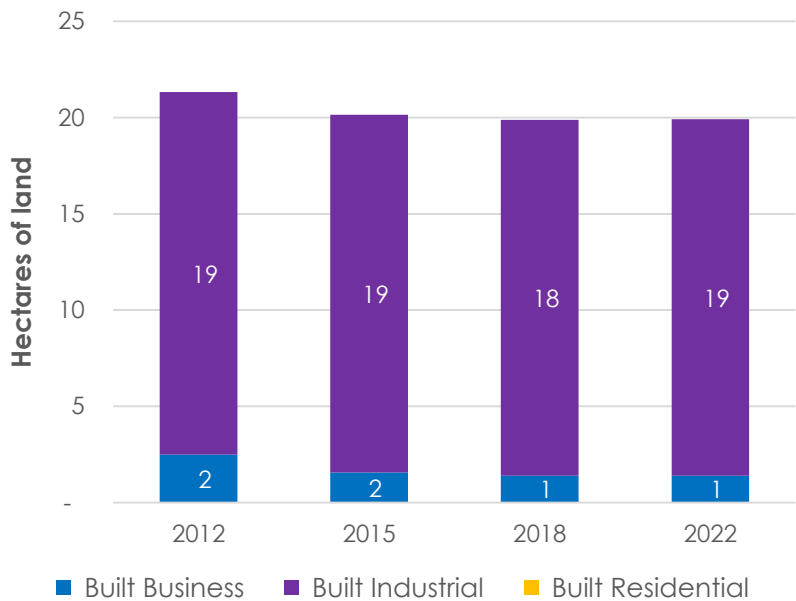
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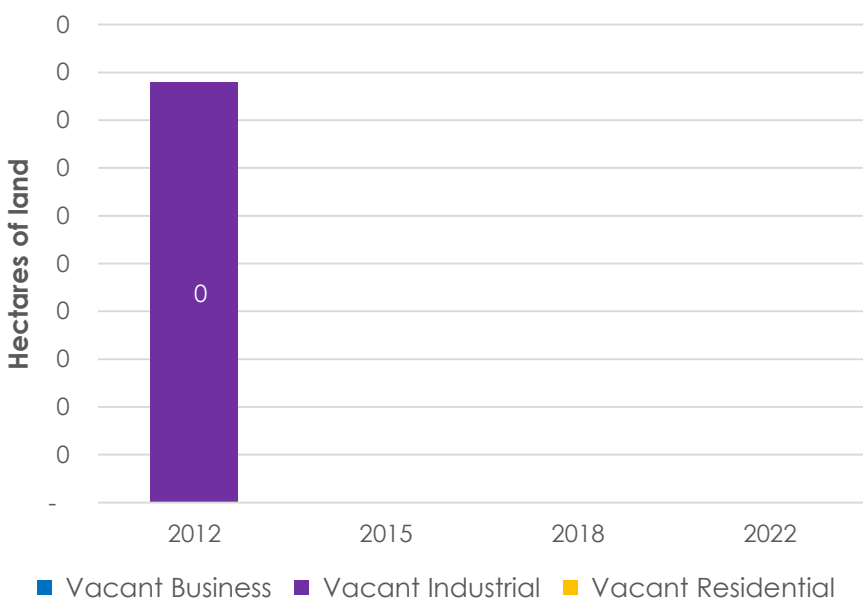
VACANT LAND ACROSS CAPE TOWN (GV 2022)



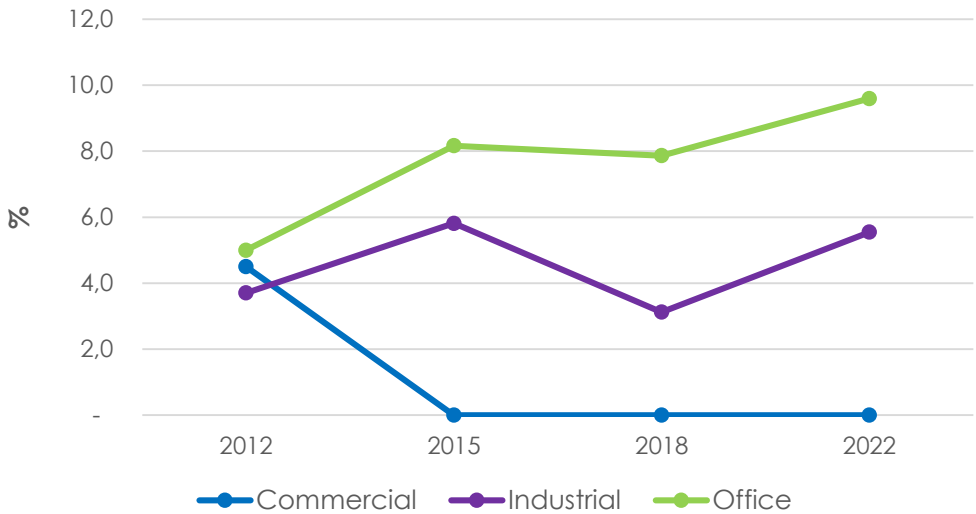
BUILT-UP LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



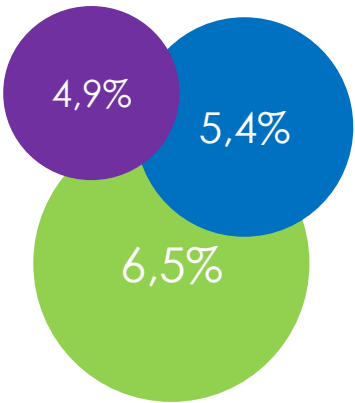
VACANT LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



VACANCY RATE OF EXISTING BUILDINGS



METRO AVERAGE: VACANCY RATES PER SECTOR FOR 2022



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

Source: City's General Valuation Roll and Market Reports

Vacant land

The map illustrates the latest General Valuation (GV) Roll for 2022, highlighting vacant land across the metropolitan area. It complements the graph depicting vacant land for the 2022 GV year. The area has largely been developed, with minimal vacant land remaining. If the area experiences further intensification, vertical development will be the primary option.

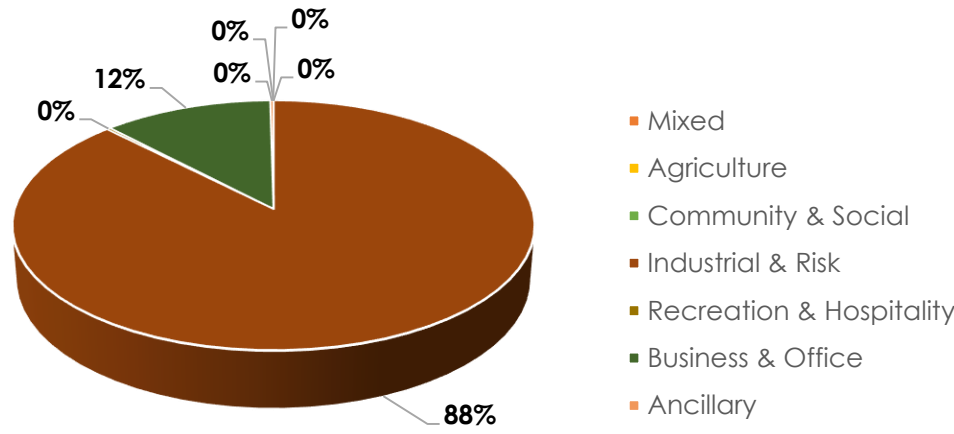
Vacancy rates

Alongside the information on vacant land, the vacancy rates for existing buildings in the industrial sector ranged from 3.7% in 2012 to 5.5% in 2022, averaging 4% over the years. In contrast, the vacancy rate in the office sector rose from 5% in 2012 to 9.6% in 2022. This data suggests that industrial buildings are generally well-occupied, while the office sector has a higher vacancy rate.

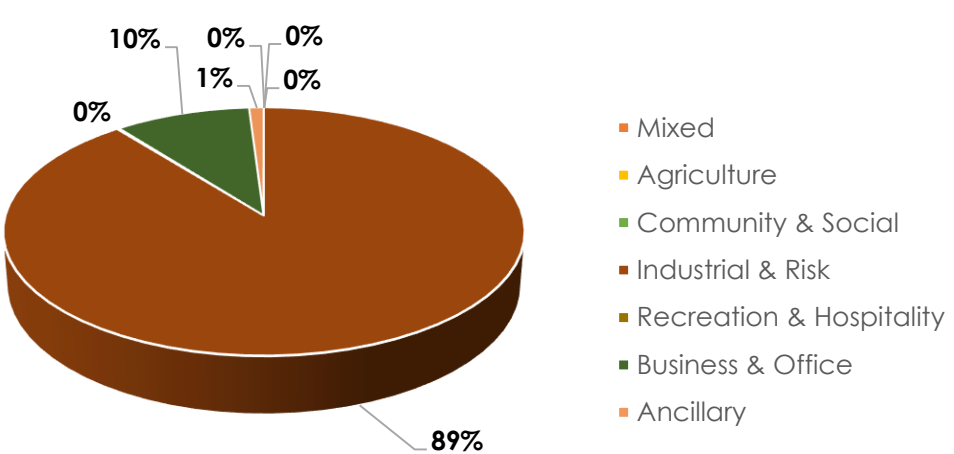
# AGGLOMERATION OF INDUSTRIES

SECTORAL AGGLOMERATION AND CO-AGGLOMERATION RELATIONSHIPS

% OF LAND USE GROUPS (2012)



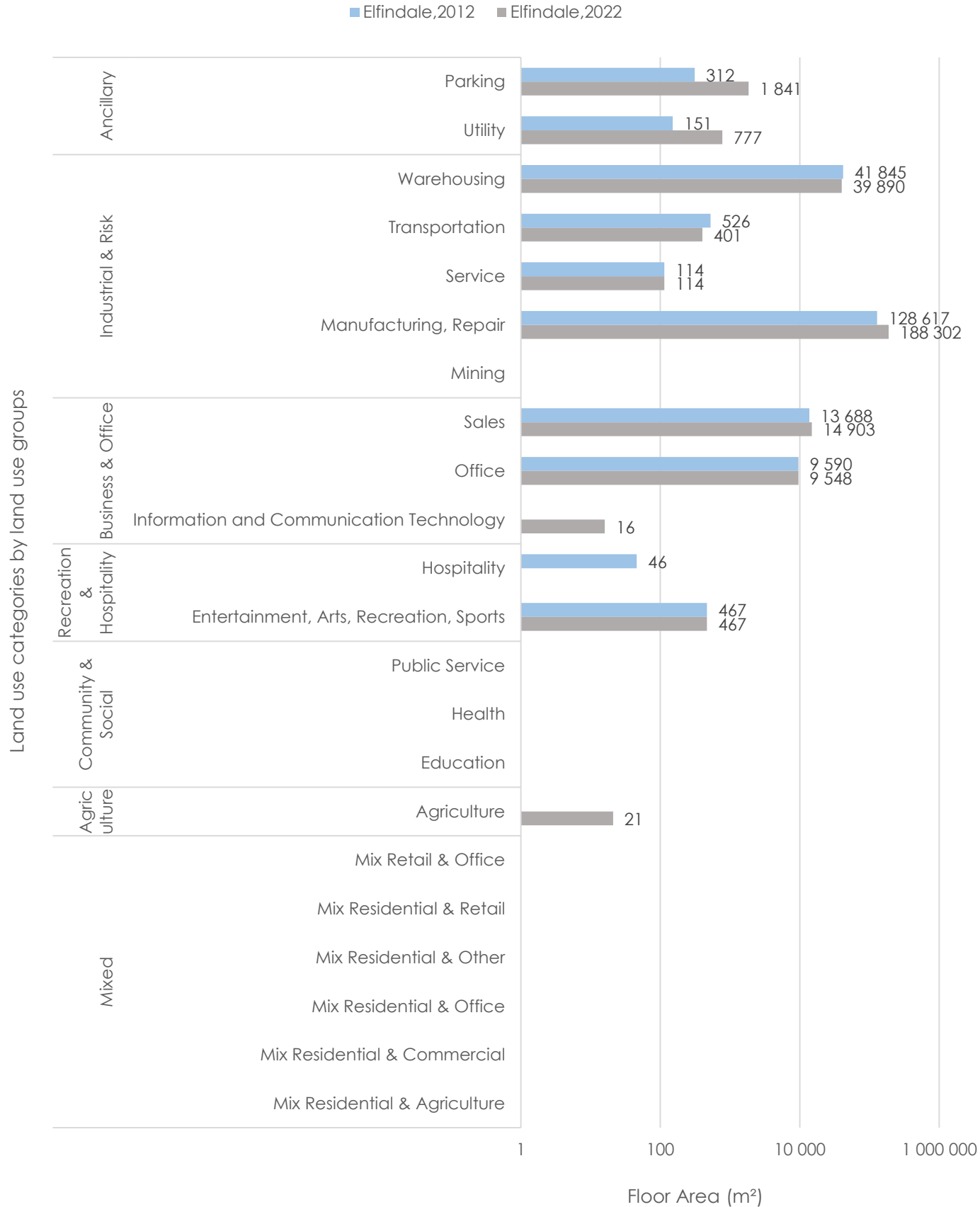
% OF LAND USE GROUPS (2022)



The pie charts display the percentage distribution of land use groups in the Elfindale industrial area, based on the cumulative floor area (in square meters) of various land uses. As shown in the charts, the Industrial & Risks group has been dominant in both 2012 and 2022, outpacing the other groups, which primarily serve to support this leading land use category.

Additionally, the bar graph offers a comparative view of land use categories co-agglomerating within each group for the years 2012 and 2022. It indicates that manufacturing, repairs, and warehousing have remained the most prominent land uses during this period. There is also a limited presence of other industrial and non-industrial land uses.

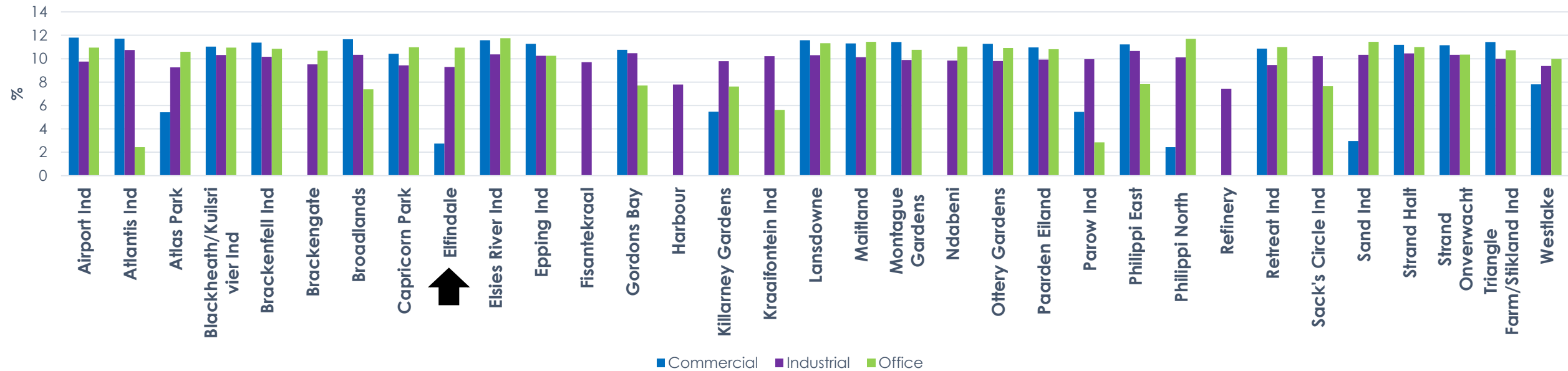
FLOOR AREA PER LAND USE CATEGORY FOR 2012 AND 2022



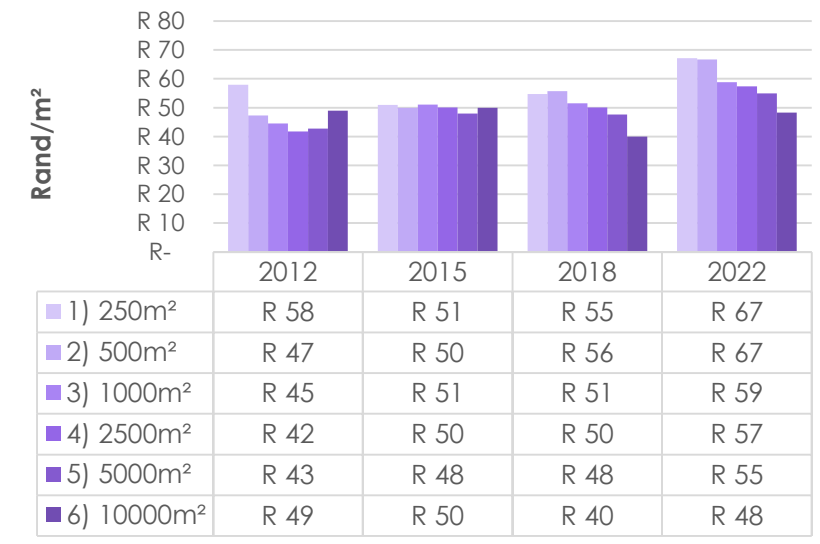
Source: Analysis of GV data (May 2024)

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



INDUSTRIAL RENTALS

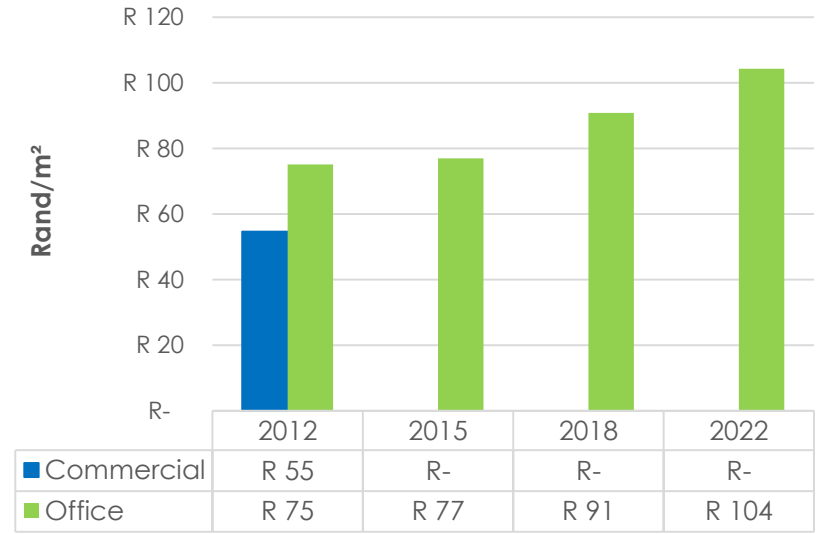


Rental rates

Rental rates for properties up to 5,000 m² generally increased gradually from 2012 to 2022, while rental rates for properties over 10,000 m² primarily fluctuated.

Office rental rates gradually rose between 2012 and 2022.

COMMERCIAL AND OFFICE RENTALS



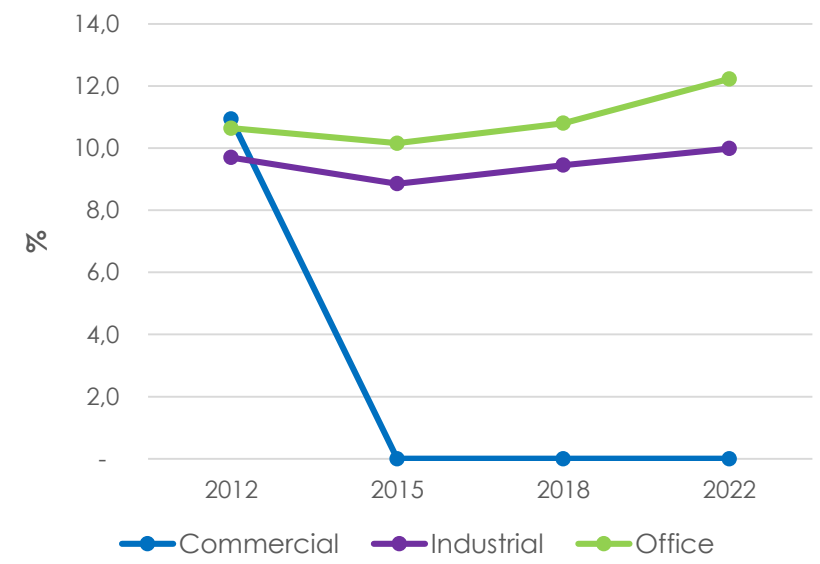
Comparative view on cap rates

Between 2012 and 2022, the average capitalisation rates for the industrial, office and commercial sectors have been 9.29%, 10.94%, and 2.74%, respectively, indicating their competitiveness relative to other industrial areas.

Year on year, capitalisation rates for the industrial sector have remained consistent at around the 10% mark, while the office sector has increased from 10.6% to 12.2%.

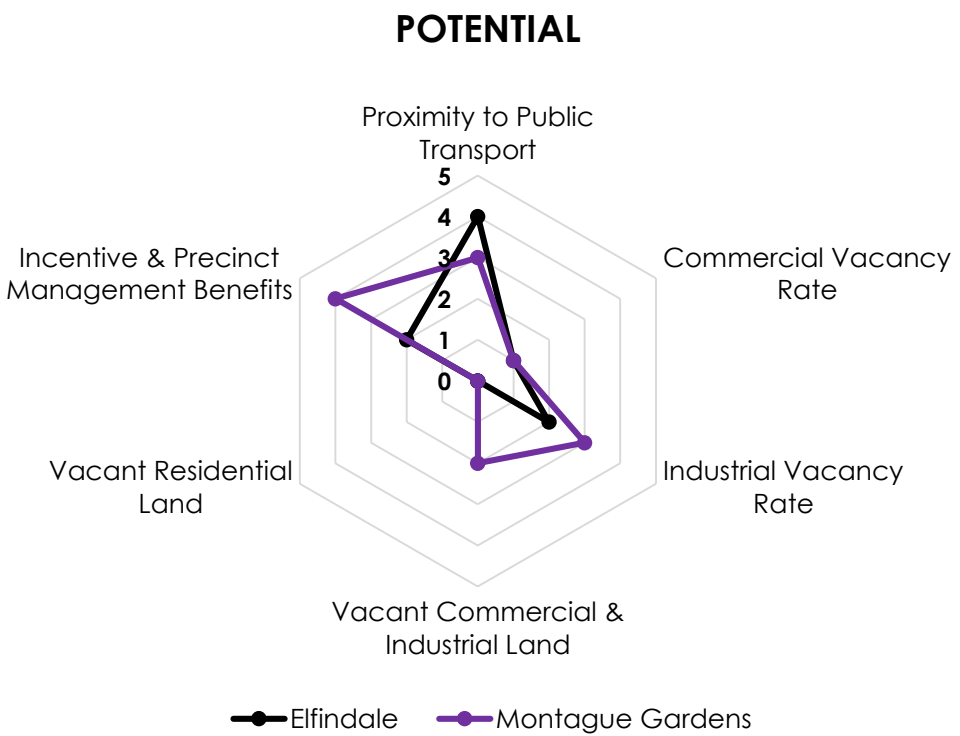
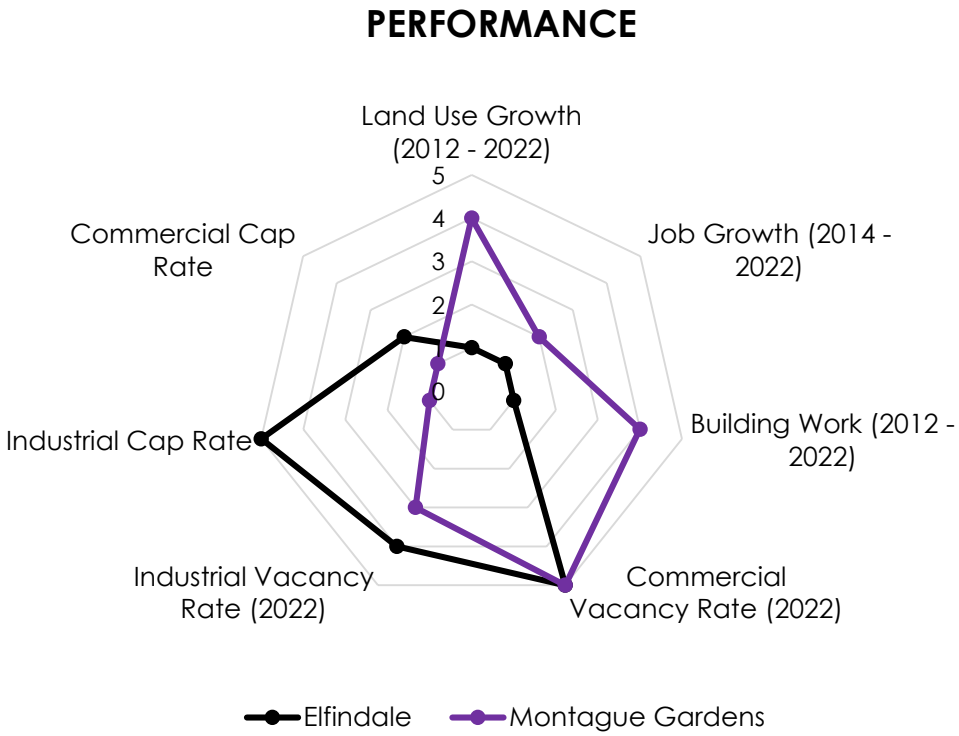
- Higher cap rates = higher investment risk.
- Lower cap rates = lower investment risk.

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 (m²) 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 m²) 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)