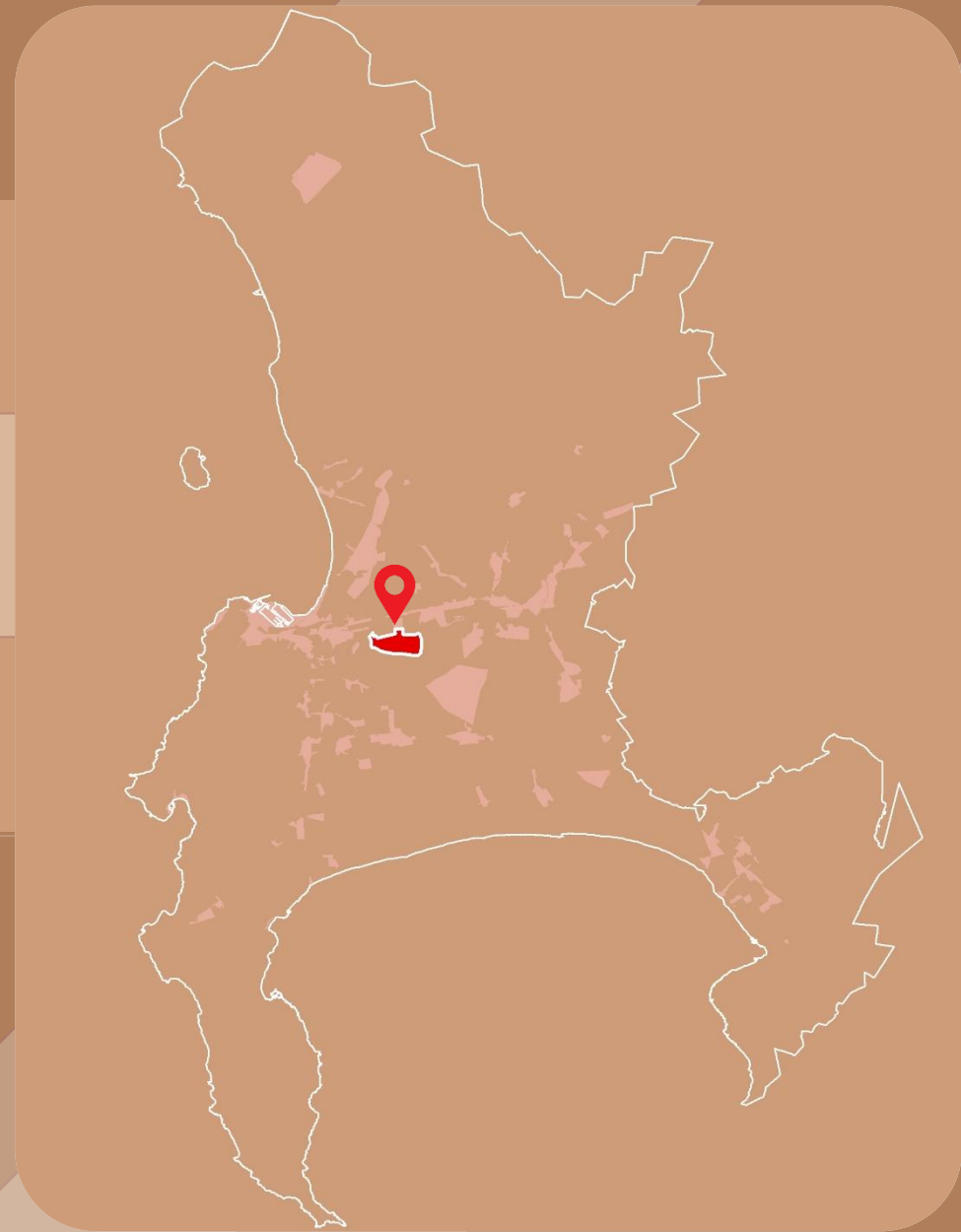


# EPPING INDUSTRIAL ECONOMIC AREA PROFILE

TREND ANALYSIS 2012-2022



*Image source: City of Cape Town*



June 2024



CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
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

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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

- Table Bay DSDF - Subdistrict 4: Eastern District:
  - District Development Guidelines ([page 66](#))
  - Subdistrict Development Guidelines ([page 99](#))
  - Consolidated subdistrict SDF ([Figure 26: Subdistrict 4: Eastern District](#))
- Tygerberg DSDF - Subdistrict 4: Greater Elsies River, Ruyterwacht, Parow Valley, Ravensmead, Epping 2, Bonteheuwel, Bishop Lavis, Malawi Camp:
  - District Development Guidelines ([page 60](#))
  - Subdistrict Development Guidelines ([page 89](#))
  - Consolidated subdistrict SDF ([Figure 21: Subdistrict 4: Greater Elsies River, Ruyterwacht, Parow Valley, Ravensmead, Epping 2, Bonteheuwel, Bishop Lavis, Malawi Camp](#))

# 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:

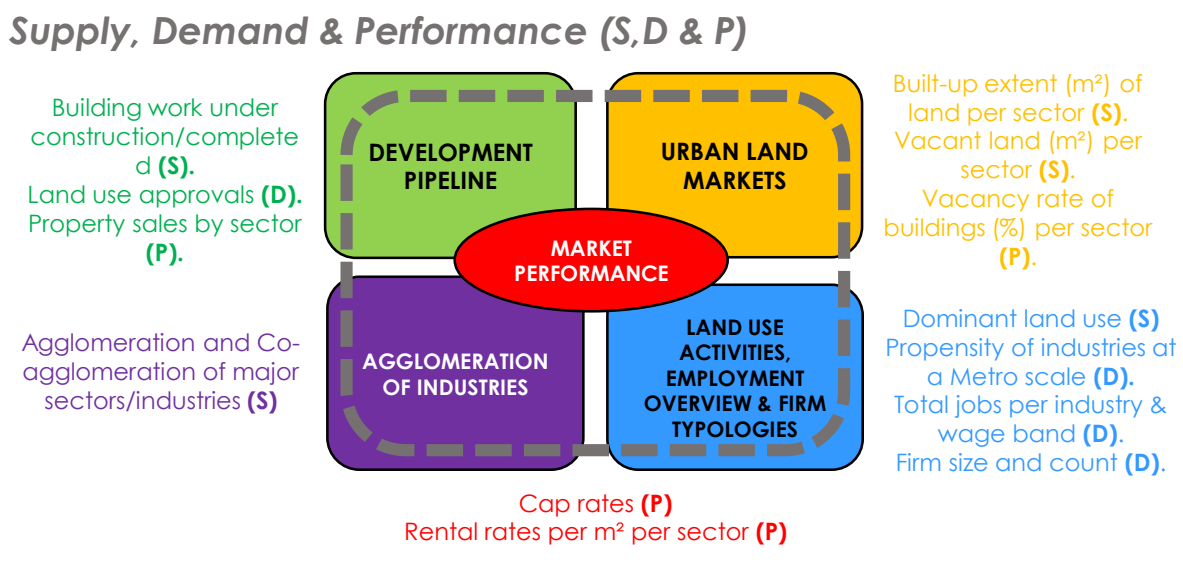
- [Economic Performance Indicators for Cape Town](#)
- [Regional Market Analysis and Intelligence 2023/24](#)
- [Provincial Economic Review and Outlook \(PERO\)](#)
- [Municipal Economic Review and Outlook \(MERO\)](#)

WHY

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 MSDP and DSDFs.</p>	<p><b>Urban Growth Planning (Non-res growth estimates):</b> Determine where to accommodate non-res growth.</p> <p><b>Spatial intelligence:</b> Location-based supply and demand factors.</p> <p><b>Enhanced spatial policy:</b> 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 &amp; expansion initiatives.</p> <p>Data foundation behind MSDP Policy Statement 4.</p>

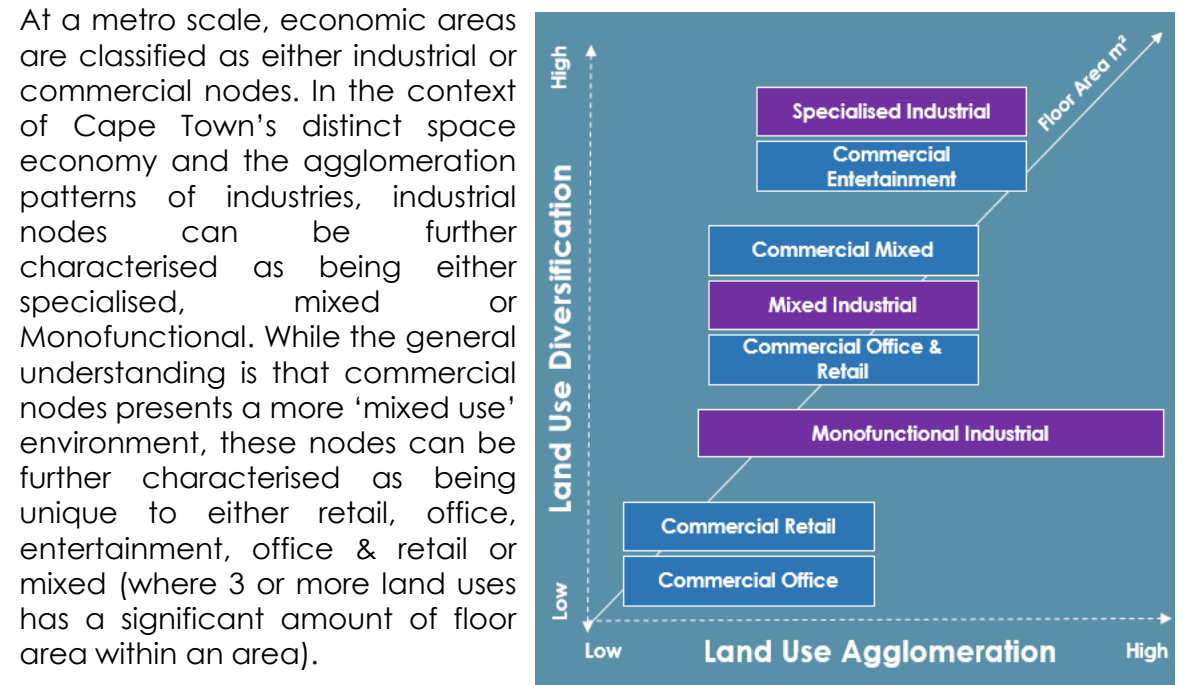
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WHAT



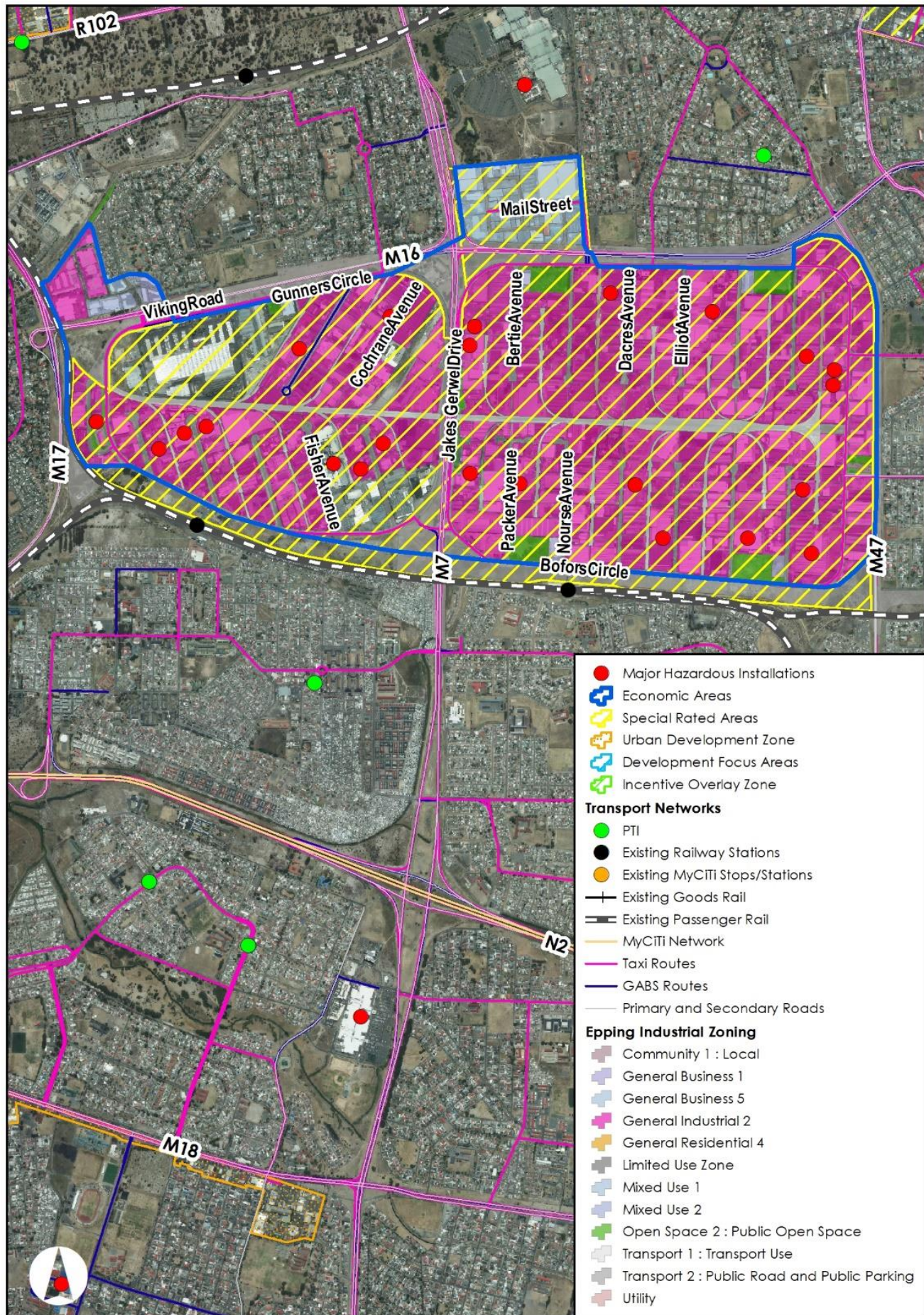
Land use activities, employment overview & firm typologies  
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HOW



Agglomeration of industries  
Market performance  
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# INTRODUCTION



## EPPING INDUSTRIAL

### Location

- Epping Industrial is located approximately 10km east of Cape Town's Central Business District and the Port of Cape Town. Furthermore, it is located 5km from Cape Town International Airport.
- The area is divided by the M7 (Jakes Gerwel Drive) and is conveniently located near the N1 and N2 highways, providing easy access across Cape Town.
- The area is mainly serviced by rail, taxis, and GABS.
- Access to a skilled workforce from surrounding areas, includes the broader Pinelands, Goodwood, Kalksteentfontein, Bishop Lavis, and Elsie's River areas.
- Due to its location, the area also attracts a skilled workforce from areas across Cape Town.

### Zoning, land use and form

- The area is primarily zoned for industrial purposes.
- The area is mainly characterised by light industrial, which includes warehousing, storage & transportation services, sales, manufacturing, repairs, and office accommodations.
- The average land parcel sizes range from 5,000 to 10,000m<sup>2</sup>, with a limited number of land parcels exceeding 10,000m<sup>2</sup>.

### Spatial planning mechanisms

- The area is supported by a City Improvement District.

### Key highlights of the area include:

- Epping Industrial is the largest and most centrally located industrial area in Cape Town.
- The area was previously used as a racetrack but began to establish itself as an industrial zone starting in 1940. As the area developed further, racing activities were discontinued.
- The decline of freight rail has resulted in unused rail sidings, which have become unmanaged spaces between factories.
- In 2001, the [Epping City Improvement District](#) was established to enhance property investment, boost job creation, and attract new investments to the area.
- Epping Industrial is known for several key anchor industries, including SA Metal, TFG, Stuttafords Removal and Storage, and the notable Cape Town Fresh Produce Market.

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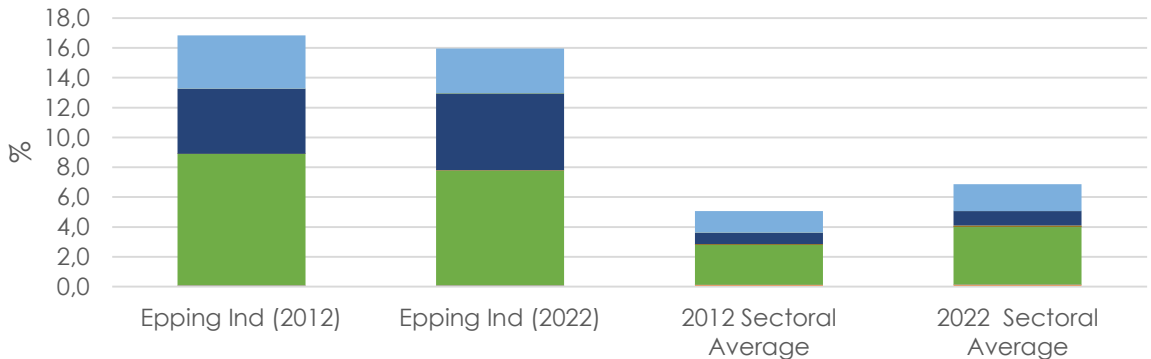
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# LAND USE ACTIVITIES

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.

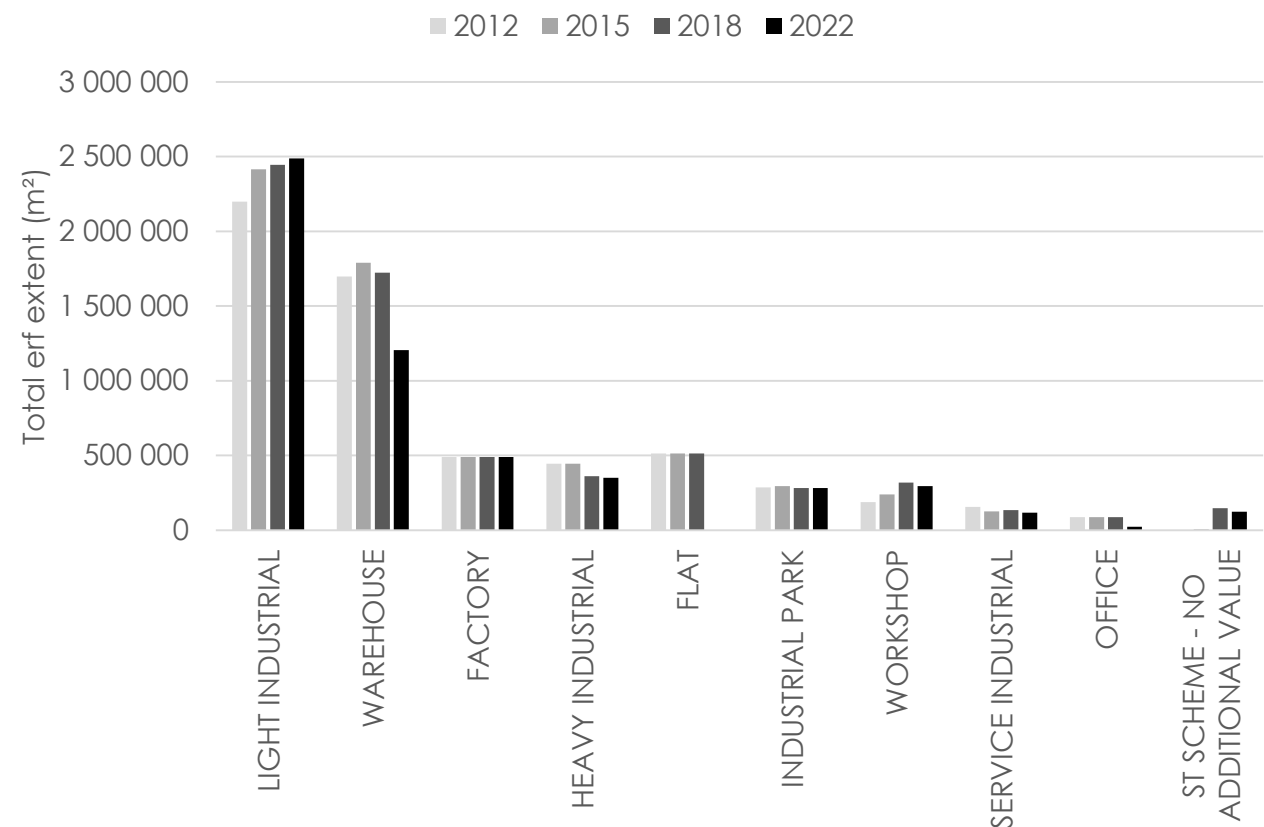
- Between 2012 and 2022, Epping industrial was mainly characterised by a greater propensity for manufacturing, transport and storage, as well as wholesale & retail activities, as indicated by the **Nodal Typology**. The nodal typology highlights industries with the most floor area (m<sup>2</sup>) operating within an economic area.
- The **Metroscale Benchmarking** positions Epping industrial as being a contributor of manufacturing, transport & storage and wholesale & retail which performs higher than the sectoral average when compared to other industrial areas across Cape Town.
- Additionally, the GV Roll supports the findings from the SIC data by showing the **dominant land use** over time. It details the cumulative floor area (m<sup>2</sup>) for light industrial, warehousing, workshops, factories, industrial parks, service industrial and flats.

## METROSCALE BENCHMARK

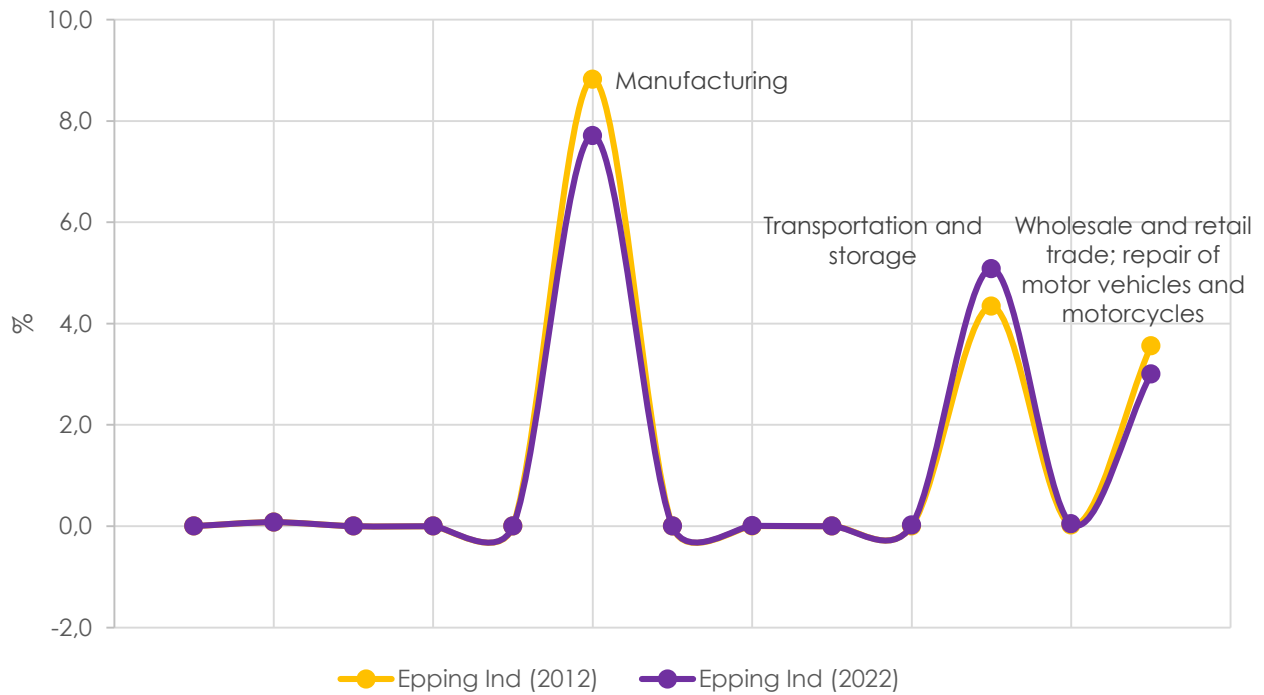


- Wholesale and retail trade; repair of motor vehicles and motorcycles
- Water supply; sewerage, waste management and remediation activities
- Transportation and storage
- Real estate activities
- Public administration and defence; compulsory social security
- Professional, scientific and technical activities
- Other service activities
- Manufacturing
- Human health and social work activities
- Financial and insurance activities
- Arts, entertainment and recreation
- Activities of households as employers; undifferentiated goods- and services producing activities of households for own use
- Accommodation and food service activities

## 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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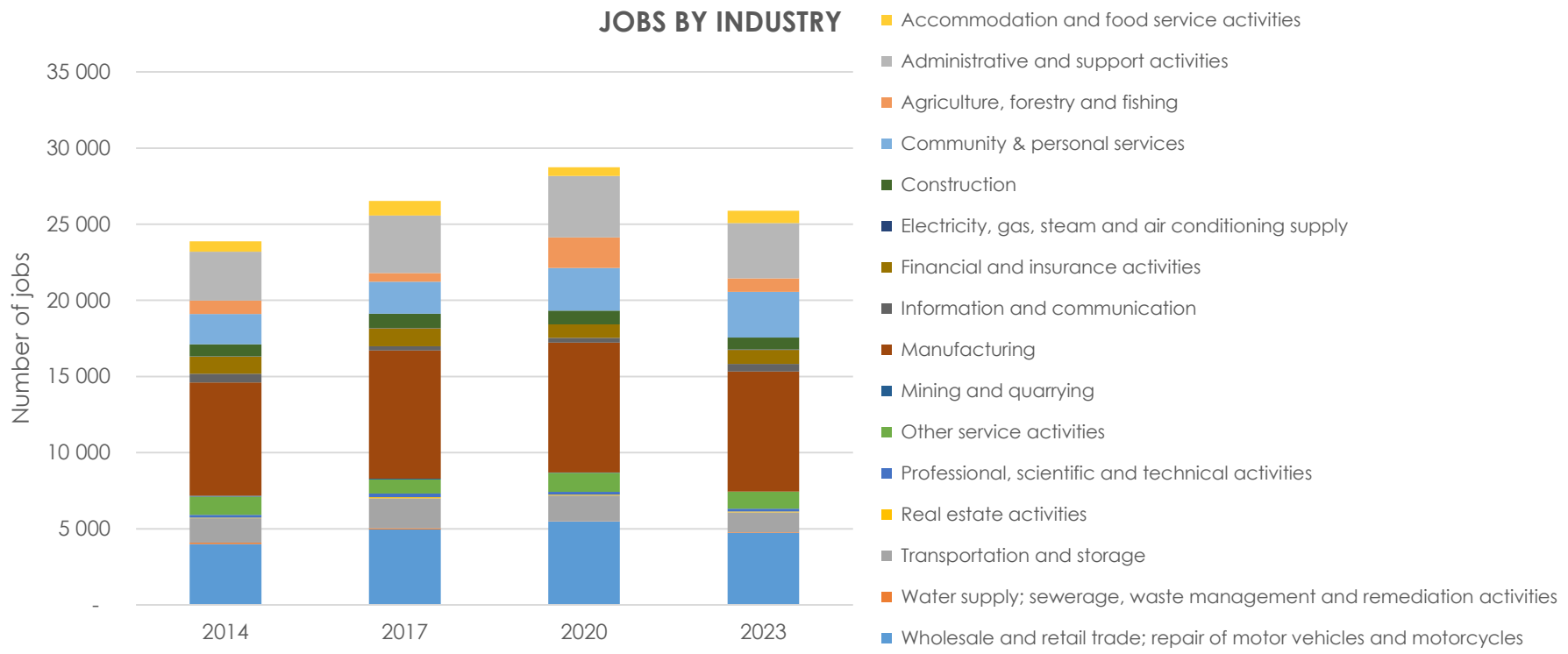
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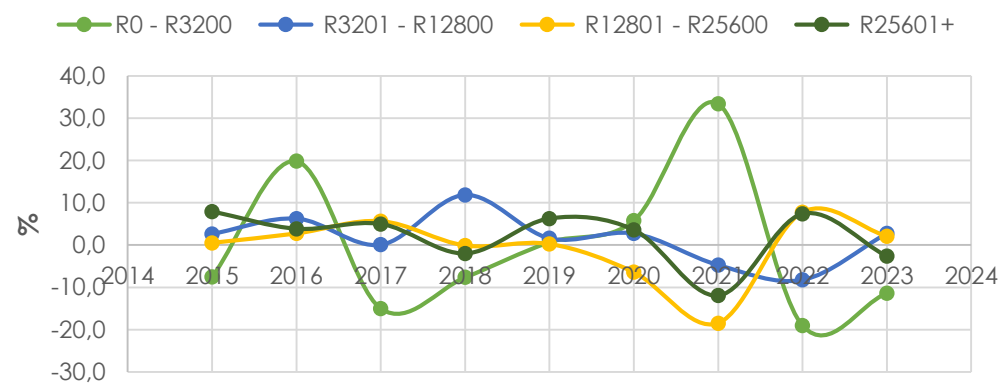
Performance & Potential

# EMPLOYMENT OVERVIEW & FIRM TYPOLOGIES

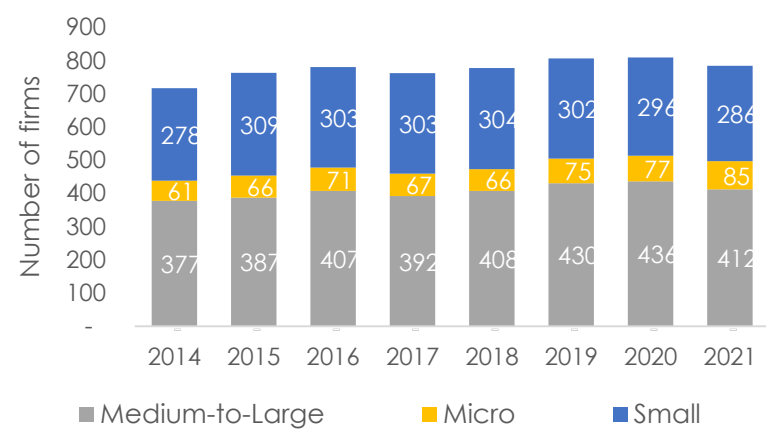
## JOBS BY INDUSTRY



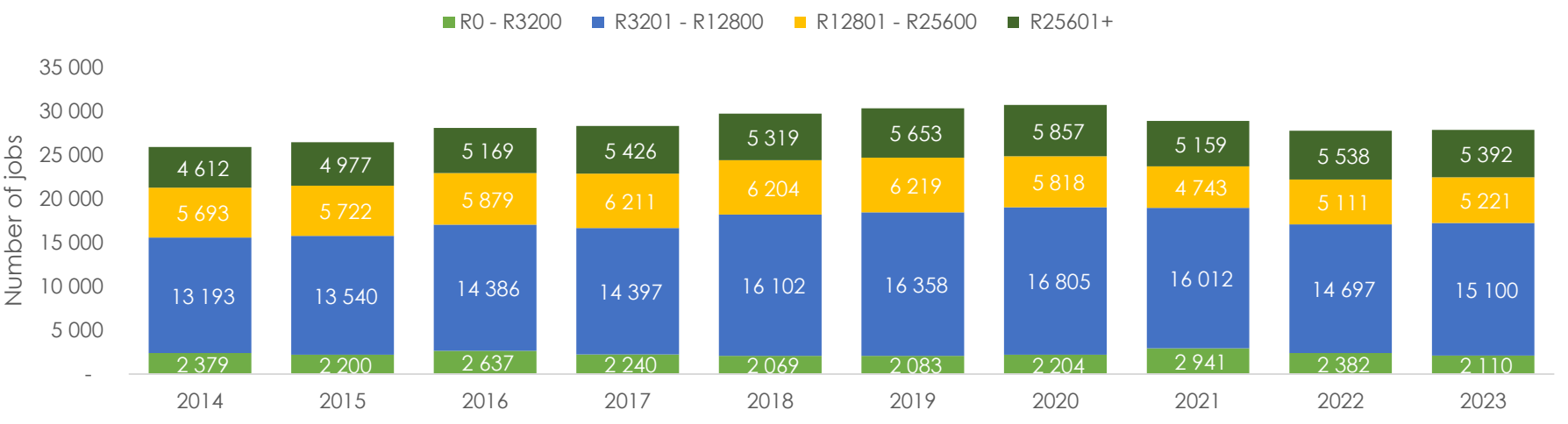
## YEAR ON YEAR % CHANGE OF FULL TIME EMPLOYMENT WITHIN EACH WAGE BAND



## NUMBER OF FIRM TYPOLOGIES



## FULL TIME EMPLOYMENT BY WAGEBAND



## Jobs/Firms

The number of job opportunities surrounding the Epping industrial area increased from 24,000 to 26,000 between 2014 and 2022, but experienced a decrease in 2023. Over time, the majority of jobs have been concentrated in manufacturing, wholesale & retail, administrative activities and community & personal services.

The total number of firms fluctuated around the 700 mark between 2014 and 2021. While medium-to-large firms are the most dominant, there is also a significant presence of small firms, as well as micro 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 R12,800. However, there is also a considerable number of employees earning more than R12,800.



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

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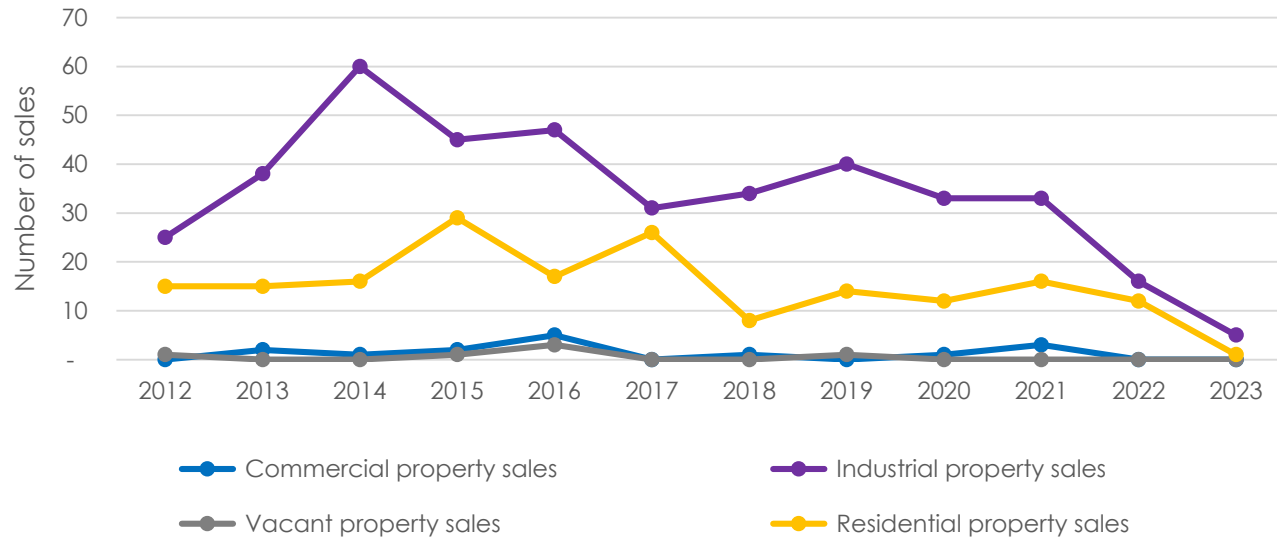
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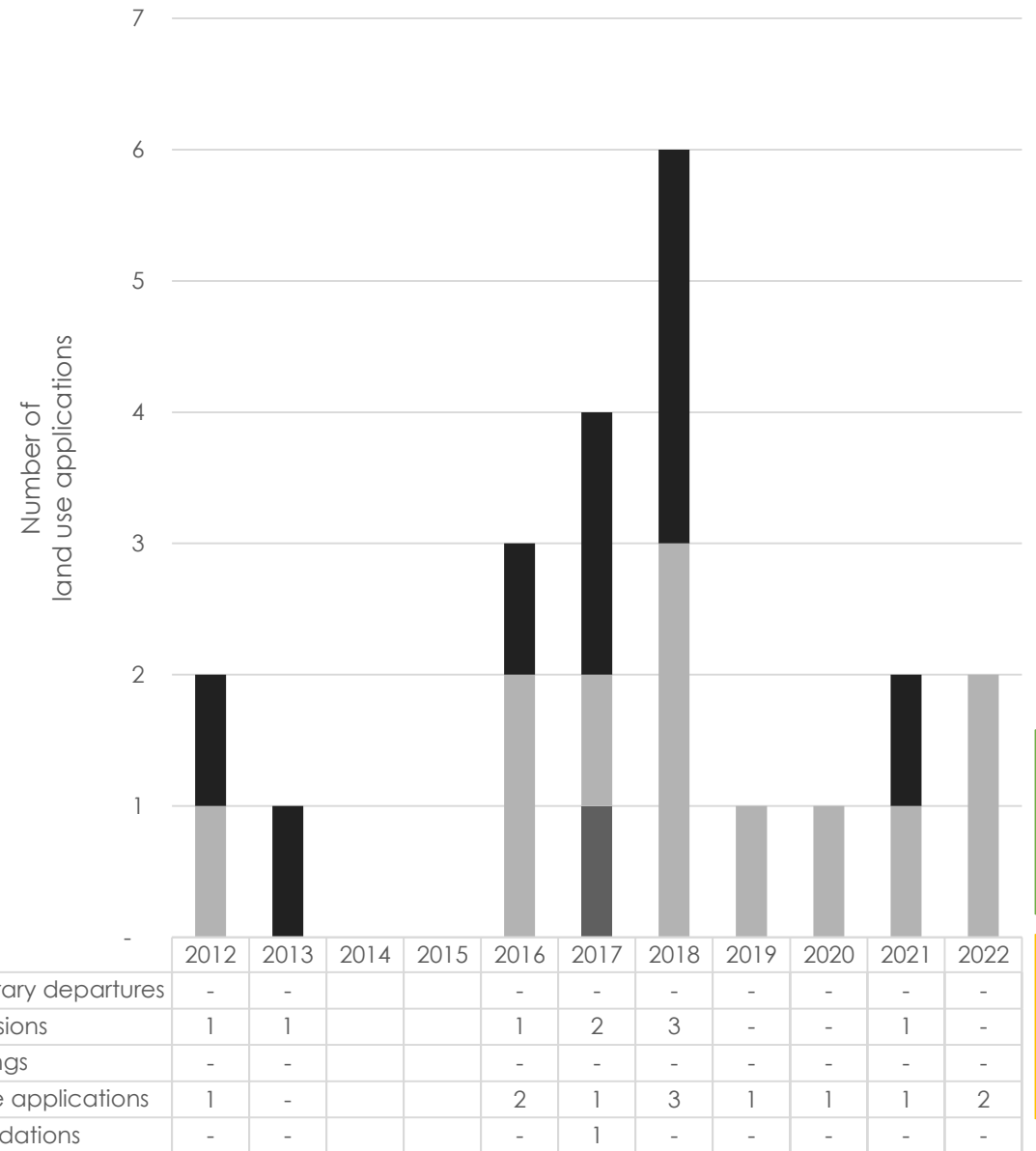
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# DEVELOPMENT PIPELINE

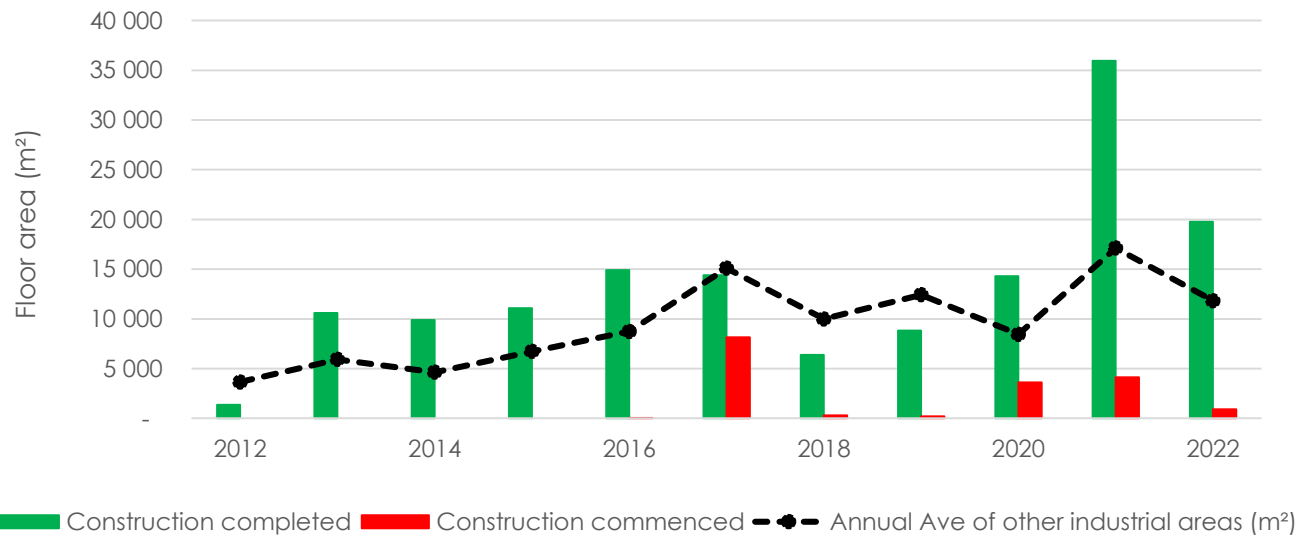
### PROPERTY SALES BY SECTOR



### APPROVED LAND USE APPLICATIONS



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



## Property sales

Property sales in the industrial sector were the highest when compared to other sectors and fluctuated between 2012 and 2022, with a notable spike in 2014. Although several residential land parcels were also transacted during this period, they did not reach the same volume as sales involving industrial properties.

## Land use applications

The area is primarily zoned for industrial purposes and most land use approvals were granted between 2012 and 2022 for subdivisions and multiple applications. The prevalence of subdivisions indicates a strong demand for a particular property size and multiple applications, which 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 occurred consistently between 2013 and 2017, experiencing higher levels than the metro's annual average when compared across all other industrial areas. While land use approvals increased between 2016 and 2018, the initiation of building work also rose significantly from 2020 onwards, peaking in 2021.

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

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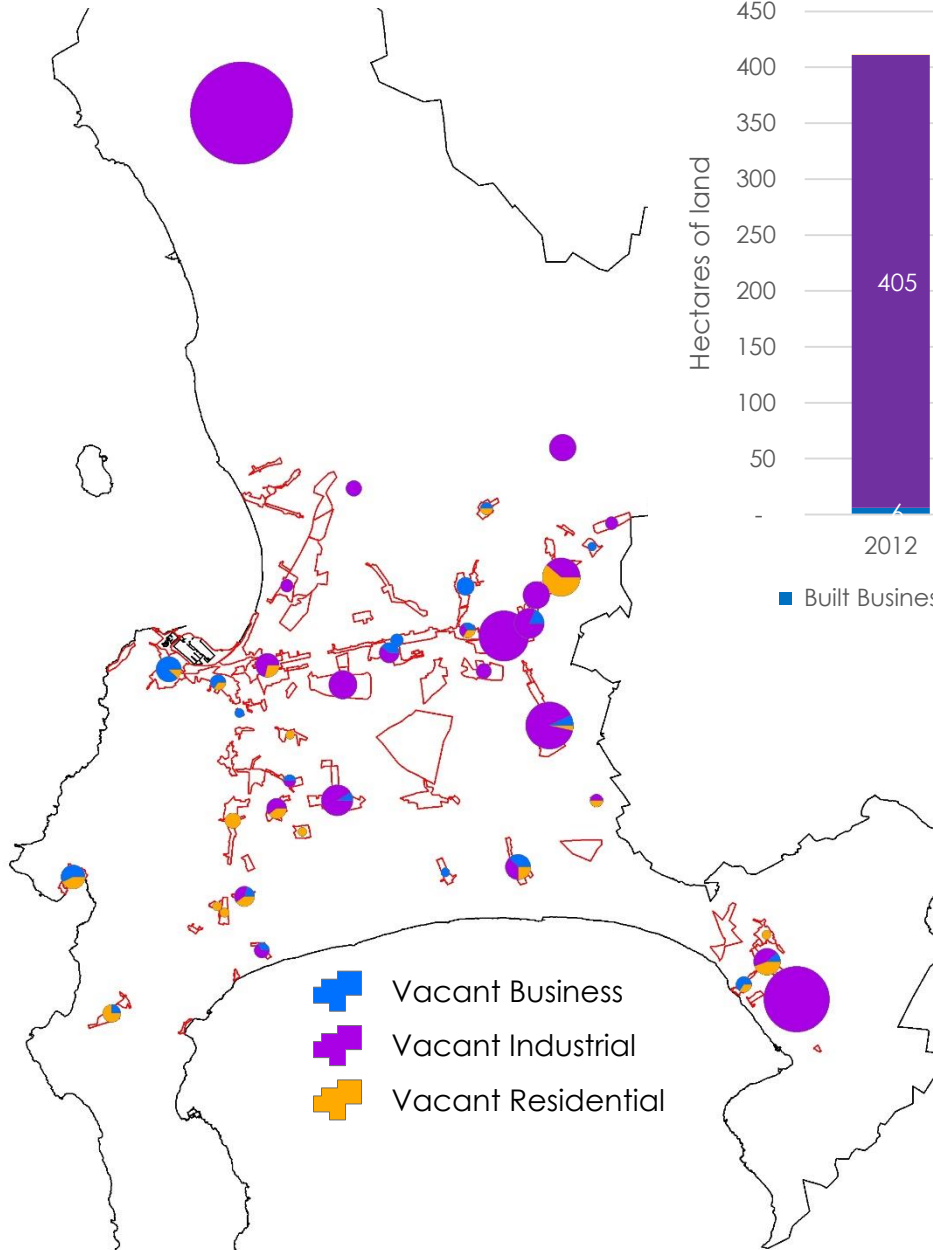
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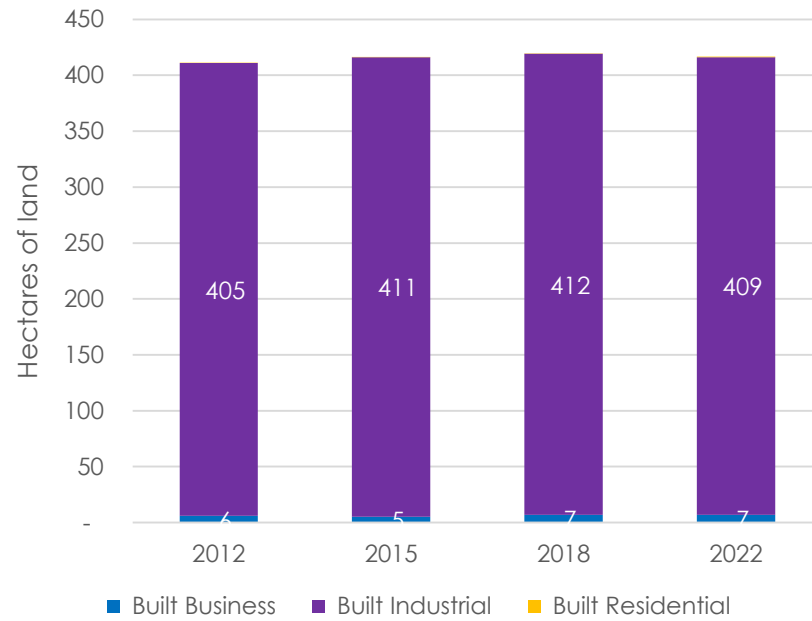
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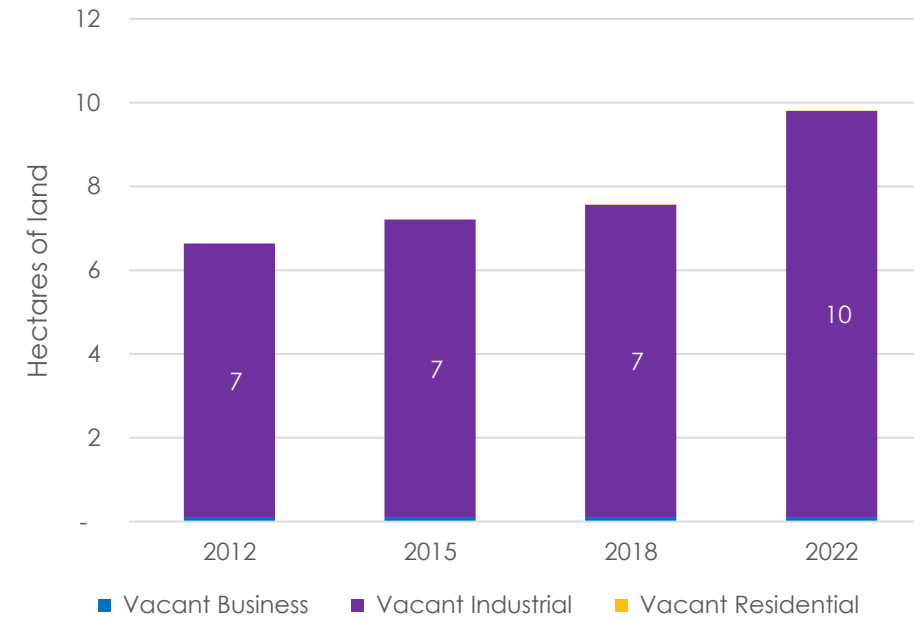
## VACANT LAND ACROSS CAPE TOWN (GV 2022)\*



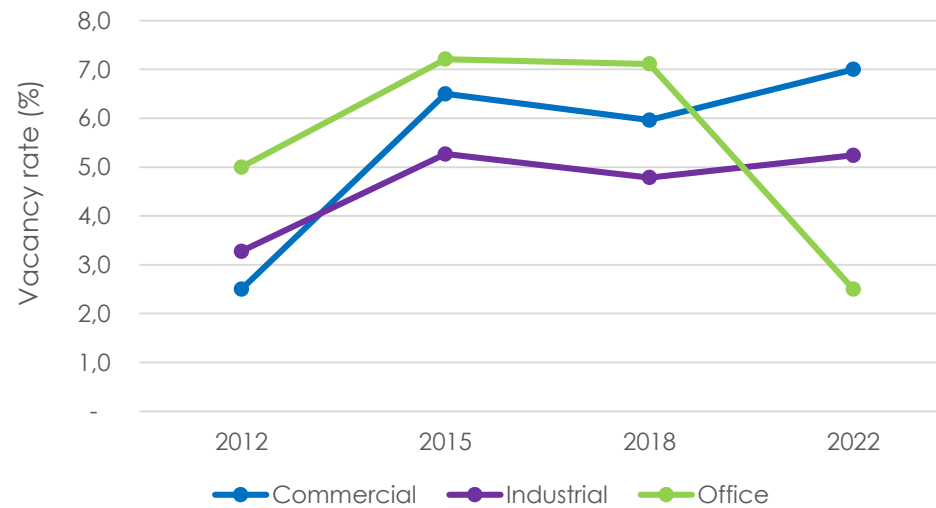
## BUILT-UP LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



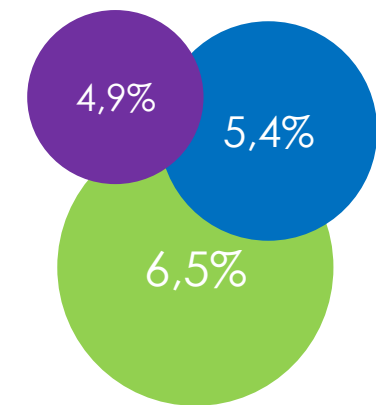
## VACANT LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



## AVERAGE 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) 1-250m <sup>2</sup>			1
2) 251-500m <sup>2</sup>			
3) 501-1000m <sup>2</sup>			
4) 1001-2500m <sup>2</sup>	1	1	
5) 2501-5000m <sup>2</sup>		2	
6) 5001-10000m <sup>2</sup>		7	
7) >10000m <sup>2</sup>		2	

### Vacant land

The map illustrates the latest GV Roll (2022) by showing vacant land across the metropolitan area and complements the graph on vacant land for the 2022 GV year. Although the area has experienced minimal growth in built-up land due to its maturity, there has been an increase in available vacant land as of 2022. Furthermore, the available vacant land is also categorised based on the number and size of land parcels, as reflected in the accompanying table.

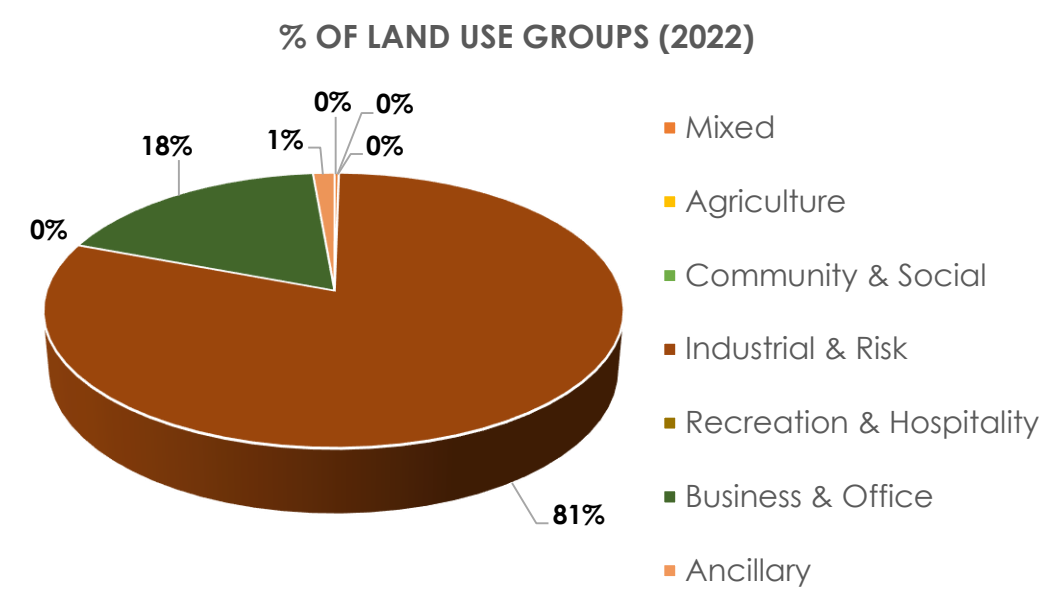
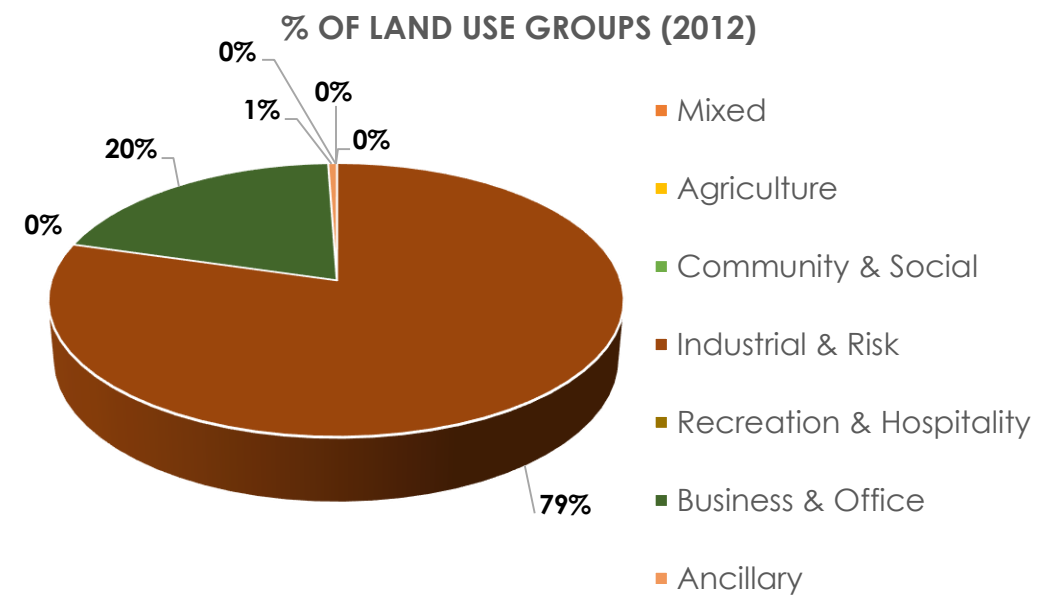
### Vacancy rates

In addition to vacant land, the vacancy rates of existing buildings in the industrial sector ranged from 3.7% in 2012 to 5.2% in 2022. In the commercial sector, vacancy rates increased from 2.5% in 2012 to 7% in 2022, while the office sector experienced a decrease in vacancy rates from 5% in 2012 to 2.5% in 2022.

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

# AGGLOMERATION OF INDUSTRIES

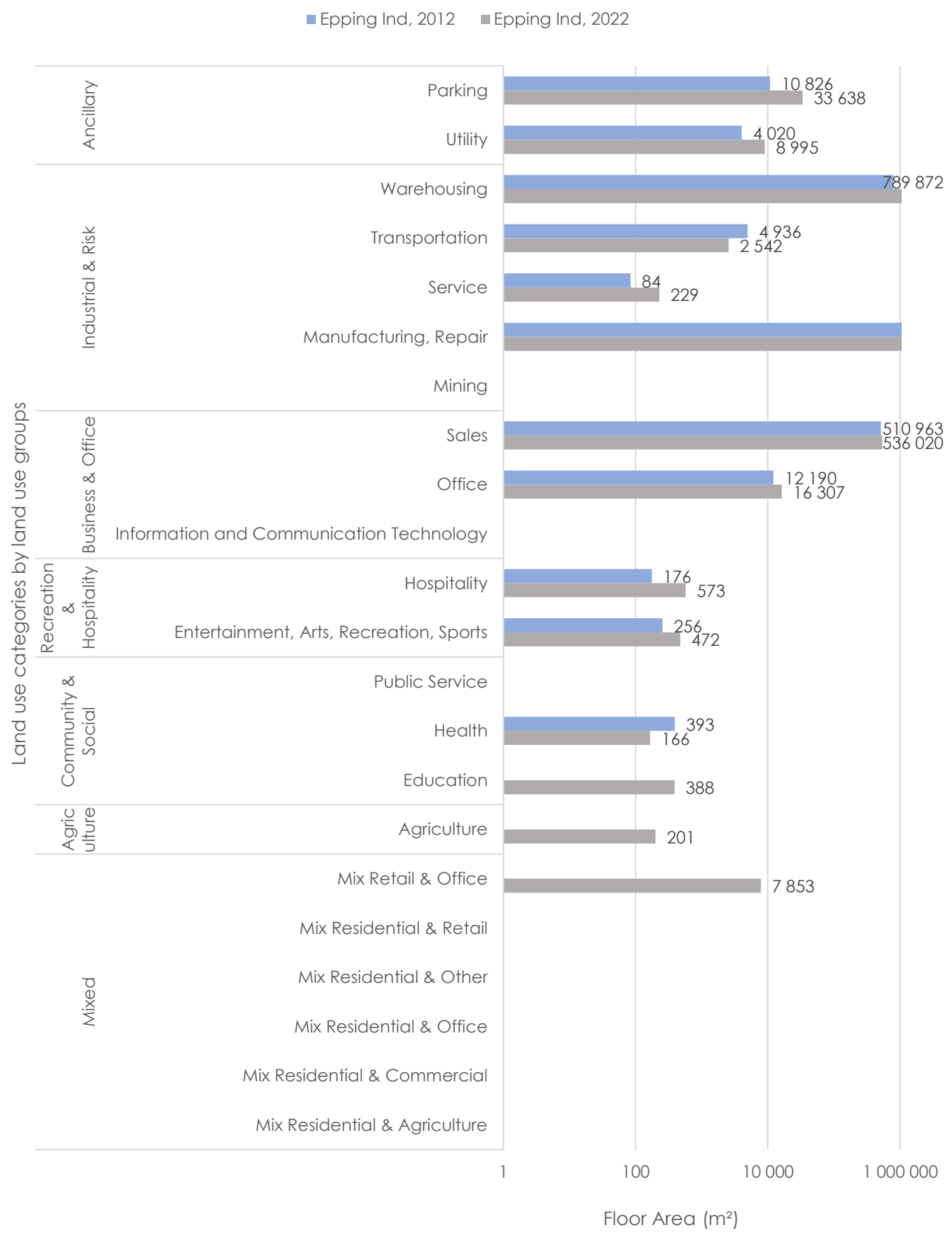
SECTORAL AGGLOMERATION AND CO-AGGLOMERATION RELATIONSHIPS



The pie charts illustrate the percentage distribution of land use groups in the Epping industrial area, based on the cumulative floor area (m<sup>2</sup>) across various land uses. As shown in the charts, the Industrial & Risks group has been dominant in both 2012 and 2022, with a significant percentage of the Business & Office group compared to other groups, which mainly serve to support the leading land uses.

Additionally, the bar graph provides a comparative view of land use categories co-agglomeration between 2012 and 2022. The data indicates that manufacturing and repairs have consistently dominated, exceeding 1 million m<sup>2</sup> in floor area. In 2022, warehousing also surpassed the 1 million mark, with sales emerging as one of the dominant land use categories. There is also a presence of other land uses, which can be seen to be in support of the most dominant land uses.

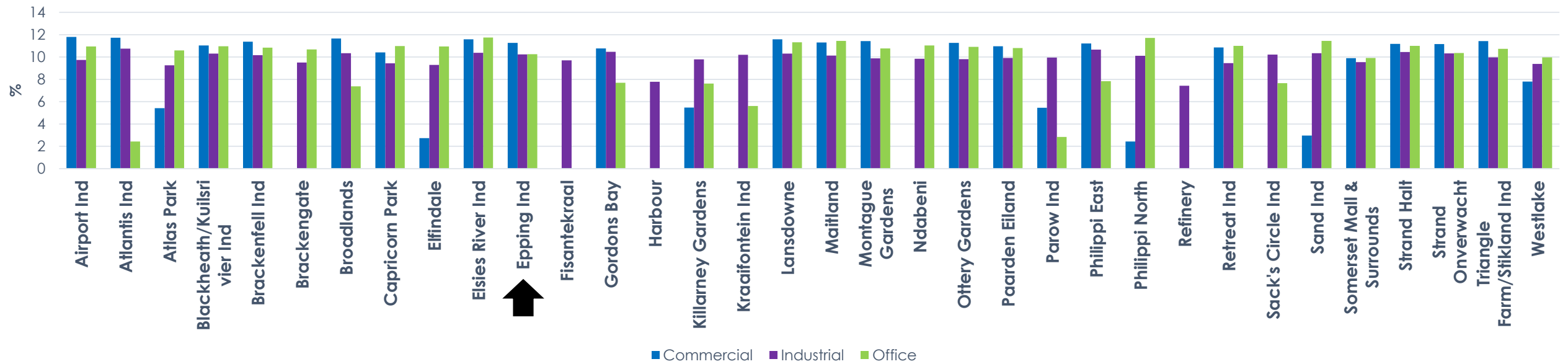
**FLOOR AREA PER LAND USE CATEGORY FOR 2012 AND 2022**



Source: Analysis of GV data (May 2024)

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



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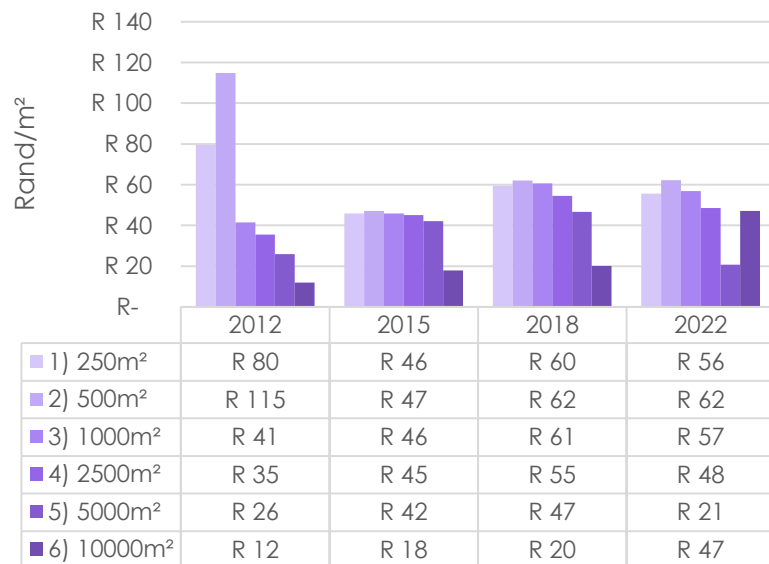
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### INDUSTRIAL RENTALS

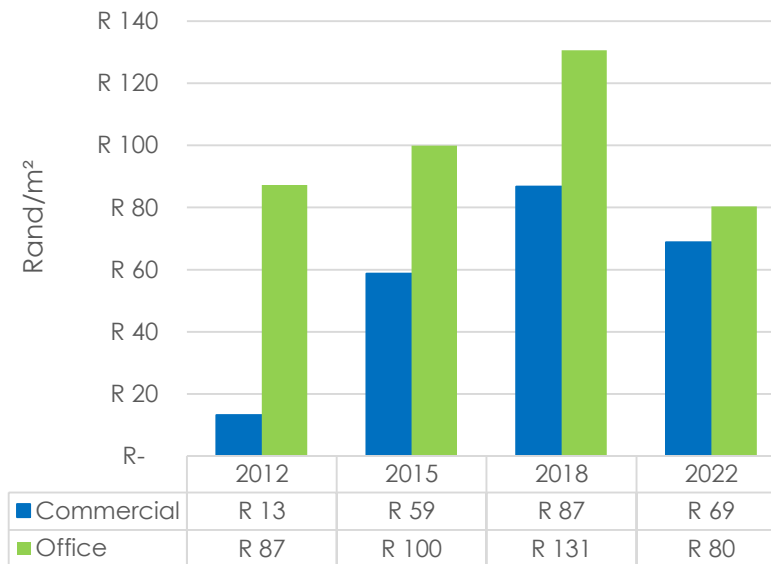


### Rental rates

Rental rates across all industrial space gradually increased between 2012 and 2022, with higher rental prices recorded for smaller spaces.

Both office and commercial rental rates saw a steady increase from 2012 to 2018, but experienced a decline in 2022.

### COMMERCIAL AND OFFICE RENTALS



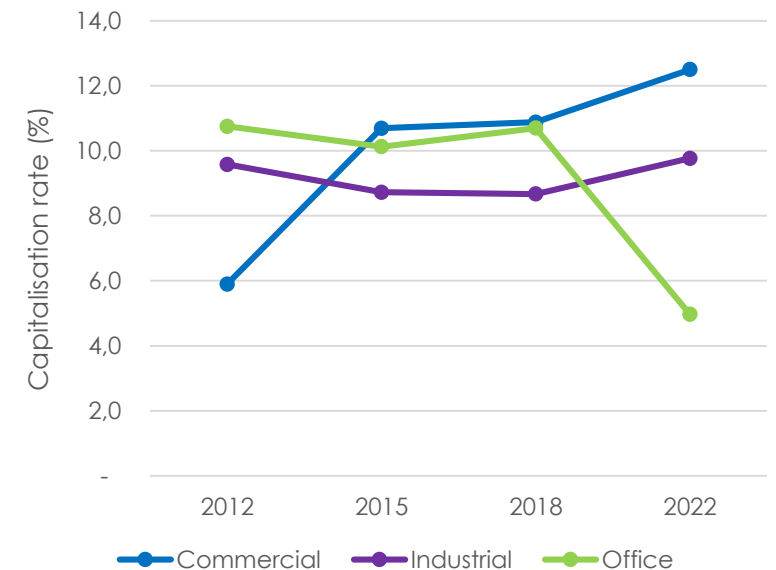
### Comparative view on capitalisation rates

The average capitalisation rates from 2012 to 2022 for the industrial, office and commercial sectors were 10.24%, 10.25%, and 11.27%, respectively and further indicate its competitiveness relative to other industrial areas.

Year-over-year, capitalisation rates for the industrial sector have remained consistent at around 10%. The office sector's rates have significantly decreased from 10.8% in 2012 to 5% in 2022, while the commercial sector experienced an increase from 5.9% in 2012 to 12.5% in 2022.

- 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.

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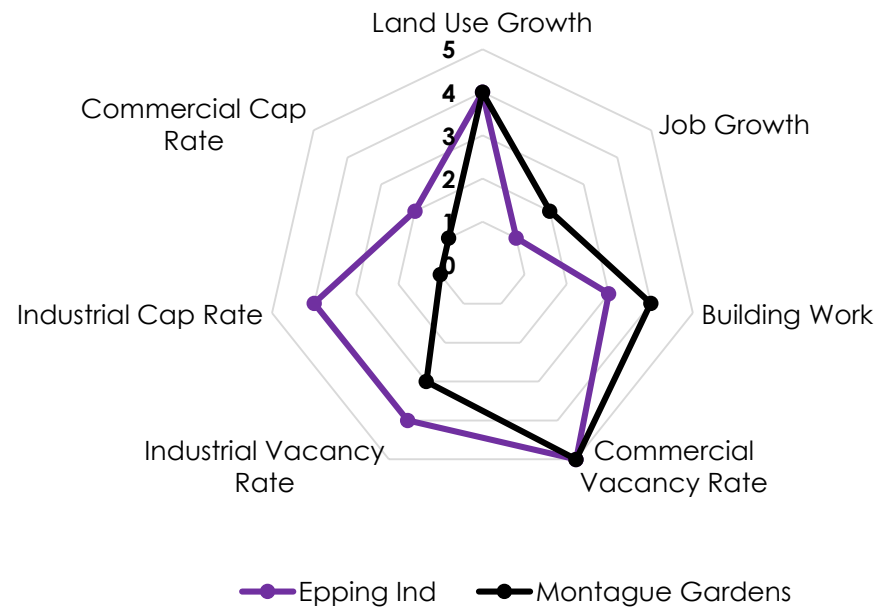
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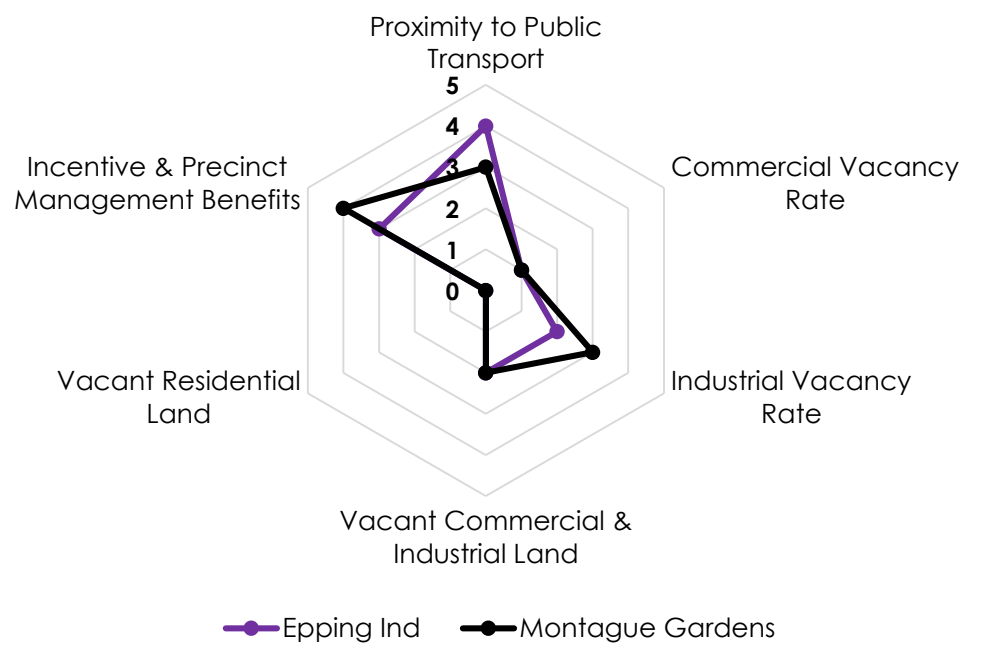
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## PERFORMANCE



## POTENTIAL



Indicator		Description
Performance	Land Use Growth	Measures the growth of new floor area (m <sup>2</sup> ) from 2012 to 2022 within an economic area, compared to other economic areas of similar classification. More growth indicates better performance. <b>Source: General Valuation Roll.</b>
	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. <b>Source: SARS as of May 2024.</b>
	Building Work	Measures building work activity (new and improved m <sup>2</sup> ) within an economic area from 2012 to 2022, compared to other economic areas of similar classification. Increased building work activity indicates better performance. <b>Source: City's DAMS.</b>
	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. <b>Source: City's Market Reports.</b>
	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. <b>Source: City's Market Reports.</b>
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. <b>Source: City's UPD, spatial analysis.</b>
	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. <b>Source: General Valuation Roll.</b>
	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. <b>Source: City's Market Reports.</b>
	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. <b>Source: City's UPD, spatial analysis.</b>