

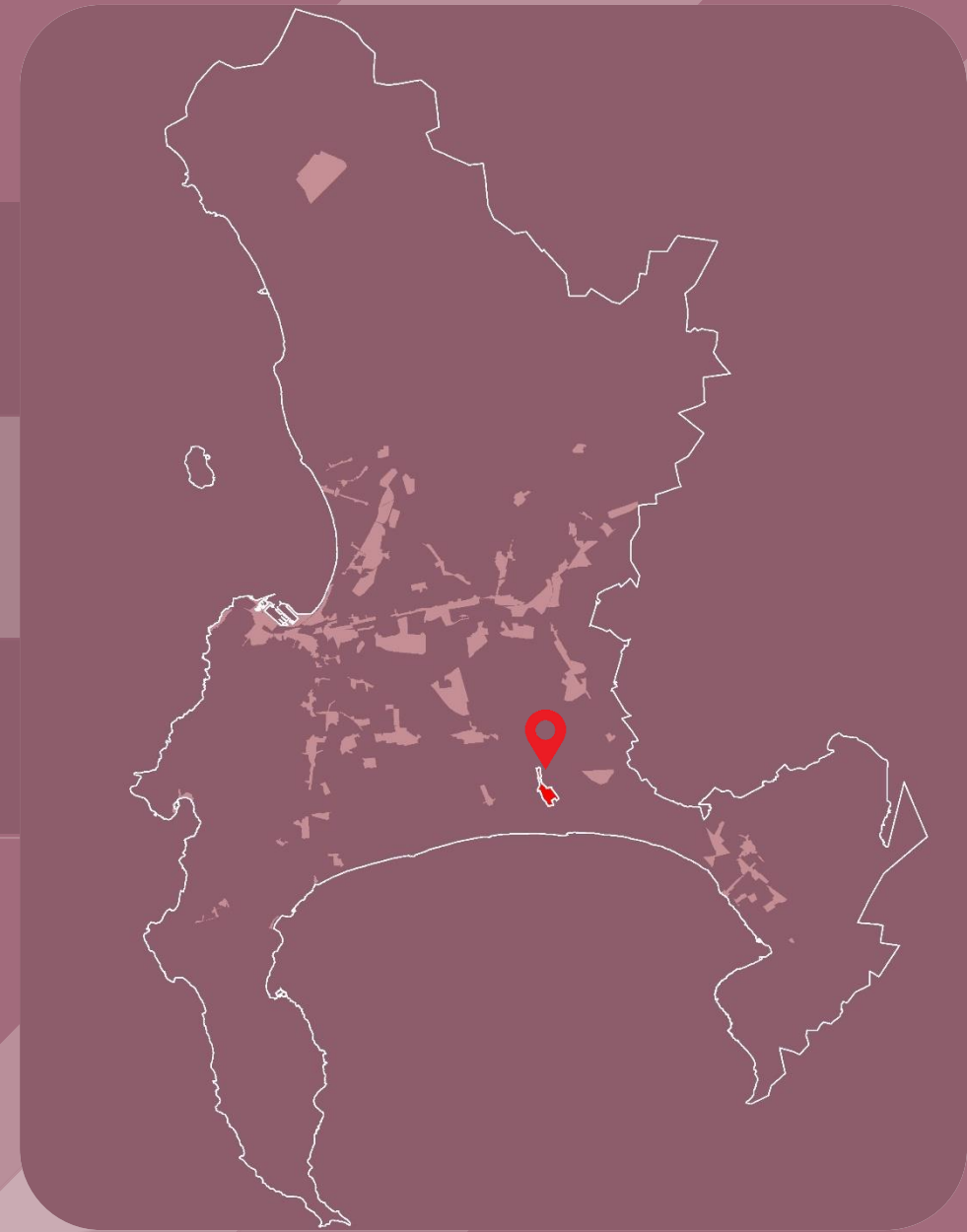
# KHAYELITSHA

## ECONOMIC AREA PROFILE

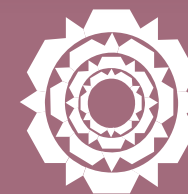
TREND ANALYSIS 2012-2022



Image source: Google Earth



June 2025



CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
STAD KAAPSTAD

Making progress possible. Together.

# ACKNOWLEDGEMENTS

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## DATA CUSTODIANS

Valuations, Development Management & Policy and Strategy

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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

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

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

- Khayelitsha Mitchells Plain Greater Blue Downs DSDF – Subdistrict 6: Greater Khayelitsha:
  - o District Development Guidelines ([page 62](#))
  - o Subdistrict Development Guidelines([page 90](#))
  - o Consolidated Subdistrict SDF ([Figure 21: Subdistrict 6: Greater Khayelitsha](#))

# 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:

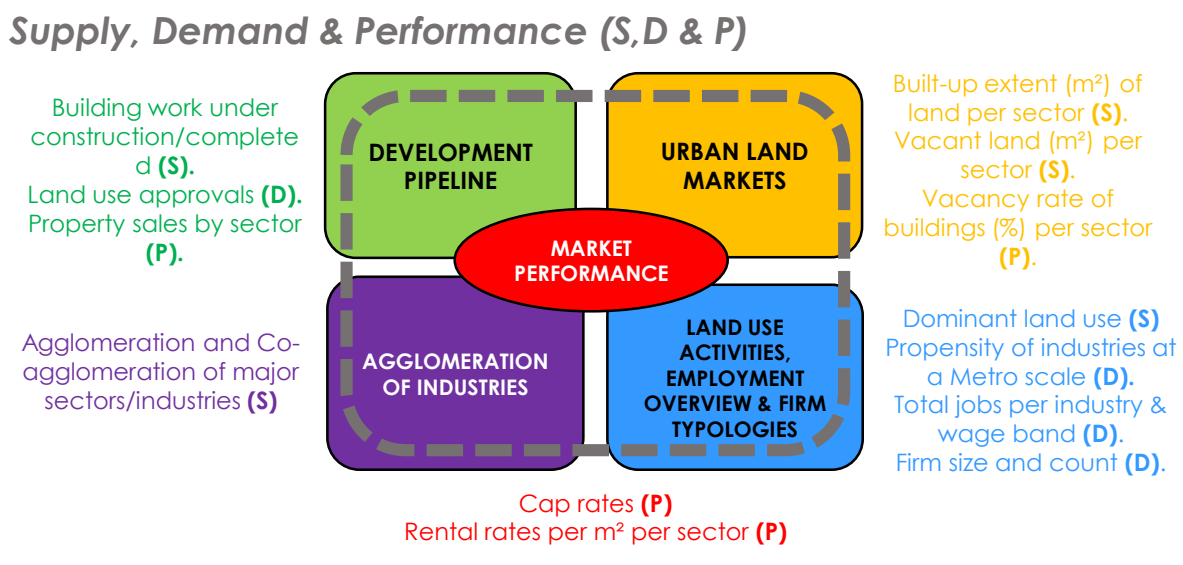
- [Economic Performance Indicators for Cape Town](#)
- [Regional Market Analysis and Intelligence 2023/24](#)
- [Provincial Economic Review and Outlook \(PERO\)](#)
- [Municipal Economic Review and Outlook \(MERO\)](#)

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 MSDF 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 MSDF Policy Statement 4.</p>

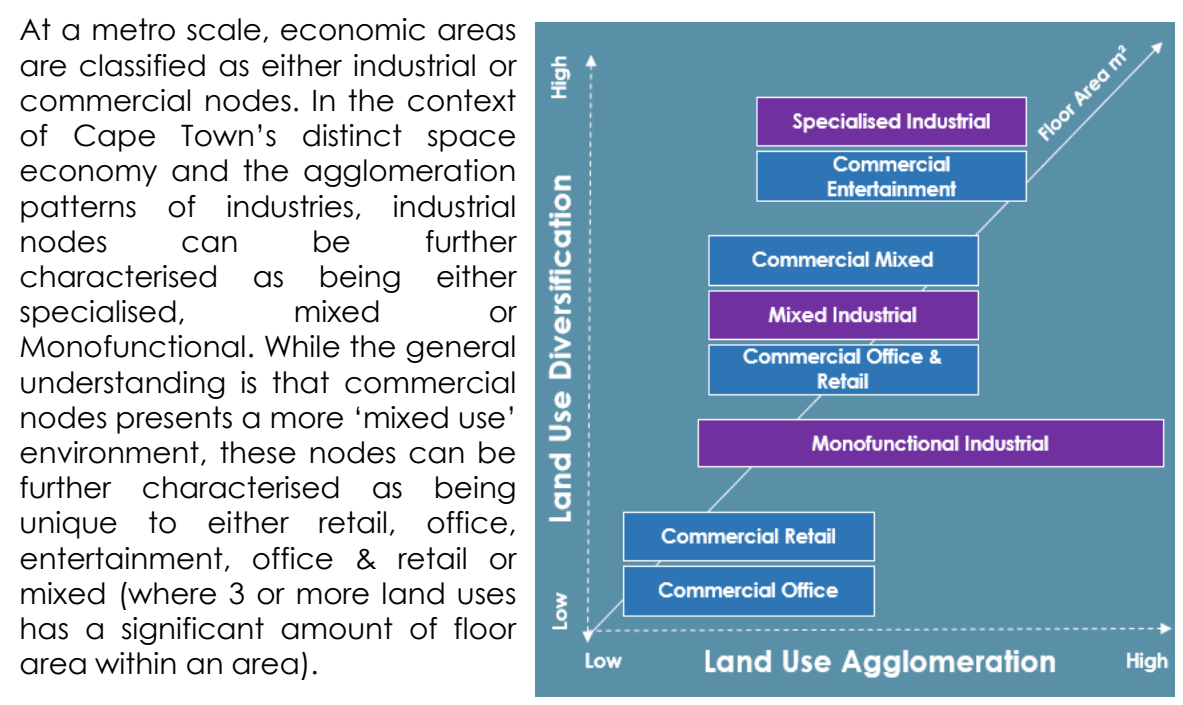
Policy & regulatory context  
Conceptual framework  
Introduction

WHAT



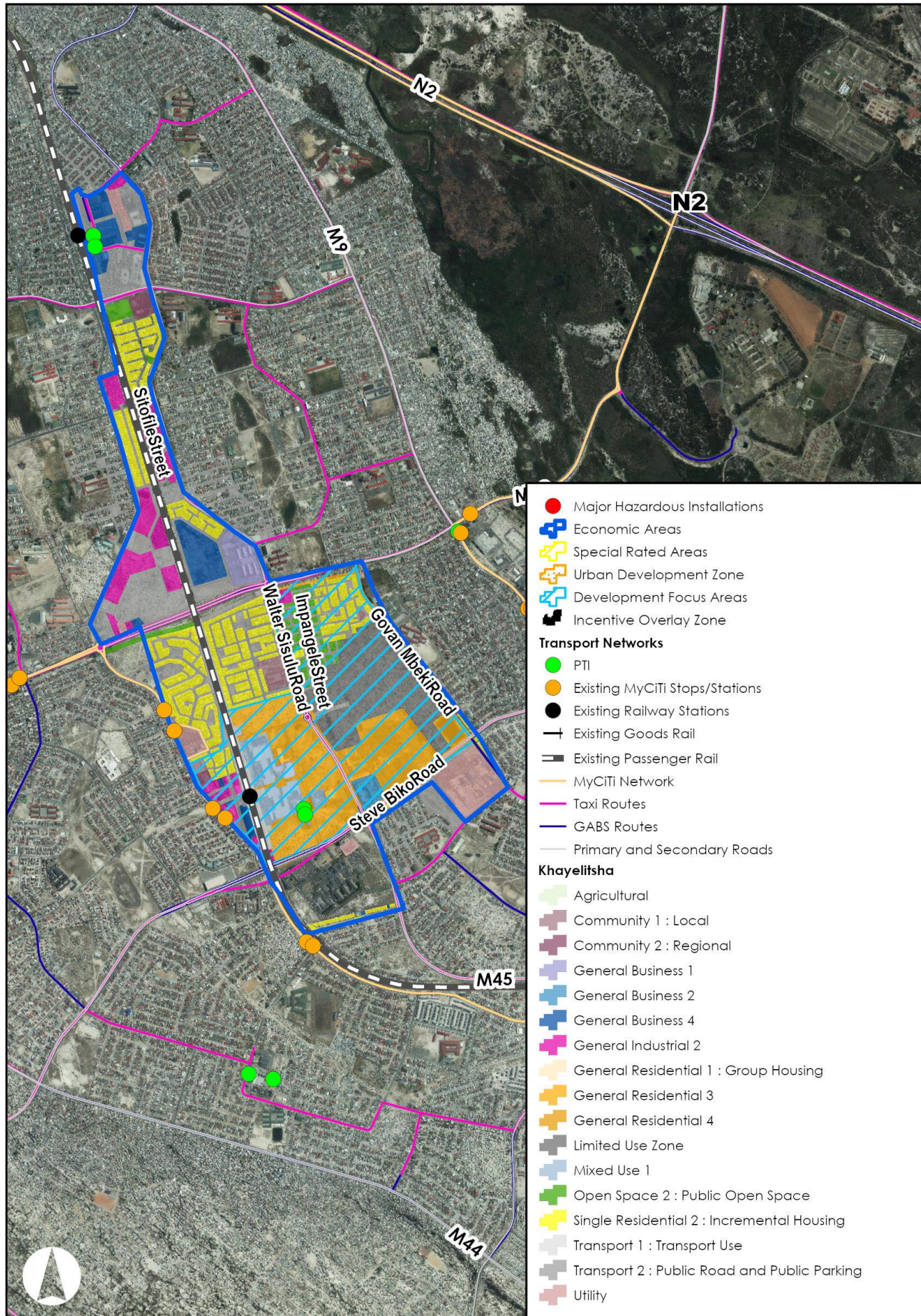
Land use activities, employment overview & firm typologies  
Development pipeline  
Urban land markets

HOW



Agglomeration of industries  
Market performance  
Performance & Potential

# INTRODUCTION



## KHAYELITSHA

### Location

- The area is approximately 32km southeast of Cape Town's Central Business District and the Port of Cape Town. Furthermore, the area is located 20km from Cape Town International Airport.
- It is also situated near the N2 highway and other major roads, providing easy access to and from areas across Cape Town.
- The area includes a Public Transport Interchange and is serviced by rail, taxis, GABS and MyCiTi.
- Access to a skilled workforce from surrounding areas includes the broader Khayelitsha, Mitchells Plain and Blue Downs areas.

### Zoning, land use and form

- The area is predominantly zoned for business, residential and industrial purposes.
- The area is mainly characterised by retail and community facilities, which include shopping centres, education, health, public services and municipal functions.
- The average land parcel size in the area mostly varies between 250 – 500m<sup>2</sup> for residential developments, with a considerable number of land parcels ranging beyond 10,000m<sup>2</sup> to accommodate malls and community facilities.

### Spatial planning mechanisms

- The area has been identified as a Development Focus Area as part of the Khayelitsha Mitchells Plain Greater Blue Downs District Spatial Development Framework.

**Key highlights of the area include:**

- The area started to establish itself in the 1980s with residential properties and started to introduce commercial land uses in the early 1990s, allowing the area to develop over time.
- The area also manages informal trading, with allocated and self-managed spaces, showcasing the dynamic interaction between formal and informal economies.
- The immediate surroundings includes a strong sense of public services like Home Affairs, a hospital and social development offices, making it a convenient location for residents.

Policy & regulatory context

Conceptual framework

Introduction

Land use activities, employment overview & firm typologies

Development pipeline

Urban land markets

Agglomeration of industries

Market performance

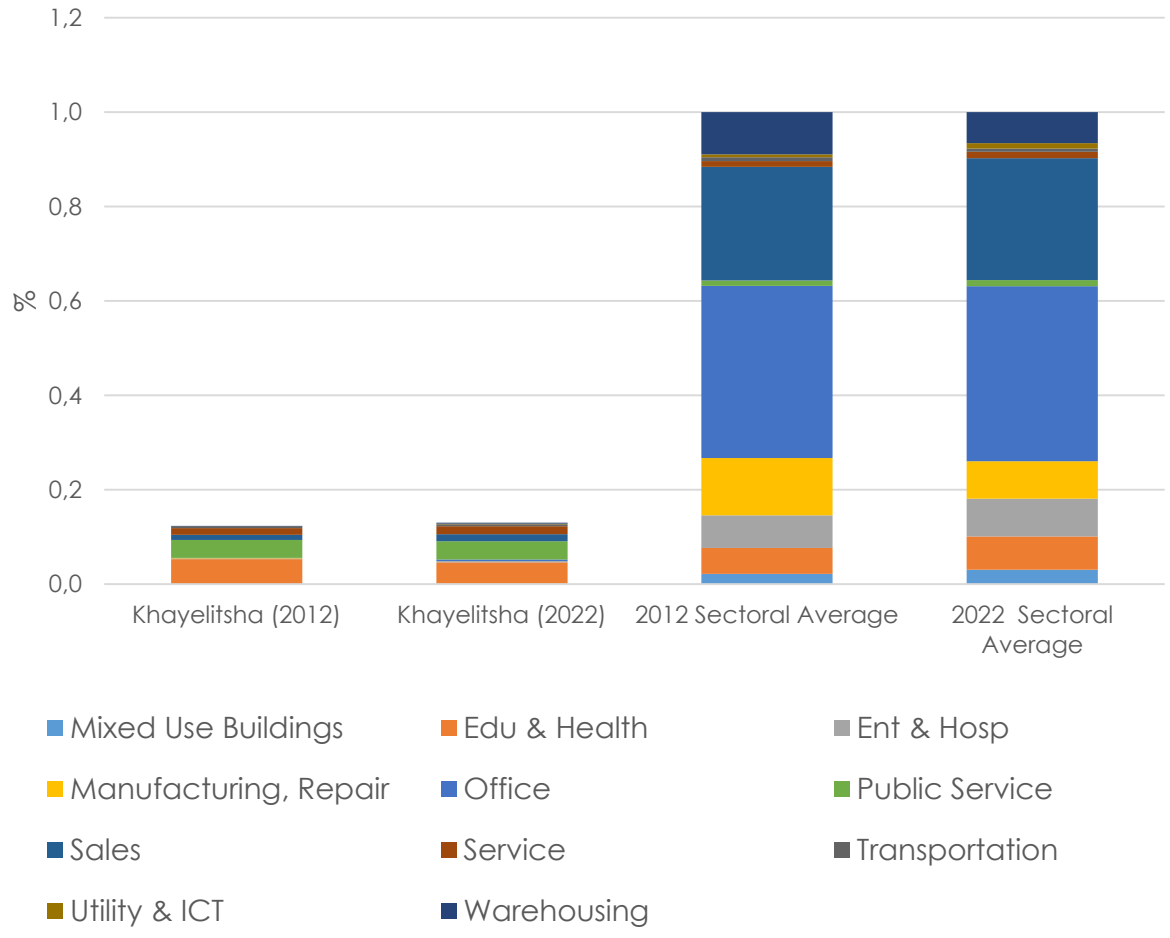
Performance & Potential

# LAND USE ACTIVITIES

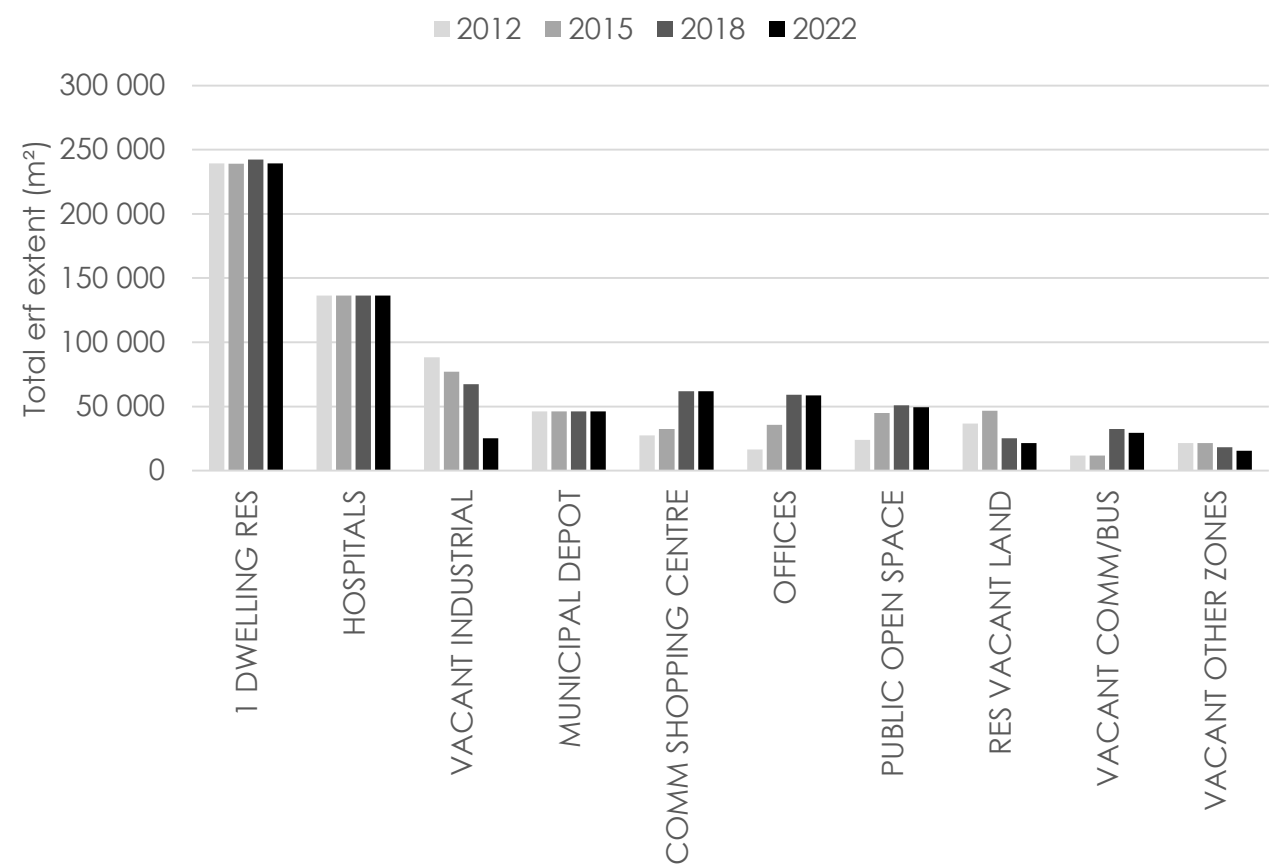
A recent analysis involved the conversion of land use codes contained in the General Valuation Roll (GV Roll) into Standard Industrial Classification (SIC) codes to determine the propensity of industries operating in areas of similar character. However, for the commercial nodes, the benchmarking and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

- Between 2012 and 2022, Khayelitsha was mainly characterised by a greater propensity for education & health, public services and general services, as reflected in 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 Khayelitsha as being a contributor of multiple uses, which performs lower than the sectoral average, but higher than the sectoral average for education & health and public services 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 (m<sup>2</sup>) for residential, hospitals, municipal depots, shopping centres, offices and public open spaces.

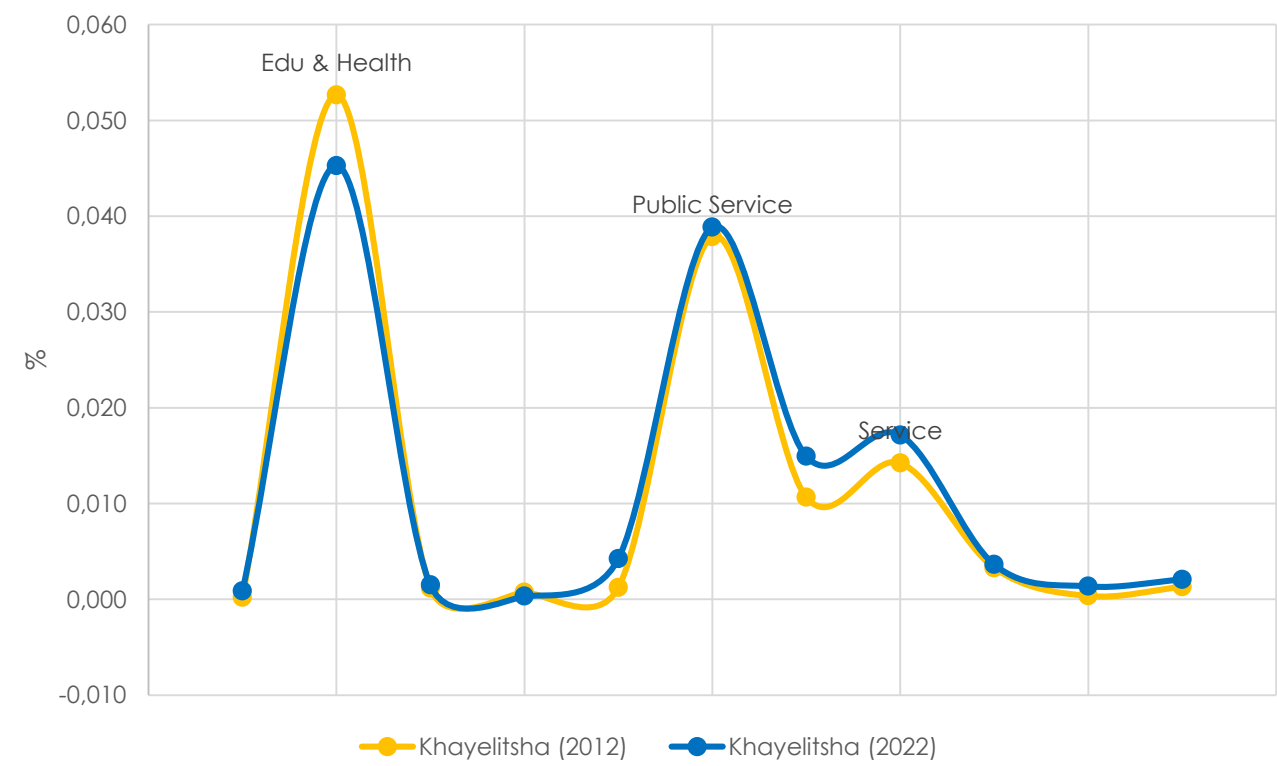
## METROSCALE BENCHMARK



## TOP 10 MOST DOMINANT LAND USES BETWEEN 2012 AND 2022



## NODAL TYPOLOGY FOR 2012 AND 2022 (Mixed Commercial)

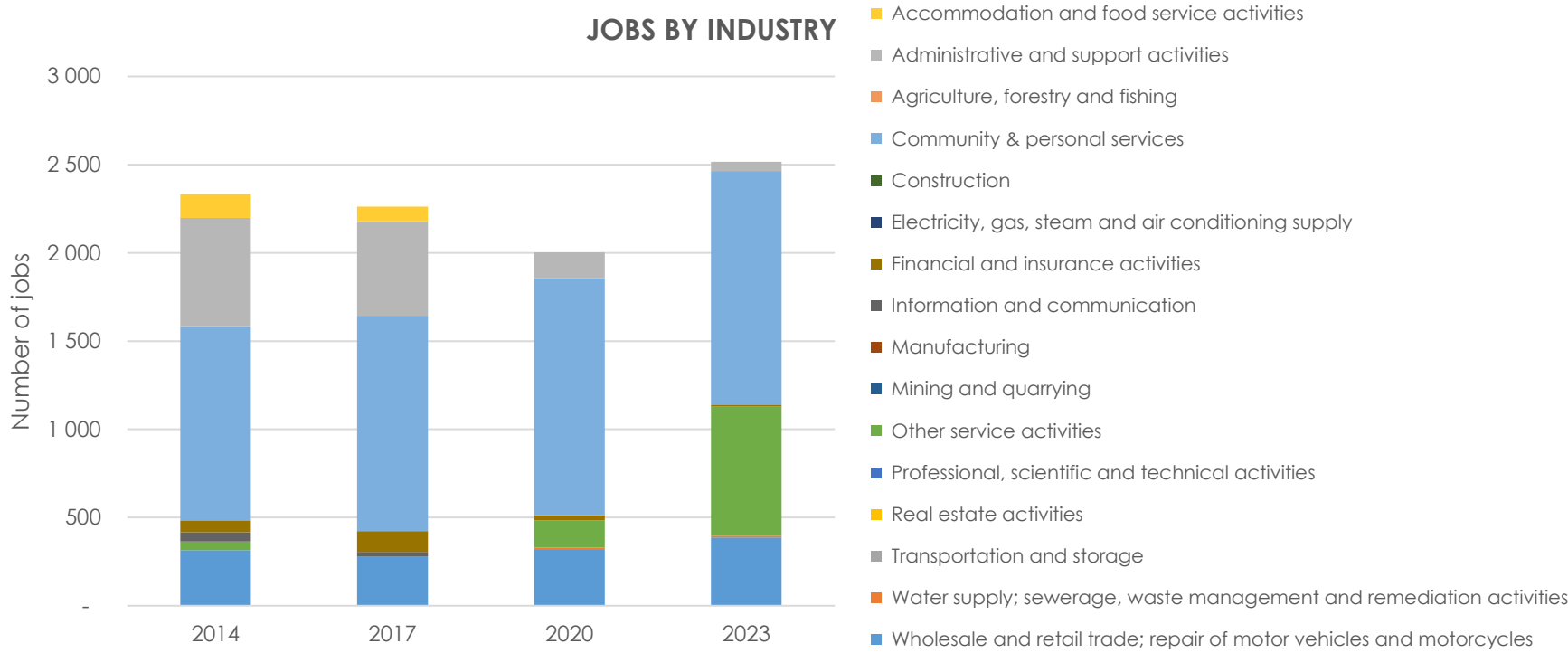


Source: 2012 – 2022 land use codes (May 2024 analysis)

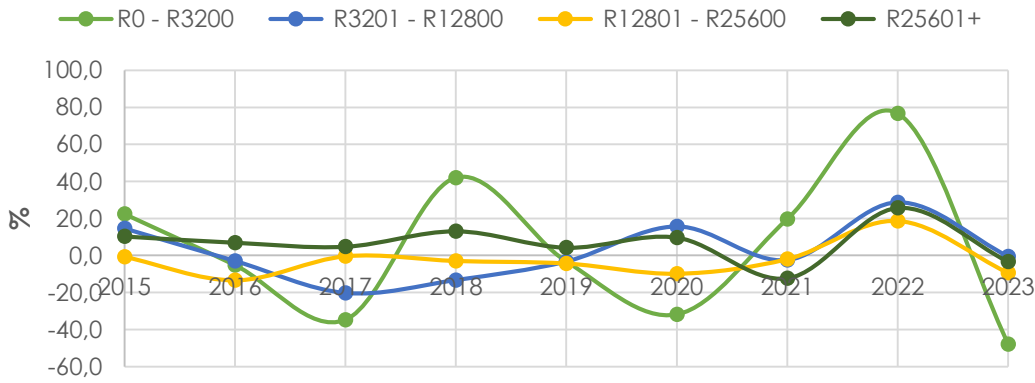
- Policy & regulatory context
- Conceptual framework
- Introduction
- Land use activities, employment overview & firm typologies
- Development pipeline
- Urban land markets
- Agglomeration of industries
- Market performance
- Performance & Potential

# EMPLOYMENT OVERVIEW & FIRM TYPOLOGIES

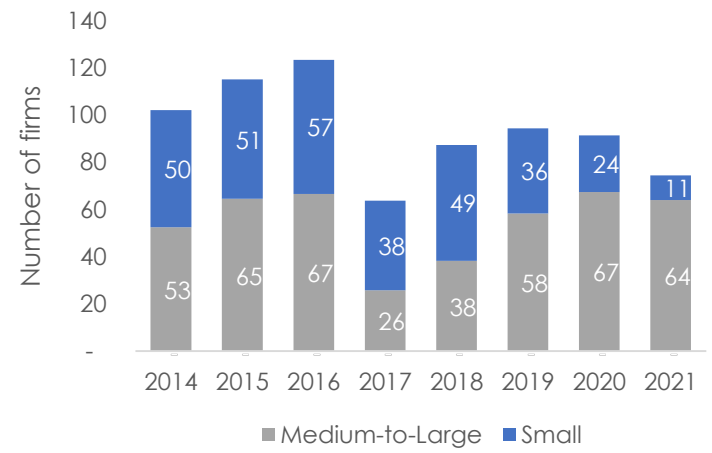
**JOBS BY INDUSTRY**



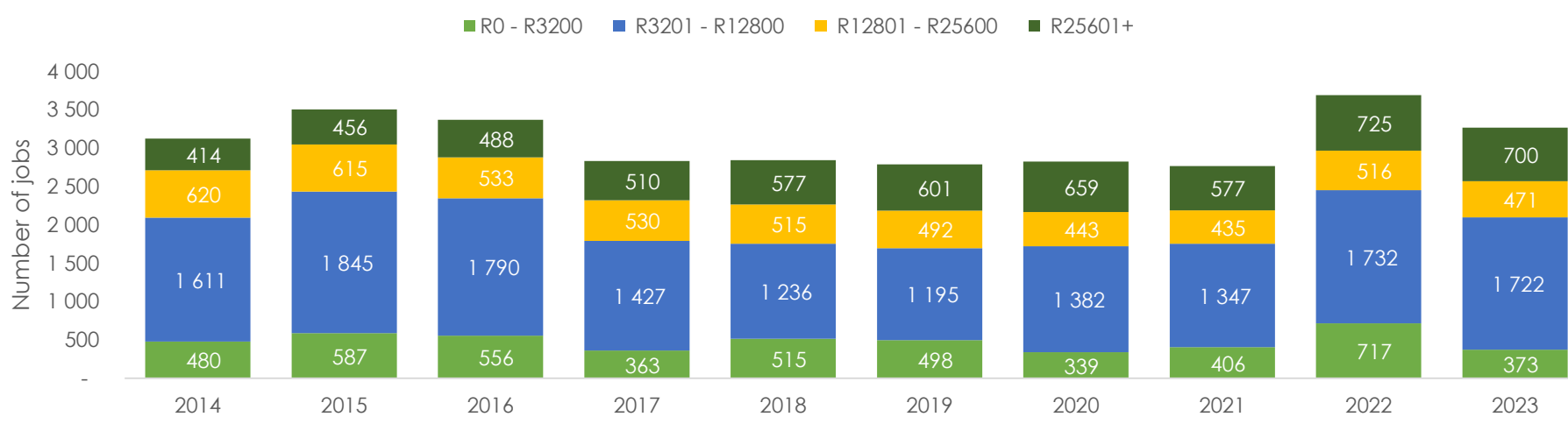
**YEAR ON YEAR % CHANGE OF FULL TIME EMPLOYMENT WITHIN EACH WAGE BAND**



**NUMBER OF FIRM TYPOLOGIES**



**FULL TIME EMPLOYMENT BY WAGEBAND**



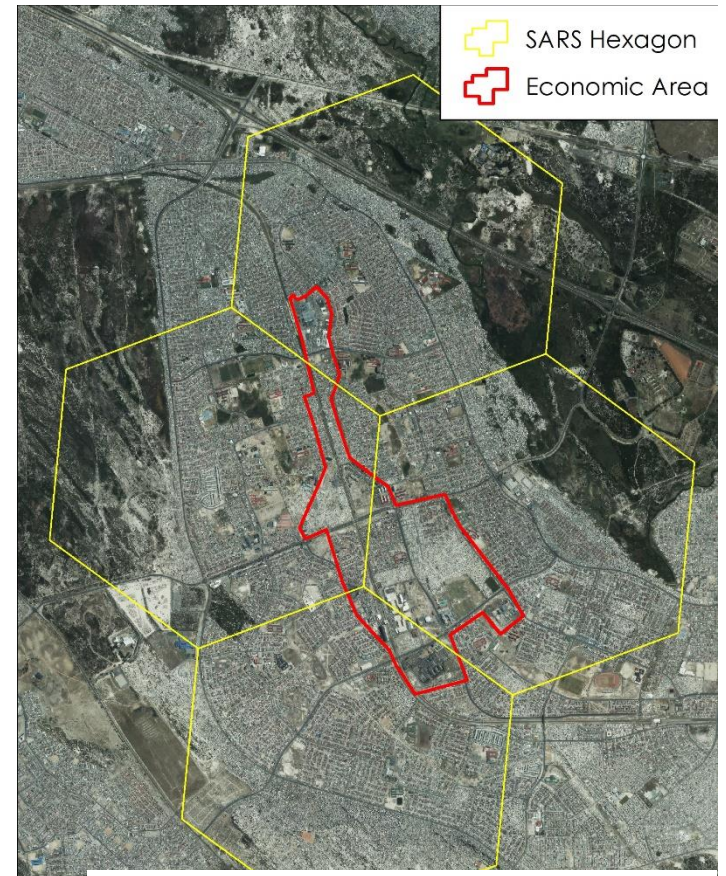
**Jobs/Firms**

The number of job opportunities in the Khayelitsha area mostly fluctuated but experienced an overall increase from 2,300 to 2,500 between 2014 and 2023. Over time, most jobs have been concentrated in community & personal services, wholesale & retail and other services.

The total number of firms in the area also fluctuated and experienced an overall decrease from 100 to 80 between 2014 and 2021. Medium to large firms were more prominent between 2019 and 2021.

**Income bands**

The income bands provide insights into the skill levels of employees in the area. The data indicates that a larger proportion of employees earn up to R12,800, with a small proportion of employees earning in the upper income brackets.



**Spatial hexagons in which SARS data has been captured and overlaid with Khayelitsha economic area.**

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

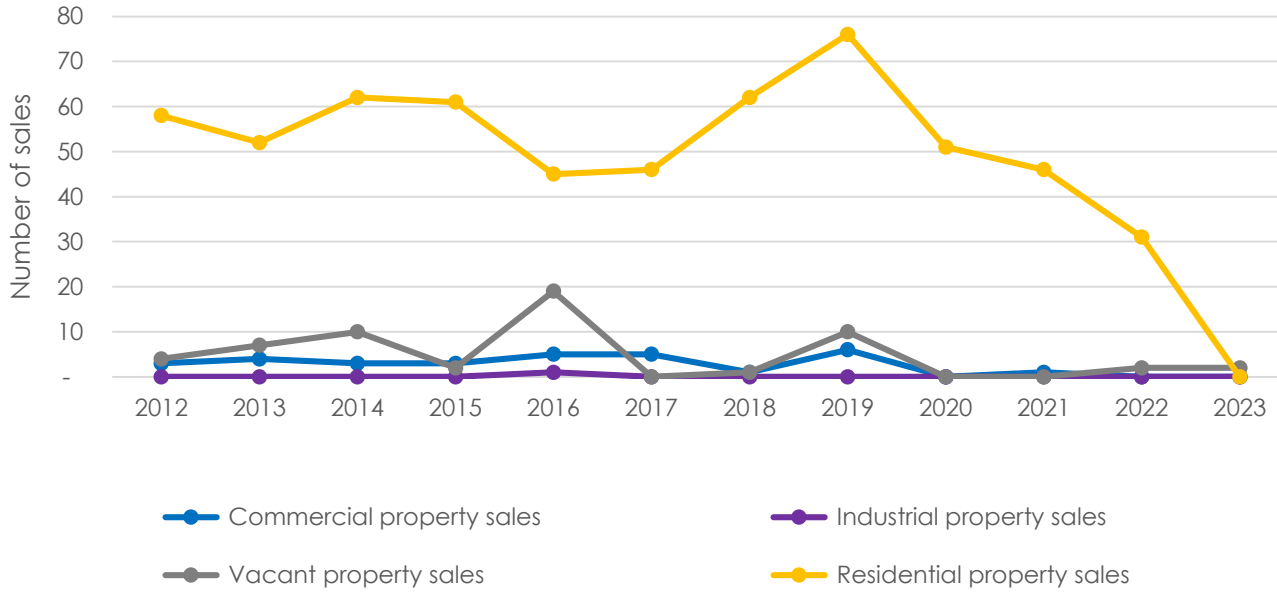
Agglomeration of industries

Market performance

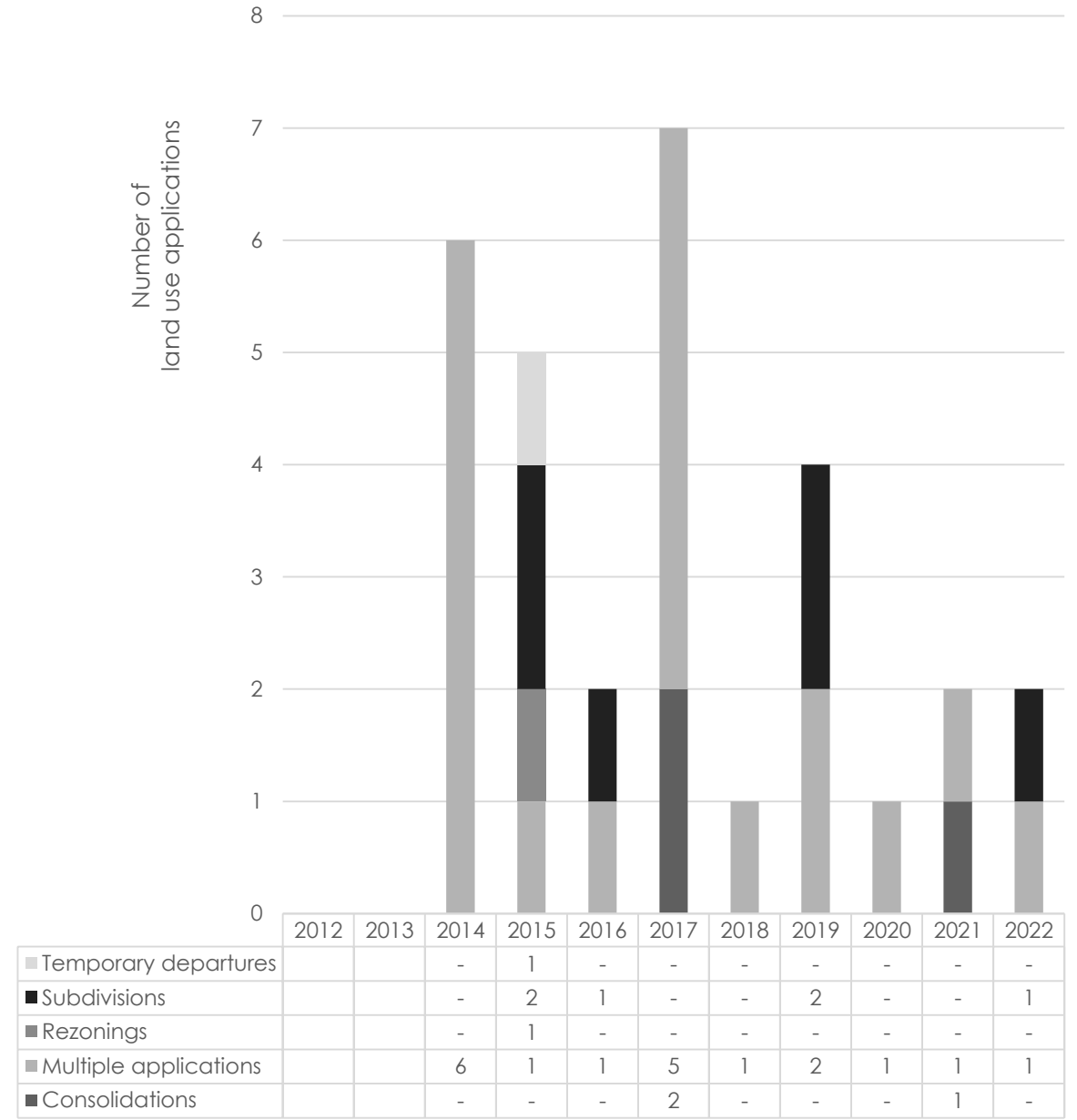
Performance & Potential

# DEVELOPMENT PIPELINE

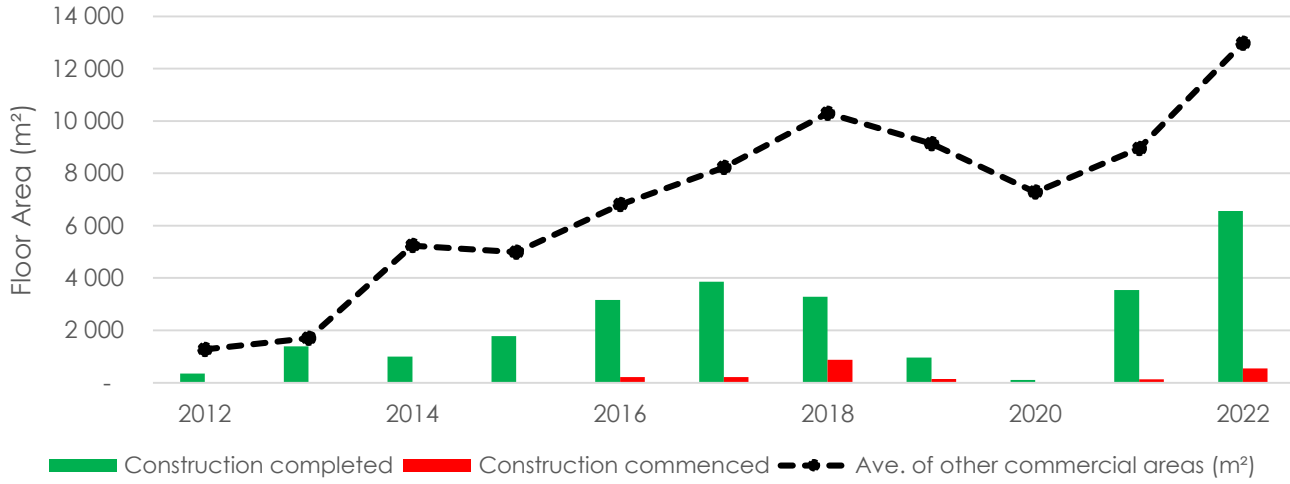
**PROPERTY SALES BY SECTOR**



**APPROVED LAND USE APPLICATIONS**



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



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

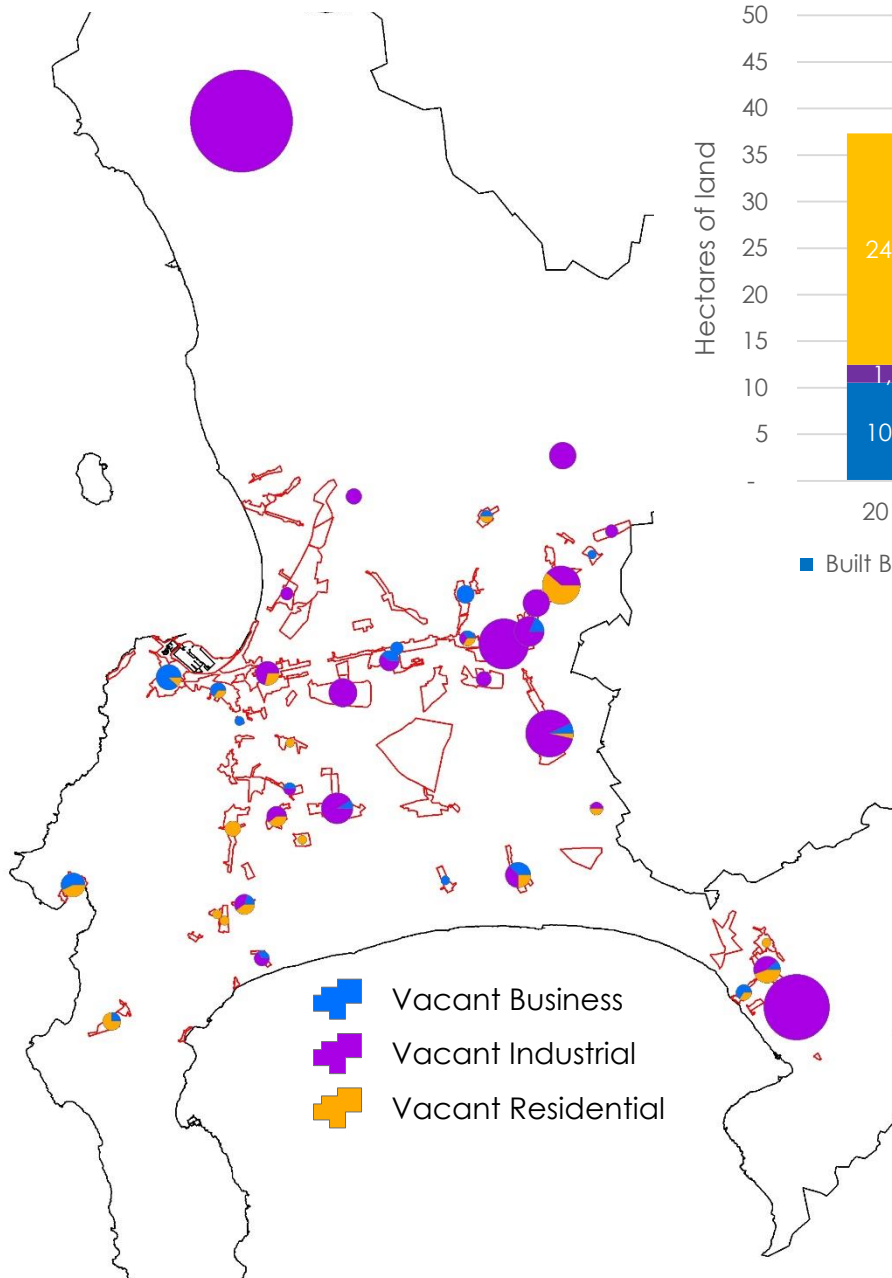
**Property Sales**  
Between 2012 and 2022, property sales in the residential sector were notably higher compared to other sectors. Commercial and vacant property sales mostly fluctuated around the 10 sales per annum mark for the duration of the 10 year period, with sales spiking for vacant land in 2016 and 2019.

**Land Use Applications**  
Most approvals during this period were for multiple applications, which may include a combination of the types seen in the graph. The area also experienced a considerable amount of subdivisions over the 10 year period.

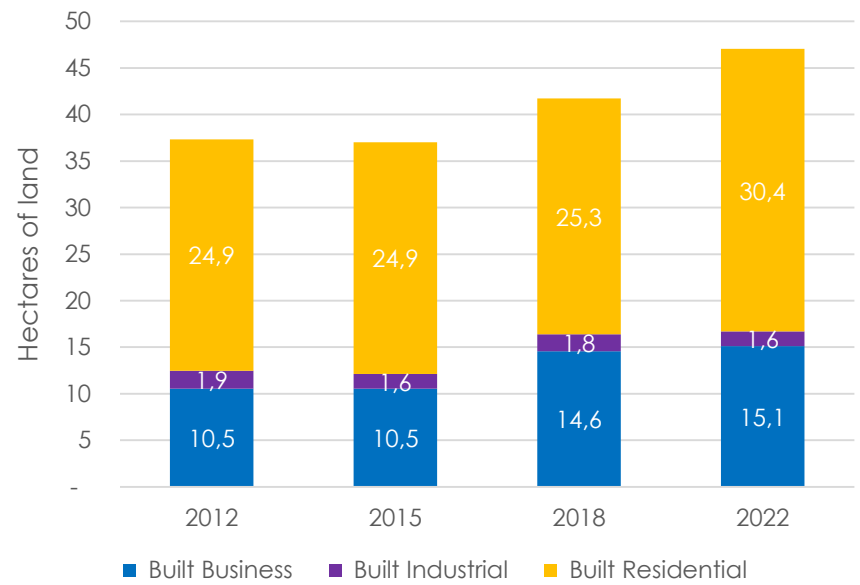
**Building Plans**  
Following on from property sales and land use approvals, building work activity has been ongoing for most of the period but remained below the metro's annual average.

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

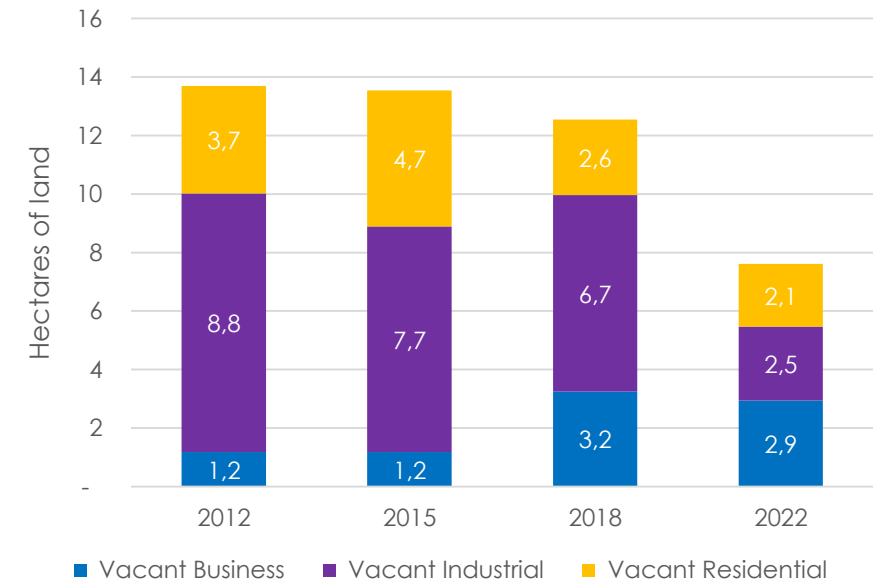
## VACANT LAND ACROSS CAPE TOWN (GV 2022)\*



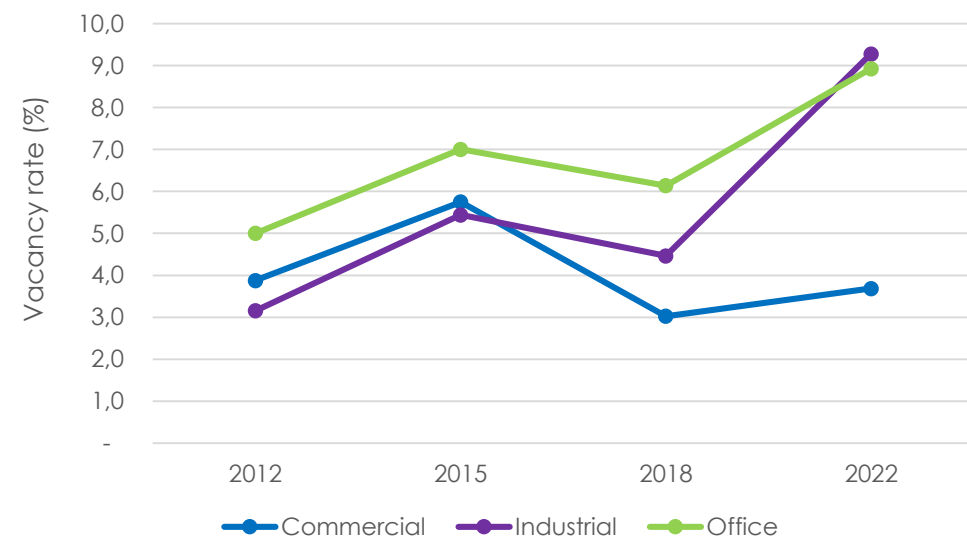
## BUILT-UP LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



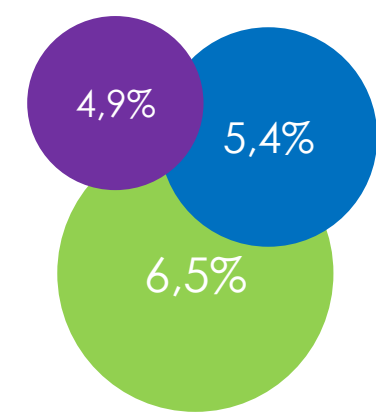
## VACANT LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



## 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>			12
2) 251-500m <sup>2</sup>			2
3) 501-1000m <sup>2</sup>	1	2	8
4) 1001-2500m <sup>2</sup>	1	1	1
5) 2501-5000m <sup>2</sup>	3	1	1
6) 5001-10000m <sup>2</sup>	3	3	1
7) >10000m <sup>2</sup>			

### 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 steadily increased in terms of the built-up land, with a considerable amount of vacant land available, as of 2022. Additionally, the remaining vacant land is categorised based on the number and size of the land parcels, as reflected in the accompanying table.

### Vacancy Rates

Alongside vacant land, the vacancy rates for existing buildings, the commercial sector decreased from 3,9% in 2012 to 3,7% in 2022. The office sector increased from 5% to 8,9%, while the industrial sector also increased from 3,2% to 9,3%.

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

Policy & regulatory context

Conceptual framework

Introduction

Land use activities, employment overview & firm typologies

Development pipeline

Urban land markets

Agglomeration of industries

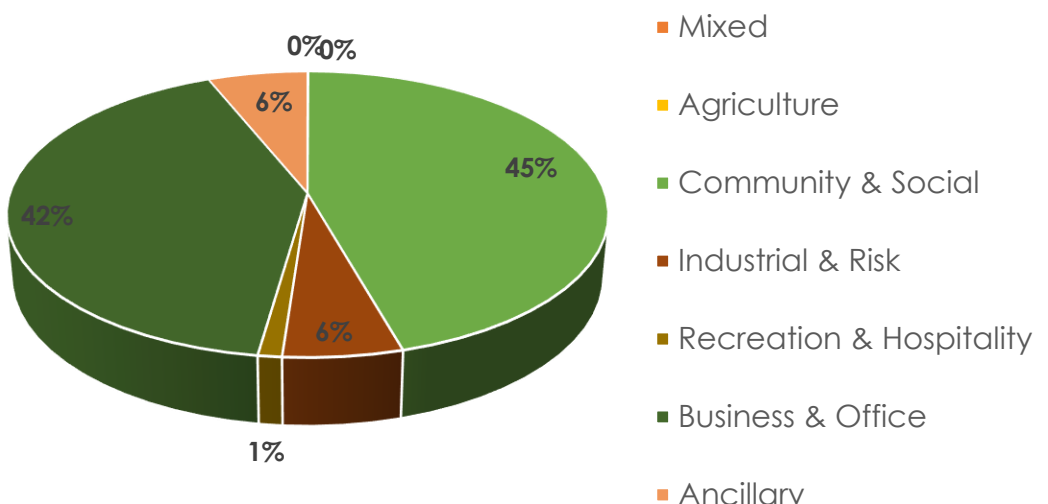
Market performance

Performance & Potential

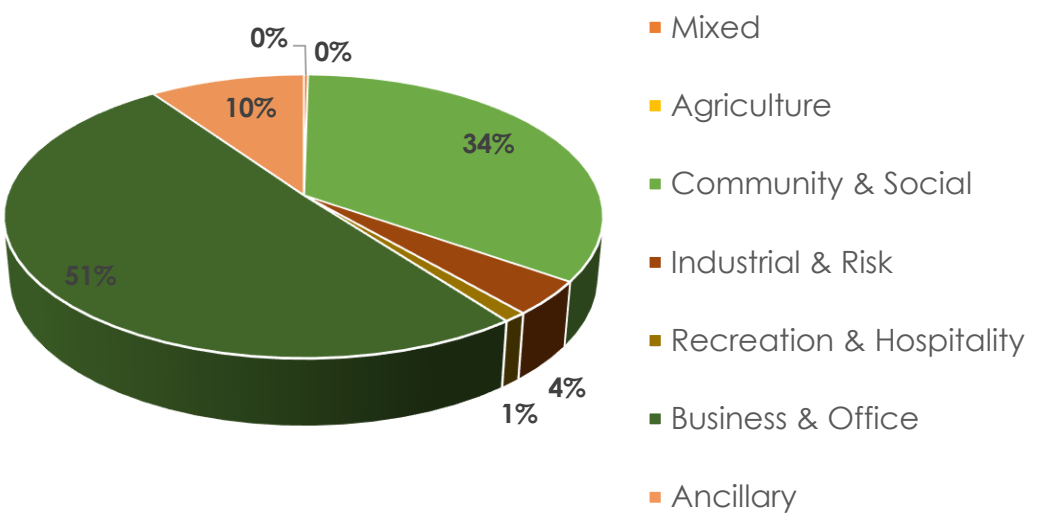
# AGGLOMERATION OF INDUSTRIES

SECTORAL AGGLOMERATION AND CO-AGGLOMERATION RELATIONSHIPS

% OF LAND USE GROUPS (2012)



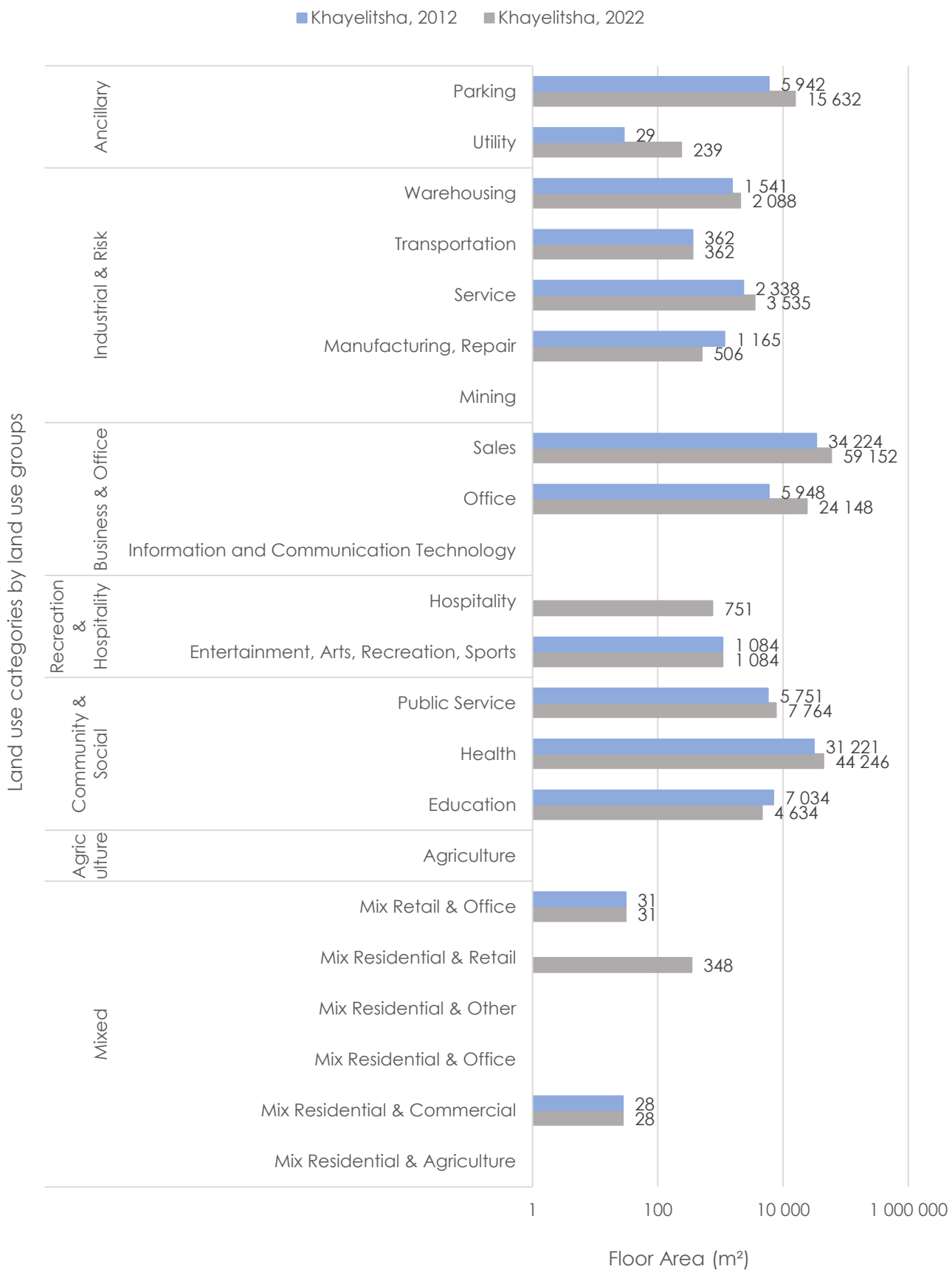
% OF LAND USE GROUPS (2022)



The pie charts illustrate the percentage distribution of land use groups in Khayelitsha, based on the cumulative floor area (m<sup>2</sup>) across various land uses. As shown in the charts, the Business & Office group has remained predominant in both 2012 and 2022 and also experienced an increase in 2022 to 51%. While the Community & Social land use group decreased between 2012 and 2022, it still holds a significant amount of floor area when compared to other land uses located in the area.

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 sales, health and office have maintained significant dominance, while there is also a presence of other land uses operating in the area that can be seen to support the most prevalent land uses in the area.

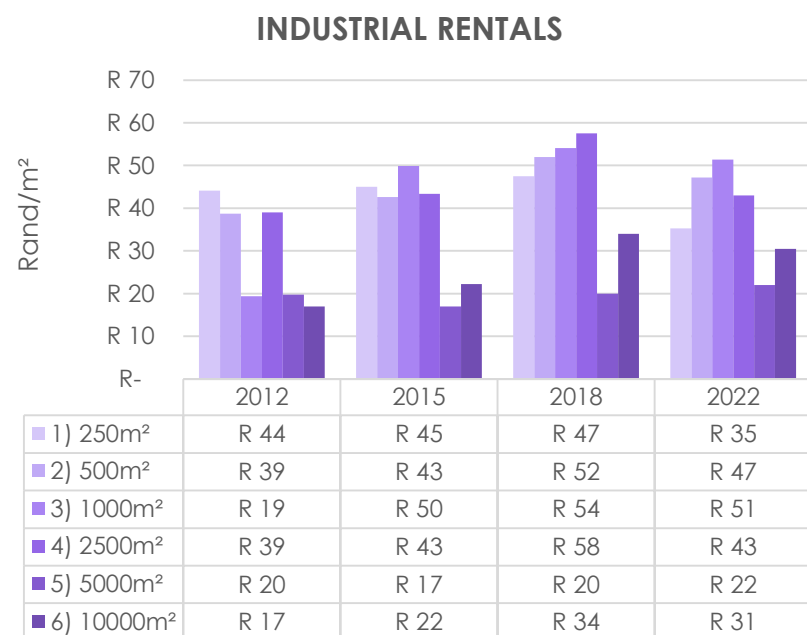
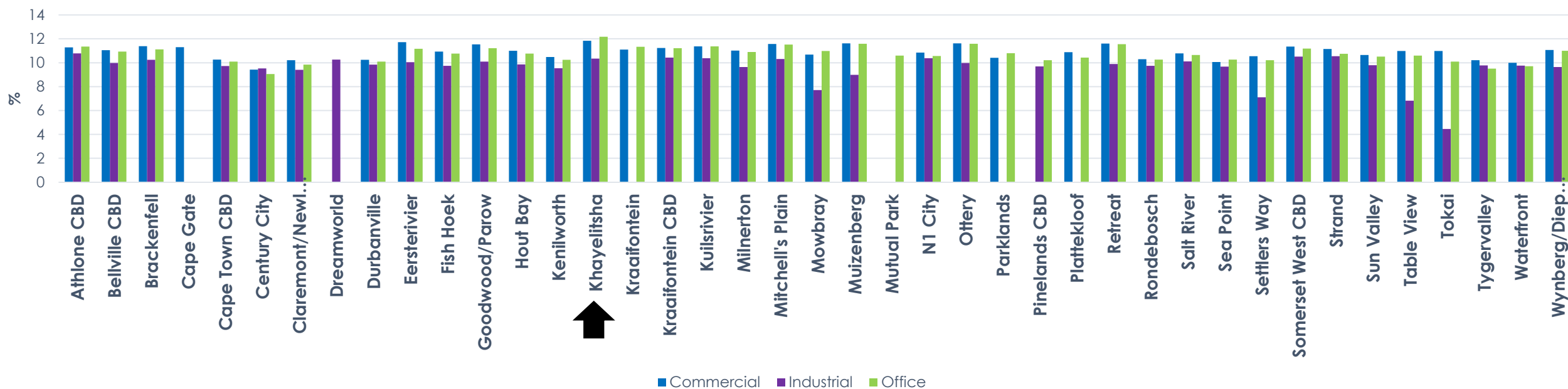
FLOOR AREA PER LAND USE CATEGORY FOR 2012 AND 2022



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

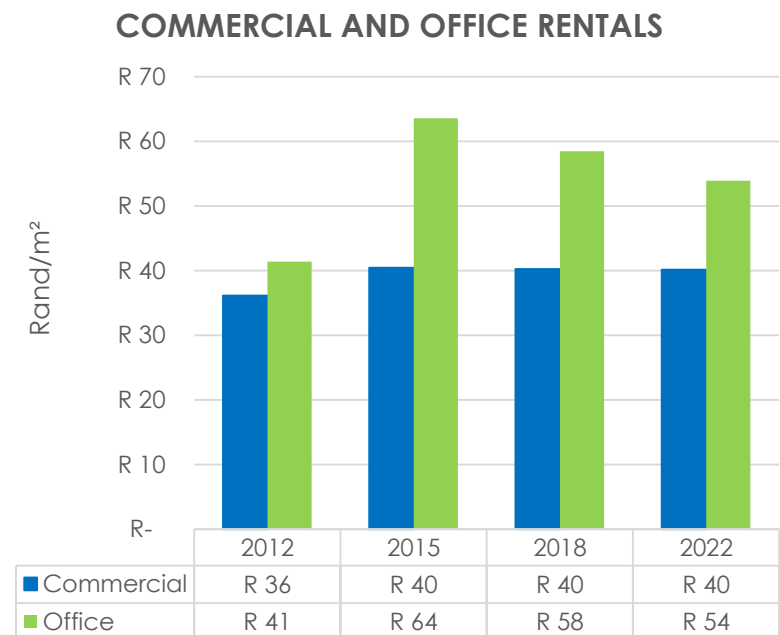
## AVERAGE CAPITALISATION RATE OF KHAYELITSHA S IN RELATION TO OTHER COMMERCIAL AREAS FOR THE PERIOD BETWEEN 2012 AND 2022



### Rental rates

Rental rates across all industrial sized spaces mostly fluctuated, with rentals being higher for smaller industrial spaces. The smaller sized industrial space also experienced a decrease in rentals between 2018 and 2022.

Office rentals initially increased between 2012 and 2015, however, it started to decrease between 2015 and 2022. Commercial rentals remained consistent throughout the period.

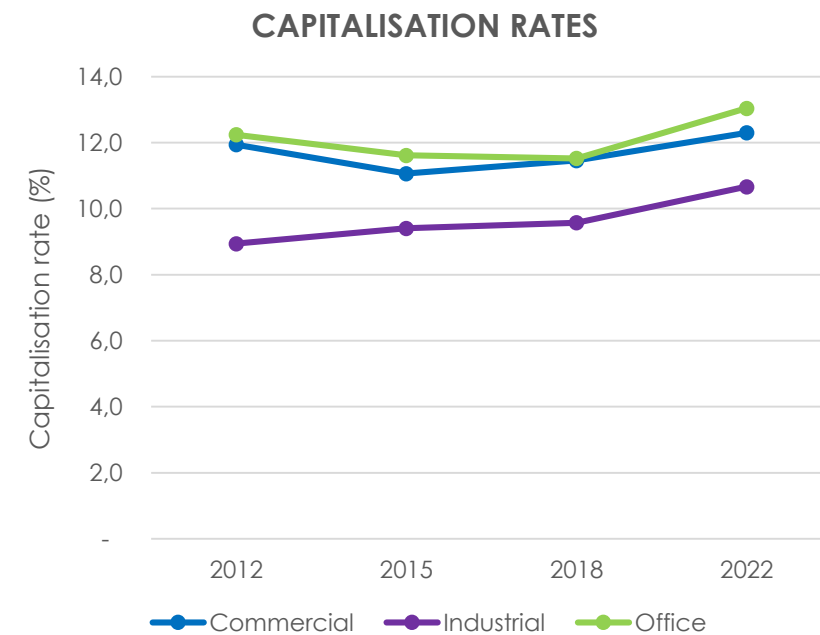


### Comparative view on capitalisation rates

The average capitalisation rate between 2012 and 2022 for commercial, industrial and office sectors has been 11,84%, 10,35% and 12,18%, respectively and further indicates its competitiveness relative to other commercial areas.

Year on year capitalisation rates for the commercial sector have increased from 11,9% to 12,3%. The office sector increased from 12,2% to 13% while the industrial sector also increased from 8,9% to 10,7%.

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



# 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.

Policy & regulatory context

Conceptual framework

Introduction

Land use activities, employment overview & firm typologies

Development pipeline

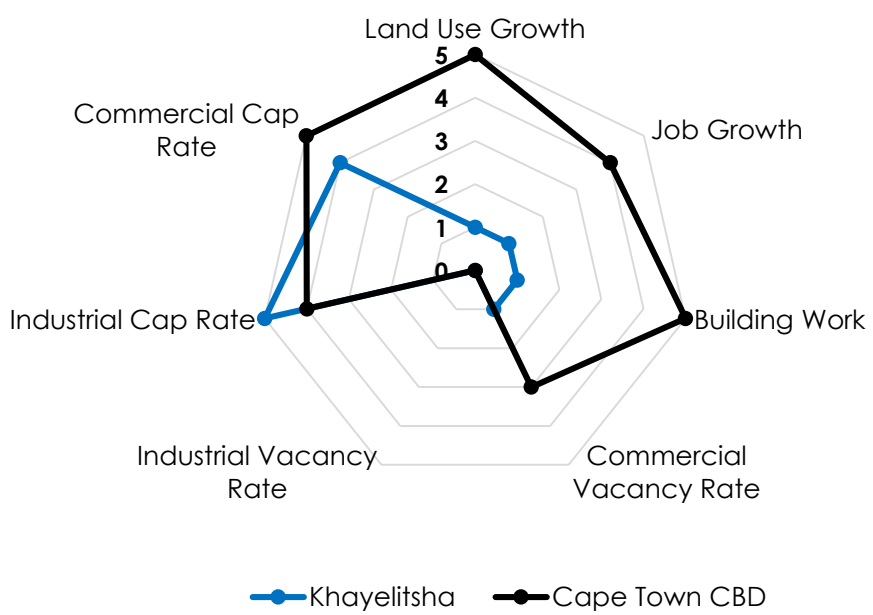
Urban land markets

Agglomeration of industries

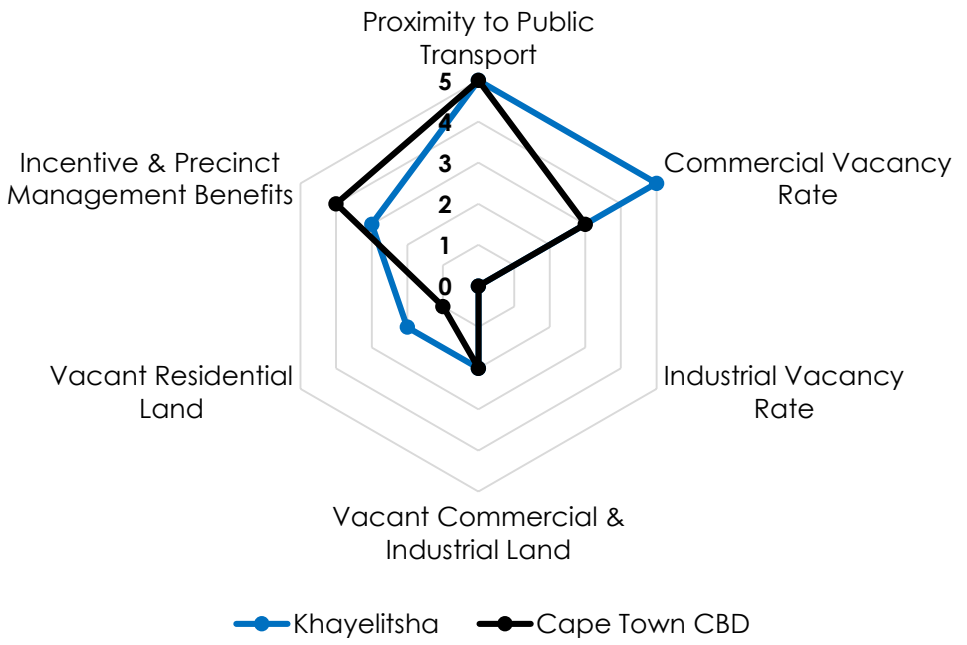
Market performance

Performance & Potential

## 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>