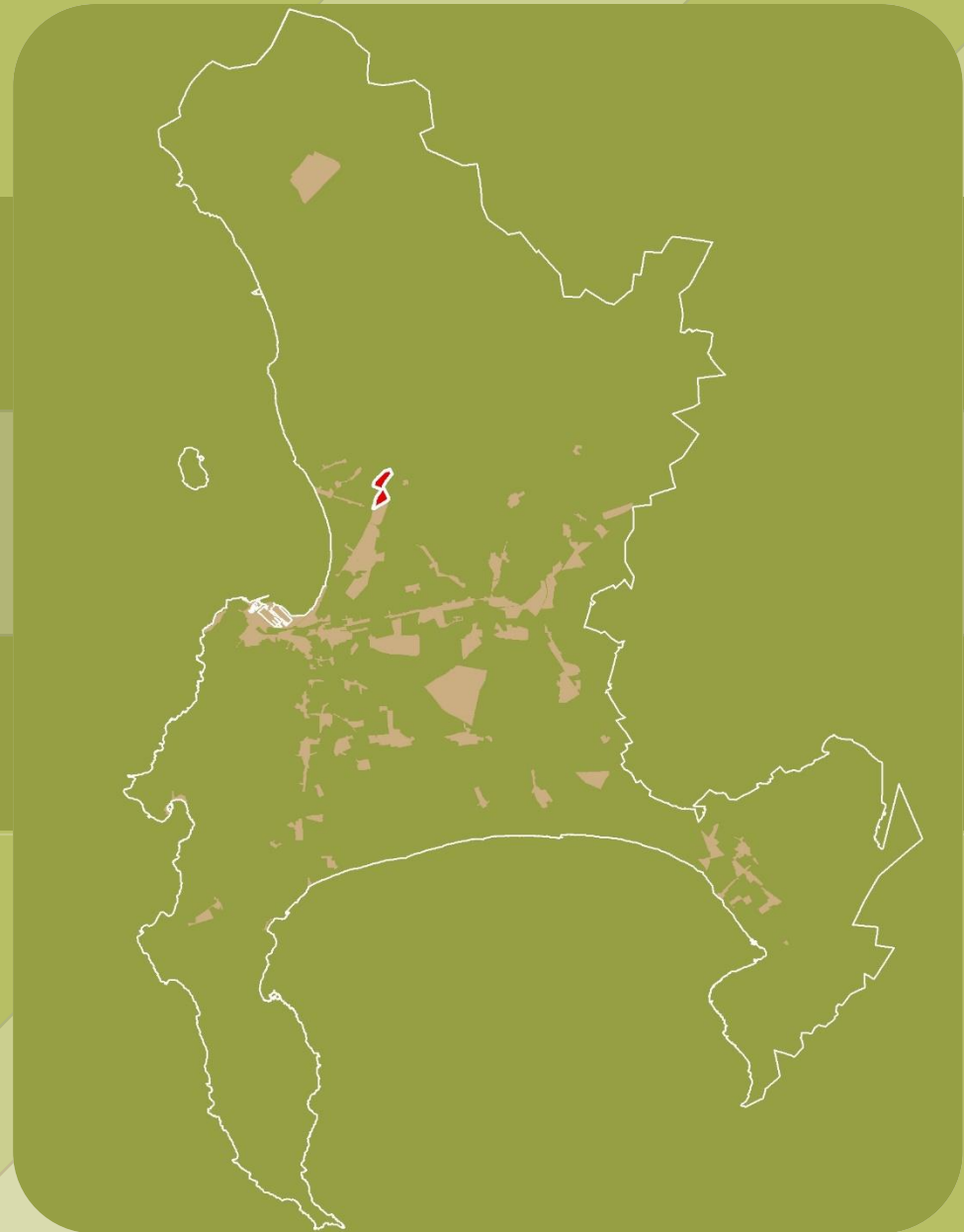


KILLARNEY GARDENS ECONOMIC AREA PROFILE

TREND ANALYSIS 2012-2022



June 2024



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Making progress possible. Together.

ACKNOWLEDGEMENTS

SPATIAL PLANNING & ENVIRONMENT DIRECTORATE

EXECUTIVE DIRECTOR: SPATIAL PLANNING & ENVIRONMENT DIRECTORATE

Rob McGaffin

DIRECTOR: URBAN PLANNING & DESIGN DEPARTMENT

Erika Naude

AUTHORS

Metropolitan Spatial Planning and Growth Management

Annelise de Bruin (Manager)

Ashleigh Manyara, Haleem Tambay, Lance Boyd & Obey Vhuma

SUPPORTED BY

Policy and Strategy: Economic Analysis

Paul Court, Kristoff Potgieter & Jodie Posen

Enterprise & Investment

Faith Kolala, Pauline Van der Spuy & Gerschwin Williams

DATA CUSTODIANS

Valuations, Development Management & Policy and Strategy

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.

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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

- Blaauwburg DSDF - Subdistrict 2: Montague Gardens and Koeberg Road Corridor:
 - Typologies and district elements – Development guidelines ([page 68](#))
 - Policy statements ([page 104](#))
 - New Development Areas ([page 110](#))
 - Consolidated subdistrict SDF ([Figure 18: subdistrict 2: Montague Gardens and Koeberg Road corridor](#))

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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

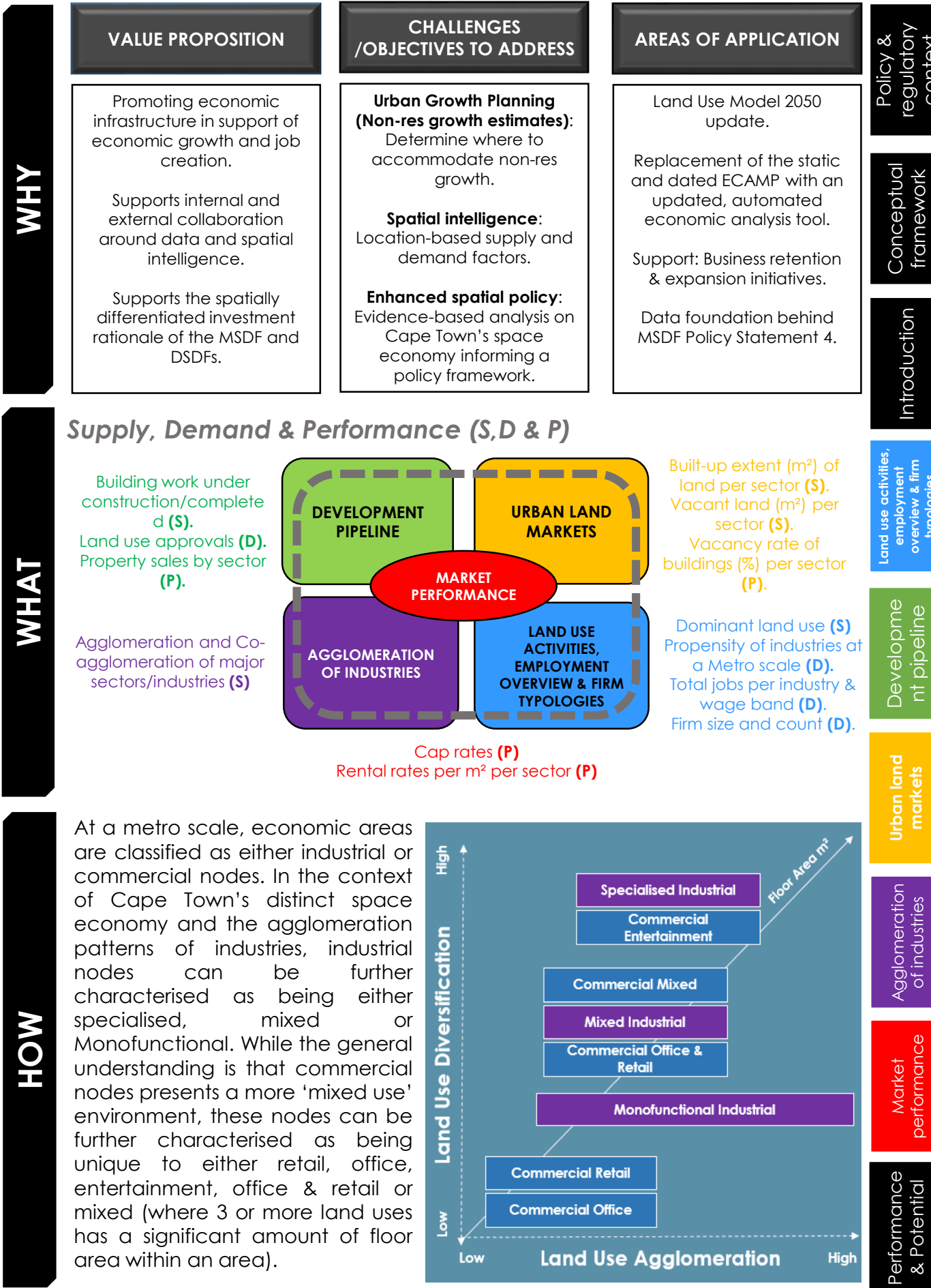
This profile examines a range of micro-economic indicators to highlight trends in supply and demand specific to the economic area. The indicators include:

- 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 \(MERO\)](#)



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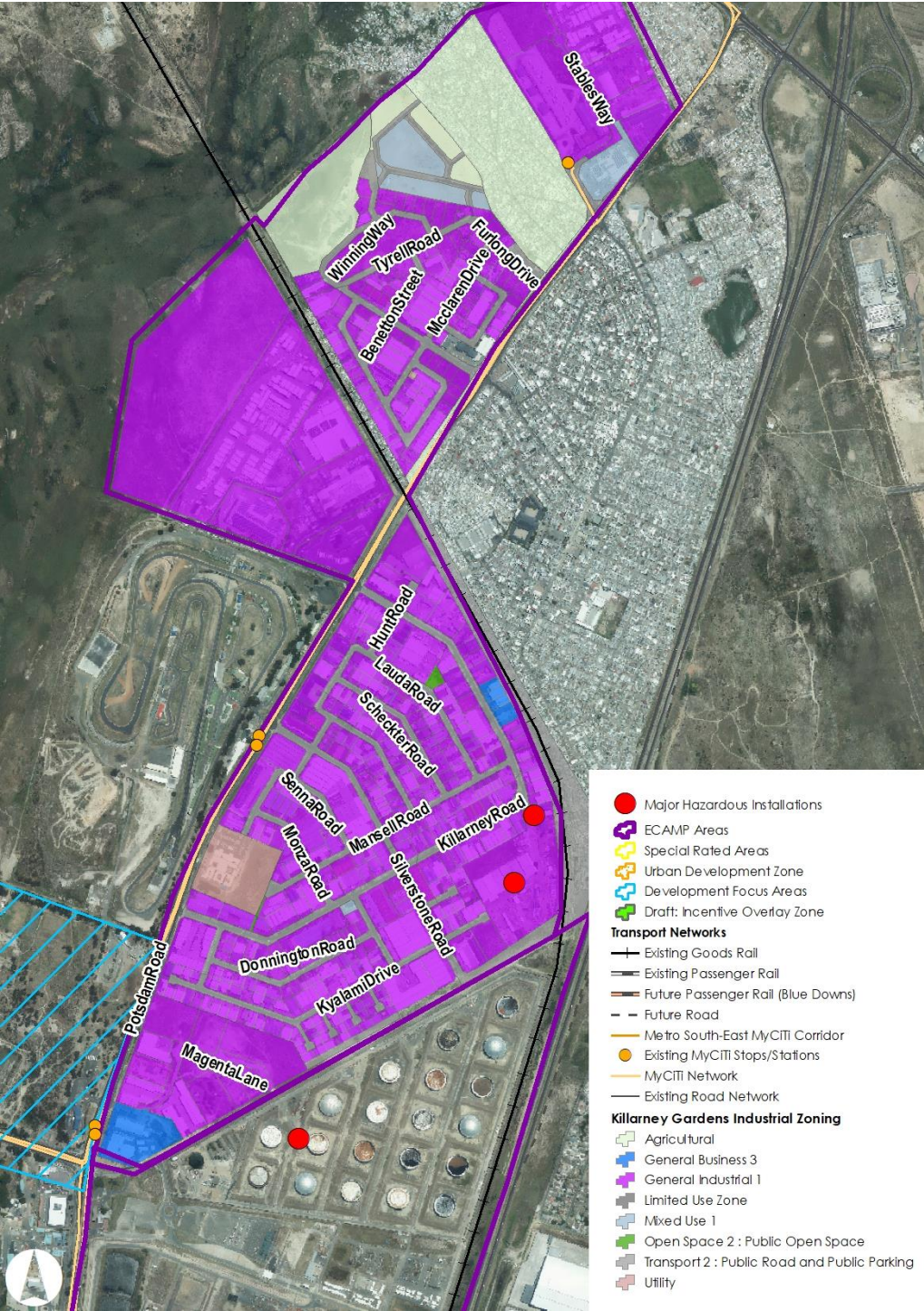
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KILLARNEY GARDENS

Location

- Killarney Gardens is situated approximately 17 km north of Cape Town's central business district and the Port of Cape Town, and 15 km from Cape Town International Airport, which facilitates efficient import and export of goods.
- The area is conveniently located near the N7, providing access to the N1 and N2 highways.
- This allows for easy travel across Cape Town and connections to areas beyond the city.
- A Public Transport Interchange is in close proximity and the area is mainly serviced by taxis and the MyCiti bus service.
- Additionally, it has access to a skilled workforce from surrounding areas, including Goodwood, Welgemoed, and the broader Milnerton region.

Zoning and Land Use

- The area is primarily zoned for industrial use, which permits manufacturing, warehousing, and distribution activities.
- Killarney Gardens is characterized by a mix of light and heavy industrial establishments, including various types of warehousing.
- Typical land uses in the area include warehousing, sales, manufacturing, repairs, and office accommodation.

Plot Sizes

- The average plot sizes in Killarney Gardens typically range from 1,000 to 1,500 m², with a limited number of plots varying between 5,000 and 20,000 m².

Spatial planning mechanisms

- There are currently no spatial planning mechanisms in place.

Key highlights of the area include:

- A [Property Owners Association](#) has been established which ensures that the area is well managed, green spaces are maintained and urban management and security is considered.

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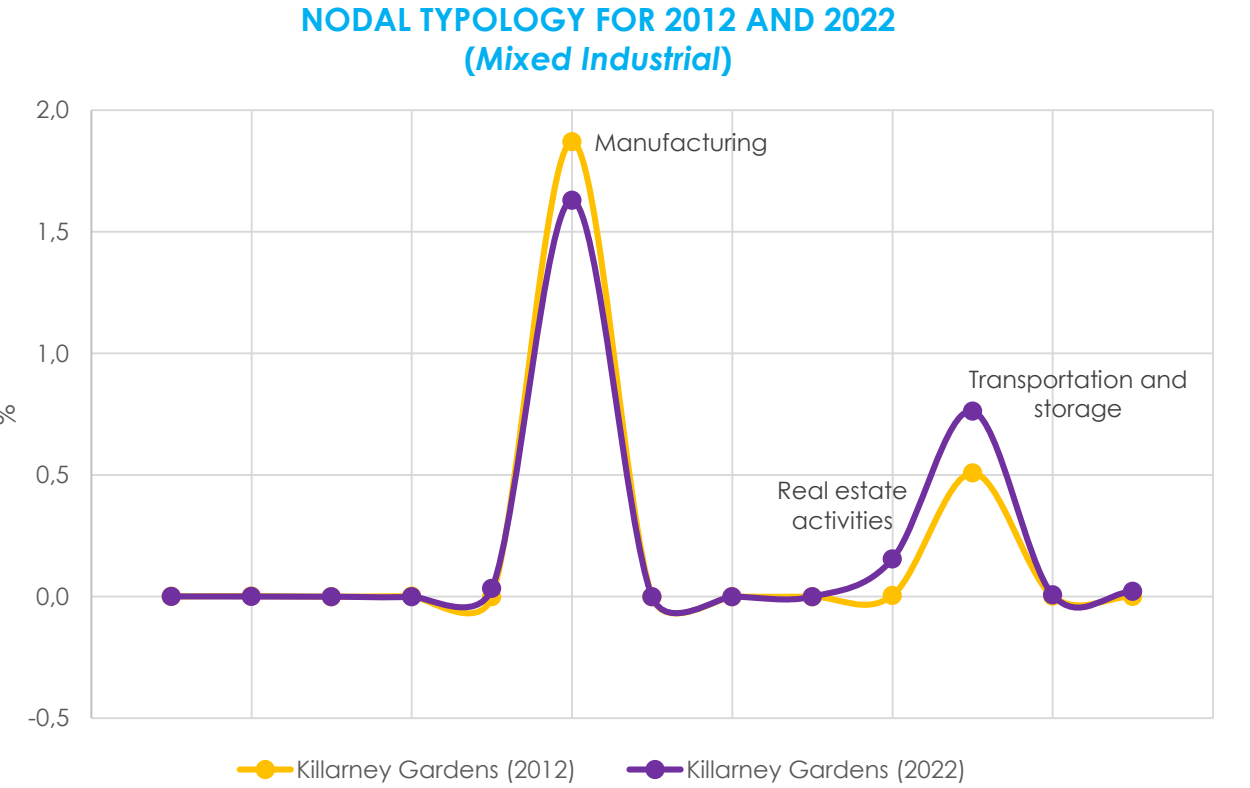
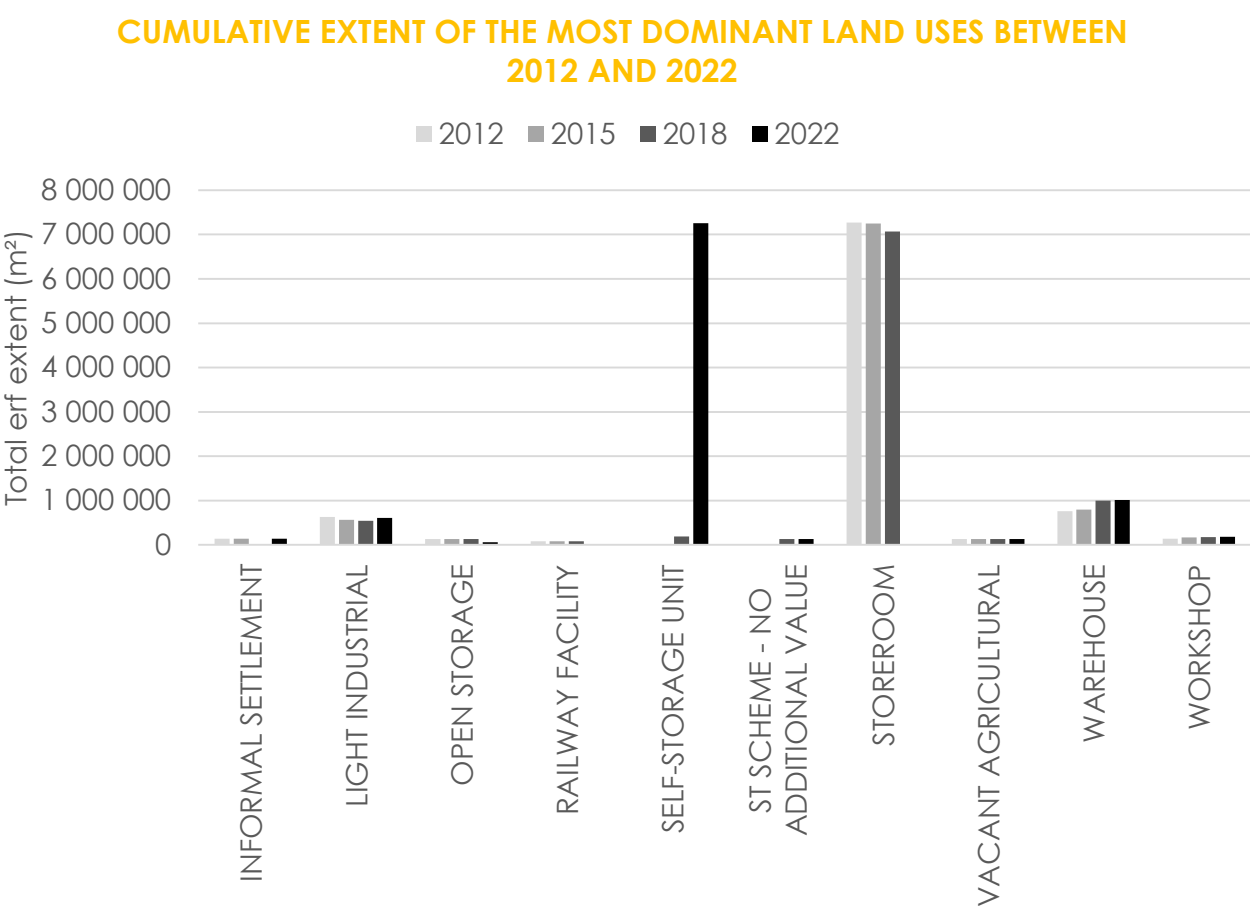
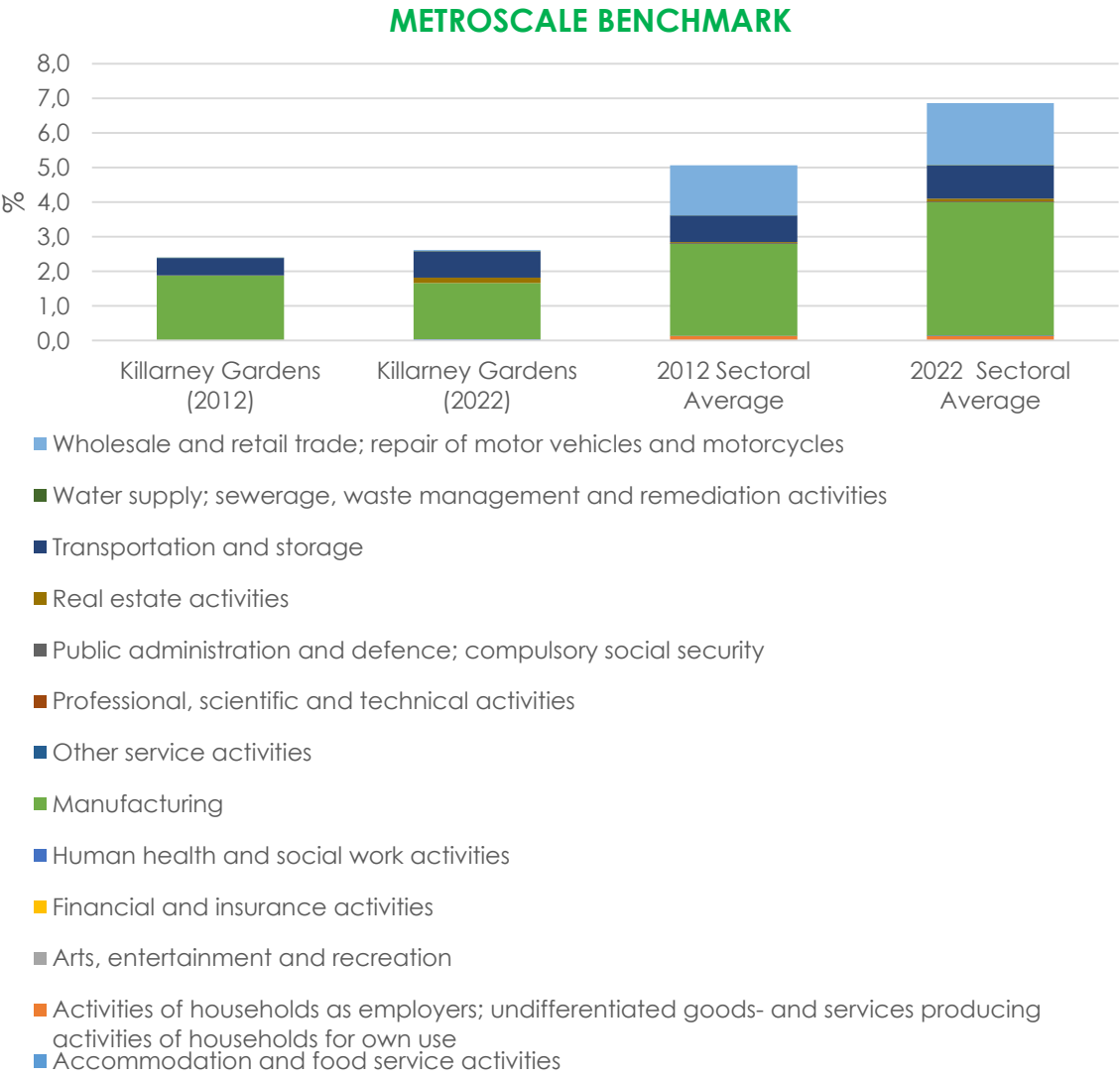
LAND USE ACTIVITIES

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, Killarney Gardens is primarily characterized by a higher tendency towards manufacturing, transport & storage and real estate activities as indicated by the **Nodal Typology**. This typology highlights the industries with the largest floor area (m²) operating in a specific economic area.

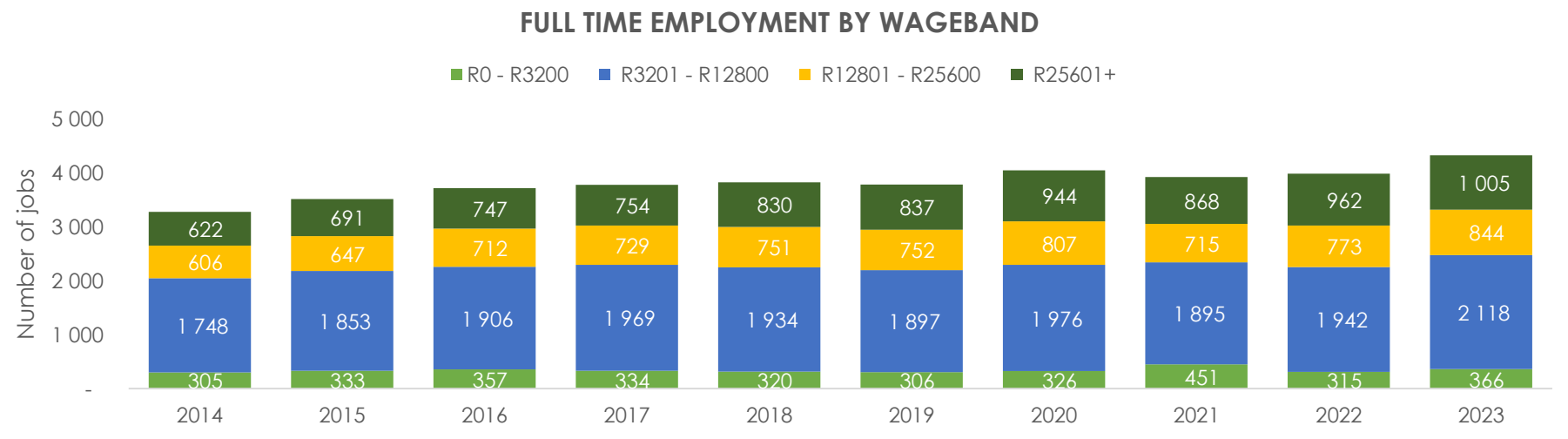
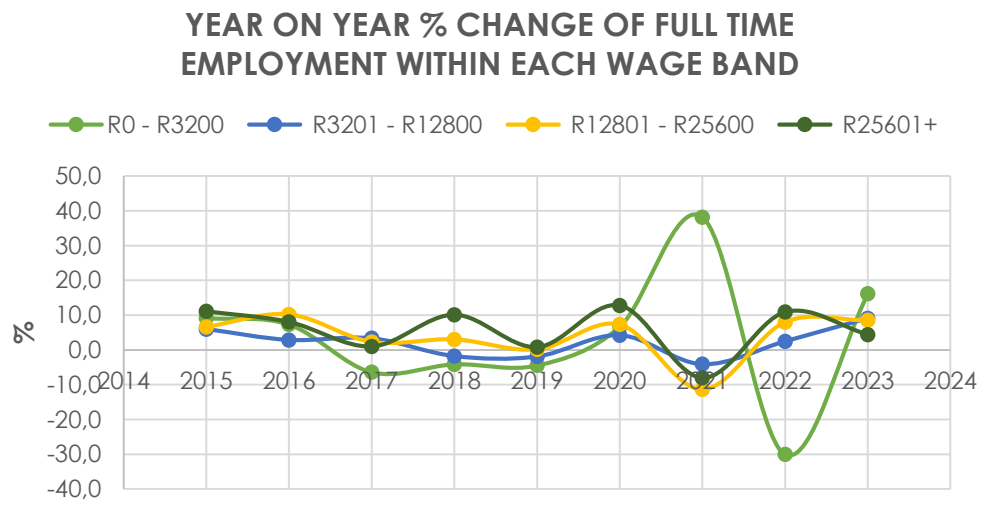
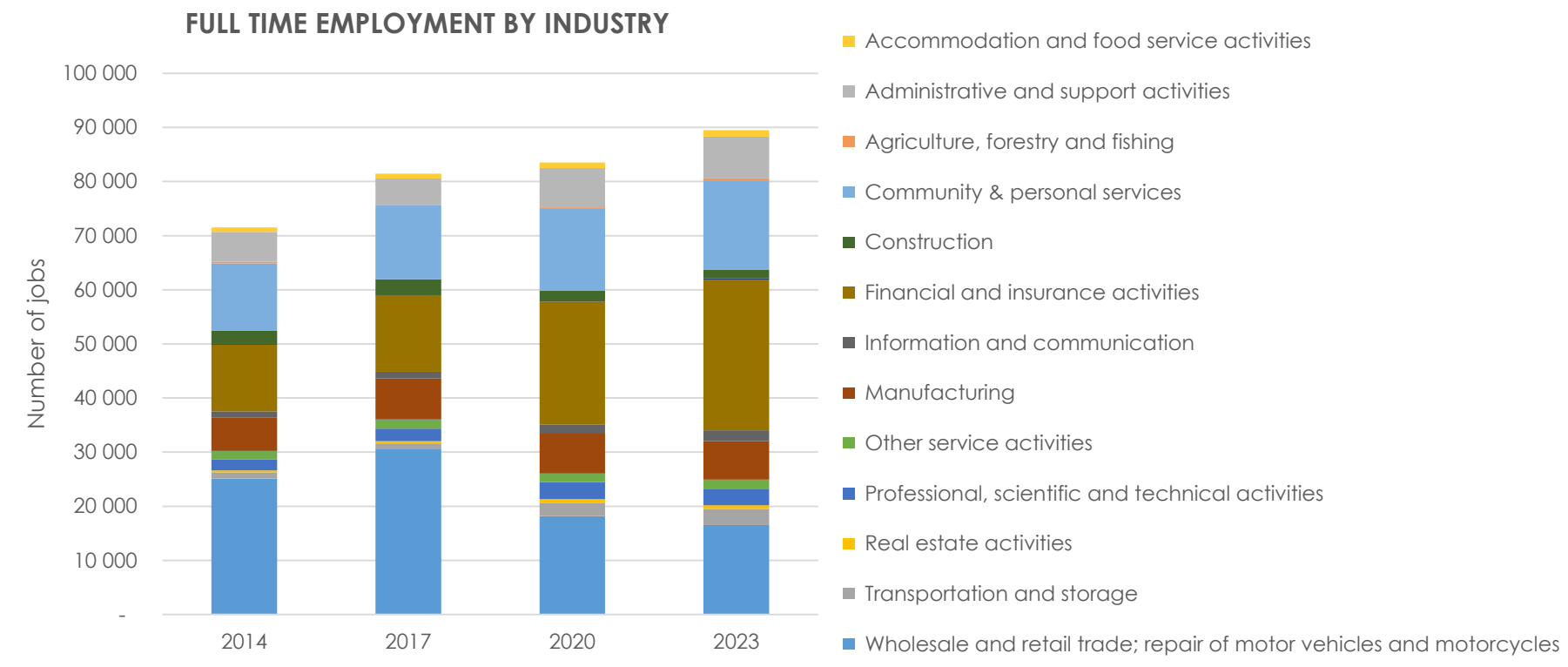
The **MetroScale Benchmarking** positions Killarney Gardens as a significant contributor to manufacturing and transport & storage which is lower than the sectoral average when compared to other industrial areas across Cape Town.

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 (m²) for store rooms, warehousing, self-storage and light industrial.



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

EMPLOYMENT OVERVIEW & FIRM TYPOLOGIES



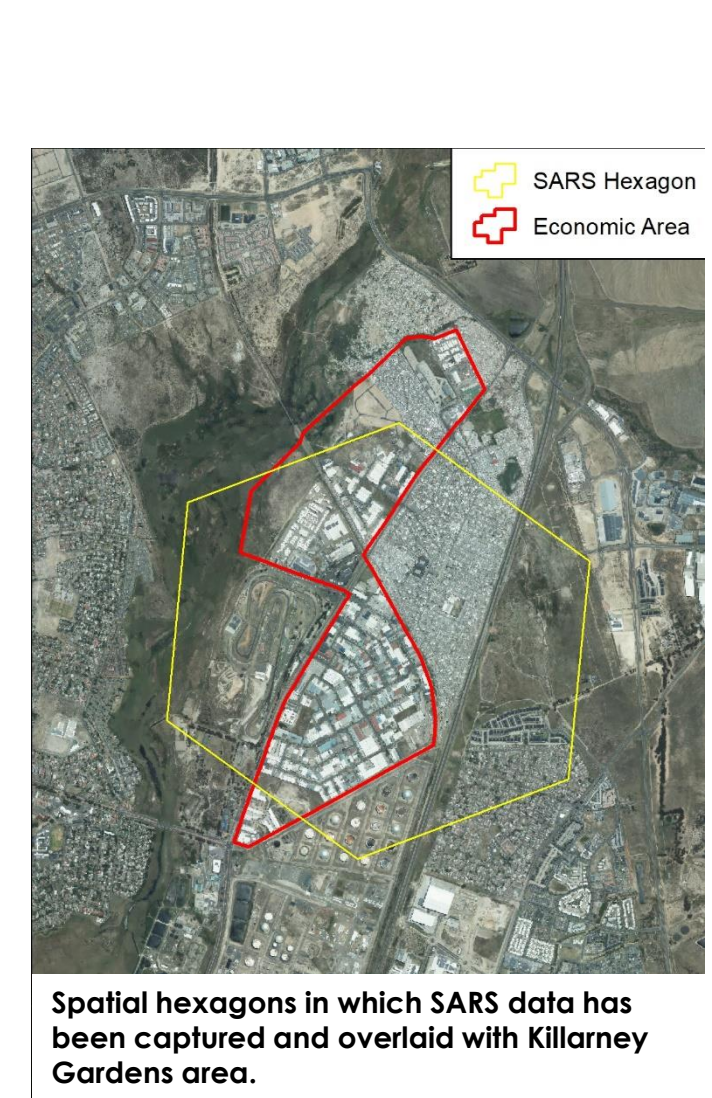
Source: SARS data extract for period between 2014 and 2022. Firm size data only available between 2014 and 2020.

Jobs/Firms

The number of job opportunities in the Killarney Gardens area increased significantly from 2,400 in 2014 to 3,500 in 2023. Over time, the majority of these jobs have been concentrated in the manufacturing, wholesale, and administrative support industries.

Income bands

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



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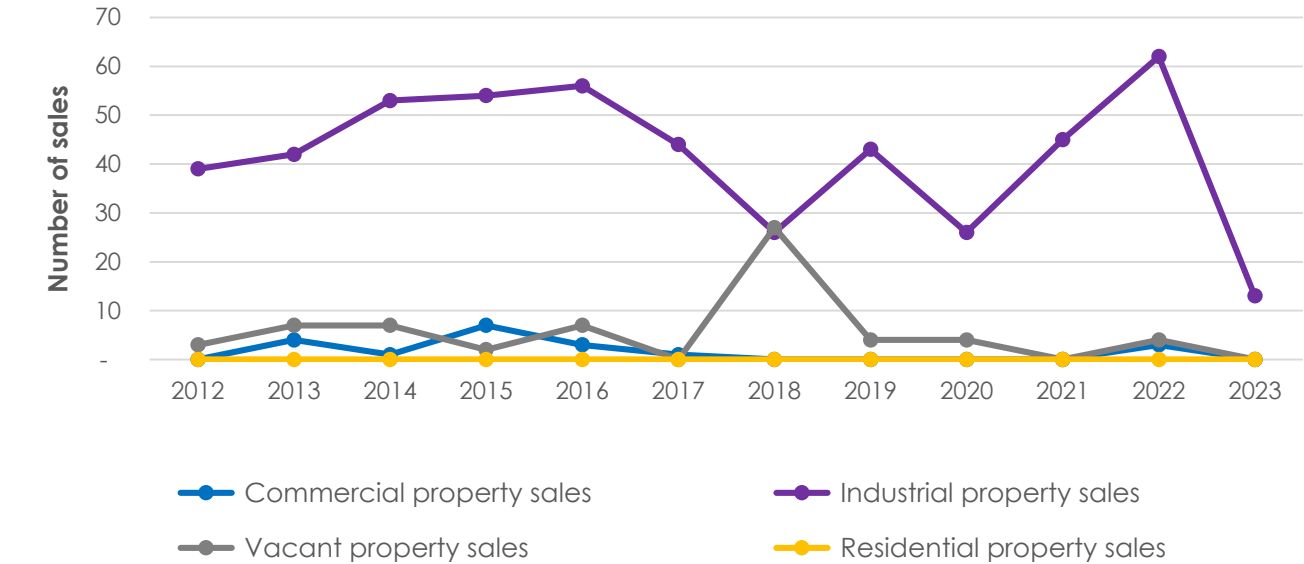
Agglomeration of industries

Market performance

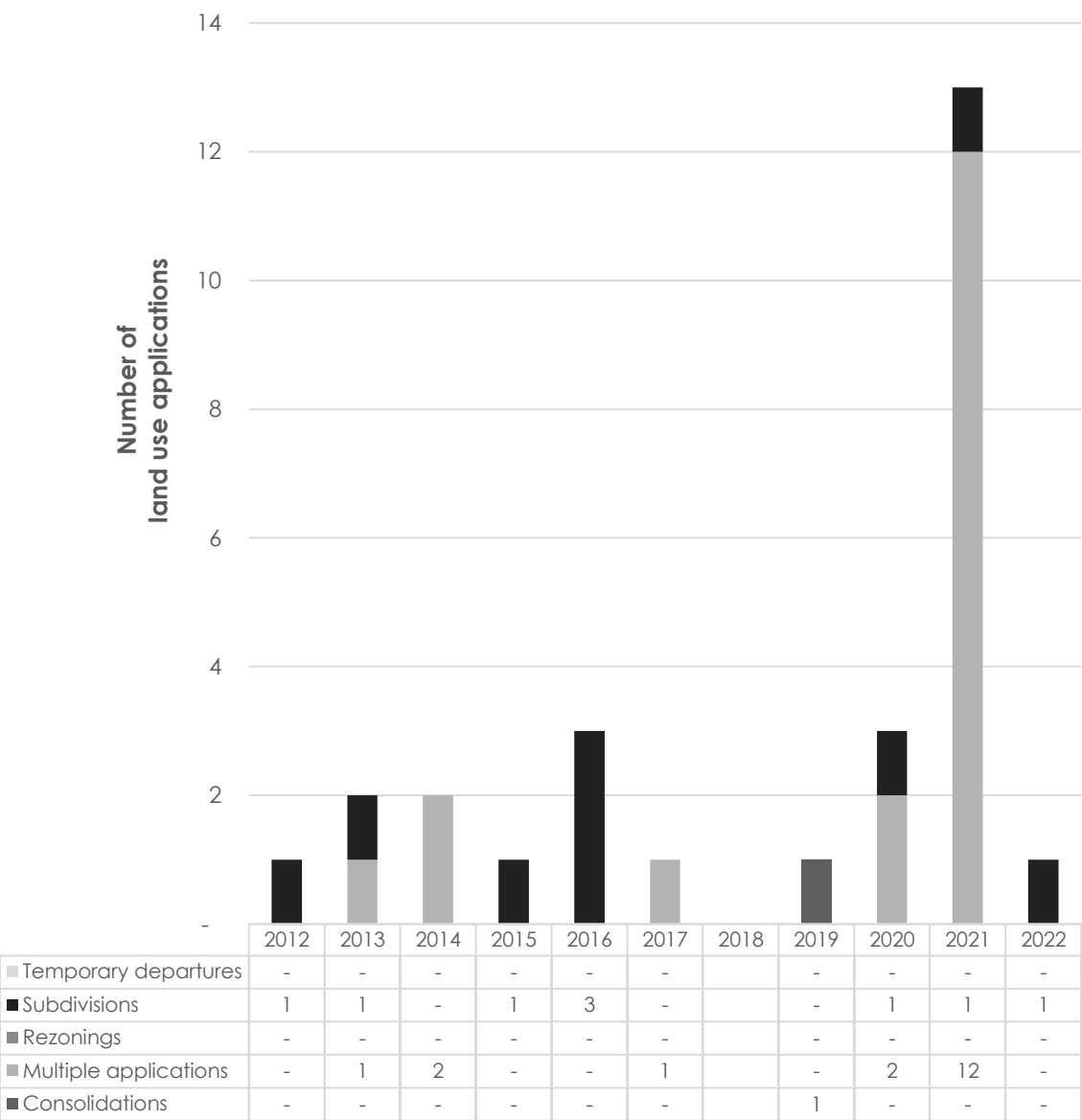
Performance & Potential

DEVELOPMENT PIPELINE

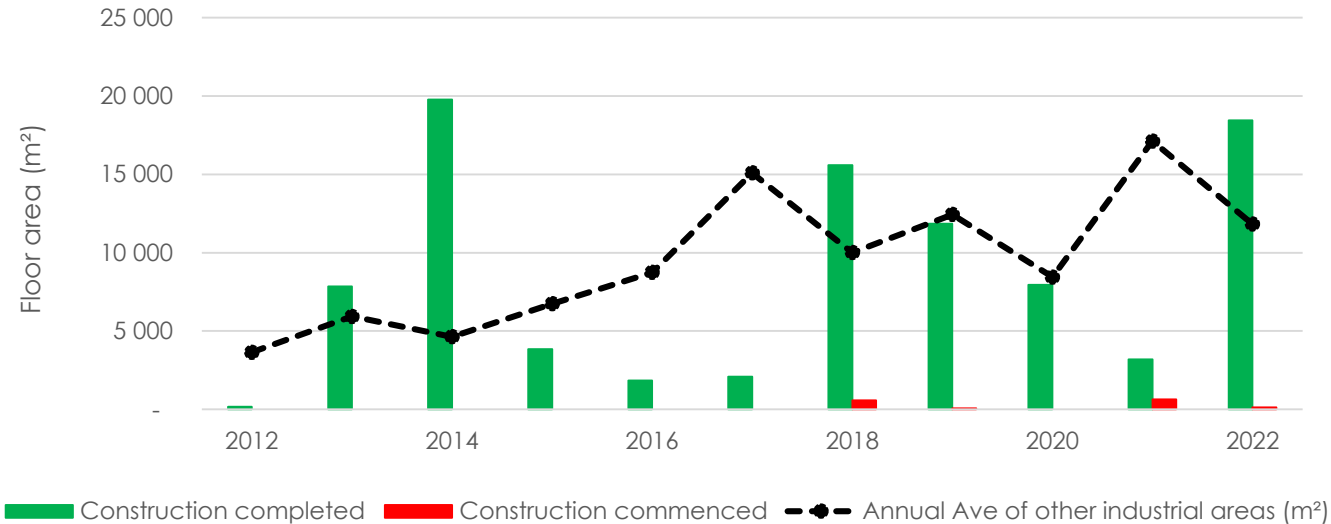
PROPERTY SALES BY SECTOR



APPROVED LAND USE APPLICATIONS



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



Property sales

Most property sales occurred between 2012 and 2022, with fluctuations primarily in industrial properties.

Land use applications

The area experienced the highest number of land use approvals between 2012 and 2020, which can be attributed to the investment sentiment and intent reflected in property transactions during this period. Although the area is mainly zoned for industrial use, most land use approvals were for subdivisions and multiple applications. This indicates a demand for specific sizes of industrial land. Notably, there was a spike in land use approvals in 2021.

Building plans

Following property sales and land use approvals, construction activity began shortly after the initial land use approvals were granted in 2012. Significant building work was undertaken from 2018 to 2022, with additional spikes above the metro average in other industrial areas during 2013, 2014, 2018, and 2022. These trends suggest a growing investment confidence in the area.

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

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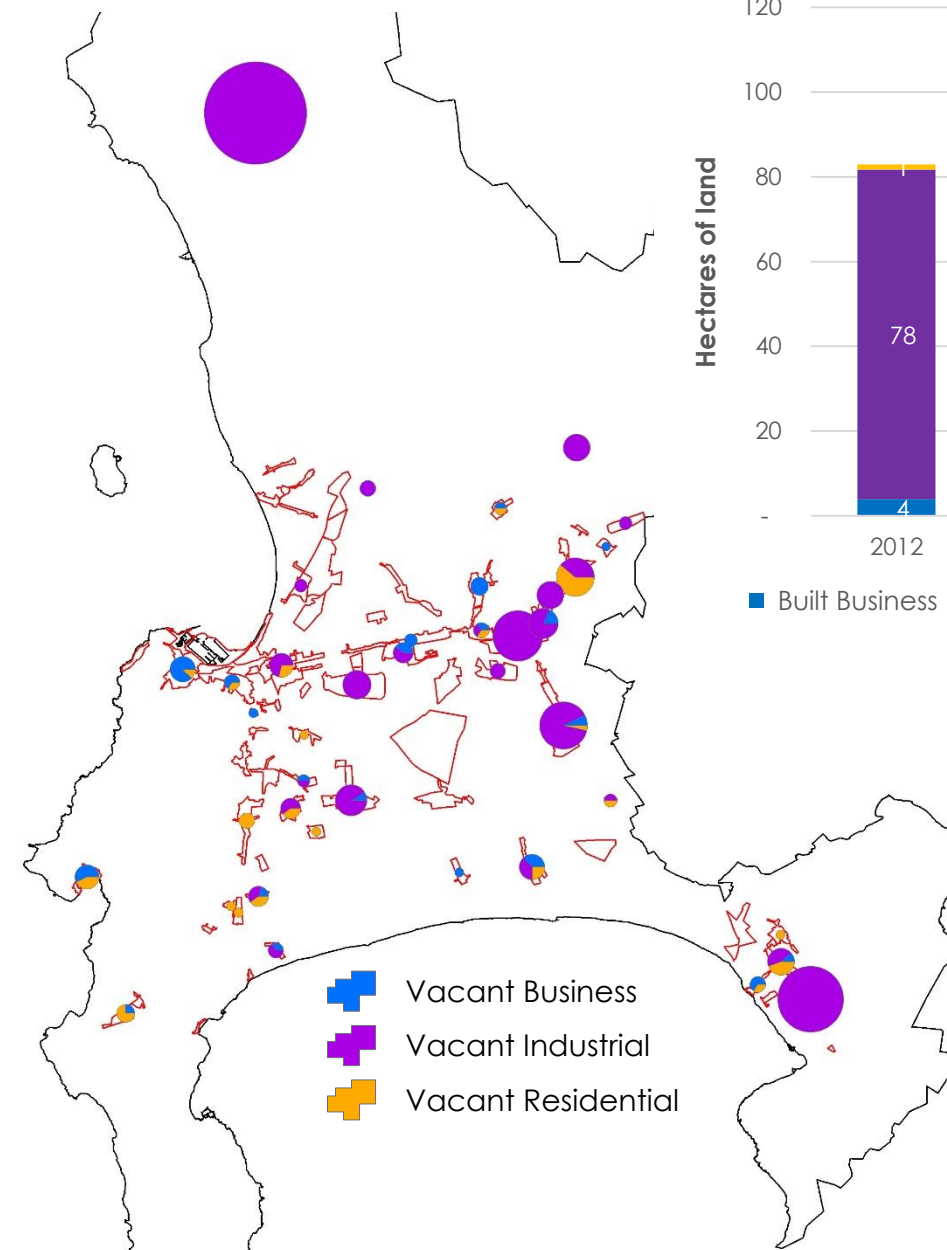
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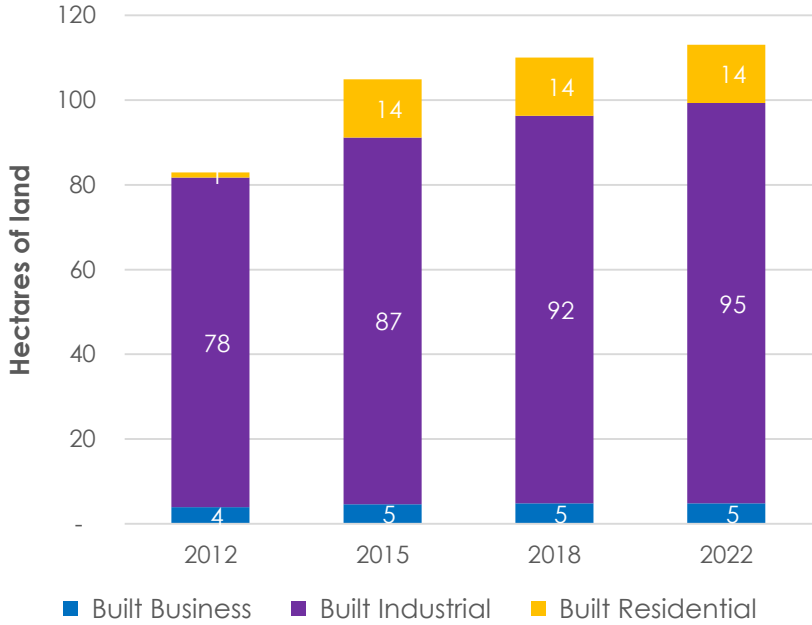
VACANT LAND ACROSS CAPE TOWN (GV 2022)



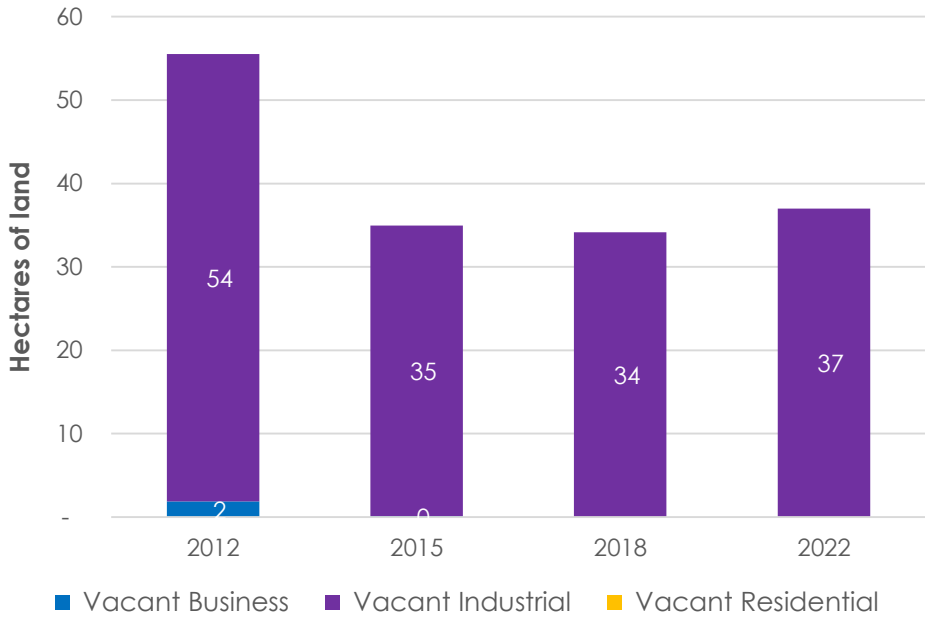
Number of land parcels that are vacant by size			
Erf Size	Commercial	Industrial	Residential
1) 1-250m²			
2) 251-500m²			
3) 501-1000m²		3	
4) 1001-2500m²		43	
5) 2501-5000m²		2	
6) 5001-10000m²		3	
7) >10000m²		5	

Source: City's General Valuation Roll and Market Reports

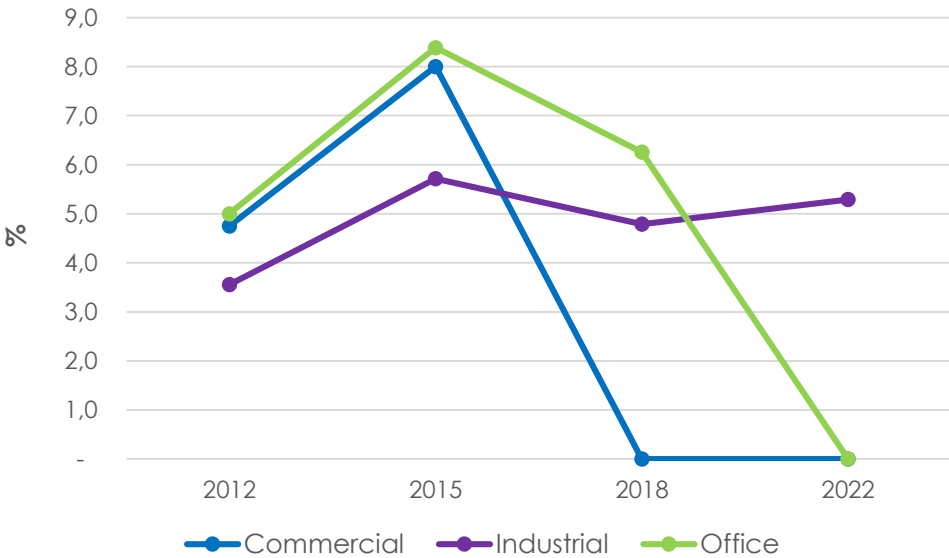
BUILT-UP LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



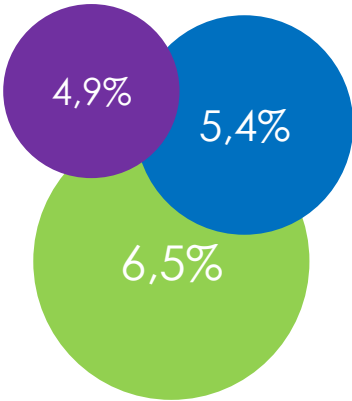
VACANT LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



VACANCY RATE OF EXISTING BUILDINGS



METRO AVERAGE: VACANCY RATES PER SECTOR FOR 2022



Vacant land

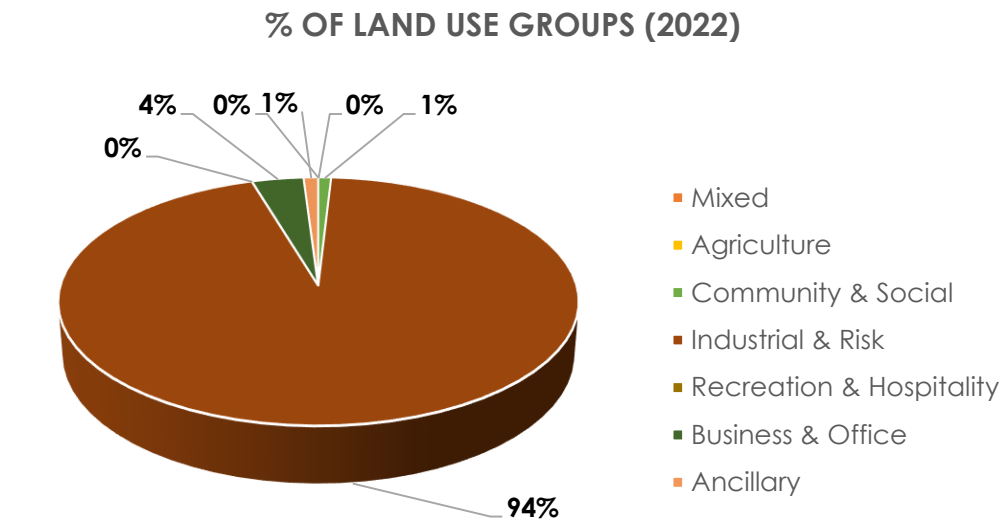
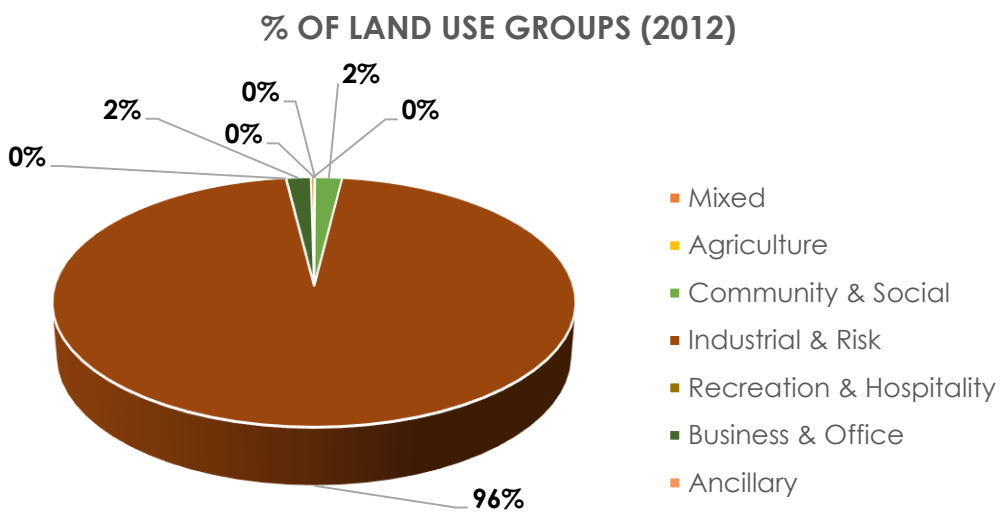
The map illustrates the latest General Valuation (GV) Roll data from 2022, highlighting vacant land across the metropolitan area. This visual representation complements the graph depicting vacant land for the 2022 GV year. Over the past decade, the region has seen gradual growth in built-up land, including residential areas. Between 2012 and 2022, there has been a notable reduction in vacant land, which aligns with the building projects that have been completed as well as those still under construction. Additionally, the available vacant land is categorized based on the number and size of land parcels.

Vacancy rates

Regarding vacancy rates in the industrial sector, levels ranged from 3.6% in 2012 to 5.3% in 2022. Furthermore, both the commercial and office sectors have seen a decrease in vacancy rates since 2015.

AGGLOMERATION OF INDUSTRIES

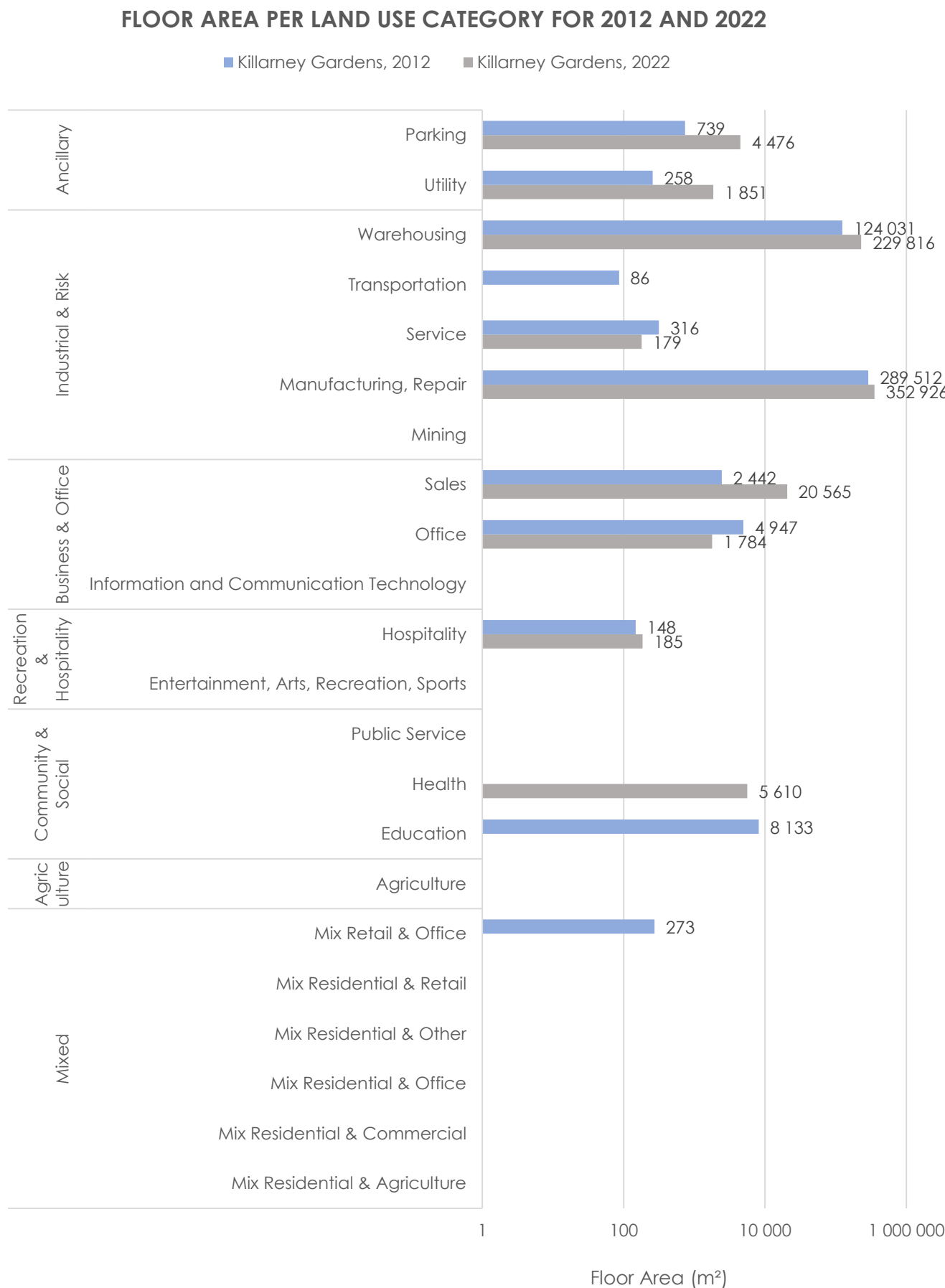
SECTORAL AGGLOMERATION AND CO-AGGLOMERATION RELATIONSHIPS



The pie charts illustrate the percentage distribution of land use categories in Killarney Gardens, based on the cumulative floor area (m²) across various uses. As shown in the chart, the Industrial and Risks group has remained the most dominant category in both 2012 and 2022, while the other groups serve mainly to support this predominant land use.

Additionally, the bar graph provides a comparative analysis of land use categories between 2012 and 2022, highlighting the co-agglomeration within each land use group. In this period, manufacturing, repairs, and warehousing have shown the most significant growth, while sales have also increased substantially by 2022. Furthermore, there is evidence of other industrial and non-industrial land uses that support the primary dominant categories.

Land use categories by land use groups



Source: Analysis of GV data (May 2024)

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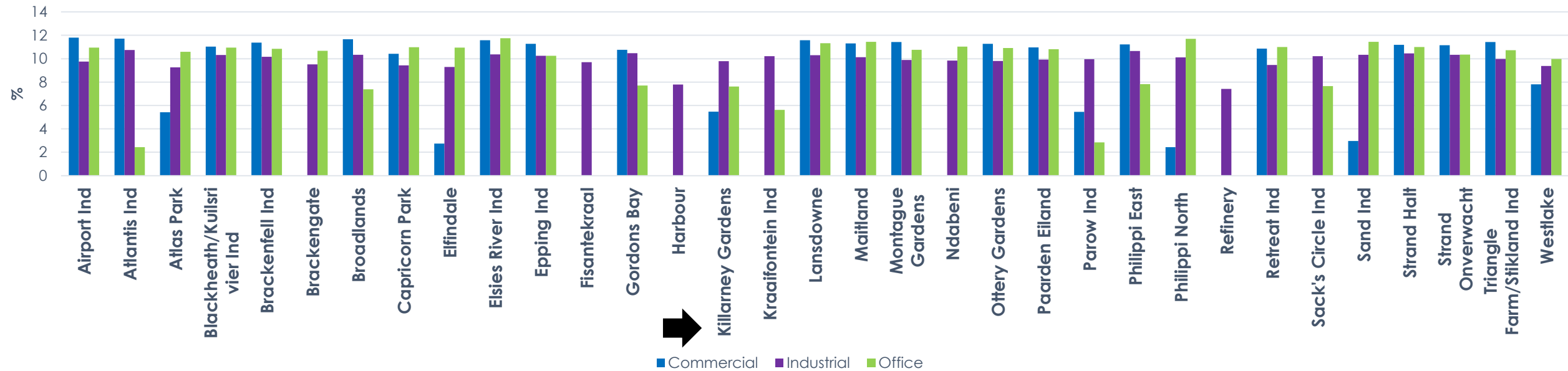
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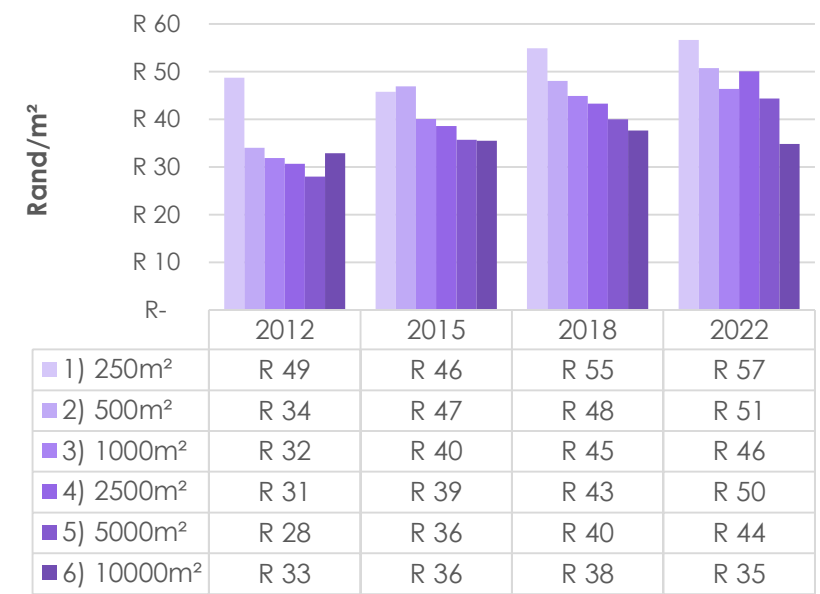
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AVERAGE CAPITALISATION RATE OF KILLARNEY GARDENS IN RELATION TO OTHER INDUSTRIAL AREAS FOR THE PERIOD BETWEEN 2012 AND 2022



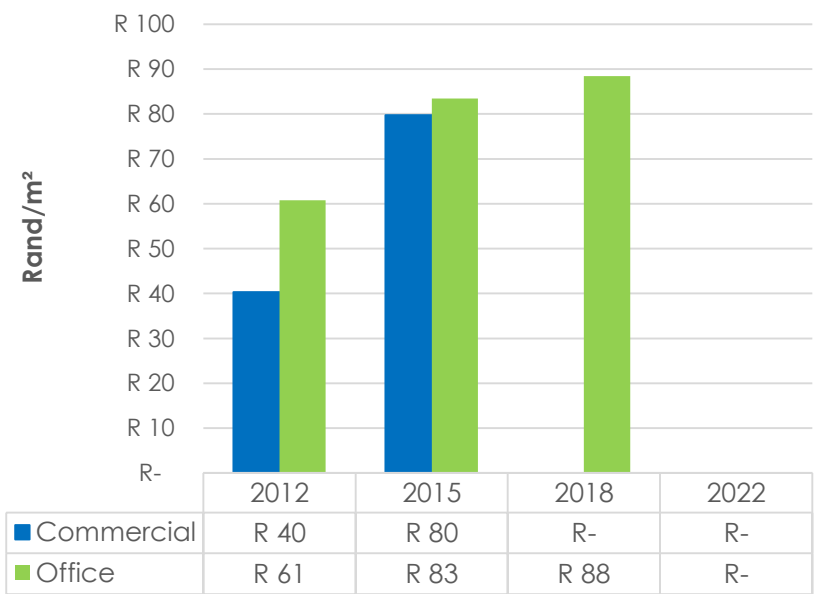
INDUSTRIAL RENTALS



Rental rates:
Rental rates across all industrial property sizes gradually increased between 2012 and 2022. However, there has been an overall decrease in properties larger than 10 000m².

While rental rates for the office sector gradually increased between 2012 and 2018. This is seen for the commercial sector between 2012 and 2015.

COMMERCIAL AND OFFICE RENTALS

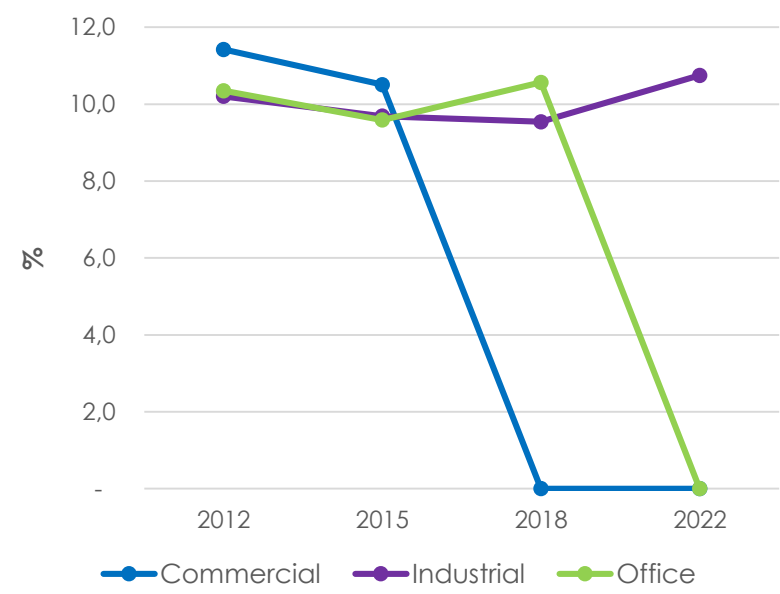


Comparative view on cap rates:
The average capitalisation rate between 2012 and 2022 for industrial, office and commercial sectors has been 9,79%, 7,63% and 5,48%, respectively and further indicating its competitiveness relative to other industrial areas.

Year on year capitalisation rates for the industrial sector have remained consistent at the 10,5% mark while both commercial and office sectors decreased since 2015.

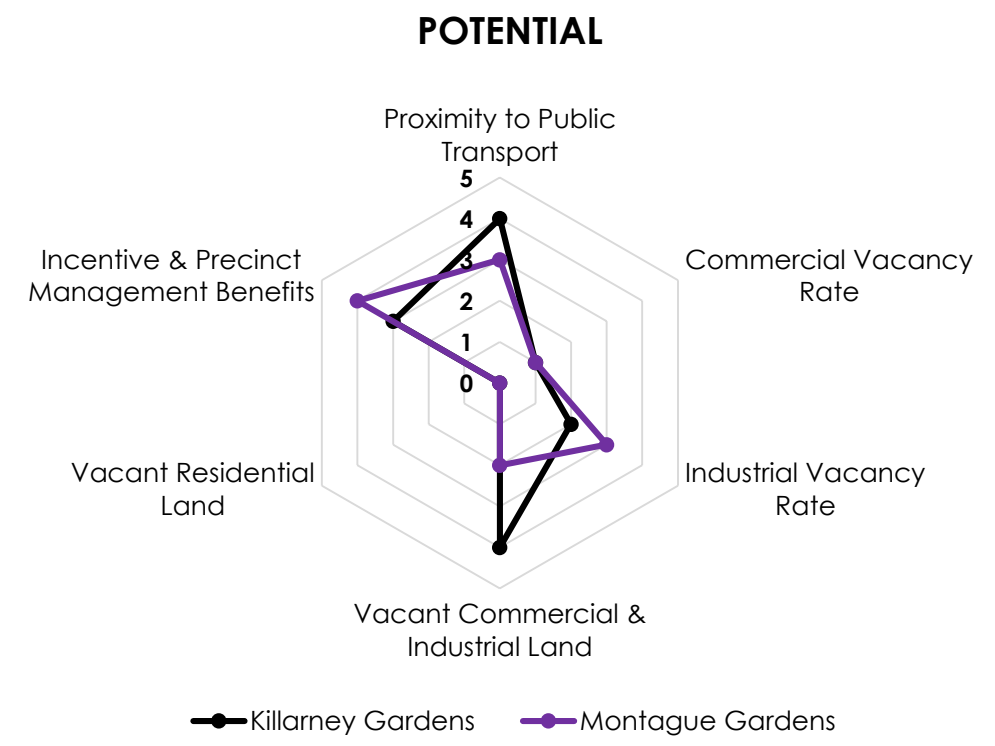
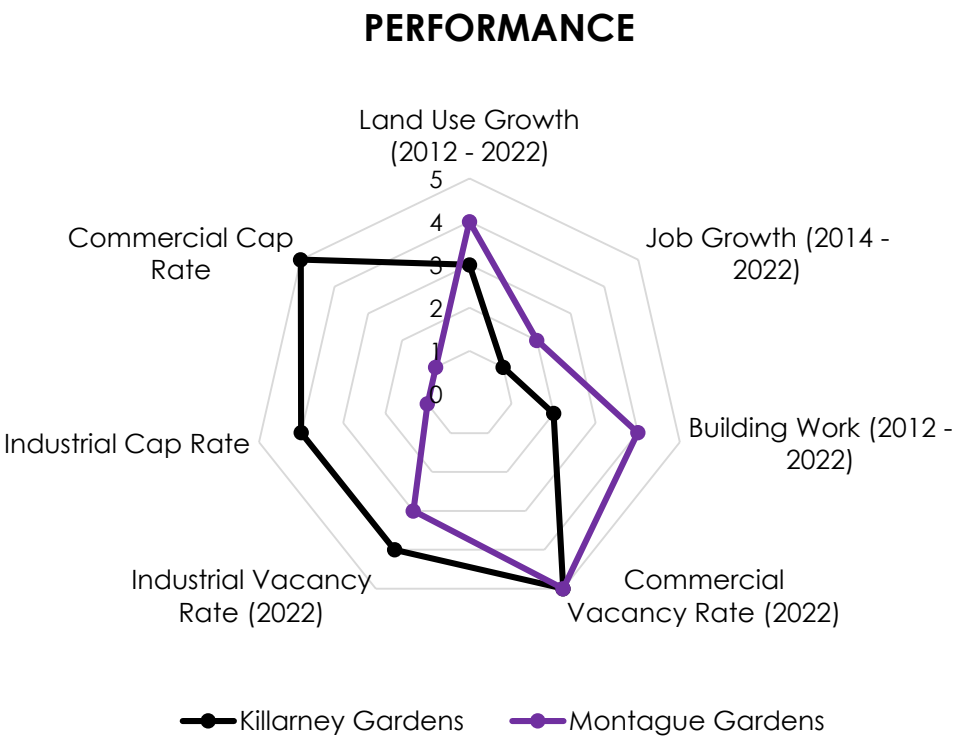
- Higher cap rates = higher investment risk.
- Lower cap rates = lower investment risk.

CAPITALISATION RATES



PERFORMANCE & POTENTIAL

Each of the scores below provide a summary of the detailed information presented throughout this profile. The scoring method applied to calculate *Performance* & *Potential* is presented across a number of measurable individual indicators. **Scoring: 0 represents a low performance and potential score. Whereas 5 represents a higher performance and potential score. Each indicator is scored individually.** Depending on the classification of an economic area, each economic area profile is either compared to Cape Town CBD (Commercial) or Montague Gardens (Industrial), since these 2 economic areas have attracted the most new floor area between 2012 – 2022 for the commercial and industrial classifications.



Indicator		Description
Performance	Land Use Growth	Measures the growth of new floor area (m²) between 2012 and 2022 within an economic area relative to other economic areas. More growth = higher performance. (Source: General Valuation Roll)
	Job Growth	Measures the % change between 2014 and 2022 in the prevalence of jobs surrounding an economic area relative to other economic areas. Higher prevalence of jobs = higher performance (Source: SARS as at May 2024)
	Building Work	Measures building work activity (new and improved m²) between 2012 and 2022 within an economic area relative to other economic areas. More building work activity = higher performance. (Source: City’s DAMS)
	Vacancy Rate	Measures vacancy rates as per the latest 2022 market report across all of the economic areas. A low vacancy rate = 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 suggests greater stability/maturity of the economic area = higher performance. (Source: City’s Market Reports)
Potential	Proximity to Public Transport	Measures which economic areas are in proximity to public transport modes. Access to more modes = higher potential (City’s UPD, spatial analysis)
	Vacant Land	Measures availability of commercial, industrial and residential vacant land. More vacant land = higher potential (Source: General Valuation Roll).
	Vacancy Rate	Measures vacancy rates as per the 2022 market report. Higher vacancy rates = greater potential. (Source: City’s Market Reports)
	Incentive & Precinct Management Benefits	Measures the overlap (partially or fully) of incentive areas, institutionalised precinct management tools within each economic area. More incentive and Precinct Management tools present = greater potential. (City’s UPD, spatial analysis)

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