ELFINDALE INDUSTRIAL ECONOMIC AREA PROFILE

TREND ANALYSIS 2012-2022

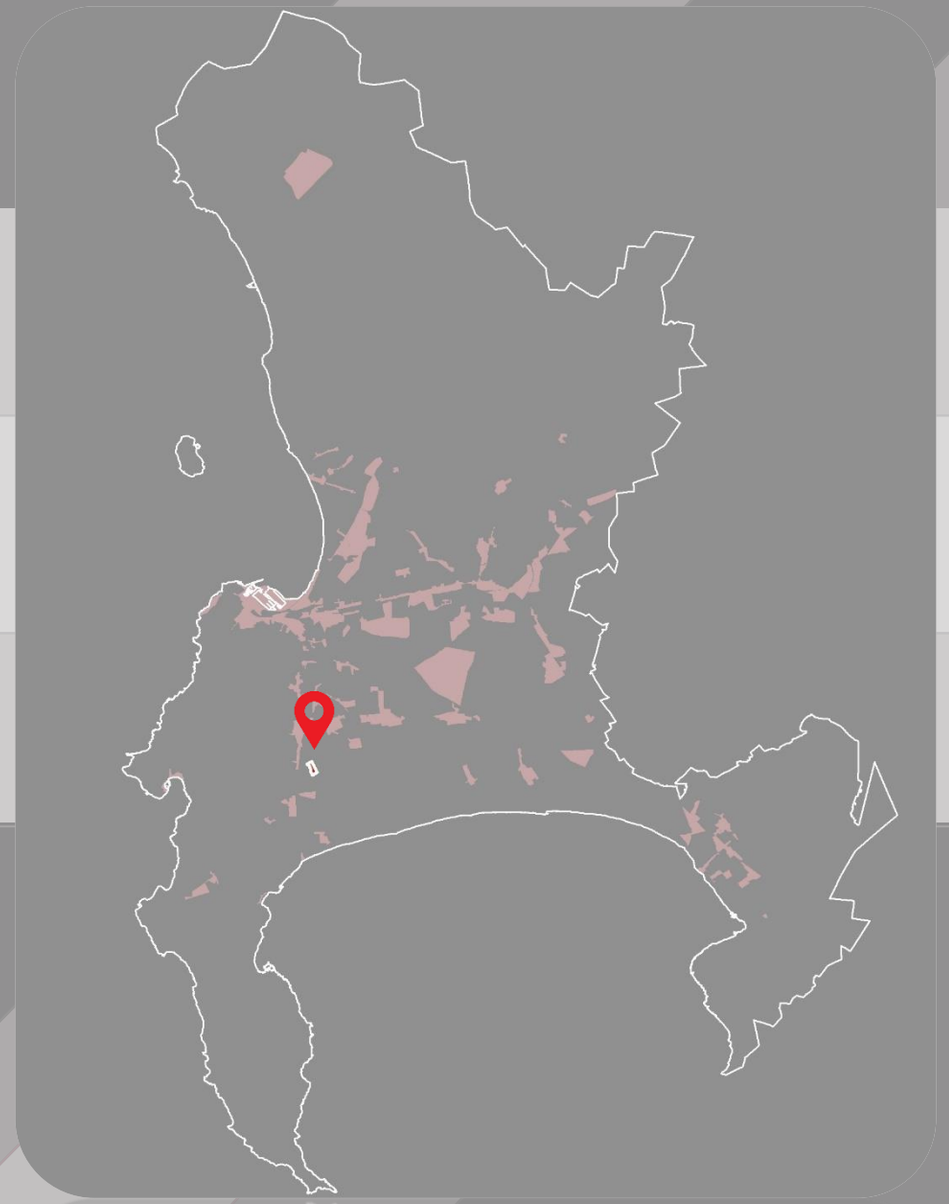

Image source: City of Cape Town

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June 2025

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

District Planning and Mechanisms
Nigel Titus & team across the 8 Districts

DATA CUSTODIANS

Valuations, Development Management & Policy and Strategy

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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

- Southern DSDF - Subdistrict 3: Mowbray to Muizenberg
  - District Development Guidelines (page 64)
  - Subdistrict Development Guidelines (page 95)
  - Consolidated subdistrict SDF (Figure 19: Subdistrict 3: Mowbray to Muizenberg)

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)

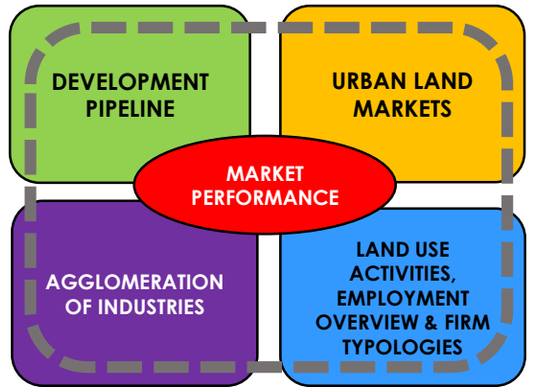
WHY

VALUE PROPOSITION	CHALLENGES /OBJECTIVES TO ADDRESS	AREAS OF APPLICATION
Promoting economic infrastructure in support of economic growth and job creation. Supports internal and external collaboration around data and spatial intelligence. Supports the spatially differentiated investment rationale of the MSDF and DSDFs.	**Urban Growth Planning (Non-res growth estimates)**: Determine where to accommodate non-res growth. **Spatial intelligence**: Location-based supply and demand factors. **Enhanced spatial policy**: Evidence-based analysis on Cape Town's space economy informing a policy framework.	Land Use Model 2050 update. Replacement of the static and dated ECAMP with an updated, automated economic analysis tool. Support: Business retention & expansion initiatives. Data foundation behind MSDF Policy Statement 4.

WHAT

Supply, Demand & Performance (S,D & P)

Building work under construction/completed **(S)**.
Land use approvals **(D)**.
Property sales by sector **(P)**.



Built-up extent (m²) of land per sector **(S)**.
Vacant land (m²) per sector **(S)**.
Vacancy rate of buildings (%) per sector **(P)**.

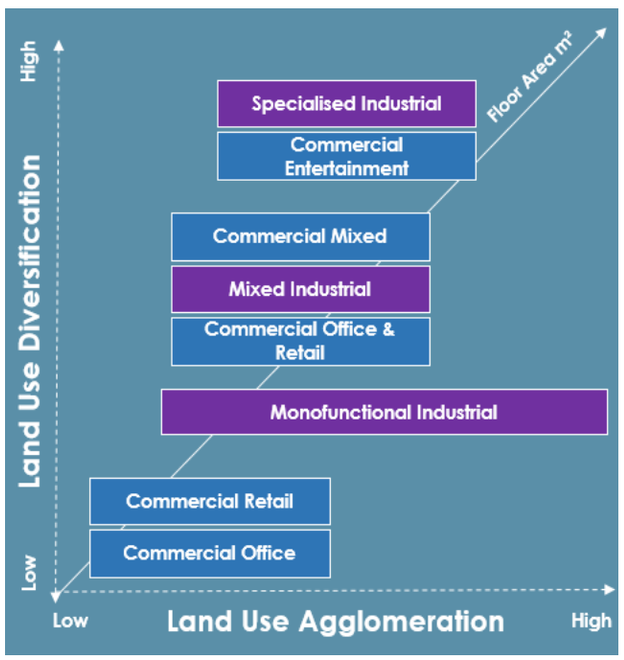
Agglomeration and Co-agglomeration of major sectors/industries **(S)**

Dominant land use **(S)**
Propensity of industries at a Metro scale **(D)**.
Total jobs per industry & wage band **(D)**.
Firm size and count **(D)**.

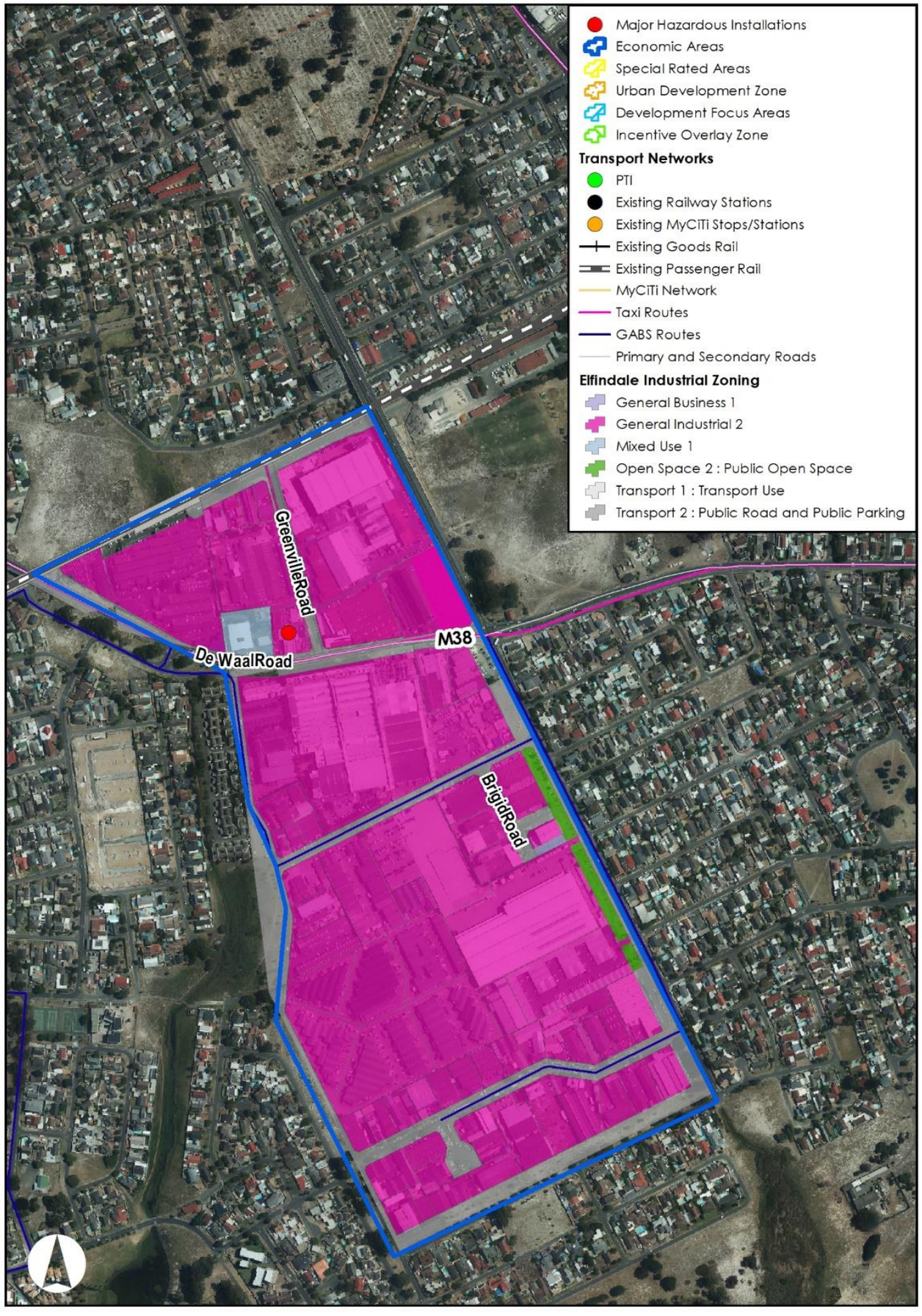
Cap rates **(P)**
Rental rates per m² per sector **(P)**

HOW

At a metro scale, economic areas are classified as either industrial or commercial nodes. In the context of Cape Town's distinct space economy and the agglomeration patterns of industries, industrial nodes can be further characterised as being either specialised, mixed or Monofunctional. While the general understanding is that commercial nodes presents a more 'mixed use' environment, these nodes can be further characterised as being unique to either retail, office, entertainment, office & retail or mixed (where 3 or more land uses has a significant amount of floor area within an area).



INTRODUCTION



ELFINDALE INDUSTRIAL

Location

- Elfindale Industrial is situated approximately 17km south of Cape Town's Central Business District and the Port of Cape Town. Furthermore, it is located 13km from Cape Town International Airport.
- The area has convenient access to the M3 highway, which connects to other major routes across Cape Town.
- The area is mainly serviced by taxis and GABS.
- Access to a skilled workforce from surrounding areas, includes the broader Plumstead, Bergvliet, Grassy Park, Retreat, and Ottery areas.

Zoning, land use and form

- The area is predominantly zoned for industrial purposes.
- The area is mainly characterised by light industry, which includes warehousing, sales, manufacturing, repairs, and office accommodation.
- The average land parcel sizes in Elfindale Industrial range from 1,500 to 7,500m², with a limited number of land parcels ranging between 7,500 and 10,000m².

Spatial planning mechanisms

- None

Key highlights of the area include:

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

LAND USE ACTIVITIES

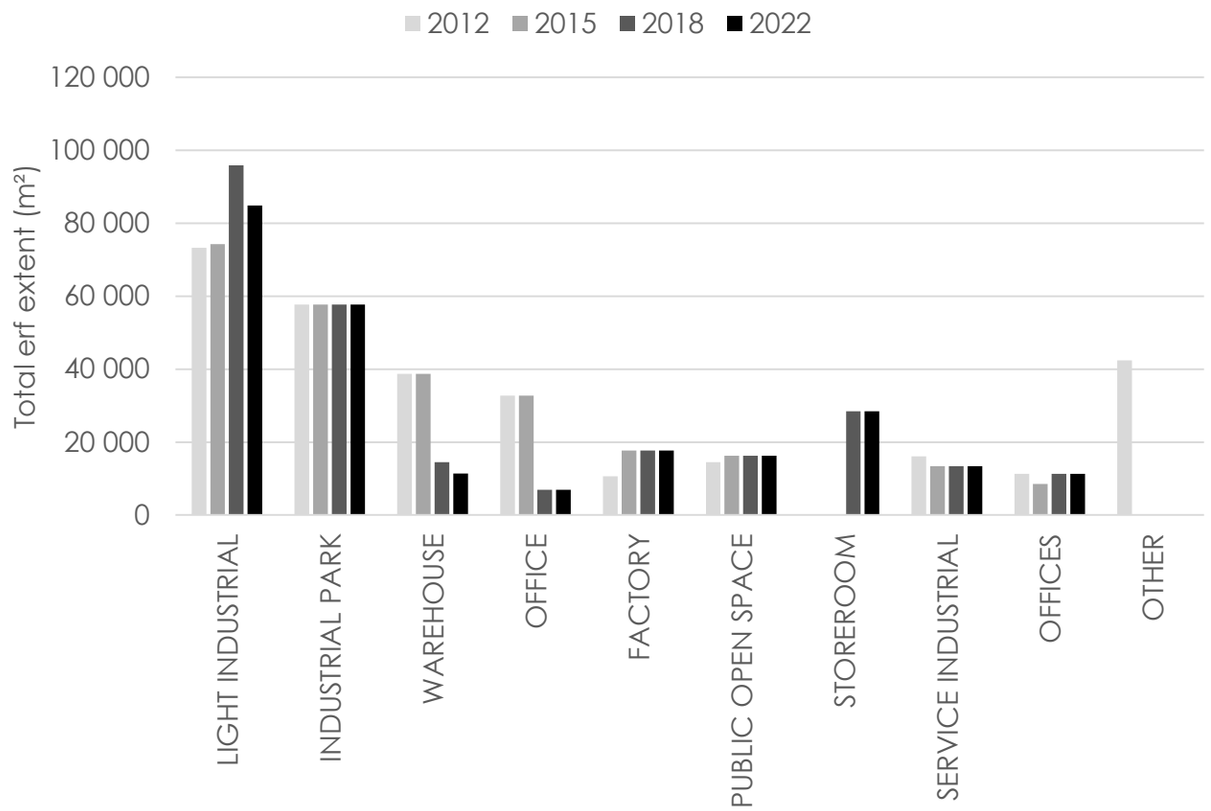
A recent analysis involved converting land use codes from the General Valuation Roll (GV Roll) into Standard Industrial Classification (SIC) codes This was done to determine the prevalence of industries operating in areas with similar characteristics.

- Between 2012 and 2022, the Elfindale industrial area was primarily characterised by a greater propensity for manufacturing and transport & storage, as reflected in the **Nodal Typology**. This typology highlights the industries with the most floor area (m²) operating within a specific economic area.

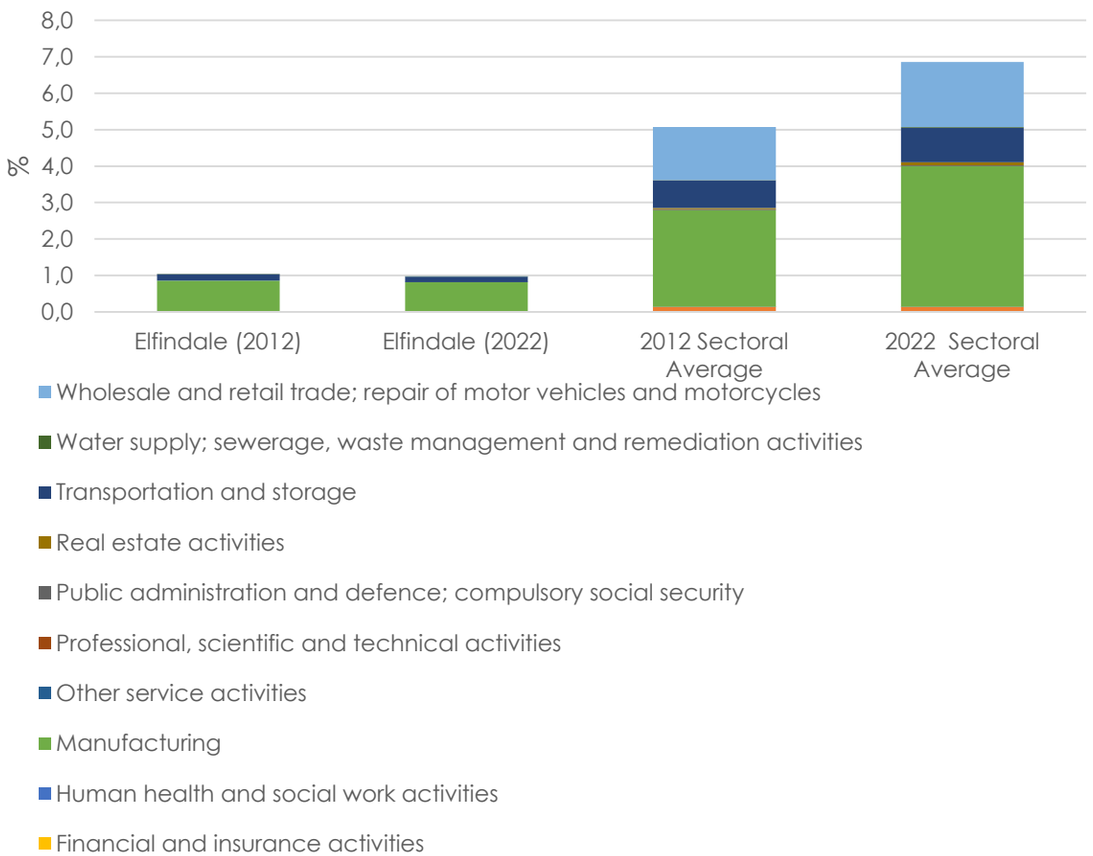
- The **Metroscale Benchmarking** positions Elfindale industrial as being a contributor of manufacturing and transport & storage which performs lower than that of the sectoral average when measured against other industrial areas across Cape Town.

- 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.

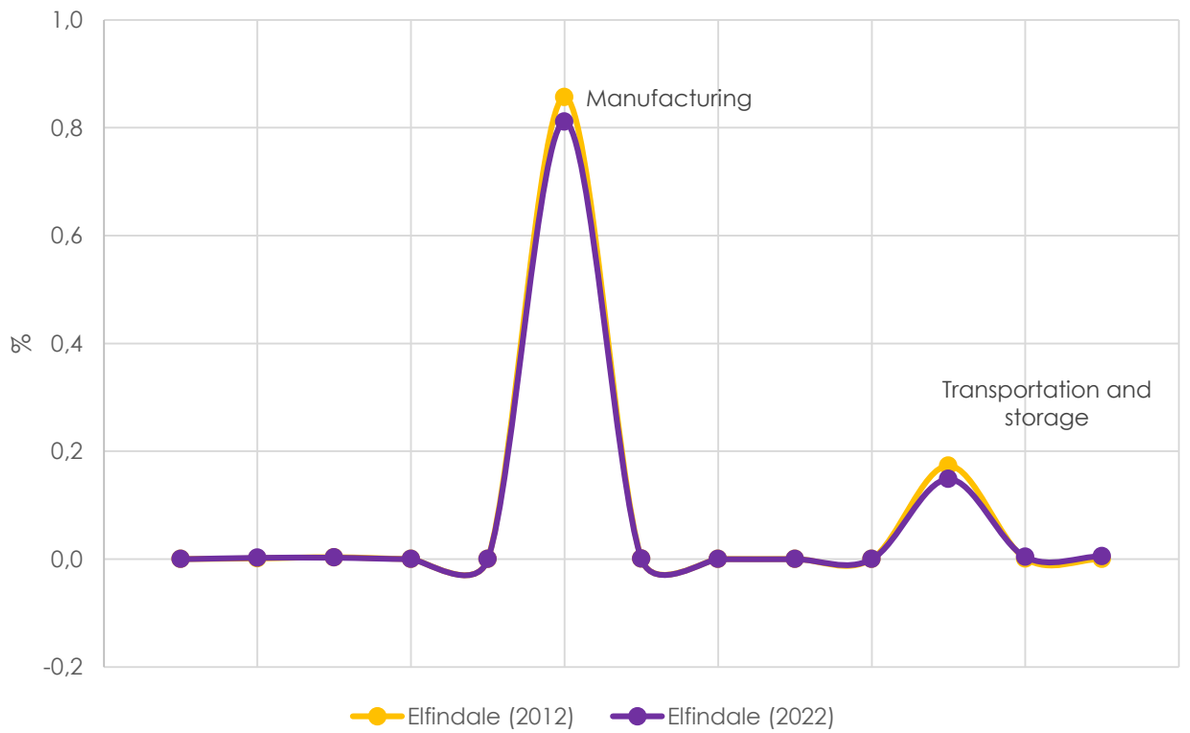
TOP 10 MOST DOMINANT LAND USES BETWEEN 2012 AND 2022



METROSCALE BENCHMARK

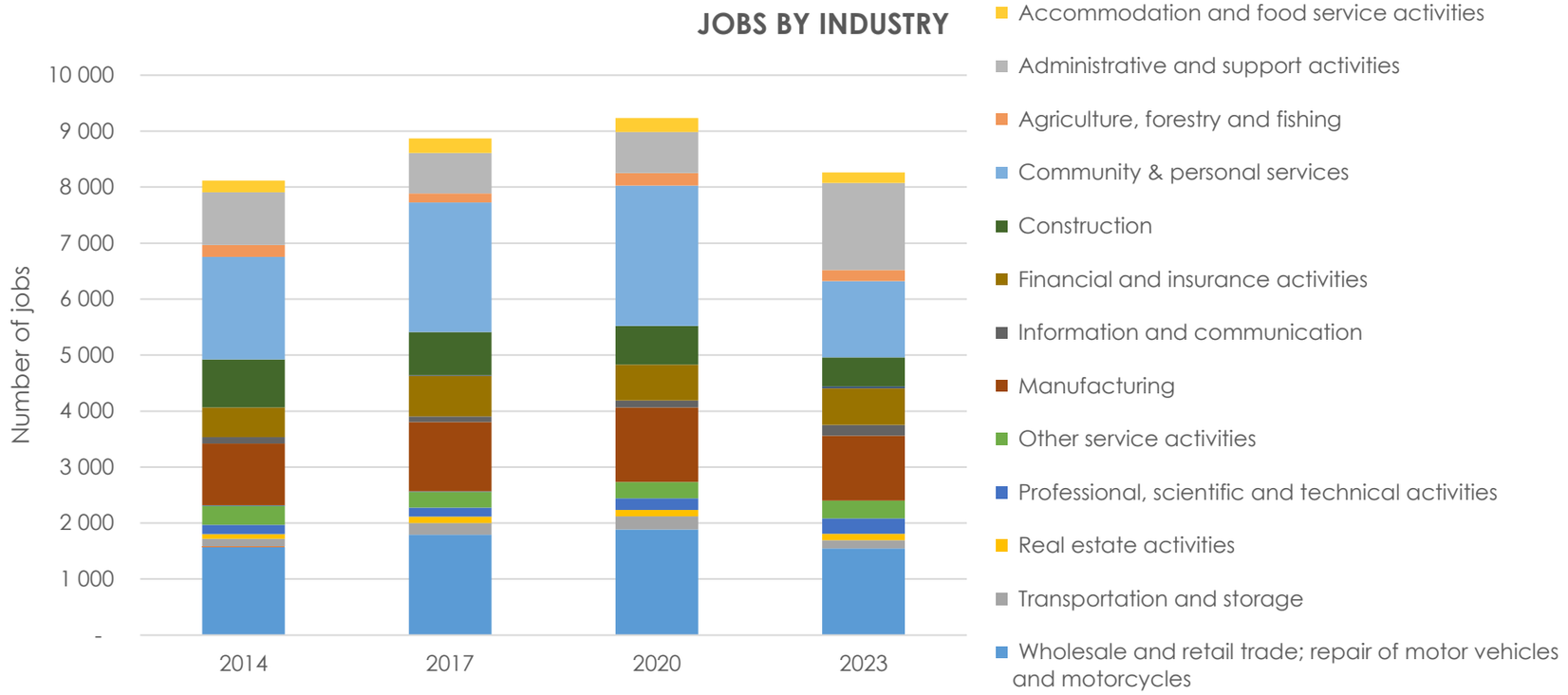


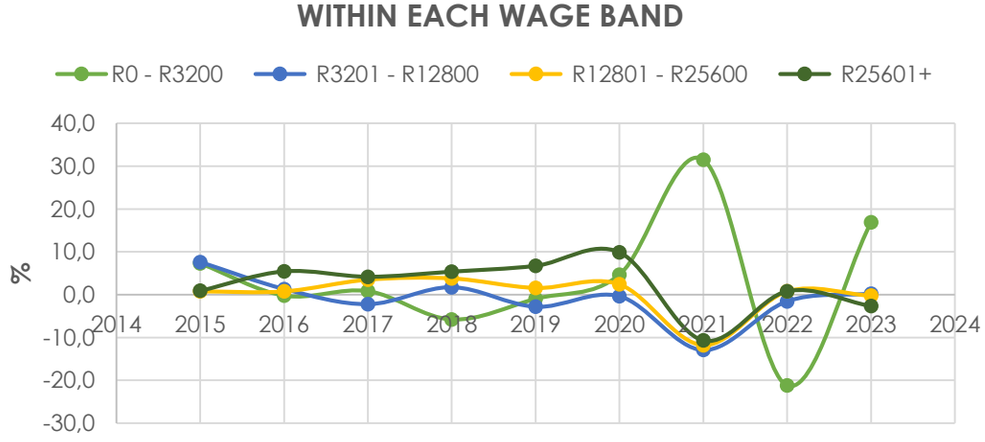
NODAL TYPOLOGY FOR 2012 AND 2022 (*Monofunctional Industrial*)

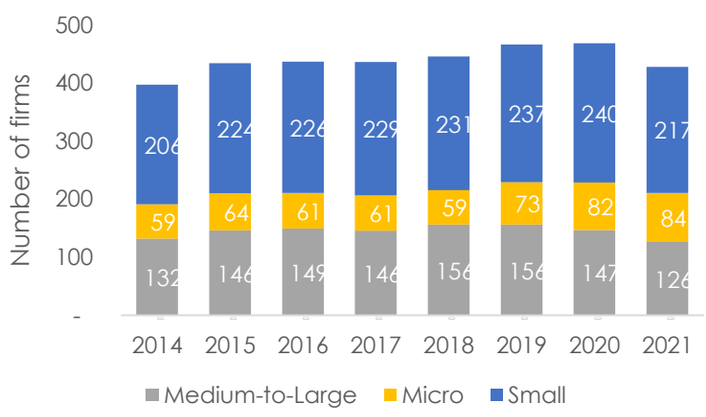


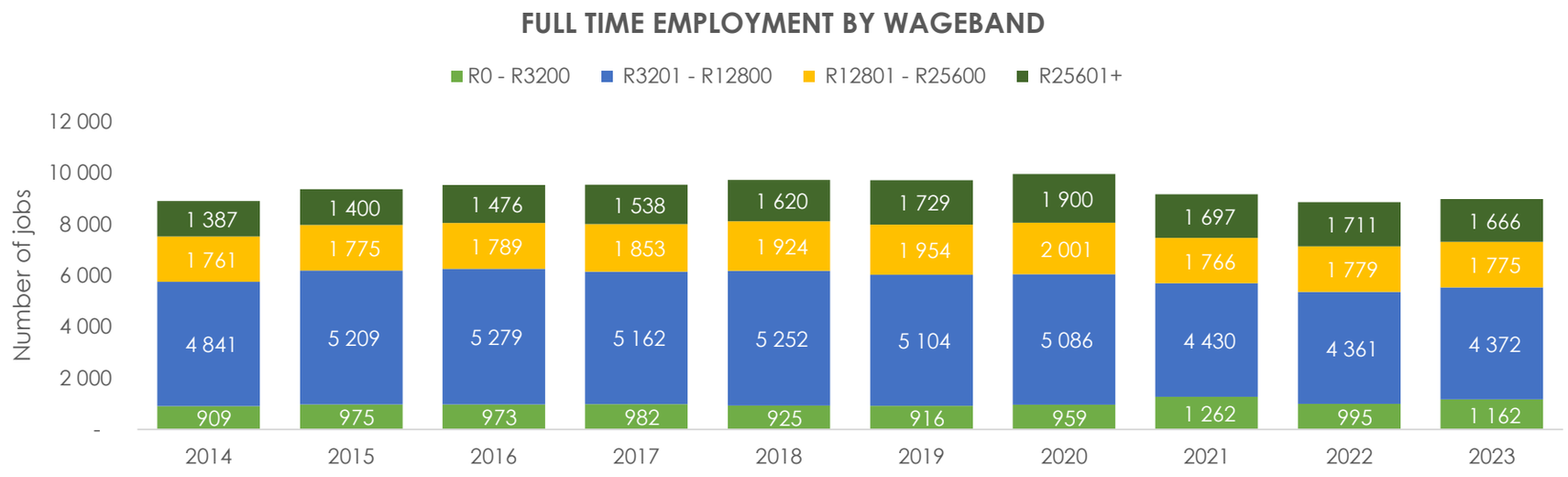
Source: 2012 – 2022 land use codes converted to SIC codes (May 2024 analysis)

EMPLOYMENT OVERVIEW & FIRM TYPOLOGIES









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

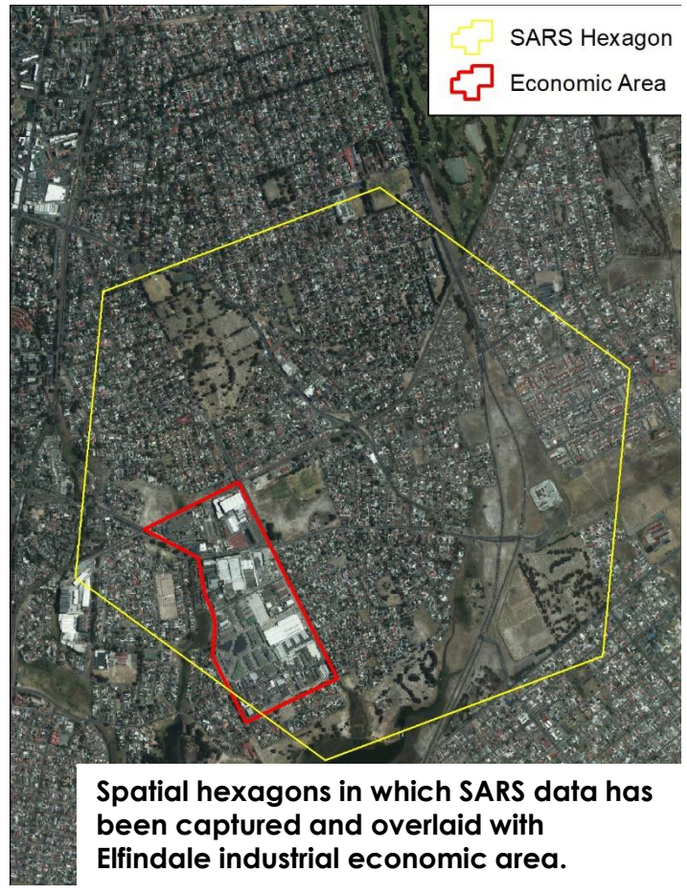
Jobs/Firms

The number of job opportunities in the Elfindale Industrial area gradually increased from 8,000 to 9,200 jobs between 2014 and 2022, but experienced a decrease in 2023. Over time, the majority of jobs have been concentrated in community & personal services, wholesale & retail, administrative activities and manufacturing.

The total number of firms in the area fluctuated between 2014 and 2021, but mostly remained at 400 firms. While small firms make up the majority, there is also a significant presence of medium to large firms, as well as micro firms.

Income bands

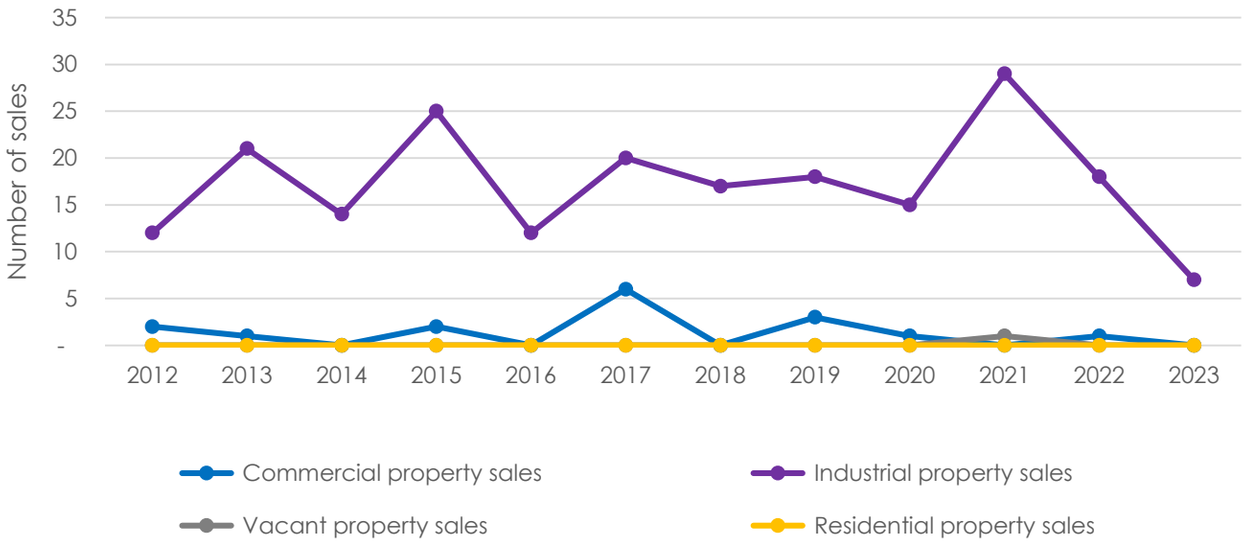
The income bands provide insights into the skill levels of employees in the area. The data indicates that a larger proportion of employees earn up to R12,800, with a limited number of employees earning above R12,800.



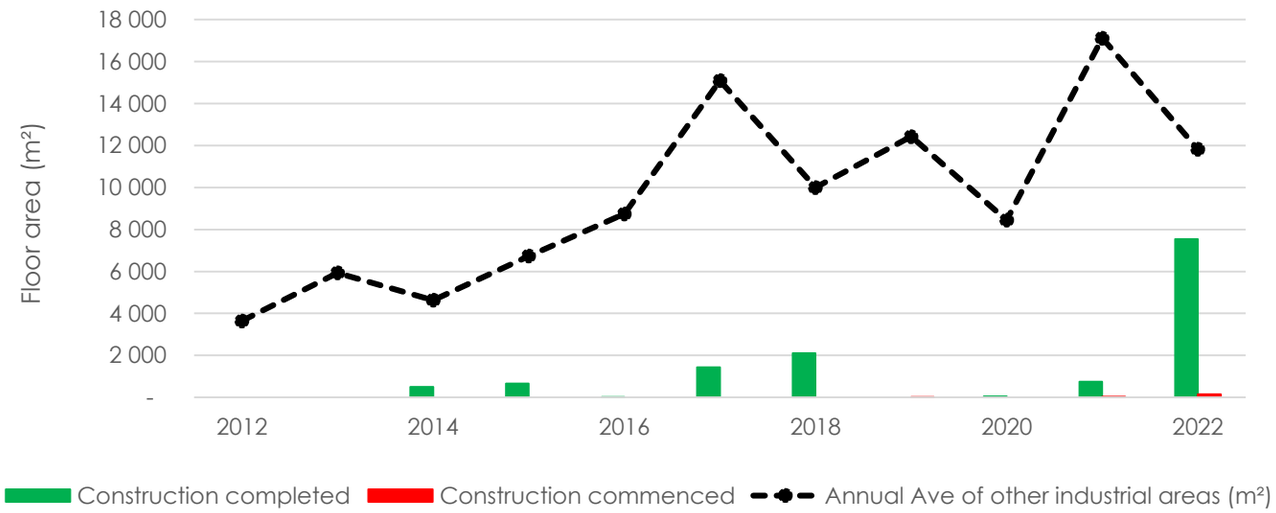
Spatial hexagons in which SARS data has been captured and overlaid with Elfindale industrial economic area.

DEVELOPMENT PIPELINE

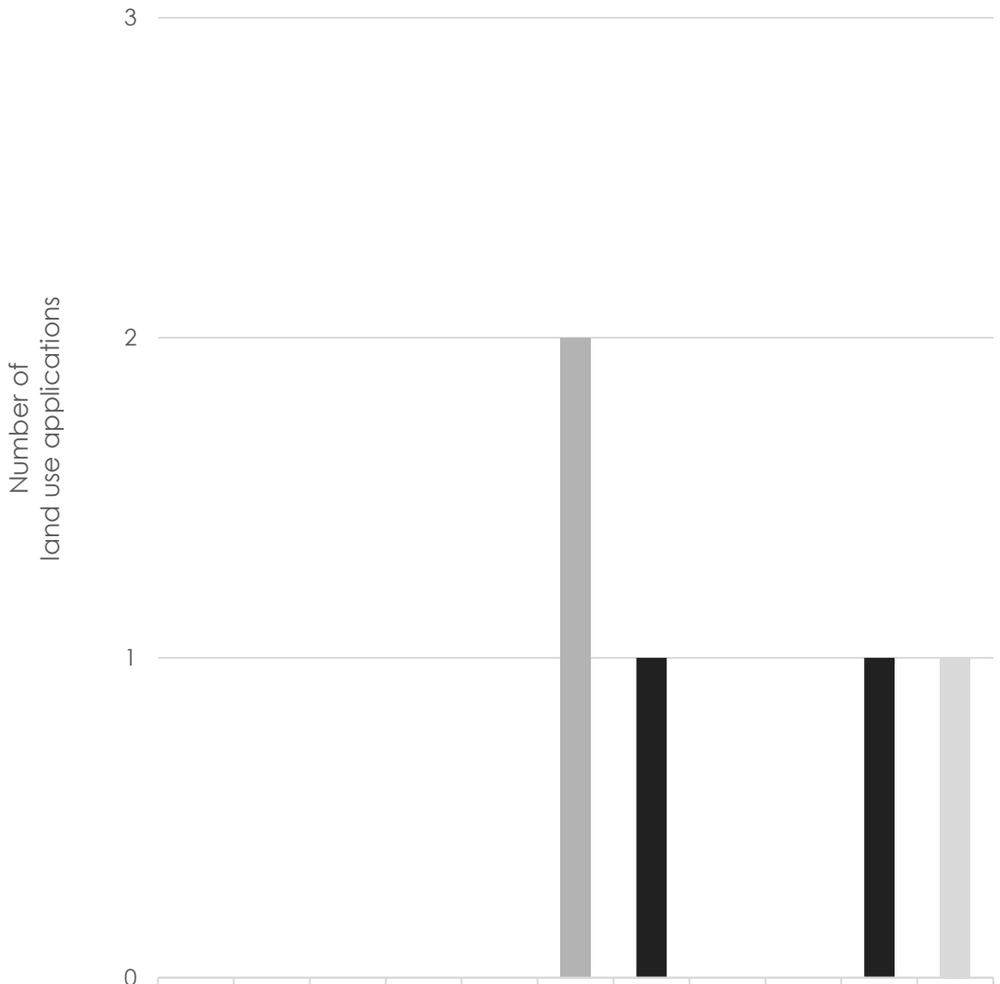
PROPERTY SALES BY SECTOR



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



APPROVED LAND USE APPLICATIONS



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Temporary departures						-	-			-	1
Subdivisions						-	1			1	-
Rezonings						-	-			-	-
Multiple applications						2	-			-	-
Consolidations						-	-			-	-

Property sales
Property sales in the area showed significant fluctuations for industrial properties over the past decade, with peaks observed in 2013, 2015 and 2021. Commercial property also fluctuated over the past decade, with its highest sales recorded for 2015, 2017 and 2019.

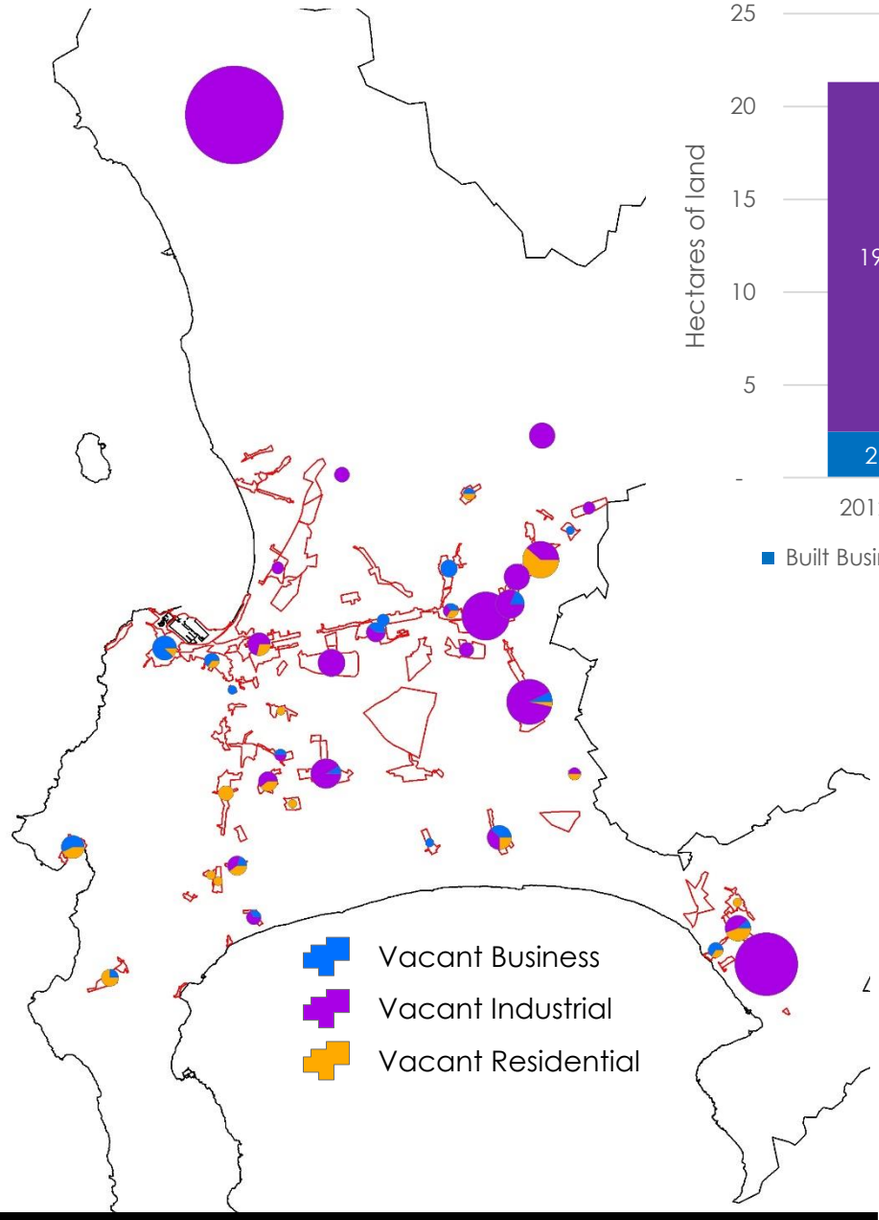
Land use applications
There were no significant land use approvals granted, indicating that the area remained stable over the past decade in terms of land use character.

Building plans
There was minimal building work activity that took place between 2012 and 2022 which has been positioned below the annual average of building work activity when compared to other industrial areas.

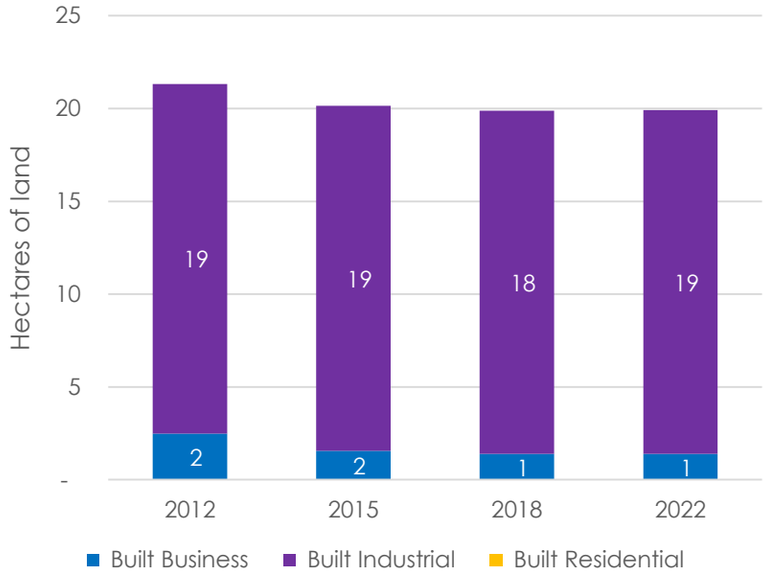
Source: City's DAMS (building plans and land use applications extract), General Valuation Roll.

URBAN LAND MARKETS

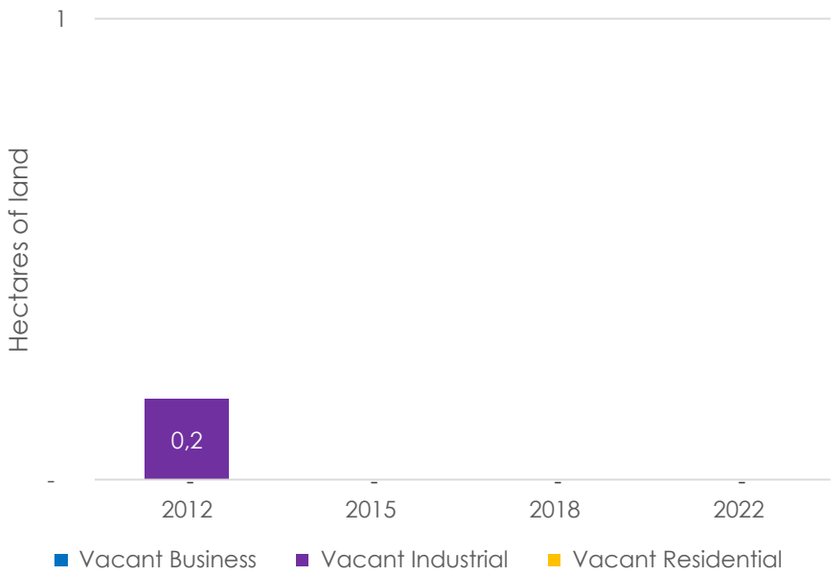
VACANT LAND ACROSS CAPE TOWN (GV 2022)*



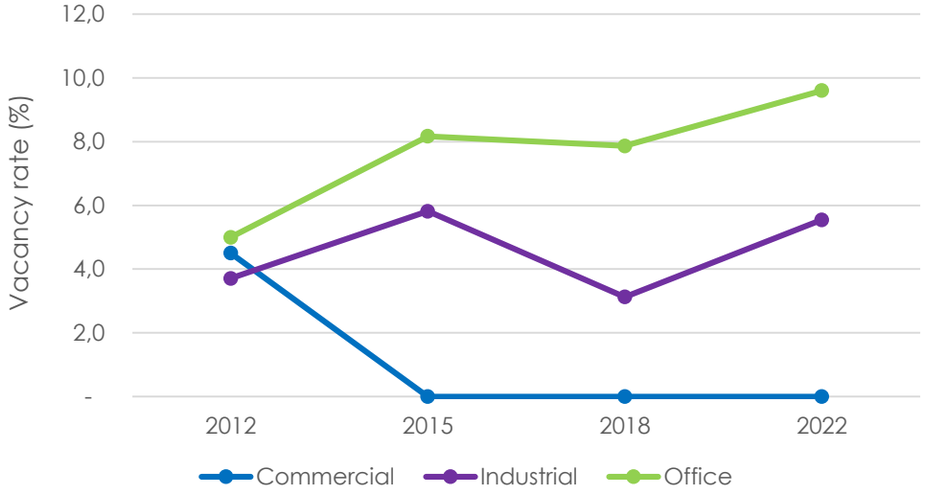
BUILT-UP LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



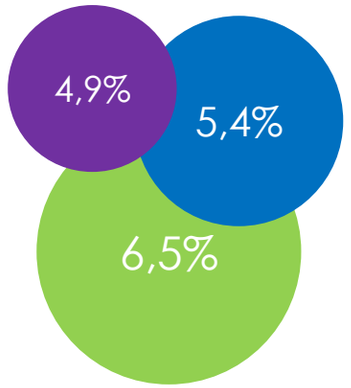
VACANT LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



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) 1-250m²			
2) 251-500m²			
3) 501-1000m²			
4) 1001-2500m²			
5) 2501-5000m²			
6) 5001-10000m²			
7) >10000m²			

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 no vacant land remaining as of 2022 for any of the 3 key sectors.

Vacancy rates

Alongside the information on vacant land, the vacancy rates for the industrial sector ranged from 3.7% in 2012 to 5.5% in 2022. The office sector increased from 5% in 2012 to 9.6% in 2022, while the office sector has also experienced an increase from 3,7% in 2012 to 5,5% in 2022.

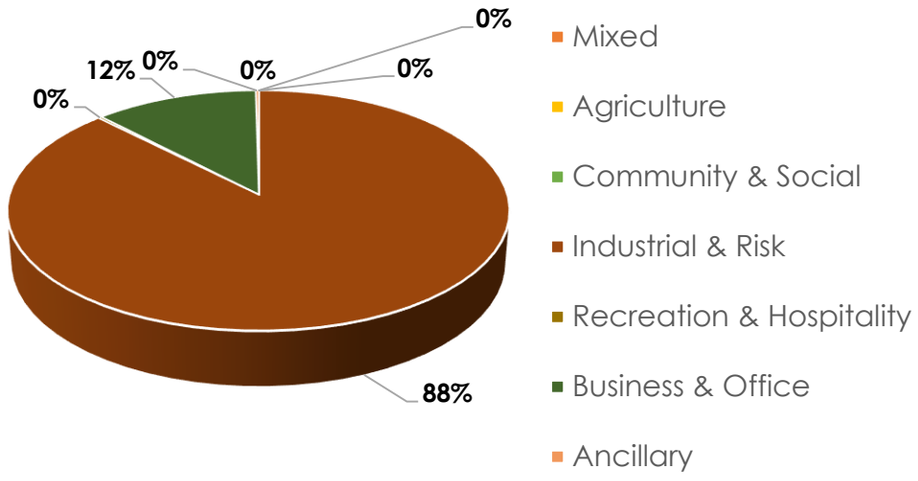
Source: City's General Valuation Roll and Market Reports

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

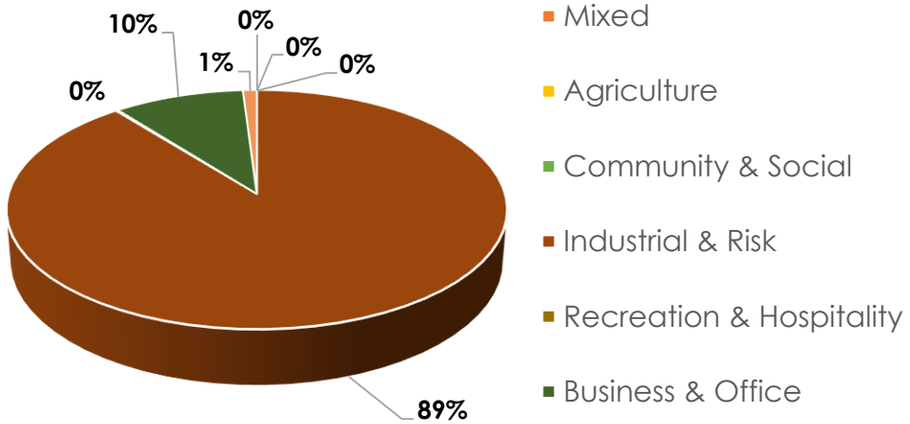
AGGLOMERATION OF INDUSTRIES

SECTORAL AGGLOMERATION AND CO-AGGLOMERATION RELATIONSHIPS

% OF LAND USE GROUPS (2012)



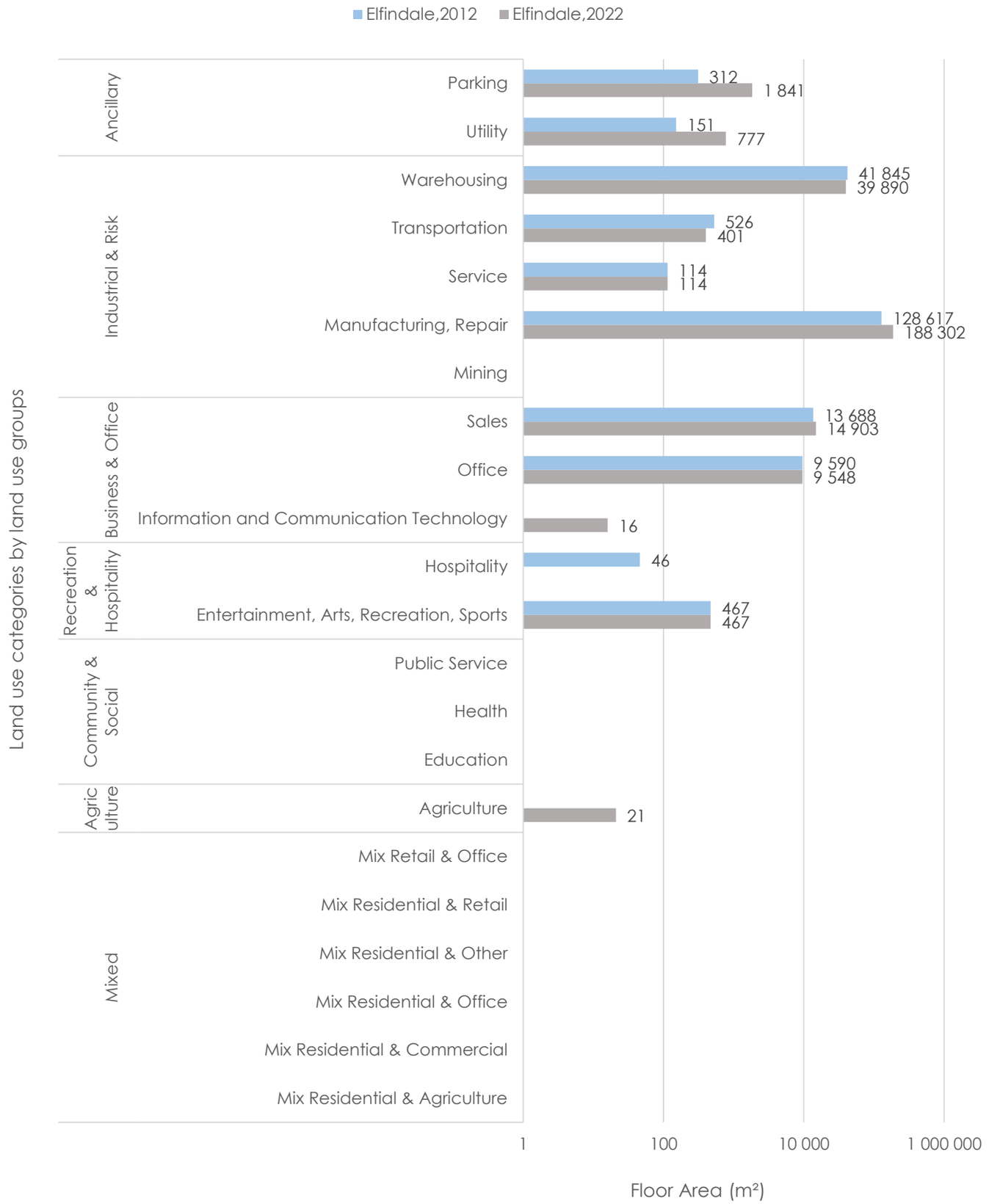
% OF LAND USE GROUPS (2022)



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 presence of other land uses, which can be seen to be in support of the most dominant land uses.

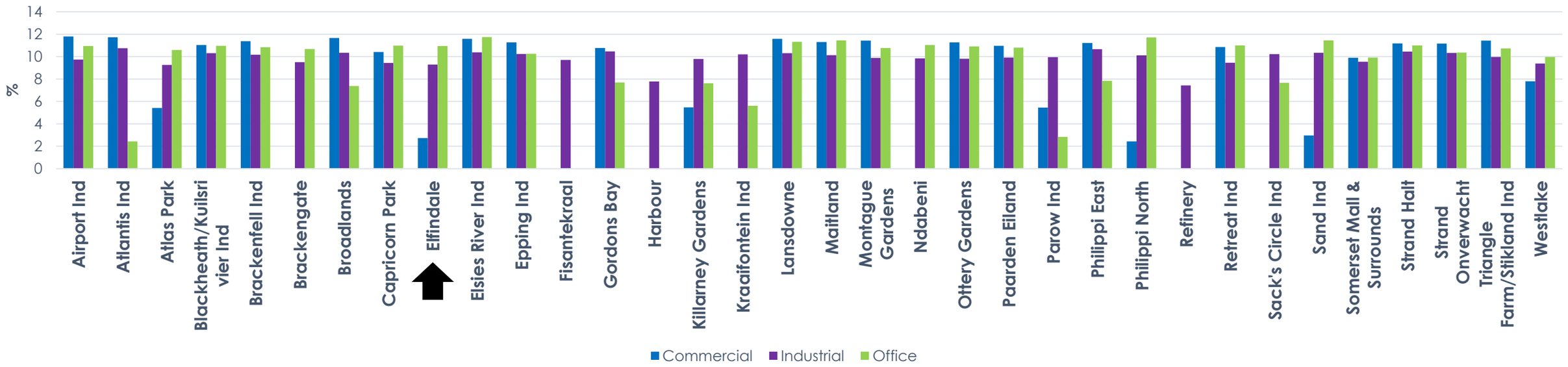
FLOOR AREA PER LAND USE CATEGORY FOR 2012 AND 2022



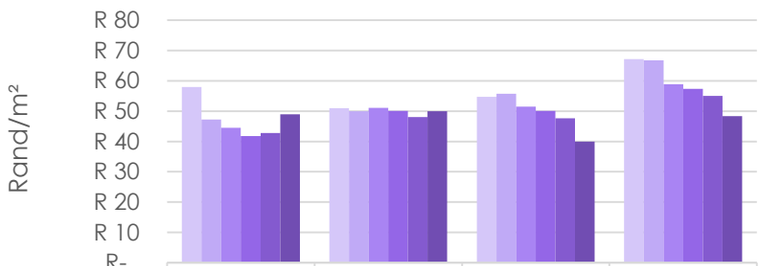
Source: Analysis of GV data (May 2024)

MARKET PERFORMANCE

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

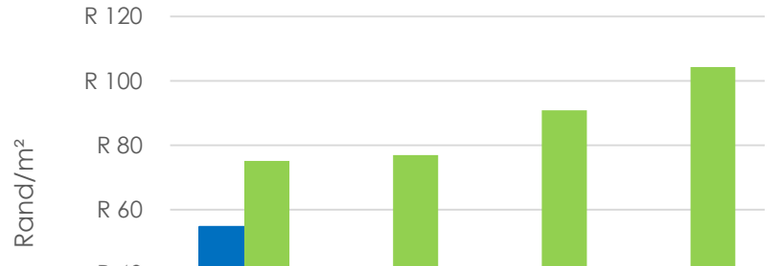


INDUSTRIAL RENTALS



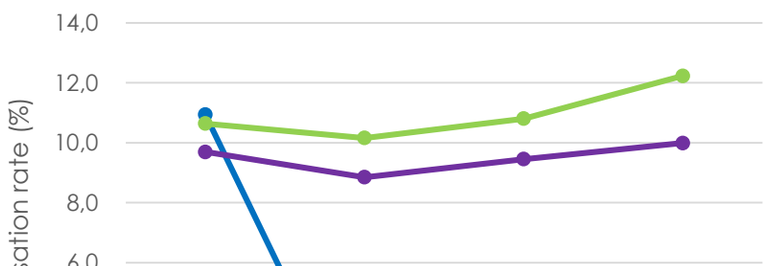
	2012	2015	2018	2022
1) 250m²	R 58	R 51	R 55	R 67
2) 500m²	R 47	R 50	R 56	R 67
3) 1000m²	R 45	R 51	R 51	R 59
4) 2500m²	R 42	R 50	R 50	R 57
5) 5000m²	R 43	R 48	R 48	R 55
6) 10000m²	R 49	R 50	R 40	R 48

COMMERCIAL AND OFFICE RENTALS



	2012	2015	2018	2022
Commercial	R 55	R-	R-	R-
Office	R 75	R 77	R 91	R 104

CAPITALISATION RATES



Rental rates

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

Office rental rates gradually increased between 2012 and 2022.

Comparative view on capitalisation 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%.

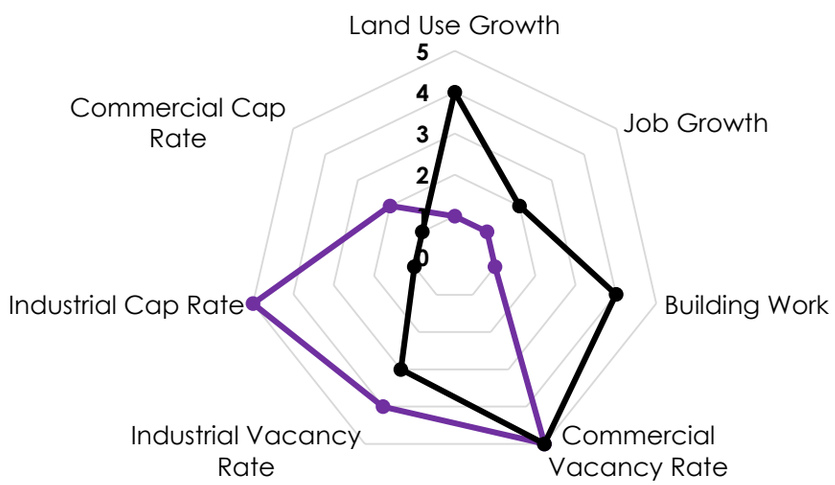
- *Higher cap rates = higher investment risk.*
- *Lower cap rates = lower investment risk.*

Source: 2012 – 2022 market reports

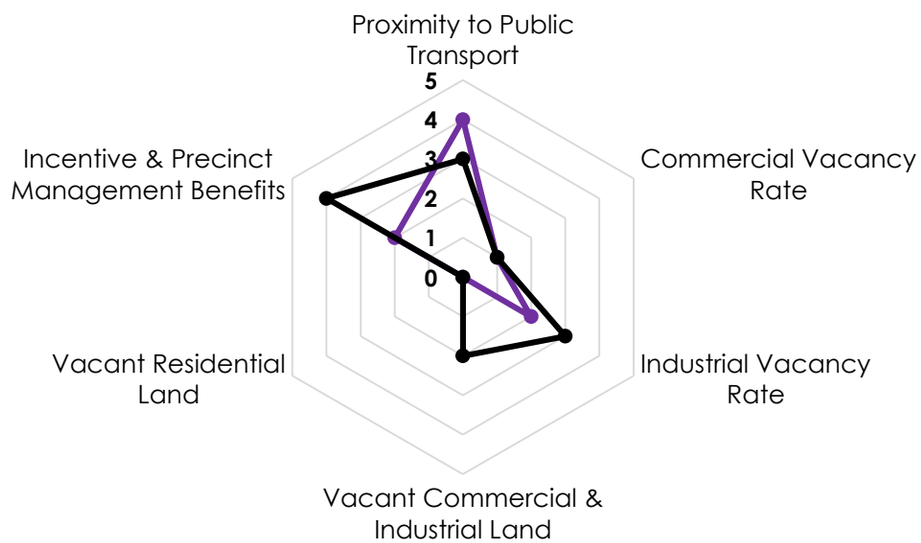
PERFORMANCE & POTENTIAL

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.

PERFORMANCE



POTENTIAL



Indicator		Description
Performance	Land Use Growth	Measures the growth of new floor area (m²) from 2012 to 2022 within an economic area, compared to other economic areas of similar classification. More growth indicates better performance. ***Source: General Valuation Roll.***
	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. ***Source: SARS as of May 2024.***
	Building Work	Measures building work activity (new and improved m²) within an economic area from 2012 to 2022, compared to other economic areas of similar classification. Increased building work activity indicates better performance. ***Source: City's DAMS.***
	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. ***Source: City's Market Reports.***
	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. ***Source: City's Market Reports.***
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. ***Source: City's UPD, spatial analysis.***
	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. ***Source: General Valuation Roll.***
	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. ***Source: City's Market Reports.***
	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. ***Source: City's UPD, spatial analysis.***