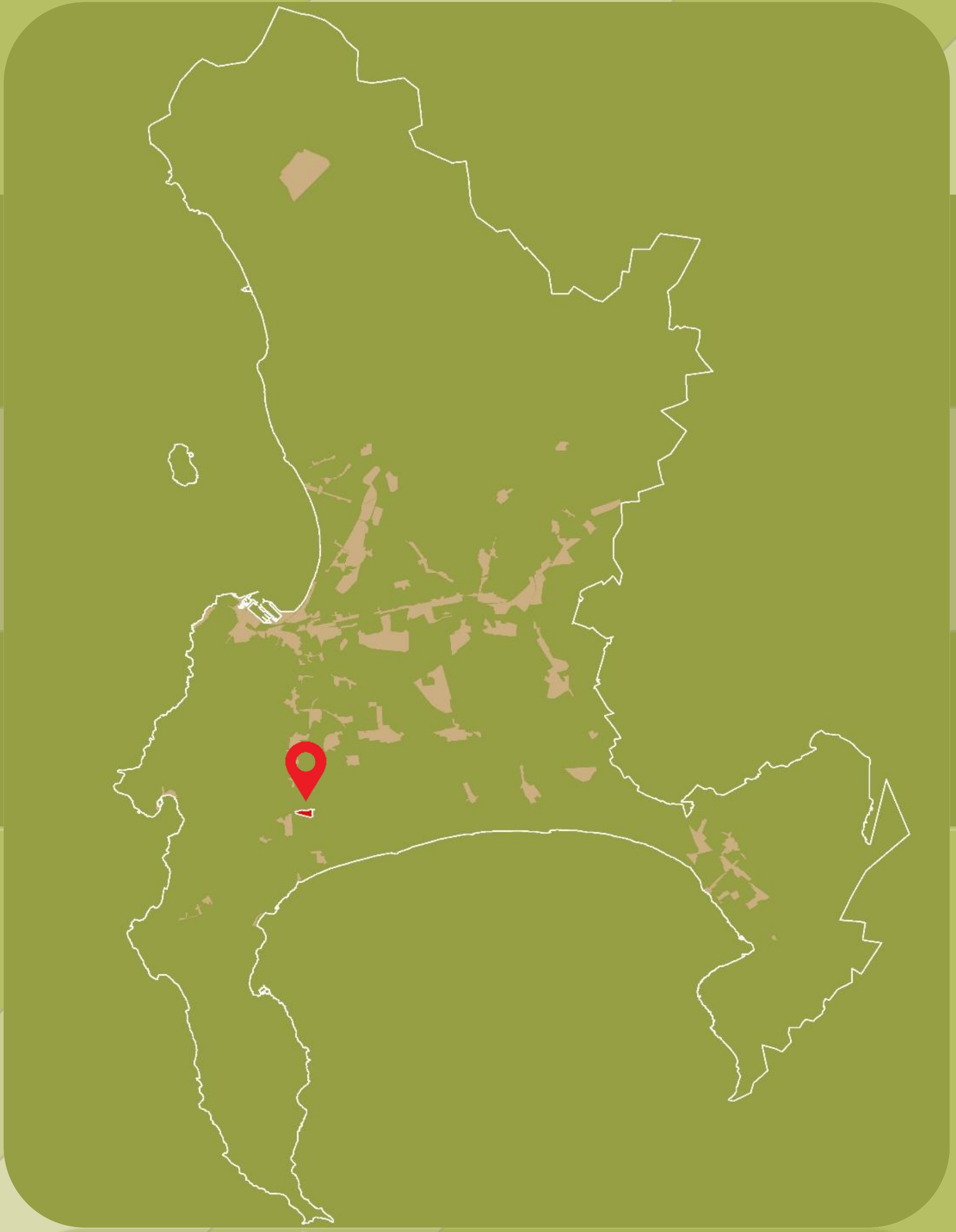
RETREAT

ECONOMIC AREA PROFILE

TREND ANALYSIS 2012-2022



June 2025

CITY OF CAPE TOWN
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Making progress possible. Together.

ACKNOWLEDGEMENTS

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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

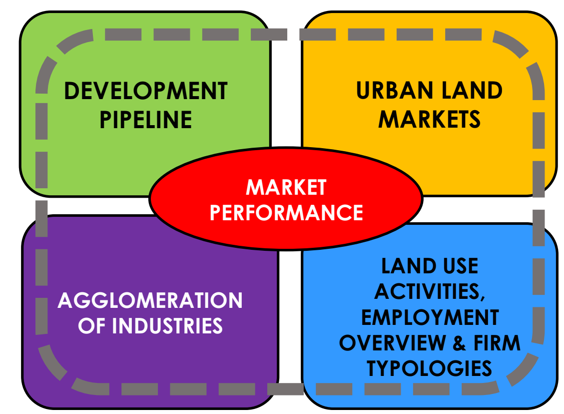
VALUE PROPOSITION	CHALLENGES /OBJECTIVES TO ADDRESS	AREAS OF APPLICATION
Promoting economic infrastructure in support of economic growth and job creation. Supports internal and external collaboration around data and spatial intelligence. Supports the spatially differentiated investment rationale of the 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).



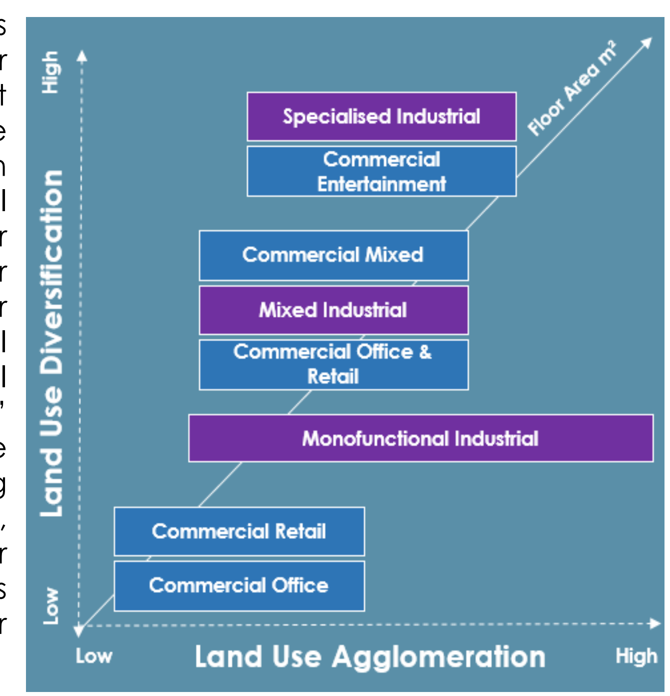
Agglomeration and Co-agglomeration of major sectors/industries (S)

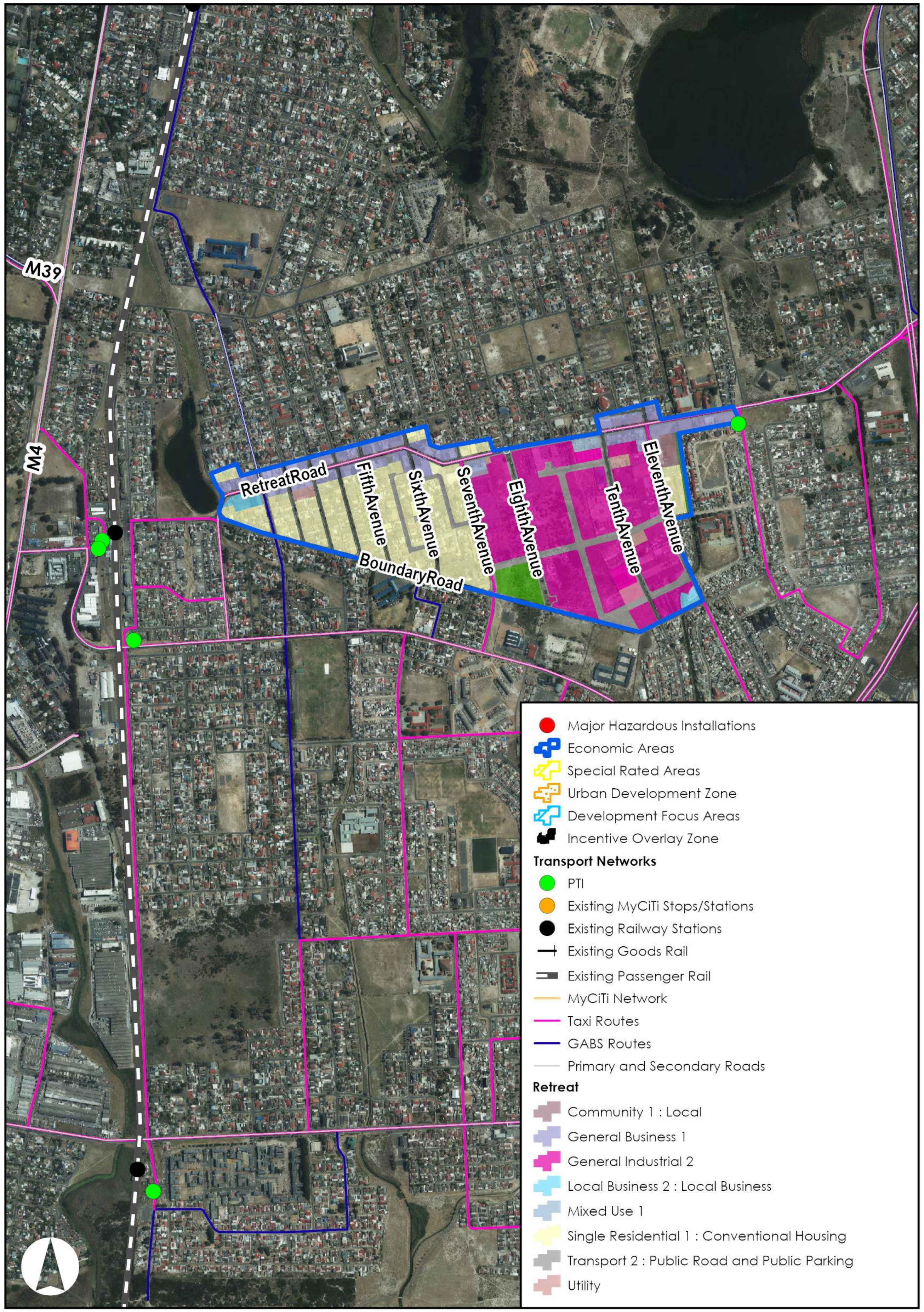
Dominant land use (S)
Propensity of industries at a Metro scale (D).
Total jobs per industry & wage band (D).
Firm size and count (D).

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).





RETREAT

Location

- The area is approximately 24km south of Cape Town's Central Business District and the Port of Cape Town. Furthermore, it is located 24km from Cape Town International Airport.
- It is also situated near the M5 highway, which connect to the N2 and N1 highways, allowing access to other areas across Cape Town.
- The area includes a Public Transport Interchange in the eastern parts and is serviced by GABS, taxis and nearby rail.
- Access to a skilled workforce from surrounding areas, includes the broader Steenberg, Kirstenhof, Lakeside and Bergvliet areas.

Zoning, land use and form

- The area is predominantly zoned for industrial, residential and commercial purposes.
- The area is mainly characterised by residential, retail and light industrial uses, which include auto repairs, shops and single residential houses.
- The average land parcel sizes in the area range between 500 – 2,000m², with a significant number of land parcels ranging between 3,000 – 5,000m².

Spatial planning mechanisms

- None

Key highlights of the area include:

- The area started to develop in the 1930s, which started out with residential and has later on developed to include non-residential developments mainly along Retreat Road and the eastern portion of the area.
- Retreat Road acts as an activity route where various commercial and industrial business operate.

LAND USE ACTIVITIES

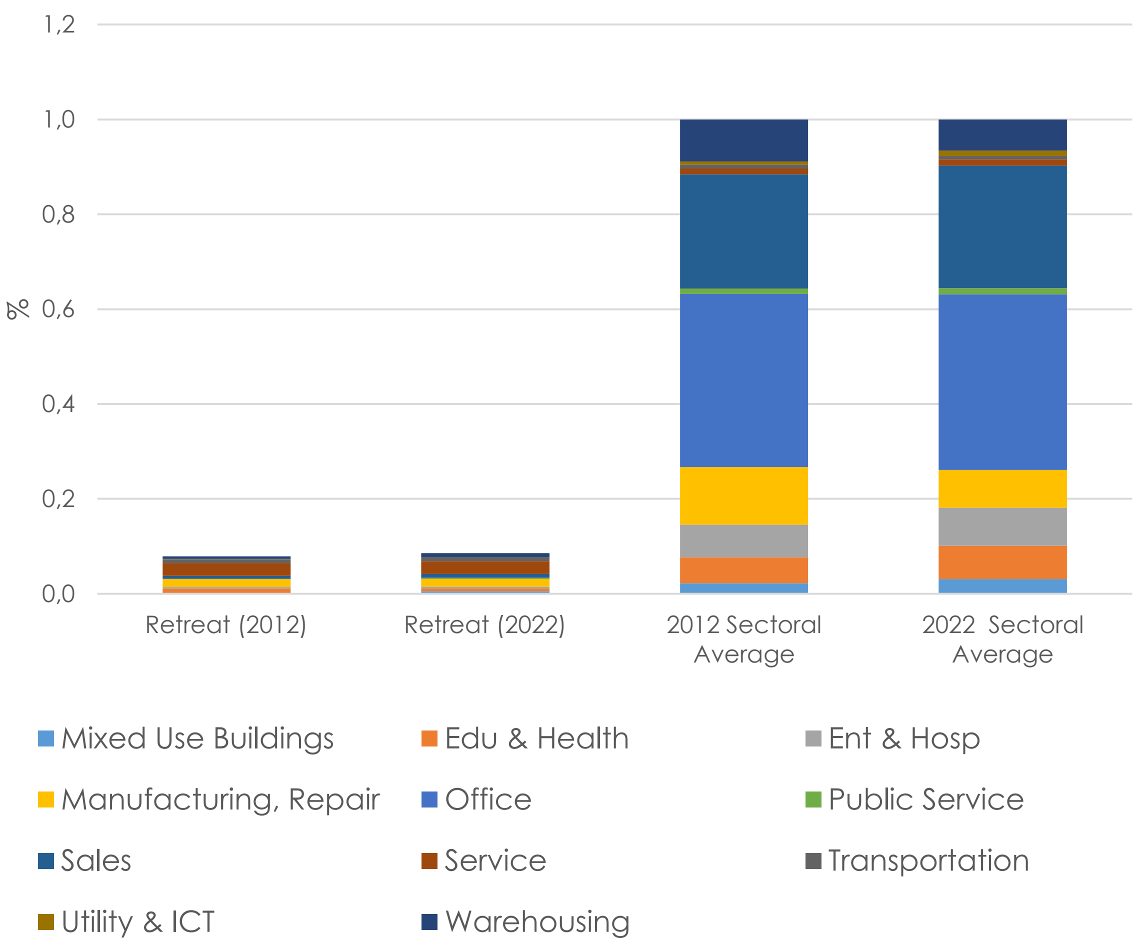
A recent analysis involved the conversion of land use codes contained in the General Valuation Roll (GV Roll) into Standard Industrial Classification (SIC) codes to determine the propensity of industries operating in areas of similar character. However, for the commercial nodes, the benchmarking and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

- Between 2012 and 2022, Retreat was mainly characterised by a greater propensity for general services, manufacturing/repairs, as reflected in the **Nodal Typology**. The nodal typology highlights industries with the most floor area (m²) operating within an economic area.

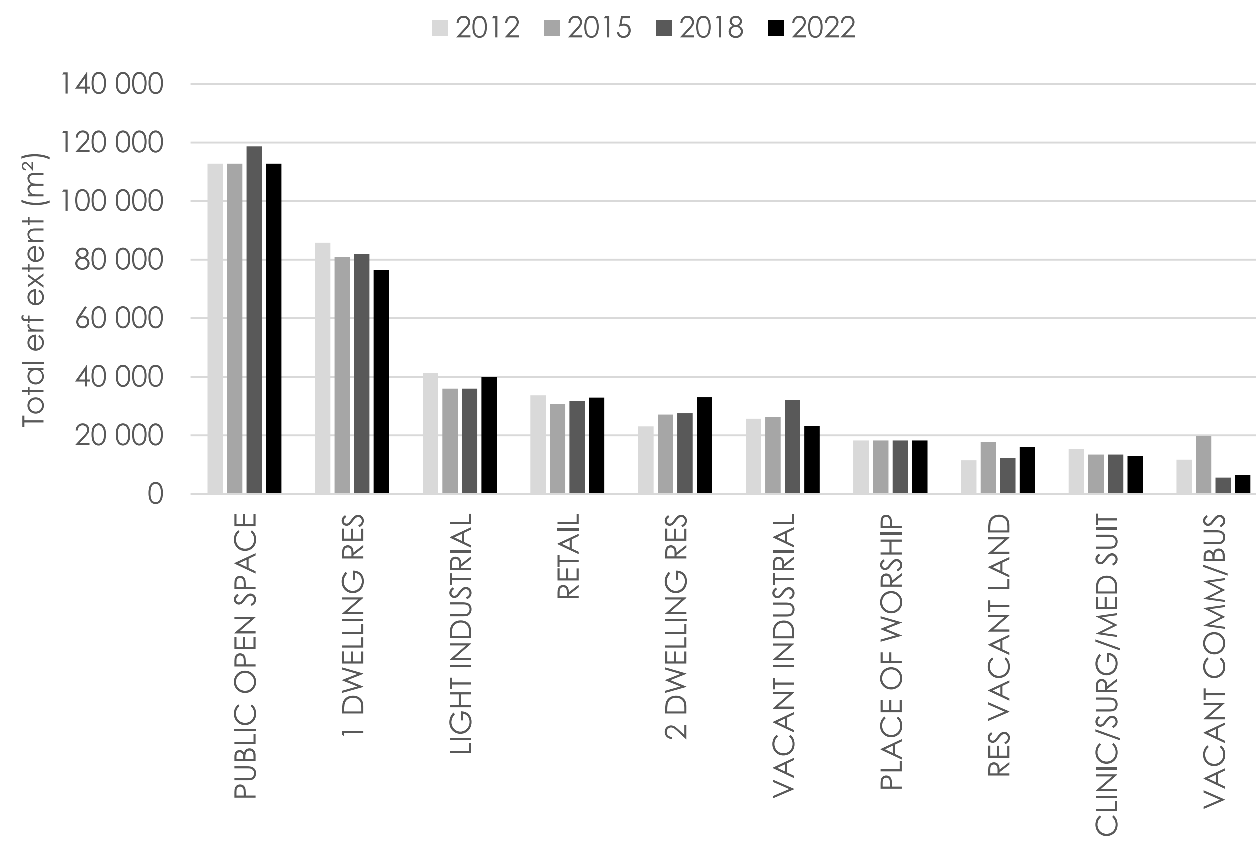
- The **Metroscale Benchmarking** positions Retreat as being a contributor of multiple uses, which performs lower than the sectoral average, but higher than the sectoral average for general services when compared to other commercial areas across Cape Town.

- Additionally, the GV Roll reflects land use data by showing the **dominant land use** over time. It details the cumulative floor area (m²) for residential, light industrial, retail, open space and vacant land.

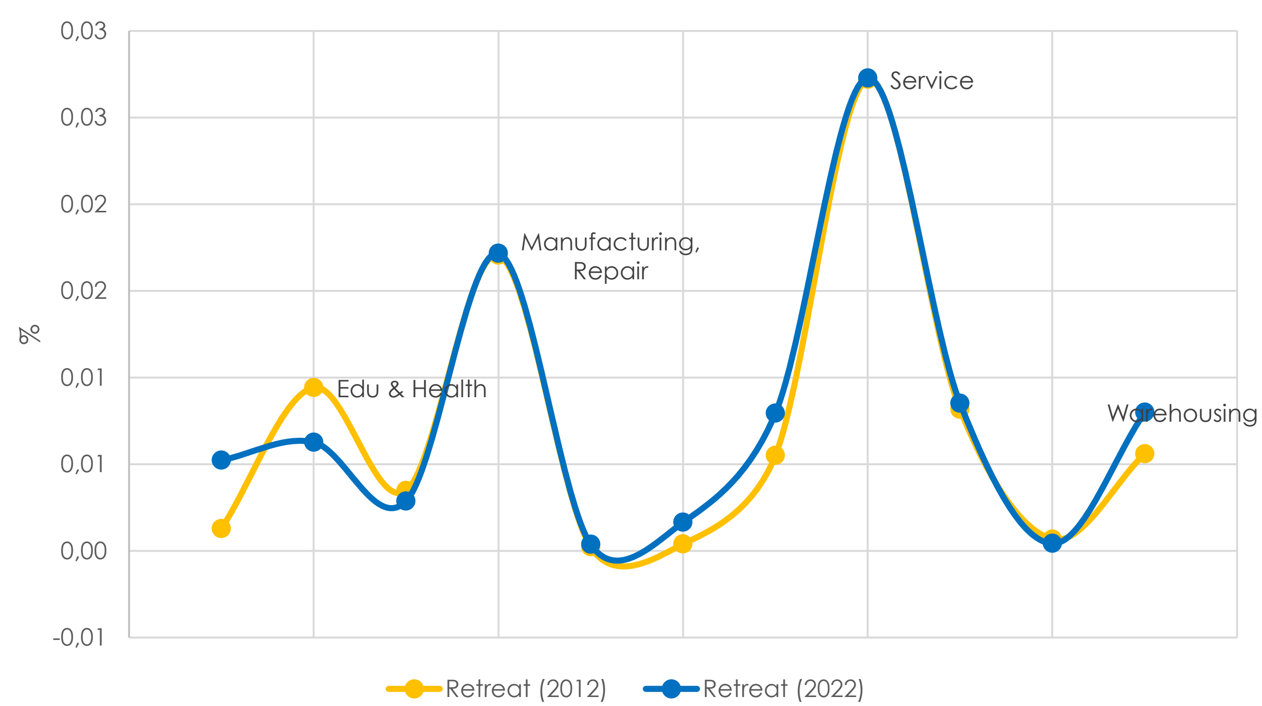
METROSCALE BENCHMARK



TOP 10 MOST DOMINANT LAND USES BETWEEN 2012 AND 2022



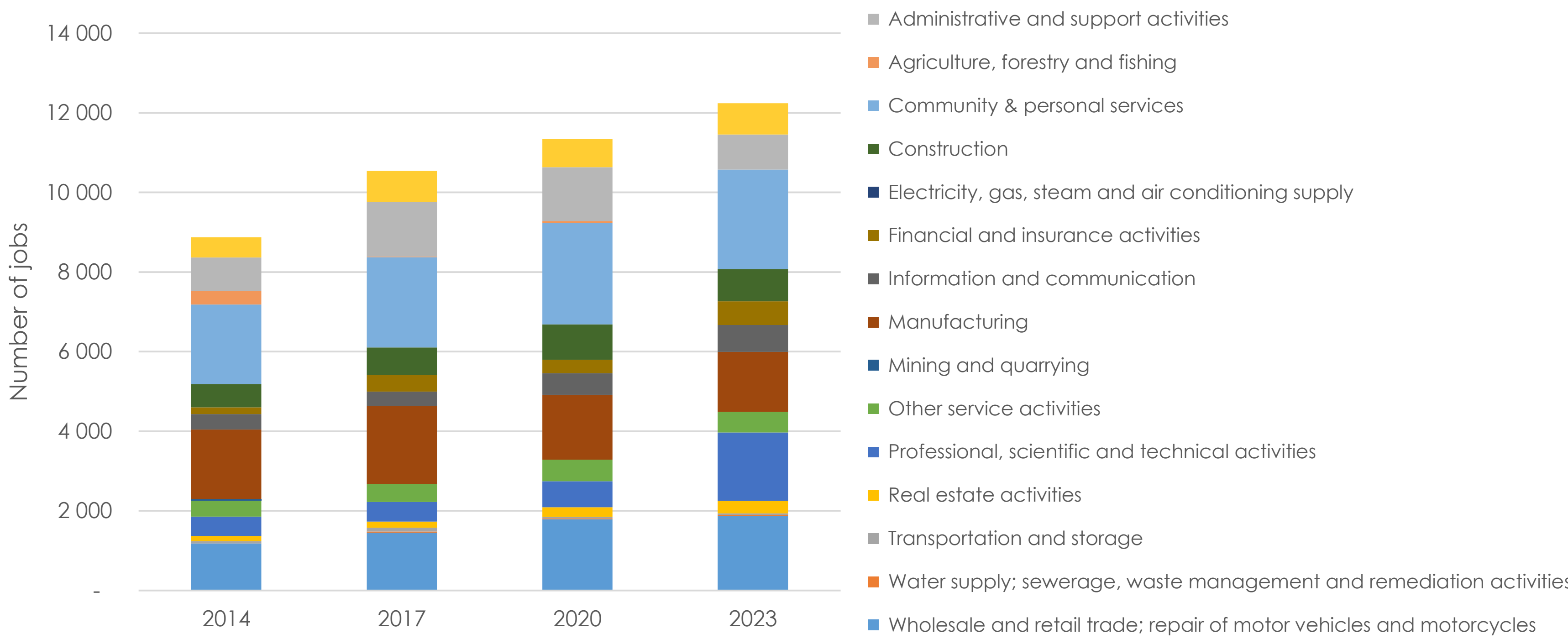
NODAL TYPOLOGY FOR 2012 AND 2022 (*Retail*)



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

EMPLOYMENT OVERVIEW & FIRM TYPOLOGIES

JOBS BY INDUSTRY



Jobs/Firms

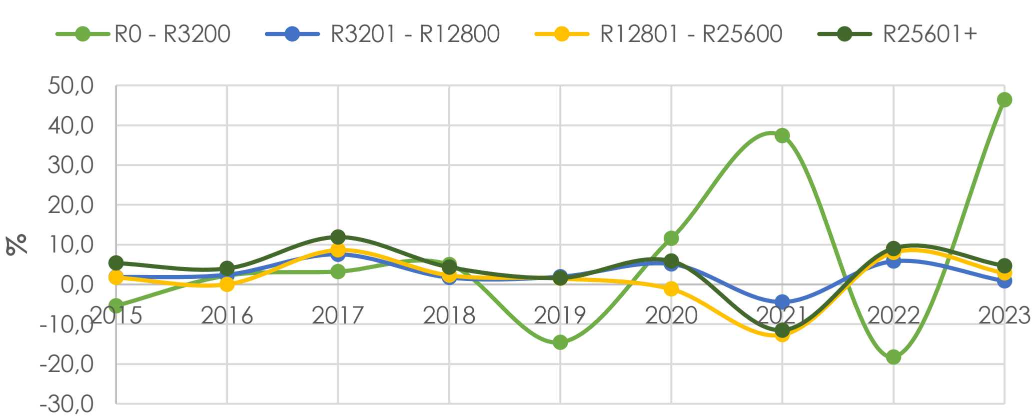
The number of job opportunities in the Retreat area increased from 9,000 to 12,100 between 2014 and 2023. Over time, most jobs have been concentrated in community & personal services, wholesale & retail, manufacturing and professional services.

The total number of firms in the area increased from 650 to 800 between 2014 and 2021. While small firms make up the majority, there is also a significant presence of medium to large firms, including micro firms.

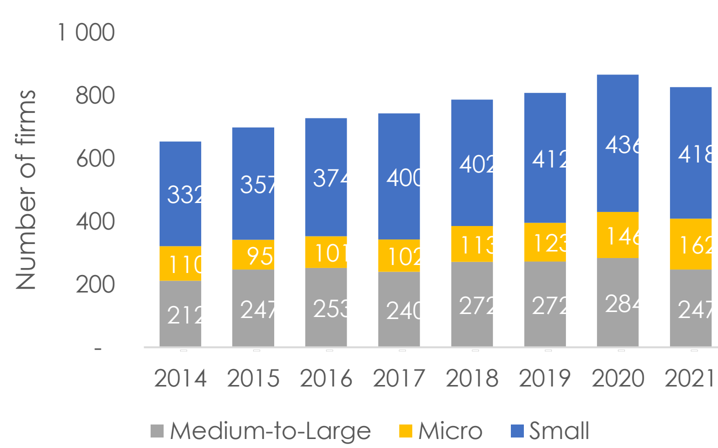
Income bands

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 considerable proportion of employees earning in the upper income brackets.

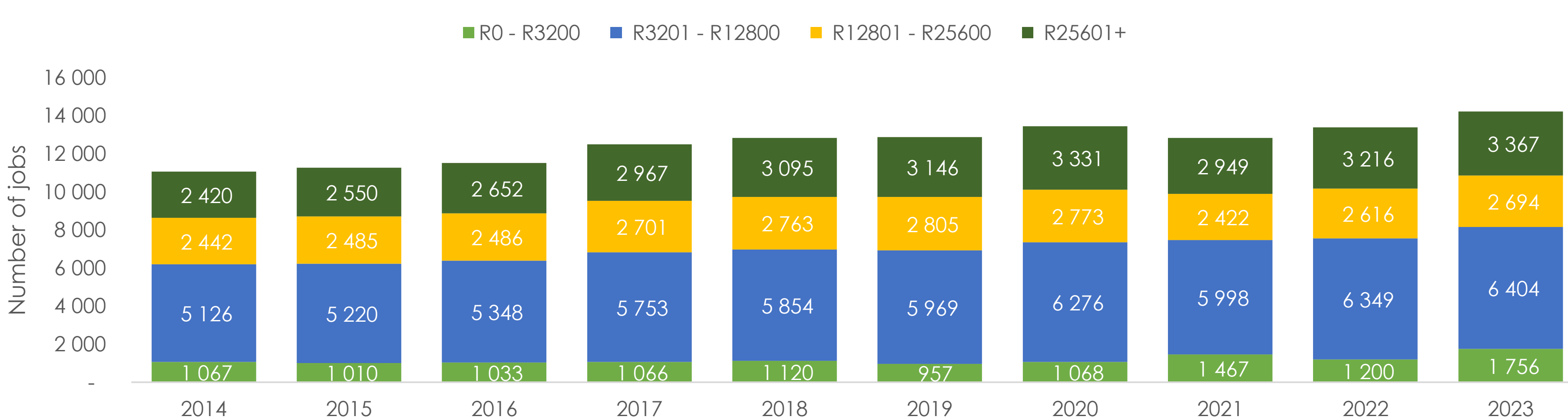
YEAR ON YEAR % CHANGE OF FULL TIME EMPLOYMENT WITHIN EACH WAGE BAND

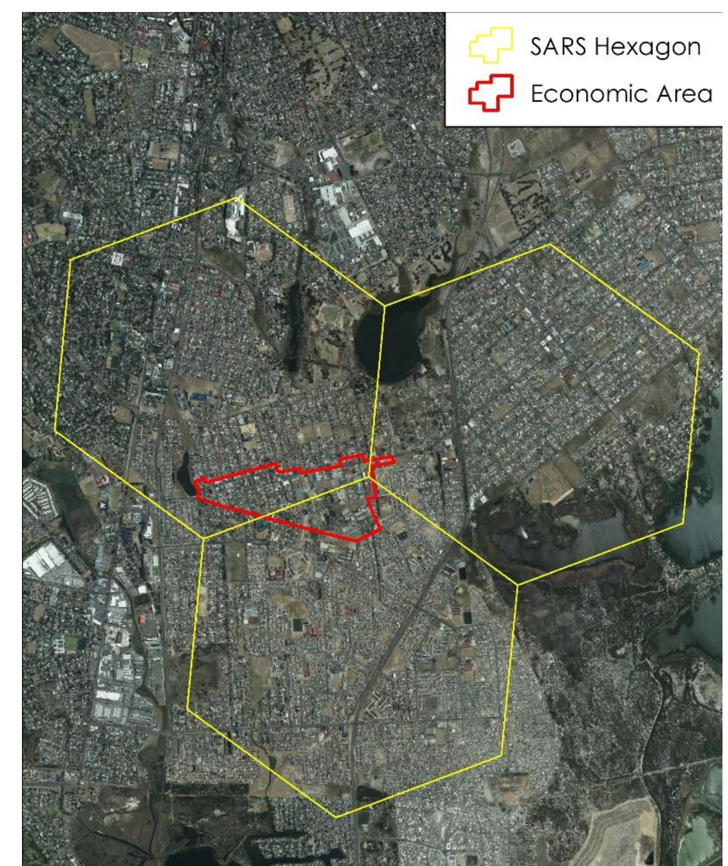


NUMBER OF FIRM TYPOLOGIES



FULL TIME EMPLOYMENT BY WAGEBAND





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

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

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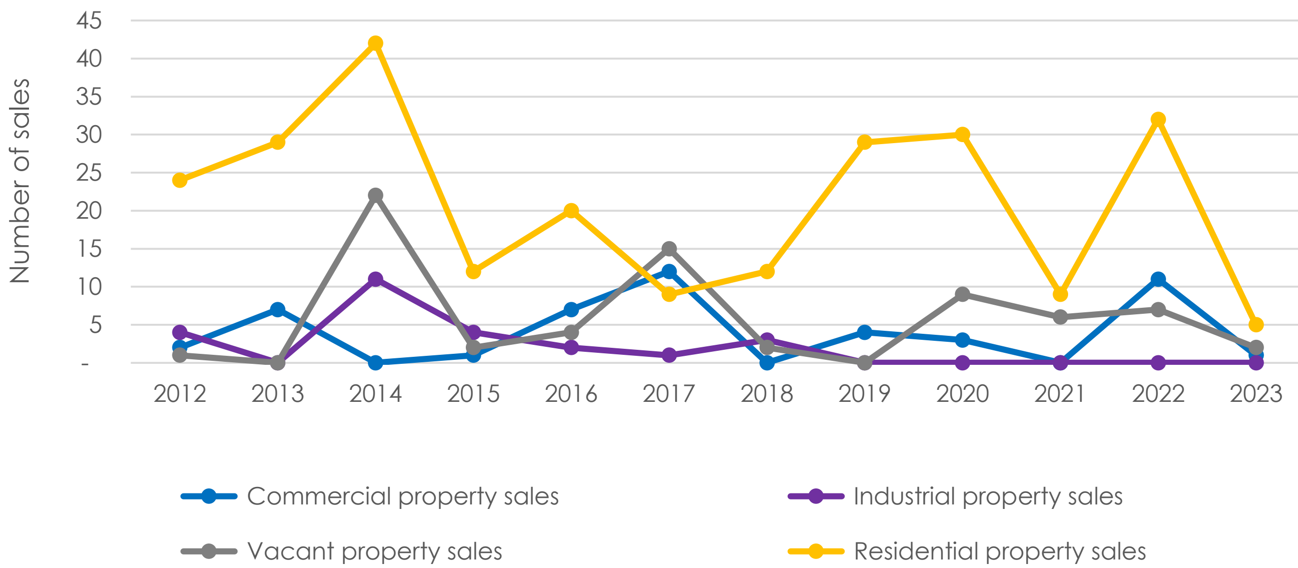
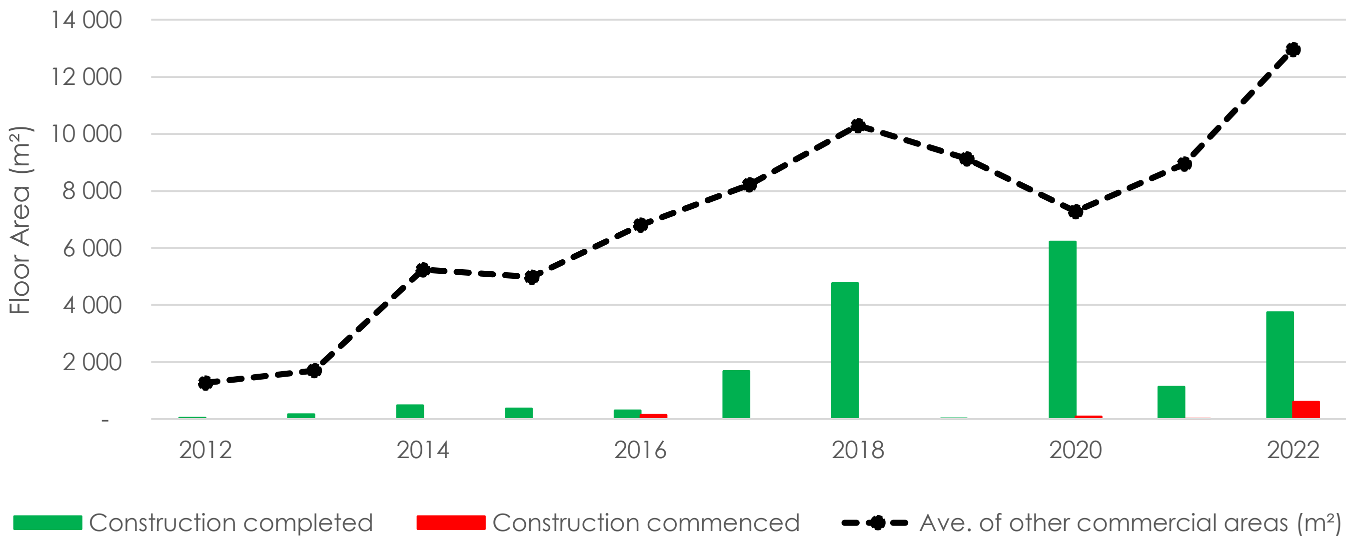
DEVELOPMENT PIPELINE

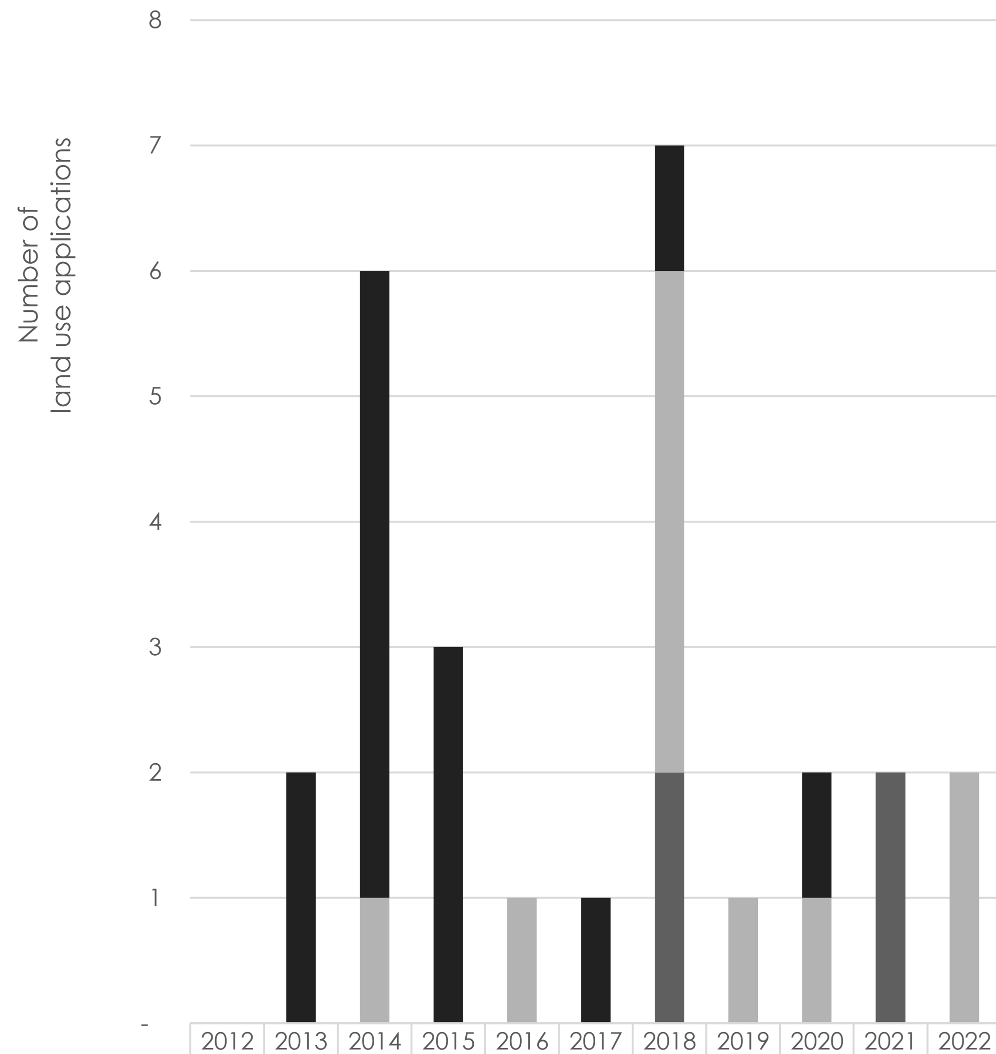
PROPERTY SALES BY SECTOR



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		-	-	-	-	-	-	-	-	-	-
Subdivisions		2	5	3	-	1	1	-	1	-	-
Rezonings		-	-	-	-	-	-	-	-	-	-
Multiple applications		-	1	-	1	-	4	1	1	-	2
Consolidations		-	-	-	-	-	2	-	-	2	-

Property Sales
Between 2012 and 2022, residential property sales were notably higher compared to other sectors with spikes observed throughout the 10 year period. Property sales in other sectors, including vacant land mostly fluctuated with noteworthy spikes observed in property sales for vacant land in 2014, 2017 and 2020. Commercial property sales also experienced spikes in 2017and again in 2022, while industrial property sales has been recorded as having the least amount of sale.

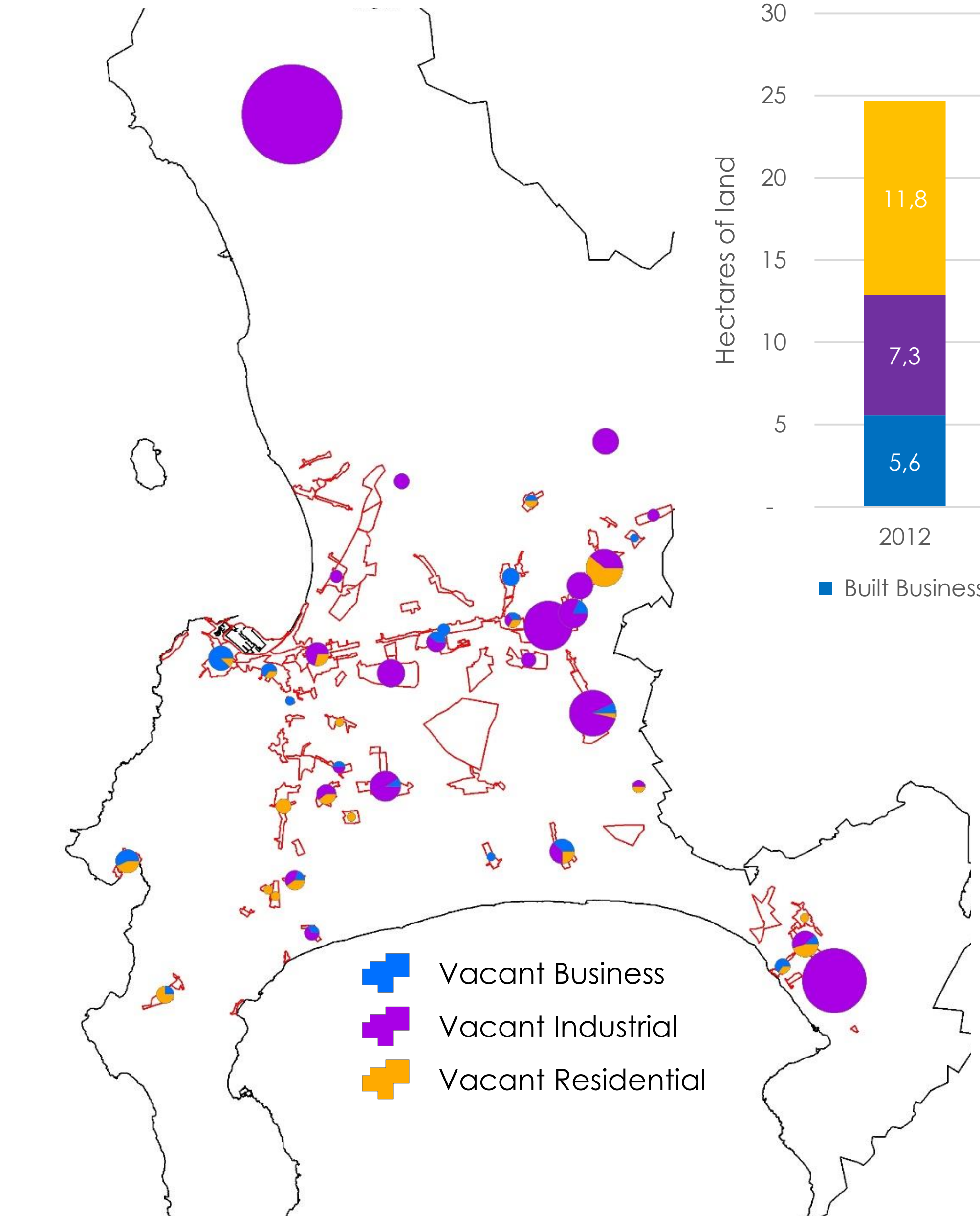
Land Use Applications
Most approvals during this period were for subdivisions indicating a demand for a specific land parcel size, while there has also been a handful of multiple applications approved in 2018. Multiple applications may include a combination of either of the applications contained in the graph.

Building Plans
In light of property sales and land use approvals, building activity has been minimal over the past decade, remaining below the metro's annual average when compared to other commercial areas.

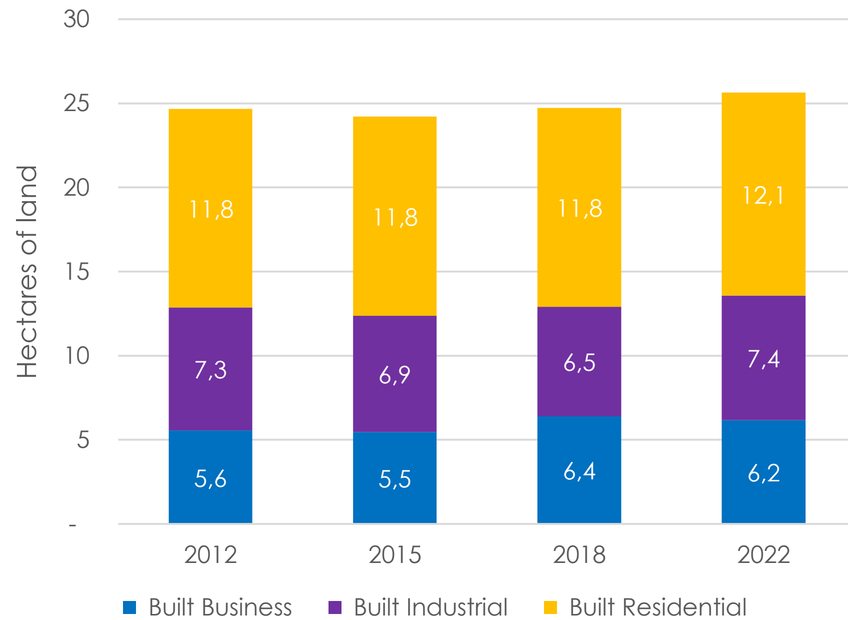
Source: City's DAMS (building plans and land use applications extract), General Valuation Roll.

URBAN LAND MARKETS

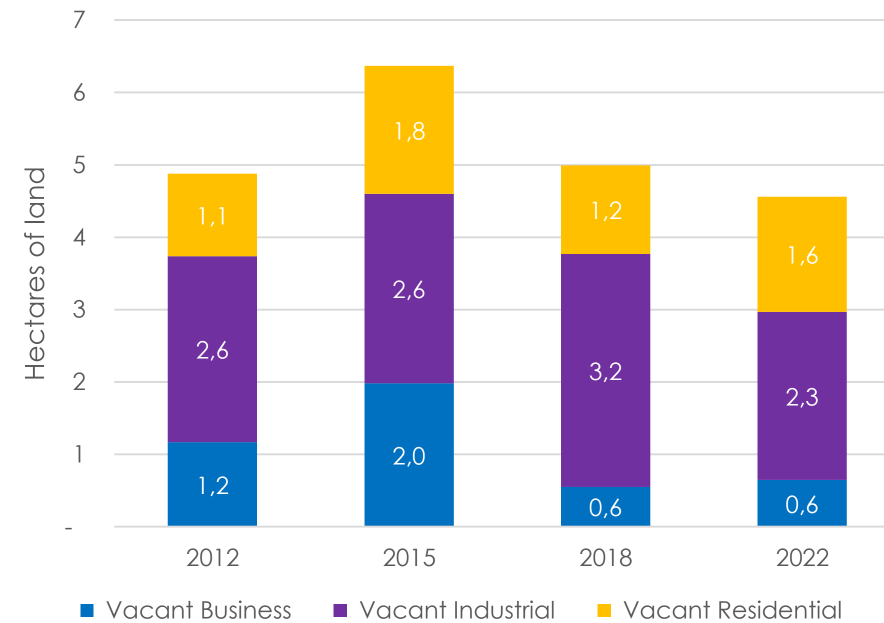
VACANT LAND ACROSS CAPE TOWN (GV 2022)*



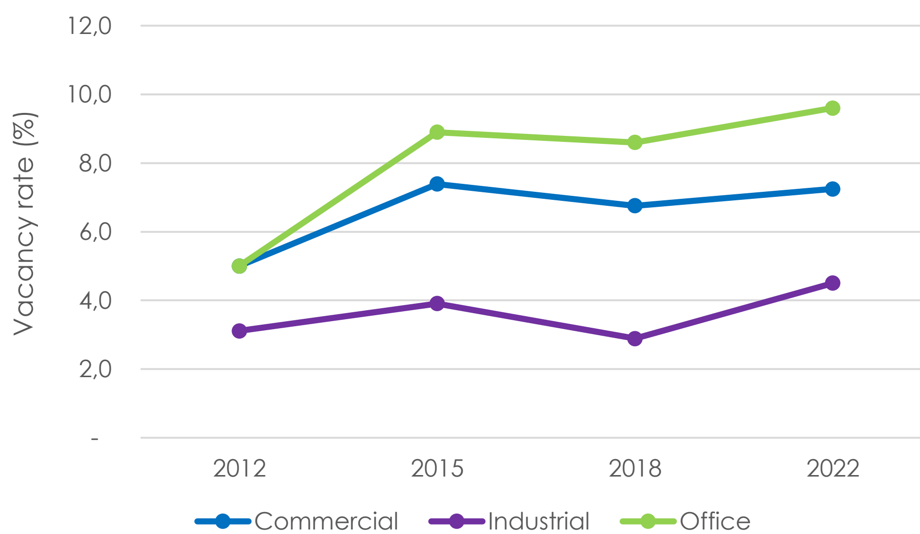
BUILT-UP LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



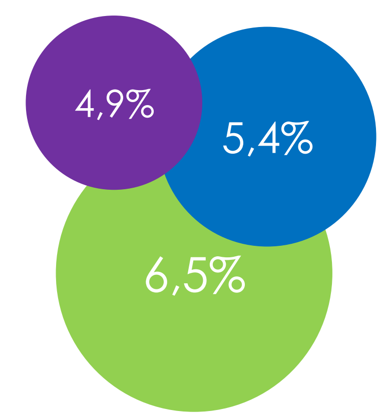
VACANT LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



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

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 has remained stable in terms of the built-up land, with a reasonable 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.

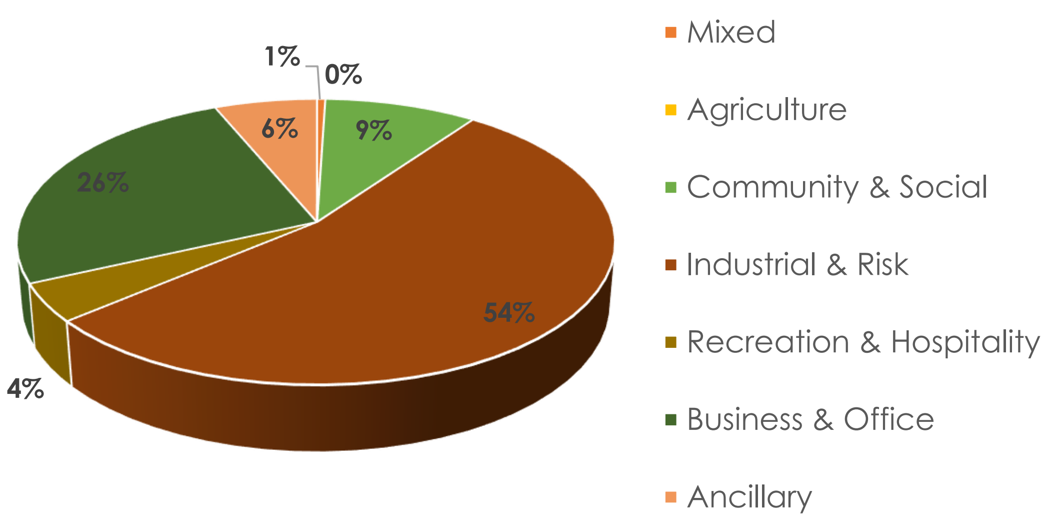
Vacancy Rates
Alongside vacant land, the vacancy rates for existing buildings in the commercial and office sectors have increased from 5% in 2012 to 7,2% and 9,6% in 2022, respectively. The industrial sector also increased from 3,1% in 2012 to 4,5% in 2022.

Source: City's General Valuation Roll and Market Reports

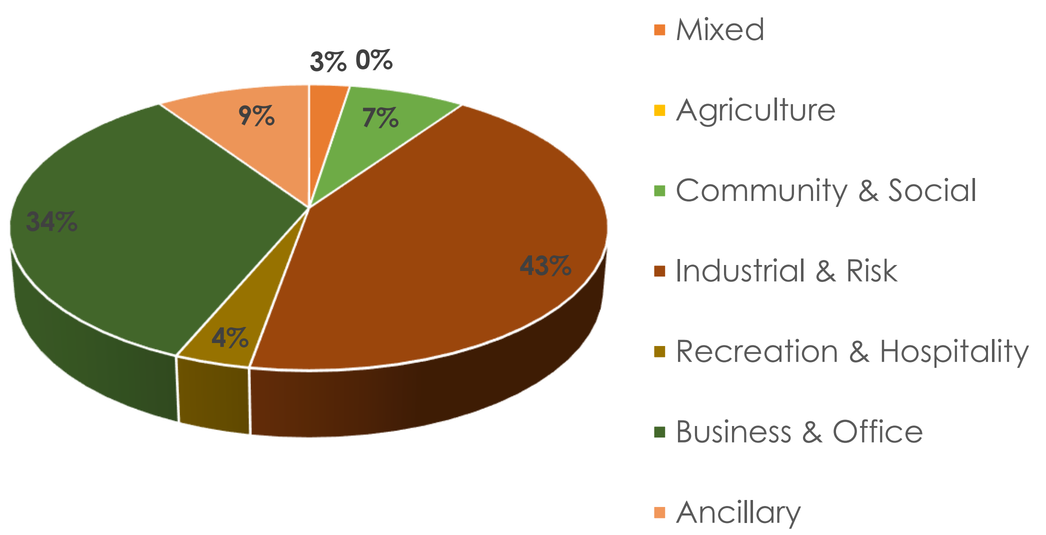
**A metro view that provides further context relative to this economic area.*

AGGLOMERATION OF INDUSTRIES

% OF LAND USE GROUPS (2012)



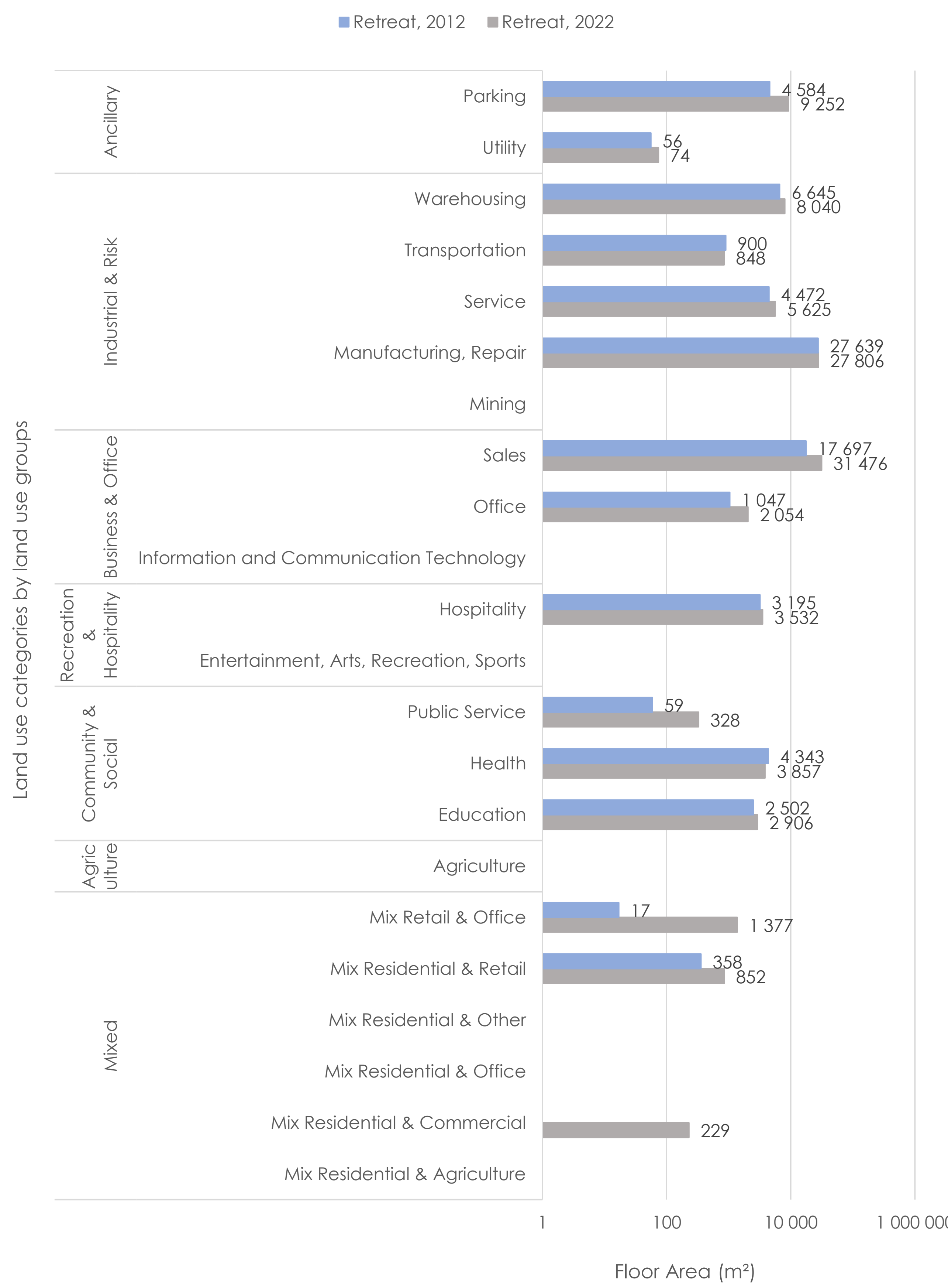
% OF LAND USE GROUPS (2022)



The pie charts illustrate the percentage distribution of land use groups in Retreat, based on the cumulative floor area (m²) across various land uses. As shown in the charts, the Industrial & Risk group has remained predominant in both 2012 and 2022, but decreased from 54% to 43%, while the Business & Office group increased from 26% to 34%.

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 and manufacturing/repairs with a noteworthy presence of warehousing, general services, hospitality, health and education.

FLOOR AREA PER LAND USE CATEGORY FOR 2012 AND 2022



Source: Analysis of GV data (May 2024)

Policy & regulatory context
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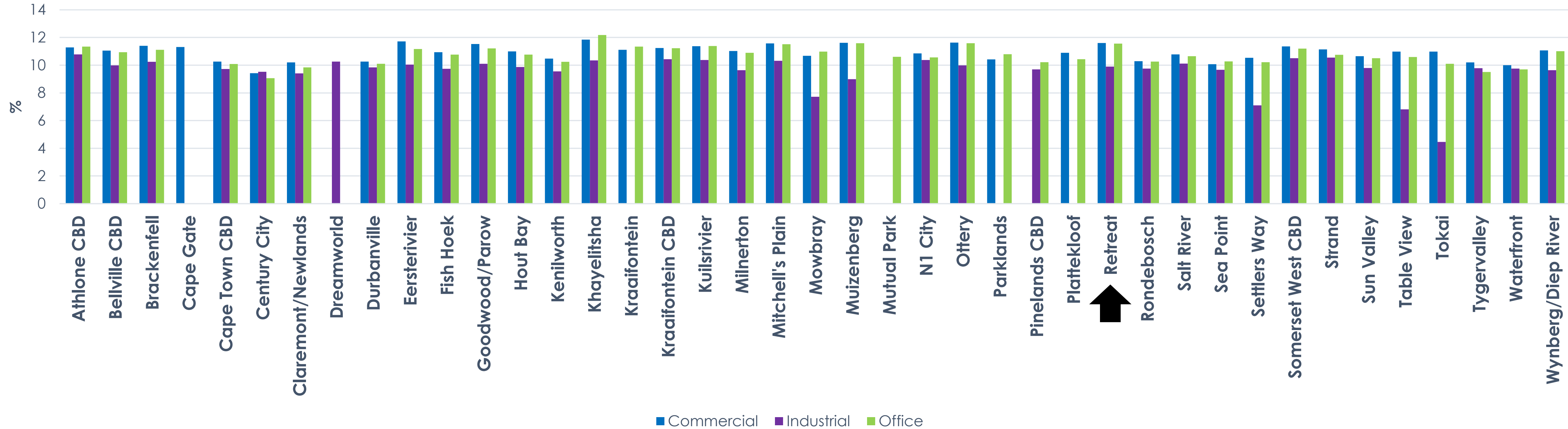
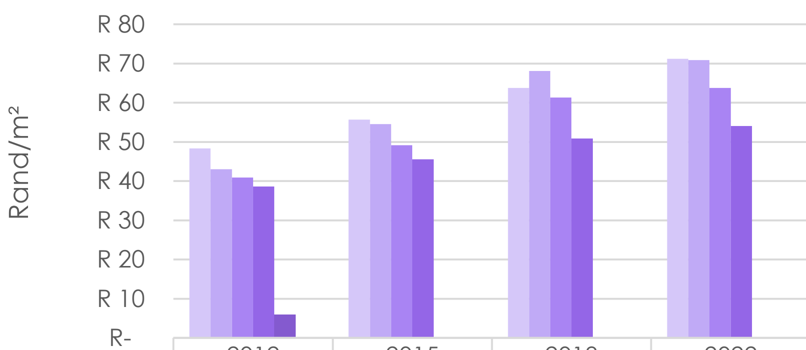
Urban land markets
Agglomeration of industries
Market performance
Performance & Potential

MARKET PERFORMANCE

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

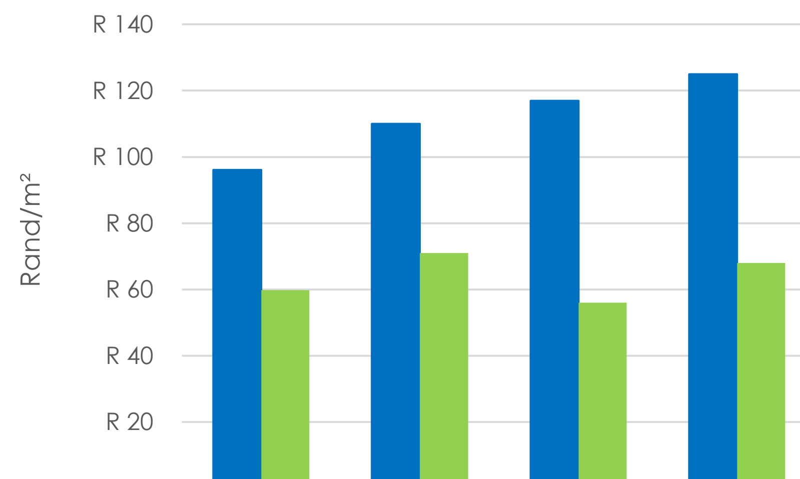


INDUSTRIAL RENTALS



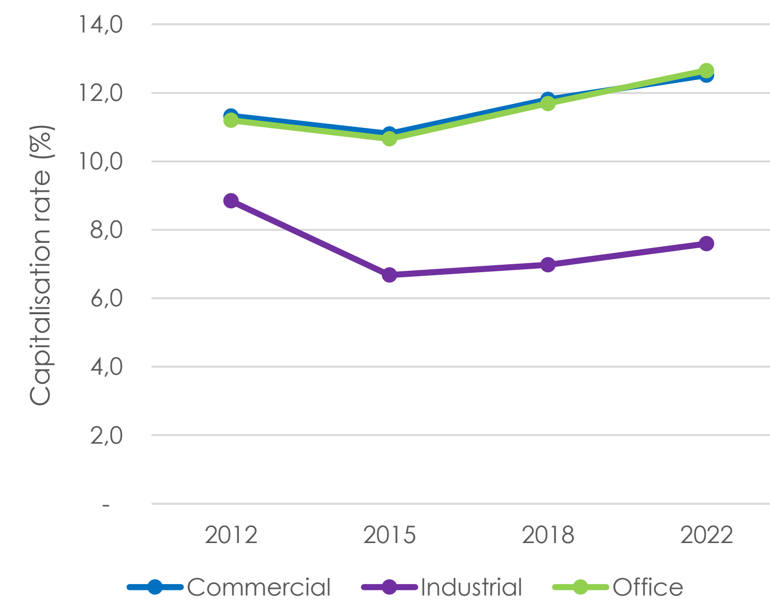
	2012	2015	2018	2022
1) 250m²	R 48	R 56	R 64	R 71
2) 500m²	R 43	R 55	R 68	R 71
3) 1000m²	R 41	R 49	R 61	R 64
4) 2500m²	R 39	R 46	R 51	R 54
5) 5000m²	R 6	R-	R-	R-
6) 10000m²	R-	R-	R-	R-

COMMERCIAL AND OFFICE RENTALS



	2012	2015	2018	2022
Commercial	R 96	R 110	R 117	R 125
Office	R 60	R 71	R 56	R 68

CAPITALISATION RATES



Rental rates

Rental rates across all industrial space gradually increased between 2012 and 2018, with higher rentals observed for smaller industrial space.

Commercial rentals gradually increased between 2012 and 2022, while office rentals increased between 2012 to 2015, but decreased in 2018 and 2022.

Comparative view on capitalisation rates

The average capitalisation rate between 2012 and 2022 for the commercial sector was 11,6%. The industrial sector was 9,89%, while the office sector was 11,5% and further indicating its competitiveness relative to other commercial areas.

Year on year capitalisation rates for both the commercial and office sectors have increased from 11,2% to 12,7%, while the industrial sector decreased from 8,8% to 7,6%.

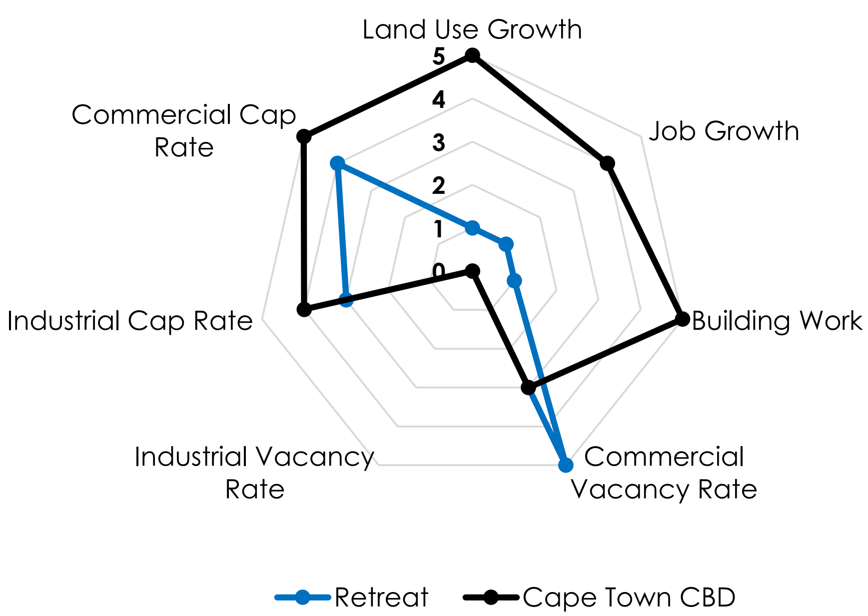
- *Higher cap rates = higher investment risk.*
- *Lower cap rates = lower investment risk.*

Source: 2012 – 2022 market reports

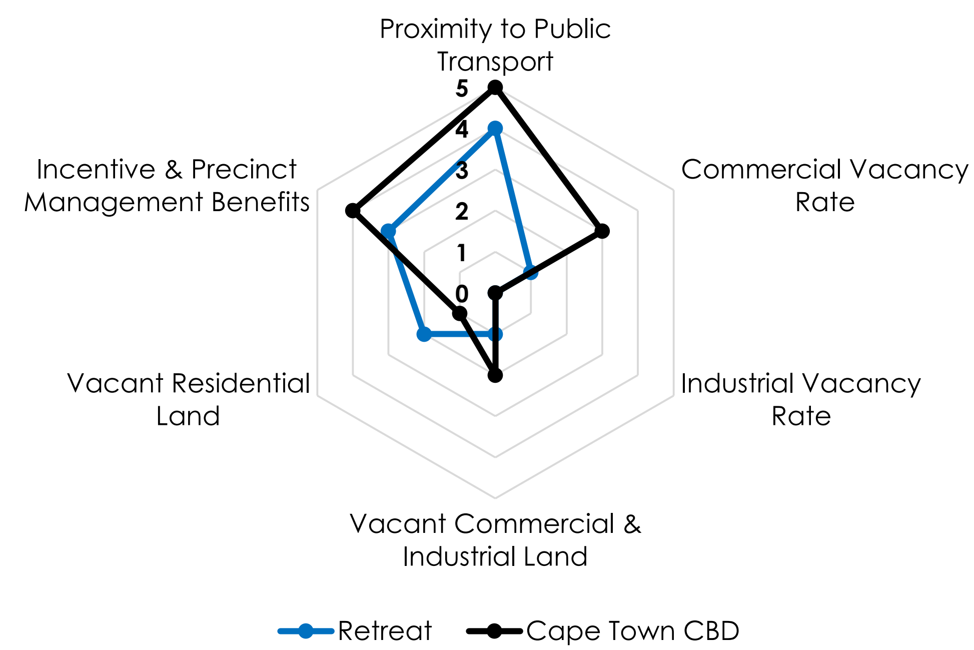
PERFORMANCE & POTENTIAL

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.***