

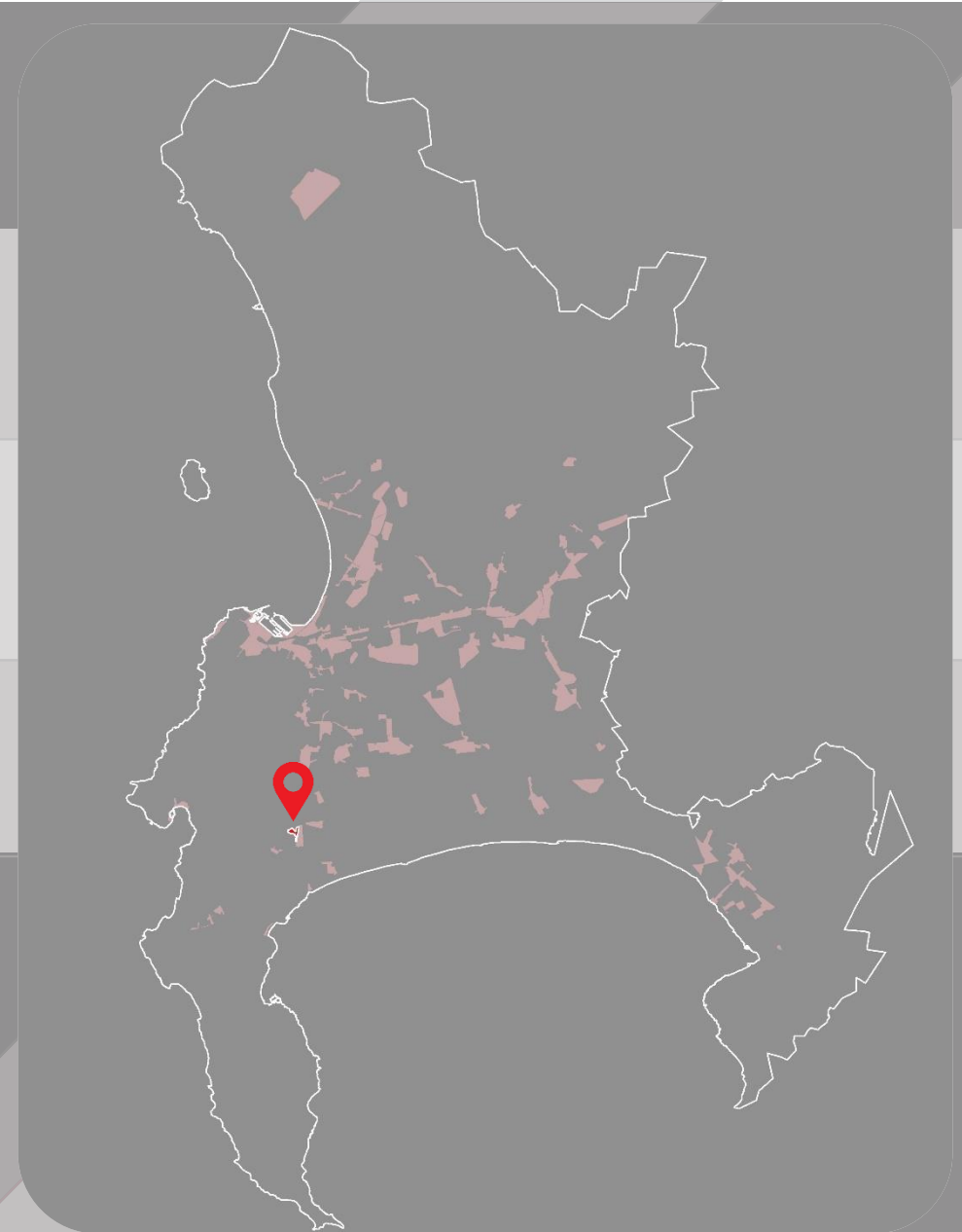
TOKAI

ECONOMIC AREA PROFILE

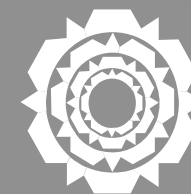
TREND ANALYSIS 2012-2022



Image source: Google Earth



June 2025



CITY OF CAPE TOWN
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STAD KAAPSTAD

Making progress possible. Together.

ACKNOWLEDGEMENTS

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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:



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

WHAT

HOW

VALUE PROPOSITION

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 MSDP and DSDFs.

CHALLENGES /OBJECTIVES TO ADDRESS

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.

AREAS OF APPLICATION

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 MSDP Policy Statement 4.

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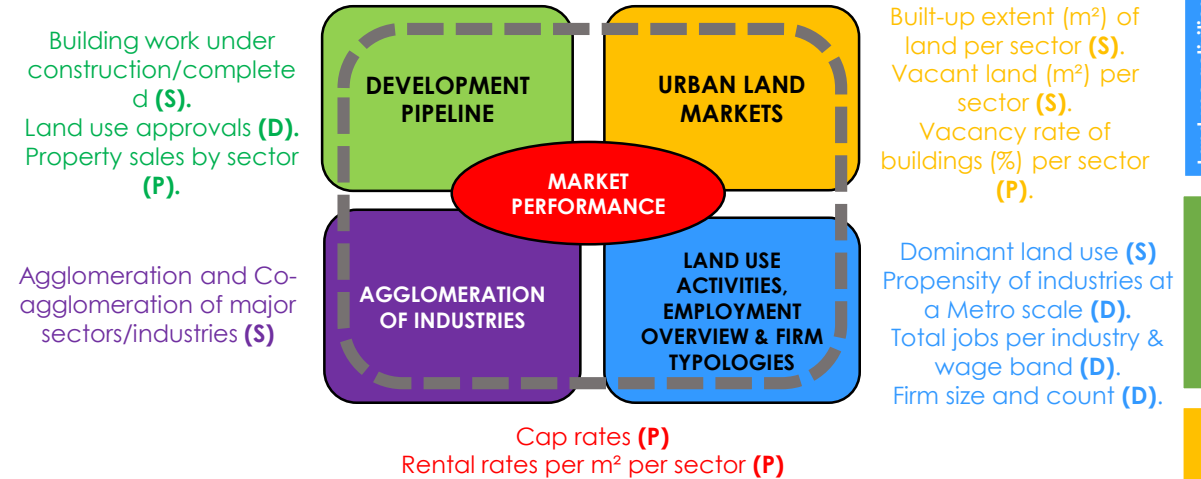
Urban land markets

Agglomeration of industries

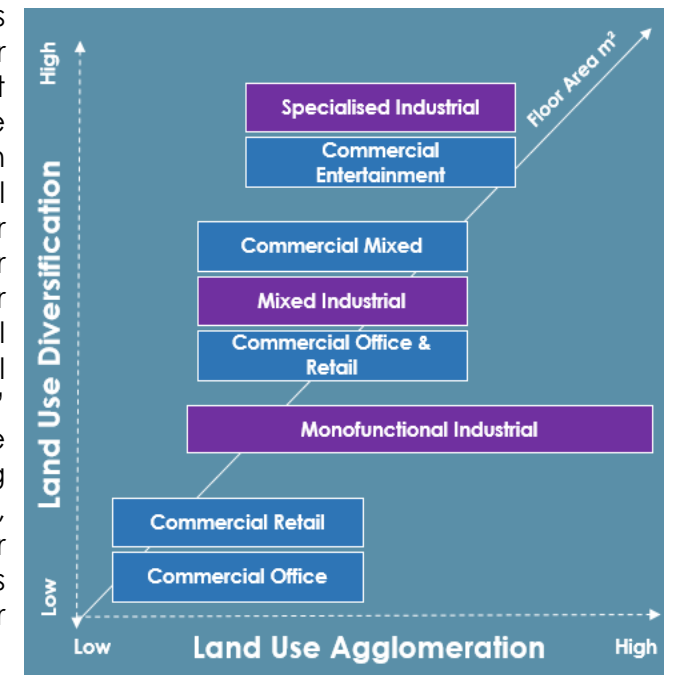
Market performance

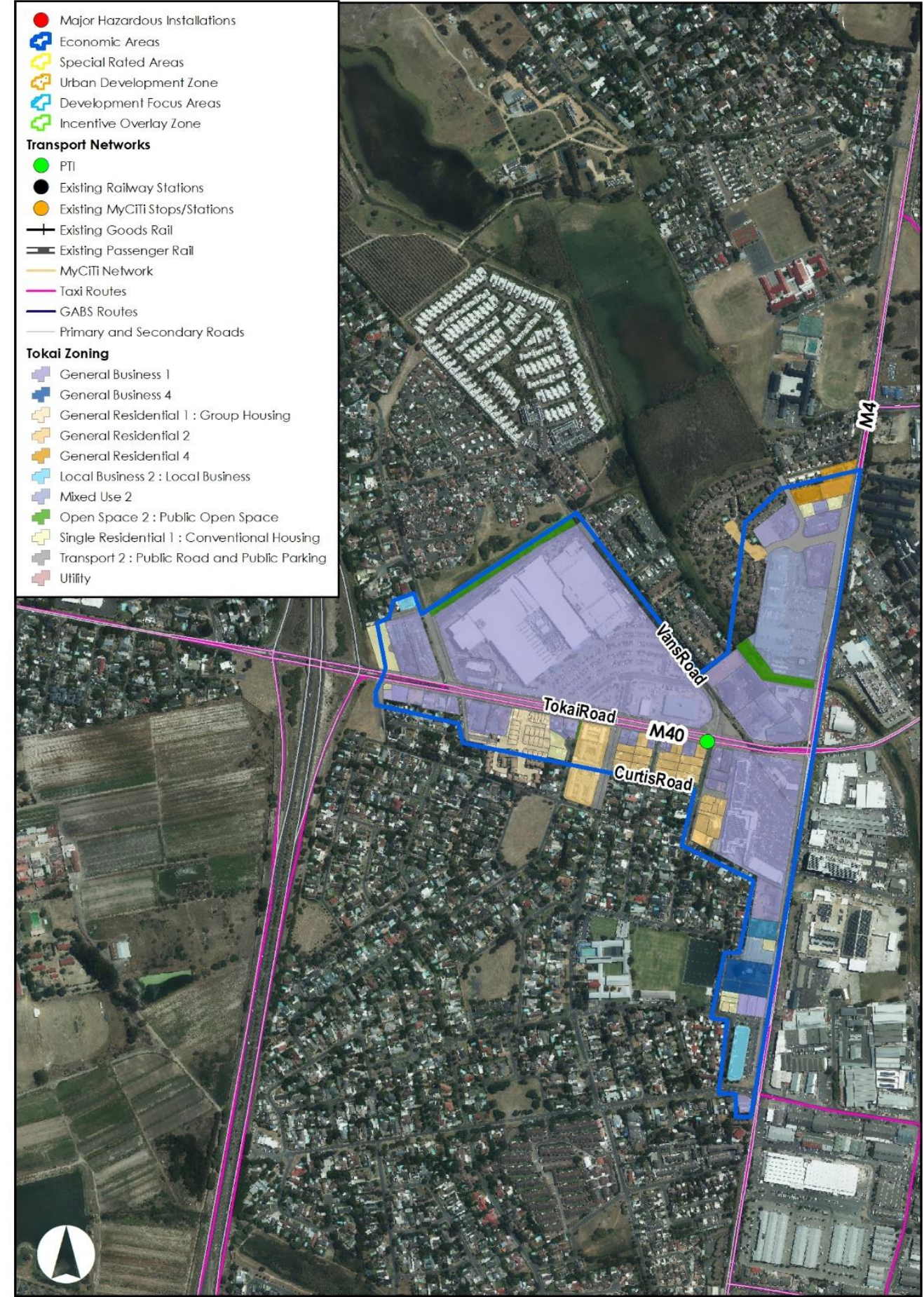
Performance & Potential

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



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).





TOKAI

Location

- The area is approximately 21km south of Cape Town's Central Business District and the Port of Cape Town. Furthermore, it is located 30km from Cape Town International Airport.
- It is also situated along Tokai Road, connecting to the M3 highway, providing easy access to other areas across Cape Town.
- The area includes a Public Transport Interchange and is serviced by taxis and a nearby railway station.
- Access to a skilled workforce from surrounding areas includes the broader Westlake, Tokai, Retreat, Southfield and Bergvliet areas.

Zoning, land use and form

- The area is predominantly zoned for mixed-use, business and residential purposes.
- The area is mainly characterised by office, retail and residential, which include malls, flats, shops and restaurants.
- The average land parcel sizes in the area range between 2,000 – 5,000m², with a limited number of land parcels ranging beyond 5,000m².

Spatial planning mechanisms

- None

Key highlights of the area include:

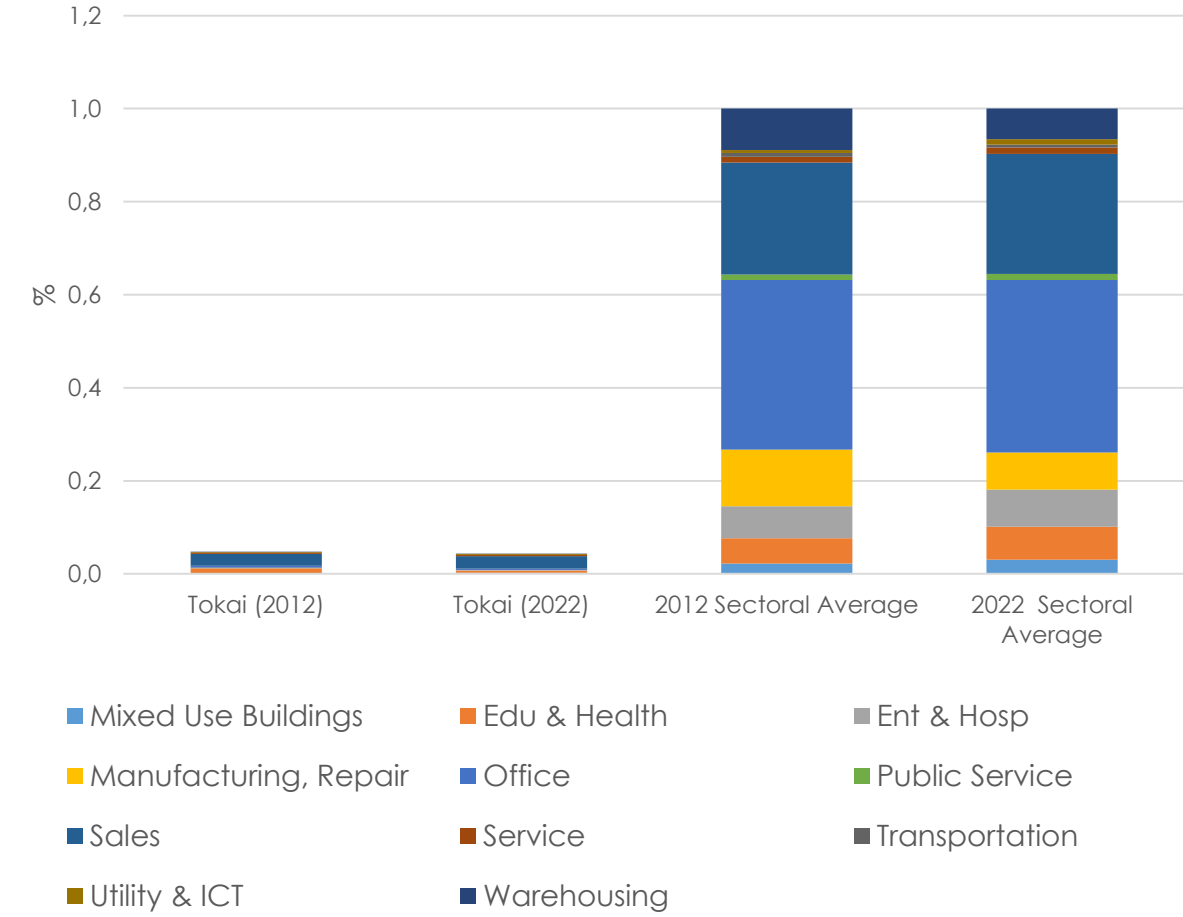
- The area began to establish itself in the 1950s, developing into a commercial hub.
- Blue Route Mall was established in the 1980s and was redeveloped in the early 2000s, acting as a catalyst for adjacent blocks to be redeveloped.
- The Main Road acts as a public transport feeder into the Blue Route Mall area.

LAND USE ACTIVITIES

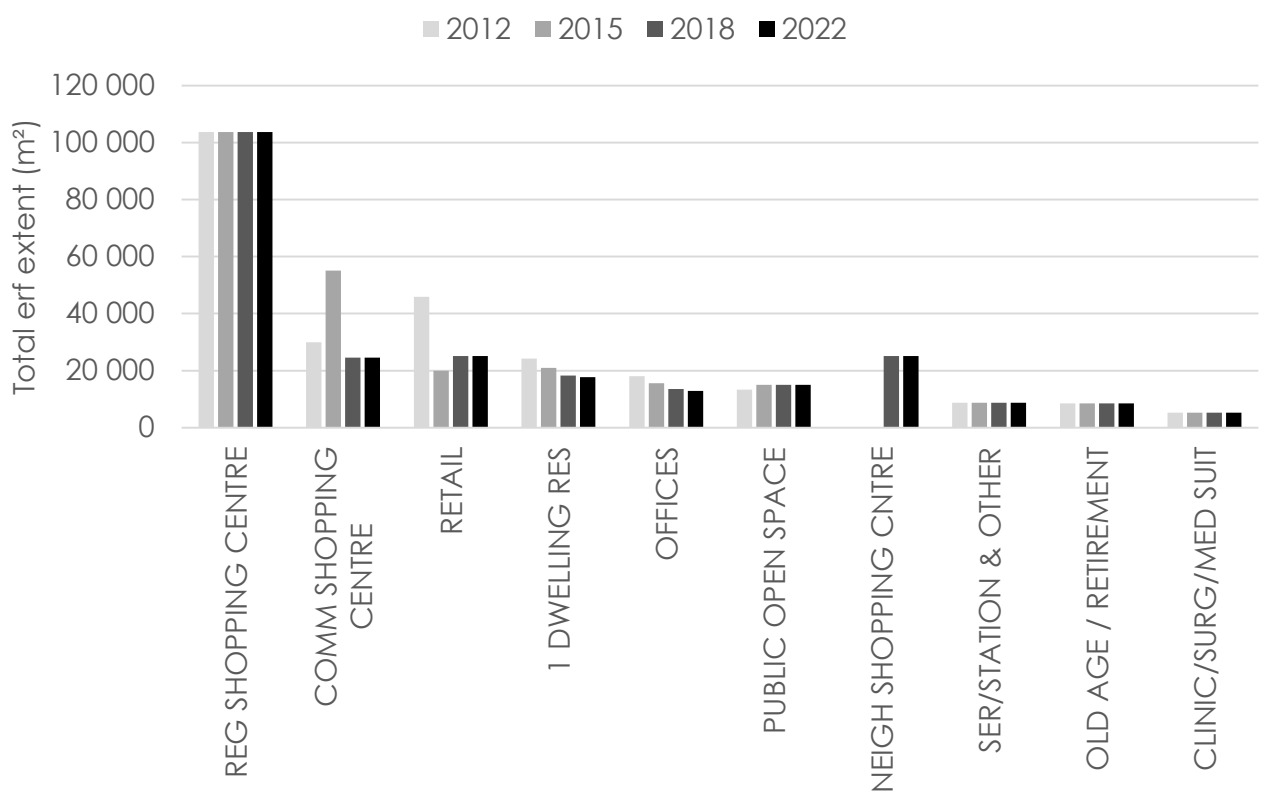
A recent analysis involved the conversion of land use codes contained in the General Valuation Roll (GV Roll) into Standard Industrial Classification (SIC) codes to determine the propensity of industries operating in areas of similar character. However, for the commercial nodes, the benchmarking and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

- Between 2012 and 2022, Tokai was mainly characterised by a greater propensity for sales and education & health with the latter decreasing significantly by 2022, 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 Tokai to being a contributor of sales, which performs lower than that of the sectoral average when measured against other commercial areas across Cape Town.
- Additionally, the GV Roll reflects land use data by showing the [dominant land use](#) over time based on the cumulative extent (m²) of floor area for malls, retail, residential and office spaces.

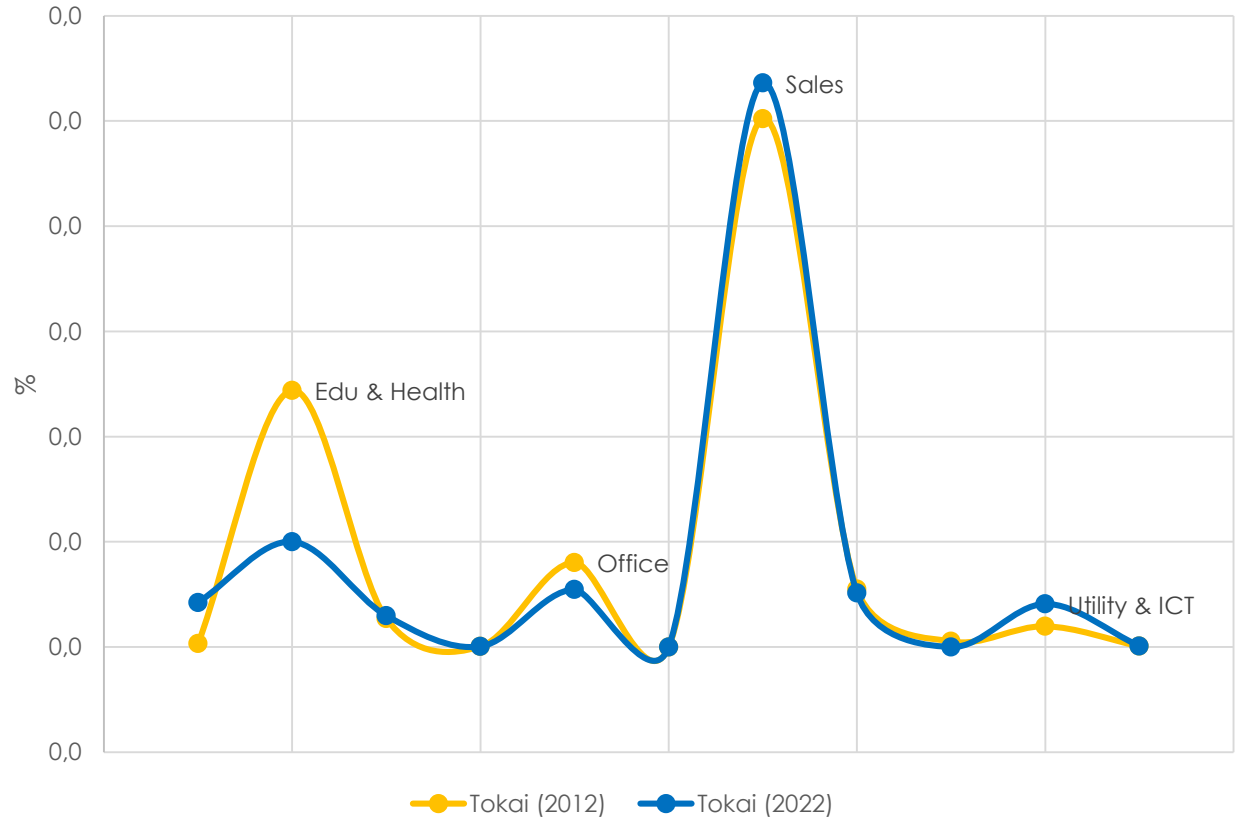
METROSCALE BENCHMARK



TOP 10 MOST DOMINANT LAND USES BETWEEN 2012 AND 2022



NODAL TYPOLOGY FOR 2012 AND 2022 (Retail)

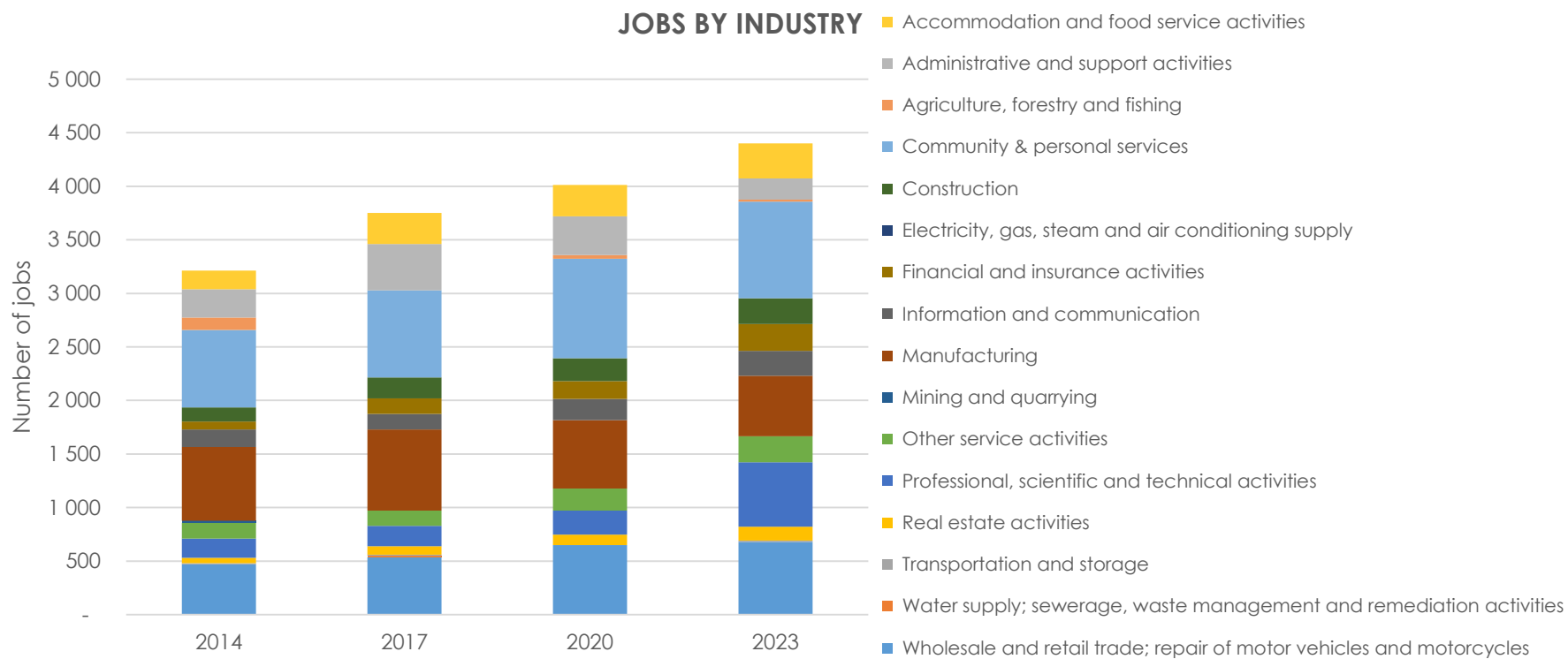


Source: 2012 – 2022 land use codes (May 2024 analysis)

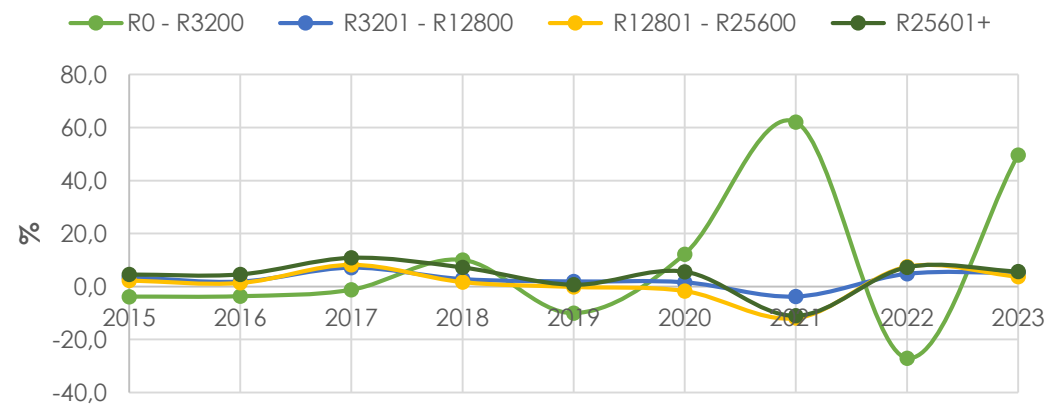
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EMPLOYMENT OVERVIEW & FIRM TYPOLOGIES

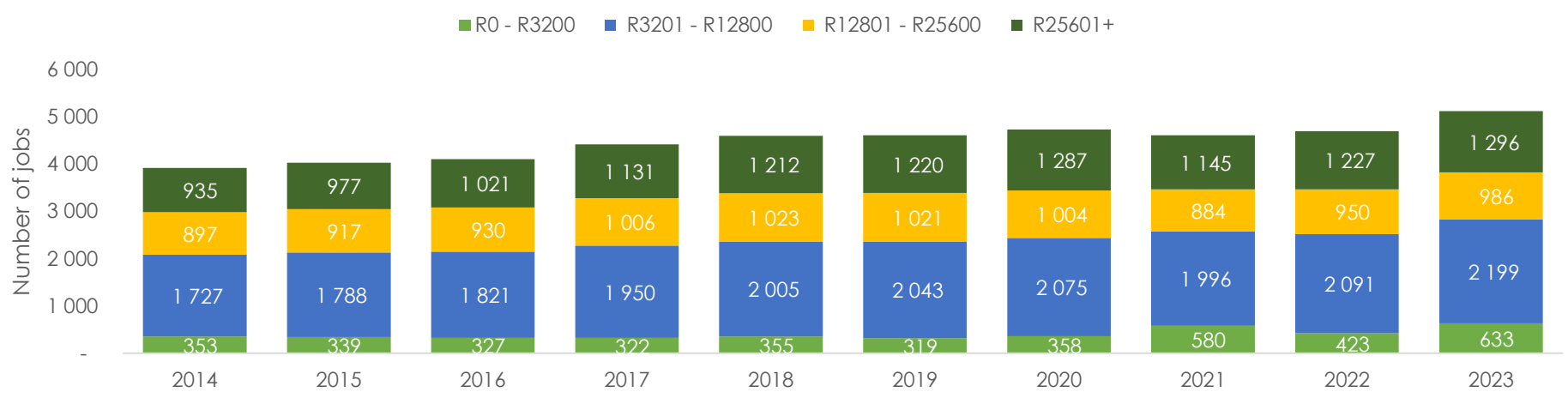
JOBS BY INDUSTRY



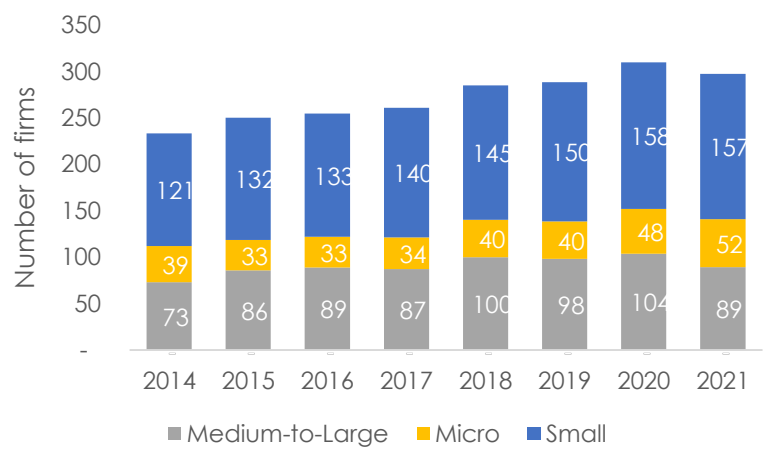
YEAR ON YEAR % CHANGE OF FULL TIME EMPLOYMENT WITHIN EACH WAGE BAND



FULL TIME EMPLOYMENT BY WAGEBAND



NUMBER OF FIRM TYPOLOGIES



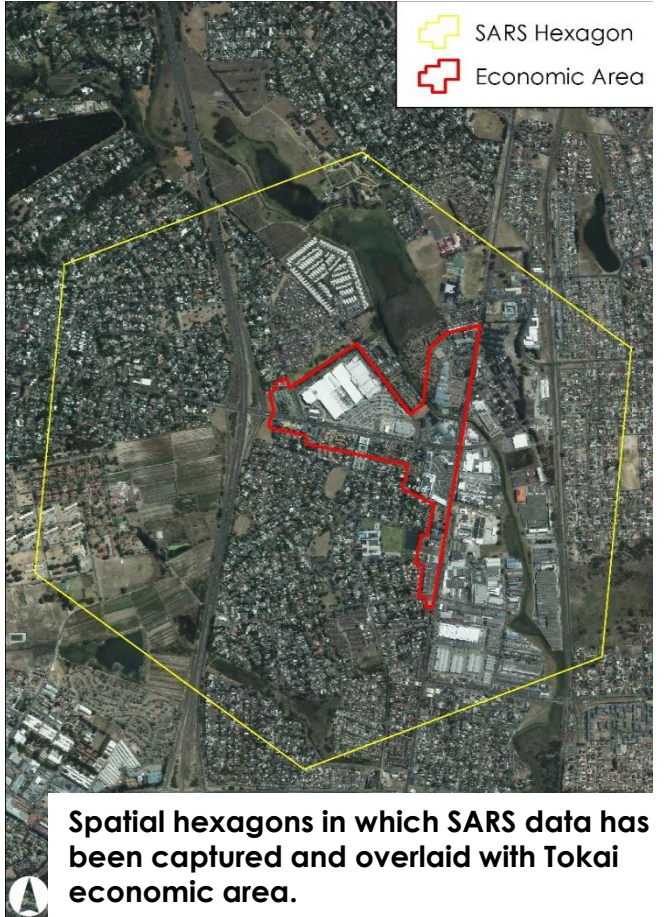
Jobs/Firms

The number of job opportunities surrounding the Tokai area increased from 3,200 to 4,300 between 2014 and 2023. An overall growth in jobs has been experienced, with most jobs concentrated in community & personal services, wholesale & retail, professional services and manufacturing.

The total number of firms increased from 240 to 260 between 2014 and 2021. While small firms have been the most dominant, there has also been a significant presence of medium-to-large and micro firms.

Income bands

The income bands indicate the skill levels of the employed workforce. The data suggests that a larger proportion of employees earn up to R12,800 per month. However, there is also a considerable number of employees earning beyond R12,800.



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

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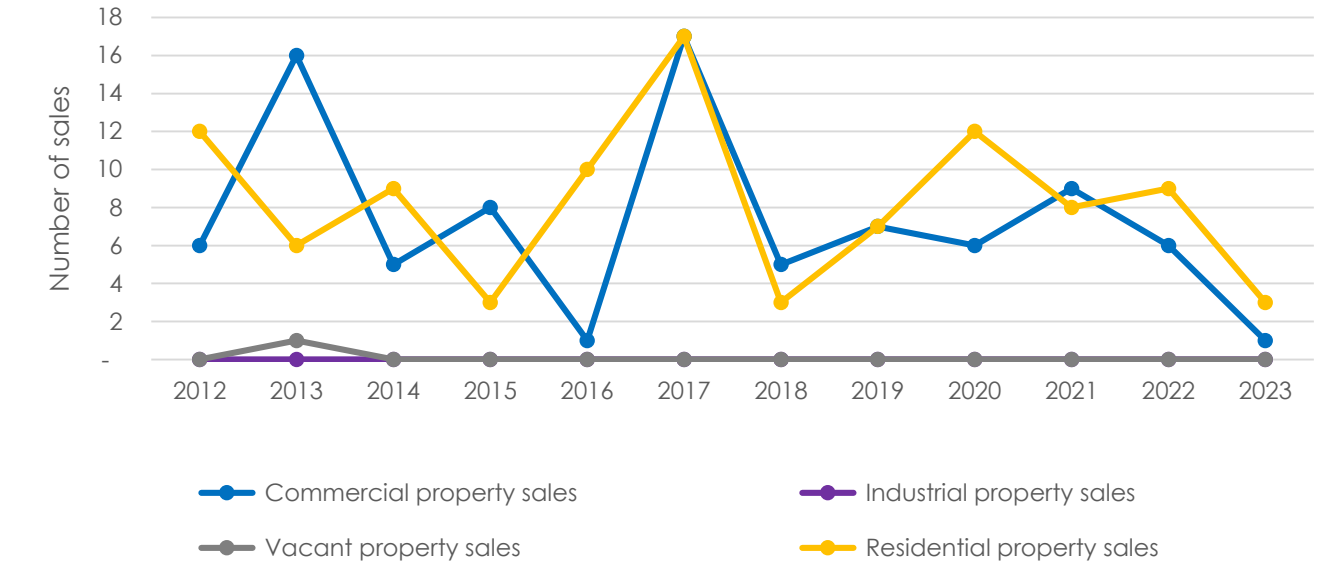
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Market performance

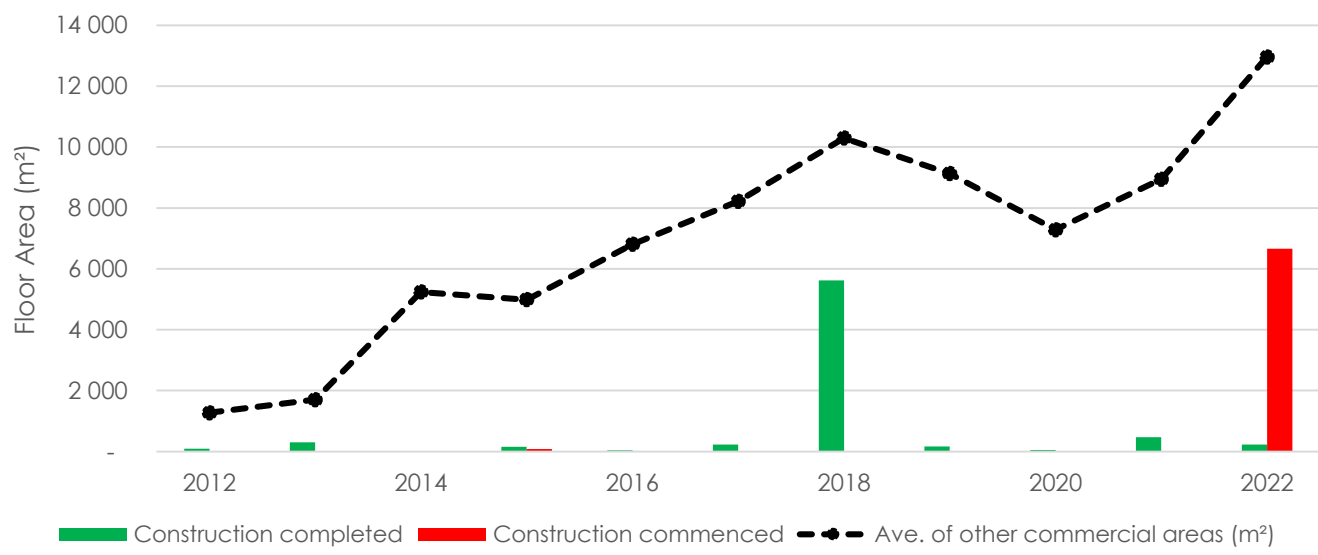
Performance & Potential

DEVELOPMENT PIPELINE

PROPERTY SALES BY SECTOR



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



Property Sales

Between 2012 and 2022, property sales were notably higher in the residential and commercial sectors compared to other sectors. While both sectors fluctuated in terms of property sales over the past 10 years, the commercial sector experienced a spike in 2013, 2017 and 2021. Whereas the residential sector experienced a spike in 2017 and 2020. Both sectors started to taper off in 2023.

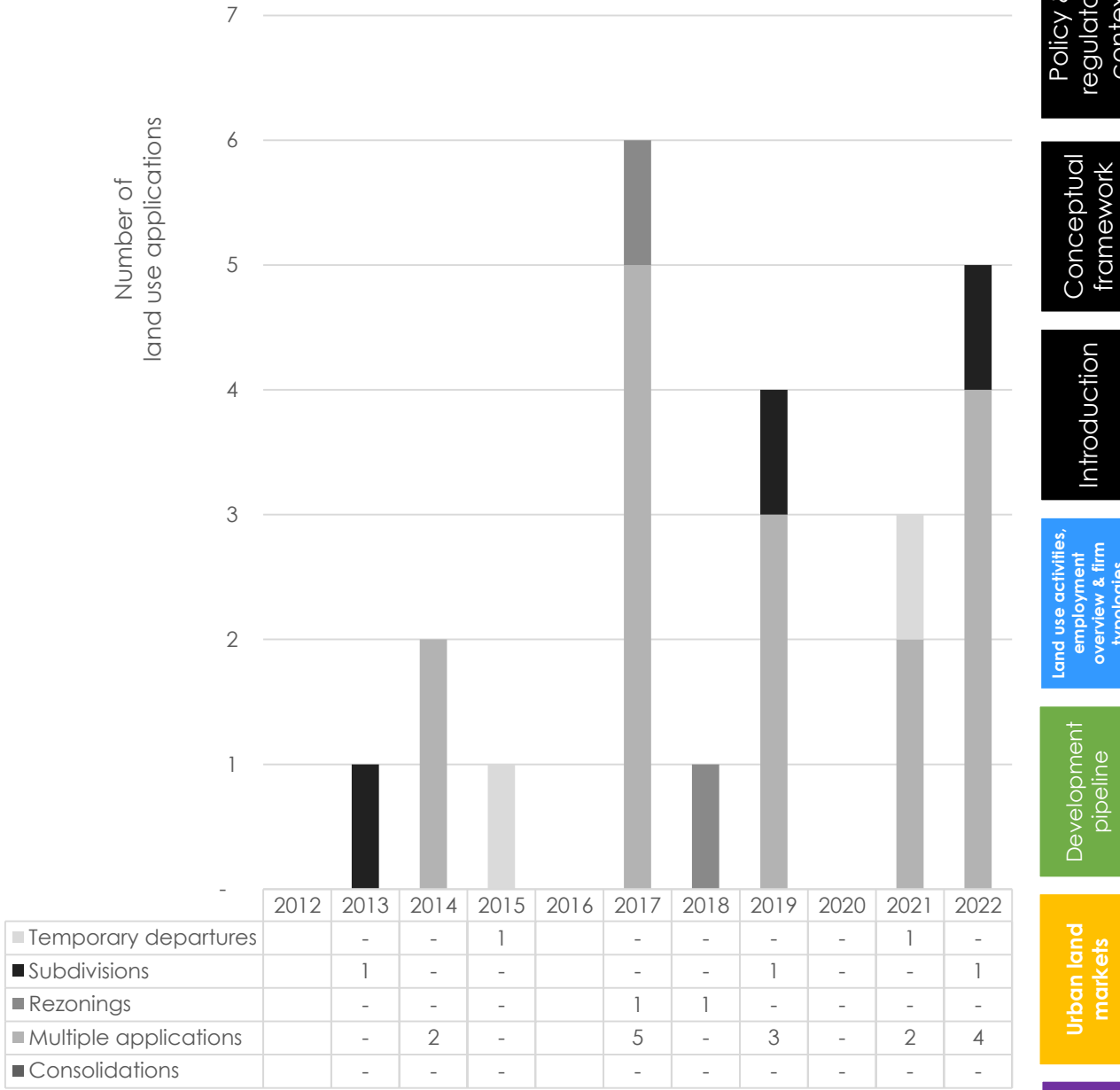
Land Use Applications

While not as significant, most approvals during this period were granted for multiple applications, indicating diverse land use requirements to be in place for the area. Multiple applications may include a combination of the types seen in the graph and others.

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. However, in 2018 and 2023, the area experienced its highest building work activity recorded.

APPROVED LAND USE APPLICATIONS



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

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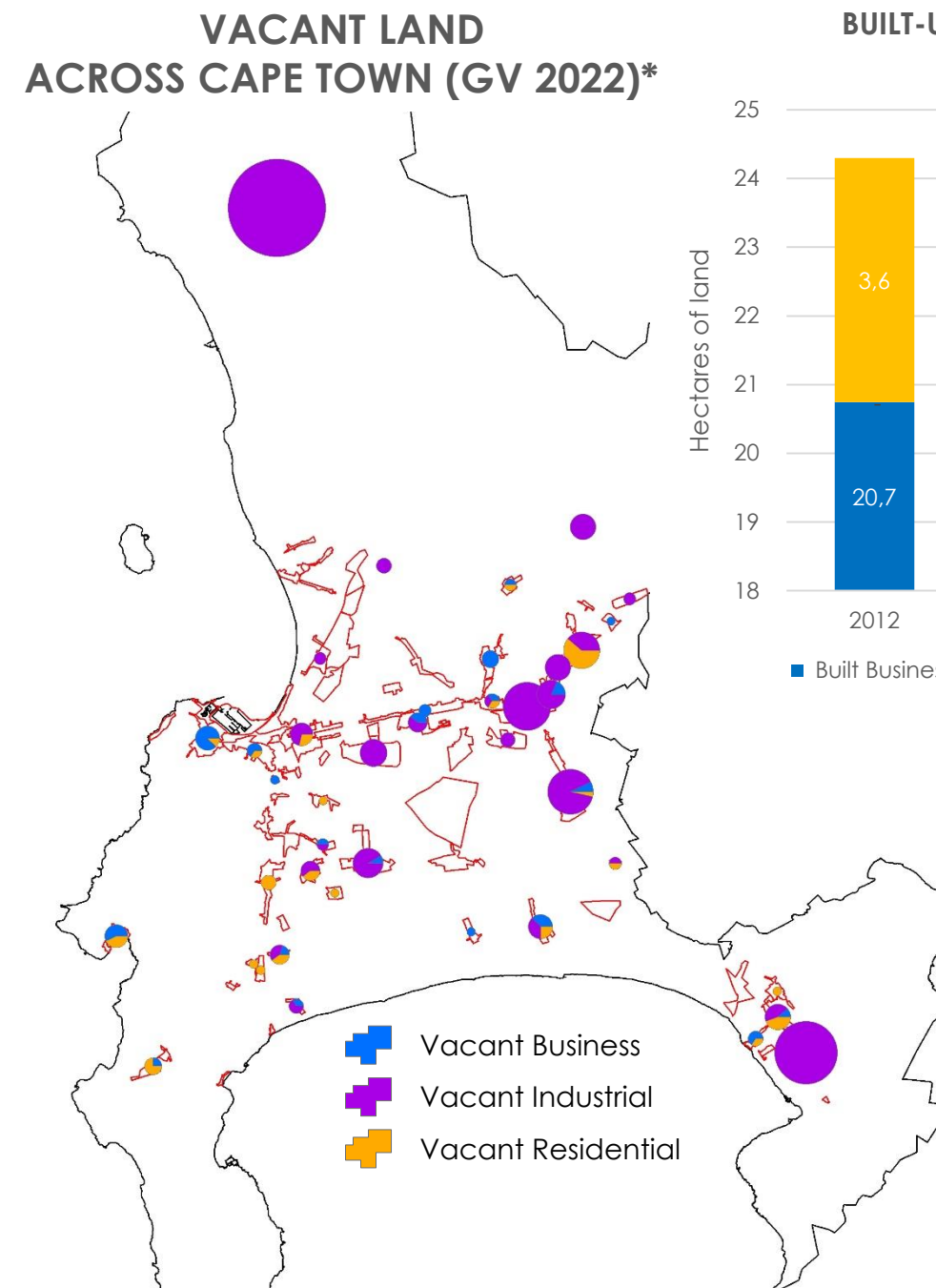
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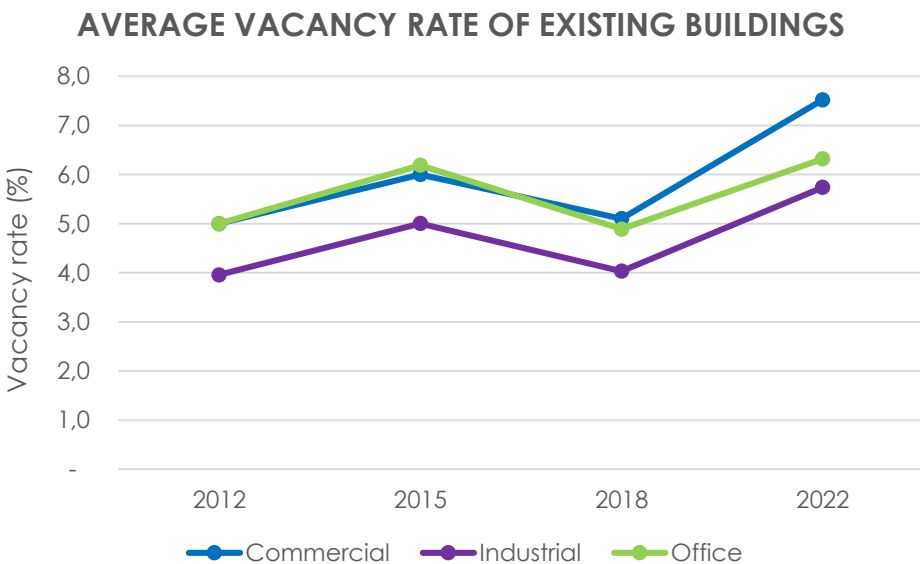
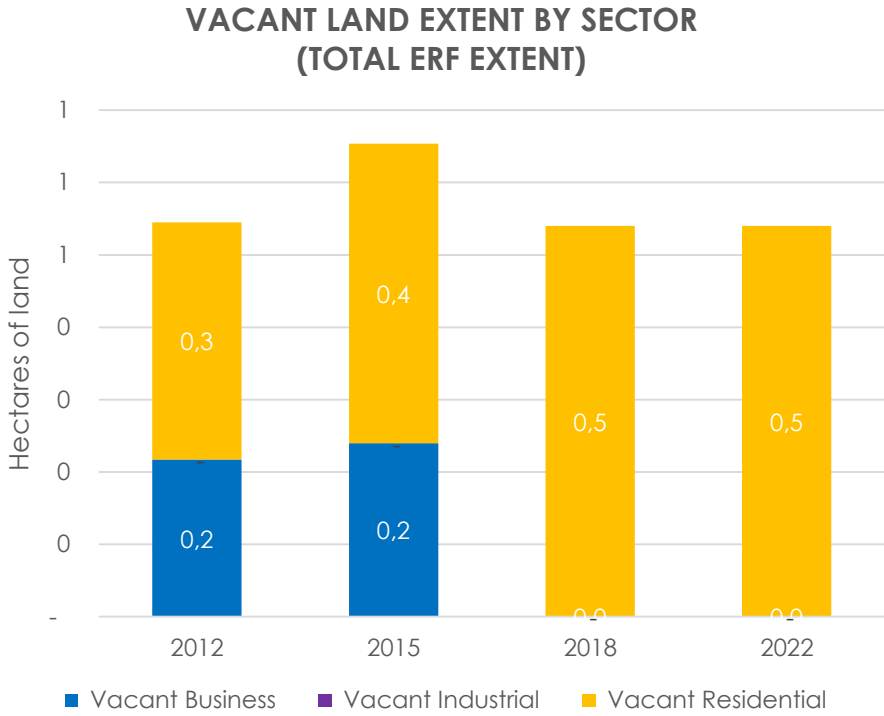
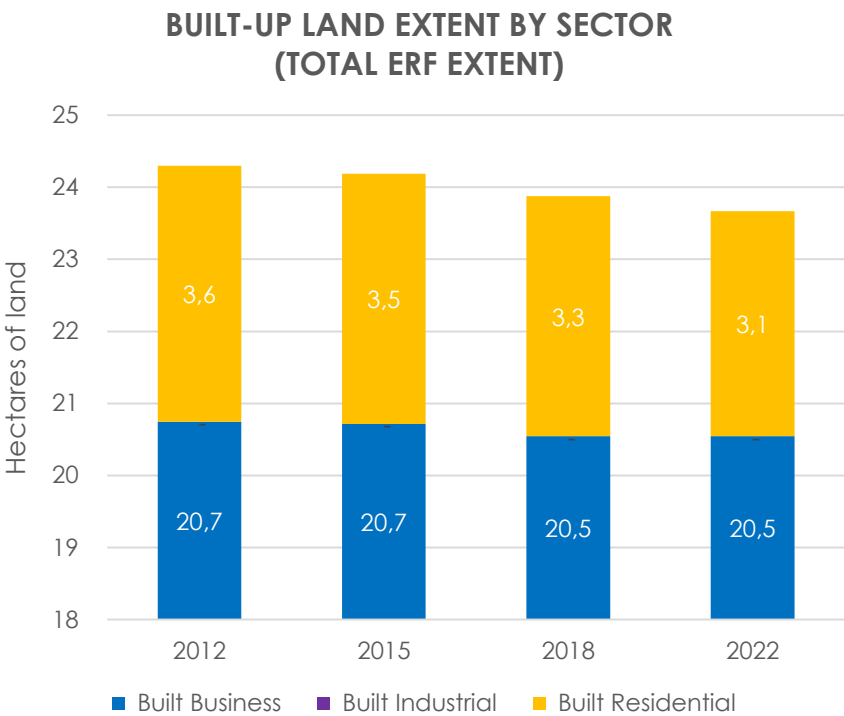
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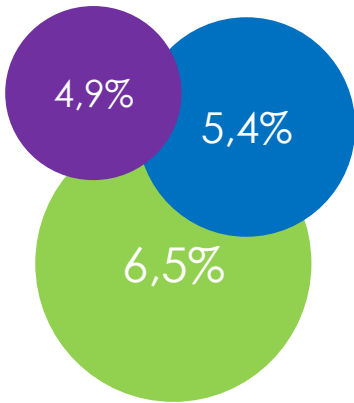


Number of land parcels that are vacant by size			
Erf Size	Commercial	Industrial	Residential
1) 1-250m ²			
2) 251-500m ²			
3) 501-1000m ²			2
4) 1001-2500m ²			1
5) 2501-5000m ²			1
6) 5001-10000m ²			
7) >10000m ²			

Source: City's General Valuation Roll and Market Reports



METRO AVERAGE: VACANCY RATES PER SECTOR FOR 2022*



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 regarding built-up land, with very little vacant land available, as of 2022 and further indicating a well-developed commercial area. 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 were similar in that they increased from 5% to 7,5% and 6,3%, respectively. The industrial sector also increased from 4% in 2012 to 5.7% in 2022.

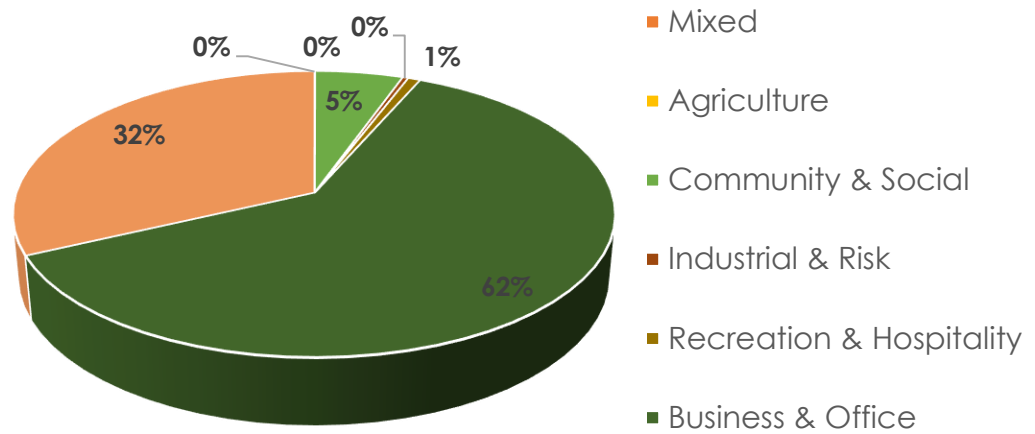
*A metro view that provides further context relative to this economic area.

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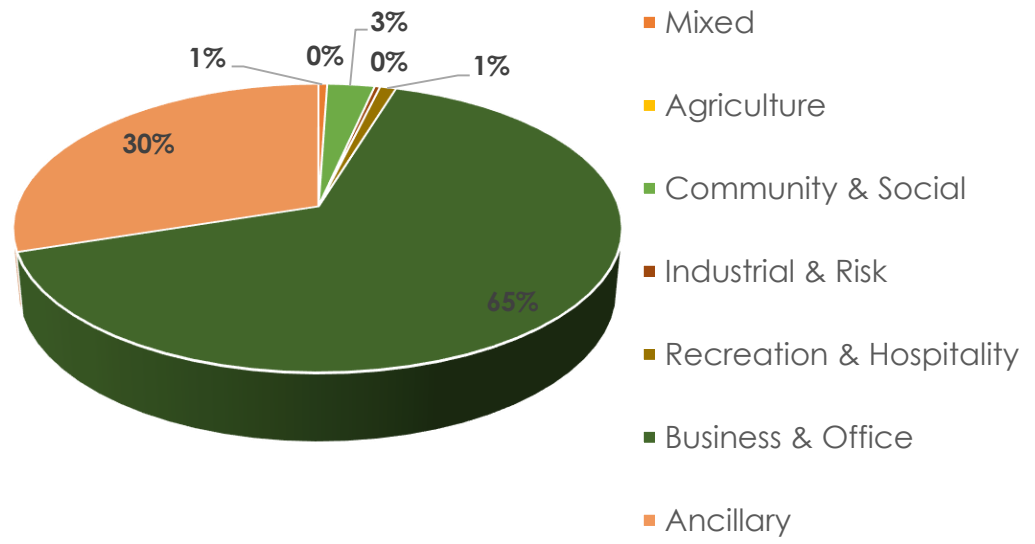
AGGLOMERATION OF INDUSTRIES

SECTORAL AGGLOMERATION AND CO-AGGLOMERATION RELATIONSHIPS

% OF LAND USE GROUPS (2012)



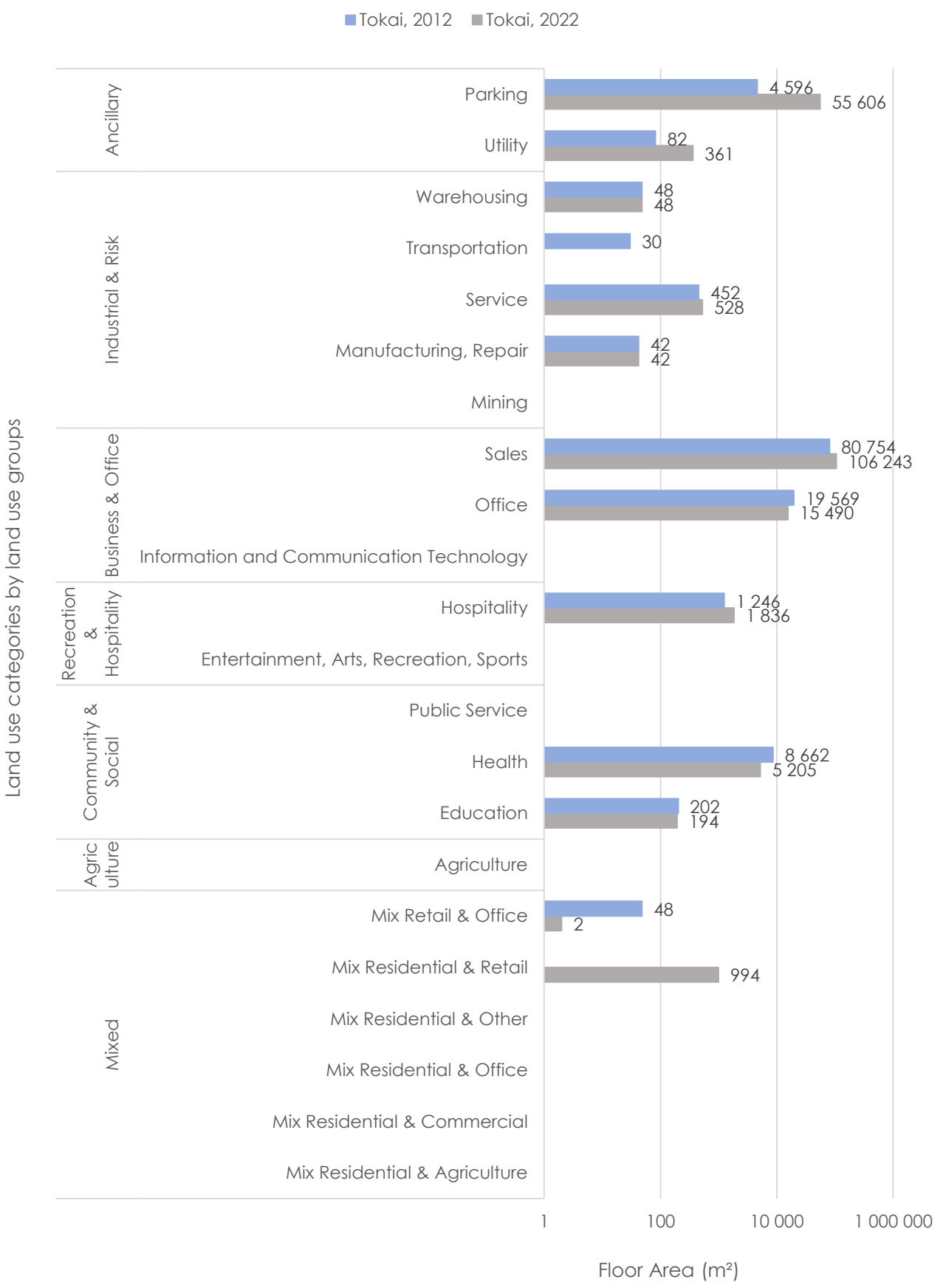
% OF LAND USE GROUPS (2022)



The pie charts illustrate the percentage distribution of land use groups in Tokai, based on the cumulative floor area (m²) across various land uses. As shown in the charts, the Business & Office group has been the most dominant in 2012 and also experienced growth by 2022. A significant amount of the Ancillary group is also present.

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 the sales and office land uses have maintained significant dominance and also expanded by 2022, with a noteworthy presence of parking spaces. 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.

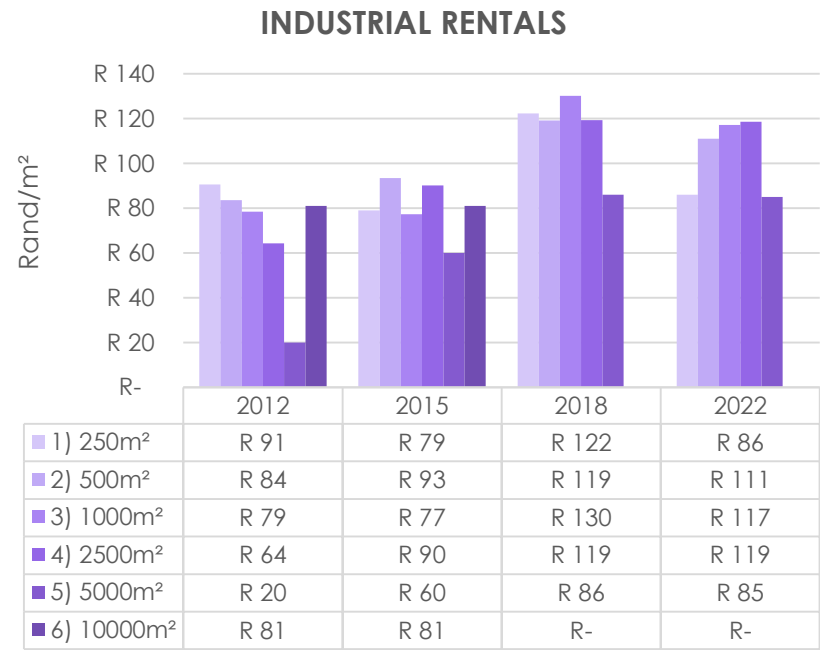
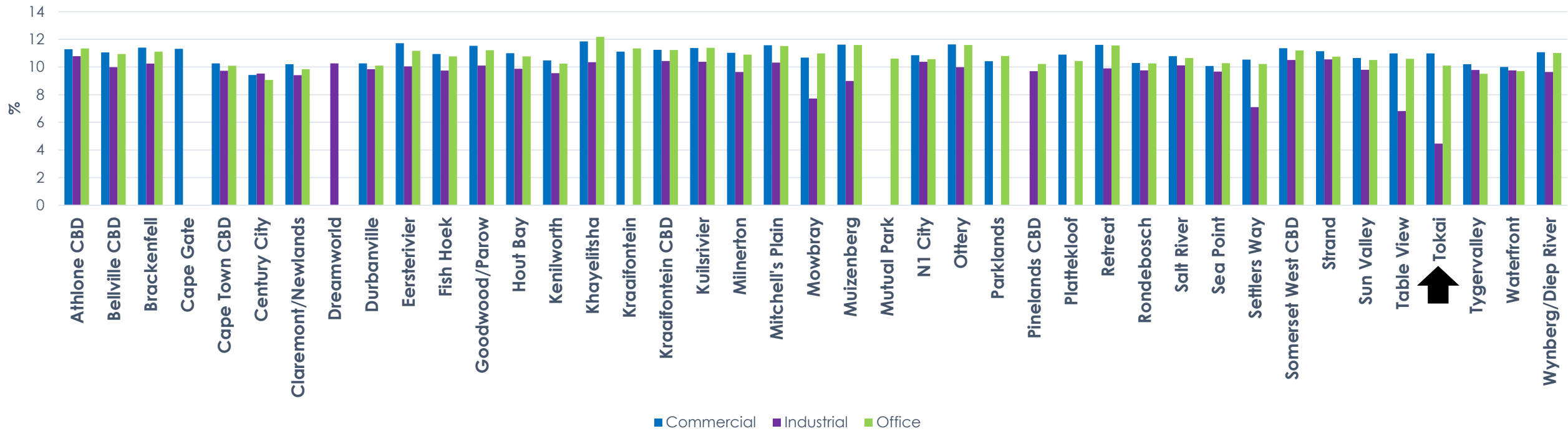
FLOOR AREA PER LAND USE CATEGORY FOR 2012 AND 2022



Source: Analysis of GV data (May 2024)

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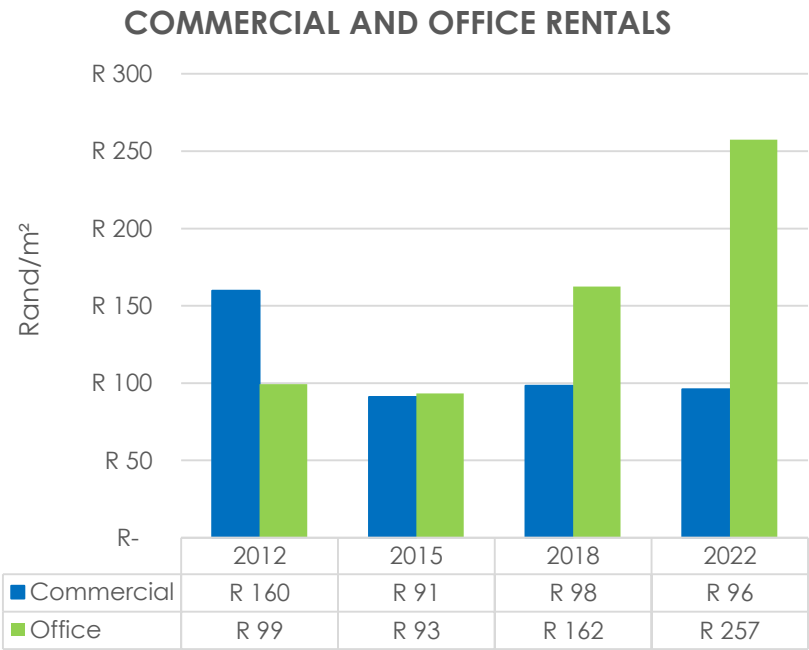
AVERAGE CAPITALISATION RATE OF TOKAI IN RELATION TO OTHER COMMERCIAL AREAS FOR THE PERIOD BETWEEN 2012 AND 2022



Rental rates

Rental rates across all industrial space fluctuated between 2012 and 2022, with significant increases observed in the smaller-sized property sizes.

Office rentals remained constant between 2012 and 2015 and while experiencing an increase between 2018 and 2022. Commercial rentals decreased in 2015 and remained constant up till 2022.

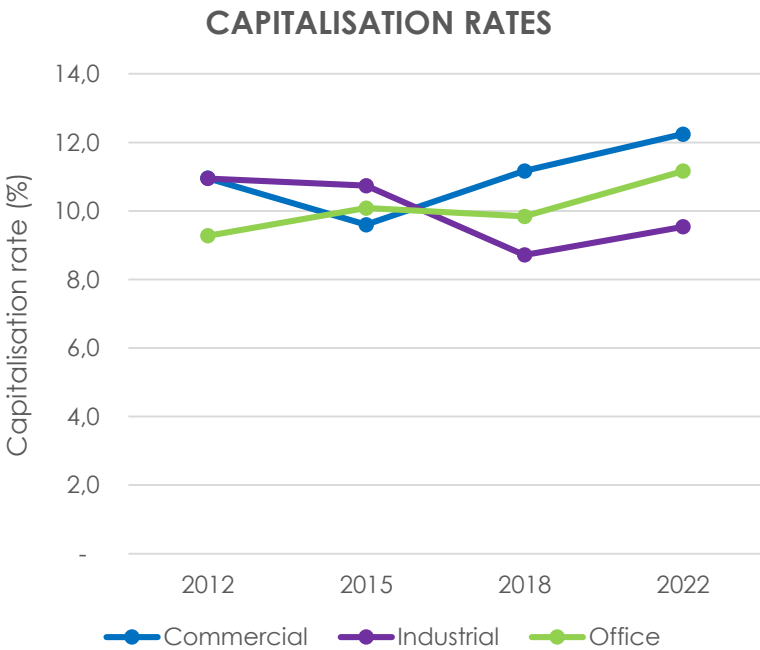


Comparative view on capitalisation rates

The average capitalisation rate between 2012 and 2022 for commercial, industrial and office sectors has been 10,98%, 4,46% and 10,11%, respectively and further indicates its competitiveness relative to other commercial areas.

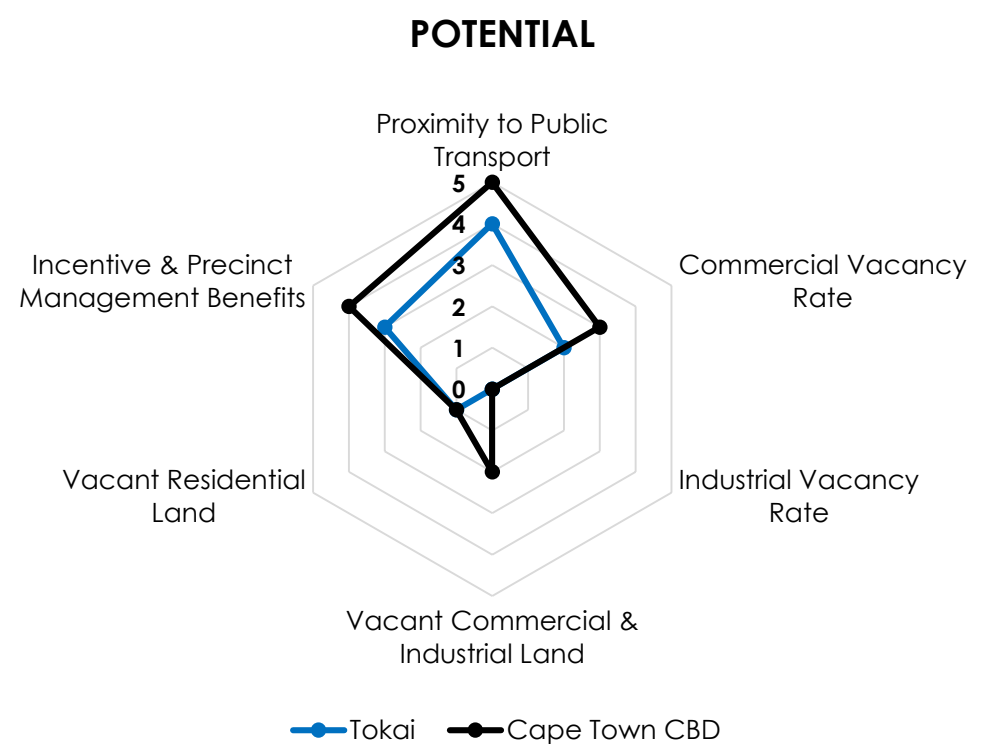
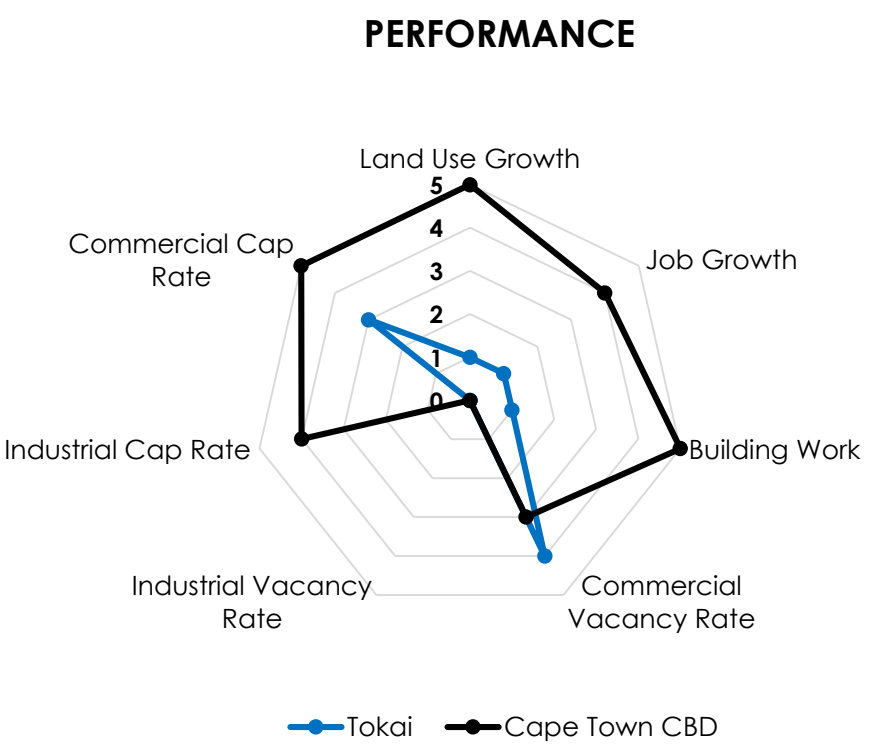
Year on year capitalisation rates for the commercial sector have increased from 10,9% in 2012 to 12,2% in 2022. The office sector also increased from 9,3% in 2012 to 11,2% in 2022. Lastly, the industrial sector decreased from 10,9% in 2012 to 9,5% in 2022.

- 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.



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.

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