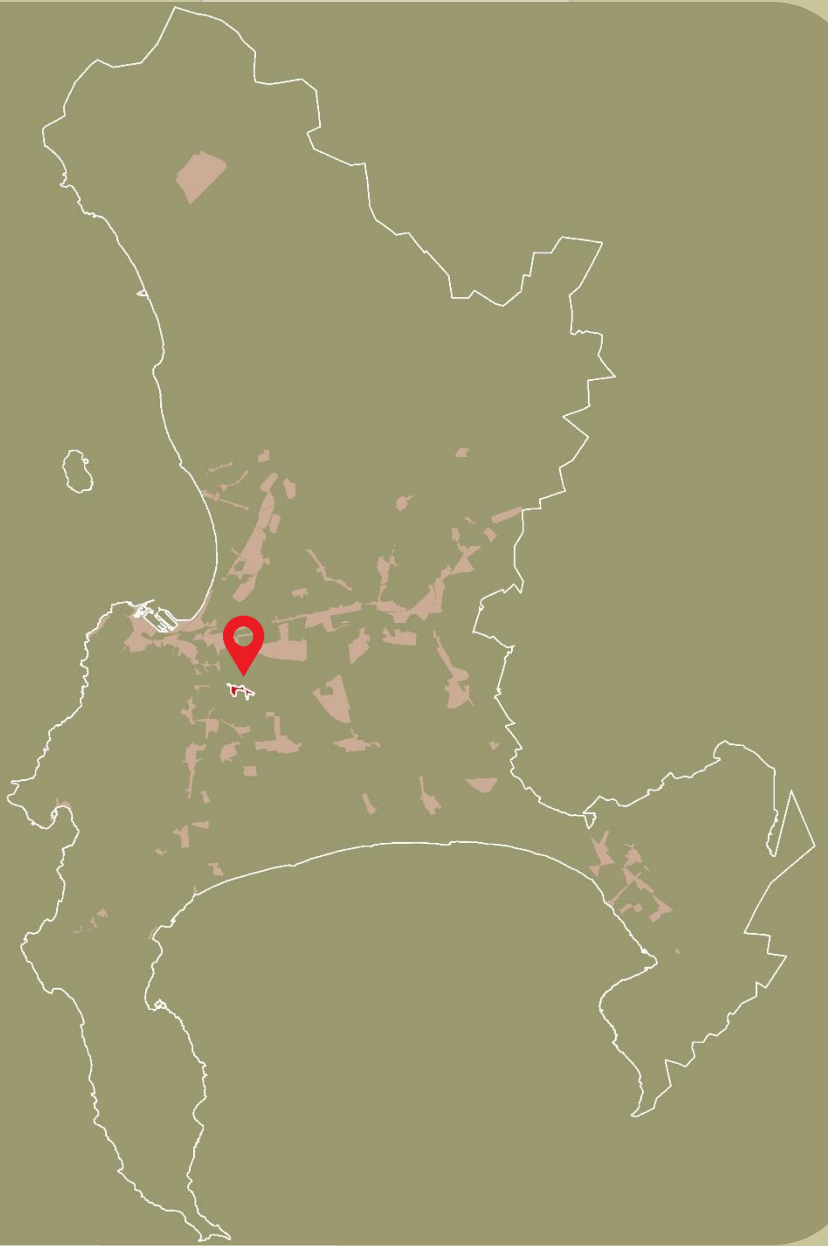
ATHLONE CBD

ECONOMIC AREA PROFILE

TREND ANALYSIS 2012-2022



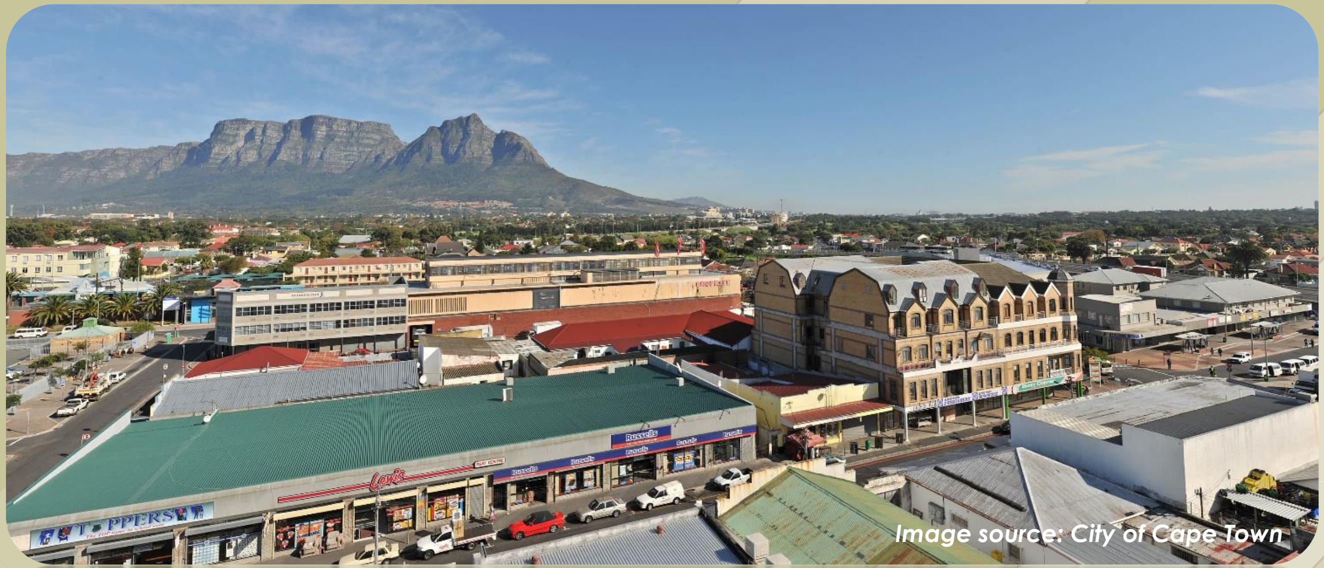


Image source: City of Cape Town

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June 2025

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

- Cape Flats DSDF - Subdistrict 1: Greater Athlone:
  - District Development Guidelines (page 64)
  - Subdistrict Development Guidelines (page 93)
  - Consolidated subdistrict SDF (Figure 16: Greater Athlone area subdistrict)

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

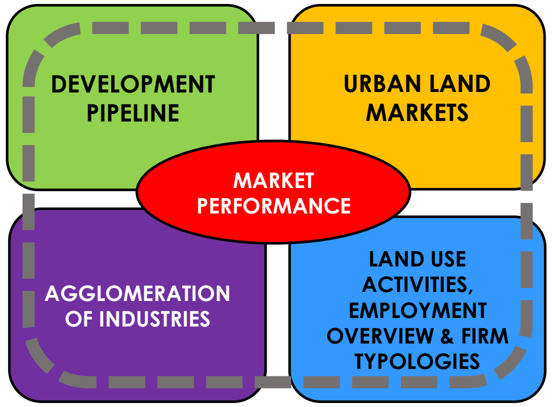
VALUE PROPOSITION	CHALLENGES /OBJECTIVES TO ADDRESS	AREAS OF APPLICATION
Promoting economic infrastructure in support of economic growth and job creation. Supports internal and external collaboration around data and spatial intelligence. Supports the spatially differentiated investment rationale of the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

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



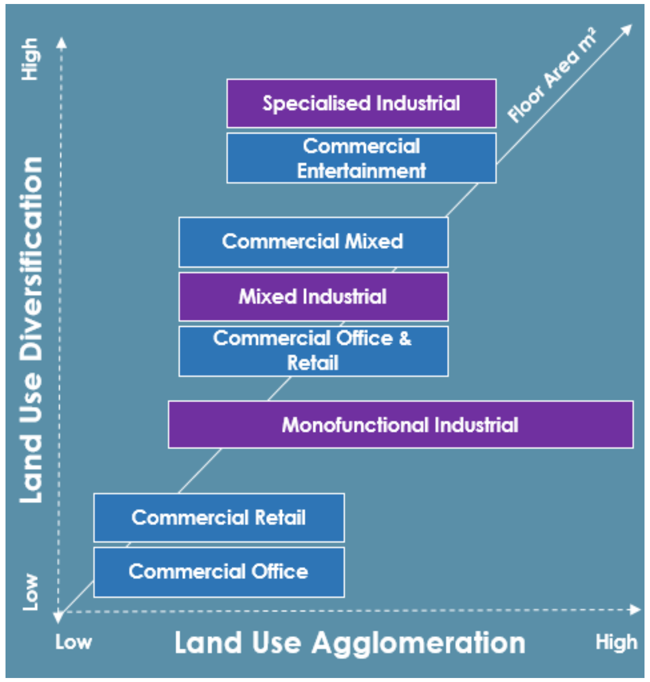
Built-up extent (m²) of land per sector **(S)**.
Vacant land (m²) per sector **(S)**.
Vacancy rate of buildings (%) per sector **(P)**.

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)**

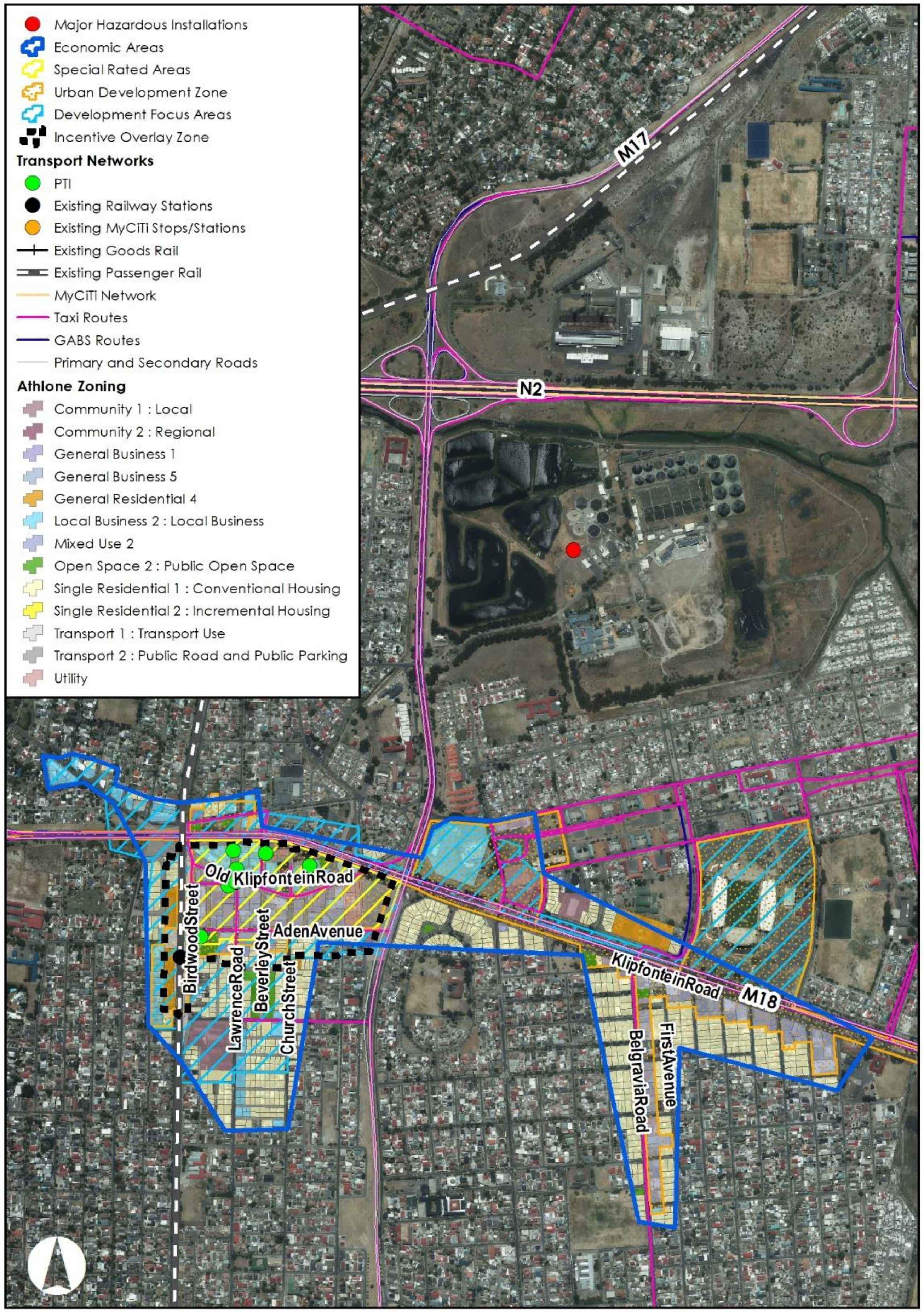
HOW

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).



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

INTRODUCTION



ATHLONE CBD

Location

- The area is approximately 11km southeast of Cape Town's Central Business District and the Port of Cape Town. Furthermore, the area is located 12km from Cape Town International Airport.
- It is also situated near the N2 and M5 highways, including other major roads, namely Klipfontein Road, providing easy access to areas across Cape Town.
- The area includes a Public Transport Interchange and is serviced by rail, taxis and GABS.
- Access to a skilled workforce from surrounding areas includes the broader Athlone, Thornton, Pinelands, Langa, Rylands and Crawford areas.
- Due to its location, the area also attracts a skilled workforce from areas across Cape Town.

Zoning, land use and form

- The area is predominantly zoned for business and residential purposes.
- The area is mainly characterised by retail, office and public services, which include shops, flats and civic functions.
- The average land parcels in the area vary between 500 – 1,500m², with a limited number of land parcels ranging beyond 3,000m².

Spatial planning mechanisms

- The area is serviced by a City Improvement District.
- The area has been identified as a Development Focus Area as part of the Cape Flats District Spatial Development Framework.
- Part of Athlone CBD is also incentivised as part of the National Treasury's tax incentive (Urban Development Zone).
- The area also includes an Incentive Overlay Zone.

Key highlights of the area include:

- The area established itself between 1925 and 1930, which developed into a Central Business District over time.
- Athlone City Improvement District (ATHCID) was established in 2007.
- The South African Police Services (SAPS) and a number of City of Cape Town customer interface functions have established themselves in the area.

LAND USE ACTIVITIES

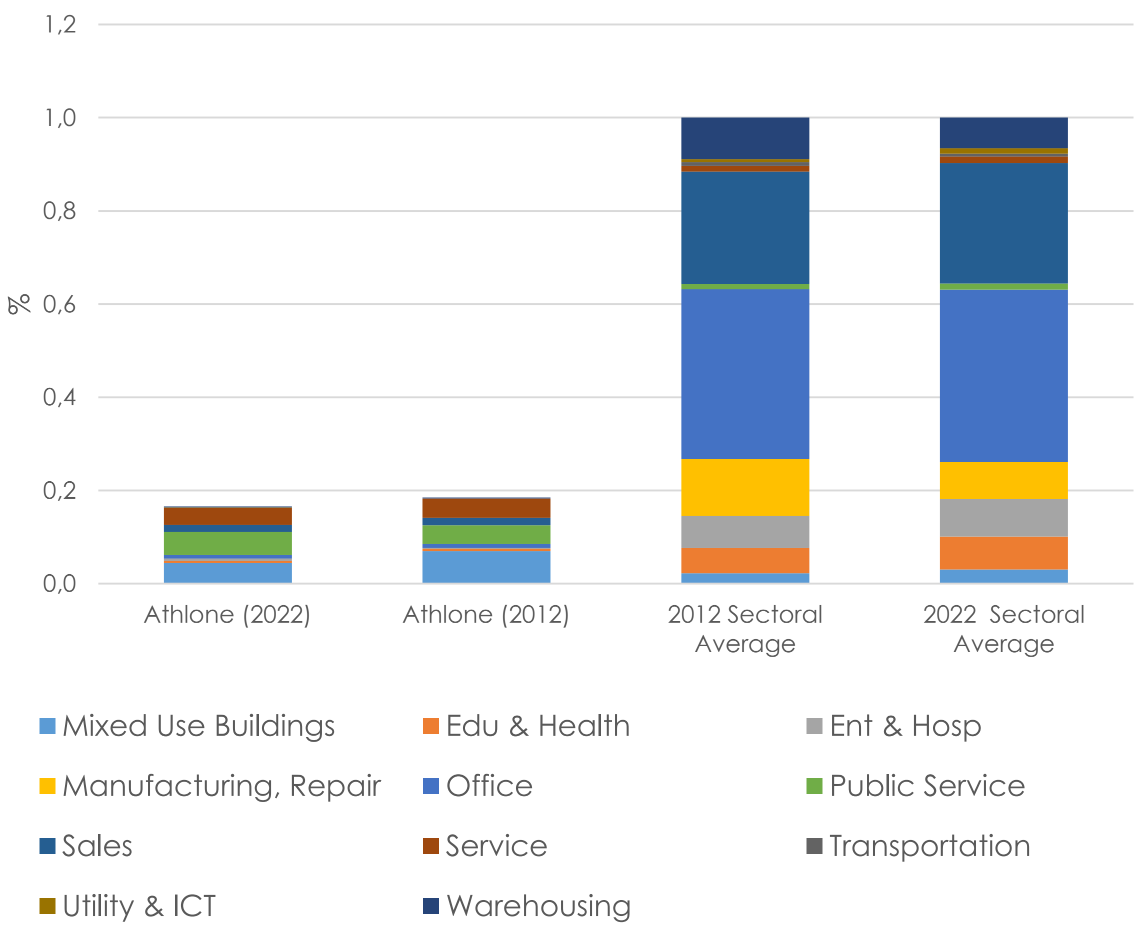
A recent analysis involved the conversion of land use codes contained in the General Valuation Roll (GV Roll) into Standard Industrial Classification (SIC) codes to determine the propensity of industries operating in areas of similar character. However, for the commercial nodes, the benchmarking and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

- Between 2012 and 2022, Athlone CBD was mainly characterised by a greater propensity for mixed-use buildings (office, retail & residential) public service and general service as reflected in the **Nodal Typology**. The nodal typology highlights industries with the most floor area (m²) operating within an economic area.

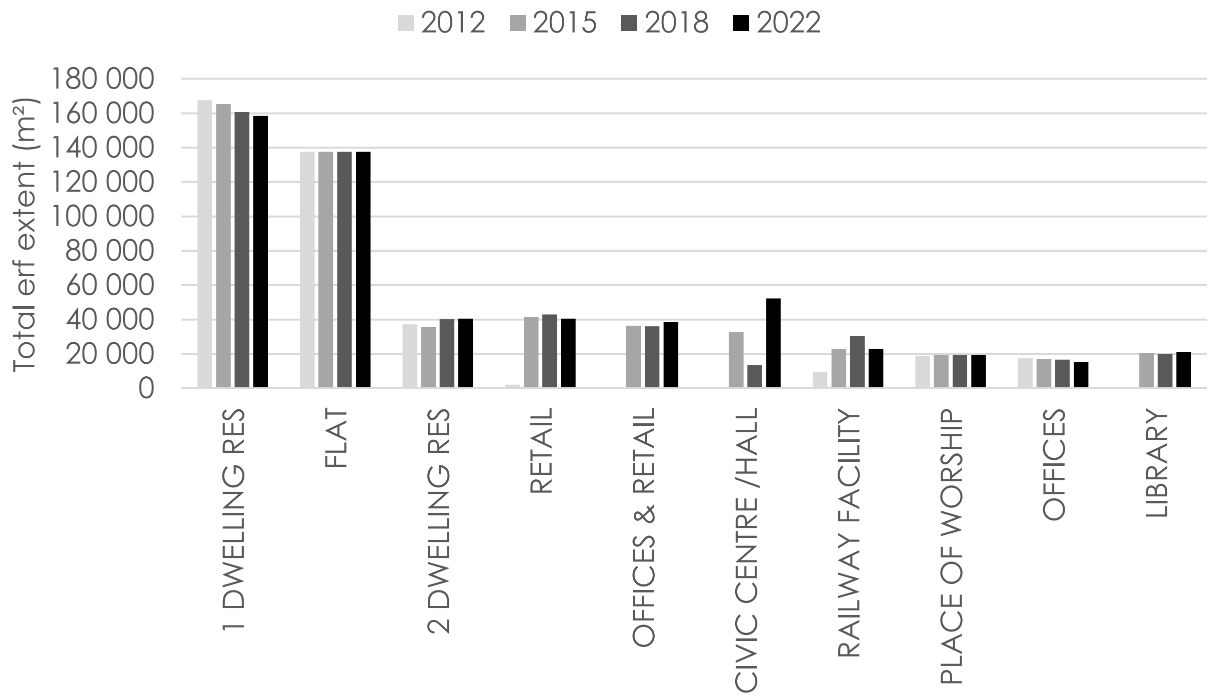
- The **Metroscale Benchmarking** positions Athlone CBD as being a contributor of mixed-use buildings (office, retail & residential), public service and general service which performs higher than that of the sectoral average when measured against other commercial areas across Cape Town.

- 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 single dwelling residential, flats, office & retail, public services and retail.

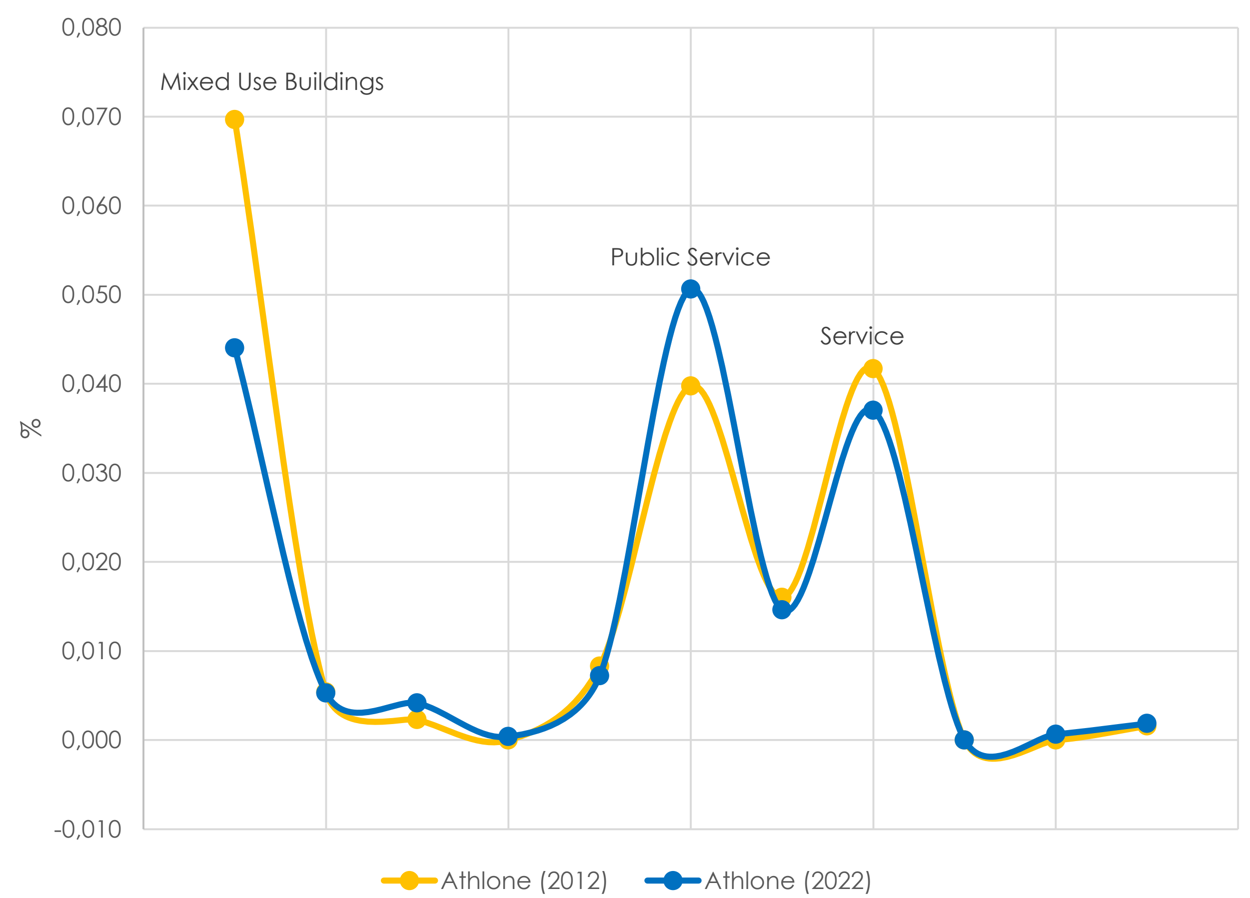
METROSCALE BENCHMARK



TOP 10 MOST DOMINANT LAND USES BETWEEN 2012 AND 2022

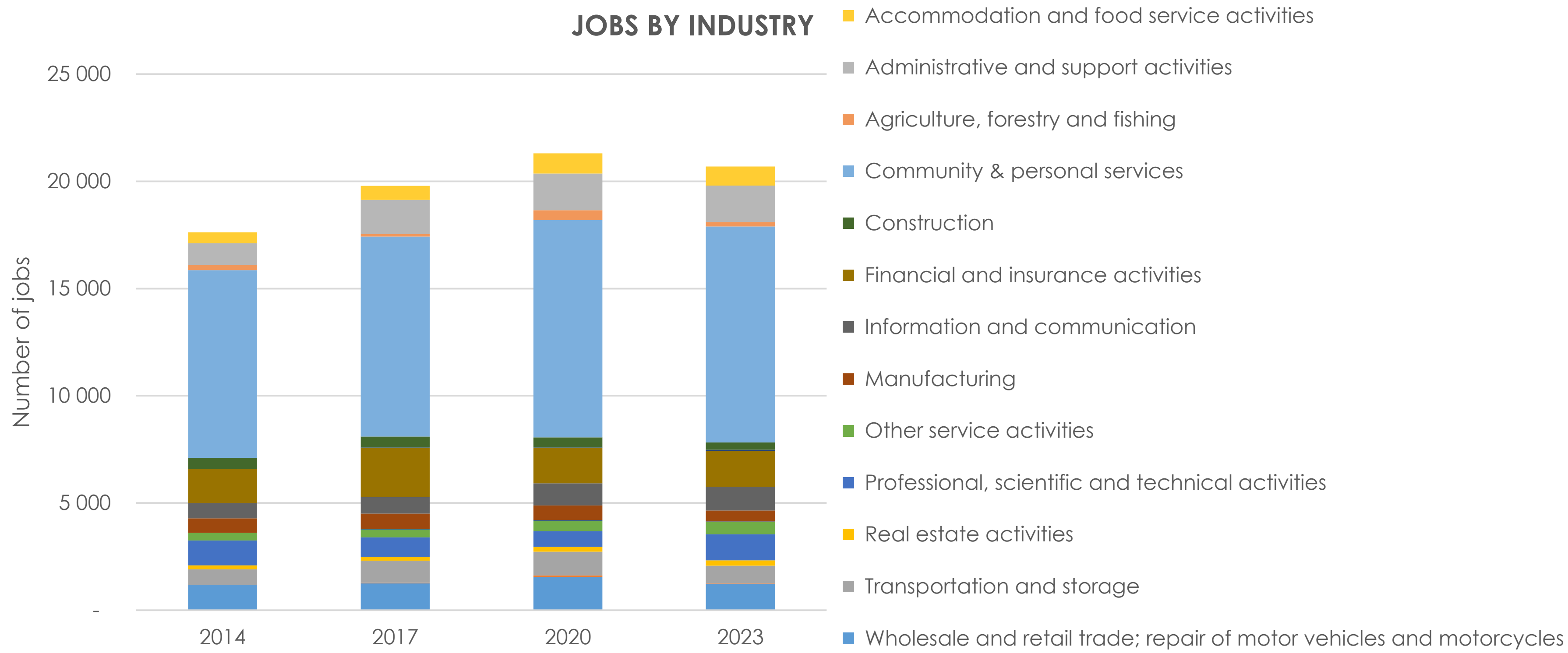


NODAL TYPOLOGY FOR 2012 AND 2022
(Office and Retail)



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

EMPLOYMENT OVERVIEW & FIRM TYPOLOGIES



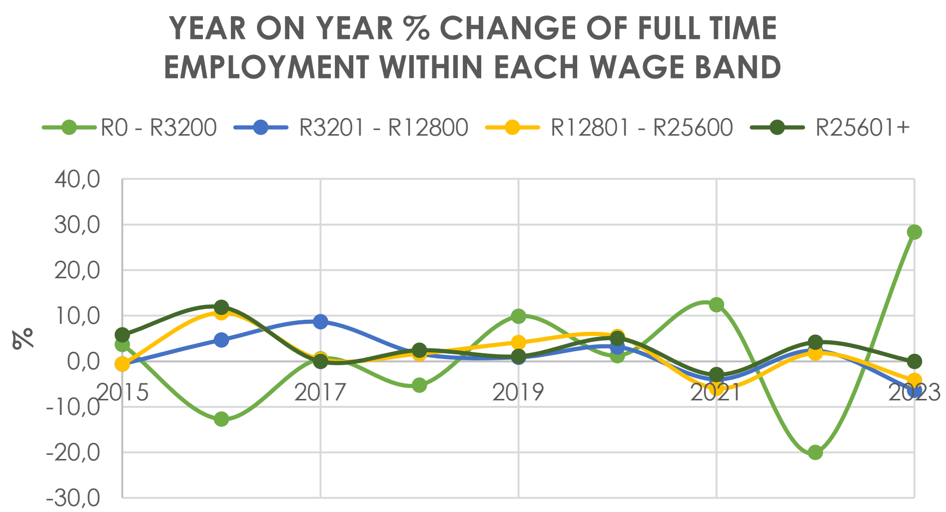
Jobs/Firms

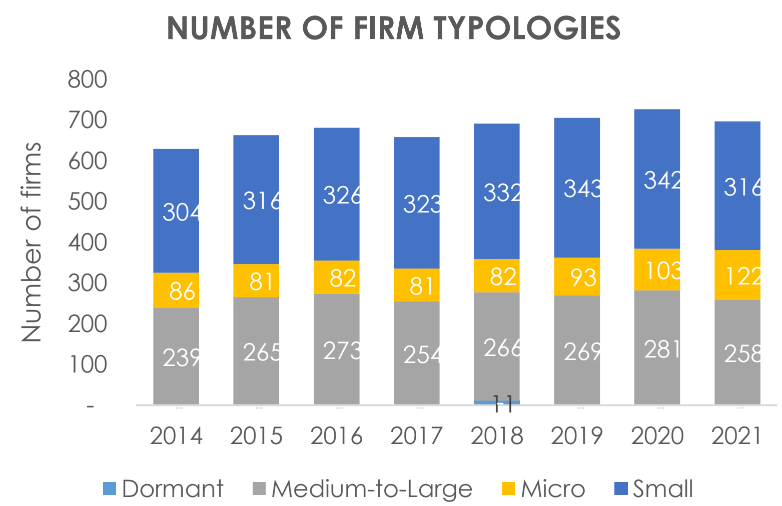
Between 2014 and 2023, the number of job opportunities in the Athlone CBD ranged from approximately 17,500 to 20,000. A steady increase in jobs was observed from 2014 to 2020, however, a decrease in jobs occurred in 2023, which can be associated with the effects of the COVID-19 pandemic. Over the years, most jobs have been concentrated in the community & personal services, administrative activities, financial & insurance services and wholesale & retail.

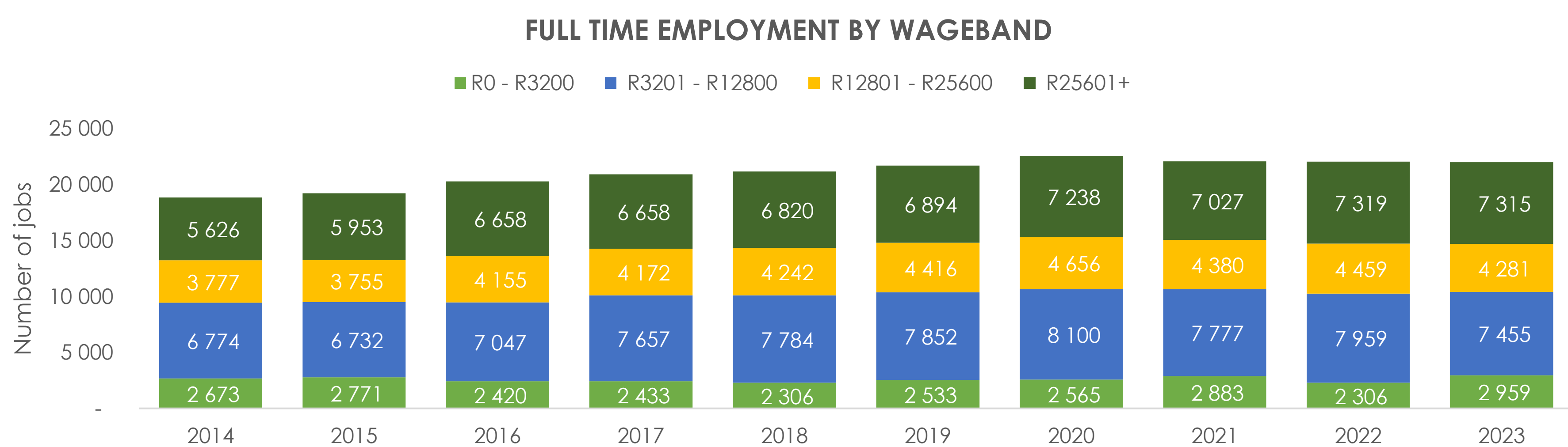
The total number of firms increased from 600 to 700. While small firms dominate the landscape, there is also a significant presence of medium-to-large firms, as well as micro firms.

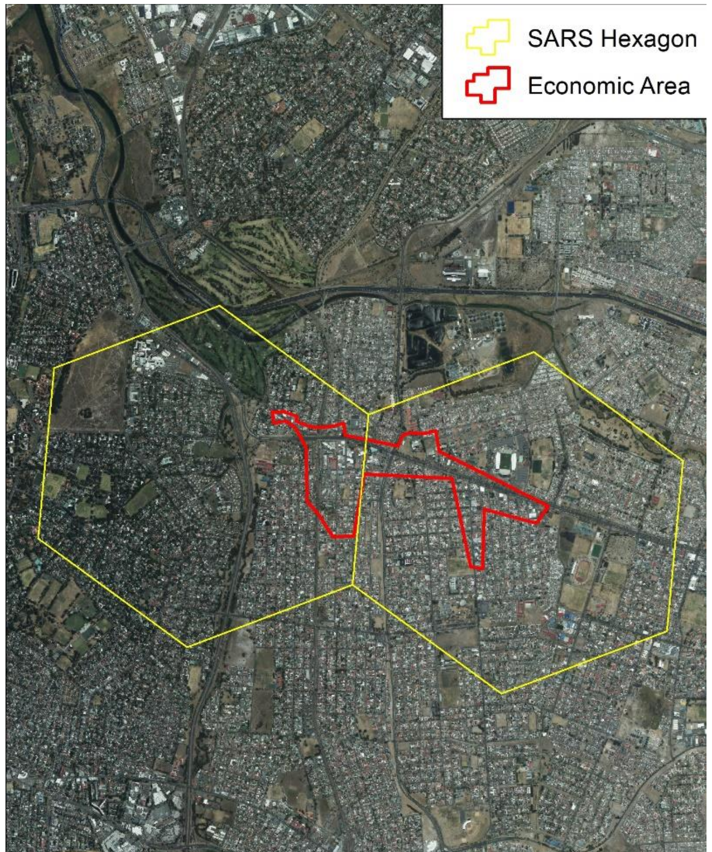
Income bands

The income bands reflect the skill levels of employed individuals. The data indicates that a larger proportion of employees earn up to R12,800, with a significant number of employees earning within the upper income brackets.







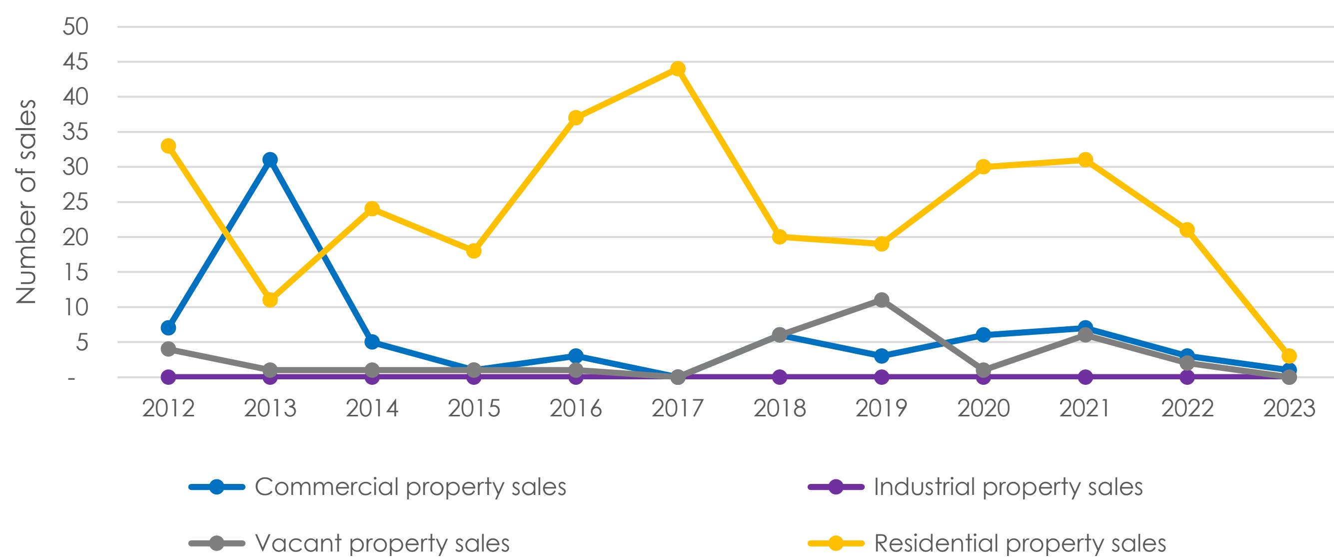


Spatial hexagons in which SARS data has been captured and overlaid with Athlone CBD economic area

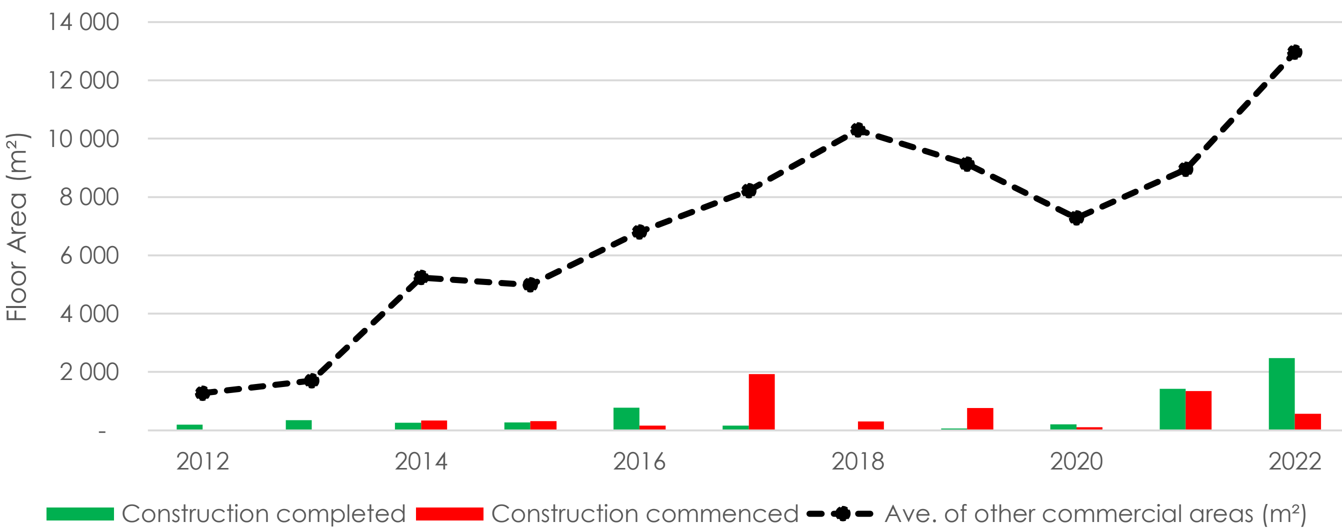
Source: SARS data extract for period between 2014 and 2023. Firm size data only available between 2014 and 2021.

DEVELOPMENT PIPELINE

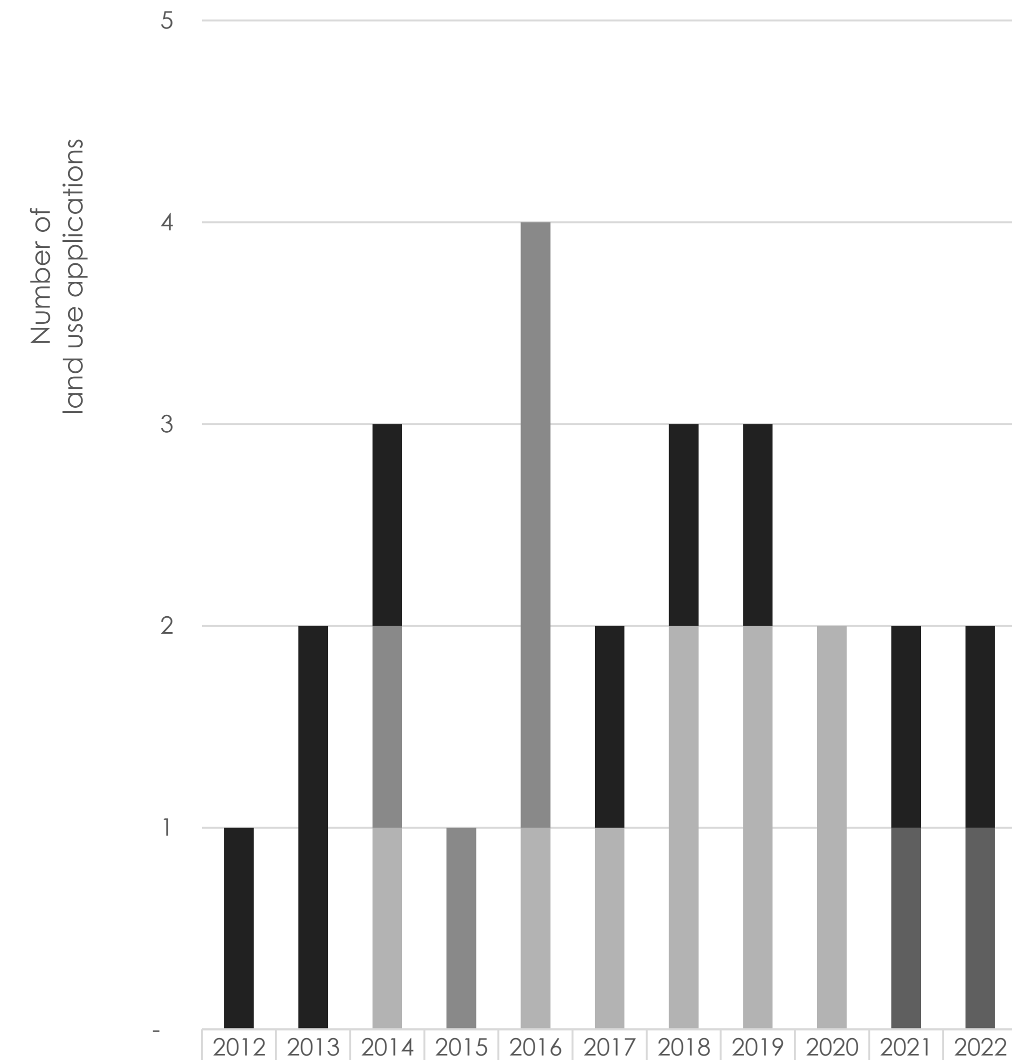
PROPERTY SALES BY SECTOR



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	1	2	1	-	-	1	1	1	-	1	1
Rezonings	-	-	1	1	3	-	-	-	-	-	-
Multiple applications	-	-	1	-	1	1	2	2	2	-	-
Consolidations	-	-	-	-	-	-	-	-	-	1	1

Property Sales
Between 2012 and 2022, property sales in the residential sector were much higher compared to other sectors. The only exception was in 2013 when there was a significant spike in commercial property sales. Overall, property sales have remained low, suggesting stability in the property market for Athlone CBD.

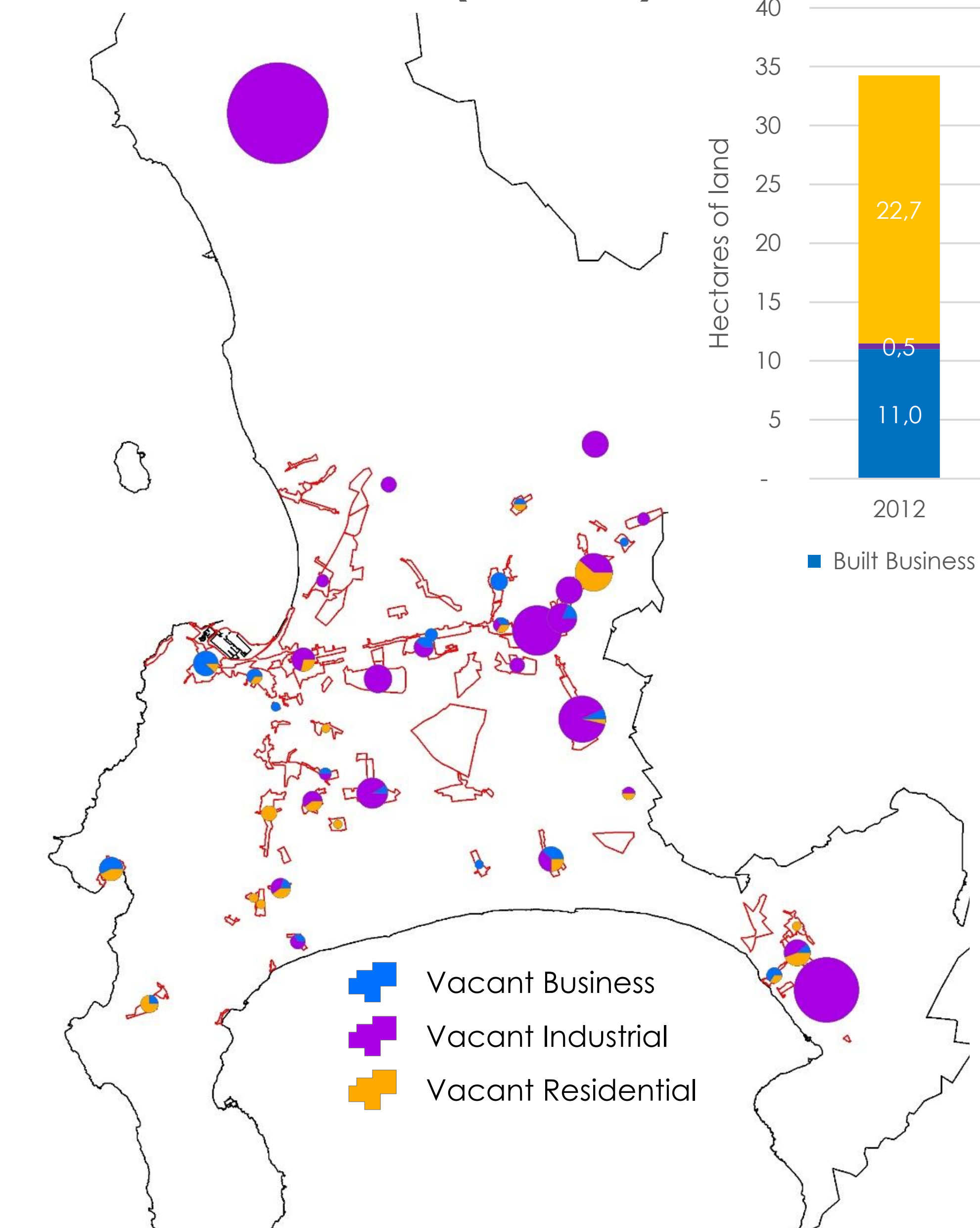
Land Use Applications
Most approvals during this period were for subdivisions, alongside several multiple applications and a few for rezonings. This indicates a demand for specific property sizes with minimal rezoning occurring in the area. In total, fewer than five approvals were granted based on the application types depicted 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.

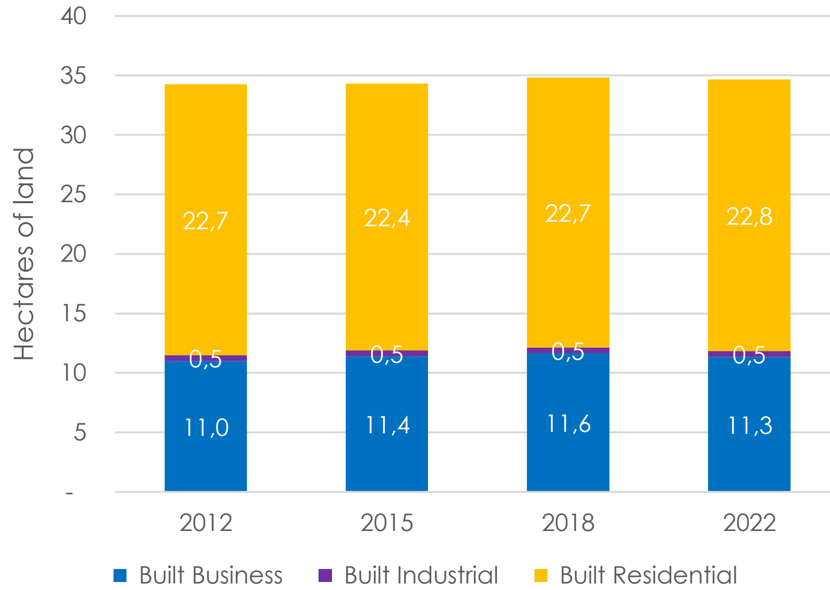
Source: City's DAMS (building plans and land use applications extract), General Valuation Roll.

LAND USE CHANGE & VACANCY RATES

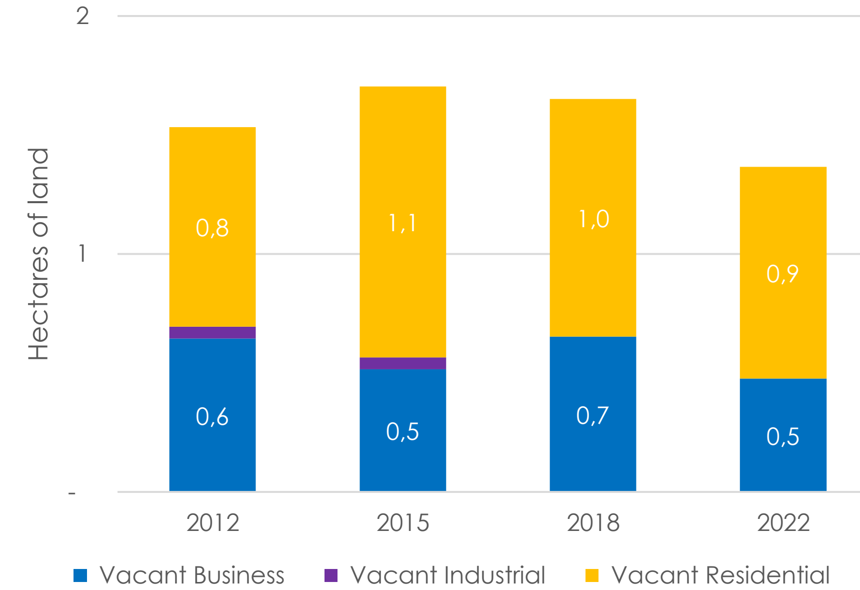
VACANT LAND ACROSS CAPE TOWN (GV 2022)*



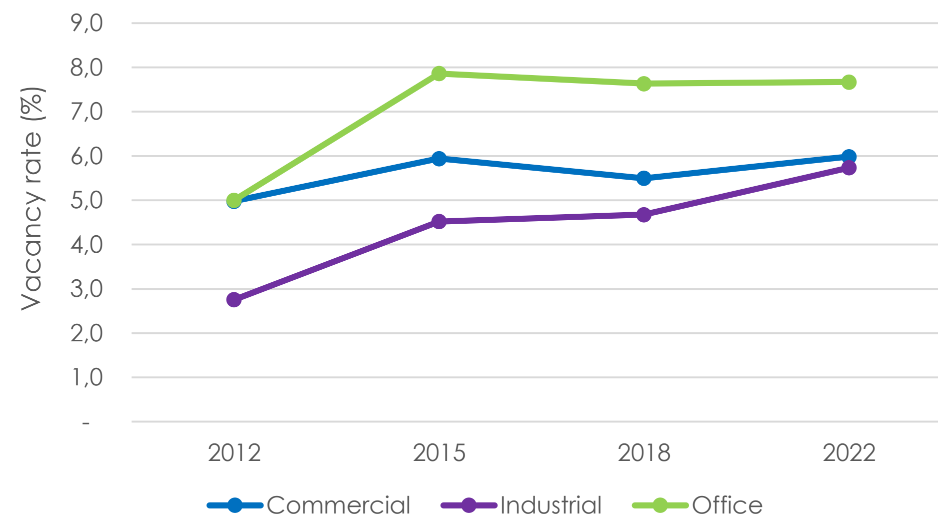
BUILT-UP LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



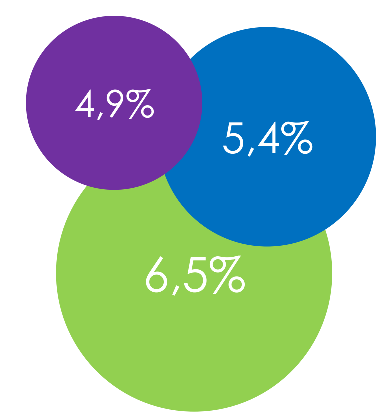
VACANT LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



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

Vacant Land
The map illustrates the latest General Valuation Roll (2022) by showcasing vacant land across the metropolitan area. The map can be read in conjunction with the vacant land graph for the 2022 GV year. Athlone CBD has remained stable in terms of the built-up land, with limited vacant land available as of 2022, indicating a developed commercial area. Additionally, the vacant land remaining 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 sector have increased from 5% in 2012 to 6% in 2022. The office sector increased from 5% in 2012 to 7.7% in 2022, while the industrial sector has also increased from 2.8% in 2012 to 5.7% in 2022.

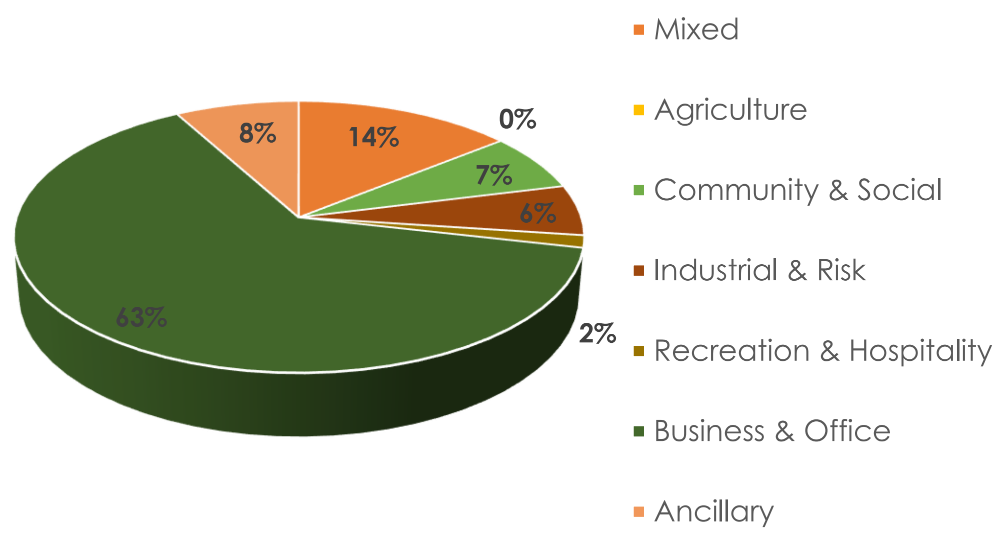
Source: City's General Valuation Roll and Market Reports

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

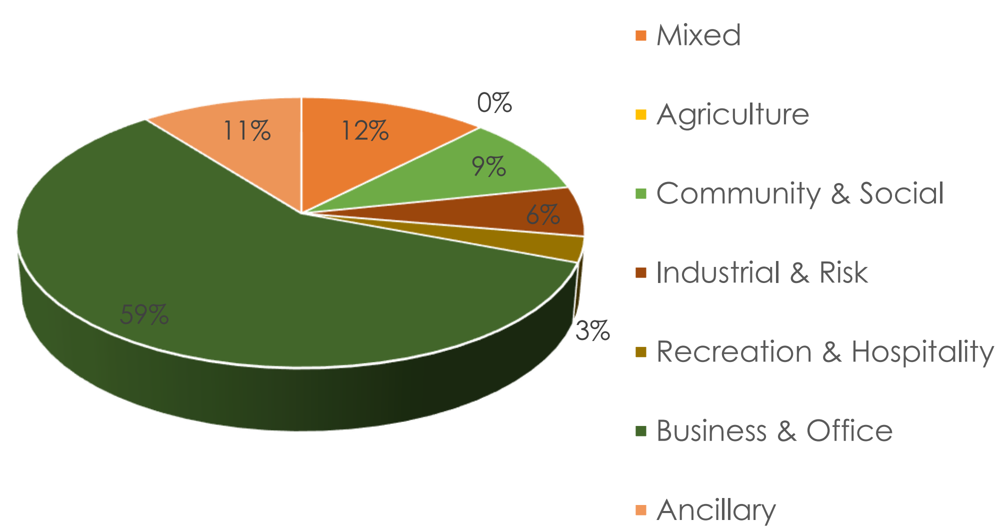
AGGLOMERATION OF INDUSTRIES

SECTORAL AGGLOMERATION AND CO-AGGLOMERATION RELATIONSHIPS

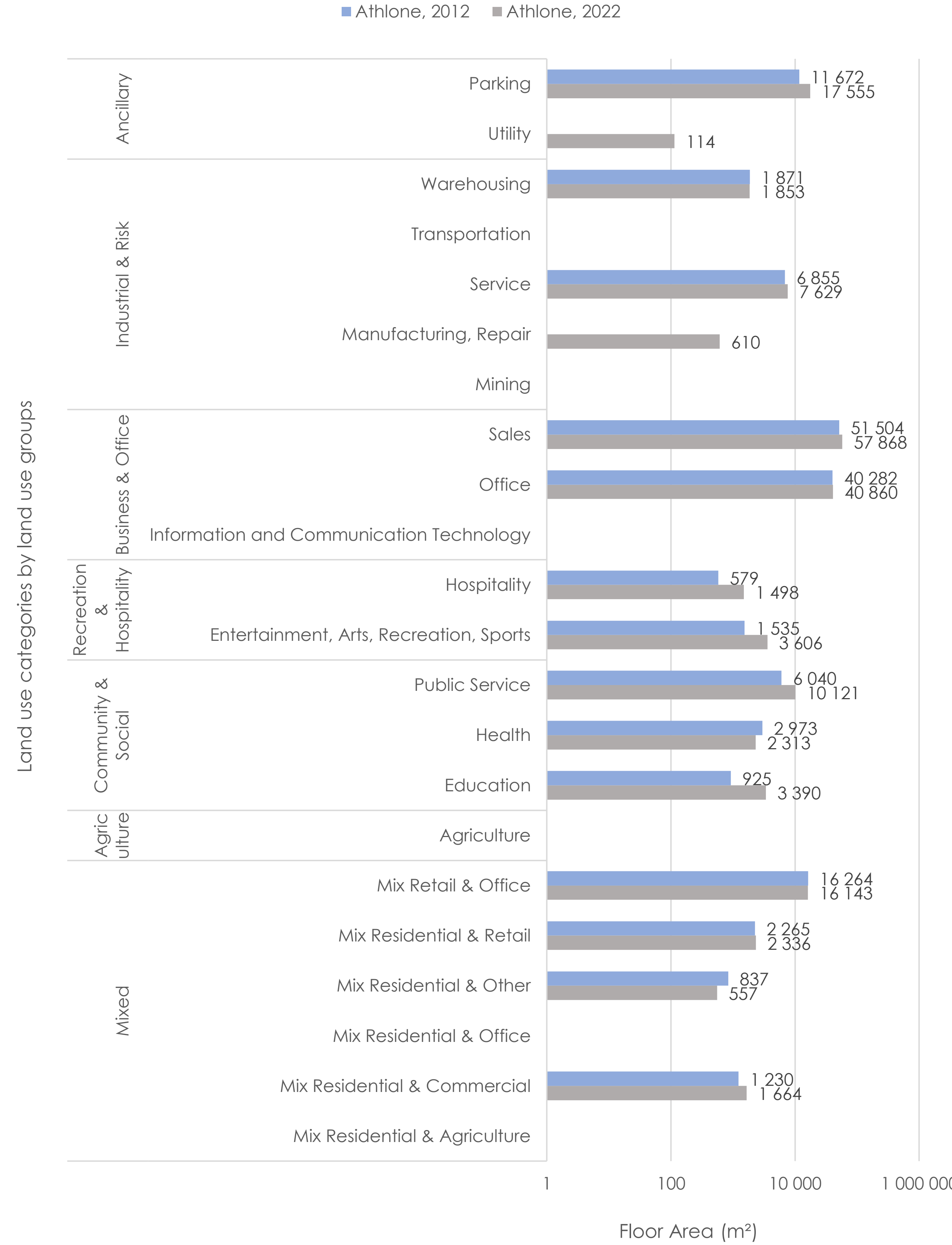
% OF LAND USE GROUPS (2012)



% OF LAND USE GROUPS (2022)



FLOOR AREA PER LAND USE CATEGORY FOR 2012 AND 2022

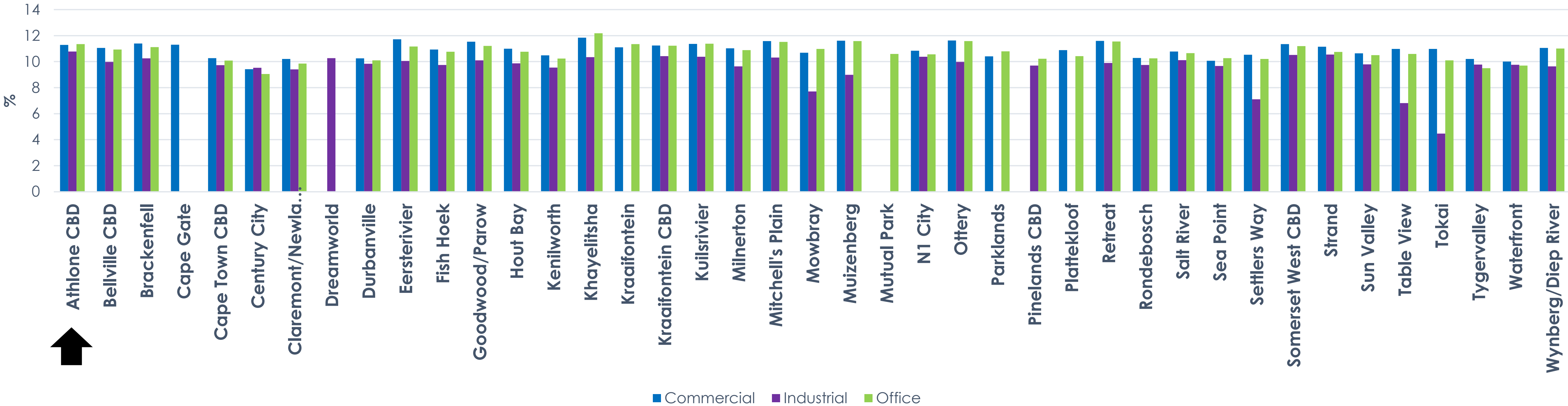


Source: Analysis of GV data (May 2024)

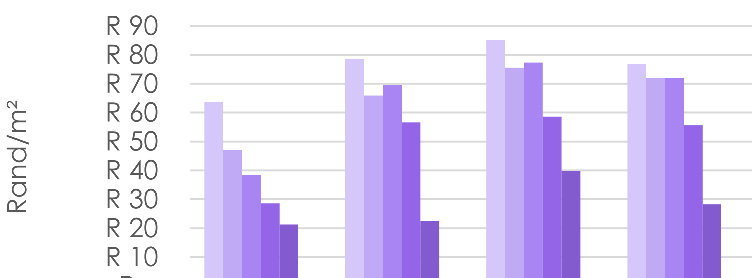
The pie charts illustrate the percentage distribution of land use groups in Athlone CBD, based on the cumulative floor area (m²) across various land uses. As shown in the charts, the Business & Office group has been dominant in both 2012 and 2022 when compared to the other groups.

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 office spaces have maintained significant dominance, with a noteworthy presence of mixed retail and office spaces. Furthermore, public services have increased substantially by 2022. Other land uses are also present and can be seen to be in support of the most dominant land uses.

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

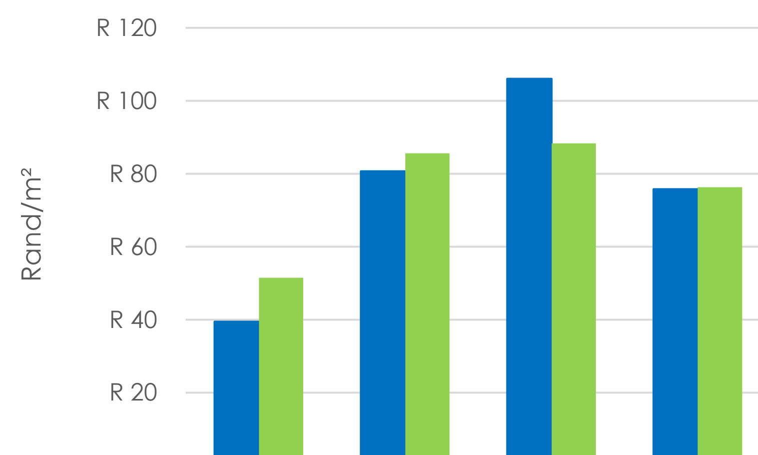


INDUSTRIAL RENTALS



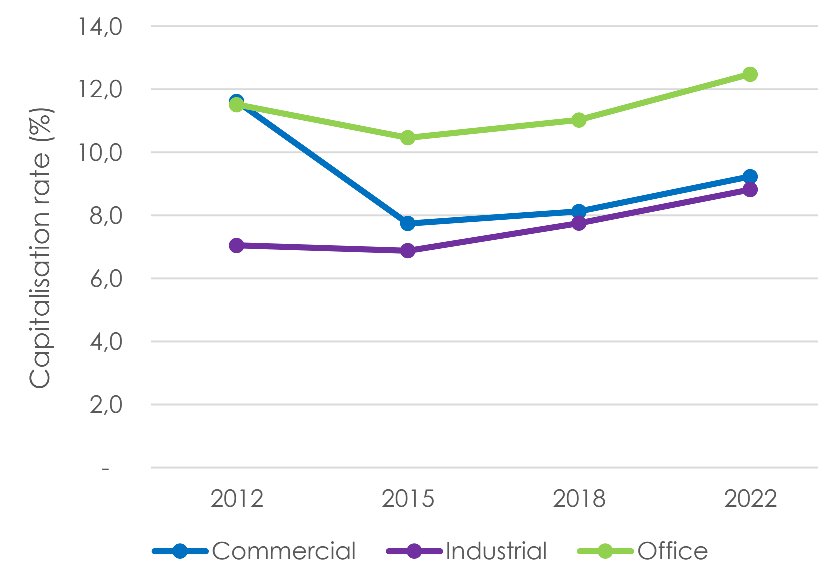
	2012	2015	2018	2022
1) 250m²	R 64	R 79	R 85	R 77
2) 500m²	R 47	R 66	R 76	R 72
3) 1000m²	R 38	R 70	R 77	R 72
4) 2500m²	R 29	R 57	R 59	R 56
5) 5000m²	R 21	R 23	R 40	R 28
6) 10000m²	R-	R-	R-	R-

COMMERCIAL AND OFFICE RENTALS



	2012	2015	2018	2022
Commercial	R 40	R 81	R 106	R 76
Office	R 52	R 86	R 88	R 76

CAPITALISATION RATES



Rental rates

Rental rates across all industrial space gradually increased between 2012 and 2018, with higher rental prices recorded for smaller spaces. The area also experienced an overall decrease in rentals in 2022.

Both commercial and office rentals have increased significantly from 2012 to 2018, with rental prices being higher for office space. Both sectors experienced a decrease in rental rates in 2022.

Comparative view on capitalisation rates

The average capitalisation rate between 2012 and 2022 for commercial, industrial and office sectors has been 11,29%, 10,78% and 11,39%, respectively and further indicates its competitiveness relative to other commercial areas.

Year on year capitalisation rates for the commercial sector have decreased from 11,5% to 8,8% while capitalisation rates for the office sector have increased from 11,5% to 12,5%.

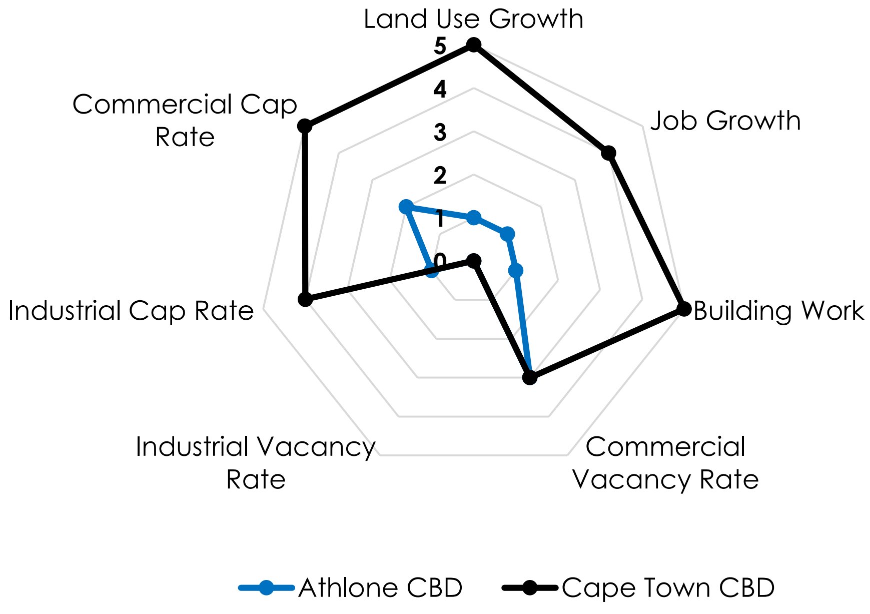
- *Higher cap rates = higher investment risk.*
- *Lower cap rates = lower investment risk.*

Source: 2012 – 2022 market reports

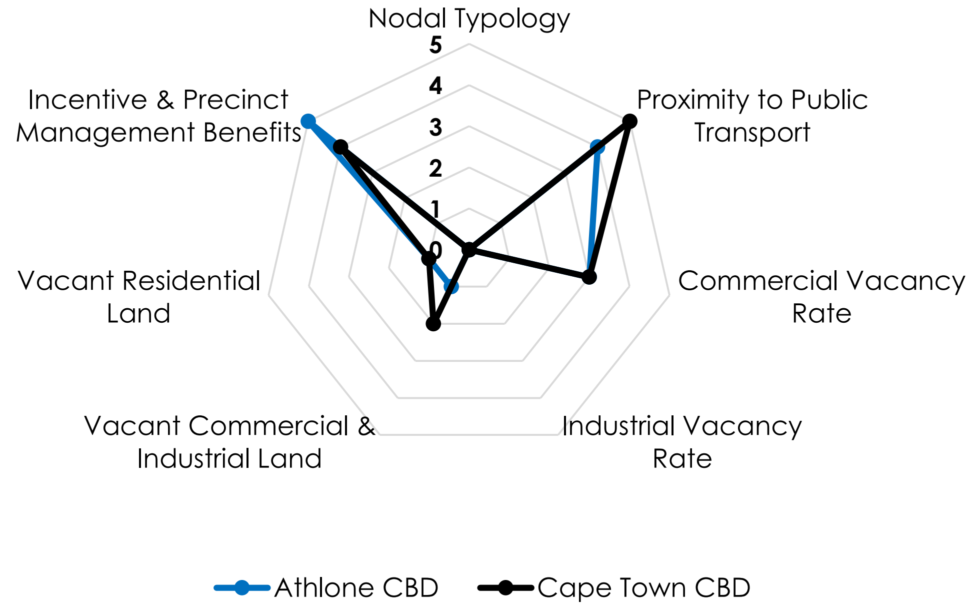
PERFORMANCE & POTENTIAL

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.***