ATLANTIS INDUSTRIAL

ECONOMIC AREA PROFILE

TREND ANALYSIS 2012-2022

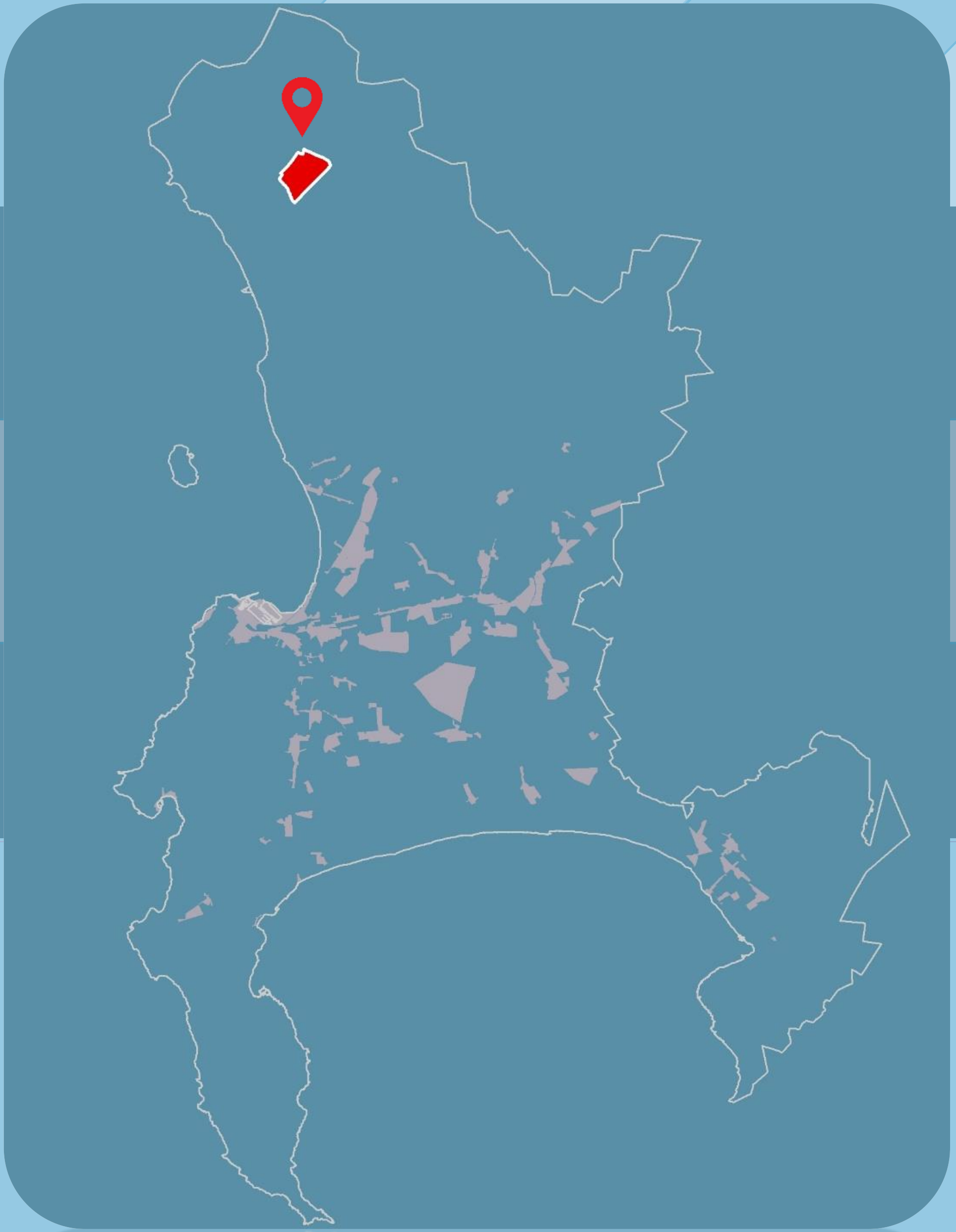


Image source: City of Cape Town

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June 2025

Making progress possible. Together.

ACKNOWLEDGEMENTS

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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

- Blaauwberg DSDF - Subdistrict 5: Atlantis and surrounds:
  - District Development Guidelines (page 64)
  - Subdistrict Development Guidelines (page 98)
  - Consolidated Subdistrict SDF (Figure 22: Blaauwberg Subdistrict 5: Atlantis and surrounds)

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

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

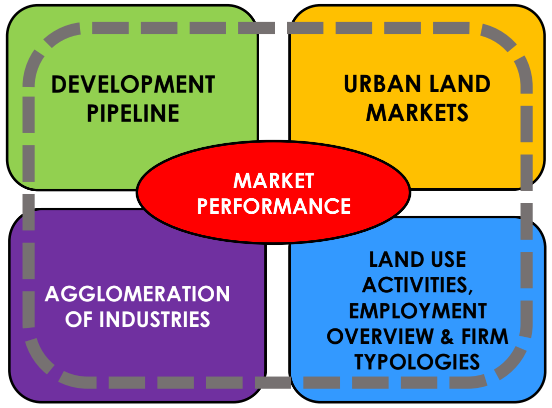
VALUE PROPOSITION	CHALLENGES /OBJECTIVES TO ADDRESS	AREAS OF APPLICATION
Promoting economic infrastructure in support of economic growth and job creation. Supports internal and external collaboration around data and spatial intelligence. Supports the spatially differentiated investment rationale of the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



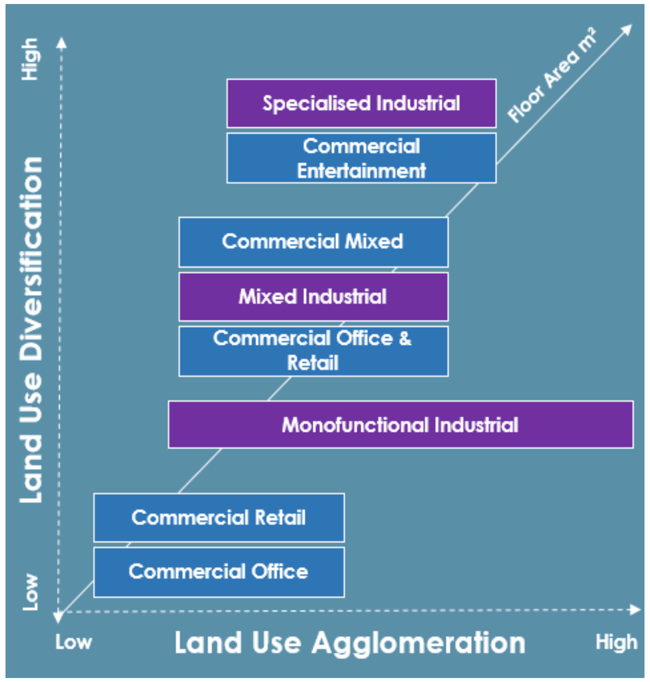
Built-up extent (m²) of land per sector **(S)**.
Vacant land (m²) per sector **(S)**.
Vacancy rate of buildings (%) per sector **(P)**.

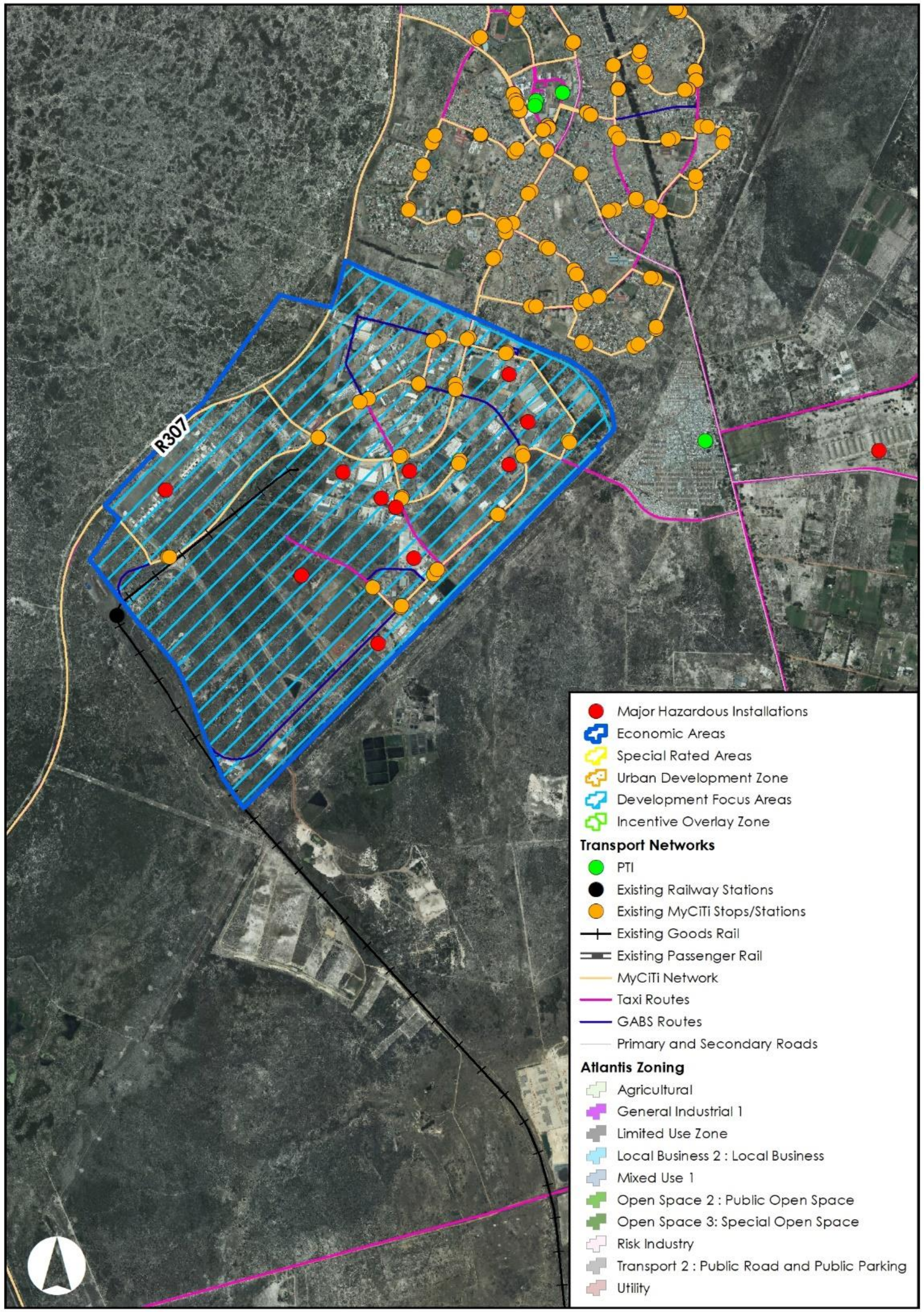
Dominant land use **(S)**
Propensity of industries at a Metro scale **(D)**.
Total jobs per industry & wage band **(D)**.
Firm size and count **(D)**.

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 Mono-functional. While the general understanding is that commercial nodes present 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 have a significant amount of floor area within an area).





ATLANTIS INDUSTRIAL

Location

- The area is located approximately 52km north of Cape Town's Central Business District and the Port of Cape Town. Furthermore, the area is located 54km from Cape Town International Airport.
- It is also situated close to the N7 highway, which links to both the N1 and N2 highways to access areas across Cape Town.
- The area is primarily serviced by GABS, MyCiTi and taxis.
- Access to a skilled workforce from surrounding areas, includes the broader Atlantis, Witsand, Malmesbury, and Mamre areas.

Zoning, land use and form

- The area is predominantly zoned for industrial purposes.
- The area is mainly characterised by light and heavy industrial uses, which include manufacturing, warehousing, repairs, transportation, utilities, and public services.
- The average land parcel size in the area ranges between 5,000 to 20,000m².

Spatial planning mechanisms

- The area has been identified as a Development Focus Area in terms of the Blaauwberg District Spatial Development Framework.
- Furthermore, it is recognised as a Special Economic Zone.
- The area has been identified as an industrial incentive area.

Key highlights of the area include:

- Established in 1970 as a national growth point, manufacturing activities accounted for approximately 50% of economic activity from 1975 to 1985.
- In 2014, the City launched the Atlantis Revitalisation Framework, which included the rollout of the MyCiTi bus rapid transport system.
- Between 2014 and 2016, the Atlantis Special Economic Zone (SEZ) was established with the registration of the ASEZ Company. Land was transferred from the City and shareholder agreements were signed.- Several key milestones for the Atlantis SEZ and the industrial sector included the move towards implementation and the securing of funding from the Department of Trade and Industry (DTI) for bulk service upgrades.
- The establishment of the Atlantis SEZ green technology hub.
- The first SMME work packages were awarded to companies in Atlantis.

LAND USE ACTIVITIES

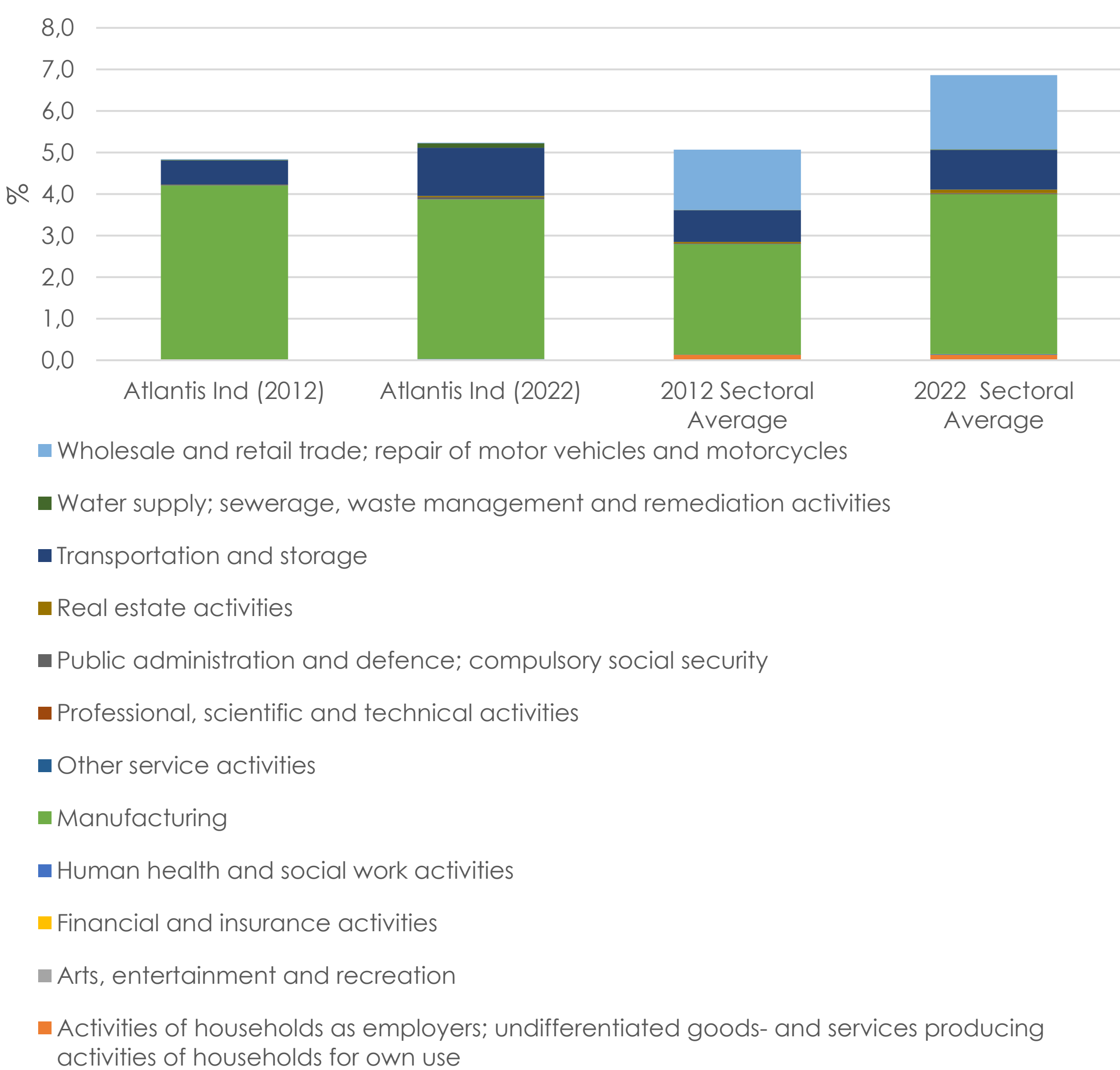
A recent analysis involved converting land use codes from the General Valuation Roll (GV Roll) into Standard Industrial Classification (SIC) codes. This was done to determine the prevalence of industries operating in areas with similar characteristics.

- Between 2012 and 2022, Atlantis Industrial was primarily characterised by a greater propensity for manufacturing and transport & storage, as indicated by the **Nodal Typology**. The nodal typology highlights industries with the most floor area (m²) operating within an economic area.

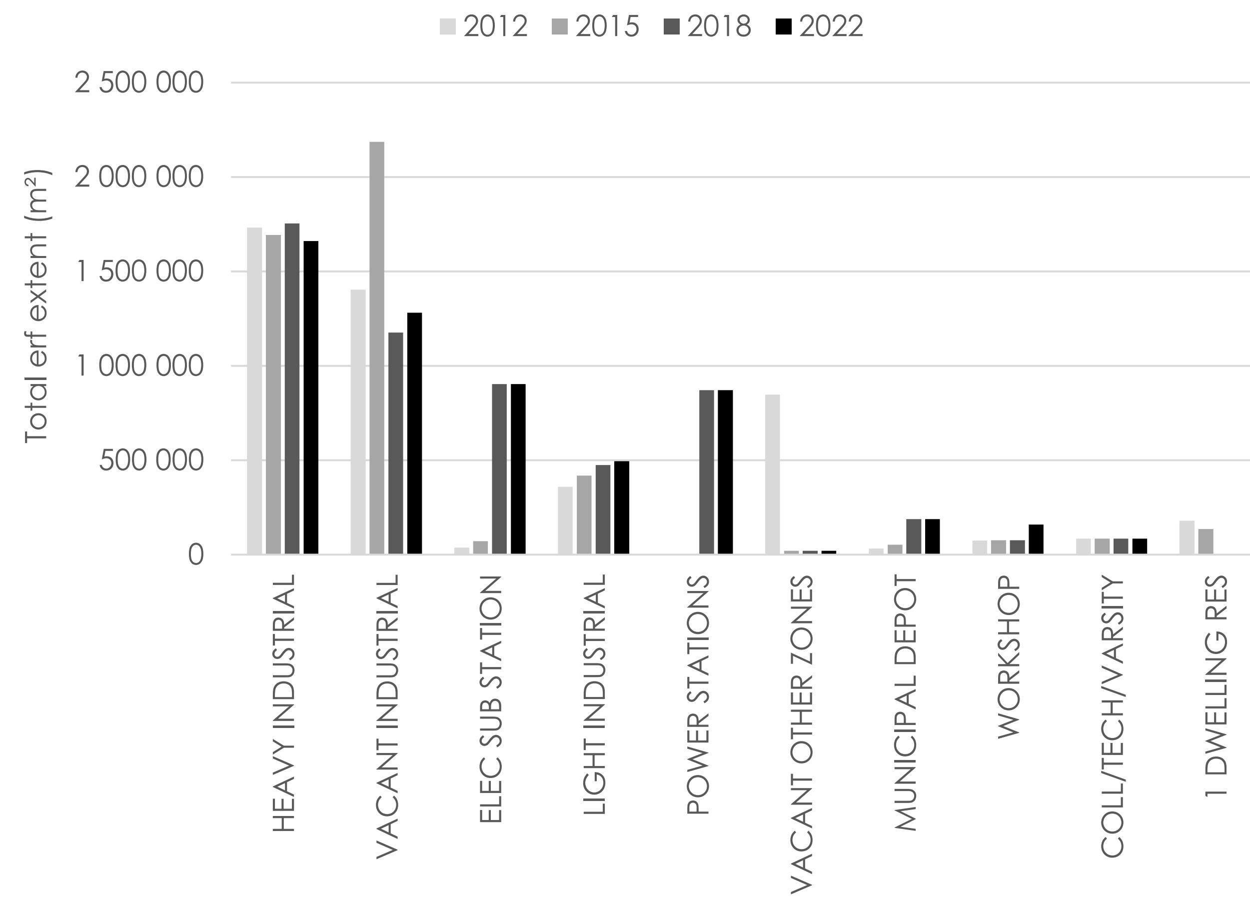
- The **Metroscale Benchmarking** positions Atlantis Industrial as a significant contributor to manufacturing and transport & storage which performs higher than the sectoral average when compared to other industrial areas across Cape Town.

- The GV Roll supplements the findings of the SIC level data by illustrating the **dominant land use** overtime based on the cumulative extent (m²) of floor area for heavy industrial, light industrial, power stations, and electrical substations, with the latter contributing to land uses that carry higher risks.

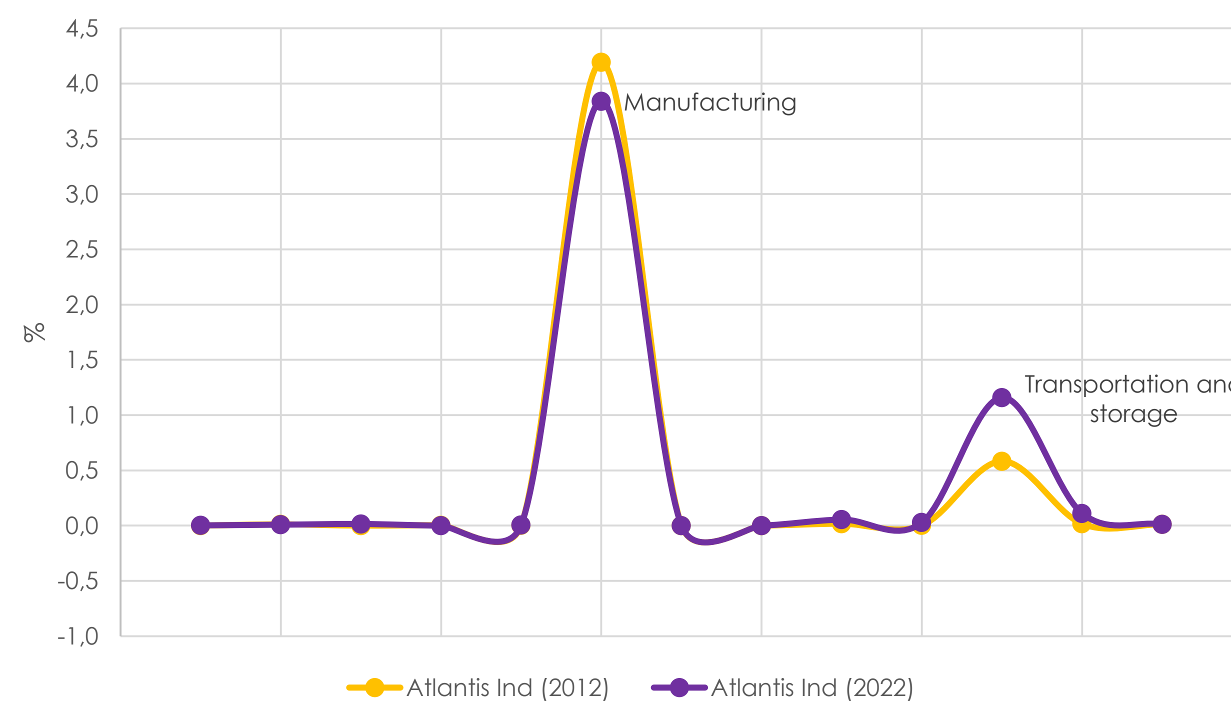
METROSCALE BENCHMARK



TOP 10 MOST DOMINANT LAND USES BETWEEN 2012 AND 2022



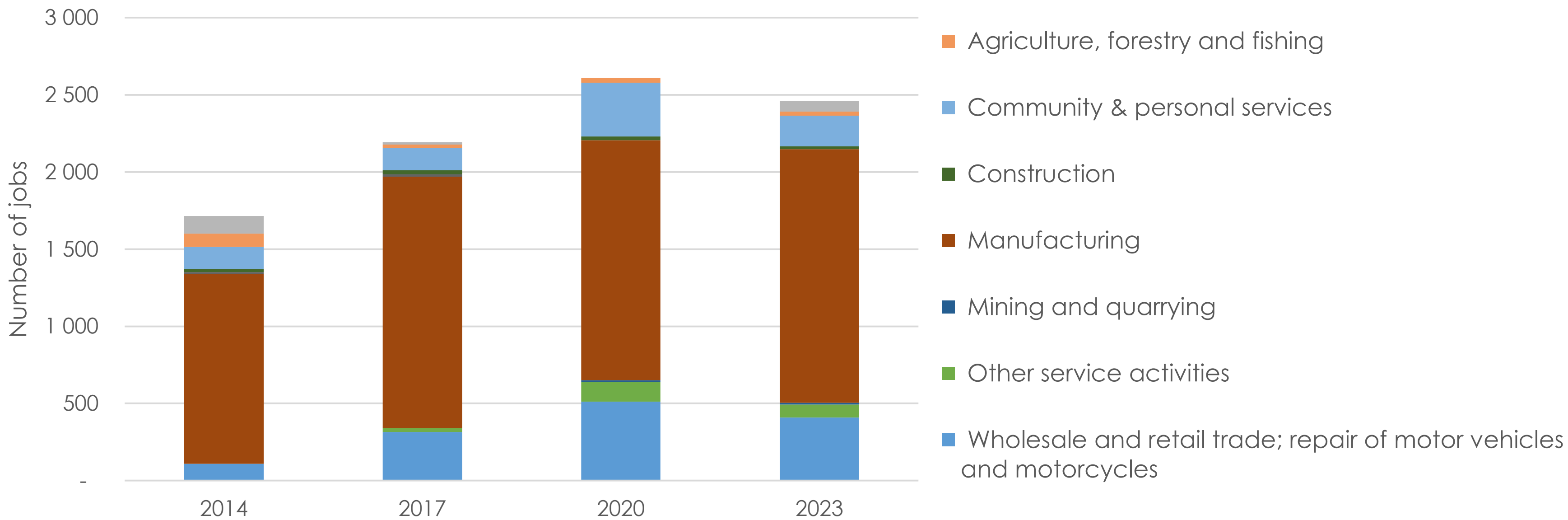
NODAL TYPOLOGY FOR 2012 AND 2022
(Specialised Industrial)



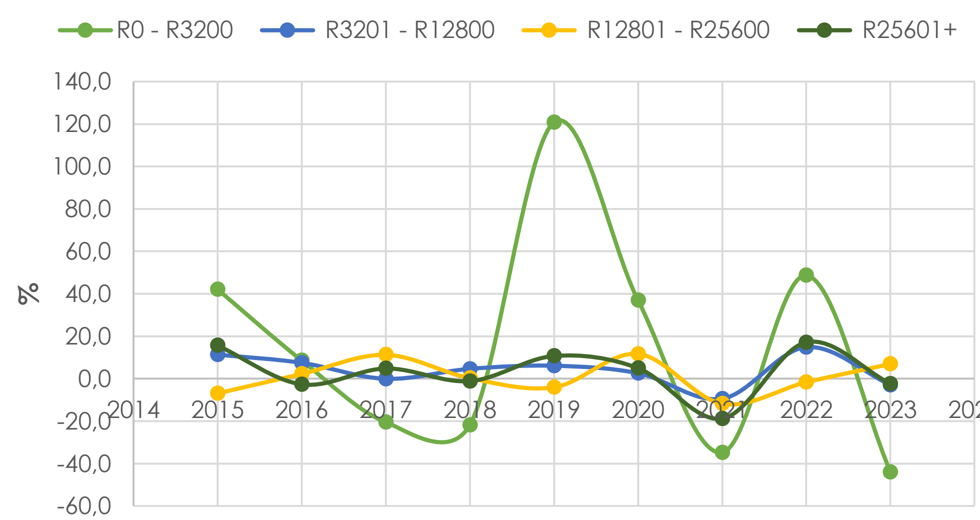
Source: 2012 – 2022 land use codes converted to SIC codes (May 2024 analysis)

EMPLOYMENT OVERVIEW & FIRM TYPOLOGIES

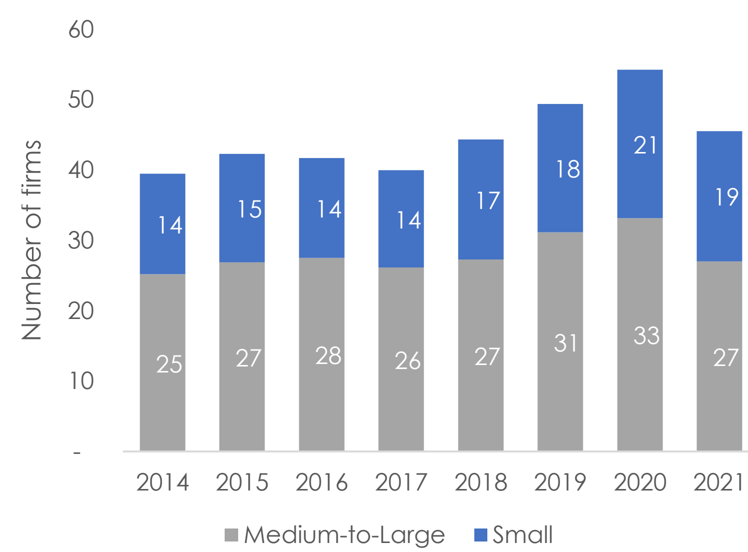
JOBS BY INDUSTRY



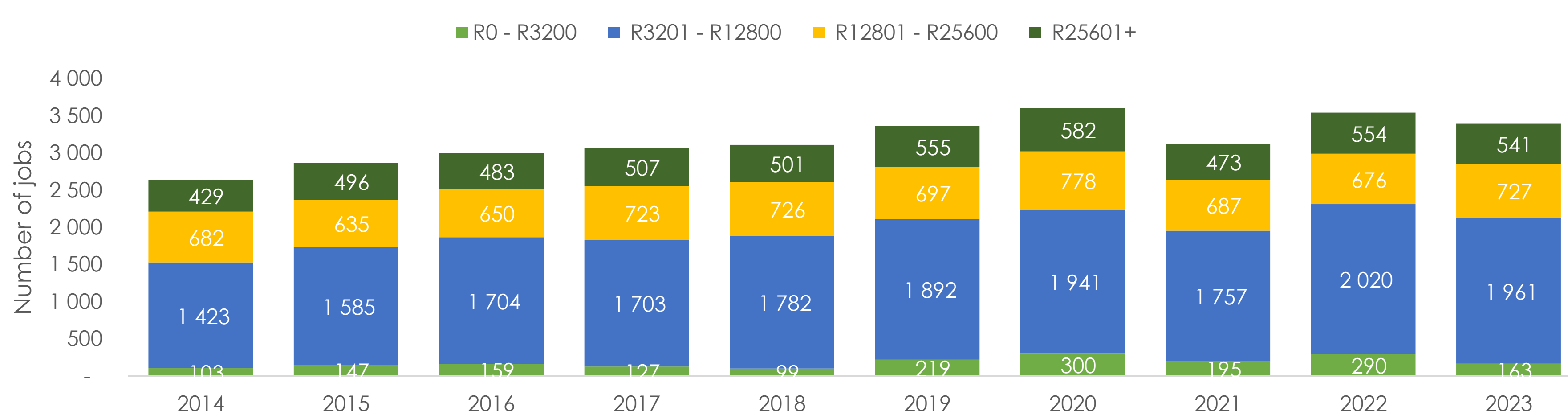
YEAR ON YEAR % CHANGE OF FULL TIME EMPLOYMENT WITHIN EACH WAGE BAND



NUMBER OF FIRM TYPOLOGIES



FULL TIME EMPLOYMENT BY WAGEBAND



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

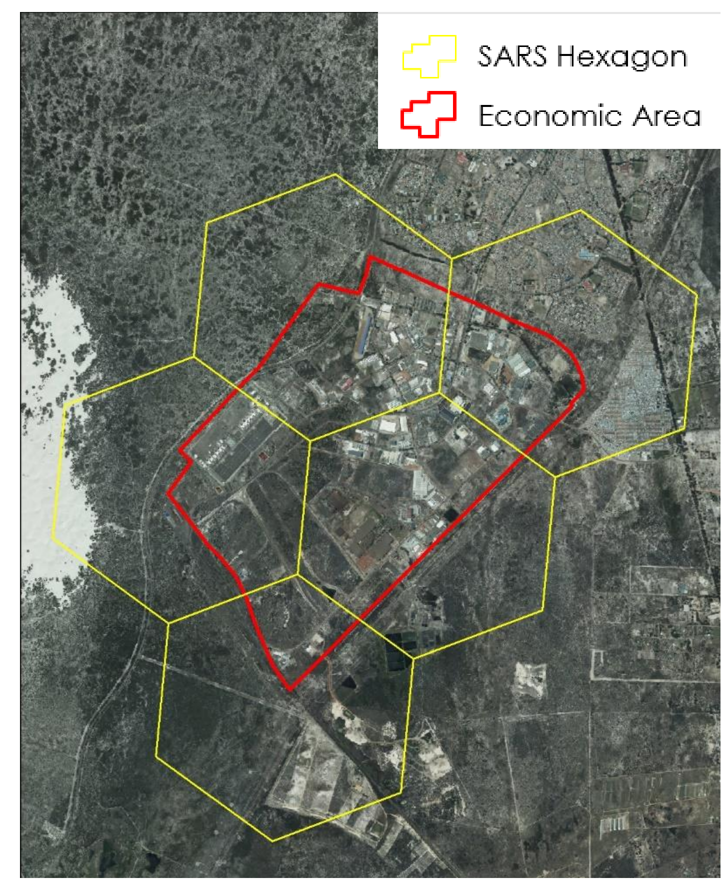
Jobs/Firms

The number of job opportunities surrounding the Atlantis industrial area increased from 1,750 to 2,600 jobs between 2014 and 2020, but decreased to 2,400 in 2023. The majority of the jobs are concentrated in the manufacturing, wholesale & retail and community & personal services.

The total number of firms fluctuated around the 40 mark between 2014 and 2021. While medium-to-large firms have been the most dominant, there is also a significant presence of small firms.

Income bands

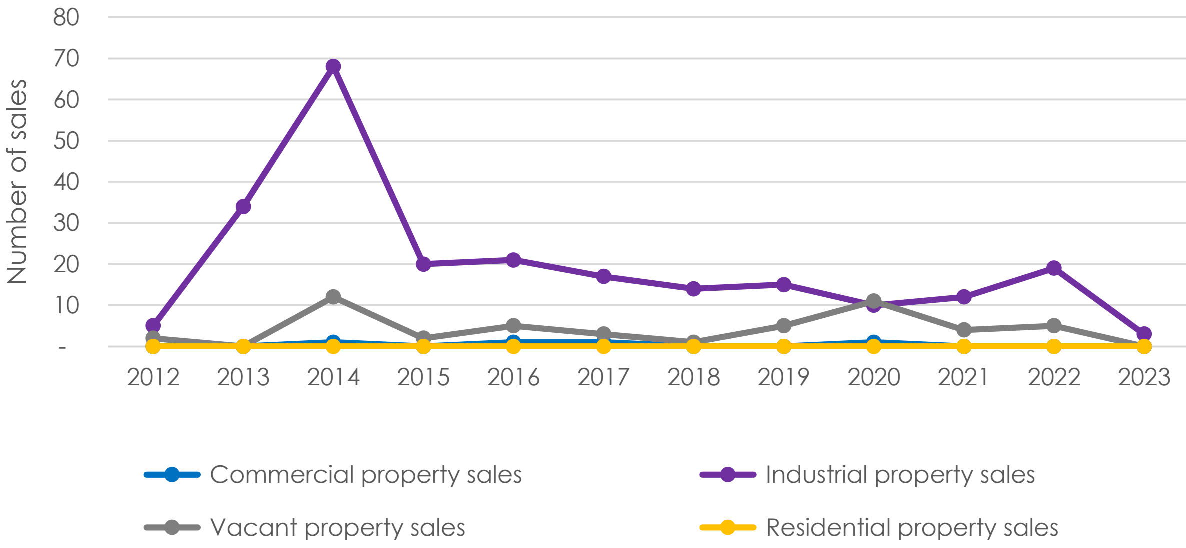
The income bands reflect the skill levels of employed individuals. The data suggests that most employees earn up to R12,800, with a limited number of employees which earns in the upper-income brackets.



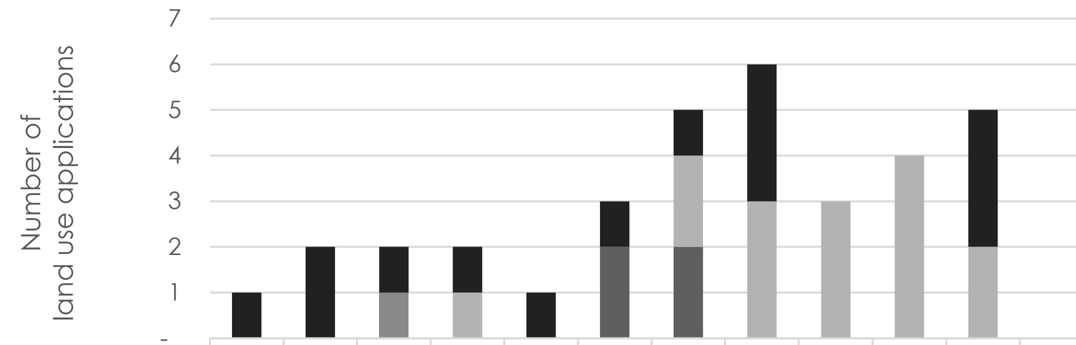
Spatial hexagons in which SARS data has been captured and overlaid with Atlantis industrial economic area.

DEVELOPMENT PIPELINE

PROPERTY SALES BY SECTOR

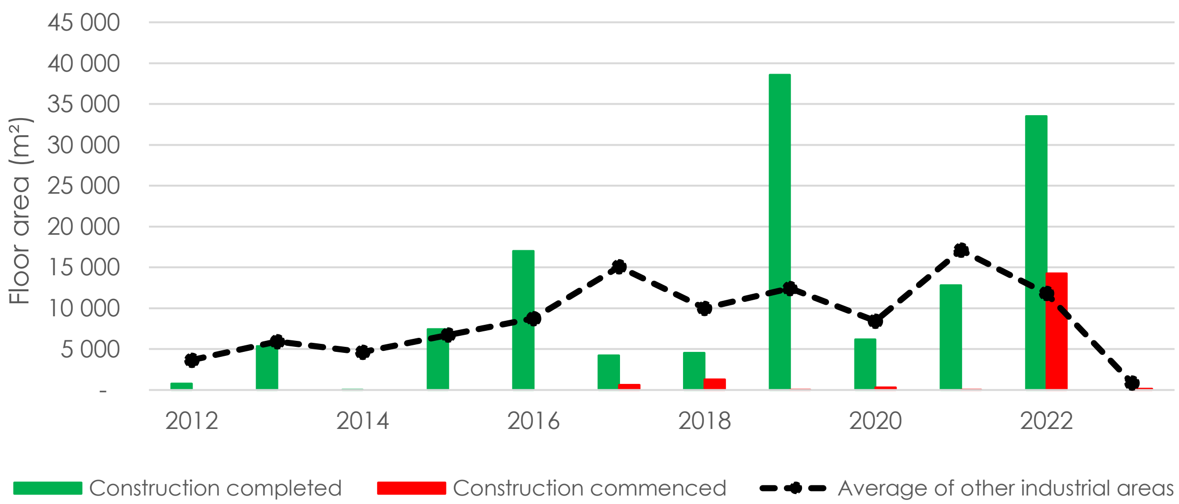


APPROVED LAND USE APPLICATIONS

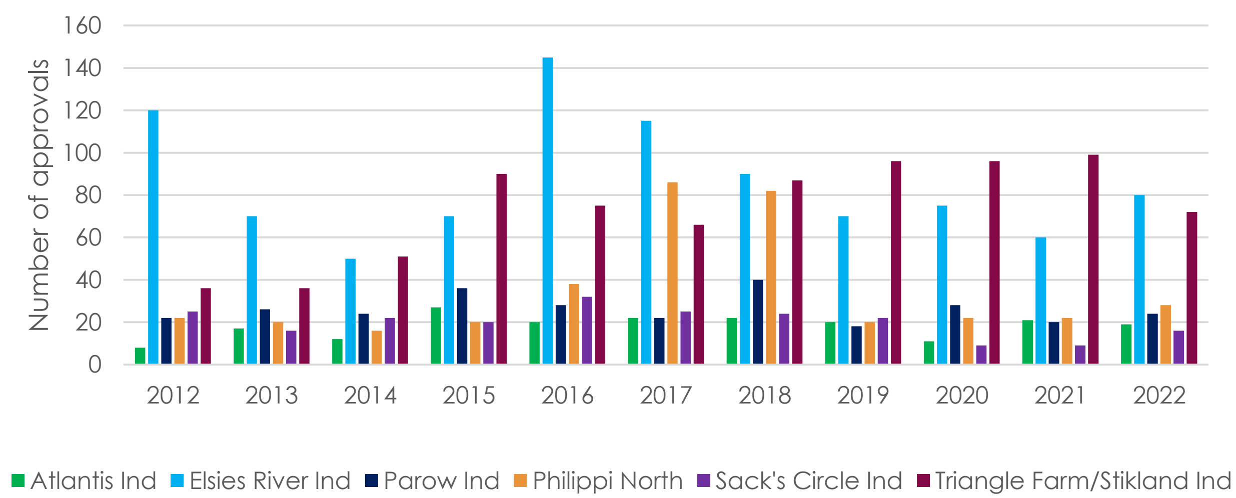


	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Temporary departures	-	-	-	-	-	-	-	-	-	-	-	
Subdivisions	1	2	1	1	1	1	1	3	-	-	3	
Rezonings	-	-	1	-	-	-	-	-	-	-	-	
Multiple applications	-	-	-	1	-	-	2	3	3	4	2	
Consolidations	-	-	-	-	-	2	2	-	-	-	-	

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



COMPARATIVE VIEW OF BUILDING PLAN APPROVALS ACROSS THE 6 INDUSTRIAL INCENTIVE AREAS (EFFECTIVE AS OF 2018)



Property Sales

While property sales for the industrial sector were higher when compared to other sectors, property sales of vacant land experienced a spike in 2014 and 2020. This increase can be attributed to key milestones achieved in terms of securing land, including the declaration of the Atlantis Revitalization Framework in 2012, the SEZ Act and the establishment of the MyCiTi routes.

Land Use Applications

Although Atlantis is predominantly zoned for industrial purposes, several subdivision approvals have been granted over the past 10 years, highlighting the demand for specific Erf sizes. Other approvals were also granted for multiple applications, indicating a requirement for certain rights to be in place. Multiple applications may include a combination of the types seen in the graph.

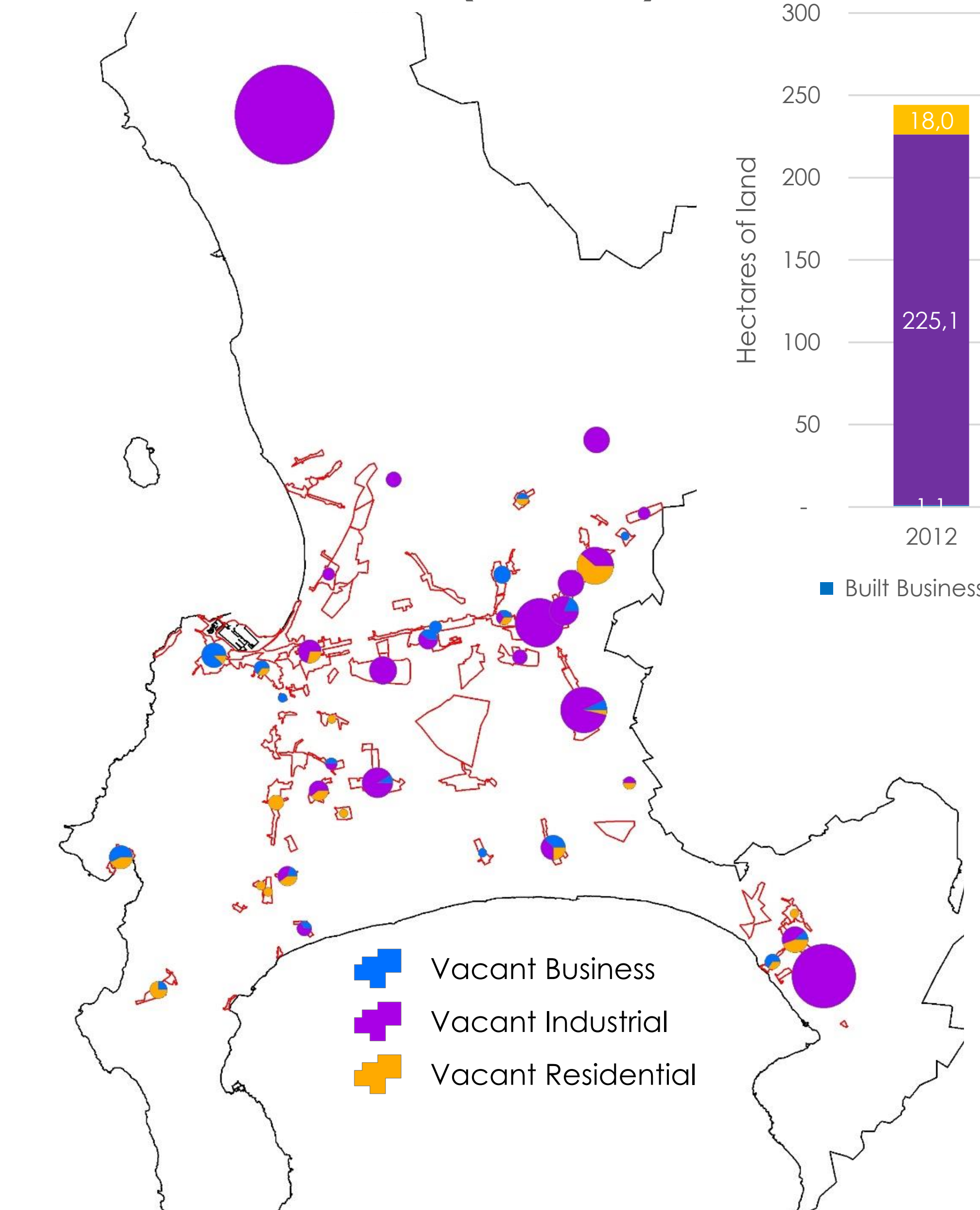
Building Plans

Following on from property sales and land use approvals, building work activity has been ongoing over the past decade and observed instances where building work exceeded the metro's annual average in 2015, 2016, 2019 and 2022 when compared across other industrial areas. Furthermore, the area is also 1 of 6 industrial incentive areas, with the graph reflecting its competitiveness with other incentive areas in terms of the number of building plan approvals granted.

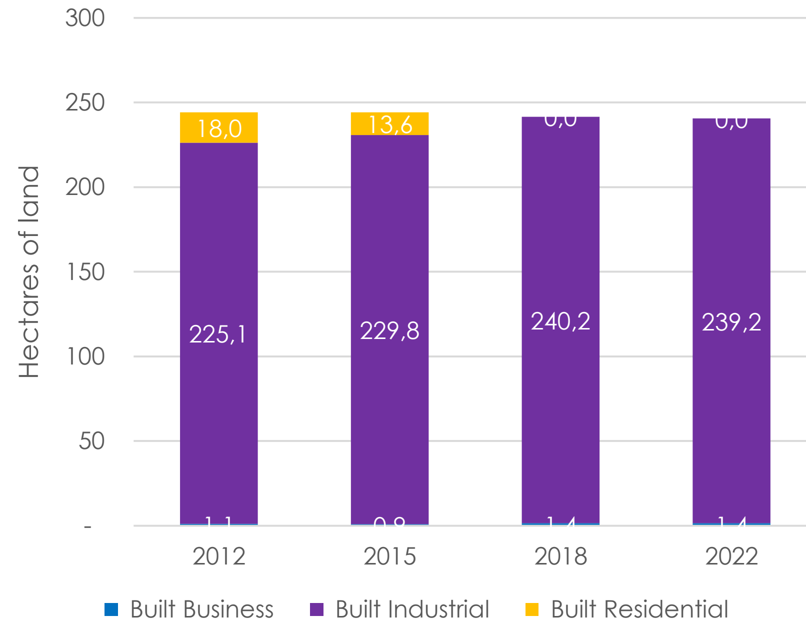
Source: City's DAMS (building plans and land use applications extract), General Valuation Roll and interviews with SEZ.

URBAN LAND MARKETS

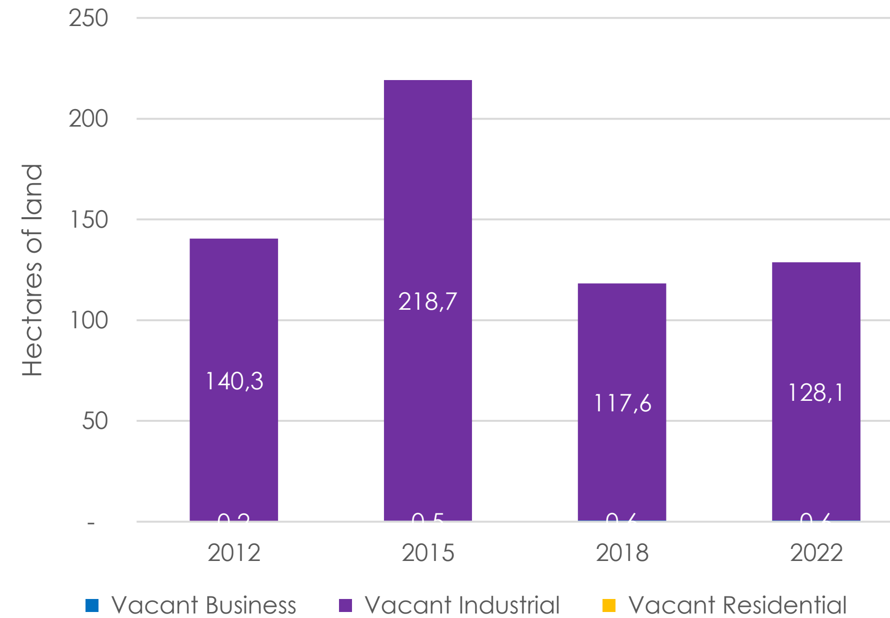
VACANT LAND ACROSS CAPE TOWN (GV 2022)*



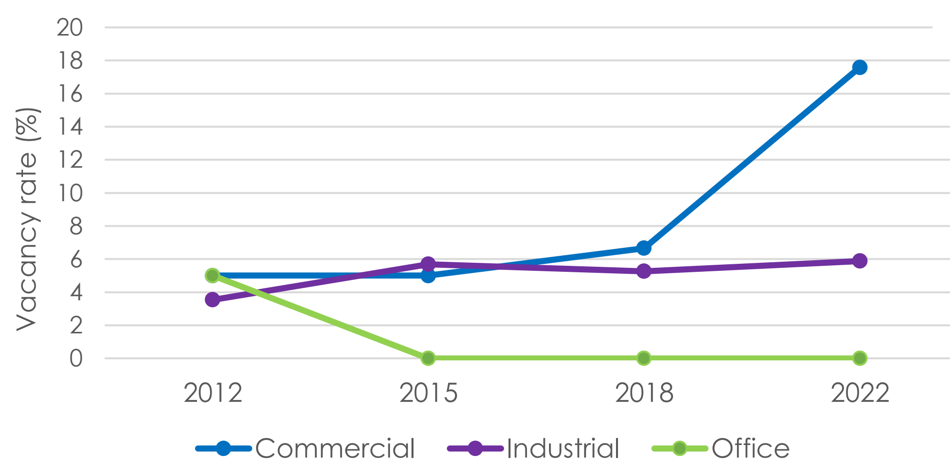
BUILT-UP LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



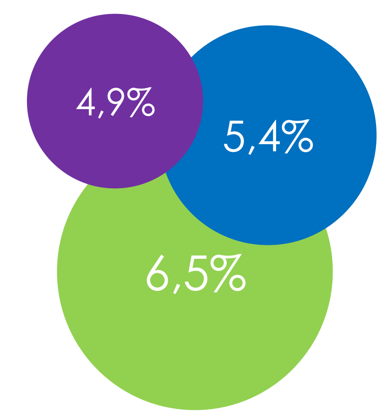
VACANT LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



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	
2) 251-500m²	1		
3) 501-1000m²	1	1	
4) 1001-2500m²	1	10	
5) 2501-5000m²	1	10	
6) 5001-10000m²		12	
7) >10000m²		27	

Source: City's General Valuation Roll and Market Reports

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. The area experienced growth in terms of the built-up land and still remains the area with the most available vacant industrial land when compared to all other economic areas across Cape Town. Additionally, the vacant land remaining is categorised based on the number and size of land parcels, as reflected in the accompanying table.

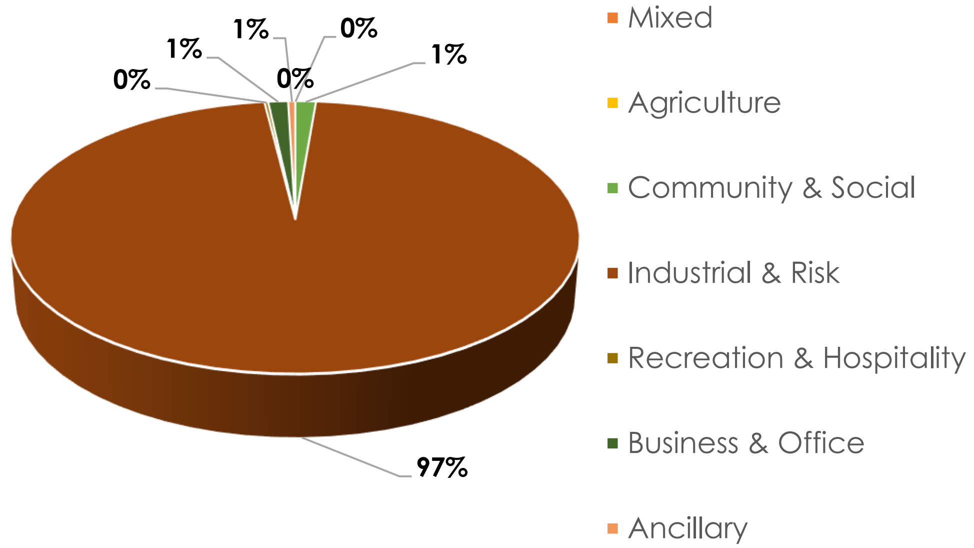
Vacancy Rates

In addition to vacant land, vacancy rates of existing buildings for the industrial sector increased from 3,5% in 2012 to 5,9% in 2022. The commercial sector has increased from 5% in 2012 to 17,6% in 2022, while the office sector reflects incomplete vacancy rates as per the market reports used, but held a vacancy rate of 5% in 2012.

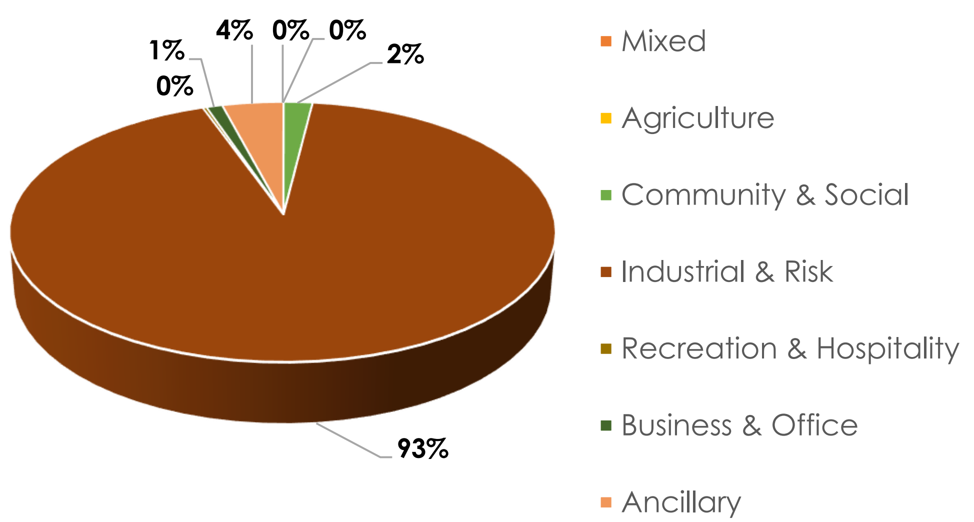
**A metro view that provides further context relative to this economic area.*

AGGLOMERATION OF INDUSTRIES

% OF LAND USE GROUPS (2012)



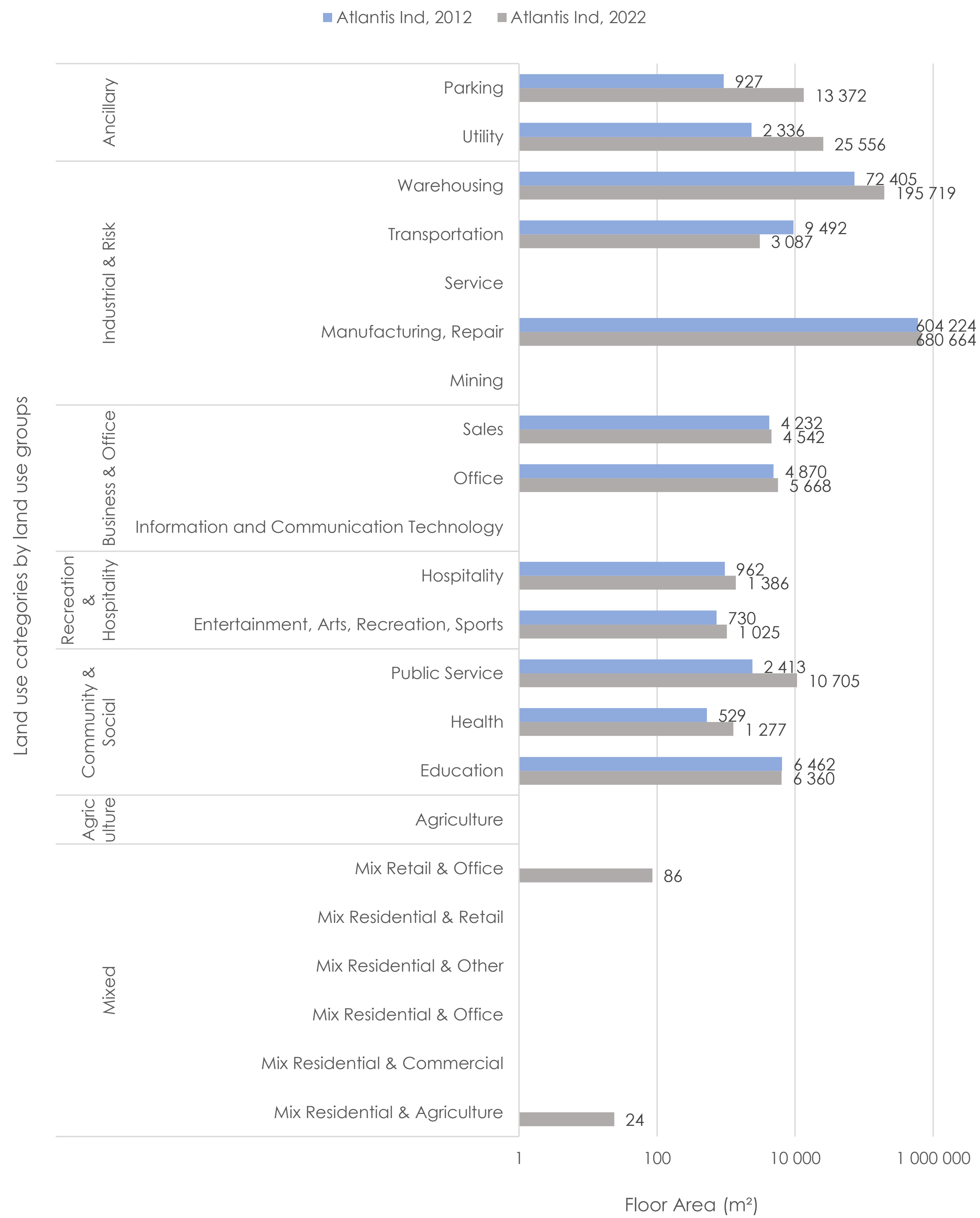
% OF LAND USE GROUPS (2022)



The pie charts illustrate the percentage distribution of land use groups aggregated in the Atlantis industrial area. This percentage is based on the cumulative floor area (m²) across various land uses. As shown in the chart, the Industrial & Risks group has been dominant in both 2012 and 2022, while the other groups primarily support this dominant land use.

Additionally, the bar graph provides a comparative view of the co-agglomeration of land use categories between 2012 and 2022. It highlights that manufacturing has remained the most prominent category during this period. Warehousing, utilities, and parking have also seen a significant increase by 2022. There is also a presence of other land uses, which can be seen to be in support of the most dominant land uses.

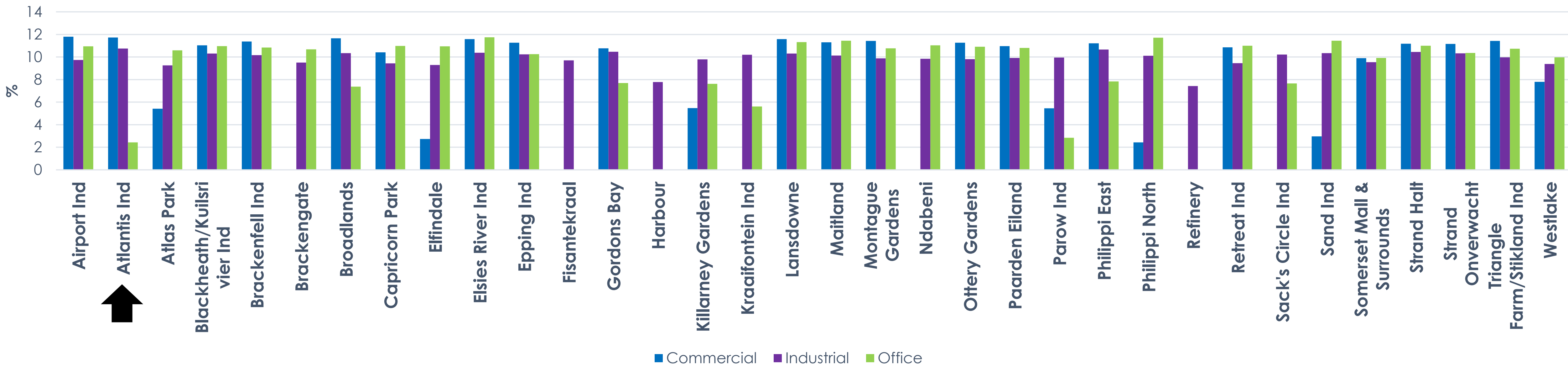
FLOOR AREA PER LAND USE CATEGORY FOR 2012 AND 2022



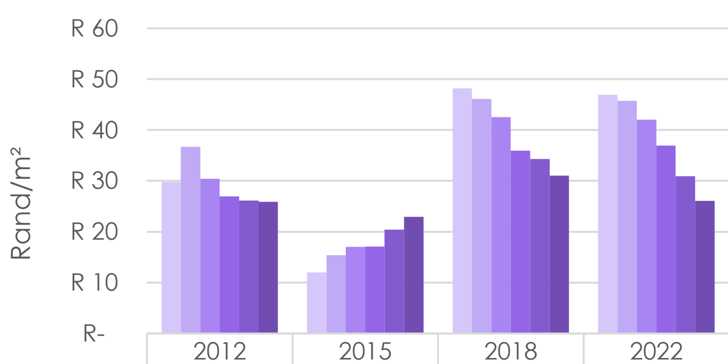
Source: Analysis of GV data (May 2024)

MARKET PERFORMANCE

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

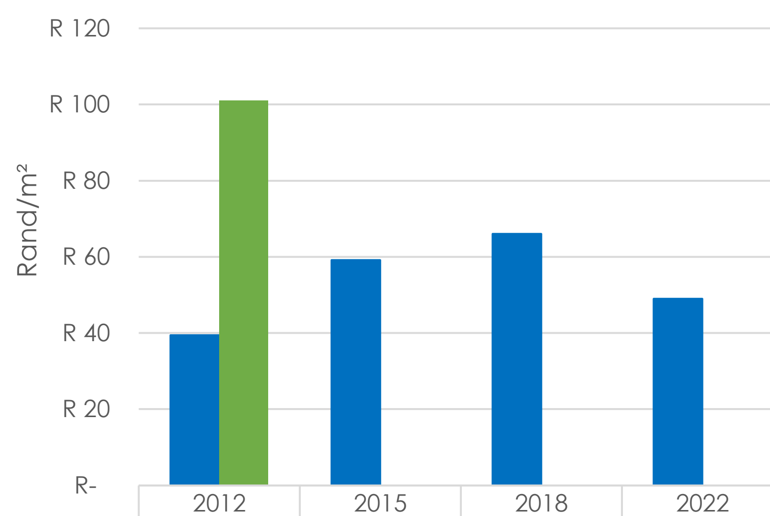


INDUSTRIAL RENTALS



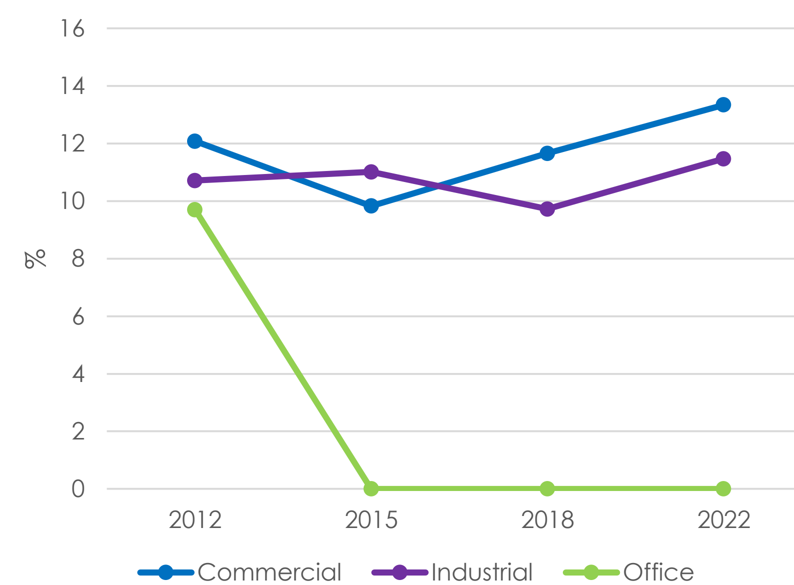
	2012	2015	2018	2022
1) 250m²	R 30	R 12	R 48	R 47
2) 500m²	R 37	R 15	R 46	R 46
3) 1000m²	R 30	R 17	R 43	R 42
4) 2500m²	R 27	R 17	R 36	R 37
5) 5000m²	R 26	R 20	R 34	R 31
6) 10000m²	R 26	R 23	R 31	R 26

COMMERCIAL AND OFFICE RENTALS



	2012	2015	2018	2022
Commercial	R 39	R 59	R 66	R 49
Office	R 101	R-	R-	R-

CAPITALISATION RATES



Rental Rates

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

While office rentals are only available for 2012, commercial rentals have increased from 2012 to 2018, with a decrease experienced in 2022.

Comparative view on capitalisation rates

Between 2012 and 2022, the average capitalisation rate for the industrial sector was 10.75%, while for the office sector, it was 11.72% and further indicating its competitiveness relative to other industrial areas.

Year over year, capitalisation rates for the industrial sector have increased from 10.7% in 2012 to 11.5% in 2022, while the commercial sector increased from 12.1% to 13.3%.

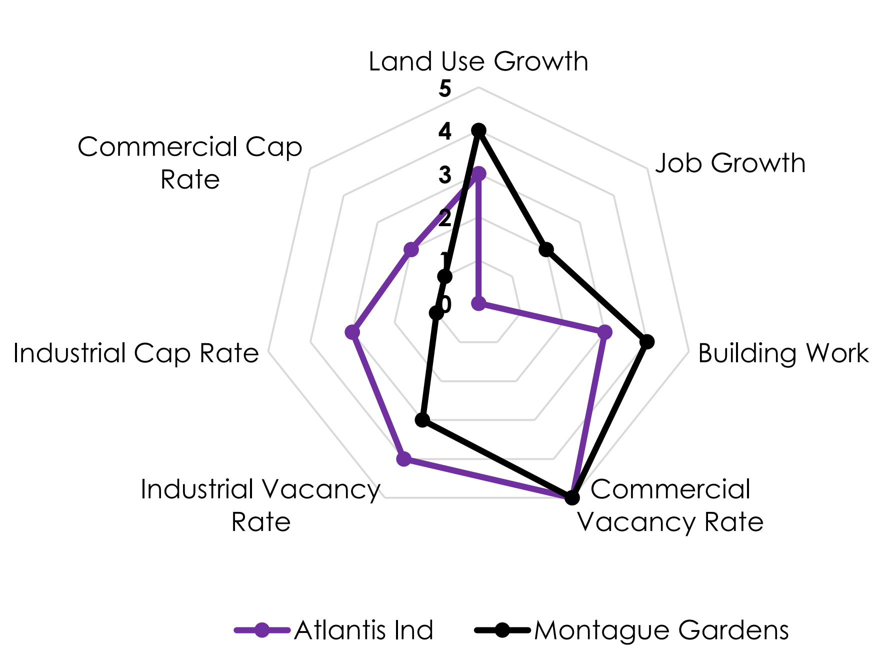
- *Higher cap rates = higher investment risk*
- *Lower cap rates = lower investment*

Source: 2012 – 2022 market reports

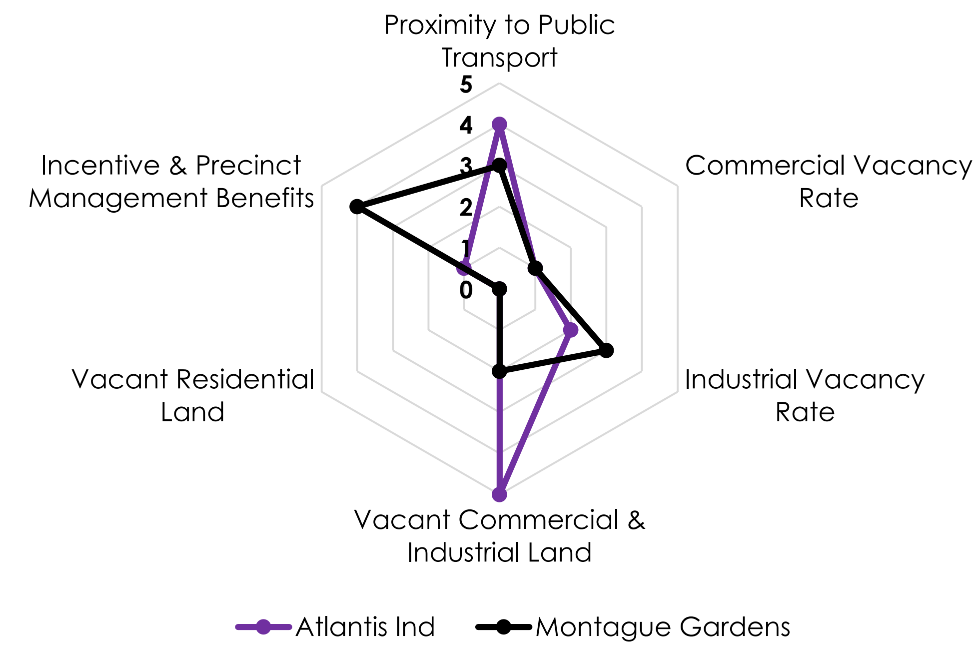
PERFORMANCE & POTENTIAL

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.***