



CITY OF CAPE TOWN  
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STAD KAAPSTAD

# WELCOME TO DAY 2 OF THE PLANNING INDABA

12 MARCH 2025

We appreciate your participation and look forward to your valuable contributions.

Urban  
Planning  
& Design  
Department

2025  
Planning  
Indaba &  
Exhibition

Making progress possible. **Together.**

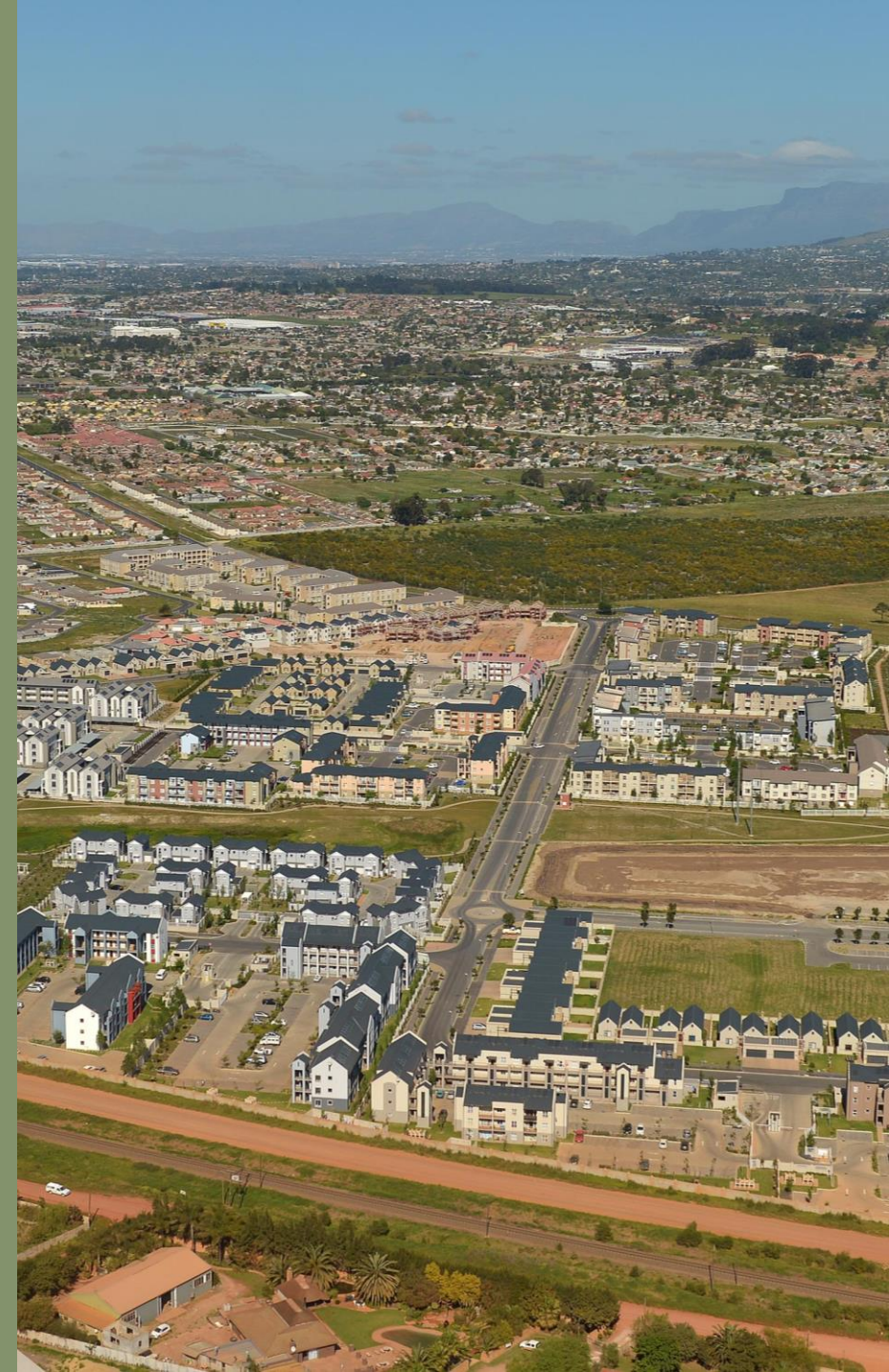
# SESSION 5:

## THEMATIC SESSION PART A cont.

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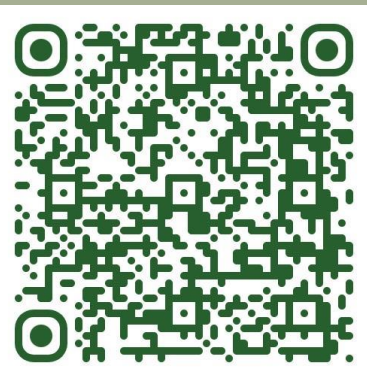
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PRESENTATION 3:

# HUMAN SETTLEMENTS

LAWRENCE VALETA(CCT)



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## Submit your comments

Provide your input, comments or suggestions for the:

- [Three growth estimate presentations](#)
- [Six core thematic areas](#)

You are welcome to email your written comments related to the Planning Indaba to [Future.CapeTown@capetown.gov.za](mailto:Future.CapeTown@capetown.gov.za).



### PLEASE NOTE

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# Overview

## City of Cape Town

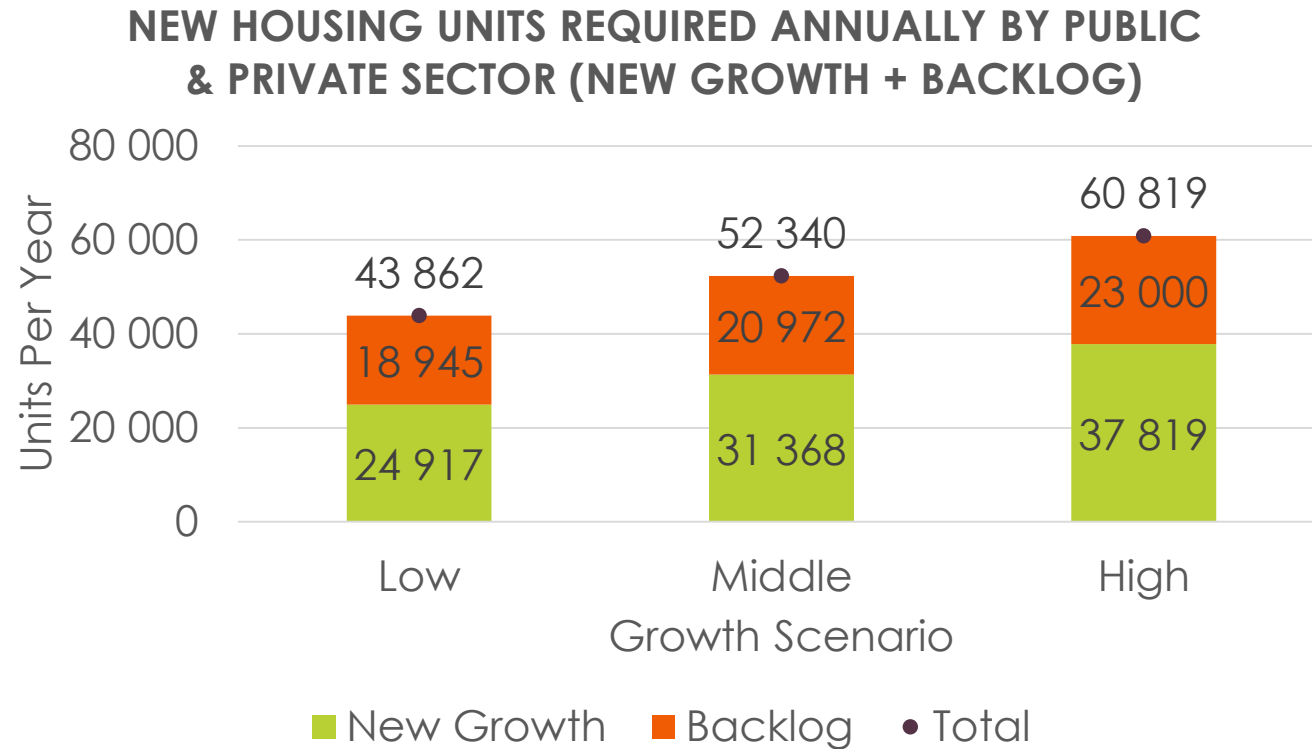
Population - 4 772 846

Households - 1 452 845

Growth Rate – 2.2%

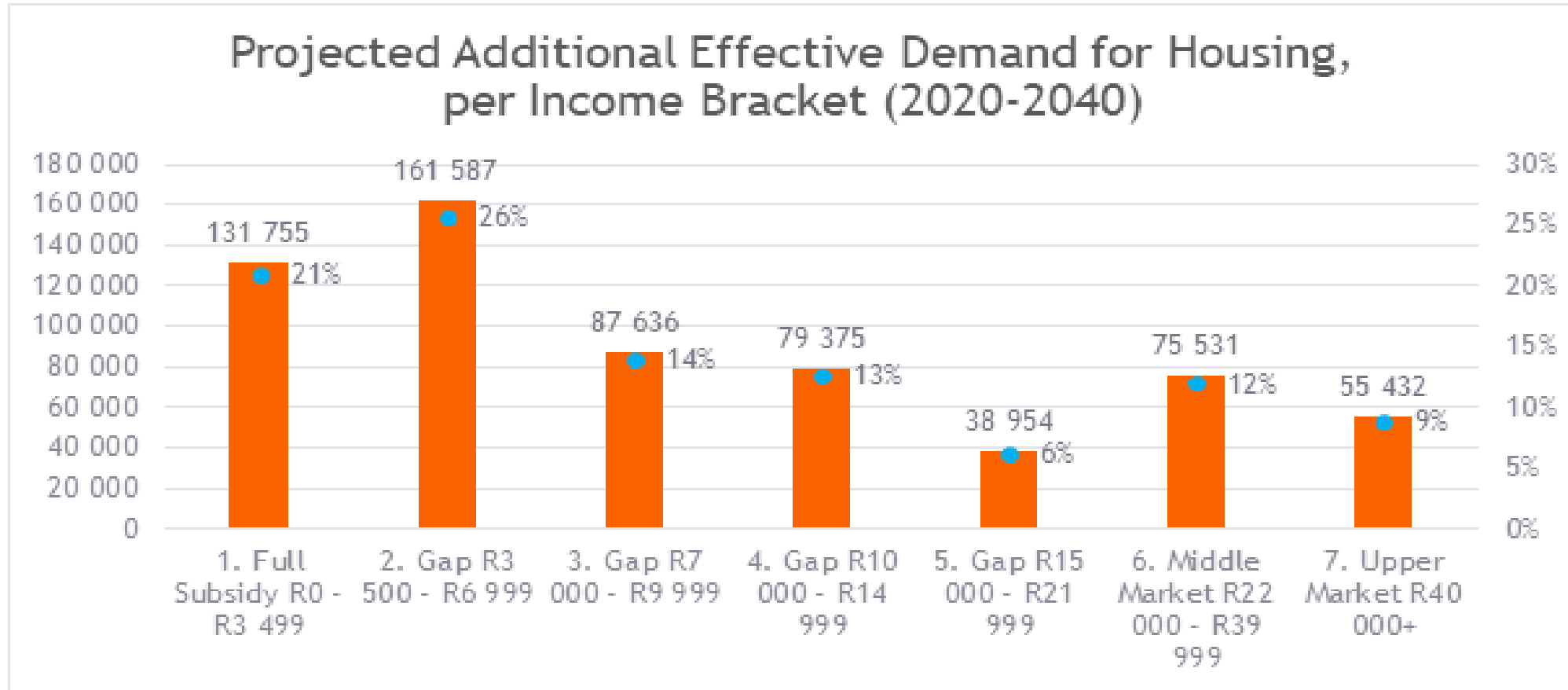
2040

~ 2 057 944 Households



Data Source: City of Cape Town Human Settlements Integrated Human Settlements Sector Plan)

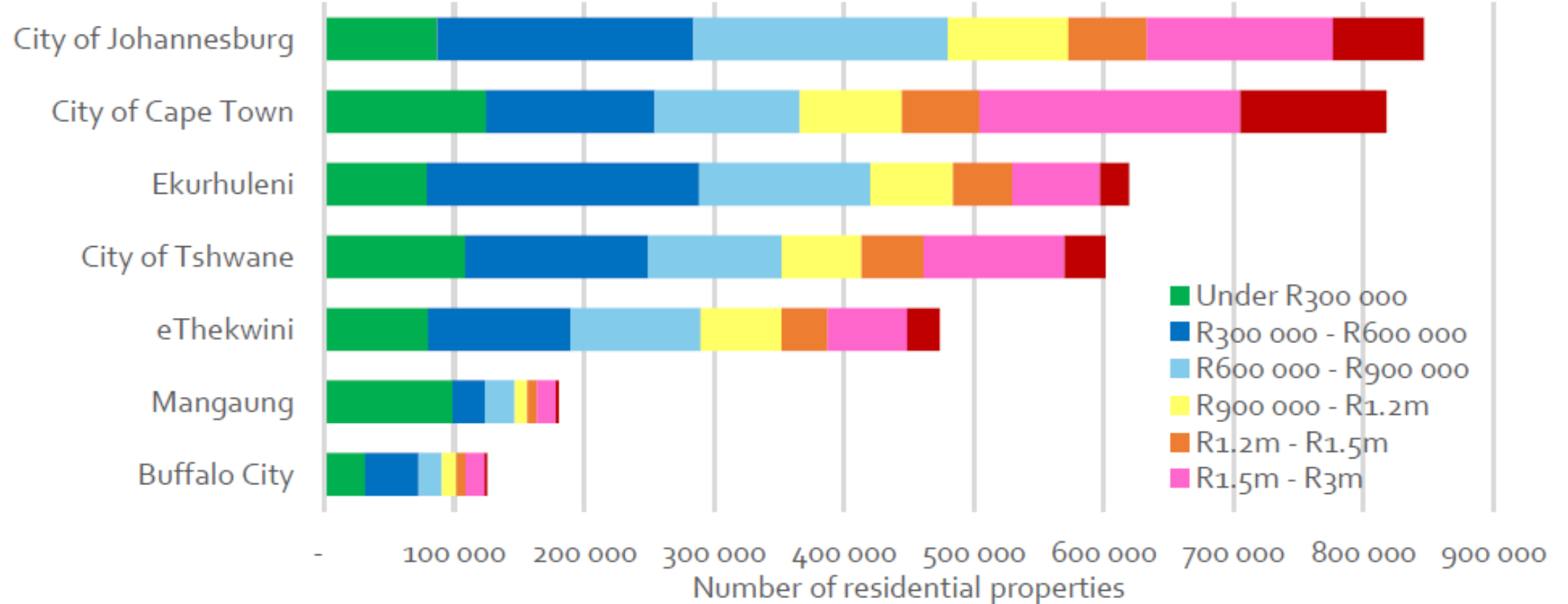
# Income distribution of demand (annual) to 2040



Data Source: City of Cape Town Human Settlements Integrated Human Settlements Sector Plan)

# Property market comparison, 2023

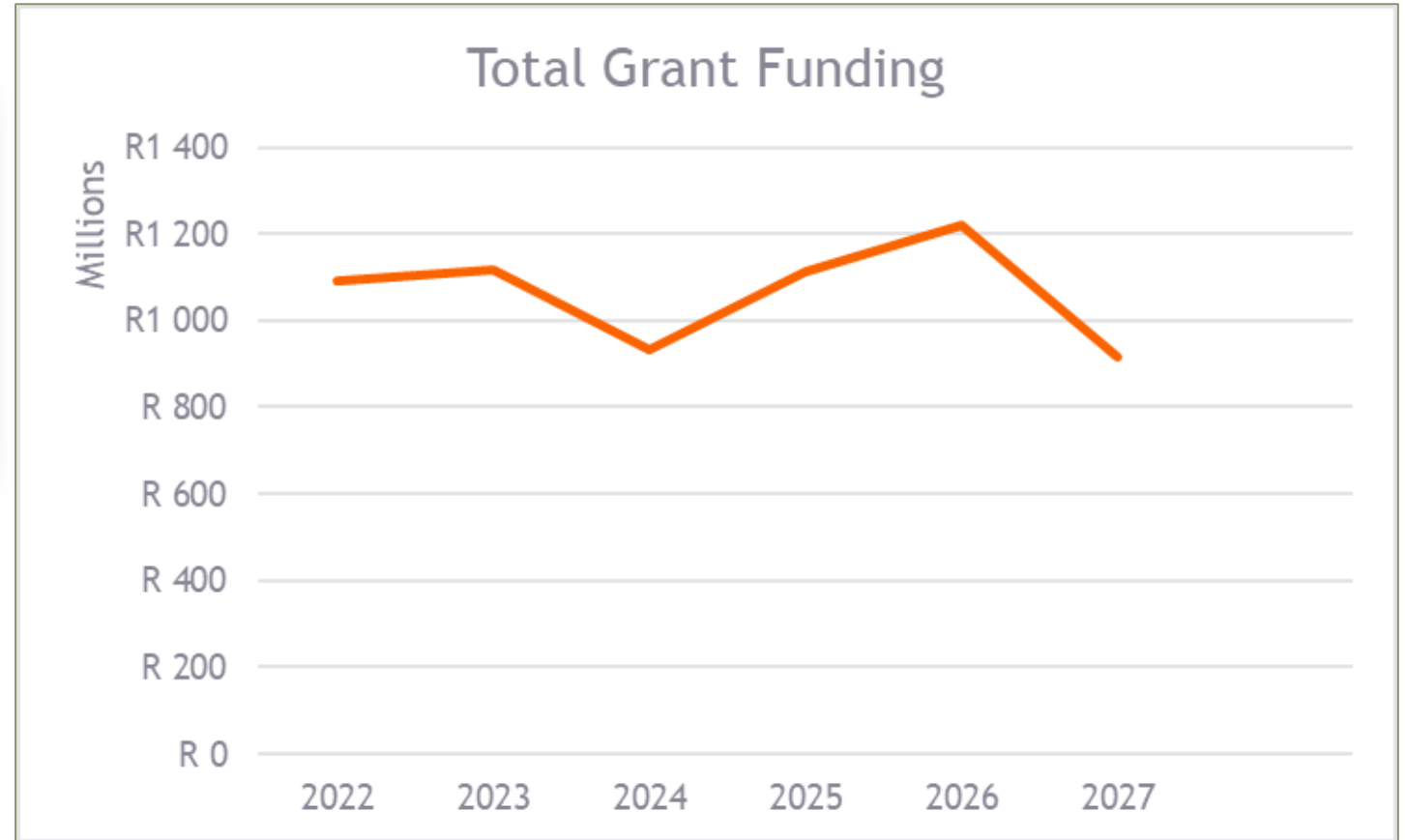
Metro residential properties by market segment, 2023



Data Source: Centre of Affordable Housing in Africa: Citymark Market Intelligence (2024)

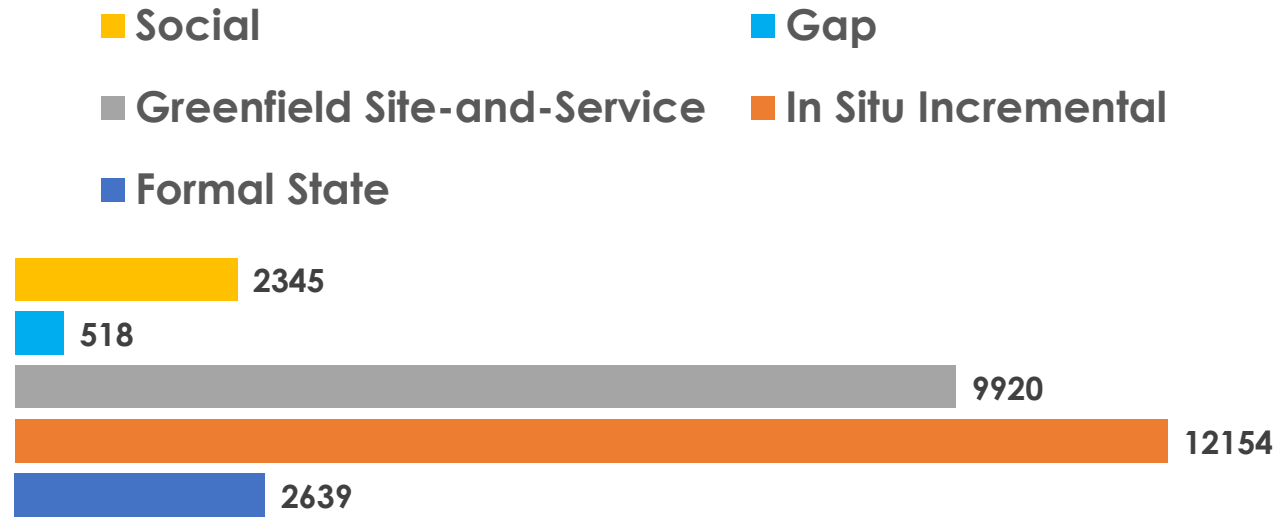
# Grant Funding Trends

- Total grant funding is relatively stable however there is a clear decline by 2027
- **Current funding allocation is insufficient to support the projected Human Settlements pipeline to meet demand up to 2040 and beyond**

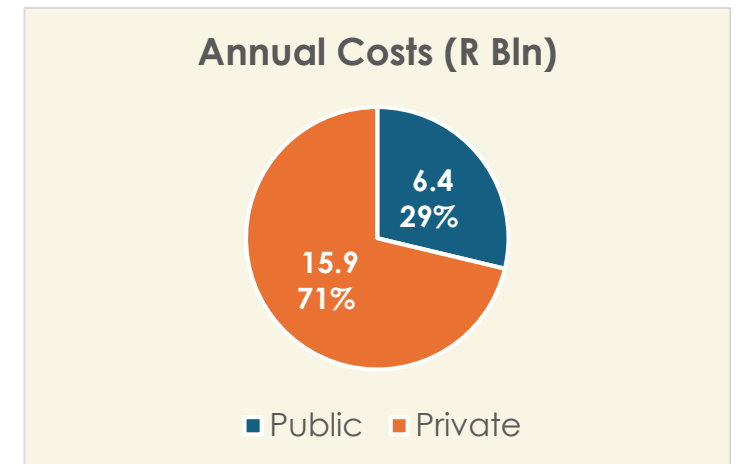
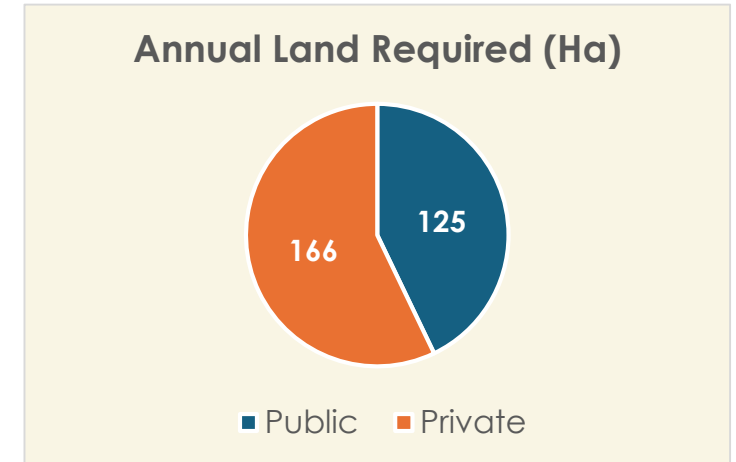


Data Source: City of Cape Town Human Settlements Integrated Human Settlements Sector Plan)

# 2040 scenario: projected annual unit supply required to meet demand

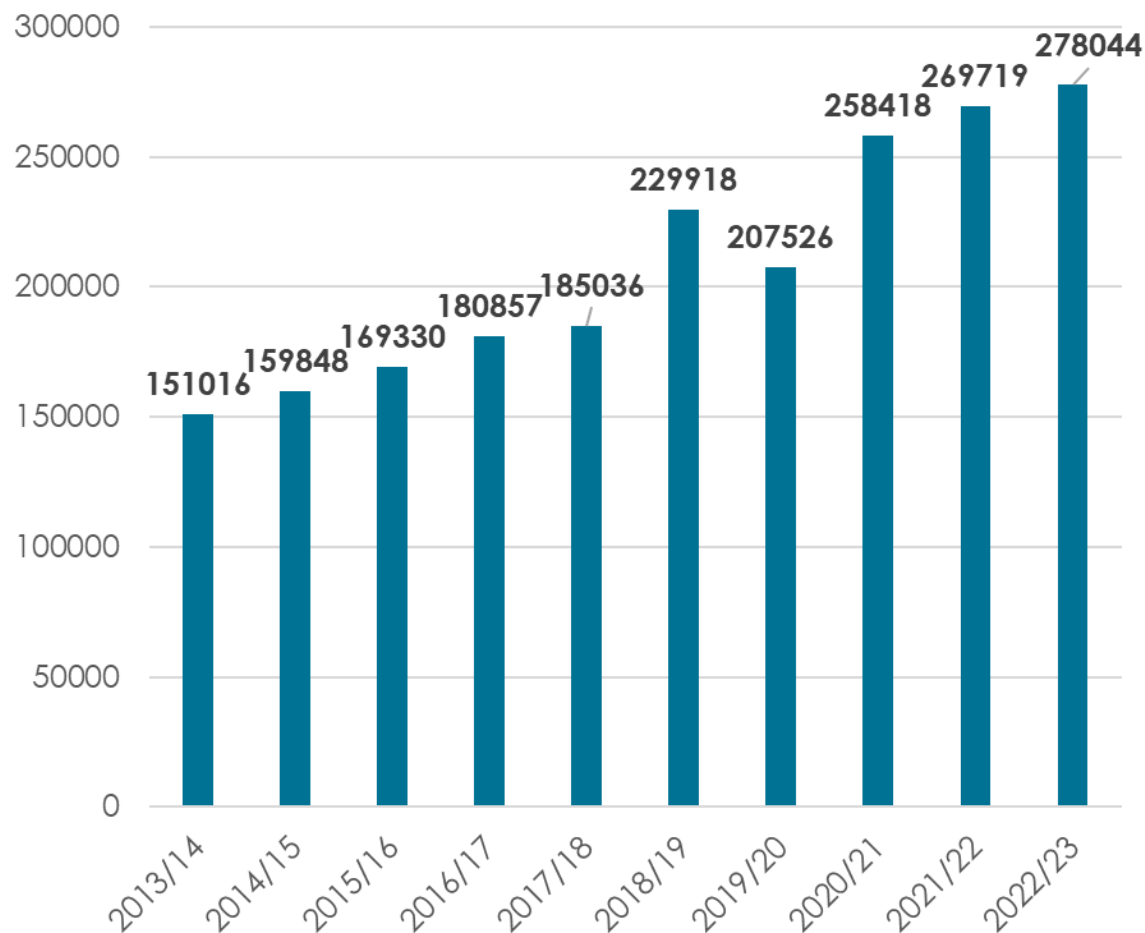


|                                                                 | Pragmatic |
|-----------------------------------------------------------------|-----------|
| <span style="color: yellow;">■</span> Social                    | 2345      |
| <span style="color: blue;">■</span> Gap                         | 518       |
| <span style="color: grey;">■</span> Greenfield Site-and-Service | 9920      |
| <span style="color: orange;">■</span> In Situ Incremental       | 12154     |
| <span style="color: blue;">■</span> Formal State                | 2639      |



Data Source: City of Cape Town Human Settlements Integrated Human Settlements Sector Plan)

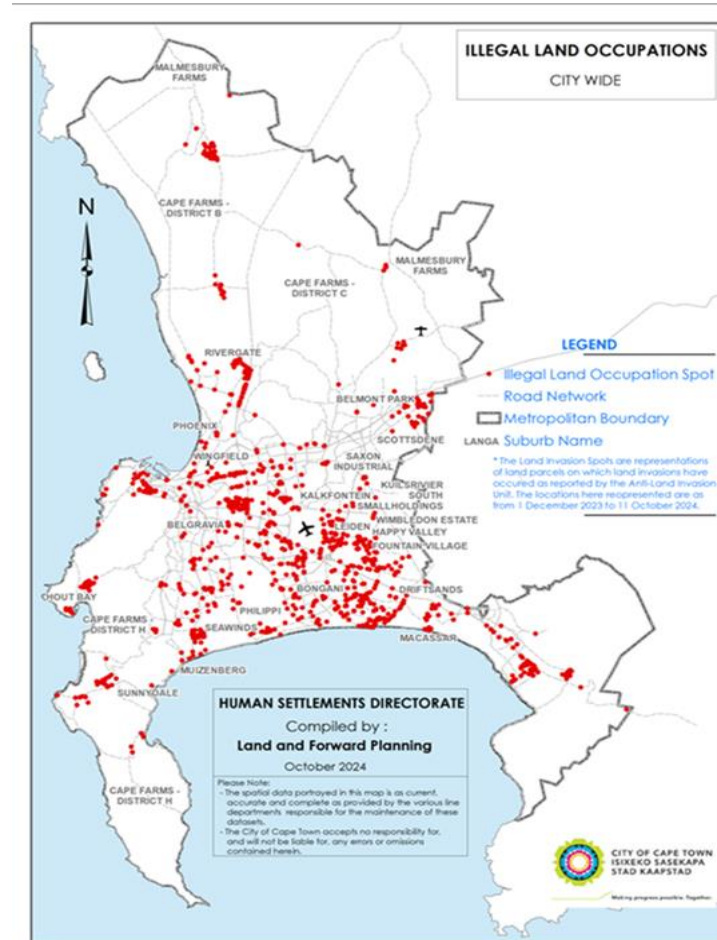
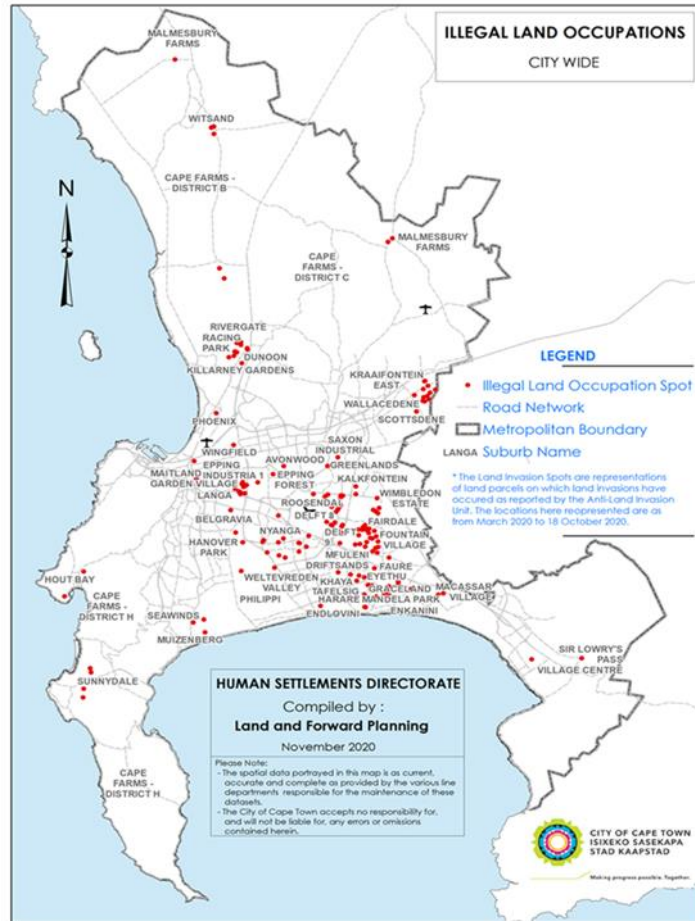
# Informality trends



| TYPES - AREAS OF INFORMALITY    | # SETTLEMENTS | # STRUCTURES   |
|---------------------------------|---------------|----------------|
| Backyarder Settlement           | 57            | 3 975          |
| Informal Settlement             | 659           | 246 410        |
| IDA/TRA/ Re-blocked             | 45            | 14 085         |
| Rental Stock Settlements        | 72            | 10 392         |
| Small Farmers/ Rural Settlement | 16            | 3 182          |
| <b>TOTAL</b>                    | <b>849</b>    | <b>278 044</b> |

Data Source: City of Cape Town Informal Settlements Rooftop Count (2024)

# Illegal land occupations trends (Nov 2020 vs Oct 2024)



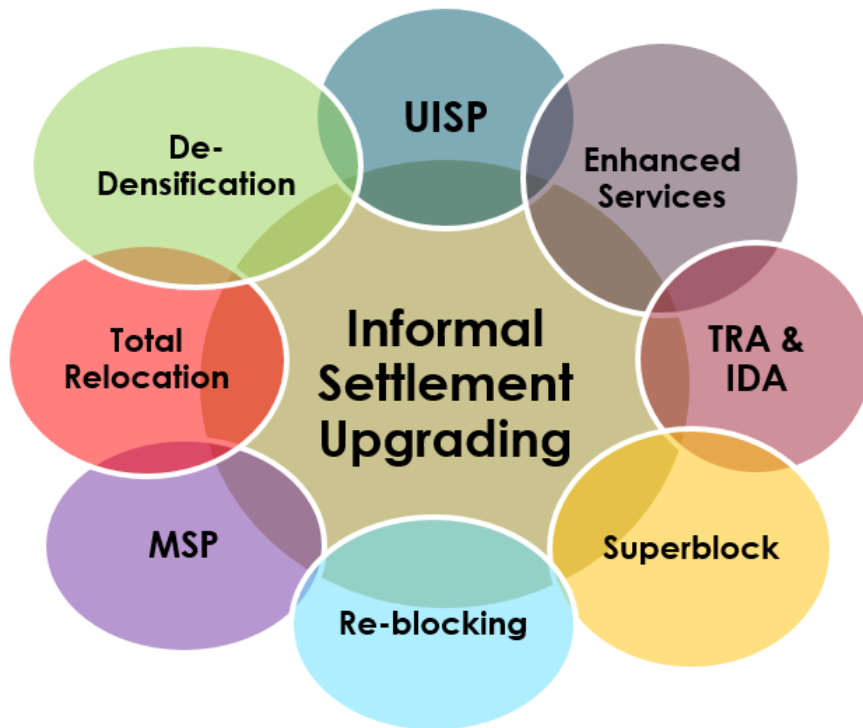
Data Source: City of Cape Town Human Settlements Land & Forward Planning (2024)

# Key takeaways

- Based on existing human settlements planning assumptions, the bulk of future demand will be in the **lower income bands**.
- These market categories presently rely on **state-subsidized housing models/mechanisms**.
- In light of the **grant funding limits** and limited new rental opportunities, it is likely that many households in this income bracket will reside in informal settlements, backyards and overcrowded conditions, without other interventions
- It is critical for the City to play an **enabling role for the private sector** (both emerging and established developers) to contribute to affordable housing supply
- There is a need for a common understanding that **informality is part of the urban fabric** and is not something that can be 'eradicated' – rather the focus is on how to incrementally improve living conditions and enable households to live in dignity
- **Illegal land occupation** remains a challenge for long term infrastructure planning, including human settlements project implementation

# Critical shift: City response to Informality

*Embracing informality as part of the urban fabric*



**ENHANCED RE-BLOCKING**



*Example of innovative responses to informality an informal settlement through a partnership approach with Urban Think Tank Empower (UTTE) – BT Soweto, Section C, Khayelitsha*

# Critical shift: City response to Informality

BBT-VUKANI  
Site Conditions



From this

To this



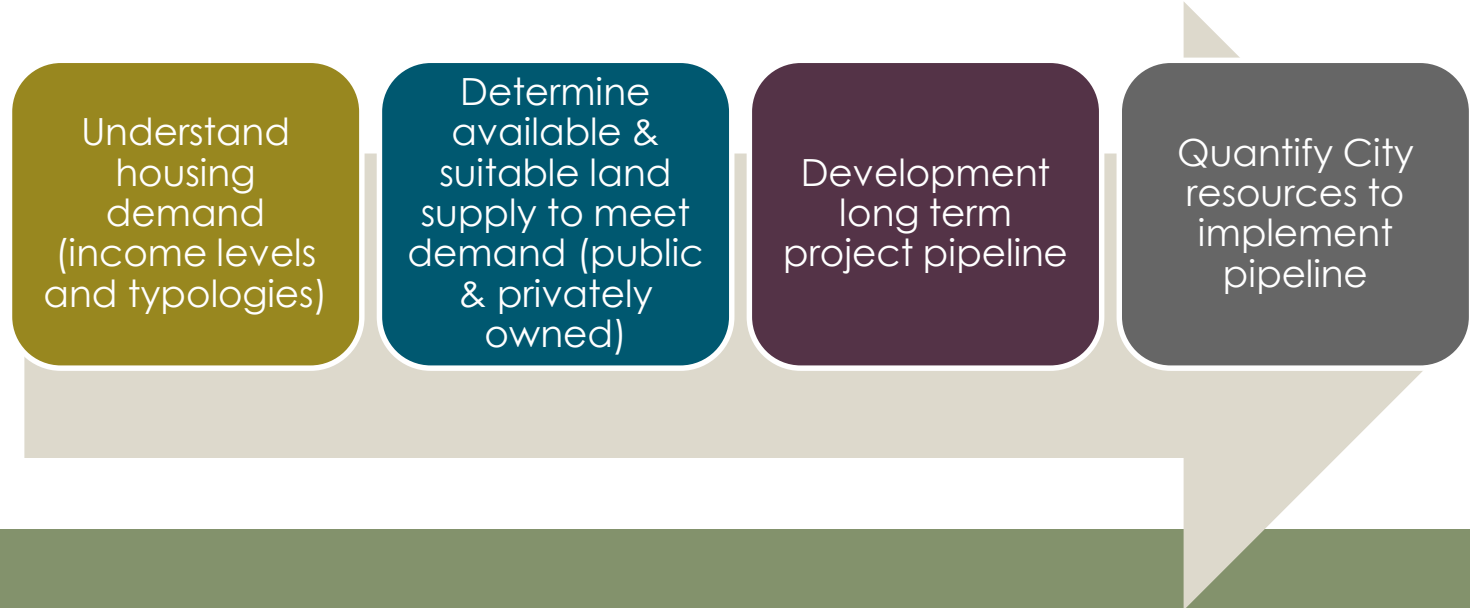
Example of innovative responses to informality through a partnership approach with the private sector - Urban Think Tank Empower (UTTE) and City of Cape Town



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# Critical shift: Improved long term planning

- City embarked on **long-term Human Settlements Sector Planning** to ensure project pipeline meet housing demand into the future
- Outcome is that HS Directorate will have **project-ready sites** to commence development once funding is unlocked
- HS pipeline **is an informant into long term transversal infrastructure planning** to ensure pipeline is adequately supported
- Regular review is required to consider latest trends and City priorities – importantly the **Human Settlements Sector Plan will be reviewed only the new LUM 2050 is in place**, to ensure alignment

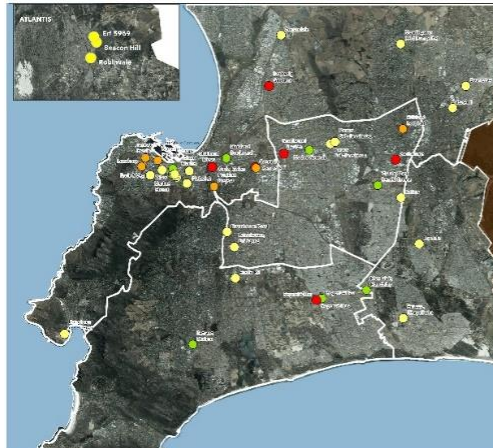


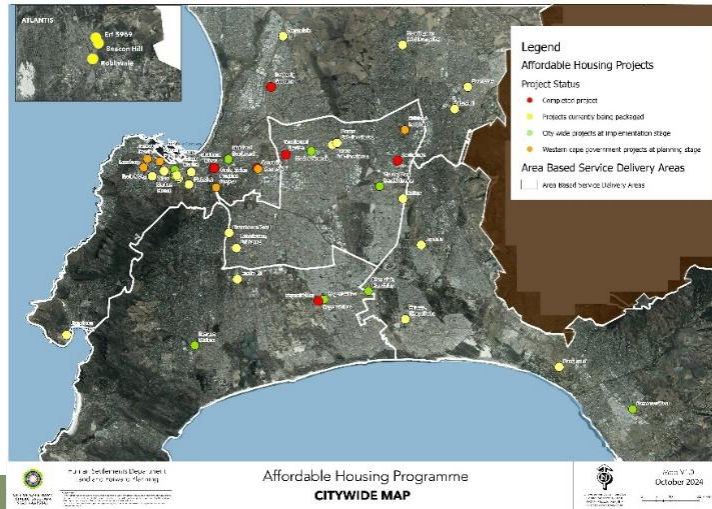
# Land Identification Criteria - ensuring spatial vision of City

- Human Settlements has worked with SPE on **land identification criteria** to ensure **alignment** of Human Settlements land pipeline (and various typologies) with broader City MSDP vision
- Spatial vision of City thus embedded in how Human Settlements plans for future projects**

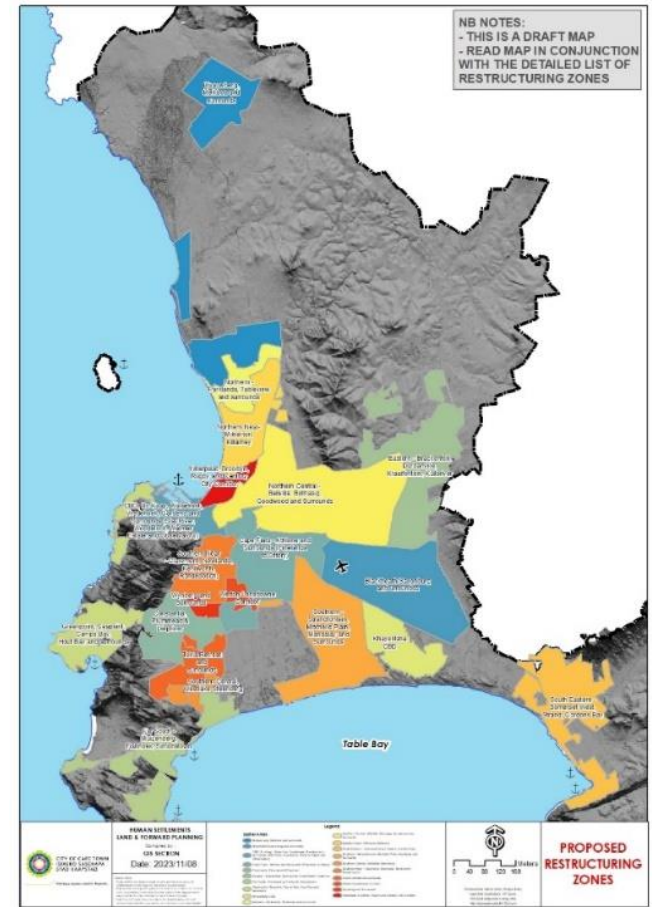
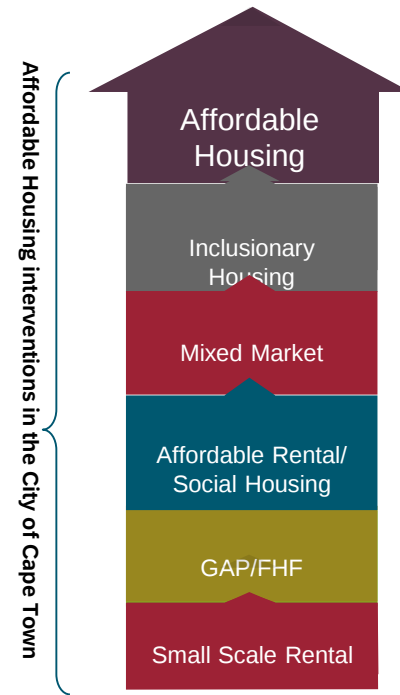
|                                  | Land Parcel Filter                                                                                              | Shared Criteria                                                                    | Locational GO / NO-GO                                                                                                                                             | Flags (Preferential Criteria)                                                                                             | Density             | Typology Category                              |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------------------------------|
| Final Spatial Criteria / Filters | > 40 000 m2<br>(include sites >10 000 m2 in close proximity)                                                    | Not a current HS Project in implementation (Tender, Detailed Design, Construction) | Within IGCA and USFAs                                                                                                                                             | Ownership<br>Public Service Node Access<br>Accessibility Score<br>Existing Property Transactions<br>HS Consolidated Risks | Low                 | Formal State Delivered - Freehold              |
|                                  | Part of a larger precinct / project. Overlap with FSD-Rental (larger sites to be for both typologies.) >5000 m2 |                                                                                    | Within UIC<br>Property Value Buffer + USFAs (Outside USFAs + City Rental Stock Merge)                                                                             | Ownership<br>Public Service Node Access<br>Accessibility Score<br>Existing Property Transactions<br>HS Consolidated Risks | High (multi-storey) | Formal Market Delivered - Freehold             |
|                                  | > 20 000 m2                                                                                                     |                                                                                    | Within ICGAs<br>Property Value Buffer + USFAs                                                                                                                     | Ownership<br>Public Service Node Access<br>Accessibility Score<br>Existing Property Transactions<br>HS Consolidated Risks | Low (Single Unit)   |                                                |
|                                  | >3000 m2                                                                                                        |                                                                                    | Within Structuring Corridors or Draft Inclusionary Housing Areas (Integration) or Mixed Use Intensification Areas<br>Property Value Buffer                        | Ownership<br>Public Service Node Access<br>Accessibility Score<br>Existing Property Transactions<br>HS Consolidated Risks | Medium - High       | Formal State Delivered - Rental                |
|                                  | N/A                                                                                                             |                                                                                    | Buffer (1 km) around existing Informal Settlements identified in IS Pipeline. (In Lwazi's Layer?)<br>No waterbodies (WULA).<br>Surrounding Res Value (< R500 000) | Ownership<br>Public Service Node Access<br>Accessibility Score<br>Existing Property Transactions<br>HS Consolidated Risks | Low - High          | Incremental Development (Informal Settlements) |
|                                  | 500 m2 - 2000 m2<br>City Owned Land Only                                                                        |                                                                                    | In pre-identified areas from proposed changes in MPBL<br>No other typology flags.                                                                                 | Ownership<br>Public Service Node Access<br>Accessibility Score<br>Existing Property Transactions<br>HS Consolidated Risks | High                | Micro Developers (Land Release)                |

# Critical shift: Enabling private sector participation

- The City has embarked on an **accelerated land release programme** for **affordable housing since 2022**. This programme is a core feature of the City's Five-Year IDP for 2022–2027, the Human Settlements Strategy (2021), and the Municipal Spatial Development Framework (2023). The programme also forms part of the **Mayoral Priority Programme** for the current term of office.
  - Between 2019 and 2024, the City released **7 well located land parcels (4 466 affordable housing opportunities)**. Another 7 land parcels are in the process of release (2024/25 FY).
  - Overall the City is packaging and preparing to take to market properties which will yield approximately **12 000 residential opportunities to the affordable housing market**.
  - The MPP also identifies **land lease for Small Scale Rental opportunities to Micro Developers**, and the City is currently packaging pilot sites for release.
- 



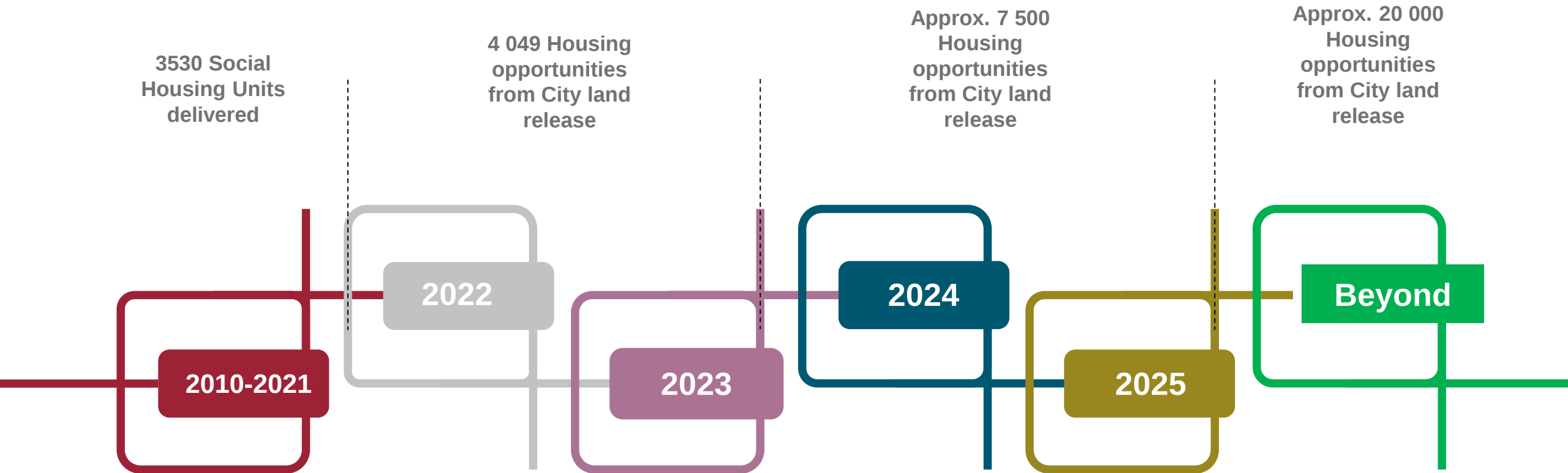
Affordable Housing pipeline- alignment of spatial targeting with City's inner growth strategy and restructuring zones



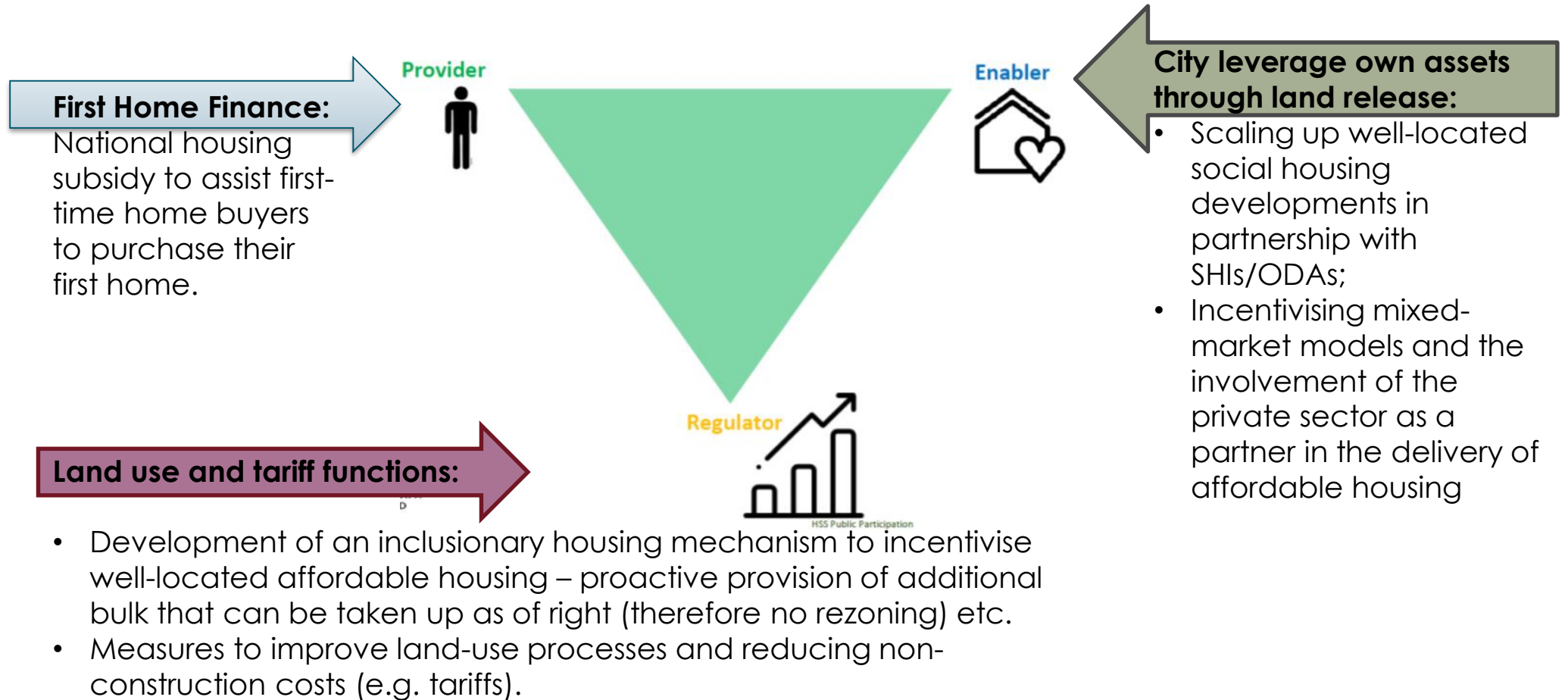
## Expanded Restructuring Zones



# Affordable Housing trajectory in the City of Cape Town



# Affordable Housing Policy Development Process: Enabling greater private sector participation



# Assumptions for LUM 2050

- Future housing **demand** continues to grow most significantly in the **R0-R3500** and **R3501-R7000** household income categories
- Housing **supply** shortfall in lower-middle and middle market continues (R600 000 – R1.5mil), causing **rising rental prices** and potentially downward raiding
- Reduction in National **funding** for housing grants, leading to reduction in state supply
- **Informality** remains, with sporadic illegal land occupations affecting ability of the state to plan and deliver housing projects- particularly informal settlements upgrading
- Increased delivery of formal housing through **Small Scale Rental Units** – extent of this determined by capacity of City to support, and capacity of the Sector itself
- Increase in **higher density, mixed-income** and **mixed-use** developments in well-located parts of the City – infrastructure planning to align and support

## For discussion – Menti

[Question below to be an open-ended question on Mentimeter, which should also be displayed as a word cloud for easier engagement]

- What are the top three interventions (within the City's local government mandate), that will lead to the biggest increase in affordable housing supply in Cape Town?

# INPUTS FROM PLENARY

11h20 – 11h40

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PRESENTATION 4:

# ECONOMY

## LANCE GREYLING(CCT)



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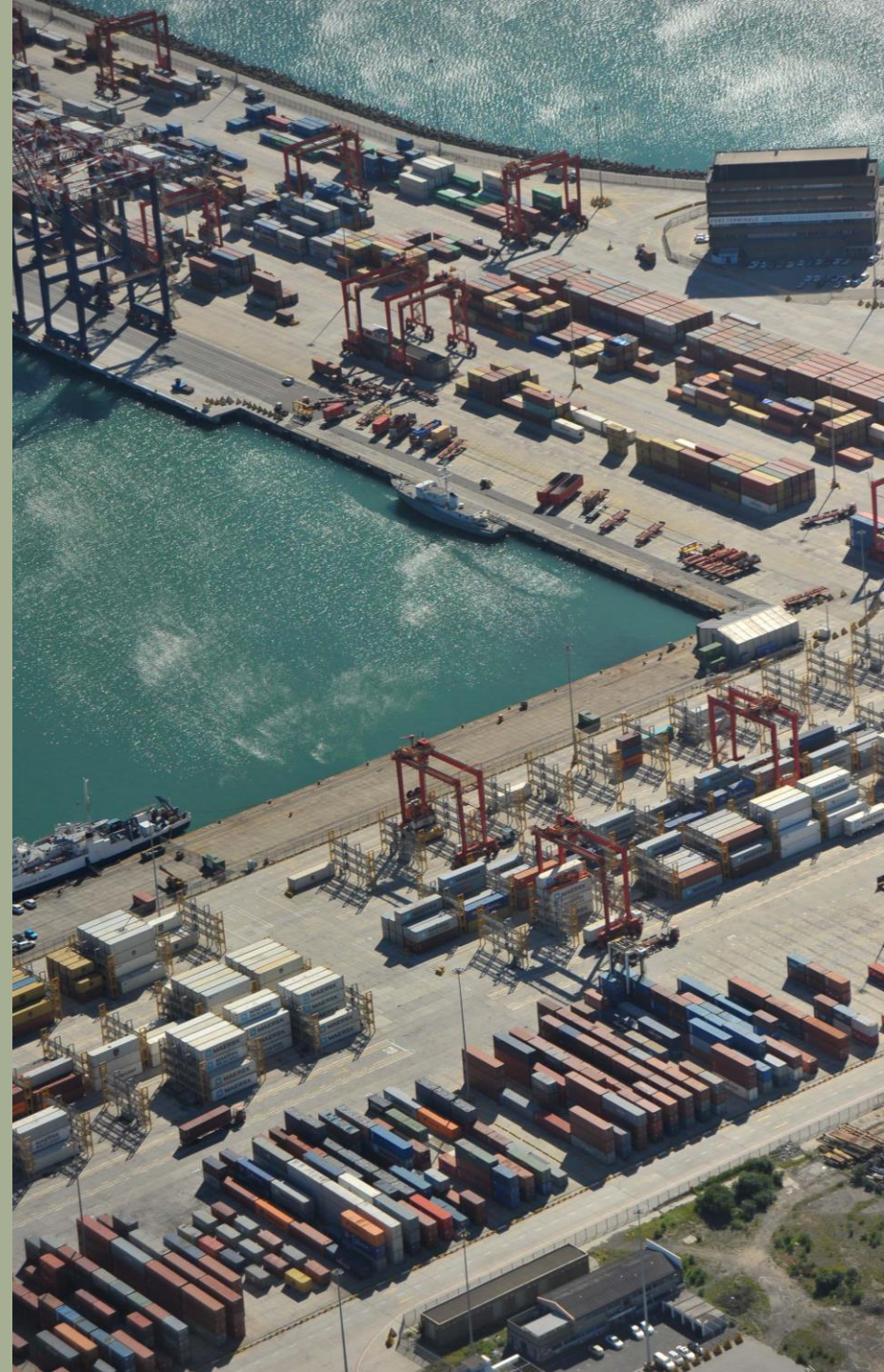


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# CAPE TOWN'S ECONOMIC FUTURE: KEY TRENDS SHAPING HIGH-GROWTH SECTORS (2025-2050)

**Lance Greyling**

Director: Economic Development &  
Investment Department



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# CAPE TOWN: A CITY OF HOPE

## ECONOMIC GROWTH AS A CORNERSTONE

One of the greatest priorities of a city is to **ensure that its infrastructure, spatial design and programmes enable economic growth and opportunities for its citizens**. A city that doesn't foster economic growth will not be able to attract people to live, work, play, invest, visit and study.

In terms of our current high growth sectors, these are the trends that have been identified as relevant in terms of informing Cape Town's future spatial design.\*



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*\*Data compiled with use of Artificial Intelligence (ChatGPT) and insights from the City experts and our Special Purpose Vehicles.*



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# SETTING THE SCENE

## CAPE TOWN'S KEY ECONOMIC SECTORS

|                                 |                                                                                                                                                                                                                                                                                        |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BUSINESS SERVICES               | <ul style="list-style-type: none"> <li>• <b>BPO and IT</b> have been the <b>largest contributor to employment growth in Cape Town</b> over the last 10 years.</li> <li>• 60 investments projects and a capex value of <b>R21,67 bn</b>, between 2013 to 2022.</li> </ul>               |
| BLUE ECONOMY                    | <ul style="list-style-type: none"> <li>• The total value of all 3 sectors (Marine Manufacturing, Ocean Sports, Super Yachts) is approximately <b>R5.2 bn</b> per annum, <b>employing 6700 people</b> in the Western Cape.</li> </ul>                                                   |
| FILM AND MULTIMEDIA             | <ul style="list-style-type: none"> <li>• The film industry contributes approximately <b>R5 bn to the local economy annually</b> and has created more than 35 000 jobs.</li> </ul>                                                                                                      |
| TOURISM                         | <ul style="list-style-type: none"> <li>• In 2022, top five main attractions enjoyed <b>2,4 million visits</b>.</li> </ul>                                                                                                                                                              |
| GREEN ECONOMY                   | <ul style="list-style-type: none"> <li>• Over 80% of green energy project developers in South Africa have headquarters in Cape Town, with the <b>Atlantis Special Economic Zone (SEZ)</b> located within the city.</li> </ul>                                                          |
| ELECTRONICS                     | <ul style="list-style-type: none"> <li>• A relatively small but an important contributor to foreign exchange earnings. In 2022, the sub-sectors of electrical machinery contributed <b>R1,60 bn</b> to the Cape Town economy.</li> </ul>                                               |
| FOOD AND BEVERAGE MANUFACTURING | <ul style="list-style-type: none"> <li>• The largest of Cape Town's manufacturing industries contributing <b>4.1% to Cape Town's GVA</b>.</li> </ul>                                                                                                                                   |
| CLOTHING AND TEXTILES           | <ul style="list-style-type: none"> <li>• Major employer of <b>23 829</b> individuals – the third-largest employer in the manufacturing sector. Had a trade balance of R7,5 bn in 2022.</li> </ul>                                                                                      |
| ECOMMERCE                       | <ul style="list-style-type: none"> <li>• The Online Retail in South Africa 2023 report revealed that online shoppers grew from 27% of adults in 2020 to 38% in 2022, with forecasts that e-commerce transactions (in the country) will reach around <b>R225 bn</b> by 2025.</li> </ul> |
| TOWNSHIP/ INFORMAL ECONOMY      | <ul style="list-style-type: none"> <li>• In the 2024/2025 financial year, the City has committed <b>R141m</b> to Cape Town's informal economy and small businesses for infrastructure developments and upgrades, and the provision of business support programmes.</li> </ul>          |



# MENTIMENTER QUESTION 1

Will these high-growth sectors  
continue to be same in future, or  
should we be considering others?



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# LOOKING AT TRENDS AND SECTOR SPOTLIGHTS

Information on trends have been compiled using AI and Engagements with Sector Specialists



# Trend Assumptions 2025 -2050

- 1) Artificial Intelligence institutes a critical shift – “The Intelligence Curse”
- 2) Mass Robot deployments lead to a change in Manufacturing – Less labour intensive and Reshoring
- 3) Human-Machine Collaboration will be critical – Re-skilling for the Future
- 4) Energy requirements increase globally along with Climate Change Impacts – Increased Drive for Sustainability
- 5) Greater emphasis on Health and Wellness - What does it mean to be Human

# Remote & hybrid work models

Remote and hybrid work models are reshaping business operations, requiring investment in digital infrastructure and flexible workspaces.

## SECTOR OUTLOOK

- **Tourism:**
  - Increased demand for workation destinations and digital nomad visas.
- **Clothing & Textiles:**
  - Shift to e-commerce-driven fashion trends.
- **Food & Beverage Manufacturing:**
  - Growth in direct-to-consumer models and cloud kitchens.
- **Greentech:**
  - Growth in decentralized energy solutions for remote workers.
- **Film & Media:**
  - Rise of remote content production and virtual collaboration.

## ECONOMIC OPPORTUNITIES

- **Short-Term (10 years):**
  - Growth in co-working spaces and digital economy jobs.
- **Medium-Term (15 years):**
  - Expansion of tech-enabled remote service industries.
- **Long-Term (20 years):**
  - Cape Town as a top destination for remote work and global talent attraction.

## SPATIAL NEEDS

- Increase in **mixed-use developments** combining work, living, and leisure.
- Growth of **co-working hubs** and remote-friendly infrastructure.
- Expansion of **fiber-optic networks and smart connectivity zones**.



# Digital transformation & AI

The rise of AI, automation, and digital infrastructure is transforming industries by increasing efficiency, improving data analytics, and creating new economic opportunities.

## SECTOR OUTLOOK

- **BPO & IT:**
  - Increased demand for AI-driven automation, cloud computing, and cybersecurity services.
- **Film & Media:**
  - AI-generated content, deep learning in post-production, and automated workflows.
- **Electronic Manufacturing:**
  - Smart factories, predictive maintenance, and AI-driven supply chain optimization.
- **Food & Beverage Manufacturing:**
  - AI in food safety monitoring, production efficiency, and precision farming.

## ECONOMIC OPPORTUNITIES

- **Short-Term (10 years):**
  - Rise in AI-powered startups, increased demand for digital skills training.
- **Medium-Term (15 years):**
  - Growth in AI-driven industries, expansion of smart tech hubs.
- **Long-Term (20 years):**
  - Cape Town as a global AI innovation hub, attracting FDI in AI research and development.

## SPATIAL NEEDS

- Growth in AI research centers and **digital business parks**.
- Development of smart city infrastructure and **automation-friendly industrial zones**.
- Shift towards **tech-driven workspaces** and high-speed connectivity networks.



# Spotlight on BPO

The BPO industry within the Western Cape and Cape Town in particular experienced **exponential growth over the past 5 years** in particular, almost doubling in size from 38,000 offshored seats in 2020 to over 67,000 in 2025.

Seat provision over the next 10 years based on growth trajectory between 15-20% year-on-year:

- 100,000 seats in a low growth scenario
- 150,000 seats in a medium growth scenario
- **300,000 seats in a high growth scenario**

## Current dispersion of BPO operators:

- The CBD
- Woodstock/Salt River
- Wynberg/ Claremont/ Newlands
- Century City

Growth in 5yrs  
from 38k seats  
in 2020 to 67k  
seats in 2025

## SPATIAL NEEDS IN LONG-TERM

Dispersion of operators may look like at emergence of secondary nodes closer to where people live. This must be promoted by the City.

## WILL AI TAKE OVER?

Some BPO jobs/services may experience between a 25-40% displacement over the next 10 years however, 'high-touch' verticals like Financial Services and Healthcare will likely experience less AI impact.

# Green Economy & Sustainability

The shift towards sustainability is driving investment in renewable energy, circular economy models, and eco-friendly business practices. Companies must adopt greener operations to remain competitive and compliant with evolving environmental regulations.



## SECTOR OUTLOOK

- **Boatbuilding:**
  - Development of electric and hydrogen-powered vessels
  - sustainable materials and green maritime infrastructure.
- **Greentech:**
  - Expansion of renewable energy
  - energy storage solutions
  - green innovation.
- **Clothing & Textiles:**
  - Shift to biodegradable fabrics
  - ethical sourcing
  - circular fashion initiatives.

## ECONOMIC OPPORTUNITIES

- **Short-Term (10 years):**
  - Increase in green startups, policy incentives for sustainable industries, and a shift to low-carbon business models.
- **Medium-Term (15 years):**
  - Expansion of green industrial zones, major investments in renewable energy and recycling infrastructure.
- **Long-Term (20 years):**
  - Cape Town as a leading hub for green innovation, driving FDI in sustainable industries.

## SPATIAL NEEDS

- Development of **eco-industrial parks** and green business hubs.
- **Retrofitting existing infrastructure** to meet climate resilience and energy efficiency standards.
- Expansion of **urban green spaces, sustainable transport networks**, and eco-friendly urban planning.



## TREND

# Automation & Smart Manufacturing

Automation and smart manufacturing are reshaping industries by integrating robotics, AI, and the Internet of Things (IoT) into production processes. These technologies increase efficiency, precision, and reduce costs, driving the future of industrial growth.



### SECTOR OUTLOOK

- **Boatbuilding:**
  - Adoption of robotics for precision in boat design and construction, alongside automated production lines for greater efficiency.
- **Clothing & Textiles:**
  - Automation in textile manufacturing
  - 3D knitting, robotic sewing
  - Smart factories to boost production efficiency.
- **Food & Beverage Manufacturing:**
  - Integration of automated production lines,
  - AI-assisted food safety monitoring
  - smart packaging to enhance productivity and reduce waste.

### ECONOMIC OPPORTUNITIES

- **Short-Term (10 years):**
  - Increased investment in smart factories
  - demand for automation software and engineers
  - widespread adoption of AI and robotics across industries.
- **Medium-Term (15 years):**
  - Growth in industrial IoT adoption, smart logistics, and AI-driven operational improvements in manufacturing processes.
- **Long-Term (20 years):**
  - Cape Town as a hub for smart manufacturing and innovation, leading in AI-powered production and high-tech industrial solutions.

### SPATIAL NEEDS

- Development of **smart industrial parks** with automation-ready facilities and integrated robotics infrastructure.
- Expansion of **AI and IoT-driven manufacturing zones**, including hubs for smart logistics and supply chain solutions.
- Creation of **tech-driven training centers** focused on automation processes, and robotics.



# Spotlight On Food & Beverage Manufacturing

**The industry is one of the few manufacturing industries in which Cape Town has a positive trade balance and is a very important earner of foreign exchange for the city.** Expanding agri-processing hubs, AI research districts, cold-chain logistics infrastructure, and green industrial zones will enable the city to attract investment, drive innovation, and create a more inclusive, future-ready economy.

## **Are local green Economy Players Moving Towards Digital Transformation & Smart Manufacturing?**

Many are actively transitioning towards digital transformation and smart manufacturing, particularly in developed markets and progressive sectors like agritech, sustainable food production, and waste management.

- **Agriculture & Food Production:** Companies focusing on precision agriculture and AI-powered farming solutions are leading the way in digitization.
- **Renewable Energy & Grid Management:** AI and smart grids are enhancing energy efficiency.
- **Waste Management & Circular Economy:** Companies leveraging automation in waste sorting and AI-driven recycling technologies are enhancing circular economy models.

## **FUTURE SPATIAL NEEDS**

- **Agri-Processing Zones:** Expand food processing clusters to facilitate value-added manufacturing.
- **Cold Chain Logistics Hubs:** Develop temperature-controlled storage facilities to enhance export competitiveness.
- **Organic Waste-to-Value Industrial Parks:** Establish waste valorisation zones.

**Short to Medium-Term:** Larger food manufacturers and multinational players are expected to integrate these technologies first, while SMEs may require targeted incentives, subsidies, or partnerships to adopt smart solutions.

**Long-Term:** As costs decrease and technologies become more accessible, AI, automation, and IoT-driven solutions will become mainstream, driving efficiency, reducing food waste, and creating sustainable manufacturing ecosystems.

# Smart Tourism & Cultural Experiences

Smart tourism leverages technology to enhance the travel experience, offering personalized services and seamless interactions. The growing demand for immersive cultural experiences is shaping the future of tourism, especially in urban centres like Cape Town.

## SECTOR OUTLOOK

- **Hospitality:**
  - Integration of AI-driven concierge services, smart hotel rooms, and personalized guest experiences.
- **Arts & Entertainment:**
  - Increased use of digital platforms for virtual cultural experiences, live-streamed performances, and digital art showcases.
  - Development of immersive cultural tours using VR/AR, interactive exhibitions, and gamified experiences.

## ECONOMIC OPPORTUNITIES

- **Short-Term (10 years):**
  - Expansion of tech-driven tourism services, including app-based city guides, digital tourism platforms, and smart accommodations.
- **Medium-Term (15 years):**
  - Cape Town emerging as a leader in smart tourism, offering fully integrated tech-enabled travel and cultural experiences.
- **Long-Term (20 years):**
  - Integration of sustainable, AI-driven tourism solutions and preservation of cultural heritage through digital technologies.

## SPATIAL NEEDS

- Development of **smart tourism districts** with interconnected digital infrastructures, cultural centers, and tech-enabled attractions.
- Need to consider land for Family resorts
- Tourism accommodation can be developed in the periphery if affordable and efficient public transport is rolled out.
- Investment in **accessible and sustainable tourism infrastructure**, integrating green technologies and reducing carbon footprints.



# Spotlight On Tourism

**Cape Town attracts tourists from across the globe, thanks to the appeal of the city's natural beauty, vibrant culture and accessibility.** Major companies across a spectrum of clusters (including convention centres, hotels, tour operators and hospitality, travel planners, restaurants, attractions and supporting bodies) have a presence in Cape Town.

## Current challenges include:

- Responding to expectations and needs of the growing number of visitors who are attracted to the diversity and top quality products, culture, natural, business, entertainment, sport and other attractions.
- A need to continuously innovate and improve facilities and destinations, diversify the product offerings.
- Maintenance of destinations/facilities in terms of basic services.
- Tourism must develop in such a way that it benefits the resident population, contribute to the continued protection and enhancement of the natural and cultural heritage and does not become a financial burden.

Cape Town International Airport has exceeded its 2024 passenger target by 125%.

The WC's top five source markets accounted for R9,5 bn in total foreign direct spend in 2022.

## SPATIAL NEEDS FOR TOURISM TO GROW FOR VISITORS & BUSINESSES

### Access, movement & connectivity:

- Improving access through public transport and alleviating traffic congestion across the city.

### Public space and places:

- There is potential to create an "Artist's Quarter" in the City Bowl to attract young creative professionals.
- A pedestrian network linking squares and public open spaces.

### Economic Infrastructure:

- Investment in the redevelopment of existing public properties for mixed-use is critical (e.g. Bellville Velodrome, Athlone Power Station). Look at developing coastal resorts.

### Creating Identity:

- Conserving significant architecture or natural features of different precincts and investing in experience-based tourism.

# Climate Change & Environmental Resilience

Climate change is set to have profound impacts on Cape Town's economy and infrastructure over the next 10–25 years. Rising sea levels, extreme weather events, and shifts in global sustainability standards will necessitate widespread adaptation measures.

## SECTOR OUTLOOK

- **Greentech:**
  - Expansion of renewable energy, water management, and waste recycling industries.
- **Electronic Manufacturing:**
  - Growth in energy-efficient components, sustainable supply chains, and e-waste management.
- **Food & Beverage Manufacturing:**
  - Rise in climate-smart agriculture, vertical farming, and carbon-conscious food production.

## ECONOMIC OPPORTUNITIES

- **Short-Term (10 years):**
  - Rise in green jobs, increased investment in renewable energy, adoption of sustainable business practices.
- **Medium-Term (15 years):**
  - Growth in climate-adaptive infrastructure, development of sustainable industrial zones, and FDI in green innovation.
- **Long-Term (20 years):**
  - Cape Town as a global leader in climate resilience, attracting green investment and pioneering low-carbon urban development.

## SPATIAL NEEDS

- Expansion of **green industrial zones** and eco-business parks.
- **Climate-proofing** of coastal and flood-prone areas.
- Increased integration of **sustainable urban planning**, green transport, and resilient infrastructure.





# Spotlight On Blue Economy

The ocean is vital to the world's economy, with more than 90% of trade using sea routes and is a source of jobs for millions of people. In Cape Town specifically the coastline contributes almost **R40 billion** (R38 813 994 441) (or 10%) to the city's GDP per annum.

- Marine Manufacturing/ Boatbuilding employs over 5 120 artisans, carpenters, engineers, yacht designers and naval architects with **40+ boatyards**.
- Ocean sports in Cape Town is valued at **R2bn per annum** with the kite and windsurfing industries generating in excess of R500m each year.
- Globally, South Africa is the #2 producer of sailing catamarans, and #1 for manufacture of XL superyachts.

## SPATIAL NEEDS

### Short-term:

- Optimise the spatial layout of the port space, consider crane requirements for launching, upwind and downwind impacts on boats.

### Medium-term:

- Retain Paarden Eiland footprint and accommodate outward push for space to accommodate manufacture and transport of catamarans up to 120 feet in length.
- Depending on cost & innovation, boatbuilders may look to "communal pools" for commissioning.

### Long-term:

- The twin requirements of launch and commissioning likely to remain the same but vessels likely to get bigger, go electric or biofuelled. This means the charging power provision and green fuel provision must be thought about now.
- More marina space needed for recreational berths, visiting yachties.

# Global Supply Chain Shifts & Localisation

Global disruptions and geopolitical shifts are accelerating the trend towards supply chain resilience and localisation. Businesses are adapting by reducing dependence on foreign suppliers and increasing regional production capacity.



## SECTOR OUTLOOK

- **Film & Media:**
  - Increased reliance on local talent, production facilities, and equipment manufacturing.
- **Electronic Manufacturing:**
  - Boost in domestic production of components and semiconductor assembly.
- **Food & Beverage Manufacturing:**
  - Rise in local agricultural supply chains and reduced reliance on imports.

## ECONOMIC OPPORTUNITIES

- **Short-Term (10 years):**
  - Increase in local manufacturing jobs, policy incentives for domestic production, and trade agreements favoring regional suppliers.
- **Medium-Term (15 years):**
  - Expansion of regional logistics hubs, investment in supply chain digitization, and a shift towards localized production ecosystems.
- **Long-Term (20 years):**
  - Cape Town as a self-sustaining production and logistics hub, attracting FDI in advanced manufacturing and supply chain innovation.

## SPATIAL NEEDS

- Growth in industrial parks and **localized production hubs**.
- Expansion of **logistics and warehousing infrastructure**.
- Development of **smart supply chain networks** and intermodal transport solutions.



# Global Supply Chain Shifts & Localisation

Biotechnology and advanced materials are driving breakthroughs in healthcare, manufacturing, and environmental sustainability. Innovations in genetic engineering, bio-manufacturing, and materials science are poised to transform industries.



## SECTOR OUTLOOK

- **Clothing & Textiles:**
  - Innovations in biodegradable fabrics and advanced materials for eco-friendly clothing production.
- **Agritech:**
  - Development of genetically modified crops with higher yields, pest resistance, and environmental sustainability.
- **Healthtech:**
  - Advances in gene editing, personalized medicine, and biopharmaceuticals improving patient outcomes and treatment options.
  - Growth of biomanufacturing for complex drugs and vaccines

## ECONOMIC OPPORTUNITIES

- **Short-Term (10 years):**
  - Expansion of biotech research, increased adoption of genetically modified crops, and innovations in bio-manufactured goods.
- **Medium-Term (15 years):**
  - Growth in personalized medicine, advancements in biopharmaceuticals, and eco-friendly materials adoption.
- **Long-Term (20 years):**
  - Cape Town as a leader in biotech research, eco-materials production, and sustainable agriculture solutions, contributing to regional development.

## SPATIAL NEEDS

- Development of **biotech research parks, incubators, and advanced manufacturing zones** focused on sustainable and innovative materials.
- Establishment of **eco-friendly production facilities** for bioplastics, biofuels, and other green materials.
- Expansion of **science and tech hubs** to foster collaboration between biotech companies, universities, and research institutions.





# Spotlight On Industrial Zones

35 industrial  
zones in and  
around Cape  
Town, 35%  
growth since  
2017

The Western Cape continues to attract businesses seeking well-maintained infrastructure and access to global markets via the Port of Cape Town. Demand for industrial property in regions like Bellville, Montague Gardens and Epping is likely to remain strong, particularly from sectors focused on exports.

Light manufacturing, which involves smaller-scale production, is becoming more attractive due to its flexibility and lower capital requirements. Here's why:

- **Automation and AI:** Advances in robotics and AI make small-scale production efficient, reducing transportation costs and lead times by manufacturing closer to consumers.
- **On-demand production:** Customization and just-in-time manufacturing need flexible production systems, which light manufacturing can provide.
- **Sustainability:** Local, smaller-scale manufacturing helps reduce environmental impacts from long supply chains.
- **Technological advancements:** 3D printing and digital fabrication enable cost-effective, low- volume, customized production.

These factors make light manufacturing a strong choice for businesses focused on cost-efficiency, flexibility, and sustainability.

## TRENDS SHAPING THE INDUSTRIAL LEASING LANDSCAPE & POTENTIAL SPATIAL NEEDS

- **Smaller footprints and flexible spaces:** With the rise of just-in-time logistics, businesses are seeking smaller, more flexible, strategically located facilities closer to urban centres to meet faster delivery demands.
- **Is sustainability a thing?** Green Star buildings are becoming more popular, reflecting a shift towards sustainability in the sector. However, we still have a long way to go. One of the clear trends has been the adoption of solar power, water tanks and waste-management systems. Landlords have installed alternative solutions in industrial buildings to help secure and retain tenants.
- **Custom-built facilities:** Known for their sheer size and expansive nature, industrial properties lend themselves to custom fit-outs. Landlords looking to attract tenants in 2025 (and beyond) may opt to customise their facilities.

# Overall Spatial Needs Based On The Trends

**Smart,  
mixed-use,  
and green  
infrastructure**

**High-tech  
and  
innovation  
hubs across  
sectors**

**Localized  
production  
and resilient  
urban  
planning**

**Digital  
infrastructure**



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# INPUTS FROM PLENARY

12h00 – 12h30

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# LUNCH BREAK

12H30 – 13H15

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