NDABENI INDUSTRIAL ECONOMIC AREA PROFILE

TREND ANALYSIS 2012-2022

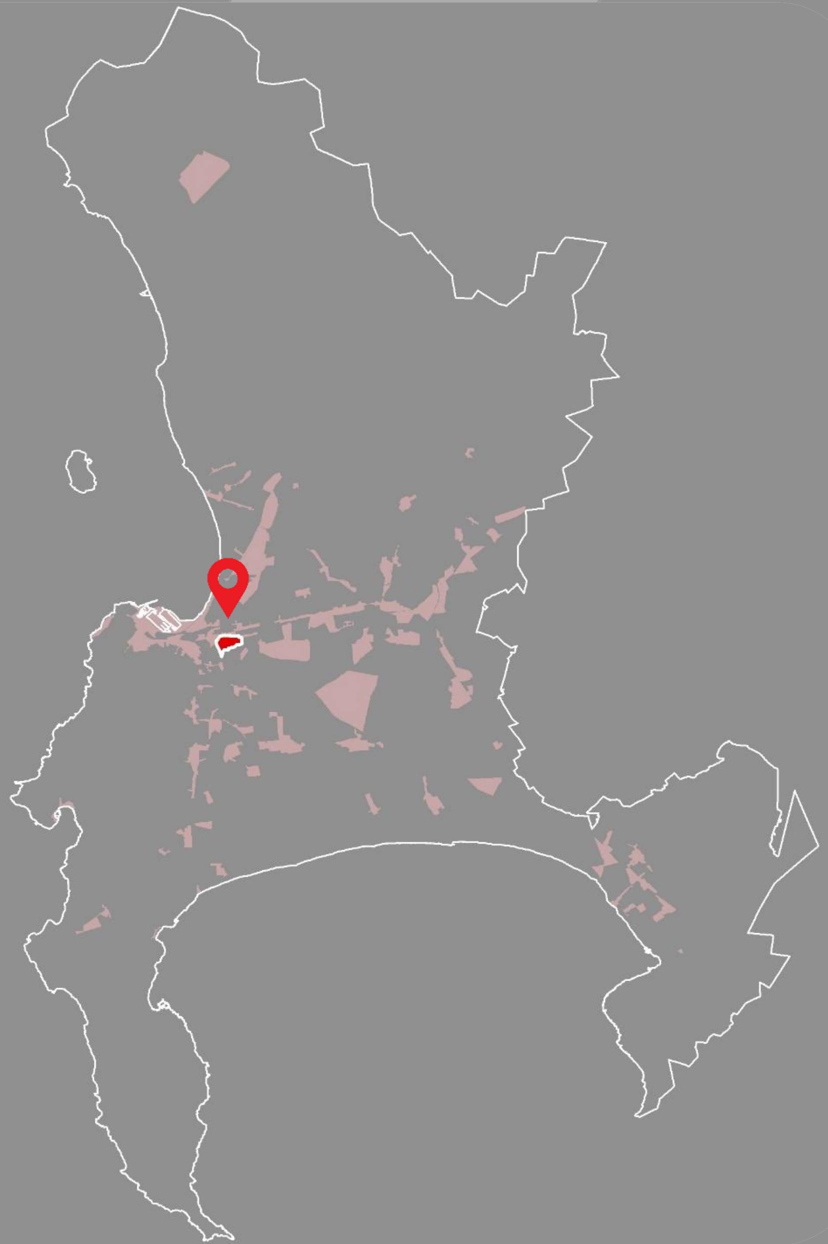


Image source: City of Cape Town

June 2025

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Making progress possible. Together.

ACKNOWLEDGEMENTS

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POLICY & REGULATORY CONTEXT

For the past decade, the global and national economic context has required regional economies to prioritise their investment decisions in space for greater efficiency. The Economic Areas Management Programme (ECAMP), as it was introduced, has therefore been considered a valuable economic data tool that provides valuable insights into the performance of the space economy at an area-specific level.

This update of ECAMP is further aligned with the Urban Planning & Design Department's business strategy to leverage spatial intelligence to unlock value within Cape Town's space economy by:

a) Tracking the performance and implementation of its spatial development framework policies
b) Developing the evidence base to inform and adjust said spatial policy
c) Supporting spatially targeted investment and decision-making
d) Providing a spatial lens of economic data within the Cape Town context

The following strategic objectives and programmes support the update of ECAMP:

INTEGRATED DEVELOPMENT PLAN 2022-2027

- Objective 1 (Increased jobs and investment in the Cape Town Economy): Targeted urban development programme
- Objective 15 (A more spatially integrated and inclusive city): Spatial strategy monitoring and evaluation project

INCLUSIVE ECONOMIC GROWTH STRATEGY (2021)

- Applying an economic lens to policy-making by integrating sustainable analysis into City Decision Making in alignment with the MSDF.
- The primary and most immediate scope of work must centre around economic recovery. To this end, implementation of this Strategy will be in the form of a three-phase recovery approach.

MUNICIPAL SPATIAL DEVELOPMENT FRAMEWORK (MSDF, 2023) POLICY & STRATEGY IMPLEMENTATION

- Table 5.1: Spatial strategy 1: Substrategies and policy guidelines (Policy 2, 4 and 5)
- Table A2: Spatial strategy 1: Policy guidelines, strategic and implementation intent (Policy 4,2 and 4,3)

DISTRICT SPATIAL DEVELOPMENT FRAMEWORK (DSDF, 2023): SUB DISTRICT GUIDANCE

- Table Bay DSDF - Subdistrict 3: Central District
    - District Development Guidelines (page 66)
    - Subdistrict Development Guidelines (page 99)
    - Consolidated subdistrict SDF (Figure 25: Subdistrict 3: Central District)

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

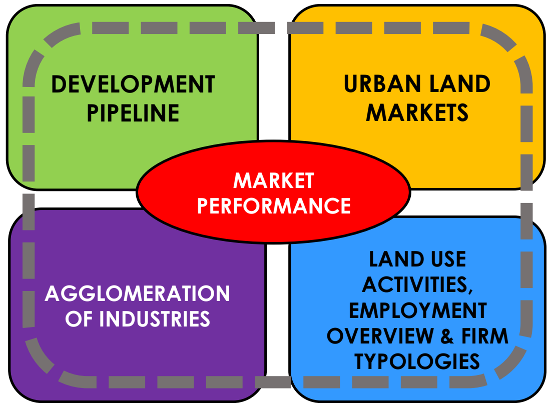
VALUE PROPOSITION	CHALLENGES /OBJECTIVES TO ADDRESS	AREAS OF APPLICATION
Promoting economic infrastructure in support of economic growth and job creation. Supports internal and external collaboration around data and spatial intelligence. Supports the spatially differentiated investment rationale of the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



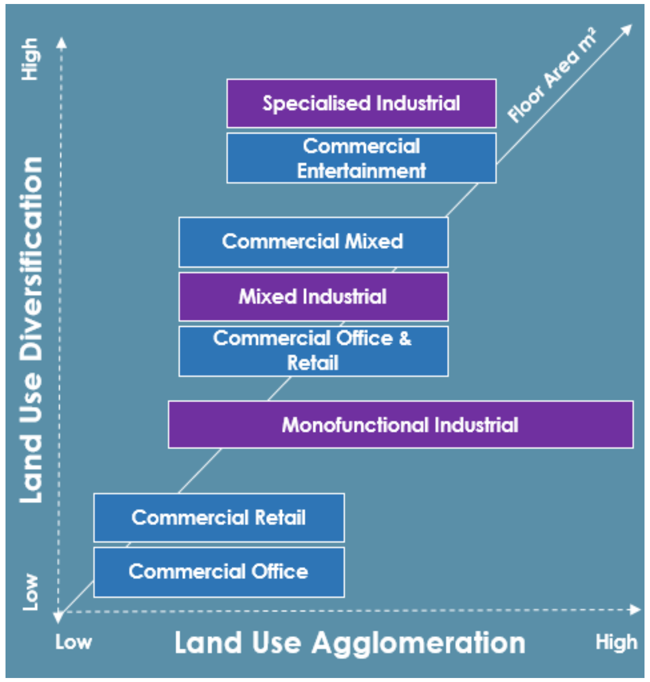
Built-up extent (m²) of land per sector **(S)**.
Vacant land (m²) per sector **(S)**.
Vacancy rate of buildings (%) per sector **(P)**.

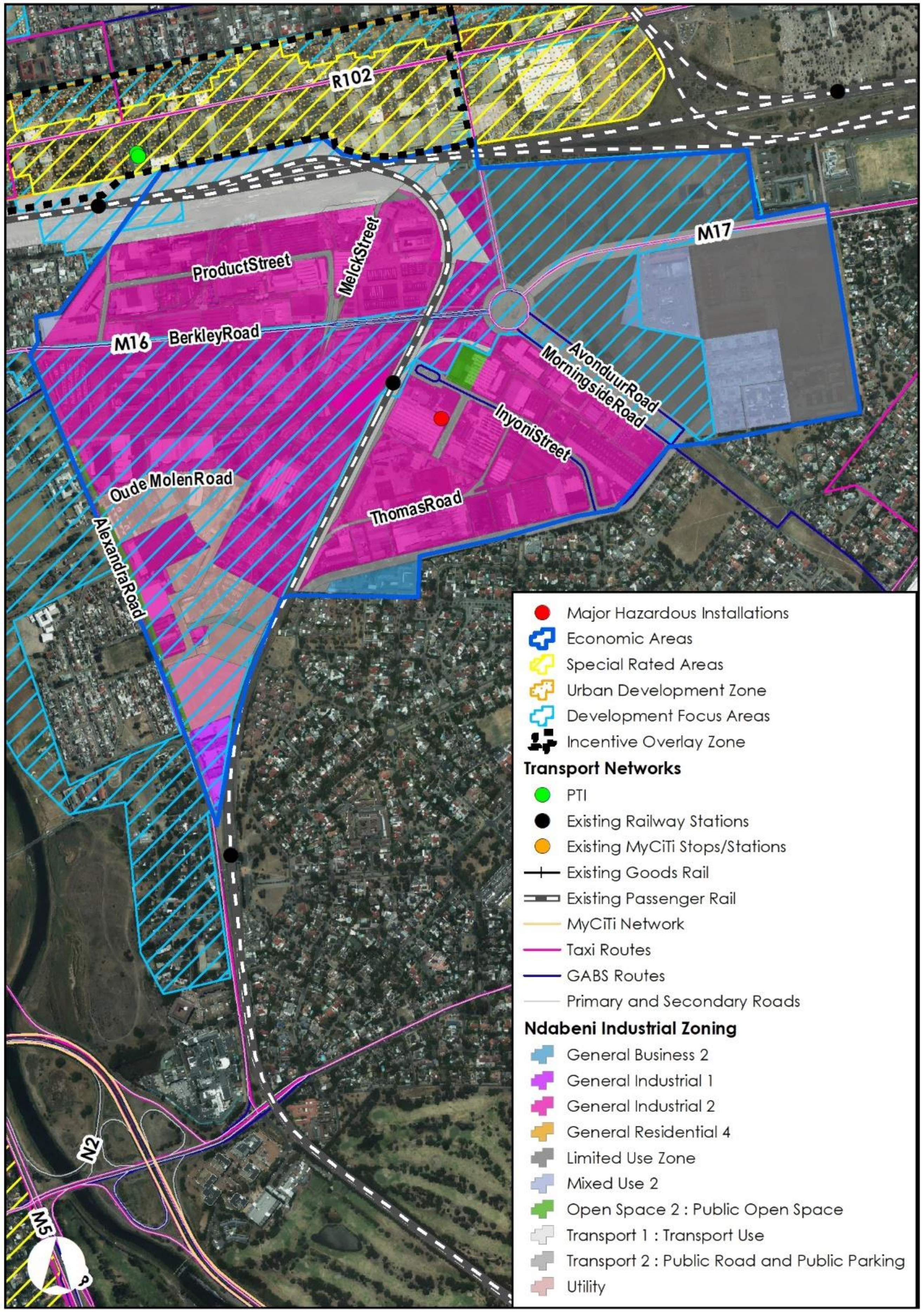
Dominant land use **(S)**
Propensity of industries at a Metro scale **(D)**.
Total jobs per industry & wage band **(D)**.
Firm size and count **(D)**.

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).





NDABENI INDUSTRIAL

Location

- The area is approximately 10km east of Cape Town's Central Business District and the Port of Cape Town. Furthermore, it is located 15km from Cape Town International Airport.
- It is also situated near the M5 highway and Voortrekker Road, providing easy access to areas across Cape Town.
- Additionally, it is close to a Public Transport Interchange and is serviced by rail, taxis, and GABS.
- Access to a skilled workforce from surrounding areas, includes the broader Maitland, Pinelands and the wider Cape Town areas.

Zoning, land use and form

- The area is primarily zoned for industrial purposes.
- Ndabeni Industrial is mainly characterised by light and heavy industrial uses, which include warehousing and depots.
- The average land parcel sizes in the area range between 15,000 and 50,000m².

Spatial planning mechanisms

- The adjacent area is serviced by a City Improvement District.
- The area has been identified as a Development Focus Area as part of the Table Bay District Spatial Development Framework.
- An Incentive Overlay Zone has been implemented in the adjacent parts, north of the economic area.

Key highlights of the area include:

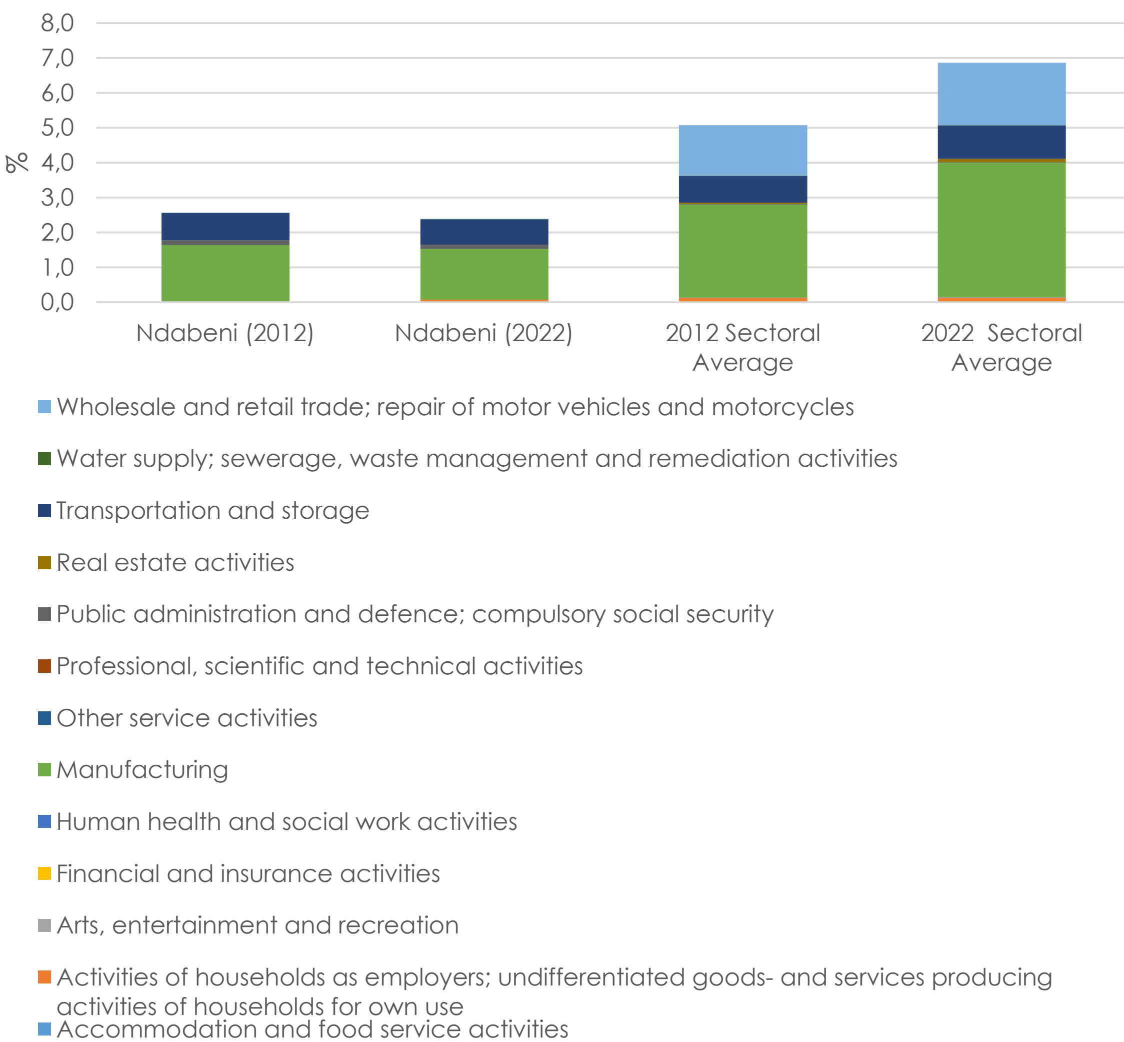
- Medical technology companies are located in Ndabeni, while still a smaller proportion of land use in the node, this is a globally significant sector for Cape Town and the location has a competitive advantage for this sector, being close to UCT, Vincent Palotti and state medical research branches.
- Landmark light industrial companies include Hoghouse brewing company, Merrypack and Tiger Brands.
- The area has significant growth potential with properties in the surroundings vacant or underutilised.

LAND USE ACTIVITIES

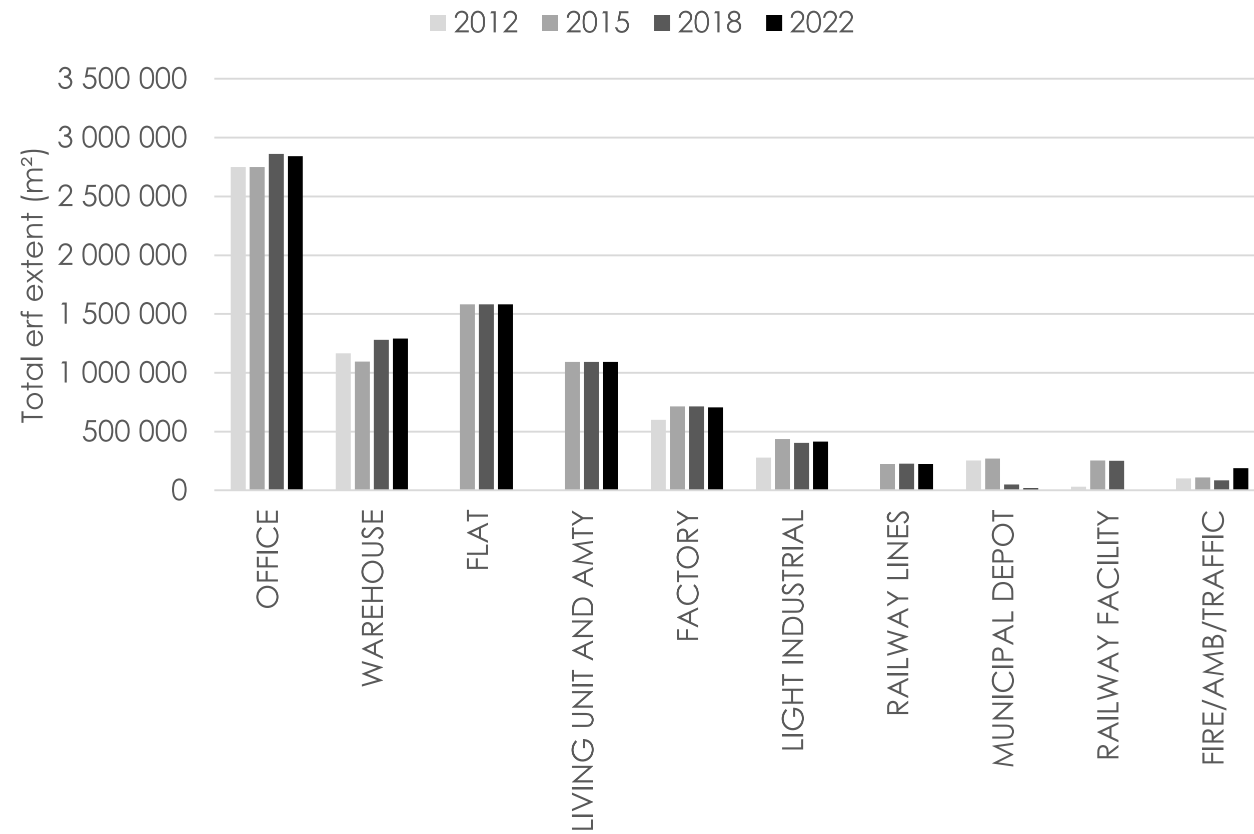
A recent analysis involved converting land use codes from the General Valuation Roll (GV Roll) into Standard Industrial Classification (SIC) codes. This was done to determine the prevalence of industries operating in areas with similar characteristics.

- Between 2012 and 2022, Ndabeni industrial was primarily characterised by a greater propensity for manufacturing, transport, storage and scientific & technical activities, as indicated by the **Nodal Typology**. This typology highlights the industries with the largest floor area (m²) operating within the economic area.
- The **Metroscale Benchmarking** positions Ndabeni industrial as a significant contributor to manufacturing, transport and storage, which performs lower than the sectoral average when compared to other industrial areas across Cape Town.
- Additionally, the GV Roll supports the findings from the SIC data by showing the **dominant land use** over time. It details the cumulative floor area (m²) for warehousing, office, flats and factories.

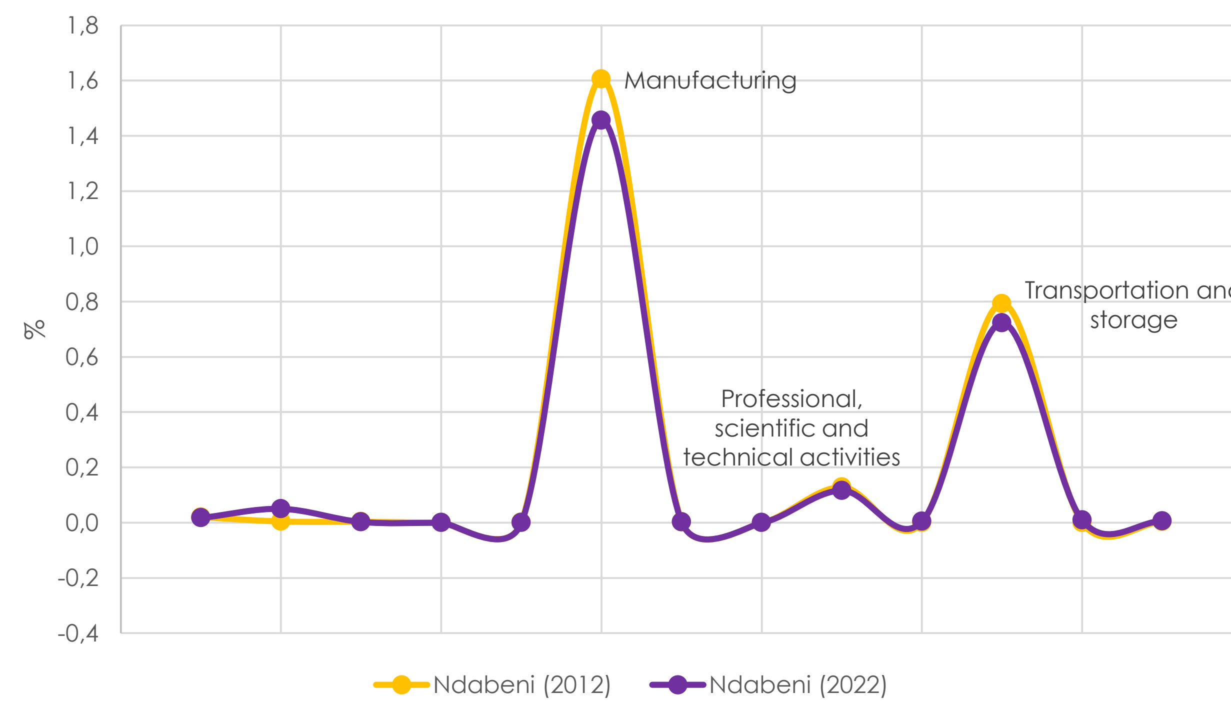
METROSCALE BENCHMARK



TOP 10 MOST DOMINANT LAND USES BETWEEN 2012 AND 2022



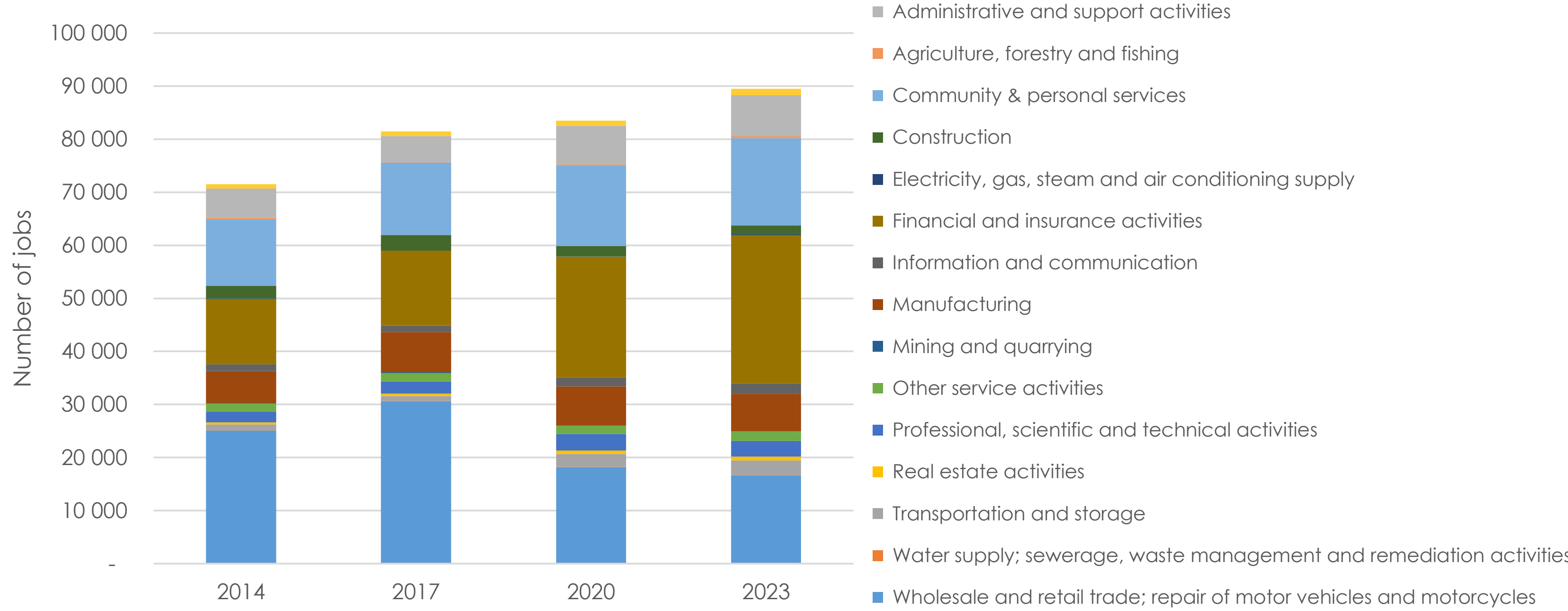
NODAL TYPOLOGY FOR 2012 AND 2022
(Mixed Industrial)



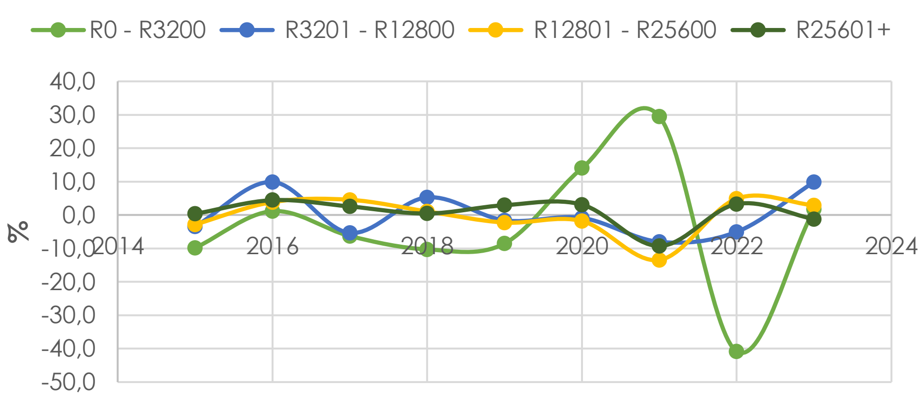
Source: 2012 – 2022 land use codes converted to SIC codes (May 2024 analysis)

EMPLOYMENT OVERVIEW & FIRM TYPOLOGIES

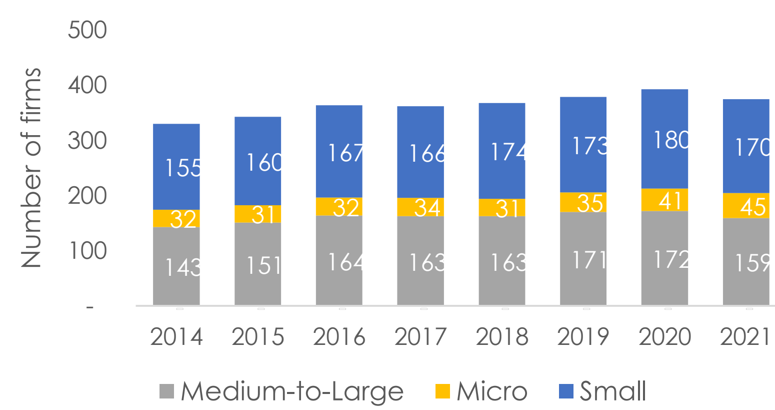
JOBS BY INDUSTRY



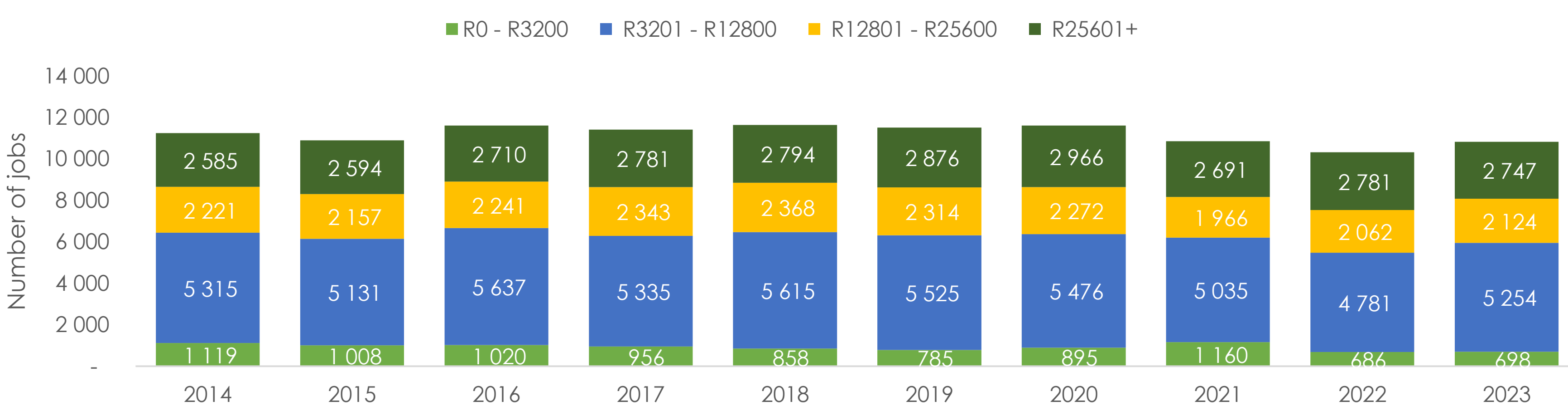
YEAR ON YEAR % CHANGE OF FULL TIME EMPLOYMENT WITHIN EACH WAGE BAND



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.

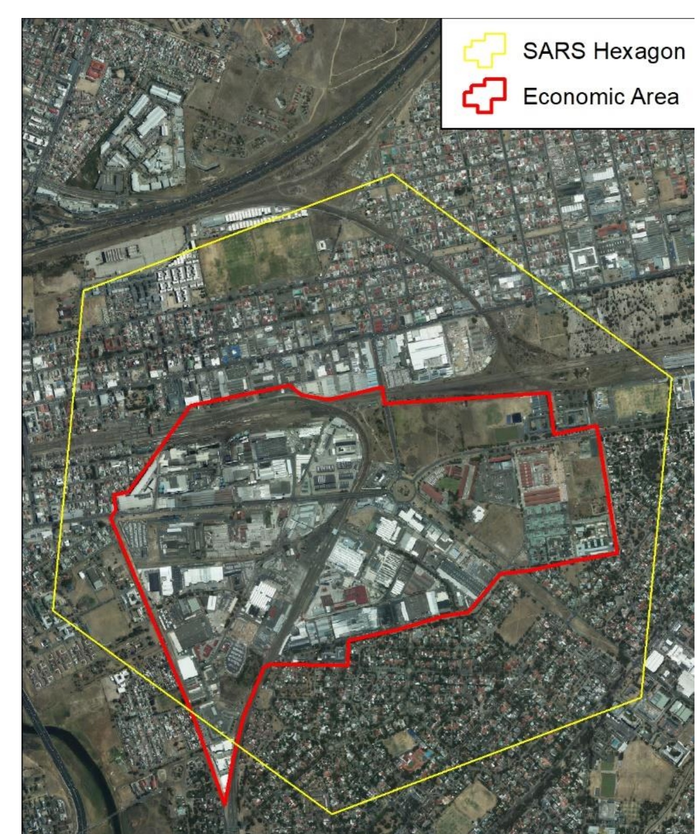
Jobs/Firms

The number of job opportunities surrounding the Ndabeni industrial area increased from 70,000 to 90,000 between 2014 and 2023. Over time, most jobs have been concentrated in wholesale, retail, manufacturing and administrative services.

The total number of firms fluctuated around the 350 mark between 2014 and 2021. While medium-to-large firms are the most dominant, there is also a significant presence of small and micro firms.

Income bands

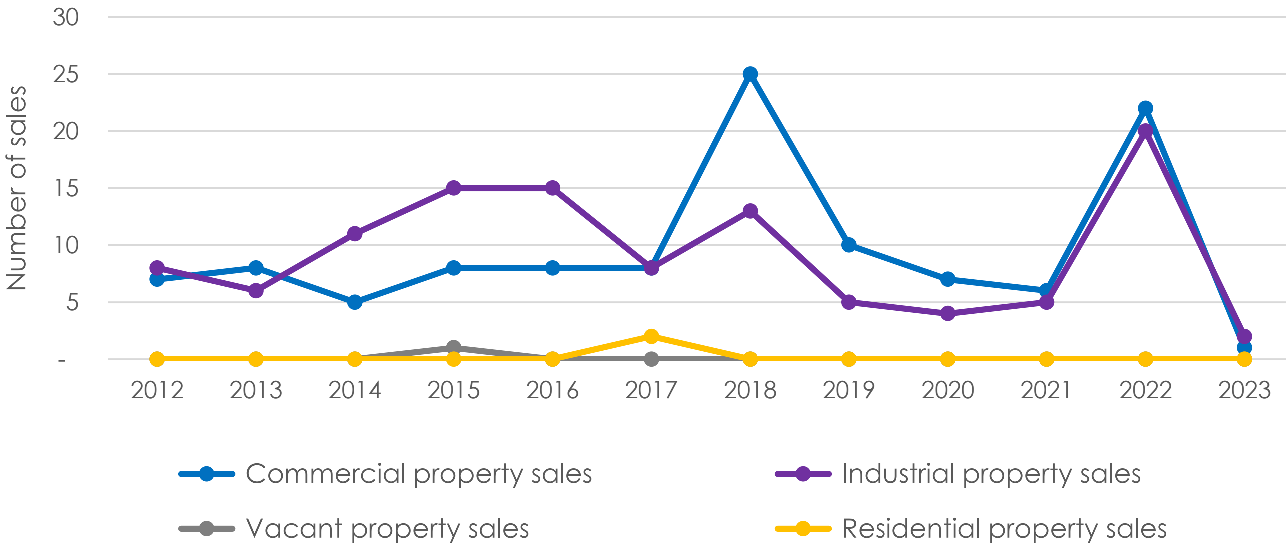
The income bands indicate the skill levels of the employed workforce. The data suggests that a larger proportion of employees earn up to R12,800. However, there is also a considerable number of employees earning more than R12,800.



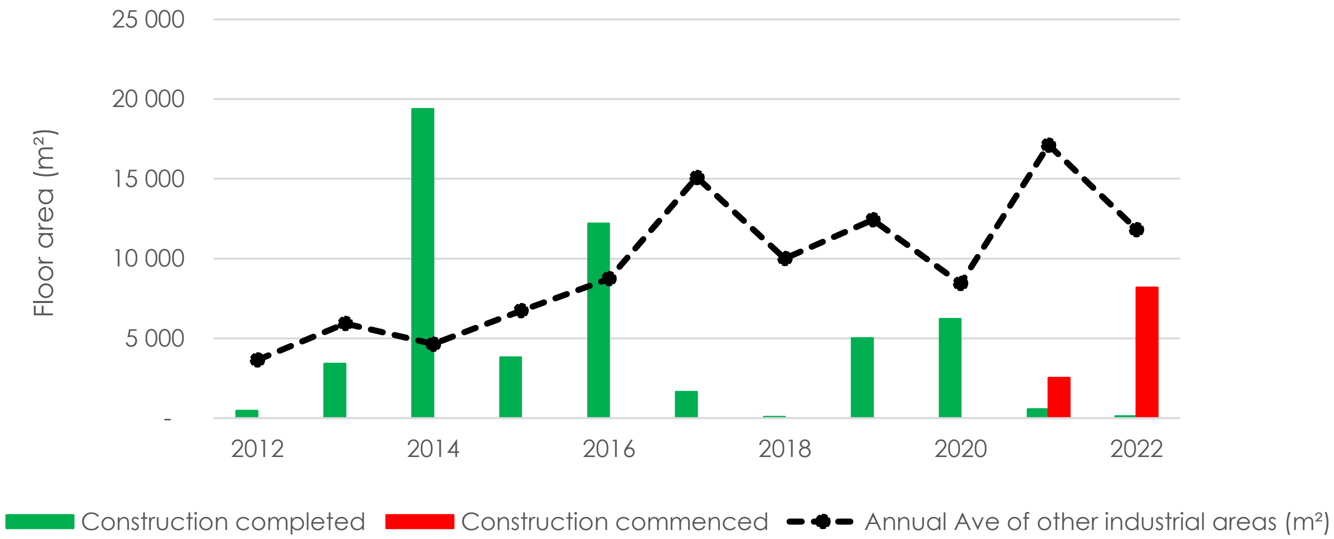
Spatial hexagons in which SARS data has been captured and overlaid with Ndabeni industrial economic area.

DEVELOPMENT PIPELINE

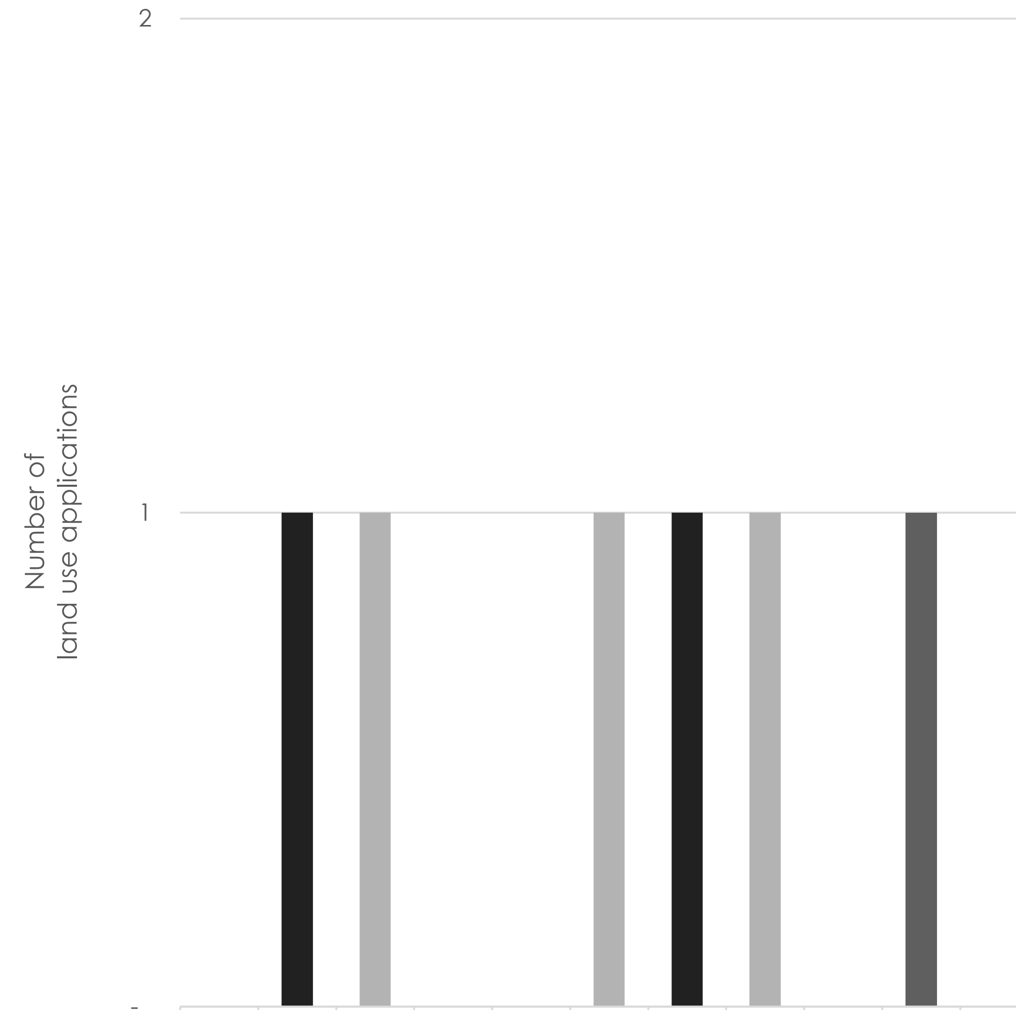
PROPERTY SALES BY SECTOR



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	-			-	1	-		-	
Rezonings		-	-			-	-	-		-	
Multiple applications		-	1			1	-	1		-	
Consolidations		-	-			-	-	-		1	

Property sales
Both the industrial and commercial sectors shared a similar amount of sales between 2012 and 2022, with industrial being the higher for the first 5 years and commercial for the latter 5 years. There has been a notable spike in 2018 for commercial property sales, followed by another spike in 2022 for both commercial and industrial.

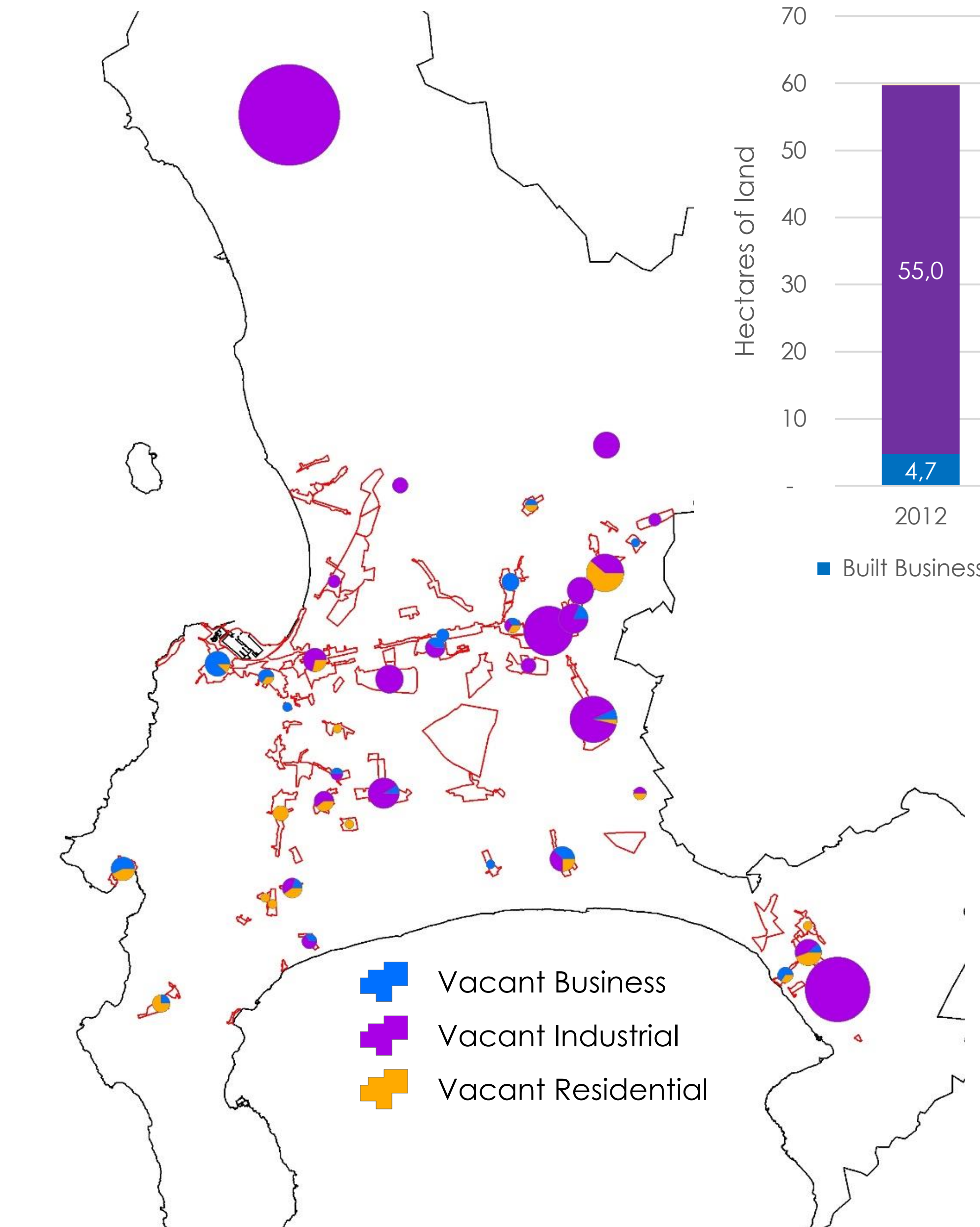
Land use applications
The area is primarily zoned for industrial purposes, with no significant amount of approvals granted, which would have changed the land use character of this economic area.

Building plans
In light of property sales and land use approvals, building work activity for the first 5 years exceeded the metro's annual average when compared to other industrial areas. The area also experienced building work activity in the latter 5 years, but not close to the metro's annual average.

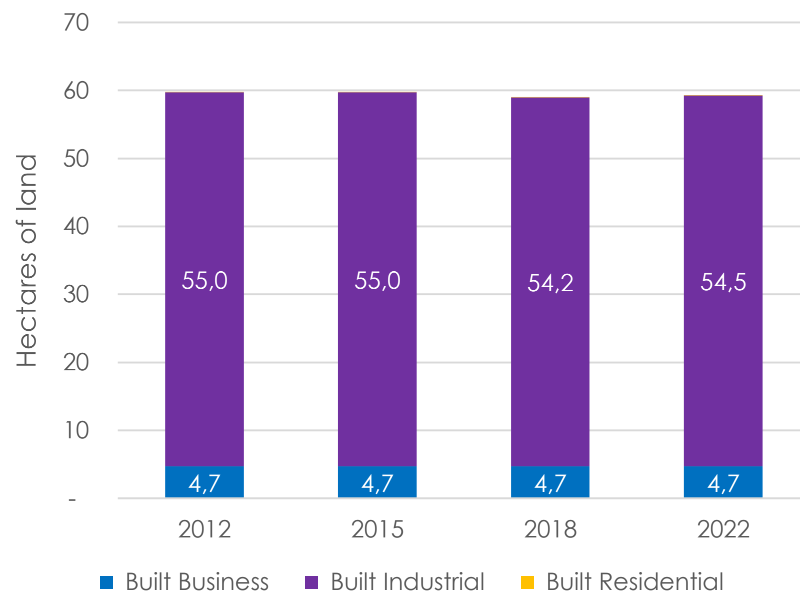
Source: City's DAMS (building plans and land use applications extract), General Valuation Roll.

URBAN LAND MARKETS

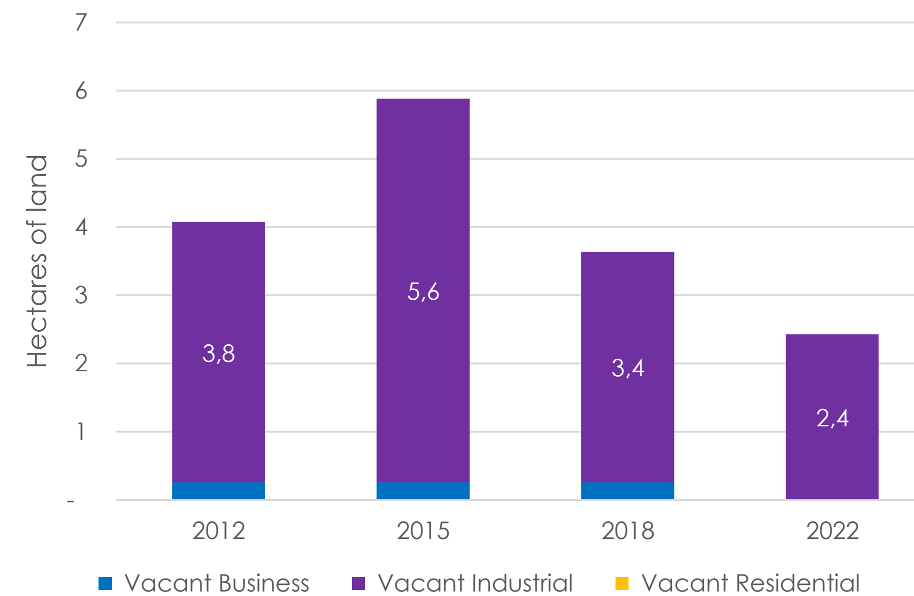
VACANT LAND ACROSS CAPE TOWN (GV 2022)*



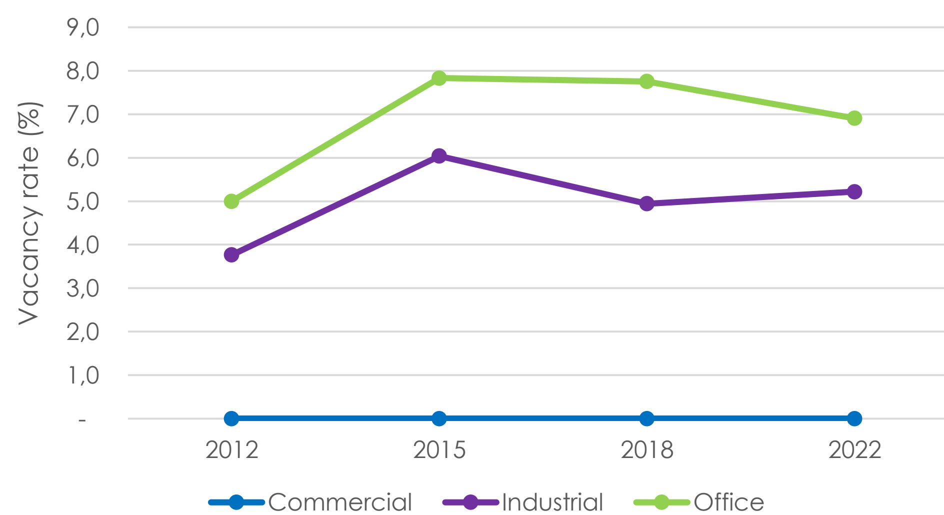
BUILT-UP LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



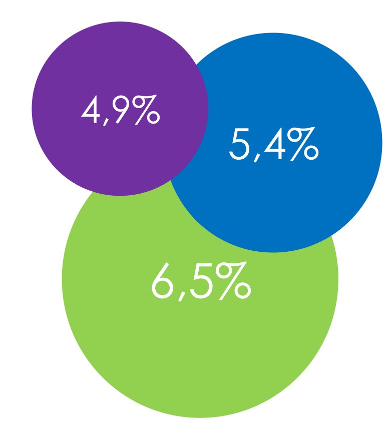
VACANT LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



AVERAGE VACANCY RATE OF EXISTING BUILDINGS



METRO AVERAGE: VACANCY RATES PER SECTOR FOR 2022*



Number of land parcels that are vacant by size			
Erf Size	**Commercial**	**Industrial**	**Residential**
1) 1-250m²			
2) 251-500m²			
3) 501-1000m²			
4) 1001-2500m²		1	
5) 2501-5000m²		1	
6) 5001-10000m²		3	
7) >10000m²			

Source: City's General Valuation Roll and Market Reports

Vacant land

The map illustrates the latest GV Roll (2022) by showing vacant land across the metropolitan area and complements the graph on vacant land for the 2022 GV year. The area has experienced minimal growth in terms of the built-up land and also reflects a limited amount of vacant land available, as of 2022. Additionally, the remaining vacant land is categorised based on the number and size of the land parcels, as reflected in the accompanying table.

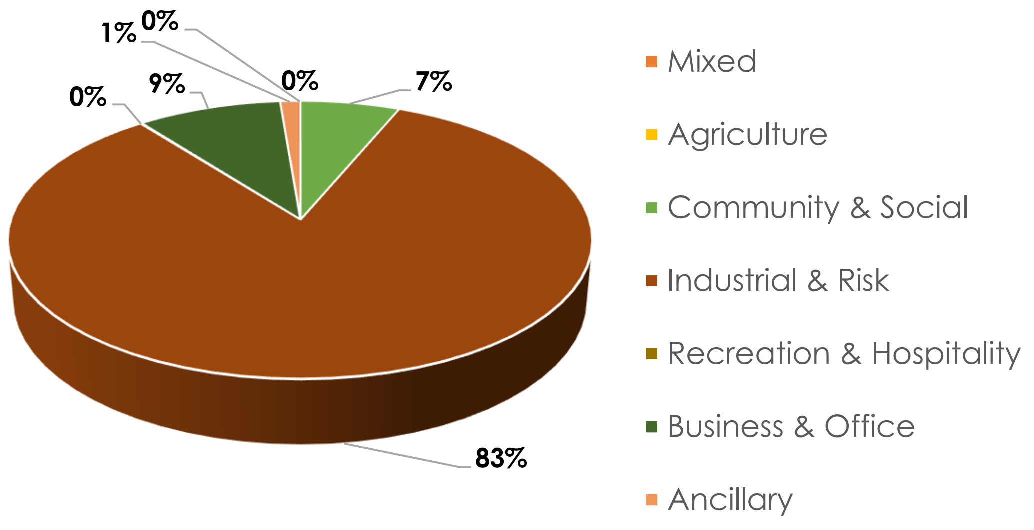
Vacancy rates

In addition to vacant land, the vacancy rates of existing buildings in the industrial sector ranged from 3.8% in 2012 to 5.2% in 2022, while vacancy rates for the office sector increased from 5% in 2012 to 6,9% in 2022.

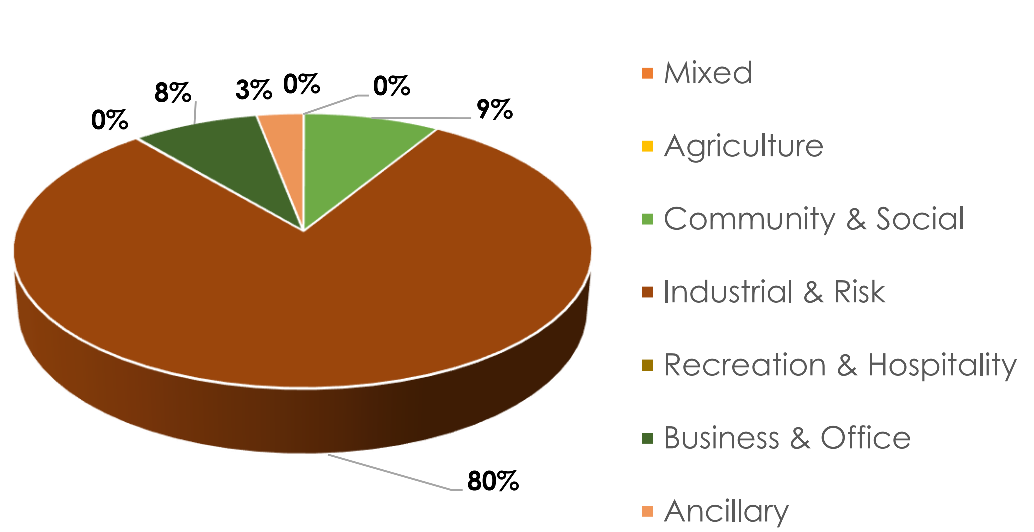
**A metro view that provides further context relative to this economic area.*

AGGLOMERATION OF INDUSTRIES

% OF LAND USE GROUPS (2012)



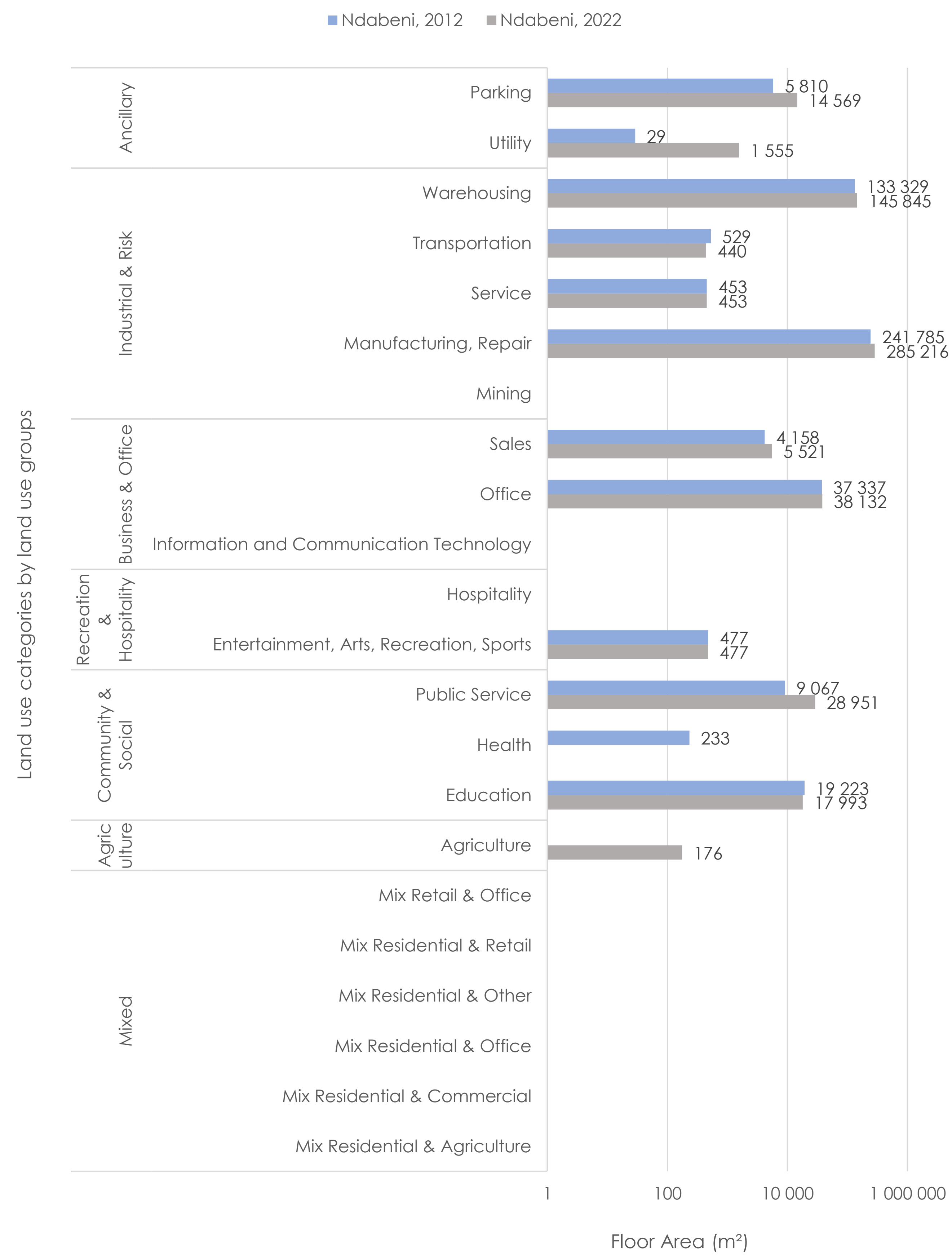
% OF LAND USE GROUPS (2022)



The pie charts illustrate the percentage distribution of land use groups in the Ndabeni industrial area, based on the cumulative floor area (m²) across various land uses. As shown in the charts, the Industrial & Risks group has been dominant in both 2012 and 2022, although experiencing a decline from 83% to 80%. There is a notable percentage of the Business & Office group compared to other groups, which mainly serve to support the leading land uses.

Additionally, the bar graph provides a comparative view of land use categories co-agglomeration between 2012 and 2022. The data indicates that manufacturing and repairs have consistently dominated in floor area, with warehousing positioning itself as the second highest land use compared to all other land use categories. 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

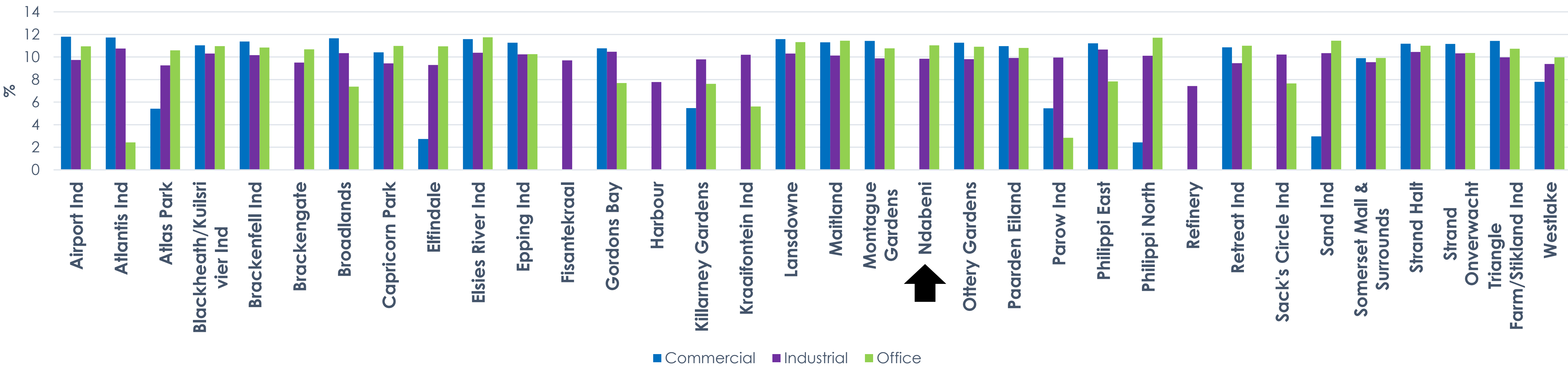


Source: Analysis of GV data (May 2024)

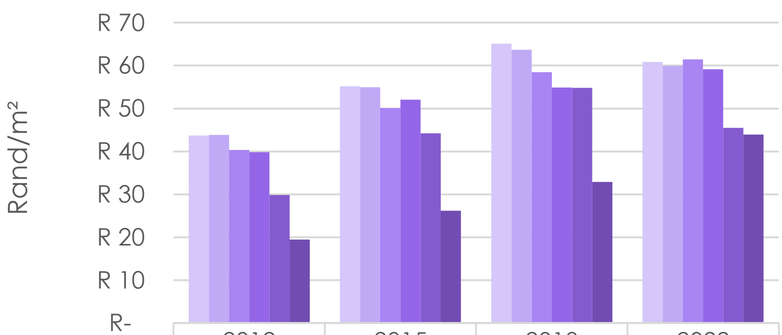
Policy & regulatory context
Conceptual framework
Introduction
Land use activities, employment overview & firm typologies
Development pipeline
Urban land markets
Agglomeration of industries
Market performance
Performance & Potential

MARKET PERFORMANCE

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

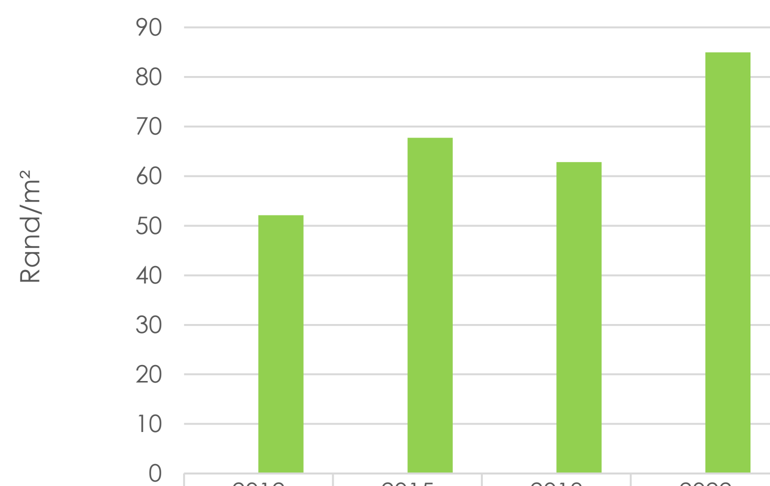


INDUSTRIAL RENTALS



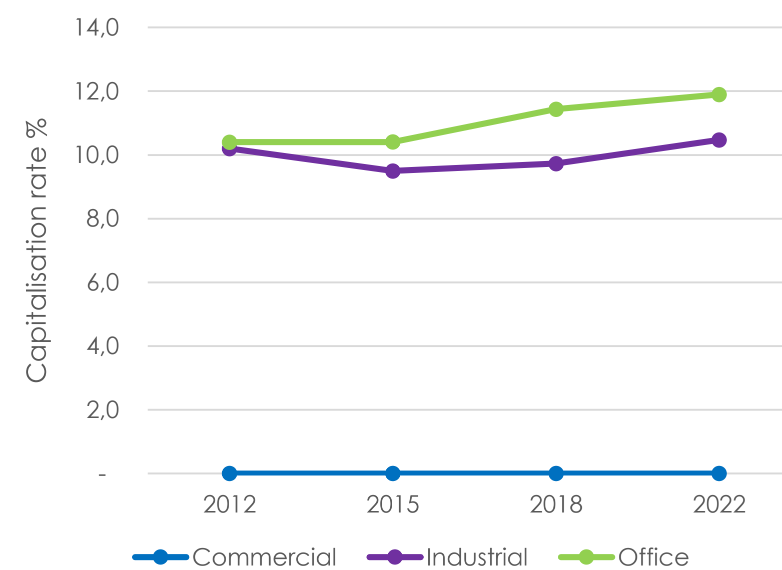
	2012	2015	2018	2022
1) 250m²	R 44	R 55	R 65	R 61
2) 500m²	R 44	R 55	R 64	R 60
3) 1000m²	R 40	R 50	R 58	R 61
4) 2500m²	R 40	R 52	R 55	R 59
5) 5000m²	R 30	R 44	R 55	R 46
6) 10000m²	R 20	R 26	R 33	R 44

COMMERCIAL AND OFFICE RENTALS



	2012	2015	2018	2022
Commercial				
Office	R 52	R 68	R 63	R 85

CAPITALISATION RATES



Rental rates
Rental rates across all industrial spaces gradually increased between 2012 and 2018, but experienced a decrease in rentals for smaller and larger industrial spaces.

Office rentals mostly fluctuated between the periods, but experienced an overall increase in rentals by 2022.

Comparative view on capitalisation rates
The average capitalisation rates from 2012 to 2022 for the industrial and office sectors were 9,85% and 11,83%, respectively and further indicate its competitiveness relative to other industrial areas.

Year-over-year capitalisation rates for the industrial sector fluctuated between 10% to 10,5% between 2012 and 2022. The office sector increased from 10,4% in 2012 to 11,9% in 2022.

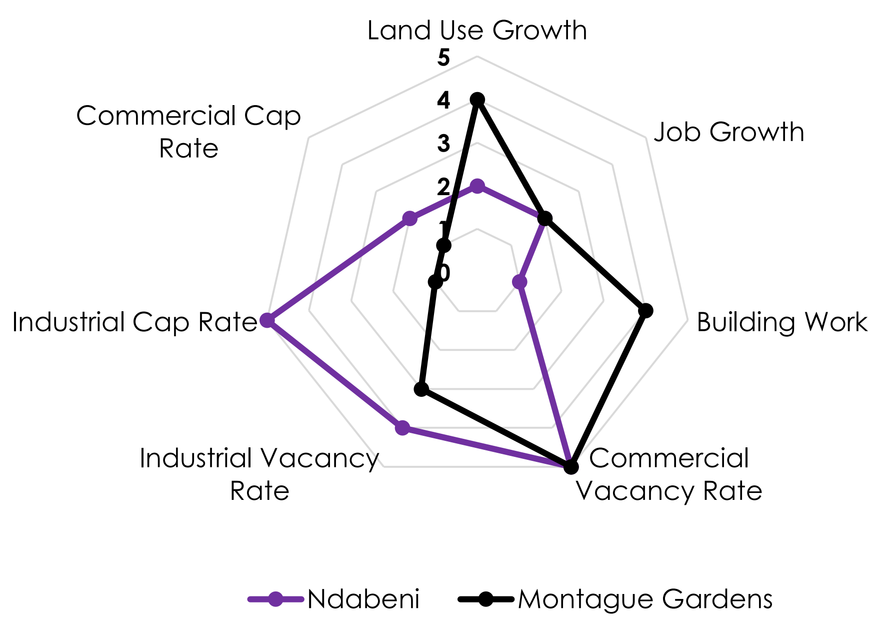
- *Higher cap rates = higher investment risk.*
- *Lower cap rates = lower investment risk.*

Source: 2012 – 2022 market reports

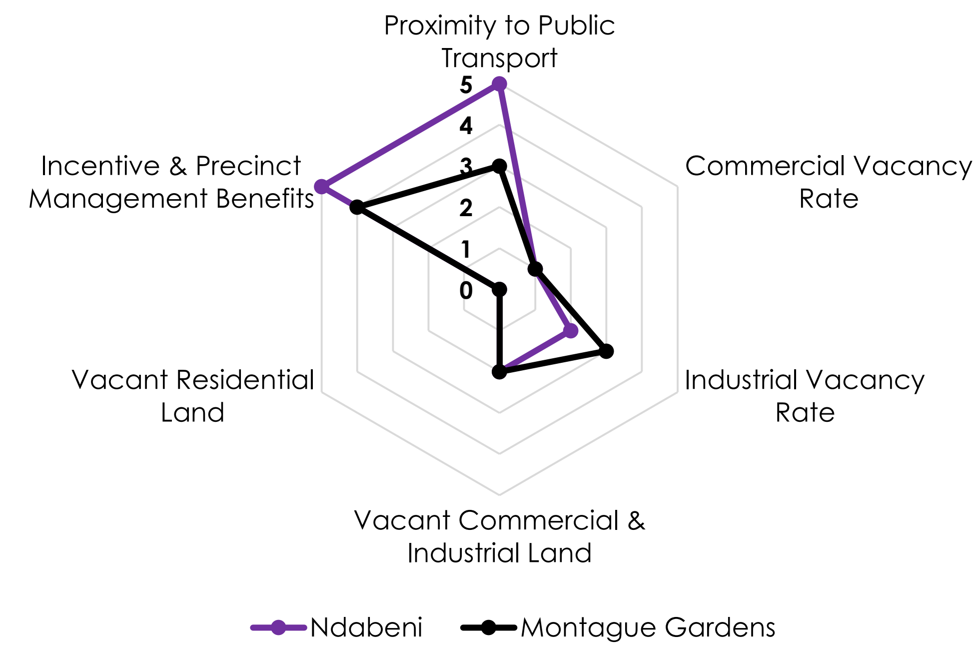
PERFORMANCE & POTENTIAL

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.***