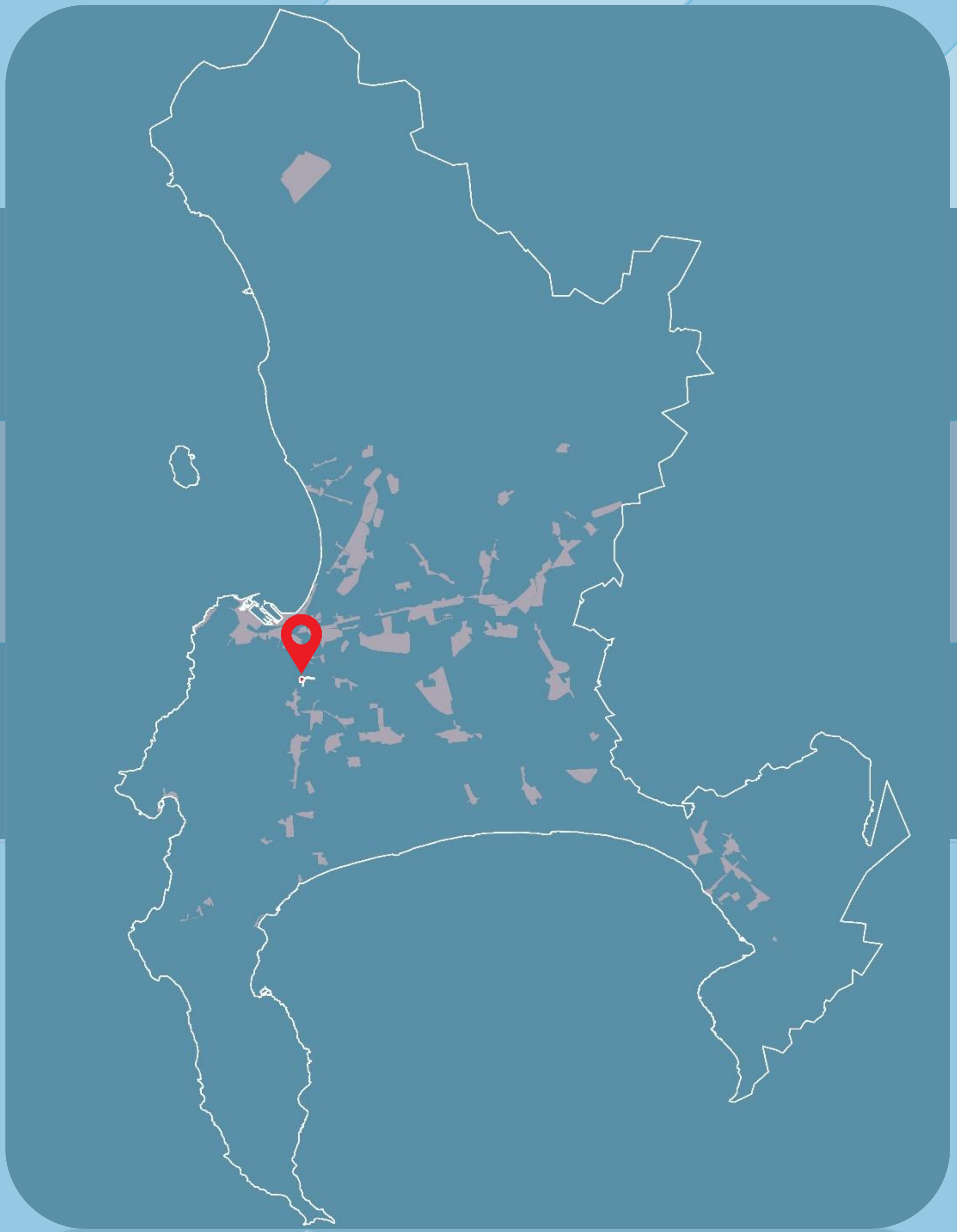
RONDEBOSCH

ECONOMIC AREA PROFILE

TREND ANALYSIS 2012-2022



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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

- Southern DSDF - Subdistrict 3: Mowbray to Muizenberg:
  - District Development Guidelines (page 64)
  - Subdistrict Development Guidelines (page 95)
  - Consolidated Subdistrict SDF (Figure 19: Subdistrict 3: Mowbray to Muizenberg)

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

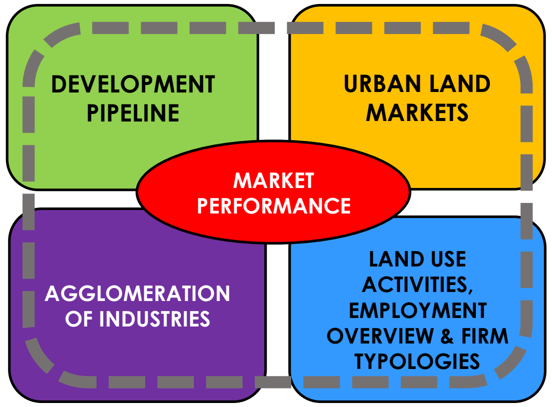
VALUE PROPOSITION	CHALLENGES /OBJECTIVES TO ADDRESS	AREAS OF APPLICATION
Promoting economic infrastructure in support of economic growth and job creation. Supports internal and external collaboration around data and spatial intelligence. Supports the spatially differentiated investment rationale of the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



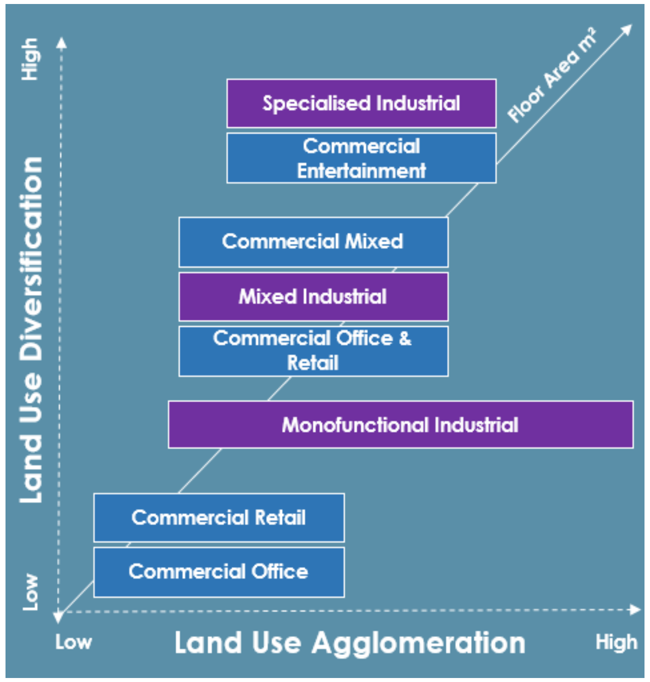
Built-up extent (m²) of land per sector **(S)**.
Vacant land (m²) per sector **(S)**.
Vacancy rate of buildings (%) per sector **(P)**.

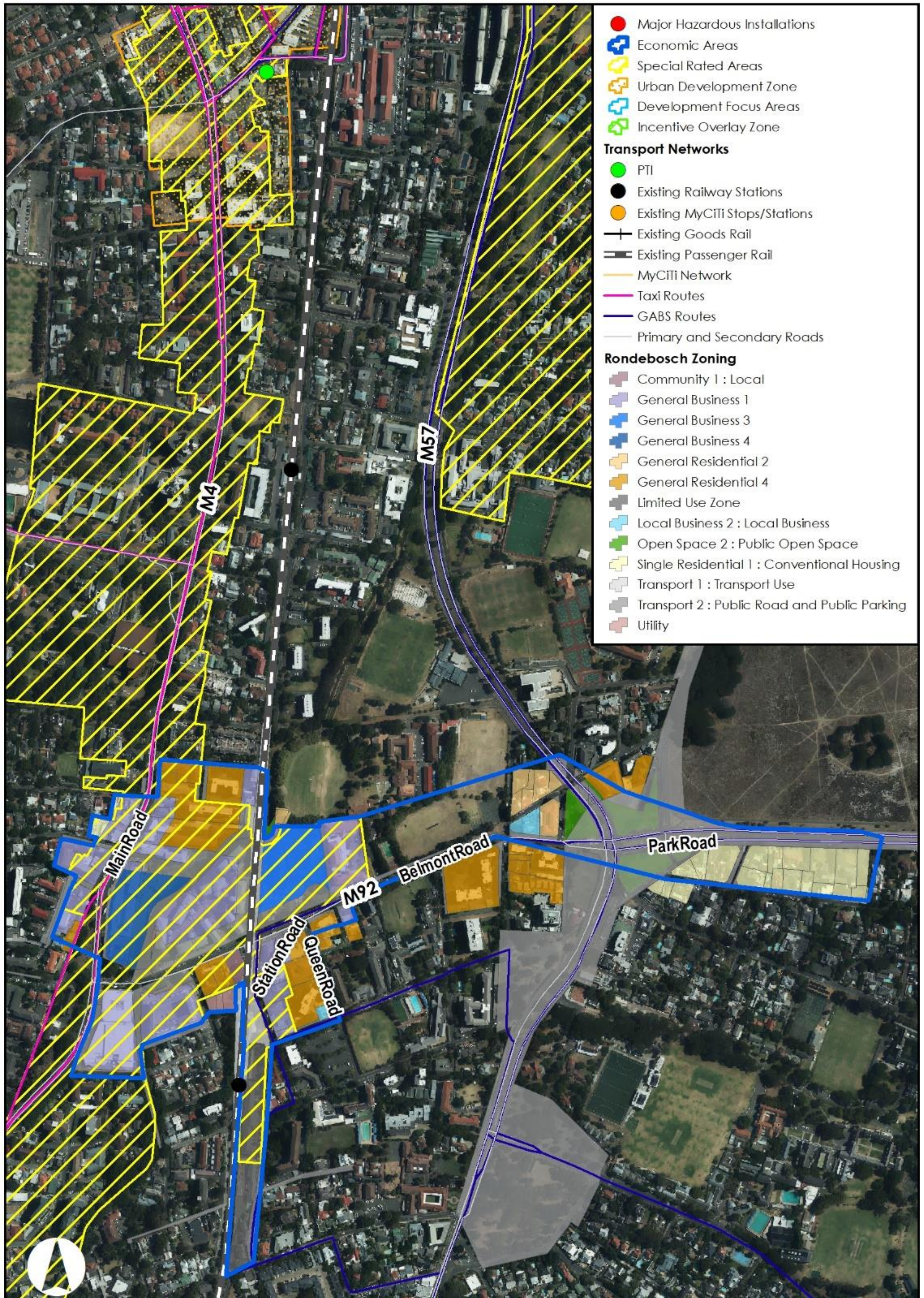
Dominant land use **(S)**
Propensity of industries at a Metro scale **(D)**.
Total jobs per industry & wage band **(D)**.
Firm size and count **(D)**.

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).





RONDEBOSCH

Location

- The area is approximately 8km southeast of Cape Town's Central Business District and the Port of Cape Town. Furthermore, it is located 16km from Cape Town International Airport.
- It is also situated near the N2 highway and further located along Belmont Road, granting access onto the M5 to connect to areas across Cape Town.
- The area is serviced by taxis and GABS.
- Access to a skilled workforce from surrounding areas includes the broader Rondebosch, Observatory, Athlone, Salt River and Claremont areas.
- Due to its location, the area also attracts a skilled workforce from areas across Cape Town.

Zoning, land use and form

- The area is predominantly zoned for business, residential and community purposes.
- The area is mainly characterised by office, retail and residential, which include offices, flats, shops, restaurants and recreation facilities.
- The average land parcel sizes in the area range between 1,500 – 3,000m², with a limited number of land parcels ranging beyond 5,000m².

Spatial planning mechanisms

- Part of the area is serviced by a City Improvement District.

Key highlights of the area include:

- The area started to establish itself from the 1900s and has developed into a commercial economic area.
- Rondebosch Community City Improvement District was established in 2008.
- St. Joseph's Marist College has been one of the earliest developments in the area, with more contemporary office blocks developed over time.
- The area boasts a rich heritage with Rondebosch being one of the oldest settlements in the Cape, with roots dating back to the mid-1600s.

LAND USE ACTIVITIES

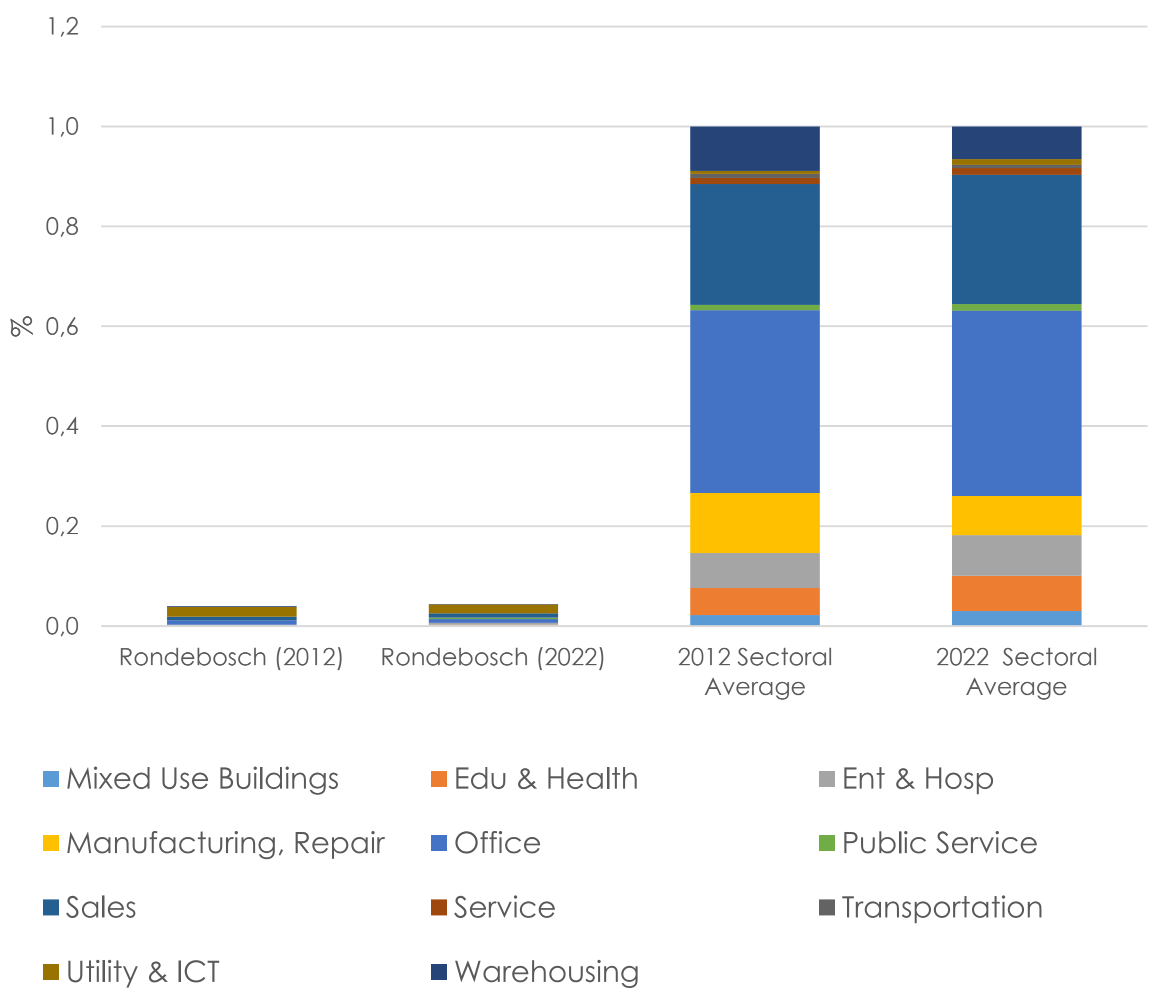
A recent analysis involved the conversion of land use codes contained in the General Valuation Roll (GV Roll) into Standard Industrial Classification (SIC) codes to determine the propensity of industries operating in areas of similar character. However, for the commercial nodes, the benchmarking and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

- Between 2012 and 2022, Rondebosch was mainly characterised by a greater propensity for utility & ICT, sales, office and entertainment & hospitality, as reflected in the **Nodal Typology**. The nodal typology highlights industries with the most floor area (m²) operating within an economic area.

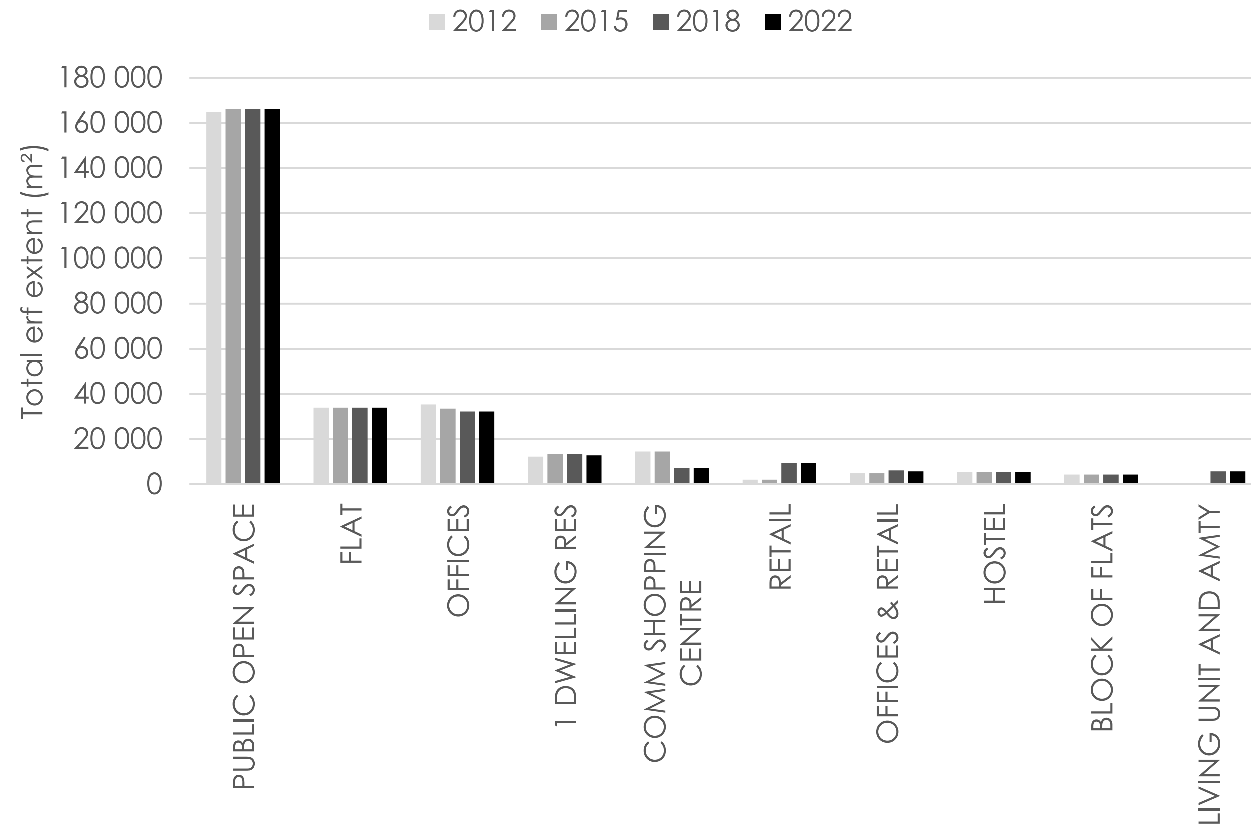
- The **Metroscale Benchmarking** positions Rondebosch to being a contributor of utility & ICT, sales, office and entertainment & hospitality, which performs lower than that of the sectoral average when measured against other commercial areas across Cape Town.

- Additionally, the GV Roll reflects land use data by showing the **dominant land use** over time. It details the cumulative floor area (m²) for residential, office and retail.

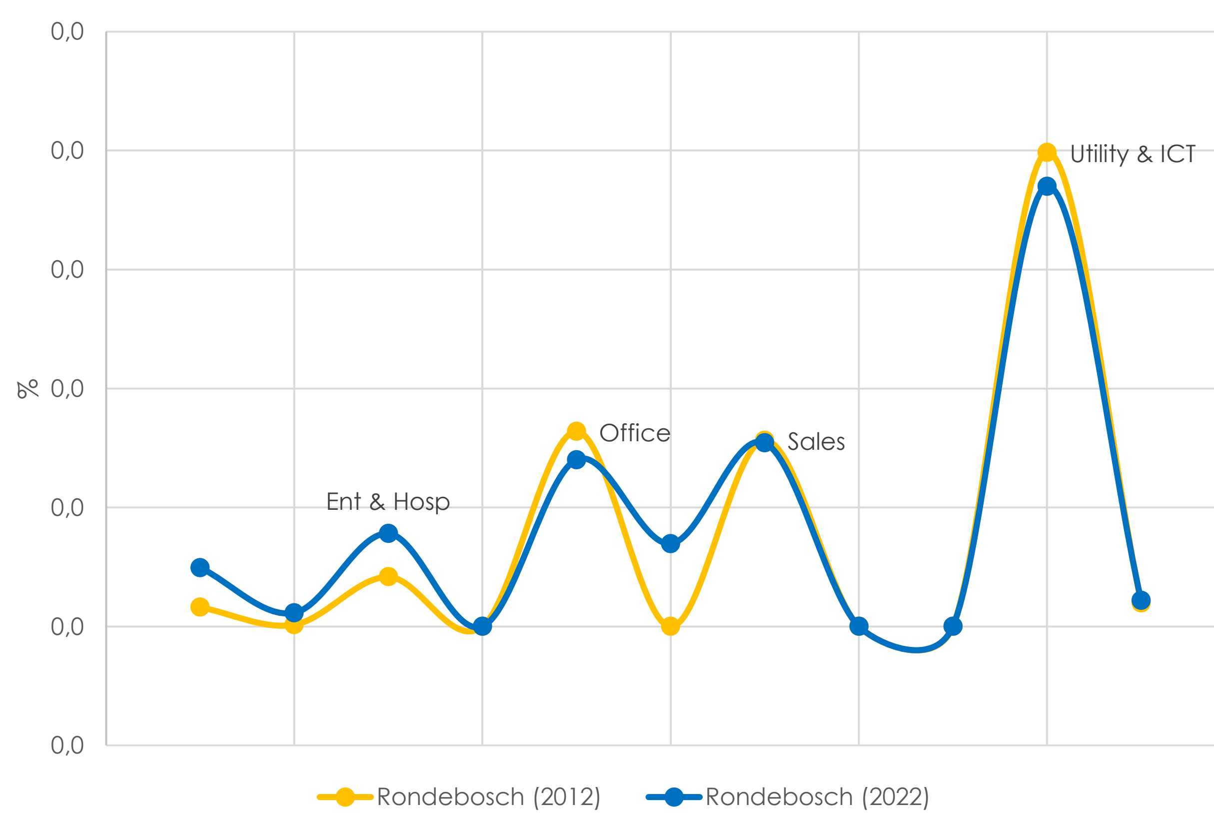
METROSCALE BENCHMARK



TOP 10 MOST DOMINANT LAND USES BETWEEN 2012 AND 2022



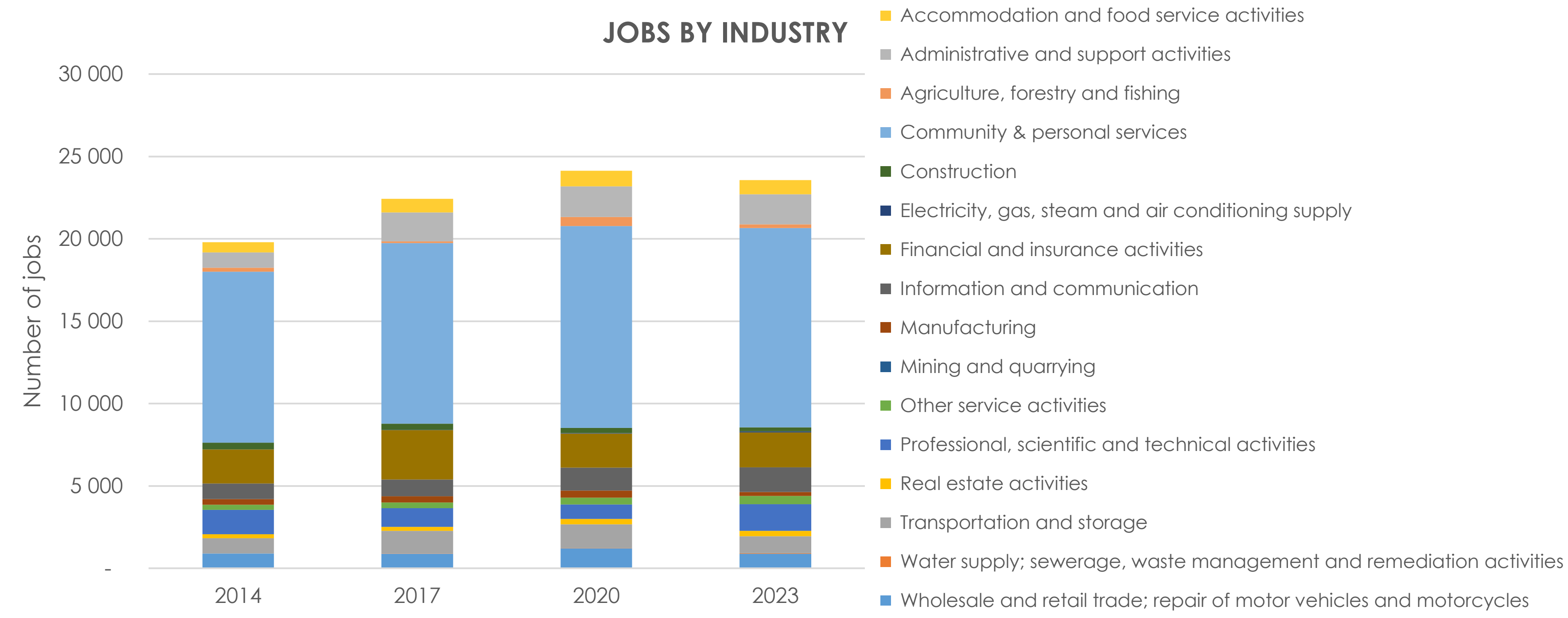
NODAL TYPOLOGY FOR 2012 AND 2022
(Office & Retail)



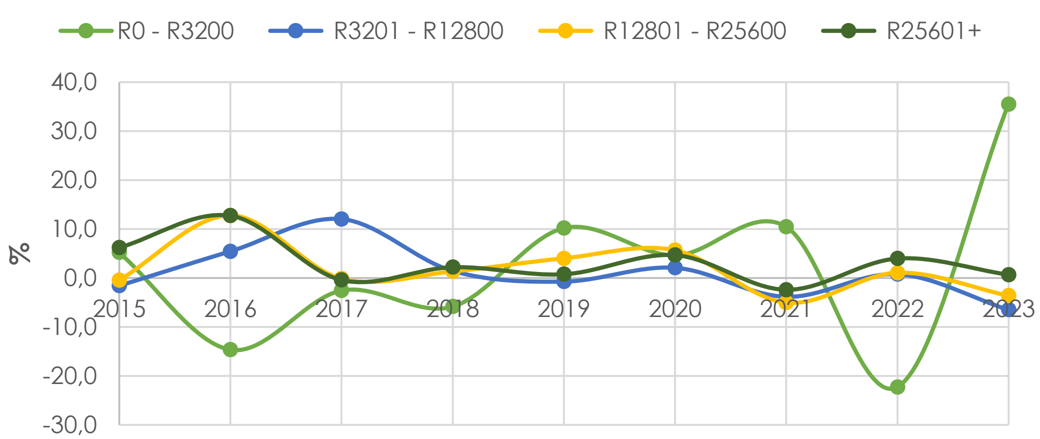
Source: 2012 – 2022 land use codes (May 2024 analysis)

EMPLOYMENT OVERVIEW & FIRM TYPOLOGIES

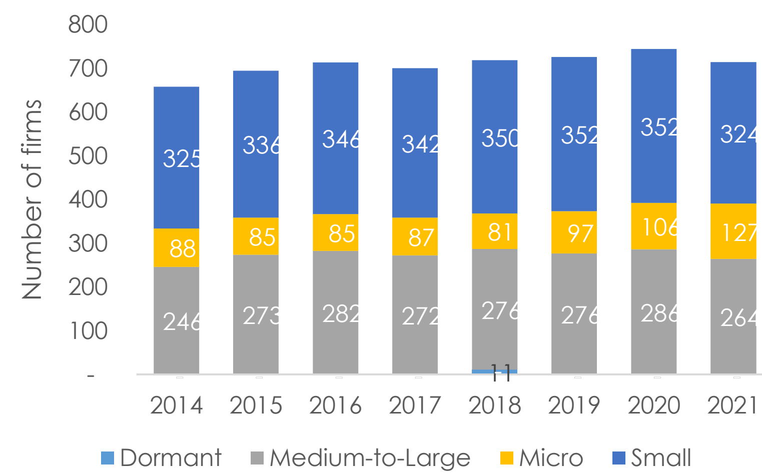
JOBS BY INDUSTRY



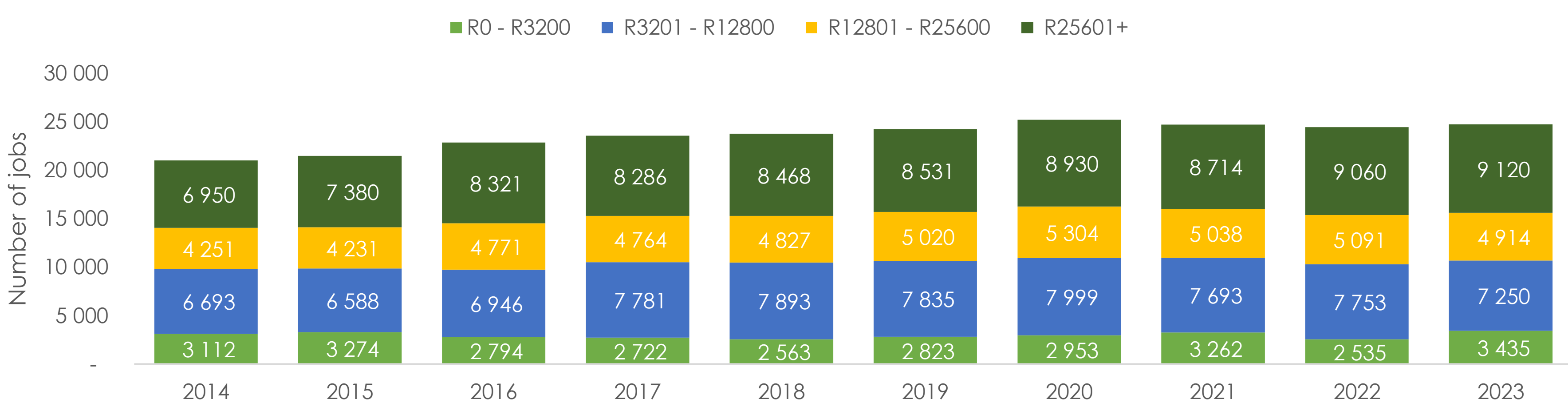
YEAR ON YEAR % CHANGE OF FULL TIME EMPLOYMENT WITHIN EACH WAGE BAND



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.

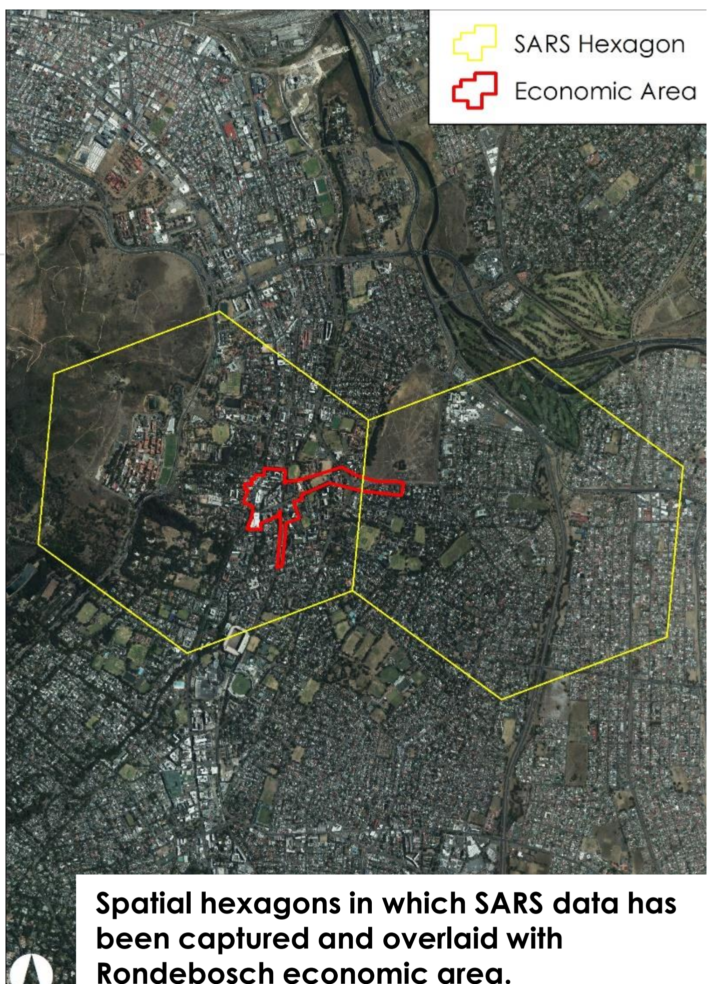
Jobs/Firms

The number of job opportunities in the Rondebosch area gradually increased from 20,000 to 24,000 between 2014 and 2020. Jobs in the area have decreased slightly to 23,500 in 2023. Over time, most jobs have been concentrated in the community & personal services, financial & insurance services, information & communication and administrative services.

The total number of firms in the area increased from 650 to 700 between 2014 and 2021. While small firms make up the majority, there is also a significant presence of medium to large firms, including micro firms.

Income bands

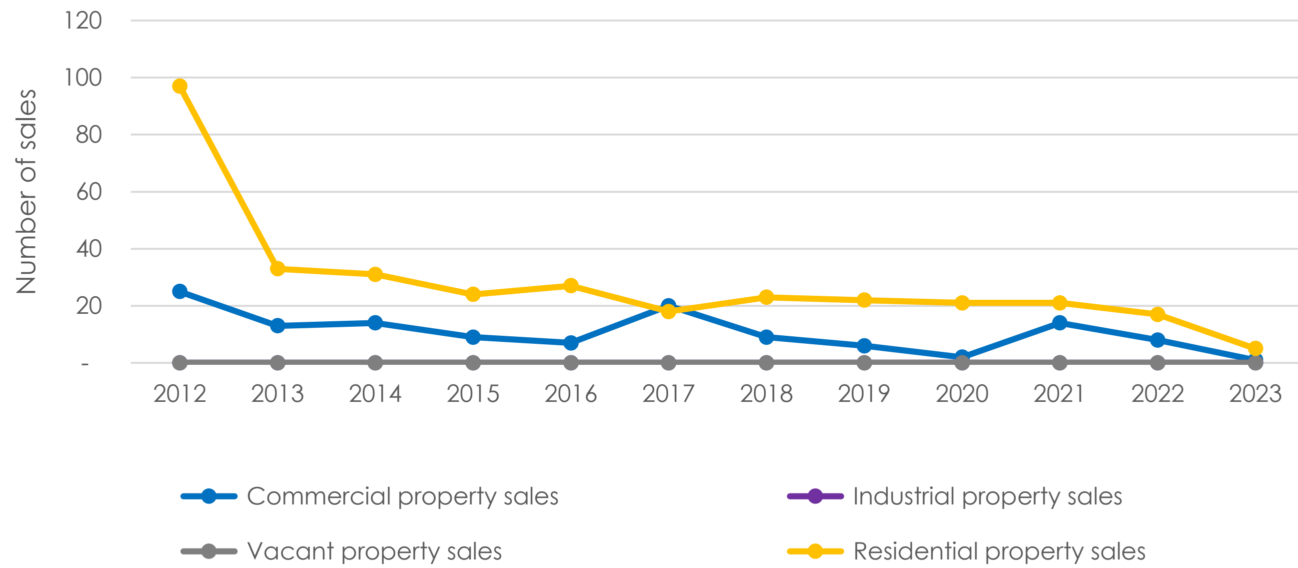
The income bands provide insights into the skill levels of employees in the area. The data indicates that a larger proportion of employees earn beyond R25,601, with a significant number of employees earning up to R25,600 and R12,800, respectively.



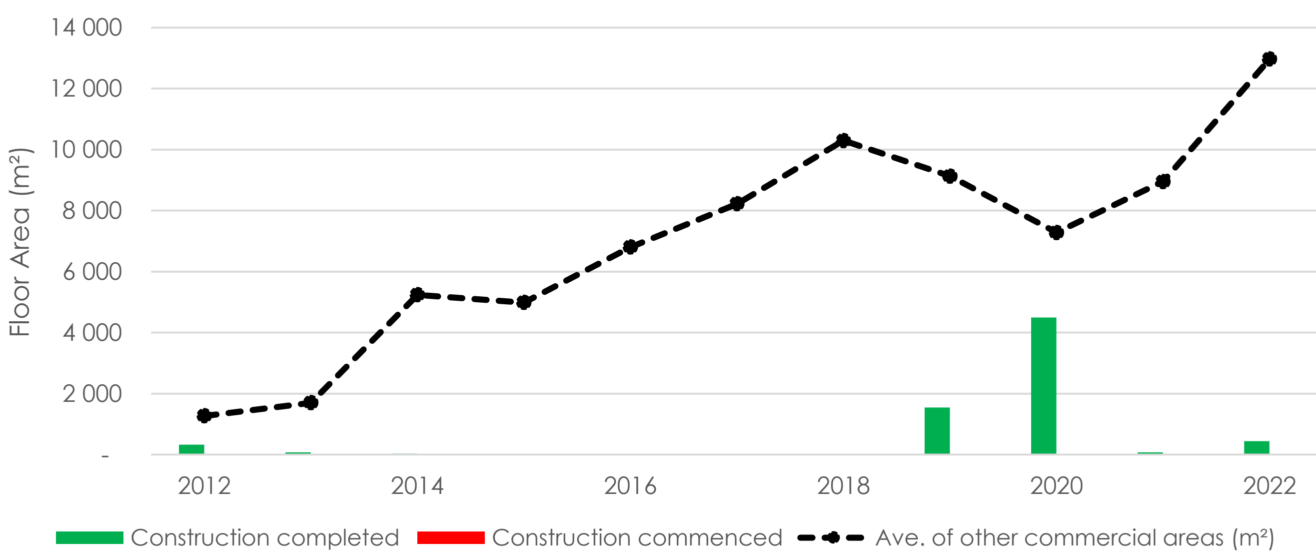
Spatial hexagons in which SARS data has been captured and overlaid with Rondebosch economic area.

DEVELOPMENT PIPELINE

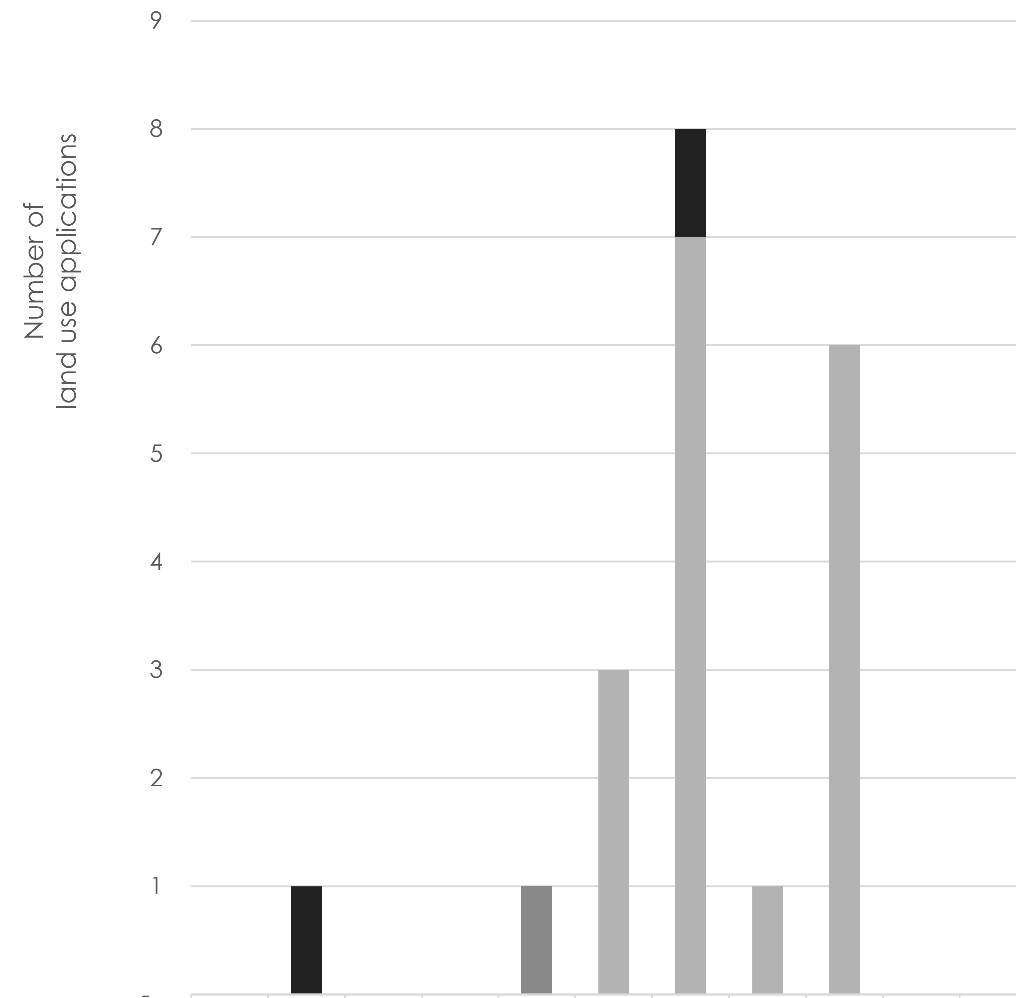
PROPERTY SALES BY SECTOR



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		-			1	-	-	-	-		
Multiple applications		-			-	3	7	1	6		
Consolidations		-			-	-	-	-	-		

Property Sales
Between 2012 and 2022, both residential and commercial property sales fluctuated almost equally over the 10 years. Both residential and commercial experienced a spike in sales in 2012, with residential being the highest. For the first 5 years, residential sales were higher than commercial, whereas in the latter 5 years, commercial property sales were higher than residential. Both sectors started to taper down in 2023.

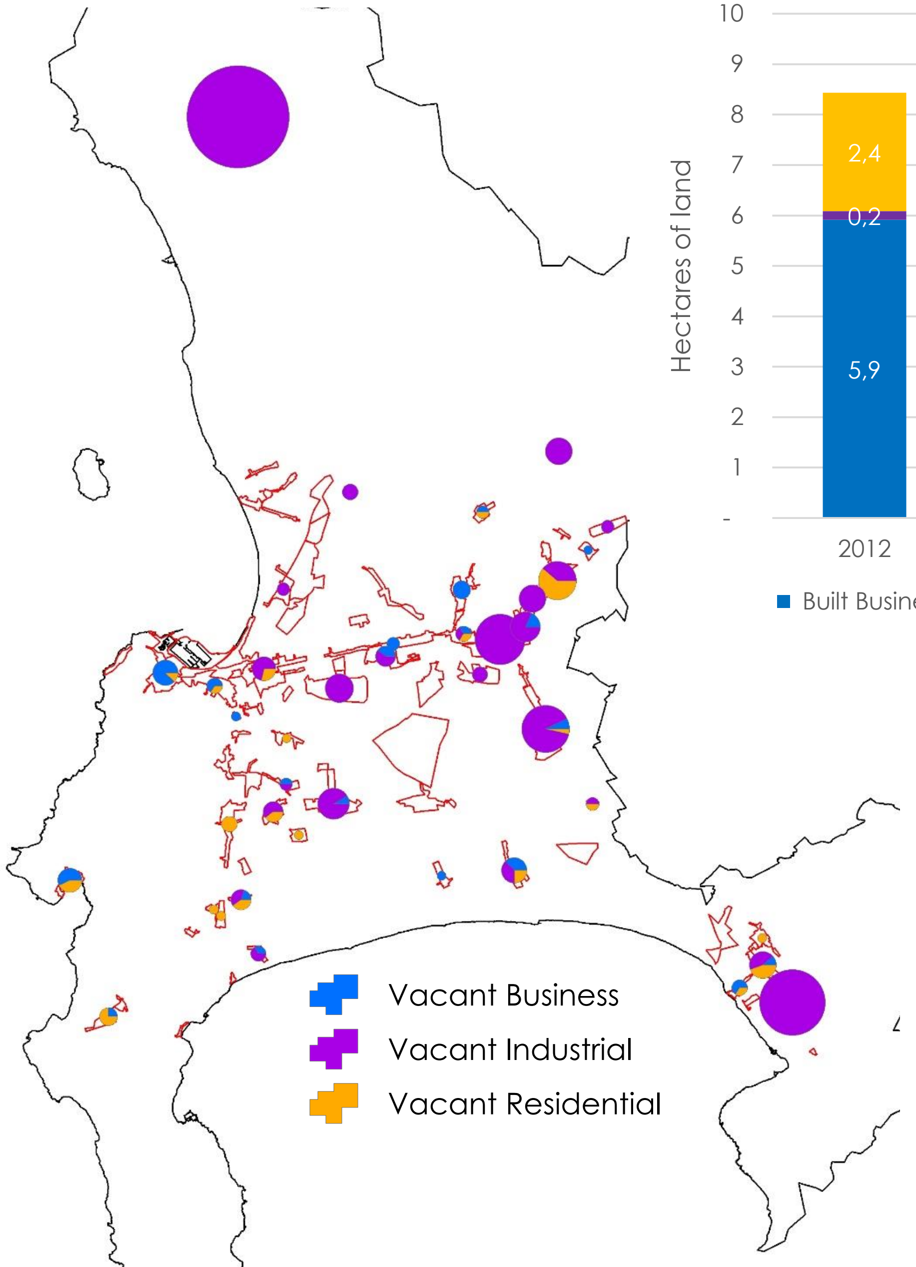
Land Use Applications
Most approvals during this period were highest for multiple applications, indicating diverse land use requirements to be in place for the area. Multiple applications may include a combination of the types seen in the graph. While approvals were reasonably low, a spike in approvals was observed in 2018.

Building Plans
In light of property sales and land use approvals, little to no building work activity occurred over the past 10 years. Minimal building work activity was accounted for in 2012, 2019, 2020 and 2022, which has been lower than the metro's annual average when compared to other commercial areas across Cape Town.

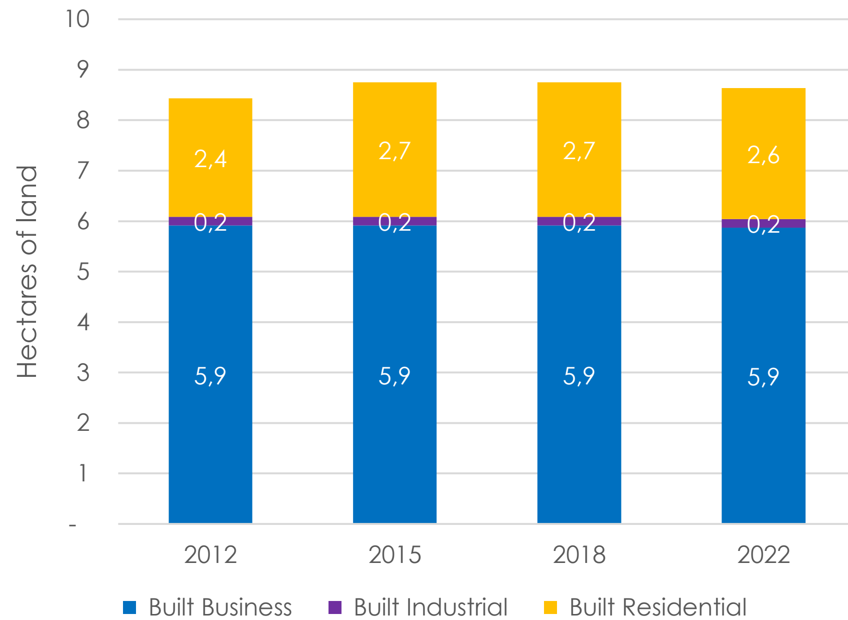
Source: City's DAMS (building plans and land use applications extract), General Valuation Roll.

URBAN LAND MARKETS

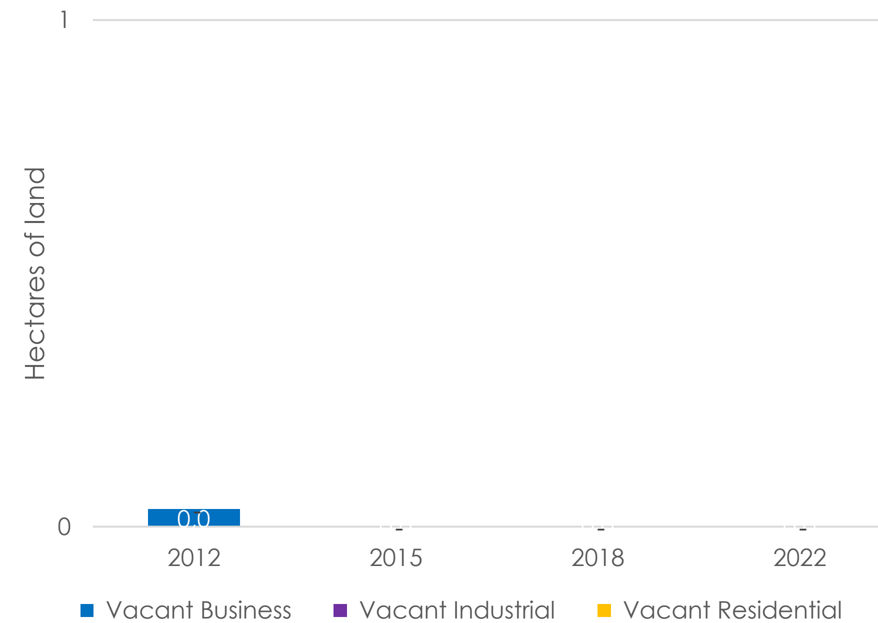
VACANT LAND ACROSS CAPE TOWN (GV 2022)*



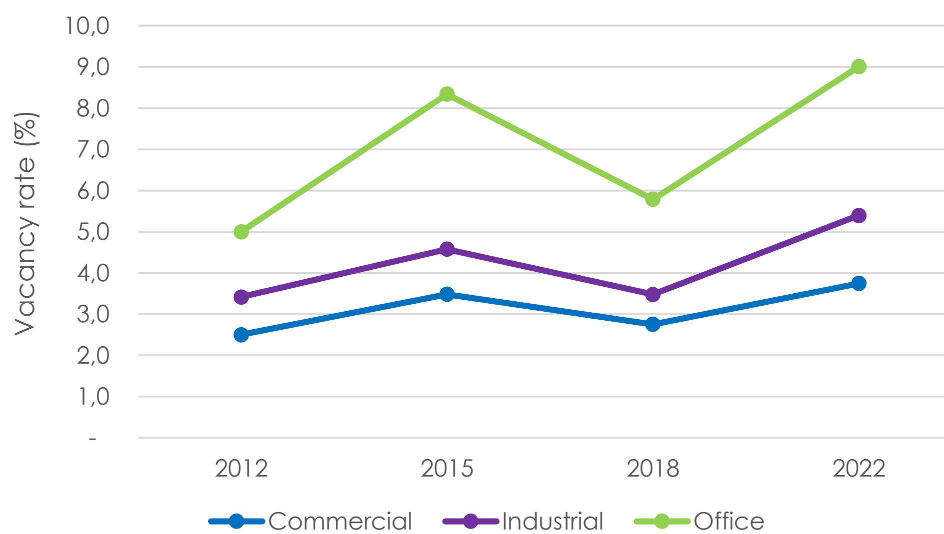
BUILT-UP LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



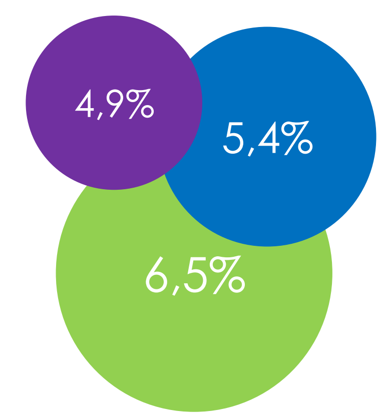
VACANT LAND EXTENT BY SECTOR (TOTAL ERF EXTENT)



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			
5) 2501-5000m²			
6) 5001-10000m²			
7) >10000m²			

Vacant Land

The map illustrates the latest General Valuation Roll (2022) by showcasing vacant land across the metropolitan area. It complements the 2022 bar graph depicting available vacant land. The region remained stable regarding the built-up land, with no vacant land available, as of 2022, indicating a well-developed commercial area.

Vacancy Rates

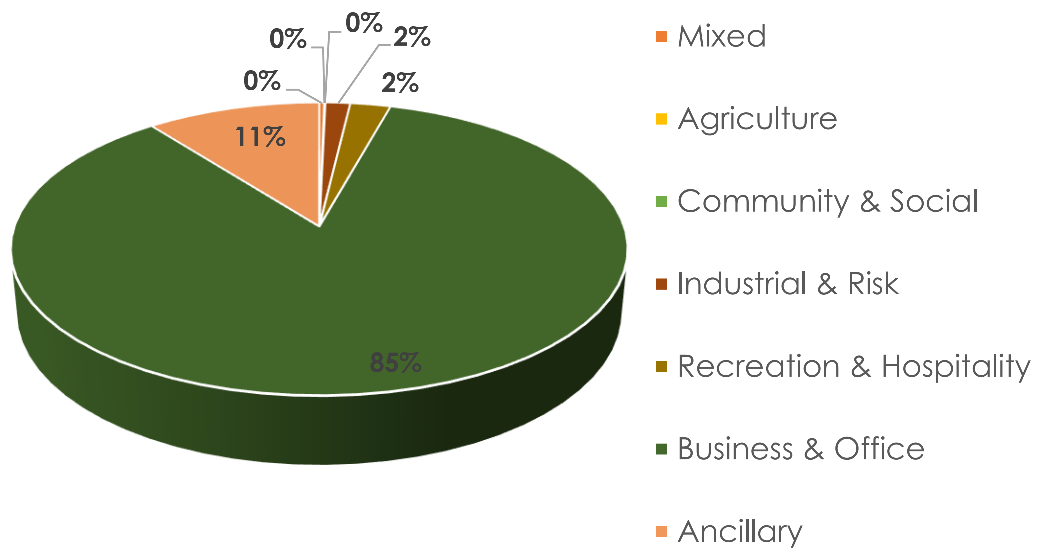
Alongside vacant land, the vacancy rates for existing buildings in the commercial sector have increased from 2,5% in 2012 to 3,7% in 2022. Similarly, the industrial sector also increased from 3,4% in 2012 to 5,47% in 2022, while the office sector increased from 5% in 2012 to 9% in 2022.

Source: City's General Valuation Roll and Market Reports

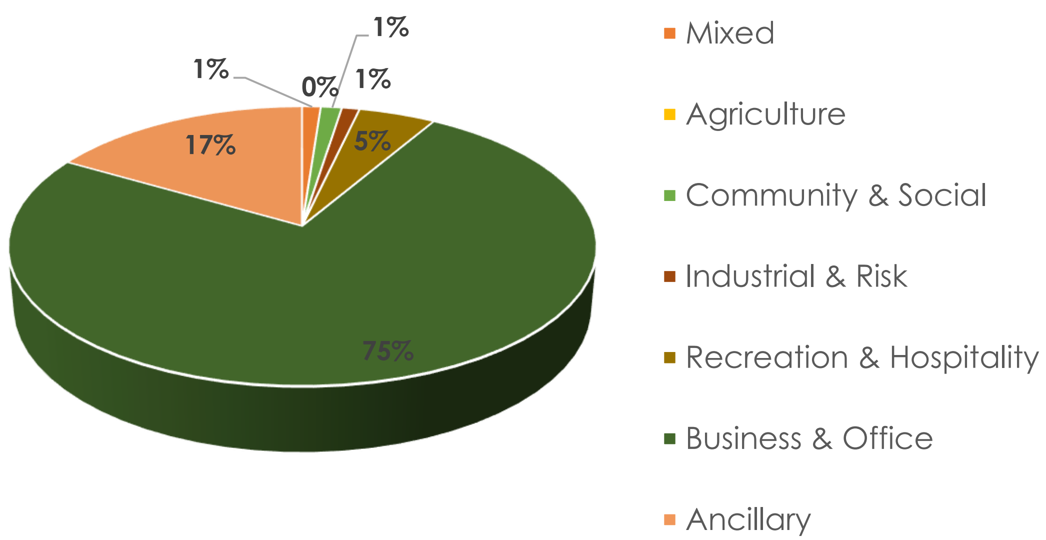
A metro view that provides further context relative to this economic area.

AGGLOMERATION OF INDUSTRIES

% OF LAND USE GROUPS (2012)



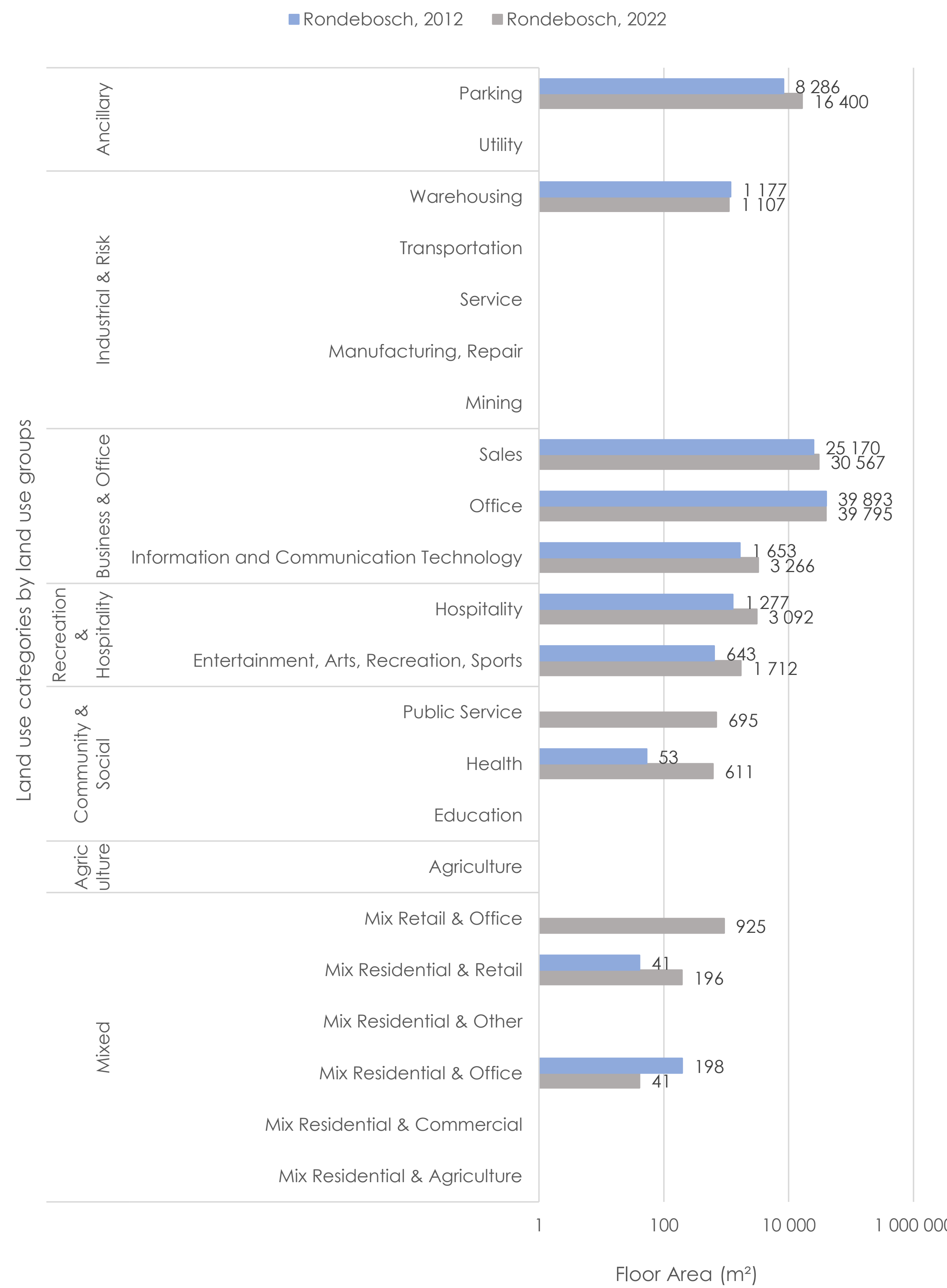
% OF LAND USE GROUPS (2022)



The pie charts illustrate the percentage distribution of land use groups in Rondebosch, based on the cumulative floor area (m²) across various land uses. As shown in the charts, the Business & Office group has remained predominant in both 2012 and 2022, but decreased from 85% to 75%. However, by 2022, the area experienced growth in the Recreation & Hospitality group as well as the Ancillary group.

Additionally, the bar graph provides a comparative view of the co-agglomeration of land use categories between 2012 and 2022 within each land use group. The data indicates that office and sales maintained significant dominance. There is also a presence of other land uses operating in the area that can be seen to support the most prevalent land uses in the area.

FLOOR AREA PER LAND USE CATEGORY FOR 2012 AND 2022

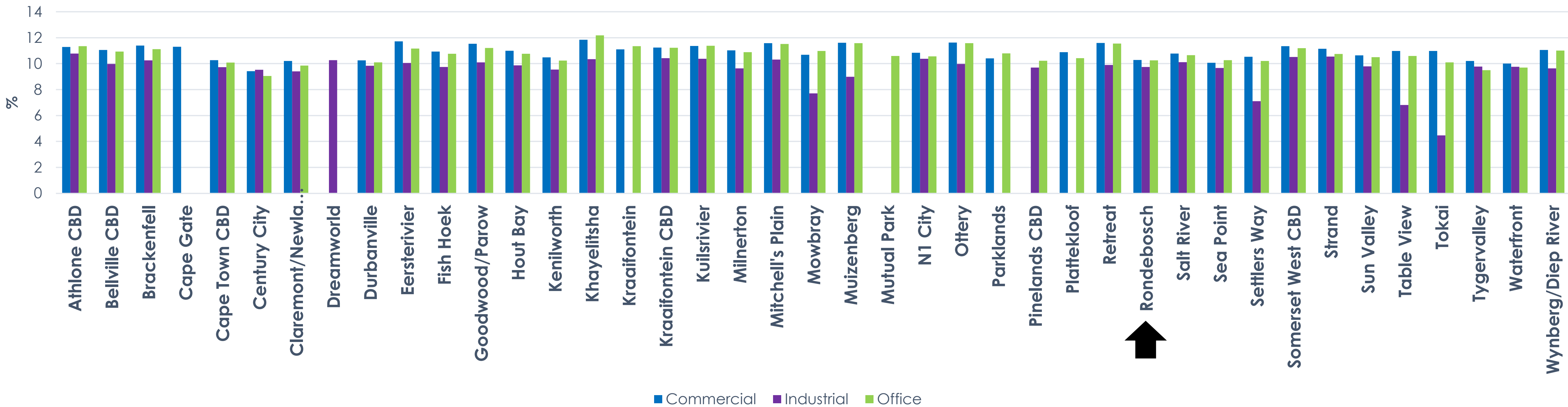


Source: Analysis of GV data (May 2024)

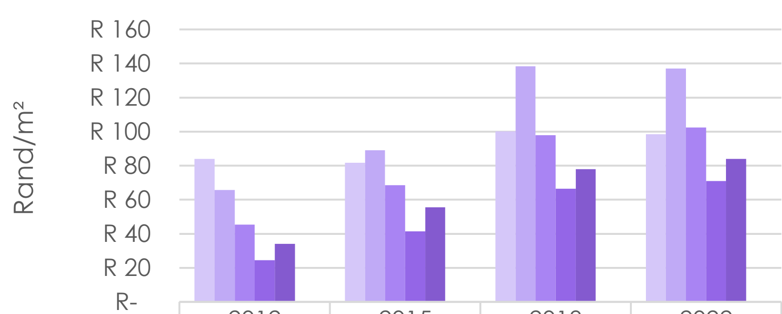
Policy & regulatory context
Conceptual framework
Introduction
Land use activities, labour market & firm typologies
Development pipeline
Urban land markets
Agglomeration of industries
Market performance
Performance & Potential

MARKET PERFORMANCE

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

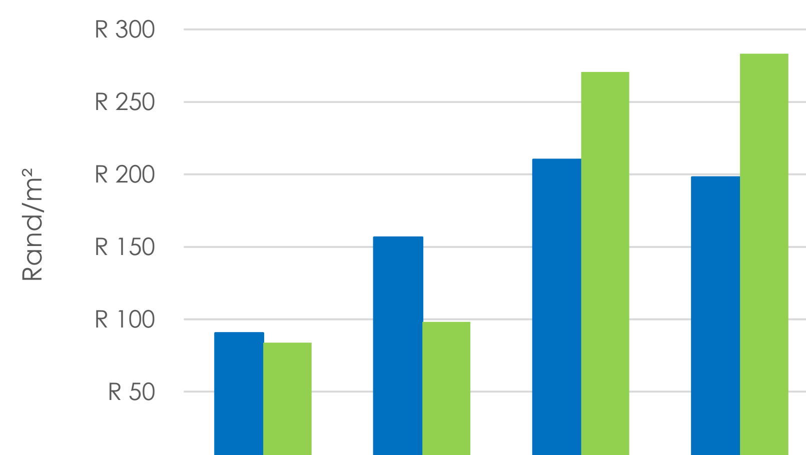


INDUSTRIAL RENTALS



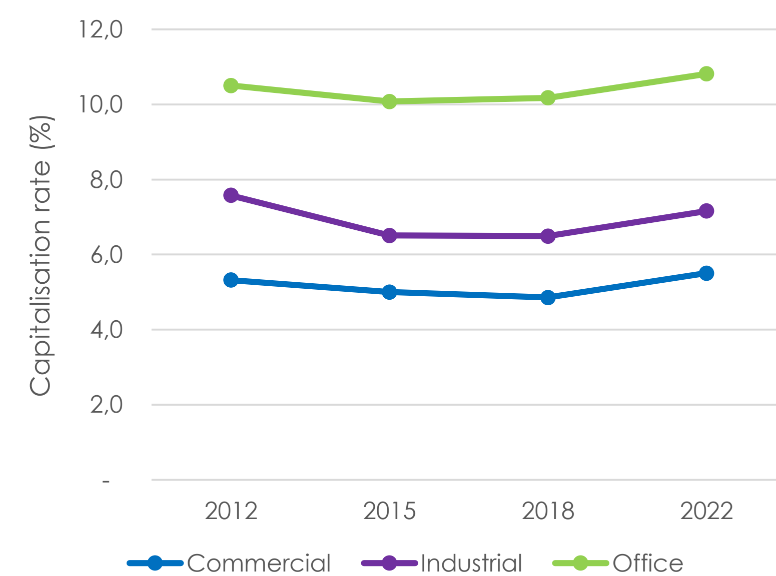
	2012	2015	2018	2022
1) 250m²	R 84	R 82	R 100	R 99
2) 500m²	R 66	R 89	R 138	R 137
3) 1000m²	R 45	R 69	R 98	R 102
4) 2500m²	R 24	R 42	R 66	R 71
5) 5000m²	R 34	R 56	R 78	R 84
6) 10000m²	R-	R-	R-	R-

COMMERCIAL AND OFFICE RENTALS



	2012	2015	2018	2022
Commercial	R 91	R 157	R 210	R 198
Office	R 84	R 98	R 271	R 283

CAPITALISATION RATES



Rental Rates

Rental rates across all industrial space gradually increased from 2012 to 2022, with increases observed in the smaller property sizes.

Both commercial and office rental rates increased significantly between 2012 and 2018, but started to decrease in 2022, similar to that of 2018.

Comparative view on capitalisation rates

The average capitalisation rates from 2012 to 2022 for the commercial, industrial and office sectors were 10,29%, 9,75%, and 10,26%, respectively and further indicate its competitiveness relative to other commercial areas.

Year-over-year, capitalisation rates for the commercial and office sectors remained consistent between 2012 and 2022 at rates of 5,5% and 10,5%, respectively. The industrial sector decreased from 7,6% in 2012 to 7,2% in 2022.

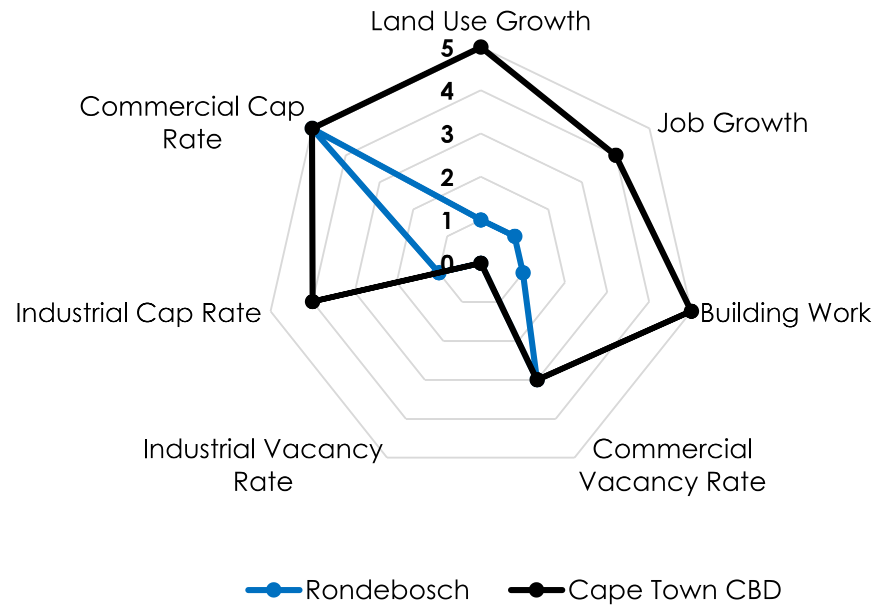
- *Higher cap rates = higher investment risk.*
- *Lower cap rates = lower investment risk.*

Source: 2012 – 2022 market reports

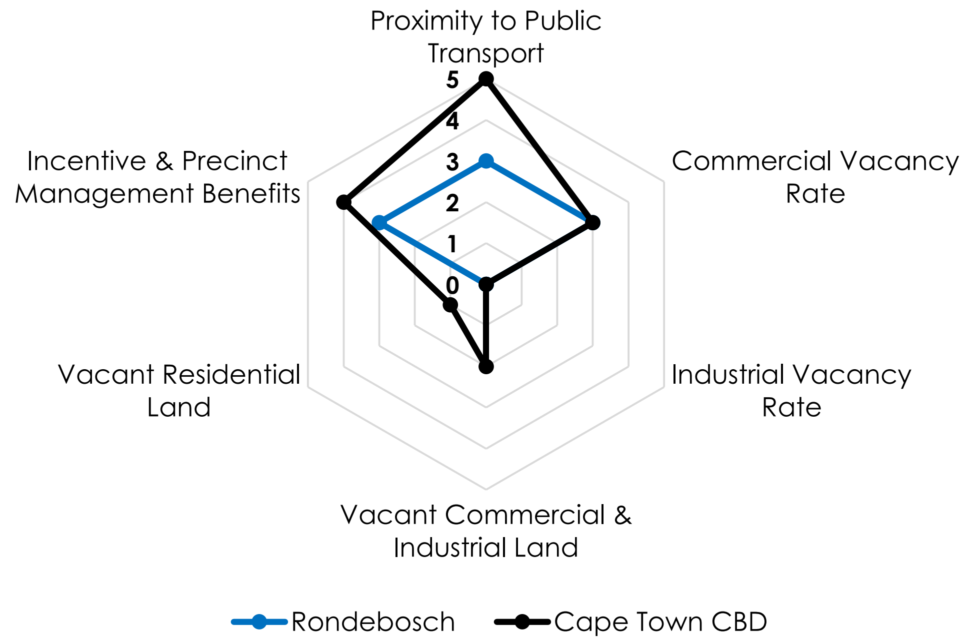
PERFORMANCE & POTENTIAL

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.***