

STATE OF CAPE TOWN CENTRAL CITY REPORT 2019

A YEAR IN REVIEW



ABOUT THE CAPE TOWN CENTRAL CITY

The Cape Town Central City is the traditional Central Business District (CBD) or downtown of the Cape Town metropole. For the purposes of this report, its geographical footprint – an area of 1.6 km² – is identical to that of the Cape Town Central City Improvement District (CCID), a not-for-profit private-public company mandated by stakeholders to manage and promote the Central City.

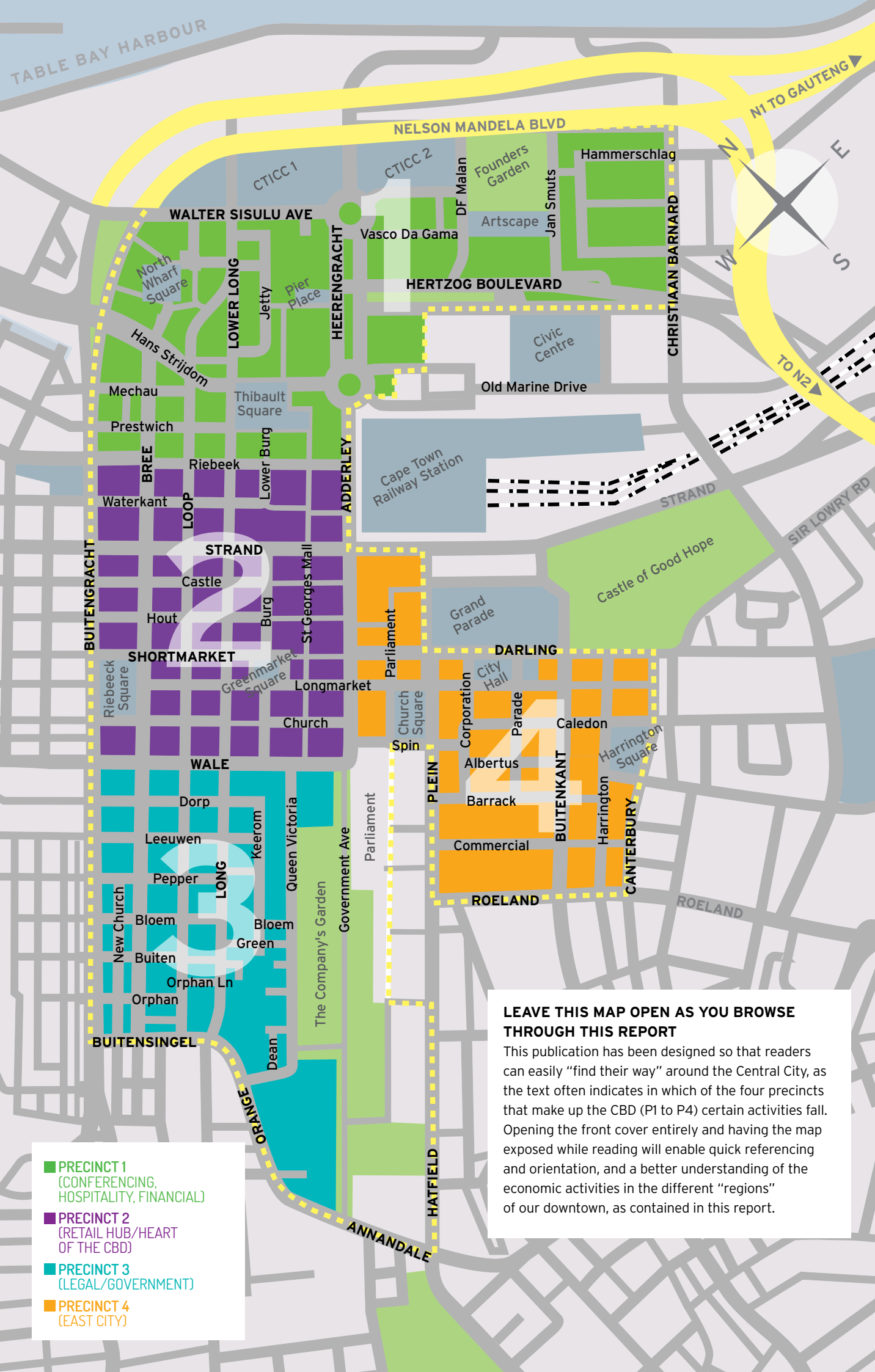
The area is marked out by the broken yellow line on the map that appears on the inside front cover of this report, which is published by the CCID. All the information contained in this report is therefore only pertinent to this footprint.

The area is bordered to the northeast by Table Bay harbour (the Port of Cape Town), including the V&A Waterfront, and by the largely residential suburbs around the rest of the perimeter known as the Atlantic Seaboard (to the northwest), the City Bowl (to the west and south) and District Six and Woodstock (to the southeast).

There are four precincts in the CCID footprint: Precinct 1 (the conferencing, hospitality and financial precinct); Precinct 2 (the retail hub and heart of the CBD); Precinct 3 (the parliamentary and legal precinct); and Precinct 4, referred to as the East City.

All main road and rail transportation links in the Western Province begin in the Cape Town CBD, including the N1 highway to the Gauteng province, and the N2 which travels along the southern coast of South Africa to the KwaZulu-Natal province and beyond. Cape Town International Airport lies on the N2, 19 km from the Central City.





LEAVE THIS MAP OPEN AS YOU BROWSE THROUGH THIS REPORT

This publication has been designed so that readers can easily “find their way” around the Central City, as the text often indicates in which of the four precincts that make up the CBD (P1 to P4) certain activities fall. Opening the front cover entirely and having the map exposed while reading will enable quick referencing and orientation, and a better understanding of the economic activities in the different “regions” of our downtown, as contained in this report.

- PRECINCT 1**
(CONFERRING,
HOSPITALITY, FINANCIAL)
- PRECINCT 2**
(RETAIL HUB/HEART
OF THE CBD)
- PRECINCT 3**
(LEGAL/GOVERNMENT)
- PRECINCT 4**
(EAST CITY)



ALAN WINDE
Western Cape Premier

For many, Cape Town is a dream holiday destination that is on the bucket list of thousands of travellers and constantly garners awards. But beyond its iconic attractions, such as Table Mountain and picturesque blue-flag beaches, it is also an excellent investment destination.

The Western Cape has excellent infrastructure, world-class universities, and a track record of good clean governance. Investors in Cape Town and the Western Cape will be able to tap into Government support in the form of the InvestSA one-stop investment centre, which is based in Cape Town and houses all the services an investor would need under one roof.

The Red Tape Unit of the Western Cape Government's Department of Economic Development and Tourism is made up of dedicated and committed people who have an excellent track record in assisting investors and cutting red tape.

Cape Town is home to thriving tech, BPO, finance, start-up, agri-processing, manufacturing and green energy industries, and our work to develop resilience and innovation and improve safety makes the region an attractive investment destination. In 2019, some major international players confirmed this by setting up shop in Cape Town, helping to grow and develop our economy and drive job creation.

Covid-19 has had an impact on economies across the world in 2020. But Cape Town, being the responsive engine room of the economy, is bound to lead the way as cities face this challenge and adapt to new ways of doing business. I can't wait to see how the city will become even more innovative, responsive and agile.

As you will see from this year's *State of Cape Town Central City Report 2019*, Cape Town is a city of many opportunities. And as usual, the report is filled with valuable insight into what sets it apart as an investment destination, now and in the future.



DAN PLATO
Executive Mayor
of Cape Town

There is no crystal ball that could have predicted what 2020 would have in store for the world. As countries across the globe grapple with the fallout of the Covid-19 pandemic and the devastating Lockdowns that have left no economy untouched, it is important to reflect on what we achieved in 2019 and to look back at these successes for motivation to get Cape Town back on track without delay.

In 2019 Cape Town celebrated being crowned the World's Leading Festival and Events Capital. We were named the Leading Digital City in Africa. We maintained the lowest unemployment in the country and our services were independently rated as the best in South Africa. International businesses continued to choose Cape Town as their investment destination of choice and set up shop across the Central City, with companies like Amazon expanding their footprint here even further.

Publications like the CCID's *State of Cape Town Central City Report 2019* are an invaluable service to the residents of Cape Town who want to stay up to date with the latest news and developments in their community. It provides an informative perspective on who's doing business in the city centre, which areas are seeing renewed investment and what's happening in the events space.

2020 will continue to be a tough year as we plot the way forward out of this global pandemic, but I am confident that the people of Cape Town will show the resilience they have displayed time and time again and bounce back to ensure that we all work together to get our beautiful city back on track!

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SECTION 01

BUILDING RESILIENCE



INTRODUCING THE CAPE TOWN CBD



ROB KANE
Chairperson:
Cape Town CCID

Welcome to the eighth edition of our annual investment guide. As the title suggests, the *State of Cape Town Central City Report 2019* details the economic performance, indicators and trends over the course of last year, setting out in detail the economic state of what is arguably South Africa's most successful Central Business District (CBD).

While we are pleased to report that the Central City held its own quite remarkably during the period under review, 2019 has been incredibly difficult. Stakeholders and investors in the CBD have had to cope with the aftermath of the 2018 drought and subsequent water crisis, ongoing load-shedding and a tough economic climate.

However, we are happy to report that Cape Town - and its Central City - once again proved its resilience, with the city receiving myriad accolades and awards, and a strong vote of confidence from investors, business and leisure visitors and residents.

This is reflected in the value of Central City property, as well as the total value of property investments in the Central City during the year under review. According to the City of Cape Town's 2018/2019 property evaluation, the value of Central City property stands at R44.124 billion. In this year's *State of Cape Town Central City Report*, we are pleased to report that the total value of property investments in the Central City, which are either in the proposed, planned or under-construction phases, or have been completed, is R13.83 billion, with the Foreshore precinct emerging as a key property investment node.

This is due, in part, to the expansion of the Cape Town International Convention Centre (CTICC), which is situated in this precinct and which achieved a turnover of R277 million in 2018/2019.

This world-class venue, which contributed R4.5 billion to the Western Cape GGP, was a key driver in 2019 of the Central City's visitor economy (pgs 38-39) as well as its knowledge and eventing economy (pgs 42-43), all of which continued to expand in 2019.

The year under review also saw the art economy flourish (pgs 34-35) with Cape Town emerging as the art capital of Africa. The CBD plays host to the Investec Cape Town Art Fair, the largest event of its kind in Africa held annually at the CTICC, which recorded sales close to R120 million in 2019.

While our focus remains on the CBD economy during 2019, we are compelled to acknowledge the global devastation wreaked by Covid-19 in 2020. It has damaged the Central City's economy, for sure, but Cape Town is not known as the Cape of Storms for nothing. As Wesgro CEO Tim Harris, one of the commentators in the following section, notes, Covid-19 has also brought unprecedented opportunity, spurring innovation and transformation. Cape Town and Central City business owners have responded by "pioneering new ways of doing things, building resilience now, as well as for the future".

We wish them well as we navigate this challenging new world together.



TASSO EVANGELINOS
CEO: Cape Town CCID

CAPE TOWN IN CONTEXT

The Cape Town Central City is the traditional Central Business District (CBD) or “downtown” of the metropole of Cape Town, situated in the Western Cape province of South Africa. The following provides background to the context in which each of these destinations find themselves, and provides a deeper understanding of the Central City.

GROSS DOMESTIC PRODUCT (GDP)

SOUTH AFRICA
R3 143 BILLION (Q4 2019)

WESTERN CAPE
R436 BILLION (Q4 2019)

CAPE TOWN annually contributes
71 % of the provincial GDP

GDP PER CAPITA (2019)

SOUTH AFRICA
R86 083

WESTERN CAPE
R101 098

CAPE TOWN
R111 364

ESTIMATED POPULATION RATES (2019)

SOUTH AFRICA
58 775 022

WESTERN CAPE
6 844 272
(11.6 % of national population)

CAPE TOWN
4 488 546

GROSS VALUE-ADDED SECTORS

IN 2019, THE CITY'S HIGHEST GROSS VALUE-ADDED (GVA) SECTORS IN ITS ECONOMY WERE:



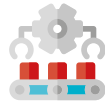
**Finance &
other business**
+29.4 %



**Community
services**
+18.5 %



Trade
+17.9 %



Manufacturing
+14.6 %



Transport
+11.6 %

AIR TRAVEL

During 2019, 5 468 0930 people passed through Cape Town International Airport. In total, 19 394 578 passengers moved through South Africa's three international airports in 2019: Cape Town International, OR Tambo International and King Shaka International.

CARGO TONNAGE

The Port of Cape Town handled 20.03 % of all containers in South Africa in Q4 of 2019, with the Port of Durban the largest container handling port in the country. The number of containers handled at the Port of Cape Town increased by 5.5 % - to 218 187 twenty-foot equivalent units (TEUs) in Q4 compared with the previous year.

EMPLOYMENT

The number of people employed in Cape Town increased by 4 384 from year-earlier levels during Q4 of 2019, bringing the total number of people employed to 1.6 million. The leading contributors to employment growth were the community, social & other

personal services (+18 938) and transport & communication (+15 743) sectors. At the end of Q4, 468 802 people were unemployed, a rate of 22.6 %, compared with 21.2 % a year ago, the second lowest in South Africa's metropolises.

2019 ACCOLADES FOR CAPE TOWN

1. Best Destination in Africa (World Tourism Awards)

2. Best City in the World for the 7th consecutive year (*Telegraph* Travel Awards)

3. Africa's Leading Festival and Event Destination (World Travel Awards)

4. Best City in Africa and the Middle East for the 18th consecutive year (*Travel + Leisure* readers' awards)

5. Best Business Tourism and Event Destination in Africa for the 4th consecutive year (International Congress and Convention Association)

6. Cape Town International Airport voted **Africa's Leading Airport** (World Travel Awards) and **Best Airport in Africa** (Skytrax World Airport Awards)

7. Ellerman House included in top 20 of *Travel + Leisure's* **Top 100 Hotels in the World**

8. Table Mountain nominated as a **leading attraction** (World Travel Awards)

SURVIVING COVID-19

This report presents an overview of the economic and financial trends in the Central City in 2019. While they are still valid, they need to be analysed in the context of the biggest crisis the world has faced since the Depression: the onslaught on all aspects of life of the coronavirus. Here we ask experts from various fields to present their Covid-19 survival strategies.



Key to our recovery is re-instilling confidence in our beautiful city and province

A RESILIENT CENTRAL CITY

The Covid-19 pandemic has wrought unprecedented devastation globally. However, it has also brought unprecedented opportunity, spurring innovation, transformation and best practice. We have seen how local businesses are pioneering new ways of doing things, building resilience now, as well as for the future.

Wesgro, together with the Western Cape Government and City of Cape Town, has adopted a three-pronged approach to the pandemic: response, adaptation and recovery.

As part of our initial response, we launched the Covid-19 Content Centre, a dedicated online resource to help businesses navigate the impact of Covid-19. Containing the latest FAQs, free downloadable resources and best-practice stories, the site has continued to evolve. From April it housed the Covid-19 Support Finder (which has assisted over 6 800 businesses locate disaster relief best suited to their business in just under a minute), and since May it has carried the dedicated Marketplace, a single platform showcasing 490 PPE vendors and connecting corporates to PPE suppliers.

With recovery in full swing, we continue to explore virtual solutions to help industries that have been negatively impacted by the lockdown to bounce back. Together with our partners at the Western Cape Government and

Wines of South Africa, we recently launched the Cape Export Network, a digital matchmaking platform for South African wine producers to advertise their product offerings and connect with international importers or buyers of wine. Similarly, our Export Unit has been leading virtual missions to market since May, with their dedicated Export Advancement Programme training available online.

Furthermore, key to our recovery is re-instilling confidence in our beautiful city and province. The Cape Town Central City Improvement District (CCID) and its partners have always been central to the cleanliness, safety, sound infrastructure and technology which are pivotal to promoting a world-class city centre. We thank you for your unfaltering efforts and are proud to call the CBD the agency's home.

There is no denying that tough months lie ahead as we pave the road to recovery, but Cape Town and the Western Cape are no strangers to crisis, and we will emerge from this stronger. We urge businesses to regularly check the Content Centre at www.supportbusiness.co.za or email us for assistance on supportbusiness@wesgro.co.za - we remain dedicated to supporting you as best we can.

Make it safe. Make it resilient.

TIM HARRIS,
WESGRO CEO







THIS, TOO, SHALL PASS

The immediate challenge for a business is to remain a going concern until demand returns. For many, survival requires ongoing access to credit. Commercial banks have lent assistance through loan repayment holidays. There is also the potential option of South Africa's Covid-19 Loan Guarantee Scheme, which provides funding, given certain conditions, at preferential rates. Loan repayments may be deferred for a maximum of one year after taking out the loan under the scheme.

But, regardless of access to credit, businesses will fold in the absence of demand. Spare a thought, for example, for Cape Town's highly developed tourism industry, for which a return to pre-pandemic activity levels – especially foreign tourist arrivals – seems a way off, even though our borders are now open.

Bear in mind, though, our major international competitors have also been affected by travel restrictions. Cape Town, therefore, maintains its competitive advantage. Once Covid-19 passes, pent-up demand should unleash a wave of foreign visitors. But, until

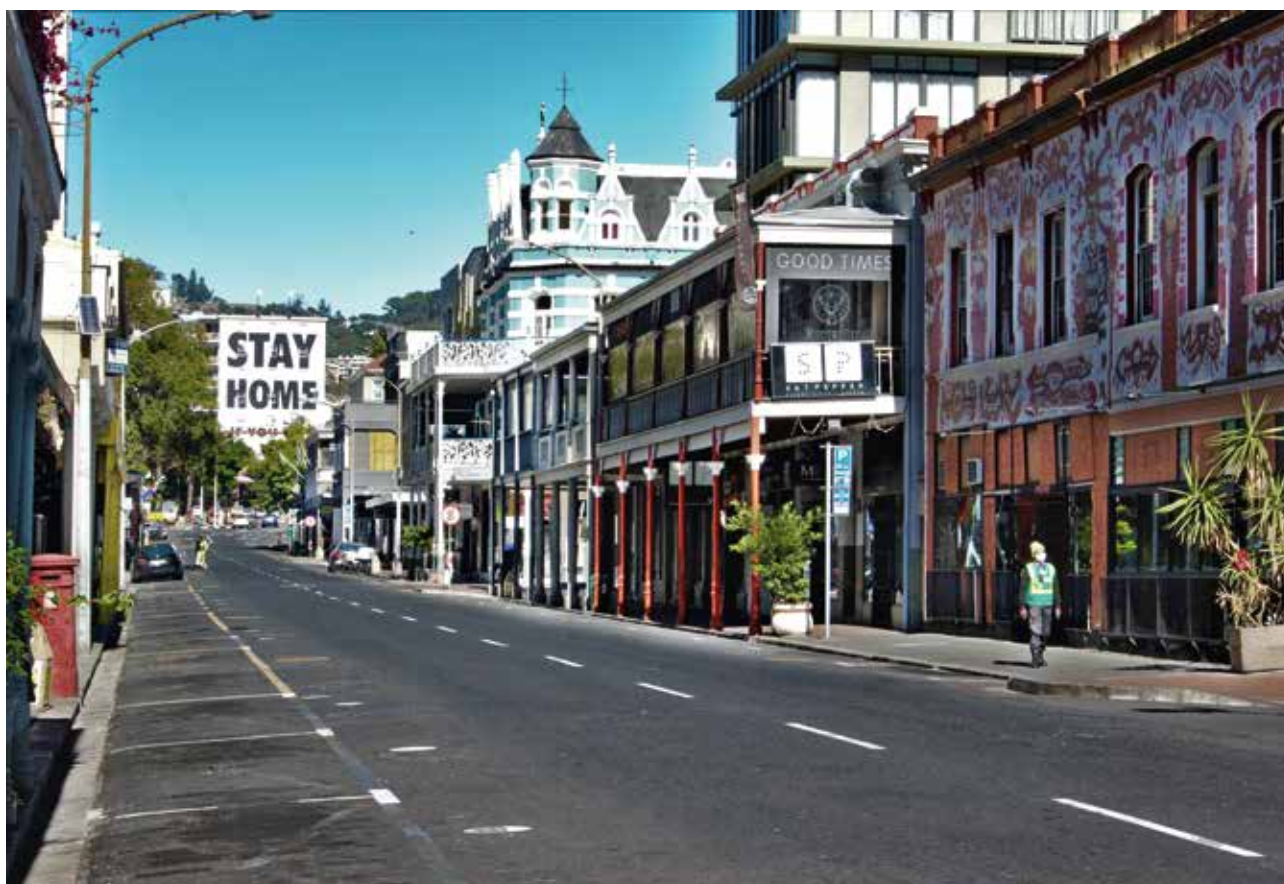
travellers return, establishments will need to tap into new demand segments and consider reorienting their marketing strategies and product offering to the local market, including the potential for regional tourism.

Meanwhile, firms should be aware of changing consumer behaviour. Social distancing is here to stay until an effective vaccine is widely distributed. Fortunately, Cape Town is recognised as a top technology-savvy city. Solutions are on the doorstep, and businesses should explore the use of smart technology to accommodate changing consumer preferences, for example, the development of cell-phone apps to access contactless services.

The good news is that South Africa's non-pharmaceutical interventions have effectively "flattened the curve". Admittedly, additional waves of the virus are possible. But, above all, we should remember *the* lesson from the 1918 influenza pandemic. Humanity and economic activity will recover in time.

ARTHUR KAMP

CHIEF ECONOMIST, SANLAM INVESTMENTS



GETTING CAPE TOWN BACK ON ITS FEET

These are unprecedented economic times. Never before have large sectors of our (and most other) economies been told to stop working, with large numbers of potential participants being forced to stay at home.

The impact on the supply of goods and services, and on the demand for them and so on the incomes normally earned producing and distributing them, has been devastating.

Perhaps up to 20 % of potential output, of GDP in a normal year, will have been sacrificed globally. We will know exactly how much only when we look back and are able to do the calculations.

In South Africa's case, this one fifth of GDP would amount to some one trillion rand of income permanently lost. For the Western Cape, with a GDP share of about 13 %, this would mean about R130 billion rand of economic damage.

These are unprecedented declines in output and income. Ordinary recessions are much less severe than this when GDP declines by two or three percent in a quarter or year.

Compensation can be paid to the households and business owners who through no fault of their own have lost income and wealth. There is, however, no way to recover what has been lost in production. We can only hope for a speedy recovery of the economy when all businesses and their employees are allowed to get back to normal.

Any recovery in output will have to be accompanied by more demand for goods and services, surviving business enterprises might be willing to supply.

Without additional spending during the recovery process, there will not be additional supplies of goods, services and the jobs and incomes delivered.

Providing unemployment and other benefits – paid in cash to the victims – will help to stimulate spending.

In the United States, every household received a cheque in the post of over \$1 000 and temporary unemployment benefits of \$600 per week. The average American household will come out of the crisis with more cash than they had before. Spending the cash will clearly help the pace of recovery.

The US and many other countries will be doing what it takes to get back to normal, learning just how much spending it will take governments before they can take their feet off the spending accelerators. They are not being constrained by the monetary cost.

The cheapest way for a government to fund spending is by printing money. And redeeming the money issued with more money.

The central banks of developed economies are supplying large extra amounts of cash to their economies. The supply of central bank cash in the largest economies has grown by as much as 30 % this year. Central banks have been buying financial securities, mostly issued by their governments in exchange for their cash, thereby helping to force down the interest rates their governments pay lenders to very low levels.

These governments have also arranged on an even larger scale (relative to GDP) loan guarantee schemes for their banks to encourage lending that will enable businesses that have bled cash during the lockdowns to recapitalise on favourable terms.

The central banks, secured by funds committed by their governments, are covering up to 95 % of any losses the banks might suffer if the loans are not repaid. The take-up of these loans by US businesses has been brisk.

South Africa has not adopted any do-what-it-takes approach.

I have argued that we should rely in the same way on our central bank to create money to hold down the interest cost of funding much more government spending and accompanying debt – as a similarly temporary exercise in economic relief. That is, relying on the central bank in the way of developed countries for as long as it takes.

South Africa has moreover introduced a potentially significant Loan Guarantee scheme for our banks, with a potential value of up to R200 billion.

Very sadly, very little use of the credit lines has so far been made – only R14 billion appears as taken up.

Every effort should be made to encourage businesses to demand more credit and for the banks to lend more with losses of only a potential 6 % of the loans they make.

Working capital, so vitally necessary to restart SA businesses, therefore is available. The confidence to re-tool seems to be lacking. As is the determination of the banks to find customers willing to invest in the future of SA from whom they will benefit should they succeed.

The recovery programme demands business and political leadership that is clearly lacking, of the kind that will want businesses large and small to believe in their prospects post-lockdown and to act accordingly.

Economic recovery – getting back to normal as quickly as possible – demands no less.

BRIAN KANTOR
INVESTEC WEALTH AND INVESTMENT



We can only hope for a speedy recovery of the economy when businesses and their employees are allowed to get back to normal



Although the re-opening of hotels is a positive step, when the market as a whole might start to recover remains the burning question

A MARATHON, NOT A SPRINT

The impact of Covid-19 on the hospitality sector globally has been widely reported. Africa, South Africa and Cape Town have not escaped unscathed, with hotels reaching all-time lows.

The lifting of the national travel ban and the resumption of limited flights have enabled hotels in the Cape Town Central City to re-open to cater to the needs of business and leisure travellers. Some brands have adopted a phased approach to accepting guests, electing to open only a few properties at a time until demand increases.

Although the re-opening of hotels is a positive step, when the market as a whole might start to recover remains the burning question. Cape Town has always been a resilient destination. Its ability to “bounce back” has increased as the reputation of the city has grown globally. The RevPAR (Revenue per Available Room) of the city took approximately four years to recover (2008 to 2012) from the combination of a demand decline (global financial crisis) and increased supply (FIFA World Cup). Despite the RevPAR of the city declining by 10 % in 2018, recovery was quick with RevPARs taking one year to recover from the impact of the water crisis. By the end of 2019 RevPAR had already shown a marginal increase despite declines in demand and increases in supply (over 1 500 rooms).

Despite Cape Town’s resilience, the global pandemic is unprecedented. Hotel data intelligence company STR estimates that European markets are likely to return

to levels achieved in 2019 by the end of 2022/2023. South Africa is expected to follow a similar trend. As in other global destinations, domestic markets will be the first to recover as it will take time for international travel to regain momentum. Capturing such demand will require a strategic approach and, globally and domestically, accommodation providers are adopting some of the following techniques to assist them in navigating the devastation caused by the coronavirus:

- Safety and hygiene will be the new normal going forward. Hospitality providers must clearly indicate to customers the protocols in place to ensure their safety during their stay - these should be easily visible on the website/booking platform;
- Adjust budgets to include the additional costs related to maintaining the hygiene standards that will be expected and determine how this will impact the bottom line;
- Identify which customers are likely to return first (corporate business travellers, government, leisure travellers) and target them with deals and packages;
- Manage guest expectations - the traditional complimentary fruit bowl/bottle of wine that guests are used to are unlikely to be continued under new hygiene and safety protocols;
- Open gradually (just a few rooms at a time) and in line with demand in order to ensure costs are managed;
- Staycations - the targeting of Cape Town and broader Western Cape residents for “mini-breaks” should be considered;
- Be creative - some hospitality providers are selling credits for rooms (at discounted prices) with the client able to confirm a booking at a later stage - “pay now book later”. This is assisting in managing cash flow;
- Be competitive in terms of price but manage discounts carefully as rates are difficult to “claw back” to previous highs once demand starts to return; and
- Maintain continued contact with local and international customers - they will return.

The recovery from Covid-19 will be a marathon, not a sprint. The virus will be with us for some time, at least until a vaccine is developed. Adapting to the new normal and finding the right balance between saving lives and economic prosperity will be key to long-term sustainability.

WAYNE TROUGHTON
HTI CONSULTING CEO



A COLLABORATIVE APPROACH

In the late 1990s, the Cape Town Central City faced severe and complex challenges – derelict buildings, a depressed commercial property market, capital and customer flight, rising crime and grime, and high levels of poverty and homelessness on the streets. In response, public, private and professional institutions came together in July 1999 to form the Cape Town Partnership (CTP), a vehicle to help diverse partners with different needs and interests agree on a shared vision for the future of the Central City. It helped partners to forge a common agenda and undertake joint action, including the formation of the Cape Town Central City Improvement District (CCID) in November 2000.

The situation today is different. As a consequence of the unprecedented global health and economic crisis caused by the Covid-19 pandemic, the Cape Town Central City faces even greater challenges than it did in the 1990s. No one sector of the economy, Government or society will find solutions to the crisis on its own. There is once again a need for a collaborative approach. There is a need for a Central City Recovery Partnership.

Back in the 1990s, the Central City's main challenges related largely to the absence of the fundamentals being in place – safe, secure and well-managed buildings and spaces, responsive urban management, and an ability to care for the vulnerable on the streets. Today, thanks to the continued presence of the CCID, most of the Central City fundamentals are in place. But, however necessary the work of the CCID is, it is an insufficient condition for recovery.

How does the Central City recover beyond the 2020 status quo? Creative and bold new ideas are needed, as are pooled resources and joined-up mandates. New partners are needed, beyond traditional commercial property and municipal sector alliances.

The Covid-19 crisis has both revealed and exacerbated the flaws in our society, and the Central City needs to be part of leading the way to building back better. There is a need for a new, more inclusive and more dynamic vision for the Central City, including affordable housing, greater accessibility, more people-centred streets and spaces, more room for small enterprises and informal economies, urban agricultural production, and social employment programmes, with strong linkages to community economic and social recovery throughout Cape Town. As New Zealand Prime Minister Jacinda Ardern has stated: “Economic growth accompanied by worsening social outcomes is not success. It is failure.”

None of this can or will happen without a well-considered partnering approach, based on mutual accountability, stronger relationships of trust and a willingness to accommodate diverse interests. This needs to happen quickly, with purpose. A partnering approach needs to favour implementation through joint action, not wordy documents and cautious compliance-driven processes. Relationships of trust are built through action, on site, not through long discussions on Zoom.

ANDREW BORAINÉ

ECONOMIC DEVELOPMENT PARTNERSHIP CEO



There is a need for a new, more inclusive and more dynamic vision for the Central City



SECTION 02

OPEN FOR BUSINESS

THE CENTRAL CITY IN NUMBERS

Diverse and complex, the Cape Town Central City is made up of a plethora of private and public enterprises. Here is an overview of the facts and figures that underlie the economic fabric of the Cape Town Central City Improvement District footprint as it stood at the end of 2019.



BUSINESSES IN THE CBD

There are **3 321** entities doing business in downtown Cape Town. They operate in the following categories and sub-categories:

80 INDUSTRIAL COUNCILS & NPOS

17 CO-WORKING SPACES

COMMERCIAL & RETAIL SPACE

1 023 527 m²

Total commercial (office) space as at Q4 2019

10.8 %

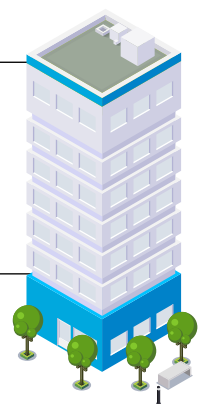
Office vacancy rate as at Q4 2019

274 605 m²

Total retail space in the Central City

9.4 %

Retail vacancy rate as at Q4 2019



RETAIL & ENTERTAINMENT

A total of **1 237 retail and entertainment entities** broken down as follows:

Adult entertainment	13	Furniture, lighting & décor stores	43	Motor parts & repairs	17
Auctioneers	4	Gyms	20	Petrol stations	4
Adult-themed shops	3	Hair salons	45	Opticians & eyewear	12
Art galleries	29	Hardware stores	6	Pawn shops	2
Bakeries	7	Health & beauty (incl. spas)	40	Pharmacies	7
Barber shops	11	Internet cafés	9	Plumbing & sanitaryware	2
Barrows & kiosks	11	Jewellery design & manufacturing	60	Postage & courier services	8
Bars & clubs	65	Laundry, drycleaning, shoe repairs & tailors	26	Printing, copying & lamination	22
Bookstores & publishers	9	Liquor stores & wine merchants	15	Restaurants	151
Butcheries	3	Locksmiths & security	5	Speciality shops	31
Clothing & shoes	148	Luggage & leather goods	8	Sporting goods (equipment & clothing)	22
Coffee shops	73	Mobile devices	54	Superettes	26
Curios & markets	24	Motor cars	15	Stationery & packaging	3
Department stores	23	Motorcycles	3	Supermarkets	8
Discount stores	19			Takeaways	88
Electronics, photography & music	22			Theatres	5
Fashion accessories & handbags	8			Vintage & second-hand stores	8



GENERAL
CORPORATES /
HEAD OFFICES
69

FREIGHT,
CUSTOMS
BROKERING
& SHIPPING
45

EMPLOYMENT
& RECRUITMENT
40

* RELIGIOUS
SERVICES /
FACILITIES
24

VALUE OF CENTRAL CITY PROPERTY

R44 124 512 988 The overall official nominal value of all property in the CBD, according to the City of Cape Town's 2018/19 property evaluation (provisional figure, calculated prior to the valuation objection phase).

R1 045 000 000 A conservative estimate of the value of property **completed** in the Central City during 2019 but which still has to be officially assessed by the City of Cape Town.

R3 730 000 000 The value of property, conservatively estimated, that is **under construction**.

R5 196 000 000 The value of property, conservatively estimated, that is currently in the **planning** phase.

R3 860 000 000 The value of property, conservatively estimated, that is currently **proposed** and is expected to begin construction within the next two years.



57 PROPERTY
& REAL
ESTATE

Commercial brokers	2
Estate agencies	14
Project management	12
Property & investment brokers	4
Property developers	12
Other	13

213 MEDICAL
PRACTICES

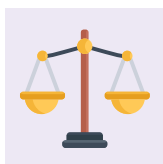
56 SPECIALISED
SERVICES

44 ARTISTIC
STUDIOS

LEGAL ENTITIES

A total of **652 law firms & advocates**, comprising:

Law firms	189
Advocates	463



213 FINANCE, INVESTMENT, INSURANCE & BANKING

Accountants	36
Insurance brokers	32
Investment companies	27
Financial services & banking	118

94 EDUCATIONAL INSTITUTIONS & RESOURCES

181 GOVERNMENT FACILITIES

Government agencies	46	23 076 Total number of government employees
Local government	25	
National government	62	
Parastatals	9	
Provincial government	28	29 335 Number of people using government facilities daily
Political parties	11	

* Government facilities & religious services/facilities are not included in the count of entities doing business in the Central City.

169 ACCOMMODATION & TRAVEL BUSINESSES

Airlines	4
Backpackers	27
Car hires	13
Embassies	22
Hotels (incl. res)	44
Student hostels	5
Travel services	54

120 ICT & TELECOMS BUSINESSES

Information & Communications Technology	80
Telecomms	40

108 ARCHITECTURE, ENGINEERING & SURVEYING BUSINESSES

Architecture	50
Engineering	28
Energy companies	15
Quantity surveyors	12
Land surveyors	3

107 COMMUNICATIONS, MEDIA & ADVERTISING BUSINESSES

Advertising	12
Communications	4
Film & TV production	31
Marketing & branding	13
Media	25
Printing & publishing	18
Specialised & other	4



DOING BUSINESS IN THE CENTRAL CITY

Each year, this report analyses the economies of the Central City, identifying shifts and patterns in the way business is being conducted and picking up on emerging trends.

The Central City's sophisticated and dynamic economy is dominated by a large retail sector comprising businesses across a wide spectrum. This trend, which follows on from the previous two reports, is aided by established infrastructure and a stable urban environment.

The CBD in 2019 also remains a vibrant centre for the second largest sector, the legal fraternity, which comprises not only advocates' and lawyers' offices but is also home to the Western Cape division of one of South Africa's nine provincial high courts. The well-served financial services sector (which includes the banking, investment and insurance industries) this year ties for its place as the third largest sector with the well-established medical profession increasing its presence in the CBD since the last report.

The year in review saw the rise of the knowledge economy in the Central City, brought about in large part by the stellar performance of the world-class conference venue, the Cape Town International



R39.6 billion

The amount the CTICC contributed to the Western Cape GGP

Convention Centre (CTICC), situated in the Foreshore precinct of the Central City. The 2018/2019 financial year was the first full year of operation of the expanded CTICC 1 and CTICC 2. With its triple-bottom-line approach to creating a sustainable business, the CTICC contributed R39.6 billion to the Western Cape GGP (Gross Geographic Product) and R47.36 billion to South Africa's GDP.

The city remains a magnet for business and leisure tourists, and the Central City benefits from both. The accommodation and travel sector remains strong (with boutique hotels featuring prominently and Airbnb becoming a feature) followed closely by the ICT and telecoms business sector.

A key feature is the rise of Cape Town as the art capital of Africa, with the art economy making its mark in the CBD. The creative sector is well represented, with 44 artistic studios. Art galleries, which are part of the Central City's retail offering and a feature of the night-time economy, have flourished.

BREAKDOWN OF BUSINESSES IN THE CENTRAL CITY

In 2019, there were a total of **3 321** businesses* operating in the Central City. The majority are retail venues followed by the well-represented legal fraternity. For convenience, we've listed them numerically in size from the biggest to the smallest.



1 237*
Retail
venues



652
Legal
services



213
Medical
practices



213
Finance,
investment,
insurance
& banking



169
Accommodation
& travel



120
ICT &
telecoms



108
Architecture,
engineering
& surveying



107
Communications,
media &
advertising



94
Educational
institutions
& resources



80
Industrial
councils
& NPOs



69
General
corporates/head
offices



57
Property
& real estate



56
Specialised
services



45
Freight, customs
brokering
& shipping



44
Artistic
studios



40
Employment
& recruitment



17
Co-working
spaces

* In 2018, we recorded 3 090 businesses in the Central City. The 2019 data incorporates retail venues in downtown Cape Town's three shopping malls for the first time.



GOVERNMENT, POLITICS & RELIGION

The following entities are also found in the Cape Town Central City:

62 National government offices

28 Provincial government offices

25 Local government offices

46 Government agencies

9 Parastatals

11 Offices of political parties

24 Religious services/facilities



INVESTING IN THE MOTHER CITY

The Cape Town Central City's downtown economy has proved to be dynamic, resilient and ever-expanding, driving investment into what is arguably the most successful city centre in South Africa. Coupled with this are the myriad other reasons why Cape Town is an excellent investment destination.

LOCATION

Cape Town is situated in the Western Cape, home to some of the country's most beautiful scenery. The Western Cape has an abundance of natural assets, including world-renowned coastlines, the iconic Table Mountain National Park and Kirstenbosch National Botanic Garden and an abundance of orchards and vineyards. The province is also one of the most lucrative in the country, with established industries including tourism and agriculture, and is an inspiring industrial hub. This has encouraged a shift of certain economic activities to the Cape, enticing foreign firms and new investment groups to invest in the local scene. Four top universities, including the University of Cape Town and Stellenbosch University, and two globally recognised business schools in the region, continue to attract innovation and talent. These institutions have boosted Cape Town's status as the leader in African BPO (business process outsourcing) innovation and fields like business process management have been leading creators of jobs in Cape Town over the past few years, reflecting major investments.

ACCESSIBILITY

Air Access

- Cape Town International Airport (CTIA) is Africa's third largest airport and considered to be the best on the continent: in 2019 it won the Skytrax award for the fourth consecutive year.
- CTIA connects the city to over 21 countries, securing about 750 000 inbound seats and 13 new routes in three years.
- Located 20 km from the Central City, CTIA is integrated with other city transport infrastructures for ease of travel.
- The R7 billion upgrading and expansion of the CTIA, involving the refurbishment of the domestic arrivals terminal, the expansion and upgrade of the international terminal and the construction of a new realigned runway worth R3.93 billion will allow CTIA to accommodate larger aircraft and increase its per-hour landings and departures.
- Cargo freight has grown by 52 % to 57 000 tonnes in 2017.

Port Access

- The Port of Cape Town, the second busiest in South Africa, is strategically positioned and serves cargoes (especially containers) moving between Europe or the Americas and the Middle East or Australia.
- Expansion is planned for the Container Terminal to allow it to accommodate larger vessels and an increase in annual throughput.
- The port also facilitates a growing cruise economy, with the multi-million rand Cruise Terminal at the V&A Waterfront opening to the public in May 2018.

Road Access

- Cape Town and the Western Cape are linked to the other provinces of South Africa by two major road networks, namely the N1 and the N2.

A HUB OF OPPORTUNITY

Home to the leading convention centre on the African continent, the Cape Town International Convention Centre, the Mother City is experiencing a tangible shift to a service-driven economy with an established business culture and a cluster of trusted financial institutions. There is huge confidence in the soundness of banks in the region, rated third in the world by the World Economic Forum.





ECONOMY & INFRASTRUCTURE

- Cape Town is a sub-Saharan African business hub with a sophisticated, dynamic economy, making it an ideal destination for industry and innovation.
- The city has everything in place for sustainable economic growth - from its world-class Central City to its established infrastructure across several sectors.
- On average, Cape Town has a per capita GDP that is 32 % higher than the national average.
- Cape Town's service-driven economy has grown at a higher rate than the national average thanks to its competitive advantage in key industries and sectors, including several manufacturing sub-sectors such as electronic and electrical products, metal, steel and beverages.
- Compared with other international cities, it offers excellent value for investors.
- Economic trends reveal the city has a steadily growing digitech sector, rapidly expanding B2B and B2C e-commerce, and increased exports and an improved trade balance.
- With its expansive agricultural surroundings, Cape Town acts as a processing, trade and retail hub for a wide range of export-quality produce.
- Globally recognised film and media production industry.



LOW UNEMPLOYMENT RATES

At 22.6 %, Cape Town has the second lowest unemployment rate of all South African metros, according to the Q4 2019 Quarterly Labour Force Survey. There are also 4 384 more people employed in Cape Town in Q4 2019 compared to the previous year.

AN ENABLING BUSINESS ENVIRONMENT

The City of Cape Town actively facilitates the creation of an enabling business environment in which entrepreneurs can flourish. Sectors poised for expansion are trade, manufacturing, information technology, telecommunications, medical and research equipment as well as other high-tech processes. The so-called "sea and sky" economies are also earmarked for growth, including aviation, marine manufacturing, and the tourism and hospitality sector. The city is also building a sound "green" reputation, allowing for potential development of an industry around the manufacturing and servicing of electric vehicles, as well as the production of medical cannabis. The emergence of several initiatives and the founding of several renewable company head offices in the city are leading the renewable energy and clean-tech industries.

A RESILIENCE STRATEGY

Cape Town's Resilience Strategy, developed after the city emerged in 2018 from the worst drought in recorded history, offers a roadmap for a 21st century metropolis that is home to a diversity of people and a destination for hundreds of thousands of visitors every year. Through a comprehensive societal response, the worst-case scenario - that the taps would literally run dry - was avoided. Exposed to extreme weather at the tip of Africa, and subject to extreme spatial divides brought on by Apartheid, the city has become vulnerable to weather-related shock events, in particular increased heat and decreased rainfall. To enable it to survive chronic stresses and acute shocks, it has developed a resilience strategy to allow it not only to survive, but adapt and thrive.

The five pillars of Resilient Cape Town:

- compassionate, holistically healthy city
- connected, climate-adaptive city
- capable, job-creating city
- collaborative, forward-looking city
- collectively, shock-ready city

SOURCES: Invest Cape Town, WESGRO, City of Cape Town



INVESTMENT PARTNERS

Key partnerships across the private and public sector exist in the Central City, fostering a strong economy, promoting economic investment into the region and encouraging future growth.

CAPE TOWN CENTRAL CITY IMPROVEMENT DISTRICT (CCID)

Since its inception in 2000 by local property owners, the CCID has sought to keep the Central City free of “crime and grime”, ensuring it is a “safe, clean and caring” urban environment, and most importantly, “open for business”.

A map delineating its geographical boundaries and the four precincts that fall within it can be found inside the front cover of this publication.

The CCID, like the other 40-plus city improvement districts in the Cape metropole, exists in terms of the City Council’s Municipal Property Rates Act, Section 22 [Special Rates Area (SRA)] and the SRA bylaw. It provides complementary top-up services within a specific geographical area, to support the primary agencies. In the case of the CCID, these primaries are the City of Cape Town and the South African Police Service (SAPS). Since 2016, the CCID has also nurtured a partner project in public safety with the Western Cape Government.

A public-private partnership which is overseen by a board of directors, the CCID has three operational departments – Safety & Security, Urban Management and Social Development. Its Communications department collaborates across these three to promote the CCID’s work and investment into the Central City. A fifth department manages financial and



600

The CCID oversees a total workforce of around 600 people who carry out its mandate to manage the spaces between the buildings of Cape Town’s traditional downtown or CBD area

HR-related administration. With a full-time staff of 19 people, the CCID oversees a total workforce of around 600 people who carry out its mandate to manage the spaces between the buildings of Cape Town’s traditional downtown area.

WHERE: 1 Thibault Square, cnr Long St & Hans Strijdom Ave (Precinct 1)
www.capetownccid.org

WESGRO

As the official destination marketing, investment and trade promotion agency for the Western Cape, Wesgro’s mandate is to “attract and retain foreign direct investment, grow exports and market Cape Town and the province as a competitive business and leisure destination globally”.

The agency promotes economic activity in the province to facilitate job creation by landing and keeping businesses in the Western Cape and helping local businesses to export beyond South Africa’s borders. It looks to align the region to national priorities for economic growth, trade and investment promotion initiatives and facilitates the link between business and government decision-makers. It is often the first port of call for foreign buyers, local exporters and investors looking to take advantage of the region’s potential.

WHERE: SA Reserve Bank Building, 60 St Georges Mall (Precinct 2)
www.wesgro.co.za

THE WESTERN CAPE ECONOMIC DEVELOPMENT PARTNERSHIP (EDP)

The EDP is a non-profit company established in 2012 as a collaborative intermediary organisation to work with and between broad-based stakeholder sectors in the Western Cape economic delivery system.

It aims to improve the performance of the Cape Town and Western Cape economic development system, by creating and sustaining partnerships between economic stakeholders, in support of the goals of creating a resilient, inclusive and competitive region, and contributing to South Africa's national economic success.

Funded by national, provincial and municipal government, the EDP has played a unique role in bringing together the public and private sectors, academia and civil society, to focus on specific issues identified as key drivers of economic growth. Today, it focuses on providing partnering solutions to improve the performance of the local and regional economic system.

WHERE: Atterbury House, 9 Riebeeck Street (Precinct 2)
www.wcedp.co.za

CAPE CHAMBER OF COMMERCE & INDUSTRY

The Cape Chamber of Commerce & Industry was established in 1804. Representing businesses of all sizes in virtually all sectors, the Cape Chamber of Commerce & Industry is mandated to serve, enable and lead business. This is achieved via a multitude of services, networking opportunities as well as robust advocacy on behalf of business.

WHERE: 33 Martin Hammerschlag Way, Foreshore (Precinct 1)
www.capechamber.co.za

INVEST CAPE TOWN

In 2016, the City of Cape Town launched the Invest Cape Town initiative to continue to build the city's brand as a world-class investment destination.

By promoting the city's natural beauty and achievements as a tourist destination, along with sharing business success stories, Invest

Cape Town exists to create employment, promote investment and funding, attract talent and help companies and entrepreneurs discover new opportunities in Cape Town.

The Investor Centre offices of the initiative were opened in 2017, at the same time and in the same space as those of InvestSA Western Cape (see below), to function as a collaborative one-stop shop for investors into Cape Town and the province.

WHERE: Media City Building, 1 Heerengracht, Foreshore (Precinct 1)
www.investcapetown.com

INVESTSA WESTERN CAPE

The national Department of Trade & Industry (DTI) has established InvestSA offices in major South African centres. The Western Cape InvestSA One-Stop Shop (InvestSA OSS) was opened in the Cape Town CBD in 2017. The office promotes investment specifically into the province by streamlining regulatory procedures and providing investors with services to fast-track projects and reduce government red tape when establishing a business.

The InvestSA Western Cape OSS focuses on the coordination and incorporation of the special economic zones, provincial investment agencies, local authorities and the relevant government departments involved in regulatory, registration, permits and licencing matters. Representatives from government entities like the South African Revenue Service (SARS), departments of Home Affairs and Environmental Affairs, Eskom and the Companies and Intellectual Properties Commission, all operate under one roof in the office in St Georges Mall.

Wesgro has been appointed as the management entity. InvestSA is the primary shareholder in the One-Stop Shop, in partnership with Department of Trade and Industry (DTI) and the Department of Economic Development and Tourism (DEDAT).

Twelve governmental partners also operate from the provincial operation and a ministerial committee is in place to expedite regulatory blockages at ministerial level.

WHERE: 46 St Georges Mall (Precinct 2)
www.investsa.gov.za

SECTION 03

PROPERTY FILE

TOTAL VALUE OF
PROPERTY INVESTMENT
R13 831 000 000

PROPERTY INVESTMENT UPDATE*

PROJECTS COMPLETED DURING 2019

-  **Signature Lux P1** R210 000 000
DEVELOPER Signature Lux Hotels
-  **Capetonian Hotel P1** R200 000 000
DEVELOPER Raya Hotels
-  **The Halyard P1** R400 000 000
DEVELOPER FWJK
-  **Gorgeous George P2** R100 000 000
DEVELOPER Tobias Alter
-  **UrbanOn Bree P3** TBC DEVELOPER UrbanOn
-  **Tuynhuys P3** R60 000 000
DEVELOPER Willbridge Property
-  **Labotessa P4** R75 000 000
DEVELOPER Jan Fourie & Johan du Plessis



PROJECTS UNDER CONSTRUCTION

- | | |
|---|--|
|  35 Lower Long St P1 R500 000 000
DEVELOPER Abland |  Adderley P2 TBC DEVELOPER HOMii Lifestyle |
|  The Duke P1 R210 000 000
DEVELOPER The Mosaic Group |  58 Strand St (Picbel Parkade) P2 R400 000 000 DEVELOPER Boxwood Property Fund |
|  16 on Bree P1 R860 000 000 DEVELOPER FWJK |  Mike's Sports P2 R50 000 000
DEVELOPER Gera Investment Trust |
|  Fleetway House P1 R60 000 000
DEVELOPER HOMii Lifestyle |  Iziko SA Museum Expansion P3 R187 000 000 DEVELOPER Iziko Museums Trust |
|  Hotel Sky P1 R400 000 000 DEVELOPER WBHO |  The Harri P4 R70 000 000 DEVELOPER Sepia and Silk |
|  Foreshore Place P1 R373 000 000
DEVELOPER HBW Group |  Kesler P4 TBC DEVELOPER HOMii Lifestyle |
|  The Rockefeller at Harbour Place P1 R500 000 000 DEVELOPER Narrative/Ryan Joffe Properties |  84 Harrington St P4 R120 000 000
DEVELOPER Wolf & Wolf Architects |

*The exact location of all property investments is given in the Precinct Section which starts on page 44.



PROJECT TYPES

Parastatal
mixed-use

Mixed-use

Mixed-use:
incl. hotel

Commercial



Residential

National
museum

TBC



Hotel

PLANNED PROJECTS
TOTAL MINIMUM VALUE
IN PLANNED PROJECTS
R5.196 BILLION

PROPOSED PROJECTS
TOTAL MINIMUM VALUE
PROPOSED PROJECTS
R3.86 BILLION

PROPOSED PROJECTS



The Modern P1 R1 500 000
DEVELOPER Ingenuity Property Investments



Cullinan Square P1 R860 000 000
DEVELOPER Tshogo Sun



Murray & Roberts P1 TBC DEVELOPER
Accelerate Property Fund



Zero-2-One Tower P2
R1 500 000 000 DEVELOPER FWJK



60 Queen Victoria St P3 TBC
DEVELOPER RDC Properties SA



Spindle P4 TBC DEVELOPER Robert Silke
& Partners

PLANNED PROJECTS



Telkom Exchange Foreshore P1 TBC
DEVELOPER Telkom



The Vogue P1 R1 100 000 000
DEVELOPER FWJK



27 Lower Long St P1 R476 000 000
DEVELOPER Ingenuity Property Investments



6 Jack Craig P1 R350 000 000
DEVELOPER Ingenuity Property Investments



The Rubik P2 R500 000 000
DEVELOPER Abland



The Matrix P2 R850 000 000
DEVELOPER Boxwood Property Fund



14 Long St P2 R50 000 000
DEVELOPER Boxwood Property Fund



The Box P2 R570 000 000
DEVELOPER Boxwood Property Fund



The Pinnacle P2 TBC DEVELOPER Investicore



City Park P2 R1 300 000 000
DEVELOPER Ingenuity Property Investments



142 Bree St P3 TBC DEVELOPER Arctigen



COMMERCIAL PROPERTY TRENDS

New commercial property developments worth almost R600 million were completed in 2019 as investors continued to pour billions of rands into the Central City.

Investor confidence in the Central City was on the rebound in 2019 in spite of challenges facing Cape Town, including a tight economy.

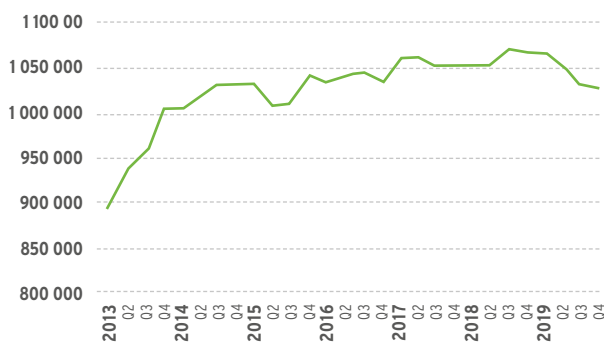
The Foreshore precinct has been earmarked as a commercial and mixed-use development node following the opening in 2016 of the new Netcare Christiaan Barnard Memorial Hospital and the subsequent expansion in 2018 of the Cape Town International Convention Centre, which triggered billion-rand developments including The Onyx, a R700 million residential hotel with apartments completed in 2018 and which reflects the need for more flexible accommodation options by business visitors and tourists.

In 2019, commercial developments included the completion of two five-star boutique hotels, the 32-room Gorgeous George and seven-suite Labotessa, as well as the three-star Signature Lux Foreshore and the Capetonian hotel - worth R585 million in total.

Developments have also been influenced by the global urbanism trend which has seen people buying into inner-city developments that meet their daily needs all within walking distance. The development of the Absa building into Foreshore Place is a case in point. The R373 million mixed-use complex will have 11 floors of residential units above 15 floors of commercial space, with retail outlets on the ground floor.

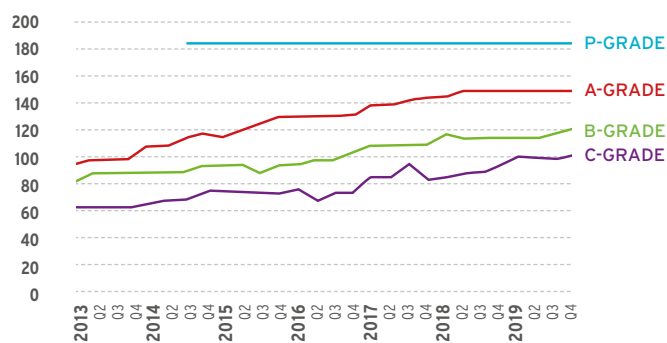


CAPE TOWN CBD: TOTAL AVAILABLE OFFICE SPACE



SOURCE: SAPOA Office Vacancy Report (Q4 2019)

COMPARATIVE OFFICE RENTAL RATES (2013 - Q4 2019)



SOURCE: SAPOA Office Vacancy Report (Q4 2019)

SUMMARY OF RENTAL OFFICE SPACE IN THE CBD (as at Q4 2019)

Grade	Total rentable area (m²)		Available for leasing		Vacancy rate (%)		Ave gross asking rental (R/m²)	
	2019	2018	2019	2018	2019	2018	2019	2018
Premium	52 000	52 000	3 998	3 520	7.7 %	6.8 %	185	185
A-grade	367 623	388 383	36 151	48 350	9.8 %	12.4 %	150	150
B-grade	506 386	513 786	54 026	57 972	10.7 %	11.3 %	123	116
C-grade	97 518	107 854	16 385	15 845	16.8 %	14.7 %	103	95
TOTAL	1 023 527	1 062 023	110 560	125 687	10.8 %	11.8 %		

SOURCE: SAPOA Office Vacancy Report (Q4 2019)



P-GRADE OFFICE SPACE:

For many years, the Central City has lagged behind Century City in the P-grade office space market, accounting for just 28.2 % (52 000 m²) of the City of Cape Town's P-grade office market - compared to 33.9 % (62 480 m²) in Century City and 27.6 % (51 000 m²) in the V&A Waterfront. However, the Central City is set to take top spot in 2020 with the launch of the 4-star green-star-rated 35 Lower Long, a new tower developed by Abland in the Foreshore precinct which will add a further 14 000 m² to the CBD's P-grade office space. The Rubik, another development by Abland, is due to further increase available premium office space in the CBD¹ by an additional 5 200 m² in 2021² - further cementing the Central City's position as the largest, and most affordable, prime office market in the City of Cape Town.

1 <http://www.sacommercialpropnews.co.za/south-africa-provincial-news/western-cape/9162-big-property-developments-expected-to-fire-up-cape-town.html>

2 <https://www.anvilproperty.co.za/commercial-property/office-space/to-rent/cape-town-city-centre/the-rubik-15282/7-floors-of-office-space-43128>

This trend to redevelop office space into mixed-use and residential properties has seen total commercial space in the Central City decline by 38 496 m² during the course of 2019, with commercial space in the CBD totalling 1 023 527 m², according to the South African Property Owners' Association (SAPOA) Q4 2019 Office Vacancy Report.

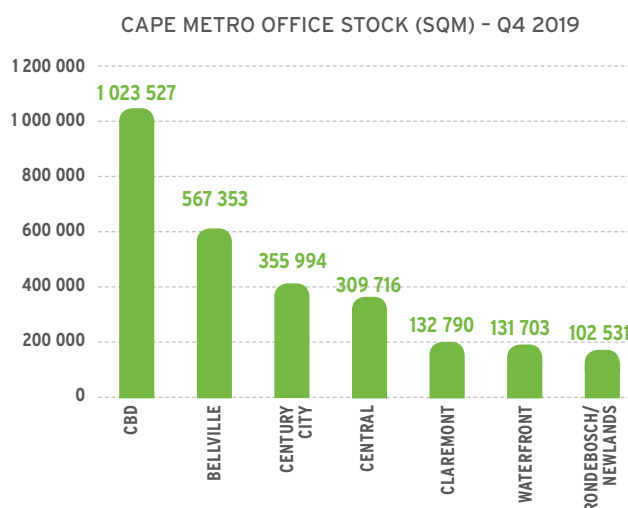
The impact of the weak economy is highlighted by the lack of growth in asking

rentals for both P- and A-grade office space. (The figures in the table below are asking rentals. It is possible that actual rentals were lower as landlords offered more competitive rates in order to retain their tenants in a sluggish market).

Somewhat surprisingly, B- and C-grade rentals have shown some growth over the past 12 months, despite the subdued levels of economic activity.

OFFICE NODE (Q4 2019)	Median gross asking rental (R/m ²)	
	P-grade	A-grade
CBD	185	150
Bellville	194	145
Century City	210	155
Central (Pinelands)	-	160
Claremont	255	226
V&A Waterfront	200	205
Rondebosch/ Newlands	-	228

SOURCE: SAPOA Office Vacancy Report (Q4 2019)



SOURCE: SAPOA Office Vacancy Report (Q4 2019)

	PREMIUM GRADE		A-GRADE	
	SQM	% CoCT total	SQM	% CoCT total
CBD	52 000	28.2	367 623	24.9
Bellville	10 600	5.7	384 637	26.0
Century City	62 480	33.9	248 299	16.8
Central (Pinelands)	-	-	272 975	18.5
Claremont	8 400	4.6	68 136	4.6
V&A Waterfront	51 000	27.6	72 455	4.9
Rondebosch/Newlands	-	-	71 654	4.8

SOURCE: SAPOA Office Vacancy Report (Q4 2019)



10.8 %

While Cape Town CBD has a vacancy rate of 10.8 % for completed buildings, this rises to 12.6 % when unlet developments are included

Compared to the other office nodes across the Cape metro, the Central City had the most competitive asking rental for P-grade office space at the end of 2019 - at R185 m² - and the second most competitive asking rental - at R150 m² - in the A-grade market.

Within the City of Cape Town, the Central City has the largest share (39 %) of total office space. However, the CBD only accounts for the second largest share of the P-grade office market (28.2 %) and the A-grade office market (24.9 %). Century City, with its numerous new office developments, accounts for the largest portion (33.9 %) of P-grade office space, while Bellville accounts for the largest percentage (26 %) of A-grade office space in the Cape metro area.

Development activity slows: Development activity in the national office sector slowed to its lowest level since the first quarter of 2006, according to SAPOA, with activity halving during the 18 months to December 2019.

At the end of 2019, developments under construction in South Africa totalled 247 000 m², according to SAPOA. Expressed as a percentage of existing market stock, development activity is currently just 1.3 % - well below the long-term average of 4.2 % and the 6.6 % high registered in the final quarter of 2007.

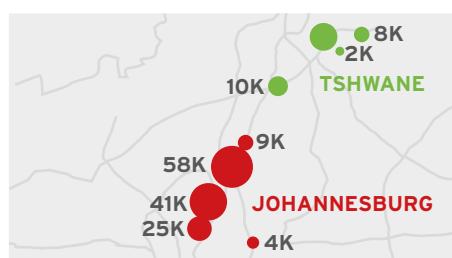
Not only is development activity slowing but it is also becoming more concentrated. In 2014, 35 out of 54 different office nodes across the country had office development projects underway. By the end of 2019, this had fallen to just 16 nodes. At the end of 2019, four of the top five development nodes were in Gauteng, with the Cape Town Central City rounding out the top five with regard to the overall level of office development under construction (see map below).

Unlet new developments pose a risk to rental growth: Several nodes currently have a relatively wide spread between their "total" vacancy rate (including unlet developments) and the vacancy rate on completed/existing property. SAPOA warns that speculative developments pose a downside risk to rental growth since, if unlet, the node's vacancy rate could converge on the current "total vacancy rate".

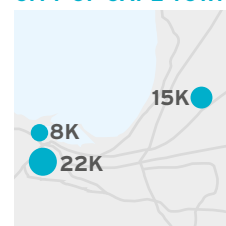
According to SAPOA, unlet new developments in Century City, Menlyn (Pretoria) and the Cape Town Central City currently pose a risk to rental growth in the short to medium term.

While the Central City has a vacancy rate of 10.8 % for completed buildings, this rises to 12.6 % when unlet developments are included.

DEVELOPMENT ACTIVITY BY NODE: DECEMBER 2019* (GLA - GROSS LEASABLE AREA)



CITY OF CAPE TOWN



* Office development under construction (GLA) Cape Town CBD 22 000 m² (22K)

SOURCE: SAPOA Office Vacancy Report (Q4 2019)



COMMERCIAL PROPERTY VACANCY RATES

With several large-scale developments coming on stream in 2019, the Central City recorded the highest commercial property vacancy rate in the Cape Town metropole.

For the third consecutive year, Cape Town had the lowest overall vacancy rate of 7.3 % of the country's five largest metros. According to the SAPOA Office Vacancy Report (Q4 2019), the city's vacancy rate compares very favourably to that of Johannesburg (12.5 %) and is well below the national office vacancy rate of 11 %.

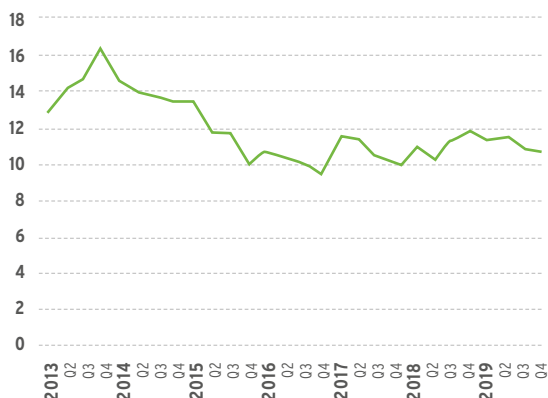
However, within the Cape Town metropole, the Central City had the highest vacancy rate of 10.8 % among the various business nodes measured by SAPOA. Central (encompassing the Pinelands office node and the Black River Park precinct) - which accounts for just under 12 % of total office space in the metro - had the lowest vacancy rate at 1.9 %.

The Central City vacancy rate has continued its gradual decline from a peak of 11.8 % at the

end of 2018 to 10.8 % at the end of 2019 - a decline of 15 127 m² of space available for rent. This is at least partially attributable to the reduction in office space due to redevelopment during 2019. In the past, SAPOA has stated that an economic growth rate of at least 3.5 % is needed to boost employment - and demand for new office space. Persistent economic headwinds, coupled with structural growth constraints such as load-shedding, suggest that a national office vacancy rate of around 10 % may be the "new normal" in South Africa for the foreseeable future.

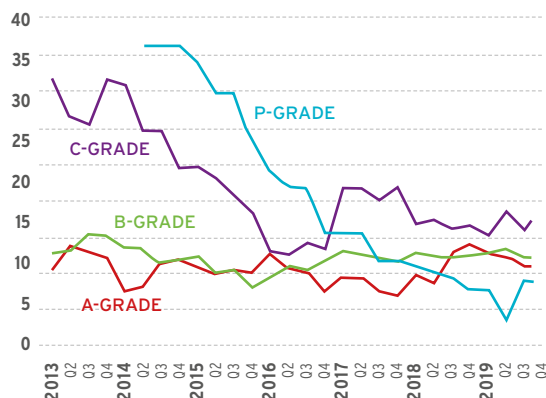
While A- and B-grade office vacancy rates dropped, there was an increase in available office space in both P- and C-grade buildings in the Central City.

CAPE TOWN CBD: OFFICE VACANCY RATE (%)



SOURCE: SAPOA Office Vacancy Report (Q4 2019)

OFFICE VACANCY RATES (2013 - Q4 2019)





RESIDENTIAL PROPERTY TRENDS

A new urbanism trend gained traction in South Africa in 2019 in spite of a sluggish housing market, increasing demand for downtown living in the Central City.

In recent years, the ever-increasing price of residential property coupled with a preference for a live-work-play lifestyle, has resulted in strong demand for sectional title homes in developments in flourishing business nodes such as the Cape Town Central City.

What's more, people are buying into developments that provide their daily needs within walking distance. This has prompted the re-imagining of precincts in the Central City by developers into spaces where home-owners can live, work and play in areas that provide a safe and secure environment with easy access to work.

With affordability a major issue for many young professionals, developers are

responding with a growing number of studio apartments and co-living units within mixed-use developments.

The rise of the micro-unit trend has been a feature of Central City real estate since 2017. In the SCCR of that year, we reported that micro-units were being developed for the sectional title market. In 2019, small apartments with shared amenities officially became hot property, giving first-time buyers the opportunity to enter the housing market in a desirable city centre.

This proliferation of developments is meeting the demands of property buyers across a wide range of income bands and age categories.



There are a growing number of studio apartments and co-living units within mixed-use developments



FLEXIBLE ACCOMMODATION

Taking the concept of co-living spaces one step further is **HOMii**, which has three developments in the Central City which make it easy for residents to rent an apartment, a room or just a bed. These properties provide residents with an ecosystem of co-living rooms, private apartments, daily suites, co-working spaces as well as wellness and lifestyle spaces.

A new HOMii app allows its users to easily find available living or working spaces and to make a daily or monthly booking. Check-in is also done via the app while a utility wallet allows residents to buy water and electricity.

SOURCE: MyBroadband

MIXED-USE DEVELOPMENTS

Many of the developments under construction in the Central City (or in the planning pipeline) are so-called mixed-use developments. Two such developments, both of which are under construction in the Foreshore Precinct, are:



The Rockefeller, which offers 420 apartments (ranging in size from 23 m² to 44 m²) and retail space in a 19-storey building. Amenities include a communal club house, a laundry service, fibre and a gym.



Foreshore Place, which offers 171 apartments – the majority of which are one-bedroom units (41.9 m² to 51.7 m²) and studio apartments (23.9 m² to 33.1 m²). The development includes 15 storeys of commercial office space. Amenities are more traditional and include a 24-hour concierge, security and high-speed fibre connectivity.

Two further developments are solely residential, but are targeted at young professionals through competitive pricing and the range of amenities on offer:



The Duke, in the Foreshore Precinct on Fountain Circle, is another multi-phase development that speaks to the need for competitively priced, luxury inner-city accommodation. The Duke offers 81 apartments, which range from studio to two-bedroom apartments (37 m² to 66 m²). Amenities include a uniformed concierge service, high-speed fibre connectivity and a short-term rental-friendly key-drop/collect system.



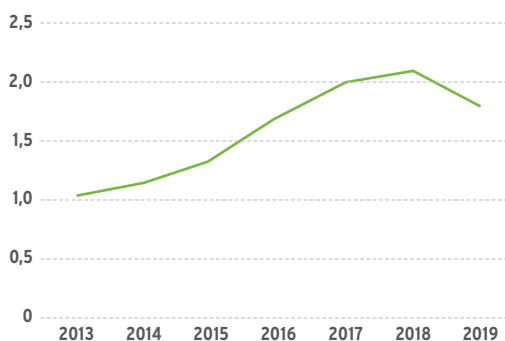
The Harri in the East City has a slightly different product offering. The six-storey development includes 32 studio apartments varying in size from 24 m² to 49 m². There are also seven two-storey penthouse apartments varying in size from 87 m² to 117 m², each with a rooftop terrace. Each storey has a co-working and co-living space for the residents of the apartments on that floor. Amenities include free uncapped Wi-Fi, an onsite management team to organise tours and shuttles, innovative storage, a housekeeping service and a restaurant on the ground floor.

RESIDENTIAL VALUES & RENTALS

In 2019, the Central City residential market finally felt the effects of the economic and political headwinds which have dampened activity in the national and regional housing markets in recent years.

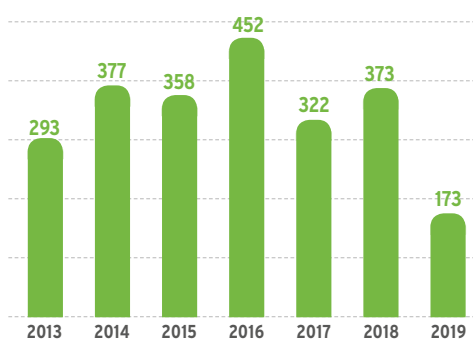
The median price of apartments sold in the Central City peaked at R2.1 million in 2018, easing to R1.8 million in 2019. This was accompanied by a sharp downturn in unit sales - which halved from 2018 levels. The 2018 figures were elevated by two new developments which brought 156 new apartments onto the market, namely The Onyx (84 sales) and The Sentinel (72 sales).

CAPE TOWN CCID FOOTPRINT: SECTIONAL TITLE PRICES (RM, MEDIAN)



SOURCE: Lightstone

CAPE TOWN CCID FOOTPRINT: SECTIONAL TITLE SALES



Unit sales in the graph above are slightly different to figures used in the 2018 SCCR, due to minor adjustments in the CCID footprint used by Lightstone to collect the residential sales data.

SOURCE: Lightstone





The distribution of sales across the various price bands was similar to that seen in 2018 - with the largest number of sales recorded in the R30 000 - R39 999/m² category (26 in 2019 vs 59 in 2018), followed by the second largest number of sales in the R20 000 - R29 999/m² price band (16 in 2019 vs 26 in 2018).

SUMMARY PER M² OF 65 UNITS SOLD

Price per m	Units sold (2019)
Less than R20 000/m ²	5
R20 000 - R29 999/m ²	16
R30 000 - R39 999/m ²	26
R40 000 - R49 999/m ²	14
R50 000 - R59 999/m ²	4

SOURCE: PropStats

Despite fewer sales being recorded last year, there were more sales registered in the sub-R20 000/m² category last year than in 2018 (when just two sales were recorded in this price band). Furthermore, no sales were recorded in the top price bracket (more than R60 000/m²) last year, while two sales were recorded in 2018.

NUMBER OF UNITS SOLD AND MEDIAN SALES PRICE

Year	Units sold	Median sales price (Rm)	Year-on-year % increase
2014	377	1.15	+9.5 %
2015	358	1.35	+17.4 %
2016	452	1.71	+26.7 %
2017	322	2.00	+17.0 %
2018	373	2.10	+5.0 %
2019	173	1.80	-14.3 %

SOURCE: Lightstone

The median price of R1.8 million for sectional title units sold last year represents a 14.3 % decline relative to the median price achieved in 2018.

On a rand per square metre basis, the average price of apartments sold in the Central City last year also declined - falling by just 3.6 % compared to the average price recorded in 2018. This follows a more marked decline in 2018, when prices fell by 14.2 % from the previous year.

AVERAGES AND RANGES ACROSS THE SPECTRUM (2014 TO 2019)

Year	Average size (m ²)	Average R/m ²	Year-on-year increase R/m ²	Discount to asking price (%)
2014	80.73	R19 228		-4.4 %
2015	82.97	R24 483	+27.3 %	-4.8 %
2016	71.00	R33 921	+38.5 %	-2.5 %
2017	51.92	R41 287	+21.7 %	-4.3 %
2018	77.64	R35 431	-14.2 %	-8.8 %
2019	82.2	R34 142	-3.6 %	-9.5 %

SOURCE: PropStats

In a further sign of the softening market conditions, PropStats data reveals that apartments sold for an average of 9.5 % less than the asking price last year - the highest discount to asking price seen in recent years.

There were a total of 4 693 residential units in the CCID area at the end of last year, according to Lightstone. The majority of these apartments are located in P3 and P4 - which together account for 62 % of all residential units in the Central City.

There were a total of 173 sales last year, with the majority occurring in P3 (79 units sold in 2019) and P4 (42 units) - together accounting for 69.9 % of all sales registered last year, according to Lightstone.

MONTHLY RENTALS IN THE CENTRAL CITY

At the end of 2019, a total of 180 units were listed as available for rent in the Central City. This compares to 223 units at the end of 2018. This excludes short-term rentals in terms of entities such as Airbnb.

STUDIO/BACHELOR

units to rent: 28

Size range: from 33 m² to 51 m²

Average rental: R11 289

Highest: R17 000 for 44 m²

Lowest: R6 500 for unspecified size

ONE BEDROOM

units to rent: 70

Size range: from 25 m² to 96 m²

Average rental: R12 723

Highest: R22 000 for 38 m²

Lowest: R8 000 for unspecified size

TWO BEDROOMS

units to rent: 76

Size range: from 50 m² to 209 m²

Average rental: R19 666

Highest: R35 000 for 88 m²

Lowest: R11 000 for 50 m²

THREE BEDROOMS

units to rent: 6

Size range: from 75 m² to 444 m²

Average rental: R35 600 (*excluding a R125 000 per month penthouse)

Highest: R125 000 for 444 m²

Lowest: R23 000 for 98 m²



NUMBER OF DAYS UNITS STAYED ON THE MARKET IN 2019

0 - 7 days	8
1 - 2 weeks	4
2 - 4 weeks	6
1 - 2 months	10
2 - 3 months	14
3 - 6 months	11
>6 months	7

SOURCE: PropStats

NOTE: Lightstone records all sales registered in the Deeds Office in a particular period, while PropStats depends on estate agents to voluntarily record their sales. As a result, the PropStat data is a sub-set of the total number of sales which actually took place during a particular period.

RANGE ACROSS R PER M²

Highest R per m² paid

In Stonehill Place, 22 Riebeeck Street (Precinct 1), R4.925 million was paid for a 88 m², two-bedroom, two-bathroom unit with two parking bays, equating to R55 966 per m².

Lowest R per m² paid

In the Graphic Centre, 199 Loop Street (Precinct 3), R2.1 million was paid for a 122 m², 1-bedroom, 2-bathroom with 1 parking bay, equating to R17 213 per m².

UNIT PRICES AND SIZES

Largest unit transferred and highest unit price paid

A 393 m² 3-bedroom, 3-bathroom unit with 2 parking bays in The Onyx, 57 Heerengracht Street (Precinct 1) sold for R18 million (R45 802 per m²) in November 2019. The selling price was 14.3 % below the listing price and the apartment sold in 60 days.

Smallest unit sold and lowest unit price paid.

A 27 m² studio apartment with 1 bathroom and 1 parking bay sold in The Square, 50 Buitenkant Street (Precinct 4), at R1 million (R37 037 per m²). The unit was sold at 25.9 % below its listing price and sold in 90 days.



RESIDENTIAL SURVEY

Every year, the CCID conducts a survey to gauge the views, opinions and preferences of the people who call the Central City home. In 2019, the dipstick survey generated 411 responses, more than half of them from people who live in the CCID geographical footprint.

PROFILE OF RESIDENTS

Nearly **40 %** of current residents have lived in the Central City for three years or less, possibly moving into one of the many new property developments offering an attractive live, work and play lifestyle.

The vast majority - **54.9 %** - are owner-occupiers, while just over a third (**34.8 %**) rent the accommodation. Owners who rent out their accommodation amount to **10.2 %**. Most of these - **66.7 %** - are short-term rentals.

Nearly **40 % (37.7 %)** of respondents are South African, originally from outside the Western Cape; **30.5 %** are Capetonians while **22.3 %** of Central City residents are from overseas.

Nearly a third (**32.3 %**) of respondents are "middle-aged" (between 35-44 years), while a further **25.5 %** are between the ages of 25-34 years. Just under **7 %** of all respondents are retirees.

Unsurprisingly, the vast majority (**68.8 %**) of CCID residents do not have children.

MOST POPULAR PUBLIC SPACE

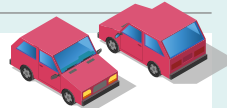


The Company's Garden was a clear winner with 76.2 % of respondents still enjoying spending time in the Central City's green lung, with St Georges Mall finding favour with 30.2 % of respondents and Greenmarket Square being favoured by 23.3 %. These three popular public spaces remain unchanged from the 2018 Residential Survey - with the Company's Garden remaining the clear favourite among respondents.

MOST POPULAR ENTERTAINMENT DESTINATIONS:

65.1 %	57.4 %	37.4 %
Kloof Street	Bree Street	The East City

MOBILITY



A third of respondents (36.8 %) get around by car, while 34 % walk. There was a marginal decline in reported car usage since the previous survey, which might reflect the use of ride-hailing apps such as Uber (8 %) and that a growing number of residents (5 %) work from home.

THE HAPPINESS FACTOR

The majority (**69.3 %**) of respondents are "satisfied" or "very happy" to be living in the Central City.

55.3 % the number of respondents who feel it's safer in the Central City than in the suburbs of Cape Town.

FOOD, GLORIOUS FOOD

77 % visit a coffee shop at least once a week

59 % eat out at least once a week



The sluggish economy appears to be taking its toll, with the percentage of respondents visiting a coffee shop at least once a week declining from **82 %** in 2018. Similarly the percentage of respondents who eat out at least weekly has declined from **73 %** in 2017 to **69 %** in 2018 and just **59 %** in 2019.

When asked where they go when they eat out, respondents living in the Central City indicate they eat at restaurants within the City Bowl (**71.7 %**) and the Central City (**60.4 %**) - with the V&A Waterfront a distant third (**45.3 %**).

There is a marked shift in the percentage of residents visiting takeaway outlets - which fell from **57 %** in 2018 to just **40 %** in 2019. This could be due to the tight economy or reflects the impact of online food apps, with 66.7 % of respondents indicating that they order food online.

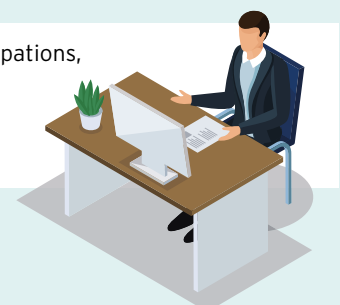
WHY LIVE IN THE CENTRAL CITY?

When asked why they decided to set up house in the Central City, most respondents - **61.6 %** - said they liked the "downtown lifestyle" followed by "proximity to work" (**56.2 %**). Almost half the respondents (**47 %**) live within 1 km of their place of work or study - and access to "great restaurants" was a factor for **52.1 %**.

While respondents report a wide range of occupations, the most popular are:

Media & marketing (13.9 %)
Creative industries (8.8 %)

51.1 % work full-time for a company while **31.8 %** are self-employed or freelancers.



SECTION 04

CENTRAL CITY ECONOMIES



Tjing Tjing Torii

RETAIL ECONOMY TRENDS

The Central City's retail offering continues to come up trumps: retail and entertainment entities make up a third of the 3 321 businesses. This competitive sector continues to present investors with business opportunities. Here we examine the trends.

VIBRANT FOOD CULTURE

The Central City continues to be a magnet for visitors and locals looking for a good meal, from fine dining to casual eating to food on-the-go. In 2019, there were a total of 151 restaurants in the Central City. Many of these are award-winning destination eateries that draw customers into the city centre, indicating a strong culinary market with varied taste. FYN restaurant in P4 was listed as one of South Africa's Top 5 restaurants in the 2019 *Eat Out Mercedes-Benz Awards*, with La Tête (P1), The Shortmarket Club and Japanese fine-dining establishment Tjing Tjing Momiji (both in P2) all making it to the Top 20 list.



FYN restaurant in P4 was listed as one of South Africa's Top 5 restaurants in the 2019 *Eat Out Mercedes-Benz Awards*

The virtual kitchen concept, which uses technology to revolutionize the take-out food delivery industry, also presented itself in 2019, adding to the Central City's culinary offering. Darth Kitchens, a virtual or "cloud" kitchen start-up, opened its doors in Orphan Street. A virtual kitchen produces a diverse array of food without a front-of-house. The concept removes the risks normally associated with restaurants including rental, décor, staff and capital expenditure, with the business accessing the customer through delivery apps and platforms like Mr D Food. The advantage is that from a single kitchen you can provide multiple brands and cuisine types.

LIVING LIGHTLY

In line with the global trend towards conscious consumerism and being aware of one's carbon footprint, "green" retail in the CBD continued to gain ground, especially in the East City (P4), with restaurants and food supply stores (Nude Foods) catering for the ever-popular plant-based sector.

With the vibrant nature of the Central City attracting more and more environmentally conscious millennials, this trend is bound to grow.

Conscious dining is also taking hold, notably with La Tête leading the way with its application of so-called nose-to-tail cuisine (preparation and consumption of the whole animal).

Sustainability was also carried through to the clothing and textile sector where vintage and second-hand clothing stores continue to thrive, as well as those that only sell clothes made from organic or sustainable natural textiles (Mungo in P2, where natural-fibre homeware textiles are made with traditional weaving processes).

SOCIAL, MOBILE AND E-COMMERCE

While e-commerce continues to grow around the world and in South Africa as more and more people access the internet, shoppers still want an in-store experience. Businesses are increasingly having to be on top of this trend, giving customers both the conventional shopping experience but establishing an online presence and offering, too.



61 %

According to Google, 61 % of consumers would rather shop with brands that have a physical location than with those that only have an online presence

However, it is interesting to note that while e-commerce is changing the nature of shopping, it still has a long way to go before it becomes the only way to shop. According to Google, 61 % of consumers would rather shop with brands that have a physical location than with those that only have an online presence. Nearly 80 % of shoppers go to a store when they need an item immediately.

Many Central City retailers are making use of social commerce, enabling customers to access their goods or services via their social media pages like Facebook or Instagram. A spin-off of social commerce is mobile commerce, where customers are able to shop online (encouraged by events such as Black Friday) using their cell phones. These trends are also impacting the Central City retail landscape.

SUBSCRIPTION E-COMMERCE

Increasingly, busy consumers are looking for a fuss-free retail experience that is tailored to their preferences, with goods delivered directly to their door. This trend has resulted in the emergence of subscription e-commerce. Central City retailers like Caroline's Fine Wines in P2 are using it to complement their traditional in-store offering, curating products and shipping them to customers on a regular basis. Caroline's Wine Club members receive a different case of wine delivered to their door every three months.

THE RISE OF EXPERIENTIAL RETAIL

More and more Central City retailers are embracing the trend to offer customers an engrossing retail experience when they enter their store. Once again, millennials are driving this trend with their preference for experiences over products or things. It's not new in the Central City but continues to feature.

Retailers such as The House of Machines (a fusion of bar, café, bike workshop and menswear store in P2), Just Like Papa in P4 (which specialises in outdoor and lifestyle gear made to last and has a resident barista selling top-notch coffee) and Dust and Dynamite (a bar in the East City that is decked out like a rodeo-style saloon offering the ultimate Western experience) continue to ensure the Central City's retail offering is unique.



SMITH Gallery

RETAIL ECONOMY IN FIGURES

There are 1 237 entertainment and retail entities in the Central City. Here we break them down precinct by precinct.

TOTAL IN EACH PRECINCT

P1	P2	P3	P4
162	543	199	333

TOTAL 1 237

 Adult entertainment <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>2</td><td>8</td><td>1</td><td>2</td></tr><tr><td colspan="4">TOTAL 13</td></tr></table>	P1	P2	P3	P4	2	8	1	2	TOTAL 13				 Adult-themed shops <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>1</td><td>1</td><td>1</td><td>0</td></tr><tr><td colspan="4">TOTAL 3</td></tr></table>	P1	P2	P3	P4	1	1	1	0	TOTAL 3				 Art galleries <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>1</td><td>20</td><td>4</td><td>4</td></tr><tr><td colspan="4">TOTAL 29</td></tr></table>	P1	P2	P3	P4	1	20	4	4	TOTAL 29				 Auctioneers <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>2</td><td>2</td><td>0</td><td>0</td></tr><tr><td colspan="4">TOTAL 4</td></tr></table>	P1	P2	P3	P4	2	2	0	0	TOTAL 4				 Bakeries <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>0</td><td>3</td><td>1</td><td>3</td></tr><tr><td colspan="4">TOTAL 7</td></tr></table>	P1	P2	P3	P4	0	3	1	3	TOTAL 7				 Barber shops <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>2</td><td>4</td><td>2</td><td>3</td></tr><tr><td colspan="4">TOTAL 11</td></tr></table>	P1	P2	P3	P4	2	4	2	3	TOTAL 11			
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 Barrows & kiosks <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>2</td><td>9</td><td>0</td><td>0</td></tr><tr><td colspan="4">TOTAL 11</td></tr></table>	P1	P2	P3	P4	2	9	0	0	TOTAL 11				 Bars & clubs <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>9</td><td>29</td><td>19</td><td>8</td></tr><tr><td colspan="4">TOTAL 65</td></tr></table>	P1	P2	P3	P4	9	29	19	8	TOTAL 65				 Booksellers & publishers <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>0</td><td>5</td><td>2</td><td>2</td></tr><tr><td colspan="4">TOTAL 9</td></tr></table>	P1	P2	P3	P4	0	5	2	2	TOTAL 9				 Butcheries <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>0</td><td>0</td><td>0</td><td>3</td></tr><tr><td colspan="4">TOTAL 3</td></tr></table>	P1	P2	P3	P4	0	0	0	3	TOTAL 3				 Clothing & shoes <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>4</td><td>65</td><td>17</td><td>62</td></tr><tr><td colspan="4">TOTAL 148</td></tr></table>	P1	P2	P3	P4	4	65	17	62	TOTAL 148				 Coffee shops & cafés <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>11</td><td>31</td><td>11</td><td>20</td></tr><tr><td colspan="4">TOTAL 73</td></tr></table>	P1	P2	P3	P4	11	31	11	20	TOTAL 73			
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 Curios & markets <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>1</td><td>15</td><td>6</td><td>2</td></tr><tr><td colspan="4">TOTAL 24</td></tr></table>	P1	P2	P3	P4	1	15	6	2	TOTAL 24				 Chain stores <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>2</td><td>9</td><td>0</td><td>12</td></tr><tr><td colspan="4">TOTAL 23</td></tr></table>	P1	P2	P3	P4	2	9	0	12	TOTAL 23				 Discount stores <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>0</td><td>10</td><td>0</td><td>9</td></tr><tr><td colspan="4">TOTAL 19</td></tr></table>	P1	P2	P3	P4	0	10	0	9	TOTAL 19				 Electronics, photography & music <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>1</td><td>12</td><td>1</td><td>8</td></tr><tr><td colspan="4">TOTAL 22</td></tr></table>	P1	P2	P3	P4	1	12	1	8	TOTAL 22				 Fashion, accessories & handbags <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>0</td><td>5</td><td>2</td><td>1</td></tr><tr><td colspan="4">TOTAL 8</td></tr></table>	P1	P2	P3	P4	0	5	2	1	TOTAL 8				 Furniture, lighting & décor <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>5</td><td>18</td><td>12</td><td>8</td></tr><tr><td colspan="4">TOTAL 43</td></tr></table>	P1	P2	P3	P4	5	18	12	8	TOTAL 43			
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There are no florists in the Central City, the last one having closed in 2018. However, Cape Town's renowned flower sellers still operate from Adderley Street.





Laundry, dry cleaning, shoe repairs & tailors

P1	P2	P3	P4
6	8	1	11

TOTAL 26



Liquor stores & wine merchants

P1	P2	P3	P4
2	6	2	5

TOTAL 15



Locksmiths & security

P1	P2	P3	P4
2	2	1	0

TOTAL 5



Luggage & leather goods

P1	P2	P3	P4
1	2	0	5

TOTAL 8



Mobile devices (cell phones)

P1	P2	P3	P4
3	23	1	27

TOTAL 54



Motor car dealers

P1	P2	P3	P4
10	3	2	0

TOTAL 15



Motorcycle dealers

P1	P2	P3	P4
0	2	1	0

TOTAL 3



Motor parts & repair businesses

P1	P2	P3	P4
3	6	8	0

TOTAL 17



Opticians & eyewear

P1	P2	P3	P4
2	3	1	6

TOTAL 12



Pawn shops

P1	P2	P3	P4
0	1	0	1

TOTAL 2



Petrol stations

P1	P2	P3	P4
1	1	2	0

TOTAL 4



Pharmacies

P1	P2	P3	P4
0	4	0	3

TOTAL 7



Plumbing & sanitaryware

P1	P2	P3	P4
0	2	0	0

TOTAL 2



Postage & courier

P1	P2	P3	P4
4	3	0	1

TOTAL 8



Printing, copying & lamination

P1	P2	P3	P4
6	13	1	2

TOTAL 22



Restaurants

P1	P2	P3	P4
18	70	43	20

TOTAL 151



Speciality shops

P1	P2	P3	P4
2	11	7	11

TOTAL 31



Sporting goods (equipment & clothing)

P1	P2	P3	P4
3	9	6	4

TOTAL 22



Superettes

P1	P2	P3	P4
4	9	9	4

TOTAL 26



Stationery & packaging

P1	P2	P3	P4
1	2	0	0

TOTAL 3



Supermarkets

P1	P2	P3	P4
0	3	1	4

TOTAL 8



Takeaways

P1	P2	P3	P4
15	31	8	34

TOTAL 88



Theatres

P1	P2	P3	P4
2	2	0	1

TOTAL 5



Vintage & second-hand stores

P1	P2	P3	P4
0	3	5	0

TOTAL 8



THE ART ECONOMY

With Cape Town firmly established as the art capital of Africa, the financial contribution of the creative sector to the Central City economy is undeniable.

Since being named World Design Capital in 2014, followed by its inclusion, as Africa's first City of Design, in UNESCO's Global Cities Network, Cape Town has been widely recognised as a global art centre, and a strong contender for the title of Africa's leading art capital.

The opening of the Zeitz Museum of Contemporary Art Africa (MOCAA), which hosts the largest collection of contemporary African art in the world, at the V&A Waterfront in 2017, and the Norval Foundation in Steenberg in 2018, further reinforced Cape Town as a serious player in the international art scene.

THE ECONOMICS OF ART

The SA Cultural Observatory calculates the economic contribution of South Africa's cultural and creative industries at R63 billion a year.¹ While this represents just 1.7 % of the total national GDP, this sector has been growing at a faster pace than the rest of the



R63 billion

The SA Cultural Observatory calculates the economic contribution of South Africa's cultural and creative industries at R63 billion a year

economy – averaging a growth rate of 4.8 % between 2011 and 2016, compared with just 1.6 % for the economy overall.

Cape Town's only art fair, the Investec Cape Town Art Fair, is the largest event of its kind in Africa. It showcases artists from South Africa, Africa and the rest of the world and is held annually in the Central City at the Cape Town International Convention Centre (CTICC).

The event's economic contribution is significant, with sales in 2019 reaching close to R120 million.² In 2019, only 33 % of the galleries that took part were of South African origin.³ This is a dramatic shift from 2016, when 70 % of the participating galleries were of South African origin and almost 80 % were African-owned.

Of the more than 16 000 visitors to the fair in 2019, 2 000 were from overseas and more than half were return visitors. International visitors spent an estimated eight nights in Cape Town, bringing in about R21 million in revenue from accommodation alone.

¹ <https://www.southafricanculturalobservatory.org.za/article/the-arts-sector-is-economic-gold>

² Lisa Pellatt of Marvello and Mill

³ Pricing & Patterns: South Africa's Art Market, by Corrigan & Co

ART ON DISPLAY

The gallery sector of the art economy is showing the highest rate of expansion across all art capitals in Africa, and Cape Town is no exception. The “primary art market” is usually the first point of sale for a work of art. The Central City boasts 44 artistic studios and 29 art galleries, many of whom attract buyers from around the world.

Considering that in the late 1980s, Cape Town had just one commercial gallery, the concentration of galleries now seen in the CBD has certainly contributed to the city’s stature in the global art scene.⁴

Foreign interest in South Africa’s local art market is significant, with overseas buyers accounting for up to 70 % of art galleries’ revenue. This differs from the international trend which sees locals accounting for a share of 57 % of total buyers. Interestingly, 60 % of South Africa’s art exhibitions are hosted in Cape Town.⁵

UNDER THE HAMMER

As the secondary art market, auction houses also play a critical role in positioning Cape Town’s art. The price of artworks sold on public art auctions is more transparent, making it easier to calculate their contribution to the local economy. The lowest price artwork sold on auction in 2018 was R1 200, with the highest price reaching R6 million.⁶ Aspire Auction House, located in Bree Street in the Central City and established in 2018, sells modern and contemporary African art. The other main auction houses selling contemporary art in Cape Town are Strauss & Co and Stephan Welz & Co.

ART AS A TOURIST ATTRACTION

The Central City’s vibrant art scene has encouraged interest in local art and prompted a surge in demand for art tours by visitors to the city. The First Thursdays initiative, which takes place on the first Thursday of every month and enables Capetonians to visit the Central City galleries, cultural establishments and other retailers until late, also contributes significantly to the Central City’s night-time economy.

CENTRAL CITY CREATIVE INDUSTRIES

The Central City’s creative economy is a diverse sector (see below) that cuts across many others in the CBD. It is an important sector for the city and the province, making an economic contribution worth billions. In the Central City, the East City precinct is the recognised craft, design and innovation centre even though most of the Central City art galleries are in Precinct 2, and the CTICC and Artscape Theatre Centre (both in P1) both host creative events.

Advertising & marketing (including digital marketing)

Animation

Art & antiques

Craft

Design (including product development)

Film (studio hire, shoots, events)

Music production, recording & sound

Performing & visual arts

Photography

CAPE TOWN CENTRAL CITY ART GALLERIES

PRECINCT	NAME	NUMBER
1	Red! The Gallery	1
2	99 Loop Gallery	20
	African Portrait Gallery	
	Artist Proof Studio	
	Association for Visual Arts (AVA)	
	Chandler House	
	Earth Art	
	Ebony/Curated	
	Eclectica Contemporary	
	Gallery One11	
	Joao Ferreira	
	Luvey ‘n Rose	
	SMITH	
	Stable	
	The African Portrait	
	The Cape Gallery	
	The Gallery Shop	
	THK Gallery	
	Tribal Collections	
	World Art	
	Youngblood Gallery	
3	Cape Glass Studio	4
	Everybody Love Gallery	
	Gallery MoMo	
	WHATIFTHEWORLD	
4	Leonardo da Vinci Art Gallery	4
	proto~	
	StateoftheART	
	J by Juanita	
TOTAL		29



4 <https://alexandermatthews.net/2019/05/21/cape-towns-art-scene-is-blowing-up/>

5 Pricing & Patterns: South Africa’s Art Market, by Corrigan & Co

6 Pricing & Patterns: South Africa’s Art Market, by Corrigan & Co

RETAIL OCCUPANCY RATES

Retail space in the Central City changes constantly due to continuous redevelopment and refurbishment of commercial buildings across all four precincts which shutter outdated retail outlets and replaces them with new residential, office or retail spaces. In 2019, the increase in new retailers did not keep pace with the rise in available retail space, resulting in a modest decline in the overall occupancy rate in the Central City.

SUMMARY OF TOTAL OCCUPANCY IN THE CENTRAL CITY

The total volume (m²) of retail space available across all four Central City precincts at the end of 2019 amounted to 274 605 m², an increase of 8 127 m² from the 266 478 m² recorded at the end of 2018. This was an increase of +3.0 %.

The total retail space occupied across all four Central City precincts at the end of 2019 amounted to 248 696 m², an increase of 2 149 m² from the 246 547 m² recorded at the end of 2018. This was an increase of +0.9 %. Developments temporarily, or permanently, remove retail space, resulting in periods of vacancy while building is under way. This distorts the retail occupancy figures.

	TOTAL m ²	OCCUPIED m ²	VACANT m ²
P1	44 635	33 284	11 351
P2	100 114	94 723	5 391
P3	26 780	20 762	6 018
P4	103 076	99 927	3 149
TOTAL	274 605	248 696	25 909
			(9.4 %)



RETAIL OCCUPANCY RATES



	PRECINCT 1	
	DEC 19	DEC 18
Total retail space available in precinct (m ²)	44 635	45 552
Street level retail space	44 635	45 552
Inside shopping centres (m ²)	N/A	N/A
Space occupied (m ²)	33 284	37 775
Occupancy as a %	75 %	85 %

P1 recorded the highest decrease in occupancy rates at 8 % due to the high level of development on the Foreshore during 2019.



	PRECINCT 2	
	DEC 19	DEC 18
Total retail space available in precinct (m ²)	100 114	93 757
Street-level retail space	87 504	81 147
Inside shopping centres (m ²)		
• Picbel Parkade	12 610	12 610
Space occupied (m ²)	94 723	88 391
Occupancy as a %	95 %	94 %

There has been a slight increase (1 %) in occupancy year-on-year in P2 as more street-level space becomes available.



The Gin Bar



Kirsten Goss & Missibaba

	PRECINCT 3	
	DEC 19	DEC 18
Total retail space available in precinct (m ²)	26 780	28 753
Street level retail space	26 780	28 753
Inside shopping centres (m ²)	N/A	N/A
Space occupied (m ²)	20 762	24 581
Occupancy as a %	78 %	85 %

Occupancy rates dropped by 7 % in P3, following a year-on-year decrease due to businesses vacating their premises and construction.



The Electric

	PRECINCT 4	
	DEC 19	DEC 18
Total retail space available in precinct (m ²)	103 076	98 416
Street level retail space	37 370	32 710
Inside shopping centres (m ²)		
• Golden Acre	43 840	43 840
• Grand Parade Centre	9 478	9 478
• Grand Central	12 388	12 388
Space occupied (m ²)	99 927	95 800
Occupancy as a %	97 %	97 %

There has been no change in occupancy during the past year in the East City, which retained its position as the precinct with the highest occupancy rate.

THE VISITOR ECONOMY

With three new hotels opening in the Central City in 2019, several mixed-use developments and aparthotels either being constructed or in the pipeline, the CBD's multi-layered visitor economy continued to expand in spite of a tight economy.

Cape Town and the Central City continued to draw local, provincial and international visitors in spite of a slump in international tourism in 2019. Statistics indicate the overall number of international visitors to South Africa declined in 2019 compared with 2018 due to the drought and other challenges.

However, Cape Town International Airport (CTIA) recorded a total of 10 979 946 million passenger arrivals and departures in 2019, representing a year-on-year increase of about 2 % compared to the previous year. This is heartening despite the impact of the drought and other challenges. Overall arrivals grew from 5 364 704 in 2018 to 5 468 093 in 2019, an increase of 103 389 additional passengers¹ passing through the CTIA, which was ranked the top airport in Africa at the World Travel Awards.



THE BOUTIQUE HOTEL TREND

The Central City saw two luxury boutique hotels - Labotessa in the East City and Gorgeous George in Precinct 2 - open their doors in 2019, aimed at the discerning traveller. Both hotels involved the renovation of heritage buildings with the interiors being gutted and replaced with modern features.

Hotel development remains resilient with room for investment in the five-star hotel market: At a presentation in late 2019 hosted by HTI Consulting, it emerged that the city is currently undersupplied with five-star hotels, suggesting there is still potential for more luxury hotels. The room rates in the sector are good and occupation is solid - with not much new stock. As a result, several international brands are keen to enter the market in the short- to medium-term.

INCREASE IN NEW HOTELS

There are currently 71 hotels (which, for the purposes of this report include budget accommodation establishments) located in the Central City, compared with 65 in 2018. In addition to Gorgeous George and Labotessa, the three-star Signature Lux came onto the market



71

There are currently 71 hotels (which, for the purposes of this report include budget accommodation establishments) located in the Central City, compared with 65 in 2018

and room availability was further bolstered by a number of new backpackers and guest lodges.

The largest number of the 71 hotels - 26 in total - are located in Precinct 2, the retail hub of the CBD. Nearly half of these are backpacker establishments.

PRECINCT	# HOTELS	# BUDGET	TOTAL
P1	15	1	16
P2	14	12	26
P3	9	9	18
P4	6	5	11
TOTAL	44	27	71

CATERING FOR THE MILLENNIAL MARKET

A new trend is the development of lifestyle hotels to suit the underserved millennial market (people born between 1981 and 1996) that offer comfort and affordability without the bells and whistles of a three-star hotel. There is increasing pressure on travel budgets and cleverly designed products are offering value by eliminating services, facilities and products that are no longer required by the modern traveller.

¹ SOURCE: Cape Town Tourism

In South Africa, penetration of the millennial market (approximately 14 million people) has been slow. In the Central City, establishments catering for this market are Holiday Inn Express, Town Lodge, Tsogo Sun's StayEasy and Signature Lux – all around or under the R1 000 per night mark.

HOTEL OCCUPANCY RATES

It is estimated that Cape Town has 735 new rooms coming on stream within the next 12 to 18 months – with even more in the pipeline. The Cape Town metro accommodation market registered negative growth in two of the three performance indicators in December 2019 when compared to year-earlier levels – with the third performance indicator registering no change from the prior year:

Key performance indicator	DEC 2018	DEC 2019	Change
Occupancy	71.9 %	67.8 %	-4.1 %
Ave room rate	R2 214	R2 214	No change
Rev per available room	R1 591	R1 500	-5.7 %

The Central City typically outperforms the overall Cape metro market in terms of all three performance indicators (see table on the right for explanations).



50 %

Feedback received indicates that approximately 50 % of room nights were sold to international source markets in December 2019 with a further 44.8 % sold to the domestic source market.

REVENUE PER AVAILABLE ROOM (REVPAR)¹

2019	Occupancy rate	Room rate	RevPAR
Overall average Cape Town	64 %	R1 844	R1 193
Overall average Central City	66 %	R2 191	R1 461

2018	Occupancy rate	Room rate	RevPAR
Overall average Cape Town	66 %	R1 795	R1 197
Overall average Central City	68 %	R2 053	R1 405

2017	Occupancy rate	Room rate	RevPAR
Overall average Cape Town	70 %	R1 846	R1 289
Overall average Central City	72 %	R1 943	R1 390

SOURCE: Cape Town Tourism

While the Central City closely follows the Cape metro's seasonal cycles, it typically enjoys slightly higher occupancy rates and average daily room rates. The Central City outperforms most noticeably during the low season – perhaps reflecting the impact of the CTICC for sustaining demand for accommodation during the quieter winter months.

¹ RevPAR is a performance metric in the hotel industry, calculated by dividing a hotel's total guestroom revenue by the room count and the number of days in the period being measured.

FOCUS: THE CRUISE ECONOMY

The cruise tourism industry has shown significant year-on-year growth, making a substantial contribution to the Cape Town, Western Cape and South African economy. Cape Town Tourism estimates the projected value of the cruise tourism industry between 2017 and 2027 to be in the region of R220 billion.

One of the five top natural ports in the world, the Port of Cape Town is one of the preferred ports of call for international cruise travellers to South Africa.

The industry has seen rapid growth over the past decade, with passenger numbers rising from just 6 050 in 2012,

to 52 580 arrivals during the 2018/19 cruise season. Key to the growth of the cruise economy is the V&A Waterfront's multi-million redevelopment of the Cape Town Cruise Terminal, which opened to the public in 2018. Since then, customs officials have processed 266 149 passengers, including crew members who become tourists on arrival in Cape Town.

During 2019, an estimated 104 000 passengers and just over 23 000 crew passed through the terminal. The 2019/2020 cruise season, which runs from October to April, was expected to see 23 different ships from cruise liner

companies dock at the terminal's E berth. It is estimated that

for every 12 tourists visiting our shores, one job is created.

While the average tourist spends between R501 and R1 000 daily (excluding accommodation), the average spend by an international tourist per trip is R8 400 while in Cape Town, plus R10 600 prepaid spend before arriving in SA. A cruise ship carrying around 2 000 passengers – such as the MS Queen Elizabeth – results in spending to the value of R2 million per day.





THE NIGHT-TIME ECONOMY

There is growing awareness of the potential of the Central City's night-time economy but it remains an unexplored resource, argues François Viruly.¹

The notion of work is often studied in relation to space, but not time; the resource that ironically defines much of human endeavour. The night-time economy, as its name suggests, focuses on work that takes place largely from sunset to sunrise. We have a good understanding of economic activity during the day, but our understanding of night-time activity is often biased towards entertainment with little attention given to the numerous other sectors that define the characteristics of the night-time economy.

These might be a mother doing a second job to pay for her child's future, a student taking up bartending to pay for textbooks, a taxi-driver waiting for the 2 am rush on a Friday night. It could also be a hustler, a doctor, a cleaner, a parking attendant or a chef.

Despite the fact that the economic contribution of night-time work is often unacknowledged, cities like London and Amsterdam have appointed night-time mayors to manage those who not only "play" but also "live" and "work" in cities at night. These cities recognise that the night-time economy needs specific management and policy interventions for the second wave of employment that happens at night. This suggests there is a social value in addressing the night-time economy and that night workers should not be placed at the fringes of society.

People who work at night are particularly vulnerable to anti-social behaviour, with

The night-time economy holds a bright future for South Africa's workforce if it is given careful and ethical consideration

few transport options and they face various other risks. This is particularly true in South African cities such as Cape Town, where those who work at night are often people from low economic backgrounds who rely on limited public transport services to reach homes far from their place of work. Night-time economy policy interventions must be coordinated across the metropolitan area.

While Cape Town does not have a night-time mayor and little is mentioned about the night-time economy in national, provincial and municipal policies, there is a growing awareness of its economic and social potential.

The Cape Town City Improvement District (CCID) has played a critical role in increasing security to those working and enjoying the inner city at night. This includes ensuring and advocating for better city lighting, security, and efficient and affordable transport networks.

A recent research partnership between the City of Cape Town, the CCID and the University of Cape Town will provide a better understanding of the night-time economy of the Central City. Through this research, we will not only learn more about the city itself but how to better use the night as a resource for social and economic development.

With this knowledge, better policy which recognises the night-time economy can become a reality. The night-time economy holds a bright future for South Africa's workforce if it is given careful and ethical consideration.

¹ François Viruly is associate professor of Construction Economics and Management and director of the Urban Real Estate Research Unit at the University of Cape Town. The unit, the City of Cape Town and the CCID are researching the Central City's night-time economy. Viruly is a member of the steering committee.

FIRST THURSDAYS SURVEY

The First Thursdays initiative, started in 2012 by Thursdays Projects, contributes significantly to the Central City's night-time economy. The monthly event encourages people to visit art galleries, cultural attractions, restaurants and other businesses. It is extremely popular with Capetonians, according to a dipstick survey¹ conducted by the CCID in December 2019. We unpack the most significant observations and compare them to a survey taken in 2016.

AGE PROFILE

Capetonians attending First Thursdays (FT) are gradually becoming older. In 2016, half of all those surveyed were 18 to 25 years old. In 2019, the largest age group was 25-34 years with people frequenting more restaurants, bars and clubs than art galleries.



TRANSPORT

Most people still drive to FT (46 %) but the percentage of visitors travelling by taxi or Uber has increased noticeably since 2016.

LIVE

Most visitors come from the southern suburbs (44 %) followed by nearly a quarter from the CBD/City Bowl and a further 22 % from the northern suburbs. This has not changed significantly in recent years.

SPREAD THE WORD

Several people surveyed in 2019 said FT was not advertised extensively enough and more should be done to raise its profile - particularly via social media.

REPEAT VISITORS

While 42 % of 2016 respondents had not been to FT before, this dropped to just under 21 % in 2019. Of those who had previously attended FT, 43 % said they had attended five or more times - highlighting the event's ongoing appeal.

ACTIVITY

The vast majority of 2019 survey participants (84 %) planned to buy something to eat or drink, and an increasing percentage of patrons planned to buy something from a retailer.

FRIENDS & FAMILY

Most respondents in 2016 and 2019 attended FT with family and friends. A surprisingly large number - 14 % - came alone while a growing number - 16 % in 2019 - attended with work colleagues.

On a scale of 0 to 5 - in which five was "really great" - the overall ranking from 2019 survey participants was 4.

STREET VIBE

The vibe on the streets remains the favourite aspect (66.8 %) of First Thursdays. The appeal of visiting galleries directly after work appears to have decreased, while visiting bars and restaurants remains popular with almost 30 % of respondents.



WHAT VISITORS WOULD LIKE TO SEE MORE OF:

2016



32 %
street performances with music



7 %
food and street traders



5 %
retailers trading (especially clothing shops) and better public transport

2019



28 %
street performers with music



9.8 %
increased security



7.7 %
retailers trading

¹ A total of 348 people took part in the survey.

THE KNOWLEDGE & EVENTING ECONOMY

The Central City's knowledge and eventing economy continues to expand every year, driving business into the region, as local and international visitors and business tourists stream into the CBD to attend official events and conventions in and around the public spaces in downtown Cape Town.

Recognised as the best business tourism city in Africa¹, Cape Town continues to lead the way as an eventing destination.

The ICCA Africa 10-year report shows exponential growth in the number of meetings hosted on the continent from 2009 to 2019, with South Africa the top country and Cape Town the top city.

The R832 million expansion of the world-class Cape Town International Convention Centre (CTICC) - located in the Foreshore precinct of the Central City - has not only increased the city's capacity and reputation for holding conventions, trade fairs and events but prompted new billion-rand property developments in the Central City.

Three new hotels opened their doors in 2019 - the R100 million Gorgeous George in Precinct 2, the R75 million Labotessa in Precinct 4 and the R210 million Signature Lux Foreshore in Precinct 1 - adding 196 rooms to the city centre's hotel pool. The developments

430 000

A total of 430 000 people attended 111 official events in public spaces in the Central City during 2019

revealed investor confidence in the CBD was on the rebound despite a tight economy, the 2018 water crisis and continuing challenges related to power supply.

A total of 430 000 people attended 111 official events in public spaces in the Central City during 2019, according to the City of Cape Town's Events Office. Apart from CTICC 1 and 2, the Central City is well-equipped to host events and meetings, with a total of 58 venues across the four precincts having a maximum visitor capacity of 74 232.

CENTRAL CITY VENUES *

Precinct	# Venues	Max. capacity
1	16	50 257
2	20	7 279
3	11	3 930
4	11	12 766
TOTAL	58	74 232

* The CTICC is not included in this count.

¹ International Congress and Convention Association Statistics Report 2019



MAIN EVENTS IN THE CENTRAL CITY

- Cape Town Cycle Tour
- Cape Town International Jazz Festival
- Switching on of the Festive Lights
- Investec Cape Town Art Fair
- Design Indaba



FOCUS: THE CTICC'S YEAR IN REVIEW

For the past 16 years, "the CTICC has been a key driver in the region's knowledge economy, a place where ideas are shared and investments planned, a platform for creativity and innovation and a stage where South Africans and Africans can take part in the co-creation of future scientific, technological and academic advances".²

The creation of CTICC 2 added 10 000 m² to the multi-dimensional, award-winning venue, allowing it to host more events and increase its offering. 2018/2019 was the first full year of operation of the expanded complex, which hosted 420 000 delegates at a total of 560 events, generating a total of 877 129 delegate and visitor days. This included 34 international conferences attended by 31 277 people, 45 national conferences with 22 161 attendees,

Known for its commitment to environmental sustainability, the CTICC remains a leader in the green economy. In the year under review, the commissioning of its water-saving reverse-osmosis plant, which produces 200 000 litres of purified and potable water in a 24-hour cycle, now enables it to meet all its own water needs without burdening the municipal water supply.

Its economic contribution to the region extends to job creation: 14 620 direct and indirect jobs were created and sustained in 2018/2019.

² Julie-May Ellingson, former CEO of the CTICC.



ECONOMIC IMPACT OF THE CTICC IN 2018/2019

R6.5 billion

Contribution to SA national GDP

R4.5 billion

Contribution to Western Cape GGP

R47.3 billion

Cumulative contribution to SA national GDP

R39.6 billion

Cumulative contribution to Western Cape GGP

TOP EVENTS AT CTICC IN 2019*

Top 5 Trade Fairs Jan - Dec 2019	Delegates
African Utility Week	10 692
Africa Travel Week	6 263
Source Africa & ATF	2 500
Cape Premier Yearling Sale	2 100
Sign Africa	2 000

Top 5 International Conferences Jan - Dec 2019	Delegates
AfricaCom	11 527
Investing in African Mining Indaba	6 050
YPO Global Leadership Conference and Edge	2 500
Africa Oil Week	1 651
International Society for Quality in Health Care's (ISQua) International Conference	1 500

Top 5 National Conferences Jan - Dec 2019	Delegates
World Venture Bootcamp - South Africa	6 650
Gartner Symposium/ITxpo Africa	1 339
South African Council of Shopping Centres	1 307
OSSA Congress (Ophthalmological Society of South Africa)	1 000
20th Annual Board of Healthcare Funders Conference	900

* These events took place from Jan-December 2019 and not during the 2018/2019 financial year.



200 000 litres

The commissioning of its water-saving reverse-osmosis plant, which produces 200 000 litres of purified and potable water in a 24-hour cycle, now enables the CTICC to meet all its own water needs without burdening the municipal water supply

SECTION 05

CENTRAL CITY PRECINCTS

The Central City is divided into four precincts, each of which make a different contribution to the downtown economy. For investors, it is beneficial to understand the make-up and personality of each precinct, and the factors and trends that determined their growth in 2019. These are key to interpreting their potential and future performance as investment opportunities.

P1 PRECINCT 1 THE FORESHORE



This map shows the clustering of the following types of activities in this precinct.

- Developments
- Hotels and accommodation
- Residential complexes
- MyCiti bus stations and stops

Home to the largest number of property and real estate companies in the Central City, as well as the most investment companies and insurance brokers, P1 has always been known as the Central City's financial district. The majority of Information & Communications Technology companies in the Central City are also concentrated here. The opening of the new Netcare Christiaan Barnard Memorial Hospital in 2017 also secured P1's position as having the most medical practices in the Central City: 173 of the CBD's 213 medical practices are situated here. However, the completion of the Cape Town International Convention Centre expansion

(CTICC 2) in 2017 triggered billion-rand hotel developments or refurbishments, and has prompted the Foreshore to become the seat of the Central City's knowledge and eventing economy, which in turn has enabled the growth of the creative economy with international art, design and music fairs being hosted here thanks to it also being home to the Artscape Theatre Centre. The Foreshore has traditionally had the least number of residential complexes in the CBD. In 2019, it had 12 % of the 68 residential buildings. However, with the rise in mixed-use developments supporting the trend for inner-city living, this is set to change.



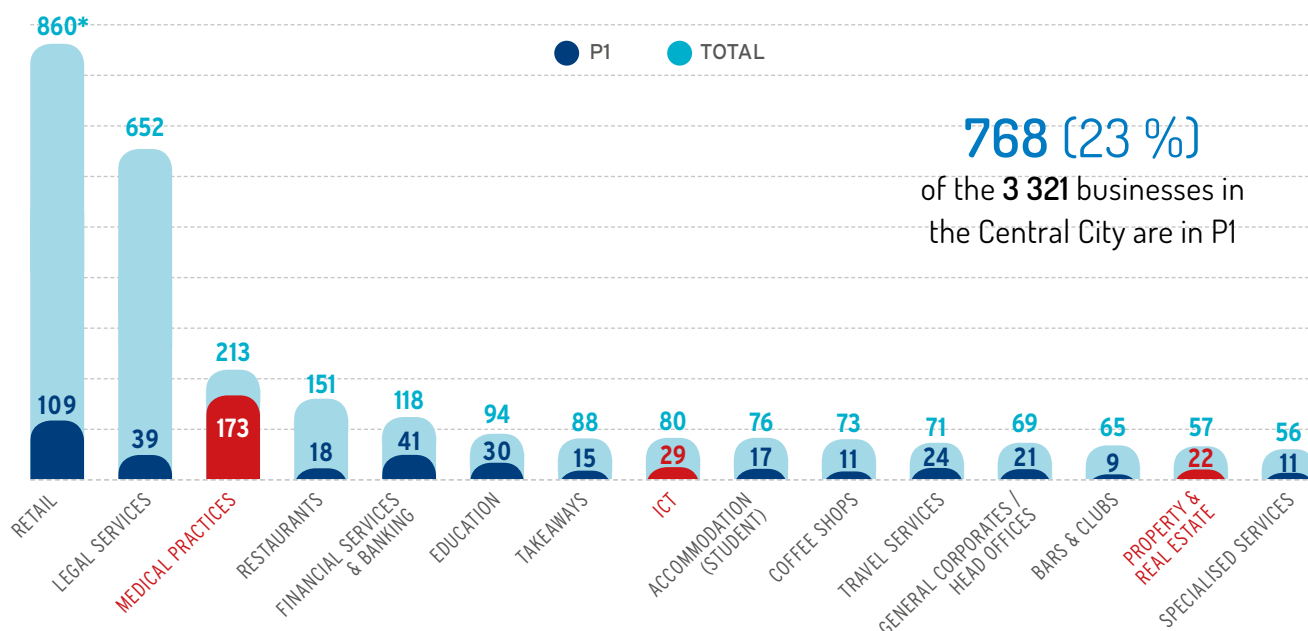
BUSINESS & RETAIL

TOP BUSINESS CATEGORIES IN P1 VS THE CENTRAL CITY OVERALL

The following shows the top 15 categories of business in P1 versus the top 15 overall in the Central City, indicating the mix and focus in this precinct. The numbers in red indicate the sectors in which P1 boasts the highest numbers overall in the CBD.



TOP 15 BUSINESS & RETAIL



* The retail figure of 860 is the total CBD retail figure (1 237) less restaurants (151), takeaways (88), coffee shops (73) and bars & clubs (65)

RETAIL BREAKDOWN

109 (or 13 %) of the 860 retail outlets in the Central City are in P1. Of these, the largest categories are:

11 %



jewellery design & manufacturing (including diamond & precious gems wholesalers)

9 %



motor & related (including large car & motorcycle dealerships)

6 %



hair salons

6 %



gyms

6 %



printing, copying & lamination





EDUCATION

The Foreshore follows close on the heels of Precinct 2 with the second-highest number of educational institutions.

30 of the 94 educational institutions in the CBD are in P1 (P2 has 36).

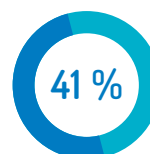


Curro Foreshore, an inner-city, high-tech institution focussing on science and maths, opened in 2019. At R1 900 a month, school fees at this private establishment are less than half the amount charged by traditional Curro high schools.

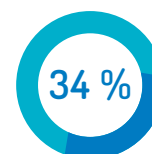
ENTERTAINMENT

9 (or 14 %) of the 65 bars and clubs in the Central City are in P1.

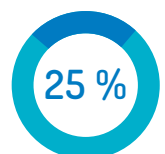
44 (or 14 %) of the 312 eateries in the Central City are in P1. Of these:



CLASSIFIED AS RESTAURANTS



CLASSIFIED AS TAKEAWAY OUTLETS



CLASSIFIED AS COFFEE SHOPS

CO-WORKING SPACES

Five (or 29 %) of the 17 co-working spaces in the CBD are in P1.

LOCATION	NAME	WEBSITE
42 Hans Strijdom Ave	North Wharf	sharedofficespace.co.za
31 Heerengracht St	Pier Place	sharedofficespace.co.za
7 Bree St	Work & Co	workandco.co.za
24 Hans Strijdom Ave	Cube Workspace	cubeworkspace.co.za
Thilbault Square	Meeting Place on Long	meetingplaceonlong.co.za



DEVELOPMENTS

Property worth at least R7.9 billion was either completed, under construction or in the planning or proposal phase in P1 in 2019. This includes redevelopments, refurbishments, upgrades and new developments. See pages 18-19 for an overall perspective on current CBD developments.

**Investment total
Precinct 1**
R7 999 000 000

COMPLETED IN 2019

SIGNATURE LUX

Location 31A Heerengracht St

Type 3-star hotel

Investment R210 000 000

CAPETONIAN HOTEL

Location Pier Place,
Heerengracht St

Type 4-star hotel

Investment R200 000 000

THE HALYARD

Location

4 Christiaan Barnard St

Type Mixed-use

Investment R400 000 000

TOTAL R810 000 000

PLANNED

TELKOM EXCHANGE FORESHORE

Location Lower Long St

Type Parastatal
mixed-use

Investment TBC

THE VOGUE

Location Buitengracht St

Type Mixed-use

Investment R1 100 000 000

27 LOWER LONG

Location 27 Lower Long St

Type Commercial

Investment R476 000 000

BEAUFORT HOUSE

Location 6 Jack Craig St

Type Commercial

Investment R350 000 000

TOTAL R1 926 000 000



The Modern



PROPOSED

THE MODERN

Location Cnr Bree, Loop

& Hans Strijdom Ave

Type Mixed-use incl. hotel

Investment R1 500 000 000

CULLINAN SQUARE

Location Lower Long St

Type Mixed-use

Investment R860 000 000

MURRAY & ROBERTS

Location 73 Hertzog Blvd

Type Mixed-use

Investment TBC

TOTAL R2 360 000 000

UNDER CONSTRUCTION

35 LOWER LONG

Location 35 Lower Long St

Type Mixed-use

Investment R500 000 000

THE DUKE

Location Cnr Heerengracht
& Hans Strijdom Ave

Type Residential

Investment R210 000 000

16 ON BREE

Location Cnr Bree

& Mechau St

Type Mixed-use

Investment R860 000 000

FLEETWAY HOUSE

Location 21 Martin

Hammerslag Way

Type Residential

Investment R60 000 000

HOTEL SKY

Location Lower Long St

Type Hotel

Investment R400 000 000

FORESHORE PLACE

Location 2 Riebeeck St

Type Mixed-use

Investment R373 000 000

THE ROCKEFELLER

Location

12 Christian Barnard St

Type Mixed-use

Investment R500 000 000

TOTAL R2 903 000 000



ACCOMMODATION

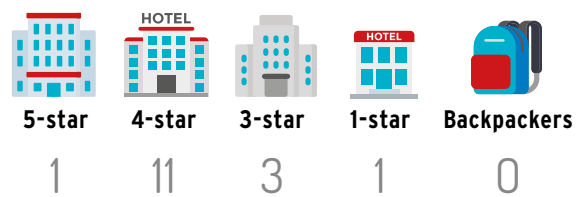
RESIDENTIAL

There are eight residential buildings in P1, housing a total of 890 residential units (or 19 % of the 4 693 units in the CBD). The two largest residential buildings in P1 are the Icon (227 units) and The Onyx (223 units). A total of 24 apartments were sold in these eight residential buildings in 2019.

BUILDING	LOCATION	TOTAL SS	SALES 2019
Fifty Riebeeck Street	50 Riebeeck St	9	0
Fountain Suites	1 Hans Strijdom Ave	78	0
Hyde Park	14 Jetty St	34	2
Icon	Lower Long St	227	9
Protea North Wharf	Dock Rd	72	4
Stonehill Place	9 Marine St	182	1
The Onyx	252 Roggebaai St	223	8
Trafalgar Centre	7 Hans Strijdom Ave	65	0
		890	24

HOTELS & BACKPACKERS

- 16 (or 23 %) of the 71 hotel and backpacker establishments in the CBD are in P1.
- Many of these are the largest hotel complexes in the Central City, situated within walking distance from the CTICC and the V&A Waterfront. These large complexes include the Westin, two Radisson hotels (Park Inn and Radisson Blu), three Tsogo Sun hotels (The Cullinan, Southern Sun Waterfront and Sun1 Foreshore) and the Protea North Wharf.



TOTAL 16

MYCITI

P1 has five MyCiTi bus stops including the BRT's main station for the city, situated at the Civic Centre. Other bus stops are Adderley, Thibault, Convention Centre and Foreshore.



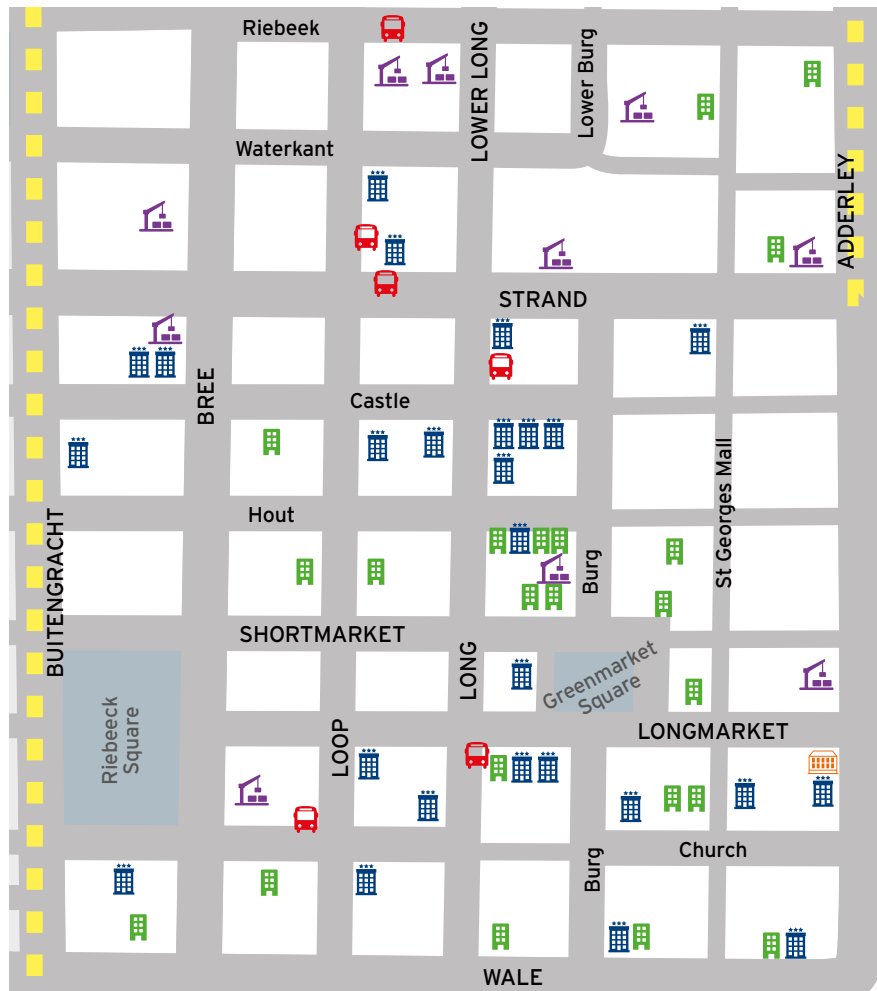
2 603 887
the number of
people who boarded
buses in P1, while
2 280 642 alighted.

BUS STOP	BOARDED	ALIGHTED
Civic Centre	1 338 574	1 468 277
Adderley	993 093	619 454
Thibault	270 464	188 494
Convention Centre	1 565	4 203
Foreshore	191	214
P1 TOTAL	2 603 887	2 280 642

SOURCE: City of Cape Town

P2 PRECINCT 2 THE INNER CITY

This precinct is the engine of the Central City economy with 36 % of all Central City businesses to be found here. It has the most retail, financial services and banking, general corporates/head offices and ICT institutions in the Central City. What's more, it also has the most restaurants and coffee shops. Precinct 2 has the most education institutions, and subsequently the most student accommodation, in the Central City. Apart from its impressive daytime economy, it also has a thriving night-time economy, boasting the most bars and clubs in the Central City. One of its main high-footfall pedestrianised arteries, St Georges Mall, lures local, national and international visitors to the precinct. The Central City's informal economy is alive and well in P2, with the mall and Greenmarket Square bustling with informal traders. St Georges Mall also hosts a weekly, ever-popular artisanal food market, buying into the "living lightly" trend of sustainable eating and living. The opening of the five-star, R100 million hotel, Gorgeous George, in 2019 has cemented P2's reputation as the true downtown of the Central City.



This map shows the clustering of the following types of activities in this precinct.

-  Developments
-  Hotels and accommodation
-  Residential complexes
-  MyCiti bus stations and stops
-  Student accommodation





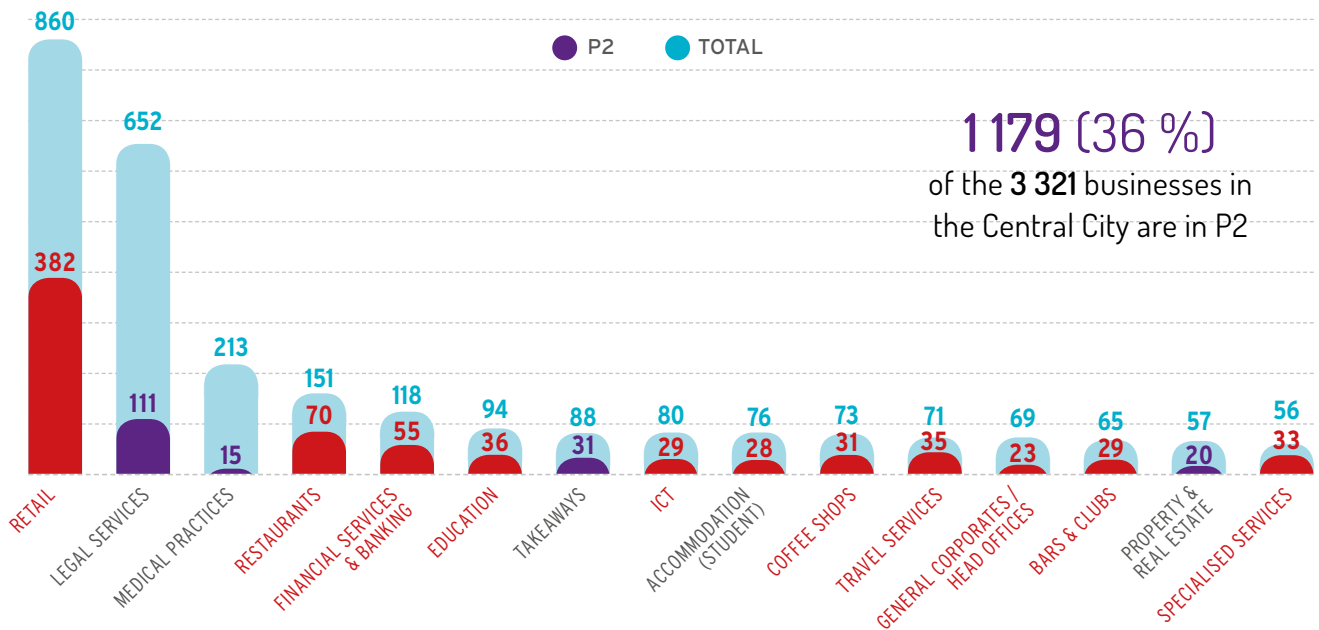
BUSINESS & RETAIL

TOP BUSINESS CATEGORIES IN P2 VS THE CENTRAL CITY OVERALL

The following shows the top 15 categories of business in P2 versus the top 15 overall in the Central City, indicating the mix and focus in this precinct. The numbers in red indicate the sectors in which P2 boasts the highest numbers overall in the CBD.



TOP 15 BUSINESS & RETAIL



* The retail figure of 860 is the total CBD retail figure (1 237) less restaurants (151), takeaways (88), coffee shops (73) and bars & clubs (65)

RETAIL BREAKDOWN

382 (or 44 %) of the 860 retail outlets in the Central City are in P2. Of these, the largest categories are:


17 %
clothing & shoe stores


8 %
jewellery stores


6 %
mobile devices


5 %
art galleries


5 %
hair salons



Gorgeous George

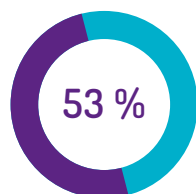


The House of Machines

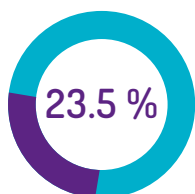
ENTERTAINMENT

29 (or 45 %) of the bars and clubs in the CBD are in P2.

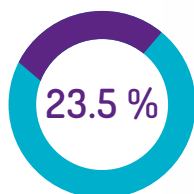
132 (or 42 %) of the 312 eateries in the CBD are in P2. Of these:



CLASSIFIED AS RESTAURANTS



CLASSIFIED AS TAKEAWAY OUTLETS



CLASSIFIED AS COFFEE SHOPS



EDUCATION

36 (or 38 %) of the educational institutions in the CBD are in P2.

There are at least seven language schools in this precinct.



CO-WORKING SPACES

Six (or 35 %) of the 17 co-working spaces in the CBD are in P2.

LOCATION	NAME	WEBSITE
113 Loop St	Cartel House	ideascartel.com
77 Church St	Office & Co	officeandco.co.za
50 Long St	Spaces	spacesworks.com
80 Hout St	No. 80 Hout St	coworkingcapetown.co.za
71 Waterkant St	Inner City Ideas Cartel	ideascartel.com
80 Strand Street	WeWork	wework.com



DEVELOPMENTS

Just over R5.3 billion worth of property was either completed, under construction or in the planning or proposal phase in P2 in 2019. This includes redevelopments, refurbishments, upgrades and new developments. See pages 18-19 for an overall perspective on current CBD developments.

**Investment total
Precinct 2**
R5 320 000 000



Gorgeous George

COMPLETED IN 2019

GORGEOUS GEORGE

Location 118 St Georges Mall

Type 5-star hotel

Investment R100 000 000

TOTAL R100 000 000

UNDER CONSTRUCTION

THE ADDERLEY

Location 82-84 Adderley St

Type Residential

Investment TBC

58 STRAND ST (PICBEL PARKADE)

Location 58 Strand St

Type Mixed-use

Investment R400 000 000



58 Strand St

MIKE'S SPORTS

Location Cnr Bree, Strand & Waterkant streets

Type Mixed-use

Investment R50 000 000

TOTAL R450 000 000



The Rubik



Zero-2-One Tower

PROPOSED

ZERO-2-ONE TOWER

Location Cnr Adderley and Strand streets

Type Mixed-use

Investment R1 500 000 000

TOTAL R1 500 000 000

PLANNED

THE RUBIK

Location 19A Loop St

Type Mixed-use

Investment R500 000 000

THE MATRIX

Location 75 Strand St

Type Mixed-use

Investment R850 000 000

14 LONG STREET

Location 14 Long St

Type Mixed-use

Investment R50 000 000

THE BOX

(formerly Atterbury House)

Location 3 Waterkant St

Type Mixed-use

Investment R570 000 000

THE PINNACLE

Location 33 Burg St

Type Mixed-use

Investment TBC



The Box

CITY PARK (Old Netcare Christiaan Barnard Hospital)

Location 111 Bree St

Type Mixed-use

Investment R1 300 000 000

TOTAL R3 270 000 000

ACCOMMODATION

RESIDENTIAL

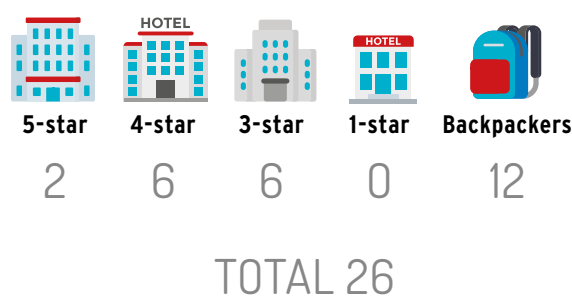
There are 22 residential buildings in P2, which make up 32 % of the total residential complexes in the Central City - the second highest in the Central City. These complexes house a total of 913 residential units (or 19 % of the 4 693 units in the CBD). The three largest residential buildings in P2 are Mandela Rhodes Place (213 units), followed by The Decks (85 units) and The Colosseum (80 units). A total of 28 apartments were sold in these 22 residential buildings in 2019.

BUILDING	LOCATION	TOTAL SS	SALES 2019
34 St Georges	40 Strand St	73	3
5 St Georges	18 Adderley St	45	0
71 Loop Street	71 Loop St	16	0
74 Loop Street	74 Loop St	5	0
Castle Gate	83 Castle St	12	0
The Colosseum	12 Adderley St	80	3
De Oude Schuur	120 Bree St	50	3
Forty Two Burg Street	42 Burg St	26	0
Glaston House	63 Church St	43	1
Greenmarket Place	54 Shortmarket St	59	0
Guarantee House	37 Burg St	12	0
Huys Heeren	105 Long St	6	1
Impala House	27 Castle St	8	0
Kimberley House	34 Shortmarket St	8	0
Mandela Rhodes Place	Cnr Wale & Burg St	213	8
Market House	1 Shortmarket St	51	3
Murray House	25 Hout St	9	0
Namaqua House	36c Burg St	25	1
St George's Street Chambers	118 St Georges Mall	11	0
Taj Cape Town	4 Wale St	25	1
The Decks	67 Long St	85	3
The Wale Street Chambers	36 Wale St	51	1
		913	28



HOTELS & BACKPACKERS

26 (or 37 %) of the 71 hotel and backpacker establishments in the CBD are in P2.



MYCITI

P2 has six MyCiti bus stops: Church, Longmarket, Mid Long, Mid Loop, Riebeek and Strand.



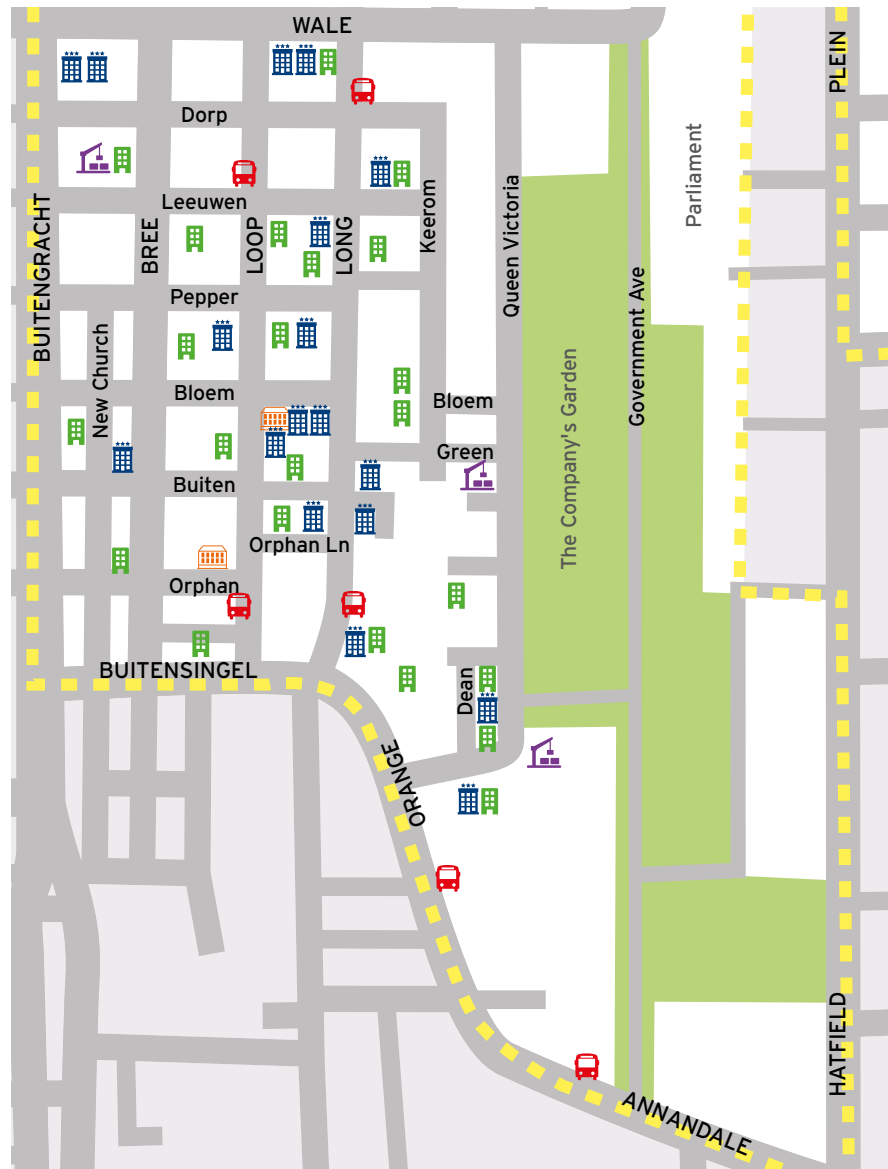
60 694
the number of people who boarded a MyCiti bus in P2, while 121 810 alighted.

BUS STOP	BOARDED	ALIGHTED
Church	818	2 373
Longmarket	2 744	5 366
Mid Long	2 753	3 071
Mid Loop	638	3 780
Riebeek	34 297	90 600
Strand	19 444	16 620
P2 TOTAL	60 694	121 810

SOURCE: City of Cape Town

P3 PRECINCT 3 LEGAL, LEISURE & CULTURAL HUB

A vibrant precinct, P3 is home to the Central City's green lung, The Company's Garden, around which are clustered many of Cape Town's iconic cultural institutions including the Iziko South African National Gallery, the Cape Town Holocaust Centre, the South African Jewish Museum and the Iziko Planetarium. Its other dominant feature is that it is home to the Central City's legal fraternity with the most legal services based here, along with the Western Cape High Court. This precinct has a quarter of all Central City businesses. Along with its strong daytime economy, the upper part of Long Street has a concentration of late-night venues. With upper Bree Street also coming to the late-night party, P3 has developed into a 24/7 node and one of the key precincts that is driving the Central City's night-time economy. Some of the oldest residential complexes are in this precinct, which has the most residential complexes in the Central City. It also delivered one of the most striking developments of 2019 in the form of Tuynhuys, a R60 million innovative Art Deco residential high-rise designed by Robert Silke & Partners in the middle of four advocates' chambers. In keeping with this creative bent, 15 of the 50 architecture firms in the Central City are based here.



This map shows the clustering of the following types of activities in this precinct.

-  Developments
-  Hotels and accommodation
-  Residential complexes
-  MyCiti bus stations and stops
-  Student accommodation





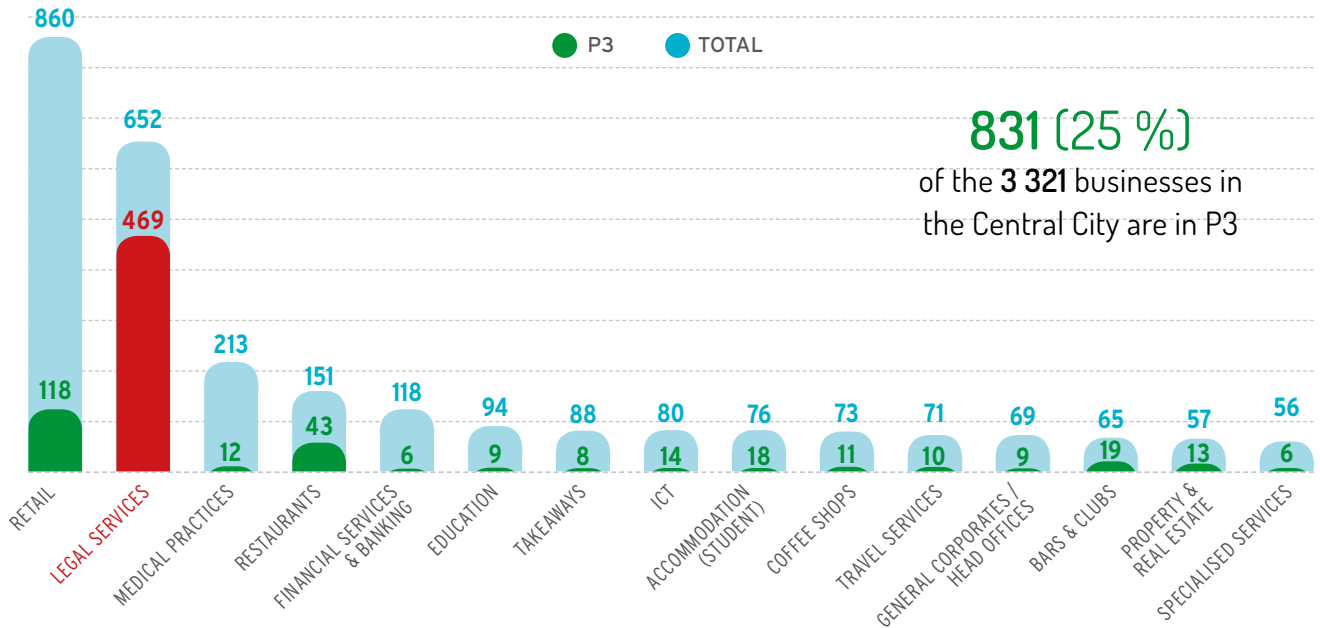
BUSINESS & RETAIL

TOP BUSINESS CATEGORIES IN P3 VS THE CENTRAL CITY OVERALL

The following shows the top 15 categories of business in P3 versus the top 15 overall in the Central City, indicating the mix and focus in this precinct. The numbers in red indicate the sectors in which P3 boasts the highest numbers overall in the CBD.



TOP 15 BUSINESS & RETAIL



* The retail figure of 860 is the total CBD retail figure (1 237) less restaurants (151), takeaways (88), coffee shops (73) and bars & clubs (65)

RETAIL BREAKDOWN

118 (or 14 %) of the 860 retail outlets in the Central City are in P3. Of these 118 outlets, the largest categories are:


14 %
clothing & shoe stores


10 %
furniture, lighting & décor stores


8 %
superettes


7 %
motor parts & repairs


6 %
speciality stores



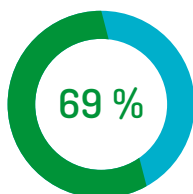


SeaBreeze Fish & Shell

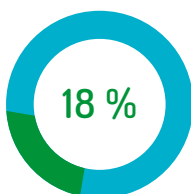
ENTERTAINMENT

19 (or 29 %) of the 65 bars and clubs in the CBD are in P3.

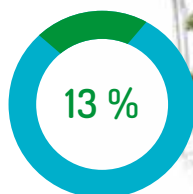
62 (or 20 %) of the 312 eateries in the CBD are in P3. Of these:



CLASSIFIED AS RESTAURANTS



CLASSIFIED AS COFFEE SHOPS



CLASSIFIED AS TAKEAWAY OUTLETS



EDUCATION

9 (or 10 %) of educational institutions in the CBD are in P3.



The University of Cape Town's historic Hiddingh Campus, home to the Michaelis School of Fine Art, is in P3.



CO-WORKING SPACES

Just one of the 17 co-working spaces in the CBD is in P3.

LOCATION	NAME	WEBSITE
25 Wale St	Akro Co-working space	akro.co.za

DEVELOPMENTS

At least R247 million worth of property was either completed, under construction or in the planning or proposal phase in P3 in 2019. This includes redevelopments, refurbishments, upgrades and new developments. See pages 18-19 for an overall perspective on current Central City developments.

**Investment total
Precinct 3**
R247 000 000



Urban on Bree

COMPLETED IN 2019

URBAN ON BREE

Location 220 Loop St

Type Mixed-use

Investment TBC

TUYNHUYS

Location 54 Keerom St

Type Residential

Investment R60 000 000

TOTAL R60 000 000

UNDER CONSTRUCTION

IZIKO SA MUSEUM

Location Paddock Ave

Type National Museum

Investment R187 000 000

TOTAL R187 000 000

PROPOSED

60 QUEEN VICTORIA STREET

Location

60 Queen Victoria St

Type Hotel

Investment TBC

PLANNED

142 BREE ST (AVANTGARDE)

Location 142 Bree St

Type TBC

Investment TBC



ACCOMMODATION

RESIDENTIAL

There are 23 residential buildings in P3, housing a total of 1 495 residential units (or 32 % of the 4 693 units in the CBD - the highest in the CBD). The three largest residential buildings in P3 are St Martini Gardens (317 units), followed by Pepper Club (222 units) and Manhattan Place (196 units).

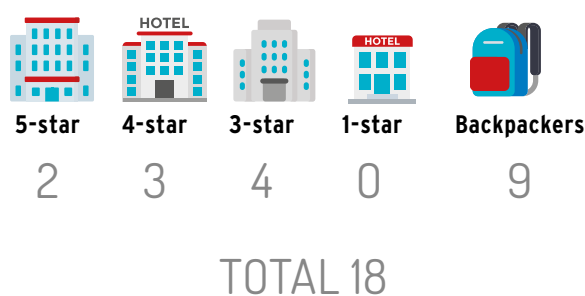
A total of 79 apartments were sold in the 23 residential buildings in 2019.

BUILDING	LOCATION	TOTAL SS	SALES 2019
134 Long Street	134 Long St	4	0
155 Loop Street	155 Loop St	16	0
220 Loop Street	220 Loop St	74	17
6 on Pepper	6 Pepper St	22	0
African Pride	15 Orange St	21	1
Artois Court	6 Dean St	8	1
Elkay House	186 Loop St	13	0
Flatrock	8 Buiten St	47	0
Graphic Centre	199 Loop St	27	1
Holyrood	80 Queen Victoria St	39	2
Jodaca	183 Bree St	24	0
Lutomburg	18 Keerom St	12	1
Manhattan Place	130 Bree St	196	2
Metro House	36 New Church St	2	0
Montreux	90A Queen Victoria St	32	0
Pepper Club	Cnr Loop & Pepper streets	222	0
Senator Park	66 Keerom St	169	8
St Martini Gardens	70 Queen Victoria St	317	12
Studios on Long	187 Long St	16	0
The Sentinel	27 Leeuwen St	101	2
Tuynhuys	54A Keerom St	47	28
Victoria Court	301 Long St	36	3
West Side Studios	139 Buitengracht St	50	1
		1 445	79



HOTELS & BACKPACKERS

18 (or 25 %) of the 71 hotels and backpacker establishments in the CBD are located in P3.



MYCITI

P3 has six MyCiTi bus stops: Dorp, Leeuwen, Michaelis, Upper Long, Upper Loop and Government Avenue.



35 453
the number of
people who boarded
buses in P3, while
93 488 alighted.

BUS STOP	BOARDED	ALIGHTED
Dorp	10 740	40 688
Leeuwen	7 054	5 552
Michaelis	2 881	5 857
Upper Long	6 010	33 079
Upper Loop	7 669	5 535
Government Ave	1 099	2 777
P3 TOTAL	35 453	93 488

SOURCE: City of Cape Town

P4 PRECINCT 4 THE EAST CITY

In the past four years, the Central City's most characterful precinct has come into its own in terms of its investment value and potential. In 2018, three major developments were completed including the upgrade of the Cape Town City Hall (R27 million) and The Old Granary (R31 million), with 2019 seeing the completion of the Central City's R75 million five-star boutique hotel, Labotessa.

For many years P4 has been the heart of the design and craft economies of the Central City, and it is still the trendy precinct people flock to at the weekend. The precinct has led the way in the "living lightly" movement with retail offerings catering to this trend emerging in P4 in the form of the Lekker Vegan eaterie and Nude foods whole-food retailer.

This precinct is also a magnet for entertainment: it is home to the world-renowned The Fugard Theatre and the city's Cape Town Philharmonic Orchestra performs at the historic Cape Town City Hall.

Steeped in history and heritage, P4 is home to the District 6 Museum as well as to the Houses of Parliament. The magistrates' courts and Cape Town Central Police Station are also in P4. It is also home to large corporate offices, including the Woolworths head office.

The precinct has 21 % of the residential complexes in the Central City, the third highest number after P2 and P3. The residential blocks have substantial numbers of owner-occupiers with young professionals buying into the downtown micro-living trend, of which the R70 million residential development The Harri is a prime example.



This map shows the clustering of the following types of activities in this precinct.

-  Developments
-  Hotels and accommodation
-  Residential complexes
-  MyCiTi bus stations and stops
-  Student accommodation



Labotessa



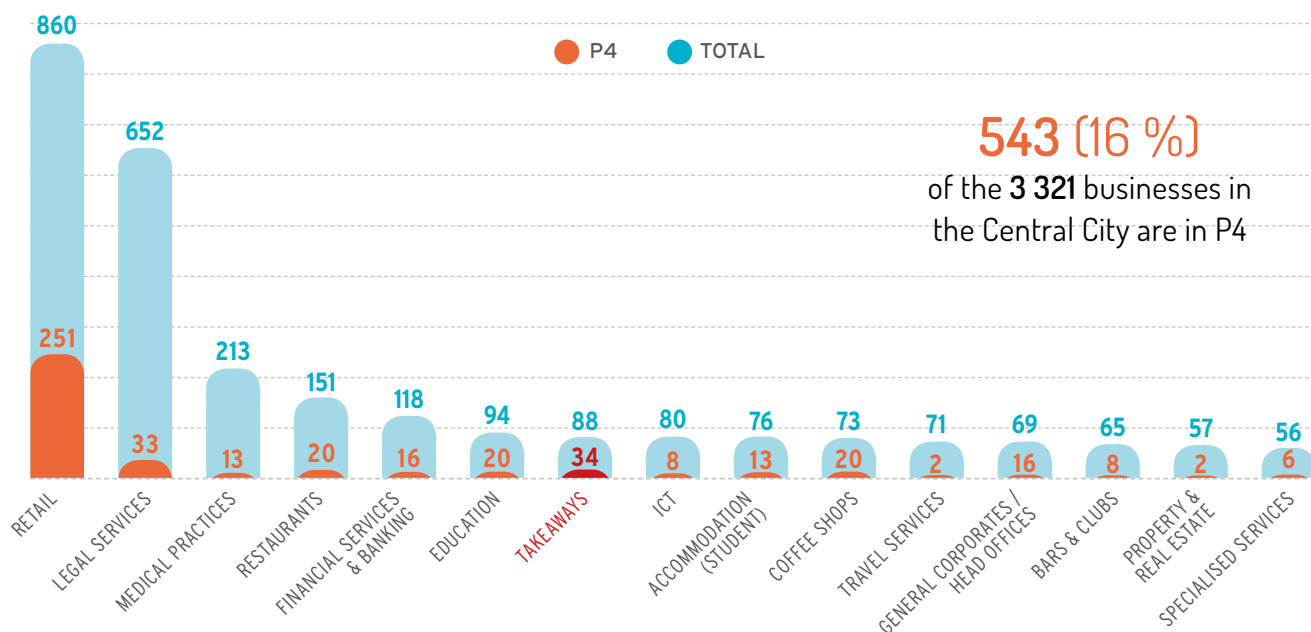
BUSINESS & RETAIL

BREAKDOWN OF TOP BUSINESS CATEGORIES IN P4 VS THE CENTRAL CITY OVERALL

The following shows the top 15 categories of business in P4 versus the top 15 overall in the Central City and indicates both the mix and focus of this precinct. Those in red indicate those sectors in which P4 boasts the highest numbers overall in the CBD.



TOP 15 BUSINESS & RETAIL



* The retail figure of 860 is the total CBD retail figure (1 237) less restaurants (151), takeaways (88), coffee shops (73) and bars & clubs (65)

RETAIL BREAKDOWN

251 (or 29 %) of the 860 retail outlets in the Central City are in P4. Of these, the largest categories are:



25 %
clothing &
shoe stores



11 %
mobile devices



6 %
hair salons



6 %
jewellery design
& manufacture



5 %
department
stores





Pilcrow & Cleaver

ENTERTAINMENT

8 (or 12 %) of the 65 bars and clubs in the CBD are in P4 and most of them are in Harrington Street.

74 (or 24 %) of the 312 eateries in the CBD are in P1. Of these:



EDUCATION

19 (or 20 %) of the **educational institutions** in the CBD are in P4. This precinct has the largest number of full-time and part-time student numbers and staff in the Central City. Educational institutions in P4 include software academy **codex** which offers a one-year skills development programme to equip SA youth with the skills required to participate in the fourth industrial revolution (4IR) economy. P4 also borders on the Cape Peninsula University of Technology's Zonnebloem campus, as well as City Varsity's Roeland St campus. Many students live in the Central City, particularly in P4.

CO-WORKING SPACES

Five (or 29 %) of the 17 co-working spaces in the CBD are in P4.

LOCATION	NAME	WEBSITE
27 Pepper St	Mien Design Studio	coworker.com
37 Buitenkant St	Tiny Empire	tinyempire.co.za
50 Harrington St	Workshop17	workshop17.co.za
27 Caledon St	CHIPS Co-working	chips.capetown
6 Spin St	Seedspace	seedspace.co



DEVELOPMENTS

At least R265 million worth of property was either completed, under construction or in the planning or proposal phase in the East City in 2019. This includes redevelopments, refurbishments, upgrades and new developments. See pages 18-19 for an overall perspective on current CBD developments.

**Investment total
Precinct 4**
R265 000 000

COMPLETED IN 2019

LABOTESSA

Location 5 Church Square

Type 5-star hotel

Investment R75 000 000

TOTAL R75 000 000

UNDER CONSTRUCTION

THE HARRI

Location 75 Harrington St

Type Residential

Investment R70 000 000

KESLER

Location 53 Commercial St

Type Residential

Investment TBC

84 HARRINGTON STREET

Location 84 Harrington St

Type Mixed-use incl. hotel

Investment R120 000 000

TOTAL R190 000 000

PROPOSED

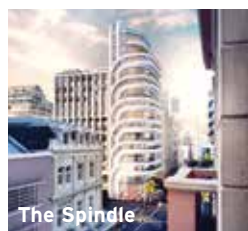
SPINDLE

Location

Cnr Spin & Plein streets

Type Mixed-use

Investment TBC





FYN

ACCOMMODATION

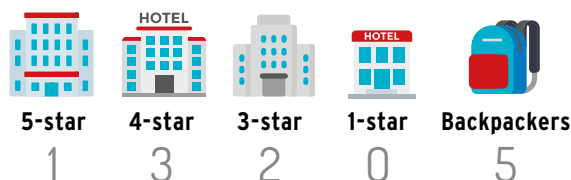
RESIDENTIAL

There are 14 residential buildings (21 % of the total residential complexes in the Central City) in P4, housing a total of 1 395 residential units (or 30 % of the 4 693 units in the CBD). The three largest residential buildings in P4 are The Adderley (276 units), followed by the Four Seasons (206 units) and The Square (177 units). A total of 42 apartments were sold the East City in 2019.

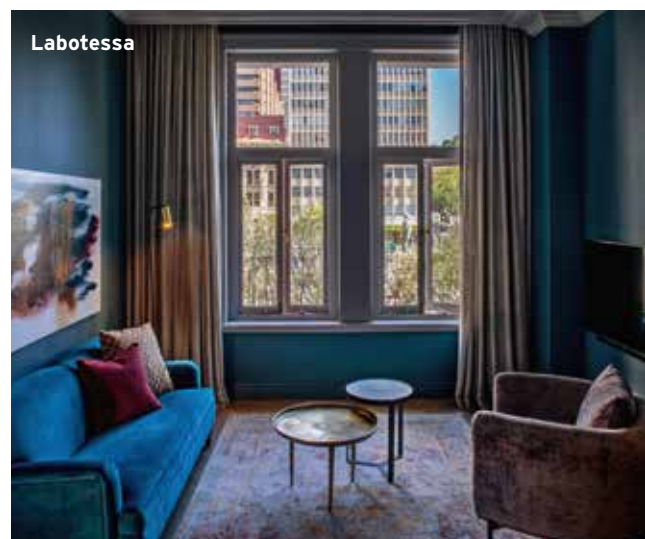
BUILDING	LOCATION	TOTAL SS	SALES 2019
4 Church Square	4 Church Square	45	1
Cartwrights Corner	19 Adderley St	126	4
Church Square House	19 Church Square	13	1
Four Seasons	47 Buitenkant St	206	9
Gold House	31 Harrington St	6	0
Hip Hop Plaza	39 Roeland St	37	1
Mutual Heights	14 Darling St	160	4
Perspectives	37 Roeland St	176	6
Red Lion	111 Longmarket St	12	0
The Adderley	31 Adderley St	276	1
The Piazza on Church Square	37 Adderley St	98	2
The Square	64 Buitenkant St	177	12
The Wellington	22 Darling St	18	0
Wolroy House	37 Buitenkant St	45	1
		1 395	42

HOTELS & BACKPACKERS

11 (or 15 %) of the 71 hotels and backpacker establishments in the CBD are in P4.



TOTAL 11



MYCITI

P4 has four MyCiTi bus stops: these are Darling, Groote Kerk, Lower Buitenkant and Castle.



222 843
the number of
people who boarded
buses while in P4,
while 302 789
alighted.

BUS STOP	BOARDED	ALIGHTED
Darling	65 481	49 627
Groote Kerk	115 951	178 800
Lower Buitenkant	19 151	25 812
Castle	22 260	48 550
P4 TOTAL	222 843	302 789

SOURCE: City of Cape Town



IN CONCLUSION

This is the eighth edition of the *State of Cape Town Central City Report - A year in review* and the biggest report to date. Each year, the report reflects on the big picture of the economy of the Central City looking at property trends, occupancy rates of commercial and residential buildings, retail vacancies, the prominent economies of the Central City and trends in commercial and residential markets.

This year, the results and publishing of the report were delayed and overshadowed by the coronavirus pandemic that started wreaking havoc with South African and other global economies while we were in the throes of compiling the report. While Covid-19 only reared its head in South Africa in March 2020, it was imperative to acknowledge its dark presence even though the publication is an extensive overview of the 2019 economic year. We believe it is still valid to present the 2019 findings even though the Central City, like almost every downtown in the world, has been harshly affected by regulations put in place to stem the tide of the virus. To this end, we present a bumper 68-page issue, and reintroduce a special section on the make-up, personality and investment potential of each of the precincts in the CCID footprint.

The publication is always the result of the work of multiple collaborators, and the editorial team would like to extend our grateful thanks to the many individuals and organisations who contribute each year.

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