

STATE OF CAPE TOWN CENTRAL CITY REPORT **2021**

A YEAR IN REVIEW

10th
edition



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).

The footprint of the CCID is divided into four precincts: Precinct 1 (the conferencing, medical 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 highway 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.

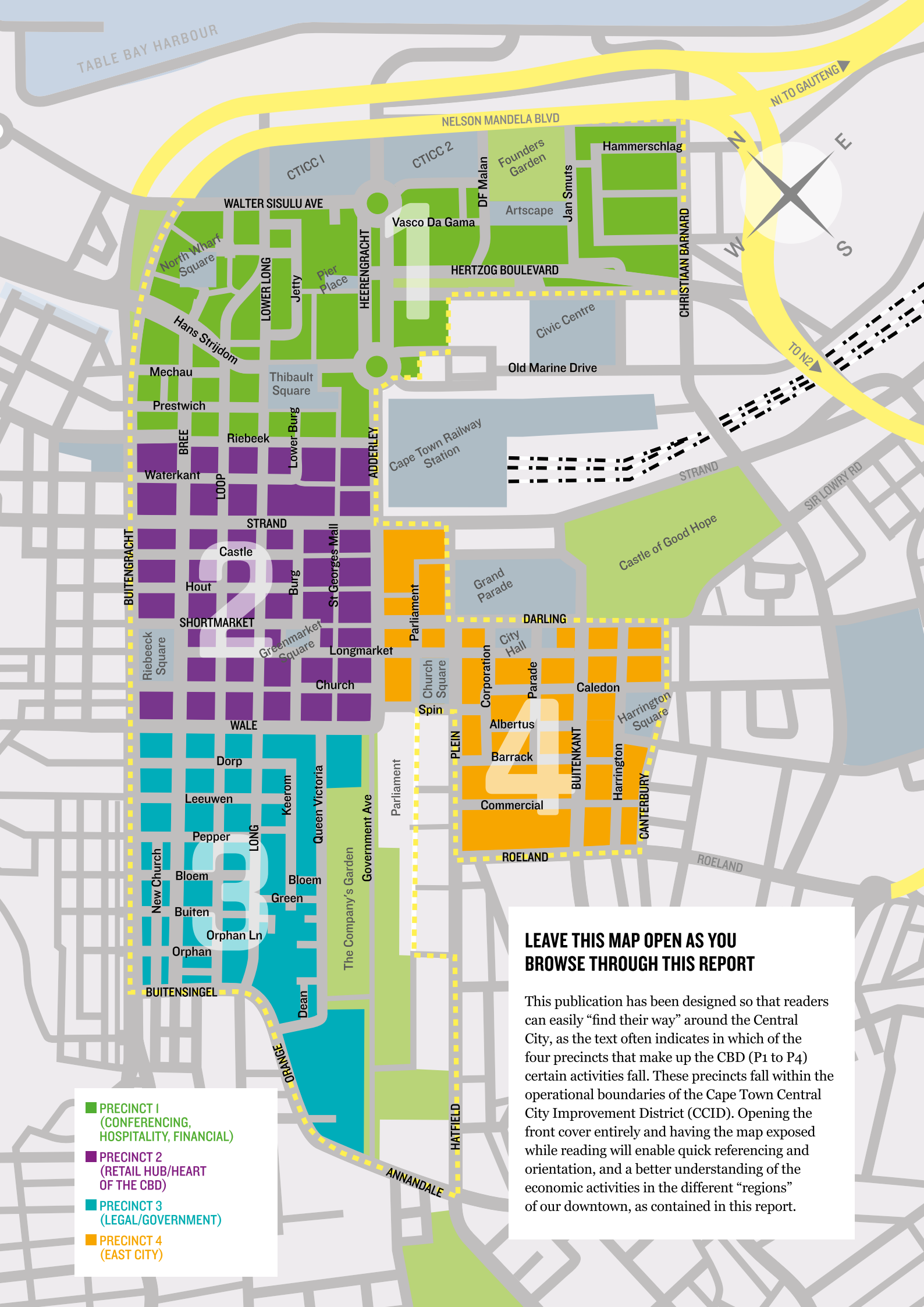


TABLE BAY HARBOUR

NELSON MANDELA BLVD

N TO GAUTENG

TO N2

CTICC 1

CTICC 2

WALTER SISULU AVE

Vasco Da Gama

DF Malan

Founders Garden

Hammerschlag

Artscape

Jan Smuts

HERTZOG BOULEVARD

Civic Centre

Old Marine Drive

Cape Town Railway Station

STRAND

SIR LOWRY RD

Castle of Good Hope

Castle

Hout

Burg

St Georges Mall

SHORTMARKET

Greenmarket Square

Longmarket

Church

Parliament

DARLING

City Hall

Corporation

Parade

Caledon

Harrington Square

Spin

Church Square

Albertus

Barrack

Commercial

ROELAND

ROELAND

HATFIELD

ANNANDALE

- PRECINCT 1
(CONFERENCING,
HOSPITALITY, FINANCIAL)
- PRECINCT 2
(RETAIL HUB/HEART
OF THE CBD)
- PRECINCT 3
(LEGAL/GOVERNMENT)
- PRECINCT 4
(EAST 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. These precincts fall within the operational boundaries of the Cape Town Central City Improvement District (CCID). 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.



ALAN WINDE
Premier of the Western Cape

When I look back on 2021, I reflect on the extreme difficulties that businesses continued to face due to the ongoing global slowdown caused by Covid-19. A year into the virus, many businesses could simply no longer sustain reduced demand and had to shut their doors for a time, or for good, and these job losses were deeply felt. Sectors including hospitality and tourism were particularly hard hit.

As a provincial government, we continued to work hard to create healthcare responses and capacity that would save lives and lead to lesser restrictions, and we launched the biggest vaccination programme in our province's history.

We also advocated strongly at a national level for the relaxation of some restrictions which were not supported by scientific evidence, and we pushed for a differentiated approach which would allow those provinces between waves to be at lower restriction levels. Despite these efforts, and the efforts of so many in the private sector and society, we were undeniably hard hit.

With the major effects of Covid-19 behind us – we are seeing more and more evidence of a decoupling between infections and severe disease – it is time for us to begin the major work of rebuilding our economy to its previous strength, and moreover, to go beyond that.

From a provincial government perspective, we have put infrastructure at the forefront of our provincial recovery plan and have made substantial investments to kickstart growth and job creation. We are also still resolutely focused on removing red tape barriers to business growth.

It is our hope that these efforts – in concert with efforts being made by the private sector, and by organisations such as the CCID, through its work in the Cape Town city centre and the role it plays in promoting Cape Town as an investment destination with reports such as this one – will set us on a firm path to recovery.

Together, our goal is to make sure that Cape Town, and the Western Cape, is a great place to live, work and invest, and we look forward to working with stakeholders across all sectors to get the job done.



GEORDIN HILL-LEWIS
Executive Mayor
of Cape Town

The City of Cape Town, and I, recognise and honour the incredible work of the CCID in improving and developing our Central Business District. This has been evident in the difficult years we've just lived through, the effects of which are felt in the inner city more than elsewhere.

The CCID's *State of Cape Town Central City Report 2021 – A year in review* is an account of how we have collectively refocused our energy to ensure Cape Town's resilience after lockdown's body blow, and of what needs to be done to ensure that the city retains its global reputation as an innovative, productive and beautiful place.

As the Mayor, I have committed myself to working hand in hand with our residents, NGOs, civil society and the business sector to build a City of Hope – a place able to demonstrate to the rest of the country what is possible when we work together and get the basics right. Looking at the return of thousands of people to our CBD after months of empty streets and boarded-up store fronts, giving life to new restaurants, cafés and shops, it is clear that we are all pulling in the same direction.

We also know there is much to be done. Burgeoning homelessness and crime militate against the recovery in the CBD that we need to see. The City is investing in additional Safe Spaces for the homeless, and a very significant additional investment in law enforcement resources to make the city centre safer.

The CCID is one of the most successful examples of government and active citizens working together to solve problems. This is a partnership that works 24/7 to deliver a safer, cleaner and more caring urban environment for all residents and visitors.

I am fully committed to building more successful public-private partnerships that will, for example, see our rail system devolve to the Metro level so that it can be transformed into a highly functional, safe and reliable public transport network. The same goes for our drive for energy security and our bid to bring an end to loadshedding over time.

This push for more powers to be devolved from national government to the City can only be good for Cape Town. With partners like the CCID, we will continue to do all we can to deliver to the people of Cape Town. Thank you for this excellent report.

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SECTION 01

COVID CONTINUED



LETTER FROM THE CEO + CHAIRPERSON OF THE BOARD



ROB KANE
Chairperson:
Cape Town CCID
+ CEO: Boxwood
Property Fund



**TASSO
EVANGELINOS**
CEO: Cape Town
CCID

It gives us great pleasure to welcome you to this special edition of the Cape Town Central City Improvement District's annual economic review, *State of Cape Town Central City Report 2021 – A year in review*. This is our biggest issue to date, and it marks a decade of consistent research and reporting on the Central City.

This award-winning publication has become a sought-after investment tool and remains a leader in its field in South Africa, an achievement of which we are extremely proud.

Researching and recording the economic performance, property trends and key indicators that shaped 2021 was, at times, challenging due to the limits set by Covid-19 restrictions as lockdown levels fluctuated. But the resounding message remains positive: the Central City once again proved itself resilient in the face of economic uncertainty.

In the year under review, new property investment in the CBD was impressive: our conservative estimate stands at **R5.717 billion**, which includes 13 completed developments and redevelopments,

12 that were under construction and three in the planning phase (pp. 20-21). Of these, key developments delivered in 2021 include the residential complex 16 on Bree (R860 million), the hotel/aparthotel The Rockefeller (R500 million), and Hotel Sky (R400 million). With the overall value of *all* Central City property set at **R43.8 billion** according to the City of Cape Town's 2018/19 property evaluation, it is clear that the CBD remains one of the country's top property investment destinations.

The myriad residential and mixed-use properties coming onto the CBD property market indicate that agile developers – many of whom reconfigured commercial space to accommodate a changing inner city property climate – are confident that there is a market for buyers. Residential property in the CBD rebounded last year, with the number of residential buildings increasing from 69 in 2020 to 77 in 2021, with the median selling price of apartments increasing by 32.8 %, from R1.28 million in 2020 to R1.7 million in 2021 (pp. 34-36).

Commercial landlords continued

to work hard to attract and retain tenants, and to lure office workers back to a more welcoming working environment (pp. 28-29). Within the Cape metropole, the Central City accounts for the largest share of office space and offers the most competitively priced premium grade office space.

While the CBD experienced a stable year, the global economic difficulties experienced in 2021 (now still prevalent in 2022) were felt in various CBD economic sectors.

Retail was one sector that suffered a few knocks – but it rebounded in 2021. This was illustrated by the way in which courageous business owners approached punitive lockdown restrictions to ensure business success. What's more, they remained buoyant throughout the second year of Covid curveballs. The results of our Business Confidence Index (pp. 44-45) paint a positive picture, as do those of our annual Residential Survey (p. 37), which indicate that inner city living remains popular and rewarding.

As we emerge from the pandemic, we remain confident in our downtown's fighting spirit and economic resilience.

YEAR IN REVIEW

After suffering one of its worst-ever economic slumps in 2020, with GDP growth contracting by 6.4 %, the South African economy rebounded in 2021. But it was a bumpy ride, with Covid-19 variants causing major disruptions, especially to the Cape metropole's hospitality industry. Here we give a brief economic overview of 2021.

THE RECOVERY

A supportive global environment, which included soaring commodity prices and a revival in domestic economic activity as lockdown regulations eased and travel resumed, lifted the annual growth rate to 4.9 % last year.

According to PwC, by the end of 2021, activity levels in South Africa's mining, manufacturing and retail sectors had recovered to levels above those seen prior to Covid-19. However, with household income under pressure from job losses and rising prices, the value of real spending in restaurants and coffee shops was estimated at just three-quarters of pre-pandemic levels, while the number of nights sold in tourist accommodation was just more than half the levels seen prior to Covid-19.

WAVE UPON WAVE OF DISRUPTION

After four consecutive quarters of positive economic growth, the economic recovery was temporarily interrupted by civil unrest and a cyberattack that disrupted operations at the country's ports in July 2021. Furthermore, a third wave of infections, driven by the rapid spread of the Delta variant, at a time when just 6 % of the national population had received at least one shot of the

vaccine, prompted the country's return to Alert Level 4 lockdown from 28 June to 25 July. As a result, economic activity contracted once more during the third quarter.

While the recovery in economic activity resumed in the final quarter of the year, it was once again disrupted by a fourth wave of Covid-19 infections towards year-end.

TOURISM HARD HIT

Even before Omicron triggered the fourth wave in December, pandemic fears and international travel restrictions had severely limited tourism in South Africa. The UK officially took South Africa – along with 46 other countries – off the “red list” in mid-October, leading to a boom in bookings ahead of the peak summer holiday season.

Southern African scientists were the first to identify the Omicron variant in November. Later that month, the World Health Organisation declared it a “variant of concern”, prompting the UK to ban travel from seven southern African countries the same day. The US announced similar travel bans the following week.

A snap survey¹ among 600 member businesses of hospitality and inbound tourism industry

associations estimated that the renewed travel bans triggered by the Omicron variant resulted in cancellations valued at an estimated R1 billion from December 2021 to March 2022.

Looking back at 2021, the Western Cape government noted² that international travel declined further in 2021 from 2020's already subdued levels. This slump in foreign visitor numbers was, however, at least partially offset by a robust recovery

- 1 The Washington Post: <https://www.washingtonpost.com/travel/2022/01/06/south-africa-omicron-tourism-travel-bans/>
- 2 <https://www.gov.za/speeches/western-cape-27-recovery-international-trips-december-2021-17-jan-2022-0000>
- 3 <https://www.worldbank.org/en/country/southafrica/overview#1>



in domestic travel – providing welcome relief to the Western Cape tourism and hospitality sector. The lifting of the night-time curfew just before New Year’s Eve provided an additional boost to the hospitality and tourism sectors.

PRICE PRESSURES

While the global economy enjoyed a robust recovery in activity during 2021, the strong growth in demand was met with reduced production as a result of the pandemic. The resultant global supply chain crisis was characterised by a backlog of ships in ports, over-stocked warehouses, and a shortage of truck drivers. This led to an unexpected resurgence in consumer prices worldwide.

The prevailing view for much of 2021 was that the renewed price pressure would prove transitory, and so it was only in the final

months of the year that global central banks – and the SA Reserve Bank – began to acknowledge that inflation was becoming entrenched and that interest rates needed to be normalised to pre-Covid levels. The Bank raised interest rates by 25 basis points in November, the first hike since late-2018.

ECONOMY NOT YET FULLY RECOVERED

Despite the disruptions caused by the third and fourth waves, the annual national GDP growth rate rose to 4.9 % last year. Nonetheless, real GDP continues to lag behind pre-pandemic levels and the economy is nearly 2 % smaller than it was in the first quarter of 2020. According to the World Bank³, nearly 1.9 million fewer people were employed in South Africa by the end of 2021 compared with the quarter before the pandemic.



Honest Chocolate



StayEasy



Nude Foods



Bodega Ramen

GREATER REMOTE WORK LEVELS CAN SPARK CITY CENTRE REINVENTION



JOHN LOOS
Senior Economist:
Commercial
Property Finance,
FNB

The authorities of some of the big cities of the world have expressed concern over the high level of remote work still taking place even after the end of hard lockdowns. The mayor of New York has been vocal on this matter, urging companies to get their employees back to work.

Indeed, certain CEOs of major US corporates have made it clear that employees need to return to work, with some showing scant regard for the benefits of working from home when it comes to commuting costs and time-saving.

But in a free and democratic country such as South Africa, coercing workers back to the office is not as easy as it seems. Some companies have tried, but the labour market has a major say in this, with top employees having the option to move to competitors that offer greater flexibility of work, often used as a carrot to attract top skills.

This, in turn, is leading certain companies which had previously taken a hard line on workers getting back to the office to relax their office attendance requirements. The modern reality is a never-ending advance in information and communications technology, which makes labour increasingly mobile and the location of work increasingly flexible for many office workers.

While mayors worry about the future of business in their CBDs, company CEOs are equally concerned about the future of

their company culture, believing it will suffer in the absence of office attendance.

But humankind is adaptable. And history tells us the business districts have faced such threats before: think of the retail and office decentralisation of previous decades. Cities that were proactive in preventing decay and “crime and grime” reinvented themselves and continued to flourish, while others deteriorated significantly.

South Africa has examples of both scenarios: Johannesburg, Durban and other CBDs decayed sharply in the 1990s as the purchasing power exodus to the suburbs unfolded, while the Cape Town city centre continued to thrive.

Now is not the time to deny the unfolding reality of greater work flexibility. It is real. Granted, a portion of the work force has returned to the office following the hard lockdowns. But the daily attendance numbers are not back up to pre-Covid 19 levels and are unlikely to get there.

This will likely lead to a downward revision of office space requirements by many companies.

In addition, the realisation is dawning that offices need to be reinvented to encourage staff to want to be there. Ditto for central business districts. Companies in New York say that high crime rates are a key reason for staff not wanting to commute to Manhattan via public transport. The city’s mayor might urge companies to get their employees back to the office, but the companies (and the city) have only limited power to achieve that. The debate has shifted to what needs to be done to improve the appeal of commuting into Manhattan.



Efforts to make company offices more appealing are under way, and efforts to make city centres more appealing will likely get under way, if they aren’t already. The city centre of the future is likely to have a bigger portion of residential property in its total property stock, and a smaller percentage of office space. It will be less of a commuter destination and more of a place to live and play. Offices are being redesigned to cater for an employee who looks for greater well-being, while recent high-density residential developments with more impressive recreational amenities reflect an intensified search for well-being among skilled labour. The thriving business districts of the future will follow suit, increasing efforts to be attractive places to live, work and play, driven by the lack of a captive market of daily commuters who have to be there.

The Cape Town Central City, with its beautiful Table Mountain backdrop, has a lot going for it. And it has a proven track record of surviving and thriving through past retail and office decentralisations. It did so through a good understanding of those trends and what needed to be done. Greater remote work is just another leg of the work “decentralisation”. But history tells us that country’s most successful downtown can survive and thrive and may end up even more appealing as a place to live and play.

THE GREAT PROPERTY STAGGERING

Navigating altered landscapes and shifting business models in the property sector



DION CHANG
Founder & CEO:
Flux Trends

It goes without saying that a lot has happened in the past two years. If you are in retail, you can pivot to meet the challenges head on but in the built environment, change happens more slowly and is more difficult to execute. The pandemic has had a ripple effect, spawning game-changing trends that are prompting the reimagining of real estate.

THE LIFE AUDIT

Psychologists believe it takes just 21 days for people to adopt new habits or behaviours. Given the devastation wrought by the pandemic during the last 24 months – including loss of life and/or earnings – it's clear that irreversible behaviours have been entrenched. This has led to people re-evaluating their lives, with many facing an existential crisis. This has manifested in trends like “semigration”, “revenge” travel (when people travel even if they can't afford it as a knee-jerk reaction to lockdowns and travel bans), the Great Resignation and the Anti-work movement. This ripple effect of the Life Audit on the changing priorities of employees will continue to affect the world of work in the foreseeable future.

COME BACK TO WORK, PLEASE

With the unleashing of a workplace revolution, companies are fast having to rethink their office offering

to lure workers back to the office, from a physical reconfiguration of space to reengineering rewards and benefits to create a post-pandemic company culture. Leading the way in the United States is Google, which has created garden “plots” facing the Hudson River and biophilic design at its Manhattan HQ. This buys into the rise of so-called “fresh air converts”: workers don't want to be confined to enclosed areas anymore with savvy corporates incorporating open-air restaurants or canteens to cater for this trend. A hybrid workforce has very different needs. The change we have embarked on cannot be underestimated.

RECALIBRATING COMMERCIAL REAL ESTATE

Commercial property owners are having to recalibrate commercial real estate to fit the needs of a post-pandemic population. As the need for commercial space decreases, commercial property owners need to adapt and re-use their properties. Overseas, offices are being converted into centres of learning or so-called “dark” stores; in the UK, Gloucester's iconic Debenhams building is set to become a University of Gloucester campus after the company ceased trading in 2021 and the teaching facility is set to open in 2023. So-called “dark” stores – brick-and-mortar locations that have been reimagined and turned into distribution outlets for order fulfilment – are also a commercial property trend to watch.

THE CONTACTLESS ECONOMY

Consumers continued to consume despite the pandemic. Globally, shopping volumes have increased since the onset of Covid-19 with

the rise (and rise) of the contactless economy. While offerings like Checkers Sixty60 were a response to consumers being restricted to their homes, ordering groceries online and having them delivered within an hour is fast becoming too long. Consumers have become impatient and grocery delivery options to the consumer's doorstep within 15 minutes of ordering are now happening overseas paving the way for smart, agile entrepreneurs in South Africa to follow suit.

SEMIGRATION FOR SAFETY & STABILITY

The residential property landscape has been changed by the “semigration” trend with South Africans moving for safety and stability reasons. Certain areas in the country, in particular the Western Cape, are experiencing a post hard-lockdown boom with affluent buyers relocating to towns like Hermanus and Paarl that offer a better quality of life in the wake of the pandemic, unrest during 2021 and the poor service delivery of municipalities, giving rise to super-commuters.

CO-LIVING & COMMUNAL LIVING

Business models are changing to accommodate young professionals who work remotely and have become global digital nomads, with forward thinking property developers offering flexible co-living and co-working space to meet their needs. Neighbourgood, a property development and management company in Cape Town, has been redeveloping buildings into all-inclusive living and working spaces that offer flexible, fully furnished accommodation and superior amenities where a sense of community is central.

This report was presented at the 9th Annual Conference of the WC Property Development Forum 2022.

UNLEASHING OPPORTUNITIES IN THE BUILT ENVIRONMENT



**FRANÇOIS
VIRULY**

Director: Urban Real
Estate Research
Unit, University
of Cape Town

There is a growing recognition that decisions made in the real estate sector have a role to play in the development of prosperous, inclusive and sustainable cities. The real estate sector encompasses a broad group of stakeholders who engage in different spheres of the built environment and influence the location and quality of space in which we live, work and play. But the sector's ability to play its social role relies largely on the success of

local government programmes and their ability to create an appropriate legislative and regulatory environment. Successful cities also rely on a strong level of collaboration between private and public sectors.

It has been estimated that 60 % of the global population will live in urban areas by 2030. South Africa is similarly seeing a rapid rate of urbanisation that places considerable strain on municipal infrastructure and services. It is estimated that in 2020, over two-thirds (67 %) of the South African population lived in urban areas. By 2050, South Africa's population is projected to grow by an additional 19-24 million people (State of Cities Report 2021) with a significant proportion of this growth located in urban areas.

The Cape Town population has increased by some 20 % from 2011 to 2019 (SOCR), with the local economy struggling to absorb this growth – the unemployment rate in Cape Town is estimated at 22.5 % (SA Cities Network).

As highlighted in the South African 2021 SOCR, the ability of South African cities to effectively respond to growing urban challenges remains patchy. The report highlights that success in meeting social and economic outcomes will be influenced by the governance of cities; creating productive cities; creating inclusive cities; creating sustainable cities; and by changing the legislative and regulatory environment to unleash the potential of cities.

It is also accepted that creating a level of trust within communities



and building a strong working relationship between the public and private sectors is critical in order to develop appropriate urban interventions.

The adoption of the principles associated with a stakeholder economy provides new opportunities for urban communities to work together. Private sector enterprises are rapidly adopting Environment, Social and Governance (ESG) frameworks which recognise the need to be accountable to a wider spectrum of stakeholders. This has resulted in triple bottom line reporting which encapsulates the following: people, planet and profit.

For investors and developers this also requires the identification of the risks and opportunities associated with a rapidly changing social, economic, and environmental environment. There is an equal recognition that entities in the public and private sectors have unique strengths in reducing risks in the urban environment and in the promotion of new opportunities.

While the private sector has, in recent years, focussed on the “E” of ESG and the adoption of green technologies, there is a call to place a greater focus on the “S” of the ESG objectives. This means emphasising the social outcomes and social value that investments and developments in the property sector create.



Indirectly, the “S” of ESG relates to the ability of the built environment to enhance economic, social and environmental well-being. The Urban Land Institute in the United States highlights that social value is created to a large degree by the collaboration between government and private sector entities. It also emphasises corporate leadership, transparency, innovation, education and collaboration.

Globally, the future urban agenda is guided by the UN’s 2015 Human Habitat sustainability development goals (SDGs). A total of 17 SDGs were identified, ranging from the reduction of urban poverty and hunger, to the provision of adequate housing. Attached to the 17 SDGs are 169 targets which need to be reached by 2030 for the programme to meet its objectives.

The built environment can deliver on the SDGs in numerous ways: there are opportunities in the provision of housing, clinics, student accommodation and urban infrastructure.

The sustainable development goals framework is also supported by the UN Development Programme’s New Urban Agenda which highlights the important links between sustainable urbanisation, job creation, enhanced livelihood opportunities and improved quality of life. The challenge lies in creating a framework that promotes investment and development activities with financial investment returns – but which simultaneously develops a quality urban environment.

While private sector decision-making in the built environment shapes the places where people live, work and play, the ability to effectively improve city livelihoods and respond to challenges in the urban environment requires a strong partnership between different social and economic stakeholders.

The starting point however lies with government providing a clear vision for the future of the urban environment which unleashes the potential of the private sector to be part of the delivery of social and economic outcomes.



SECTION 02

OPEN FOR BUSINESS



CAPE TOWN IN CONTEXT

The Cape Town Central City is the traditional Central Business District of the Cape metropole, situated in the Western Cape province of South Africa. The information on these pages provides background to the context in which they find themselves and a deeper understanding of the most successful inner city in the country.

GROSS DOMESTIC PRODUCT (GDP)¹

Latest available data (EPIC Q3 2021)

South Africa: R4.4 trillion

Western Cape: R641 billion

Cape Town: typically contributes
72 % of the provincial GDP annually

GROSS VALUE-ADDED SECTORS

Latest available data (EPIC Q3 2021)

In 2020, the city's highest gross
value-added (GVA) sectors in its
economy were:

Finance & other business: +35.6 %

Community services: +20.2 %

Trade: +15.2 %

Manufacturing: +13.9 %

Transport: +8.6 %

GDP PER CAPITA²

Latest available data (EPIC Q3 2021)

South Africa: R83 163

Western Cape: R97 698

Cape Town: R106 987



AIR TRAVEL³

During 2021, 4 757 855 people passed through Cape Town International Airport.

In total 15 765 603 passengers moved through South Africa's three international airports in 2021: Cape Town International, OR Tambo International and King Shaka International.

ESTIMATED POPULATION RATES (2021)⁴

South Africa: 60 142 978

Western Cape: 7 113 776
(11.8 % of national population)

Cape Town: 4 604 986

CARGO TONNAGE

The Port of Cape Town handled 16.6 % of all containers in South Africa in Q3 2021, with the Port of Durban remaining the largest container-handling port in the country. The number of containers handled at the Port of Cape Town decreased by 5 % to 196 465 twenty-foot equivalent units (TEUs) in Q3 2021 compared with the previous year.

EMPLOYMENT

The number of people employed in Cape Town increased by 40 246 individuals from year-earlier levels during Q3 2021 (latest available data), bringing the total number of people employed to 1.46 million. Six sectors showed signs of recovery, while four sectors continued to shed jobs compared to the same period in 2020. Finance, real estate and business services created the most jobs (+47 432) in Q3, followed by construction (+18 062) and transport and communication (+22 061). Once again, trade, hotels and restaurants accounted for the largest loss of employment (-49 821) compared to year-earlier levels.

According to the Quarterly Labour Force Survey, Cape Town had a broad unemployment rate⁵ of 30.2 % during Q3 of 2021, the lowest among all South African metros.

CAPE TOWN ACCOLADES FOR 2021

Africa's Leading City Destination
(World Travel Awards)

World's Leading Festival & Event Destination (World Travel Awards)

Number 1 in Top 10 Cities in Africa & the Middle East (*Travel + Leisure* 2021 World's Best Awards)

Number 20 in Best City in the World (*Travel + Leisure* 2021 World's Best Awards)

Cape Town International Airport named **Africa's Leading Airport** for the 5th consecutive year

City of Cape Town awarded **Medal of Honour** for GreenCape/WC Industrial Symbiosis Programme (5th Guangzhou International Awards for Urban Innovation)

Twelve Apostles Hotel and Spa voted Number 16 in the **Top 30 Hotels in Southern Africa** (*Condé Nast Traveller* Readers' Choice Awards 2021)

The Westin Cape Town ranked as **South Africa's Best MICE Hotel 2021** (World MICE Awards)

Cape Grace Hotel voted Number 1 **City Hotel in Africa** (*Travel + Leisure* 2021 World's Best Awards)

Hotel Verde Cape Town Airport named **Best Luxury Airport Hotel in Africa** (2021 World Luxury Awards)

La Colombe & FYN restaurants ranked 81 & 92 respectively in **World's 50 Best Restaurants** extended 51-100 list, La Colombe also named **Best Fine Dining Restaurant in Africa** (Tripadvisor)

¹ At constant 2015 prices, seasonally adjusted and annualised.

² At current prices.

³ Airports Company South Africa.

⁴ National and regional population estimates from Mid-Year Population Estimates 2021, Statistics South Africa. Cape Town estimate from EPIC Q3 2021.

⁵ Broad unemployment rate includes unemployed people not actively seeking employment.



INVESTING IN THE MOTHER CITY

In 2021, the Cape Town economy continued to be battered by harsh lockdown restrictions imposed by the South African government. However, the Western Cape province, the city and the CBD held their own, becoming a “semigration” destination for other South Africans – a factor to add to the myriad other reasons why Cape Town remains one of the country’s excellent investment destinations.

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 Botanical Garden, along with 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 it has 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 tech hub of Africa and a leader in African BPO (business process outsourcing) innovation. Fields like business process management have been leading creators of jobs in Cape Town over the past few years.

ACCESSIBILITY

Air Access

- Cape Town International Airport (CTIA) is Africa’s third largest airport. It is considered to be the best on the continent, having won the Skytrax World Airport Awards “Best Airport in Africa” award six times. 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.

- In 2021, Cape Town Air Access, an air-route development project housed within Wesgro, assisted in relaunching flights to Cape Town International Airport from 23 international destinations served by 18 international airlines in 2021. Flights to 11 out of 13 pre-pandemic African destinations were re-established for Cape Town International Airport.
- Cape Town International Airport processed a total of 4 746 806 two-way passengers (both domestic and international terminal passengers) in 2021, a 19 % increase in two-way passenger volumes compared to 2020.

- In 2021, Domestic Terminal two-way passenger recovery was 50 %, compared to 2019. Two-way passenger recovery at the International Terminal was 20 % in 2021, compared to 2019.

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; a multi-million-rand Cruise Terminal at the V&A Waterfront opened 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 shifting 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.
- The Western Cape province was the top performing province in terms of audit outcomes, according to the Auditor General report for 2019/2020. A total of 70 % of departments and entities received clean audits.

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.

- 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 sectors; 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.
- Cape Town hosts a globally recognised film and media production industry.

AN ENABLING BUSINESS ENVIRONMENT

As a global mid-sized developing city, 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 and other high-tech processes.

The City's strategic and targeted approach aims to create the right conditions for growth. This includes reliable infrastructure and providing relief from Eskom power cuts (known locally as loadshedding). The City is focusing on specific sectors poised for growth, which will attract investment and create jobs.

In August 2020 the City facilitated access to investment incentives enabling Amazon Web Services to invest in Cape Town – the largest

capital investment in South Africa since 1994. Amazon now employs more than 3 000 people in the city.

Cape Town 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. Several new initiatives and the founding of several renewable company head offices in the city are leading the renewable energy and clean-tech industries.

LOW UNEMPLOYMENT RATES

The city's unemployment rate remains stable: according to the Quarterly Labour Force Survey, during Q3 of 2021 Cape Town had a broad unemployment rate of 30.2 % – the lowest among all South African metros. In Q4 of 2020, the unemployment rate was 29 %. Even though unemployment in the Western Cape was exacerbated by Covid-19, in Q3 of 2021 its 30.2 % unemployment rate was the lowest among all South African metros.

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 created during the Apartheid era, 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.



INVESTMENT PARTNERS

As the city entered the second year of the pandemic, downtown Cape Town proved somewhat resilient to the economic knocks thanks to key partnerships in the Central City across the private and public sector, which facilitated the fostering of a stable economy and promoted investment.

CAPE TOWN CENTRAL CITY IMPROVEMENT DISTRICT (CCID)

Since its inception 20 years ago, the CCID has worked hard to ensure downtown Cape Town is free of crime, a clean 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, is a non-profit company that exists in terms of the City of Cape Town'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, namely 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 HR-related administration. With a full-time staff of 18 people, the CCID oversees a total workforce of more than 600 people who carry out its mandate to manage the public spaces between the buildings of Cape Town's traditional downtown area.

WHERE: 1 Thibault Square, cnr Long St & Hans Strijdom Ave (Precinct I)
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: Tannery Office Park,
Belmont Road, Rondebosch
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 and 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

Launched in 2016 by the City of Cape Town, the Invest Cape Town initiative aims to build the city's brand as a world-class investment destination. By promoting Cape Town'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) opened in the Cape Town CBD in 2017. The office promotes investment 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, with Wesgro as the management entity.

InvestSA is the primary shareholder in One-Stop Shop, in partnership with DTI and the Department of Economic Development and Tourism.

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

Diversity is the name of the game when it comes to the private and public enterprises that do business in downtown Cape Town. Here is a snapshot of the city's economic engine as it stood at the end of 2021.

There are **2 981** entities doing business in the Cape Town Central City. They operate in the following categories and sub-categories:

There are a total of **1 163** retail and entertainment entities, with the number given for each CBD precinct. Please refer to the map on the inside front cover. They are broken down as follows:



	P1	P2	P3	P4	TOTAL
Adult entertainment	1	7	1	1	10
Adult-themed shops	1	1	1	0	3
Art galleries	0	17	4	2	23
Auctioneers	1	1	0	0	2
Bakeries	1	1	0	2	4
Barber shops	3	10	5	5	23
Barrows & kiosks	1	6	9	0	16
Bars & clubs	6	22	23	6	57
Booksellers & publishers	0	3	2	1	6
Butcheries	0	0	0	3	3
Clothing & shoes	5	35	12	62	114
Coffee shops & cafés	14	31	10	15	70
Curios & markets	0	16	2	0	18
Chain stores	2	8	0	11	21
Discount stores	1	4	0	6	11
Electronics, photography & music	3	11	1	7	22
Fashion, accessories & handbags	1	3	0	4	8
Florist	0	1	0	0	1

	P1	P2	P3	P4	TOTAL
Furniture, lighting & décor	5	15	8	8	36
Gyms	3	5	5	0	13
Hair salons	4	26	4	19	53
Hardware	0	2	1	3	6
Health & beauty (incl. spas)	5	15	10	8	38
Internet cafés	0	5	0	5	10
Jewellery design & manufacturing	5	28	2	10	45
Laundry, dry cleaning, shoe repair & tailors	4	6	2	10	22
Liquor stores & wine merchants	1	4	2	4	11
Locksmiths & security	1	1	0	0	2
Luggage & leather goods	0	2	0	2	4
Mobile devices (cell phones)	5	33	3	31	72
Motor car dealers	6	1	2	0	9
Motorcycle dealers	1	2	1	0	4
Motor parts & repair businesses	1	6	5	3	15

	P1	P2	P3	P4	TOTAL
Opticians & eyewear	2	3	0	5	10
Pawn shops	0	2	0	1	3
Petrol stations	1	1	4	0	6
Pharmacies	3	3	0	3	9
Plumbing & sanitaryware	0	1	0	0	1
Postage & couriers	2	1	0	1	4
Printing, copying & lamination	3	8	2	6	19
Restaurants	20	68	35	22	145
Speciality stores	2	11	11	10	34
Sporting equipment & clothing	2	7	5	5	19
Superettes	7	20	10	16	53
Stationery & packaging	1	1	0	0	2
Supermarkets	0	3	2	3	8
Takeaways	10	32	8	36	86
Theatres	1	1	1	0	3
Vintage & second-hand stores	0	5	1	3	9
TOTAL	135	495	194	339	1163

COMMERCIAL AND RETAIL SPACE

Total commercial (office) space as at Q4 2021	Office vacancy rate as at Q4 2021	Total retail space in the Central City	Retail vacancy rate as at Q4 2021
1 036 579	16.1 %	271 040	9.9 %

LEGAL SERVICES	655
law firms	159
advocates	496

GENERAL CORPORATES & HEAD OFFICES	63
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ACCOMMODATION & TRAVEL	134
airlines	2
backpackers	20
car hire	10
embassies	19
hotels (including aparthotels)	43
student accommodation	7
travel services	33

ICT & TELECOMS	80
information & communication technology	69
telecoms	11

MEDICAL PRACTICES	228
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INDUSTRIAL COUNCILS & NPOS	57
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SPECIALISED SERVICES	43
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FREIGHT, CUSTOMS BROKERING & SHIPPING	34
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ARTISTIC STUDIOS	29
-------------------------	-----------

CO-WORKING SPACES	19
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FINANCE, INVESTMENT, INSURANCE & BANKING	175
accountants	27
insurers	29
investment companies	19
financial services	100

ARCHITECTURE, ENGINEERING & SURVEYING	85
architects	42
engineers	16
energy companies	14
surveyors	10
land surveyors	3

EDUCATION & RESOURCES	76
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COMMS, MEDIA & ADVERTISING	73
advertising	13
communications	5
film & TV production	17
marketing & branding	9
media	14
printing & publishing	6
specialised & other	9

PROPERTY & REAL ESTATE	41
commercial broker	1
estate agencies	5
project management	7
investment brokers	5
property developers	23

EMPLOYMENT & RECRUITMENT	26
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VALUE OF CENTRAL CITY PROPERTY 2021/2022

R43 841 482 248

The overall official 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).

R5 717 000 000

A conservative estimate of the total value of property (**completed, under construction and planned**) in the Central City during 2021. There were no proposed developments in 2021 but The Carrington came on stream in 2022.

R2 485 000 000

A conservative estimate of the value of property **completed** in the Central City during 2021 but which is yet to be officially assessed by the City of Cape Town.

R1 732 000 000

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

R1 500 000 000

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

153 GOVERNMENT FACILITIES (PRE-COVID-19)*

National government	47
Provincial government	51
Local government	21
Parastatals	8
Government agencies	26
Political parties**	5
Total number of government employees ***	23 076
Number of people using government facilities daily ***	29 335

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

** Political party tallies have been not included in the government facilities figure.

*** The number of people using government facilities and the total number of government employees have not been updated for 2021 due to Covid-19 as most people in this sector have been working from home.



Duck Duck Goose

DOING BUSINESS IN THE CENTRAL CITY

Each year, this report analyses the diverse economies that make up the Cape Town Central City economy, identifying trends, patterns and shifts in the way business is conducted.

In 2021 the number of business entities overall increased from 2 846 to 2 981

In 2021, despite see-sawing lockdown levels and varying economic and other restrictions, the local economy saw a strong return to growth, with most sectors recording a positive output. This was also reflected in the downtown Cape Town economy: 14 of the 17 economic sectors operating in the Cape Town Central City grew in size, with the number of business entities overall increasing from **2 846 to 2 981**.

The largest sector – retail – increased its footprint from 1 126 entities in 2020 to 1 163 in 2021. The

second-largest sector – legal services – experienced the second-largest growth with the number of entities recorded in 2020 (622) increasing by 33 businesses to 655 in 2021. The fourth-largest sector – finance, investment, insurance and banking – experienced the third-largest increase, growing by 15 businesses from 160 entities in 2020 to 175 entities in 2021.

Only two of the 17 sectors experienced negative growth: the education and resources sector decreased in size from 78 to 76 entities and the property and real

estate sector was down by seven entities, from 48 to 41.

Co-working spaces, which have benefitted from the hybrid work model and the digital nomad economy, held their own in the Cape Town CBD, with three new co-working spaces opening in 2021.

Artistic studios, which form part of the city's resilient art economy, also fared well in 2021 with the number increasing from 22 to 29. The number of art galleries (which form part of the retail economy) grew from 20 in 2020 to 23 in 2021.



Book Lounge



Black Betty



BREAKDOWN OF BUSINESSES IN THE CENTRAL CITY

A total of **2 981** businesses were operating in the Central City in 2021, an increase of 135 from the previous year in spite of the coronavirus pandemic. For convenience, they are listed numerically in size from the largest to the smallest.

SECTOR	2020	2021	change
Retail	1 126	1 163	+ 37
Legal services	622	655	+ 33
Medical practices	224	228	+ 4
Finance, investment, insurance & banking	160	175	+ 15
Accommodation & travel	127	134	+ 7
Architecture, engineering & surveying	76	85	+ 9
ICT & telecoms	80	80	0
Education & resources	78	76	- 2
Comms, media & advertising	65	73	+ 8
General corporates & head offices	58	63	+ 5
Industrial councils & NPOs	55	57	+ 2
Specialised services	36	43	+ 7
Property & real estate	48	41	- 7
Freight, customs, brokering & shipping	28	34	+ 6
Artistic studios	22	29	+ 7
Employment & recruitment	25	26	+ 1
Co-working spaces	16	19	+ 3
TOTAL	2 846	2 981	+ 135



East City Cycles



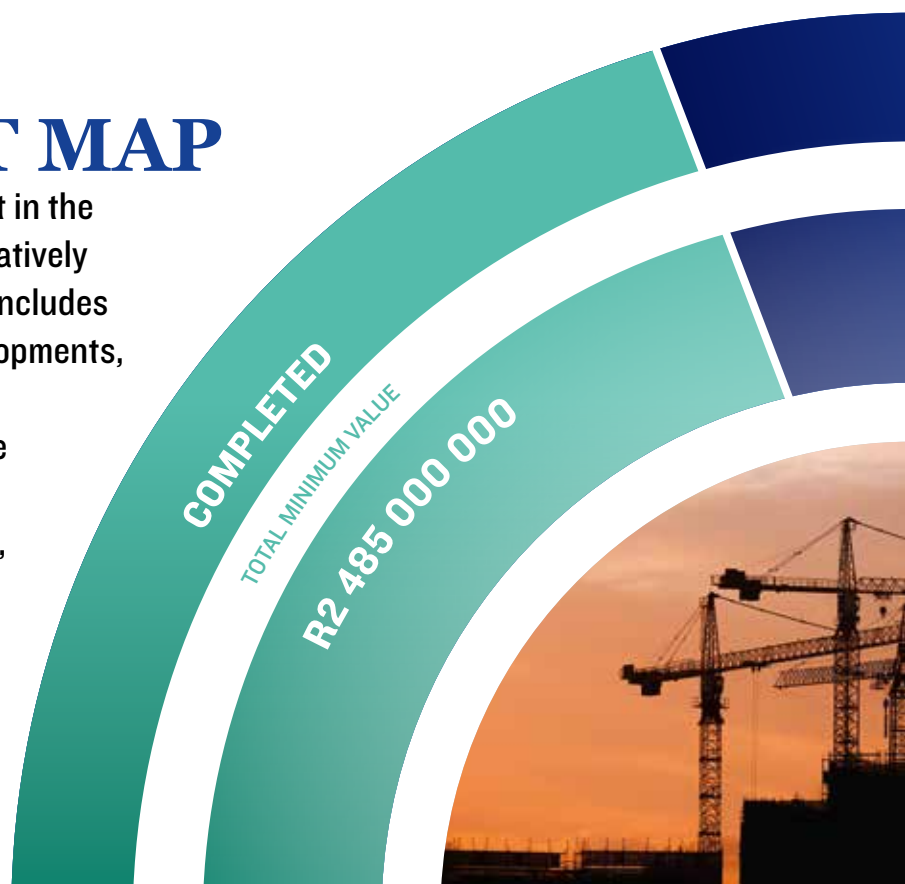
The Drinkery

SECTION 03

PROPERTY FILE

PROPERTY INVESTMENT MAP

The total value of property investment in the Cape Town CBD during 2021, conservatively estimated, was **R5.717 billion**. This includes completed developments and redevelopments, as well as those under construction and in the planning phase. There were no proposed developments in 2021. Here is a breakdown of developments, ranging from residential properties, to commercial, hotel/aparthotel and mixed-use properties.



PROJECTS COMPLETED IN 2021

- R** 16 on Bree **P1** VALUE R860 000 000
DEVELOPER FWJK

- H** Hotel Sky* **P1** VALUE R400 000 000 DEVELOPER WBHO

- H** The Rockefeller **P1** VALUE R500 000 000
DEVELOPER Ryan Joffe Properties

- M** Foreshore Place **P1** VALUE R373 000 000
DEVELOPER HBW Group

- H** Old Bank Hotel* **P2** VALUE TBC
DEVELOPER Lion Roars Hotels & Lodges

- C** The Felix (Picbel Parkade)* **P2** VALUE R40 000 000
DEVELOPER Boxwood Property Fund

- H** BlackBrick Cape Town* **P2** VALUE R107 000 000
DEVELOPER Ryan Joffe Properties

- R** Uxolo **P3** VALUE R35 000 000
DEVELOPER I28 Developments

- H** The Capital I5 on Orange* **P3** VALUE R20 000 000
DEVELOPER Capital Hotels & Apartments

- C** 75 on Plein **P4** VALUE TBC DEVELOPER KMH Architects

- M** Neighbourgood East City* **P4** VALUE R80 000 000
DEVELOPER Neighbourgood

- R** HOMii Valencia **P4** VALUE TBC DEVELOPER HOMii

- M** The Harri **P4** VALUE R70 000 000
DEVELOPER Sepia & Silk

*These are redevelopments or renovations.

PROJECT TYPES

R
Residential

C
Commercial

M
Mixed-use

H
Hotel/
aparthotel

P
Parastatal

In Section 5, from pages 52 – 75, we give a detailed breakdown of these developments in four precincts of the CCID's geographical footprint in the inner city.

UNDER CONSTRUCTION

TOTAL MINIMUM VALUE

R1 732 000 000

PLANNED PROJECTS

TOTAL MINIMUM VALUE

R1 500 000 000

The total value of property investment in the Cape Town CBD during 2021
R5 717 000 000[†]

[†] Harbour Arch, the R16 billion Amdec Group development on the Foreshore (PI) falls just outside the CCID geographical footprint and is excluded from this total.

PLANNED PROJECTS IN 2021

P Telkom Exchange Foreshore **PI** VALUE TBC
DEVELOPER Telkom

M City Park **P2** VALUE TBC
DEVELOPER Ingenuity Property Investments

M The Fynbos **P3** VALUE R1 500 000 000
DEVELOPER Lurra Capital & TwentyEightZeroTwo Architects

PROJECTS UNDER CONSTRUCTION IN 2021

R Fleetway House **PI** VALUE R60 000 000
DEVELOPER TBC

M One Thibault* **PI** VALUE R500 000 000
DEVELOPER Flyt Properties

C The Box (Atterbury House)* **P2** VALUE R72 000 000
DEVELOPER Boxwood Property Fund

M The Barracks **P2** VALUE R150 000 000
DEVELOPER Gera Investment Trust

M Neighbourhood Reserve* **P2** VALUE R75 000 000
DEVELOPER Neighbourhood

M The Rubik **P2** VALUE R500 000 000
DEVELOPER Amland

R The Tokyo **P2** VALUE R130 000 000
DEVELOPER Rawson

C I4 Long Street* **P2** VALUE R15 000 000
DEVELOPER Boxwood Property Fund

C 91 Bree Street **P2** R35 000 000
DEVELOPER Developed by owner

C 33 Waterkant Street **P2** R20 000 000
DEVELOPER Apollon Property Fund

C 99 Harrington Street **P4** R25 000 000
DEVELOPER Roni Shaltiel

M Shiro Towers **P4** R150 000 000
DEVELOPER Wolf & Wolf Architects

PROPERTY DEVELOPMENTS 2021



1 **16 ON BREE (P1)**
RESIDENTIAL
R860 000 000
DEVELOPER FWJK

2 **HOTEL SKY* (P1)**
HOTEL R400 000 000
DEVELOPER WBHO

3 **THE ROCKEFELLER (P1)**
HOTEL/APART-
HOTEL R500 000 000
DEVELOPER Ryan Joffe
Properties

4 **FORESHORE
PLACE* (P1)**
MIXED-USE
R373 000 000
DEVELOPER HBW Group

5 **OLD BANK HOTEL* (P2)**
HOTEL TBC
DEVELOPER Lion Roars
Hotels & Lodges

6 **THE FELIX (PICBEL
PARKADE)* (P2)**
COMMERCIAL
R40 000 000
DEVELOPER Boxwood
Property Fund

7 **BLACKBRICK CAPE TOWN*
(P2)**
HOTEL/APARTHOTEL
R107 000 000
DEVELOPER Ryan Joffe
Properties

8 **UXOLO (P3)**
RESIDENTIAL
R35 000 000
DEVELOPER I28
Developments

9 **THE CAPITAL 15 ON
ORANGE* (P3)**
HOTEL/APARTHOTEL
R20 000 000
DEVELOPER Capital Hotels
& Apartments

10 **75 ON PLEIN (P4)**
COMMERCIAL TBC
DEVELOPER KMH Architects

11 **NEIGHBOURGOOD EAST
CITY* (P4)**
MIXED-USE R80 000 000
DEVELOPER Neighbourgood

12 **HOMII VALENCIA (P4)**
RESIDENTIAL TBC
DEVELOPER HOMii

13 **THE HARRI (P4)**
MIXED-USE
R70 000 000
DEVELOPER Sepia & Silk

14 **FLEETWAY HOUSE (P1)**
RESIDENTIAL
R60 000 000
DEVELOPER TBC

*These are redevelopments or renovations.

KEY:

● COMPLETED DURING 2021 ● UNDER CONSTRUCTION ● PLANNED



15 ONE THIBAULT* (P1)
MIXED-USE
R500 000 000
DEVELOPER Flyt Properties

16 THE BOX (ATTERBURY HOUSE)* (P2)
COMMERCIAL R72 000 000
DEVELOPER Boxwood Property Fund

17 THE BARRACKS (P2)
MIXED-USE
R150 000 000
DEVELOPER Gera Investment Trust

18 NEIGHBOURGOOD RESERVE* (P2)
MIXED-USE R75 000 000
DEVELOPER Neighbourgood

19 THE RUBIK (P2)
MIXED-USE
R500 000 000
DEVELOPER Abland

20 THE TOKYO (P2)
RESIDENTIAL
R130 000 000
DEVELOPER Rawson

21 14 LONG STREET* (P2)
COMMERCIAL
R15 000 000
DEVELOPER Boxwood Property Fund

22 91 BREE STREET (P2)
COMMERCIAL
R35 000 000
DEVELOPER Developed by owner

23 33 WATERKANT STREET (P2)
COMMERCIAL R20 000 000
DEVELOPER Apollon Property Fund

24 99 HARRINGTON STREET (P4)
COMMERCIAL
R25 000 000
DEVELOPER Roni Shaltiel

25 SHIRO TOWERS (P4)
MIXED-USE
R150 000 000
DEVELOPER Wolf & Wolf Architects

26 TELKOM EXCHANGE FORESHORE (P1)
PARASTATAL TBC
DEVELOPER Telkom

27 CITY PARK (P2)
MIXED-USE TBC
DEVELOPER Ingenuity Property Investments

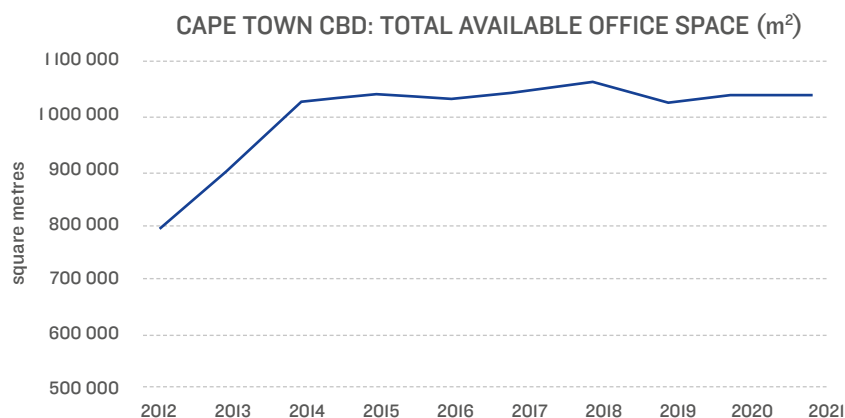
28 THE FYNBOS (P3)
MIXED-USE
R1 500 000 000
DEVELOPER Lurra Capital & TwentyEightZeroTwo Architects

COMMERCIAL PROPERTY TRENDS

Commercial property owners and landlords were given a run for their money in 2021 as the pandemic continued to play havoc with the office and rental landscape. Commercial property developments were thin on the ground, with developers reimagining existing workspaces and introducing more flexible arrangements. The amount of office space in the CBD increased due to more A-grade office space becoming available, posing challenges for landlords as office workers continued to resist coming back to the office.

Over the past decade, total office space in the CBD has grown from 784 920 m² in 2012 to over a million square metres in 2021 – an increase of nearly one third (+32.1 %).

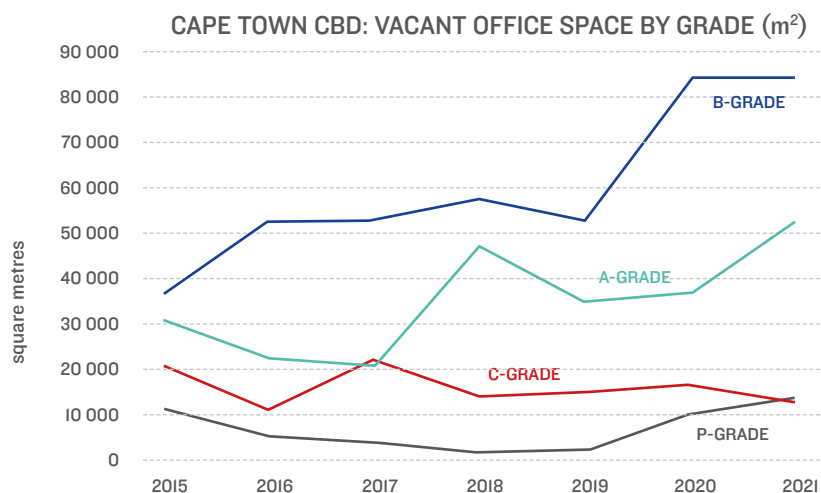
Total office space in the Central City – both occupied and vacant – remained largely unchanged in 2021, ending the year at 1 036 579 m². This is just 2 128 m² less than the total recorded at the end of 2020, due in part to the conversion of office space to residential units.



SOURCE: SAPOA Office Vacancy Report (Q4 2021)

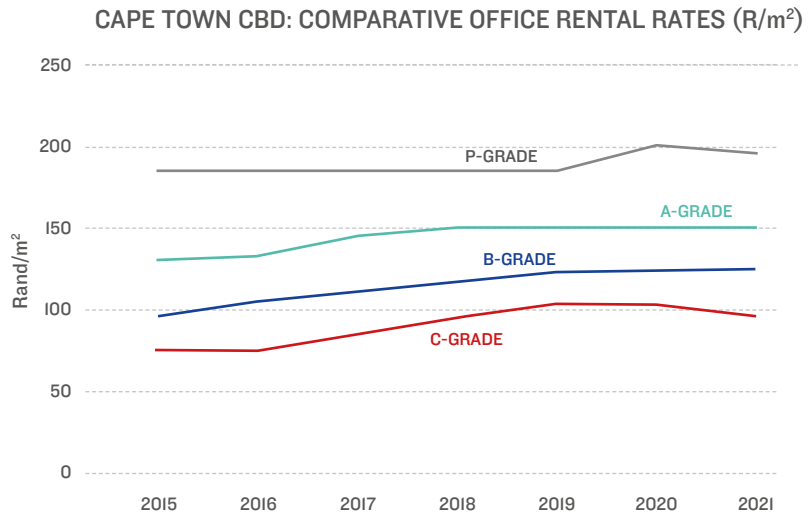
The office space available for rent increased by 14 936 m² during 2021, due to an 14 306 m² increase in A-grade office space (see table). Vacant office space in P-grade buildings increased by 3 377 m² last year, which was largely offset by a 3 295 m² decrease in available C-grade office space.

Office space available in B-grade buildings remained largely unchanged last year, following a significant increase of 29 981 m² in 2020, according to SAPOA (SA Property Owners Association).



SOURCE: SAPOA Office Vacancy Report (Q4 2021)

Asking office rentals remained largely unchanged during the past year – with minor downward adjustments in both P-grade and C-grade. Given that the consumer inflation rate averaged +4.6 % in 2021, this indicates a decline in real (inflation-adjusted) rentals last year.



SOURCE: SAPOA Office Vacancy Report (Q4 2021)

SUMMARY OF RENTAL OFFICE SPACE IN THE CBD (AS AT Q4 2021)

Grade	Total rentable area (m ²)		Available to lease (m ²)		Vacancy rate (%)		Ave gross asking rental (R/m ²)	
	2020	2021	2020	2021	2020	2021	2020	2021
Premium	66 080	66 080	11 647	15 024	17.6 %	22.7 %	200	195
A-grade	367 623	360 623	38 348	52 654	10.4 %	14.6 %	150	150
B-grade	503 236	512 300	84 007	84 555	16.7 %	16.5 %	125	125
C-grade	101 768	97 576	17 766	14 471	17.5 %	14.8 %	103	95
TOTAL	1 038 707	1 036 579	151 768	166 704	14.6 %	16.1 %		

SOURCE: SAPOA Office Vacancy Report (Q4 2021)



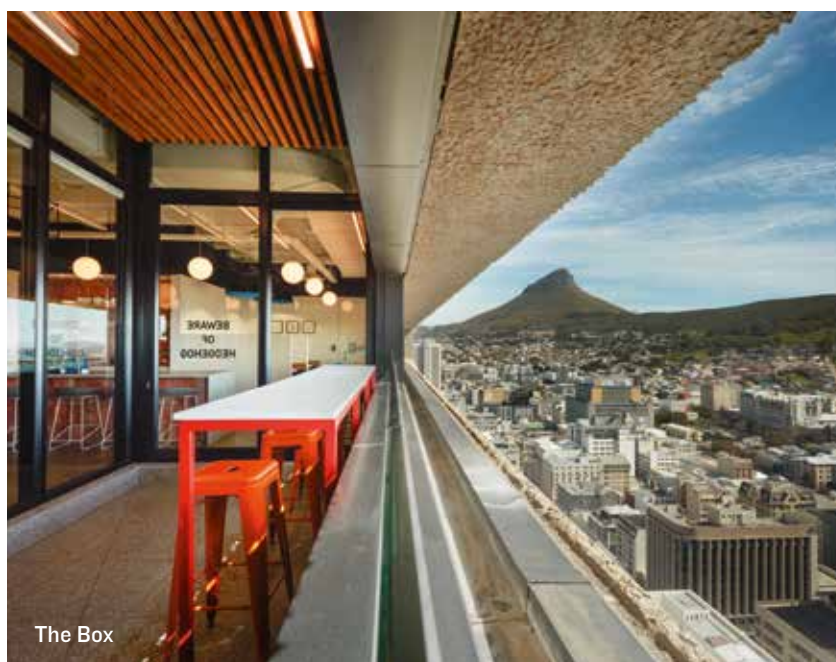
Cape Town CBD offered the city's most competitively priced premium office space in Q4 2021 at R195 per m² – compared with R245 per m² in Claremont and R235 per m² in the V&A Waterfront.

After Bellville, the Central City is now the second most competitively priced business node for A-grade office space, charging R150 per m² in Q4 2021. Central (Pinelands) similarly charges R150 per m², while A-grade office space at the V&A Waterfront and in Claremont was the most expensive at the end of last year, with an asking rental of R200 per m².

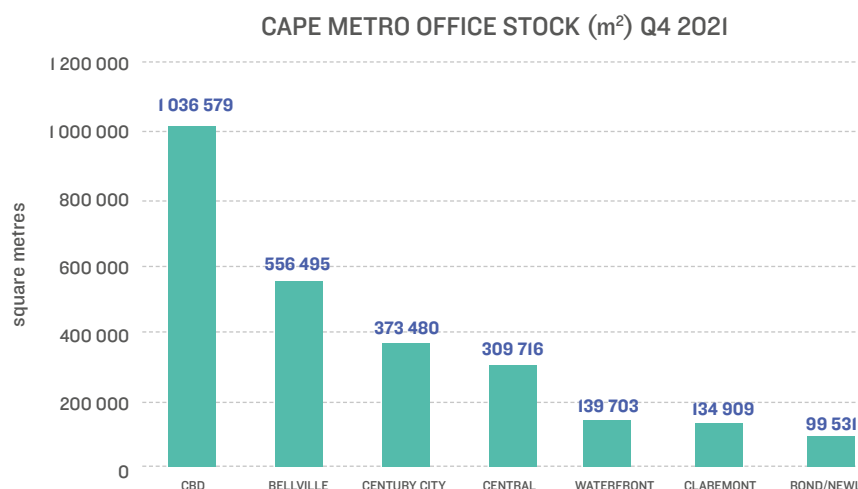
SAPOA reports that elevated office vacancy rates are weighing on rentals, which have come under increased strain since mid-2020. While asking rental growth is officially recorded at 0 % from year-earlier levels, SAPOA notes that asking rentals can increasingly be viewed as an initial starting point for negotiation rather than the actual number.

OFFICE NODE	Median gross asking rentals (R/m ²)	
(Q4 2021)	P-grade	A-grade
Cape Town Central City	195	150
Bellville	210	145
Century City	200	155
Central (Pinelands)	-	150
Waterfront	235	200
Claremont	245	200
Rondebosch/Newlands	-	195

SOURCE: SAPOA Office Vacancy Report (Q4 2021)



According to SAPOA, many large corporate tenants have publicly indicated that they will reduce their physical real estate footprint over time – a market dynamic which is likely to weigh on office rental growth over the medium term.



SOURCE: SAPOA Office Vacancy Report (Q4 2021)



Cartel House



Investec

Within the Cape metropole, the Central City accounts for the largest share (39.1 %) of total office space, followed by Bellville (21.0 %). Even so, the CBD only has the second largest share of both the P-grade (29.8 %) and A-grade (24.4 %) office markets. Century City has the largest percentage (35.1 %) of P-grade office space in the metro, while Bellville has the most (26.0 %) A-grade office space.

Despite a marginal recovery in office development activity from the all-time low registered in Q1 2021, overall activity remained constrained by year-end. Amid uncertainty surrounding future waves of Covid-19 and the volume of existing office space, SAPOA anticipates that office development activity is likely to remain muted and tenant-driven for the foreseeable future.

	P-GRADE		A-GRADE	
	SQM	% CoCT total	SQM	% CoCT total
CBD	66 080	29.8	360 623	24.4
Bellville	10 600	4.8	383 279	26.0
Century City	77 928	35.1	248 961	16.9
Central	-	-	272 975	18.5
Waterfront	59 000	26.6	72 455	4.9
Claremont	8 400	3.8	66 636	4.5
Rondebosch/ Newlands	-	-	71 654	4.9

SOURCE: SAPOA Office Vacancy Report (Q4 2021)



INNER CITIES – SURVIVING COVID-19

If inner cities are to survive and thrive, commercial property and business owners need to think out of the box, says Rob Kane, CEO of Boxwood Property Fund and chairperson of the Cape Town Central City Improvement District (CCID). Here's how Boxwood set out to seduce employees back to a warmer, more tactile, softer work environment.

We have an enormous opportunity to attract talent from all over the world to work here: 52 % of South Africa's fintech start-ups are located in Cape Town. Amazon's intended new campus speaks to this trend, as does the new, and very bold, Luno sign in the Central City.

Boxwood is one of the larger office landlords in Cape Town's Central Business District (CBD). Our focus is to buy run-down office buildings

with potential – and then to upgrade them. Over the last two years we have learnt some valuable lessons and we have been humbled and enriched in the process.

Covid-19 demanded that we reinvent our approach to our buildings, to our neighbours, to the streetscape and to our tenants. The result is that our redeveloped buildings are more people-focused; they are also more adventurous.

A CHANGING CITY

Pre-Covid-19, we intended starting development work worth R900-million. This plan needed a rapid rethink as, unsurprisingly, most property owners cut all building spend to the bone. There was zero visibility of when (or if) Covid would end, and the media was swamped with articles predicting the end of CBDs. It was scary to contemplate.

Our response was to drill into why



The Box



The Box



I4 Long

cities exist. Large cities have been around for over 2 000 years and the essence of their longevity is that people want to gather together.

A key component of this is that we are social beings. One of my “lockdown books” spoke to the reason why *Homo sapiens* triumphed over the much stronger and bigger-brained Neanderthal: the latter was a loner, and the former was a social being. Being social made us more efficient and allowed us to work collectively to outwit the Neanderthals.

ACCELERATE REDEVELOPMENT

At Boxwood, we concluded that a nasty virus and fast Wi-Fi at home was going to change, but not destroy, our city centres. As a result, we halted our large development but decided to accelerate the redevelopment of three significant office buildings at a cost of about R70 million. We were certainly swimming against the tide.

When lockdown eased and we were allowed back to the office, the team spent an afternoon testing our new strategy.

We walked the streets of downtown Cape Town and viewed about 25 buildings, including our own. The results were shocking. We could not find one foyer that we loved. Almost without exception, the offices were utterly faceless and uniformly boring.

In addition, the streets felt hard as nails. After 15 months of home comforts, how could anyone find this environment appealing? We knew that being in an office was more efficient for business, but we also knew that we had to entice and seduce office workers back to the inner city.

They would want a warmer, more tactile and softer work experience. And when they stepped onto the street, that street would need to be interesting, have a vibe to it, and be able to entertain.

OVERLY CORPORATE

We realised that our pre-Covid-19 concepts were hard and “corporate”, so we had to start again. Our catchphrase was “sophisticated but quirky”. Consequently, our buildings are more people-focused, have bold, fun colours, and spill on to beautiful streetscapes.

We are planting trees, have commissioned lots of street art and have built stylish atriums as chill/work/entertainment areas. We’ve built food markets, made lovely “pause” areas, started collaborating with adjacent property owners to create friendly precincts, and importantly, created environments where small entrepreneurs can get established again.

During the pandemic we accommodated our tenants where necessary, nursed along many start-ups, started a boxing gym, funded artists for street art, and generally gave more back to the community than we normally would. There is a stronger sense of community than before.

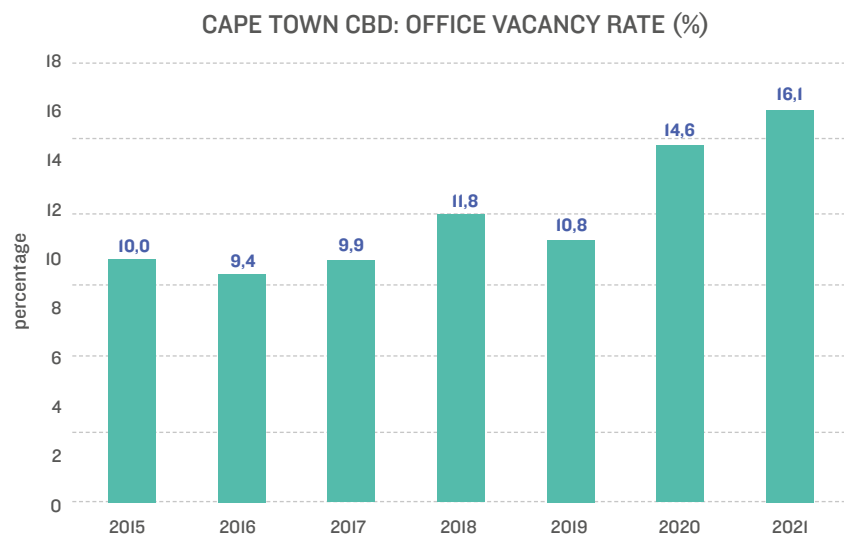
This article was first published in the *BIG ISSUE*.



OFFICE VACANCY RATES

Even with office rentals under enormous pressure, Cape Town's overall office vacancy rate of 13.6 % was well below the national average of 16 % in 2021. However, the Central City's vacancy rate rose to 16.1 %, slightly higher than the national average, prompting inner city landlords and property developers to reimagine the pandemic office landscape and repurpose vacant space.

At the end of 2021, the national office vacancy rate was 16.0 % – 100 basis points (bps) above the previous high of 15.0 % recorded in 2003. The SA Property Owners Association (SAPOA) cautioned that as large corporate tenants moved to reduce their physical office footprint, increased subletting combined with limited demand, low employment growth and subdued business confidence could cause the office vacancy rate to deteriorate further in the short- to medium-term.

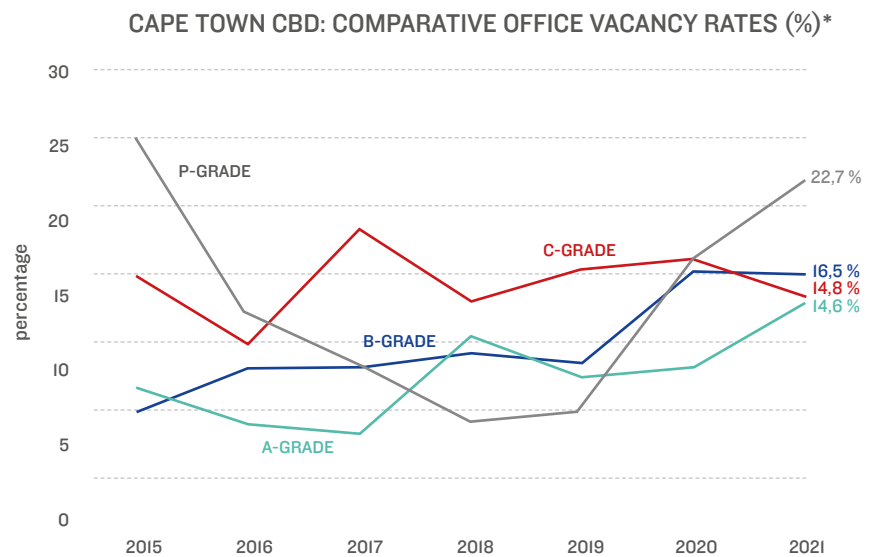


SOURCE: SAPOA Office Vacancy Report (Q4 2021)

While Cape Town recorded the lowest overall vacancy rate of the country's five largest metros for three consecutive years (2017 to 2019), Tshwane had the lowest vacancy rate in Q4 2020 and Q4 2021 – at 9.9 % and 11.0 % respectively. Cape Town, at 13.6 %, had the second-lowest vacancy rate in Q4 2021 – well below the national average of 16.0 %.

Office vacancy rates among the seven business nodes in the Cape Town metropole measured by SAPOA ranged from just 6.6 % in Bellville to 21.0 % in Century City.

The CBD, which accounts for the largest share of office space in the Cape metro, saw its vacancy rate rise to 16.1 % by the end of 2021.



SOURCE: SAPOA Office Vacancy Report (Q4 2021)

* Please refer to the office space summary on page 25.



Total available office space in the Central City increased by 14 936 m² during 2021, following an increase of 41 208 m² in 2020. While the P-grade vacancy rate increased sharply from 17.6 % in Q4 2020 to 22.7 % in Q4 2021, the actual increase in vacant space was just 3 377 m² while the increase in the A-grade office vacancy rate from 10.4 % to 14.6 % over the same period represented an increase in vacant space of 14 306 m².

P-grade office space accounts for just 6.4 % of total office space in the Central City while A-grade office space accounts for 34.8 % of the office market. One of the reasons that the vacancy rate in the Cape Town CBD did not deteriorate too significantly last year was limited deterioration in B-grade office space vacancy – with just 548 m² of additional office space becoming vacant. Almost half (49.4 %) of all office space in the CBD is B-grade

– so developments in this sector have a significant impact on the performance of the overall office market.

With office rentals under pressure due to the pandemic-induced shift to work from home (WFH), SAPOA anticipates that tenants are likely to trade up to smaller, better-quality offices during the year ahead – which could potentially reduce Prime and A-grade office vacancies in the Central City.

RESIDENTIAL PROPERTY TRENDS

With commercial property owners still taking strain thanks to life-changing work-life patterns established at the start of the pandemic, residential developments once again dominated the Central City property scene in 2021. The conversion of commercial office blocks into mixed-use developments to provide flexible living options as well as the optimising of co-working and co-living areas continued to be the stand-out development trends.

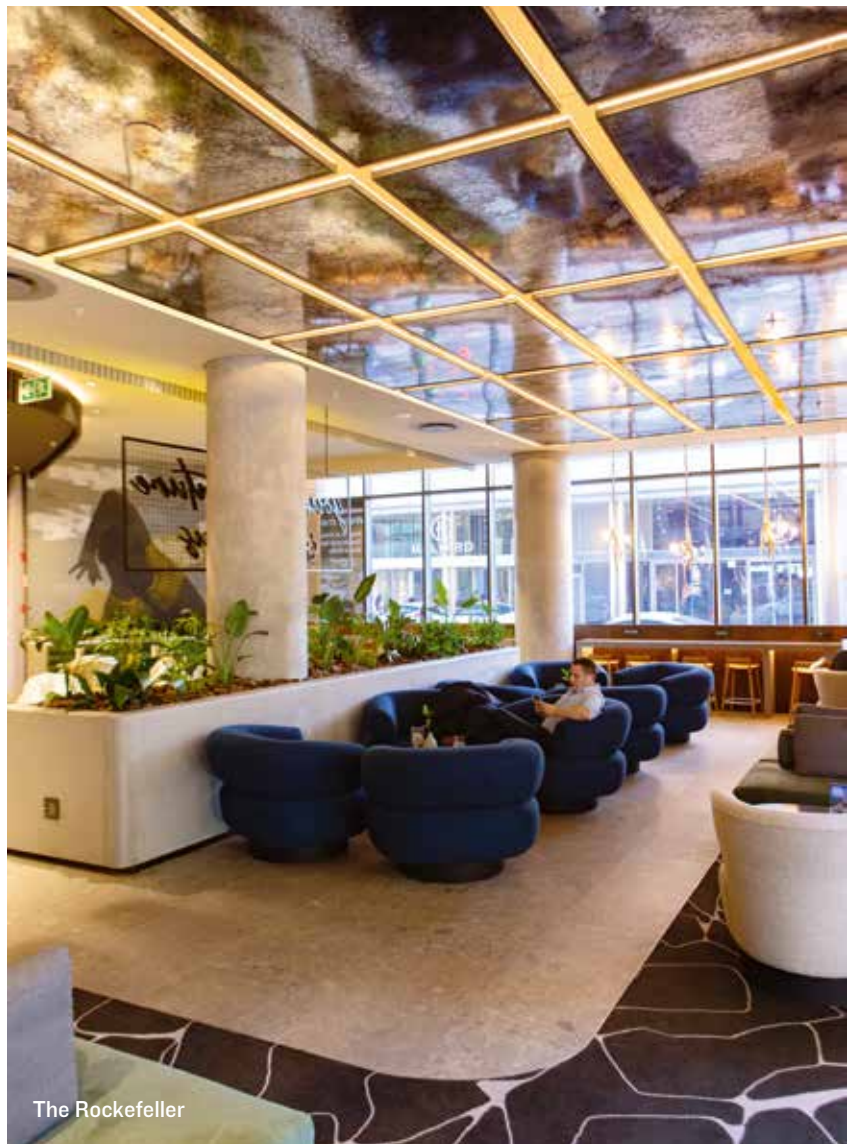
Several impressive residential or mixed-use developments (which have a commercial as well a residential offering) came on stream in 2021 in the Central City. Of the 13 developments that were completed overall (with a conservatively estimated value of R2.5 billion), three were residential developments, namely 16 on Bree (R860 million), Uxolo (R35 million) and HOMii Valencia (value to be confirmed), while three were mixed-use developments: Foreshore Place (R373 million), Neighbourgood East City (R80 million) and The Harri (R70 million).

Several residential or mixed-use developments were also under construction, including One Thibault (R500 million), The Rubik (R500 million), Neighbourgood Reserve (R75 million), and The Tokyo (R130 million).

INCLUSIVE LIVING & WORKING

Thoughtfully designed developments with all-inclusive living and working spaces were the order of the day in 2021, with an added emphasis on creating a sense of community.

Leading the way was innovative Neighbourgood, a neighbourhood-centric property development company responsible for two Central



The Rockefeller



City developments, namely the conversion of the old Townhouse Hotel into Neighbourgood East City (R80 million) – offering fully furnished units with flexible letting options, convenience and exceptional amenities – and Neighbourgood Reserve (formerly African Banking Corporation) (R75 million), which has studio units, office space and a conference venue.

Connected living – a trend which emerged in 2020 – was still the name of the game last year, with Neighbourgood setting the trend: all units are for rent only, with “members” able to access communal spaces, attend events and networking opportunities at other Neighbourgood properties in greater Cape Town.

DIGITAL NOMAD TREND

With the city placing 16th on a list of 71 countries identified by global housing rental platform Nestpick in

2021 as meccas for globe-trotting remote workers, Neighbourgood and other residential property developers in the Central City continued to cater for digital nomads as well as young urban professionals looking for an integrated inner-city space with flexible lease terms.

This trend is being maximised in the East City by The Harri (R70 million), a mixed-use development operating as an aparthotel successfully luring overseas young professionals.

MIXED-USE

Developers remained agile in their offerings in 2021. An excellent example is One Thibault (R500 million), the iconic former Standard Bank building on Thibault Square, which is being converted into a mixed-use development.

Together with Foreshore Place, a stone’s throw away, 28-floor One Thibault is cementing the

Foreshore as a prominent downtown residential hub. It will be the tallest residential building in the city on completion.

The upper half of the building is being redeveloped into apartments which range in size from 19 m² to 60 m² and which can be bought fully furnished. Buying into the need for convenience and flexibility, other features of the development include co-working facilities and a restaurant.

APARTHOTELS

Adding an element of luxury and glamour to the 2021 residential offering in 2021 were aparthotels, namely The Rockefeller (R500 million) and BlackBrick Cape Town (R107 million) – both developed by Ryan Joffe Properties – and The Capital 15 on Orange (R20 million).

The developments all feature co-working spaces, with the added convenience of a fully fledged hotel offering at residents’ fingertips.

RESIDENTIAL VALUES & RENTALS

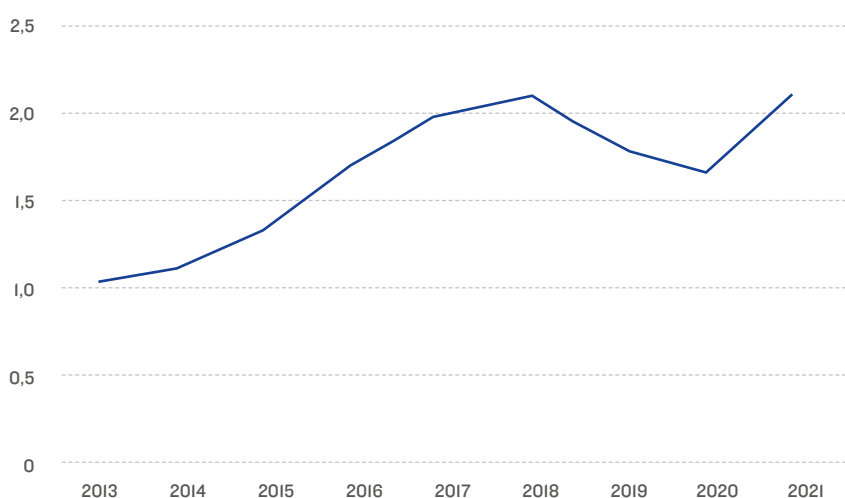
While Covid continued to disrupt the economy in 2021, the residential property market in the Central City proved resilient to its choppy ebb and flow.

Residential property in the Central City rebounded last year, with the number of residential buildings rising from 69 in 2020 to 77 by the end of 2021, increasing the number of units from 4 954 to 5 791 apartments.

The median selling price of apartments also increased by 32.8 %, from R1.28 million in 2020 to R1.7 million in 2021.

Lightstone has adjusted the number of sales in 2020 from an initial estimate of 130 units to 354 units – attributing this upward adjustment to repeated closures in the Deeds Office during the pandemic which saw backlogs in the processing of sales which have only recently been cleared. This resulted in sales taking time to reflect in the total number of sales concluded during 2020 and 2021.

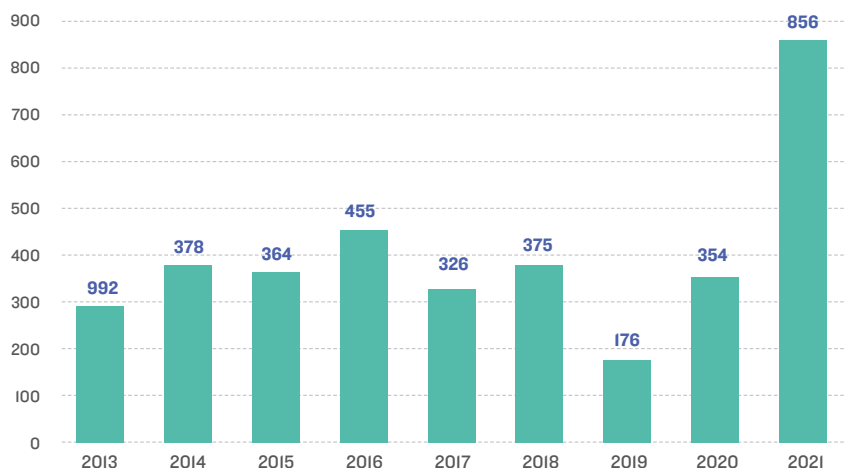
CAPE TOWN CCID FOOTPRINT: SECTIONAL TITLE PRICES (RM, MEDIAN)



SOURCE: Lightstone

Lightstone estimates some 856 units were sold during last year. This is noticeably higher than any other year during the past decade and is attributable in part to a number of new developments coming to the market – including The Fynbos (pre-sales) and 16 on Bree. There have also been so called “repeat” sales in some of the new developments – which has inflated the total number of sales in the Central City.

CAPE TOWN CCID FOOTPRINT: SECTIONAL TITLE UNIT SALES



SOURCE: Lightstone

The median price of R1.7 million for sectional title units sold last year represents a 32.8 % increase relative to the revised median price recorded in 2020. The 2020 sales price was initially recorded at R1.65 million but was subsequently adjusted to include sales delayed by repeated closures of the Deeds Office which ultimately saw this figure revised to R1.28 million.

NUMBER OF UNITS SOLD AND MEDIAN SALES PRICE

Year	Units sold	Median sales price (Rm)	Year-on-year % increase
2015	364	1.35	+17.4 %
2016	455	1.70	+25.9 %
2017	326	1.99	+16.9 %
2018	375	2.10	+5.7 %
2019	176	1.80	-14.3 %
2020	354	1.28	-28.9 %
2021	856	1.70	+32.8 %

SOURCE: Lightstone

In 2019 and 2020, no sales were recorded in the top price bracket of more than R60 000/m², while two sales were recorded in this price band in 2018. In contrast, in 2021 nine sales were recorded in this price band – including two sales at more than R70 000/m² – both in The Onyx.

SUMMARY PER M² OF 103* UNITS SOLD

Price per m ²	Units sold (2021)
Less than R20 000/m ²	8
R20 000 – R29 999/m ²	35
R30 000 – R39 999/m ²	11
R40 000 – R49 999/m ²	11
R50 000 – R59 999/m ²	29
R60 000 – R69 999/m ²	7
R70 000 – R79 999/m ²	2

SOURCE: PropStats

*See note on the right

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

On average, apartments sold last year were slightly larger than in 2020 and also 26.1 % more expensive on a square metre basis at R39 102/m². There is no clear evidence of a general decline in apartment sizes, despite the growing number of micro-apartments available in the Central City. Just over 40 % of the sales recorded by PropStats last year were apartments in 16 on Bree which were an average size of 42 m² – compared to the average micro-apartment which is typically around half that size.

Discount to asking price declined to 7.6 % in 2021 – reflecting in part the large number of new apartments which were sold at full asking price.

AVERAGES & RANGES ACROSS THE SPECTRUM (2015 TO 2021)

Year	Average size (m ²)	Average R/m ²	Year-on-year change R/m ²	Discount to asking price (%)
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	82.20	R34 142	-3.6 %	-9.5 %
2020	69.00	R31 000	-9.2 %	-10.7 %
2021	71.00	R39 102	+26.1 %	-7.6 %

SOURCE: PropStats

NUMBER OF DAYS UNITS STAYED ON THE MARKET IN 2021

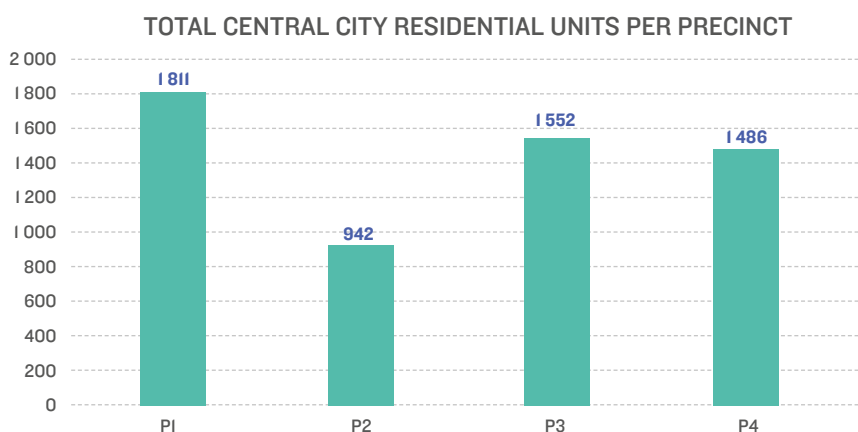
0 – 7 days	1 – 2 weeks	2 – 4 weeks	1 – 2 months	2 – 3 months	3 – 6 months	>6 months
12	5	7	16	17	18	29

SOURCE: PropStats

By the end of 2021, the total number of residential apartments in the Central City had risen to 5 791, up from 4 954 at the end of 2020. Although the largest number of sales last year were recorded in The Fynbos, the 689 units have not yet been added to the total as the development has yet to break ground.

The completion of 16 on Bree (392 units) and Foreshore Place (170 units) last year led to P1 becoming the precinct with the most (31.3 %) residential units in the Central City, followed by P3 and P4.

Excluding repeat sales, P3 registered more than half (54.1 %) of all sales last year – with 316 apartments pre-sold in The Fynbos. Sales in P1 – which included 153 apartments sold in 16 on Bree – followed with 29.0 % of all sales registered last year.



There was a significant increase in available rental stock in 2020 as repeated lockdowns impacted the tourism industry – particularly during periods of tighter restrictions when international and inter-provincial travel was banned. This prompted numerous units – which had previously been available for short-term lets such as Airbnb – being added to the pool of units available for long-term rentals.

This trend appears to have reversed during 2021, as the steady roll-out of vaccinations and the “normalisation” of living with the pandemic saw a rise in domestic tourism resulting in increased demand in the short-term rental market and the removal of at least some of these units from the long-term rental pool.

A new trend emerged during 2021, namely the rise of furnished – and in some cases serviced – apartments as the primary type of apartment rental available in the Central City.



MONTHLY RENTALS IN THE CENTRAL CITY

At the end of 2021 (data collected on 12 January 2022), a total of 217 apartments were listed on Property24.com as available for rent in the Cape Town Central City. This is less than half the 475 units listed at the end of 2020.

All units falling outside the CCID footprint – as well as those advertised at a daily rate – were excluded. Duplicate listings have been removed as far as is possible.

STUDIO / BACHELOR

units to rent: 37

Size range: from 11 m² to 66 m²

Average monthly rental: R9 027

Highest: R21 500 for 66 m²

Lowest: R5 500 for 38 m²

ONE BEDROOM

units to rent: 99

Size range: from 23 m² to 107 m²

Average monthly rental: R11 124

Highest: R25 000 for 94 m²

Lowest: R4 250 for unspecified size and shared apartment (3 beds)

TWO BEDROOMS

units to rent: 74

Size range: from 66 m² to 110 m²

Average monthly rental: R17 768

Highest: R42 000 for 180 m²

Lowest: R9 000 for 66 m²

THREE+ BEDROOMS*

units to rent: 7

Size range: from 75 m² to 444 m²

Average monthly rental: R40 314

Highest: R95 000 for 444 m²

Lowest: R10 000 for 98 m²

*Average rental distorted by two units listed at R95 000 and R100 000 respectively

RESIDENTIAL SURVEY

The Central City is home to thousands of people. Every year, the CCID conducts a dipstick survey to gauge their living habits and likes and dislikes. In 2021, a total of 445 responses were received, more than a third of them from people who live in the CCID's 1.6 km² geographic footprint.

PROFILE OF RESIDENTS

More than a third (36.7 %) of current residents have lived in the CBD for between one and three years, while a further 19.3 % are new residents (less than a year).

Just over 55 % of current residents have lived in the Central City for three years or less. This is 10 % higher than the previous survey, suggesting that new property developments continue to attract an influx of new residents. Airbnb rentals may also have attracted new residents.

57 % of the respondents are tenants;

39 % are owner-occupiers;

4 % owned but rented out their apartments.

The largest percentage of respondents (36.1 %) are 25-34 years old, while a further 26.5 % are middle-aged (35-44 years).

Just over 6 % are retirees. This is similar to figures recorded in the previous survey.

The majority (74 %) do not have children.

Most of them are South Africans (37.4 %) who are originally from outside the Western Cape. Capetonians amounted to 30.3 %, while 20 % were from overseas.



WHY LIVE IN TOWN?

51 % live in the inner city to be close to work. This is again the most frequent reason given, in spite of the Work-From-Home trend that gained traction last year. This was followed by nearly half the respondents (45.8 %) saying they liked the "downtown lifestyle" while a further 40.5 % say living in the CBD gives them "access to great restaurants". These top three reasons are identical to the ones given in the previous survey.

28.6 % indicated their place of work or study is more than 5 km away.

38.3 % live less than 1 km from their place of work or study, compared with 54.1 % in the last survey.

ARE THEY SATISFIED?

Two thirds of respondents (66 %) say they are "very happy, satisfied or fairly happy" with their decision to live in the CBD. Only 8 % were "unhappy".

EATERIES

Almost half (49.3 %) visit a coffee shop once or twice a week, 74.4 % visit a coffee shop once a week and more than a quarter (25.7 %) don't frequent coffee shops at all.

57.3 % eat out in a restaurant once a week, with nearly two-thirds saying they frequent eateries in the CBD (65.7 %), following by restaurants in the City Bowl (58 %) and the V&A Waterfront (45.5 %).

Just over 72 % order food online. This percentage has been increasing steadily in recent years.

WORK STATUS QUO

While the majority of South Africans worked from home during the pandemic, only 22 % were still working from home full-time in early 2022. 29.1 % of CBD residents are back full-time while 35.4 % have a hybrid work arrangement. 13.4 % work from a co-working space.

Do they want to return to the office? 68.5 % of respondents who are currently working from home do not want to return to the office full-time.

However, 45 % of employers say they want their workers back full-time, with 40.8 % saying they are happy with a hybrid arrangement. Only 14.3 % say they would be happy for their staff to work from home permanently.

POPULAR ENTERTAINMENT DESTINATIONS

1. Kloof St — **66.4 %**
2. Bree St — **65.5 %**
3. Long St — **33.6 %**
4. Lower Gardens — **30.5 %**
5. Loop St — **25 %**

MOST POPULAR OCCUPATIONS:

Food & beverages
14.3 %

Not working at the moment
14.3 %

Financial services
11.3 %

Media & marketing
9.8 % *

Creative industries
8.3 %

53.5 % work full-time (down from 58.1 % in 2020)

21 % are self-employed or freelancing

*This was the most popular category of work in 2020.



SECTION 04 CENTRAL CITY ECONOMIES

The Rockefeller

OVERVIEW

Key economies that drive the Central City's economy were under pressure in 2021, from hospitality to business tourism, from the creative economy to retail, and from knowledge to the eventing sector. Here we pick the most resilient 2021 economies.

With South Africa ringing in 2021 on Alert Level 3, restrictions prescribed by the Disaster Management Act included a 21h00 to 06h00 curfew, and a 20h00 closing time for restaurants, cinemas, theatres, gyms, auction houses, museums and galleries.

Cape Town was included on the Covid-19 hotspot list. The sale of liquor, and its consumption in public places, was prohibited. Social distancing and the wearing of face masks was mandatory. It was punitive economically to say the least. By March, though, the country was back on the least restrictive lockdown level, Alert Level 1, but the

levels would see-saw back to 3, 4 and 2 before the year ended on Level 1. It was quite a ride. Here are key sectors that survived the odds.

BUSINESS PROCESS OUTSOURCING

With several global companies having call centres in Cape Town, the city is a recognised global business process outsourcing (BPO) hub.

In 2021, this sector created almost 5 500 international jobs, bringing the overall jobs servicing global clients to over 42 000. According to the City of Cape Town, the international BPO market in Cape Town contributed around R14 billion

to the metro's economy in 2021. Add local jobs to the mix and the sector employs more than 60 000 people in the city. Through its partnership with CapeBPO, the City has trained and helped to employ thousands of people. In the CBD, the BPO sector contributes significantly to the night-time economy. Over 18 000 people are employed by 25 call centres in the Central City; 12 of these operate after 18h00, employing over 14 500 people.

FILM INDUSTRY

Cape Town's film industry rebounded in the summer of

2021, with the City of Cape Town authorising over 600 film shoot applications between July and September in 2021 – an increase of 44 % for the same period in 2020. This boded well for the Central City, a popular location for local and international film, commercial and media productions. The industry was dealt a severe blow by the pandemic in 2020 with the number of overseas industry professionals arriving in the country to work on shoots dropping from an average of 10 000 pre-Covid to 4 000 in 2020 and 900 in 2021.

KNOWLEDGE & EVENTING ECONOMY

With lockdown levels fluctuating throughout 2021, the knowledge and eventing economies were hard-hit. The Central City's premier event and exhibition venue, the Cape Town International Convention Centre (CTICC) saw its delegate attendance figures drop from 223 808 delegates in the 2019/20 financial year to 3916 in the 2020/21 period. In the 2021 calendar year, the venue hosted only 126 events – including two “own” events (created by the CTICC). The venue did not host any international events or trade fairs. The CTICC fought back, with new clients – gleaned from local and regional markets – and repeat clients safely and successfully negotiating social distancing protocols to stage examinations, film and photo shoots, graduations, small conferences, and awards banquets. By year-end, with the country on Alert Level 1 from October 2021, things eased with in-person events again the order of the day. In March 2022, the CTICC reported it had already secured over 100 events for the year, with numbers likely to increase.

ART ECONOMY

Cape Town's art scene, which attracts art tourists and buyers from around the globe, proved resilient



in 2021. With top-tier galleries like the Zeitz Museum of Contemporary Art Africa (MOCAA) and the Norval Foundation securing Cape Town's international art reputation, the city is recognised as Africa's leading art capital. With the Central City home to the Iziko South African National Gallery, as well as 23 art galleries and 29 artistic studios, the art economy held its own in 2021, with three new galleries opening.

While Covid-19 travel bans led to the cancelling of the 2021 Investec Cape Town Art Fair, inner-city galleries survived by holding virtual exhibitions and doing online sales until they could once again open their doors for trading.

STATE OF RETAIL IN THE CENTRAL CITY IN 2021

Retail, one of the largest CBD economies, proved resilient. While there were closures, there were 37 more retailers operating in the Central City at the end of 2021 compared to 2020.

CENTRAL CITY BUSINESSES OPERATING IN 2021					
	PI	P2	P3	P4	Total
2019	162	543	199	333	1 237
2020	123	469	183	351	1 126
2021	135	495	194	339	1 163
Difference	+12	+26	+11	-12	+37

TOP 10 RETAIL SECTORS OF 2021

RETAIL SECTOR	New businesses in 2021
Coffee shops & cafés	+ 14
Mobile devices (cell phones)	+ 13
Barrows & kiosks	+ 7
Barber shops	+ 7
Takeaways	+ 6
Bars & clubs	+ 6
Restaurants	+ 5
Hair salons	+ 5
Art galleries	+ 3
Vintage & second-hand stores	+ 3

81

A total of 81 new stores opened in the Central City last year, while 44 stores closed – resulting in an overall increase of 37 entities.

RETAIL ECONOMY TRENDS

Challenges facing the retail economy continued during the second year of the pandemic. Covid-19's restrictive lockdown regulations prompted consumers to redefine their wants and needs in 2020. Technological advances affected food choices, shopping preferences and payment methods – and resulted in clear trends emerging in the retail landscape. Here, South Africa's leading trends forecast company, Flux Trends, identifies some of them.

CONTACTLESS ECONOMY

With human contact limited for fear of infection, Covid-19 precipitated a need for contactless commerce. “Across the supply chain, companies have adapted to contactless touchpoints ... which includes reengineering office space and roles around remote work. This economy relies on technology to enable interactions without human touch.”

STORES WITHOUT CASHIERS

Check-out free stores are popping up around the world. In South Africa,

Checkers is trialling the country's first till-free concept grocery store – Checkers Rush – in Cape Town at ShopriteX offices. The store, which has no till points, is only open to staff at the moment.

Advanced Artificial Intelligence (AI) camera technology identifies products taken off the shelves and the shopper's bank card is billed upon exit. “Checkers is testing this, but we doubt it will gain traction in South Africa.” The decline in the use of cash is a trend that will continue thanks to digital wallets, e-commerce and the rise of contactless cards.

SHOP LOCAL

Supporting small businesses instead of large retailers is gaining traction. When consumers spend in their neighbourhoods, it ensures the money circulates in their community.

This trend was precipitated by the harsh effects of Covid-19 on small businesses. “Citizens feel empathetic towards local businesses and are supporting them.” This does not only apply to in-store shopping but also online. Businesses need to consider how to engage with the communities where their stores are located.



Heritage Square

COLLABS ARE COOL

The pandemic has prompted collaborations between brands with overlapping target markets that are looking to expand their reach. For example, South African fashion designer Rich Mnisi recently collaborated with global brand Adidas to produce the Adidas x Rich Mnisi Collection. “Brands should consider following this lead, collaborating with personalities or other brands that complement their brand message.”

PAY-PER-PERSON

Pay-per-person (PPP) is an online-offline hybrid digital metric that targets customers and nudges them towards a specific real-world location determined by the brand. “Mobile location tracking software, geo-targeted advertising, special offers and XR games act as ‘lures’.” Brands only pay for successful conversions which could result in increased foot traffic in their stores.



DIRECT-TO-CONSUMER BUSINESS MODELS

Brands are cutting out traditional and contemporary digital platform “middlemen” from their supply chains to reach customers directly. Direct-to-consumer (DTC) business models – enabled by technology – allow brands to retain control of brand relationships and customer data to improve their margins. This convinces consumers to believe they are getting better customer service. Nike’s DTC sales, which have been

increasing for years, shot up in 2021, as business rebounded from the pandemic, connecting the brand directly to its customers. “Brands should consider the implications of selling directly to their customers as a long-term sales strategy.”

RECOMMERCE

Consumers are demanding that retailers behave in a way that is good for the planet and society, giving rise to so-called recommerce. “Second-hand clothing sales are booming as consumers look for affordable, environmentally friendly alternatives to fast fashion.” Retailers are paying attention: Oscar de la Renta, Lululemon Athletica, Patagonia and Levi Strauss are offering resale options. Local brand Foschini has partnered with second-hand clothing trading company, Yaga, to encourage resale and reuse. “Brands should consider incorporating a resale element into their business model.”

SHOPPING TRIBES

Clearly defined tribes of shoppers have emerged, and retailers need to understand their brand’s target audience. The most prominent include:



VEGANS: The giant plant-based global “meat” market is projected to reach R404 billion by 2030, according to Grand View Research. Looking for products that adhere to veganism, this vocal, ever-increasing consumer group shops at niche, specialist shops (of which there are many in the CBD). Vegan travel, which includes hotels and restaurants offering plant-based fare,

is increasing. Retailers in retail and hospitality need to take note.



GAMERS: This segment is growing at an exponential rate, with Africa projected to be the world’s fastest growing video game market. Games are not only used for entertainment but as social networks. “Gamers spend money on in-game currencies to access premium content and to buy ‘skins’ (attire for avatars), also buying virtual goods they can use in their games and merchandise from the games themselves or from influencers.”



SELF-CARE: Holistic self-care, which includes eating healthily, being physically fit and mentally resilient, has become the order of the day thanks to the pandemic. These consumers have significant disposable income. They take advice from wellness influencers and prefer to shop online.



THE HUSTLERS: A South African tribe, these are young entrepreneurs who can no longer wait for formal employment and have started a side hustle, prompted by the weak economy and high unemployment rates. They

are fiscally responsible, look for good deals when shopping and are part of the “boomerang” generation, having moved back home to live with their parents.



DON'T FORGET ABOUT ... GEN Z (aged between 11 and 25 years), **GEN ALPHA** (born after 2010), **SPIRITUAL SEEKERS** (those searching for post-Covid spiritual connection), **TRANVISIBLES** (a tribe of transgender people who are becoming more visible) and the **PURPLE ECONOMY** (differently abled individuals demanding adaptive fashion, accessible shopping hours, workplace inclusion etc.).

RETAIL ECONOMY IN FIGURES

There are **1 163** retail and entertainment businesses in the Central City. Here we give a precinct-by-precinct breakdown.

TOTAL NUMBER OF RETAILERS PER PRECINCT



 Adult entertainment <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>1</td><td>7</td><td>1</td><td>1</td></tr><tr><td colspan="4">TOTAL 10</td></tr></table>	P1	P2	P3	P4	1	7	1	1	TOTAL 10				 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>0</td><td>17</td><td>4</td><td>2</td></tr><tr><td colspan="4">TOTAL 23</td></tr></table>	P1	P2	P3	P4	0	17	4	2	TOTAL 23				 Auctioneers <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>1</td><td>1</td><td>0</td><td>0</td></tr><tr><td colspan="4">TOTAL 2</td></tr></table>	P1	P2	P3	P4	1	1	0	0	TOTAL 2				 Bakeries <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>1</td><td>1</td><td>0</td><td>2</td></tr><tr><td colspan="4">TOTAL 4</td></tr></table>	P1	P2	P3	P4	1	1	0	2	TOTAL 4				 Barber shops <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>3</td><td>10</td><td>5</td><td>5</td></tr><tr><td colspan="4">TOTAL 23</td></tr></table>	P1	P2	P3	P4	3	10	5	5	TOTAL 23			
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 Furniture, lighting & décor <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>5</td><td>15</td><td>8</td><td>8</td></tr><tr><td colspan="4">TOTAL 36</td></tr></table>	P1	P2	P3	P4	5	15	8	8	TOTAL 36				 Gyms <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>3</td><td>5</td><td>5</td><td>0</td></tr><tr><td colspan="4">TOTAL 13</td></tr></table>	P1	P2	P3	P4	3	5	5	0	TOTAL 13				 Hair salons <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>4</td><td>26</td><td>4</td><td>19</td></tr><tr><td colspan="4">TOTAL 53</td></tr></table>	P1	P2	P3	P4	4	26	4	19	TOTAL 53				 Hardware <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>0</td><td>2</td><td>1</td><td>3</td></tr><tr><td colspan="4">TOTAL 6</td></tr></table>	P1	P2	P3	P4	0	2	1	3	TOTAL 6				 Health & beauty (incl. spas) <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>5</td><td>15</td><td>10</td><td>8</td></tr><tr><td colspan="4">TOTAL 38</td></tr></table>	P1	P2	P3	P4	5	15	10	8	TOTAL 38				 Internet cafés <table><tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th></tr><tr><td>0</td><td>5</td><td>0</td><td>5</td></tr><tr><td colspan="4">TOTAL 10</td></tr></table>	P1	P2	P3	P4	0	5	0	5	TOTAL 10			
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Jewellery design & manufacturing

P1	P2	P3	P4
5	28	2	10

TOTAL 45



Laundry, dry cleaning, shoe repair & tailors

P1	P2	P3	P4
4	6	2	10

TOTAL 22



Liquor stores & wine merchants

P1	P2	P3	P4
1	4	2	4

TOTAL 11



Locksmiths & security

P1	P2	P3	P4
1	1	0	0

TOTAL 2



Luggage & leather goods

P1	P2	P3	P4
0	2	0	2

TOTAL 4



Mobile devices (cell phones)

P1	P2	P3	P4
5	33	3	31

TOTAL 72



Motor car dealers

P1	P2	P3	P4
6	1	2	0

TOTAL 9



Motorcycle dealers

P1	P2	P3	P4
1	2	1	0

TOTAL 4



Motor parts & repair businesses

P1	P2	P3	P4
1	6	5	3

TOTAL 15



Opticians & eyewear

P1	P2	P3	P4
2	3	0	5

TOTAL 10



Pawn shops

P1	P2	P3	P4
0	2	0	1

TOTAL 3



Petrol stations

P1	P2	P3	P4
1	1	4	0

TOTAL 6



Pharmacies

P1	P2	P3	P4
3	3	0	3

TOTAL 9



Plumbing & sanitaryware

P1	P2	P3	P4
0	1	0	0

TOTAL 1



Postage & courier

P1	P2	P3	P4
2	1	0	1

TOTAL 4



Printing, copying & lamination

P1	P2	P3	P4
3	8	2	6

TOTAL 19



Restaurants

P1	P2	P3	P4
20	68	35	22

TOTAL 145



Speciality stores

P1	P2	P3	P4
2	11	11	10

TOTAL 34



Sporting equipment & clothing

P1	P2	P3	P4
2	7	5	5

TOTAL 19



Superettes

P1	P2	P3	P4
7	20	10	16

TOTAL 53



Stationery & packaging

P1	P2	P3	P4
1	1	0	0

TOTAL 2



Supermarkets

P1	P2	P3	P4
0	3	2	3

TOTAL 8



Takeaways

P1	P2	P3	P4
10	32	8	36

TOTAL 86



Theatres

P1	P2	P3	P4
1	1	1	0

TOTAL 3



Vintage & second- hand stores

P1	P2	P3	P4
0	5	1	3

TOTAL 9

RETAIL CONFIDENCE SURVEY

With the retail sector subject to the full force of Covid-19 when the pandemic first hit in March 2020, the CCID started a Retail Confidence Index to track the retail confidence of at least 200 business owners in the Central City to gauge how they were coping, and if they would survive. Here are the results of the past two years.

Retail confidence in Cape Town's CBD rebounded in the final months of 2021, with a small majority (51.2 %) of retailers surveyed by the CCID in early-December indicating that they were "satisfied" with current business conditions.

This was the first time that retail confidence, as measured by the CCID Retail Confidence Index, moved into positive territory since the start of the pandemic in 2020.

The CCID survey, which includes at least 200 retailers across all four precincts and in all major retail categories, was first conducted in July 2020 – as soon as Covid regulations allowed CCID fieldworkers to engage with local businesses. In the first survey, confidence among inner-city retailers was just 23 %.

In the initial survey, nearly 52 % of the retailers surveyed indicated that there was a "medium" or "high" risk that their businesses would close before the end of 2020 due to economically crippling lockdown restrictions. By the end of 2021, a similar percentage of retailers indicated that there was "no risk" of business closure before the end of 2022.

In fact, the perceived high risk of closure during the first year of the pandemic translated into an estimated 111 retail businesses closing their doors in the Central City by the end of 2020. At the same time, the vacancy rate across all precincts rose to 11.5 % (31 077 m²) of the total retail space available in the Central City, up from 9.4 % at the end of 2019.

However, by the end of 2021 it had become clear that Central City retailers were quick to adjust to the "new normal" and that, as retail confidence improved, so too several new businesses opened. It is estimated that on balance there were 37 more retail outlets at the end of 2021 compared to the end of 2020. Initial figures indicate that these new outlets are predominantly coffee shops & cafés and cell phone stores, but that there were also a notable number of new pop-up art galleries, bars & clubs, and restaurants.

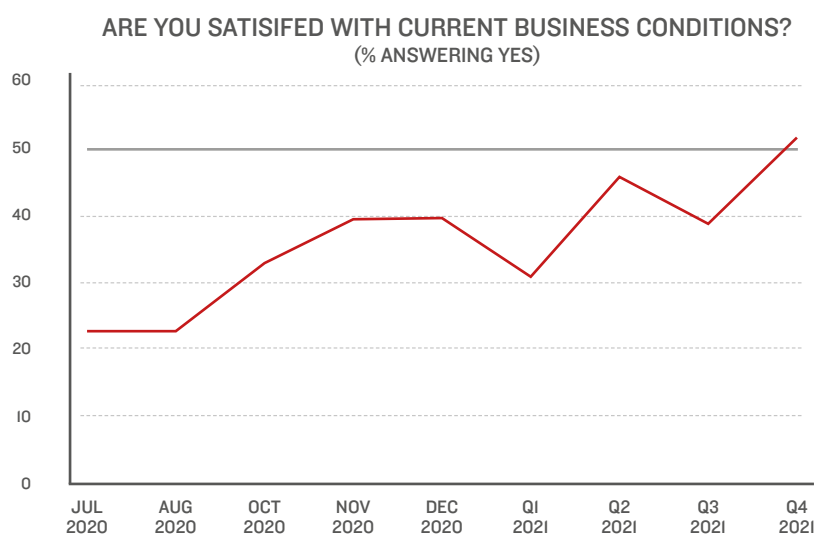
Throughout the past two years, the quarterly confidence surveys have revealed that retailers have tended to focus their efforts on reducing overheads, trading hours and staff numbers as they attempted to adjust to new, lower levels of activity particularly during the more restrictive periods of lockdown.

Looking ahead, reducing staff and trading hours remained the two most common steps business owners planned to take to lower their overhead costs amidst the ongoing pandemic – nearly a third of respondents planned to reduce staff while approximately 30 % planned to further reduce staff numbers.

There has also been a predictable shift towards online shopping, accelerating the well-established trend towards e-commerce.

Faced with unprecedented levels of uncertainty and still subdued activity, retailers are adapting their businesses to reduce their expenses as far as possible while ensuring maximum flexibility.

One of the ways in which businesses are achieving this is the establishment of venues which incorporate numerous retailers within a single venue. Examples



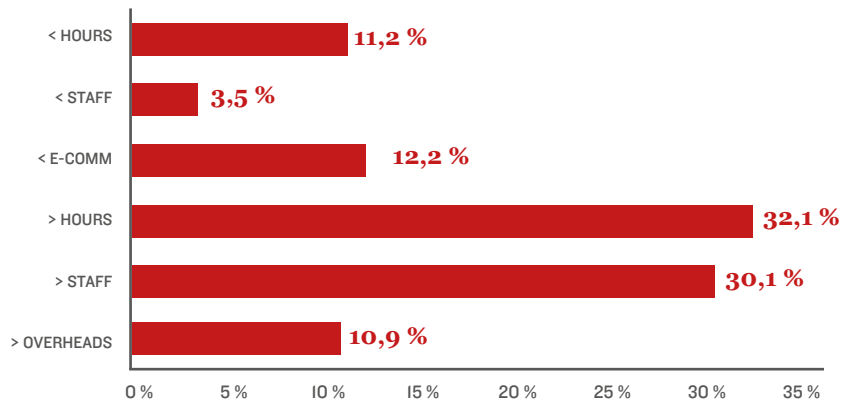
include Local @ Heritage, The Long Street Market and the recently launched Salt Market on the ground floor at The Box. These venues maximise flexibility for retailers while reducing their overheads and set-up costs, but simultaneously reduce the risks for landlords by allowing for rapid turnover of tenants – if required. On balance, in the wake of the pandemic, there appears to be a shift across the Central City towards more numerous but smaller (in square metres) and more flexible retail businesses.

While the Q4 2021 retail survey was conducted just before news of the Omicron variant disrupted business once again, the lifting of the night-time curfew revived the night-time economy, bringing an influx of restaurant, bar and club patrons back into the Central City.

With the office market continuing to adjust to the new work environment, the steady return of office workers to the Central City bodes well for the continued recovery of the retail sector in the CBD during 2022.



HOW DO YOU PLAN TO ADAPT IN 2022?
% OF CENTRAL CITY BUSINESS OWNERS





RETAIL OCCUPANCY RATES

Retail space in the Central City is in constant flux thanks to the continuous development and refurbishment of commercial buildings. The effects of Covid-19, particularly the easing of lockdown restrictions which led to business activity gaining momentum, added to this flux in 2021.

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 2021 amounted to 271 040 m², marginally above the 270 176 m² recorded at the end of 2020 as numerous developments were completed, allowing new retail outlets to open. This was an increase of 0.3 %.

The total retail space occupied across all four Central City precincts at the end of 2021 amounted to 244 293 m², an increase of 5 194 m² from 239 099 m² recorded at the end of 2020. This is an increase of 2.2 %.

Developments temporarily, or permanently, remove retail space, resulting in periods of vacancy while building is under way. This distorts the retail occupancy figure from time to time.

The total vacancy rate of retail space (26 747 m²) across all precincts amounted to 9.9 % of the total retail space available.

In 2020, the total vacancy rate was 11.5 %.

	Total m ²	Occupied m ²	Vacant m ²
PI	45 298	36 619	8 679
P2	100 917	92 036	8 881
P3	27 145	22 362	4 783
P4	97 680	93 276	4 404
TOTAL	271 040	244 293	26 747

RETAIL OCCUPANCY SUMMARY

PRECINCT 1

	DEC 2020	DEC 2021
Total retail space available in precinct (m ²)	45 018	45 298
Street level retail space (m ²)	45 018	45 298
Inside shopping centres (m ²)	N/A	N/A
Space occupied (m ²)	32 987	36 619
Occupancy as a %	73 %	81 %

There was a marked improvement in retail occupancy on the Foreshore last year following the completion of four developments in the precinct, with 12 new retail outlets opening their doors.

PRECINCT 2

	DEC 2020	DEC 2021
Total retail space available in precinct (m ²)	100 595	100 917
Street level retail space (m ²)	87 985	88 307
Inside shopping centres (m ²)		
The Felix	12 610	12 610
Space occupied (m ²)	90 114	92 036
Occupancy as a %	90 %	91 %

As the retail hub of the Central City, Precinct 2 was hard hit during the first year of the pandemic. There was a marginal increase in street level retail space during the year but a net total of 26 new businesses opened, resulting in a modest improvement in the precinct's vacancy rate.

PRECINCT 3

	DEC 2020	DEC 2021
Total retail space available in precinct (m ²)	26 878	27 145
Street level retail space (m ²)	26 878	27 145
Inside shopping centres (m ²)	N/A	N/A
Space occupied (m ²)	21 365	22 362
Occupancy as a %	79 %	82 %

The total number of retail outlets in Precinct 3 increased, on balance, by 11. While there was a marginal increase in the total retail space last year, the total space occupied by retailers increased at a faster pace, resulting in an improved overall occupancy rate.

PRECINCT 4

	DEC 2020	DEC 2021
Total retail space available in precinct (m ²)	97 685	97 680
Street level retail space (m ²)	31 879	31 974
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)	94 633	93 276
Occupancy as a %	97 %	96 %

While total available space in Precinct 4 remained largely unchanged in 2021, a total of 12 retailers closed their doors overall last year – resulting in a modest deterioration in the occupancy rate. With the bulk of retail space in the precinct located in shopping centres, Precinct 4 historically enjoys the highest occupancy rate in the Central City.

THE VISITOR ECONOMY

It was a crash-and-burn scenario for Cape Town and the Central City's visitor economy in 2021 thanks to the discovery in South Africa of the Omicron variant of Covid-19. However, huge cancellations were countered by a surge in local tourists.

LOCAL TOURISM SAVES THE DAY

When renewed international travel bans were introduced in December, domestic visitors rescued Cape Town's tourism sector. The local tourism and hospitality sector had hoped for a bumper summer season as an easing in travel bans saw a flood of bookings from major international source markets. But the discovery of Omicron in November and the return of travel bans in key tourism source markets crushed optimism.

It is estimated that within 48 hours of Omicron's discovery, South Africa's tourism and hospitality sectors lost around R1 billion in cancelled bookings. By mid-December, South Africa faced heightened travel restrictions from around 90 countries.

Cape Town, the country's tourism hub, was hardest hit by international cancellations. Prior to the pandemic, the tourism industry employed close to 50 000 people directly and generated around R15 billion per annum. The average international tourist spends nine times more during their time in Cape Town than local visitors spend.

A dipstick survey conducted by Cape Town Tourism found that 57 % of its members – including restaurants, hotels, shopping malls and tour operations – performed better in December 2021 compared with the previous year. Almost two thirds (64 %) of its members reported a rise in domestic visitors; 25 % saw an increase in visitors from both the US and Germany and 18 % reported an increase in visitors from the UK.

Prior to Omicron (the third wave), a Cape Town Tourism visitor study revealed that 67 % of South Africans planned to travel in December. Ultimately, only 47 % travelled as planned – while the majority (53 %) did not travel amidst fears of Omicron.

LOCATION OF CENTRAL CITY HOTELS

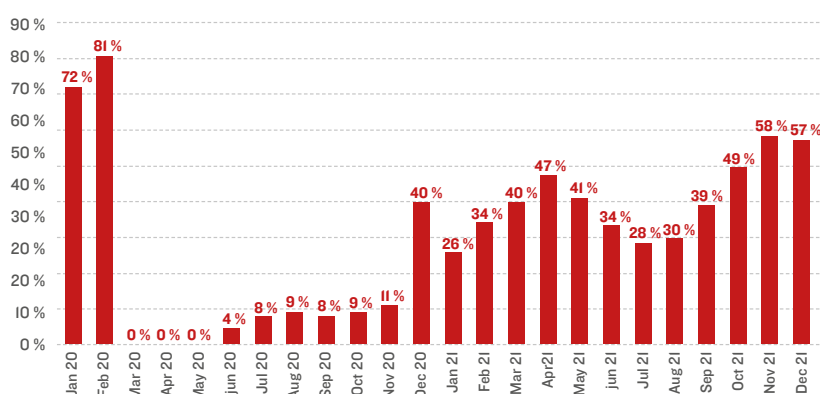
	PI	P2	P3	P4	TOTAL
5-star	1	2	2	1	6
4-star	11	6	2	0	19
3-star	5	5	4	3	17
1-star	1	0	0	0	1
Backpackers & lodges	0	6	6	8	20
TOTAL	18	19	14	12	63

REVENUE PER AVAILABLE ROOM (REVPAR)¹

2021	Occupancy rate	Room rate	RevPAR
Overall average Cape Town	32.2 %	R1 299	R435
2020	Occupancy rate	Room rate	RevPAR
Overall average Cape Town	28.3 %	R1 266	R484
2019	Occupancy rate	Room rate	RevPAR
Overall average Cape Town	64 %	R1 844	R1 193
Overall average Central City	66 %	R2 191	R1 461

SOURCE: Cape Town Tourism

CAPE TOWN HOTEL OCCUPANCY 2020 & 2021



SOURCE: Cape Town Tourism

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.

HOSPITALITY REPORT

After the trials of 2020, the hospitality sector in Cape Town looked forward to a new year – and a possible end to the challenges brought on by the pandemic. This did not happen and the industry continued to navigate the dynamic environment created by successive waves of Covid-19.

Occupancy for greater Cape Town was reported by STR (Smith Travel Research hospitality analytics firm) to be 31.9 % for the year ending December 2021. This was below the occupancy of 35.9 %* achieved in 2020 due to the reopening of a number of hotels in 2021 which increased supply.

New properties also entered the market, increasing pressure on performance indicators. Market entrants included the 500+ room Hotel Sky and The Rockefeller aparthotel. Considering this, the full year occupancy for 2021 was an improved performance on 2020.

In the Central City, properties maintained a relatively constant occupancy performance between 2020 and 2021, ranging between 36 % and 37 %. Rates were under significant pressure with pricing reducing by approximately -7 % as discounts were used to attract domestic travellers.

MARKET PRESSURES

Given the market pressures of recent years, many owners divested, rebranded or leased their properties in 2021. In the Central City, The Capital 15 on Orange opened under lease, replacing the 15 on Orange by Marriott, while the Best Western Fountains Hotel was leased to Indalo Leisure.

While the annual picture for 2021 was negative, the strong transactional activity in the market points to a confident market outlook

by investors. When assessing the occupancy figures and Average Daily Rate (ADR) figures on a monthly basis, the latter part of 2021 was much more optimistic and showed strong signs of recovery.

The removal of South Africa from the so-called travel “red list” in October 2021 facilitated travel from key source markets. Occupancy in Cape Town was at 50 % and above for October, November and December whilst ADR achieved in December 2021 represented 86 % of the December 2019 level.

CAPE TOWN HOTEL OCCUPANCY

The occupancy and ADR for December would have been much higher without the emergence of Omicron. Research among key hotels in October/November 2021 revealed that many were expecting a bumper season prior to the discovery of the new Covid-19 variant.

Despite being removed (once again) from the “red list” in December 2021, the impact of the Omicron variant dampened

the start of 2022, with January occupancies lower than anticipated. However, by March 2022 strong recovery was seen with a 63 % hotel occupancy for the month.

The winter period has been slow, but hoteliers are expecting a strong peak season for 2022/2023, with full recovery to 2019 levels anticipated by the end of 2024.

Key to full recovery will be the return of corporate and conferencing markets on which hotels rely. With much of the corporate base situated in the CBD, as well as the room-generating Cape Town International Convention Centre (CTICC) – hard-hit by the pandemic – this has had a notable impact on Central City hotels. However, recent figures point to a slow but steady market turnaround, and full recovery by the end of 2024 is not unrealistic.

KIRSTY DE GROOT, HTI Consulting

* These figures differ slightly from those on p. 48 due to the use of different measuring metrics.



CENTRAL CITY EVENT VENUES

The Central City, a conferencing hub, has a myriad venues to host every conceivable meeting, with seating capacity for over 71 500 event goers.

P	NAME	MAX	ADDRESS
1	Artscape Theatre Centre	6 496	DF Malan St, Foreshore
1	Balena Blu	110	50 Bree St
1	CTICC 1	28 990	1 Lower Long St
1	CTICC 2	10 104	Cnr Heerengracht & Rua Batholomeu Dias
1	Hotel Sky	108	9 Lower Long St
1	Nasdaq (Media24)	298	40 Heerengracht
1	Park Inn	154	29 Heerengracht
1	Pier Place	240	31 Heerengracht
1	Protea North Wharf Hotel	60	1 Lower Bree St
1	Radisson Blu Hotel & Residence	90	22 Riebeeck St
1	Southern Sun The Cullinan	597	1 Cullinan St
1	The Capetonian	100	Pier Place, Heerengracht
1	InnsCape Classic Hotel	30	9 Ryk Tulbagh Close
1	The Onyx	75	57 Heerengracht
1	The Westin Cape Town	600	Convention Square, Lower Long St
1	Touchstone House	30	7 Bree St
1	Ecco il Caffé	200	40 Heerengracht
1	Zip Zap Circus Dome	1 000	Founders Garden, Jan Smuts St
2	180 Lounger, The Terraces	150	34 Bree St
2	99 Loop	75	99 Loop St
2	Baran's	150	36 Burg St
2	Cameraland	80	68 Long St
2	Cape Heritage Hotel	40	90 Bree St
2	Central Methodist Mission	300	Greenmarket Square
2	Cresta Grande Hotel	230	66 Strand St
2	FEDISA Fashion School	500	81 Church St
2	Inner City Ideas Cartel	100	113 Loop St



2	Iziko Bertram House	560	Cnr Government Ave & Orange St
2	Kings in Cape Hotel	55	33 Hout St
2	La Parada	320	107 Bree St
2	Martin Melck House Courtyard	320	96 Strand St
2	VIXI Social House	120	49 Bree St
2	Southern Sun Cape Sun	900	3 Strand St
2	Studios on Long	20	187 Long St
2	Taj Cape Town	1 429	1 Wale St
2	The Chef's Studio and Grub & Vine	195	103A Bree St
2	The Gin Bar	100	64A Wale St
2	The Grand Daddy Hotel	115	38 Long St
2	Tsogo Sun Sunsquare & StayEasy	170	23 Buitengracht St
2	Villa 47	170	47 Bree St
2	Youngblood Africa	150	70 - 72 Bree St
3	Cape Town Hollow	40	88 Queen Victoria St
3	Cape Town Lodge	212	101 Buitengracht St
3	Centre for the Book	370	62 Queen Victoria St
3	Daylight Studios @ Bree Street Studios	120	17 New Church St
3	Iziko Planetarium	140	25 Queen Victoria St
3	Iziko South African Museum	750	25 Queen Victoria St
3	Pepperclub Hotel	348	Cnr Loop & Pepper Sts
3	The Capital 15 on Orange	120	Cnr Orange St & Grey's Pass
3	Rhodes Place	100	18 Queen Victoria St
3	The Village Buffet	250	102 Long St
4	A4 Arts Foundation	300	23 Buitenkant St
4	Cape Diamond Hotel	80	Cnr Longmarket & Parliament Sts
4	City Hall	2 154	Darling St
4	District Six Homecoming Centre	200	15A Buitenkant St
4	District Six Museum	180	25A Buitenkant St
4	Iziko Slave Lodge	70	49 Adderley St
4	Mavericks	150	68 Barrack St
4	The Carraway (Mutual Heights)	610	14 Darling St
4	The Castle of Good Hope	9 830	Cnr Castle & Darling Sts



Southern Sun
The Cullinan



City Hall



Youngblood Africa

The total
maximum
seating
capacity is
71 555

SECTION 05

CENTRAL CITY

PRECINCTS

The CCID's geographical area is divided into four precincts as indicated on the map on the inside front cover of this publication. Each precinct has defined characteristics and makes a unique contribution to the economy of the Cape Town Central City. Understanding the fabric of each precinct is important for investors.

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



INTRODUCTION

The Foreshore, the precinct closest to Cape Town Harbour, is the former Financial District of the Central City. Several Cape Town landmark buildings are situated here including the award-winning Cape Town International Convention Centre and the Artscape Theatre Centre, placing the Foreshore at the heart of important Central City economies, including the knowledge and eventing economies, and the creative economy.

It is also at the heart of the medical economy: one of the city's leading private hospitals, Netcare Christiaan Barnard Memorial Hospital, is in P1 and the precinct has the most medical practices (183 out of 228) in the Central City.

The Foreshore also drives the Central City's hospitality sector: 11 of the Central City's 4-star hotels are located here, including The Rockefeller (R500 million), which opened its doors in December 2021. The precinct's 2020

construction boom also resulted in other residential and hotel developments being completed, namely Hotel Sky (R400 million) and 16 on Bree (R860 million). The total value of developments completed in this precinct in 2021 amounted to R2.693 billion.

The Foreshore is also at the forefront of the all-important BPO (call centre) sector, having the Central City's highest concentration of ICT & telecoms entities (35 out of 80).

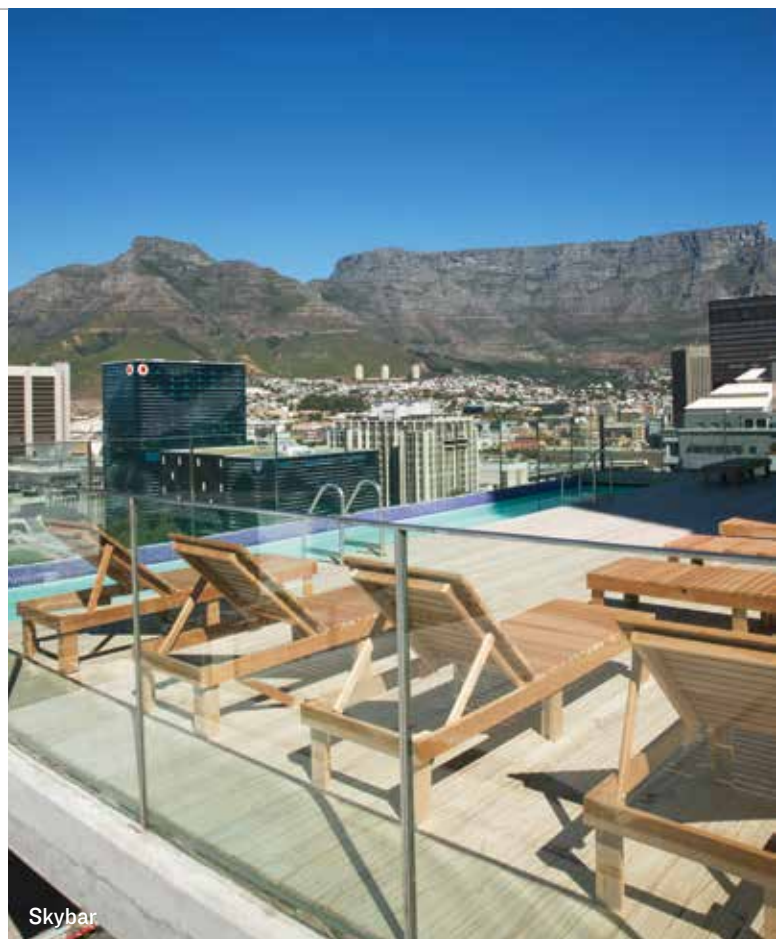


BUSINESS & RETAIL

The table below shows the top 15 categories of business in the Central City, and how they fared in P1 in 2021. The numbers in blue indicate the sectors in which P1 has the highest numbers overall in the CBD in any given category.

643 (or 21.6 %) of the **2 981** businesses in the Central City are in P1.

CATEGORY	PI	TOTAL
Retail **	85	805
Legal services	22	655
Medical practices	183	228
Financial services & banking	63	175
Restaurants	20	145
Takeaways	10	86
Architecture & engineering	30	85
ICT & telecoms	35	80
Education & resources	19	76
Communications, media & advertising	18	73
Coffee shops & cafes	14	70
Accommodation (incl. students)	19	70
Travel services	26	64
General corporates & head offices	17	63
Bars & clubs	6	57



****NOTE:** The retail figure of 805 is the total CBD retail figure (1 163) excluding restaurants (145), takeaways (86), coffee shops (70) and bars & clubs (57).



RETAIL BREAKDOWN

Just **85** (10.6 %) of the CBD's **805** retail outlets (excluding restaurants, takeaways, coffee shops, bars & clubs) are in P1. Of these, the largest categories are:

Superettes
8.2 %

Motor car
dealers
7.1 %

Jewellery
design &
manufacturing
5.9 %

Clothing
& shoes
5.9 %

Furniture,
lighting & décor
5.9 %

Health
& beauty
5.9 %

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 Square, the Convention Centre and Foreshore.

1 386 730 people boarded buses in Precinct 1 while **1 021 749** alighted.

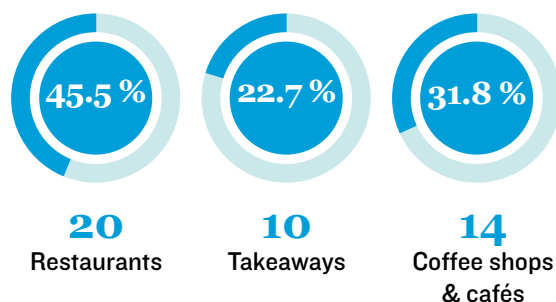
BUS STOP	BOARDED	ALIGHTED
Civic Centre	545 005	508 780
Adderley	697 386	404 352
Thibault Square	143 871	107 928
Convention Centre	384	646
Foreshore	84	43
PI TOTAL	1 386 730	1 021 749



ENTERTAINMENT

6 (or 10.5 %) of the **57** bars and clubs in the Central City are in P1.

44 (or 14.6 %) of the **301** eateries (including the three categories below) in the Central City are in P1. Of these:



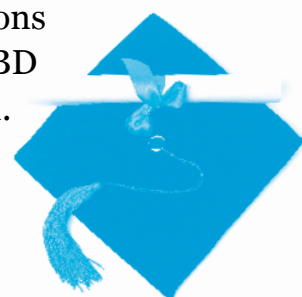
CO-WORKING SPACES

Five (or 26 %) of the **19** co-working spaces in the CBD are in P1.

LOCATION	NAME	WEBSITE
42 Hans Strijdom Ave	North Wharf	sharedofficespace.co.za
31 Heerengracht	Pier Place	sharedofficespace.co.za
7 Bree St	AfricaWorks	Africaworks.co/city/cape-town/
24 Hans Strijdom Ave	Cube Workspace	cubeworkspace.co.za
35 Lower Long St	Flexi Suites	flexisa.co.za

EDUCATION

19 (or 25 %) of the **76** educational institutions in the CBD are in P1.



DEVELOPMENTS

COMPLETED IN 2021

16 on Bree

LOCATION 16 Bree St
TYPE Residential
INVESTMENT R860 000 000

Hotel Sky*

LOCATION 9 Lower Long St
TYPE Hotel
INVESTMENT R400 000 000

The Rockefeller

LOCATION 12 Christiaan Barnard St
TYPE Hotel/aparthotel
INVESTMENT R500 000 000

Foreshore Place*

LOCATION 2 Riebeeck St
TYPE Mixed use
INVESTMENT R373 000 000

TOTAL R2 133 000 000

UNDER CONSTRUCTION IN 2021

Fleetway House*

LOCATION 17 Martin Hammerschlag Way
TYPE Residential
INVESTMENT R60 000 000

One Thibault*

LOCATION Hans Strijdom Ave
TYPE Mixed-use
INVESTMENT R500 000 000

TOTAL R560 000 000

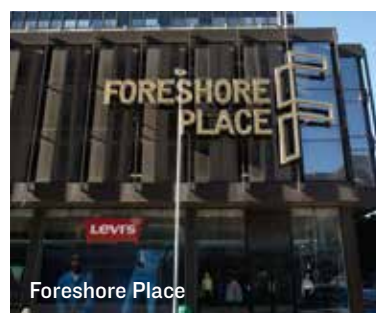
PLANNED IN 2021

Telkom Exchange Foreshore

LOCATION Lower Long St
TYPE Parastatal
INVESTMENT TBC

*These are redevelopments or renovations.

INVESTMENT TOTAL PRECINCT 1: R2 693 000 000





Hotel Sky and
The Westin



16 on Bree

ACCOMMODATION

RESIDENTIAL

There are 13 residential buildings (17 % of the total residential complexes in the Central City) in P1, housing a total of 1 811 units (31 % of the 5 791 units in the CBD), the highest in the CBD. The three largest residential buildings in P1 are 16 on Bree (392 units), the Icon (227 units) and The Onyx (224 units). A total of 204 apartments were sold in P1 last year.

BUILDING	LOCATION	TOTAL UNITS	SALES 2021
16 on Bree	16 Bree St	392	153
Fifty Riebeeck Street	50 Riebeeck St	9	0
Foreshore Place	2 Riebeeck St	170	25
Fountain Suites	1 Hans Strijdom Ave	78	7
Hyde Park	14 Jetty St	34	1
Icon	Lower Long St	227	7
North Wharf	Dock Rd	72	1
Stonehill Place	22 Riebeeck St	183	5
The Duke	5 Heerengracht	81	0
The Heriot	2 St Georges Mall	200	0
The Onyx	252 Roggebaai St	224	3
Trafalgar Centre	7 Hans Strijdom Ave	65	1
Tulbagh House	19 Tulbagh Square	76	1
TOTAL		1 811	204



The Rockefeller

HOTELS & BACKPACKERS

Of the 63 hotel and backpacker establishments in the CBD, 18 (or 29 %) are in P1. Many are part of the largest hotel complexes in the Central City and are within walking distance of the Cape Town International Convention Centre (CTICC) and the V&A Waterfront. They include the Westin, Radisson Blu Hotel & Residence, Park Inn, Southern Sun The Cullinan, Southern Sun Waterfront, Sun1 Foreshore and Protea North Wharf.

5-star	4-star	3-star	1-star	backpackers	TOTAL
1	11	5	1	0	18

*This includes Hotel Sky, which has yet to be officially rated. On Hotel.com it is listed as a 3.5-star hotel.



The Duke

PRECINCT 2 The Inner City

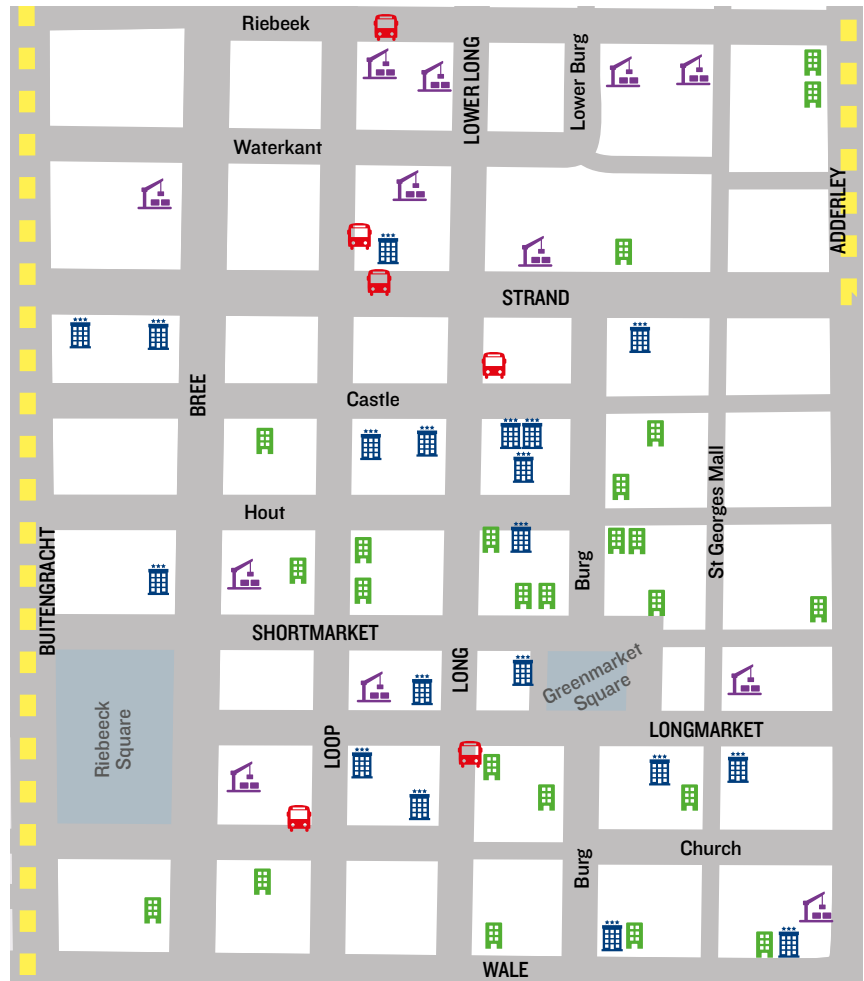
The engine of the downtown Cape Town retail economy, Precinct 2 boasts 42.5 % of the Central City's retail business entities. A total of 342 of the CBD's 805 retail outlets (excluding eateries, bars and clubs) are situated here. It therefore goes without saying that this precinct has borne the brunt of the economic Covid-19 fall-out. However, it has held its own remarkably in a year of continued coronavirus pandemic restrictions and varying lockdown levels impacting on trading hours and conditions.

Precinct 2 not only leads the way in the retail sector but also outshines the other precincts in other sectors. It has the most financial services & banking entities; architecture & engineering businesses; communications, media & advertising concerns; travel services; and accommodation entities (including student accommodation). It also shares with Precinct 1 the highest number of general corporates & head offices (both have 17 entities out of 63).

The area incorporates Cape Town's two most famous entertainment destination streets – namely Bree and Long streets – and most of the Central City's restaurants (68 out of 145), and coffee shops & cafés (31 out of 70) are located here.

A characterful precinct, it is defined by two of the Central City's well-known pedestrianised areas, namely St Georges Mall and Greenmarket Square, pre-Covid hives of market activity. Informal trading resumed in 2021 albeit with reduced footfall and visitor numbers.

The total value of property developments in the precinct in 2021 was R1.144 billion with three developments completed (valued at R147 million) and eight under construction (valued at R997 million).



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





BUSINESS & RETAIL

The table below shows the top 15 categories of business in the Central City, and how they compare to the top businesses in the Inner City (P2). The numbers in green indicate the sectors in which P2 had the highest numbers overall in the CBD in any given category.

936 (or 31.4 %) of the **2 981** businesses in the Central City are in P2.

CATEGORY	P2	TOTAL
Retail **	342	805
Legal services	79	655
Medical practices	15	228
Financial services & banking	73	175
Restaurants	68	145
Takeaways	32	86
Architecture & engineering	32	85
ICT & telecoms	26	80
Education & resources	31	76
Communications, media & advertising	26	73
Coffee shops & cafes	31	70
Accommodation (incl. students)	21	70
Travel services	26	64
General corporates & head offices	17	63
Bars & clubs	22	57



****NOTE:** The retail figure of 805 is the total CBD retail figure (1 163) excluding restaurants (145), takeaways (86), coffee shops (70) and bars & clubs (57).



RETAIL BREAKDOWN

342 (42.5 %) of the CBD's 805 retail outlets (excluding restaurants, takeaways, coffee shops, bars & clubs) are in P2. Of these, the largest categories are:

Clothing
& shoes
10.2 %

Mobile devices
9.6 %

Jewellery
design &
manufacturing
8.2 %

Hair salons
7.6 %

Superettes
5.8 %

Art galleries
5.3 %

MYCITI

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

29 597 people boarded buses in P2 while **89 991** alighted.

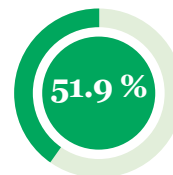
BUS STOP	BOARDED	ALIGHTED
Church	75	450
Longmarket	420	751
Mid Long	290	488
Mid Loop	145	519
Riebeek	15 841	52 918
Strand	12 826	34 865
P2 TOTAL	29 597	89 991



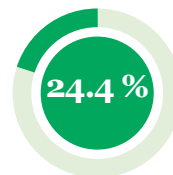
ENTERTAINMENT

22 (or 38.6 %) of the **57** bars and clubs in the Central City are in P2.

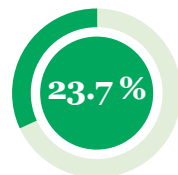
131 (or 43.5 %) of the 301 eateries (including the three categories below) in the Central City are in P2. Of these:



68
Restaurants



32
Takeaways



31
Coffee shops
& cafés

CO-WORKING SPACES

Seven (or 37 %) of the 19 co-working spaces in the CBD are in P2.

LOCATION	NAME	WEBSITE
113 Loop St	Ideas Cartel	ideascartel.com
106 Adderley St	106 BizzHub	106adderley.co.za/bizz-hub
114 Bree St	Office & Co	officeandco.co.za
50 Long St	Spaces	regus.com
9 Lower Burg St	Box Office	box-office-suites.wixsite.com/website
80 Hout St	No.80 Hout Street	coworkbooking.com
80 Strand St	WeWork	wework.com

EDUCATION

Precinct 2 is home to the most educational institutions, with **31** (or 41 %) of the **76** educational institutions in the CBD located in P2.



DEVELOPMENTS

COMPLETED IN 2021

Old Bank Hotel*

LOCATION 85 St Georges Mall

TYPE Hotel

INVESTMENT TBC

The Felix (Picbel Parkade)*

LOCATION 58 Strand St

TYPE Commercial

INVESTMENT R40 000 000

BlackBrick*

LOCATION 8 St Georges Mall

TYPE Hotel/aparthotel

INVESTMENT R107 000 000

TOTAL R147 000 000

INVESTMENT TOTAL PRECINCT 2: R1 144 000 000



UNDER CONSTRUCTION IN 2021

The Barracks

LOCATION 50 Bree St

TYPE Mixed-use

INVESTMENT R150 000 000

The Box (Atterbury House)*

LOCATION 9 Lower Burg St

TYPE Commercial

INVESTMENT R72 000 000

Neighbourgood Reserve*

LOCATION 130 Adderley St

TYPE Mixed-use

INVESTMENT R75 000 000

The Rubik

LOCATION 17 Loop St

TYPE Mixed use

INVESTMENT R500 000 000

The Tokyo

LOCATION 87 Loop St

TYPE Residential

INVESTMENT R130 000 000

14 Long Street*

LOCATION 14 Long St

TYPE Commercial

INVESTMENT R15 000 000

91 Bree Street

LOCATION 91 Bree St

TYPE Commercial

INVESTMENT R35 000 000

33 Waterkant St*

LOCATION 33 Waterkant St

TYPE Commercial

INVESTMENT R20 000 000

TOTAL R997 000 000

PLANNED IN 2021

City Park

LOCATION 111 Bree St

TYPE Mixed-use

INVESTMENT TBC

*These are redevelopments or renovations.

ACCOMMODATION

RESIDENTIAL

There are **24** residential buildings (31 % of the total residential complexes in the Central City) in P2, housing a total of **942** residential units (16 % of the **5 791** units in the CBD). The four largest residential buildings in P2 are Mandela Rhodes Place (214 units), followed by The Decks (82 units) and The Colosseum and Greenmarket Place (both 78 units). A total of 29 apartments were sold in these 24 residential buildings in 2021.

BUILDING	LOCATION	TOTAL UNITS	SALES 2021
34 St Georges	40 Strand St	73	4
5 St Georges	18 Adderley St	47	0
71 Loop Street	71 Loop St	16	0
73 Loop Street	73 Loop St	4	1
74 Loop Street	74 Loop St	5	1
Castle Gate	83 Castle St	12	1
The Colosseum	12 Adderley St	78	0
De Oude Schuur	120 Bree St	50	2
Forty Two Burg Street	42 Burg St	26	0
Glaston House	63 Church St	43	3
Greenmarket Place	54 Shortmarket St	78	1
Greenmarket Place	38 Shortmarket St	8	0
Guarantee House	37 Burg St	12	0
Huys Heeren XVII	105 Long St	6	0
Impala House	27 Castle St	8	0
Kimberley House	34 Shortmarket St	8	1
Mandela Rhodes Place	Cnr Wale & Burg Sts	214	11
Market House	1 Shortmarket St	51	0
Murray House	25 Hout St	9	0
Namaqua House	36C Burg St	25	0
St Georges Street Chambers	118 St Georges Mall	11	1
Taj Cape Town	4 Wale St	25	0
The Decks	67 Long St	82	3
The Wale Street Chambers	36 Wale St	51	0
TOTAL		942	29

HOTELS & BACKPACKERS

19 (or 30 %) of the 63 hotel and backpacker establishments in the CBD are in P2.

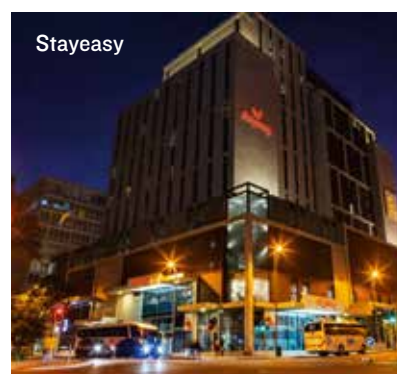
5-star	4-star	3-star	1-star	backpackers	TOTAL
2	6	5	0	6	19



Old Bank Hotel



De Oude Schuur



Stayeasy

PRECINCT 3 Legal, leisure & cultural hub

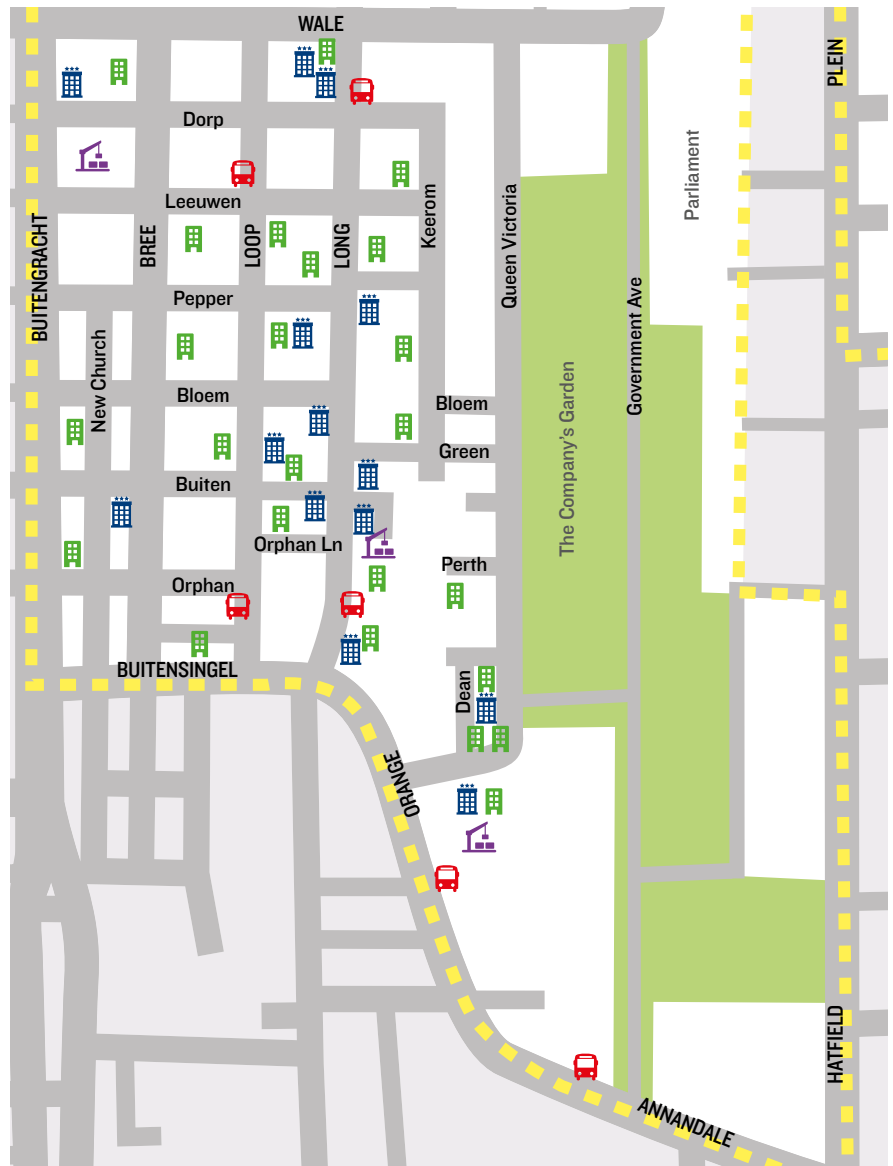
Home to the green “lung” of downtown Cape Town, the historic Company’s Garden, Precinct 3 has a special character. Several of the Mother City’s iconic cultural institutions are situated here, including the Cape Town Holocaust & Genocide Centre, the Iziko Slave Lodge, the Iziko South African National Gallery, the South African Jewish Museum, and the Iziko Planetarium.

It is also a legal hub. The Western Cape High Court is situated in this precinct, and it is home to downtown Cape Town’s legal fraternity with 524 of the Central City’s 655 legal services entities located in P3. The Houses of Parliament are also here, as is the Western Cape government.

With the year beginning with the country on Lockdown Level 3 in January 2021, and then see-sawing between Levels 1 and 4 throughout the year, Precinct 3 and the CBD’s night-time economy took the knocks. Capetonians and out-of-town visitors flock to this precinct to have fun: most of the Central City’s bars and clubs are here (23 out of 57) and are located mostly in Bree and Long streets.

While property developments in this precinct were thin on the ground in 2021 (amounting to a total of R1.555 billion), one of the first biophilic buildings in Africa is in the planning phase. The Fynbos (R1.5 billion), which will elevate Bree Street’s residential offering, is a high-density residential block which will have an exterior alive with 30 species of trees and 20 species of shrub.

Precinct 3 has a high percentage of residential buildings, sporting over 1 500 units, including one of the CBD’s iconic apartment blocks, St Martini Gardens, which overlooks the Company’s Garden and has 316 units. It is also home to the city’s beloved Long Street Baths.



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





Long Street Baths



Arch for Arch

BUSINESS & RETAIL

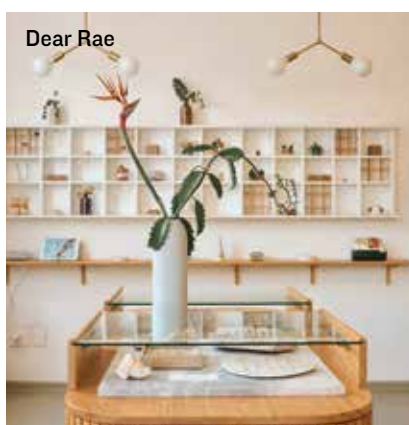
The table below shows the top 15 categories of business in the Central City, and how they compare to the top businesses in P3. The numbers in blue indicate the sectors in which P3 boasts the highest numbers overall in the CBD in any given category.

866 (or **29.1 %**) of the **2 981** businesses in the Central City are in P3.

CATEGORY	P3	TOTAL
Retail **	118	805
Legal services	524	655
Medical practices	19	228
Financial services & banking	15	175
Restaurants	35	145
Takeaways	8	86
Architecture & engineering	18	85
ICT & telecoms	9	80
Education & resources	7	76
Communications, media & advertising	11	73
Coffee shops & cafes	10	70
Accommodation (incl. students)	15	70
Travel services	9	64
General corporates & head offices	13	63
Bars & clubs	23	57



****NOTE:** The retail figure of 805 is the total CBD retail figure (1 163) excluding restaurants (145), takeaways (86), coffee shops (70) and bars & clubs (57).



RETAIL BREAKDOWN

118 (or **14.7 %**) of the CBD's **805** retail outlets (excluding restaurants, takeaways, coffee shops, bars & clubs) are in P3. Of these, the largest categories are:

Clothing
& shoes
10.2 %

Speciality
stores
9.3 %

Health
& beauty
8.5 %

Superettes
8.5 %

Barrows
& kiosks
7.6 %

Furniture,
lighting & décor
5.9 %

MYCITI

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

14 319 people boarded buses in P3 while **34 340** alighted.

BUS STOP	BOARDED	ALIGHTED
Dorp	4 414	12 635
Leeuwen	2 588	3 550
Michaelis	611	1 027
Upper Long	3 407	14 623
Upper Loop	3 065	1 833
Government Ave	234	672
P3 TOTAL	14 319	34 340

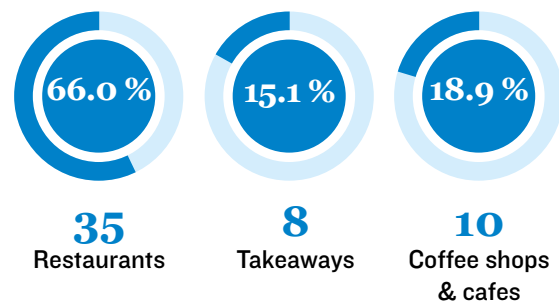


The Ladder on I36

ENTERTAINMENT

23 (or 40.4%) of the **57** bars and clubs in the Central City are in P3.

53 (or 17.6 %) of the **301** eateries (including the three categories below) in the Central City are in P3. Of these:



CO-WORKING SPACES

Four (or 21 %) of the **19** co-working spaces in the CBD are in P3.

LOCATION	NAME	WEBSITE
25 Wale St	Akro CoWorking	akro.africa/spaces
163 Bree St	Open Co-Workspace	opencity.co.za
51 Wale St	The Block: Inospace	inospace.com
186 Loop St	House Of	houseof.co

EDUCATION

Seven (or 9 %) of the **76** educational institutions in the CBD are in P3.



DEVELOPMENTS

COMPLETED IN 2021

Uxolo

LOCATION 5 Vredenburg Lane

TYPE Residential

INVESTMENT R35 000 000

The Capital 15 on Orange*

LOCATION Grey's Pass

TYPE Hotel/aparthotel

INVESTMENT R20 000 000

TOTAL R55 000 000



The Fynbos

PLANNED IN 2021

The Fynbos

LOCATION 142 Bree St

TYPE Residential

INVESTMENT R1 500 000 000

TOTAL R1 500 000 000

INVESTMENT TOTAL PRECINCT 3:

R1 555 000 000



The Capital 15 on Orange

*There were no developments under construction in P3 in 2021.

ACCOMMODATION

RESIDENTIAL

There are **24** residential buildings (31 % of the total residential complexes in the Central City) in P3, housing a total of **1 552** residential units (27 % of the **5 791** units in the CBD). The three largest residential buildings in P3 are St Martini Gardens (316 units), the Pepperclub Hotel (221 units) and Manhattan Place (196 units). A total of 380 apartments were sold in P3 in 2021 – the majority (316 units) in the proposed development, The Fynbos.

BUILDING	LOCATION	TOTAL UNITS	SALES 2021
134 Long Street	134 Long St	4	0
15 on Orange	Cnr Orange & Grey's Pass	21	0
155 Loop Street	155 Loop St	16	1
220 Loop Street	220 Loop St	95	1
6 on Pepper	6 Pepper St	22	0
Artois Court	6 Dean St	8	1
Elkay House	186 Loop St	13	1
Flatrock	8 Buiten St	47	3
Graphic Centre	199 Loop St	27	0
Holyrood	80 Queen Victoria St	39	3
Jodaca	183 Bree St	24	0
Lutomburg	18 Keerom St	12	1
Manhattan Place	130 Bree St	196	1
Metro House	36 New Church St	2	0
Montreux	90A Queen Victoria St	32	2
Pepperclub Hotel	Cnr Loop & Pepper Sts	221	4
Senator Park	66 Keerom St	169	3
St Martini Gardens	70 Queen Victoria St	316	16
Studios on Long	187 Long St	16	2
The Fynbos *	142 Bree St	-	316
The Sentinel	27 Leeuwen St	103	2
Tuynhuys	54A Keerom St	47	0
Uxolo	4 Vredenburg Lane	36	17
Victoria Court	301 Long St	36	3
West Side Studios	139 Buitengracht St	50	3
TOTAL		1 552	380

*The Fynbos has not yet been constructed but accounted for 316 sales in 2021.

HOTELS & BACKPACKERS

14 (or **22 %**) of the **63** hotel and backpacker establishments in the CBD are in P3.

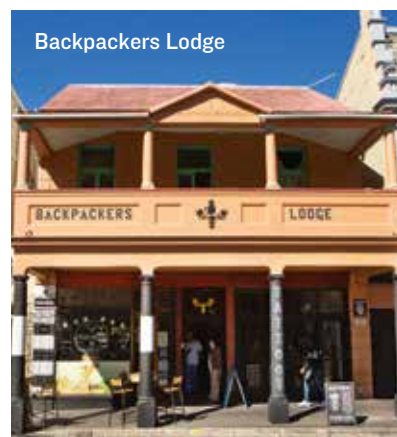
5-star	4-star	3-star	1-star	backpackers	TOTAL
2	2	4	0	6	14



Pepperclub Hotel



Tuynhuys



Backpackers Lodge

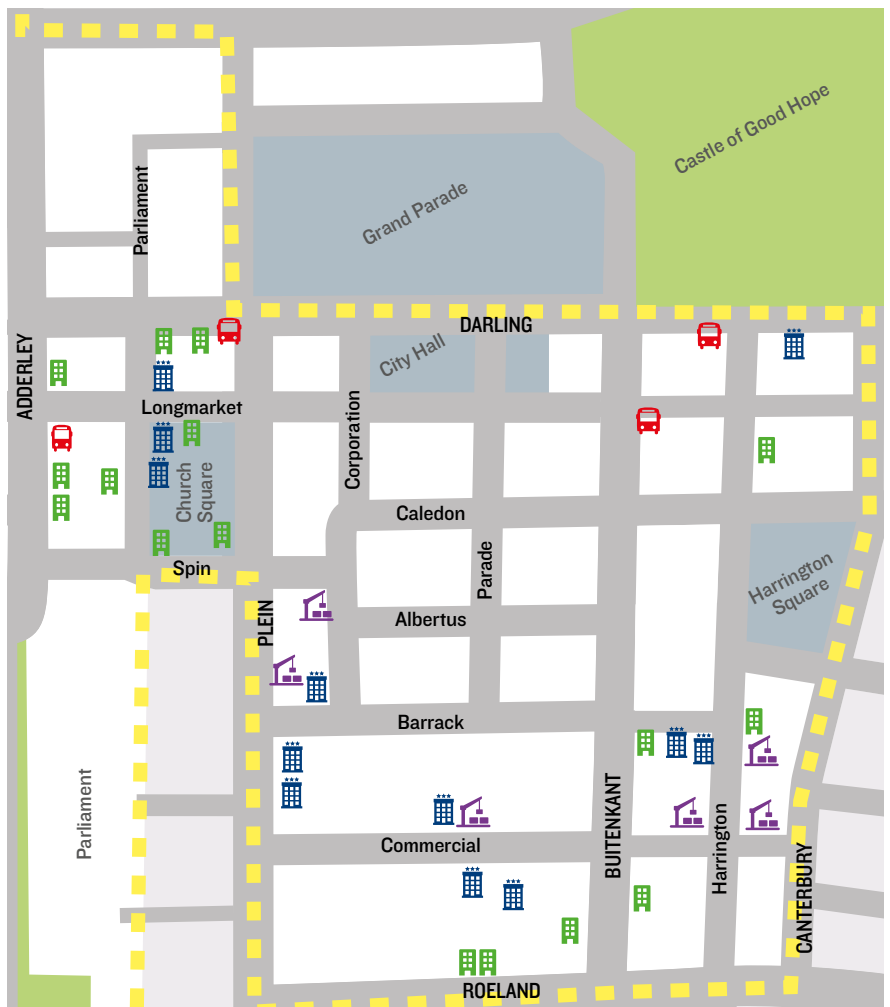
PRECINCT 4 The East City

The East City is one of the CBD's most vibrant precincts. Known for its destination establishments, it is home to niche retail entities that lure Capetonians to the neighbourhood: 260 of the Central City's 805 retail businesses are here, including destination eateries such as award-winning fine dining restaurant, FYN, and casual eateries and coffee shops: Dapper, Swan Café, New York Bagels and Harringtons.

The heart of the Central City's craft and design economies, the East City has long offered a diverse retail mix. This is where the CBD's first "green" grocer, Nude Foods, set up shop and is still going strong.

A culture-rich precinct, the economic effects of Covid have been felt here, with the iconic Fugard Theatre, which stood empty for most of 2020, finally closing its doors for good in 2021. Another iconic East City establishment, Cape Town City Hall, also stood empty thanks to Covid restrictions. In 2021, it once again opened its doors to select performances of the Cape Town Philharmonic Orchestra. Other historic buildings are also here, including The Old Granary, a heritage site that is home to the Desmond & Leah Tutu Legacy Foundation, and the District Six Museum.

While property development slowed down in this precinct in 2021, the total value of developments (completed and under construction) was R325 million. Completed developments included the transformation of former city stalwart The Townhouse Hotel into Neighbourgood East City (R80 million), which offers flexible, fully furnished stays and co-working and co-living spaces and incorporates a "membership" system perfectly suited to capitalise on the digital nomad trend sweeping the post-pandemic world.



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



Nude Foods



SurfaRosa

BUSINESS & RETAIL

The table below shows the top 15 categories of business in the Central City, and how they compare to the top businesses in the East City (P4). The numbers in blue indicate the sectors in which P4 boasts the highest numbers overall in the CBD in any given category.

536 (or 18.0 %) of the **2 981** businesses in the Central City are in P4.

CATEGORY	P3	TOTAL
Retail **	260	805
Legal services	30	655
Medical practices	11	228
Financial services & banking	24	175
Restaurants	22	145
Takeaways	36	86
Architecture & engineering	5	85
ICT & telecoms	10	80
Education & resources	19	76
Communications, media & advertising	18	73
Coffee shops & cafes	15	70
Accommodation (incl students)	15	70
Travel services	3	64
General corporates & head offices	16	63
Bars & clubs	6	57



****NOTE:** The retail figure of 805 is the total CBD retail figure (1 163) excluding restaurants (145), takeaways (86), coffee shops (70) and bars & clubs (57).



RETAIL BREAKDOWN

260 (or **32.3 %**) of the CBD's **805** retail outlets (excluding restaurants, takeaways, coffee shops, bars & clubs) are in P4. Of these, the largest categories are:

Clothing & shoes 23.8 %	Mobile devices 11.9 %	Hair salons 7.3 %	Superettes 6.2 %	Chain stores 4.2 %	Jewellery design & manufacturing 3.8 %	Laundry, dry cleaning & tailors 3.8 %
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MYCITI

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

178 772 people boarded buses in P4 while **254 194** alighted.

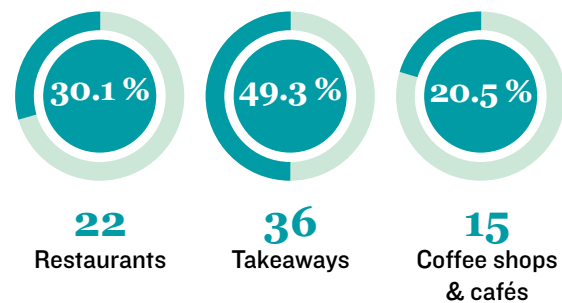
BUS STOP	BOARDED	ALIGHTED
Darling	36 221	18 494
Groote Kerk	105 402	172 353
Lower Buitenkant	5 573	6 827
Castle	31 576	56 520
P4 TOTAL	178 772	254 194



ENTERTAINMENT

6 (or 10.5 %) of the **57** bars and clubs in the Central City are in P4.

73 (or **24.3** %) of the 301 eateries (including the three categories below) in the Central City are in P4. Of these:



CO-WORKING SPACES

3 (or 16 %) of the **19** co-working spaces in the CBD are located in P4.

LOCATION	NAME	WEBSITE
37 Buitenkant St	Tiny Empire	instagram.com/tinyempireworkspace
27 Caledon St	CHIPS Co-Working	chips.capetown
50 Harrington St	Roamwork	roam.work

EDUCATION

19 (or 25 %) of the **76** educational institutions in the CBD are in P4.



DEVELOPMENTS

COMPLETED IN 2021

75 on Plein*

LOCATION 75 Plein St

TYPE Commercial

INVESTMENT TBC

Neighbourgood East City*

LOCATION 60 Corporation St

TYPE Mixed-use

INVESTMENT R80 000 000

HOMii Valencia*

LOCATION 53 Commercial St

TYPE Residential

INVESTMENT TBC

The Harri

LOCATION 75 Harrington St

TYPE Mixed-use

INVESTMENT R70 000 000

TOTAL R150 000 000

*These are redevelopments or renovations.

UNDER CONSTRUCTION IN 2021

99 Harrington St

LOCATION 99 Harrington St

TYPE Commercial

INVESTMENT R25 000 000

Shiro Towers

LOCATION 84 Harrington St

TYPE Mixed-use

INVESTMENT R150 000 000

TOTAL R175 000 000

*There were no planned or proposed developments in P4 in 2021.

INVESTMENT TOTAL PRECINCT 4:

R325 000 000



HOMii Valencia



Neighbourgood East City



Shiro Towers



75 on Plein



Church Square

ACCOMMODATION

RESIDENTIAL

There are **16** residential buildings (**21 %** of the total residential complexes in the Central City) in P4, housing a total of **1 486** units in the CBD (**26 %** of the **5 791** units in the CBD). The three largest residential buildings in P4 are The Adderley (279 units), Four Seasons (205 units) and Perspectives (176 units). A total of 90 apartments were sold in the East City in 2021.

BUILDING	LOCATION	TOTAL UNITS	SALES 2021
4 Church Square	4 Church Square	45	0
Bijoux	31 Adderley St	26	0
Cartwrights Corner	19 Adderley St	126	8
Church Square House	19 Church Square	13	2
Four Seasons	43 Buitenkant St	205	20
Gold House	31 Harrington St	6	0
Hip Hop Plaza	39 Roeland St	37	2
Mutual Heights	19 Parliament St	161	12
Perspectives	37 Roeland St	176	14
Red Lion	111 Longmarket St	12	0
The Adderley	25 Adderley St	279	3
The Harri	75 Harrington St	50	19
The Piazza on Church Square	37 Adderley St	103	5
The Square	64 Buitenkant St	174	4
The Wellington	22 Darling St	28	0
Wolroy House	37 Buitenkant St	45	1
TOTAL		1 486	90

HOTELS & BACKPACKERS

12 (or **19 %**) of the 63 hotel and backpacker establishments in the CBD are in P4.

5-star	4-star	3-star	1-star	backpackers	TOTAL
1	0	3	0	8	12



The Harri



Cartwrights Corner

IN CONCLUSION

With this bumper 76-page edition of the CCID's flagship publication *State of Cape Town Central City Report 2021 – A year in review* – the biggest to date – we celebrate a decade of meticulous and reliable reporting on the state of downtown Cape Town's economy. It has been a fascinating, rewarding process documenting the rise of the Cape Town CBD and its positioning as the most vibrant, successful and dynamic inner city in southern Africa where the overall nominal property value stands at R43.8 billion.

In the 10 years since the publication was launched, the City

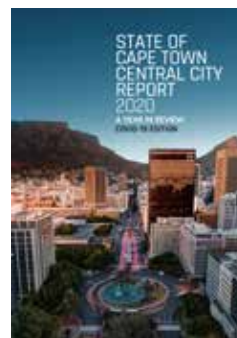
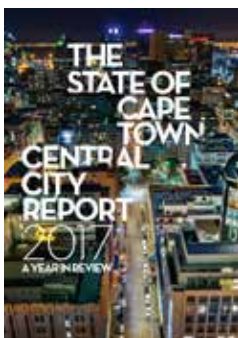
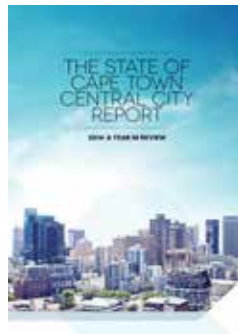
of Cape Town and the CBD have weathered various crises, from nearly running out of water and coping with electricity blackouts to the coronavirus pandemic disaster that has brought the global economy to its knees, causing death and destruction in its wake. Yet, as our report reflects, downtown Cape Town has remained a resilient, crucial business hub, the seat of key Cape Town economies such as eventing and business tourism, tech, hospitality and retail, thereby enhancing the Mother City's international stature.

In 2021, the second Covid year,

it once again proved challenging collecting data in restrictive circumstances, but the CCID is proud to publish the results of a year during which downtown Cape Town continued to hold its own on several fronts.

This publication is the result of the hard work of a very dedicated editorial team, with contributions by collaborators. I extend my utmost gratitude to everyone who has contributed to its success.

With appreciation,
TASSO EVANGELINOS,
CEO: CCID



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