



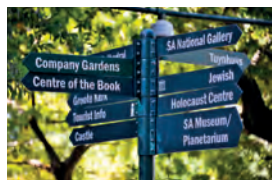
THE STATE OF CAPE TOWN CENTRAL CITY REPORT 2012





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MAYORAL FOREWORD

In the late 1990s, major South African cities suffered from an unfortunate trend of people and businesses moving out of CBDs. Apart from the familiar problems of apartheid spatial planning, and the attendant tragic social consequences, there was no question that, with some diffuse supporting centres, CBDs were historically designed as the pulsing centres of our cities.

Many South African cities have sought to address this trend, not only as a means of arresting a dramatic depopulation of centres but as a means of addressing other associated problems of decline, urban sprawl and transportation issues. These needs have only increased with global development trends towards densification.

I believe that Cape Town has led the way in these processes. Over the past decade especially, a dynamic partnership between business, civil society and government has seen a revitalisation of the Central City. Today, it is once more a thriving social and economic centre and a safe place for business and trade. We still have other issues to work out but I believe that we are on the right track.

This model of working together to improve our centres is one that we are replicating at other nodal points in the city. Together, they will form the compass points of a vibrant spatial network that links opportunities and people to those opportunities.

And by building an inclusive city of opportunity, we will continue to take the lead in urban development issues.



PATRICIA DE LILLE

Cape Town's Executive Mayor of Cape Town

MAP OF CAPE TOWN'S CENTRAL CITY



This report highlights the economic and social activity in the Cape Town Central City. Although small in geographic size, this area is the heart of the metro-region's economy and is home to some of the city's tallest buildings, largest companies, most successful entrepreneurs and most exciting social environments – all within a 1.6km² space that lies between Table Mountain and the Atlantic Ocean.

INTRODUCING THE CENTRAL CITY



Tasso Evangelinos



Rob Kane

Sitting between the Atlantic Ocean waters of Table Bay harbour and the slopes of Table Mountain, Cape Town's Central City is one of South Africa's most dynamic and cosmopolitan urban centres. The diverse array of people, companies, buildings and places that call the Central City home enables you to sense a distinctly Capetonian vibe as soon as you arrive. Beautifully preserved historic buildings provide the setting for some of the area's over-1 200 cutting-edge retail outlets and five-star restaurants while the ever-increasing growth of over 2 000 businesses fuels the construction of new state-of-the-art office buildings across the Central City's grid.

The Central City forms the core of the City of Cape Town's economy and houses the heart of its municipal and provincial government administration as well as the country's Houses of Parliament. A crossroads of the latest global ideas and trends, the Central City is a vibrant, safe and accessible place where companies and employees take advantage of the productive business linkages, industry collaborations and dynamic urban synergies. People like the Central City because of its lifestyle experiences, restaurants, transportation links and accessibility. Companies like the Central City because of its strategic placement as an investment link to the rest of South Africa and the African continent. In a recent survey, people moving through the area said that they found it to be a clean, safe and multi-cultural space where big events successfully bring people together. A vibrant and exciting business location, the Cape Town Central City is truly a place where people live, work and play in a uniquely African urban space.

With the support of the Cape Town Partnership, Cape Town's Central City Improvement District (CCID) welcomes you to this premier edition of *The State of Cape Town Central City Report*. Let the facts, figures and narratives serve as your guide to the Central City's most exciting developments. This report showcases the reasons why so many people and companies love to call Cape Town's Central City home. Like the rest of our stakeholders, the CCID is excited about our urban future and looks forward to the dynamic role that the Central City and its economy will play in the ongoing sustainable growth of Cape Town, the Western Cape, and South Africa.

Welcome to our Central City.

TASSO EVANGELINOS

Chief Operating Officer

Central City Improvement District

ROB KANE

Chairman of the Board

Central City Improvement District

**A CROSSROADS OF THE
LATEST GLOBAL IDEAS AND
TRENDS, THE CENTRAL
CITY IS A VIBRANT, SAFE
AND ACCESSIBLE PLACE...**



New buildings in the heart of the Central City



Public space in the Central City



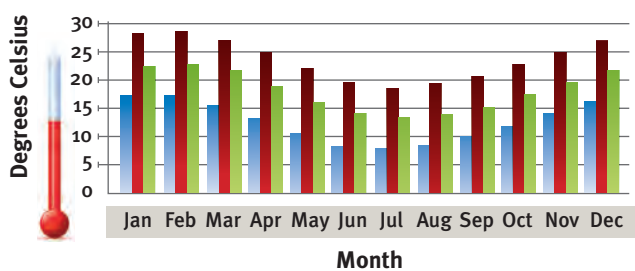
The Central City works for business

CAPE TOWN IN CONTEXT

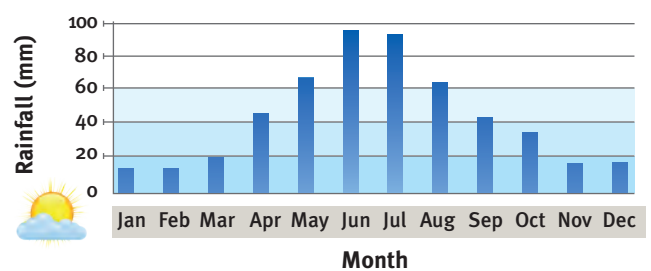
16°C Cape Town's annual temperature

283 days of sunshine per year

Cape Town's Monthly Temperature Range



Average rainfall per month



Minimum temperatures Maximum temperatures Average temperatures Average rainfall per month (mm)

Climate Information Portal, Climate Systems Analysis Group, University of Cape Town. Available at <http://cip.csag.uct.ac.za>

4

TEN ACCOLADES FOR CAPE TOWN

- 1 Voted "Best Destination in the World" (2011) by *TripAdvisor* Travellers' Choice Awards.
- 2 Ranked by University of Cape Town's (UCT's) MBA programme as "Overall Best Value for Money" globally by the *Financial Times* (FT) London's Global MBA Top 100 Rankings (2011).
- 3 The Cape Town International Convention Centre ranked "Best Exhibition Venue of the Year" in South Africa (2011) by the Exhibition and Event Association

- 4 of South Africa (EXSA).
- 4 Ranked "Top City in Africa and the Middle East" by *US Travel & Leisure* magazine (2011).
- 5 Designated "World Design Capital 2014" (2011) by International Council of Societies of Industrial Design (Icsid).
- 6 UCT is the highest-ranked African University (2011) according to the QS World University Rankings.
- 7 Cape Town International Airport awarded "Best Airport in Africa"

- (2011 and 2012) by the global ACI Airport Service Quality Awards.
- 8 Ranked 3rd most innovative city in *Emerging Markets* (2011) by Melbourne-based 2ThinkNow Innovation Monitor.
- 9 Awarded "Best Quality of Living" on continental Africa (2010) by Mercer Quality of Living Survey.
- 10 The Central City is named "Downtown of the Month" (2009) by the International Downtown Association.



A SNAPSHOT OF THE GREATER CAPE TOWN METROPOLIS

POPULATION:
3.7 million
people

AVERAGE DENSITY:
12.28
persons
per hectare

ECONOMIC
GROWTH RATE:
4%



Cape Town Civic Centre BRT station

THE CENTRAL CITY: CAPE TOWN'S CATALYST



Bulelwa Makalima-Ngewana

It is with great excitement that the Cape Town Partnership joins the Central City Improvement District (CCID) to showcase the best that our Central City has to offer. Cape Town is home to some of South Africa's most exciting economic endeavours, vibrant lifestyle experiences, diverse arts and cultural offerings and rich educational institutions – all of which make Cape Town Central City one of the best places to work, live and play.

The economic pulse of the Cape Town Central City is one of Cape Town's most exciting catalysts for positive and inclusive socio-economic transformation. Through new partnerships in economic development, creative clustering, entrepreneurial development and neighbourhood regeneration our Central City is igniting new processes of inclusive economic growth and urban transformation in Cape Town – making the economy more accessible to more people. These urban development programmes, along with others, all underpin our Central City Development Strategy – the Cape Town Partnership's ten-year vision in partnership with the City of Cape Town to make our city more inclusive, sustainable and liveable.

Perhaps one of the most promising aspects of our Central City is the way in which the wonderful developments happening in the Central City are linking with the greater Cape Town metro-region. The MyCiTi service –



A shop owner on Greenmarket Square

5

BUSINESSES ARE PROMOTING THE IDEA OF GOING GREEN BY ENCOURAGING STAFF TO CYCLE, WALK OR TAKE PUBLIC TRANSPORT TO WORK

our new bus rapid transit system – brings more and more people into our Central City to participate in the new economic and social activities taking place each day. Enlivened public spaces are encouraging increasing numbers of people to re-connect with our city and with each other while lingering longer on our streets and moving about in safer and more sustainable ways.

As one of the most dynamic places in our city, the Central City is vital for Cape Town's overall economic success. Each day increasing numbers of new residents, visitors and employees on their way to work stop at our sidewalk coffee shops to live out our city's "café culture" as they walk to their destination. Businesses are promoting the idea of "going green" by encouraging staff to cycle, walk or take public transport to work. And new infrastructural developments such as a public transportation re-design, new building construction and the expansion of our convention centre all show the great promise that inclusive economic growth and urban development have to re-connect our Central City to both the rest of the metropolis and the rest of the country.

It is with great pride that we, as the Cape Town Partnership, join the CCID in showcasing the best of our Central City.

BULELWA MAKALIMA-NGEWANA

Managing Director | Cape Town Partnership



Commuters at the Civic Centre



Cape Town's café culture

24.5%

of business turnover

Contribution of the Central City to the larger Cape Town metro-region



32.8%



Central City share of A-grade office space in the Cape Town metro-region

- Total of 491 285m²
- 71 000m² new A+/A-grade office space planned for future development

380 000m²

of retail space
Over 1 200 retail shops
That's almost
60 international-sized soccer fields

CAPE TOWN'S CENTRAL CITY

OVER 350 000 PEOPLE

move through the Central City each day

8 436 191 passengers

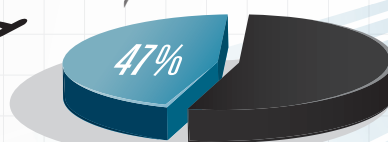
passed through the Cape Town International Airport in 2011



on 21 airlines

4 600 beds

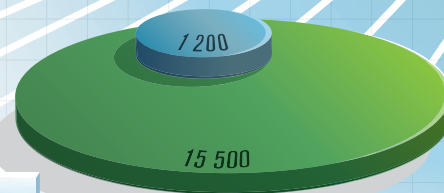
Over at 57 hotels of which 8 are five star



Central City share of total bed space in larger city region

49 TERTIARY EDUCATIONAL INSTITUTIONS

- Educating on average 15 500 students
- Employing over 1 200 faculty & staff



NUMBER OF COMPANIES PER SECTOR

- A. Travel Services
- B. Architecture & Engineering Services
- C. Financial Services & Banking
- D. Information & Communications Technologies
- E. Specialised Services
- F. Medical, Health & Cosmetic Services & Facilities
- G. Legal Services



Well governed



3 Spheres of Government
(National, Provincial & Municipal)

120 GOVERNMENT OFFICES

OVER
5 000
GOVERNMENT
EMPLOYEES

OVER
27 000
PEOPLE
served each day

The Fringe

Innovation District

Potential to generate

- **3 500 jobs**
- **R1.2 billion** in tax revenues
- **R1.5 billion** GDP per year by 2031

CENTRAL CITY BUSINESS SURVEY:

88%



of businesses say the MyCiTi BRT system contributes towards making the Central City a more accessible place

93%



of businesses say that they are likely to remain in the Central City

- 83% of businesses say that Cape Town's Central City is the **safest in the country**

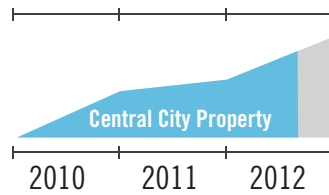
IS OPEN
FOR
BUSINESS
2012

More than
R21 BILLION

Total current value
of Central City property

R4.6 billion

Investment in property over the past 3 years



R1.5billion

GDP contribution generated by events

THE CBD HOSTS:

75%

major local events

90%

business & international events
IN THE METRO REGION

R216 MILLION

Annual rates generated by the Central City

76% ESTIMATED
RESIDENTIAL
population increase between 2001 & 2010

3 100 people per day
visit the Cape Town Central Library,
open 63 hours each week

Cape Town's Container Terminal

- 2nd largest container port in South Africa
- Moves 700 000 containers per year
- 4 deep-sea berths
- Current expansion will double capacity to over 1.4 million containers per year

CTICC The Cape Town International Convention Centre

In 2010 - 2011

Contributed
R2.68 billion
to the National GDP

Created
7 870 JOBS
throughout the year.

Produced over

60 000

DIRECT & INDIRECT JOBS
since opening in 2003

CTICC
expansion
will total
**R690
MILLION**

863
BOOKINGS
up to the
year 2020

Top 5
events at
the CTICC
saw over
**188 769
VISITORS**



over 500 LEGAL
SERVICES
OFFICES

All of South Africa's major law
firms have offices in the Central
City, making it
**one of the biggest legal hubs in
the entire region**

The Cape Town Opera:

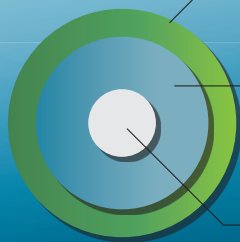
- Performed 6 full opera productions in 2010/2011 season
- Employed over 283 people (full time & ad hoc)
- Provided 711 employment contracts



Earned
R9.2 million
of income

Provided
R7.3 million
in employment
for artists

Contributed
R1.85 million
in revenue to local
businesses



8/10 businesses



are happy to be based
in the Central City

World Design Capital 2014

71% of businesses are positive about the
economic benefits of Cape Town being
the World Design Capital in 2014



All business

Future expansion

34% of businesses in the Central City
are likely to expand their operations
in the near future



77.1%
OF PEDESTRIANS
coming into the
Central City use
public transportation



BUSINESS IN THE CENTRAL CITY



THE CENTRAL CITY AT A GLANCE

FOUNDED IN 1652 AS A TRADING PORT along what became one of the world's most important trans-oceanic shipping routes, the City of Cape Town is the birthplace of South Africa's economy. Commerce, trading, shipping and manufacturing have all formed part of the bedrock of this city's global economic history.

Today, Cape Town is an African city truly connected to the growth taking place on the continent and around the globe. It is in the Central City where this economic excitement comes alive, fusing growth and production with creativity, innovation and a dynamic social environment, all set against a rich heritage.

- With the highest concentration of economic activity in the city, Cape Town's Central City contributes a total of 24.5% of business turnover to the larger Cape Town metro-region, and in excess of 30% of the city's entire payroll¹.
- The tax revenue generated from rates collected within the Central City amounts to in excess of R216 million each year². This money contributes heavily to government investment throughout the rest of the city.
- The Central City is home to a wide variety of national, provincial and local government services. Each year,

it also hosts the opening of South Africa's Parliament.

- Over 200 000 people move through the Central City daily and help to build a stronger and more dynamic business and retail sector in a compact and economically active urban space.
- Each year, the Central City hosts 90% of Cape Town's international events (including business and leisure), and 75% of major local events. These events generate a significant GDP contribution in excess of R1.5 billion.
- At the harbour edge of the Central City, Cape Town's multi-purpose Container Terminal Port is spatially the second largest in South Africa. It moves around 700 000 containers a year and covers 20 hectares and four deep-sea berths. Its imports and exports include oil, vehicles, chemical products, grains, fruit and other products³. An expansion of the port later this year will double its cargo handling capacity to over 1.4 million units⁴.
- The City of Cape Town estimates that the Central City's residential population grew by 76% between 2001 and 2010 following the overall upgrade of the area and subsequent residential development⁵.
- There are 49 educational institutions within the Central City, educating around 15 500 students a day and employing over 1 280 faculty and staff. Along with the three outlying universities in the metro, this makes the Central City a vital academic node.
- By hosting over 40 international conferences in 2010/2011, the Cape Town International Convention Centre (CTICC) contributed R2.68 billion to the national GDP and created 7 870 jobs throughout the same period.
- The Central City underpins Cape Town's thriving business and leisure tourism industry: over 4 600 hotel beds at 57 hotels give the Central City 47% of total bed space in the city, making it an economic gateway for both domestic and international visitors.
- Creativity plays a huge economic role: the Central City has over 600 creative companies based in it. Linking up with the rest of the city, these companies not only complement other businesses through service provision but create jobs and new revenue streams as well.



1 City of Cape Town. *Draft Analysis of the Cape Town Spatial Economy: Implications for Spatial Planning*, October 2010.
 2 City of Cape Town property rates collected as of 1st Quarter 2012 – based on valuations from the City of Cape Town and the current City of Cape Town Budget.
 3 Urban-Econ Development Economists. *Economic Review of Participation in Ports Operation and Services in South Africa*, August 2010. Commissioned by the South African Ports Regulator.
 4 Transnet SOC Ltd. *Transnet Annual Results Presentation*, 2011.
 5 Based on City of Cape Town future population projections. South Africa Census Data, 2001.

THE ECONOMIC IMPORTANCE OF THE CENTRAL CITY



Barry Standish

City centres often serve as business hubs, seats of government and commercial magnets for retailers. While Cape Town's Central City fulfils these, it also goes beyond, enabling Cape Town to be a truly global city. The larger city's vast cultural, ethnic and lifestyle diversity is pivotal to the creative and entrepreneurial spirit for which Capetonians are famous. The Central City is the glue that holds this all together.

This diversity is vital for economic growth, and the figures in this report go a long way to reflect the importance of the Central City. It contributes nearly 25% of all business turnover in the greater Cape Town area, in excess of R216 million in rates, and more than 30% of the city's payroll, making it one of Cape Town's most important economic hubs.

Despite the global economy, the Central City is growing. Already holding over 32% of the city's total AAA- and A-grade office space, the area will soon see the completion of the Portside Building and 22 Bree – two new high-rise blocks that reflect the continued confidence in the Central City as a place to do business. Retailers are also more confident that times are improving, and increasingly see the Central City as a good business investment.

The Central City is also at the heart of the country's business tourism. Following the success of the first phase of the Cape Town International Convention Centre (CTICC), built in the early 2000s, the construction of its R690-million second phase will soon begin. To be completed by 2015, this will greatly expand exhibition space, adding to the over 188 000 delegates that already visit the CTICC annually. The expansion will further boost business for the companies, hotels, restaurants and retailers throughout the area – and add to the 60 000 direct and indirect jobs created by the CTICC since it opened in 2003.

A growing residential population, boosted by 49 tertiary educational institutions and more integrated public transport options, further amplifies the Central City's economic growth. People can now live closer to work and move about the space in a sustainable way. Bicycle and pedestrian paths boost non-motorised transport and the new MyCiTi bus rapid transit system now connects the Central City to areas further afield.

The Central City is becoming a truly vibrant 24/7 region. The urban decay of the 1990s has been turned around, resulting in successful regeneration. Along with business growth, entrepreneurial creativity and greater job opportunities, new organisations like the Economic Development Partnership (EDP) will ensure that future growth is inclusive and sustainable.

The Central City is helping to transform Cape Town from just another coastal city into an iconic global brand. As a major contributor to regional and national growth and an increasing number of jobs and opportunities, its economic importance cannot be overstated. This report illustrates the best that the Central City has to offer, and points towards the innovative new ways in which it will continue to grow and develop.

BARRY STANDISH

Graduate School of Business | University of Cape Town



Pedestrian walkway through the Central City



The Cape Town International Convention Centre



The MyCiTi bus rapid transit system



WORKING IN THE CENTRAL CITY

CAPE TOWN'S CENTRAL CITY IS THE HEART OF THE LARGER METRO-WIDE ECONOMY. Companies in the Central City make up 25% of Cape Town's entire economy and contribute to over 30% of all employment. This economic production creates and maintains a high level of job opportunities across a variety of sectors: from accountants, lawyers, doctors and fire fighters to nurses, shop assistants, parking attendants and informal traders, the Central City economy offers inclusive opportunities for all skills levels and job markets.

THE CENTRAL CITY'S PROFESSIONAL FOOTPRINT

68	73	90	89	164	594	175	68
Travel services	Architecture and engineering services	Financial services and banking	Doctors' offices	Specialised services	Legal services	Medical, health and cosmetic services and facilities	ICT services

Entrepreneurs thrive in the Central City. It is one of the most innovative professional spaces where all the services, infrastructure, connections and innovations needed for business growth can be found within one area. Business incubators, creative office spaces and collaborative forums all help to support the entire city's growing culture of entrepreneurialism – a key driver of economic growth both within the City of Cape Town and in the larger Western Cape economy.

One of the most essential benefits for companies situated in the Central City is the location itself: companies regularly take advantage of other professionals in the area. Legal services complement the activities of the financial and accounting industries, which in turn service architects, the health profession

and many other sectors – all within walking distance of each another.

Of course, the economy of the Central City does not just operate by day: it is fast becoming home to new information and communications technologies (ICT) companies who service large overseas clients that operate around the global clock. Amplified by the population's educational achievements and language capabilities, Cape Town's Central City provides a professional environment for call centres: out of all the people coming into the Central City at night, 44.4% are here to work¹. Vital components of the city's economy are also the night-time cleaning crews and security professionals that enhance the working environment for the influx of people during the daylight hours.

¹ Sentinel Consulting. *A Survey of Day and Night time users of the Central Business District of Cape Town*, 2012.



INFORMAL TRADING

900 Estimated number of informal traders that operate in the Central City

18% Percentage of economically active people employed in informal trade in greater Cape Town¹

12% Percentage of informal trade that contributes towards the city's economic output²

^{1, 2} Available at <http://www.capetown.gov.za/en/ehd/Pages/LocalAreaEconomicDevelopment.aspx>

Cape Town is South Africa's legislative capital and government activities play a strong role in supporting the Central City's economy. It is home to the vast majority of national, provincial and municipal government services in the Western Cape. A total of 124 government offices service 27 548 public users daily and include the police, social services, national ministries and defence departments. Government is also one of the city's biggest employers: when asked in a recent survey, 24% of respondents said that they were employed in a public service or government sector job³. The City of Cape Town employs 6 363 people in the Central City with approximately 4 000 working in the main Civic Centre building alone⁴. Sixteen foreign embassies and consulates also call the area home, greatly enhancing the ability for companies to focus on international markets and take advantage of global business linkages.

Cape Town's Central City sits at the heart of a new internet enhancement strategy developed by both municipal and provincial governments to support business growth and economic development. For the 2012 financial year alone, the city has committed R11.2 million and province R18.5 million towards

internet and broadband expansion⁵. As a result, by 2014, government buildings and schools within the Central City will have high-speed connectivity. An upgraded infrastructure means more Wi-Fi connectivity and greater capacity to connect to global business networks, further enhancing Cape Town's reputation as a hub for business and economic growth.

SIX OF THE MANY CORPORATE HEADQUARTERS IN THE CENTRAL CITY:

- 1** Woolworths
- 2** Caltex
- 3** Media24
- 4** Mediterranean Shipping Company
- 5** Engen
- 6** Truworths

EMPLOYMENT DENSITY

A recent study conducted on the Central City's Employment Density figures – the average floor space that a person occupies in a commercial building – shows that Central City employees occupy on average 21.5m² of working space per person. This is roughly on par with the City of London. Architecture firms, government agencies and legal services all have some of the highest in-office employment densities in the Central City (where more employees work in relatively less space), while artistic studios, travel services, ICT companies and publishing houses are on the lower end of the density scale (where fewer employees work in relatively more space). Geographically, the Central City's higher-density buildings are located in and around the Foreshore, reflecting a growing number of more spatially efficient office buildings in the area.

As the City of Cape Town pursues new infrastructure projects like the MyCiTi bus rapid transit system and sees the growth of new buildings, knowing how many people are working in our Central City – and where – helps planners and developers better meet the needs of companies and employees through targeted service delivery. The study also shows that, on average, the higher the grade of the office building, the higher the employment density: A- and AAA-grade buildings have more people working in more efficient space allocation than B- and C-grade office buildings. By investing in a higher-grade office space, developers and companies can enable more employees to work more productively in a more compact and sustainable office environment.

^{2,3} Sentinel Consulting. *A Survey of Day and Night time users of the Central Business District of Cape Town*, 2012.

⁴ Government Services Database, January 2012

⁵ "Zille's plan for Cape to 'go live'", *Cape Argus* 17 February 2012.

A SPOTLIGHT ON LEGAL SERVICES

LEGAL SERVICES ARE A VITAL COMPONENT OF CAPE TOWN'S CENTRAL CITY ECONOMY: all of South Africa's major law firms and 594 different companies associated with the legal services sector operate within its boundaries.

Whereas many of the nation's larger law firms have offices in the Foreshore area, smaller law practices and legal services tend to operate in the vicinity of the Western Cape High Court on Keerom Street. Many of these law firms, such as Cliffe Dekker Hofmeyr, opened their doors over 150 years ago in the heart of Cape Town's Central City. Fairbridges, established in Cape Town in 1812, is the oldest law firm in the southern hemisphere and continues to base itself out of the Standard Bank Centre along the Heerenracht in the Central City.

The Cape Law Society reports that over 1 375 attorneys work in greater Cape Town's 483 law firms. Supported by an even larger number of additional office staff, these firms continue to enrich skills development and job creation throughout the broader city. Three of the nation's leading law schools, located just outside the Central City, all support Cape Town as a hub of legal knowledge and discourse. The University of Cape Town, Stellenbosch University and the University of the Western Cape each year graduate some of the country's leading legal experts, many of whom take up professional positions within the Central City.

For Michael Evans, the Head of Public Law at Webber Wentzel Attorneys, Cape Town's Central City provides his firm with proximity to both courts and clients: "The fact that the Western Cape High Court is situated in Cape Town is a significantly attractive factor, but the reasons for our law firm to be in the Central City go far deeper. The Central City is the major business centre in Cape Town – the majority of our clients are therefore based here. It is safe and clean, and easily accessible via all forms of transport. Clients who visit us, and in particular potential foreign investors, are not only overwhelmed by the beauty and the views, but they also



In April 2013, Cape Town will be the site of the 18th Commonwealth Law Conference, one of the top legal conferences worldwide where lawyers, judges and legal academics from across the globe come together to discuss legal practice, human rights and corporate/commercial law. This will be the first time the conference has come to Southern Africa, and only the third time in 60 years that the conference will be held on the African continent – a win for the city and a professional vote of confidence in Cape Town's legal sector.

see the Central City as an exciting, vibrant and viable place in which to do business."

As the Central City's legal services sector continues to grow, the firms themselves are contributing a great deal to the area's on-going urban metamorphosis through new property development, particularly in the Foreshore area. The trend began when the firm Edward Nathan Sonnenbergs set up its offices in the Foreshore, adding life and vibrancy to what had at one time been the relatively stark southern end of the Central City.

One of Cape Town's newest office buildings under construction, the R250-million 22 Bree, will be occupied by Bowman Gilfillan Attorneys upon completion in 2013. According to James McKinnel, Director of Bowman Gilfillan: "The decision to move to Cape Town's Foreshore area was an easy one: Cape Town is a strategic departure point for our growing African footprint. We have recently expanded our group to include Tanzania and Uganda, and our Cape Town offices will enable us to partner our existing and future clients with their own expansion strategies into Africa."



Central City skyline



Walking amongst the Central City's buildings

COMMERCIAL PROPERTY IN THE CENTRAL CITY

CAPE TOWN'S DIVERSE CENTRAL CITY RENTAL PROPERTY MARKET supports economic growth and development with some of the best-located offices in the metro-region.

As one of South Africa's safest and best-kept urban environments, the Central City has an office market that consists primarily of AAA-, A-, and B-grade office space. Over the past three years, developers have invested over R4.5 billion in the development of new commercial property and the refurbishment of existing office blocks. AAA- and A-grade offices in the area make up 32.8% of the entire metro-region's office supply in these categories.

Cape Town's office rental sector, like many other areas of the country, has felt the pressures of the recent economic climate, most noticeably through a vacancy increase in the A-grade market. Despite this, property prices have held relatively constant and continue to be on par with rates around the rest of the metro-region. In the pipeline for the Central City office market are 71 000m² of AAA-grade office space coming online for leasing. The continued investment

in Central City office property, combined with the on-going investment in urban infrastructure and the surrounding environment, continue to mark Cape Town's Central City as one of the most dynamic and sought-after office environments in the greater city.

OFFICE SPACE AT A GLANCE¹:

Total amount of rentable office space in the Central City (vacant and occupied): 784 920m².

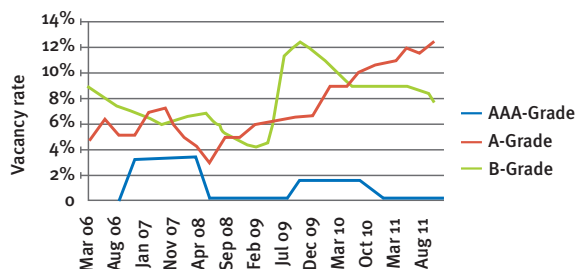
Current value of Central City property: R21.7 billion.

There are over 1 400 property parcels in the CBD and 8 500 property records.

The value of property investment in the Central City over the past three years: R4.5 billion (R4 588 718 680.)

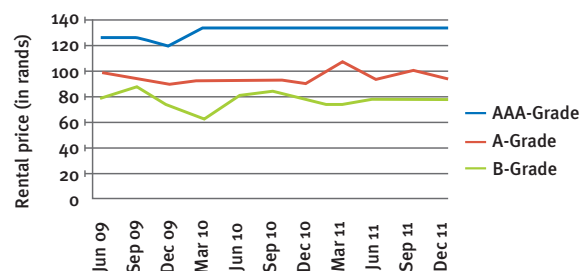
¹ South African Property Owners Association (SAPOA). *Office Vacancy Survey, Q1, 2012*

CENTRAL CITY OFFICE VACANCY FIGURES



MARKET RENTAL RATES FOR OFFICE BUILDINGS

Rands per rentable m², gross leases (excl. VAT)



All graphical information taken from data in the South African Property Owners Association (SAPOA) *Office Vacancy Survey, Q1, 2012*.



The Cape Town International Convention Centre

HOSTING CONVENTIONS AND BUSINESS TOURISM

BUSINESS TOURISM AND CONVENTION HOSTING take a pre-eminent role in Cape Town's Central City economy. The Cape Town International Convention Centre (CTICC) hosted over 500 events in 2011, including 40 international conferences, demonstrating its increasing prominence as a worldwide competitor for long-haul gatherings.

Through a strong partnership with business owners and developers, the City of Cape Town has helped to make the CTICC one of the few convention centres worldwide that generates a profit: in 2011, the CTICC recorded a revenue stream of R143.3 million and an operating profit of R33.2 million, making it a tremendously lucrative urban investment for the Central City. The R250 million in tax revenue generated by the CTICC helps to fund onward urban infrastructure expansions in the Central City and across the metro-region.

In addition to contributing R1.4 billion to indirect household income, the CTICC also contributed R2.68 billion to South Africa's GDP and R945 million to the Western Cape Province's Gross Geographical Product in 2010/2011. In 2010/2011 alone, the CTICC created a total of 7 870 direct and indirect jobs. Combined with a strong focus on employee training – in 2010/2011, 9% of operational budget went to staff training – the CTICC is helping to ensure that the Central City's economic growth is not only financially lucrative, but economically inclusive and socially sustainable as well¹.

The business tourism and convention industries in Cape Town are supported by a large and diverse array of hotels in the Central City. 57 hotels offer over 4 600 beds in properties that integrate contemporary luxury, old-world charm and a prime location for the complete convenience of business travellers. Combined

1 243 910

Total number of tourism days generated by all events hosted at the CTICC (an increase of 11% over 2010)

R615 million

The foreign exchange earnings generated by the CTICC

30%

The number of business visitors who return for leisure

with the services of Cape Town International Airport – awarded the "Best Airport in Africa" in 2011 and 2012 by the Airports Council International – visitors to the Central City are met with top-tier service and seamless connections as they conduct their business.

Looking ahead, Dirk Elzinga, for many years the Chairman of the Federated Hospitality Association of South Africa, sees a bright future for Cape Town's Central City: "One of the most exciting new markets will be the rise of business and leisure tourism from India and China. Trade between China and Africa is strengthening, and more people from these markets are coming to our city

for business and leisure tourism. Companies looking to invest further afield in our country and continent see our city as the perfect 'jumping-off point', where quality of life and access to services meet with the exciting possibilities of the continent."

HERE'S A LOOK AT THE TOP FIVE EVENTS AT THE CTICC IN 2011 BY ATTENDEE NUMBERS



Decorex
40 000



Design Indaba Expo
38 000



Homemaker's Expo
37 769



Good Food and Wine Show
35 000



Cape Town International Jazz Festival
38 000

¹ Cape Town International Convention Centre Annual Report, 2010/2011

THE CTICC EXPANSION

THE CTICC IS IN THE PROCESS OF DOUBLING ITS CONFERENCE HOSTING CAPACITY in order to accommodate more events across a wider and more adaptable floor space.

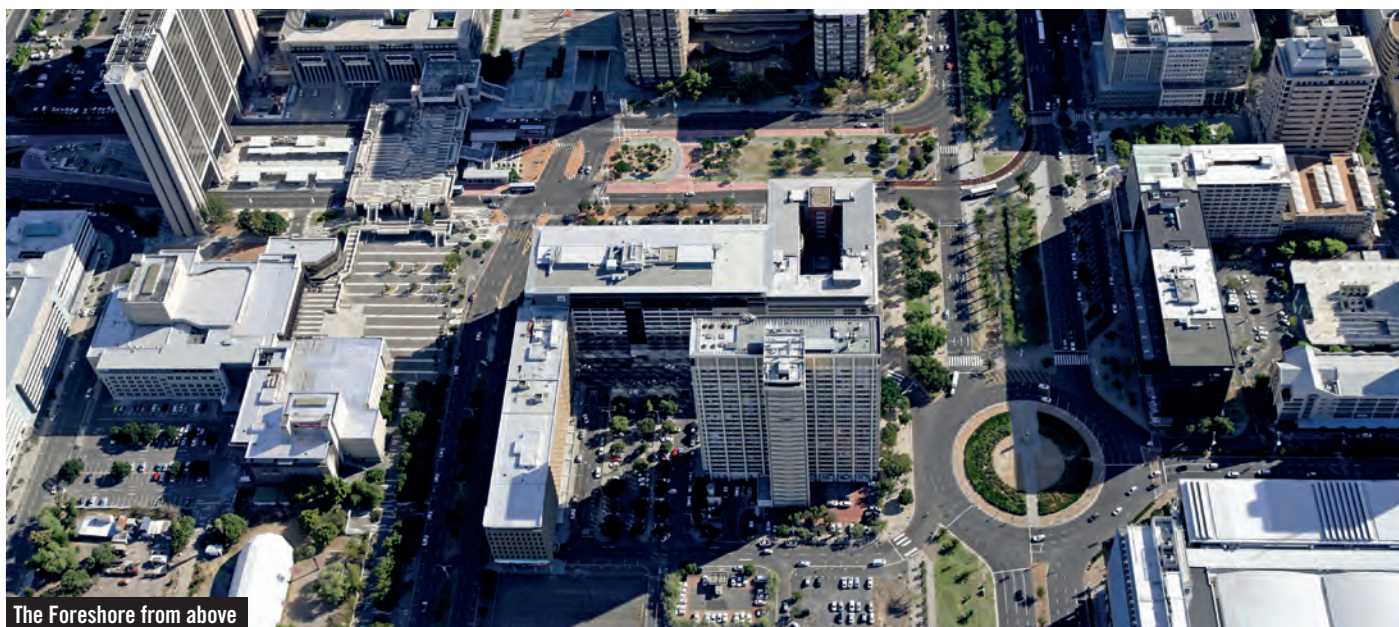
In line with its goal to become the world's best long-haul international convention centre by 2020, the CTICC will open its doors in 2015 to an expansion which will constitute a R690-million investment into the heart of the Central City. The doubling of convention space will allow the CTICC to continue to deliver on its core mandate – to contribute to economic growth and job creation in the province by attracting international meetings and events to Cape Town and South Africa, while also building on its share of international conferences hosted. At the moment, Cape Town takes about 50% of the market share of conventions hosted in Africa. The 863 bookings that are already on the CTICC's list of conventions up to 2020 promise that this figure will only continue to grow.

Since opening in 2003, the existing convention centre has created over 60 000 direct and indirect jobs. The planned expansion will likely increase the number of jobs created per year from about 7 000 to over 10 000 by 2018. Alan Winde, Minister of Finance, Economic Development and Tourism in the Provincial Government

of the Western Cape, recognises the critical role of the venue in the Central City: "The CTICC plays a part of the whole economic vibe in Cape Town. The expansion is a good message of what's happening in our economy and serves as a catalyst to economic growth in our city."

The CTICC's double-storey and environmentally sustainable expansion, will help to create a larger "Convention Centre Precinct" in Cape Town, which will be home to an additional 10 000m² of new convention space, exciting retail opportunities, a new hospital, an hotel and a new office tower. The design of the expansion will prioritise pedestrians and link easily to the heritage, arts and lifestyle options as well as businesses throughout the rest of the Central City by walkways and inner-city public transport. The addition of this new development to Cape Town's Foreshore district will help to catalyse a greater volume of urban regeneration in the area, further transforming the Foreshore into the preeminent business hub of the Central City.





The Foreshore from above

FOCUS ON THE FORESHORE

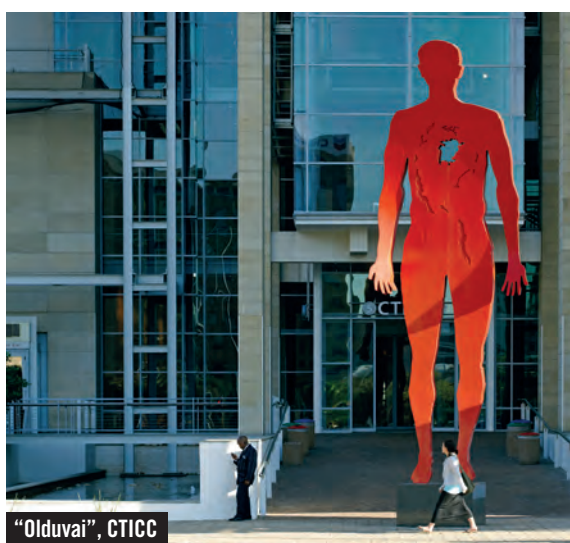
Once an empty tract of land used predominantly for parking, the Central City's Foreshore saw the first signs of revitalisation in 1999 when it was decided that the original Cape Town International Convention Centre (CTICC) would be built here, bringing a R582-million physical investment into the area. Particularly within the past year, companies have begun to invest heavily in the area, attracted by its ample parking, convenient access from the N1 and N2 highways and quick connections to the rest of the Central City on the new MyCiTi bus rapid transit system. Whereas entire office blocks used to sit empty, old buildings are now being redeveloped and new ones constructed. The redevelopments in particular not only improve the quality of offices on offer, but also allow for greater employee density within a more efficient working space.

Forecasts of future employment densities point to the Foreshore as one of the Central City's most prominent sites of increased levels of employment.

The announcement of the CTICC's expansion represents a true commitment to public-private partnerships in the Foreshore and future development. The area gives developers and architects the freedom to create dynamic and functional spaces complemented by some of the best views of the Central City, truly connecting it with the sea and the mountain through urban design and economic opportunity. In 2011, JHI Properties reported that it had concluded 255 leases in the area for 98 000m² of office, retail and industrial space.

**THE NEW
INVESTMENTS
PLANNED FOR
THE FORESHORE
AMOUNT TO R3.5
BILLION**

The Foreshore is also home to Cape Town's growing financial district: the headquarters for a number of investment houses, law firms and media companies found here are experiencing the economic benefits of agglomeration within a centralised area. New investments planned for the Foreshore – some already under construction – amount to R3.5 billion. City and provincial governments are matching this economic investment with serious planning initiatives dedicated to the inclusive development of the area. In the near future, government initiatives will see the regeneration of the Founders Gardens area and a renewed plan to connect the adjacent Artscape Theatre Centre with the Foreshore through targeted urban development.



"Olduvai", CTICC

BUILDING THE CITY THROUGH THE UDZ

Cape Town's Central City continues to attract new property investment through the benefits of the Urban Development Zone (UDZ) tax incentive – a scheme activated by the South African Revenue Service that rewards developers, property owners, individuals and other entities with a tax deduction based on a special depreciation allowance on investments made in either upgrading existing properties or building new properties in demarcated urban areas. One of the Central City's newest developments, the R1.6 billion Portside Building, is currently under construction on the city block between Bree, Mechau, Hans Strijdom and Buitengracht Streets in the Foreshore. Upon expected completion in the first quarter of 2014, the 32-storey building will be the city's tallest and will house the provincial headquarters for the three divisions of FirstRand Bank, 1 100 employees, and 1 200m² of street-level banking and retail space.

Co-investors FirstRand Limited and Old Mutual Properties committed to this milestone project in the Central City in part based on the financial savings realised through the UDZ programme. Stephan Claassen, the Provincial Chairman of First National Bank, Western Cape, explains the UDZ benefits gained from Portside: "The UDZ allows us to deduct the money spent on the building from our taxable income – but where a normal building is being written off over 20 years, the UDZ allows acceleration of the deduction over an 11-year period, with 20% deducted in the first year and the rest at 8% per annum over a further 10 years. Therefore most of the R800-million investment (excepting the land value) gets deducted, but over a much faster period. The difference in the Net Present Value of the deduction is significant, and was a key consideration in the investment decision – it saves FirstRand millions of rands over the period."

Portside's location in the heart of the Central City gives FirstRand vital access to financial markets and positions the bank as a pivotal stakeholder in the

PORTSIDE'S LOCATION IN THE HEART OF THE CENTRAL CITY GIVES FIRSTRAND VITAL ACCESS TO FINANCIAL MARKETS AND POSITIONS THE BANK AS A PIVOTAL STAKEHOLDER



EXPLORING PORTSIDE

- The three divisions of FirstRand that will have their provincial headquarters at Portside are First National Bank, Rand Merchant Bank and Wesbank.
- Old Mutual Properties will offer 25 000m² of AAA-grade office space in the lower half of the tower for corporate leasing.
- The building will encompass a complete city block totalling 6 642m² and will have a bulk utilisation of 60 000m².

growth of Cape Town's Financial District. Says Claassen: "The Western Cape is a key market for FirstRand bank and the second largest province in South Africa. Cape Town's CBD remains – and has in fact been re-energised as – the commercial hub of the Western Cape."



A block away from Portside, the new 22 Bree

INVESTMENT UPDATES: PROPERTIES

PORTSIDE



Location	The city block of Buitengracht, Bree, Hans Strijdom and Mechau Streets
Type	Commercial rental, retail and owner-occupier
Progress	Under construction
Developer	FirstRand and Old Mutual Properties
Investment	R1.6 billion
Completion date	2014

THE MODERN



Location	The city block of Bree, Hans Strijdom, Loop and Mechau Streets
Type	Commercial rental
Progress	In planning
Developer	Ingenuity Property Investments Ltd.
Investment	R650 million (expected)
Completion date	24 months following commencement of construction

TOUCHSTONE HOUSE



Location	Corner of Bree and Mechau Streets
Type	Commercial rental
Progress	In planning
Developer	Berk Enterprises
Investment	R80 million
Completion date	Awaiting confirmation of tenancy

22 BREE



Location	Corner of Bree and Prestwich Streets
Type	Commercial rental
Progress	Under construction
Developer	Abland
Investment	R360 million
Completion date	Anticipated to be 2013

CIVIC CENTRE BUILDING UPGRADE



Location	Hertzog Boulevard
Type	Municipal government offices
Progress	Underway
Developer	KFD Wilkinson (project managers); Siya Zama (contractors)
Investment	R32.8 million
Completion date	June 2012



Total value of all properties in the Central City:
R22 363 032 900

Total value of residential properties:
R3 309 204 900

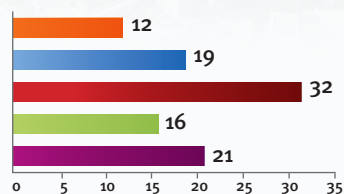
Total value of commercial properties:
R19 053 828 000

IN THE CENTRAL CITY



HOW LONG DO COMPANIES STAY IN THE CENTRAL CITY?¹

Taken from a recent survey of business owners in the Central City, the following demonstrates the average length of time that businesses have operated in in the area.



■ Less than 1 year
 ■ 1-3 years
■ 4-10 years
 ■ 11-20 years
■ More than 20 years

¹ Sentinel Consulting, *Business Survey 2012: Perceptions of the business community in the CBD of Cape Town*, March 2012.

CAPE TOWN STATION



Location	Bordered by Old Marine Drive, Strand and Adderley Streets
Type	Passengers services, commercial rental, hotel, retail
Progress	Phase 1 in construction, phase 2 being planned
Developer	Eris Properties
Investment	R1.45 billion
Completion Date	To be confirmed

CAPE TOWN INTERNATIONAL CONVENTION CENTRE EXPANSION



Location	Block between Table Bay and Coen Steytler Boulevards
Type	Convention centre, commercial office space, retail and hotel
Progress	In planning
Developer	City of Cape Town. Architects: a consortium of Mokena Makeka, Anya van der Merwe and Piet Bakker
Investment	R690 million
Completion Date	Anticipated to be mid-2015

ATLANTIC CENTRE



Location	Atlantic House, Christiaan Barnard Street
Type	Commercial rental
Progress	Under construction
Developer	Ingenuity Property Investments Ltd
Investment	R160 million
Completion Date	1st quarter 2013

NEWSPAPER HOUSE



Location	St George's Mall
Type	Commercial and retail
Progress	Underway
Developer	Ingenuity Property Investments Ltd
Investment	R150 million
Completion Date	July 2012

PROVINCIAL GOVERNMENT BUILDING UPGRADE



Location	4 Dorp Street, 7 & 15 Wale Street
Type	Government offices
Progress	Underway
Developer	Provincial Government Western Cape, Dept of Public Works & Transport
Investment	R138 million
Completion Date	July 2013



PEOPLE IN THE CENTRAL CITY



LIVING IN THE CENTRAL CITY

WITH OVER 560 000m² OF LIVING SPACE spread across over 2 900 residential units, the people who call Cape Town's Central City home make its streets come alive with diversity, culture and excitement.

The pool atop the Mandela Rhodes Place

24

The Central City has a relatively young population: students, young professionals and creative entrepreneurs all find this area to be the most centrally located and exciting. Landscaped sidewalks, bicycle paths and pedestrian malls wind through a rich urban heritage. Walking around, residents pass by some of the country's top museums, well-known monuments and public spaces, and both historic and contemporary buildings. A growing number of street-side cafés, shops and restaurants further creates an environment that is quintessentially Capetonian and uniquely Central City.

Describing the Central City's population, Richard Boxford, head of property group Life Residential, says: "The people who call this area home tend to be young, energetic and dynamic – people looking for the 'completeness' of life in one space. They are people who take advantage of being connected to the city, the mountain and the sea at all times; people who like local markets, cafés, public parks, heritage monuments and cultural density; walkers, joggers, bicyclists, those who enjoy food and creatives alike."

Another selling point of the Central City as a place to live is the safety, comments Boxford: "One of the biggest surprises to new residents is that our Central

City is actually one of the safest areas in Cape Town – you can always spot a CCID security guard on the street corner looking out for you."

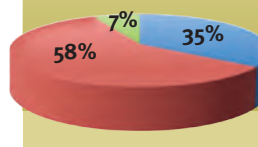
Another vibrant aspect of life here is that its development is nowhere near finished: the oldest urban space in South Africa, it constantly re-invents itself and residents play an active part in this process. Cape

Town's Central City is still on its way up, and as more people come to live, work and play in one location, its urban cohesiveness and residential life continues to grow in totally new and exciting ways. For renters, owner-occupiers, or those looking to invest, the Central City is one of Cape Town's most exciting and dynamic places in which to live.

AN AGE PROFILE

In a recent survey of people in the Central City, this is what the age spectrum looks like:

- 25 and younger
- between 26 and 49 years old
- 50 years old and older



THE PEOPLE WHO CALL THIS AREA HOME ARE VIBRANT AND ENERGETIC

EXPERIENCING THE LIFESTYLE OF THE CENTRAL CITY

- There are 104 historical monuments in the Central City alone.
- 71 bars and clubs in the Central City make it a great place for an afterhours lifestyle.
- Over 100 retailers stay open into the night, keeping Central City residents well-stocked.
- 40 coffee shops in the Central City give residents the perk they need throughout the day.
- There are over 120 000m² of public squares and spaces in the Central City, giving people the space to connect with each other and absorb the surrounding urban environment.
- Nearly 8.5 hectares in size, The Company's Garden is the dynamic and ever-evolving green lung of the Central City – a much loved public space and the site of events in summer.
- The City of Cape Town estimates that the Central City has seen an increase of 76% in the residential population since 2001.



SHOPPING, EATING, ENTERTAINMENT AND NIGHTLIFE IN THE CENTRAL CITY

Cape Town's Central City offers many diverse retail opportunities, all within one of the most walkable urban centres in the country. Over 1 200 retailers enable shoppers to choose between boutique clothing and jewellery stores, travel services, food suppliers, home furnishings and more. The Central City also has 20 art galleries that regularly showcase the talents of some of South Africa's most renowned artists. And although the global economic recession challenged Central City retailers with fewer customers and more conservative spending patterns, retailers are beginning to see a change in the marketplace: in a March 2012 survey, 25% of shops surveyed were experiencing a growth in business

80.7%

Respondents in a recent user survey saw Cape Town's nightlife as being inclusive and diverse.

– an increase from 13% in July 2011 and 8.5% in July 2009.

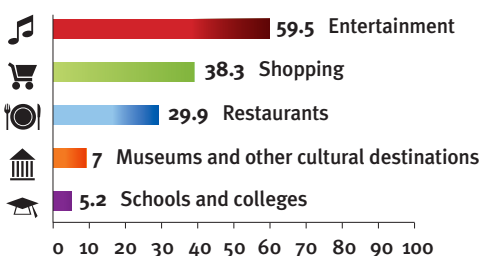
Amidst the retail shops are over 200 restaurants, coffee shops, and take-away outlets meeting the needs of businesses, shoppers, and commuters throughout the day and into the night. The restaurant industry is a vital

source of job creation and skills development for the city, from world-famous five-star establishments all the way to quaint corner shops and street stands.

The nighttime economy continues to grow. Over 100 restaurants and businesses now stay open late into the night, taking advantage of the rising number of after-hours visitors to the area's bars, theatres and clothing stores. The entertainment outlets in the Central City enjoy a strong, loyal patronage as well: a recent survey shows that 28% of people visit their establishments of choice on a daily basis. 48% of people said that they frequent their favourite places at least once a month.¹ 80.7% of the same group also found the Central City's nightlife to be inclusive and diverse – showing just how much it is becoming an integrated and welcoming place, day or night.

KID FRIENDLY:

Approximately 44% of people moving through the Central City have children². Here are the top five reasons why they bring them to the area:



1, 2 Sentinel Consulting. A Survey of Day and Night time users of the Central Business District of Cape Town, 2012.

LEARNING AND KNOWLEDGE IN THE CENTRAL CITY

CAPE TOWN'S CENTRAL CITY IS A TRUE CROSSROADS OF KNOWLEDGE. Each day, 15 500 students come to the area's schools, universities, colleges and skills development centres to learn and grow in a truly unique urban environment.

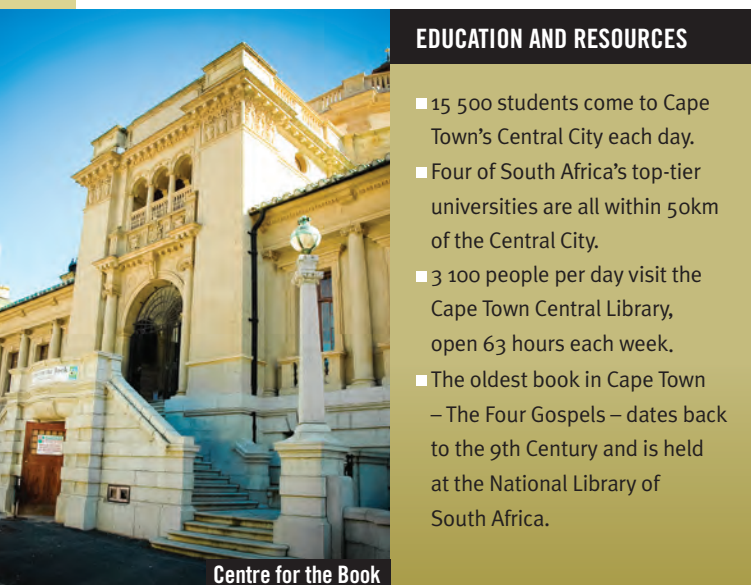
Over 1 280 faculty members teach these students at 49 educational institutions, enhancing the quality and level of learning that takes place in our city. Cape Town's Central City is also in the heart of one of South Africa's strongest research and development regions: four of the country's top universities are situated in the Western Cape, and attract some of the world's brightest scholars and leading academics to study and teach in one of the most educationally rich cities in the southern hemisphere.

Research and education contribute directly towards economic growth: Cape Town's literacy rate is the highest of any other city in South Africa, and our knowledge economy feeds directly into our increasingly globalised and entrepreneurial workforce to make a truly inclusive urban economy¹. In a recent survey of the people moving through the Central City, 78% said that they had achieved a high school level (Matric) educational certificate; a further 20.1% possessed tertiary education qualifications².

At Cape Town's Central Library, Capetonians have access to one of the most comprehensive collections of books in the country. Located in Cape Town's old Drill Hall, the Central Library also provides a public environment for debate, cultural events and internet access – the library has 64 computer stations and offers free Wi-Fi access to users.

The National Library of South Africa, built in 1818 in the Company's Garden, has one of South Africa's most diverse collection of historic research materials. Librarians here think of it as a "Museum of Books": each year, over 110 000 on-site users from around the world take advantage of over 450 000 items in the library's holdings. As with the Central Library, free internet assists people in starting a business and finding a job online – a vital tool for Cape Town's rising class of entrepreneurs.

Other institutions in our Central City open up knowledge and learning to the greater public. Whether this is through *PechaKucha*-style presentations at the Assembly, an avant-garde live music venue, or through the "Talking Heads" lectures at the Africa Centre, increasing numbers of people are coming to the Central City for intellectual growth and expansion. The Central City's five-day Open Book Festival takes literacy one step further by hosting public literary events in some of the area's most inspiring heritage spaces. In 2011, the festival featured nearly 150 events and hosted almost 100 authors from around the world. The festival also assisted the Matthew Goniwe High School in Khayelitsha to fully stock its shelves through donations by festival goers, showcasing one of the many ways in which the Central City is helping to integrate and amplify greater Cape Town's knowledge economy.



Centre for the Book

EDUCATION AND RESOURCES

- 15 500 students come to Cape Town's Central City each day.
- Four of South Africa's top-tier universities are all within 50km of the Central City.
- 3 100 people per day visit the Cape Town Central Library, open 63 hours each week.
- The oldest book in Cape Town – The Four Gospels – dates back to the 9th Century and is held at the National Library of South Africa.



Students walking through the Central City

¹ South African Cities Network. *State of South African Cities Report*, 2011.
² Sentinel Consulting. *A Survey of Day and Night Time Users of the Central Business District of Cape Town*, 2012.



HIDDINGH CAMPUS

LOCATED AT THE EDGE OF THE COMPANY'S GARDEN, the University of Cape Town's (UCT's) Hiddingh Campus is home to South Africa's premier institutions for the study of creative arts.

Creativity is at the centre of our city's knowledge economy, inspiring entrepreneurship and innovation and contributing to the economic and social quality of life that people value so much throughout Cape Town. Nowhere is this more evident than at the historic Hiddingh Campus, which sits adjacent to the South African National Gallery and the Iziko South African Museum, and is within walking distance of the National Library of South Africa and the Iziko Slave Lodge. Hiddingh's buildings, among some of Cape Town's most historic, are home to the university's Drama Department, the Michaelis School of Fine Art as well as the Gordon Institute for the Performing and Creative Arts (GIPCA).

Dr Max Price, the university's Vice-Chancellor, says: "UCT, like the City of Cape Town, has a vibrant, cosmopolitan community. It is a cultural melting pot where each person contributes his or her unique blend of knowledge and thinking."

For students at UCT's Hiddingh Campus, the connection to the Central City is vital: students of the Drama Department regularly gain the opportunity to perform for the public at one of Hiddingh's three theatres or numerous performance spaces. On-campus performances use theatrical talent and creativity to act out and portray contemporary issues, linking the abstract of performance art with the concrete realities of the urban environment. At the Gordon Institute, students gain the opportunity to take their studies in performance art onto the streets of the Central

City in Cape Town's annual "Infecting the City" Public Performance Art festival, where public space becomes centre stage for outdoor performances throughout the day and into the night. The Michaelis Gallery's regular series of public exhibitions gives students in the Fine Art Department a chance to showcase their works to the public – a vital part of the Michaelis School's creative footprint in the city. By exposing the work of South Africa's next generation of creative graduates to a strong public presence, the Michaelis School of Fine Art stimulates innovation and investigation through both artistic theory and practice.

Hiddingh Campus's creative output ties in directly with the rest of UCT's academic, economic and cultural connections. With staff and students from over 100 countries in Africa and the rest of the world, the university has built partnerships and exchange agreements with leading African and international institutions that further enrich the academic, social and cultural diversity in the Central City. With UCT promoting the blend of creativity and ingenuity in

**UCT, LIKE THE
CITY OF CAPE
TOWN, HAS
A VIBRANT,
COSMOPOLITAN
COMMUNITY**

one of the country's most unique urban settings, it is no surprise that graduates from Cape Town's Hiddingh Campus go on to become some of Cape Town's most prominent performers, visual artists, entrepreneurs and dynamic citizens.



The Community Jazz Festival, a precursor to the Cape Town International Jazz Festival

EVENTS IN THE CENTRAL CITY

EVENTS IN AND AROUND THE CENTRAL CITY enliven the economy of the region.

The incident-free hosting of the 2010 FIFA World Cup™ brought more people into the Central City and its surrounds than ever before and showed that the area is a safe, compact, walkable, sustainable and enjoyable urban environment for event goers. Nowadays, a wide variety of business, leisure, sporting and cultural events brings a truly global audience to a truly global city and puts economic growth and job creation at the centre of the city's events strategy. From the annual *Tweede Nuwe Jaar* (Second New Year) Cape Minstrel Carnival to the epic *Cape Argus* Pick n Pay Cycle Tour, over 60 annual

events in the Central City celebrate Cape Town's heritage and show it off to international guests, all while creating jobs and boosting the local economy.

The promotion of events sits squarely at the centre of sectorally based and business-growth strategies in the city. Hosting events not only contributes to Cape Town's growing brand around the world, but helps to streamline growth and job creation in primary and secondary sectors tied to events hosting. In 2010, the City of Cape Town and Cape Town Tourism collectively spent an estimated R4.7 million on large-scale and major regional events. The Central City has numerous venues that can accommodate a wide and diverse audience, from high-level and high-security events to larger civil

VENUES EITHER IN, OR IN WALKING DISTANCE OF, THE CENTRAL CITY:



Good Hope Centre



Artscape Theatre Centre



Cape Town City Hall



Civic Centre



Grand Parade



CTICC



The Grand Parade outside the City Hall



Cape Town International Convention Centre



Thandiswa Mazwai and the Trio at City Hall Sessions

society events. Supporting these events is a network of over 1 500 registered IT entrepreneurs, creative and advertising agencies, logistics coordinators, public relations and media specialists, accommodation operators and municipal and provincial government departments with long-term plans for achieving growth, development and inclusivity within Cape Town and the Western Cape.

In order to make events in the Central City more sustainable, the City of Cape Town has worked with its many urban partners to develop and implement the *Smart Events Handbook*, a green guide for hosting sustainable events in the city. Working with municipal and provincial events strategies, this focus on sustainability will ensure that the benefits from hosting

events continue long after the end of each specific event in a legacy of economic growth, job creation and sustainable urban development.

- In a recent survey of business owners in the Central City, 97% of respondents said that Cape Town has proved itself as a host of world-class events, and added benefit to the Central City's business profile¹.
- The same survey also reports that 87% of business owners consider the post-event clean-up operations to be either "good" or "great".

¹ Sentinel Consulting. *Business Survey 2012: Perceptions of the business community in the CBD of Cape Town*, March 2012.

ESTIMATED ANNUAL ECONOMIC IMPACT OF FIVE CAPE TOWN CENTRAL CITY EVENTS:

EVENT	ESTIMATED ATTENDEES	ECONOMIC IMPACT
Design Indaba 2012	50 000	R326.9 million
Cape Argus Pick n Pay Cycle Tour	35 000	R450 million
Cape Town International Jazz Festival	35 000	R700 million
The Old Mutual Two Oceans Marathon	27 000	R223 million
The Loerie Awards and Creative Week	5 000	R100 million





Infesting the City artist Ziya Azazi performs as part of Diana Page's *Ek Sê*



CREATIVE CAPE TOWN:

Creative Cape Town played a pivotal role in securing Cape Town's international bid to be selected as World Design Capital 2014 – an event that will inspire Cape Town's creative industries to design new and innovative solutions to the many economic and social challenges which Cape Town faces across its diverse and widespread population.

Heath Nash's recyclable public art on the Central City streets

THE ECONOMIC POWER OF CREATIVITY

THE CENTRAL CITY IS THE NUCLEUS of creative industries in the Cape Town metro-region.

Over 600 creative businesses operate in this space each day, forming half of the 1 200 creative industries that thrive throughout Cape Town's central neighbourhoods. Architects, jewellery and fashion designers, fine artists, crafters, visual artists and performers are just some of the people that make up these creative industries. Cape Town's advertising, communications, photography, music, graphic design, animation, and television and film industries further extend the city's creative scope and diversity.

Enabling the development of new entrepreneurs and businesses in the creative sector is Creative Cape Town, an organisation that communicates, supports and facilitates the development of the creative and knowledge economies in the Central City. Creative Cape Town builds dynamic and cross-sectoral partnerships throughout Cape Town to expand the presence and activity of the creative sector. One of the biggest events on the creative calendar is Creative Week Cape Town – an annual event that showcases creativity in design, fine arts, digital media and other creative industries in order to strengthen the local creative community through public engagement.

Creative Cape Town also produces monthly newsletters and annual publications, and promotes multiple dialogues on creativity and its economic contribution.

Housed within the Cape Town



Central City wall art by Faith47

WHY THE CENTRAL CITY IS GREAT FOR CREATIVES

- It has a safe, clean and secure urban environment.
- It offers affordable property rentals, particularly in the Central City's Eastern Precinct and Fringe Districts.
- There is a growing concentration of creative industries in one compact area.
- It has a wide variety of vibrant cafés, bars, restaurants and entertainment venues.
- It is in close proximity to businesses and customers.
- It has a workforce of educated, skilled and entrepreneurial talent.
- It has a strong working relationship with academic institutions and representative organisations.

Partnership, Creative Cape Town works in collaboration with other organisations such as the African Arts Institute, the Cape Town Design Network, the Performing Arts Network of South Africa, the Visual Arts Network of South Africa and the Cape Music Industry Commission. These are just some of the many important organisations that help to make up Cape Town's vital network of creative entities.

Recognising the vast economic potential of sustainable growth and job creation held within the creative industries, both the City of Cape Town and the Provincial Government's Department of Economic Development and Tourism have launched economic development programmes aimed at prioritising and supporting the growth of creative industries. This strategy is further supported by studies conducted by UNESCO that have identified the creative industries sector as one of the most dynamic emerging sectors in global trade.

A RECENT SURVEY¹ OF CENTRAL CITY CREATIVES SHOWS THAT:

34.6%

of creatives are self-employed.

3

Advertising, multi-media communication, and web design are three of Cape Town's most prominent creative sectors.

67.9%

of creatives report being active for over six years.

50%

Approximately half of all creative companies are SMMEs employing 1-5 people.

33%

of creative firms report that at least 50- to 75% of their customers are located in the Central City.

¹ Creative Cape Town. *Creative Industry Survey Report*, 2011.



Fancy Galada and the Azania Ghetto Sound Band at City Hall Sessions



Siphamandla Yakupa as Musetta in Puccini's "La Boheme"

ARTS AND CULTURE IN THE CENTRAL CITY

THE CENTRAL CITY IS CAPE TOWN'S CULTURAL INTERSECTION. It's streets are where thousands of performers across multiple genres engage with the public in new and innovative urban spaces.

From theatres and opera houses to open-air concerts, the Central City is truly an environment in which artists not only perform, but encounter and interact with an interested public.

For Cape Town as a whole, the arts and culture industry also means economic growth. Arts and cultural offerings in the city support the R2-billion contribution that cultural industries make to the national GDP in South Africa each year. In 2010, Cape Town Opera staged six full opera productions, conducted two overseas tours, and held over 40 concerts and outreach events, collectively reaching over 23 000 people in total. Translated into employment, this meant that Cape Town Opera alone generated approximately R7.3 million in income for over 200 artists and 65 full-time staff. Cape Town Opera also generated R1.85 million in production business for locally based SMMEs¹.

City Hall Sessions, one of the newest live concert performances in the Central City, drew over 2 300 ticket-holders to its first two concerts staged at the historic City Hall. Iziko, the government-run organisation that operates the majority of the Central City's museums,

employed 241 people in the 2010/2011 year, contributing over R74 million to wages and creating 377 training opportunities².

The Cape Philharmonic Orchestra, which staged over 130 performances in 2010, regularly holds music workshops to help train young musicians from disadvantaged communities in the Masidlale Music Project. *Masidlale*, meaning "Let us play" in isiXhosa, focuses on cultivating the musical talent of children from 7 to 10 years old in disadvantaged communities. More than 120 young learners have already been involved in the free programme, and three new teachers are in training for advanced violin instruction³.

The Zip Zap Circus, one of Cape Town's most treasured performance groups, attracted over 28 000 people to their performances in 2011. Zip Zap operates multiple outreach programmes through its circus school which works with children living with HIV/AIDS and street children. The circus also offers youth education programmes to help bring performance art to children who would otherwise not have had the opportunity. Zip Zap also works with young adults across Cape Town in order to promote job creation in the performing arts and related industries.

CAPE TOWN PERFORMS ON THE GLOBAL STAGE

The Cape Town Philharmonic Orchestra was the first African symphony orchestra in history to embark on a professional concert tour in the USA, which covered 18 cities across America. More than a quarter of the professional touring orchestra were young developing players from the orchestra's skills transfer programmes, exposing these new musicians to the pivotal experience of international performance.

¹ Cape Town Opera. *Cape Town Opera Annual Report, 2010-2011*.

² Iziko Museums. *Iziko Museums Annual Report, 2010-2011*.

³ Cape Philharmonic Orchestra. *Cape Philharmonic Orchestra Annual Report, 2011*.

GETTING AROUND THE CENTRAL CITY

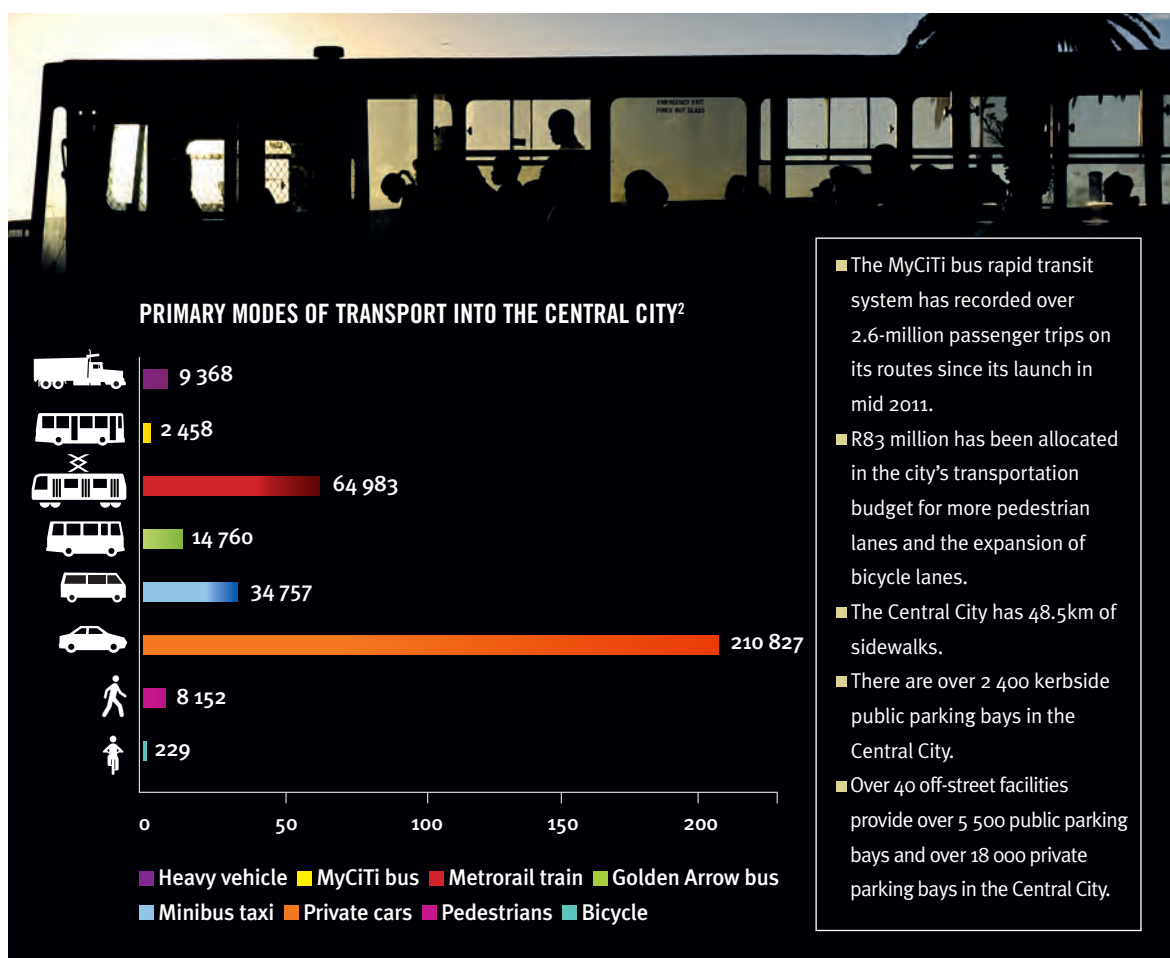
IN CAPE TOWN, ALL MAJOR ROADS LEAD RIGHT INTO THE CENTRAL CITY. On a daily basis, over 350 000 commuters come and go via rail, road, bus, minibus and other transport options (including non-motorised.)

The Cape Town Station brings over 130 000 people across its platforms daily¹. The expansion of Cape Town's MyCiTi bus rapid transit system offers an increasing number of people a new public transport option into and around the Central City every day. Within the area itself, visitors and locals alike enjoy a safe and efficient prioritised bus service throughout the area in order to get from one end of town to the other without the need for a car.

Pedestrians and bicyclists are also seeing upgraded options in the Central City. New walkways, bicycle lanes and pedestrian thoroughfares like St George's Mall and the Fan Walk provide people in the Central City with more interconnected options to move about without the need for motorised transportation. There

are further plans in place to expand the already 8km of existing bicycle lanes across the Central City, and connection to other areas further afield has already begun. Public space also benefits from these expansions – as more people walk through the Central City, over 500 benches provide places for them to stop, rest and take in the cityscape.

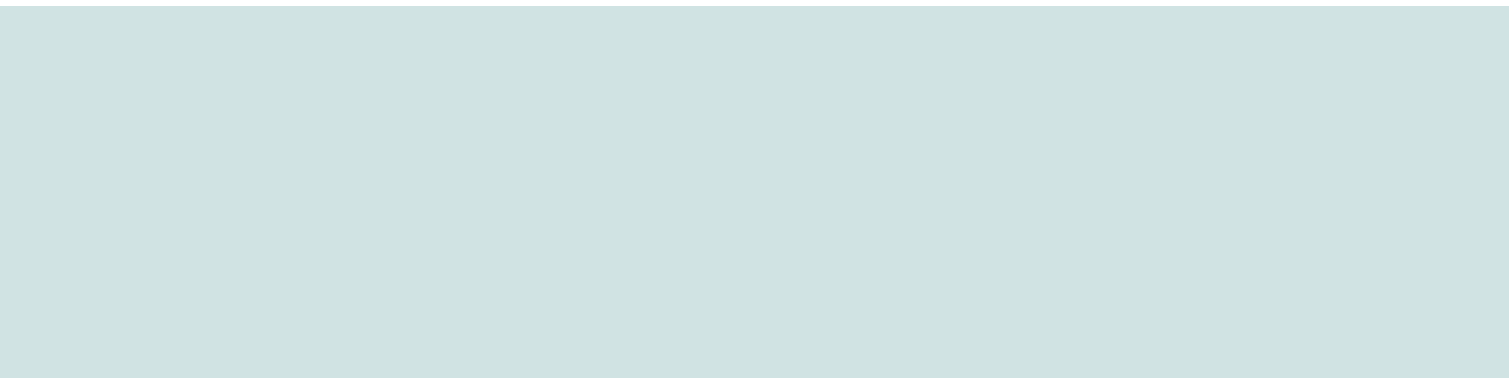
Retailers, offices and other places of business also see the benefits of dedicated pedestrian movement throughout the Central City – safer streets and sidewalks with more foot traffic mean better business. This is further supported by the amount of retailers who are confident in the abilities of the MyCiTi buses to increase business and bring more people into the Central City.



1,2 City of Cape Town Transport Survey, 2012.



PARTNERSHIPS IN THE CENTRAL CITY



THE CENTRAL CITY IMPROVEMENT DISTRICT

CAPE TOWN'S MULTI-CULTURAL CENTRAL CITY is one of the most dynamic business centres in South Africa. The streets are clean, the public feels safe and secure, and businesses enjoy a quality of urban environment unrivalled in the country. Working to further enhance this quality of life is the Central City Improvement District (CCID) – one of 24 City Improvement Districts across the Western Cape.

Cape Town's CCID was started in November 2000 out of the urgent necessity to turn the Central City around. Like South Africa's other urban areas, the Central City of the late 1990s represented a hollowed-out and disintegrating urban space. Businesses and retailers had fled to decentralised areas. Buildings decayed and the city's rates base took a substantial hit. Vacancies in offices spiked, and tourists stayed away from the dirty and dangerous public spaces. But a group of concerned stakeholders sought to stop this downward spiral. In conjunction with the City of Cape Town and the Cape Town Partnership, the establishment of the CCID represented a decision by property owners that the Central City wasn't yet beyond the point of no return.

To reverse the tide of urban decay, the CCID began its operations with a campaign to get the basics right. This entailed a massive clean-up effort aimed first and foremost at improving the physical quality of the Central City. Crews started to repair and clean the area's roads and sidewalks, and public spaces became the focal point of urban upgrading and renewal. Security programmes sought to reverse rising crime rates and make the streets safe, walkable and pedestrian-friendly.



The Social Development department, established in 2003, helped to ensure that the urban renewal taking place in the Central City was more inclusive of and caring towards all of the area's residents, including the homeless. By focusing squarely on these goals, the CCID transformed the Central City in just ten years into the dynamic and successful space that it is today.

As if in celebration of just how far the Central City had come, it had the privilege of hosting hundreds of thousands of visitors during the 2010 FIFA World Cup™. The event not only showcased the area to visitors, but it also brought Capetonians back into the Central City to see this transformation first-hand and be amazed at how much the space had changed. In a recent survey, 95% of people said that hosting a successful World Cup had been their biggest Central City highlight in the past two years¹.

This ten-year transformation helped to build a strong urban foundation in Cape Town's Central City and one that is inviting for businesses, employees, residents and visitors alike. By focusing on the basics, the CCID transformed the Central City into a more inclusive and dynamic environment where all benefit from safer and more secure streets, socially inclusive public spaces and functional infrastructure upgrades.

¹ Sentinel Consulting. *A Randomised User Survey of People in Cape Town's Central Business District*, April 2012.



CCID FOCUS AREAS

WITH THE BASICS IN PLACE, the CCID now focuses its 600-strong task force squarely on promoting sustainable urban development within a business- and people-friendly Central City. It takes its lessons from its past and incorporates them into four specialised yet integrated focus areas that uphold its vision of urban transformation.

URBAN MANAGEMENT: Keeping the Central City clean, functional and attractive is the responsibility of the CCID's Urban Management team. This requires the regular maintenance of sidewalks and roads, the repairing of signs and cracked paving and even the emptying of cigarette bins. The team regularly cleans out 1 336 storm water drains, processes over 137 tons of recyclable material, and cleans up after big events in order to keep businesses on track the following day. Part of this massive effort supports the *Straatwerk* (street work) programme, an initiative that combines social development with urban management by employing over 300 people, who are either living on the street or destitute, in urban beautification activities.

SAFETY AND SECURITY: The Central City enjoys one of the lowest urban crime rates in the country: in the past two years alone, crime rates have fallen by 50%. This is due to 225 security officers and administrative personnel who work tirelessly both on and off the streets to ensure that all people in the area are kept safe. The CCID safety officers can readily be seen patrolling the sidewalks while CCTV cameras, branded safety kiosks, vehicles and bicycle patrols enable rapid response. The department works in partnership with the South African Police Services, local law enforcement agencies

and other organisations to ensure that safety is both collaborative and comprehensive.

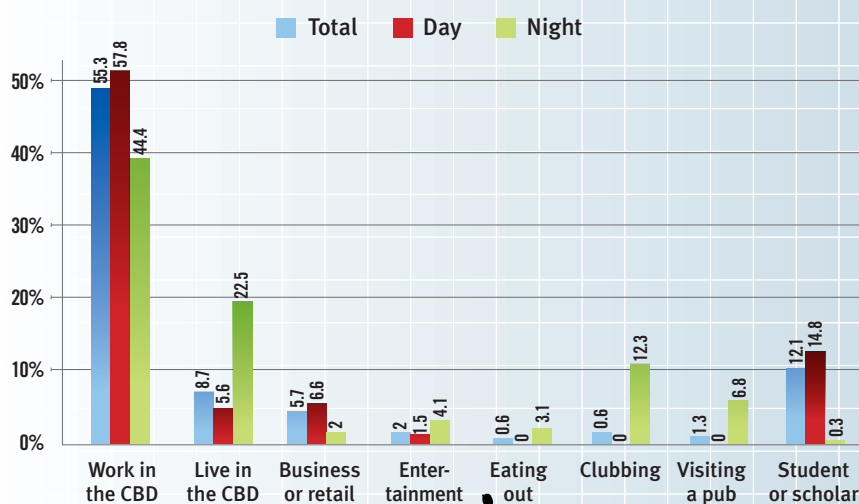
SOCIAL DEVELOPMENT: The economic recession, coupled with increasing urban migration, has placed a great deal of pressure on the area's homeless. To address this, three CCID fieldworkers and a social development manager work in partnership with 16 social service providers in the Central City to regularly engage with children, youth and adults living on the streets. By building a relationship of trust, the fieldworkers are better able to work with the homeless population in order to refer them to the most appropriate service agency. This department also heads up the CCID's *Give Responsibly* campaign that addresses the negative aspects of monetary handouts by re-directing donations to partner NGOs.

COMMUNICATIONS AND MARKETING: *City Views*, the CCID's monthly free-distribution community newspaper, captures the diversity of life within the area through news updates on the latest retail and restaurant offerings and snippets of cultural insights for all users of the Central City. The CCID also conducts walking tours, compiles welcome packs for new tenants, and publishes its annual *Best of Cape Town Central City* guide in December to keep both locals and visitors alike clued up on what's going on in the area.

RESULTS OF THE CCID USER SURVEY

IN ORDER TO FIND OUT WHAT PEOPLE THINK ABOUT THE CENTRAL CITY, the CCID conducted a survey of people walking through the area. Applying a time/random intercept methodology, 1 274 daytime users and 293 nighttime users were interviewed on why they came to the Central City. Fieldwork ran for seven consecutive days, starting at 08h00 in the morning and ending at 02h00 the next morning. A snapshot of the results follows.

WHAT BROUGHT PEOPLE INTO THE CENTRAL CITY?



IN A RECENT SURVEY, PEOPLE IN THE CENTRAL CITY REVEALED WHY THEY THOUGHT IT WAS THE BEST CITY CENTRE IN THE COUNTRY – THEIR TOP FIVE REASONS BEING:

52.1%

It has a multi-cultural mix of people

51.5%

It is a popular tourist destination

39.3%

It has a rich architectural and cultural heritage

32.5%

It is a popular business and investment destination

27.4%

There is a variety of entertainment facilities and activities

HOW CLEAN DID THEY FIND THE CENTRAL CITY (IE: HOW WELL WERE THE URBAN MANAGEMENT PROGRAMMES WORKING?)

79.3% The Central City is looking clean and orderly

20.7% Cleaning could do with a bit of improvement



THE NIGHTLIFE IS VIBRANT AND INCLUSIVE



51.8%

AGREE THAT IT IS FAIRLY EASY TO FIND PARKING
21.8% DISAGREE



75.9%

WOULD HOST AN EVENT AT NIGHT IN THE CBD
2.8% WOULD NOT

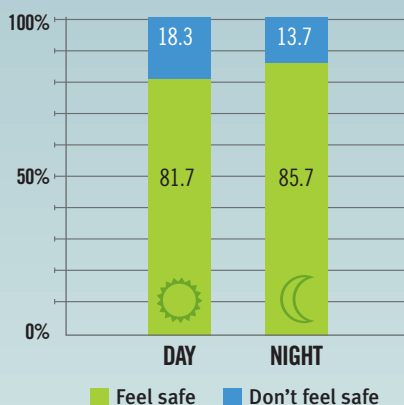


80.7%

BELIEVE THAT NIGHTLIFE IS INCLUSIVE
9.7% DISAGREE

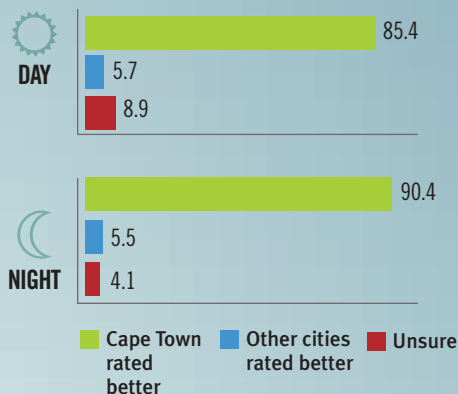
REASSURINGLY, PEOPLE IN THE CENTRAL CITY FEEL VERY SAFE ON THE STREETS

82.6% FEEL SAFE | **17.4%** DON'T FEEL SAFE

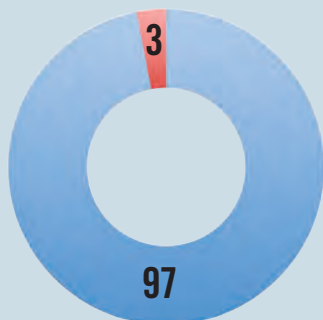


PEOPLE FEEL THAT CAPE TOWN HAS ONE OF THE SAFEST CBDs IN THE COUNTRY

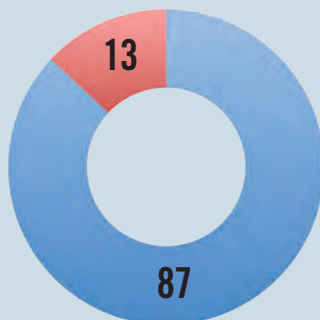
86.3% CAPE TOWN RATED BETTER | **5.6%** OTHER CITIES RATED BETTER | **8%** UNSURE



97% OF BUSINESSES SEE CAPE TOWN AS A SUCCESSFUL HOST OF WORLD-CLASS EVENTS



87% OF BUSINESSES ARE HAPPY WITH THE CCID'S CLEAN-UP OPERATIONS AFTER BIG EVENTS

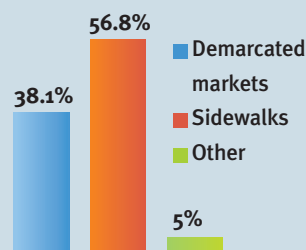


81% OF BUSINESS OWNERS SAY THAT THEY ARE SATISFIED WITH BEING IN THE CENTRAL CITY¹.

90% of businesses are satisfied with the overall services of the CCID.



OUTDOOR SHOPPING



CAPE TOWN'S CENTRAL CITY IS ONE OF THE CLEANEST IN THE COUNTRY

88.3% CAPE TOWN RATED BETTER

4.3% OTHER CITIES RATED BETTER

7.5% UNSURE

¹ Sentinel Consulting. Business Survey 2012: Perceptions of the business community in the CBD of Cape Town, March 2012.



The sun rising on the Central City

AN INTRODUCTION TO THE CAPE TOWN PARTNERSHIP

A STRONG PARTNERSHIP has ensured the development and reinvigoration of the Central City.

The Central City represents roughly 25% of business turnover across the larger metro-region. Keeping the Central City's economy strong is the mandate of the Cape Town Partnership, an urban institution launched in 1999 by the City of Cape Town, the South African Property Owners Association (SAPOA) and the Cape Chamber of Commerce to develop, promote and manage Cape Town's Central City. In order to address the urban degeneration that once threatened the area, the Cape Town Partnership cultivated a wide variety of specialised urban partnerships designed to re-establish a Central City economy. Over the past 13 years, the Cape Town Partnership has helped to make the Central City one of the most viable urban spaces in Cape Town and indeed South Africa.

For the Central City to be truly inclusive it must be viewed as one component of the wider Cape Town metropolis, which collectively contributes 11% of the Gross Value Added (GVA) to the national economy¹. However, its challenge is that it was designed by colonialism and apartheid to be one of the most segregated and unequal cities in the world. The majority of its poor still live in an urban periphery characterised by unequal service provision, poor transportation and crime rates much higher than in the more affluent areas. In economic terms, Cape Town's Gini coefficient, last measured in 2005, sits at 0.67². Although technically the lowest out of South Africa's metro areas, this high rating by international standards means that relatively few people have access to significant economic growth.

¹ South African Cities Network. *State of South African Cities Report*, 2011.

² UN-HABITAT. *State of African Cities*, 2010.



THE FIVE PILLARS OF THE CCDS

THE CCDS ESTABLISHES FIVE KEY OUTCOMES as the foundation for the growth of the Central City over the next decade.

ESTABLISH THE CENTRAL CITY AS A PREMIER BUSINESS LOCATION

Maintaining the Central City's economic edge requires a strong urban development agenda with projects such as the upgrading of the Cape Town Station; the roll out of readily available, high quality fibre optic and wireless internet networks; building a strong integrated transport system; and creating an inclusive economic development agenda.

CREATE A QUALITY SUSTAINABLE URBAN ENVIRONMENT IN THE CENTRAL CITY

Economic growth and sustainable job creation require a strong professional urban environment. Through projects that have made the Central City cleaner, safer and more inclusive, the Central City Improvement District (CCID) has helped to make the built environment work for all who use the area. This physical work is backed up by institutional innovations such as the integrated densification policy and the Integrated Zoning Scheme (IZS), enabling development to become something that works well for all parties.

KEEP THE CENTRAL CITY AS ONE OF CAPE TOWN'S MOST POPULAR DESTINATIONS

This region attracts hundreds of thousands of people every day for work, business and pleasure. The ability to keep them coming back is an economic advantage

that cannot be underestimated. The establishment of the Fan Walk pedestrian thoroughfare, the production of cultural tourism maps and attracting more events to the area by amplifying the city's events strategy are all ways in which the CCDS has made the Central City an area to which people return time and again.

MAKE THE CENTRAL CITY INTO A LEADING CENTRE OF KNOWLEDGE, CREATIVITY AND INNOVATION

Promoting the East City precinct with the Fringe District as an area of creative economic and knowledge production enhances innovation and opportunity throughout the city. Ongoing support for Creative Cape Town and World Design Capital 2014 programmes, and engagement with Cape Town's universities and research institutes, will transform the Central City economy into one of the most dynamic around.

KEEP THE CENTRAL CITY AS THE HEART AND SOUL OF CAPE TOWN

The Central City engages with some of the most unique and inspiring cultural heritage in the country enabling it to work with its past to build a more inclusive future. Using heritage buildings for public use, honouring history and memory and exploring how the area connects to the rest of Cape Town all help to build a stronger Central City identity that in turn unites all Capetonians.

The Central City plays a vital role in reversing this trend by providing economic opportunities for the greater metropolis. It also contributes financially to the roll-out of increased services and inclusive development. In order to support the continued growth of the Central City as the heart of Cape Town's larger economy, the Cape Town Partnership launched the Central City Development Strategy (CCDS) in 2008. A 10-year vision, it aims to shape the Central City's inclusive investment and growth by ensuring that new development has the city's bigger picture in mind – as an integrated and sustainable urban space. Importantly, the CCDS challenges Capetonians to think about what the future of the Central City could be: how can the Central City help to make Cape Town as a whole a more inclusive city? What strategies can be followed to ensure that the economy of the Central City continues to grow in a sustainable way?



The CCDS: Strengthening people and the economy

FOCUS ON THE ECONOMIC DEVELOPMENT PARTNERSHIP

THE CENTRAL CITY SUPPORTS sustainable economic growth beyond the geographic borders of Cape Town's urban core.

The Cape Town metro-region has a Gross Geographic Product (GGP) of R130 billion, and contributes approximately 78% towards the Western Cape Provincial GDP¹. Yet, between 2001 and 2010, while the economy of the Western Cape grew by nearly 45%, the regional workforce only grew by around 16%, meaning that the increase in growth did not result in an equal increase in jobs. By 2005, 38% of Cape Town's households were living below the poverty line on an income at or below R1 600 each month.

The Economic Development Partnership (EDP) is an independent, non-profit, non-partisan organisation built on the idea of structuring effective economic partnerships for inclusive growth. It seeks to reverse the pattern of jobless growth in order to affect larger developmental change. By working together to lead, coordinate and drive the regional economy, the EDP will bring business leaders together with government officials, civil society organisations and community-based groups to promote true and long-lasting inclusive economic growth. By structuring effective partnerships and co-creating a vision with various stakeholders across the region, the EDP will promote valuable economic linkages and knowledge creation within the Western Cape and plug this into the larger national economy.

Cape Town's Central City plays a vital role in the EDP's plans for inclusive economic development. In the Central City, municipal and provincial government headquarters share the same urban space with some of the province's

most successful businesses and organisations. When aligned in a stronger and more substantial way with other economies across the province, the economic production in the Central City will be catalysed to increase inclusion and the amount of jobs in the Western Cape. To achieve this vision as a whole for the Western Cape, the EDP will be stimulated and assisted via dedicated programmes such as the *One Cape 2040* long-term economic vision and strategy as well as National Treasury's Economies of Regions Learning Network.

A SNAPSHOT OF THE WESTERN CAPE

- Population of the Western Cape: approximately 5.4 million.
- As of Q3 2011, the Western Cape's unemployment rate sat at 23.3%².
- In 2010, the Western Cape had a growth rate of 2.4%³.
- Information and Communications Technology (ICT) is one of the fastest-growing industries⁴.
- The agriculture and construction industries remain the most significant industrial sources of employment in the province⁵.

^{2, 5} Bureau for Economic Research (BER). *The current state and short-term prospects for the South African and Western Cape economies*, 17 November 2011. Prepared for the Provincial Government of the Western Cape.

^{3, 4} Provincial Government of the Western Cape. *Provincial Economic Review and Outlook*, 2011.



Reaching beyond the Central City's borders

¹ OECD. *OECD Territorial Review*, 2008.

THE FRINGE ECONOMY

THE CENTRAL CITY'S EAST SIDE is home to The Fringe, an urban innovation district that brings economic development and creative partnerships together in order to transform the precinct into a hub for the design, media and ICT sectors.

As one of the initiatives of the provincial government's Cape Catalyst Project, The Fringe is a space of economic opportunity in the Central City that capitalises on the tremendous growth potential of the creative sectors. The Fringe incubates young designers and creative businesses in functional and affordable office and studio spaces, enabling innovation and showcasing economic success through collaborative industry support.

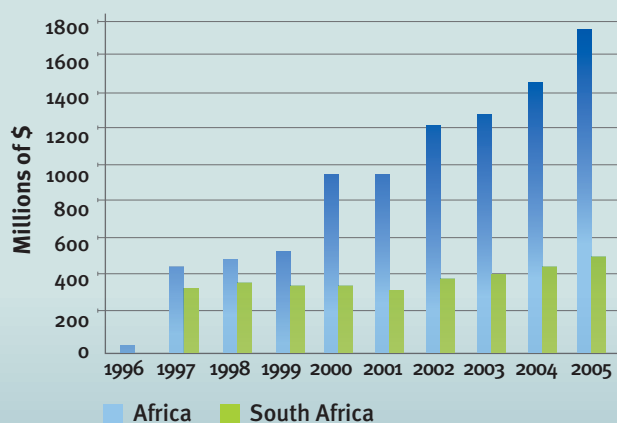
The Fringe is thus about job creation and fosters such creative entrepreneurial development within a specified area of the Central City that promotes the concept of creative clustering. By bringing creative people and companies together, alongside the other economies of the Central City, innovation, entrepreneurialism and productivity all increase through the power of agglomeration. Economic forecasts of the power of such clustering in The Fringe show a substantial potential payoff: with initial financial support from the province, and possible future support from the city and the state, in



20 years' time The Fringe could yield a GDP contribution in excess of R1.5 billion and employ over 3 500 people in its industries per annum¹. For South Africa, this is a vital economic contribution: while the rest of Africa's creative industry exports started to rise as early as 2000, South Africa's have recently stagnated (see graph below). Remaining competitive in today's uncertain markets is a must, and empowering the creative industries is a guaranteed way of maintaining an economic edge.

The Fringe is already a site of urban creativity, being the home of both the Cape Craft and Design Institute (CCDI) and the Cape Town Fashion Council. Sitting next to the Cape Peninsula University of Technology, The Fringe provides students with a post-studies launching site where they can put their knowledge to practice through affordable office spaces and incubator facilities. By partnering with these organisations and others, The Fringe will assist Cape Town to be more competitive globally and more inclusive as a city and as an economy.

CREATIVE INDUSTRY EXPORTS: AFRICA & SOUTH AFRICA



Source: United Nations, 2008, *Creative Economy Report 2008: The Challenge of Assessing the Creative Economy: Towards informed Policy-making*. Obtained from the *Potential Economic Impact of the Fringe* Economic Study, 2011, by Economics Information Services.

- The World Bank estimates that global creative industries represent 7% of the world's employment.
- According to a 2008 study by the Organisation for Economic Co-operation and Development (OECD), creative economies in participating countries grew more than two times greater annually than those of service industries and more than four times greater than manufacturing industries².
- By 2008, developing countries had increased their share of global creative industry exports to 43% – a value of US\$176-billion³.

¹ Economics Information Services. *Potential Economic Impact of the Fringe*, 2011.

^{2, 3} United Nations. *Creative Economy Report 2008: The Challenge of Assessing the Creative Economy: Towards informed Policy-making*, 2008. Obtained from the *Potential Economic Impact of the Fringe*, Economic Study, 2011, by Economics Information Services.

SUSTAINABILITY, TRANSPORTATION AND DENSIFICATION

OVER HALF OF THE WORLD'S POPULATION NOW LIVES IN CITIES. The UN-HABITAT estimates that this number will grow to two thirds of the global population – or 6 billion – by 2050. Cape Town is in line with this global trend: nearly half (40%) of what lies today within the boundaries of the City of Cape Town has been built in the last 25 years between 1977 and 2006¹. Our current challenge lies in making sure that our urban growth happens both more sustainably and more inclusively.

By enhancing a more sustainable environment, building more inclusive and dense human settlements and providing greener and more accessible transportation, the Central City will be able to use urbanisation as one of the strongest and most beneficial socio-economic developmental tools available. Achieving this will require a well-thought-out strategy with a long-term vision.

ENVIRONMENTAL SUSTAINABILITY:

Cape Town lies within the Cape Floral Kingdom – a UNESCO World Heritage Site that is the smallest and richest of the world's six floral kingdoms. Yet it also has the highest number of threatened plant species out of any global city. Environmental pressures, most related to global climate change, make Capetonians increasingly vulnerable to natural disasters, erratic water supplies,

poor service delivery and other problems. The city's food insecurity level of 80% is also one of the highest in the country, exacerbating problems of illness, crime and health.

The next expansion of the MyCiti service will connect the Central City to the Mitchell's Plain and Khayelitsha suburbs by 2014, thus connecting 75-80% of Cape Town entire population with the new bus service.

To tackle climate change, in 2010 the City of Cape Town developed a comprehensive Energy and Climate Action Plan (ECAP). Comprised of 51 programmes and over 120 projects, the plan takes a holistic approach towards environmental sustainability. Operating in conjunction with the city's 10-year Water Conservation and Demand-side Management strategy, it is already showing success: in 2010, Cape Town had the lowest level of water losses

and unaccounted-for water as percentages of water purchases across the entire country. In 2008, Cape Town also entered into a 20-year Power Purchase Agreement with South Africa's first independent wind farm in Darling, 70km west of Cape Town. It is expected that this will prevent 298 125 tons of CO2 emissions, avoid the burning of 100 000 tons of coal and save 60 million litres of water when compared to conventional electricity production².

Cape Town has one of the highest recycling rates in the country. Its ThinkTwice refuse collection system diverts 13 000 tons of recyclables from landfills – approximately 1% of landfill waste by weight³.

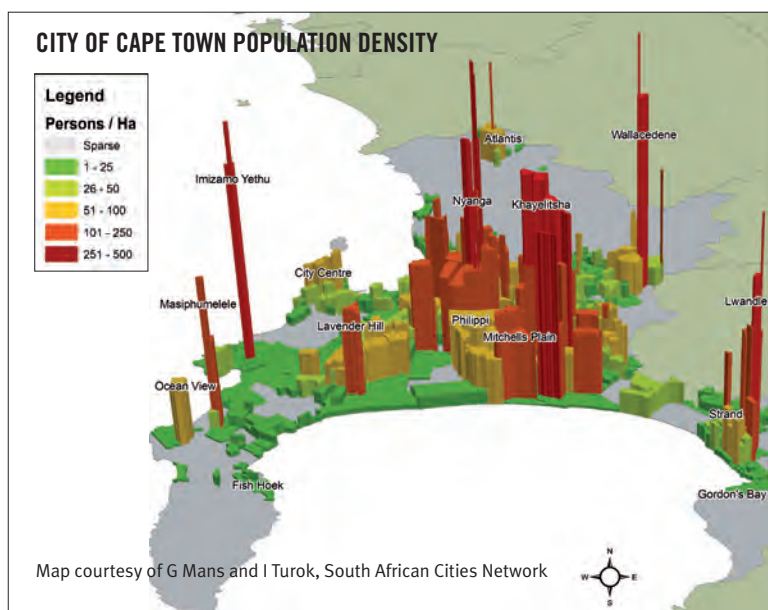
Government buildings are also helping to promote energy efficiency through the retrofitting of a number of



Strengthening the town-to-township connection

¹ Mark Swilling (ed). *Sustaining Cape Town: Imagining a livable city*, 2010. African Sun Media.

^{2, 3} South African Cities Network. *State of South African Cities Report*, 2011.



council buildings, realising an energy savings of between 12-20% on selected properties. A total of 45 000 council-owned rental housing units are also being retrofitted⁴.

The economic value of Cape Town's sustainability is also important: in a 2009 study, researchers valued environmental goods and services in the city's ecosystems at R2.6 billion per annum. For every rand invested in the city's natural environment, between R8.30 and R13.50 worth of ecosystem goods and services are being generated⁵.

HOUSING AND DENSIFICATION:

Sustainable densification is one of Cape Town's top priorities: the majority of the population live in the poorer, more distant areas while the area that directly surrounds the Central City continues to house proportionately fewer people (see map above). This is a bitter legacy of the city's past and a troubling reality of its present. As of 2009, just over 20% of its population lives in informal dwellings along the urban periphery⁶. Inverse densification not only exacerbates economic inequalities and spatial divides, but puts mounting pressure on commuters and both the costs and physical infrastructure of the transportation grid.

Creating affordable housing options closer to places of economic opportunities, like in the Central City, will allow a larger and more diverse number of people to live within feasible commuting distances from places of work and leisure. This can be accomplished by: incentivising

private developers to build affordable housing closer to the Central City; making better-located land available for affordable housing; infusing the housing sector with innovative design; and developing fiscal measures to encourage households to make more intense use of land and property⁷. Innovation in housing will also enable homeowners to save energy and money, promoting a healthier and more sustainable housing platform.

TRANSPORT AND DENSIFICATION

Cape Town's transport system accounts for over half of all energy consumed across the wider metro-region and yields a large carbon footprint for a relatively small urban

space⁸. It also sees vital financial resources leaving the city to pay for energy sources like imported fuel – money that could be better spent on urban development⁹. Yet, private motor vehicles used by the 411 000 households that own cars¹⁰ continue to consume a disproportionately high amount of fuel. In order to create a more sustainable and connected environment, Cape Town's transport system needs to be made more accessible, inclusive and green.

Taking on this challenge, the City of Cape Town – in partnership with provincial and national governments as well as private stakeholders – is now promoting an integrated transportation solution that includes: the MyCiTi bus rapid transit system, which is to be fully implemented city wide within a decade across over 80km of road and via 100 new buses servicing 327 new stops; an integrated and improved rail system; and an expanding Non-motorised Transport offering. Moving around the Central City and beyond is getting easier, safer and more efficient each day.

In addition to the MyCiTi service, Golden Arrow Bus Services – a larger and longer-distance bus operation – provides 1 000 90-passenger buses across 4 500 stops and 132 bus facilities. This is complemented by over 7 500 minibus taxis in Cape Town that operate 565 routes out of 203 minibus taxi facilities. Cape Town's long-distance bus station, adjacent to the new Cape Town Central Railway Station, sees a further 1 250 passengers travel each day on 30 different routes.

4-7 South African Cities Network. *State of South African Cities Report*, 2011.

8 City of Cape Town. *COP17 Bid Book*, 2010.

9 Mark Swilling (ed). *Sustaining Cape Town: Imagining a livable city*, 2010. African Sun Media.

10 South African Cities Network. *State of South African Cities Report*, 2011.



FUTURE REPORTS

CAPE TOWN'S CENTRAL CITY HAS COME A LONG WAY over the past decade. From being a place that people avoided, it has transformed into a pivotal space of economic and social activity that draws people from across the metropolis, from all parts of South Africa and from across the globe.

By highlighting the business and social qualities that drive the Central City's economy forward, this first edition of the *State of Cape Town's Central City Report* showcases the many successes that have come from a targeted and inclusive strategy of urban development and partnership in one of Africa's most unique urban environments.

Future editions of this report will look at the continuing positive effects of economic growth and inclusivity that comes from sustainable urban development. New projects planned for the Central City, such as the re-development of the Artscape Theatre Centre and Founders Gardens, the continued investment in the Foreshore area, the enhancements of the integrated public transport system and other larger projects will be looked at each year to measure and evaluate progress over time.

Future reports will also highlight the many urban challenges that Cape Town must address in order to achieve truly sustainable economic growth and social inclusion, and the solutions being taken to

address them. Social development, geographic division and chronic unemployment continue to challenge Cape Town, and looking beyond the borders of the Central City for innovative and inclusive solutions is a must.

Above all, future reports will showcase the benefits of collaborative urban partnerships for Cape Town's sustained economic and social growth. Making the Central City a truly liveable environment will require people to work together and look towards a broader vision. Being "Open for Business" is a vital part of urban growth and development in Cape Town, but not the only part. By collaborating successfully with our many partners, the CCID and the Cape Town Partnership are working to ensure that the economy of the Central City continues to grow to the benefit of everyone who chooses to make Cape Town their home.



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The City of Cape Town
Creative Cape Town
The Crypt, St George's Cathedral
Design Indaba
District Six Museum
Economic Development Partnership
Federated Hospitality

Association of South Africa
FirstRand Limited and First National Bank
Gold of Africa Museum
Holocaust Museum
Iziko Museums
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