



THE STATE OF CAPE TOWN
CENTRAL CITY REPORT

2013: A YEAR IN REVIEW

In support of this report



Executive Mayor Patricia de Lille City of Cape Town

The central business district (CBD) in Cape Town is the pulse of the city. It is a vibrant centre of opportunities for business, leisure, work and studying.

From the various people from diverse backgrounds who frequent its public spaces to the thriving industries that drive the local economy, the Central City represents this administration to



Minister Alan Winde MEC of Finance, Economic Development & Tourism, Western Cape Government

Cape Town is South Africa's second largest city and the economic heart of the Western Cape Province.

It is here that over 75% of all economic activity in the region is generated.



Nils Flaaten CEO, Wesgro

The Cape Town Central City Improvement District (CCID) has been instrumental in the regeneration of the inner city area of Cape Town, and its work has resulted in a steady rise in property valuations, driven the demand for residential properties and seen many new property developments in the inner city. Without this endeavour, the commercial investment in the city would not be what it is today. Together with property owners and the municipal authority, it has worked hard to ensure that the city's divided past has been converted to an inclusive one. Many historic buildings

build a safe city, opportunity city, inclusive city, caring city and a well-run city.

The Central City Improvement District (CCID) has played a pivotal role to help revitalise the Central City into the hub of social inclusion and economic prosperity through partnerships with government, non-governmental organisations (NGOs), the private sector and residents.

Its publication, *The State of Cape Town Central City Report: 2013 – a year in review*, is a resourceful

compilation of everything that potential investors, tourists and indeed everyone who wants to pursue their dreams in this city, need to take full advantage of their opportunities.

2014 (the year in which this review of 2013 appears) is a momentous year for South Africa. It marks two decades of our democracy and Cape Town's tenure as the World Design Capital 2014. It is the ideal time for anyone who wants to leverage what Cape Town offers, to do so.

Over the past few years, we have embarked on several initiatives designed to make it easier to invest and do business in our region.

These include, amongst others, strengthening our relations with key stakeholders in the economy such as the Cape Town Central City Improvement District (CCID). We are very proud of the achievements of the CCID in improving our economic environment. The production of

this report is further evidence of its dedication to this goal.

I am confident that this guide will provide a useful snapshot of major developments in the Cape Town Central City, showcasing the best features of this thriving economic hub. I trust that you will enjoy reading about just some of the success stories from our beautiful city, and that this guide will assist you in doing business in our region.

and public places are now the preserve of all citizens and are handsomely supported by some of South Africa's top restaurants, art galleries, craft breweries, food markets, concerts and other forms of entertainment.

The commercial heart of the city is home to a number of JSE-listed companies, consulate generals, the High Court and the parliaments of South Africa and the Western Cape. As a result of the continued property investment in the CBD, a number of foreign companies have also established offices here. Today DHL, Amazon, Serco Plc, Chevron, Norton Rose and a wide spectrum of other global companies operate out of Cape Town. This trend is

on the rise and will be sustained as Cape Town becomes the obvious choice to headquarter a company's Africa operation due to having world class infrastructure, a young, skilled workforce and being a desirable place to live and work.

The CCID is a critical investment promotion partner and the envy of many other South African cities. It is for this reason that their model has been replicated in so many other parts of our country. Without this, Wesgro's job of marketing Cape Town as a tourist destination and world-class business city would have been made much harder.



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THE CAPE TOWN CENTRAL CITY AND SURROUNDS

For the purposes of this report, the Cape Town Central City (the CBD) is defined as the area that falls within the 1.6km² boundaries of the Central City Improvement District (CCID), indicated by the broken yellow line on this map. It lies bordered by Table Bay Harbour to the northeast, and the other surrounding suburbs that lie against Table Mountain in what is known as the City Bowl. The Central City is also where the main transportation links (road and rail) begin in the province, and it is just 19kms from the Cape Town International Airport.

01.

Introducing the Cape Town Central City

The 2013 report: a year in review

FULFILLING OUR CENTRAL CITY WISHLIST

Following the huge success of our first-ever *The State of Cape Town Central City Report* for 2012, we asked ourselves "How do we make it even better for 2013?"

How do we make the 2013 report more valuable to our own stakeholders who promote the CBD? How do we make the information more attractive to new investors? And how do we ensure that those investors who have already made a commitment to this area continue to derive value?

The first thing we did to achieve this was to draw up our "wishlist" for the contents of the 2013 report.

Looking back, we remember setting our standards high. We summarise exactly what we have achieved in terms of comparing this year's report to last year's in the Executive Summary on page 5.

Our first edition (2012) faced a primary challenge around information gathering and sharing. And while we indeed collected a small library of facts and figures never before amalgamated into one document, the compilation of that report proved to be a delicate operation, largely because we were asking various entities not only to entrust their information to us but to share a common platform with others.

This showed us that, if the *State of Cape Town Central City Report* was to have longevity, its scope needed to include not only valuable, comparative information presented year-on-year and which could be analysed for emerging trends, but also an ever-growing basket of new information in order to accurately gauge the economic temperature of the Central City.

It was therefore imperative that we upped the ante in the 2013 report, and we applaud the many public and private organisations that have been so willing to contribute information to the 2013 report.

Meanwhile, through this fact-finding mission, we have discov-

ered that even in a tough global economic climate, the Cape Town Central City is holding its own.

The lower end of Bree Street and the neighbouring Foreshore area host a number of cranes on rising construction sites, set among newly completed, state-of-the-art office blocks. The nighttime economy is growing in leaps and bounds, buoyed by a residential property market that has strongly recovered after the burst of the international bubble in the late 2000s.

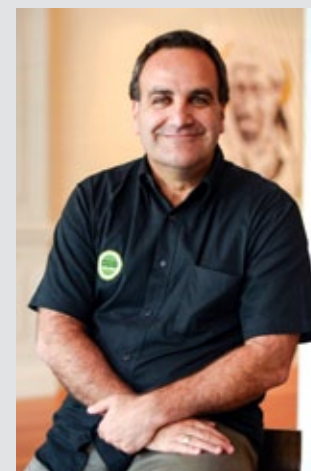
Our surveys show us that retail confidence remains optimistic and the visitor experience grows favourably year-on-year, from those that attend an increasing number of events on our public spaces to business travellers attending conventions at the Cape Town International Convention Centre (which, in 2013, celebrated its 10th successful year in operation as a globally recognised leader in its field while looking forward to doubling in size by 2015.)

We have a new public transport system in the MyCiTi Bus Rapid Transit programme that is turning perceptions of public transport around for a multitude of commuters who are fast moving away from single occupancy vehicles.

We are also experiencing the rise of new industry sectors in the CBD, with a growing demand in areas such as call centres, financial and IT management, the film & TV industry (and creative industries in general), and the business of healthcare.

It is in the spirit of this very optimistic setting for the future that we welcome you to the second edition of our *State of Cape Town Central City Report* on investment.

Together with our partners in the CBD among the private sector, and both the local and regional public sector, we look forward to sharing the prosperity of the Central City as we grow a sustainable economy together.



TASSO EVANGELINOS
Chief Operating Officer
Central City Improvement District



ROB KANE
Chairman of the Board
Central City Improvement District

Cape Town in context

GENERAL INFORMATION ON SOUTH AFRICA, THE WESTERN CAPE AND CAPE TOWN

Population figures as per the 2011 Census

SOUTH AFRICA
51 770 560

Average age
25

Between 2001 and 2011, South Africa's population grew by
7 million people

WESTERN CAPE
5 822 734

2.52%
population growth rate per annum from 2001-2011

CAPE TOWN
3 740 026

2.57%
population growth rate per annum from 2001-2011

The City of Cape Town has
64.2%
of the Western Cape provincial population living within its boundaries

Metro-wide statistics¹

TOTAL AREA
of the City of Cape Town (as of 2012)

2 461km²

NUMBER OF HOUSEHOLDS
1 068 572

GDP
R203 581m
contributed to the Western Cape's economy

UNEMPLOYMENT RATE
23.8%

NUMBER OF LIBRARIES
(as of 2012)
103

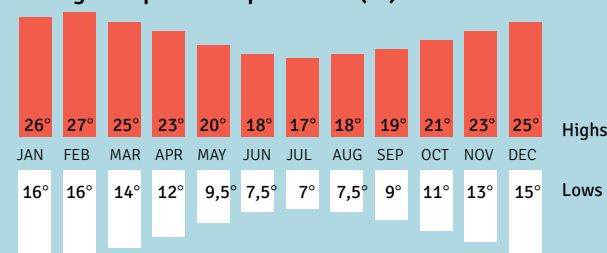
NUMBER OF TOURISTS
(as of 2010)

International
1 504 698

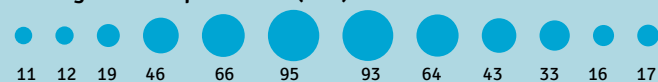
Domestic
2.7m

1. Compiled by the Strategic Development Information and GIS Department, City of Cape Town

Average temperatures per month (°C)



Average rainfall per month (mm)



The City of Cape Town continues to maintain its high international Moody financial credit rating (Aa3.za), the highest that can be obtained by any South African municipality.

The City's integrated rapid transit initiative has already seen 92% (R827 million) of the overall budgeted capital invested in phase 1A of the project.

Top accolades for Cape Town

✦ Top spot on the *New York Times*' list of "52 places to go in 2014"; *Telegraph Travel* "2013 Awards: Favourite Cities"; plus rated "#3 Top City to Visit in 2014" by *Lonely Planet*'s "Best in Travel"

✦ Won "Best Destination in Africa" at the World Tourism Awards (seventh time since 1998) and one of the "Top 10 Cities in Africa & the Middle East" in the *Condé Nast Traveler Readers' Choice Awards*

✦ Named as the top destination in "Top 25 Destinations in Africa" and one of the "Top 25 Destinations in the World" by *TripAdvisor's Traveller's Choice* 2013

✦ Voted one of the world's "Top 10 Cities" in 2013 by *Travel+Leisure*

✦ Ranked top of the "Best Green Initiatives" by the *African Green City Index* (published by Siemens) in terms of "Energy and CO₂: Reducing the carbon footprint". It also ranked "well above average" for land use, waste management and environmental governance

✦ The Cape Town International Convention Centre (CTICC) awarded "Best Exhibition Venue of the Year" by the Exhibition and Event Association of South Africa (EXSA)

✦ The University of Cape Town (UCT) is the top-ranked South African university (2013) according to the QS World University Rankings

✦ Cape Town International Airport voted March 2013 as "Best Airport by Region (Africa)" by the global Airports Council International (ACI) Airport Service Quality Awards, and by SKYTRAX World Airport Awards as "Best Airport in Africa" plus "Best Airport in Africa for Staff Service Excellence"

✦ Cape Town ranked in top 10 "Innovation Cities Emerging Index 2012-2013" and No 1 in Africa by Australian-based 2ThinkNow Global Innovation Agency

✦ Voted again as a "Downtown of the Month (September)" by the International Downtown Association (IDA)

How the city rates with its customers

The City of Cape Town is one of the few municipalities in South Africa that uses independent research to measure customer satisfaction annually. With findings indicating a steady increase in levels of satisfaction over the past five consecutive years, the following are some of the highlights reflected in the *2012/13 Community Satisfaction Survey* conducted by TNS Research Surveys:

FROM THE CITY'S RESIDENTS' SURVEY

74% of respondents rate their **LEVEL OF TRUST IN THE CITY** as fairly strong, very strong or extremely strong
– up from 61% in 2008/9

FROM THE CITY'S BUSINESS SURVEY

89% of respondents rated the City's performance in **FULFILLING ITS ROLE AS A MUNICIPAL SERVICE PROVIDER** as good, very good or excellent
– up from 75% in 2008/9

Executive summary

WHAT'S IN THE 2013 REPORT?

To date, *The State of Cape Town Central City Report* is still the only investment publication of its kind to concentrate solely on a South African CBD.

The first report in 2012 broke new ground in terms of being one that specifically showcased the potential of Cape Town's downtown area. It was also a new initiative in terms of gathering data from a variety of sources that make the Central City tick, and created a great foundation towards establishing the idea of having localised knowledge on the CBD. It provided, for example, the first amalgamated insight into exactly who comes into and out of the CBD for work on a daily basis, which different industries are represented here and where the opportunities lay for growth and improvement.

While the CCID has, for many years, conducted research including numerous surveys, the 2012 report also incorporated information from two new surveys, namely: an *Online Business Survey* as well as a street-based *User Survey*.

What was, however, key to this second issue – *The State of Cape Town Central City: 2013 A year in review* – was to determine not only how to build on the information already at hand (and begin to use it towards comparative analysis year-on-year), but to explore new avenues of data collection.

The *Online Business Survey* has therefore been repeated to discover even more about what businesses think about the CBD

as a place to do business. To take this to the next level, this edition includes a new survey on the financial sector (*The Financial Survey*). Also included is an investment map of all 2013 developments, either completed during the year, underway at the time or in planning stages.

In addition, this past year we also conducted research on the total amount of retail space available in the CBD.

Plus, with the understanding that a truly vibrant CBD requires a strong residential component, this report includes the results of our first-ever *Residential Survey*.

Having published the 2012 report towards the end of that year, we moved our publication date around in order to give readers a better view onto a full year of the CBD's growth. We therefore decided to publish the 2013 edition at the start of 2014 as "a year in review", enabling us to provide information for one specific year in its entirety.

All of these initiatives build on the CCID's goal to grow the Central City's data sets in partnership with all CBD stakeholders, so that we can begin to trend the information we receive and develop a better understanding of why people are here, what will encourage them to stay, and what will attract new investment into the Central City.

The CCID would like to take this opportunity to thank the many entities and organisations that have released information to our researchers for this edition. We look forward to increasing engagement as this report grows from strength to strength, year-on-year.

CAPE TOWN CENTRAL CITY

5 286

Number of people who live in the CBD

300%

Increase in CBD residents since 2001

VALUE OF CENTRAL CITY PROPERTY

2011 R21.5 billion
2012 R22 billion
2013 R25 billion

CBD EVENTS

661

Events held in the CBD

1 353 405

Number of people who attended events in the CBD

LIBRARY

745 133

Total visitors to the Central Library in 2013

2 041

Average number of daily visitors to the Central Library

GOVERNMENT SERVICES

All 3 spheres of South Africa's government are found in the CBD (local, provincial & national)

108

Number of offices

21 666

Number of employees

27 111

Average number of people served per day



110km

Length of fibre optic cabling installed in the Central City

RESIDENTIAL

2012: R1.33 million

2013: R1.43 million

Average residential sales price in the CBD

2012 **2013**

132

163

Residential property sales in the CBD

PROPERTY

R266 million

The amount of rates generated by the CBD in 2013

CREATIVITY & CULTURE

72 000

Theatre goers who attended shows and events at the Fugard Theatre

R403m

Artscape's contribution to the GDP of South Africa

487

Number of creative industries based in the CBD

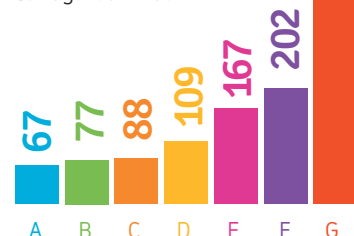
**\$ R
¥ €**

5 500

The number of jobs in the CBD generated by the financial services sector

COMPANIES IN THE CBD By sector

- A. Information & communications technology
- B. Travel services
- C. Financial services
- D. Architecture & engineering
- E. Specialised services
- F. Medical services
- G. Legal services



EDUCATION

15 176

The number of students who study in the CBD

1 541

The number of faculty & staff in the CBD

CALL CENTRES

9 646

Number of people working in the CBD's call centres

44%

Percent of the metro-region's international call centres located in the CBD

350 000

The number of people moving through the CBD every day

R3 billion

Financial contribution by the CTICC to South Africa's GDP in its 2012/13 financial year

CAPE TOWN INTERNATIONAL CONVENTION CENTRE (CTICC)

13million

Number of visitor days generated from events at the CTICC

7 875

Jobs sustained by the CTICC during the last financial year

537

Number of events the CTICC hosted in the last year

22

PERCENT

Reduction in water usage over the previous five years

15

PERCENT

Reduction in energy use over the previous five years

MYCITI BUS RAPID TRANSPORT

In November 2013, the remaining destinations of the MyCiTi Phase 1 expansion came online. The MyCiTi now connects the CBD to even more of the metro-region through improved public transport.

2012

6 routes in Cape Town Central City
30 500 passenger trips per month

2013

19 routes in Cape Town Central City
113 300 passenger trips per month



283

Number of new MyCiTi stations added

RETAIL

268 553m²

of retail space in the CBD, of which

94% is occupied

81%

of retailers are happy to be doing business in the CBD

02.

Doing business in the Central City



WORKING IN THE CAPE TOWN CBD

According to a 2013 report by McKinsey Global Institute¹, Cape Town has 14 large companies² based within the metro-region with a collective annual revenue of US\$52 billion. This makes Cape Town second only to Johannesburg across the African continent in terms of the number of large companies and their revenues.

Focusing on the Cape Town Central City, this area makes up roughly 25% of the City of Cape Town's entire economic contribution, with just over 30% of all the city's employment being based here as well. Apart from the near 125 government offices situated in the Central City, it is estimated that there are close to 2 500 formal private businesses operating in the area.

¹ Urban World: The Shifting Global Business Landscape, 2013, McKinsey Global Institute

² Large companies being defined by McKinsey Global Institute as having revenue ≥ US\$1bn per annum.



Company sectors in the Cape Town CBD

The following is a list of the primary sectors of private companies in the CBD, determined via the CCID's "Above ground floor activities" database (as opposed to ground floor activities, ie: retail) and compared over a three-year period. [Please note retail is a significant sector on its own, with over 1 200 establishments, and appears in its own section in this publication (see pgs 24-25)].

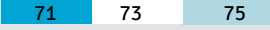
Information & communications technologies (incl call centres)



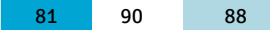
Travel services



Architecture & engineering services of which 34 are engineering & related



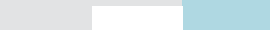
Financial services, banking & investment



Specialised services



Medical, health & cosmetic services and facilities



Legal services



2011 2012 2013



Cape Town on call

The city's Business Process Outsourcing (BPO) call-centre industry has grown since last year by approximately 135 companies, increasing from 33 500 to

38 000 jobs

CALL CENTRE INFORMATION FOR THE GREATER METRO-REGION, PROVINCE AND SOUTH AFRICA

Across the province, **81.5%** of employees are employed on a full-time, permanent basis

The sector generates **R8bn** for the provincial GDP

3 100 jobs were created in 2012/13 in the Western Cape

Of the main sectors that engage with Western Cape call centres: **+** Internationally, the **retail sector** is the leader, using 68.8% of all provincially based centres

+ Domestically, the **financial services sectors** use 68.4% of all provincially based centres

- +** In 2012 South Africa was awarded "Offshoring Destination of the Year" by the National Outsourcing Association (UK)
- +** In 2013, South Africa was awarded "Offshoring Destination of the Year" by the European Outsourcing Association (Rest of Europe)
- +** Between 2003 and 2009, telecommunications costs in South Africa fell by 85%, making telecommunications a strong-growth industry. By 2015, these costs are expected to be reduced by a further 15- to 20%
- +** The Western Cape Government has highlighted the BPO call centre industry as a focus area for investment and has committed full support for growing the sector.

IN TERMS OF THE CAPE TOWN CENTRAL CITY

9 646 call centre associates work in the CBD

19% of these employees call the CBD home, making up a significant part of its residential population

44% of international call centres in the wider metro-region are based here.

TOTAL INVESTMENT BY THE CITY IN THE ROLLOUT OF ITS UNIVERSAL BROADBAND PLAN

R1.3bn

Broadband for business

While connectivity in South Africa remains a challenge, the City of Cape Town is hard at work on new broadband installations throughout its Metro Area Network towards enhancing the connectivity of the CBD and greater Cape Town. To this end:

- +** **95 City of Cape Town buildings** now make use of the fibre connection (the Metro Area Network); 39 are connected via high-speed wireless
- +** **110 buildings** make use of the City's internal Voice over Internet Protocol (VoIP) service (resulting in significant telecommunications cost saving for the City)
- +** Fibre services have been provided for the City's new BRT system (**My-CiTi buses**) as it rolls out across the next decade as well as for the City's Strategic Surveillance Unit that monitors security cameras throughout the CBD
- +** Key nodes of **fibre optic connectivity** in the CBD and immediate surrounds include:
 - The Cape Town Stadium
 - Carnegie (Central) Library
 - City Hall
 - Cape Town Civic Centre
 - Good Hope Centre
 - The Traffic Department at Gallows Hill
 - Roeland Street Fire Station
- +** Network "cross-connects" have been installed between the City Metro Area Network and a number of CBD-based internet service providers (ISPs). This enables these ISPs to use the Network's tariffed services to provide broadband connectivity to their own clients in the Metro area. These ISPs include: Internet Solutions, MWEB, RSAWeb, Cybersmart and MTN
- +** **70km of optic fibre** in the core ring have been installed, with 200kms of local optic fibre installed to extend from that. Once

complete, the Universal Plan across the metro will have:

- Approximately **900km** of core and local cabling for the Metro
- In the CBD alone, **110km** of core and local cabling
- +** Total investment by the City in its Universal Plan for the whole of the metro-region: **R1.3bn**, spread over 5-7 years, demonstrating both a solid commitment to connectivity and in turn to business. **R260m** has already been invested to date, realising a return on investment of over 80% to date.

Employment density in the CBD

Planning for economic growth in the CBD requires sound knowledge of the space that employees will require. Understanding more about how many people work across different sectors, on average, can help planners to make more informed choices regarding public transportation, utility provision and the other key aspects of city infrastructure that enable a strong economy.

Employment density is the average floor space (square metres) that a person occupies in a building. Knowing the employment densities for various industries and various buildings in the CBD tells us how many people, on average, are in the buildings each day, and which industries need different services. With employment densities, higher numbers indicate more space used per employee. Lower numbers mean that employees have less space in the offices. This can be interpreted in many ways.

One scenario is that employees in certain industries enjoy more space to work in, while employees in others are more "crammed". Another is that sectors that have smaller density figures are actually using buildings more efficiently.

SERVICE STANDARDS:

77% of businesses feel that Cape Town maintains high standards of services (up from 68% in 2012) according to the CCID *Online Business Survey*.

Ultimate goal of the Universal Plan for the City of Cape Town:

- +** **Provide connectivity to over 450 of its own buildings** in the metro and tariffed services to third parties (enabling them to establish last-mile connections to over 2 000 business customers)
- +** **Connecting over 100 Western Cape Government buildings** (the first 45 of which are currently being completed, of which 19 are in the CBD)
- +** Network designed so that it can **provide services to many more institutions** such as public schools and police stations.

The Cape Town CBD's average employment density is 21.5m² per employee workspace. This is on par with the City of London, at 20m². Sector specific, the following are some of the average employment densities per employee for various industries in the CBD:

ARTISTIC STUDIOS	28m ²
CALL CENTRES	13m ²
EMBASSIES	31.5m ²
FILM & TV PRODUCTION COMPANIES	17m ²
FINANCIAL SERVICES, BANKING & INVESTMENT:	22.9m ²
ICT*	36.9m ²
LEGAL SERVICES	14.6m ²
QUANTITY SURVEYORS	22.5m ²
TRAVEL SERVICES	30.8m ²

* Indicates the total space of an ICT office, including storage for servers, studio space and additional freelance staff.

Online Business Survey results

During 2013, the CCID conducted its second annual *Online Business Survey* in which 256 respondents took part and provided the following information on doing business in the CBD (with comparison where appropriate to a 2012 survey):

NUMBER OF YEARS IN THE CENTRAL CITY

Less than one year: 4%
1-3 years: 23%
4-10 years: 35%
11-20 years: 16%
Greater than 20 years: 24%

CLEANLINESS

+ **77%** of businesses said that Cape Town's CBD was in a good or excellent state of cleanliness (up from 73% in 2012)

PUBLIC TRANSPORT

Availability of public transport:

- +** **71%** of businesses said this was good or excellent (up from 59% in 2012)
- +** **91%** of businesses feel that the MyCiTi Bus Rapid Transit system contributes towards making the CBD a more accessible business destination

SAFETY

- +** **74%** of respondents feel safe walking around Cape Town's CBD
- +** **79%** feel that Cape Town's CBD is safer than other CBDs around the country

URBAN RENEWAL

72% feel that urban renewal results in a renewed interest in the CBD as a business destination (up from 69% in 2012)

ENVIRONMENTAL SUSTAINABILITY

73% are taking up initiatives to be more environmentally sustainable

OVERALL LEVEL OF SATISFACTION ON BEING IN THE CBD AS A BUSINESS

2013: **86%** satisfied
2012: **81%** satisfied

LIKELIHOOD OF STAYING IN THE CBD

93% say they are likely or somewhat likely to keep their businesses in the CBD. This percentage is unchanged from 2012, despite the continued pressures of the economic recession.

SPOTLIGHT ON THE

Financial services sector

In order to better understand the contributions that the financial services sector makes to the economy of the Cape Town CBD, the CCID conducted a questionnaire-based survey aimed across the 76 financial institutions located in the Central City, five of which are regional or provincial head offices. In total, responses were received from 67 institutions, allowing the following knowledge to be based on an 88% response rate.

SERVICES OFFERED IN CAPE TOWN'S CENTRAL CITY

The numbers of respondents out of 67 who cited each particular option:

- + Personal loans: **36**
- + International banking and foreign exchange: **19**
- + Microfinance, cash and small loans: **19**
- + Investment banking: **15**
- + Public sector banking: **14**
- + Business/corporate banking: **10**
- + Home loans: **9**
- + Vehicle and asset finance: **9**
- + Debt management: **9**
- + Retail banking: **8**
- + SMME banking: **7**
- + Trusts: **6**
- + Private banking: **4**

NUMBER OF PEOPLE EMPLOYED BY THE FINANCIAL SERVICES SECTOR

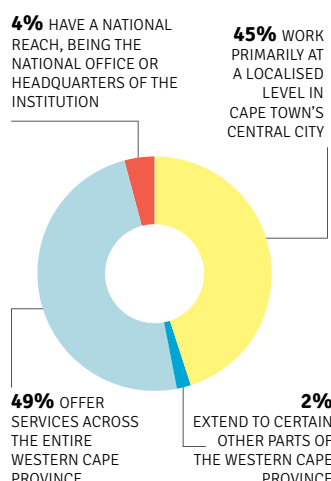
Answered by 63% of participants:

5 041
permanent employees

494
temporary staff members

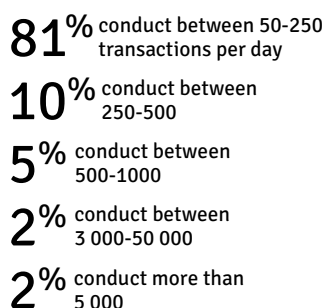
GEOGRAPHIC AREA SERVED BY THE FINANCIAL INSTITUTIONS

Each survey participant was asked to indicate how far their work reaches in terms of geography. While the organisations are all located in the CBD, they have quite a wide reach:



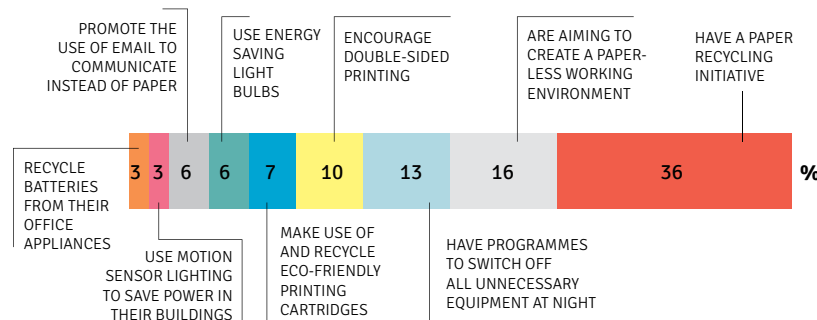
NUMBER OF TRANSACTIONS COMPLETED PER DAY

As reported by 42 of the participating institutions:



ENVIRONMENTAL SUSTAINABILITY

When asked what they do to conserve resources and become more environmentally friendly, here is what the participating financial institutions said:



SPLIT BETWEEN SOUTH AFRICAN & INTERNATIONAL BUSINESS

As answered by 61 institutions:

60% serve only South African customers

40% serve an international market, with varying degrees ranging from 5% to 80% of their business base

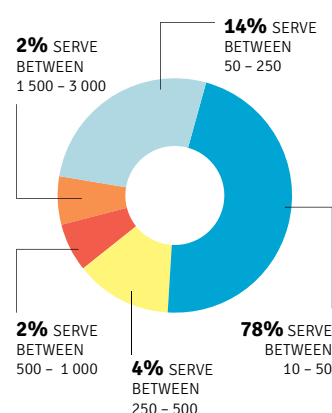
Number of institutions and the percentage of their business that is international:

37 : 0%	1 : 5%	3 : 80%
3 : 10%	1 : 15%	
2 : 20%	5 : 25%	
3 : 30%	3 : 40%	
1 : 50%	2 : 70%	



NUMBER OF CLIENTS SERVED EACH DAY

As reported by 56 of the participating institutions:



60% OF INSTITUTIONS SAID THEY RECYCLE PAPER IN THEIR OFFICE BY:

- + Having accounts that support environmental sustainability
- + Encouraging electronic agreements
- + Making use of electronic banking (including cell phones and the internet) for their clients
- + Mailing electronic statements instead of paper
- + Encouraging holistic "paperless banking" for their clients
- + Using signatures via fingerprint verification in paperless environments
- + Making use of emails for client communications, instead of paper letters.

SPOTLIGHT ON THE

Film & TV sector

The South African film and television industry is booming. Spearheaded by filmmakers and producers in Cape Town, over 60 films were shot in the country in 2012, up from the handful of only five in 2005. According to the National Film & Video Foundation (NFVF), the industry added some R3.5 billion to the national purse.

Cape Town is responsible for the lion's share of both local and international film production in the country. "Industry sources estimate up to as much as 90% of the international production in South Africa comes to or through Cape Town," says Martin Cuff, the British-born former Executive Director of the Association of Film Commissioners International, who now resides in Cape Town while consulting on film and media sector development across the globe.

According to the Cape Film Commission, there has been a 30% rise over the past year in enquires for feature films, TV series and documentaries wishing to shoot in and around the CBD. Indeed, Rudi Riek, Chairperson of the South African Association of Stills Photographers (SAASP) notes: "The CBD itself is the most popular (municipal) ward by far."

Cuff says there are three reasons for this popularity: "Number one, there are 150 globally competitive production companies in Cape

Town who promote the city and are totally vested in its success. Number two, a huge supporting infrastructure of specialised and professional equipment, crew and talent has built up around the business, meaning very little has to be shipped in to conduct a successful shoot, which in turn means that the costs of filming here are globally competitive. And three, there is buy in and support from both the City of Cape Town as well as the Western Cape Government for this industry. The Cape Town Film Permit Office, for example, is a one-stop shop for clearance of permissions, processing thousands of applications each season often within 24 hours' notice."

Cape Town's unique geography – natural and physical – adds to the city's appeal: seaside and harbour scenes, beaches, skyscrapers and a vibrant downtown urban infrastructure make it the perfect generic city for locations. The Central City is also able to provide world-class tourism infrastructure to support the business – hotels, restaurants, bars and clubs, plus an environment that is safe, clean and easy to navigate.

A major feather in the city's cap is not only that it attracts international investment, but that it is also seen by South African producers from other parts of the country as a viable destination. Graham Montanari, head art director at Verve Direct, an advertising agency based in Durban, travels to Cape Town's CBD purely because of its infrastructure: "There are so many producers and prop warehouses compared to the rest of the country, and as a result the city is equipped to deal with shoots of any size, making it a very feasible option."

South Africa's eight co-production treaties (with Canada, Australia, New Zealand, the UK, the Republic of Ireland, Germany, France and Italy) and the Department of Trade & Industry's 35% rebate on local spend, make filming in South Africa – and including the popular Central City – a very attractive option.



Permits

31 166 have been issued by the Cape Town Film Permit office since July 2011

90% of all permits issued were for the **commercials & stills** sectors

20 866 permits were issued for **stills production & micro shoots**

6 944 permits were issued for **commercials**

2 629 permits were issued to **long-form projects** (eg: feature films), and the balance to other projects.

Economic impact of the industry on South Africa

The following figures speak to the value of this industry in South Africa as a whole. While the exact economic impact on the Western Cape and the Central City is yet to be determined, it is worthwhile remembering that approximately 90% of all film & TV work undertaken in the country occurs in Cape Town, and that the CBD itself is the favoured location.

+ **R6.2bn** total contribution to the **country's GDP** in 2012

+ **Long-form projects** contributed **R3.5bn** to South Africa's GDP in 2012

+ The **commercials industry** contributed **R2bn** to South Africa's GDP in 2012

+ **Stills production** contributed **R700m** to South Africa's GDP in 2012

+ **All three sectors** delivered an economic multiplier of **2.89**

+ The industry created over **25 175 jobs** in 2012

+ The industry encompassed over **2 500 direct service providers**

+ According to a recent report issued by the National Film & Video Foundation, the long-form industry has shown **14% growth per annum** over the past five years.

Stars in the Mother City

Over the past two years, the following international actors and celebrities have been among those that have participated in feature films, commercials and other productions shot in Cape Town:

Meryl Streep
Katie Holmes
Taylor Swift
Jeff Bridges
Karl Urban
Lena Headey
Toby Stephens
Denzel Washington
Ryan Reynolds
Michael B Jordan
Tom Hardy
Nicholas Hoult
Charlize Theron
Stephen Fry
Christopher Eccleston
Morgan Freeman
Matt Damon
Halle Berry
Olivier Martinez
Alexander Skarsgard
Joel Kinnaman
Vera Farmiga

Commercial property in the Central City

The value of property in the Cape Town CBD currently stands at close to R24bn. This is supported by the fact that 24.5% of all Premium and A-grade office stock available in the greater Cape Town metro-region is to be found in this area.

As of September 2013, the Central City had 73 000m² of committed new development in the Premium-Grade (AAA) sector. In addition, the CBD also has 537 registered heritage sites, imbuing the downtown with character and grace, and enabling the opportunity to create and mix contemporary office building design side-by-side with centuries-old architecture.

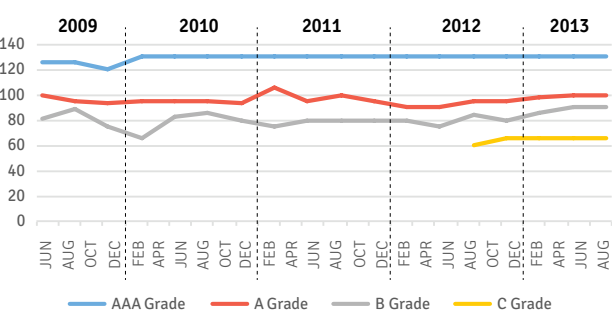
The recent introduction of a C-Grade office space category (September 2012) in the South African Property Owners Association's (SAPOA's) evaluation system has created a new level of property analysis in the CBD. However, it is evident that the area is seeing a decrease in C-grade vacancies overall (see graph on vacancy figures opposite) as property owners and developers embrace the notion of refurbishing and retrofitting buildings, affording an opportunity to make them more sustainable, desirable and ultimately competitive. (See also box opposite on the Green Building Council's Toolkits.)



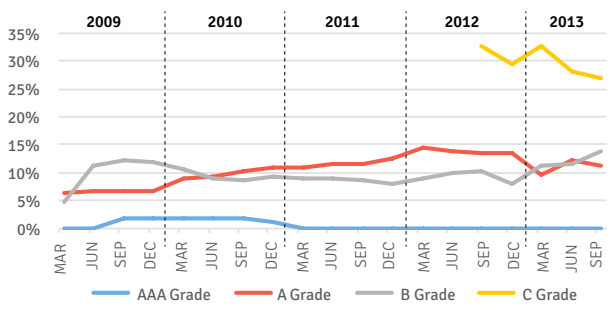
CBD office rental rates and vacancies

The following data on office rental and vacancy rates (conducted quarterly) has been sourced from SAPOA and deals strictly with rates in terms of commercial (office) property.

Rental rates for office space in the Cape Town CBD



Vacancy rates in the Cape Town CBD



The value of property in the Cape Town CBD

The following is a summary of the year-on-year valuation of all property held in the CBD, including commercial, office and retail. For more specific information on retail and residential properties please see the individual sections on pgs 24-25 and 22-23 respectively.

Financial Year	Valuation (in ZAR)
2005/06	6 127 450 155
2006/07	6 286 614 046
2007/08	5 641 154 410
2008/09	16 937 499 800
2009/10	15 524 368 400
2010/11	23 936 631 700
2011/12	21 505 309 946
2012/13	21 795 245 667
2013/14	23 692 398 651

Utilising the Urban Development Zone tax incentive

The Urban Development Zone (UDZ) incentive activated by the South African Revenue Service (SARS) and implemented by the City of Cape Town, 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 ones, within demarcated urban areas.

The incentive enables some of the cost spent on a building to be deducted from taxable income. It also accelerates the rate at which this deduction takes place over less time: ie, by accelerating the deduction, more money is saved over less time. The key lies in the Net Present Value of the deduction, and can save millions of rands each year.

While the UDZ also applies to new builds, the incentive to refurbish is strong: the UDZ was originally designed to favour renovations of existing capital rather than wholesale replacement of built environment stock. For their renovations, investors receive a straight-line depreciation write-off over a five-year period once the building is brought into use; however it must preserve a significant part of the building's structure.

So, for example, if a run-down property is bought for R8m and then receives R100m worth of refurbishment, the owner can deduct 20% of the refurbishment costs, with the total of the deduction spread evenly over each one of the five years (ie: R20m over five years in total) once the building is brought into use. (The original sale price of the building is not included.)

New builds are covered under a different scheme, over a longer write-off period of 17 years, whereby an initial 2% deduction is allowed, followed by annual deductions of 5% for each of the following 16 years.

Buildings in the CBD that have recently taken advantage of the UDZ initiative include the two new commercial office properties, Portside and 22 Bree (see pgs 14-15 for more information on these buildings) as well as others throughout the CBD.

Information sourced from the South African Revenue Service as well as from www.capetown.gov.za/en/Planningportal/Pages/UDZ.aspx



Artist's render of the new Portside building in Bree Street

THE CITY'S INTEGRATED SPATIAL INFORMATION SYSTEM (ISIS)

A world first for the City of Cape Town, this integrated property data management system enables better management of all transactions relating to the various properties or land parcels located in the municipal area.

Vacancy figures

Quarter	Premium Grade	A Grade	B Grade	C Grade
2006				
Mar	0.00%	5.01%	8.65%	-
Jun	0.00%	6.33%	7.88%	-
Sep	0.00%	5.29%	7.31%	-
Dec	3.29%	5.25%	7.02%	-
2007				
Mar	3.29%	6.82%	6.47%	-
Jun	3.29%	7.33%	6.24%	-
Sep	3.29%	5.41%	6.58%	-
Dec	3.29%	4.65%	6.95%	-
2008				
Mar	0.00%	3.00%	6.79%	-
Jun	0.00%	5.15%	5.37%	-
Sep	0.00%	4.91%	4.73%	-
Dec	0.00%	6.18%	4.27%	-
2009				
Mar	0.00%	6.28%	4.71%	-
Jun	0.00%	6.54%	11.28%	-
Sep	1.85%	6.68%	12.35%	-
Dec	1.90%	6.80%	11.80%	-
2010				
Mar	1.90%	8.80%	10.60%	-
Jun	1.90%	9.30%	9.10%	-
Sep	1.90%	10.30%	8.70%	-
Dec	1.10%	10.80%	9.20%	-
2011				
Mar	0.00%	10.80%	8.80%	-
Jun	0.00%	11.60%	9.00%	-
Sep	0.00%	11.50%	8.50%	-
Dec	0.00%	12.40%	8.00%	-
2012				
Mar	0.00%	14.60%	8.90%	-
Jun	0.00%	13.70%	9.80%	-
Sep	0.00%	13.40%	10.10%	32.70%
Dec	0.00%	13.50%	7.90%	29.30%
2013				
Mar	0.00%	9.50%	11.10%	32.70%
Jun	0.00%	12.30%	11.70%	28.10%
Sep	0.00%	11.30%	13.70%	26.90%

Green Building Council toolkits

The Green Building Council of South Africa has developed a set of toolkits developers can use to go green. These include:

- + A suite of tools for **new buildings and major refurbishments** including different tools for office, retail, multi-use residential, public and education buildings. While available only in pilot form at the time of going to print, this suite also includes a plug in which addresses socio-economic issues relating to the design and construction of new buildings.
- + A tool for **Interior fit outs within new and existing buildings** that addresses design and construction.
- + A tool for **Ongoing operation of existing buildings** that addresses the ongoing performance of existing buildings. This tool (also a pilot at this stage) has a stand-alone component called the **Energy and water benchmark** that allows building owners to compare their building's energy and water usage against a national average.

For more information, visit www.gbsca.org.za

Rental rates (As reflected per m² in ZAR)

Quarter	Premium Grade	A Grade	B Grade	C Grade
2009				
Jun	126.25	98.88	80.38	-
Sep	126.25	95	88.5	-
Dec	120	92.5	75	-
2010				
Mar	130	95	65	-
Jun	130	95	82.5	-
Sep	130	95	85	-
Dec	130	92.5	80	-
2011				
Mar	130	105	75	-
Jun	130	95	80	-
Sep	130	100	80	-
Dec	130	95	80	-
2012				
Mar	130	90	80	-
Jun	130	90	75	-
Sep	130	95	83.5	60
Dec	130	95	80	65
2013				
Mar	130	97.5	85	65
Jun	130	100	90	65
Sep	130	100	90	65

Property investment update

1 Centre for the Book

Location Queen Victoria St
Type Educational resource
Progress Completed
Developer Dept of Public Works, National Government
Investment R10m

2 Shake your Honey Mumbai

Location Cnr Loop & Orphan Sts
Type Entertainment & retail
Progress In planning
Developer Madame Zingara group
Investment To be confirmed (TBC)

3 Provincial Government Building (upgrade)

Location 4 Dorp, and 7 & 15 Wale Sts
Type Government
Progress Underway, to be completed 2014
Developer Dept of Public Works & Transport, Western Cape Government
Investment R138m

4 107 Bree Street (La Parada)

Location 107 Bree St
Type Commercial & retail
Progress Completed
Developer Group 44
Investment R20m

5 Cape Sun Hotel (refurbishment)

Location Strand St
Type Hotel
Progress Estimated completion 2015
Developer Tsogo Sun
Investment R92m

6 Touchstone House

Location Cnr Bree & Prestwich Sts
Type Commercial rental
Progress In planning
Developer Berk Enterprises
Investment R200m

7 22 Bree Street

Location Cnr Bree & Mechau Sts
Type Commercial and retail
Progress Completed
Developer Abland
Investment R360m

8 Portside

Location City block of Buitengracht, Hans Strijdom, Bree & Mechau Sts
Type Commercial rental, retail & owner occupier
Progress March 2014
Developer FirstRand and Old Mutual Properties
Investment R1.6 bn

9 The Modern

Location City block of Bree, Hans Strijdom, Loop & Mechau Sts
Type Commercial rental
Progress In planning
Developer Ingenuity Property Investments Ltd
Investment R650m

10 Roggebaai Place

Location Jetty St
Type Commercial
Progress To be completed March 2014
Developer Braamcor
Investment R180m

11 33 Heerengracht

Location Pier Place
Type Commercial and retail
Progress Completed
Developer Grand Parade Investments
Investment R160m

12 Cape Town International Convention Centre (expansion)

Location City block between Table Bay and Coen Steytler Boulevards
Type Convention centre, commercial, retail and hotel
Progress In planning, estimated completion TBC
Developer City of Cape Town
Investment R690m

13 Media24 (upgrade to façade)

Location Rua Vasco Da Gama
Type Media company
Progress In development
Developer Media24
Investment R15m

14 Christiaan Barnard Memorial Hospital

Location DF Malan St
Type Private hospital
Progress Underway, estimated completion end 2015
Developer Netcare
Investment TBC

The investments located on these two pages are those that were either completed during the course of 2013, under construction or in the planning phase.

19 The Towers (Standard Bank)

Location Hertzog Boulevard
Type Commercial rental
Progress Underway, to be completed 2015
Developer Standard Bank of South Africa
Investment R498m

18 Civic Centre Refurbishment

Location Hertzog Boulevard
Type Municipal government offices
Progress Completed
Developer City of Cape Town
Investment R32.8m

17 Reeds Delta

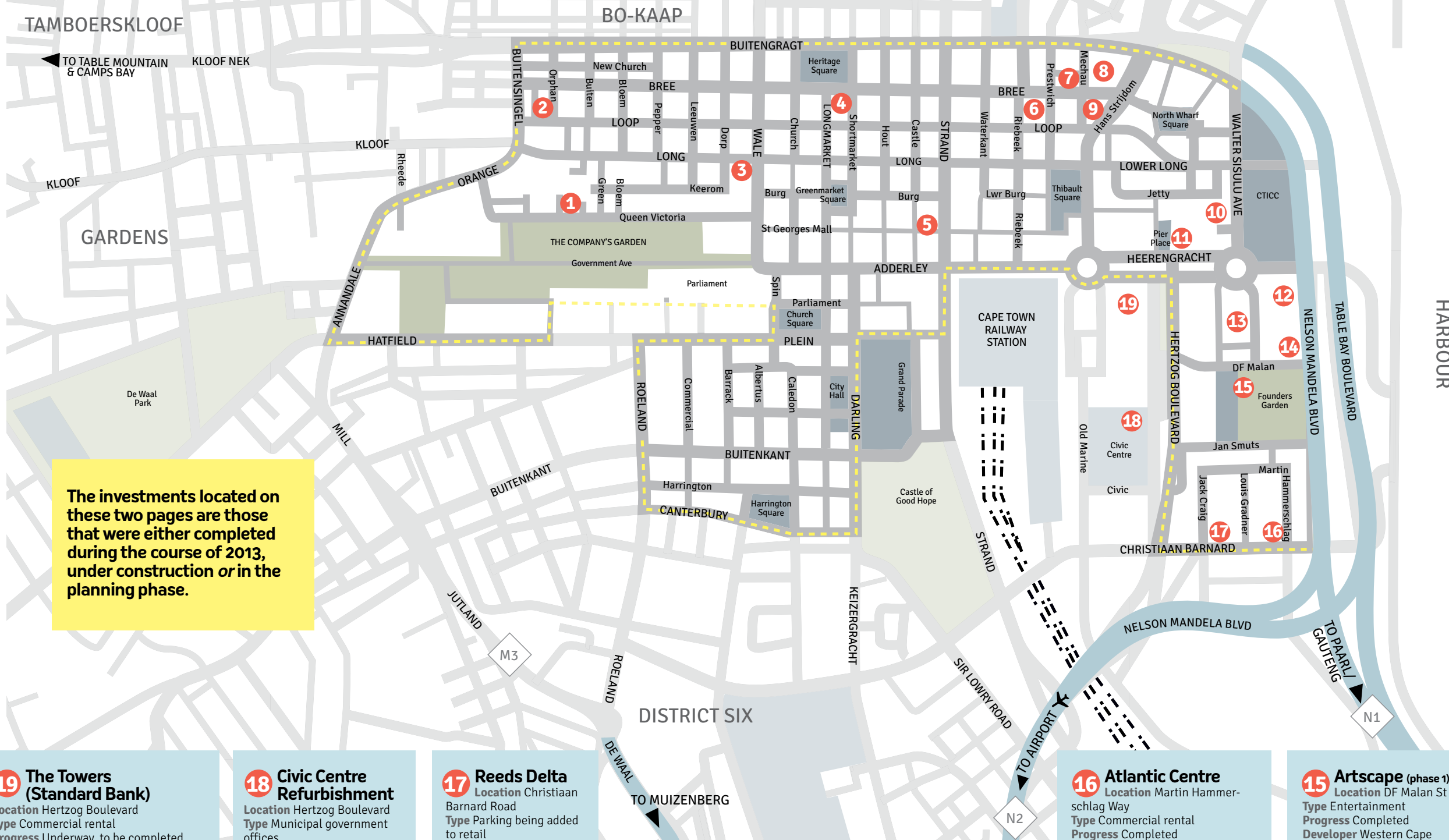
Location Christiaan Barnard Road
Type Parking being added to retail
Progress Underway
Developer TBC
Investment TBC

16 Atlantic Centre

Location Martin Hamerschlag Way
Type Commercial rental
Progress Completed
Developer Ingenuity Property Investments Ltd
Investment R160m

15 Artscape (phase 1)

Location DF Malan St
Type Entertainment
Progress Completed
Developer Western Cape Government
Investment R40m



Events & conventions

During 2013, the City of Cape Town hosted well over 120 permitted, significant events in the public areas and spaces within the CBD, amounting to an attendance of more than 836 000 participants.

Add to this the 517 379 attendees at events held at the Cape Town International Convention Centre (CTICC), and the Central City welcomed over 1 353 405 participants who attended a variety of formally recognised gatherings. This report highlights some of the most significant facts around events and conventions that contribute to the economic value of the CBD.

THE DESIGN INDABA IN 2013¹

Since it was first held in 1995, the Design Indaba Conference has become one of the world's leading annual design events and hosts more than 40 speakers and 2 500 delegates representing the full spectrum of creative sectors, including graphic design, advertising, film, music, fashion design, industrial design, architecture, craft, visual art, new media, publishing, broadcasting and performing arts. The Design Indaba Expo that accompanies the conference provides a commercial platform for South African designers to showcase goods and services to the global market. Besides the flagship conference and expo, Design Indaba has grown into a multi-tiered experience that now incorporates other events, media, education, training, activism, advocacy and business development.

In 2013, the main event, held annually around February/March:

- Hosted **506** exhibitors
- Saw a total visitor count of **34 080**
- Recorded a total spend on the event itself of **R69.5m**
- Made an economic contribution of **R329.8m** to the GDP.

¹ Design Indaba Economic Impact Study, Interactive Africa, 2013

² For more information visit www.capetownjazzfest.com

³ Loeries' s Creativity Adds 2013 Economic Impact Study

The CCID's 2013 Online Business Survey saw companies in the Central City recognise that big events are good for businesses:

55% said that having big events in the CBD strengthens their business.

The Cape Town International Jazz Festival²

Held for the 14th year in 2013, this two-day festival (which happens March/April) is the largest annual music event in Sub-Saharan Africa and enjoys a 50/50 split between South African and international artists. As part of the festival's commitment to the development of the music arts industry, it has a Corporate Social Investment programme, which sees a training and development component run concurrently with the festival as well as throughout the year. In 2013:

- It attracted a total of **37 000 attendees**, of which
 - 46% were male and 54% female
 - Average age was 40 years
 - 93% South African attendees with 47% coming from Western Cape and 24% from Gauteng
- The festival contributed an **8.5%** increase in its economic value to the Western Cape's GDP, which equates to **R522m**
- It created **2 721** additional employment opportunities, 410 of which are exclusively dependant on the festival
- It saw an average of **3.4 nights** spent in and around Cape Town per tourist
 - **6%** stayed for 10 or more nights (up 3% from 2012)
 - **25%** of people said that this festival afforded a specific opportunity to visit Cape Town
- The average out-of-pocket spend of a group (3.8 persons) at the event was R4 452.86, up from R3 368.82 in 2012
- 56% were return attendees, showing the ability of the event to bring back people over and over again.

THE LOERIES INTERNATIONAL SEMINAR OF CREATIVITY IN 2013³

Known previously as the Loeries Awards, this is the culmination of a year-round focus on creative inspiration. It annually attracts around 3 000 entries from advertising/creative industry businesses and promotes the more than R30bn that the South African advertising industry generates.

- **4 566** people attended the 2013 Loeries events
- Wesgro lists the Loeries as the 4th most valuable event in the Western Cape, with an estimated economic impact of **R73m**
- Of those visitors that came from out of town:
 - **98%** stayed two or more nights
 - **62%** stayed three or more nights
 - **34%** stayed four or more nights
- Apart from attending the events themselves, the top three cited activities were:
 - Dining out (**±87%**)
 - Going out in the evening to a pub, bar or club (**± 79%**)
 - Shopping (**± 64%**).

GOOD SPORTS

The Central City also plays host to two major annual sporting events:

The CAPE ARGUS PICK 'n PAY CYCLE TOUR, which:

• Attracts around

35 000 cyclists

from across the globe who participate in the world's largest individually timed cycle race. The 2013 event took place in September

• Has an estimated economic impact of **R450m**

The OLD MUTUAL TWO OCEANS MARATHON, which:

• Attracts around

26 000 local, national and international athletes

• Has an estimated economic impact of **R223m**

THE CAPE TOWN INTERNATIONAL CONVENTION CENTRE (CTICC)

In 2013, the CTICC celebrated its 10th year in operation. It has contributed R22.4bn to the national GDP to date. During 2013:

- It contributed (2012/13 financial year) **R2.99bn** to GDP (including induced tourism effects). This increased by 17.5% in nominal terms and 11% in real terms over the previous year
- It contributed **R1.05bn** to Gross Geographic Product (the Province's economy and including induced tourism effects)
- It earned **revenue of R154m** and saw a net profit before tax of **R27m**
- **1.35m people** attended events during the 2012/13 financial year
- **537 events** in total were held (up from 514 last year)
- Highest number of visitor days recorded since opening
- 35% of visitor days were from people from other countries (**455 250** people)
- It is estimated that CTICC added a further **45 000** international tourism visitor days to Cape Town
- Visitor days at CTICC are forecast to increase to **1.74m** people over the next 5 years.
- The CTICC generated **R601m** in foreign exchange earnings for South Africa, **R282m** in tax revenue, and **R1.5bn** in indirect household income
- The CTICC sustained **7 876** jobs over 2012/13, and spent 5.3% of total salary costs on staff training. Of its on-site staff:
 - **44%** of staff are male, **56%** are female
 - **46%** are 20-30 years old
 - **37%** are 31-40 years old
 - **14%** are 41-50 years old
 - **3%** are 50+ years old
- Ethnic breakdown:
 - Coloured: **49%**; African: **34%**; White: **15%**; Indian: **2%**
- It saw a **72%** BEE procurement spend for 2012/13
- Over the past 5 years, it has:
 - Reduced energy use by 15%
 - Reduced water use by 22%
 - Introduced free Wi-Fi
 - Computerised waste measuring for better monitoring & reporting on waste and recycling
- Achieved a Customer Satisfaction Index of 82% (against a target of 85%).

SPOTLIGHT ON THE

Healthcare industry

During the course of 2013, the Economic Development Partnership (EDP)¹ commissioned a report from Cape Town futurist and strategy consultant, Guy Lundy, entitled the *Western Cape Investment Strategy Framework*². This document aims to provide insight into the environment in which the Western Cape as a whole operates when trying to attract, grow and retain investment, and provides recommendations based on this insight that are intended to pave the way to developing a future investment strategy.

Much of the research is based on insights gained from one-on-one interviews with those at the "coal face" of attracting investment into the region: leaders of business (the investment decision makers themselves), as well as with academics who have specialist investment knowledge, and government officials responsible for promoting the region as an investment destination.

What the report ultimately does is recommend that a region should

pick the top value chains to pursue in terms of its preferred area of attention and promotion, noting that this will help to define, among others areas:

- The type of education that should be targeted for growth, along with which career paths could be promoted at school level and what links should be strengthened with all educational institutions
- What major global players should be actively target as potential investors, and
- Which parts of the province or city should be promoted for development.

It is of particular interest to the Central City to note that the **healthcare value chain** came out at the top of the list in the report as one that warrants further examination: within the CBD we are already seeing the private sector of this industry grow from strength-to-strength each year. Not only is the Central City home to an increasing number of medical, health and cosmetic services and facilities (up from 108 in 2011 to 202 in 2013 – see pg 8), but the CBD will soon open the doors on the new Christiaan Barnard Memorial Hospital on the Foreshore (see box to the right.)

The report notes that this industry has the potential to realise a number of possibilities across a range of criteria important to attracting investment – to name a few:

- The possibility to become a global centre of excellence
- The possibility to employ a significant number of people across a multitude of skills levels
- The possibility to dovetail with other value chains.

The choice of the healthcare value chain is further strengthened by the following factors:

Construction of the new Netcare Christiaan Barnard Memorial Hospital on the Foreshore



- National government (in terms of both the Department of Health as well as the Department of Science & Technology) already supports the Western Cape as a centre for excellence in healthcare

- International funds are available from donors, philanthropists, foreign governments and private investors for investment in healthcare

- There are significant opportunities for public-private partnerships, with the provincial health department already driving partnerships with the private sector

- Unlike other value chains, particularly the visitor economy, employees in the healthcare value chain do not suffer from the negative impact of seasonality

- It supports the growth of other value chains such as the visitor economy, food industry, light manufacturing and technology enabled services; and

- Cape Town already has a strong heritage of healthcare excellence on which to grow.

NUMBER OF MEDICAL, HEALTH & COSMETIC SERVICES AND FACILITIES:

202 in 2013

(up from 108 in 2011)

Building the new Netcare Christiaan Barnard Memorial Hospital

Built originally in the early 1980s on the block bordered by Longmarket, Bree, Shortmarket and Loop Streets in the CBD, this multi-disciplinary hospital has been a cornerstone of the CBD for decades and was the first private hospital to start a cardiac surgical programme in the Western Cape. Once known as City Park, it was renamed in 2001 after South Africa's most famous heart surgeon.

Ensuring that the facility remains world class, a new hospital bearing the same name is being constructed in the CBD's Foreshore area, and will boast 250 beds, state-of-the-art theatres, doctors' surgeries and consulting rooms, a linked retail component, a gym and a parkade. The new hospital is expected to open its doors towards the end of 2015, and forms part of a number of new developments planned for the Foreshore over the next five to 10 years, including the extension of the Cape Town International Convention Centre.

03.

Living in the
Central City**Life in Cape Town's downtown**

From a handful of only a few hundred permanent residents in the 2000s, to well over 5 000 today (according to the latest South African Census), the Central City is well on its way to achieving a true 24/7 live, work, play lifestyle. As a result, pertinent residential information – from how people utilise the CBD afterhours in what has fast become a very vibrant, nighttime economy to what one can expect to pay for property – is now essential to both this report and to attracting sustainable investment into the area.





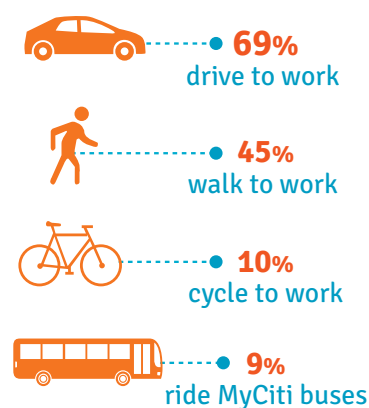
LIFE IN THE HEART OF THE CAPE TOWN

CENTRAL CITY

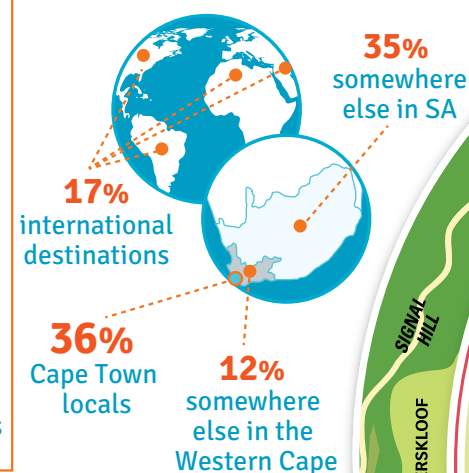
The CCID wanted to find out how people think about living in Cape Town's CBD. It conducted an online dipstick survey, and 220 residents had this to say.

Commuting to work

65% of residents live within 3km of their work, of which...



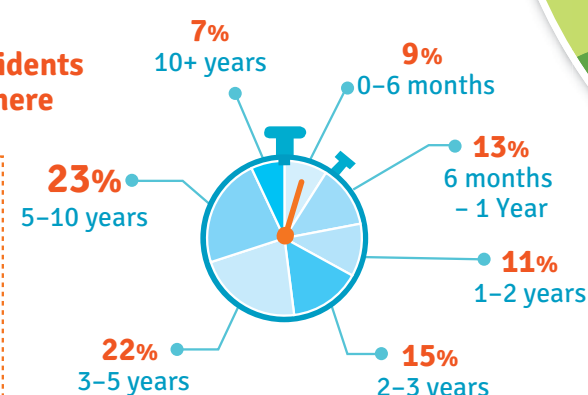
Where do residents come from?



Energy saving by residents



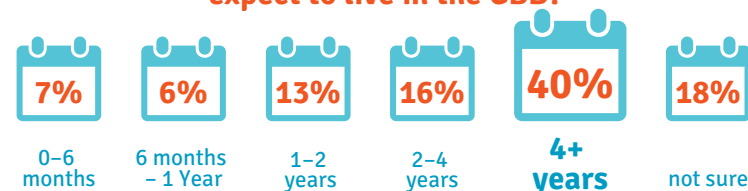
How long residents have lived here



Happiness

89% of residents are happy to be living in the CBD

How much longer do residents expect to live in the CBD?



Top 3 reasons for living in the CBD



CENTRAL CITY CENSUS

2011

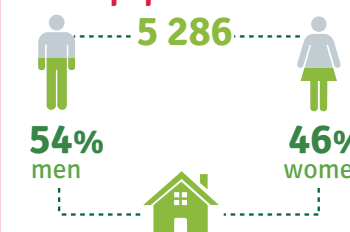
In 2011, the Government of South Africa undertook the most recent census of the country's population. The data, made available in early 2013, reveals more about the people who live in Cape Town's CBD. Here is a snapshot of this data.

Population growth

Total population 2001: 1570

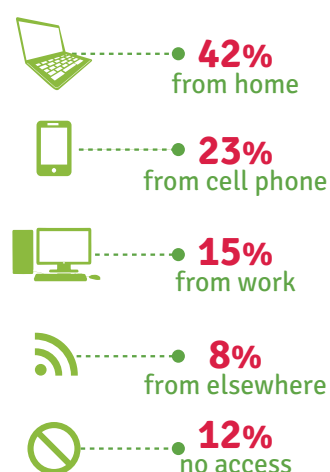
x3

Total population 2011: 5 286

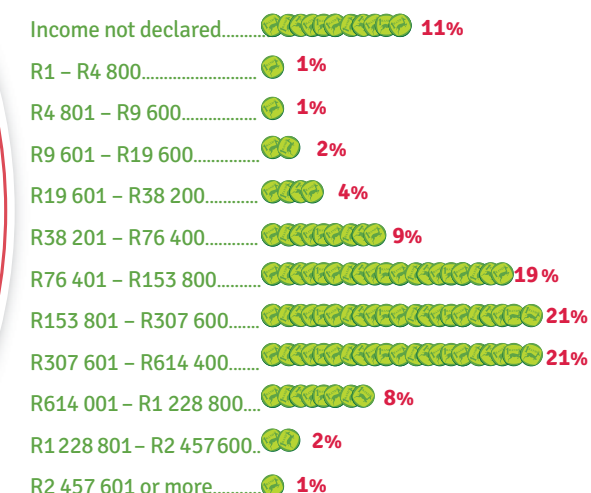


Number of households: 1459

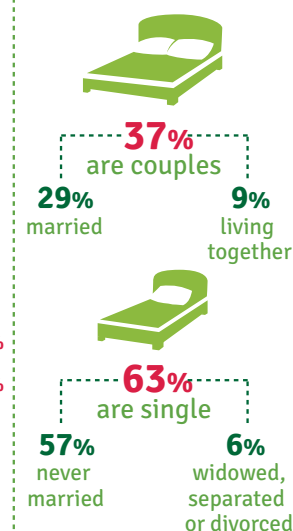
How households access the internet



Annual household income



Marital status

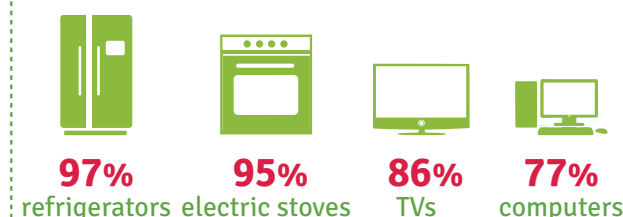


Of the CBD's active local labour force:

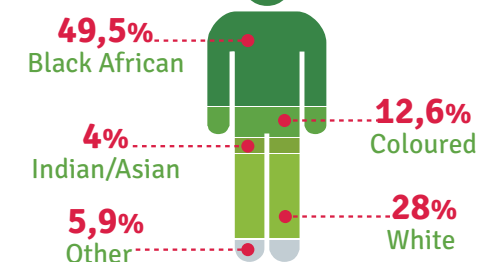
94,4% is actively employed



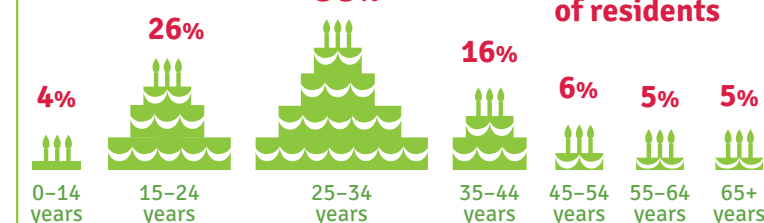
Top Appliances used in homes in the CBD



Race distribution of residents



Age distribution of residents



Results from the 2011 National Census. Illustration Lilian van Zyl



Monthly residential rentals in the CBD

The following indicate the average rentals across a selection of Central City residential blocks (at the time of going to print.)

Studio/bachelor:

R4 739pm

1 bedroom:

R 7 272pm

2 bedrooms:

R12 896pm

3 bedrooms/penthouse:

R14 000pm



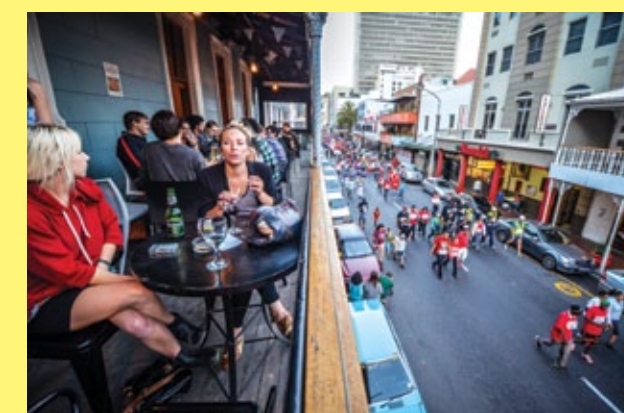
ON THE RESIDENTIAL RISE

The collective rand value of all residential sales comparatively year-on-year:

2011: R115m

2012: R145m

2013: R249m



THE RISE OF THE NIGHTTIME ECONOMY

Within the year under review in this report, the nighttime economy of the Central City has seen a significant upswing with the full spectrum of entertainment options, catering for the widest possible audience, now on offer.

Historically, much of the market belonged solely to the very trendy and generally young market, serviced by the bars and clubs across just a handful of city blocks along the CBD's historic Long Street. While this area remains as popular as always, there has now been a significant shift towards other precincts in town, particularly with increasing investment in previously more low-key parts of town in terms of mixed use (office and retail as well as residential and retail).

Bree Street, in particular – which runs nearly the full length of the CBD from close to the harbour to its edge on the Table Mountain side of the Central City – has been invigorated.

Towards the south side of the CBD – in a more historic part of town where many heritage buildings prevail – a quaint, intimate entertainment vibe thrives with a number of excellent clubs, pubs and restaurants.

Towards the north (close to the harbour) the CBD has seen the blossoming of the financial

district with a number of state-of-the-art office blocks such as 22 Bree and Portside, with a strong commercial/retail mix.

And entrepreneurs are also gaining confidence in the CBD, enabling the rise of new theatre venues (such as The Fugard) and even “out on the street” ventures such as the huge increase in public events (from carnivals to open air music concerts) and the First Thursdays concept. The latter now sees the first Thursday of each month transform the streets of the CBD, as increasing numbers of Capetonians from across the metropole come to town to enjoy art galleries open until late, food experiences ranging from fine dining to food trucks, and a full range of bespoke retail offerings.

EATING OUT

There are a total of

227 food & beverage venues in the CBD, of which:

96 are restaurants

40 are coffee shops

NIGHTTIME ENTERTAINMENT

There are a total of

64 nighttime entertainment venues in the Central City.

Residential property trends

It has long been the mark of a vibrant downtown that, together with a strong commercial and retail component, it offers a strong residential dynamic – a true 24/7 lifestyle that embraces both diverse residential offerings as well as the “afterhours” economy required for an overall urban lifestyle.

Arguably the largest shift in the Cape Town Central City in the past three years has been towards this highly desirable urban lifestyle, with the residential component rapidly climbing in numbers. From around a handful of only an estimated 750 people in 2005 (and perhaps only double this in 2010), according to the latest South African Census (2011) the residential component now officially sits at 5 286. This is spread across the approximately 3 500 sectional title

units available, which are also experiencing a significant move away from what has been largely rentals towards owner-occupied instead.

Meanwhile, within just the past year and following fast on the rise of the residential component, retail options in terms of catering for the daily basics to the development of a true café culture have blossomed and, of course, the **nighttime economy** of the Central City has boomed in all directions (see box on pg 23).

During the mid-2000s, the Cape Town Central City experienced the same property boom that the rest of the world enjoyed, with many underutilized commercial blocks being refurbished into residential sectional title units while a number of new residential complexes (often with a retail component at street level) rose from scratch.

Then came the international bursting of the property bubble in the late 2000s, and units flooded the

marketplace, particularly against the high leveraging that had taken place during the boom period.

For a number of years, stock levels have remained quite high, but during 2013 estate agents operational in the CBD started to experience a significant reduction, due to greater confidence in the market as well as correctly priced stock which is now selling well.

According to Richard Boxford of the CBD-based office of international realtors, LIFE Residential:

“The market has definitely begun to change. During 2005/6 approximately 70% of our buyers were first-time ‘utility’ buyers – young professionals. Through the downturn, approximately 80% of our sales were pure (and mostly to South African) investors, buying to rent out. Since the beginning of 2013, we’ve seen the re-emergence of first-time buyers who now account for an increased number of our CBD sales. Once again, these buyers tend to be young professionals in their 20s and 30s working in town. The majority of tenants on our rental portfolio are the same.”

In 2013, the average price across a total of 163 residential units sold in the Central City stood at **R1.428m**. The average cost per m² stood at **R17 500**. The **lowest** price paid was R350 000 for a 43m² studio (at R8 140/m²) and the **highest** was R4.925m for 210m² (at R23 452/m²).¹

1. According to the register of property statistics for 2013 generated by the Institute of Estate Agents of South Africa.

Retail in the Central City

THE CCID'S RETAIL OPINION SURVEY

With over 1 200 retailers in the Cape Town Central City, the following results are taken from a series of *Retail Opinion Surveys* that the CCID conducts twice a year on a sample of these businesses.

The most recent results reveal that retailers are showing a stabilisation of business trends in terms of confidence and economic performance. The retail markets are continuing a levelling out in line with economic forecasts both domestically and globally. Viewed on a timeline, the rates of businesses reporting declines in retail activity are dropping, those reporting growth in retail activity are steadying upwards, and the trend of "business as usual" is also rising.

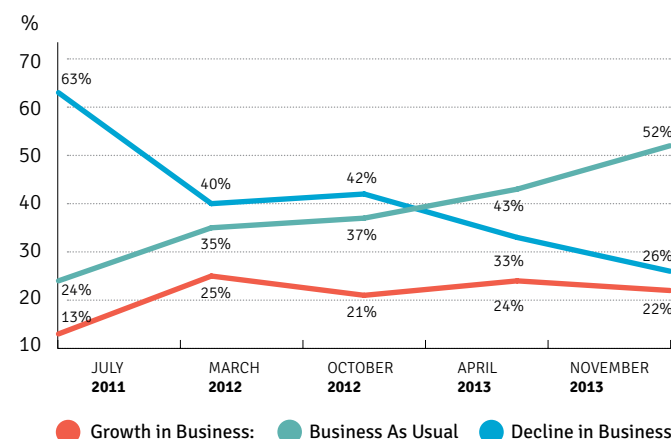
Survey of retail space in the CBD

During the latter part of 2013, the CCID conducted a comprehensive survey of the retail space available in the CBD – the first time that this has ever been calculated.

At the time of print, retail space in the area amounted to a total of **268 553m²** with a **94% occupancy rate**.

This space is divided across the Central City as follows:

- Individual shops: **190 237m²**
- Inside shopping centres: Golden Acre: **43 840m²**
Grand Parade: **9 478m²**
Grand Central: **12 388m²**
Picbel Parkade: **12 610m²**



Emerging trends

In terms of trends emerging when comparing business growth or decline across March 2012, October 2012, May 2013, and November 2013:

- For all surveys undertaken, the averages of change sit within $\pm 10\%$, demonstrating that the bulk of fluctuations generally happen in a more drawn out and gradual fashion.

- The amount of respondents cited in the category "More than 50% Worse" decreased from 9% to 2% over the life of the four surveys.

LEVELS OF SATISFACTION IN THE CENTRAL CITY

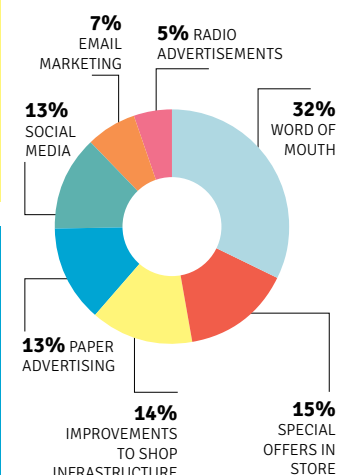
In November 2013, figures demonstrated a significant show of confidence from retailers in the CBD:

85% of retailers were satisfied with their decision to have a business in the Central City (up from 81% in April 2013)

87% were confident they would still be operating in the CBD in one year's time (up from 84% in April 2013)

Ensuring viability

The November *Retail Opinion Survey* also demonstrated which activities or actions retailers were taking to ensure the **viability of their businesses**. The results of the survey showed that "conventional" methods such word-of-mouth, special offers and store improvements still dominate retailers' strategies.



Other methods (not calculated in percentages above)

- TV Advertisements
- Monthly Exhibitions/Events
- Enhanced Website and Online Presence

LESSONS IN RETAIL
28%
of retailers report selling goods and products to school children and other learners. The top four goods/products being:

- Food and beverages
- Stationery and printing materials
- School uniforms and bags
- Clothing

RETAIL INNOVATIONS IN THE CBD MARKETPLACE

While conventional marketing methods still dominate retail strategies in the Central City, there are a number of international trends that innovative CBD retailers are beginning to implement, for example:

Loyalty programmes:

According to *Retailing Today* (www.retailtoday.com), a Deloitte Retail Survey showed that retailers with loyalty programmes are 88% more profitable than competitors without one.

Popup stores: These limited-time stores (which can last anywhere from one night to a few months) have become successful environments in which new businesses can test the market, attract consumer interest and drive brand awareness. For landlords, they present an opportunity to temporarily fill vacant retail space, and perhaps even turn a short-term rental into a long-term contract.

Augmented reality: Mobile devices have become a vital component of the retail environment and are being actively used in decision-making processes. Following this trend, augmented reality has emerged as an innovative tool that allows retailers and brands to interact with consumers on their mobile devices and enriches the relationship between the consumer and a product.



RETAIL AND THE THREE "LS"

From a roundup of property that the Cape Town Central City Improvement District's bi-monthly publication, *City Views*, undertook during 2013, it was obvious that retail was – as commercial property broker and retail specialist, Stephen Wormald of Baker Street Properties, says – "the most subjective of all rental property categories to place a square-metre value on" and that, most of the time, it still came down to the three "LS" of property: location, location, location.

According to Wormald, retail rentals in the Central City (at the time of going to print) ranged anywhere from R90/m² to R350/m², depending on the amount of space required and the property's location.

"The demand for space with quality shop frontage in prime locations increases rental regardless of a building's age or the layout of its

space. For example, the demand within a popular entertainment destination such as Long Street has pushed up the prices even when a property is not considered to be that fantastic, but is very well located for a particular usage."

Manager of Leasing & Investment Brokering for the Eris Property Group, Andrew Kendall, agrees: "Retail in (the pedestrianised) St George's Mall is always taken up quickly. A corner property with good exposure could go for R250- to R350/m², but two blocks further away it could be half that."

The key to retail in the Central City is understanding the market you are servicing, says Kendall: "The Golden Acre Shopping Centre [next to the Cape Town Station and bus terminus] is also very successful. It's not high-end retail but has few vacancies and caters perfectly for its market as a high-transit mall linking to various transport options."

The length and breadth of Bree Street is also fast becoming a retail destination for the design-related

"The demand for space with quality shop frontage in prime locations increases rental regardless of a building's age or the layout of its space."

market, particularly between Buitensingel and Strand Streets. According to Kendall, a number of retailers are now even starting to filter across from the neighbouring high-end and trendy suburb of De Waterkant.

Bree Street's lower end, towards the harbour, will now also have other retailers join the queue as buildings such as Portside and 22 Bree open their doors and see officer workers swell across 57 000m² of new office space. Says Kendall: "These new developments have caused a demand for food and convenience-related retailers to increase dramatically at this end of Bree."

The same has happened to the Foreshore's public square, Pier Place, with the opening of South Africa's first Burger King, on the ground floor of the new commercial premises of investment holding company Grand Parade Investments (who have brought the Burger King concept to South Africa.) Says Kendall: "This type of retail is probably achieving rates of R250- to R300/m², but it is also now set to stimulate an area that was quite stagnant and quiet." And where other rentals, at least for the moment, may still be very reasonable and offer great rewards to the right retailers.

To pinpoint the recent property developments mentioned in this article, please see the Property investment update map on pgs 14-15 of this publication.

This article is an adapted extract originally published in *City Views*, August/September 2013, "The lowdown on property in the Central City". With thanks for information supplied: Baker Street Properties; Eris Property Group; SAPOA.

04.

Connecting
the Central
City to the
rest of
the worldThe
economic
power of
creativity

During 2014, the City of Cape Town will be the international World Design Capital¹ (WDC2014), an honour bestowed on one city every two years by the International Council of Societies of Industrial Design (Icsid).

The award is a one-year long, city-wide promotion programme that – in the case of Cape Town and through a calendar of 450 official WCD2014 design-related events and projects – enables the destination to celebrate the merits of design and seeks to highlight the accomplishments of cities that are truly leveraging design as a tool to improve their social, cultural and economic life.

Much of the activity around WDC2014 is set to take place within the boundaries of the Central City. Its economic impact, however, will only begin to become evident, at the earliest, by the time the next report is published.

Nevertheless, there can be no argument that, with 487 creative businesses located within its boundaries, the creative industries already play a huge role in the economy of the CBD.

¹ Past WDC recipients have included Torino (Italy), Seoul (South Korea) and Helsinki (Finland), with Taipei (Taiwan) to hold the honour during 2016.



SNAPSHOT

Education &
resources in the
Central City

49
Educational institutions

1 451
Faculty members

15 176
Students

745 133

People who visited the
Central Library in 2013 (that's
62 094 visits per month or
2 041 visits per day)

Another initiative set to have an impact on this sector is the Western Cape Government's Design Strategy. Under the Department of Economic Development and Tourism, this places Cape Town's CBD at the heart of a new growth strategy that aims to unleash strategic to optimize the role of design in catalysing new economic growth. Inherent in this is embedding design into business and organisational practices across all sectors for a new approach towards economic development.

The Central City also offers the perfect location for research and development, which is at the core of any thriving design sector, and this is set to be jump started with the construction of a new design and innovation park alongside the Cape Peninsula University of Technology campus, in the East City of the CBD (known to date as The Fringe). The design park will be aimed at enhancing regional and national linkages in innovation while also unlocking the value of design across various disciplines.

Creative
Cape Town
survey 2013

Creative Cape Town, a programme run by the Cape Town Partnership (see pgs 32-33), undertook an online survey during 2013 to help creative industries better communicate, support and facilitate development.

The information gathered and presented on the following page provides valuable insight into what the industries' creative practitioners and supporters need and want.



CREATIVE CAPE TOWN SURVEY 2013



WHO TOOK THE SURVEY?



FAVOURITE WAYS TO LEARN ABOUT NEW EVENTS



THE BENEFITS OF NETWORKING



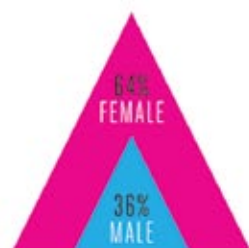
FAVOURITE WAY TO COMMUNICATE



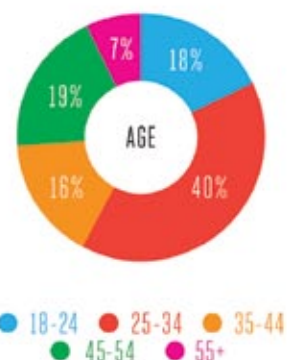
INTEREST IN FURTHER EDUCATION



WANT MORE INFO ON



GENDER



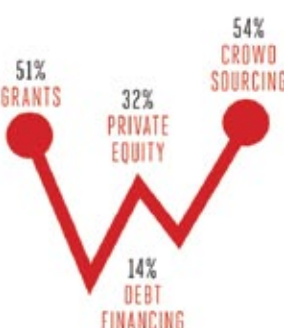
FAVOURITE CREATIVE EVENTS TO ATTEND



PERCENTAGE LOOKING FOR MORE NETWORKING EVENTS



INTERNATIONAL INFLUENCE



PREFERRED SOURCES FOR FUNDING



WANT INFO ON HOW TO START A BUSINESS



YEARS WORKED IN THE CREATIVE INDUSTRY

TOP 5 CREATIVE SECTORS
*PHOTOGRAPHY, ARCHITECTURE, JEWELLERY MAKING & CAKE DESIGN

COMPLETED EDUCATION LEVELS

The value of arts & culture

While the Artscape Theatre Centre in the Central City's Foreshore area is the largest CBD venue for arts & culture, and is home to a number of performing arts companies, the entire downtown is well-supplied with platforms for expression, from art galleries and museums to theatres and performance venues (including numerous public spaces), in which this economy thrives.

along with master planning, input into a new Cultural Precinct for the area around the centre.

- + Pending further funding of around R145m, other projects over next two years include:
 - New acoustics and seating upgrade in the Main Theatre (going from 540 to 600 seats)
 - New public foyer links that give access to pedestrian routes between the CTICC extension, Founder's Garden, and the IRT Bus Terminus
 - Upgraded road access to visitor parking.
- + Longterm infrastructure plans (pending funding of R1.4 billion) include:
 - Creation of new venues: concert hall, additional theatres, new rehearsal rooms and other facilities for performing arts companies as well as an overall upgrade to the building in terms of making it iconically African
 - Cultural Precinct: connect Artscape with regeneration efforts such as the neighbouring Founder's Garden site.

Artscape's contribution

Artscape's economic contribution to the GDP over the past six financial years has been:

2007/8: R162 640 638
2008/9: R184 952 632
2009/10: R245 936 645
2010/11: R280 468 261
2011/12: R366 934 566
2012/13: R402 517 180

During the 2012/13 financial year, Artscape:

- + Held **708 performances** and events
- + Employed **107 permanent or contractual employees**, and created 402 direct jobs through its productions and co-productions
- + Provided **116 skills development opportunities** to staff, 7 technical training programme attendances (conducted with the University of Stellenbosch) and 14 internships
- + Saw **309 717** people visit the centre.

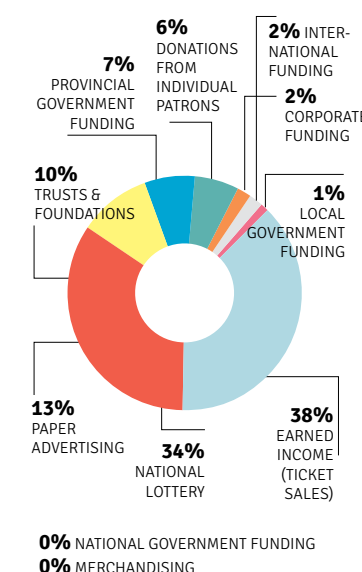
CAPITAL INVESTMENT DURING 2012/13

- + The 2012/13 season saw capital funding of **R43.9m** invested in Artscape's infrastructure.
- + Further investment is planned with funding of **R144m** from the Department of Arts and Culture over the next three years, as part of "Artscape Live Vision 20|20" programme. This will include,

cial year), of which 85% was for artists of colour

- + Created **10** bursaries for study
- + Saw its development programmes reach **3 529 people**
- + Won the "Best Opera Chorus" award at the first international Opera Awards in London in April 2013. The competition saw over **1 500** nominations from **41** different countries.

BREAKDOWN OF WHERE CTO GETS ITS MONEY FROM:



Singing the praises of Cape Town Opera

Regarded as Africa's premier opera company and housed at Artscape, Cape Town Opera (CTO) has nurtured and showcased many gifted young African singers, often from some of South Africa's poorest communities, and notched up a number of significant successes over the 2012/13 financial period, during which it:

- + Staged **17 different productions** across 92 performances throughout the year, and toured in 24 cities across the globe
- + Performed to **81 678 people**
- + Generated **R3.37m** in business for SMMEs
- + Generated **R2.86m** of income through ticket sales
- + Hosted outreach activities that connected with **4 034 people**, of which 87% were learners; 8% were adults at concerts; and 5% were educators/teachers
- + Spent **R19 358 089** on the employment of South African artists (up from R11m last financial year)

Infecting the City

Infecting the City (ITC) is an annual avant-garde public art festival held in the CBD that delivers provocative and novel site-specific performance art. Held for the sixth time in 2013, it was planned and executed with the specific intention of being staged in the public domain, freely accessible to everyone. In 2013:

- Over **27 000 people** attended the festival
- There were **54 different performances and installations** showcased
- There were **110 different performances staged** (this takes into account repeat performances of the 54 different shows).

VENUES IN THE CBD
+26
art galleries
22
museums
8
theatres & performance venues

First Thursdays

First Thursdays is a private initiative to bring more people into the CBD on the first Thursday evening of the month to expose them to the growing art scene. Within the space of one year it has skyrocketed into a popular event that grows in numbers and venues each month, now also encompassing other outlets that support the arts. The grassroots event, organised by entrepreneur Gareth Pearson, sees people come from all over the metro-region to "gallery hop" across the CBD. The event is driving local business as well: aside from purchases made at art galleries, a survey conducted in October 2013 revealed:

- + Nearly **40%** of attendees surveyed planned to **buy something** from the surrounding CBD retail stores that now participate by staying open later as well
- + Nearly **70%** said they would **be eating** at surrounding CBD restaurants.

Venues in the East City

The East City of the CBD has established itself as a creative hub, and attention will be focused on it during the city's year as World Design Capital 2014. It is therefore appropriate that a few of the CBD's prime arts & culture venues fall into this area. Among these are the world renowned District Six Museum and its Homecoming Centre in Buitenkant Street and, closeby, The Fugard – a theatre named after one of the country's most internationally acclaimed playwrights, Athol Fugard. During 2013, The Fugard:

- + Saw an audience of over **72 000**
- + Hosted **28 corporate/private events**, making use of the theatre by day as well as by night
- + Expanded its seating capacity from 262 people to 338 people.

Transport in the Central City

As can be seen from the map on the inside back cover of this report, the Cape Town Central City is well connected. Two of the country's national highways (N1 and N2) begin on its boundaries and it is well served by major road and rail networks. Within the CBD itself, pedestrianisation – along with the roll-out of bicycle lanes – accommodate the ever-increasing move towards more sustainable modes of both motorised and non-motorised transport.

But perhaps the most exciting development in terms of getting to and around the Central City has been the incorporation of ever-increasing routes of the MyCiTi Bus Rapid Transit system. This system is being embraced not only by traditional motor vehicle users who are starting to leave their cars at home, but is changing the perception of public transportation among all Capetonians.

AMOUNT NATIONAL TREASURY HAS PROVIDED TO PUBLIC TRANSPORT IN CAPE TOWN BETWEEN 2005 AND 2014

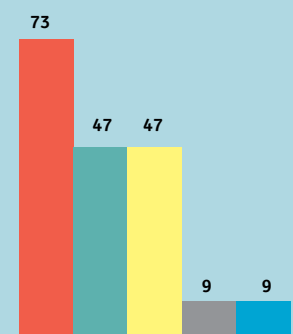
R7.7bn

MYCITI SATISFACTION SURVEY

Based on a recent user survey conducted by the City of Cape Town¹, a growing number of MyCiTi passengers are making the system their primary transportation option for getting around the city:

89% of users reported putting MyCiTi at the top of their list, **versus 79% at the beginning of 2012.**

People using MyCiTi in the City Centre cite several key reasons for their use, as reflected below (with numbers indicating the % of respondents who cited each response):



- For commuting to and from work
- For trips and outings on the weekends
- To go on shopping trips
- For special events such as concerts/sports events
- Other

1. MyCiTi Customer Insights Programme Q3 Report, January 2013, City of Cape Town

Over 350 000

commuters enter the Central City every day by road, rail and non-motorised transport options.



NUMBER OF MYCITI PASSENGER TRIPS

30 500

The number of passenger trips per month at the end of

2012

with the MyCiTi service operating six routes within the Central City area.

113 300

The number of MyCiTi passenger trips per month by the end of

2013

with a total of 19 routes now available within the Central City area.



Connecting the CBD to the rest of Cape Town

The City has been working on an Integrated Rapid Transit (IRT) system since 2007, aimed at significantly improving public transport throughout the metro-region. The first leg of this has been MyCiTi, designed to integrate with other modes – especially rail – to be the city's public transport backbone.

The rollout of MyCiTi, begun in 2011, is currently nearing completion of Phase 1A, which will see the Central City connecting: the Atlantic Seaboard; Hout Bay; Woodstock rail station; Paarden Eiland; Milnerton; Montague Gardens; Century City; Dunoon; Table View; Melkbos; Atlantis and Mamre. It includes the rapidly growing residential areas in Blaauwberg north of the Diep River, and the low-income communities of Atlantis, Mamre, Dunoon and Doornbach. This corridor has traditionally faced some of the worst peak-period congestion levels, especially to the south and east of the bridges over the Diep River.

PHASE 1A WILL:

Have a total of

283 stops,

utilise **190** buses, and finalise a network of

227km

of total bus lines on new lanes and existing road networks.



Phase 1A connects the CBD to the following destinations in terms of full distance travelled (round trip, unless indicated) and route:

Route No	Route	Distance
101C	Central City to Vredehoek via Gardens	11.85km
103C	Central City to Oranjezicht via Gardens	10.84km
105C	Sea Point to Central City via Fresnaye	13.48km
104F	Central City to Sea Point via Waterfront	9.58km
102R	Central City to Salt River via University Estate	7.12km
108R	Central City to Hout Bay	29.51km
109F	Hout Bay to Central City	26.14km
109R	Central City to Hout Bay	25.66km
102F	Salt River via Woodstock to Central City	6.95km
104R	Sea Point via Waterfront to Central City	9.92km
106C	Waterfront Clock (Clock Tower) to Camps Bay (clockwise) via Central City	23.58km
107C	Waterfront Clock (Clock Tower) to Camps Bay (anti-clockwise) via Central City	22.41km
108F	Hout Bay to Cape Town	29.95km
A01	Airport to Central City & Waterfront (one way)	18.59km

BEYOND PHASE 1 A:

Phase 2 will see the MyCiTi service rolled out to the southeast of the city, to destinations across the peninsula including Mitchells Plain and Khayelitsha. **Phase 3** will include Bellville, Delft, the rest of the Northern Suburbs and Stellenbosch. **Phase 4** will include the greater Helderberg area. It is expected that the full roll out of all phases will take 15 to 20 years to implement.

There are **2400+** kerbside public parking bays in the Central City, along with 36 off-street facilities providing approximately **5 500 public parking bays** and **18 000 private parking bays.**



The quantum of investment into the MyCiTi system

According to the City's Business Plan highlights:

✦ The Public Transport Infrastructure Systems Grant funding, already received from national government and confirmed for the future, will cover the capital expenditure for Phase 1A, Phase 1B and a N2 Express route, while co-funding recurrent costs. Up until end-June 2012, the City had received R3.74 billion from the Grant, and a further R3.94bn has been committed until June 2015. National Treasury has provided a total of R7.7bn to public transport in Cape Town between 2005 and 2014, largely dedicated to the MyCiTi system.

✦ The City proposes that the City and national government fund R128 million for the current financial year, increasing to R212m for the 2015/16 financial year, for Phase 1A, Phase 1B and the N2 Express services combined. These amounts are all below the envisaged cap.

✦ The City is taking a conservative approach to cost and revenue modelling. Recent modelling suggests that fare revenue may well be as much as 25% higher than the figure assumed in the business plan, in which case the required contribution from

AMOUNT THAT THE CITY HAS ALREADY RECEIVED FROM THE PUBLIC TRANSPORT INFRASTRUCTURE SYSTEMS GRANT:

R3.74bn

AMOUNT STILL COMMITTED TO THE CITY FROM THE GRANT UP UNTIL 2015:

R3.94bn

Council's own funding, as well as the national government subsidy, would be lower.

✦ Value Added Tax (VAT) contributes a substantial 14% to the costs. As a provider of public transport, MyCiTi has been classified as "VAT exempt", which means that, while VAT must be paid by contractors setting up and running the services, it cannot be recovered by the City from the South African Revenue Services (SARS). National Treasury acknowledges the anomalies of this VAT approach (since the City can claim back VAT spent on other services, such as on the cost of building roads for use by private cars) and is investigating the matter. This is, however, a challenge being confronted by all South African cities in the implementation of new transport systems such as this.

Central City Partnerships

Downtowns are collaborative entities where different stakeholder groups work side-by-side to create a dynamic whole, and the Cape Town Central City is no different.

From business and residential associations that represent a few city blocks, to government departments and NGOs that work far beyond the parameters of the Central City, the Cape Town CBD shares a vision for growth and prosperity with a number of entities.

The core partnerships within the Central City that still exist today were formulated some 14 years ago to reverse the urban decay that had set into the downtown area. The first step towards this was the formation of the Cape Town Partnership in conjunction with the City of Cape Town, and then the establishment of the Cape Town Central City Improvement District in 2000.

Since then, a number of other partnerships, based in the Central City, have added to the collaborative core of the Cape Town CBD.

Safety Lab

Established in 2012, with a mandate from Western Cape Government and the University of Cape Town's Centre of Criminology as thought partner, the Safety Lab is an innovation hub and "test centre" that aims to catalyse social innovation to develop effective, innovative, street-ready safety solutions. Through enquiry, insight and activation, the Lab challenges existing safety and security paradigms and brings a fresh, independent, fact-based perspective to complex issues, primarily among poorer communities in the

Province. One of its projects relates directly to safety and public awareness in the Cape Town Central City: CCTVision is a creative communications initiative that transforms live CCTV footage into a comic book format, in partnership with Metro police. Its mythical character "Vision" kicked off the storyline by mapping six crime types that occur in the Cape Town CBD and offering accessible communication on how to stay safe. The Safety Lab is currently also looking at other projects to run in conjunction with Central City partners, such as the CCID and the Cape Town Partnership.

The Central City Improvement District (CCID)

The CCID (the publisher of this report) is a private-public partnership formed 14 years ago by the property owners within a defined geographical area (see the map on pg 2) to reclaim the Central City from a decaying environment of crime and grime, and establish it as a world-class destination in which to work, live, study and play. Since inception, the CCID has provided top-up services over and above those of its primary partners in the CBD, namely the City of Cape Town and the South African Police Service (SAPS). With its vision to be "Safe, clean, caring and open for business", the CCID's operation falls into four departments backed by a 600-strong workforce on the ground.

SAFETY & SECURITY

The CCID's Safety & Security department deploys 230 Public Safety Officers from its own Response Centre who work closely with the SAPS and the City's law enforcement agencies to ensure there are eyes and ears on the ground 24/7 via the CCID's hotline number (082 415 7127). In particular, it provides complementary services towards: a visible security presence • reaction units • monitoring of traffic infringements • ATM fraud detection • regulation of informal trading • event security • public assistance • vehicle breakdown assistance • medical assistance • security forums.

URBAN MANAGEMENT

The CCID's Urban Management team monitor the spaces "in-be-

tween" the buildings of the CBD, from the roads and sidewalks to public squares. A total of 53 dedicated cleaners from a professional service provider work around the clock to keep the Central City neat and tidy. In turn, a 300-strong force of semi-skilled cleaners and a skilled road maintenance team also operate in the CBD via a job creation programme conducted in partnership with local NGO Straatwerk.

SOCIAL DEVELOPMENT

This department, headed up by a registered social worker supported by two registered auxiliary social workers and one experienced field worker, monitor and assist the homeless on the streets of the CBD. Working closely with more than 20 NGOs and medical facilities that service the area and provide for both adults and children, the team also promotes public awareness through the CCID's "Give Responsibly" campaign that encourages a "hand up" rather than a hand out directly on the streets. The CCID Social team also works closely with NGOs specifically involved in skills development and rehabilitation.

COMMUNICATIONS AND MARKETING

The State of Cape Town Central City Report is produced by this department as one of its three annual publications. This is managed along with a host of other communications avenues it pursues, from collateral produced for the CCID's many campaigns and ongoing liaison with the media, to its hardcopy newspaper, *City Views* (with 50 000 copies produced bi-monthly) and its ever growing online and social media presence.

The Cape Town Partnership

For the first eight years of their co-existence, the mandates of the Cape Town Partnership and the CCID dovetailed geographically along identical paths, with both organisations concentrating their work on the Central City. Since 2008, the Partnership has broadened its horizons, but the CBD remains a critical focus area within its mandate. As the CCID's managing agent, it still works to create an enabling environment in which the CCID is able to conduct its work of being "Safe, clean, caring and open for business", and successfully

deliver its product offering to its Central City clients.

Still very much incorporating the Central City in its vision, between 2008 and 2012 the Partnership turned its focus towards a ten-year strategic plan under the banner, "Cities are for People", in collaboration with the City of Cape Town, that included a broader geographical area incorporating the numerous suburbs that lay on the border of – and in close proximity to – the Central City. Working across a number of spheres, this plan looks towards creating greater inter-connectivity both across this area and to the broader metro-region. This

strategy is also seeing the Partnership now move away solely from place marketing and instead towards place making. This means putting people first: recognising that cities are first and foremost networks of human connections, places of "concentrated humanity", and that urban planning, policy and intervention needs to follow suit. To this end, it works across a number of projects that deal with: sustainability, history and memory, mobility, housing, community, creativity, public spaces, economic development, and African cities.

The Economic Development Partnership (EDP)

With the mandate to create "effective partnerships for inclusive, resilient growth", the Western Cape EDP was established in 2012 as an independent, non-profit, non-partisan organisation that seeks to join forces across all economic drivers – locally, regionally and nationally – to stimulate economic growth and job creation. This is particularly vital to the Western Cape that, between 2001 and 2010, saw economic growth of 45% but only a 16% growth in its regional workforce.

The EDP draws its membership from (and drives projects across) the full spectrum of economic involvement and development in the region, many of which have a huge role to play in the economy of the Central City as well. These include public entities; business; industry and professional organisations; knowledge, research and policy institutions; civil society; those involved as economic development promotion and intermediary support organisations; and trade unions. Within this spectrum, the EDP's role is to be the intermediary organisation which facilitates real, collaborative, tangible and measurable activities and projects between member sectors and spatial areas.

The EDP's core focus areas are:

- + To jointly create cohesion around the regional economic agenda and narrative
- + To initiate, manage and promote various types of partnerships
- + To identify and recommend ongoing improvements to the economic delivery system
- + To create spaces and platforms within and between its partners for innovative practices and new solutions
- + To pioneer new forms of boundary spanning dialogue, partnerships and collaborative leadership
- + To engage with data, intelligence and knowledge management towards understanding the dynamics of the regional economy and all its roleplayers.

Future reports

We believe *The State of Cape Town Central City Report – 2013: a year in review* has set a new benchmark, particularly in terms of the volume of information it now contains. But as its publisher, the CCID would like to ensure that this report continues to add value year-on-year and that each edition becomes both a keepsake as well as a trusted decision-making tool for expansion and investment into the Central City.

In 2014, we will therefore be:

- + Introducing new surveys on different industries that have a strong presence in the Cape Town Central City. This began with the survey on the legal profession for the 2012 report and the financial sector in this report
- + Spotlighting further industries that are creating traction in the Central City, such as the Film & TV and Healthcare industries featured in this report
- + Planning a new *User Survey* that will enable us to start trending data from the 2012 *User Survey*, and will also enable us to learn even more about those who use the Central City daily, determining what they want, what they like, where they come from, and want they want from a CBD

- + Conducting a second *Residential Survey* – critical to understanding the Central City's fast-growing residential market

- + Providing more information on the latest property developments, and updates on buildings currently under construction or in the planning stages

- + Including the results of the third *Online Business Survey*.

Finally, for the duration of 2014, Cape Town will enjoy its status as a World Design Capital. The creative industries play an important role in the economic life of the Central City and, thus, by the time the 2014 report is published, there will exist substantial information on exactly how this international, year-long accolade has impacted on the CBD.

We therefore leave our readers with this final thought: **Watch this space.**

Acknowledgements & credits

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Business is targeting inclusive growth in Cape Town – and one sees that happening in the CBD, bringing local and international business to Africa’s global city.

CHRIS WHELAN | Managing Director, Accelerate Cape Town

Growthpoint is currently invested in the Cape Town CBD in excess of R2bn. We are constantly on the lookout to increase this investment and regard the Cape Town CBD as one of the country’s most successful and sustainable economic hubs.

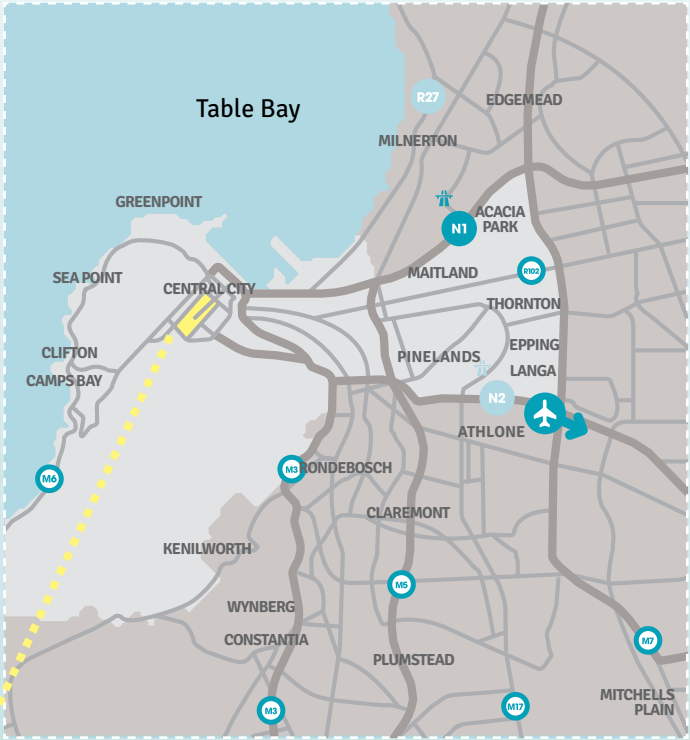
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While economic circumstances and real estate fundamentals continue to be challenging, the Central City will remain attractive as a global destination for business and investment.

GRANT ELLIOT | Regional Manager, Western Cape, Redefine Properties

Over the past 14 years, we’ve seen the initiatives of the CCID and its partners spearhead over R25bn of investment into the Cape Town CBD, turning the downtown into a cosmopolitan and diverse city that can compete with the best business centres in the world.

THEODORE YACH | Divisional Head, Acquisitions, Zenprop Property Holdings





“Ideal cities are very much the product of their own ages. Designed as complete urban statements, they bear the unmistakable imprint of their own culture and world view in every street and building. And yet, to be successful, a city has to be open to continuous development, free to evolve and grow with the demands of new times.”

PD SMITH

Author, *City: A Guidebook to the Urban Age*

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