
THE STATE OF CAPE TOWN CENTRAL CITY REPORT

2014: A YEAR IN REVIEW



IN SUPPORT OF THIS REPORT



Patricia de Lille
Executive Mayor
City of Cape Town

In today's knowledge economy, access to information is key to accessing opportunities. *The State of the Cape Town Central City Report* is an invaluable resource because it gives prospective investors a detailed assessment of our city.

An example of this is the feature on the City's new Economic Areas Management Programme (ECAMP), which tracks and routinely assesses the market performance and long-term growth potential in 71 business precincts across the metropolitan region.

The Central City is the economic heartland where Cape Town residents meet the world and the information contained in this report helps to further our vision of competing with leading cities across the globe.



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

In 2014, Cape Town and the Western Cape drew international acclaim for being a destination on the rise. This was reflected in the many international awards our entrepreneurs and businesses achieved, all of which have served to boost our global reputation.

This is our chance to capitalise even further on the opportunities inherent in our destination. In order to do so, it is crucial that we have the right information at hand in order to make informed decisions.

This report, produced by the Cape Town Central Improvement District (CCID), tells the story of our thriving region and outlines for residents, businesses, investors and government the current prospects for growth in our city. It provides a base of information which a wide range of stakeholders will find useful.

We are truly becoming a region in which it is great to live and work, and our people are at the centre of driving this.



Nils Flaaten
Outgoing CEO of Wesgro

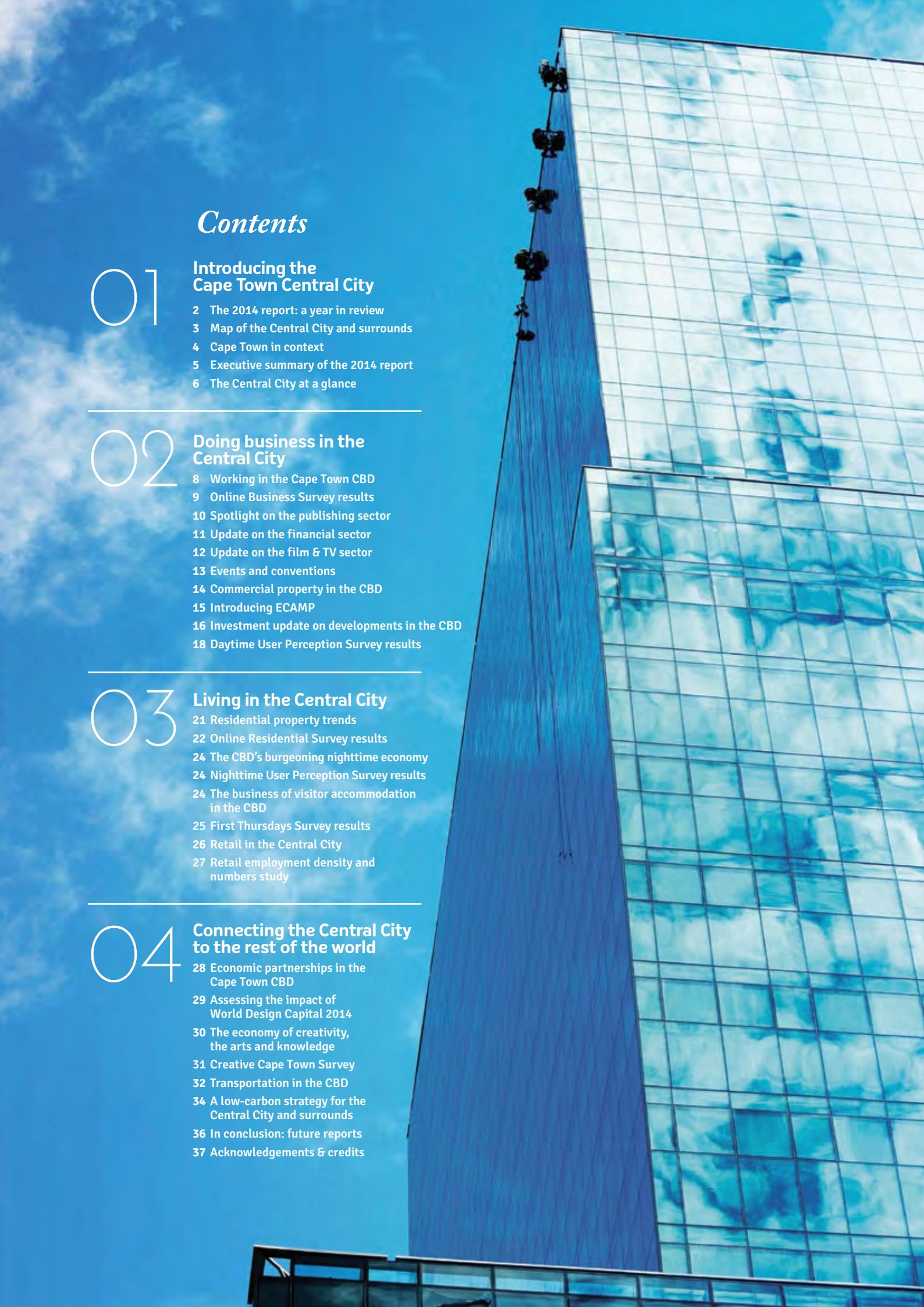
The CCID has been instrumental in the success and economic sustainability of the Cape Town CBD as both a business and a leisure destination.

The role played by the CCID also compliments the City of Cape Town's world-class infrastructure, which includes integrated public transport and enhanced pedestrian and bicycle access – key for prospective job hunters and investors when considering relocation.

Visitors to the Central City value some of South Africa's top restaurants, art galleries and museums, emerging food markets and various forms of entertainment.

In the long term, these positive attributes add to the ability of attracting new investors and help position the CBD as a world-class place to do business that guarantees quality of lifestyle, inclusion, professionalism, successful business partners and a competitive business jurisdiction.

More and more multinationals have seen Cape Town as the gateway into Africa. We expect this trend to continue and the work done by the CCID and the City have been instrumental in achieving this global status.



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01

INTRODUCING THE CAPE TOWN CENTRAL CITY

The 2014 report: a year in review

Setting the trend

The State of Cape Town Central City Report: 2014 – A year in review is the third publication in a series produced by the Cape Town Central City Improvement District (CCID)¹ that brings together a substantial body of research into a trustworthy guide to the economic climate of our central business district (CBD) – or Central City, as we Capetonians know it.

The report is the culmination of a year of research undertaken by our research team and the work of many other Central City roleplayers who are increasingly prepared to share their own economic data with us to help promote collective insights. With three years now behind us, the report is proving to be an invaluable tool for the collection and analysis of market intelligence, vital for any downtown that looks towards retaining existing, and attracting new, investment interest.

Strong trends are emerging, which enable the CCID (as a geographically specific business area) as well as the City of Cape Town local government (which is focused on metro-wide investment) to provide solid information on the offerings already available as well as the opportunities that exist.

It remains the only publication of its kind in the country that offers concentrated and holistic economic information on a South African downtown. The concept of a downtown report, however, is not new on a global scale and, therefore, since inception our report has looked to follow the numerous excellent state of downtown reports published by CBDs across the globe.

We are pleased that economic influencers beyond our CBD and city are also taking note of the findings contained in this report. Along with the support we receive for the publication from

the City of Cape Town, Western Cape Government and investment agencies such as Wesgro, the previous report (*"2013 in review"*) was also used by the National Treasury's Technical Assistance Unit (TAU) as a tool to promote South Africa.

This formed part of the TAU's offering during an Economies of Regions Learning Network trip to Canada, the UK and France to promote opportunities in South Africa and good initiatives in our country's major cities.

The 2013 report also won a coveted Merit Award at the 60th annual International Downtown Association (IDA) Conference, held in 2014 in Ottawa, Canada. The award was made in the category of Economic & Business Development for "developing successful marketing efforts and strategies that have recruited new businesses or improved retention efforts in a downtown."

The report is also being increasingly used as a benchmark by local and national media and other organisations to track investment into the Central City.

Clearly then, the pressure is on to produce a document that not only successfully tracks the trends we have identified, but also continues to investigate and recognise new, relevant and valuable market information. Therefore, along with those important sectors we now track from year to year (such as the financial services sector and the film & TV sector), each report also identifies and profiles additional sectors with high value to the Cape Town CBD. For example, in this year's report we take a look at the significant contribution made by the publishing industry.

We also highlight the work of other CBD roleplayers in terms of the advancements they make in data capture, research and dissemination of information. This year's report takes a look at the City of Cape Town's new Economic Areas Management Programme (ECAMP), a ground-breaking research and policy support initiative that tracks and routinely assesses the market performance and long-term growth potential in 71 business precincts across the metropolitan region. The database holds a wealth of information on the CBD as an investment node, and how it stacks up to other areas around the metro region, which helps to further augment the information we collect on a regular basis.

As this publication grows from strength to strength each year, so too do the vital relationships it enjoys with the many organisations, companies and agencies that are prepared to come on board to share their resources. There are far too many to thank on this page – that is why there is a very large list of acknowledgements at the end of this report – but what we as the publishers can offer upfront is an enormous vote of thanks and an opportunity to express our gratitude.

If the Cape Town Central City benefits from this publication, the entire city and indeed the province and South Africa as a whole benefit as well, and we all grow a dynamic and sustainable economy together.



Tasso Evangelinos

CHIEF OPERATING OFFICER
CENTRAL CITY IMPROVEMENT DISTRICT



Rob Kane

CHAIRMAN OF THE BOARD
CENTRAL CITY IMPROVEMENT DISTRICT

1. City improvement districts – or CIDs – are the South African equivalent of entities found abroad known predominately as business improvement districts (BIDs).



THE CAPE TOWN CENTRAL CITY AND SURROUNDS

The Cape Town Central City is also known as the Cape Town CBD and lies within an area managed and promoted by the Cape Town Central City Improvement District (CCID). Its geographical boundaries, as they pertain to this report, are identical to those of the CCID and these are indicated above by the broken yellow line. It incorporates an area of 1.6km² and lies bordered by Table Bay Harbour (the Port of Cape Town) to the northeast and by the suburbs that, along with the CBD, form what is known as the Cape Town City Bowl – all at the foot of Table Mountain, Lion's Head and Devil's Peak. The Cape Town CBD is also where all main transportation links (road and rail) begin in the Western Cape province, including the N1 highway that travels to Gauteng (including Johannesburg) and the N2 highway that travels along the entire southern coast of South Africa to Durban in KwaZulu-Natal and beyond. Cape Town International Airport lies just 19km from the CBD.

CAPE TOWN in context

General information on South Africa, the Western Cape province and the Cape Town metropolitan region (the latter of which covers 2 461km²) follows.

Statistical information¹

GDP & GGP

South Africa's Gross Domestic Product (GDP):

R2 013.212 billion

Western Cape's GDP:

R304.368bn

Cape Town's Gross Geographic Product (GGP):

11.3%

(2nd highest of the national GDP)

Johannesburg (highest): **16.8%**

eThekweni (3rd highest): **10.9%**

CAPE TOWN'S HIGHEST GROSS VALUE-ADDED (GVA) SECTORS IN ITS ECONOMY ARE

Finance: **36.8%**

Manufacturing: **16%**

Trade: **15.8%**

POPULATION RATES

South Africa:

54 002 000

Western Cape:

6 116 300

Cape Town:

3 861 000

UNEMPLOYMENT & EMPLOYMENT

Cape Town's unemployment rate:

25.5% (below national average of 35.6%)

Cape Town's contribution to national employment:

10% (2nd highest in the country behind Johannesburg, 12.4%)

LITERACY

Cape Town's functional literacy rate:

92% (above national average of 82.3%)

¹ Source: City of Cape Town *Economic Performance Indicators for Cape Town (EPIC)* report, Q2 (April-June) 2014

Cape Town in Context Survey

HIGHLIGHTS FROM THE CITY OF CAPE TOWN'S ANNUAL "CAPE TOWN IN CONTEXT" CUSTOMER SURVEY²

Average rating for overall performance of City by business:

3.5 out of 5

88% of businesses said that, overall, the City's performance was **good, very good or excellent**.

91% of businesses rate the City's performance in fulfilling its role as a provider of municipal services as **good, very good or excellent**.

87% of businesses rated their level of trust in the City as **fairly strong, very strong or extremely strong**.

Average rating for overall performance of City by residents:

2.9 out of 5

73% of residents said that, overall, the City's performance was **good, very good or excellent**.

75% of residents rated their level of trust in the City as **fairly strong, very strong or extremely strong**.

² www.capetown.gov.za/en/Pages/201314-customersurveycontinuesinservedelivery.aspx

Accolades for Cape Town in 2014

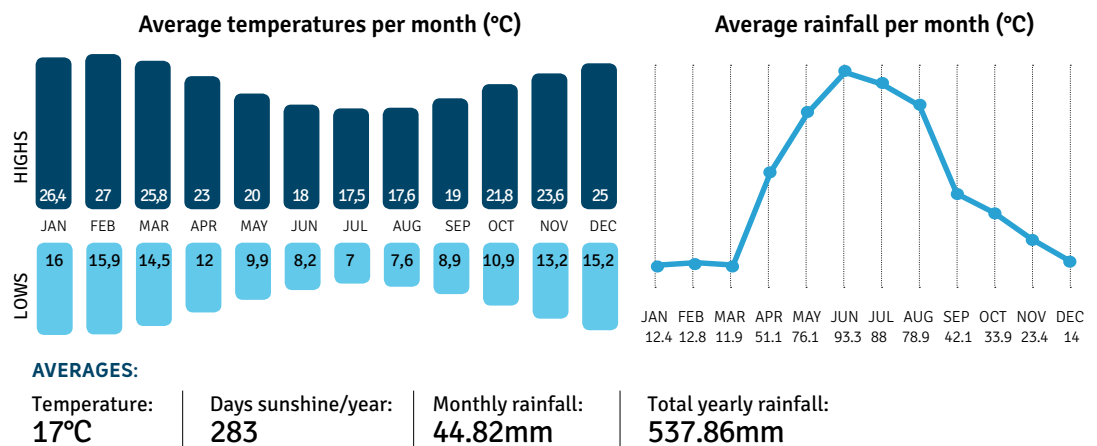
Besides being World Design Capital 2014, Cape Town was also recognised globally for a number of economic and tourism achievements.

- + Cape Town was voted the 18th most dynamic city in the world by the US business and technology news website *Business Insider* for actively facilitating the availability of alternative energy sources to its residents. This was based predominantly on the City's solar water heater programme, particularly with respect to skills development and the manufacturing supply sectors that the programme is unearthing.
- + According to the South African Auditor-General, the City of Cape Town was the only municipality in the country to achieve a clean audit – its 10th unqualified audit to date. The Cape Town metro accounts for 70% of the overall total expenditure for all municipalities in the Western Cape.
- + The City's Valuations Department, which forms part of its Finance Directorate, was recently named Thomson Reuters's (Manatron) Jurisdiction of the Year 2014. This is the highest award that a jurisdiction, such as a municipality, can receive. The City competed against more than 1 000 other Thomson Reuters government customers across the globe.
- + According to the City of Cape Town's *Economic Performance Indicators for Cape Town (EPIC)* report, during 2014 the Western Cape economy recorded a positive quarter-on-quarter growth rate of 2%, as opposed to the rate at a national level.
- + The annual Travel Smarts study released by global hotel-booking site Agoda.com revealed Cape Town to be 2014's top overall out of 25 destinations (each with more than 100 hotels), with a score of 8.43 out of a possible 10. Cape Town scored particularly high in the category of room comfort/standard (8.54).
- + Winner of the *Telegraph* Travel Awards 2014 as the **best city in the world to visit** (third year in a row)
- + **Number 1:** *New York Times* 52 Places to Go in 2014
- + **Number 1 Holiday Hotspot:** the *Guardian's* Top 40 destination round-up
- + **Top City in Africa and the Middle East** in *Travel + Leisure's* annual online poll
- + *Condé Nast Traveler* Readers' Choice Awards for 2013: **one of the Top 25 Cities in the World** and **one of the Top 10 Cities in Africa and the Middle East**
- + One of *CNN World's 10 Most Loved Cities*
- + **Number 3** in the *Lonely Planet's Best in Travel 2014 Top Cities*
- + **Number 16** in the *Top 25 Travelers' Choice World Destinations Awards*
- + **Africa's Leading Meetings & Conference Destination**, World Travel Awards 2013
- + **Table Mountain:** one of the New 7 Wonders of Nature
- + WWF's **Earth Hour Capital 2014**
- + Muizenberg hailed as one of *National Geographic's World's 20 Best Surf Towns*

In 2014/15, the Western Cape's destination marketing, investment, and trade promotion agency, Wesgro, aims to secure up to R1.8bn of foreign investment and support 500 local, emerging exporters to reach new international markets.

Cape Town's weather

Source: the Climate Information Platform, hosted by the University of Cape Town: www.cip.csag.uct.ac.za



EXECUTIVE SUMMARY

What's in the 2014 report?

Since the publication of the first *The State of Cape Town Central City Report*, the information that the research team has accumulated has grown substantially.

This growth has been made possible only through the increasing participation of the public and private sectors who have been prepared to contribute information towards various surveys and data-sharing exercises. The value of open data for trending purposes is clearly evident in this report: the document is today used by investment decision makers to consider the Central City as a new or enduring location, as well as by interest groups eager to track and trend the growth of the CBD's economy from year to year.

This year's report continues to trend important results as they have been accumulated annually, such as those that demonstrate business confidence and resident satisfaction. The popularity of the CBD as an eventing and convention location is growing and is looked at once again in this report, as are the public and private entities involved in the creative industries and the knowledge economy – although the full benefits of the city's World Design Capital 2014 status will only be assessed during 2015 (for inclusion in the next report).

The report once again contains results from of the Online Business Survey and the Online Residential Survey as well as the on-the-ground Retail Opinion Surveys. This past year also saw the repeat of the biennial on-the-ground User Perception Survey for both daytime and nighttime, which means we can now draw comparisons between the latest results and those obtained originally in 2012. To showcase the economic potential of citizen-led events, we have also included the

results of a new dipstick survey that looks at the growing popularity of First Thursdays, the CBD's own after-hours "art walk" on the city's streets, which is increasingly being supported by the public and other businesses.

Movement in commercial and residential property is once again tracked to provide better insight on long-term market trends. New to this report is an assessment of retail employment figures and tenant occupancy rates of retail districts in the CBD, helping to showcase the economic contribution of this thriving sector. We also continue to track the financial services and film & TV sectors in the CBD, and have expanded our spotlight focus to include the CBD's significant publishing industry for the first time.

This report also introduces the City of Cape Town's new groundbreaking research and policy support initiative, the Economic Areas Management Programme (ECAMP). ECAMP is a decision-making planning tool that can guide the spatial targeting of area-based interventions, and share the City's information with the private sector.

Overall, this report is a testament to the kinds of knowledge and collaboration that come about through the sharing of open data, participatory engagement and partnership-driven research. We hope that the facts, figures and trends here help you better understand the CBD as a place to do business, live in and visit.

CAPE TOWN'S CENTRAL CITY

By the numbers

Generated property rates in the CBD in millions of rands:

216
2012

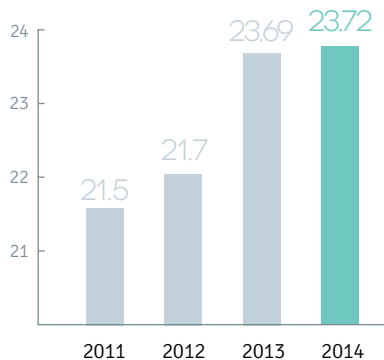
+23%

266
2013

-5%

254
2014

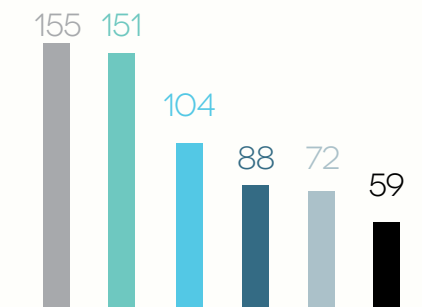
Total current value of Central City property (in billions of rands)



93%

of companies are happy with the CBD as a location to do business

Number of companies operating in the Cape Town CBD:



5 696

Jobs generated by the financial services sector in the CBD



582

Companies offering legal services in the Cape Town CBD

155 Healthcare & cosmetic services
151 Specialised services
104 Architecture & engineering
88 Finance & banking services
72 Travel services
59 IT & communication services

Office space in the CBD

86.6%

of office space in the Cape Town CBD is occupied

1.025
MILLION

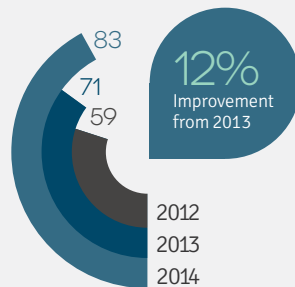
Square metres of office space in the CBD

60%

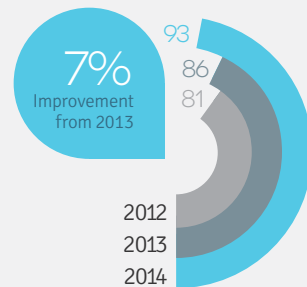
of the metro region's Premium-grade office space is in the CBD

90%

of A-Grade office space in the CBD is occupied



Businesses rating the CBD's public transport as "Good or excellent"



Satisfaction with doing business in the CBD



663 144

Total visitors to the CBD's Central Library during 2014

Education in the CBD

45

Educational Institutions in the CBD

1 648

Educational staff working in the Cape Town CBD

3 530

Estimated number of part-time students in the CBD

9 162

Estimated number of full-time students in the CBD



108

Government service offices in the CBD

91

Government offices open to the public

CBD & Government

21 398

Total number of government employees working in the CBD

28 156

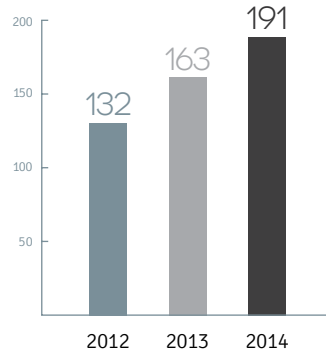
Average number of patrons served daily

Residential space in the CBD

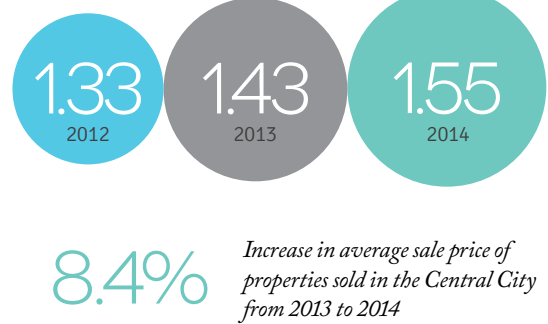
R296.4 MILLION

Estimated total value of residential properties sold in the CBD during 2014

Total residential properties sold in the CBD:



Average year-on-year property sale price in millions of rands:



CBD & Retail

93%

Average retail occupancy rate in the CBD

8 070

Estimated CBD street-side retail employees

90%

Retailers that feel they'll still be open in a year's time

85%

Retailers satisfied with the CBD as a business location



2 797

Estimated retail employees working within the CBD's shopping centres

CBD & Culture

22

Museums in the Cape Town CBD

6

Theatres operating in the Cape Town CBD

565

Number of creative industry businesses in Cape Town's CBD

1 146

Jobs created by the Design Indaba at the CTICC in 2014



R360 MILLION

Artscape's contribution to SA's GDP



535

Total number of events hosted at the CTICC during 2014

R3.1 BILLION

GDP generated by CTICC for SA in 2013/14 with 31% being made through induced tourism

7 649 1.2M

Jobs sustained throughout South Africa

Estimated number of visitor days contributed to the local economy

CBD & the CTICC



122 750

Average daily number of people who take the train to & from Cape Town station

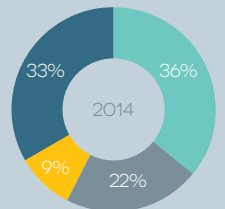
CBD & Transport

2.85M

Number of people who boarded MyCiti buses in the CBD at all 22 stops & stations in 2014

6.8 BN

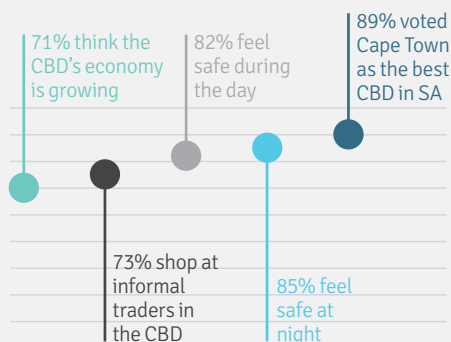
Total rands spent on Cape Town's MyCiti system



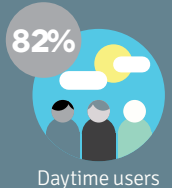
MYCITI SATISFACTION

● Excellent
● Good
● Poor/Fair
● Don't Know

CBD and its people



Users who feel the CBD is an inclusive space:



CBD's public events

(figures exclude the CTICC)

361 064

Estimated number of people who attended public events in the CBD during 2014

110

Permitted number of public events during 2014

30 087

Average monthly attendance for events hosted in the Central City

28

Highest number of events in one month (Feb)

02

DOING BUSINESS
IN THE
CENTRAL
CITY*Working in the Cape Town CBD*

Cape Town holds a solid position in the Jones Lang LaSalle¹ Cities Research Center's *Global300 Report: The new commercial geography of cities* (November 2014), which quantifies what impact the world's leading cities have on the global economy.

The report, which brings together the most impactful 300 cities, accounts for more than one third of the world's economy, nearly three quarters of global real estate investment and over 80% of the world's prime office stock. According to the report, out of the total of 300, Cape Town's Commercial Attraction Index is 102, its Real Estate Investment stands at 139, and its Economic Size is 183.

This puts the employment and business environment of the Cape Town Central City into sharper focus, especially when one understands that the area accounts for approximately 25% of the city's entire economic contribution and provides a place of business to just over 30% of the city's entire workforce.

Breakdown of companies in the CBD

While there has been a slight decline in the numbers of businesses in the CBD comparatively over the past two years, something which could be attributed to the tightening of the global economy, the proportion of the sectors remains relatively steady. Please note that retail as a sector is excluded from the list below. It is instead dealt with separately on pages 26-27 as it makes up a huge portion of CBD businesses.

Sector	2011	2012	2013	2014
Travel services	71	68	77	72
Architecture & engineering services	71	73	75 (architecture) 34 (engineering & related)	70 (architecture) 34 (engineering & related)
Financial services & banking	81	90	88	88
Information & communications technologies (including call centres)	89	87	67	59
Specialised services	134	164	167	151
Medical, health & beauty services and facilities	108	175	202	155
Legal services	552	594	592	582

GOVERNMENT SERVICES IN THE CBD

108 different government services offices are in the CBD.

91 of these are accessible to the public.

21 398 government employees work at these offices.

On average, **28 156** users are served each day.

1. JLL Cities Research Center is a financial and professional services firm specialising in commercial real estate services and investment management. It has over 52 000 employees across 200 corporate offices worldwide that serve the local, regional and global real estate needs of corporates and investors in more than 75 countries. www.jll.com

2. Business Process enabling South Africa (BPesa) is the national investment arm of the BPO industry in South Africa and is committed to driving offshoring to the country. Its offices are based in the Cape Town Central City. www.bpesa.org.za

The business of outsourcing processes

Business Process Outsourcing (BPO) makes up a significant portion of the private workforce in the CBD. The following figures have been provided by the *BPeSA Key Indicator Report 2014*².

OVERALL INDUSTRY FIGURES IN THE WESTERN CAPE

- + The BPO/contact centre industry has grown by approximately 8% over the past year, increasing from 38 000 to 41 000 jobs and generating around R9 billion to the provincial GDP.
 - **An estimated 3 400 jobs were created through offshore investment in 2014.**
- + The Financial Services sector accounts for the highest proportion of agents in the industry, at 41.7%. The next five highest are:
 - **Retail:** 14.9%
 - **Telecommunications:** 12.5%
 - **Legal:** 7.2%
 - **IT:** 6%
 - **Transport:** 4.2%
- + **Telecommunications** is responsible for the majority of international outsourced business, with 37.3% of the market, up 23.2% from 2013.
- + **International markets**
 - **The UK market** is responsible for 63.3% of offshore business in the Western Cape, a 1.9% increase from 2013.
 - **USA:** 11.5% (up from 8% last year)
 - **Australia:** 9.4% (up from 8.5% last year)
 - **Germany:** 4.9% (down from 7.3% last year)
 - **France:** 1.9% (down from 2.9% last year)
- + **88.2%** of offshore work in the Western Cape is done in **English**.
- + **86.2%** of BPO/contact centre employees are employed on a **permanent basis**, up 4.7% from 2013.

IN THE CAPE TOWN CENTRAL CITY

- + 10% of employees in the BPO/contact centre industry in the Western Cape live in Cape Town's CBD (down from 19% in 2013 – this has been attributed to the demand for accommodation and the resultant rise in rentals and sales prices).
- + The CBD and immediate surrounding area is home to 15 international BPO companies, which employ 65.8% of employees in the international BPO sector.
- + An estimated 12 000 BPO employees work in the CBD.

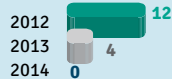
Results of the annual ONLINE BUSINESS SURVEY

For the past three years, the CCID has conducted online surveys with stakeholders in the CBD to determine the perceptions of its business community. Conducted in August/September, the 2014 survey realised a sample of 235 participants (equating to a 13.3% response rate, over the 2013 response rate of 13.2%). A selection of highlights follows.

NUMBER OF YEARS LOCATED IN THE CBD

Comparative year-on-year figures show trend towards longevity.

Less than one year



1-3 years



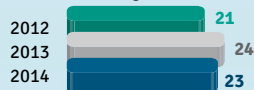
4-10 years



11-20 years



More than 20 years



TYPE OF BUSINESS

57% of respondents were owners of their particular enterprise and 72% indicated that they had a direct say in issues such as the location of the business.

- + Sole location of business: **50%**
- + Head office: **23%**
- + Branch: **12%**
- + Regional office: **10%**
- + Franchise: **5%**

LEVEL OF SATISFACTION ABOUT BEING IN THE CBD

Nine out of every 10 businesses in the CBD feel satisfied about being here, and the segment has increased consistently.

- + 2012: **81%** satisfied
- + 2013: **86%** satisfied
- + 2014: **93%** satisfied

RATING THE STATE OF CLEANLINESS IN THE CBD

A positive trend continues year on year, demonstrating that the effort of keeping the CBD clean is being recognised and appreciated.

	Good	Very good/Excellent
2012:	43%	30%
2013:	36%	41%
2014:	36%	47%

RATING OF SAFETY AND SECURITY AT STREET LEVEL

Positive sentiment around this is growing with each survey.

	Good	Very good/Excellent
2012:	42%	21%
2013:	35%	30%
2014:	37%	35%

URBAN RENEWAL

There has been a significant increase in the numbers of respondents who agree that urban renewal implemented in the CBD has resulted in renewed interest in the area as a business destination.

Respondents who agree



TENANT SATISFACTION

A growing majority of CBD business owners feel they are being looked after as tenants from a spatial point of view.

- 2013: **65%** agreed
- 2014: **87%** agreed

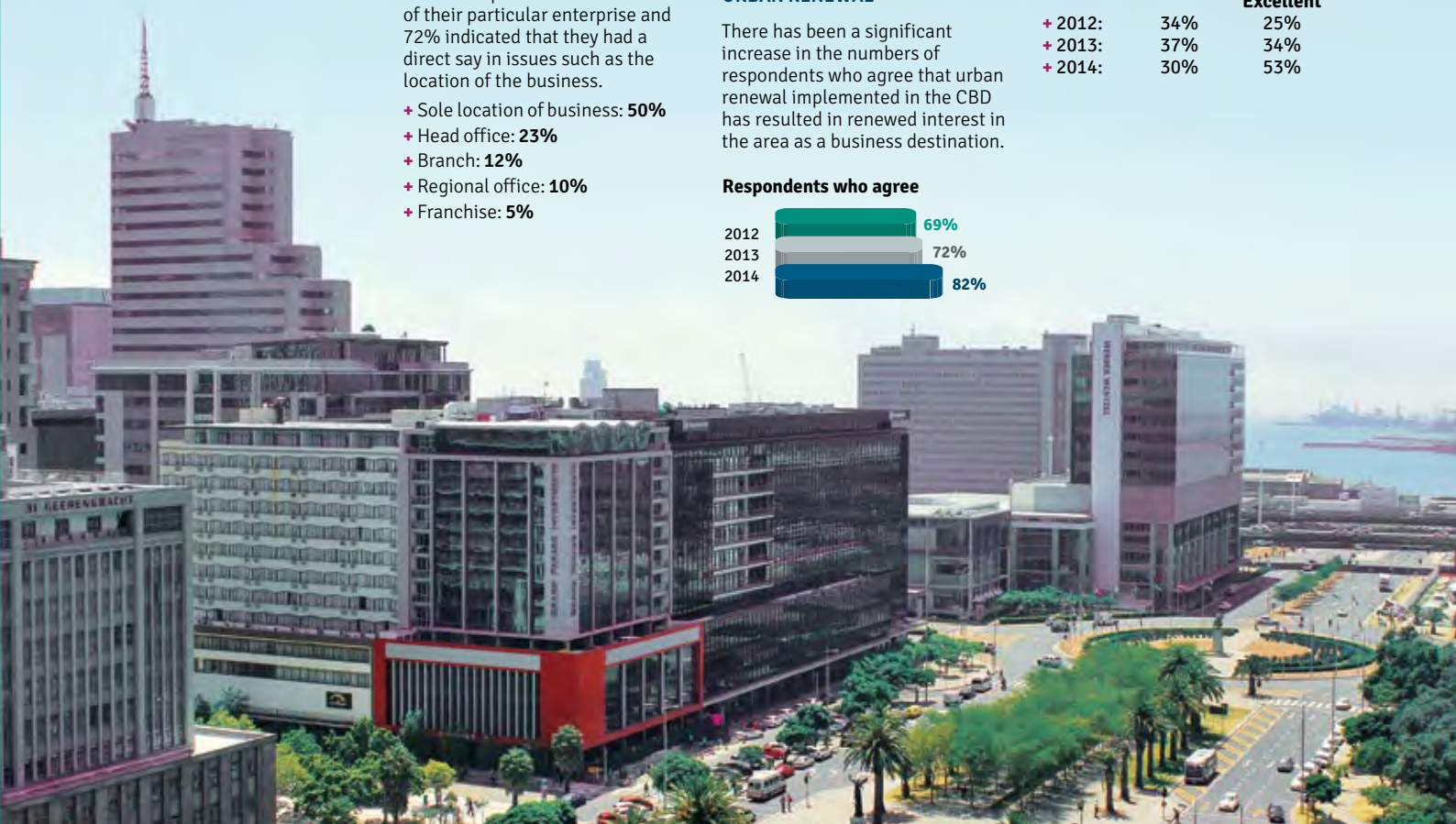
MOVING AROUND THE CBD FOR MEETINGS

- + **47%** of people very seldom, or ever, leave their offices to go to meetings.
- + **40%** of people reported leaving their offices 2-3 times per week for meetings.
- + **13%** of people reported leaving their offices at least once a day.
- + Of the **53%** who go to meetings 2 times a week or more,
 - **44% go by private car** (up from 36% last year).
 - **53% go on foot** (down from 63% last year).
 - **3% go by public transportation** (up from 1% last year).

RATING THE AVAILABILITY OF PUBLIC TRANSPORT

As the MyCiTi bus rapid transit system continues to roll out, business perception about the availability of public transport has steadily improved, with **97% of respondents** agreeing that the system contributes to making the CBD more accessible.

	Good	Very good/Excellent
+ 2012:	34%	25%
+ 2013:	37%	34%
+ 2014:	30%	53%



Spotlight on the PUBLISHING SECTOR

The business of media has for many years made a strong contribution to the Cape Town economy, in particular the numerous national and international publishing houses dealing in books, newspapers, magazines and online content that have their head offices in the CBD.

This past year saw the undertaking of the first CBD Publishing Sector Survey, which aims to generate levels of data specific to this industry in the Central City – the results of which will also help to establish a baseline of financial intelligence to track and trend this sector as the survey is repeated over the coming years.

The 2014 survey was designed to gauge the economic impact on the Central City primarily of those companies that offer the full spectrum of book, newspaper, magazine and online publishing. **The survey was taken by 10¹ of the 16 relevant publishing houses based in the CBD,** and the results below illustrate some key findings that enable a better understanding of what the publishing economy looks like, how people relate to it, and the benefits to the CBD of having a strong publishing sector.

It is also hoped that, in the future, more publishing houses will participate in the survey, which will help provide insight into the total economic contribution of this sector to the CBD's media economy and strengthen its value as an investment node.

Publishing services

The CBD's publishing houses focus mainly on the development, design, printing, publishing and distribution of publications, largely customer and consumer magazine titles and newspapers, with some also diversifying into book publishing. Content generation, particularly for external media clients and customer publications, makes up a significant amount of the work undertaken overall by CBD-based publishing houses, making them a one-stop shop for media creation and generation. These are the responses from the publishing houses in terms of the

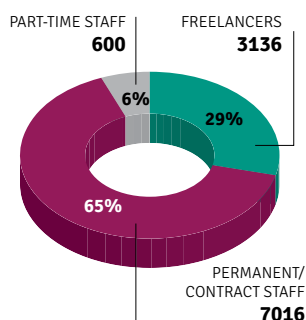
services they offer (more than one could be selected).

- 1 Engages in general book publishing
- 1 Performs public relations
- 1 Supplies financial data to market professionals electronically
- 1 Facilitates ecommerce operations (online shopping sites) and ecommerce services to SMMEs²
- 3 Provide printing and distribution services to the media & advertising industry
- 5 Design content for media companies
- 8 Develop content, design, print, publish and distribute own publications
- 8 Provide media content such as articles (eg for syndication), advertising or journalist services

EMPLOYMENT ANALYSIS

The 10 publishing houses surveyed employ 10 752 people.

These are broken down into freelance, permanent/contract and part-time employees as follows.

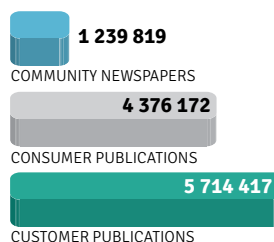


PRINTED COPIES ANALYSIS

The total number of printed copies of the various publications is

11 330 408.

- **5 615 991** are dedicated to consumer publications (including community newspapers).
- **5 714 417** are customer publications.



READERSHIP

Total readership for the publications produced by survey participants is an estimated **57 548 896** readers.

TAKING CARE OF THE PAPER TRAIL: LOOKING AFTER THE ENVIRONMENT

91% of survey respondents have a paper-recycling initiative in place.

100% of respondents indicate that they have a paper-saving initiative in place.

64% of publishing houses also occupy buildings with energy saving initiatives.

Consumer vs customer titles

The 10 publishing houses that participated in the survey annually produce:

400 book titles and **135** individual consumer and customer publications.

Of the latter, the two main categories are:

Consumer publications

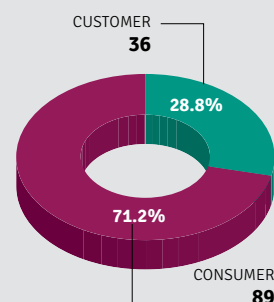
89 consumer titles (for the general public) were listed by the survey's respondents. These are divided as:

- 32% of consumer publications are newspapers, a number of which are community newspapers specific to a small, targeted geographical area.
- 68% of consumer publications are magazine-type publications.

Customer publications

36 customer titles (also known as custom publications or content marketing) are produced to target a particular brand's customers.

Types of publications produced



¹ Including Media24, Africa's largest publisher, printer and distributor of magazines and related products as well as its largest newspaper publisher. Media24 is also the print arm of the South African media company Naspers, and also includes the internet activities of the 24.com collection of web portals.

² SMME stands for small, medium and micro enterprises.

Update on the FINANCIAL SECTOR

The financial sector is one of the CBD's strongest economic drivers in terms of employment, global outreach and growth.

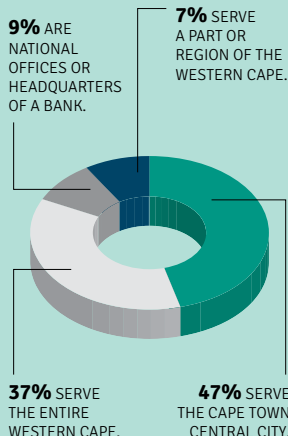
The CCID's annual Financial Sector Survey, conducted for the first time in 2013 and for the second time in November 2014, continues to build a strong base of knowledge about the size of the sector in the Central City and the ways in which it continues to develop.

The survey is sent each year to all financial institutions in the CBD. In 2014, 88 institutions were approached – 68 responded (a response rate of 77%), nine of which are categorised as regional or provincial head offices.

GEOGRAPHIC SCOPE

37% of financial institutions surveyed service the entire Western Cape province; 9% reported being a national office or a bank's headquarters. This means the majority of financial services institutions with operations in the Cape Town CBD work beyond its boundaries, linking business here to financial growth across the province and the country.

Geographical area served by financial institutions



SERVICES OFFERED

	2013	2014
Personal loans	36	32
Investment banking	15	28
International banking & foreign exchange	19	24
Retail banking	8	22
Micro finance, cash & small loans	19	21
Business/corporate banking	10	20
Vehicle & asset finance	9	17
Public-sector banking	14	16
Home loans	9	16
SMME banking	7	15
Private bank	6	14
Debt management	9	12
Trusts	6	12
Corporate administration/human resources (added in 2014)		5
Bridging finance (added in 2014)		2

Noteworthy is the growth in investment and international banking as well as public sector banking.

NUMBER OF DAILY CLIENTS SERVED

	2013	2014
10 – 50	78%	69%
50 – 250	14%	17%
250 – 500	4%	10%
500 – 1 000	2%	2%
1 500 – 3 000	2%	2%

Noteworthy is that financial service organisations in the CBD serviced more clients each day in 2014 than in 2013, particularly in the 50 – 500 clients per day category.

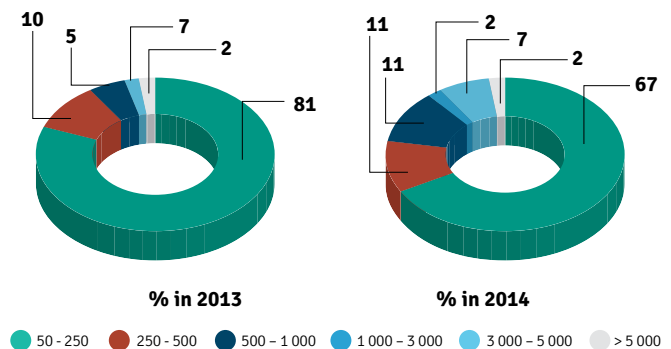
EMPLOYMENT

Out of a total of 5 696 employees working at the institutions that responded to the 2014 survey, there are:

5 178
permanent employees and
518
temporary staff.

NUMBER OF DAILY TRANSACTIONS

Of the total number of institutions that responded, respectively 42 (in 2013) and 47 (in 2014) were also prepared to answer questions around the number of daily transactions they undertook. The latest results reveal a trend towards an increasingly healthy spread of small, middle and large transaction levels.

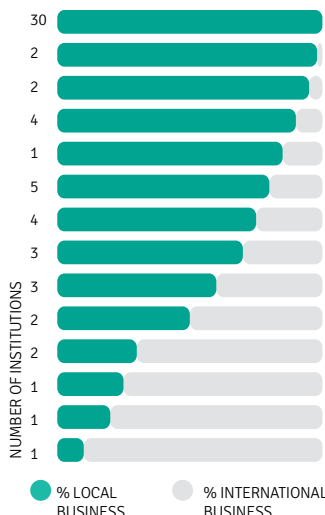


INTERNATIONAL PRESENCE

60% of institutions surveyed in 2014 serve only the South African market. The remaining 40% engage in international business to varying degrees.

The following graph shows the degrees of international focus in grey. Of the 61 institutions that responded to this question, the numbers on the left of each row reflect the number of institutions who selected a particular percentage ratio.

Client base – local vs international business



BANKING ON A SUSTAINABLE ENVIRONMENT

When asked what measures institutions take to be more environmentally sustainable, the following were chosen (more than one could be selected).

- 37% recycle paper.
- 17% are working towards creating a paperless environment.
- 12% switch off equipment at night.
- 11% are using eco-friendly printing cartridges and/or recycling.
- 11% are using email to communicate with clients (instead of paper).
- 6% do double-sided printing.
- 3% have installed motion sensor lighting.
- 3% recycle batteries.

Physical energy efficiency

The following responses were received when asked: "Does your building have energy-saving initiatives?"

	2013	2014
Yes	34%	44%
No	66%	51%
Not sure	0%	5%

Update on the FILM & TELEVISION SECTOR

Profiled in this report for the first time in 2013, the film & TV sector continues to contribute strongly to the local economy.

From the broadest terms in respect to its worth to the Western Cape province (and including the Cape Town Film Studios – see box) to the streets of the CBD – the latter being used extensively as a location for the international, multi-awarding USA series *Homeland*¹ – the film & TV sector is flourishing. Here follows a brief update on the latest developments, and information that would be of benefit to anyone thinking of bringing a production into the area.

FIVE GOOD REASONS TO FILM IN THE CENTRAL CITY (AND SOUTH AFRICA)

1. Favourable exchange rate
2. Financing incentives, such as the “up-to-35% Department of Trade and Industry rebate scheme” (see next column)
3. Stunning and easily adaptable locations
4. Good weather
5. An abundance of production and post-production facilities, crew and on-screen talent
6. Competitive film tariffs and user charges for filming to ensure that the city remains an attractive option in terms of production costs – offered by the City of Cape Town.

South Africa has co-production treaties with the following countries: Canada, Italy, Germany, the UK, France, Australia, New Zealand and Ireland

1 Season 4 of the series was shot in Cape Town, with the Artscape Theatre Centre (as the US Embassy), among other CBD venues, being used extensively. Season 5 has also been scheduled for shooting in Cape Town.

2 Qualifying South African Production Expenditure (QSAPE)

3 Qualifying South African Post-production Expenditure (QSAPPE)

FILM & TV'S ECONOMIC VALUE TO THE SA ECONOMY

- + Contribution of feature films to the SA economy: R3.5 billion
- + Contribution of film to SARS: R60 million
- + Fulltime equivalent jobs: 25 000
- + Economic multiplier effect in broader economy: 2.89 (national)
- + Over five years, the industry has grown at 14% per annum.

FINANCING INCENTIVES

The national Department of Trade & Industry (DTI) currently offers two rebate incentives to promote the South African film production and post-production industry.

- + The first is to attract foreign-based productions to shoot on location in SA and conduct post-production activities here.
- + The second is aimed at assisting South African film producers in the production of local content.

With regard to the first – foreign-based productions – the incentives are as follows.

- + Shooting on location in SA: the incentive is 20% of the QSAPE² with no cap.

- + Shooting on location in SA and conducting post-production with a QSAPPE³ in SA of R1.5m, the incentive is an additional 2.5% (ie 22.5%) of QSAPE and QSAPPE. If the overall rises to R3m or more, the incentive in turn rises to 25%.

- + Foreign post-production with QSAPPE of 1.5m garners an incentive of 22.5% of QSAPPE, while R3m and more raise the incentive to 25%.

The incentives currently apply to feature films, TV movies and drama series, documentaries and animation. The DTI is in the process of adding digital content and gaming. Terms and conditions regarding eligibility, payment of rebate, application forms and guidelines can be found at www.locationscapedtown.com/incentives.asp.

During 2012/13 (the latest data available), the DTI approved the following projects for its incentive scheme:

- + 48 South African productions
- + 10 co-productions
- + 12 foreign productions
- + 1 post-production
- + 689 shooting weeks were recorded across all categories of the film & TV production incentive, up from 559 in 2011/12.
- + 89 claims, to the value of R258.2m were paid, supporting 75 967 actual jobs.

Cape Town Film Studios

Located 35km from the CBD, in Faure, this is the first custom-built, Hollywood-style studio complex of its kind in Africa. Its facilities include:

- + The largest, permanently installed Digi-Green screen (45mx15m) in SA.
- + 2 000m² of fully equipped production offices (boardrooms, open-plan offices, kitchens and accounts offices).
- + 7 000m² of soundproof stages over four buildings.
- + Fibre-optic network connectivity and the ability to transfer dailies to any part of the world.
- + 2 000m² of stage support including star rooms, AD and wardrobe offices, makeup and change rooms.
- + A deep sea tank: a 5 million-litre concrete water tank inserted in a 6m-high elevated platform with rim flow on three sides.
- + A beach tank: 5m-litre beach tank with natural sea sand; can accommodate wave machines (deep sea and beach tanks are linked, which can simulate high and low tide).
- + Backlot sets that include a Caribbean island, Robben Island and a township set.

For info visit www.capetownfilmstudios.co.za.

In a recent survey conducted among South Africa's animation industry, it was revealed that **63%** of those involved in this field work in the Western Cape.



On location in Long Street for a scene from director Sean Penn's movie *The Last Face* starring Charlize Theron and Javier Bardem.



EVENTS & CONVENTIONS

As it gains in popularity as a business and lifestyle destination, so too does the Cape Town CBD grow as an events destination. There were a total of 645 events during 2014, ranging from those held in public spaces to those at the CTICC.

According to the City's Events Office, and just within the CBD's public spaces, an average of 30 087 people attend events each month. The busiest month is February, with 28 events in total, and the quietest November, with 6 events. Cape Town is becoming a serious contender among South African, African and indeed southern hemisphere cities as a hosting destination.

DESIGN INDABA CONFERENCE & EXPO¹

Dates held in 2014:
26-28 February (conference) and
28 February – 2 March (expo)

Design Indaba has become one of the international creative industry's leading annual events. First held in 1995, it hosts around 40 speakers and 2 500 delegates representing the full spectrum of the creative industries.

The accompanying **Design Indaba Expo** attracts over **40 000 visitors** and provides an international commercial and marketing showcase for the South African design community. Design Indaba also embraces a multi-tiered year-long programme that incorporates other events as well as opportunities of support, education, business development and training for the design community.

1 Source: *Design Indaba Economic Impact Study 2014*, Interactive Africa

In 2014, Design Indaba:

- + **Contributed R385.2 million** to the national GDP, of which R201.9m was made up of business orders. (Since 2009, it has contributed R1.7 billion to the national GDP.)
- + **Contributed R126.8m** to the Western Cape GGP.
- + **Created 571 indirect and 575 direct jobs**, totalling 1 146.

CAPE TOWN INTERNATIONAL JAZZ FESTIVAL

The 2014 event, on 28-29 March, was the 15th. It is the largest annual music event of its kind in sub-Saharan Africa and maintains a 50/50 split in its lineup between local and international performers. It also runs a corporate social investment programme concurrently with the festival that incorporates training and development.

The 2014 festival attracted:

- + An attendance of **37 500**, including **25 550** individual and **7 900** corporate tickets sold.
- + **350** accredited media.
- + **16** festival sponsors.
- + **36** vendors and exhibitors.

It also:

- + Generated **R555.3m** for the Western Cape GDP.
- + Created **2 723 jobs**: 12% direct and 88% indirect.

CITY OF CAPE TOWN SUMMER MARKET

Originally known as the Adderley Street Night Market and held during the last two weeks in December, this event was upscaled and moved in December 2013 to The Company's Garden. The impact of the 2013 Summer Market (the latest to be evaluated) has been estimated to be as follows².

2 Source: City of Cape Town Department of Tourism, Events and Economic Development, December 2014

- + The total economic impact averaged to be around R35.85m against the City spend on the event of approximately R2m.

+ Visitors numbers

- 2012: approximately 80 000 attended the Adderley Street Night market.
- 2013: an estimated 217 602 attended the revamped Summer Market.

CAPE TOWN INTERNATIONAL CONVENTION CENTRE (CTICC)

In 2013/14, the CTICC:

- + **Generated R2.8bn** for the Western Cape GGP. Of this, R853m was made up by induced tourism.
- + **Contributed R3.1bn** to the national GDP for 2013/14, up from R3bn the previous year. Of this, R974m was made up by induced tourism.
- + **Generated R291m** of tax revenue.
- + **Brought in 1.22m** visitor days to the local economy: based on the latest CTICC delegate survey, delegates attending conferences at the centre typically stay in Cape Town or elsewhere in SA for one and a quarter days longer than the duration of the actual event they're attending.
 - Induced tourism by events held at the CTICC resulted in approximately 471 000 international tourist days.
- + Enjoyed **total foreign exchange earnings of R1.13bn**, rising from R1.08bn in 2012/13.
- + Contributed **R1.55bn to indirect household income**, up from R1.5bn in the previous year.
- + Hosted **535 events** (target was 500):
 - 33 international conferences
 - 28 national conferences
 - 14 exhibitions
 - 17 trade fairs
 - 53 banquets
 - 40 special events
 - 350 other (including meetings, events, and film shoots)

- + Sustained 7 649 direct and indirect jobs throughout SA.
- + Achieved 78% BBBEE³ procurement, up by 6% from 72% in the previous year.
- + Made the following energy savings:
 - 17.3% electricity saved per delegate since 2012
 - 85% of total consumables recycled
 - Drop of 43% in water consumption per delegate since 2011
 - A drop of 10.3% in the carbon footprint since 2012
- + Saved R1.6m on utility budget during the year under review through energy-saving measures.
- + Increased in total revenue by 11.4%, up from R154m the previous year to R172m this year.
- + achieved a 25.6% increase in top-line revenue over the past two years.

Top five exhibitions by attendance over the past year

Baba Indaba
42 961 attendees

Decorex Cape Town
42 900 attendees

Design Indaba Expo
42 077 attendees

Old Mutual Two Oceans Marathon Expo
40 000 attendees

Cape Homemakers Expo
37 769 attendees

3 BBBEE refers to Broad-Based Black Economic Empowerment, initiated by the South African government to distribute wealth across as broad a spectrum of previously disadvantaged South African society and businesses as possible. Falling under national government's Department of Trade & Industry (DTI), it is governed by the BBBEE Amendment Act, 2013. For more visit www.thedti.gov.za/economic_empowerment/bee.jsp

COMMERCIAL PROPERTY *in the CBD*

The Cape Town Central City's skyline is evolving every year and has changed considerably since the first edition of this report just two years ago in 2012.

The most recent addition to the skyline and now the tallest building in the CBD is the 32-storey Portside, a R1.6 billion joint initiative by Old Mutual and FirstRand Bank that was completed in 2014. Construction sites incorporating the Cape Town International Convention Centre's expansion and the new Christiaan Barnard Memorial Hospital also broke ground. The latter two are being built in the Foreshore area where, conservatively, approximately R2.142bn of investment will be added over the next two years – R1.224bn of which is private investment and R918 million from the City of Cape Town.

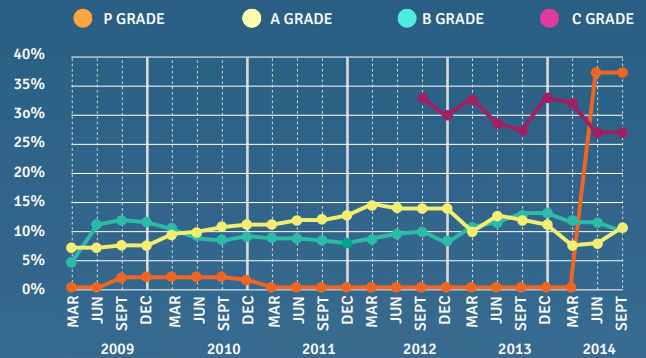
This Foreshore, reclaimed from the sea during the 1930s, has indeed experienced a great deal of investment over the past few years. With open land still available and few heritage restrictions, this area of the Cape Town CBD is now proving to be of particular interest to developers looking for greenfield investments, which are not usually readily available in established downtowns.

Towards the more established and older sections of the CBD, the Urban Development Zone (UDZ) tax incentive is finding traction with developers looking to upgrade existing buildings, including those which are listed as heritage (537 sites in total) and add enormous value to the ambience, character and popularity of the Central City.

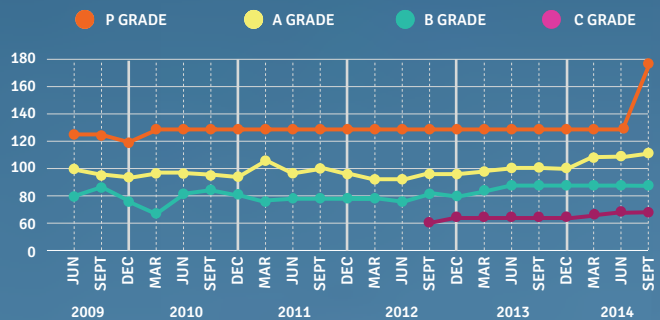
The City of Cape Town overall had the lowest regional vacancy rate overall at Q3 October 2014:

9.5%

Vacancy rates office space in Cape Town's CBD



Rental rates for office space in Cape Town's CBD



The figures above are as provided by SAPOA up to the fourth quarter of 2014. The rise in premium vacancies as well as rentals can be attributed to the recent opening of the Portside office complex, a development with 32 floors and over 57 000m² of office space.

Value of property in the CBD

These figures are derived from the City of Cape Town's official property valuations report and show the overall nominal value of all property in the CBD.

Financial year	Valuation
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
2014/15	23 724 605 292

Summary of rentable office area in the CBD

(as at December 2014):

- + **Premium: 52 000m²**
(19 000 available for leasing at an average of R185/m²)
- + **A: 311 954m²**
(33 008 available for leasing ranging from R85 to 165/m²)
- + **B: 515 535m²**
(53 862 available for leasing ranging from R80 to R115/m²)
- + **C: 145 178m²**
(31 711 available for leasing ranging from R47 to R95/m²)



Office vacancies in perspective

This information has been sourced from the SAPOA Office Vacancy Report¹.

Here are the South African national property indicators as of October 2014:

- ✦ The market is in a similar state to what it was in 2000-2002.
- ✦ High vacancy rates (nationally) are still weighing on asking rental growth, which remains in low single digits. However, although the vacancy rate has doubled since mid-2008, there is now an expectation around possible opportunities for brokers and landlords as the office vacancy cycle starts to reverse.
- ✦ The overall “slowdown” in office space is made up of the following:
 - Premium-grade (P-grade): mid “slow-down” phase
 - A-grade: late “slow-down” phase
 - B-grade: early “recovery” phase
 - C-grade: late “recession” phase. However, the vacancies for C-grade have declined at national level, largely due to residential conversions.

- ✦ National vacancy rate of office space: **11.1%**

- ✦ National inner-city (ie CBDs) office vacancy rate: **14.9%**

Inner-city vacancy (**15.6%**) rates are still much higher than decentralised nodes (**9.7%**). This, however, is coming closer together, and is being helped by conversions of vacant office space to residential properties.

At Q3 October 2014, inner-city vacancy rates stood at:

- Johannesburg: 17.3%
- Durban: 14.9%
- Cape Town: 13.4%
- Pretoria: 10.2%

Cape Town Central City, as of October 2014:

- ✦ Overall CBD vacancy rates in 2014 have shown a decline:
 - Q4: 13.4%
 - Q3: 13.7%
 - Q2: 13.9%
 - Q1: 14.4%
- ✦ The Cape Town CBD now has **26.4%** of all P- and A-grade office space in the metro (rented and vacant). This is compared to last year, when the figure stood at 24.5%.

The total stock of **P-grade offices** in the entire Cape Town metro is **86 600m²**.

- The CBD thus has **60%** of all P-grade office space in the metro region.
- The CBD's stock of P-grade sits at 52 000m², of which 19 000m² was available for leasing at the time of the SAPOA report.

The total stock of **A-grade offices** in the Cape Town metro is **1 290 631m²**.

- CBD's stock of A-grade: **311 954m²**
- The CBD thus has **24.2%** of all A-grade rentable office area in the metro region.

The Urban Development Zone

The Urban Development Zone (UDZ) is a South African Revenue Service (SARS) tax incentive that rewards developers/property owners 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 (including the Cape Town CBD). Originally established in 2003 and recently revised, the incentive will be accessible until 31 March 2020.

The UDZ applies equally to new developments and refurbishments, and also extends to the residential market (the latter of these creating opportunities, for example, to convert vacant C-grade buildings into additional residential units downtowns such as the Cape Town CBD require).

In essence, the incentive offers investors who refurbish an existing building the opportunity to deduct 20% of the refurbishment and upgrade costs over five years once the building is in use, enabling the owner to write off these costs over a five-year period. Only the initial purchase price of the property does not qualify for the UDZ incentive.

For new builds, investors would be able to write off 20% of the building costs in year one and 8% per annum in the remaining 10 years for income tax purposes.

For more information on the UDZ including demarcated areas, visit www.capetown.gov.za/en/Planningportal

Introducing ECAMP

The Economic Areas Management Programme (ECAMP) is a groundbreaking research and policy support initiative developed by the City of Cape Town and launched in 2014 that tracks and routinely assesses the market performance and long-term growth potential in 71 business precincts across the metropolitan region.

ECAMP is a decision-making planning tool that can guide the spatial targeting of area-based interventions, and – through its public user interface – share the City's information with the private sector. This helps entrepreneurs and corporates alike identify area-based risks and opportunities in 71 business precincts across the metro region through indicators such as market performance, location potential,

safety, catchment area, and others. This initiative has been described by the World Bank as “at the leading edge, globally”.

Tracking both market performance and the long-term growth potential of each business district, ECAMP offers up-to-date and evidence-based diagnostic assessment, recommending appropriate area-based strategies and proposing practical local interventions.

For Cape Town's CBD, defined on the ECAMP platform as the CBD area plus the neighbouring East City area (much of which already lies within the CBD boundaries), District Six and De Waterkant, this has immense strategic value. Not only does it show where the business strengths of the CBD lie, but it also shows how the investment climate of the Central City compares to other business nodes.

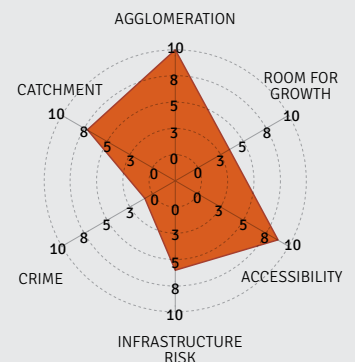
For more information on ECAMP, visit www.ctcs.capetown.gov.za/ECamp

CENTRAL CITY HIGHLIGHTS FROM ECAMP

The following indicators are among those reflecting business intelligence on the CBD as of December 2014.

Location potential

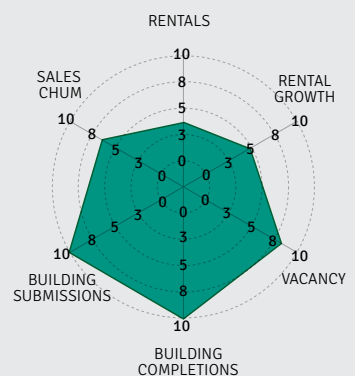
- ✦ The CBD is rated 5 out of a possible score of 5 and is number 1 overall of all business precincts analysed.
- ✦ In regards to ACCESS it also rated number 1 for public transport connectivity and operations. Similarly it is rated as being “very well located” in terms of distance to regional market nodes, freight corridors and gateways.



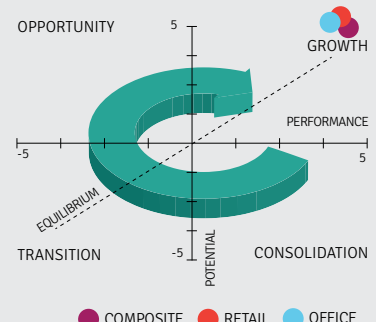
Market performance

As of December 2014, the CBD scored 3.9 out of a possible score ranging from -5 to +5, reflecting a 2.1 increase year on year. The increase was driven mainly by higher relative rental growth for office space, and an increase in the extent of new non-residential buildings completed relative to other nodes. The CBD was surpassed only by Century City (5.0).

For more detail on the exact description of the indicators, please go the ECAMP website where a downloadable user manual gives more information as to how the composite indicators relate to the indicators and sub-indicators.



The diagnostic on the CBD demonstrates that the area is in a current phase of cyclical growth (high performance and potential) in the Retail, Office and Composite analytics. This designation applies to both the composite picture (all land uses) and the constituent leading land uses respectively (ie office and retail).



¹ The South African Property Owners Association (SAPOA) annually publishes its nationwide Office Vacancy Report. Figures have been obtained from the December 2014 report, www.cmsignition.co.za/download/files_1047/SAPOA_Office_Vacancy_Report_Dec2014.pdf

PROPERTY INVESTMENT

update

The developments listed on these pages reflect the status of investments completed during the course of 2014, as well as those under construction (including refurbishments) or in the planning phase as of December 2014.

1 Portside

Location: city block of Buitengracht, Hans Strijdom, Bree & Mechau Sts
Type: commercial rental, retail and owner occupier
Status: Completed
Developer: FirstRand and Old Mutual Properties
Investment: R1.6 billion

2 Roggebaai Place

Location: Jetty St
Type: commercial/offices
Status: completed
Developer: Braamcor
Investment: R285 million

3 Southern Sun Waterfront

Location: 1 Lower Buitengracht
Type: accommodation
Status: completed
Developer: Tsogo Sun
Investment: R100m

4 Atlantic Centre redevelopment phase 2: parking expansion

Location: Martin Hammerschlag Way
Type: parking added to retail
Status: completed
Developer: Ingenuity
Investment: R69.4m

5 177 Bree Street

Location: Cnr of Bree and Pepper Sts
Type: mixed use
Status: completed
Developer: Cape Living Developments
Investment: TBC

6 Cape Town International Convention Centre expansion (CTICC East)

Location: Old Naspers car park, Heerengracht & FW De Klerk Boulevard
Type: convention centre, commercial, retail and hotel
Status: underway – estimated completion end of 2016
Developer: City of Cape Town
Investment: R832m

7 The Towers

Location: Hertzog Boulevard
Type: commercial rental
Status: underway – to be completed 2015
Developer: Standard Bank of South Africa
Investment: R498m

8 Netcare Christiaan Barnard Memorial Hospital

Location: DF Malan St
Type: private hospital
Status: underway – to be completed end of 2015
Developer: Netcare
Investment: R330m

9 Southern Sun Cape Sun refurbishment

Location: Strand St
Type: accommodation
Status: phase 1 underway – Sun Gallery conversion to 100-bay underground car park; refurbishment of rooms, public spaces and exterior
Developer: Tsogo Sun
Investment: R250m

10 Touchstone House

Location: cnr of Bree & Prestwich Sts
Type: commercial rental
Status: underway – completion estimated October 2015
Developer: Civiblox
Investment: R212m

11 Cape Town Station redevelopment phase 2

Location: Strand & Adderley Sts
Type: infrastructure
Status: underway – completion estimated for Q4 2015
Developer: Prasa/Intersite
Investment: R210m



12 Iziko South African Museum

Location: Queen Victoria St
Type: museum
Progress: underway – addition of floors due for completion December 2016
Developer: Iziko Museums
Investment: R187m

15 Media24 Centre facade upgrade

Location: Rua Vasco Da Gama
Type: media company offices
Status: underway
Developer: Media24
Investment: R66m

13 Western Cape Provincial Parliament upgrade

Location: 4 Dorp St and 7 & 15 Wale Sts
Type: government offices
Status: underway – refurbishment and partial reclad of facade complete
Developer: Western Cape Government, Dept of Public Works & Transport
Investment: R138m

16 Thomas Patullo redevelopment

Location: Jan Smuts St
Type: office, retail, parking
Status: underway
Developer: Accelerate Property Fund
Investment: TBC

14 Twinell Building

Location: Long & Loop Sts
Type: mixed use – offices & retail
Status: underway
Developer: Kings Cross Properties
Investment: R120m

17 Artscape Live 20!20

Location: DF Malan St
Type: Entertainment
Status: In planning
Developer: Western Cape Government
Investment: in 2014, Artscape received R45.65m from the Department of Arts & Culture and R14.335m from the Western Cape Government for capital works. It will receive a further R86m for 2015.

20 Accor Hotels (also known as T-One)

Location: city block of Buitengracht, Strand, Castle and Bree Sts
Type: accommodation
Status: underway (demolition began February 2015)
Developer: Accor Hotels
Investment: R120m

21 Beaufort House (refurbishment)

Location: Bree St
Type: government (to accommodate electricity depot)
Status: in planning
Developer: City of Cape Town
Investment: R120m

18 The Modern (formerly known as 1 Dock Road)

Location: city block of Bree, Hans Strijdom, Loop & Mechau Sts
Type: commercial rental (mixed use with hotel)
Status: in planning
Developer: Ingenuity Property Investments Ltd
Investment: R650m (TBC)

19 156 Roggebaai

Location: cnr Christiaan Barnard St, Martin Hammerschlag Way & FW De Klerk Boulevard
Type: commercial, medical, retail
Status: starting 2015 for early 2017 completion
Developer: FWJK Developments
Investment: R330m



USER PERCEPTION

survey

The 2014 User Perception Survey is the second iteration of this survey, first conducted by the CCID in 2012. Its purpose is to better understand *who* is moving daily through the Cape Town Central City, *why* they are here, and *what* they think about the urban environment.

Comparative year-on-year trends appearing across the survey are also revealing a significant shift in the nighttime economy (as it grows) as well as the use of public transportation since the introduction of the MyCiti Integrated Rapid Transit (IRT) system in 2010 and the ongoing addition of new routes linking the CBD to other areas.

There are many applications of the data.

+ As an organisation, the CCID can better orientate its services to match the users of the space.

+ The information gathered empowers businesses and retailers to better understand who is moving through the CBD in order to develop the potential of new – while also retaining the loyalty of existing – clients and customers.

Methodology

The fieldworkers conducting the survey undertook face-to-face interviews on the streets of the CBD using a random-intercept model to ensure statistical authenticity. A structured questionnaire framed the responses, which were done on foot and often en route to the respondent's final destination.

The total sample of 1 620 participants surveyed was broken down into:

Daytime: 1 227 people

Nighttime: 393 people¹

Fieldwork period of Daytime Survey:

Start: 16 November

Finish: 22 November

Fieldwork period of Nighttime Survey:

Start: 19 November

Finish: 22 November

+ For town planners and City officials, the information enables a more functional urban environment based on the profile of users of the space.

The overall survey divided the fieldwork between daytime and nighttime windows in order to capture the differences between the two time frames in the CBD. This enables better understanding of the impact of aspects such as public transportation and perceptions around safety, among other things.

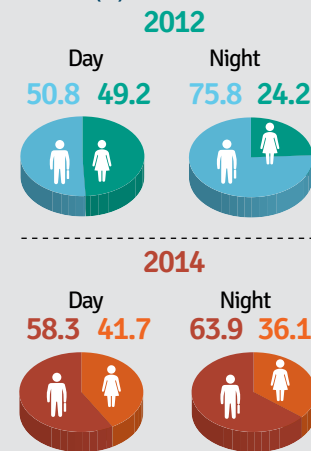
Overall, the results of the 2014 survey reflect a continuity of the 2012 results, and show even more strongly that the Cape Town CBD is a space of diversity, functionality and growth. Highlights from the survey appear on these pages, indicating comparative results across 2012 and 2014 (when these exist, as new questions are introduced year on year), as well as between daytime and nighttime results.

¹ See more on the nighttime results on page 24.

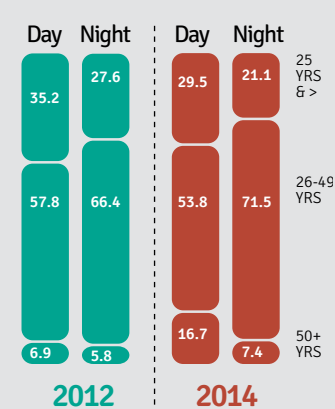
Demographics

The following compare not only daytime to nighttime results but also the results achieved in 2012 versus 2014 (with the exception of the question on household income, in which 2014 results only are shown).

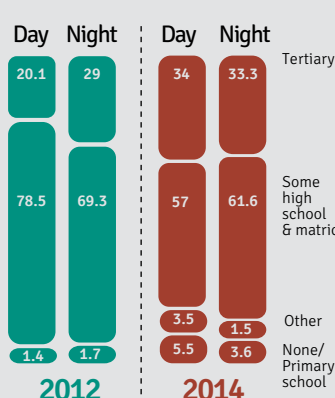
GENDER (%)



AGE DISTRIBUTION (%)



HIGHEST LEVEL OF EDUCATION ACHIEVED (%)



MONTHLY HOUSEHOLD INCOME AFTER DEDUCTIONS (2014 only)

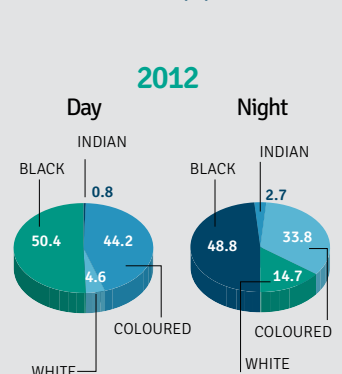
Day 2014

R12 000: 16.6%
 R5 000-R11 900: 17.2%
 R4 900 or less: 45%
 Don't know: 7%
 Refuse answer: 14.2%

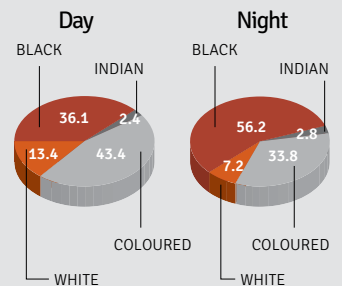
Night 2014

R12 000: 14%
 R5 000-R11 900: 19.8%
 R4 900 or less: 46.1%
 Don't know: 1.3%
 Refuse answer: 18.8%

RACIAL PROFILE (%)



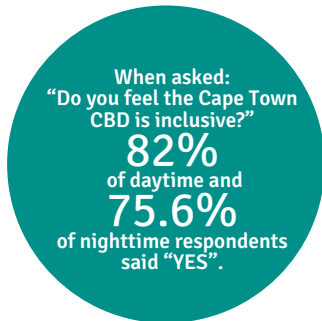
2014



92.4%
of daytime and
85.3%
of nighttime respondents
voted Cape Town as
the best CBD
in South Africa.

70.7%
of 2014 respondents agreed
that the Cape Town CBD
economy was growing.

When asked "Do you ever
come to the CBD just for fun?"
77.5%
of respondents said
"YES".



Moving into and around the CBD

PRIMARY MODE OF TRANSPORT INTO THE CBD DURING THE DAYTIME (2014 only)

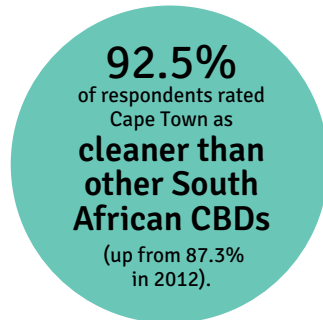
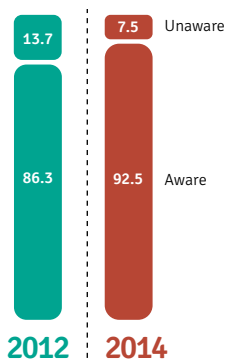
Metrorail (train): **29.6%**
Minibus taxi: **25.5%**
Golden Arrow (bus): **19%**
Driver of private car: **12.5%**
Passenger in private car: **4.2%**
MyCiTi (bus): **3.1%**
Motorcycle: **0.2%**
On foot: **4.7%**
Other: **1.3%**

PRIMARY MODE OF TRANSPORT INTO THE CBD DURING THE NIGHTTIME (2014 only)

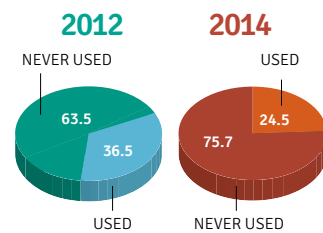
Metrorail (train): **12.3%**
Minibus taxi: **26%**
Golden Arrow (bus): **10.2%**
Driver of private car: **25.2%**
Passenger in private car: **12.3%**
MyCiTi (bus): **2.1%**
Motorcycle: **0.5%**
On foot: **8.8%**
Other: **2.4%**

MYCITI RAPID BUS TRANSIT SYSTEM (DAYTIME RESPONDENTS)

Are you aware of the MyCiTi during the day? (%)



Do you use the MyCiTi during the day? (%)



How do you rate the MyCiTi system? (%)



Why do you think the CBD is rated as one of the best in SA?

The top responses received during both Daytime and Nighttime surveys – multiple options could be chosen.

	Day	Night
Multi-cultural people	29.8	40.2
Safe environment	27.5	36.4
Clean environment	20.9	28.1
Family-friendly place	13.8	22.2
Popular business and investment destination	8.3	19.8
Popular tourist destination	23.6	19.5
Rich architectural and cultural heritage	21.5	18
Visible security	14.5	11.5
Variety of entertainment facilities and activities	13.4	8.3

The retail experience

Are you happy with the retail mix in the CBD?

76.8% said “YES”

When asked what new additions they would welcome into the mix, respondents chose the following (multiple options could be chosen).

- + Movie theatres: **26.4%**
- + Clothing shops: **19.3%**
- + Family-oriented shops: **14.4%**
- + Large chain retailers: **11%**
- + Restaurants: **9.5%**
- + Small boutique retailers: **4.5%**
- + Homewear and decor shops: **3.8%**

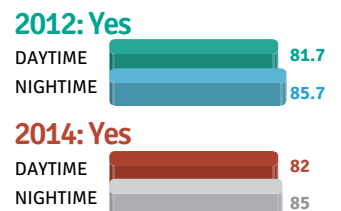
Do you buy from informal traders?

2012
78.5% said “YES”

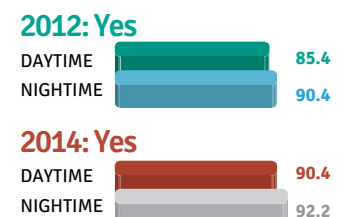
2014
73.4% said “YES”

Safety & security

Do you feel safe in the CBD? (%)

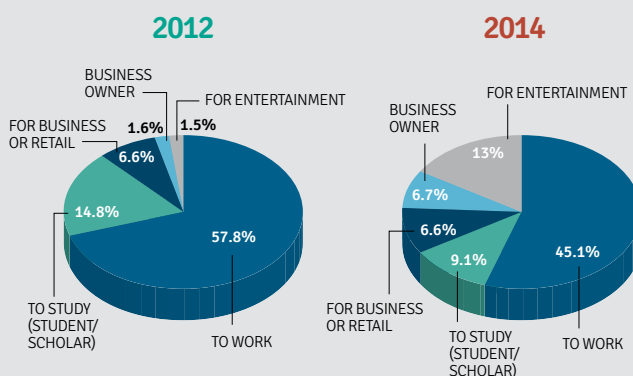


Do you feel Cape Town's CBD is safer than other South African CBDs? (%)



Why people are in the CBD

The top 5 responses received during the 2012 and 2014 Daytime surveys¹



¹ The top five collectively make up 81.5% of the 2012 survey and 81.7% of the 2014 survey.



03

LIVING IN THE CENTRAL CITY

Many aspects of this report indicate the ever-increasing strength of the CBD's residential component – from the growth in property prices and the demand for residential apartments to the increase in entertainment and retail options required to service a downtown community.

From only around 750 residents a decade ago, the CBD's residential population is estimated now to be well on 6 000, moving ever closer to the critical mass that will make it a 24/7 live, work, play and stay environment.

There are increasing numbers of families with children as well as a spread across all age groups. People are indicating they are living in the CBD by choice for much longer than what had been seen in the past, when the Cape Town CBD was seen as a relatively transient environment made up largely of students and young professionals for whom the downtown lifestyle was just a phase of their lifespan.

Following the residential trends opposite, on pages 22-23, are the results of the annual Online Residential Survey undertaken by the CCID. This survey is the second of its kind and a vital link to understanding how this residential market is growing, what it enjoys about the urban lifestyle and what it needs.

RESIDENTIAL PROPERTY *trends*

In 2014, the Cape Town Central City continued its trend of strong property sales, with 191 apartments selling in 36 sectional title blocks.

From 2005 to 2014, the Cape Town CBD's residential property component has shown significant growth. This is largely due to the increased attractiveness of the urban environment the Central City offers as well as increase in investor confidence. The CBD's diverse range of rental options also means there's something for just about everyone – from businesspeople who want to be near to work to families and students seeking a downtown lifestyle.

RESIDENTIAL SALES IN RAND VALUE

- + 2013: **R249 million across 163 units**
- + 2014: **R296m across 191 units**

AVERAGE SALE PRICE

- + 2013: **R1.428m**
- + 2014: **R1.552m**

AVERAGE SIZE AND PRICE

- + **34m²** (at Senator Park, which went for R475 000) to **315m²** (a three-bedroom unit at 15 on Orange on Orange Street, which sold for R9m – 4.7% above the listed price)
- + The average size of CBD units: **80.73m²**
- + Average price per m²: **R19 227.85**

DAYS ON THE MARKET

- + Overall, apartments stayed on the market for an average of **109.27 days**.
- + However, of those, **71.72% (137) sold within 90 days**, with an average of just **26.42 days** spent on the market, demonstrating that well-priced residential units in the CBD continue to be snapped up.



Listed vs sale prices

The average difference between the listed and sale price was -4.43%, and -3.36% for the 71.72% of properties sold within 90 days. Most sales took place in July (22 transfers), followed by January (20 transfers). However, the 191 total sales were otherwise fairly evenly spread throughout the year.



Apartments in the Cape Town CBD

Buildings in which property transferred during 2014

15 on Orange • 34 St George's • The Adderley • Cartwrights Corner • Castle Gate • Colosseum • The Decks • De Oude Schuur • The Edge • Flat Rock • Fountain Suites • Four Seasons • Glaston House • Greenmarket Place • Guarantee House • Hip-Hop Plaza • The Icon • Impala House • Kimberley House • Lutemborg • Mandela Rhodes Place (comprising four blocks: Court Chambers, Fairbairn, The Towers and The Winery) • Market House • Mutual Heights • Namaqua House • North Wharf • The Pepper Club • Perspectives • The Piazza on Church Square • Senator Park • The Square • St Martini Gardens • Trafalgar Place • Wolroy House

On the residential rise

The residential property market in the CBD has seen phenomenal growth since 2011. The following reflects the collective rand value of all residential sales comparatively year on year.

- + 2011: **R115m**
- + 2012: **R145m**
- + 2013: **R249m**
- + 2014: **R296m**

MONTHLY RESIDENTIAL RENTALS IN THE CBD

The average rentals across a selection of Central City residential blocks (at the time of going to print), as per www.Property24.com, was:

- + Studio/bachelor: **R7 500pm**
- + 1 bedroom: **R12 889pm**
- + 2 bedroom: **R17 438pm**
- + 3 bedroom: **R27 250pm**

THE ANNUAL CAPE TOWN CENTRAL CITY IMPROVEMENT DISTRICT (CCID) *Residential Survey Infographic 2014*

In order to find out more about who lives in and around Cape Town's CBD, the CCID once again ran its annual Online Residential Survey in August 2014. A total of 293 people responded from the Central City, providing us with a wealth of information on who lives in the CBD, what they like about it, the things they'd like to see improved, and the different ways the CCID can make the CBD an even better place to live.



Map showing
coverage area of
CCID
Residential
Survey



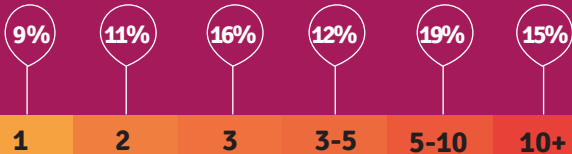
FEELINGS OF SAFETY IN THE CBD

- not safe at all
- not very safe
- somewhat safe
- pretty safe
- very safe



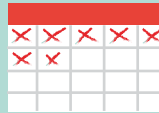
How long people have lived in the CBD (in years)

2% live in CBD part-time
6% own CBD investment property



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

0-6 months: 4%
6 months - 1 year: 4%
1-2 years: 9%
2-4 years: 11%
4+ years: 50%
Not sure: 22%



Top 3 reasons for living in CBD

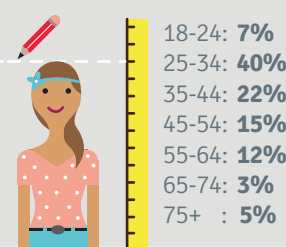
(In order of popularity)



RENT VS OWN



Age spread of residents

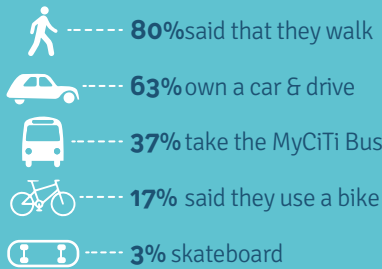


MOVING AROUND THE CBD



Percentage of respondents living within 3 kms of their work or school, making non-motorised commuting a serious possibility

People move around the CBD in a lot of different ways. Here are some of the ways that people get from A to B:



Other options? Some push a pram, others take motorcycles.

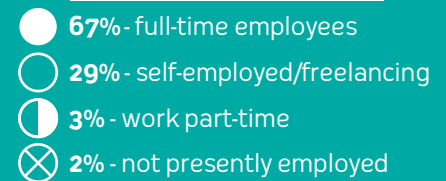
What kinds of retail advances do residents want to see?



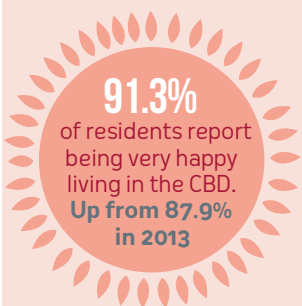
Top 3 categories of professionals in the CBD

- ➔ Architecture and Engineering
- ➔ Media, Marketing & Comms.
- ➔ Creative Industries

How do people work?



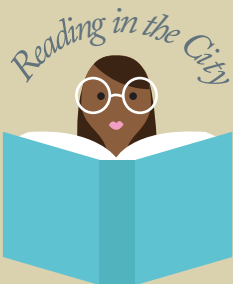
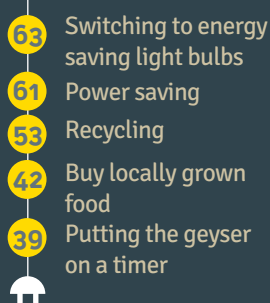
THE HAPPINESS FACTOR



Residents like big events in the CBD

68% said they like attending public art & performance events on the city's streets.

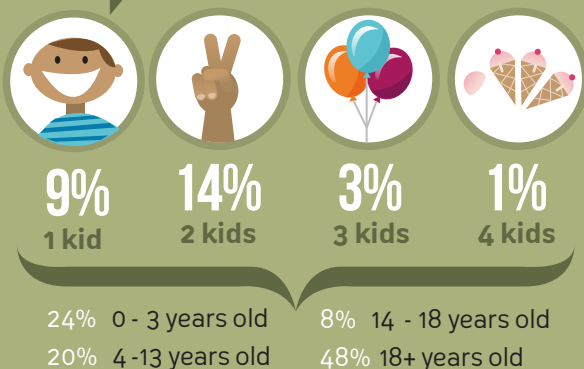
Top energy saving measures taken by residents — by %



24% of respondents use the libraries in the Central City
62% do not.

14% didn't know we have libraries in the Central City
Time to get reading!

27% of respondents have children, of which the following are the number of kids per family:

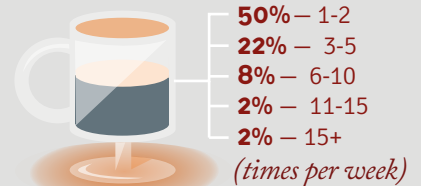


TOP 3 REQUESTS FROM CENTRAL CITY PARENTS

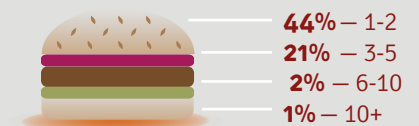
- ➔ More child-friendly public spaces
- ➔ Public toilets with changing facilities
- ➔ Daycare

EATING AND DRINKING IN THE CBD

84% of residents visit a CBD coffee shop at least once a week



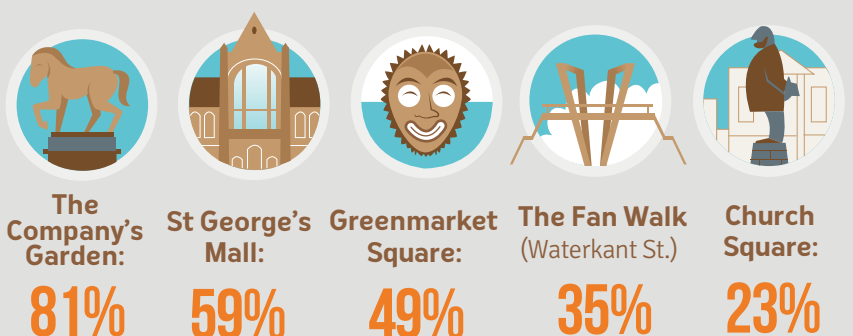
68% of residents frequent a CBD restaurant at least 1x per week



The top places that residents go out in the CBD

Kloof Street and surrounds — 68%
Long Street and surrounds — 48%
Bree Street and surrounds — 43%

TOP FIVE PUBLIC SPACES FOR CBD RESIDENTS (by percentage of use)



27% of residents who took this survey have pets

85%
of respondents said they
feel safe overall being in
the CBD at night, while
92%
felt the Central City was
safer than other
South African cities
at night.

THE CBD'S BURGEONING NIGHTTIME ECONOMY

The Central City's nighttime economy has grown exponentially since Cape Town's (and South Africa's) success at hosting the 2010 FIFA World Cup™, and the CBD's own success at both hosting the international visitors that streamed in and encouraging locals to return to the area – many of whom had not experienced leisure time in the area for many years¹.

Since then, the CBD has experienced not only a significant increase in the number of bars and clubs for late-night patrons (an economy for which the area has traditionally catered), but is seeing an increasing number of new restaurants and other establishments catering for different markets, including families. Likewise, the number of afterhours events in public spaces has increased significantly over the course of the past years (see page 13).

The introduction two years ago of the First Thursdays concept (see opposite), in which art galleries, bespoke shops and eateries stay open until at 21h00 and beyond, has also introduced a new clientele who have come to realise that vibrant nighttime streets are safe streets. As the residential component continues to grow, and the demand increases for afterhours facilities to service this market, there is no doubt that the Central City downtown over the next few years will become a true 24/7 economy.

User Perception Survey on nighttime economy

As explained on pages 18-19, the CCID conducts User Perception Surveys every two years, and includes responses from nighttime users of the CBD. During the 2014 survey, respondents included those engaged in leisure activities at night as well as those on their way to work. Where these are noteworthy, results are compared between the 2012 and 2014 survey.

AVERAGE MONTHLY INCOME OF PEOPLE ON THE STREETS OF THE CBD AT NIGHT

- + R12 000 plus: 14%
- + R5 000 – R11 900: 19.8%
- + R4 800 or less: 46.1%
- + Don't know/ refuse to answer: 20.1%

FREQUENCY WHEREBY ENTERTAINMENT AND RETAIL OUTLETS WERE VISITED BY NIGHTTIME USERS IN 2014

	2012	2014
Daily:	28%	44%
Several times a week:	28%	8%
Once a week/ 4 times a month:	8%	11.5%
Once a month:	32%	10.9%
1-2 times a month:	20%	3.1%
1-2 times a year:	4%	2.5%

The most interesting point to note here is that the increase in categories "daily" and "several times a week" has gone up significantly between the 2012 and 2014 surveys, confirming the growing body of regular users of the CBD's nighttime entertainment and retail economy.

ON DUTY

43.3% of respondents were **present at night in the CBD to work**, in establishments such as call centres, restaurants, bars, buildings (cleaning crews) and other facilities.

4.1% of respondents in the CBD at night **were business owners**.

INCLUSIVITY

75.6% of respondents **found the CBD's nightlife to be inclusive**.

RATING OF CLEANLINESS AT NIGHT

A clean CBD is always felt to be a safer CBD, and perceptions around this have improved since 2012.

	Good	Very good/ Excellent
2012:	44.7%	40.6%
2014:	41.6%	48.8%

SAFETY & SECURITY AT NIGHT

This question rated the presence of visible security and policing at night, and the trend is positive.

	Good	Very good/ Excellent
2012:	37.2%	38.3%
2014:	36.9%	47.9%

Bedtime

The business of visitor accommodation in the CBD

The Cape Town Central City has **57 accommodation establishments** ranging across the spectrum of hotels, B&B, self-catering and backpackers. These offer guests a total of **4 600 beds**.

Cape Town Tourism tracks the trends in occupancy rates in these establishments across the metro region through their monthly Accommodation Performance Review and Forecast Report². Each month, a percentage of accommodation providers are surveyed to establish a sample of key accommodation sector indicators. The figures below, for establishments in Cape Town's Central City, reflect the health of the accommodation sector in our CBD over the last 12-month assessed period, and compares the CBD figures against the metro region averages.

OCCUPANCY RATES

Cape Town CBD	Metro region
Annual average	
69.8%	66.18%
Highest occupancy months	
November	
84.7%	78.2%
February:	
88.6%	87.1%
March	
87.7%	81%
Lowest occupancy months	
June	
54.2%	47.1%
August	
51.1%	51.7%
Room rates (per person)	
Annual average	
R1 353.08	R1 248.33
RevPAR³	
R969.50	R 847.50

1 The Cape Town Stadium is in the suburb of Green Point, directly adjacent to the CBD, and part of the 2010 experience in the Central City was to engage with the 2.3km pedestrian- and bicycle-friendly Fan Walk that enabled people to move safely between the Cape Town station forecourt in the CBD (the city's main transport hub) to the stadium. The Fan Walk remains a legacy project in the Central City. It is activated every time the stadium hosts a medium to large-scale event, and is used daily by pedestrians and cyclists.

2 The Accommodation Performance Review and Forecast Report is conducted by Horwath HTL South Africa, an independent member firm of Crowe Horwath International's Hotel, Tourism and Leisure Group – consultants for potential investors, lenders and operators. www.horwathhtl.co.za

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

Results of the FIRST THURSDAYS SURVEY

First Thursdays is a citizen-led, ground-up initiative to support art galleries and at the same time use them as a catalyst for activating the streets of the Central City after hours.

This activation, on the first Thursday of every month (with the exception of January), turned two years old in November 2014. A still relatively young event, it has been hugely encouraging to see how the public and galleries have embraced it, and how a wave of participation from other businesses that lie in the event's footprint has been growing – such as bespoke decor shops, clothing boutiques, and eateries including bars, restaurants and food trucks. A strong fringe festival element has also been brought on board that includes music and performance art in public spaces.

The event is also increasingly attracting a diverse range of people not usually seen after hours in the CBD, particularly families. This bodes well as the Central City looks to extend its nighttime economy across a range of opportunities catering to different markets and also dovetails with the diverse and growing residential population.

To monitor and trend the growing success of First Thursdays, a dipstick survey was first conducted with members of the public in 2013, and again in 2014. This was a joint initiative conducted by the organisers of the event and the CCID. From a retail perspective, the First Thursdays concept was also included in the CCID's May 2014 Retail Opinion Survey¹. The following are some of the highlights from these 2014 surveys relating to this monthly event.

coincide with the First Thursdays activation. Of those surveyed regarding the event:

- + **16%** of retailers said they were noticing a positive change in business.
- + **80%** said that the event had not yet had an effect on their business (in terms of them not yet having exploited the opportunity).
- + **4%** said that it impacted negatively on their business.

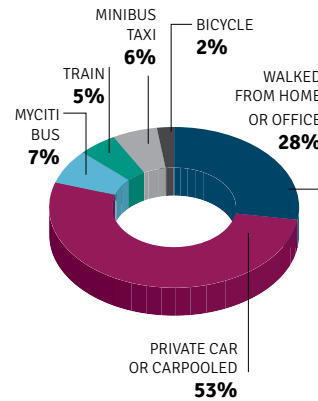
From the First Thursdays Survey 2014

These surveys were set up to better understand how First Thursdays is impacting on the Central City experience after hours. During the 2014 survey, 104 people took part, divulging information regarding their personal profiles as well as their engagement with what First Thursdays had on offer. The data helps to create a better understanding of who's attending and how the activation is helping to drive the economy of the CBD.

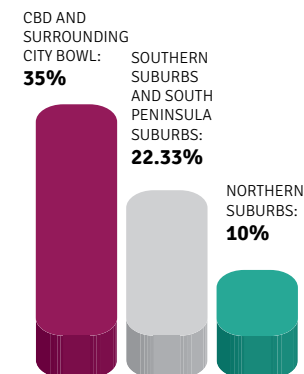
AGE OF PEOPLE ATTENDING

- 15-18: 1%
- 19-24%: 35%
- 25-34%: 35%
- 35-44%: 16%
- 45 and above: 15%

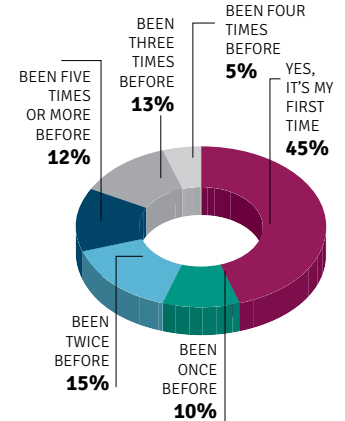
HOW PEOPLE GOT TO FIRST THURSDAYS



PEOPLE WHO GO TO FIRST THURSDAYS LIVE PREDOMINANTLY IN THESE AREAS



IS THIS YOUR FIRST TIME AT FIRST THURSDAYS?



On a scale from 0 to 5 (from not great at all at 0 to really great at 5), the average at which people rated their overall experience of the First Thursdays event stood at **4.31**, reflecting strong positive public opinion towards this event in the CBD.

87% of people surveyed said that they planned on eating at restaurants in the area on the evening – this included the many food trucks that are set up on the streets specifically during First Thursdays.

54% of people had previously visited galleries in the CBD before coming to the First Thursdays event.

For more information on First Thursdays, visit www.first-thursdays.co.za

From the May 2014 Retail Opinion Survey

The results of this survey indicated that there were numerous opportunities still for retailers in general in the CBD to benefit from extending their trading hours² to

¹ For more on the Retail Opinion Survey see page 26 of this report.

² A desire to extend retail trading hours was also expressed by CBD dwellers in the 2014 Online Residential Survey (see pages 22-23).



RETAIL IN THE CBD



Retail is a critical component of a successful downtown, and with over 1 200 formal retailers in the Cape Town Central City, employing a conservative estimate (see opposite) of 10 867 employees, this sector is a significant contributor to the CBD job market.

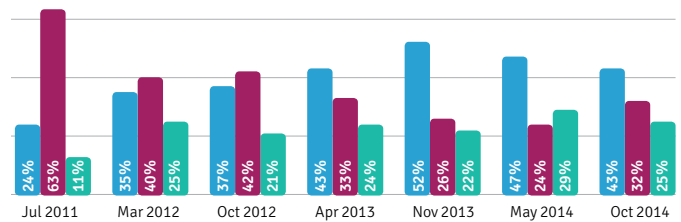
The retail sector in the Central City is one that has been regularly surveyed for a number of years by the CCID and – while the Cape Town CBD is also experiencing the same tightening economic climate as the rest of the world – levels of confidence in doing business in the area remain buoyant overall.

Formal Retail Opinion survey

Run twice a year by the CCID (in May and October during 2014), the Retail Opinion Survey captures the sentiment of formal retailers in Cape Town's CBD to determine how confident they are in business growth, what their future plans for expansion are and other pieces of strategic information that help to track the confidence and strength of the sector.

CURRENT BUSINESS STATUS OF RETAILERS

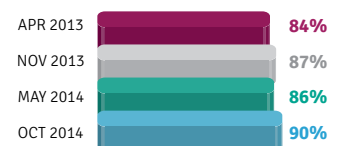
● BUSINESS AS USUAL ● DECLINE IN BUSINESS ● GROWTH IN BUSINESS



Level of satisfaction in having chosen the CBD as a base for business:



Retailers' confidence levels that they will still be operating in a year's time:



RETAIL AND MYCITI

Our May 2014 survey asked retailers whether they think the MyCiti bus rapid transit system is helping to drive up customer numbers in their CBD shops. Here's what they've been saying.

+ Yes, it has been increasing customer numbers: **21%**

- + No, it hasn't been increasing customer numbers: **41%**
- + Businesses are not sure as to how it's affecting their trade: **34%**
- + Businesses are not located sufficiently close to a route or station to benefit: **4%**

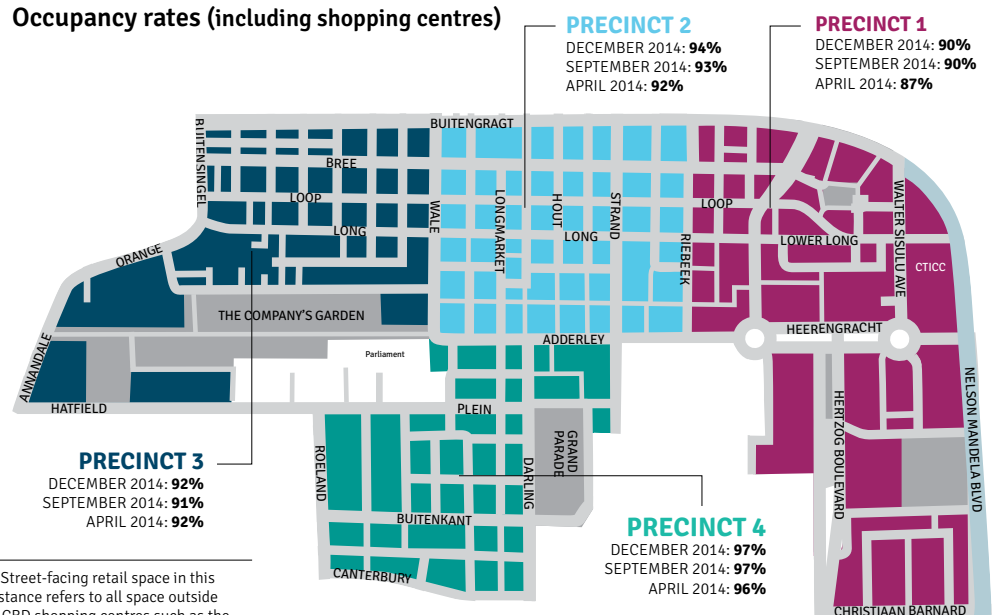
Setting up shop

TOTAL LETTABLE SPACE

The total estimated square meterage, vacant and occupied, of retail space in the Central City is 265 145m². This is divided into street-facing¹ retail space of 186 829m² and 78 316m² in shopping centres.

Average overall CBD occupancy rate was **93%** (marginally down from 94% in 2013, indicating a very consistent occupancy rate).

Occupancy rates (including shopping centres)



1 Street-facing retail space in this instance refers to all space outside of CBD shopping centres such as the Golden Acre and Picbel Parkade.

A study in formal Retail Employment Density AND EMPLOYMENT NUMBERS

Along with determining retailer satisfaction, the CCID also used its bi-annual formal Retail Opinion Survey in 2014 to extrapolate the number of employees that work in retail (and its subsectors) in the CBD. This was done to estimate the economic value of employment in this sector in the Central City. Additional questions were incorporated into the opinion survey, and the results were then compared against (and reinforced the results of) an employment density study conducted by the CCID in 2012.

The results of the study can be seen on these pages, with the first two tables relating to employees who work at retail venues at ground-floor level that open directly onto the city streets. The numbers of employees at shopping centres were then also estimated and then added at the end of the study.

RETAIL SUBSECTOR	AVERAGE M ² PER EMPLOYEE
Barrows/kiosks	5
Books/cards/stationery	56.9
Clothing & apparel	39
Convenience services	29.6
Department stores	15
Electronic/ photography/music	26.4
Eyewear	24
Food	17.9
Food Services	13.2
Health & beauty	27.1
Home furnishings/arts/ antiques/decor	29.8
Jewellery	22.2
Motor & related	42.4
Shoes	43
Speciality	79.3
Sport utilities	28.4
Sporting/outdoor goods/wear	18.2
Superette	21.8
Travel/hotel & services	14.5
Total	28m²

Of interest is that the average of 28m² per retail employee is significantly higher than the CBD's overall employment density of 20m². This is as a result of certain retail outlets having a

much larger than average floor space, which at times can be as high as 90m² per employee. These include retail stores such as those involved in automobile sales and other high-space specialty enterprises. The retail subsector with the lowest average is food services.

EMPLOYEE NUMBERS

The information obtained was then matched against spatial data on the estimated amount of retail floor space in the CBD in order to generate estimated data on the number of employees in each sector of retail. The estimates follow.



RETAIL CATEGORY	SUM OF SALES AREA BY CATEGORY	EMPLOYMENT DENSITY FROM DENSITY ANALYSIS	ESTIMATED NUMBER OF POTENTIAL EMPLOYEES
Barrows/kiosks	1110	5	222
Books/cards/stationery	1527	56.9	26.8
Clothing & apparel	16550	39	424.4
Convenience services	9407	29.6	317.8
Department stores	7003	15	466.9
Electronic/ photography/music	7125	26.4	269.9
Entertainment	5278	28	188.5
Eyewear	688	24	28.7
Food	7011	17.9	391.7
Food services	31404	13.2	2379.1
Health & beauty	5835	27.1	215.3
Home furnishings/art/ antiques/decor/curios and african art work	13854	29.8	464.9
Jewellery	2420	22.2	109
Luggage & leather goods	593	28	21.2
Motor & related	19819	42.2	469.6
Non-turnover- generating stores (eg banks)	14639	28	522.8
Shoes	2616	43	60.8
Speciality	6498	79.3	81.9
Sport utilities	7035	28.4	247.7
Sporting/outdoor goods/wear	2410	18.2	132.4
Superette	421	21.8	19.3
Hotel & travel services	5014	14.5	345.8
Vacant shops	16187	28	578.1
Vacant shops under construction	1412	28	50.4
Wholesalers	973	28	34.8
Total			8069.9

In our ground-floor level retail, we thus have an approximate number of **8 070 employees** working in the CBD.

ESTIMATING SHOPPING CENTRE EMPLOYMENT NUMBERS

Although no direct data exists on CBD shopping centres, researchers working on this study were still able to estimate the square meterage (total spatial area) of the four centres in the Central City. Assuming a 100% occupancy, which is generally the case for shopping centres in the CBD, the study then applied the average retail density of 28m² per employee to each centre. Here are the extrapolated, conservative employment densities.

SHOPPING CENTRE	CENTRE AREA	AVERAGE NUMBER OF EMPLOYEES FROM DENSITY ANALYSIS	NUMBER OF EMPLOYEES
Golden Acre	43840	28	1565.7
Grand Parade Centre	9478	28	338.5
Grand Central	12388	28	442.4
Picbel Parkade	12610	28	450.4
Total			2797

CONCLUSION

Adding up the estimated figures for both ground-floor retail and shopping centres, it is estimated that conservatively there are

10 867 employees working in the CBD's retail sector.

04

CONNECTING THE
CENTRAL CITY
TO THE REST OF
THE WORLD*Economic partnerships in the
Cape Town CBD*

Strong public and private partnerships make for a vibrant downtown economy. In the Cape Town Central City, there are a number of organisations working closely together to ensure this collaboration.

The Cape Town Central City Improvement District

The publisher of this report, the Cape Town Central City Improvement District (CCID), has been in operation since 2000, when it became the implementation body through which to turn back the Cape Town CBD from the edge of urban decay.

The first CID (often referred to as a BID or business improvement district abroad) in South Africa and the largest, covering a specific geographical area of 1.6km² (see page 3), the CCID is today one of 32 special ratings areas in the City of Cape Town. A public-private partnership and non-profit organisation, it was originally

established by local property owners with a vision for the Cape Town CBD to rise from the “crime and grime” scenario it had fallen into to once again become a viable urban environment.

During its first decade in operation, the CCID’s mandate was to ensure the CBD was “Safe, clean and caring”. To this end, it established three departments to provide top-up services to complement those of the CCID’s primary partners at the City of Cape Town and the South African Police Service. These departments, still in operation today, comprise Safety & Security, Urban Management and Social Development.

By 2008, with the basics in place, the CCID turned its attention towards the active promotion and marketing of the Cape Town CBD to attract new investment and to ensure the retention of investment made into the area by the stakeholders who had helped to uplift it. The vision evolved to “Safe, clean, caring and open for business” and in 2013 a fulltime Communications & Marketing department was added to the mix.

Today the CCID boasts a fulltime staff complement of 20, who

oversee a workforce of over 600 in the CBD. These include:

- + **230 CCID-branded Public Safety Officers** on the street to prevent crime through visible deployment.
- + **60 skilled and 300 semi-skilled cleaners** and a road maintenance team who keep the “spaces in between the buildings” in optimal condition.
- + **3 fulltime social development fieldworkers** who engage with 6 primary NGOs partners on a daily basis to assist the indigent towards social services.
- + **A communications and research network** that, along with enabling publications such as this one, promotes investment in the CBD and the work of the CCID to a media value, in 2014, of well over R18 million.

For more information on the Cape Town CCID visit www.capetownccid.org

The Cape Town Partnership

The Cape Town Partnership, also a public-private collaboration,

was established one year before the CCID and for the first eight years of their co-existence, the mandates of the two organisations operated geographically along identical paths, with both concentrating their work on the Central City. The Partnership acted as the CCID’s managing agent until mid-2014.

While still working for the common good of the Cape Town Central City, since 2008 the Partnership has broadened its horizons, turning its focus towards a 10-year strategic plan in collaboration with the City of Cape Town under the banner “Cities are for people”. This focus now includes a broader geographical area incorporating the suburbs that lie on the border of – and in close proximity to – the Central City. The plan looks towards creating greater interconnectivity across this area and to the broader metro region. This strategy is also seeing the Partnership move away from place marketing and towards place making, recognising that cities are first and foremost networks of human connections 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.

For more information on the Cape Town Partnership visit www.capetownpartnership.co.za.

The Economic Development Partnership

With the mandate to create “effective partnerships for inclusive, resilient growth”, the Western Cape Economic Development Partnership (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, which, between 2001 and 2010, saw economic growth of 45% but only a 16% growth in its regional workforce.

Its membership and projects cross the full spectrum of economic development in the region, many of which have a huge role to play in the Central City economy as well. These include public

entities; business; industry and professional organisations; knowledge, research and policy institutions; civil society; those involved in economic development promotion and intermediary support organisations; and trade unions. Within this spectrum, the EDP's role is to be the intermediary organisation that facilitates real, collaborative, tangible and measurable activities and projects between member sectors and spatial areas.

For more information on the EDP visit www.wcedp.co.za.

Wesgro

The official destination marketing, investment and trade promotion agency for the Western Cape, Wesgro's mandate – as prescribed by the City of Cape Town and Western Cape Government – is “to attract and retain foreign direct investment, grow exports and market Cape Town and the Western Cape as a competitive business and leisure destination globally”. It looks to align the region to national and provincial priorities for economic growth, trade and investment promotion initiatives and facilitate the link between business and government decision makers.

Wesgro has contributed to the Western Cape economy since

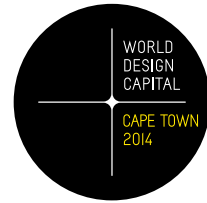
1982 and creates an average of 3 000 jobs per annum through the facilitation of foreign and local investments. By establishing strategic relationships across the globe, it also assists local companies in exporting to foreign markets.

For more information on Wesgro visit <http://wesgro.co.za>

Cape Town Chamber of Commerce and Industry

Established in 1804, the Cape Town Chamber of Commerce and Industry is the oldest member-based business organisation in Africa. Mandated to serve, enable and lead business, it facilitates a multitude of services and networking opportunities among its members. While it ensures that many of its services are aligned to international chambers of commerce as well as global trends in order to nurture international trade development and facilitation, it is ever mindful of keeping its offering relevant to the local market and giving local businesses a voice. It has numerous chapters spread throughout the Western Cape, but houses its head office in the Cape Town CBD.

For more information on the Cape Chamber of Commerce and Industry visit <http://capetownchamber.com>



Assessing the impact of World Design Capital 2014

During 2014, Cape Town held the title of World Design Capital. This designation is awarded biennially by the International Council of Societies of Industrial Design (ICSID) to cities that are dedicated to using design for social, cultural and economic development. Cape Town became the fourth city to hold the title and the first in Africa.

With the theme “Live Design. Transform Life”, Cape Town throughout 2014 highlighted the role of design in solving the social, cultural, environmental and economic challenges of a post-apartheid city.

Though the economic impact assessment will only be unveiled next year (and its results will thus be incorporated into this report when the publishers review 2015), the World Design Capital 2014 project manager, Jenni Kruger, says Cape Town achieved global media exposure as a design destination to the estimated value of R1.8 billion. Meanwhile, the CBD saw:

- + Invigoration of its East City area (an ongoing process, which has seen significant consolidation around the World Design Capital rollout).
- + Growth and expansion of the Cape Craft & Design Institute situated in the East City, including the launch of the Design Innovation Seed Fund (DISF), which will be supported with seed funding from the national Technology Innovation Agency (TIA) and the provincial Department of Economic Development Tourism (DEDAT). The DISF will provide gap funding to innovators and entrepreneurs primarily to de-risk opportunities and bring them closer to securing follow-on funding from the TIA and/or other public and private funders.
- + The hosting of WDC2014 events such as the Better Living Challenge, and pitching sessions, through which a number of temporary jobs were created.

For more information on WDC2014 visit www.wdccapetown2014.com.



The economy of CREATIVITY, THE ARTS & KNOWLEDGE

The Central City's creative industries and educational institutes play a vital role in the economy of Cape Town's downtown, as do the performing arts.

Educational institutes

At 92%, Cape Town's literacy rate is the highest of any city in the country, and with so many registered educational institutions and resources for students in the CBD, there is an ever-increasing influx of learners.

EDUCATION BY THE NUMBERS

45 educational institutions in the CBD

9 162 full-time students

3 530 part-time students

1 648 full-time staff members (up from 1 541 in 2013 and 1 200 in 2012)

CATEGORIES OF LEARNING

- Advertising and marketing
- Design, art and fashion
- Film & TV and music
- Business, vocational and IT
- Health & beauty and hospitality
- Pre-primary, primary and secondary schools
- English and other language schools
- NGOs such as ZipZap Circus and the Rainbow Academy (for the performing arts)

CULTURAL AND PUBLIC EDUCATIONAL RESOURCES

Libraries: Cape Town Central Library, National Library of South Africa and its Centre for the Book

Free Wi-Fi in public spaces: The Company's Garden, upper St George's Mall and Harrington Square (facilitated by the Cape Town Partnership – see page 28).

22 museums and public art galleries dotted around the Central City

Western Cape Education Department in Lower Parliament Street: for information related to primary and secondary education.

Creativity in the CBD

There are 565 Creative Industry businesses/shops/organisations in the CBD, including architects, clothing designers, retailers who sell creative goods, and other related organisations who assist the industry.

To determine the diversity and quantity of creativity happening within the CBD and its immediate surrounds, a survey is undertaken each year by the Creative Cape Town project attached to the Cape Town Partnership. The results of the most recent survey appear opposite and speak to the economic value of this industry for the Central City as well as the opportunities to grow it from strength to strength.

The performing arts

There are six theatres in the CBD, ranging from the independent Fugard Theatre in the East City to the Artscape Theatre Centre on the Foreshore, a multifunctional venue that is also home to a number of performing arts companies including Cape Town Opera, the Cape Town Philharmonic Orchestra and Jazzart Dance Theatre, as well as Fine Music Radio.

ARTSCAPE'S VALUE TO THE CBD¹

An agency of the national Department of Arts & Culture (DAC) belonging to the provincial Western Cape Government (WCG), Artscape manages the Artscape Theatre Centre. Its priority is to build a robust economy, create job opportunities, promote social cohesion and transfer skills for sustainable growth in the arts and culture sector. From the staging of internationally acclaimed productions such as *War Horse* (see picture above) to its dedicated outreach programmes in previously disadvantaged communities, Artscape is strongly committed to being a vehicle for growth and transformation in performing arts.



ARTSCAPE'S ECONOMIC CONTRIBUTION TO GDP

2007-08: **R162 640 638**

2008-09: **R184 952 632**

2009-10: **R245 936 645**

2010-11: **R280 468 261**

2011-12: **R366 934 566**

2012-13: **R402 517 180**

2013-14: **R359 970 303**

Total audience numbers between April 2013 and March 2014:

333 298

PRODUCTIONS AND PERFORMANCES

TYPE	NUMBER OF PRODUCTIONS	NUMBER OF PERFORMANCES*
Ballet/dance	29	138
Concerts	31	40
Drama/comedy	45	241
Screening of films	5	10
Musical theatre	8	187
Opera	3	14
Youth theatre	14	127
Variety shows	2	3

(*760 performances, up from 708 in 2012/13)

Artscape also hosted:

35 exhibitions and conducted **67** educational projects.

ARTSCAPE'S PEOPLE AND AUDIENCES

- Artscape employs **100** permanent and contractual employees.
- It provided **100 skills development opportunities to staff**, 7 technical training programme attendances (with Stellenbosch University), 8 Extended Public Works Programme (EPWP) internship opportunities, 26 Cathsseta learnership opportunities.
- **333 298** people visited the centre to attend events, up from 309 717 the previous year.

ARTSCAPE'S FUNDING

Increased commitment to capital funding from the DAC has put Artscape in a position to significantly expand its facilities, activities and contribution to the Western Cape economy and communities. During the year under review, Artscape received R45.65m from DAC and R14.335m from WCG for capital works funding – a substantial investment in the CBD facility, demonstrating economic confidence at both national and provincial level in the performing arts.

During the 2013/14 period, Artscape's economic performance saw revenue of R23 447 151 generated, over and above the agency's self-set target of R19 963 000 – this target was set as a goal to ensure the supplementation of the agency's national government grant.

For the 2014/15 season ahead, planned capital works projects have been estimated to be in the region of R86m, and will include maintenance, enhancements and upgrades to internal structures such as foyers and public facilities as well as operational equipment relating to staging. External upgrades to the facade are also planned.

CAPE TOWN CENTRAL CITY LIBRARY

663 144

people visited the city's main library, situated in the CBD, during 2014, averaging out to 1 817 visits per day.

FUGARD THEATRE

This independent theatre in the CBD put on **10 major productions** in 2014, hosted **125 000 people** and employed **90 people** across all shows, including operational staff.

¹ All information for Artscape was taken from its *Annual Report 2013/14*.

CREATIVE CAPE TOWN

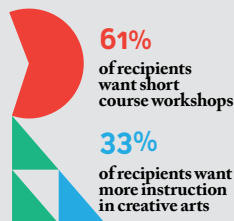
survey 2014

To help Creative Cape Town better communicate with and support the development of the local creative industries, over 300 creatives and supporters completed a survey on the local creative economy. Here's a graphic snapshot of who replied and what they shared with us.

Survey respondents (%)



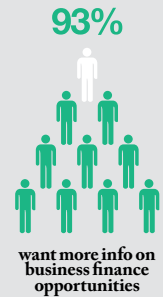
Interest in further education



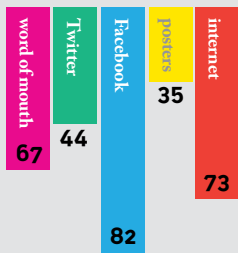
Favourite creative events to attend (%)



Business financing



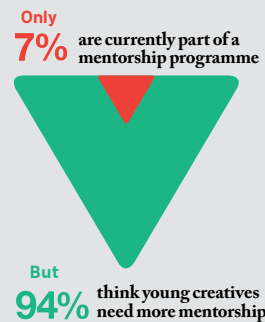
Favourite ways to learn about new events (%)



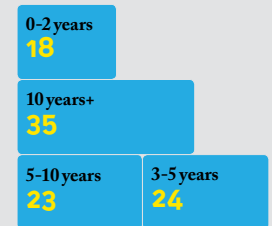
Creatives want more info on (%)



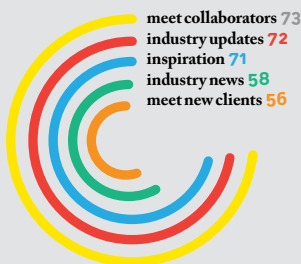
Mentorship programmes



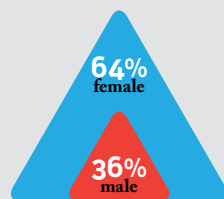
Years worked in the creative industry (%)



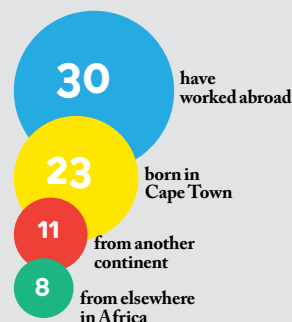
Aims & benefits of networking (%)



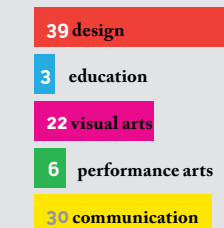
Gender of respondents



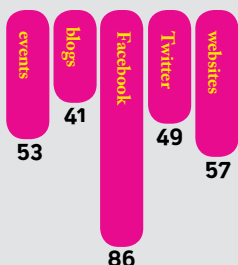
International influence (%)



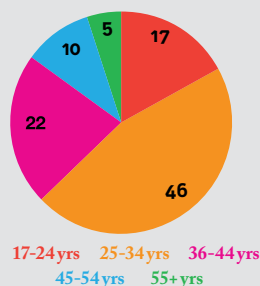
Top 5 creative sectors (%)



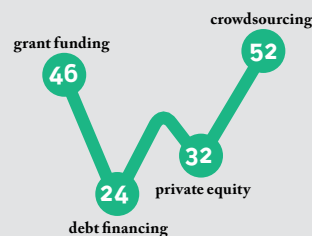
Favourite way to communicate (%)



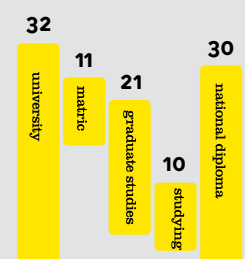
Respondents' age (%)



Preferred funding sources (%)



Completed education levels (%)



TRANSPORTATION *in the CBD*

A strong and reliable public transportation network plays a vital role in a CBD, not least of which is affecting behavioural change and getting people out of private motor vehicles and onto more sustainable modes of transport.

A city's strategy to provide a transportation network that services all its communities will also support the transformation of that city into a more sustainable destination overall. The data across these pages shows how people move around Cape Town, both in the CBD and in the larger metro region. The figures can be attributed largely to Transport for Cape Town (TCT), a dynamic operational division at the City of Cape Town, supported by data from interest groups striving towards the creation of a low-carbon Central City.

Cape Town Household Transport Survey¹

The Cape Town Household Transport Survey was conducted by TCT in 2013 and results processed and analysed in 2014. Using a sample size of 30 196 Cape Town commuters, the survey was designed to analyse the way people move around the metro region. It is thus not a population survey of all trips taken each day in Cape Town, but rather a sample that yields important numerical indicators.

The data was collected by TCT and looked at commuting trips taken for work and/or education purposes only. A weighting system was developed in order to use the sample data as a means to project metro-wide averages and forecasts for average transport

data. All data represents a 24-hour period: ie the number of trips taken reflects an average day in Cape Town.

The following data has been extracted from the survey for being relevant to the Cape Town Central City.

CBD SPECIFIC DATA

- + **6.1%** of all commutes in the metro region **are from areas outside the CBD into the CBD** (5.6% of the greater Cape Town Metropolitan Area to CBD + 0.5% of greater central city² to the CBD).
- + Weighted data shows that trips with a destination within the CCID area account for **2 553 113km** travelled by the population.
- + Of the previously estimated **350 000 people** who move through the CBD every day, this new data set indicated that approximately **151 403 people end their trip in the CBD** for purposes of work or education.

- + The average distance driven to the **CBD is 16.9km**.
- + The average trip time is **61.8 minutes**.
- + The average speed is **18.5km/hour**.

WHERE DO DAILY COMMUTERS INTO THE CBD COME FROM?

- + **21.8%** come from **Mitchells Plain/Khayelitsha**.
- + **18.4%** come from **Klipfontein/False Bay**.
- + **15.8%** come from **Table Bay**.
- + **12.5%** come from **Tygerberg**.
- + **10.4%** come from the **southern region** (southern suburbs and south peninsula, excluding False Bay).

1 As collected and processed for the Low-Carbon Central City Strategy, 2014 (see also pages 32-33), by Royal HaskoningDHV and the City of Cape Town, 2013

2 In this particular instance, the "greater central city" refers to the suburbs directly bordering onto the Cape Town CBD, formally referred to as the Central City elsewhere in this report.



+ **9.74%** come from the **West Coast**.

+ **5.62%** come from **northern suburb**.

+ **4.02%** come from **eastern suburbs**.

+ **1.66%** come from **Malmesbury/Paarl**.

Parking for private motor vehicles in the CBD

There are **2 000** kerbside parking bays with rates of R12/hour or part thereof.

There are **12 304** off-street, open bays (average monthly rate per bay: R720).

9 831 of off-the-street bays are under cover (average monthly rate of R962).

Of all off-street/undercover bays available,

2 098 are available for casual, daily use.

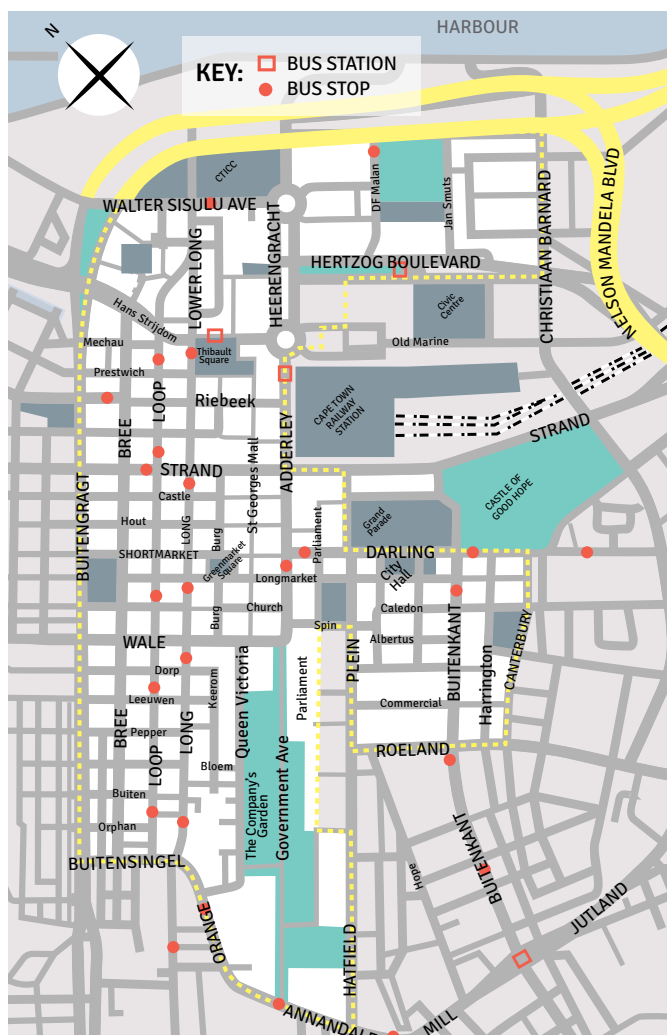
The average rate for a casual off-street parking bay is **R54.85/day** or R9/hour.

Traffic alleviation and pedestrian safety project

Transport for Cape Town is currently undertaking a review of traffic signals and pedestrian crossings at 110 intersections in the CBD to better synchronise and improve timing. At a cost of R6.5 million, the aim of the project is to reduce delayed commute times through the CBD (particularly at key strategic junctions), increase mobility overall and increase pedestrian safety. The project, begun in mid-2014, will take eight

months to implement and will see traffic lights synchronised to enable "exclusive pedestrian control", which stops all traffic to allow pedestrians to freely navigate intersections in whichever direction they require without fear of being hit by a turning car. Installation of audio-tactile pedestrian push buttons will also take place, continuing to expand universal accessibility for people of all abilities in the CBD.





Transport on call

The City of Cape Town's Transport Information Centre (TIC) is a 24/7 toll-free call centre that provides information on public transport options, prices, routes and timetables across the metro region. These include the MyCiTi bus rapid transit system and other public bus services, Metrorail, taxis, dial-a-ride and park-and-ride facilities, and kerbside parking. Represented in the map above are the MyCiTi stations and stops within the CBD.

MyCiTi update

The City of Cape Town continues to roll out its highly successful and still relatively new¹ public transport network – the MyCiTi bus rapid transit system.

As of the end of September 2014, MyCiTi expenditures (investment) have been as follows.

Operational: R1.8 billion.

Capital: R5bn (all in the form of National Treasury grants).

There are three main MyCiTi transit stations in the CBD: Thibault Square, Adderley Street and Civic Centre.

There are 22 MyCiTi stops in the CBD.

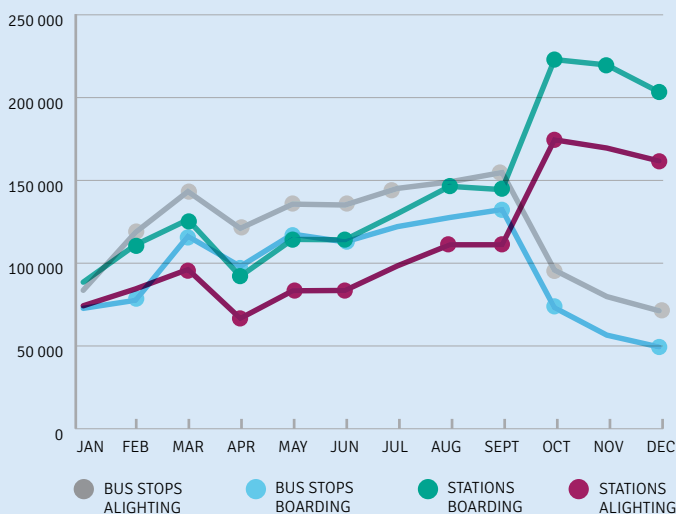
There are a total of 15 direct routes into and out of the CBD, which are a part of a system of 27 routes overall.

There are currently a total of 35 stations and 535 operational bus stops on the system as a whole across the metro.

CBD passenger traffic² reveals that during the whole of 2014:

+ 2 858 452 people boarded MyCiTi buses in the CBD.

+ 2 737 276 people alighted from a MyCiTi bus in the CBD.



This graph shows the improved functionality and connectivity of public transport in the CBD since the opening of the MyCiTi Adderley Street station in October 2014, which alleviated the load on other main stations.

¹ MyCiTi began operations in 2010 with an estimated rollout across the metro region and into the greater Western Cape area of between 15 and 20 years.

² Figures courtesy Johannes Koen and Transport for Cape Town, City of Cape Town

A LOW-CARBON STRATEGY *for the Central City and surrounds*

To promote a partnership-driven approach towards environmental and economic urban resilience, the Cape Town Partnership (see page 28) and Sustainable Energy Africa worked with the City of Cape Town and other key stakeholders to formulate a blueprint to transform the Central City and its surrounding area (see map to the right) into a leading urban hub of low-carbon emissions. New research and energy modelling enabled the team to create working carbon emission scenarios for this compact yet crucial area of the metro – an area that could make or break Cape Town's environmental and socioeconomic future.

The outcomes of the year-long strategy development initiative, finalised in February 2014, include new approaches in policy and action that encourage stakeholders to work in synergy with each other to reduce overall carbon emissions in the area. A fundamental aspect of this low-carbon strategy is the

sharing of outcomes, information and tools with people and organisations from the private, residential, public and government sectors. The vital blueprint equips all parties to collectively take ownership and reduce the carbon footprint of the Central City and surrounds, to ensure this economic hub follows the example of leading international downtowns towards sustainability.

The strategy particularly indicates that reductions in single-occupancy motor vehicle use, along with a sharp decline in the amount of electricity consumed, are going to be the biggest levers for low-carbon change in the area.

Accomplishing this will require a continued enhancement and expansion of solutions such as carpooling, public transportation, energy-efficient retrofits to buildings, and a more pedestrian and non-motorised urban environment.

These two pages contain some of the highlights from the strategy. The full report can be found at www.capetownpartnership.co.za/our-work/low-carbon-central-city-strategy



Cape Town Central City and surrounds formed part of the Low-Carbon Strategy.



The carbon footprint of the area



881 000
Tonnes of CO₂ per year

The carbon footprint of the Central City in 2012



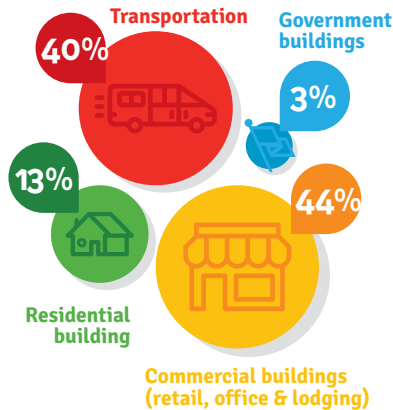
7 100
Tera joules

Energy consumed annually in the Central City

12 600 Terajoules

The energy needed by the Central City to power itself in 2030 if we do nothing to change our use

Where do the Central City's carbon emissions come from?



Retrofitting of public lighting

During 2014, the City of Cape Town upgraded approximately 800 street lights across the CBD at a cost of R824 364. This was part of a citywide project to replace older mercury vapour street lights with new technology and a more efficient lighting source, namely sodium vapour lighting.

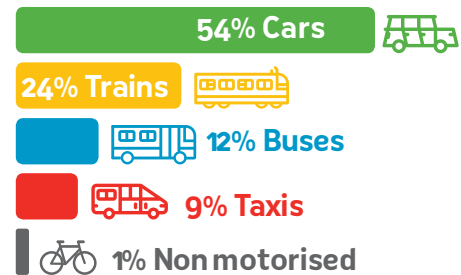
Which sectors consume the most energy in the Central City?

69% Transportation
23% Commercial
6% Residential
2% Government



Transportation

By totalling all the passenger-kilometres travelled into, around and out of the Central City, we get an excellent snapshot of people's regular way of travelling:



HOWEVER

Different forms of transport use different amounts of energy:



This means that while they account for 54% of passenger kilometres, cars use 87% of all transport energy

8 779 TERA JOULES



The estimated amount of energy required for transportation in 2030 to keep up our current use

We can reduce our future transport energy demand to the following levels:

8 263 TJ

If we use "Own Steam" transport like walking and cycling

7 655 TJ

If we use more public transport like trains as well as buses

7 338 TJ

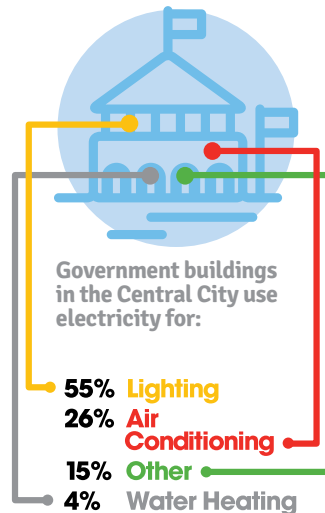
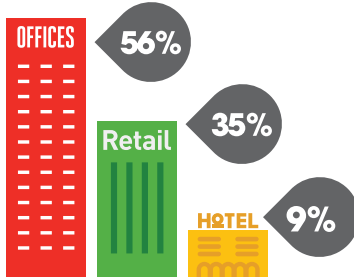
If we avoid transport by living closer to work or working from home

6 670 TJ

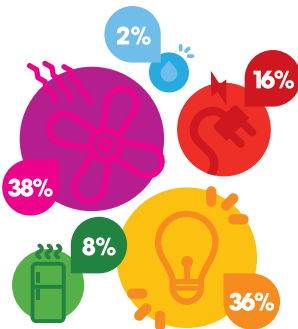
If we "Travel Smart" by ride sharing and carpooling

Electricity usage

Commercial use of electricity in the Central City:

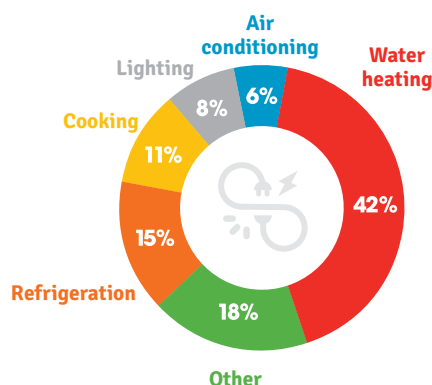


Commercial electricity demand in the Central City



Air Conditioning
Lighting
Other
Refrigeration
Water Heating

Residential Electricity Demand in the Central City





IN CONCLUSION: FUTURE REPORTS

The State of Cape Town Central City Report will move into its fourth edition when we review 2015 early next year.

With three editions already printed, the publication is delivering on its mandate to promote the Cape Town CBD in terms of providing strategic place- and market-based intelligence towards retaining existing and attracting new investment interest.

Significant strides forward have been made since the inaugural 2012 edition, and a strong working

formula is now in place that enables our research and editorial team to collect, analyse and deliver consistent, reliable, year-on-year comparatives, while adding new, relevant financial indicators along the way.

To this end, the 2015 report will:

- + Garner ever-increasing input from both the private and public sector.
- + Continue tracking and trending the business sentiment and confidence indicators.
- + Include an in-depth analysis of the growing residential market in the CBD, predicted to be a strong

developmental sector over the next few years.

- + Continue to focus on the growth of the MyCiTi bus rapid transit system and the substantial impact it is having on making the CBD, in particular, a more inclusive, people-friendly environment, and the city overall one that acknowledges the huge importance of sustainability for future investment.
- + Include an analysis on the impact that the title of World Design Capital 2014 had on our CBD.

We look forward to bringing you these new results in a year's time.



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Rapid Transit statistics and the
*Cape Town Household Transport
Survey 2013/14*)

UK Government's Foresight
Future of Cities Project, *The
Business of Cities*, Emily Moir and
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On cities as emerging markets for business

"In the latest cycle of globalisation, businesses are focusing on cities and city dwellers more than ever as a means of enhancing their growth and profitability. Cities are emerging as the key market for business ..."

On urbanisation and re-urbanisation

"With re-urbanisation comes new business locations in cities, including the densification of business districts, the rise of the second and third districts, new campus city centre locations, new innovation districts and the redevelopment of old industrial locations into new corporate and enterprise hubs."

On demographics

"The importance of short travel times between work and childcare is encouraging inner-city living. Individual preferences have changed from favouring working environments in attractive 'green' areas to those in amenity hubs, where restaurants, bars, coffee shops and public transport links are all within easy reach. The net effect is that companies see re-urbanisation as the key to recruitment ... of employees who are clustered in city centres."

Emily Moir & Greg Clark

The Business of Cities

Foresight Future of Cities Project



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