

# Cape Town's CBD shows business growth

Business is experiencing strong growth in the Cape Town's Central City with 135 new entities opening in 2022, bringing the total number of businesses to 3,116 compared with 2,981 in the previous year. Retail showed impressive growth in spite of consumer's facing challenging times, with 80 new retailers included in the new-business mix.



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This is one of the key findings of the [State of Cape Town Central City Report 2022 – A year in review](#) (SCCR), released by the Cape Town Central City Improvement District (CCID). The report provides extensive evidence of an investment-friendly CBD, with local government pushing growth through a comprehensive “Ease of Doing Business” strategy.

The robust post-pandemic recovery included growth in at least 10 of the 17 sectors that do business in the CCID’s 1.6km<sup>2</sup> footprint in the Cape Town CBD, on which the report is based.

Rob Kane, chairperson of the CCID and CEO of Boxwood Property Fund, says, “The CBD’s remarkable recovery is a testament to the resilience and adaptability of business owners. It’s heartening to see how their hard work, innovation and passion has paid off post-Covid-19. The inner city remains a source of niche retailers with authentic offerings that attract the interest of local, national, and international visitors and investors.”

## **Business confidence**

Confidence among business owners in the CBD has also remained consistently high despite the country’s economic woes, according to the report, which published the full 2022 results of the CCID’s quarterly Business Confidence Index.

In the latest survey, done in Q3 of 2023, 87.5 % of the business owners who responded said they were “satisfied” with

current business conditions. While this is marginally less than the 90.5 % recorded in Q2 of 2023, it remains elevated and way above the 51 % of business owners who said they were satisfied with prevailing conditions in Q4 of 2021.

Most respondents (62.7 %) indicated that they did not plan to make any adjustments to their businesses during the year ahead, the survey showed that a growing number of respondents were planning on increasing staff numbers and extending their trading hours.

### **Retail mix**

The Central City retail mix comprises destination establishments, including award-winning restaurants, bars, and coffee shops. The report, which reflects on a full year in review, showed that the retail economy – the CBD's largest sector – rebounded in 2022, with retail occupancy levels rising.

“The retail sector has recovered steadily since the pandemic,” notes Kane, “and in 2022 the number of retailers in the Cape Town CBD had returned to pre-Covid levels, with six more entities than in 2019.”

Of the 3,116 businesses in 2022, 1,243 were retail establishments. In 2022, 80 new retailers opened their doors in the inner city in 2022. In 2019, before the pandemic struck, there were 1 237.

The top retail sectors in 2022 were health & beauty (which grew by 16 entities) and coffee shops & cafes (which also grew by 16 entities).

The majority of business owners (60.2 %) felt that business activity had “almost fully recovered” to pre-pandemic levels.

### **Non-retail on the rebound**

After retail, the second-largest sector is legal services (which includes law firms and advocates). In this sector, 26 new businesses opened in the CBD, bringing the total number to 681. In 2021 there were 655. “This bodes well for the return to the CBD of office workers as does the fact that the number of medical practices in the inner city grew from 228 to 246 in 2022,” says Kane.

There was also an increase in the number of general corporates and head offices opening up in the CBD in 2022 with the number of entities growing by nine to 72.

### **Ease of doing business**

The CBD's business-friendly reputation affirms the success of the City of Cape Town's mission to make Cape Town the easiest place to do business in Africa. Kane says, “Local government is making moves in the right direction to facilitate successful business investment in the CBD and greater city metropole. The strategy is already paying dividends as seen in the progress and growth of myriad industries.”

The City's Ease-of-Doing-Business Index tracks its progress to create conditions that allow businesses to flourish. These conditions include fostering a culture of business-friendliness at every level, leveraging the latest technology to improve service delivery, forging public-private growth partnerships in priority industries, ensuring a sustainable pipeline of well-positioned commercial and industrial land to develop a quality-built environment, and ensuring regulations align with business interests.

The strategy focuses on areas like urban mobility, safety and security, water, economic growth, energy and more to deliver on its goals, with a clear view of the city's progress throughout the journey. The purpose is to build a thriving business community to cement Cape Town as ‘a city of hope for all’, according to Mayor Geordin Hill-Lewis.

Kane concludes, “There's no doubt that business is booming in Cape Town's Central City. With a reputation as a world-class destination to stay and play, do business and invest, the business-friendly CBD is an attractive investment

opportunity. We salute business owners and will continue to play our part, as the CCID, to support by ensuring the CBD remains the most successful in the country.”

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