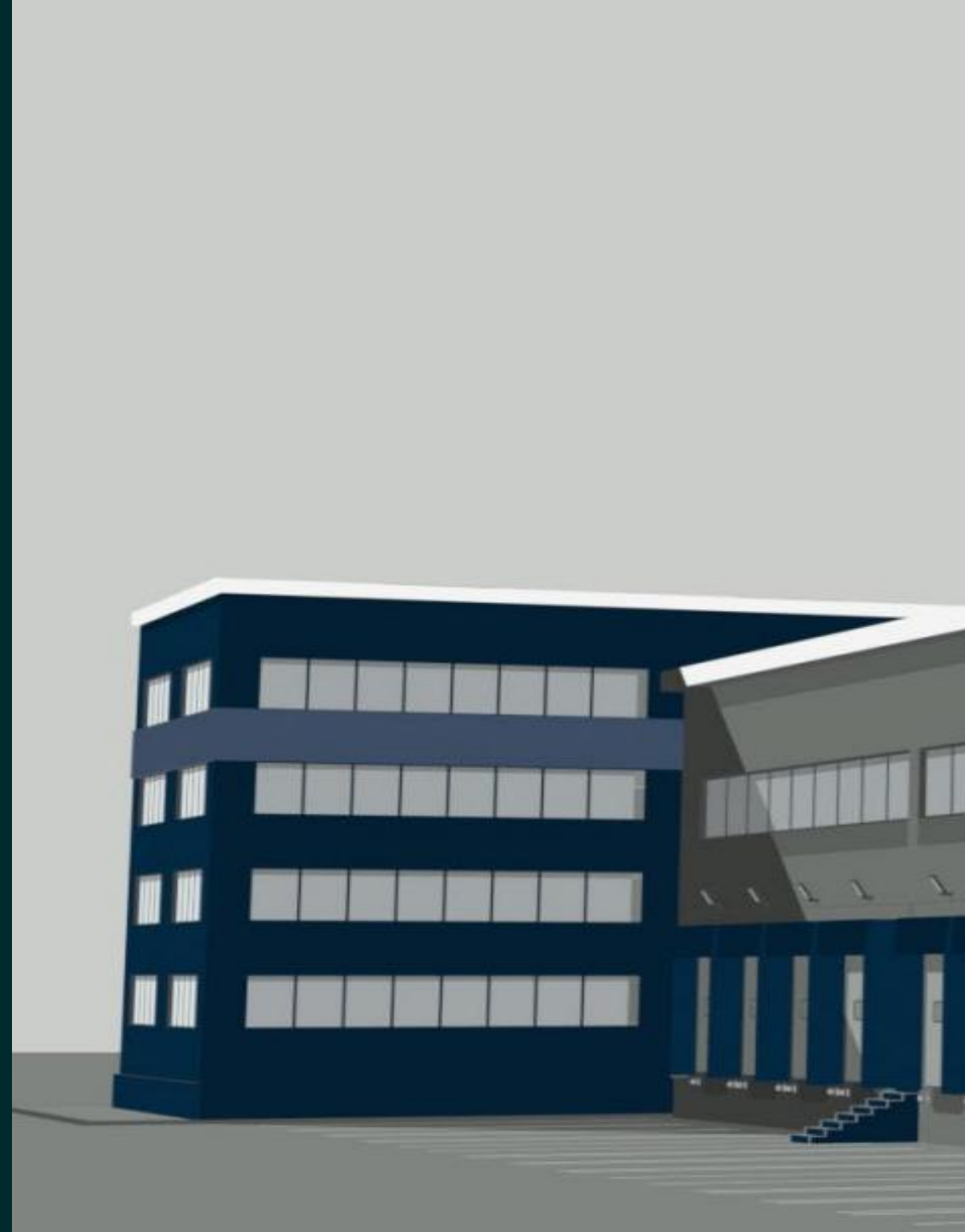


Cape Town Industrial Market Overview

H1 2026

Rents are rising in 39 of 43 nodes, led by the northern N1 and N7 corridors. With serviced land almost exhausted in established nodes, location now sets rents more than the cycle does.



Cape Town’s industrial rental boom is metro-wide, and land scarcity, not demand, is now setting the pace

▲ **R83.65**

Prime rental, 500m² (R/m²/month)
+14.2% y/y · Q2 2026 R85.56

▲ **39 of 43**

Nodes with rental growth
Median node +12.6% y/y

▶ **2.00**

Vacancy index (lower = tighter)
≈3.3% vacancy · H1 2025: 1.93

▼ **29 of 46**

Nodes with almost no serviced land
Land index ≤ 1.25 · metro 1.48

▲ **R2,039**

Stand value, 1,000m² (R/m²)
+5.4% y/y · Woodstock R4,500

▼ **8.6%**

Prime industrial leaseback cap rate
Lowest in SA · Central Wits 9.4%

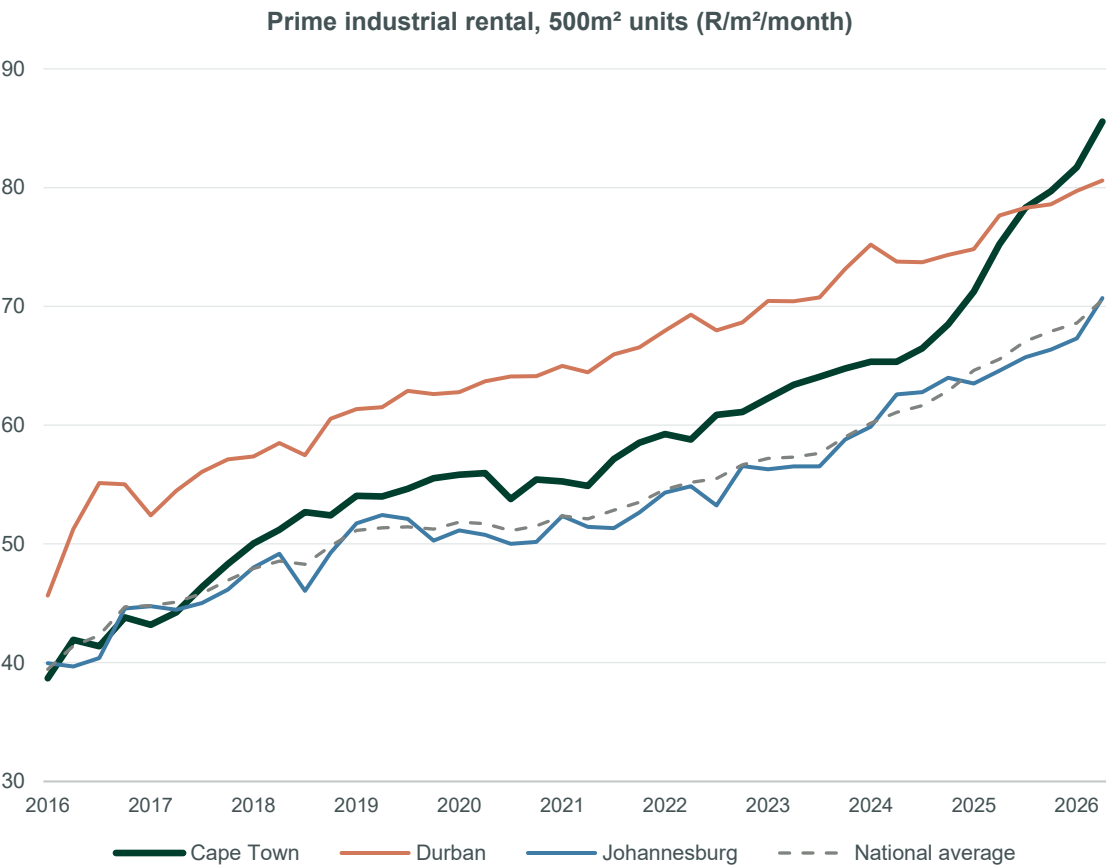
- Prime 500 m² rentals averaged **R83.65/m² in H1 2026 (+14.2% y/y)**, and Cape Town is now the most expensive major industrial metro. Growth is not confined to the best estates: **39 of 43 nodes grew**, and the median node rose 12.6%.
- The **northern corridors lead**. Northern & N1 East (Brackengate, Durbanville, Everite, Okavango) and Milnerton & N7 (Richmond Park, Contermanskloof, Killarney) grew 15–17% at the median. The City & Port sub-market is the most expensive but grew slowest (+6%).
- Rents are rising **regardless of node vacancy**: growth is as strong in nodes with an index of 2.5 as in those at 1.2. The binding constraint is land. **29 of 46 nodes** have almost no vacant serviced stands, and land in established nodes now costs R2,000–4,500/m².
- Capital is following performance. The Western Cape accounted for **almost half the value of South Africa’s 20 largest industrial sales** in 2025, including the largest, Consani Industrial Park in Elsies River (R437m).
- We see the first signs of cooling at node level: the vacancy index rose in **23 of 41 nodes** year on year, and enquiry levels are easing.

CBRE EXCELLERATE VIEW · SUB-MARKETS

Northern & N1 East	▲ Tightest sub-market; growth leader
Milnerton & N7	▲ New parks set records (Richmond Park)
Epping, Airport & N2	▲ Big-box logistics demand holds
Tygerberg	▶ Value end; catch-up growth, softer vacancy
City & Port	▶ Highest land cost; slowest growth

We expect rental growth to slow from 14% to **7–10%** as affordability bites. Land scarcity will keep the northern corridors and the airport precinct **landlord-favourable**, while softer central nodes give occupiers room to negotiate.

Cape Town has moved from mid-table to the top of South Africa’s industrial rental rankings in two years



- Cape Town rents are **up 28% in two years**. The metro overtook Durban in Q4 2025 and is now the most expensive industrial market in South Africa, a position it has not held in two decades.
- Vacancy is close to frictional at roughly **3%**, and developable land in established nodes such as Montague Gardens, Paarden Eiland and Airport Industria is effectively exhausted. Demand is meeting a supply wall, not a pipeline.
- We view this as structural rather than cyclical. Cape Town has outperformed the other metros for more than a decade, and investors price that in: the prime leaseback cap rate of **8.6%** is the lowest in the country.

+28%

Prime 500 m² rental growth over two years (H1 2024 to H1 2026), against +13% in Johannesburg

8.6%

Prime leaseback cap rate, the lowest in South Africa (Central Wits 9.4%, Durban 9.1%)

R133

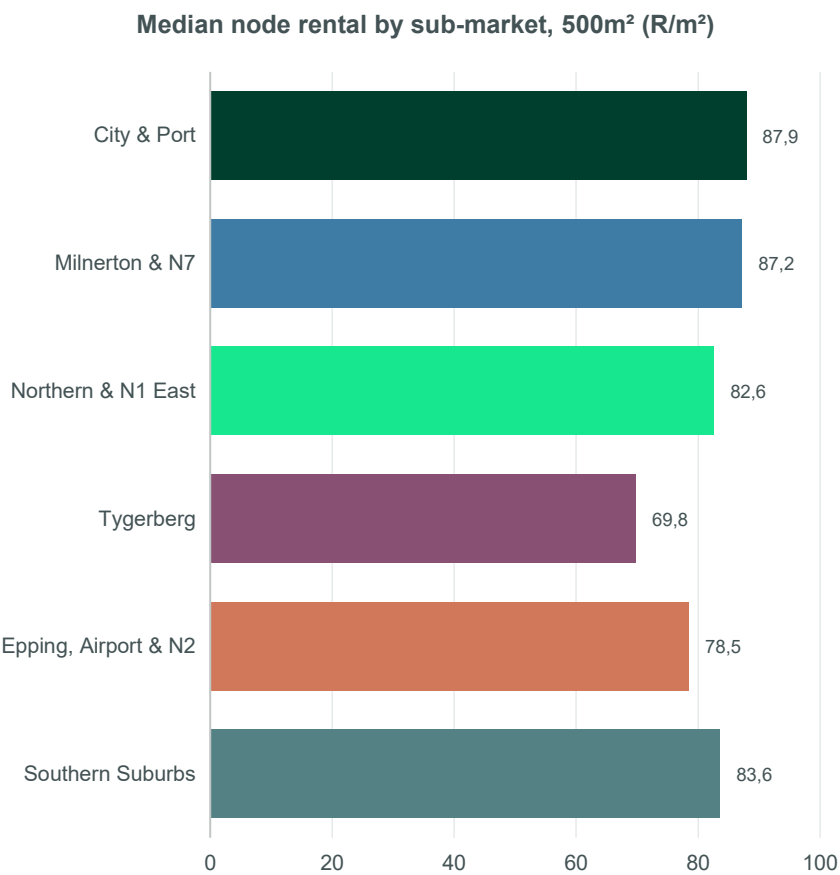
New-build (pioneer) rental for 1,000 m², 63% above the R82 market mean: the ceiling new parks are testing

≈3%

Implied metro vacancy rate, H1 2026: close to frictional

H1 = average of Rode quarters 2026:1 and 2026:2. Source: Rode & Associates, Rode Report 2026:2 (industrial: rentals, vacancy and land indices, stand values, escalations, operating costs); Rode Report 2026:2 (pioneer rentals, capitalisation rates); CBRE Excellerate Research.

The northern corridors lead the growth; the City & Port is the most expensive but slowest-growing

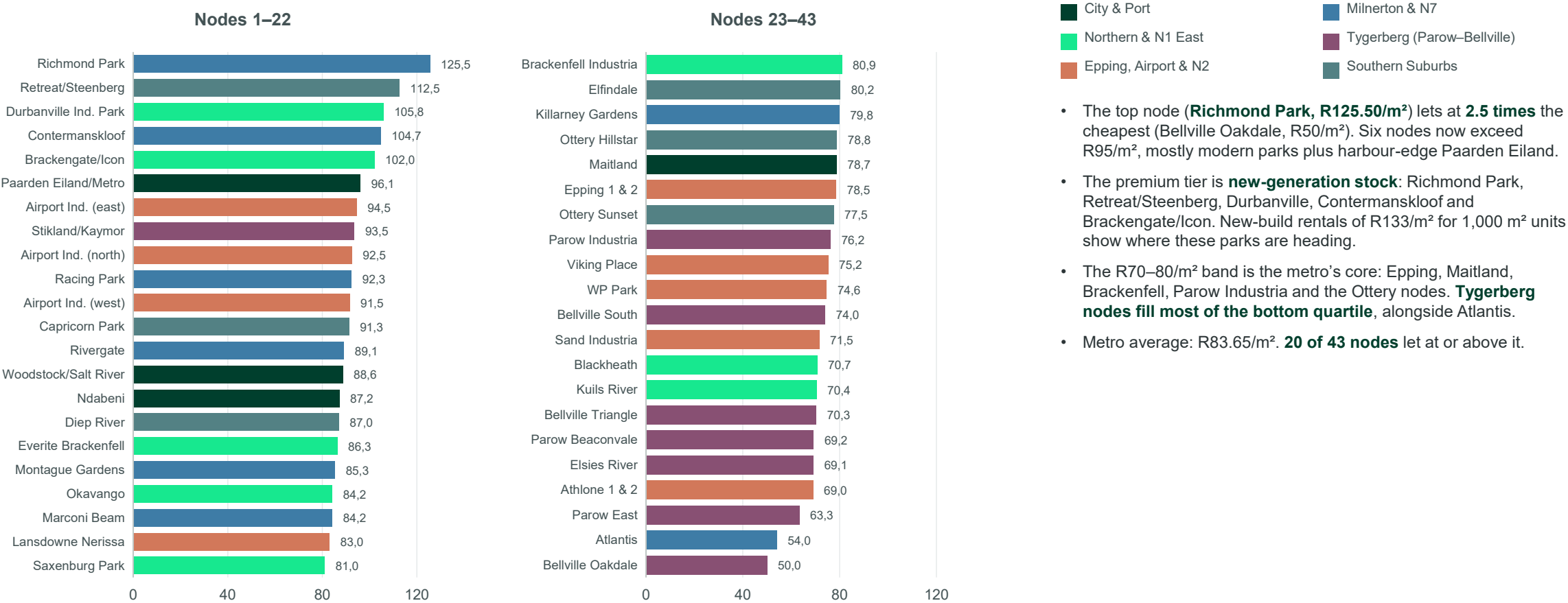


Sub-market	Nodes	Rent 500m ²	y/y (median)	Vacancy idx (H1 25 → H1 26)	Land 1,000m ²	Land avail.
City & Port	5	R87.9	+6.3%	1.88 → 2.15	R2,692	1.10
Milnerton & N7	8	R87.2	+14.7%	1.94 → 2.08	R1,480	2.35
Northern & N1 East	9	R82.6	+16.7%	1.52 → 1.35	R2,025	1.20
Tygerberg (Parow–Bellville)	9	R69.8	+9.1%	1.50 → 1.91	R1,671	1.63
Epping, Airport & N2	10	R78.5	+11.5%	1.87 → 2.17	R1,941	1.56
Southern Suburbs	8	R83.6	+11.6%	1.24 → 1.38	R2,800	1.25
Helderberg	9	R108.8*	–	1.00 → 1.10	R1,700	2.46

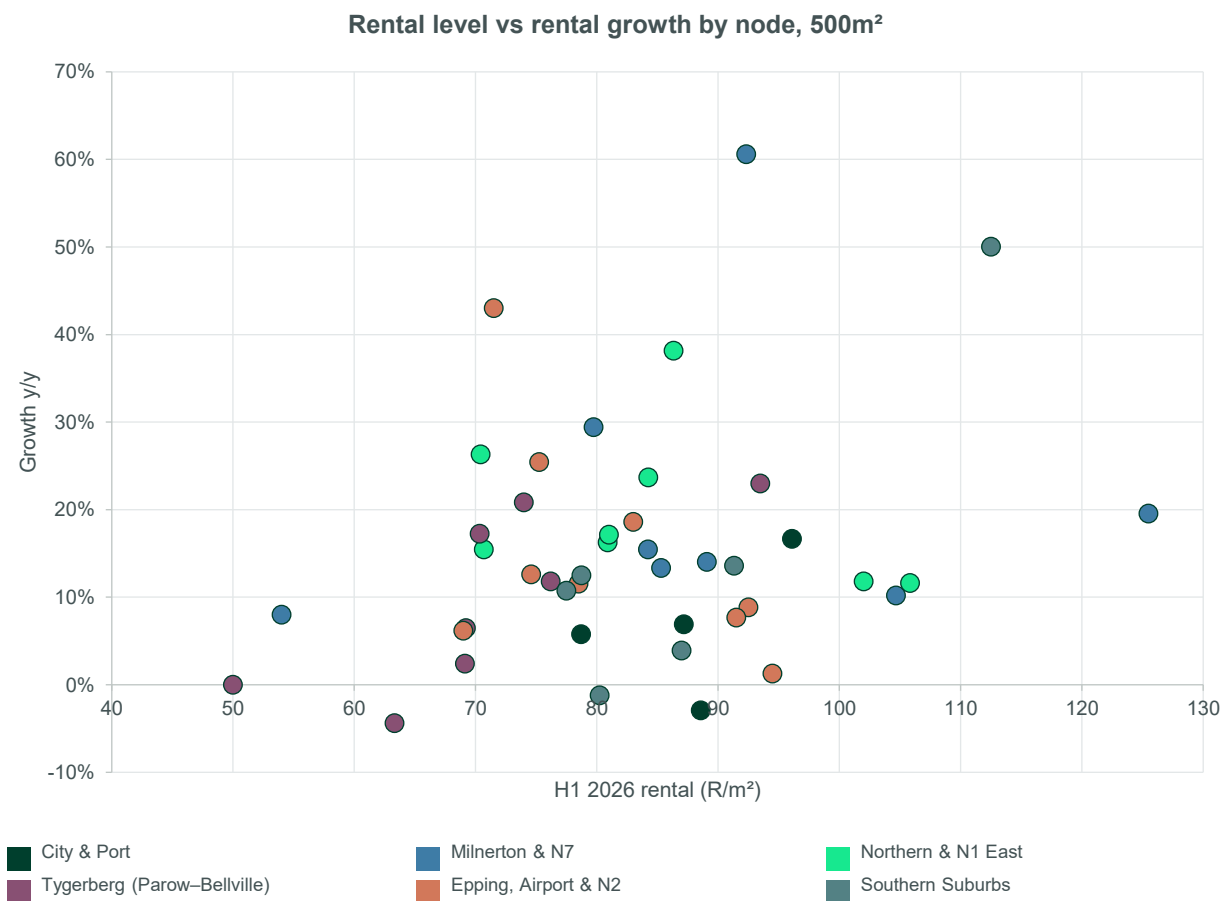
- **Northern & N1 East** is the tightest sub-market (vacancy index 1.35, improving) and the fastest-growing (+16.7% at the median). Brackengate/Icon and Durbanville now let above R100/m².
- **Milnerton & N7** has the highest average rent because of new parks (Richmond Park R125.50, Contermanskloof R104.70), and it still has some land (Rivergate, Atlantis).
- **City & Port** commands the highest land values (R2,700/m² median, Woodstock R4,500) but grew only 6%. Vacancy edged up in three of its five nodes as mixed-use redevelopment competes for sites.
- **Tygerberg** is the value end (median R69.80/m²) and the main release valve for occupiers priced out of the north.

H1 = average of Rode quarters 2026:1 and 2026:2. Median of node values per sub-market (vacancy and land: mean). Rentals = 500m² prime gross; stand values = 1,000m², latest four quarters. Helderberg rentals: Rode Table 7.2, Q2 2026 (two nodes). Source: Rode & Associates via CBX industrial property database. Node figures are averages of the Rode panel quarters available in each half-year; small panels can exaggerate node-level moves. Sub-markets are CBRE Excellerate groupings of Rode nodes (see methodology).

A R75/m² spread separates the top and bottom nodes; new northern parks set the benchmark



Growth is broad-based: premium nodes are still growing as fast as the rest, so the spread is widening



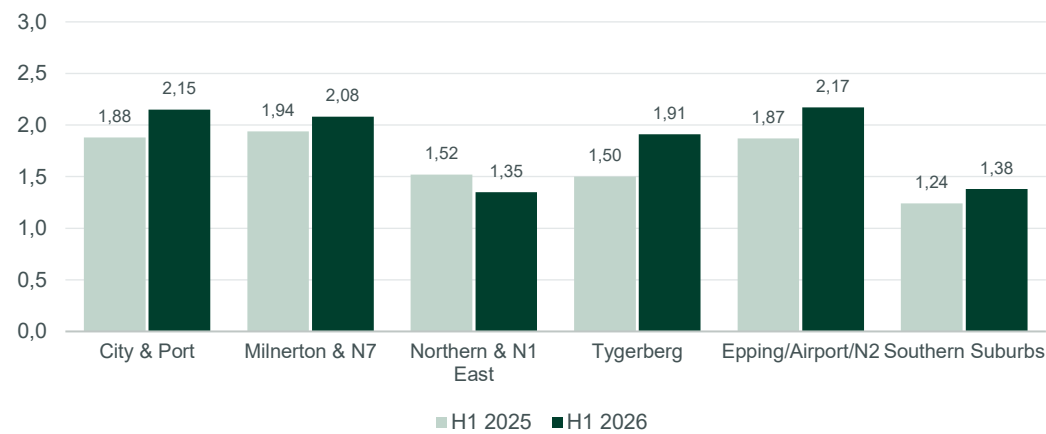
Fastest growth	R/m ²	y/y
Racing Park	92.3	+60.6%
Retreat/Steenberg	112.5	+50.0%
Sand Industria	71.5	+43.0%
Everite Brackenfell	86.3	+38.1%
Killarney Gardens	79.8	+29.4%
Kuils River	70.4	+26.3%
Viking Place	75.2	+25.4%
Okavango	84.2	+23.7%
Weakest	R/m ²	y/y
Parow East	63.3	-4.4%
Woodstock/Salt River	88.6	-2.9%
Elfindale	80.2	-1.2%
Bellville Oakdale	50.0	+0.0%
Airport Ind. (east)	94.5	+1.3%
Elsies River	69.1	+2.4%

- **39 of 43 nodes** grew and the median node rose **12.6%**. This is a metro-wide repricing, not a handful of outliers.
- Growth rises slightly with rent level: Richmond Park (+19.5%), Stikland/Kaymor (+23%) and Paarden Eiland (+17%) are among the leaders, so the **gap between prime and secondary nodes is widening**.
- The four nodes that fell are older or mixed-use locations: Parow East, Woodstock/Salt River, Elfindale and Bellville Oakdale (flat).
- Second-tier northern nodes are catching up fastest: Everite Brackenfell (+38%), Kuils River (+26%), Okavango (+24%) and Bellville South (+21%).

H1 = average of Rode quarters 2026:1 and 2026:2. Rental growth = H1 2026 vs H1 2025, 500m² units. Racing Park (+61%), Retreat/Steenberg (+50%) and Sand Industria (+43%) are based on very small panels and are shown but should be read with care. Source: Rode & Associates via CBX industrial property database. Node figures are averages of the Rode panel quarters available in each half-year; small panels can exaggerate node-level moves. Sub-markets are CBRE Excellerate groupings of Rode nodes (see methodology).

Vacancy is low almost everywhere, but it has started to edge up in more nodes than it has fallen

Average vacancy index by sub-market (lower = tighter)



Tightest nodes	Index	Δ y/y	Softest nodes	Index	Δ y/y
Blackheath	1.15	-0.27	Sand Industria	3.00	-
Kuils River	1.15	+0.15	Athlone 1 & 2	3.00	-
WP Park	1.25	+0.25	Lansdowne Nerissa	3.00	-
Ottery Hillstar	1.25	+0.25	Maitland	2.75	-0.29
Brackengate/Icon	1.25	-0.43	Epping 1 & 2	2.65	+0.69

Vacancy index vs rental growth, by node



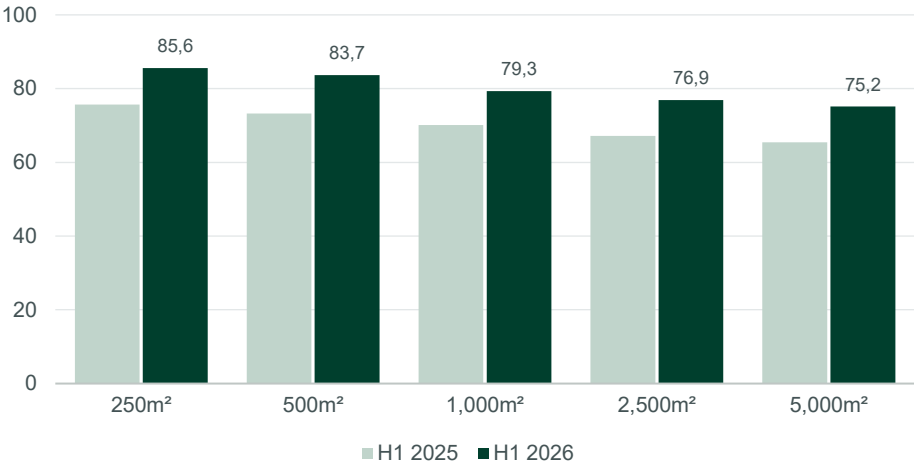
- **34 of 47 nodes** have a vacancy index at or below 2.0, and 20 are at 1.5 or lower: effectively full.
- But the index rose in **23 of 41 nodes** and fell in 16. City & Port, Epping/Airport and Tygerberg all softened; only Northern & N1 East tightened.
- The scatter shows **no link between node vacancy and rental growth**: nodes at 2.5–3.0 grew as fast as those at 1.2. Rents are being set by metro-wide land scarcity, so a modest rise in vacancy has not yet slowed growth.

- City & Port
- Milnerton & N7
- Northern & N1 East
- Tygerberg (Parow-Bellville)
- Epping, Airport & N2
- Southern Suburbs

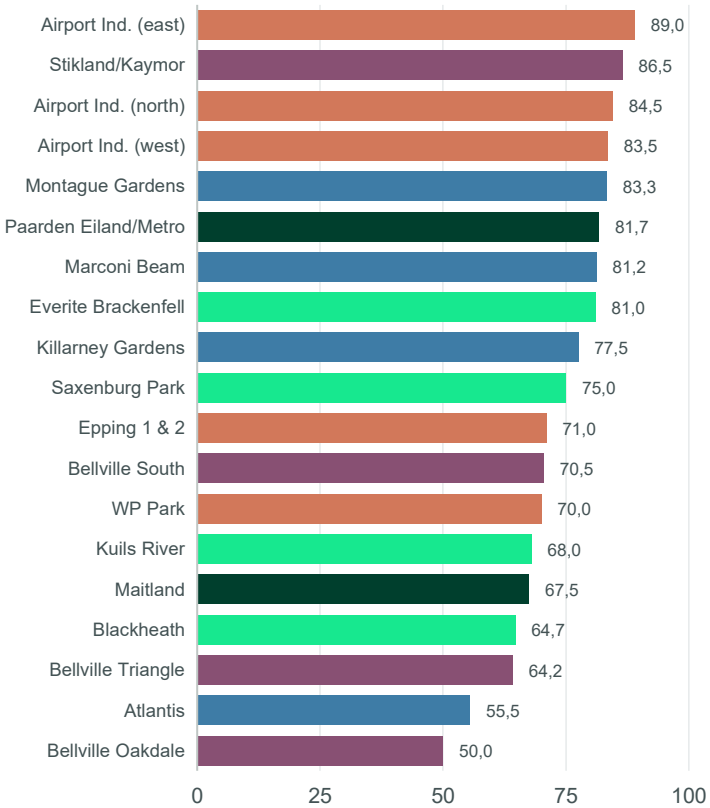
H1 = average of Rode quarters 2026:1 and 2026:2. Rode vacancy index (1–9 panel scale; lower = tighter; below 3 indicates vacancy of roughly 0–5%). Change = H1 2026 vs H1 2025. Source: Rode & Associates via CBX industrial property database. Node figures are averages of the Rode panel quarters available in each half-year; small panels can exaggerate node-level moves. Sub-markets are CBRE Excellerate groupings of Rode nodes (see methodology).

Big-box rents are rising as fast as small units; the airport precinct and Stikland set the large-unit benchmark

Cape Town metro rental by unit size (R/m²/month)



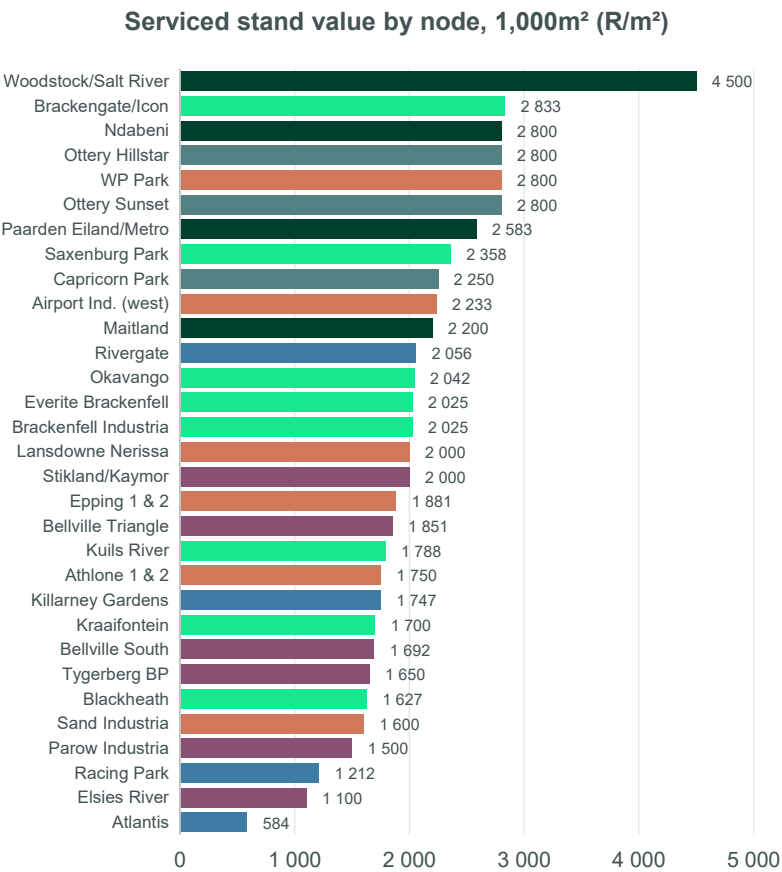
5,000m² rental by node, H1 2026 (R/m²)



- Every unit size grew **13–15%**, and 5,000 m² units grew fastest (+14.9%). This is a logistics-led market: distribution centres are now the largest industrial segment in the national investment index, while factory capacity use remains below 77%.
- The **size discount is narrow**: a 5,000 m² unit lets only 12% below a 250 m² unit, similar to Johannesburg and Durban.
- Big-box rents are highest at **Airport Industria (R83.50–R89.00)**, Stikland/Kaymor (R86.50) and Montague Gardens (R83.30). Atlantis (R55.50) and Bellville Oakdale (R50) offer large space at a 25–35% discount to the metro 5,000 m² average.
- Only five metro nodes report 10,000 m² rentals (R52–86/m²), a sign of how little large-box stock exists as e-commerce fulfilment networks, including new operators, expand in Cape Town.

H1 = average of Rode quarters 2026:1 and 2026:2. Source: Rode & Associates (metro averages and node panel data); SAPOA Industrial Property Trends 2025FY (index segments). No Cape Town 10,000m² metro average is published; large-unit rentals are read from node data. Node figures are averages of the Rode panel quarters available in each half-year; small panels can exaggerate node-level moves. Sub-markets are CBRE Excellerate groupings of Rode nodes (see methodology).

Serviced land is effectively exhausted in established nodes; what remains is on the periphery



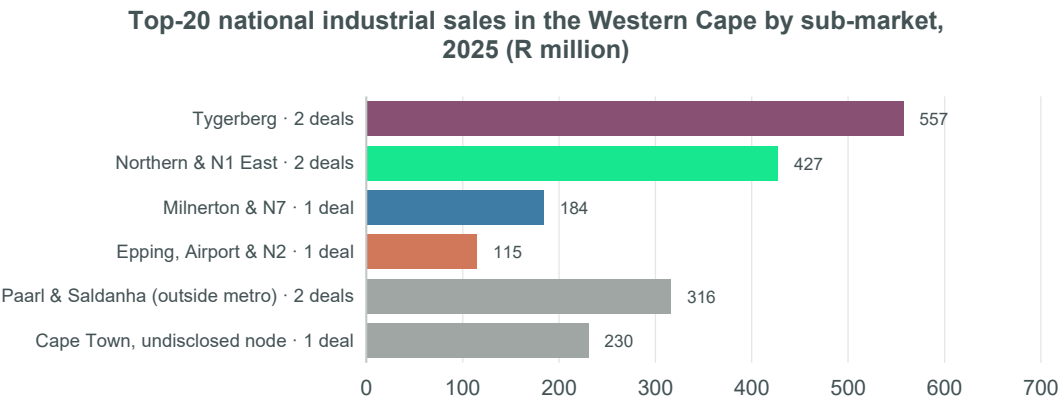
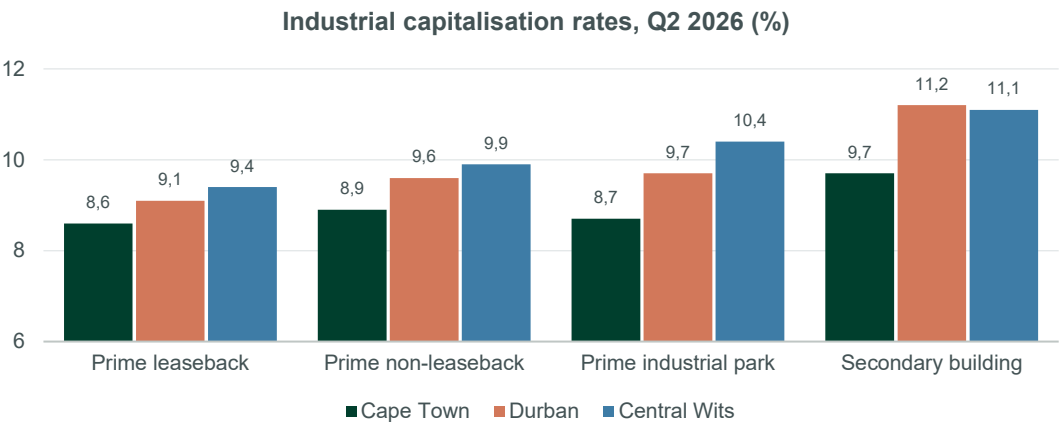
Most land available	Land idx	Stand R/m²
Atlantis	5.50	R584
Sand Industria	3.67	R1,600
Rivergate	3.30	R2,056
Elsies River	3.00	R1,100
Tygerberg BP	3.00	R1,650
Blackheath	2.78	R1,627
Parow Beaconvale	2.00	–

Sub-market	Land idx	Land-to-rent
City & Port	1.10	2.6 yrs
Milnerton & N7	2.35	1.5 yrs
Northern & N1 East	1.20	2.3 yrs
Tygerberg	1.63	1.8 yrs
Epping, Airport & N2	1.56	2.1 yrs
Southern Suburbs	1.25	3.1 yrs

- **29 of 46 nodes** have a land availability index of 1.25 or lower, meaning virtually no vacant serviced stands. The metro index hit a **series low of 1.15 in Q1 2026**.
- The remaining land is peripheral or in redevelopment areas: **Atlantis (5.5)**, Sand Industria, Rivergate, Elsies River, Tygerberg Business Park and Blackheath. Paarl (4.0) offers land outside the metro.
- Prices follow scarcity and location. Woodstock/Salt River (R4,500/m²), Brackengate/Icon, WP Park, Ndabeni and Ottery (R2,800) top the table, while Atlantis trades at **R584/m²**.
- Relative to income, the City & Port and Southern Suburbs cost **2.6–3.1 years of rent** per m² of land, against about 1.5 years in Milnerton & N7. The best development feasibility is on the **N7 corridor and in Tygerberg**.
- New supply will not close the gap quickly. Industrial already makes up about half of national non-residential completions, yet development has slowed since the 2022–23 peak. In Cape Town, rents rather than new stock are absorbing demand.

Stand values = Rode market values for serviced 1,000m² stands, R/m² excl VAT, average of the latest four quarters (2025:3–2026:2). Land availability = Rode stand vacancy index (lower = scarcer). Land-to-rent = stand value ÷ annual 1,000m² rental (CBRE Excellerate analysis). Source: Rode & Associates via CBX industrial property database; SAPOA Industrial Property Trends 2025FY (completions). Node figures are averages of the Rode panel quarters available in each half-year; small panels can exaggerate node-level moves. Sub-markets are CBRE Excellerate groupings of Rode nodes (see methodology).

Capital is following performance, and Cape Town is priced as South Africa’s prime industrial market



- Cape Town’s cap rates are the lowest in the country across every category: **8.6% for prime leasebacks**, 8.7% for prime parks and 9.7% for secondary buildings. Secondary stock trades 140–150 bps tighter than in Durban or Johannesburg.
- Escalations averaged **7.82% in Q2 2026**, the highest of the metros, yet still below rental growth. Every lease vintage since 2021 now renews **5–10% above** its contract rent, the only metro where reversions are positive.
- Landlord costs eased to **R13.00/m²** (stand-alone), but occupiers are not seeing relief: recoverable variable costs rose about 15% nationally in 2025. Total occupancy cost, not base rent, is now the negotiation.
- Nine of 2025’s 20 largest industrial sales (**R1.83bn, almost half the national top-20 value**) were in the Western Cape. The largest, Consani (R437m), is in **Tygerberg**: investors are buying scale at the value end. A Cape Town-focused REIT was the second-largest industrial buyer nationally, while developers recycled capital out of northern parks.

7.82%
Market escalation, Q2 2026: highest of the metros, still below rental growth

+10%
Reversion on a lease signed in H1 2024, renewing in H1 2026

48%
Western Cape share of the value of SA’s 20 largest industrial sales in 2025, on 2.3% of index weight

R437m
Consani Industrial Park, Elsies River: South Africa’s largest industrial sale of 2025

Source: Rode Report 2026:2 (capitalisation rates, escalations, operating expenses); SAPOA Industrial Property Trends 2025FY (largest sales, buyers, operating costs). Deals allocated to sub-markets by CBRE Excellerate; Linpac Packaging location not disclosed. Reversion: CBRE Excellerate analysis (lease signed at H1 market rent, escalated at 7.74%).

Sub-market outlook: where we expect rents to keep outperforming, and where occupiers have leverage

Sub-market	Rents	Vacancy	Our view	Key nodes
Northern & N1 East	▲	▼	Tightest and fastest-growing. New parks keep pushing the top end; growth stays above the metro.	Brackengate/Icon, Durbanville, Okavango, Everite
Milnerton & N7	▲	▶	Record rents in new parks; the only established corridor with land (Rivergate, Atlantis) for pre-let development.	Richmond Park, Contermanskloof, Montague Gardens
Epping, Airport & N2	▲	▶	Big-box and logistics demand holds around the airport. Epping softens as older stock ages.	Airport Industria, King Air, WP Park, Epping
Tygerberg (Parow–Bellville)	▶	▲	Value end of the market and the release valve for priced-out occupiers. Stikland is the exception at the top.	Stikland/Kaymor, Parow Industria, Bellville South
City & Port	▶	▲	Highest land values but slowest growth. Mixed-use redevelopment competes for sites; port access remains the draw.	Paarden Eiland, Ndabeni, Maitland, Woodstock
Southern Suburbs	▲	▶	Small, tight and land-locked. Few new options, so rents drift up with little new supply.	Ottery, Diep River, Capricorn Park, Retreat
Helderberg / Paarl	▶	▶	Emerging overflow markets: new parks in the Helderberg at R107–110/m ² ; land and softer vacancy in Paarl.	The Interchange, Firgrove, Paarl

CBRE Excellerate Research views based on Rode data to 2026:2; not Rode forecasts. Arrows refer to the next 12 months. Sub-markets are CBRE Excellerate groupings of Rode nodes.

Outlook: growth will slow from 14%, but land scarcity keeps Cape Town a landlord’s market

OCCUPIERS

- Expect renewals **5–10% above passing rent** in the northern corridors; plan expansions over 5,000 m² 12–18 months ahead.
- For value and availability, look at **Tygerberg** (R64–76/m²) and the softer central nodes (Maitland, Epping, Athlone), where vacancy indices are 2.5–3.0.
- Large requirements will increasingly mean **pre-let development** on the N7 corridor, at Atlantis or in Paarl.

LANDLORDS & DEVELOPERS

- Use renewals to capture positive reversion; limit incentives in nodes below a vacancy index of 2.0.
- Land is the scarce asset: secure **Rivergate, Racing Park and N7 sites**, where land costs about 1.5 years of rent against 2.6–3.1 in the City & Port.
- Refurbish older central and Tygerberg stock: the premium for modern parks (R100–125/m²) is now R20–40/m².

INVESTORS

- At an 8.6% leaseback cap rate, Cape Town is priced for growth. Underwrite **6–8% rental growth**, not 14%; with a 6–17% spread in national industrial returns, node selection matters more than timing.
- Favour modern parks in the northern N1 and N7 corridors and the airport precinct, where land scarcity protects rents.
- Tygerberg offers yield (secondary cap rate 9.7%) with catch-up growth, and 2025’s largest national deal shows institutional appetite for it.

CBRE EXCELLERATE FORECAST INDICATORS

Indicator	H1 2026	H2 2026F	2027F
Prime rental, 500m² (R/m²)	R83.65	R87–89	R91–95
Rental growth y/y	+14.2%	+10–13%	+7–10%
Nodes with rental growth	39 of 43	35–40	30–38
Vacancy index	2.00	1.9–2.2	2.0–2.3
Land availability index	1.48	1.3–1.8	1.3–1.8
Stand value, 1,000m² (R/m²)	R2,039	R2,080–2,150	R2,150–2,300
Market escalation	7.74%	7.6–7.9%	7.5–8.0%

KEY RISKS TO THE VIEW

- Affordability: at 21% above Johannesburg, national distributors may shift space to Gauteng hubs, and enquiry levels are already easing.
- Further interest rate hikes after September’s increase, slowing expansion and pushing yields out from record lows.
- Municipal tariffs and electricity reversing the H1 2026 fall in operating costs.
- Upside: continued in-migration and the Western Cape’s stronger business confidence sustaining double-digit growth in the northern corridors.

Forecasts are CBRE Excellerate Research views. F = forecast. Source: Rode & Associates; SAPOA Industrial Property Trends 2025FY (return dispersion).

Methodology, definitions and sub-market groupings

DATA SOURCES

Rode & Associates: node-level panel data (prime rentals by unit size, vacancy index, stand values, stand vacancy index) via the 2026 South Africa Industrial Property Database (CBX), quarterly to 2026:2; Rode Report 2026:2 (Tables 2.4, 7.1–7.5, commentary).

SAPOA Industrial Property Trends Report 2025FY: largest sales, buyers, index segments, operating costs and completions; headline figures only.

CBRE Excellerate Research: sub-market groupings, land-to-rent and reversion analysis, deal allocation by sub-market, forecasts and all views expressed.

DEFINITIONS

H1 2026 = average of available Rode quarters 2026:1 and 2026:2 per node, compared with H1 2025. Metro figures use Rode’s Cape Town average series.

Vacancy index: Rode 1–9 panel scale (lower = tighter); not a percentage.
Land availability: Rode stand vacancy index (lower = fewer vacant serviced stands).

Stand values: average of the latest four quarters (2025:3–2026:2), because quarterly node values are volatile. **Land-to-rent** = stand value + annual 1,000 m² rental.

SUB-MARKETS (CBRE EXCELLERATE GROUPINGS)

City & Port: Paarden Eiland/Metro, Woodstock/Salt River/Observatory, Maitland, Ndabeni, Northgate. **Milnerton & N7:** Montague Gardens, Marconi Beam, Killarney Gardens, Richmond Park, Racing Park, Rivergate, Contermanskloof, Atlantis.

Northern & N1 East: Durbanville, Brackenfell Industria, Everite Brackenfell, Brackengate/Icon, Okavango, Kraaifontein, Kuils River, Blackheath, Saxenburg. **Tygerberg:** Elsies River, Parow (Beaconvale, Industria, East), Tygerberg BP, Bellville (Oakdale, Stikland/Kaymor, Triangle, South).

Epping, Airport & N2: Epping 1 & 2, Viking Place, WP Park, Airport Industria (3), King Air, Athlone, Lansdowne Nerissa, Sand Industria. **Southern Suburbs:** Glosderry, Ottery (2), Diep River, Elfindale, Retreat/Steenberg, Capricorn Park, Philippi. **Helderberg** and **Paarl & Wellington** are shown separately (outside the Rode Cape Town average).

Disclaimer: This report has been prepared in good faith based on CBRE Excellerate’s current views of the industrial real estate market, using data from Rode & Associates, SAPOA and MSCI. Node-level panel data are based on small samples and can be volatile. Projections and forecasts are indicative only. Supporting data: Cape_Town_Industrial_Nodes_H1_2026_Supporting_Data.xlsx.

Thank you

CBRE | EXCELLERATE

Gracias ধন্যবাদ Salamat धन्यवाद Obrigado 謝謝 Спасибо 감사합니다 Merci תודה شكره Danke ありがとう Terima Kasih شکرا

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