



# MANDELA BAY DEVELOPMENT AGENCY

## 2009 - 2015 Economic Barometer

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- Central
- Helenvale
- Kings Beach
- Uitenhage
- Richmond Hill
- North End
- New Brighton

June 2016

## INTRODUCTION

Since its establishment in 2003, the Mandela Bay Development Agency (MBDA) has strived towards promoting urban renewal in the Port Elizabeth CBD through various construction projects in the Central area. Beyond its involvement in urban renewal, the MBDA has also been instrumental in the redevelopment of the Uitenhage CBD, the upgrading of Kings Beach (Humewood) and the revitalisation of Helenvale. These projects, which over a ten year period were valued at over R 450 million, have had significant positive benefits on the surrounding areas both in terms of private sector investment and employment creation.

As the principle initiator of these projects, the MBDA has sought to quantify the impact that these capital investment projects have had on the respective areas. In order to achieve this, the MBDA undertook to develop an economic barometer which could be used by the agency to:

- 1) Measure the impact of the upgrades on business activity
- 2) Assess what impact the upgrades have had on people's perceptions of the targeted areas

This economic barometer had two components namely a formal economic impact assessment for the various projects undertaken by the MBDA (i.e. Govan Mbeki and Parliament Street upgrades, Strand Street redevelopment etc.); and two distinct surveys administered to businesses and residents in the various areas where projects had been undertaken.

These surveys and impact assessments were initially undertaken over a three-year period (2009 – 2011), the objective being to, firstly, create a baseline data set and subsequently to assess any resultant residential/business perception trends due to the MBDA's interventions. Following this three-year period, the MBDA has again undertaken to assess the impact of their various interventions, with the intention of comparing the initial results recorded between 2009 and 2011, with the 2013 to 2015 period. The following summary document seeks to:

- 1) Present key outcomes from the 2015 survey and compare and contrast to the results recorded between 2009 and 2011 as well as between 2014 and 2015
- 2) Focus on those areas where the MBDA has undertaken upgrades to the built environment (i.e. Central, Uitenhage, Kings Beach, Helenvale)

## SURVEY SAMPLE<sup>1</sup>

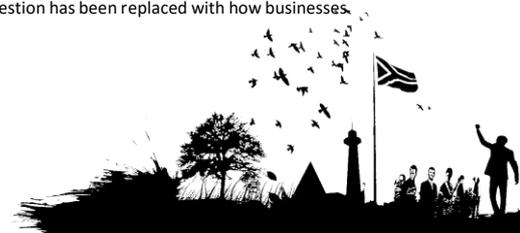
The following document represents a summarised version of the key outcomes of the MBDA Economic Barometer for 2015 period. These outcomes have been extrapolated from several annual surveys undertaken by the MBDA six times between 2009 and 2015.

The 2015 survey saw no change in the sample size for the seven areas surveyed namely: Central, Richmond Hill, North End, Kings Beach, Uitenhage, New Brighton and Helenevale. The outcomes of these surveys were subsequently used to establish what change, if any, had occurred between 2014 and 2015 in terms of businesses and resident's perceptions of the MBDA and its activities in the respective areas. The New Brighton surveys are particularly important in that they provide a baseline comparison both prior to, during and following the upgrades of Singnapi Street. It should, however, be noted that for the Central area it was only possible to cover 86.5% of the business sample due to the absence of businesses to survey.

The table below highlights the number of surveys administered during the 2015 study year by area and by type.

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<sup>1</sup> It is important to note that given the length of time between the MBDA's initial upgrades of the respective areas, certain questions that were asked in the earlier surveys (i.e. between 2009 and 2011) are no longer applicable. Several questions have subsequently removed from the survey database or amended and replaced with more current questions. For example, between 2009 and 2011 businesses and residents in Central were asked about the aesthetic and functional improvements of the Parliament Street upgrades. Given that these upgrades occurred between 2008/2009, the question has been replaced with how businesses and residents perceive the Trinder Square and Donkin Reserve upgrades.



# KEY FINDINGS OF THE 2015 MBDA ECONOMIC BAROMETER

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Area	Survey Type		
	Business	Residential	Outside Residential <sup>2</sup>
Central <sup>3</sup>	290	280	150
Richmond Hill	40	40	-
North End	60	183	75
Kings Beach	30	200	75
Uitenhage	80	150 <sup>4</sup>	-
New Brighton	20	236	-
Helenvale	20	220	-
<b>Total</b>	<b>540</b>	<b>1 309</b>	<b>300</b>

The above survey sample was based on an initial land audit conducted in 2009 which broadly identified the number of businesses and residents in the respective areas. For other locations aerial images were consulted to identify major residential and business nodes within the respective areas. These nodes were then surveyed based on their relative proximity to the MBDA upgrades in the area.

A representative sample was selected based on a survey size of between 5% and 15% of the total businesses and residents located in the broader area. The focus area for these surveys was however on those locations that were close/adjacent to the MBDA's interventions rather than the entire suburb. The sample size therefore represents a significant percentage of the businesses and residents that are adjacent to the capital investment projects. Sample size was also informed by the MBDA data requirements.

<sup>2</sup> The Outside residential surveys were those surveys that were conducted telephonically outside of the area where the MBDA had invested (e.g. for Central telephonic surveys were conducted in Summerstrand, Walmer, Motherwell, etc.). Survey respondents were asked about their perceptions of the MBDA activities in Central, North End and Kings Beach.

<sup>3</sup> Includes Belmont and Bird Street Precinct

<sup>4</sup> Given the absence of residential households in the Uitenhage CBD area, the residential survey is replaced with a CBD User survey which was administered to individuals that utilise the CBD on a daily basis.



# KEY FINDINGS OF THE 2015 MBDA ECONOMIC BAROMETER

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## SUMMARY

The table below provides a summary of the key outcomes of the 2015 Economic Barometer survey.

	Central		Richmond Hill		North End		Kings Beach		Uitenhage		New Brighton		Helenvale	
	2015	Y-Y Change	2015	Y-Y Change	2015	Y-Y Change	2015	Y-Y Change	2015	Y-Y Change	2015	Y-Y Change	2015	Y-Y Change
<b>Improvements Made</b>														
Business	26.7%	-3.1%	20.0%	-48.3%	18.3%	-15.0%	40.0%	-43.3%	30.9%	+4.6%	35.0%	+5.0%	45.0%	-20.0%
Residents	33.3%	-41.7%	100.0%	+90.0%	25.8%	-7.9%	42.9%	+15.6%	-	-	38.0%	+17.3%	33.9%	+4.8%
<b>Improvements linked to MBDA</b>														
Business	20.9%	+14.3%	-	-	54.5%	+9.5%	58.3%	+6.3%	24.0%	+5.0%	-	-	0.0%	-
Residents	39.1%	+25.8%	-	-	31.8%	+24.0%	38.5%	+18.5%	-	-	-	-	-	-
<b>Planning Future Improvements</b>														
Business	19.5%	-0.5%	22.5%	-21.4%	15.0%	-5.0%	36.7%	-20.0%	18.5%	-0.2%	25.0%	+5.0%	55.0%	+5.0%
Residents	10.7%	-8.0%	12.5%	+12.5%	9.2%	-7.5%	9.9%	+1.1%	-	-	26.0%	+9.8%	41.0%	+1.4%
<b>Average Value of Investment</b>														
Business	R 31 269	-30.5%	R 135 625	-52.9%	R 43 500	-7.4%	R 246 667	-5.2%	R 42 000	-71.1%	R 90 000	-66.9%	R 18 462	-40.7%
Residents	R 5 000	-76.9%	R 34 286	+585.5%	R 19 211	-38.3%	R 8 846	-93.5%	-	-	R 57 188	+129.7%	R 20 523	+3.3%
<b>Total Investment (2015)</b>														
Business	R 2.0 million	-41.1%	R 1.0 million	-87.5%	R 478 502	-96.4%	R 2.9 million	-55.3%	R 1.0 million	-66.7%	R 630 002	-60.6%	R 166 156	-58.9%
Residents	R 5 000	-96.1%	R 240 004	-	R 422 634	-64.3%	R 115 001	-83.2%	-	-	R 4.5 million	+309.1%	R 1.7 million	+13.3%
<b>Cumulative Investment</b>														
Business	R 52.3 million		R 12.9 million		R 4.3 million		R 15.6 million		R 5.1 million		R 2.2 million		R 676 160	
Residents	R 17.9 million		R 645 004		R 4.8 million		R 970 006		-		R 5.8 million		R 4.0 million	
<b>Increase in Turnover</b>	21.5%	-13.8%	20.0%	-4.4%	26.7%	+15.0%	56.7%	+16.7%	21.0%	+6.0%	45.0%	+15.0%	50.0%	+15.0%
<b>Employment created</b>	193	-	20	-23	13	-35	33	-15	68	+43	20	+12	20	-
<b>New start-ups</b>	11	-28	7	+7	0	-4	2	-	4	+2	1	+1	1	-2



# KEY FINDINGS OF THE 2015 MBDA ECONOMIC BAROMETER

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	Central		Richmond Hill		North End		Kings Beach		Uitenhage		New Brighton		Helenvale	
	2015	Y-Y Change	2015	Y-Y Change	2015	Y-Y Change	2015	Y-Y Change	2015	Y-Y Change	2015	Y-Y Change	2015	Y-Y Change
<b>Business confidence</b>	69.8%	+5.3%	50.6%	-	67.1%	+5.0%	78.3%	-4.2%	72.2%	+20.9%	58.3	-15.0%	56.0%	-7.0%
<b>Greatest areas of improvement</b>	Crime and Illegal Activities Lighting Delivery Vehicles		Lighting Delivery vehicles SRA perceptions and effectiveness		None; Parking and Traffic levels had highest scores		All areas including crime and illegal activities		Crime specifically but all other factors except congestion		Effectiveness of the upgrades Red Location Museum		Aesthetic improvements Noise levels	
<b>Areas that still need to be addressed</b>	Awareness of Route 67 Crime and Illegal Activities		Crime Illegal activities		All factors environmental factors score's declined		Effectiveness of Kings Beach upgrades at attracting people to the area		Congestion Derelict properties		Illegal Activities, Crime and Lighting		Crime Cleanliness for residents	

## Key Outcomes for 2015

- The business operating environment across the surveyed areas was **exceptionally challenging in 2015**
- Despite **strong growth in turnover** by business operating in **North End, Kings Beach** and **Helenvale**, this **did not translate into increased property investment**. These areas, as well as **Central** and **Richmond Hill**, experienced fewer businesses and residents making improvements to their properties in 2015.
- Central and Richmond Hill both experienced weak turnover growth, with fewer firms starting operating in Central. **Richmond Hill**, however, had the **highest number of new firms** in 2015.
- **New Brighton** and, to a lesser extent, **Uitenhage**, however, remain positive growth areas.
- New Brighton is particularly positive with:
  - **A higher number** of businesses and residents making improvements
  - **Increase** in the number of both businesses and residents that **plan to make improvements** in the future
  - **A 15.0% increase** in the number of businesses whose **turnover** increased over the last year
  - **Highest business confidence** across the area
- This has all translated into increased investment in the area, as well as new businesses starting to operate in the area.
- Crime and illegal activities continue to be a major challenge across all areas particularly Helenvale. **Positively**, despite still having the lowest values, **crime and illegal activities** average scores in **Central** increased notably in 2015. This suggests that the overall **crime situation in the area has improved**.
- **North End** is a **clear focus area for future interventions**, with **all environmental factors** experiencing a **decline** between 2014 and 2015.



## CENTRAL

Over the past several years the MBDA has been involved in a number of catalytic projects in the Central area including the upgrading of Govan Mbeki Avenue, Parliament Street, Strand Street, and more recently, the redevelopment of the Donkin Reserve, Athenaeum and Trinder square.

As the home of a number of historical buildings, a host of galleries and restaurants as well as the abundance of open space, Central is seen as the heart of Port Elizabeth. Several years of disinvestment by local property owners has seen a gradual decline in appearance of the area. The deterioration of the area has also led to an increase in crime both real and perceived. The initial objective of the MBDA was to address this deterioration.

Given the importance of the Central area, the MBDA has undertaken continuous research, in the form of surveys and economic impact assessments, in order to establish what impact the MBDA's capital investments in the Central area have had on both residential and business sentiment.

### Economic Environment

The tables below provide an overview of the social and economic dynamics that characterise the suburb of Central. These figures are based on the results of the 2011 Census as well as Quantec's standardised regional statistical database. Furthermore, the information presented in these tables is also informed by the MBDA surveys conducted between 2009 and 2015. Economic statistics have been estimated based on the most recently available data.

SOCIO-ECONOMIC PROFILE	2013	2014
Population size	12 991	13 120
Annual population growth (2001 – 2014)		-1.1%
Households	6 057	6 012
Average number of people per household	2.1	2.2
Average monthly household income	R 15 583	R 16 534

Source: Urban-Econ calculations based on Census (2011) and Quantec Standardised Regional database (2015)

ECONOMIC PROFILE, 2014	
GDP-R	<ul style="list-style-type: none"> <li>• R 1.13 billion in 2014 (constant 2005 prices)</li> <li>• Contribution to the NMBM GDP-R was 2.5%</li> <li>• GDP-R per capita was R 86 307 in 2014</li> <li>• Average economic growth between 2001 and 2014 was 1.7%</li> <li>• This was above the NMBM growth rate of 1.3% over the same period</li> </ul>
Employment structure (2011) <sup>1</sup>	<ul style="list-style-type: none"> <li>• 86.0% employed</li> <li>• 14.0% unemployed</li> <li>• 4.6% of not economically active are discouraged workers</li> </ul>

Source: Urban-Econ calculations based on Census (2011) and Quantec Standardised Regional database (2015)

As evident in the above tables, the socio-economic environment in Central, remained fairly static between 2013 and 2014. Just over 13 000 people live in the suburb accommodated an estimated 6 012 households. The average weighted monthly income of these households was R 16 534 in 2014, almost 50% higher than the average for the rest of the NMBM which was R 11 034 in 2014. This higher value is likely attributable to the greater number of high to middle income earners located in and around Richmond Hill and St. Georges Park. It was estimated that the Central area's GDP-R increased by 0.6% in real terms between 2013 and 2014, to R 1.13 billion. This accounted for approximately 2.5% of the total GDP-R of the NMBM. The GDP-R per capita of R 86 307 for Central is well above the NMBM value of R 36 990.

<sup>1</sup> The 2011 Census provides the most recent available information for the Central area.



## Private Sector Investment

The outcomes of the 2015 primary research in respect of private sector investment indicated the following:

- **26.7% of businesses** within Central **made some form of improvements** to their property in **2015** slightly down from the **29.8%** of business in **2014**.
- In comparison, **33.3%** of residents who indicated that they owned their properties made improvements in **2015** (2014: 75.0%). It should be noted that in the number of residential respondents that indicated that they own their property was very small (2015: 1.0% of sample; 2014: 3.5% of sample).
- **Only 11.1% of businesses who made improvements** in 2015 (2014: 6.6%) and **none of the residents who owned their property and made improvements** (2014: 0.0%) indicated that these upgrades were as a **direct result of the MBDA's investment** in the area.
- The average **value of improvements** made by businesses was **R 31 269** in 2015 (2014: R 45 000), while for residents it was **R 5 000** (2014: R 21 667).
- Based on the average value of improvements and the number of respondents that indicated that they made improvements to their property it is possible to estimate the total value of private sector investment in the area by **those businesses and residents that were surveyed**. These estimates suggest that **Central businesses invested R 2.0 million in 2015** (2014: R 3.4 million) while **residents invested R 5 000 in 2015** (2014: R 130 002).
- A sharp falloff in investment by Central businesses and residents has been evident since 2013. Engagements with businesses and residents in the area have indicated that the primary reason for this decline is the **poor overall economic environment** (i.e. slow growth in domestic consumption expenditure resulting in less revenue for upgrades and/or business expansion). Businesses, as evident by survey results, are also less confident about **future economic prospects, rising crime levels**, and poor levels of service delivery (including **maintenance**).
- The total estimated value invested by surveyed Central **businesses** into their properties between 2009 and 2011, as well between 2013 and 2015 was **R 52.3 million**.

## Private Sector Employment Creation

The survey outcomes indicate the following in terms of employment creation in Central:

- **19.9%** of surveyed businesses indicated that they had **hired additional staff in 2015**, down from 23.5% of businesses in 2014.
- Central businesses **hired on average, 3.9** new staff members in 2015 (2014: 3.2)
- Using this average number, as well as the number of Central businesses that indicated that they had hired new staff, it is estimated that **193 new jobs were created by surveyed businesses in 2015, in line with the number of jobs created in 2014**.
- Between 2010 and 2015 an estimated **1 901 new jobs have been created** by surveyed businesses.
- The businesses surveyed in 2015 employed approximately **1 458 people** (2014: 1 360). Of this total, **87.5%** were employed on a **permanent basis** (2014: 81.8%) and **12.5%** were employed on a **part-time/casual** basis (2014: 18.2%).

## Business Trading Environment

The survey outcomes indicated the following key findings about the business trading environment within Central:

- *Business Start-ups*
  - **4.4% of businesses** surveyed (11) indicated that they had been operating for less than one year meaning that they only **started operating** in Central in **2015** (2014: 15.3%). New start-up businesses are a positive sign for the area as they are both an indicator of positive sentiment about the area and tend to **spend more money in the local area** as opposed to larger companies which tend to have central purchasing offices.
  - The majority of new businesses started in Central during 2015 were **restaurants and entertainment** (27.3%); **personal care** (18.2%); and **electronic goods** (18.2%).
  - Over 63.6% of new business start-ups are located in either **Parliament Street** (36.4%) or **Govan Mbeki Avenue** (27.3%). Other popular locations for new business start-ups were Russel Road, and Strand Street (both 9.1%).
  - New start-ups **employed fewer people on average** (3.8 per business) than those businesses that had been operating for longer than a year (5.9 per business).



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- *Business confidence*
  - Businesses were asked how they would rate their overall confidence in the business environment in Central (i.e. prospects growth, trading conditions etc.). Almost **two thirds (79.3%) of businesses** surveyed indicated (2014: 62.7%) that they were either **extremely positive (4.0%; 2014: 7.1%) or positive (75.3%; 2014: 55.7%)** about the current Central operating environment. **Average business confidence** rose slightly in 2015 to **69.8%** from 64.5% in 2014.
  - Given the sensitive nature of requesting business turnover information, respondents were requested to indicate to what extent their 2015 turnover had changed relative to 2014. The **overwhelming majority (70.1%)** of respondents in 2015 indicated that they had experienced **no change in turnover** (2014: 54.5%). Of concern is the fact that the number of respondents that indicated that their turnover had **risen either slightly or significantly decreased notably** from 35.3% in 2014 to **21.5%** in 2015.
  - **7.6%** of businesses surveyed (19) indicated that they **planned to relocate from Central** in the next one to two years (2014: 5.5%). The overwhelming majority (**60.0%**) of these respondents indicated that the primary reason for their relocation was to be in a **closer to their customers**. A further **21 businesses (8.4%)** surveyed indicated that they planned to **cease operating** in the next one to two years.
  - **28.8%** of businesses who owned their property indicated that they felt that their **property had increased in value relative to other areas** (2014: 48.9%) as a result of the MBDA's activities.
  - **UDZ awareness declined** for the fifth consecutive year with only **9.6%** of businesses in Central indicating that they knew about the UDZ in 2015 (2014: 11.4%). Although the percentage of businesses in 2015 that were aware of the UDZ was the lowest in five years, UDZ utilisation was the highest. Of the 24 businesses that indicated that they were of the UDZ in 2015, approximately **37.5% or 9 business had made use of its tax benefits** (2014: 44.8%).
- *Residential perceptions*
  - As part of the survey process residents living outside of Central were asked whether, subsequent to the MBDA upgrades, they spend more time and money in the area.
  - **45.3%** of these respondents indicated that they spend **more money** in Central than they did before the upgrades (2014: 38.9%), while **41.3%** indicated that they spend **more time** in Central (2014: 50.9%).
- *Rental rates*
  - The average 2015 commercial rental rate of **R 256.38 per m<sup>2</sup>** is the highest over the recorded period (2009 – 2011; 2013 – 2015).
  - The 2015 commercial rental rate is also well above the **historical average of R 127.00** over the recorded period (2009-2011, 2013 – 2015).
- *Environmental factors*
  - In order to establish how successful the MBDA's activities in Central have been at addressing a range of environmental issues, respondents were required to rank an assortment of factors on a **scale of one to five**. A ranking of **one** on this scale indicated that the factor had **deteriorated** since the MBDA's activities, while a value of **five** indicated a **significant improvement** in that given environmental factor.
  - **Lighting** (2015: 3.02; 2014: 3.02)<sup>2</sup> and **Delivery vehicles** (2015: 2.97; 2014: 3.04) were the two environmental factors that had the highest average scores in 2015. This means that these were the two factors that 2015 respondents felt had shown the greatest improvement following the MBDA involvement in Central.
  - The rankings of the various environmental factors showed that amongst all survey respondents, the MBDA's upgrades had been **highly effective at addressing the crime situation** in Central. This was evident by the fact that Crime was the factor that showed the greatest improvement between 2014 (2.21) and 2015 (2.66), while Illegal activities showed the third greatest improvement (2014: 2.09; 2015: 2.39).
  - Despite the improve in the overall crime levels, both **Crime and Illegal activities** in the Central area continue to be perceived as **major problems** by both business and residential respondents. This was evident by the fact that these two factors continue to have the lowest average scores in both 2014 and 2015.
- *Aesthetic improvements to Donkin Reserve, Athenaeum and Tinder Square*
  - Businesses and residents (both inside and outside of Central) view the aesthetic improvements to the **Donkin Reserve very positively**.

<sup>2</sup> The numbers in parenthesis represent the average score for the respective environmental factor.



# KEY FINDINGS OF THE 2015 MBDA ECONOMIC BAROMETER

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- **84.5%** of all respondents indicated that they were either **Positive or Extremely Positive** about them (2014: 84.9%). **Residents** within Central were the most positive with **88.2%** indicating either a Positive or Extremely Positive response (2014: 88.9%).
- Respondents perceptions of the Athenaeum and Trinder Square upgrades improved markedly between 2014 and 2015. In 2015, approximately **81.4%** of respondents indicated either a **Positive or Extremely Positive** response compared to only 69.95 in 2014. **Residents** living in Central continue to be the **most positive (83.0%**; 2014: 74.2%) about the upgrades, however, **businesses** in Central exhibited the greatest **improvement** in positive sentiment (+**9.5%** from the 2014 figure).
- *Route 67 Art Journey*
  - **Just under 45%** of all respondents (including businesses and residents) indicated that they were **aware of the Route 67** (2014: 53.2%). Of concern is that the number of residential respondents living outside of the Central area that indicated that they were aware of Route 67 fell sharply, from 61.7% in 2014 to **32.7% in 2015**.
  - The number of respondents that felt that **Route 67 had had a positive impact** on the area also fell to **55.1%** in 2015, down from 58.0% in 2014. **Residents living within the Central area** were the most positive about the development in 2015 (**71.3%**; 2014: 65.8%).
  - Approximately **60.7%** of business and residential respondents also felt that Route 67 was very **effective at showcases** the Nelson Mandela Bay Metro's **diverse heritage** (2014: 55.0%).
  - Approximately **70.8%** of residential respondents (living both inside and outside of Central) had either **undertaken the Route 67 Art Journey** (34.0%; 2014: 36.0%) or knew someone who had (36.5%; 2014: 14.0%).
  - A further **28.0%** of residential respondents (2014: 17.9%) indicated that they had **participated in one of the events** held on the Donkin Reserve (e.g. Urban Run).
  - As a result of the development of Route 67 Art Journey, **74.8%** of all respondents (businesses and residents) indicated that they were now **more likely to visit the area** (2014: 82.5%).



## HELENVALE

Helenvale is a suburb in the Northern Areas of Port Elizabeth. Helenvale, like the rest of the Northern Areas is a manifestation of the Apartheid legacy that uprooted and forcefully displaced people from South End, Fairview, Willowdene and other areas under the Group Areas Act.

This suburb, originally developed to accommodate 6 000 people, now provides tenancy for approximately 25 000 people and has experienced persistent under-development due to its compact size in terms of residential space and house sizes that varies between 25 and 30 m<sup>2</sup>. This has created an over-populated township and subsequent problems such as unemployment, crime, drugs, gangsterism and teenage pregnancy.

In an effort to address these of social issues that affect the area the Helenvale Urban Renewal Project (HURP) was launched in 2007. HURP seeks to address the aforementioned problems through a range of urban renewal projects spearhead by the MBDA.

### Economic Environment

The tables below provide an overview of the social and economic dynamics that characterise Helenvale. These figures are based on both the 2011 Census as well as forecasted estimates of economic activity.

SOCIO-ECONOMIC PROFILE	2013	2014
Population size	13 140	13 271
Annual population growth (2001 – 2014)		-0.3%
Households	2 439	2 421
Average number of people per household	5.4	5.5
Average monthly household income	R 2 931	R 3 110

Source: Urban-Econ calculations based on Census (2011) and Quantec Standardised Regional database (2015)

ECONOMIC PROFILE, 2014	
GDP-R	<ul style="list-style-type: none"> <li>• R 336.9 million in 2014 (constant 2005 prices)</li> <li>• Contribution to the NMBM GDP-R was 0.8%</li> <li>• GDP-R per capita was R 25 393 in 2014</li> <li>• Average economic growth between 2001 and 2014 was 0.5%</li> <li>• This was below the NMBM growth rate of 1.3% over the same period</li> </ul>
Employment structure <sup>1</sup>	<ul style="list-style-type: none"> <li>• 46.5% employed</li> <li>• 53.5% unemployed</li> <li>• 11.0% of not economically active are discouraged workers</li> </ul>

Source: Urban-Econ calculations based on Census (2011) and Quantec Standardised Regional database (2015)

Helenvale is similar to New Brighton in that it is fairly populous (2014: 13 271 people) and has a high level of unemployment (46.5%) and discourage workers (11.0%). Households in Helenvale are considerably poorer than those in New Brighton and had an average monthly household income of R 3 110 in 2014, compared to R 5 142 for households in New Brighton.

Helenvale's GDP-R as well as its GDP-R growth rate between 2001 and 2014 are also lower than that of New Brighton at R 336.9 million and 0.8% respectively. Helenvale's GDP-R per capita of R 25 393 was however higher than that of New Brighton's (R 22 025).

<sup>1</sup> The 2011 Census provides the most recent available information for the Helenvale area.



## Private Sector Investment

The outcomes of the primary research in respect of private sector investment indicated the following:

- **45.0%** of the businesses surveyed in Helenvale indicated that they had **made improvements** to their property in **2015** (2014: 65.0%). In contrast only **33.9%** of Helenvale **residents** surveyed indicated that they had **made improvements** to their home over the same period (2014: 29.1%).
- The overwhelming majority of **residents** surveyed in Helenvale indicated that they **owned their property** (88.4%). The majority of business surveyed indicated that they own their property with only **35.0%** indicating that they **lease their premise**.
- **None** of the **business** (2014: 0.0%) respondents and a mere **9.4%** of **residential** (2014: 9.0%) respondents surveyed in Helenvale indicated that the **improvements** they had made were **linked to the MBDA's upgrades** in the area.
- The average **value of improvements** made by Helenvale **businesses** in 2015 was **R 18 462** (2014: R 31 154) compared to **R 20 523 for residents** (2014: R 19 851).
- Based on the average value of improvements and the number of respondents that indicated that they made improvements to their property it is possible to estimate the total value of private sector investment in the area. These estimates suggest that **Helenvale businesses invested approximately R 166 156 in 2015** (2014: R 405 003) while **residents invested R 1.7 million in 2015** (2014: R 1.3 million).
- The total value of investment by Helenvale **businesses** into their properties between 2013 and 2015 was **R 676 160**. This is compared to **R 4.0 million** by Helenvale **residents**.

## Private Sector Employment Creation

The survey outcomes indicate the following in terms of employment creation in Helenvale:

- The businesses surveyed in 2015 employed approximately **51 people**. Of this total only **70.6%** were employed on a **permanent basis** and **29.4%** were employed on a **part-time/casual** basis.
- Approximately **40.0%** of the **businesses** surveyed in Helenvale (2014: 40.0%) indicated that they had **hired additional staff in 2015**. It was estimated that these businesses hired on average **2.5 new staff**.
- Using this average number, as well as the number of Helenvale businesses that indicated that they had hired new staff, it is estimated that **20 new jobs were created in 2015** (2014: 20 new jobs).

## Business Trading Environment

The survey outcomes indicated the following key findings about the business trading environment within Helenvale:

- *Business Start-ups*
  - **5.0% of businesses** surveyed (1) indicated that they had **been operating for less than one year** (2014: 15.0%, 3 businesses). This means that they only started operating in Helenvale in 2014. New businesses' entering the area is a positive sign as it could suggest increased confidence in the area.
  - This business was a **spaza shops** which employed two staff – the owner as well as a casual worker.
- *Business confidence*
  - The 2015 business surveys indicated that **approximately one fifth (20.0%)** of Helenvale businesses experienced a **slight drop** in their turnover. Positively, however, the number of businesses that indicated that they experienced either a **slight increase or significant increase** in turnover rose from 35.0% in 2014 to **50.0% in 2015**.
  - **Approximately 11 business** respondent (**55.0%**; 2013: 35.0%) indicated that they **planned to relocate** from Helenvale in the next one to two years. The principle reason cited by this respondent for relocating was the **need for larger premises (36.4%)** followed by **safety concerns (27.3%)**.
  - **30.7%** of businesses who indicated that they owned their property felt that the **property's value had increased in relative to other areas** following the MBDA's upgrades in the area (2014: 8.3%).
- *Residential perceptions*
  - Although residents continue to be despondent about the conditions in Helenvale, the survey results indicate that they were less willing to relocate to another area than businesses were. This was reflected by the fact



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- that only **29.5%** of Helenvale **residents** indicated that they **plan to relocate** to another area in the next one to two years (2014: 8.3%).
- **27.0%** of these respondents indicated that the principle reason for **relocating was to in a safer area**. A further 33.8% indicated that they planned to move because they wished to be in an area with a better aesthetic.
  - *Rental rates*
    - Based on the survey sample, the average rental rate for commercial property in Helenvale during 2015 was **R 45.09 per m<sup>2</sup>** (2014: R 89.58 m<sup>2</sup>) It should be noted that the **response rate** for this question was **28.5%**.
  - *Environmental factors*
    - As was the case in Central, Helenvale respondents (both businesses and residents) were asked to rank an assortment of environmental factors on a **scale of one to five**. The average scores from these factors were then used to establish **how successful the MBDA's interventions** were at improving the Helenvale environment.
    - **Delivery vehicles (3.11)<sup>2</sup>** and **noise levels (2.86)** were the two environmental factors that had the **highest average scores** in 2015. This means that these were the two factors that 2015 respondents felt had shown the greatest improvement following the MBDA upgrades of Helenvale.
    - **Crime** was the environmental factor that had the lowest average score (**1.27**) followed by **Illegal Activities (1.47)** and **Parking Provision (1.99)**. These three factors are historically acknowledged as being the **principle issues facing Helenvale**, and these low scores should be interpreted in this context. It should be noted that the average scores for all these factors have declined since 2014 (1.52; 2.96; and 2.66 respectively) suggesting a significant deterioration in the environment.
    - As part of both the business and residential surveys conducted in Helenvale, respondents were asked whether or not they were satisfied with the overall security situation in the area. Based on the 2015 survey results only **40.0% of businesses** (2014: 10.0%), and **34.3% of residents** (2014: 30.4%) indicated that they **were satisfied**.
    - This lack of satisfaction with the security situation in Helenvale was further reflected in the fact that **81.5%** (2014: 64.0%) of all respondents felt either **unsafe (46.9%)** or **very unsafe (34.7%)**, when outside and alone in a public place in Helenvale.
    - Residents in Helenvale indicated that the most frequently occurring crimes in the area in 2015 were **muggings (37.5%)** and **armed robbery (35.5%)**. Businesses in contrast indicated that **shootings (40.0%)** and **shop lifting (25.0%)** were the most frequent crimes in the area.
    - Approximately **83.7% of residents** (2014: 92.6%) and **95.0% of businesses** (2014: 70.0%) indicated that their refuse was collected regularly. Furthermore, **30.6% of all respondents** indicated that there were **sufficient refuse bins** in the area (2014: 36.8%).
    - These factors helped to contribute to the high level of satisfaction experienced by businesses in respect of the cleanliness of Helenvale. This was evident by the fact that they the overwhelming **majority of businesses (70.0%; 2014 – 70.0%)** indicated that they were satisfied with the cleanliness of Helenvale. Residents in contrast were less positive with only **42.6%** of respondents indicating that they were satisfied with the level of cleanliness in Helenvale (2014 – 60.9%).
    - Most respondents (i.e. both businesses and residents) indicated that the degree of social harmony in the community was either **very unsatisfactory (18.1%; 2014 – 2.0%)** or **unsatisfactory (15.9%; 2014 – 16.8%)**. **Business** respondents were however notably more less positive, with **45.0%** indicating either a **very unsatisfactory (10.0%; 2014 – 0.0%)** or **unsatisfactory (35.0%; 2014 – 10.0%)** response.
  - *Aesthetic improvements in Helenvale*
    - Both businesses and residents view the **aesthetic improvements** and new urban design elements in Helenvale in a **very positive** light.
    - **85.2%** of all respondents indicated that they were either **Positive (43.2%)** or **Extremely Positive (42.1%)** about them (2014: 68.0%). **Residents** in Helenvale were the **most positive** with 86.1% indicating either a Positive or Extremely Positive response (2014: 92.2%).

<sup>2</sup> The numbers in parenthesis represent the average score for the respective environmental factor.



## KINGS BEACH

The area surrounding and including Kings Beach is viewed as one of the Nelson Mandela Bay Metro's (NMBM) primary draw cards for both domestic and international tourists. The area also has considerable potential, which can be developed so as to attract a greater number of visitors to the area, as well as the NMBM as a whole.

Given this potential, the MBDA requested proposals from specialist consultants in the fields of urban design, landscape architecture, civil engineering and transport planning to review the existing plans for the Kings Beach area and then prepare a new plan that would guide the redevelopment of the area. This consortium of consultants would also be responsible for implementing the plan once completed and approved by the MBDA and NMBM.

The overall intention of this process is to recreate this critical tourist asset so as to not only attract increased spending power from visiting tourists, but also to draw a greater number of NMBM residents to the area.

### Economic Environment

The tables below provide an overview of the social and economic dynamics that characterise Kings Beach and the greater Humewood area. These figures are based on both the 2011 Census as well as forecasted estimates of economic activity.

SOCIO-ECONOMIC PROFILE	2013	2014
Population size	3 713	3 750
Annual population growth (2001 – 2014)		-3.3%
Households	1 617	1 605
Average number of people per household	2.3	2.3
Average monthly household income	R 20 529	R 21 782

Source: Urban-Econ calculations based on Census (2011)

ECONOMIC PROFILE, 2014	
GDP-R	<ul style="list-style-type: none"> <li>R 259.4 million in 2014 (constant 2005 prices)</li> <li>Contribution to the NMBM GDP-R was 0.6%</li> <li>GDP-R per capita was R 69 167 in 2014</li> <li>Average economic growth between 2001 and 2014 was 1.2%</li> <li>This was slightly below the NMBM growth rate of 1.3% over the same period</li> </ul>
Employment structure (2011) <sup>1</sup>	<ul style="list-style-type: none"> <li>92.0% employed</li> <li>8.0% unemployed</li> <li>0.2% of not economically active are discouraged workers</li> </ul>

Source: Urban-Econ calculations based on Census (2011)

The King's Beach area which includes Humewood, is a relatively small geographic area dominated by high income residential properties and businesses involved in the accommodation, entertainment and leisure industries. The affluent nature of this area is highlighted by the average household income, which is almost double the average for the NMBM, and the high rate of employment (92.0%).

Although dominated by high income earners the GDP-R contribution of the area is low, only contributing 0.6% of the total GDP-R of the NMBM equivalent to R 257.4 million in 2013.

<sup>1</sup> 2011 is the most recently available information for the Central area



## Private Sector Investment

The outcomes of the primary research in respect of private sector investment indicated the following:

- **40.0%** of Kings Beach businesses **made improvements** to their property in **2015**, **down 43.3%** from the 83.3% of businesses that they made improvements to their properties in 2014.
- Of those Kings Beach residents that own their property approximately **42.9%** (2014: 27.3%) indicated that they had **made improvements** to their home between 2014 and 2015. It is important to note that only **3.5% of residential respondents** (7 of the 201 respondents) indicated that they **owned** their property with the overwhelming majority indicating that they rent.
- A small percentage (**38.4%**) of **residential respondents** indicated that the improvements they had made to their properties were as a **direct result of the MBDA's interventions** in Kings Beach.
- The Kings Beach upgrades had considerable impact on the number of businesses that made improvements to their properties. This was evident by the fact that **almost 60% of the businesses that made improvements** (58.3%) in 2015 **attributed** them to the **MBDA's Kings Beach interventions** (2014: 52.0%).
- The average **value of improvements** made by Kings Beach **businesses** in 2015 was **R 246 667** (2014: R 260 200) compared to **R 8 846 for residents** (2014: R 137 000).
- Based on the average value of improvements and the number of respondents that indicated that they made improvements to their property it is possible to estimate the total value of private sector investment in the area. These estimates suggest that **Kings Beach businesses invested R 2.9 million in 2015** (2014: R 6.5 million) while **residents invested R 115 001 in 2015** (2014: R 685 000).
- The total value invested by Kings Beach **businesses** into their properties in 2011 as well as between 2013 and 2015 was **R 15.6 million**. **Residents** in comparison only invested **R 970 006** over the same period.

## Private Sector Employment Creation

The survey outcomes indicate the following in terms of employment creation in Kings Beach:

- The businesses surveyed in 2015 employed approximately **256 people** (2014: 349 people). Of this total, **81.6%** were employed on a **permanent basis** and **18.4%** were employed on a **part-time/casual basis**.
- **30.0%** of surveyed businesses indicated that they had **hired additional staff in 2015 (2014: 56.7%)**. It was estimated that each one of these businesses hired an average of **3.6 new staff**.
- Using this average number, as well as the number of Kings Beach businesses that indicated that they had hired new staff, it is estimated that **33 new jobs were created in 2015** (2014: 48).

## Business Trading Environment

The survey outcomes indicated the following key findings about the business trading environment within Kings Beach:

- **Business Start-ups**
  - The overwhelming majority of businesses in the Kings Beach area are well established and have been operating in the area for a number of year (average years of operation: **9.6 years**). The result was that **only two surveyed** (6.7%) business indicated that it had **started operating** in the area in the last year.
- **Business confidence**
  - Businesses were asked how they would rate their overall confidence in the business environment in Kings Beach (i.e. prospects growth, trading conditions etc.). The overwhelming majority of businesses were very positive about the Kings Beach business environment with an **average business confidence of 78.3%** in 2015 slightly lower than the 82.5% recorded in 2014. This figure however represents a continuous decline since 2011, when overall business confidence was 91.3%.
  - The high levels of confidence by Kings Beach business owners is likely attributable to the positive trading environment that they are experience. This is reflected by the fact that **56.7%** of all **business respondents** in Kings Beach indicated that their turnover **had increased** (2014: 40.0%) either slightly (36.7%) or significantly (20%).
  - Conversely, approximately **6.7%** of businesses in 2015 indicated that they **planned on relocating** (2014: 16.7%) from the Kings Beach area in the next one to two years. The two businesses that indicated they planned on relocated, they cited the need for a larger property and to be closer to their customers as the main reasons for relocation.



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- **62.5%** of businesses who owned their property indicated that they felt that their **property had increased in value relative to other areas** as a result of the MBDA's activities (2014: 66.7%).
- The Kings Beach area had the **greatest percentage** of business respondents that were **aware of the UDZ** and its associated tax benefits (50%; Central 9.6%). Utilisation of the tax benefits of the UDZ was equally high, with **fourteen respondent having made use of them** (93.3%).
- *Residential perceptions*
  - As part of the survey process residents living outside of Kings Beach were asked what impact they felt that the Kings Beach upgrades had had on a range of factors including tourism growth, increased use of the area by locals, property values in the area etc.
  - Approximately **30.7%** these respondents felt that the Kings Beach upgrades had been highly effective at encouraging **increased utilisation of the area** (2014: 49.3%). Conversely **97.3%** of respondents felt that the Kings Beach upgrades had been highly **ineffective at preventing illegal activity** in the area (2014: 88.0%).
- *Rental rates*
  - Based on the survey sample, the average rental rate for commercial property in Kings Beach during 2015 was **R 42.83 per m<sup>2</sup>** (2014: R 108.81 per m<sup>2</sup>).
- *Environmental factors*
  - Applying a similar methodology as was used in Central, business and residential respondents in Kings Beach were asked to how effective the MBDA's upgrades of the area had been at promoting tourism growth; reducing crime; increasing property values; increasing business turnover; encouraging greater utilisation of the area; and preventing illegal activities.
  - Both business and residential respondents felt that the MBDA Kings Beach upgrades had been highly effective at **promoting tourism growth** in the area (2015: 4.41; 2014: 3.90)<sup>2</sup> and encouraging **greater utilisation of the area** by visitors (2015: 3.88; 2014: 3.44).
  - According to both businesses and residents the upgrades had been **ineffective at reducing the overall crime** levels (2015: 3.10; 2014: 2.85) as well as addressing **other illegal activities** (2015: 3.21; 2014: 2.36). These average scores however were notably higher than for other comparable areas (Central, Uitenhage, Helenvale). This most likely indicates that the **incident and nature of the crime in Kings Beach is less severe** than the comparable areas.

<sup>2</sup> The numbers in parenthesis represent the average score for the respective environmental factor.



## NEW BRIGHTON

Singaphi Street is situated in the old township of Red Location, which now forms part of New Brighton, and is a strategic access route to one of the Nelson Mandela Bay Metros' important tourism attractions – the Red Location Museum. Given the street's strategic importance, the MBDA has undertaken an extensive public participation process with the local community in order to assist the agency in identifying the kind of environmental upgrades that should be undertaken.

Once completed, the Singaphi Street upgrades will include a newly surfaced road from Ferguson Road up to Olaf Palme Street. The environmental upgrading of the street will also include Public Art, Street Furniture, Children's Play Parks, Traffic Education Cycling Park a Sports Training Park as well as possibilities for vendor trading areas and landscaping.

The project has a total estimated budget of R 40 million, with Phase one of the project having a total budget of R 12 million. As one of the focuses of the upgrades, the MBDA will ensure that a number of small, previously disadvantaged local contractors will get a significant portion of the work.

### Economic Environment

The tables below provide an overview of the social and economic dynamics that characterise the suburb of New Brighton. These figures are based on the results of the 2011 Census as well as Quantec's standardised regional statistical database. Furthermore, the information presented in these tables is also informed by the MBDA surveys conducted in the area between 2013 and 2015. Economic statistics have been estimated based on the most recently available data.

SOCIO-ECONOMIC PROFILE	2013	2014
Population size	26 924	27 014
Annual population growth (2001 – 2014)		1.0%
Households	6 721	6 782
Average number of people per household	4.0	4.0
Average monthly household income	R 4 846	R 5 142

Source: Urban-Econ calculations based on Census (2011) and Quantec Standardised Regional database (2015)

ECONOMIC PROFILE, 2014	
GDP-R	<ul style="list-style-type: none"> <li>• R 594.9 million in 2014 (constant 2005 prices)</li> <li>• Contribution to the NMBM GDP-R was 1.3%</li> <li>• GDP-R per capita was R 22 015 in 2014</li> <li>• Average economic growth between 2001 and 2014 was 1.6%</li> <li>• This was above the NMBM growth rate of 1.3% over the same period</li> </ul>
Employment structure (2011) <sup>1</sup>	<ul style="list-style-type: none"> <li>• 49.9% employed</li> <li>• 50.1% unemployed</li> <li>• 18.7% of not economically active are discouraged workers</li> </ul>

Source: Urban-Econ calculations based on Census (2011) and Quantec Standardised Regional database (2015)

New Brighton is one of the most populous (2014: 27 014 people) areas in the Nelson Mandela Bay Metro, accounting for just over 2% of the metro's total population in 2014. The area is also characterised by exceptionally high levels of unemployment, with over 50% of the working population being unemployed and a further 18.7% being classified as discouraged workers. The average monthly household income for New Brighton (R 5 142) is also, 53.4% below the metro figure (R 11 .034).

New Brighton's GDP-R growth rate between 2001 and 2014 was higher than that of the Nelson Mandela Bay Metro 1.6% to 1.3% respectively. New Brighton's GDP-R per capita of R 22 015, however, was notably lower than that the metro's figure (R 36 990).

<sup>1</sup> The 2011 Census provides the most recent available information for the New Brighton area.



## Private Sector Investment

The outcomes of the primary research in respect of private sector investment indicated the following:

- **35.0% of businesses** surveyed in New Brighton **made some form of improvements** to their property in **2015** slightly higher than the **30.0%** of businesses in **2014**. In comparison only **38.0%** of residents who indicated that they owned their properties made improvements in **2015** (2014: 20.7%).
- The results suggest that now that the Singapi Street upgrades have been completed, a **greater number of both businesses and residents** in the area have **started making improvements** to their properties.
- The average **value of improvements** made by businesses was **R 90 000** in 2015 (2014: R 272 500), while for residents it was **R 57 188** (2014: R 24 896).
- Based on the average value of improvements and the number of respondents that indicated that they made improvements to their property it is possible to estimate the total value of private sector investment in the area by surveyed respondents. These estimates suggest that **New Brighton businesses** that were surveyed **invested R 630 002 in 2015** (2014: R 1.6 million) while **residents invested R 4.5 million in 2015** (2014: R 1.1 million).
- The total value invested by New Brighton **businesses** into their properties between 2013 and 2015 was **R 2.2 million**, with **residents** investing a further **R 5.8 million** over the same period.
- Approximately **25.0%** of surveyed businesses indicated that they were **planning on making improvements** to their properties in the near future year (2014: 20.0%).

## Private Sector Employment Creation

The survey outcomes indicate the following in terms of employment creation in New Brighton:

- **30.0%** of surveyed businesses indicated that they had **hired additional staff in 2015**, double the 15.0% recorded in 2014.
- New Brighton businesses **hired on average, 3.3** new staff members in 2015 (2014: 2.5)
- Using this average number, as well as the number of New Brighton businesses that indicated that they had hired new staff, it is estimated that **20 new jobs were created in 2015, notably higher** than the 8 jobs created in 2014.
- The businesses surveyed in 2014 employed approximately **93 people** (2014: 79). Of this total, **72.0%** were employed on a **permanent basis** (2014: 87.3%) and **28.0%** were employed on a **part-time/casual basis** (2014: 12.7%).

## Business Trading Environment

The survey outcomes indicated the following key findings about the business trading environment within Central:

- *Business Start-ups*
  - **Only one** of the businesses surveyed indicated that they had **been operating for a year or less**. This, coupled with fact that the average years of **operation** was **8.8 years** (2013: 8.7 years), suggests that the businesses around Singaphi Street are well established and that few new businesses have opened in the area since 2013.
  - The businesses operating in New Brighton **employ, on average, 2.3 people** (2014: 4.0 people).
- *Business confidence*
  - Businesses were asked how they would rate their overall confidence in the business environment in New Brighton (i.e. prospects growth, trading conditions etc.). Approximately **35.0% of businesses** surveyed indicated (2014: 75.0%) that they were either **extremely positive (5.0%; 2014: 25.0%)** or **positive (35.0%; 2014: 50.0%)** about the current New Brighton operating environment.
  - Given the sensitive nature of requesting business turnover information, respondents were requested to indicate to what extent their 2015 turnover had changed relative to 2014. Approximately **25.0%** of respondents in 2015 indicated that they had experienced **no change in turnover** (2014: 40.0%). Of concern, was that the number of respondents that indicated that their **turnover had declined** either **slightly** or **significantly** in the last year, remained **unchanged in 2015 at 30.0%**. Positively, the number of respondents that indicated that their turnover had **risen either slightly or significantly increased notably** from 30.0% in 2014 to **45.0%** in 2015.
  - **None** of the businesses surveyed indicated that they **planned to relocate from New Brighton** in the next one to two years (2014: three businesses). Approximately **25.0%** of business respondents, however,



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indicated that they were **unsure whether or not they would relocate** (2013: 20.0%). **One** surveyed **business** indicated that they planned to **cease operating** in the next one to two years.

- **None** of the businesses who owned their property indicated that they felt that their **property had increased in value relative to other areas** (2014: 25.0%) as a result of the upgrading of Singaphi Street.
- *Rental rates*
  - Based on the survey sample, the average rental rate for commercial property in New Brighton in 2015 was **R 3.17 per m<sup>2</sup>**. This is notably lower than the commercial property rental rates recorded in 2014 (R 18.04 per m<sup>2</sup>). The high variance is attributable to both the small sample size as well as the low number of responses received for the question.
- *Business and Residential Perceptions*
  - Following the completion of the Singaphi Street upgrades in 2014, it was possible to ask both businesses and residents about their perceptions of the upgrades. Overall, the **upgrades were viewed in a highly positive light** with **86.8% of all respondents** in 2015 indicating either an extremely **positive (14.3%)** or **positive (72.5%)** response. **Residents** proved to be notably **more positive** about the upgrades than businesses with **88.7%** indicating either an extremely positive (14.3%) or positive (74.4%) response. The corresponding figure for New Brighton **businesses was only 65.0%**.
  - The **Singaphi Street upgrades** had a strong **positive impact** on the perceptions of the **Red Location** precinct. In 2015, **82.9%** (2014: 54.7%) of **business and residential** respondents indicated that they were **positive (70.9%; 2014: 44.5%)** or **extremely positive (12.0%; 2014: 10.2%)** about the Red Location precinct development. This figure represented a significant improvement in the 2014 figure.
  - **Residential** respondents were the most **positive** about the development, with the number of these respondents that indicated either a positive or extremely positive response increasing from **54.3%** in 2014 to only **87.0% in 2015**.



## NORTH END

North End, unlike the CBD and Central, is predominately an industrial area with a number of warehouses and other light industries. There is however also a notable middle to low income residential neighbourhood. These residential properties are confined to the areas adjacent to the Nelson Mandela Bay Stadium and the area west of Harrower Road (i.e. the suburb of Kensington).

The construction of the Nelson Mandela Bay Stadium prior to the 2010 FIFA World Cup resulted in a significant redevelopment of the greater North End area. This development included large parts of North End. These development included the introduction of urban design features such as trees, benches as well as traffic measures such as speed bumps, wider roads etc.

### Economic Environment

The tables below provide an overview of the social and economic dynamics that characterise the suburb of North End. These figures are based on the results of the 2011 Census as well as Quantec's standardised regional statistical database. Furthermore, the information presented in these tables is also informed by the MBDA surveys conducted in 2011 and between 2013 and 2015. Economic statistics have been estimated based on the most recently available data.

SOCIO-ECONOMIC PROFILE	2013	2014
Population size	9 416	9 510
Annual population growth (2001 – 2014)		-0.1%
Households	2 627	2 607
Average number of people per household	3.6	3.6
Average monthly household income	R 15 738	R 16 619

Source: Urban-Econ calculations based on Census (2011) and Quantec Standardised Regional database (2015)

ECONOMIC PROFILE, 2014	
GDP-R	<ul style="list-style-type: none"> <li>• R 718.5 million in 2014 (constant 2005 prices)</li> <li>• Contribution to the NMBM GDP-R was 1.6%</li> <li>• GDP-R per capita was R 75 562 in 2014</li> <li>• Average economic growth between 2001 and 2014 was 1.1%</li> <li>• This was below the NMBM growth rate of 1.3% over the same period</li> </ul>
Employment structure (2011) <sup>1</sup>	<ul style="list-style-type: none"> <li>• 85.8% employed</li> <li>• 14.2% unemployed</li> <li>• 4.5% of not economically active are discouraged workers</li> </ul>

Source: Urban-Econ calculations based on Census (2011) and Quantec Standardised Regional database (2015)

As evident in the above tables, the socio-economic environment in North End, remained fairly constant between 2013 and 2014. The North End area consists of just over 2 600 households and accommodates a total population of 9 510, 1.0% higher than in 2014. The average weighted monthly income for households of R 16 619 in 2014, was 51.3% higher than the average household income for the rest of the NMBM (R 11 034). North End's GDP-R was R 718.5 million in 2014, accounting for 1.6% of the total GDP-R of the NMBM.

Although the North End area only makes a small contribution to the total GDP-R of the greater NMBM, its GDP-R per capita of R 75 562, was significantly higher than that of the rest of the metro (R 36 990).

<sup>1</sup> The 2011 Census provides the most recent available information for the North End area.



## Private Sector Investment

The outcomes of the primary research in respect of private sector investment indicated the following:

- **18.3% of business** within North End **made some form of improvements** to their property in **2015** compared to **33.3%** of business in **2014**. In comparison, **25.8%** of North End residents who own their properties made improvements in **2015** (2014: 33.7%).
- Approximately **54.5% of businesses who made improvements** in 2015 (2014: 45.0%) and **35.3% of the residents who owned their property and made improvements** (2014: 9.4%) indicated that these upgrades were as a **direct result of the stadium development** and subsequent upgrades in the area.
- The average **value of improvements** made by businesses was **R 43 500** in 2015 (2014: R 47 000), while for residents it was **R 19 211** (2014: R 31 184).
- Based on the average value of improvements and the number of respondents that indicated that they made improvements to their property it is possible to estimate the total value of private sector investment in the area by surveyed respondents. These estimates suggest that **North End businesses invested R 478 502 in 2015** (2014: R 940 009) while **residents invested R 422 634 in 2015** (2014: R 1.1 million).
- The total cumulative value invested by North End **businesses** into their properties in 2011, and between 2013 and 2015 was **R 4.3 million**, with **residents** investing a further **R 4.8 million** over the same period.

## Private Sector Employment Creation

The survey outcomes indicate the following in terms of employment creation in North End:

- Only **8.3%** of surveyed businesses indicated that they had **hired additional staff in 2015**, notably down from 23.3% of businesses in 2014.
- North End businesses **hired on average, 2.5** new staff members in 2015 (2014: 3.4).
- Using this average number, as well as the number of North End businesses that indicated that they had hired new staff, it is estimated that **13 new jobs were created in 2015**, lower than 48 jobs created in 2014.
- The businesses surveyed in 2014 employed approximately **517 people** (2014: 465). Of this total, **94.8%** were employed on a **permanent basis** (2014: 91.2%) and **5.2%** were employed on a **part-time/casual** basis (2014: 8.8%).

## Business Trading Environment

The survey outcomes indicated the following key findings about the business trading environment within North End:

- *Business Start-ups*
  - **None of the businesses** surveyed in 2015 indicated that they had been operating for either one year or less than one year meaning that they only **started operating** in North End in **2014** (2014: 6.7%). New start-up businesses are a positive sign for the area as they are both an indicator of positive sentiment about the area and tend to **spend more money in the local area** as opposed to larger companies which tend to have central purchasing offices.
- *Business confidence*
  - Businesses were asked how they would rate their overall confidence in the business environment in North End (i.e. prospects growth, trading conditions etc.). Just **over 70% (73.3%) of all businesses** surveyed indicated (2014: 56.7%) that they were either **extremely positive (1.7%; 2014: 3.3%)** or **positive (71.7%; 2014: 53.3%)** about the current North End operating environment. **Average business confidence** rose by 5.0% in 2015 to **67.1%** from 62.1% in 2014.
  - Given the sensitive nature of requesting business turnover information, respondents were requested to indicate to what extent their 2015 turnover had changed relative to 2014. The **overwhelming majority (63.3%)** of respondents in 2015 indicated that they had experienced **no change in turnover** (2014: 68.3%). Positively, the number of respondents that indicated that their turnover had **risen either slightly or significantly increased notably** from 11.7% in 2014 to **26.7%** in 2015. Likewise, the number of businesses that indicated that they had experienced a significant decline in turnover **fell** from 5.0% in 2014 to **0.0% in 2015**.
  - **5.0%** of businesses surveyed (3) indicated that they **planned to relocate from North End** in the next one to two years. These businesses cited the primary reason for their relocation as: the need to be in **closer to**



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- their customers; a need for a **larger premise**; or to be in a **better aesthetic environment**. A further **five businesses** indicated that they planned to **cease operating** in the next one to two years.
- **58.3%** of businesses who owned their property indicated that they felt that their **property had increased in value relative to other areas** (2014: 47.0%) as a result of the stadium development.
  - **Awareness of the UDZ** and its associated tax benefits declined from 16.7% in 2014 to **11.7%** of surveyed businesses in North End during 2015. Of the 7 businesses that indicated that they were of the UDZ in 2015, approximately **14.2% or one business** had **made use of its tax benefits**. This is lower than the three businesses in 2014 that indicated that they were aware of the UDZ and had also made use of its tax benefits.
- *Residential perceptions*
    - As part of the survey process residents living in other parts of North End (i.e. not adjacent to, or in close vicinity of, the Nelson Mandela Bay Stadium) were contacted telephonically and asked whether, subsequent to the stadium development, they spend more time and money in the area.
    - **61.3%** of these respondents indicated that they spend **more money** in North End than they did before the upgrades (2014: 21.3%), while **36.0%** indicated that they spend **more time** in End (2014: 18.7%).
    - Approximately **68.0%** of residents living in North End indicated that their **perceptions** of the area had **changed for the better** following the stadium development (2014: 38.7%)
  - *Rental rates*
    - Based on the survey sample, the average rental rate for commercial property in the North End was **R 61.87 per m<sup>2</sup>**. This is notably higher than the commercial property rental rates recorded in 2014 (R 31.60 per m<sup>2</sup>), but in line with the 2013 rate (R 50.30).
  - *Environmental factors*
    - In order to establish how successful the developments in North End have been at addressing a range of environmental issues, respondents were required to rank an assortment of factors on a **scale of one to five**. A ranking of **one** on this scale indicated that the factor had **deteriorated** since the stadium development while a value of **five** indicated a **significant improvement** in that given environmental factor.
    - **Illegal activities (2015: 2.32; 2014: 2.98)<sup>2</sup>** followed closely by **Crime (2015: 2.45; 2014: 2.70)** were the two environmental factors cited by businesses as having the lowest scores. The corresponding factors for residents was **Crime (2015: 2.68; 2014: 2.78)** and **Illegal activities (2015: 2.70; 2014: 2.78)**. This indicates that both businesses and residents feel that the stadium development has had little impact on the overall crime situation in North End.
    - **On-street parking provision (2015: 3.25; 2014: 3.33)** and **Traffic levels (2015: 3.03; 2014: 3.73)** were the two environmental factors that had the highest average scores in 2015 amongst businesses. This means that these were the two factors that 2015 businesses felt had shown the greatest improvement following the stadium development in North End.
    - The rankings of the various environmental factors showed that amongst business respondents, the stadium developments had been **highly effective at addressing the on-street parking provision** in North End. This was evident by the fact that this factor that showed the lowest decrease improvement between 2014 and 2015.
    - It should be noted that while on-street parking provision and traffic levels were the highest scoring environmental factors amongst businesses in 2015, the scores across all environmental factors **declined by an average 0.71 points**. This is evident by the scores for on-street parking provision and traffic levels, which despite being the highest scoring factors in 2015, actually declined between 2014 and 2015.
    - In comparison, residents cited **Lighting (2015: 3.66; 2014: 4.01)** and **Parking Provision (2015: 3.55; 2014: 3.63)** in North End as the two environmental factors that had shown the greatest improvements since the stadium development. As in the case of business responses, **residential scores** in 2015 were, on average, **0.26 points lower than in 2014**.

<sup>2</sup> The numbers in parenthesis represent the average score for the respective environmental factor.



## RICHMOND HILL

Richmond Hill is one of the Nelson Mandela Bay Metro's oldest suburbs, and has seen a significant redevelopment over the last five years. Driven exclusively by the private investment with the institutional support of the MBDA, small scale urban renewal has occurred which has seen the introduction of a number of new businesses into the area – particularly restaurants – focused in, and around Staley Street.

The introduction of these restaurants to the area, has also helped to stimulate the redevelopment of the surrounding residential area. Local residents have made a number of improvements to their properties, which has led to a corresponding increase in property values.

Richmond Hill, and Staley Street in particular, is now a premier destination for eateries in the metro and attracts a diverse range of visitors. The redevelopment of Richmond Hill has also seen the introduction of new events to the area such as the Richmond Hill Music Festival, which helps to make the area a more attractive destination to work and live in.

### Economic Environment

The suburb of Richmond Hill falls within the Central sub-place as delineated by the South African Demarcation Board. As such, the information presented in this section would be identical to that of the Central area profile.

### Private Sector Investment

The outcomes of the 2015 primary research in respect of private sector investment indicated the following:

- **20.0% of businesses** within Richmond Hill **made some form of improvements** to their property in **2015** compared to **68.3%** of business in **2014**.
- In comparison, **all** residents who indicated that they owned their properties made improvements in **2015** (2014: 10.0%). It should, however, be noted that in 2015 **only one** of the surveyed respondents indicated that they **owned their property**. If residents who rent their property are included, approximately **17.5%** of respondents indicated that they **made improvements in 2015** (2014: 2.5%).
- The average **value of improvements** made by businesses was **R 135 625** in 2015 (2014: R 288 036), while for residents it was **R 34 286** (2014: R 5 000).
- Based on the average value of improvements and the number of respondents that indicated that they made improvements to their property it is possible to estimate the total value of private sector investment in the area by **those businesses and residents that were surveyed**. These estimates suggest that **Richmond Hill businesses invested R 1.0 million in 2015** (2014: R 8.0 million) while **residents invested R 240 004 in 2015** (2014: R 5 000).
- The total value invested by Richmond Hill **businesses** into their properties between 2013 and 2015 was **R 12.9 million**, compared to **R 645 004 by residents**.

### Private Sector Employment Creation

The survey outcomes indicate the following in terms of employment creation in Richmond Hill:

- **7.5%** of surveyed businesses indicated that they had **hired additional staff in 2015**, significantly below the **36.6%** of businesses in 2014.
- Positively, these Richmond Hill businesses **hired on average, 6.7** new staff members in 2015, well above the **2.8** new staff members per business hired in 2014.
- Using this average number, as well as the number of Richmond Hill businesses that indicated that they had hired new staff, it is estimated that **20 new jobs were created by the surveyed businesses in 2015**, lower than 43 jobs created in 2014.
- The businesses surveyed in 2015 employed approximately **354 people** (2014: 341). Of this total, **77.1%** were employed on a **permanent basis** (2014: 80.4%) and **22.9%** were employed on a **part-time/casual** basis (2014: 19.6%).



## Business Trading Environment

The survey outcomes indicated the following key findings about the business trading environment within Richmond Hill:

- *Business Start-ups*
  - **Seven (17.5%)** of the businesses surveyed indicated that they had **been operating for a year or less** (2014: 0.0%). These businesses were located in both **Stanley** (71.4%) and **Bain** (28.6%) **Streets**. The presence of such a large number of start-up businesses is a positive sign for future investment in the area.
  - Excluding new firms, the average number of years that a business has been operating in Richmond Hill was **7.6 years** (2014: 10.8 years). Businesses located in **Stately Street**, however, had only been operating for an **average of 4.6 years** (2014: 3.2 years).
  - The businesses operating in Richmond Hill **employed**, on average, **10.7 people** in 2015 (2014: 8.3 people). New start-ups in Richmond Hill tended to **employ fewer people** on average (4.4 people in 2015) and have a **greater number of permanent staff** (74.1%) than more established firms (77.4%) in the area.
- *Business confidence*
  - Given the sensitive nature of requesting business turnover information, respondents were requested to indicate to what extent their 2015 turnover had changed relative to 2014. The **overwhelming majority (80.0%)** of respondents in 2015 indicated that they had experienced **no change in turnover** (2014: 41.5%). Of concern is that the number of respondents that indicated that their turnover had **risen either slightly or significantly decreased** from 24.4% in 2014 to **20.0%** in 2015.
  - Overall business confidence in 2015 was **50.6%**
  - **5.0%** of businesses surveyed (2) indicated that they **planned to relocate from Richmond Hill** in the next one to two years (2014: 12 businesses; 29.3%). These respondents all indicated that the primary reason for their relocation was to be in **closer to their customers**. **Only one businesses** surveyed in 2015 indicated that they planned to **cease operating** in the next one to two years.
  - **UDZ awareness increased sharply** in 2015 with **62.5%** of businesses in Richmond Hill indicating that they knew about the UDZ (2014: 24.4%). Although the percentage of businesses in 2015 that were aware of the UDZ was low, UDZ utilisation was exceptionally high. Of the 25 businesses that indicated that they were of the UDZ in 2015, approximately **40.0% or 10 business had made use of its tax benefits** (2014: 80.0%)
- *Rental rates*
  - Based on the survey sample, the average rental rate for commercial property in the Richmond Hill was **R 190.93 per m<sup>2</sup>**. This is notably higher than the commercial property rental rates recorded in 2014 (R 113.81 per m<sup>2</sup>).
- *Environmental factors*
  - In order to establish how successful the MBDA's activities in Richmond Hill have been at addressing a range of environmental issues, respondents were required to rank an assortment of factors on a **scale of one to five**. A ranking of **one** on this scale indicated that the factor had **deteriorated** since the MBDA's activities, while a value of **five** indicated a **significant improvement** in that given environmental factor.
  - **Lighting** (2015: 3.79; 2014: 3.14)<sup>1</sup> and **Delivery Vehicles** (2015: 3.75; 2014: 3.07) were the two environmental factors that had the highest average scores in 2015. This means that these were the two factors that all 2015 respondents felt had shown the greatest improvement since the private sector development of Stanley Street.
  - **Businesses** in Richmond Hill proved to be **slightly more positive** about improvements in the various environmental factors with an **average score of 3.54** per environmental factor as opposed to **3.31 for residents**. **Businesses** ranked **Informal Traders** (4.08) as the environmental factor that had shown the greatest improvements since the private sector upgrades of Richmond Hill. **Residents**, in contrast, felt that **Lighting** (4.08).
  - The rankings of the various environmental factors showed that amongst all survey respondents, the private sector development of Stanley Street had been **highly effective at addressing the levels of lighting** in Richmond Hill. This was evident by the fact that lighting was the factor that has the highest overall score and showed the second greatest improvement between 2014 and 2015.
  - **Illegal activities and Crime** in the Richmond Hill area are perceived as a **major problem** by both business and residential respondents. This was indicated by the fact that these were the two factors with the lowest

<sup>1</sup> The numbers in parenthesis represent the average score for the respective environmental factor.



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scores in 2015 – 2.90 and 2.93 respectively (2014: 2.95; 2014: 2.64). Despite the low score, the average score for **Crime** increased between 2014 and 2015 suggesting a **marginal improvement**.

- *Aesthetic improvements of Staley Street*
  - Businesses and residents view the aesthetic improvements of **Stanley Street very positively** with **97.5%** of all respondents in 2015 indicating that they were either **Positive or Extremely Positive** about them (2014: 55.6%). **Residents** within Richmond Hill were the most positive with **all respondents** indicating either a **Positive (75.0%) or Extremely Positive (25.0%)** response (2014: 37.5%).
  - Business respondents were only **slightly less positive** about the aesthetic upgrades of **Stanley Street**, with **95.0%** indicating either a Positive or Extremely Positive response (2014: 73.2%).
  - Similarly, to the aesthetic improvements, businesses and residents both viewed the functional improvements of the Staley Street area in a positive light. Approximately **95.0% of businesses** (2014: 92.7%) and **85.0% of residents** (2014: 40.0%) were either **positive or extremely positive** about the **functional improvements**.
- *Special Ratings Area (SRA)*
  - With its full implementation in 2015, **awareness of the SRA** has risen sharply with **92.5% of businesses** (2014: 56.1%) and **40.0% of residents** (2014: 32.5%) indicating that they were aware of the Special Ratings Area.
  - Both residents and businesses in Richmond Hill have strong positive perceptions about the SRA. This was evident by the **17.5% of businesses** and **40.0% of residents** that were either **positive or extremely positive about the SRA**. Positive perceptions of the SRA by **businesses**, however, have **deteriorated since 2014** when 44.0% of respondents indicated either a positive or extremely positive response.
  - These positive perceptions of the SRA translate directly into how effective businesses and residents perceive the SRA to be. In 2015, **47.5% of businesses** (2014: 29.3%) and **12.5% of residents** (2014: 55.0%) surveyed indicated that they felt that the **SRA was highly effective**. A further 45.0% of business respondents (2014: 24.4%) and 60.0% of residential respondents (2014: 45.0%) felt that the SRA was moderately effective.



## UITENHAGE

Following from the successful upgrading of Govan Mbeki Avenue and Parliament Street, the MBDA embarked on a similar upgrade of the Uitenhage CBD in 2010.

Through a consultative process the MBDA identified four focus areas within the Uitenhage CBD for development. Due to the integral role that the Uitenhage's Market Square plays in the overall urban design of the area it was felt that this should be the first priority for redevelopment. Caledon Street, which acts as both a transport hub and the main Uitenhage shopping area, was also target as part of the upgrades. The intention being to merge these two functions into a single, integrated system.

The Uitenhage CBD development was also extended into Market and Chase Streets, where sidewalks were redeveloped and other environmental upgrades undertaken.

The overall aim of the upgrades was to transform the Uitenhage Market Square prescient from a parking area into a civic and pedestrian central place thereby rehabilitating and revitalising the area and allowing it to serve as a catalyst for private sector investment. Central to this vision was the recognition of the historical importance of the Market Square both as a civic venue and as a location of a number of important monuments.

The Uitenhage CBD was included in the MBDA's Economic Barometer assessment in 2011 following the completion of the upgrades. The Economic Barometer includes a business's survey administered to enterprises operating in and around Market Square as well as a CBD User survey.

### Economic Environment

The tables below provide an overview of the social and economic dynamics that characterise the Uitenhage area. These figures are based on both the 2011 Census as well as forecasted estimates of economic activity.

SOCIO-ECONOMIC PROFILE	2013	2014
Population size	5 726	5 776
Annual population growth (2001 – 2014)		0.1%
Households	1 621	1 616
Average number of people per household	3.5	3.6
Average monthly household income	R 9 811	R 10 360

Source: Urban-Econ calculations based on Census (2011) and Quantec Standardised Regional database (2015)

ECONOMIC PROFILE, 2014	
GDP-R	<ul style="list-style-type: none"> <li>R 220.4 million in 2014 (constant 2005 prices)</li> <li>Contribution to the NMBM GDP-R was 0.5%</li> <li>GDP-R per capita was R 38 898 in 2014</li> <li>Average economic growth between 2001 and 2014 was -2.1%</li> <li>This was well below the NMBM growth rate of 1.3% over the same period</li> </ul>
Employment structure <sup>1</sup>	<ul style="list-style-type: none"> <li>87.9% employed</li> <li>12.1% unemployed</li> <li>6.6% of not economically active are discouraged workers</li> </ul>

Source: Urban-Econ calculations based on Census (2011) and Quantec Standardised Regional database (2015)

The Uitenhage study area largely includes the CBD and its surrounds and accordingly comprises relatively few residential households relative to the size of the area. Households within the Uitenhage study area are predominately low to middle income with an average monthly household income of R 10 360 (2013: R 9 811).

<sup>1</sup> The 2011 Census provides the most recent available information for the Uitenhage area.



The Uitenhage study area accounts for approximately 10.2% of the greater Uitenhage areas GDP-R, but only 0.5% of the economic output of the NMBM. The Uitenhage area has also the worst performing areas in term of GDP-R growth, with the area's economy contracting by an average annual rate of 2.1% between 2001 and 2014. This was significantly below the GDP-R growth of the NMBM which over the same period was 1.3%. The area however still offers good employment prospects, with 87.9% of the residents being employed.

## Private Sector Investment

The outcomes of the primary research in respect of private sector investment indicated the following:

- **Approximately 30.9% of businesses** within the Uitenhage CBD **made improvements** to their property in **2015** compared to only **26.3%** of business in **2014**. This is almost a 5.0% increase in the number of businesses that made improvements to their property is likely attributable an overall improvement in the business trading environment in the Uitenhage area.
- Positively **24.0% of businesses** that made improvements indicated that these improvements were as a direct result of the MBDA upgrades (2014: 19.0%). This indicates that the MBDA's investment in the Market Square has been effective at encouraging businesses to reinvest in their properties. Furthermore, it also indicates the effectiveness of leveraging public sector funding to promote private sector development.
- Despite this increased businesses confidence in the area, the **average value of improvements**. Based on the 2015 survey results the weighted average value of improvements made per business was **R 42 000**, significantly lower than the R 145 715 recorded in 2014. It is however important to note the average value of improvements made per business in 2014 was unusually high in comparison to the figures recorded in 2013 (R 18 077) and 2011 (R 33 400).
- Using the same methodology applied for Central, it was estimated that the total investment by surveyed businesses in the Uitenhage CBD into their properties in **2015 was R 1.0 million** (2014: R 3.0 million).
- Total **cumulative investment** for 2011, and between 2013 and 2015 by surveyed Uitenhage CBD businesses was **R 5.1 million**.

## Private Sector Employment Creation

The survey outcomes indicate the following in terms of employment creation in the Uitenhage CBD:

- In total, approximately **406 people were employed** by those businesses that were surveyed in 2015 (Average number of people employed per business: **5.0**). The overwhelming majority (**76.6%**) of these individuals were employed on a **permanent basis** (2014: 86.8%).
- **30.9%** of surveyed businesses indicated that they had **hired additional staff in 2015** (2014: 10.0%), with the average business **hiring 2.7 new staff members**.
- Using this average number, as well as the number of surveyed Uitenhage businesses that indicated that they had hired new staff, it is estimated that **68 new jobs were created in the by the surveyed businesses during 2015** (2014: 25).
- It is estimated that **52** of these jobs were **permanent**, while 16 were part time/casual.

## Business Trading Environment

The survey outcomes indicated the following key findings about the business trading environment in the Uitenhage CBD:

- *Business Start-ups*
  - **4.9%** of businesses surveyed (4) indicated that they had been **operating** in the Uitenhage CBD for at **least one year** (2014: 2.5%). Despite the dominance of established firms in the area (Average period operation in 2015: **7.5 years**) the increase in new business bodes well and suggests increased investment in the Uitenhage CBD.
  - These new businesses are involved in a range of activities including the sale of **electronic goods** (50.0%), **furniture and fittings** (25.0%) and **clothing and accessories** (25.0%).
  - These new businesses tend to **employ slightly fewer** people than more established firms – **3.8 people for new firms** compared to 5.1 people for more established firms.



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- *Business confidence*
  - Businesses were asked how they would rate their overall confidence in the business environment in the Uitenhage CBD (i.e. prospects growth, trading conditions etc.). A sharp rise in business confidence was exhibited in 2015 with **74.1%** (2014: 58.8%) of businesses surveyed indicated that they were either **extremely positive** (21.0%) or **positive** (53.1%) about the current Uitenhage operating environment.
  - Average **business confidence** in 2015 was **72.2%** (2014: 51.3%). This was the highest level recorded since the surveys were first conducted.
  - **72.8%** of Uitenhage CBD businesses indicated that they had experienced **no change in turnover** in 2015 (2014: 65.0%). The number of respondents that indicated that their turnover had increased either slightly or significantly in the last year rose from 15.0% in 2014 to 21.0% in 2015.
  - Only **6 businesses** (7.4% of the sample) indicated that they planned to **relocate** from the Uitenhage CBD in the next one to two years. The principle reason cited by these respondents was that they were seeking a **better aesthetic environment (66.7%)**. A significant percentage of respondents, however, indicated that they were unsure (17.3%). Nine business indicated that it was planning to cease operating in the next one to two years.
  - **42.9%** of businesses who owned their property indicated that they felt that their **property had increased in value** relative to other areas (2014: 47.2%) as a result of the MBDA's activities.
- *CBD User perceptions*
  - **70.7%** of people that regularly use the Uitenhage CBD indicated that they now **spend more time** in the area because of the upgrades (2014: 44.7%). **78.7%** of CBD users also indicated that they spend **more money** in the area following the upgrades (2014: 39.3%).
  - **87.3%** of the CBD users that were surveyed indicated that the upgrades undertaken by the MBDA had been successful in **changing their perceptions of the Uitenhage CBD**. This was 12.0% higher than the figure recorded in 2014 (75.3%).
- *Rental rates*
  - Based on the survey sample, the average rental rate for commercial property in the Uitenhage CBD was **R 77.81 per m<sup>2</sup>**. This is notably lower than the commercial property rental rates recorded in 2014 (R 162.79 per m<sup>2</sup>).
- *Environmental factors*
  - Applying the same methodology that was used for Central, business respondents in the Uitenhage CBD were asked to how they would rate the changes in a set of environmental factors following the MBDA upgrades.
  - Respondents indicated that the **incidents of crime had decreased significantly** since 2014. The average score for crime, which had declined consistently since 2011 increased in 2015 to 3.26 indicating an improvement in the overall crime situation in the Uitenhage CBD.
  - This improvement in the crime situation in the Uitenhage CBD was further highlighted by the fact that in **2015 55.6% of businesses** and **66.7% of CBD users** indicated that they were **satisfied with the MBDA security programme**.
  - Excluding 2014 when it was ranked eight (2.01), **Lighting** has consistently been the environmental factor that has had the **highest score (2015: 3.46)**. Despite this, the average score has **fallen by 0.73** points from a high of 4.19 in 2011. This suggests that, although the upgrades had a significant impact on the lighting situation in the Uitenhage CBD, the **effectiveness** of these improvements are **starting to deteriorate** and will likely require urgent attention.
  - Although the rankings of certain environmental factors have changed, the average scores across all the factors (**excluding Congestion**) **rose slightly** between **2014 and 2015**. This was evident by the average score across all environmental factors increasing from 2.30 in 2014 to **2.92 in 2015**. Despite this increase, the average score remains lower than the 3.07 recorded in both 2011 and 2013. These factors suggest a more negative attitude amongst businesses as well as a worsening operating environment.
  - The **lowest average score** in 2015 was for **Derelict Properties (2.58)**. Even though it had the lowest score, this environmental factor exhibited a marginal increase from the 2.46 recorded in 2014. This low score suggests that Uitenhage CBD business owners feel that there are number of derelict buildings in the CBD and that the MBDA's upgrades in the area did little to address this.

