mandela bay
DEVELOPMENT AGENCY
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MBDA ECONOMIC IMPACT ASSESSMENT REPORT

Central | North End | Kariega CBD

FINAL

June 2025

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INTRODUCTION

Since its establishment in 2003, the Mandela Bay Development Agency (MBDA) has sought, through its operations, to act as the primary institution behind the revitalisation of key locations within the greater the Nelson Mandela Bay (NMB). This has entailed the MBDA undertaking several capital investment projects throughout the NMBM.

To quantify the impact of these projects, the MBDA appointed a service provider in 2009 to develop an economic barometer for the Agency. The purpose of this economic barometer was twofold. Firstly, it sought to quantify the economic impact that the Agency's various capital projects on local business activity, GDP, and employment. Secondly, it sought to, via means of a survey administered to businesses and residents, determine what impact the MBDA's activities had on people's perceptions of the areas were these projects occurred.

This survey was conducted for a three-year period, covering four areas namely: Gqeberha (Port Elizabeth) Central and the CBD; North End; King's Beach, and Kariega (Uitenhage) CBD. This survey was again conducted between 2014 and 2016 and expanded to include business and residential respondents in Helenvale and New Brighton.

The MBDA has subsequently conducted a similar type of economic barometer assessment using a smaller sample of respondents. These high-level economic impact snapshot studies were conducted in the Baakens River Valley in 2023 and in Central, Schauderville, and South End in 2024.

The scope of this study is to:

1. Identity and formulate suitable quantitative and qualitative impact criterion that can measure the direct and indirect consequences that have resulted from the MBDA's investment and management initiatives within the select project areas.
2. Review a data collection tool (questionaries) that will be administered to a targeted set of property and/or business owners to test their sentiment regarding the MBDA's initiatives. The survey and direct engagements should have a specific focus on obtaining feedback from stakeholders where recent investments/upgrades have been made in MBDA precincts.
3. Use capital and operational expenditure data from the MBDA and from targeted business/property owners and use this to run an economic impact modelling analysis to quantify direct, indirect, and induced impacts that have resulted from the MBDA's involvement in each area.

The following document seeks to present a summary of the key outcomes of the surveys conducted in **Central, Kariega CBD and North End**. In some instances, the snapshot results from these surveys have been compared to the outcomes of the 2024 MBDA Economic Scorecards Report for Central, Schauderville, and South End.

METHODOLOGY

The study commenced with a review of the prior surveys used in the 2023 and 2024 Economic Barometer studies, as well as a review and update to the 2016 Economic Barometer CBD User Survey for the Kariega CBD.

Given that the focus of the study was to generate a snapshot of business and residential perceptions within the respective areas, no formal sampling was undertaken to obtain a statistically significant sample size. Instead, the study targeted a set number of randomised businesses, residents, and CBD users within close proximity to the MBDA's investments in each of the three areas.

Based on this approach, a total of **135 responses were targeted** across the three areas. This comprised 45 respondents in **Central** comprising 20 businesses and 25 residents; 20 businesses and 25 residential respondents in **North End**; and a further 20 businesses and 25 CBD users in the **Kariega CBD**. This was not intended to be a statistically significant sample, but rather to provide a snapshot of the view of the MBDA's activities in the respective areas through targeted inputs.

Following the updates and revisions to the survey, and the sample specification, the questionnaire was administered in the three selected area.

The next step was to seek to quantify the economic impact of the MBDA's various interventions in the respective areas. These include the MBDA-run, EPWP funded, cleaning programme in Central, North End, and the Kariega CBD; as well as the upgrading of the old railway sheds in Kariega. This impact was quantified by means of a Social Account Matrix (SAM) Model for the Eastern Cape, which estimated the impact of the MBDA investment on production, GDP, employment, and household income. These results were supplemented with investment data derived from the various surveys.

The final step in the methodology was the compilation of a report setting out the key outcomes. This report profiled the businesses residents, and CBD users surveyed, quantified the investment undertaken in each area by the MBDA; outlined the perceptions of businesses, residents, and CBD users of each area; and indicated what the economic impact of the investment in the respective areas had been.

CENTRAL

Central is the historical heart of Gqeberha (Port Elizabeth) and is home to several iconic cultural and tourist attractions, including the Campanile, Fort Frederick, and Route 67. This vibrant precinct showcases the city's rich architectural heritage, with a blend of Victorian, Edwardian, and Art Deco buildings.

Covering just over 1 000 hectares, Central features a diverse mix of commercial and residential land uses. Business activity is concentrated in the CBD, as well as along Parliament Street, Rink Street, Westbourne Road, and Govan Mbeki Avenue — each offering a mix of offices, retail outlets, and dining establishments. The suburb's principal residential areas extend between Russell Road and Cuyler Street, encompassing Richmond Hill and the neighbourhood surrounding St George's Park.

R2.1 BILLION

Estimated GDP generated by the Central area in 2023 – a marginal decline from 2022 and representing **slightly less than 2%** of the NMB's total

6%

Increase in the estimated size of the area's GDP since 2020 at the hight of the COVID-19 pandemic

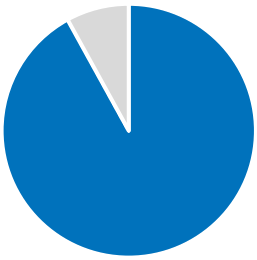
R577 MILLION

Generated by the finance and business services sector, equivalent to **27%** of the area's total GDP

RESIDENTIAL & BUSINESS PROFILE

12 680

Estimated number of people permanently living in Central in 2023, a marginal decline from 2022 suggesting **out-migration**



92%

Of Central residents indicated that they rent the property that they are staying in, compared to **87% in 2024**

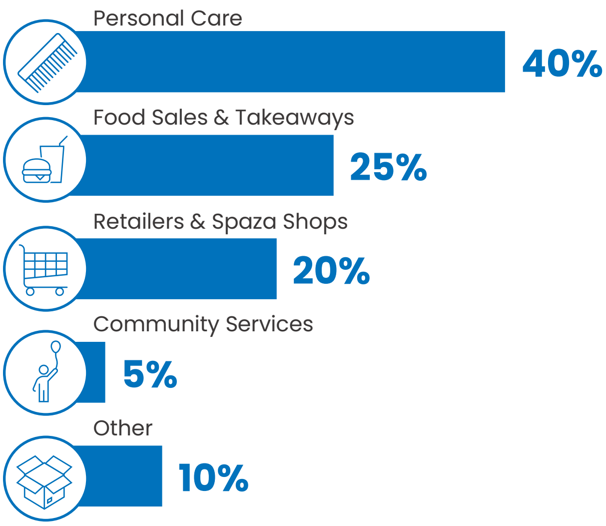
This population resides in approximately **6 436 households** which are typically multiple storey formal dwellings. This typography means that average household density is well above the NMB figure.

The **average household** size, at **2 people**, is also well below the NMB average of 3.6.

While many respondents were **long-term residents of Central**, just 8% owned their property they were currently staying in (2024: 15%).

The average resident has been living in Central for just 2.5 years (2024: 8 years), with just **12%** having been in the area **for five or more years**, highlighting the student-orientated nature of the area.

BUSINESS TYPES



Central hosts a diverse range of businesses, though personal care services—particularly hair salons and nail care— and food/takeaway outlets are most prevalent. There are also several restaurants and bars in the area, that typically have takeaway offerings.

The retail sector features both well-known brands like Spar, and independently run spaza shops. These spaza shops sell a mix of food, vegetables, and non-perishable items.

Community service-oriented businesses have also become increasingly popular in the area, particularly child-care centres and crèches.

Although not captured in the survey sample, Central also has a notable presence of repair businesses specialising in cellphone and computer repairs, many of which also function as internet cafés.

6 YEARS

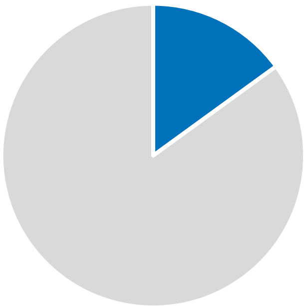
Average number of years a business has operated in the area

Approximately **30%** of businesses reported being in the area for two years or less (2024: 27%). Just **45%** had been there for over five years, down from 64% in 2024, suggesting an **influx of new businesses**.

BUSINESS PERFORMANCE

5 EMPLOYEES

Average number of people employed per business (2024: 2 people). The area is characterised by small, independent owner-run and operated businesses, with **55%** of businesses employing **just 2 people**, one of whom was the owner. Surveyed businesses employed a total of **91 people all** of whom **were permanent**.



15% of businesses indicated that their staff numbers had increased over the last year

Employment in Central businesses proved to be somewhat more stable than that of firms in Kariega. As a result, only **15% of Central businesses retrenched** workers over the past year, compared to 30% of firms in Kariega.

The survey sample indicates that **employment** among Central businesses has **risen by 2%** over the past year, with personal care firms being the most likely to have increased their workforce.

2% Increase in total employment amongst surveyed businesses over the last year

100% Of the surveyed business that had hired additional staff over the last year, have hired between **1 and 4 new staff**

Just over half (55%) of businesses reported that their **turnover had increased** either slightly (35%) or significantly (20%) over the past five years. In comparison, 62% of firms reported an increase in turnover in 2024. A larger proportion of firms in 2025, however, indicated a significant turnover increase (16%) compared to 2024 (8%).

Businesses attributed the improvements in turnover to **increased involvement by the MBDA** in the area, **higher foot traffic** and an **improvement** in customer **sentiment** about Central.

The most cited reason for firms seeing a reduction in their turnover was because of the **deterioration of the area**, and the high cost of living which impacted customers' ability to spend. **Crime and the safety** of customers was also cited as a possible reason for the reduction in turnover.

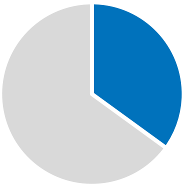
CHANGE IN TURNOVER

55%
INCREASED

15%
DECREASED

A further **30%** of businesses indicated that they had experienced **no change in their turnover** over the last five years.

PROPERTY IMPROVEMENTS



35%

Of businesses made improvements

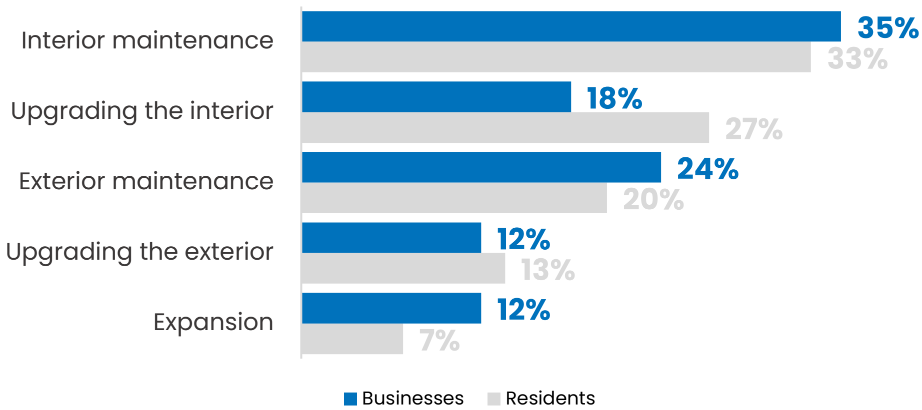
2024: **71%**

20%

Of residents made improvements

2024: **0%**

Over a third of businesses **made** some form of **improvements** to their premises **over the past five years**, compared to just **20% of residential** respondents. This difference can be attributed to the high proportion of residents that rent their property.



NATURE OF IMPROVEMENTS

Given the high proportion of surveyed businesses and residents renting their premises, it is unsurprising that **53% of business improvements** and **60% of residential improvements** over the last five years were to the property's interior.

100%

Of the businesses and residents that improved their property, spent **less than R50 000** in total

R25 000

Average value of improvements made by both businesses and residents

R300 000

Total estimated value of all improvements made by surveyed businesses (**R175 000**) and residents (**R125 000**) in Central over the last 5 years. This figure is **29% higher than** the total value of improvements recorded by both businesses and residents in **2024**.

95%

Of surveyed businesses indicated that they plan to **make future improvements** to their property over the next five years.

An equally large proportion **(75%) of residential respondents** indicated that they also planned to make improvements to their property over the same period.

None of the businesses surveyed in Central indicated that the reason for the historic upgrades of their property was linked to the activities of the MBDA in the area. In comparison, **40%** of **residential** respondents, indicated that the MBDA had **some influence** on their upgrade decision.

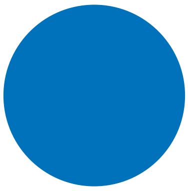
Comments expressed by respondents when asked what motivated them to invest in the area:

I was looking to expand my business, and it was a good location to open a new shop.

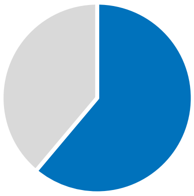
There number of customers in the area has increased, so I needed to invest more.

Central is a lot better place to do business than the other area where I was based.

BUSINESS PERCEPTIONS

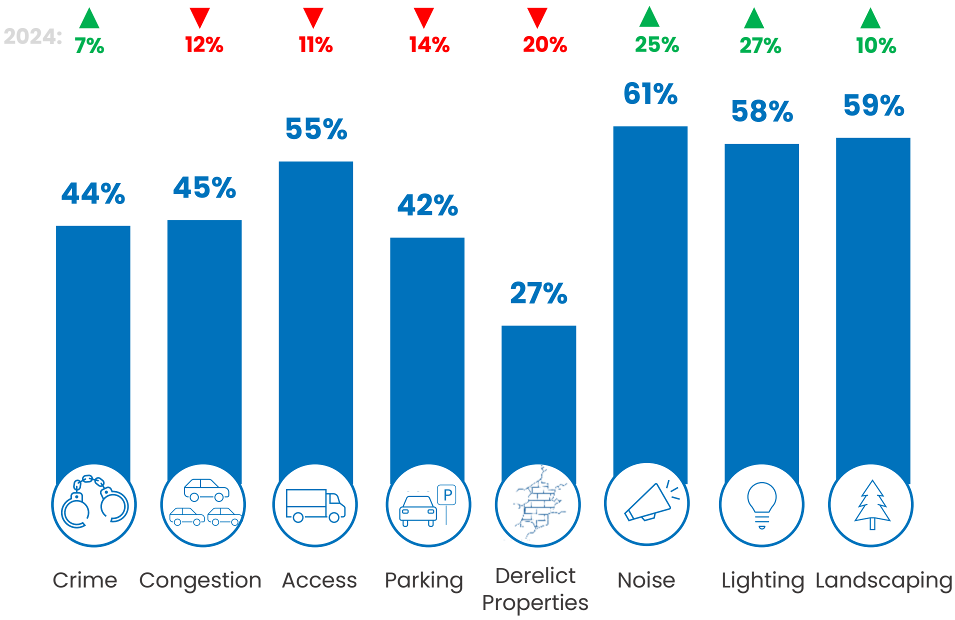


100%
Property values have increased
2024: **0%**



61%
Rental values have increased
2024: **69%**

Perceptions of businesses about property and rental value trends in the Central area over the **last five years**.

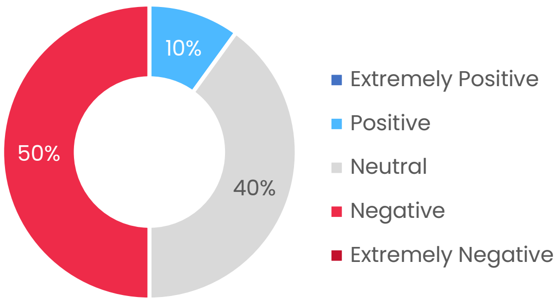


ENVIRONMENTAL FACTORS

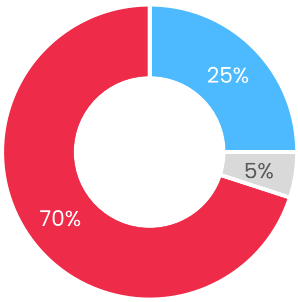
To establish how businesses feel about changes in various factors over the last two years, they were asked to rank key issues on a scale of one to five. A ranking of one (1) indicated no improvement, while a five (5) indicated significant improvement. These were then converted to a percentage.

Businesses felt that aspects such as crime, noise and lighting had improved from 2024, while derelict properties, parking and congestion have all deteriorated.

SECURITY PROGRAMME



CLEANING PROGRAMME



Businesses were also asked how they perceive the MBDA-run, EPWP funded, security and cleaning programme in the area.

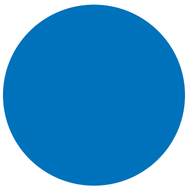
Sentiments were overwhelmingly negative for street cleaning, with **some businesses (25%) viewing this positively** (2024: 21%). Businesses were also less confident about the security, with 50% viewing them negatively (2024: 21%).

Types of interventions that business want for the area:

Crime & Safety	Investment Promotion	Cleaning & Recycling	Urban Renewal	Business Support	Facilitites & Area Management
80%	**65%**	**55%**	**55%**	**45%**	**35%**

Crime and safety, investment promotion, cleaning and recycling and urban renewal were by far the most desired interventions by Central firms. The demand for crime and safety, cleaning and recycling, and urban renewal relative interventions has risen sharply since 2024, suggesting their relative importance to Central businesses has increased.

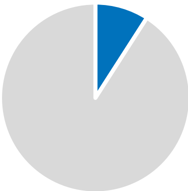
RESIDENTIAL PERCEPTIONS



100%

Property values have increased

2024: **50%**

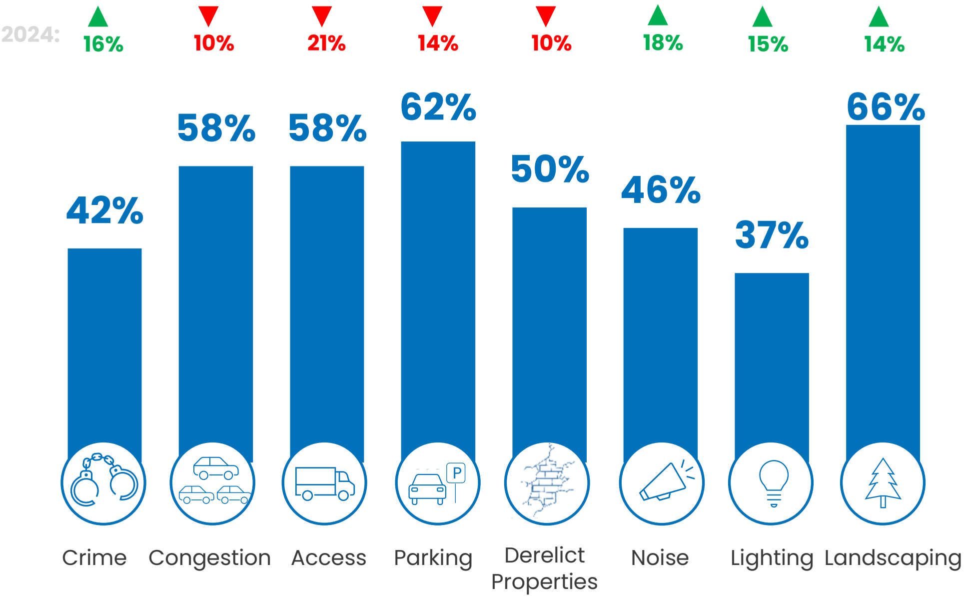


9%

Rental values have increased

2024: **23%**

Perceptions of residents about property and rental value trends in the Central area over the **last five years**.

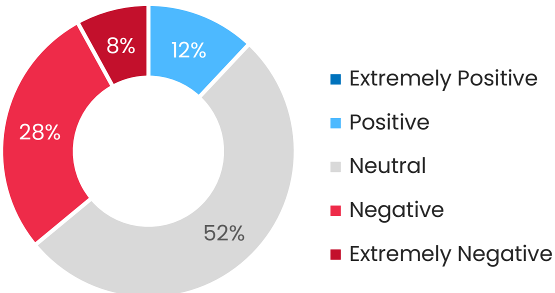


ENVIRONMENTAL FACTORS

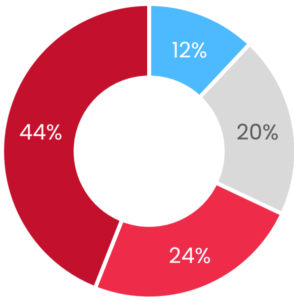
To establish how residents feel about changes in various factors over the last two years, they were asked to rank key issues on a scale of one to five. A ranking of one (1) indicated no improvement, while a five (5) indicated significant improvement. These were then converted to a percentage.

Like businesses, residents saw the least improvements in access, parking, and congestion since 2024. Noise levels and crime were the two areas that residents felt had exhibited the greatest improvement.

SECURITY PROGRAMME



CLEANING PROGRAMME



Residents were also asked how they perceive the MBDA-run, EPWP funded, security and cleaning programme in the area.

Sentiments were overwhelmingly **negative about the street cleaning**, notable worse than 2024 when just 7% of expressed negative views. Residents were more confident about the **security**, with **12%** viewing them **positively** (2024: 0%).

Types of interventions that residents want for the area:

Cleaning & Recycling	Urban Renewal	Crime & Safety	Youth Development	Facilitites & Area Management	Business Support
72%	**68%**	**68%**	**36%**	**20%**	**4%**

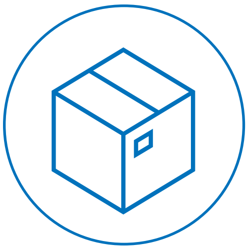
Central residents expressed a strong desire for **cleaning and recycling, urban renewal and crime prevention** interventions. The demand for cleaning initiatives has risen sharply from 2024, when it was just the six most desired intervention type. Other types of interventions requested include: youth development (36%); area management (20%); and SMME support (4%).

ECONOMIC IMPACT

An economic impact is defined as an exogenous change in the local economy that has either a positive or negative effect on economic activity. In the Central area, this exogenous change has taken the form of the several operational programmes funded by the MBDA focusing on security and cleaning. These economic impacts are once-off and only arise for the duration of the construction period.

To quantify the anticipated direct, indirect, and induced impact on an exogenous change, several econometric models can be applied. For this study, the SAM-Leontief model was used. The SAM-Leontief model uses social accounting matrices as the underlying database. Coefficients are taken from the SAM and are used to calculate the open and closed Leontief inverses which are multiplied by the exogenous change to obtain direct, indirect, and induced impact on production. The change in production is then multiplied by direct multipliers to obtain specific impacts on GDP, employment, and income.

Using this approach, the total economic impact of the **R4.6 million incurred in the operation of the MBDA's cleaning programme in Central**, has been quantified.



R10 MILLION

Total additional **production** generated owing to the investments in the area

R5 MILLION

Increase in national **GDP** owing to the investments in the area

81

Number of **employment opportunities (FTE)** created as a result of investments in the area

R2 MILLION

Rise in **total household income** due to the investments

Contribution of the area to municipal rates revenue

Using the growth trends in household numbers for NMB published by Stats SA, and data from the Census, it was possible to **estimate** the total **number of households in Central**.

Data from the Central Residential Survey was then applied to this figure to determine the estimated number of households in the area that own their property. The survey data was also used to calculate an estimated monthly rates payment per Central household (**R5 000**).

By using these two figures it was then possible to estimate the total **annual rates paid** by residential property owners to the NMB. This value – **R386 million** in 2023 – includes both property rates income as well as revenue derived by the NMBM from the sale of services (i.e. eater and electricity).

R386 MILLION

Estimated total annual property rates generated by residential properties in Central in 2023

NORTH END

At the heart of the North End precinct is the Nelson Mandela Bay Stadium – built for the 2010 FIFA World Cup, and which has played a key role in revitalising the area. The stadium sits beside the North End Lake, where grassy banks offer ideal spots for picnics, relaxation, and recreational activities such as fishing, paddling, and boating. The lake also provides a scenic backdrop for the stadium, enhancing its appeal.

Unlike the Gqeberha CBD and Central, North End is primarily an industrial area, home to warehouses, factories, and various light industries. It also has a notable middle- to low-income residential component, mainly concentrated around the stadium and west of Harrower Road, in the suburb of Kensington. These residential pockets add a sense of community to an otherwise commercially dominated landscape.

R1.5 BILLION

Estimated GDP generated by the North End area in 2023, representing **slightly over 1%** of the NMB's total

7%

Increase in the estimated size of the area's GDP since 2020 at the hight of the COVID-19 pandemic

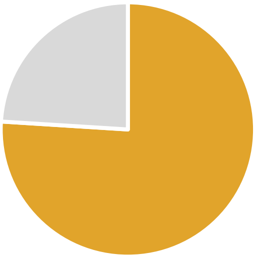
R238 MILLION

Generated by the manufacturing sector, equivalent to **15%** of the area's **total** GDP

RESIDENTIAL & BUSINESS PROFILE

10 383

Estimated number of people permanently living in North End in 2023, equivalent to less than 1% of the NMB's population



76%

Residents indicated that they rent the property that they are staying in.

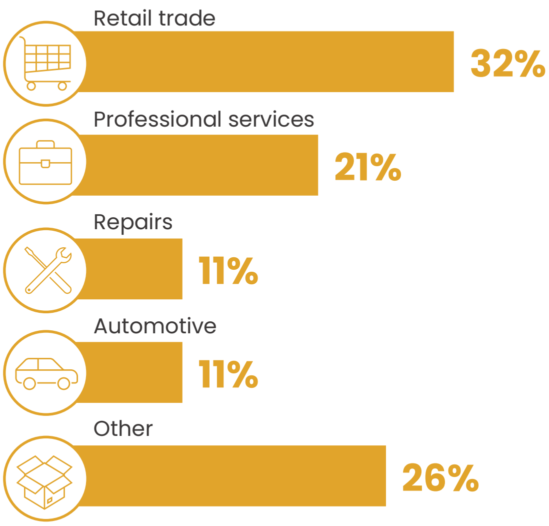
This population reside in approximately **3 093 households** which are typically single storey free standing homes. This typography means that average household density is in line with the broader NMB figure.

The **average household** size, at **3.4 people**, is slightly below the NMB average of 3.6.

Most (**60%**) surveyed residents had been living in North End for **less than two years** with **long-term residents** representing just **20%** of surveyed respondents.

The typical resident has therefore been living in North End for only 3 years, on average, suggesting a **robust residential property market**.

BUSINESS TYPES



North End is characterised by a diverse range of firms spanning multiple sectors but dominated by different types of retail businesses. Many of these businesses have a strong focus on the textile and garment industry.

The area is also home to several businesses linked to the automotive industry, especially parts sellers and other vehicle component suppliers such as battery and tire fitters. The repair businesses in the area are likewise linked to the automotive industry.

Professional services businesses focus mainly on legal services given the areas proximity to the Magistrate's Court. Other types of businesses found in the area include childcare providers, hairdressers and other personal service provides, businesses focusing on transport and logistics and several manufacturers.

8 YEARS

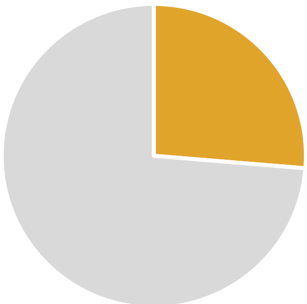
Average number of years a business has operated in the area

Most businesses are new to the area, with **42%** indicating they had been in the area for two years or less. A significant proportion of respondents (**37%**), however, reported being in the area for more than 5 years.

BUSINESS PERFORMANCE

5 EMPLOYEES

Average number of people employed per business. The area is characterised by several medium and large business, resulting in higher average employment relative to other areas. Surveyed businesses employed a total of **98 people** of which **92% were permanent** and 8% were temporary workers.



26% of businesses indicated that their staff numbers had increased over the last year

Employment in North End proved to be far more resilient than either Central or Kariega. As a result, only **5% of North End businesses retrenched** workers over the past year, compared to 30% of firms in Kariega.

The survey sample indicates that **employment** among North End businesses has **risen by 9%** over the past year, with retail-orientated firms being the most likely to have increased their workforce.

9% Increase in total employment amongst surveyed businesses over the last year

100% Of the surveyed business that had hired additional staff over the last year, have hired between **1 and 4 new staff**

The positive trends in employment growth were also borne out in businesses turnover. **Almost half (47%)** of businesses indicated that their **turnover had increased** either slightly (32%) or significantly (16%) over the last five years – even after considering the impact of COVID-19.

Businesses attributed the improvements in turnover to **increased involvement by the MBDA** in the area, **higher foot traffic**, and an **improvement** in customer **sentiment** about North End.

The most cited reason for firms seeing a reduction in their turnover was because of the **high cost of living** which negatively impacted customers' ability to spend. **Loadshedding** was also frequently cited as one of the key reasons businesses had seen a reduction in their turnover.

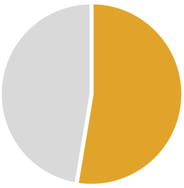
CHANGE IN TURNOVER

47%
INCREASED

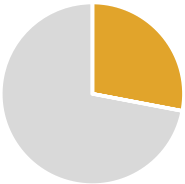
5%
DECREASED

A further **47%** of businesses indicated that they had experienced **no change in their turnover** over the last five years.

PROPERTY IMPROVEMENTS

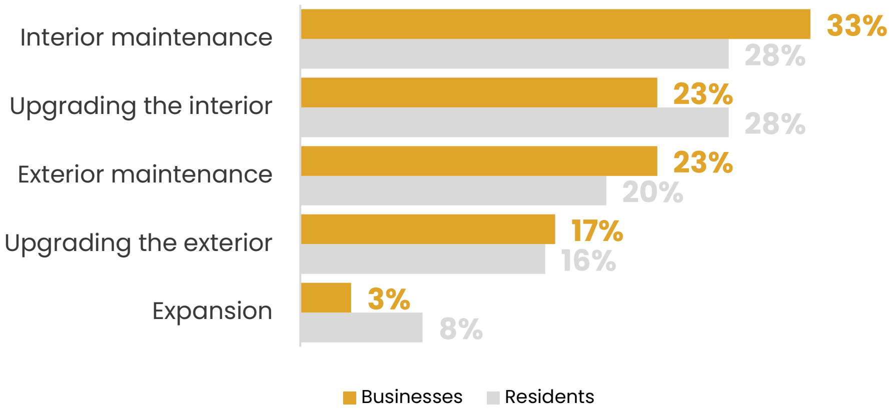


53%
Of businesses made improvements



28%
Of residents made improvements

Over half of businesses **made** some form of **improvements** to their premises **over the past five years**, compared to just **28%** of **residential** respondents. This difference can be attributed to the high proportion of residents that rent their property.



NATURE OF IMPROVEMENTS

Given the high proportion of surveyed businesses and residents renting their premises, it is unsurprising that more than half of both **business (57%)** and **residents (56%)** made improvements to their **property's interior** over the last five years.

70%
Of the business that made improvements spent **less than R50 000** compared to **67%** for residents

R116 667
Average value of improvements made by residents, compared to **R107 501** for businesses

R1.8 MILLION
Estimated value of all improvements made by surveyed businesses (**R1.1 million**) and residents (**R700 000**) in the North End area over the last 5 years. This equates to **R355 000 per year**, on average.

89%
Of surveyed businesses indicated that they plan to **make future improvements** to their property over the next five years.

An equally large proportion **(84%) of residential respondents** indicated that they also planned to make improvements to their property over the same period.

Approximately **70% of businesses** surveyed in North End indicated that the reason for the historic upgrades to the property was linked to the activities of the MBDA in the area. In comparison, **all residential** respondents, indicated that the MBDA had **some influence** on their upgrade decision.

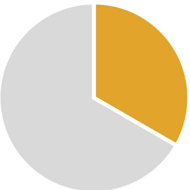
Comments expressed by respondents when asked what motivated them to invest in the area:

"The area is very, very busy which makes it easy to attract new customers to our business.

I love the area – it is very peaceful and close to my work.

The area is well located – close to the taxi rank and main road, making it easy for our customer to get to us.

BUSINESS PERCEPTIONS

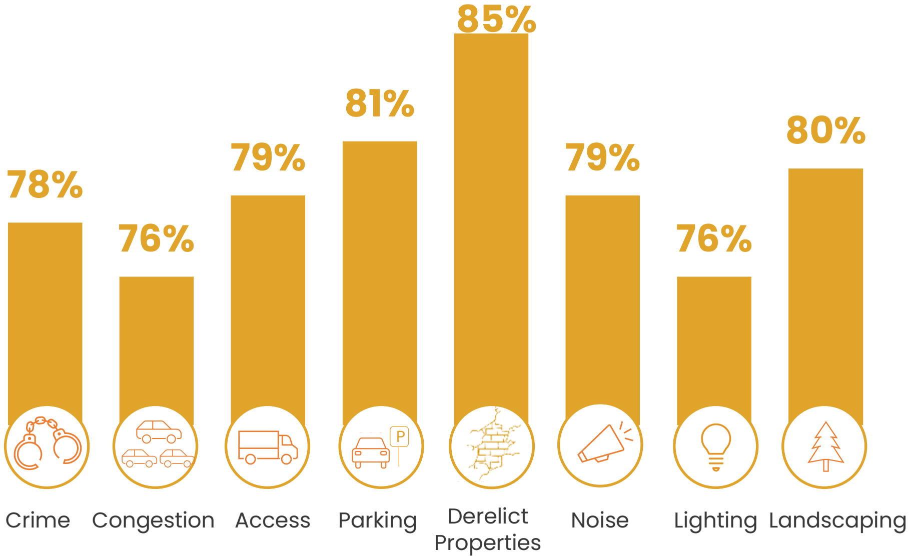


33%
Property values have increased

44%
Rental values have increased

Perceptions of businesses about property and rental value trends in the North End area over the **last five years**.

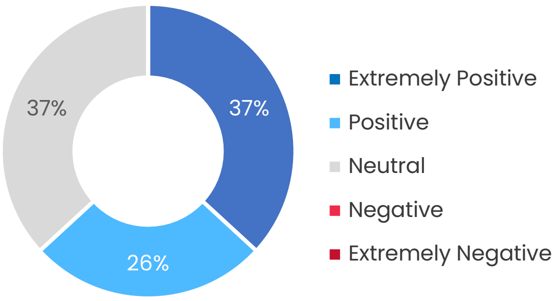
ENVIRONMENTAL FACTORS



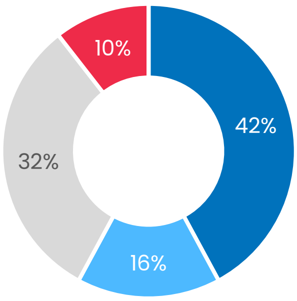
To establish how businesses feel about changes in various factors over the last two years, they were asked to rank key issues on a scale of one to five. A ranking of one (1) indicated no improvement, while a five (5) indicated significant improvement. These were then converted to a percentage.

Businesses saw the greatest improvements in derelict properties, landscaping, and parking, but limited improvements in congestion, lighting, and crime.

STADIUM PRECINCT DEVELOPMENT



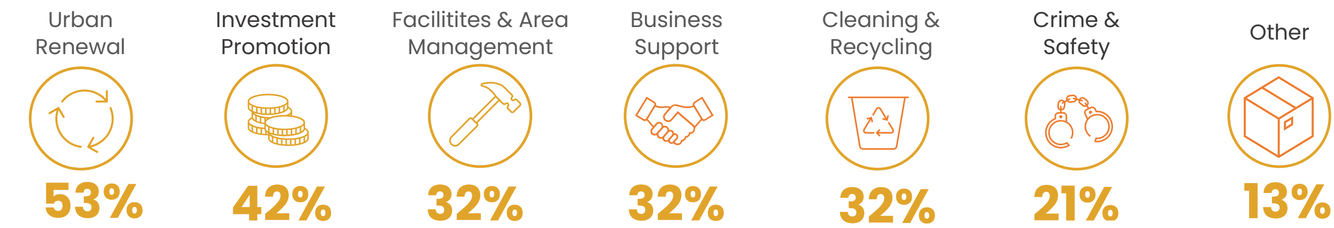
CLEANING PROGRAMME



Businesses were also asked how they perceive the stadium precinct and the MBDA-run, EPWP funded, cleaning programme in the area.

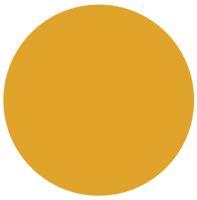
Sentiments were overwhelmingly positive about the stadium development, with **63% of businesses** viewing this **positively**. Businesses were slightly less positive about the permanent cleaners, with **58%** viewing them **positively**.

Types of interventions that business want for the area:

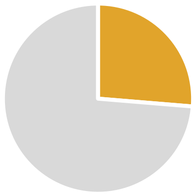


Urban renewal, investment promotion, facilities and area management, business support and cleaning and recycling were by far the most desired interventions by North End firms. Other types of interventions requested include: crime and safety (21%); skills training (21%); and youth development initiatives (11%).

RESIDENTIAL PERCEPTIONS

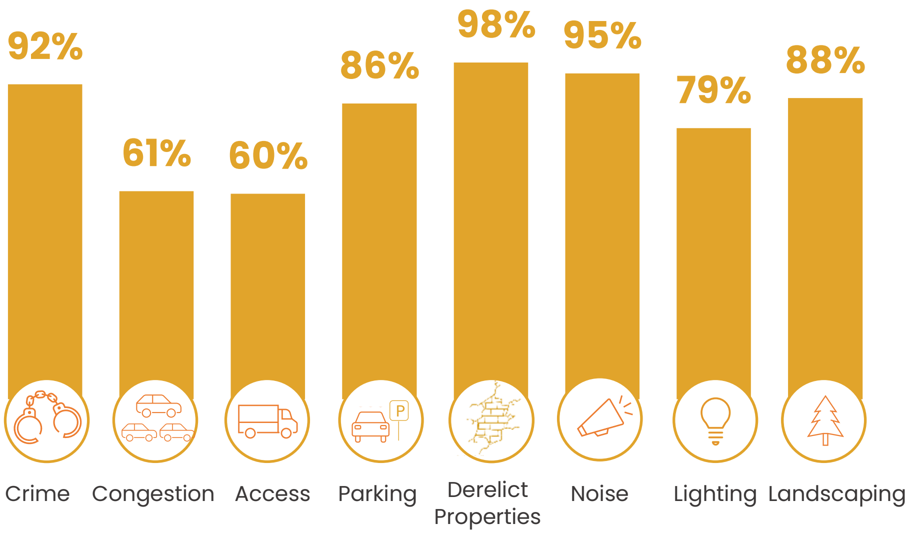


100%
Property values have increased



26%
Rental values have increased

Perceptions of residents about property and rental value trends in the North End area over the **last five years**.

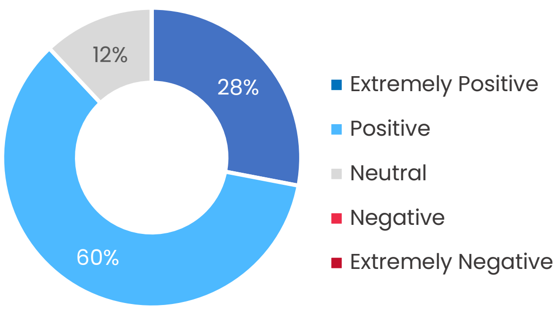


ENVIRONMENTAL FACTORS

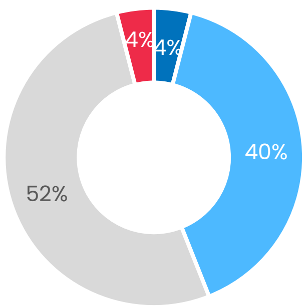
To establish how residents feel about changes in various factors over the last two years, they were asked to rank key issues on a scale of one to five. A ranking of one (1) indicated no improvement, while a five (5) indicated significant improvement. These were then converted to a percentage.

Residents saw the greatest improvements in derelict properties, noise levels, and crime, but limited improvements in access, congestion, and lighting.

STADIUM PRECINCT DEVELOPMENT



CLEANING PROGRAMME



Residents were also asked how they perceive the stadium precinct and the MBDA-run, EPWP funded, cleaning programme in the area.

Sentiments were overwhelmingly positive about the stadium development, with **88% of residents** viewing this **positively**. Residents were slightly less positive about the permanent cleaners, with **44%** viewing them **positively**.

Types of interventions that residents want for the area:

Facilities & Area Management	Cleaning & Recycling	Urban Renewal	Youth Development	Crime & Safety	Other
72%	64%	48%	12%	4%	0%

Facilities and area management, cleaning and recycling, urban renewal, youth development, and crime and safety were by far the most desired interventions by North End residents. No other additional interventions were requested by residents, however, the cleanliness of the area was often expressed as needing to be improved.

ECONOMIC IMPACT

An economic impact is defined as an exogenous change in the local economy that has either a positive or negative effect on economic activity. In the North End area, this exogenous change has taken the form of a capital investment project undertaken by the MBDA that sought to uplift the local community. These economic impacts are once-off and only arise for the duration of the construction period.

To quantify the anticipated direct, indirect, and induced impact on an exogenous change, several econometric models can be applied. For this study, the SAM-Leontief model was used. The SAM-Leontief model uses social accounting matrices as the underlying database. Coefficients are taken from the SAM and are used to calculate the open and closed Leontief inverses which are multiplied by the exogenous change to obtain direct, indirect, and induced impact on production. The change in production is then multiplied by direct multipliers to obtain specific impacts on GDP, employment, and income.

Using this approach, the total economic impact of the estimated **R1.0 million incurred in undertaking the cleaning programmes in the North End**, has been quantified.

R2 MILLION

Total additional **production** generated owing to the investments in the area

R1 MILLION

Increase in national **GDP** owing to the investments in the area

20

Number of **employment opportunities (FTE)** created as a result of investments in the area

R402 500

Rise in **total household income** due to the investments

Contribution of the area to municipal rates revenue

Using the growth trends in household numbers for NMB published by Stats SA and data from the Census, it was possible to **estimate** the total **number of households in North End**.

Data from the North End Residential Survey was then applied to this figure to determine the estimated number of households in the area that own their property. The survey data was also used to calculate an estimated monthly rates payment per North End household (**R3 750**).

By using these two figures it was then possible to estimate the total **annual rates paid** by residential property owners to the NMB. This value – **R139 million** in 2023 – includes both property rates income as well as revenue derived by the NMBM from the sale of services (i.e. eater and electricity).

R139 MILLION

Estimated total annual property rates generated by residential properties in North End in 2023

KARIEGA CBD

Market Square is at the heart of the Kariega (Uitenhage) CBD, stretching from Barid Street to Stow Road and flanked by Caledon Street and Durban Street. In 2010, the MBDA rehabilitated this area, transforming it into a vibrant, pedestrian-friendly civic space that celebrates Kariega's rich history.

The CBD also includes the town's main taxi rank, a crucial part of the local transport network. Market Square is directly linked to this taxi rank via Uitenhage Mall, home to several well-established businesses.

Adjacent to the taxi rank are the historic Kariega railway sheds, which the MBDA has redeveloped into the Nelson Mandela Bay Science and Technology Centre, further enhancing the area's cultural and educational significance.

R781 MILLION

Estimated GDP generated by the Kariega CBD in 2023, representing **less than 1%** of the NMB's total

12%

Increase in the estimated size of the area's GDP since 2020 at the height of the COVID-19 pandemic

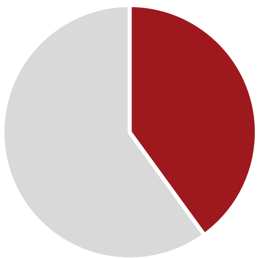
R184 MILLION

Generated by the retail and wholesale trade sector, equivalent to **24%** of the area's total GDP

RESIDENTIAL & BUSINESS PROFILE

7 949

Estimated number of people permanently living in the Kariega CBD in 2023, equivalent to less than 1% of the NMB's population



40%

Of Kariega CBD users surveyed indicated they visit the area daily.

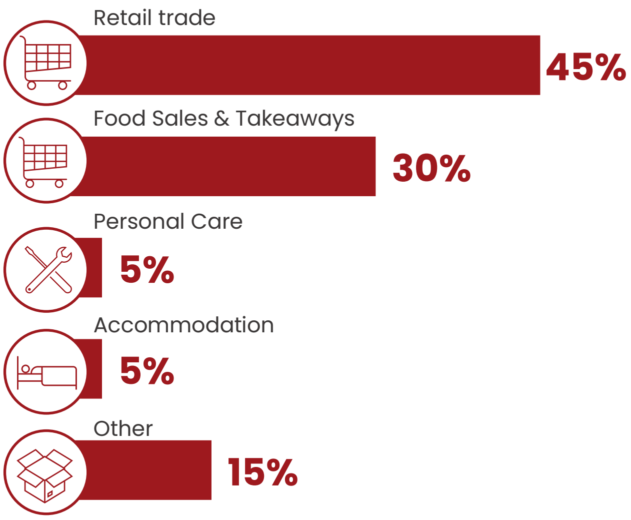
This population reside in approximately **2 157 households** which are typically single storey free standing homes. This typography means that average household density is in line with the CBDs in other parts of the NMB.

The **average household** size, at **3.7 people** is slightly above the NMB average of 3.6.

The strong transport linkages, especially the taxi rank, located in the Kariega CBD, means that the majority (**40%**) of CBD users surveyed **visit the area daily**.

A further **24%** of respondents indicated that they travel to the area **weekly**, further highlighting the pivotal role the **area plays as a transport hub**.

BUSINESS TYPES



The Kariega CBD hosts a diverse range of businesses, with established retailers such as Pep and Boxer, and food services firms being the most common.

The CBD's proximity to the taxi rank and magistrate court also means that there are several fast-food outlets (e.g. Hungry Lion, KFC) throughout the area which cater for the high volumes of foot traffic that visit these two locations. The retail sector includes clothing stores, beauty and cosmetics shops, and general retail outlets, selling a range of different products.

Wholesale businesses operate alongside the areas retail stores, selling a variety of goods, including electronics, sound systems, phones, and computers.

Cellphone stores, internet cafés and associated businesses provide digital services to the local community.

10 YEARS

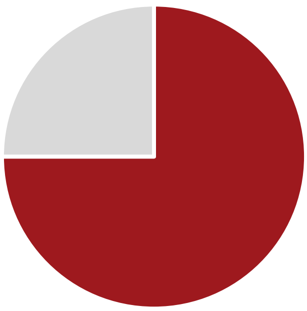
Average number of years a business has operated in the area

Most businesses in the area are well establish, with **40%** indicating they had been in the area for more than 5 years. An equally large proportion of respondents (**45%**) reported being in the area for between 3 and 5 years.

BUSINESS PERFORMANCE

9 EMPLOYEES

Average number of people employed per business. The area is characterised by several medium and large business, resulting in higher average employment relative to other areas. Surveyed businesses employed a total of **188 people** of which **92% were permanent** and 8% were temporary workers.



75% of businesses indicated that their staff numbers had increased over the last year

Despite this, the fluctuating nature of the retail trade sector that dominates the area, resulted in **30% of Kariega CBD businesses retrenching** workers over the past year, compared to just 5% of firms in North End.

The net result of these new job hires and retrenchments meant that total **employment** amongst surveyed businesses remained **unchanged** from the prior year.

80% Of surveyed businesses hired between **1 and 4 staff** over the last year

20% Of surveyed businesses hired between **5 and 10 staff** over the last year

The positive trends in employment growth were also borne out in businesses turnover. **Almost three quarters (70%)** of businesses indicated that their **turnover had increased** either slightly (65%) or significantly (5%) over the last five years.

Businesses attributed the improvements in turnover to more **positive sentiment** about the Kariga CBD, **increased involvement by the MBDA** in the area, and an overall **improvement in economic conditions**.

The most cited reason for firms seeing a reduction in their turnover was because of the **high cost of living** which negatively impacted customers' ability to spend. **Loadshedding** was also mentioned as potential cause of businesses reduced turnover.

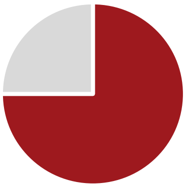
CHANGE IN TURNOVER

70% INCREASED

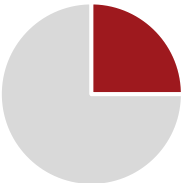
5% DECREASED

A further **25%** of businesses indicated that they had experienced **no change in their turnover** over the last five years.

PROPERTY IMPROVEMENTS

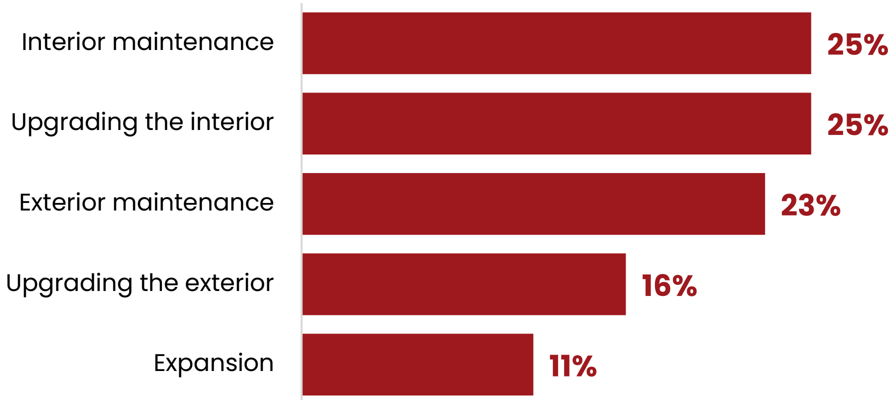


75%
Made improvements



25%
Did not make improvements

Percentage of Kariega CBD business respondents that had made some form of improvement to their property over the **last five years.**



NATURE OF IMPROVEMENTS

Almost half (**48%**) of the improvements made by surveyed businesses in the Kariega CBD, were for **routine maintenance**. This was either to the interior or the exterior of the property. Approximately **11%** of respondents, however, indicated that they had **expanded** their property over the last five years.

33%

Of the improvements made by surveyed businesses were valued at **more than R250 000**

R256 667

Average value of improvements made

R3.9 MILLION

Estimated value of all improvements made by surveyed businesses in the Kariega CBD over the last 5 years, equating to approximately **R51 333 per surveyed businesses** per year.

95%

Of surveyed businesses in the Kariega CBD indicated that they plan to **make future improvements** to their property over the next five years.

Almost all (93%) of surveyed businesses indicated that the activities of the MBDA in the area had an influence on their investment decision, with **40%** citing the MBDA's upgrades as the **main reason for investment decision**.

Just **7%** of businesses surveyed in the Kariega CBD said that the MBDA activities in the area had no influence on their property investment decision.

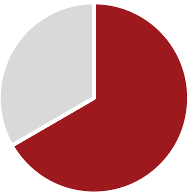
Comments expressed by businesses when asked what motivated them to invest in the area:

The area is strategically located, and there is a growing demand here.

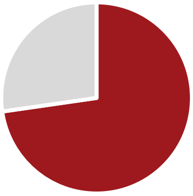
There is a business-friendly environment in the CBD with strong growth prospects.

I needed additional space for my businesses and there were lots of suitable buildings around.

BUSINESS PERCEPTIONS

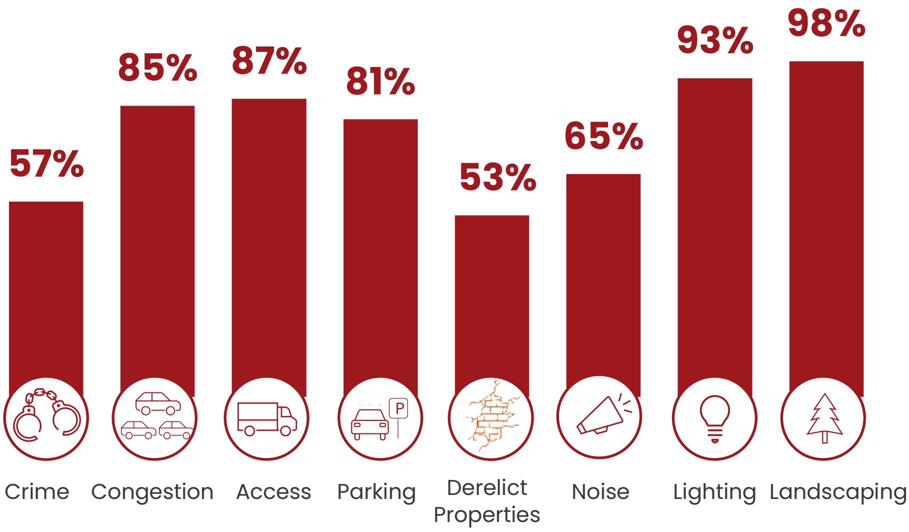


67%
Property values have increased



73%
Rental values have increased

Perceptions of businesses about property and rental value trends in the Kariega CBD area over the **last five years**.

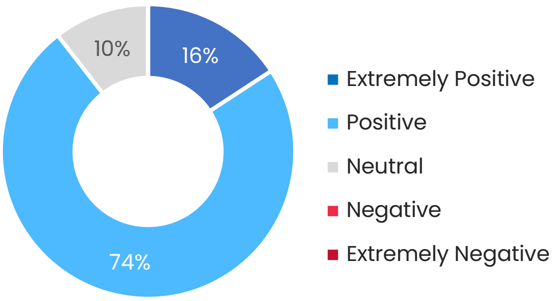


ENVIRONMENTAL FACTORS

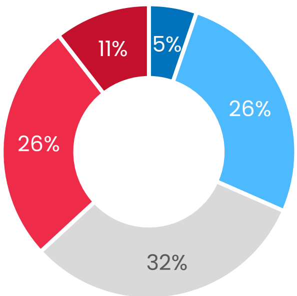
To establish how businesses feel about changes in various factors over the last two years, they were asked to rank key issues on a scale of one to five. A ranking of one (1) indicated no improvement, while a five (5) indicated significant improvement. These were then converted to a percentage.

Businesses saw the greatest improvements in landscaping, lighting, and access, but limited improvements in derelict buildings, crime, and noise levels.

RAILWAY SHED UPGRADES



CLEANING PROGRAMME



Businesses were also asked how they perceive the railway shed upgrades and the MBDA-run, EPWP funded, cleaning programme in the area.

Sentiments were overwhelmingly positive about the railway shed redevelopment, with **89% of businesses** viewing this **positively**. Businesses were vastly less positive about the permanent cleaners, with only **32%** viewing them **positively**.

Types of interventions that business want for the area:

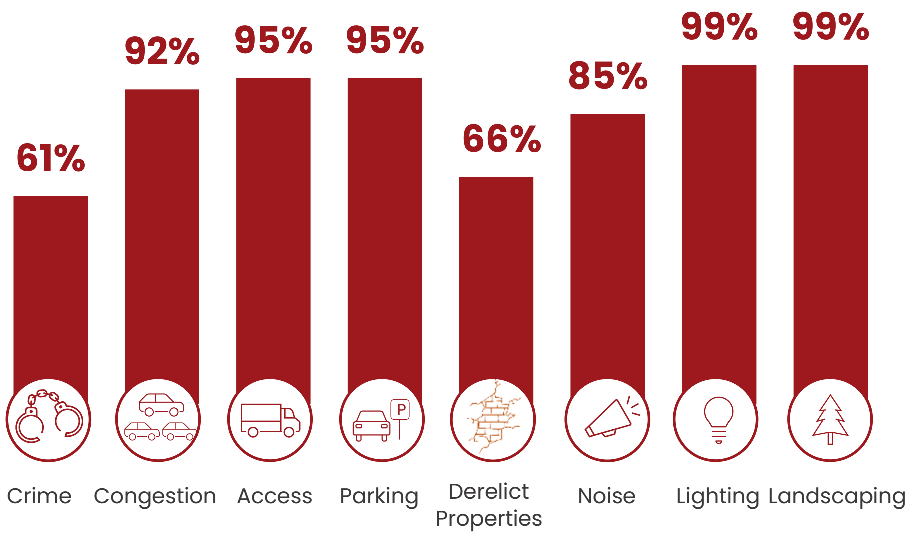
Cleaning and recycling, crime and safety, urban renewal, facilitites and area management, and business support were by far the most desired interventions by Kariga CBD firms. Other types of interventions requested include: investment promotion (35%); youth development initiatives (15%); arts and cultural initiatives (10%); tourism development (10%); and skills training (5%).

CBD USER PERCEPTIONS

76%
Spend more time in the Kariega CBD

36%
Spend more money in the Kariega CBD

Percentage of Kariega CBD users that **spend more time** and **money** in the area **following the railway shed upgrades**.

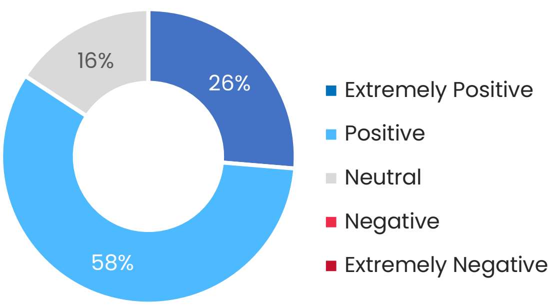


ENVIRONMENTAL FACTORS

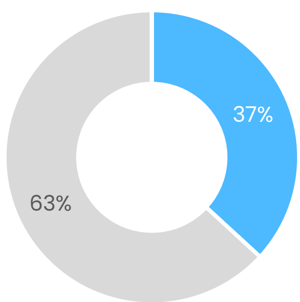
To establish how Kariega CBD users feel about changes in various factors over the last two years, they were asked to rank key issues on a scale of one to five. A ranking of one (1) indicated no improvement, while a five (5) indicated significant improvement. These were then converted to a percentage.

CBD users saw the greatest improvements in landscaping, lighting, and parking, but less improvements in crime, the number of derelict properties, and noise levels.

RAILWAY SHED UPGRADES



CLEANING PROGRAMME



Kariega CBD users were also asked how they perceive the railway shed upgrades and the MBDA-run, EPWP funded, cleaning programme in the area.

Sentiments were **overwhelmingly positive**, with no CBD users expressing negative sentiment to either initiative. The railway shed upgrade was seen as particularly successful.

Types of interventions that CBD users want for the area:

Urban Renewal	Cleaning & Recycling	Crime & Safety	Business Support	Skills Training	Facilities & Area Management	Other
88%	84%	84%	40%	28%	16%	12%

Urban renewal interventions such as street and infrastructure upgrades; **cleaning and recycling**, and **crime and safety** are by far the most desired interventions for the area amongst Kariega CBD users. Other types of interventions requested include: youth development (16%); arts, culture, events, and sports (12%); investment promotion (8%); tourism development (8%); and heritage presentation and celebration (4%).

ECONOMIC IMPACT

An economic impact is defined as an exogenous change in the local economy that has either a positive or negative effect on economic activity. In the Kariega CBD, this exogenous change has taken the form of the several capital investments projects funded or undertaken by the MBDA. These economic impacts are once-off and only arise for the duration of the construction period.

To quantify the anticipated direct, indirect, and induced impact on an exogenous change, several econometric models can be applied. For this study, the SAM-Leontief model was used. The SAM-Leontief model uses social accounting matrices as the underlying database. Coefficients are taken from the SAM and are used to calculate the open and closed Leontief inverses which are multiplied by the exogenous change to obtain direct, indirect, and induced impact on production. The change in production is then multiplied by direct multipliers to obtain specific impacts on GDP, employment, and income.

Using this approach, the total economic impact of the estimated **R22.4 million incurred in upgrading Kariega railway sheds (R19.3 million) and cleaning programme (R3.1 million)**, has been quantified.

R59 MILLION

Total additional **production** generated owing to the investments in the area

R18 MILLION

Increase in national **GDP** owing to the investments in the area

120

Number of **employment opportunities (FTE)** created as a result of investments in the area

R8 MILLION

Rise in **total household income** due to the investments

Contribution of the area to municipal rates revenue

Using the growth trends in household numbers for NMB published by Stats SA and data from the Census, it was possible to **estimate** the total **number of households in the Kariega CBD**.

Data from comparable residential surveys was then applied to this figure to determine the estimated number of households in the area that own their property. This survey data was also used to calculate an estimated monthly rates payment per Kariega CBD household (**R5 000**).

By using these two figures it was then possible to estimate the total **annual rates** paid by residential property owners to the NMB. This value – **R129 million in 2023** – includes both property rates income as well as revenue derived by the NMBM from the sale of services (i.e. eater and electricity).

R129 MILLION

Estimated total annual property rates generated by residential properties in the Kariega CBD in 2023

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