DATA TO [INTEL]LIGENCE

The promising new local Economic Areas Management Programme collates data to support investor decision-making in Cape Town's urban nodes that makes both development and business sense.

WORDS BRENDON BOSWORTH

Sitting behind a computer in his office at Cape Town's Civic Centre, Claus Rabe opens a spreadsheet that gives a swift breakdown of the business climate in different parts of the city. Rabe can punch in a district name – for example the CBD, Tygervalley or Muizenberg – and a series of business indicators pops up. These include the local area's business district industrial and office rentals, property sales, business security and infrastructure risk, among others.

The business location tntelligence tool at Rabe's fingertips is part of the City of Cape Town's Economic Areas Management Programme (ECAMP). It pools the city's administrative data with third party property data from organisations like the South African Property Owners' Association, and presents it in a way that is easy for officials to understand. As Rabe puts it, ECAMP is about "turning data into information and turning information into intelligence".

The tool calculates indicators for the selected business area's market performance and location potential: a measure of its potential for economic activity and development based on its size, the availability of land for business, accessibility, infrastructure, safety, and the education and disposable income levels of people in the area.

Having easily digestible economic data – informed by more than 70 market indicators – for over 60 business districts in the municipal area is a first for the city. Rabe, who heads up ECAMP and has been painstakingly sourcing the data for over two years, hopes to see the tool guide more efficient government spending and informed private investment based on a bottom-up understanding of local economies as opposed to out-dated Old World planning theories.

"We've reached a very critical juncture where our technology is becoming more powerful than our theories," he says.

Cape Town has high quality spatial data, due in part to the integration of the city's administrative systems during the creation of the unicity in 2000, explains Rabe. "We asked the question, how can we use this data to actually have a bottom-up understanding about the space economy, about what the market's doing and why it's doing that? If we know the reason behind decision-making, then perhaps we can intervene in a way that actually makes sense."

ECAMP was developed after it was recognised that the city's spatial plans lacked a robust economic logic. "We saw with the Metropolitan Spatial Development Framework, which was in the 90s, where we expected the city to grow and develop didn't materialise and the city grew in ways we never anticipated," says Rabe.

Much of the data that ECAMP incorporates, which is important for planning decisions, was not readily available in the past. "Until about a year ago, we did not know the floor area of different commercial uses we had in the city and where. We didn't know how much we had: how much industrial space, how much office space, how much retail space," says Rob McGaffin, a Mistra urban futures researcher and lecturer in the Department of Construction Economics and Management at the University of Cape Town, who co-developed ECAMP with Rabe. "How do you start to plan for the future if you don't know what you've got in the first place?"
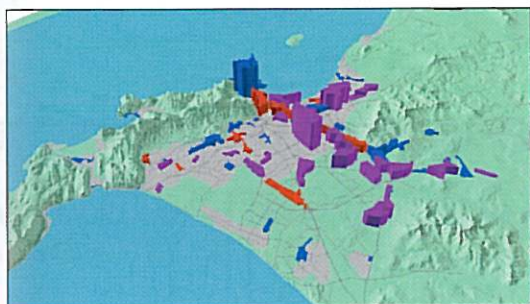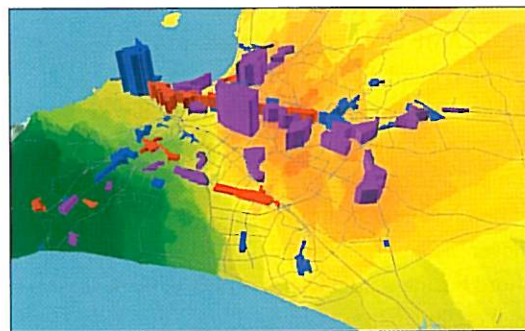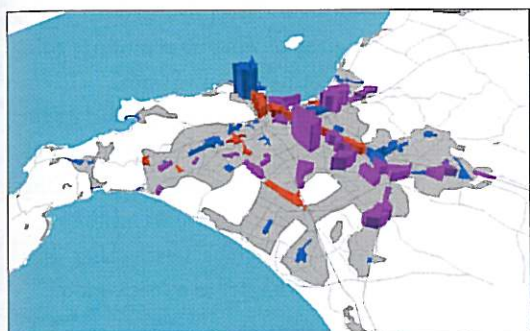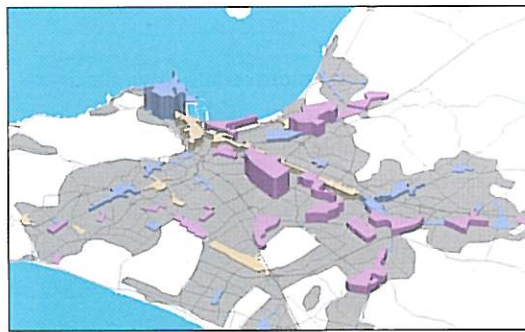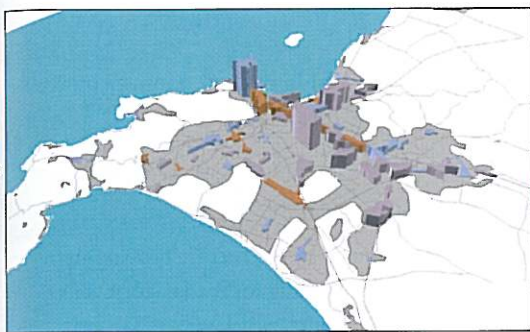
Since the ECAMP database is updated as new data becomes available, it allows the city to track the impact of its

ECAMP converts data into solid investment decision-making intelligence.
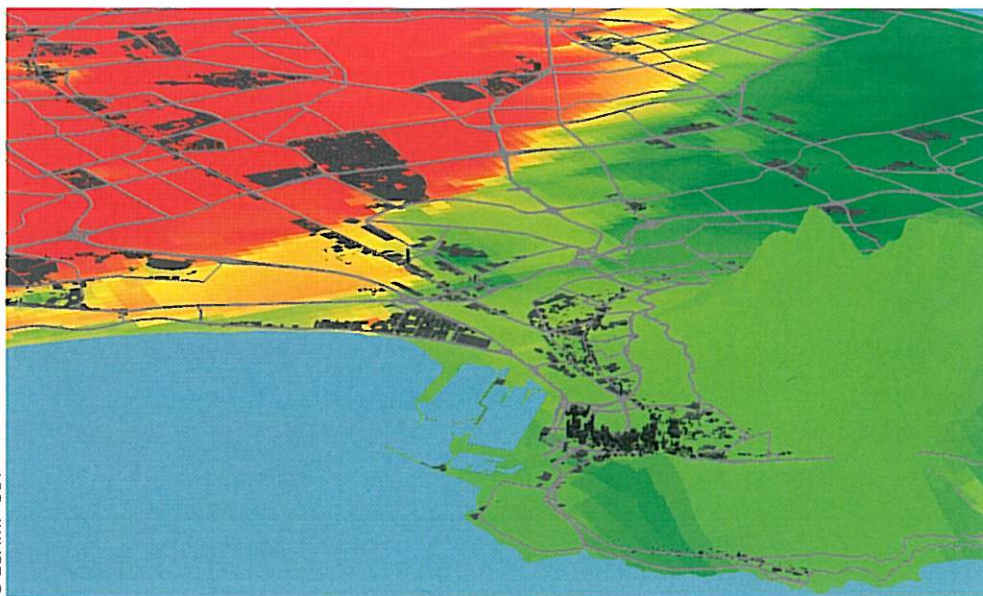
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ECAMP shows different sides to the economics of the city; the CBD-Bellville industrial belt, for example, is far more significant than the southern suburbs.

planning decisions and interventions. "We can empirically test our stylised facts – the notion that you have to extend the urban edge to keep housing prices low, for example – the assumptions we make usually based on things other than scientific enquiry," says Rabe. "You can now test these assumptions on a live empirical database on an ongoing basis."

ECAMP is already starting to show different sides to the standard economic understanding of the city's urban fabric. While it has typically been assumed that the southern suburbs, which include Claremont and the affluent Constantia area, perform well economically, it turns out that the city's CBD-Bellville industrial belt, which stretches from the CBD to Tygervalley and includes Century City and Voortrekker Road, is economically far more significant. Yet, historically, these areas have been put on the same level when it comes to planning, explains McGaffin. "I think what this is starting to

emphasise is the role and the strength of the urban core – the CBD out to Tygervalley."

For the city, ECAMP will help guide evidence-based spatial targeting and investment in regions with high economic potential, which should save money. It will also help city planners identify which elements are preventing an area from realising its full economic potential, and prioritise those, giving the city the biggest bang for its buck when it comes to spending.

Rabe says in the past – with a lack of economic data – areas with low economic potential were prioritised for government spending based on appeals about how poorly these areas were performing, resulting in low returns on investment. "Where there is a lack of data that vacuum gets filled, or displaced, with arbitrary political decision-making. This is by no means unique to South African cities," he says.

While this might sound like a hard line analytical approach that could leave areas with limited economic potential out in the cold, Rabe says this is not the case. By design ECAMP identifies those areas ignored by the market but that exhibits demonstrable underlying potential. Philippi East, Maitland and Bellville CBD are prime examples. He says the city can put a social equity filter over the data to guide targeted interventions in poor areas to help fulfil its policy objectives.

"We're not saying ignore certain areas and prioritise others. We're saying, depending on the intervention available, the city has a finite number of place-based instruments available to it, across various departments," explains Rabe. "We're saying do the right thing in the right place in order to get the best effect; it's that simple."

DATA FOR THE BUSINESS SECTOR

The ECAMP tool is also designed with the business sector in mind. By providing free, district specific market intelligence online, ECAMP hopes to alleviate information asymmetry. This happens when larger companies able to pay for research on the viability of new business locations gain the so-called "first mover" advantage over smaller firms that cannot afford business intelligence services. "By making this high quality data freely available through the website we're actually levelling the playing field," says Rabe.

business development in Philippi, a low-income neighbourhood on the Cape Flats.

Along with independent business surveys, ECAMP data will be used for a regional development framework, says Thomas Swana, CEO of PEDI. The framework will guide infrastructure development and public sector planning for roads, stormwater, electricity and transport, which will impact on private sector investment. "The private sector can then have a better grasp of what its position is going to be in terms of investment," says Swana.

At this stage, ECAMP provides economic data for the city's business districts, or nodes, as they stand alone. But Rabe wants to apply advanced modelling to ECAMP to better understand the way these business nodes interact and impact each other. This will provide a picture of the city as a "network of flows", he says.

The tool could also be employed nationally.

> **We've reached a critical juncture where our technology is becoming more powerful than our theories.**
> – CLAUS RABE

In the business sector, the citywide market intelligence provided by ECAMP could also reduce speculation in the property market by making it more transparent, adds McGaffin. "The property market is notoriously inefficient – it doesn't matter where you are – predominantly because of poor information," he says. "The majority of our cities, however, are actually built and driven by the property market. If city development is being driven by an inefficient system, that's a problem."

ECAMP is still in its early stages, having been officially rolled out in June 2014. But it is being used by organisations like the Philippi Economic Development Initiative (PEDI) – a non-profit organisation that has city officials and local business representatives on its board – that aims to drive

Rabe says he is working with national and regional agencies like the South African Local Government Association, the Economic Regions of Learning Networks, the Economic Development Partnership, National Treasury and the World Bank to see how this approach can be further mainstreamed locally, and extended to other municipalities in the Western Cape and South Africa. "We have already initiated exploratory discussions with Drakenstein Municipality under the auspices of the Economic Development Partnership," he says.

Interest has also been expressed from Knysna and Johannesburg. "We want to see how this tool, in some form or another, can be replicated elsewhere," says Rabe. "That's really how one determines whether something like this has been a success." **O**