

Tourism boosts Cape Town: Record influx and investor interest soar

With another clean audit for 2022/2023 and nearly R7bn in infrastructure investments, Cape Town is not only a hotspot for property but a magnet for investors and tourists alike. Recent accolades, including the Best Worldwide City in the 2023 Telegraph Travel Awards, highlight the city's global appeal.



Source: Tobias Reich via [Unsplash](#)

The record-breaking influx of over 317,000 international passengers in December 2023 has given a substantial boost to the local economy, creating a unique opportunity for the city's commercial and industrial sectors. Marcus Te Vaarwerk, a director of Swindon Property sees this tourism boom, combined with a clean bill of health from the Auditor General, as a catalyst for increased market sentiment and heightened interest among developers, investors, and businesses.

Increased demand for space

As the number of visitors rises, existing hotels are expected to witness high occupancy rates, leading to potential expansion plans and new hotel developments. This surge translates into increased demand for land, construction materials, and skilled labour in the hospitality sector. The retail and restaurant industry is also set to benefit, with more establishments likely to emerge in popular tourist areas, revitalising commercial spaces.

The logistics and warehousing sectors, already in high demand for well-positioned space, are poised to capitalise on the tourism surge. The increased activity implies a greater need for warehousing and logistics facilities to store and distribute various goods, contributing to the demand for efficient and strategically located warehouses around the city.

Enhanced property values are on the horizon, with increased demand for commercial and industrial spaces expected to drive up rentals and property values over time. Investors owning existing properties or looking to enter the market are likely to benefit across the board, from off-plan sales to rising capital values and rental demand.

Attracting investment

Cape Town's tourism boom has not only attracted international visitors but also the attention of global investors seeking lucrative real estate opportunities. This influx of capital has the potential to further boost development and infrastructure projects, creating a positive cycle for the entire market. The city is becoming an increasingly attractive destination for global investors in both commercial and residential markets.

The elevated tourism is anticipated to generate new job opportunities across various sectors, contributing to economic growth and poverty reduction over time. While the rising property values benefit investors, higher rents may pose challenges for local businesses and residents in affording commercial space. Striking a balance between growth and affordability is crucial to ensure the prosperity of all stakeholders.

"As a rapid influx of tourists can exert pressure on existing infrastructure, strategic planning, and investment are essential to accommodate the growing number of visitors without compromising the well-being of residents. Cape Town's success story in tourism is not just about attracting visitors but ensuring sustainable growth that benefits the entire community," says Te Vaarwerk.

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