Cape Town Regional Trends

WESGRO
cape town & western cape
research

January-June 2017

An inspiring place to know

Contents

1. Methodology

- This report provides an overview of the tourism trends and patterns in Cape Town. The findings will illustrate key visitor trends obtained from the regional visitor tracking survey.

- *Responses to the regional visitor tracking surveys are used as a proxy to indicate the key trends within the Western Cape and the various regions. It is important to note that absolute figures cannot be determined from these surveys, as the survey responses are a sample of the tourists into the respective tourism offices across the Western Cape, and would thus represent a <u>sample</u> of the visitors. Therefore, where statistically relevant absolute numbers may be given, however, a share is provided to indicate the trend. This is based on international best practice in the use of surveys within the tourism industry for determining key trends.*

- *Data for the regional visitor tracking survey, from which regional trend data was drawn, was captured when a visitor booked with a consultant (convenience sampling) and only represents part of the visitor population.*

- ***Definition:*** *<u>Tourist:</u> refers to any visitor travelling to a place other than that of his/her own environment for more than one night, but less than 12 months and for whom the main purpose of the trip is other than the exercise of an activity remunerated for from within the place visited.*

2. Participation and sample size

Between January and June 2017, a total of **948** responses to the regional visitor tracking survey were received from the respective Visitor Information Centres (VICs) in Cape Town. The participating VICs were:

- Cape Town Central
- Cape Town International Airport
- Simons Town
- Long Street
- Southeys Vines
- Kirstenbosch
- Mobile VIC

3. Executive Summary

- Over 90,000 travellers conducted bookings at the respective Cape Metropole Visitor Information Centres (VICs) between January and June 2017. 53.9% (50,325) represented the domestic market and 46.1% (42,977) originated from overseas.

- Germany (15.8%), the United Kingdom (14.6%) and the United States (6.8%) ranked as Cape Town's top three international markets into the VICs. Bookings from the domestic market were dominated by Gauteng (27.0%), Western Cape and KwaZulu-Natal (15.9% respectively).

- Cape Town continues to hold a strong demand for leisure travel, with holiday/leisure (89.0%) ranking as the leading motivation for travel, followed by business (7.2%).

- The Western Cape not only maintains a solid volume of leisure travel, but also welcomes a strong share of business travel. In 2016, MICE (Meetings, Incentives, Conferences and Exhibitions) ranked as the 3rd most prominent reason for travel amongst the foreign visitors and business ranked as the third largest segment for domestic travel.

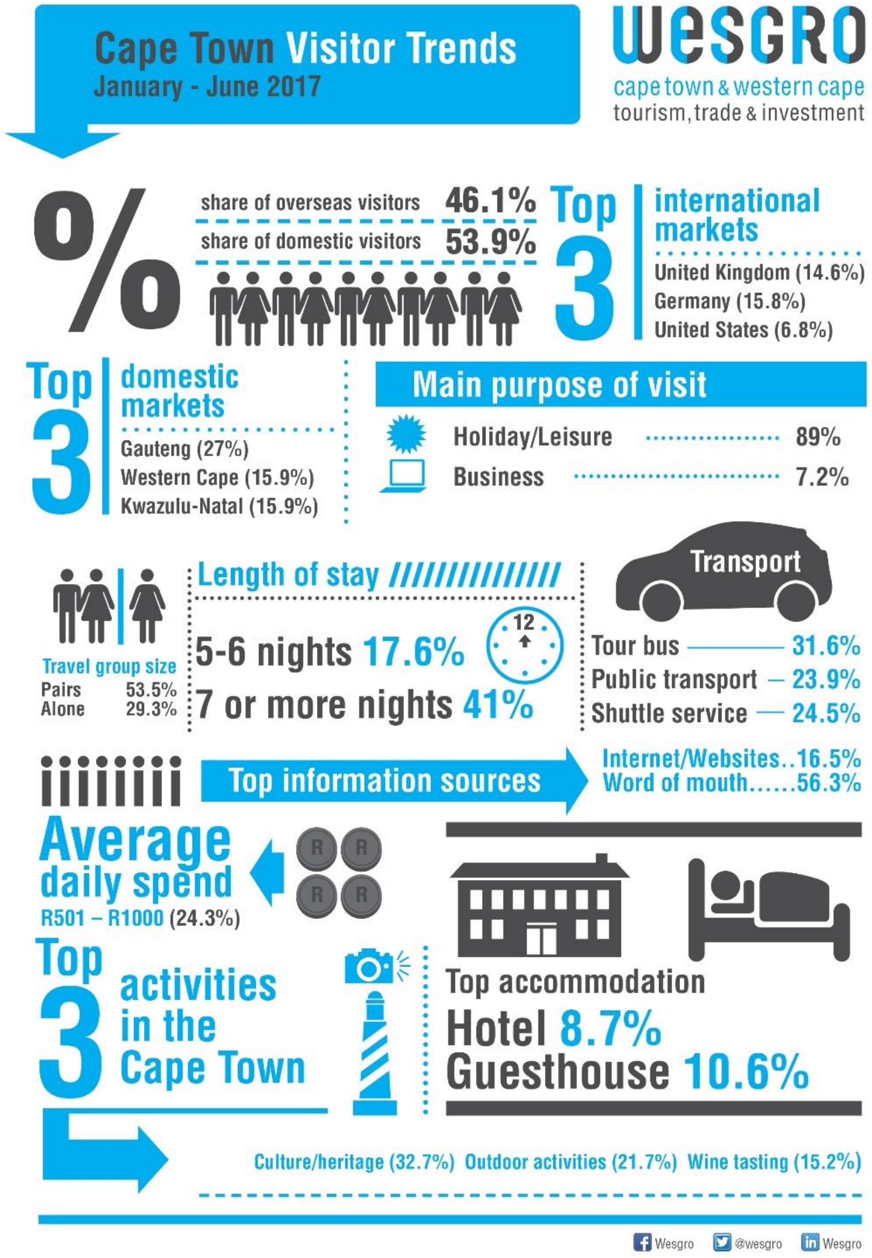
- Visitors to Cape Town primarily travelled as pairs (53.5%), followed by 29.3% who were solo travellers. The city benefits from two major national highways and a strong network of tour operators and guides operating on these routes. Tour busses (31.6%) are a particularly popular form of exploring Cape Town, followed by shuttle services (24.5%) and public transport (23.9%).

- Over 40% of visitors enjoyed extended stays of up to a week and more in the city. A further 17.6% indicated overnight stays of 5-6 nights.

- Top accommodation choices included guesthouses (10.6%) and hotels (8.7%). Cape Town accommodation establishments recorded the highest occupancy levels during the peak season months: January (77.1%), February (89.9%) and March (82.6%).

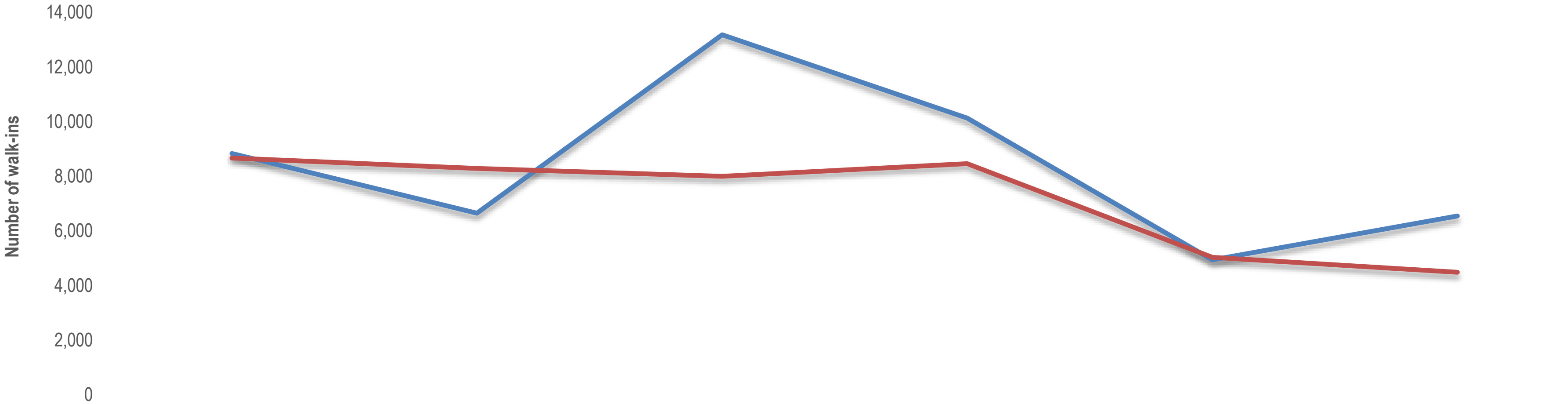
- Word of mouth (56.3%) ranked as the top information source used by visitors who were seeking information on Cape Town, followed by 16.5% who utilised internet/websites sources. between January and June 2017, visitors to Cape Town spent on average R501-R1000 (24.3%) per day in Cape Town.

- Top activities enjoyed in Cape Town included culture/heritage (32.7%), outdoor activities (21.7%) and Cape Town's prominent wine tasting spots (15.2%).



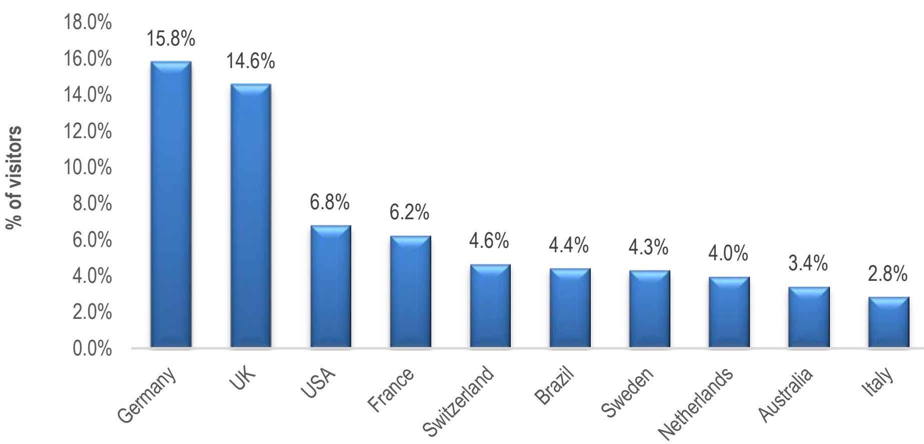
4. Cape Town Visitor Trends & Patterns

4.1 Total Number of Engagements at the Visitor Information Centres (VICs), Jan-Jun 2017



	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Domestic	8,836	6,660	13,188	10,134	4,951	6,556
International	8,676	8,297	8,001	8,471	5,042	4,490

TOP 10 INTERNATIONAL MARKETS TO THE CAPE METROPOLE VICs, JAN-JUN 2017



- The Cape Metropole Visitor Information Centres (VICs) recorded a total of 93,302 visitor engagements between January and June 2017.
- Visitor engagements at the VICs increased by a significant 15.1% when compared to the same period of 2016 (81,076). While these walk-in numbers do not reflect the total tourists to the city, the frequency of walk-ins does portray a strong demand for VICs as an information and booking tool for tourists.
- The top five international markets who conducted bookings at the respective Cape Town VICs included Germany (15.8%), the United Kingdom (14.6%), United States (6.8%), France (6.2%) and 4.6% from Switzerland.

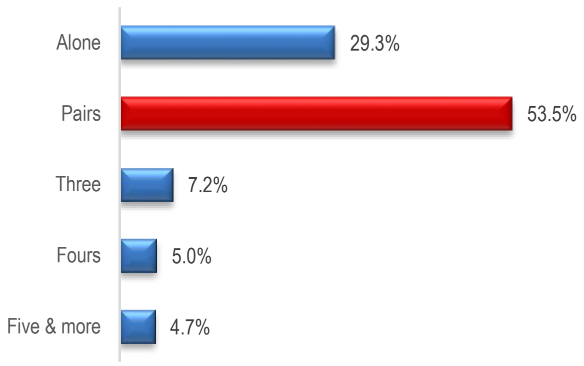
4. Cape Town Trends and Patterns

- Between January and June 2017, travelling in pairs or/as couples (53.5%) ranked as the most popular travel group amongst visitors to Cape Town. Despite weather conditions, visitors to Cape Town predominantly travelled for leisure (89.0%), followed by 7.2% who mainly travelled for business.

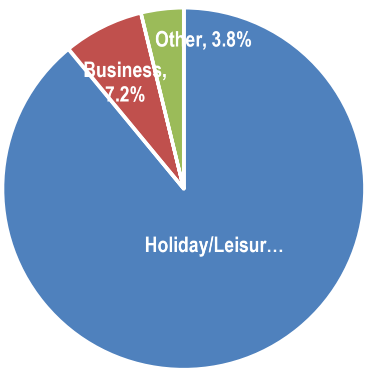
- Although the period under review included Cape Town's winter months; outdoor activities (21.7%), adventure (7.0%) and beaches (6.5%) ranked within the top 5 activities enjoyed during the period. Culture/heritage remained the top activity enjoyed by visitors. Cape Town is a city rich in cultural diversity and this makes it an extremely interesting and attractive tourist destination for cultural enthusiasts.

- 31.6% indicated tour busses as their top mode of transport. During the six month period, tour busses ranked higher than rented cars (12.4%), a demand which holds strong benefits for established as well as emerging tour operators.

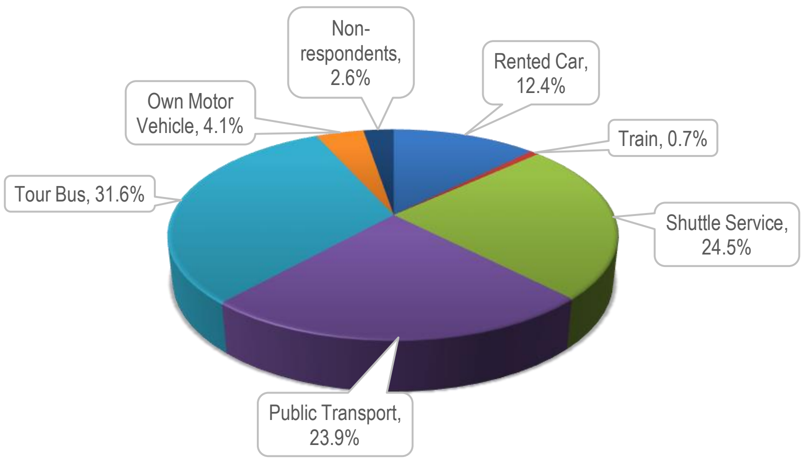
4.2 Travel Group Size



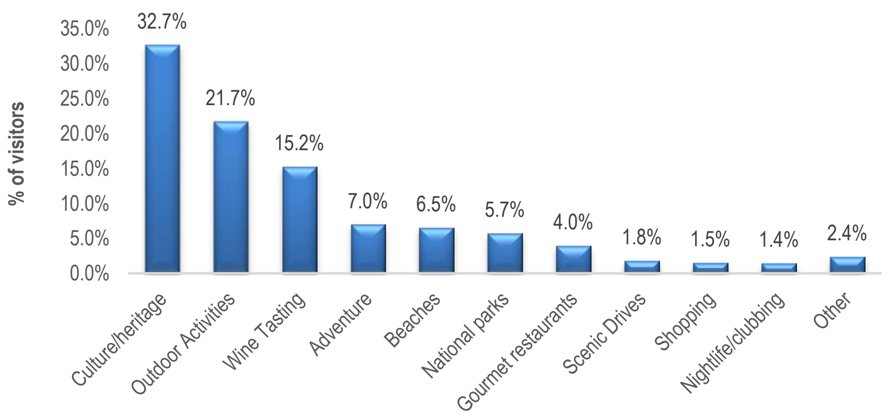
4.4 Main Purpose of Visit



4.3 Mode of Transport



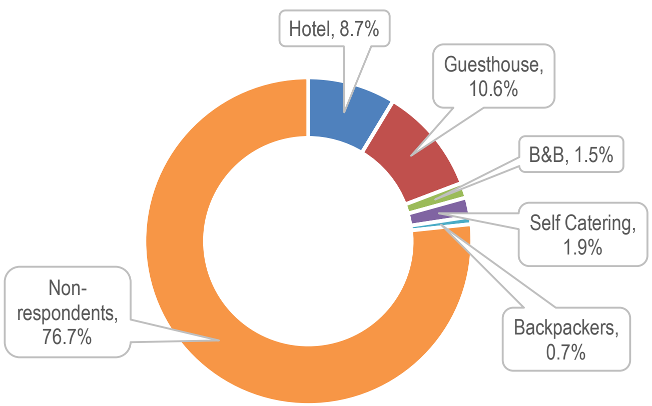
4.5 Top Activities Undertaken in Cape Town



Other: Golf, events/festivals, health & wellness, meetings/incentives and whale watching.

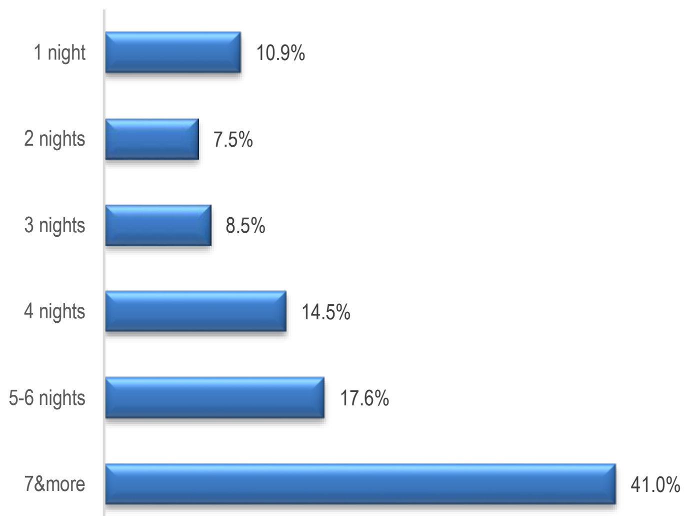
4. Cape Town Trends and Patterns

4.6 Accommodation Usage

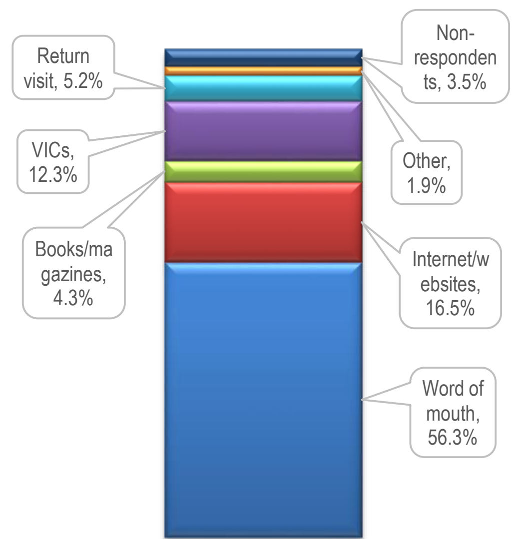


- Guesthouses (10.6%) and hotels (8.7%) ranked as the most prominent accommodation types booked at the VICs.
- According to latest Business Monitor International (BMI) trends (Q3 2017), the value of South Africa's hotel and restaurants industry will increase over the forecast period to 2021, to reach USD3.7bn. The length of stay is set to remain very stable over the coming years to 2021, while the occupancy rate is expected to increase from 61.9% in 2017 to 69.6% in 2021.
- This is evidence of the stability of the sector and the slow growth of the accommodation market. With a relatively long average stay of just over eight nights, there is potential for revenue growth by expanding the low-cost accommodation sector and expanding transport infrastructure to take advantage of the long stays. The extended stays is further underlined in the trends depicted below, with the largest share of visitors to Cape Town indicating stays of a week and more in Cape Town (41.0%).
- Word of mouth (56.3%) ranked as the top information source amongst visitors to Cape Town. The internet/websites (16.5%) emerged as an equally prevalent information source, followed by 12.3% who obtained information from the VICs. 5.2% of these visitors were return visitors, an extremely prominent indicator for tourism marketers to foster and grow.
- Across the six months, visitors spent on average R501-R1000 (24.3%) per day in Cape Town, followed by 22.2% who indicated an average daily spend of R1001-R2000.

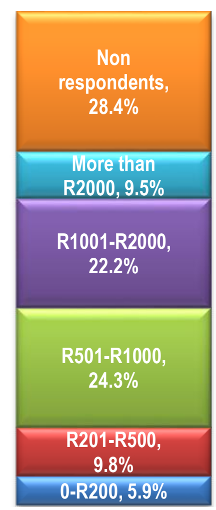
4.7 Average Length of Stay



4.8 Information Sources



4.9 Average Daily Spend



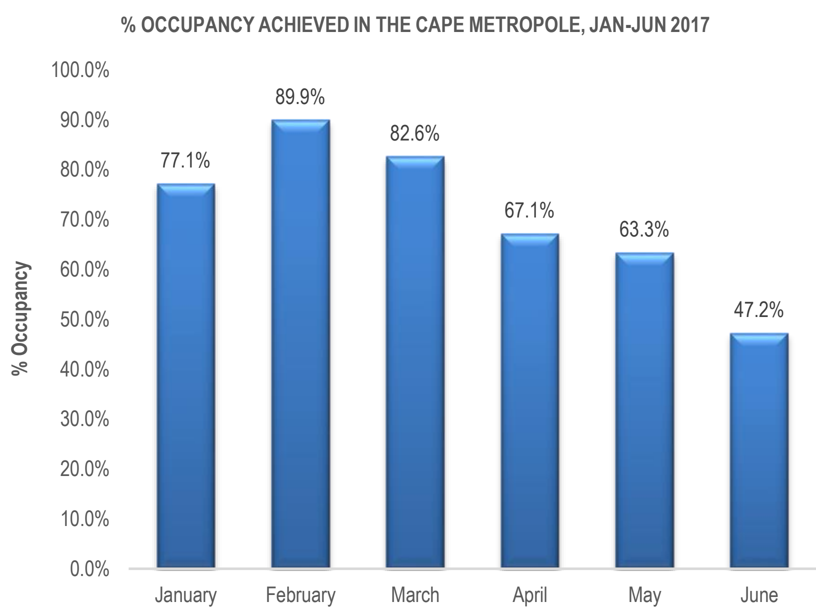
6. Cape Town Accommodation Performance

- Horwath HTL, on behalf of Cape Town Tourism, conducted a performance review and forecast study amongst respective accommodation establishments within the Cape Metropole. The establishments that participated in the analysis were located across the City Centre, Helderberg, South Peninsula, Northern and Southern Suburbs, Blaauwberg Coast and the Atlantic Seaboard. The participating establishments included guesthouses, hotels, self-catering, B&Bs and backpackers.

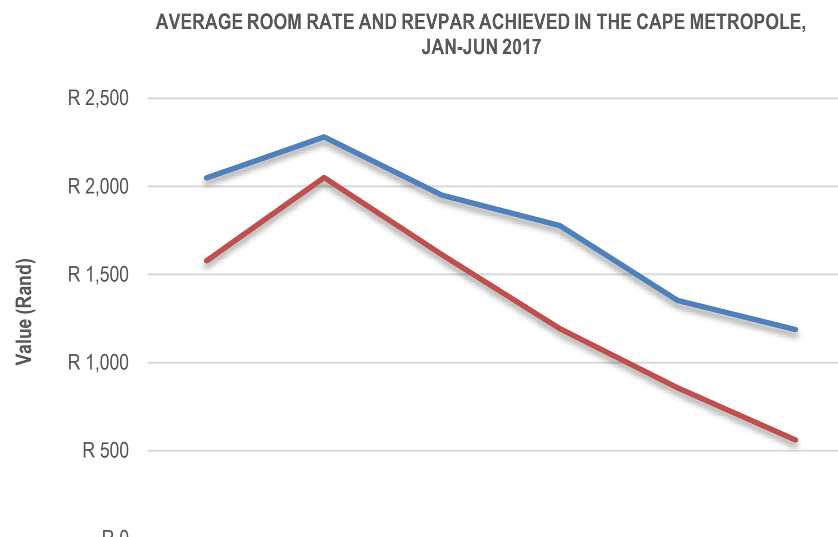
- The overall performance of the accommodation establishments in the Cape Town Region is depicted in the figures following below; with respect to the percentage occupancy rates, room rates and overall revenue achieved.

- Accommodation demand provides an insightful measure of the performance of Cape Town's tourism sector. When observing the month-to-month occupancy levels illustrated below, a sustained demand is evident across the period. The best performing months for occupancy was the peak season months: January (77.1%), February (89.9%) and March (82.6%). However, Cape Town's accommodation sector continued to perform well in June, reporting an average occupancy of 47.2% and representing a year-on-year increase of 1.9%.

- The highest average room rate were achieved in February, reaching R2,281. Despite the drop in occupancy and room rate revenue levels, a positive year-on-year increase in room rates were recorded for each month. Surprisingly, the highest growth in room rates were achieved during April (18.4%), a month which traditionally forms part of the low season.



Source: Cape Town Tourism, 2017



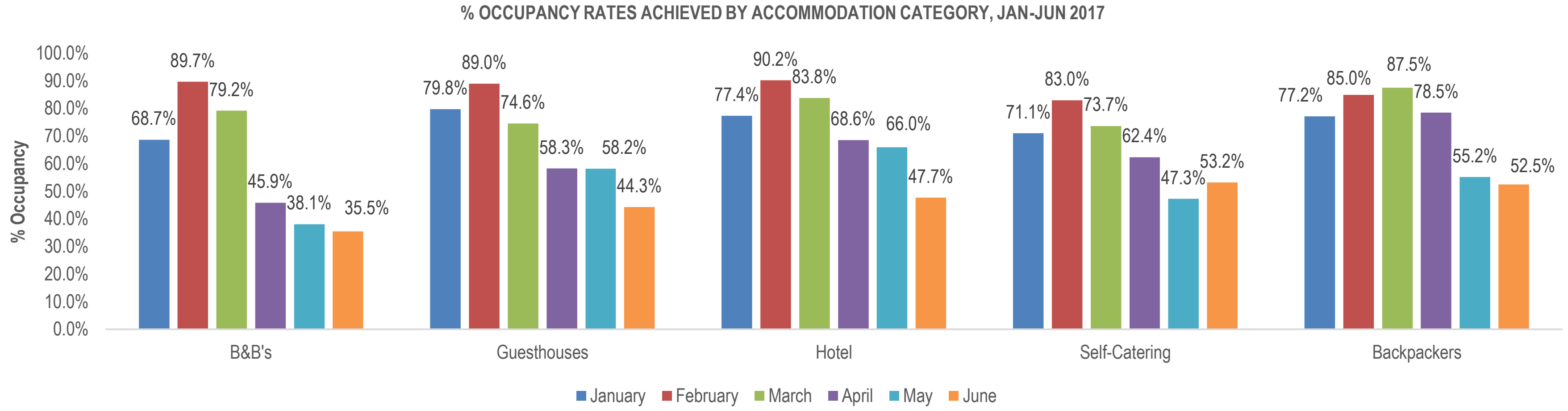
	January	February	March	April	May	June
Average Room Rate ®	R 2,048	R 2,281	R 1,951	R 1,777	R 1,353	R 1,187
RevPAR ®	R 1,578	R 2,050	R 1,613	R 1,192	R 856	R 560

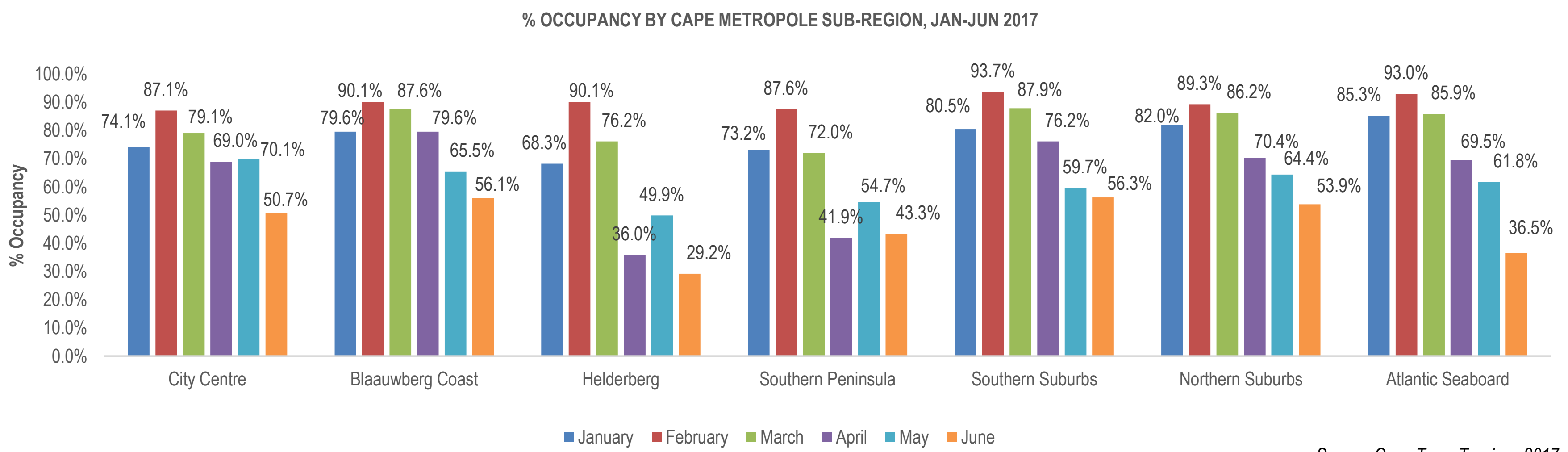
Source: Cape Town Tourism, 2017

6. Cape Town Accommodation Performance

- Overall, Cape Town's accommodation sector is performing extremely well and maintained a strong demand into the first six months of 2017. The peak in occupancy across all categories were reached in January, February, March and April. During the period under review, occupancy levels indicated that the international source markets accounted for the largest share of room nights sold between January and April, while the domestic market held the largest share of room nights during May (48.9%) and June (50.8%).

- Accommodation establishments within the Cape Town sub-regions were equally occupied by visitors during the period. From the monthly trend in occupancy seen below, all sub-regions benefited from the peak season months, achieving their peak occupancy levels during February.





Source: Cape Town Tourism, 2017

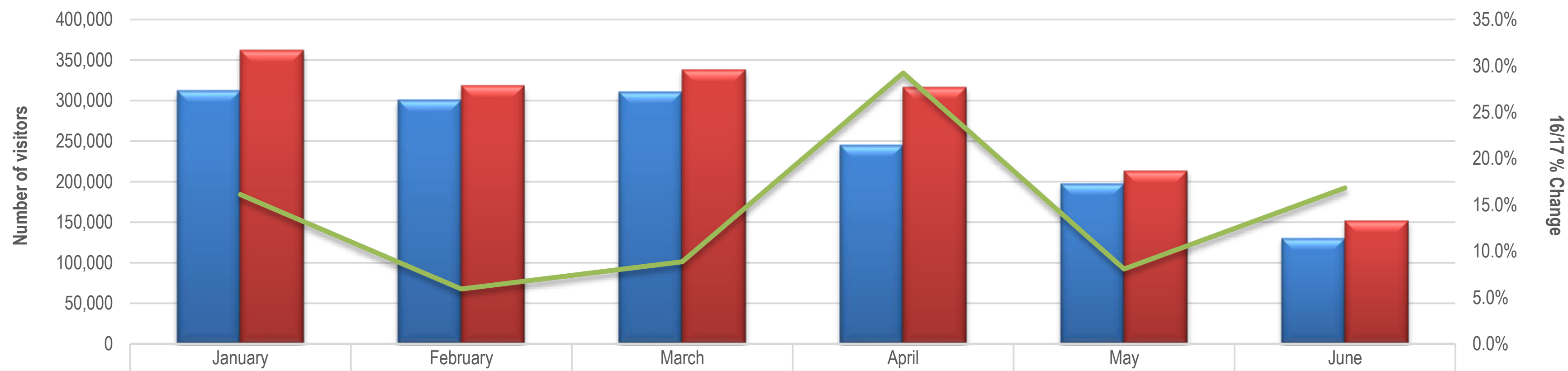
5. Performance of Cape Town Attractions

Ranking	Attraction	Total visitors Jan-Jun 2017	Jan-Jun 16/17 % Change
1	V&A Waterfront	11,591,735	-2.1%
2	Table Mountain National Park	1,701,025	+13.7%
3	Table Mountain Aerial Cableway	601,939	+12.2%
4	Table Mountain National Park: Cape of Good Hope	567,259	+13.0%
5	Kirstenbosch National Botanical Garden	472,026	+7.4%
6	Table Mountain National Park: Boulders	445,818	+16.9%
7	Robben Island	186,744	-1.5%

Sources: V&A Waterfront, Table Mountain National Park, SANParks, Table Mountain Aerial Cableway, Robben Island and Kirstenbosch National Botanical Garden, 2017

- For this section, visitor movement to Cape Town's top attractions were reviewed. These include the city's most iconic attractions for which visitor statistics were available.
- The attractions highlighted in this section includes the renowned Table Mountain Aerial Cableway, Kirstenbosch National Botanical Garden, Boulders Beach, Cape of Good Hope, Robben Island and the prominent V&A Waterfront Shopping Centre.
- Between January and June 2017, Table Mountain National Park reached a total of 1,701,025 visitors, rising by 13.0% year-on-year.
- The park not only reached its 3 million mark for the first time in 2016 but are continuing to portray impressive growth rates into 2017. These figures highlight the strong demand and sustainability of this iconic attraction.
- SANParks (South African National Parks) is also the biggest tourism product owner in South Africa. SANParks offers a total of 6,787 formal beds and 8,643 camping beds throughout the national parks. The national park system therefore provides a wide diversity of accommodation facilities and eco-tourism experiences, and is one of the cornerstones of the South African tourism economy.

VISITORS TO THE TABLE MOUNTAIN NATIONAL PARK, JAN-JUN 2016/17



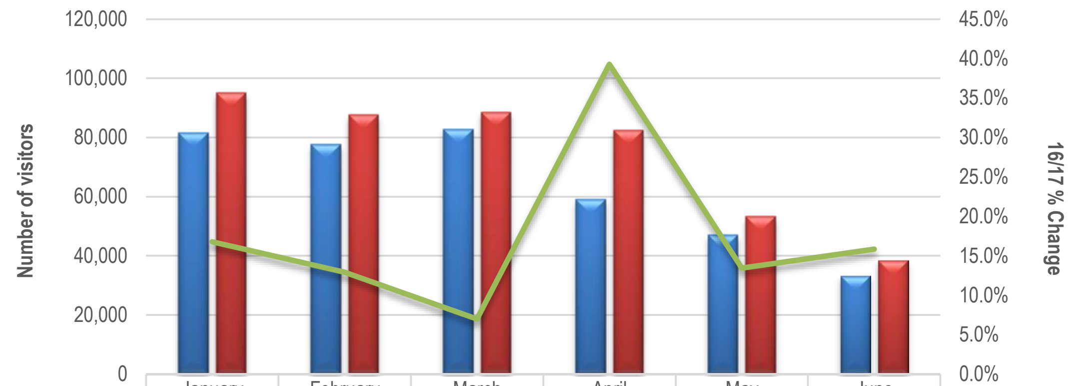
	January	February	March	April	May	June
2016	312,206	300,559	310,971	244,845	197,541	129,953
2017	362,463	318,329	338,483	316,428	213,481	151,841
% Change	16.1%	5.9%	8.8%	29.2%	8.1%	16.8%

Source: SANParks, 2017

5. Performance of Cape Town Attractions

- The Cape Metropole's prominent coastline is not the only reason why 800 000 visitors a year make their way along the Simon's Town coast. The local inhabitants at Boulders Beach knows how to pull the crowds.
- The African Penguins, formerly known as jackass penguins because of their distinctive braying are the only penguins found on the continent. Colonies can be found from southern Namibia all the way around the South African coast to Port Elizabeth; however, few places offer as remarkable a viewing point as Boulders Beach.
- The unique and prevalent nature of this attraction is evident in the strong volume of visitors per annum. Into the first six months of 2017 Boulders welcomed over 400,000 visitors and grew by 16.9% year-on-year.
- Boulders receives its peak in visitors between January and April. Despite the seasonal drop in volume during May and June, these months saw an annual increase of 13.5% and 15.8% respectively.

VISITORS TO TABLE MOUNTAIN NATIONAL PARK: BOULDERS, JAN-JUN 2016/17

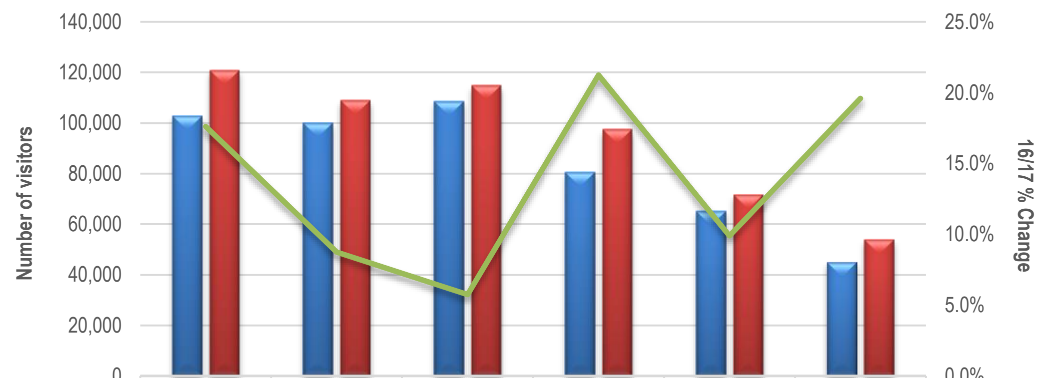


	January	February	March	April	May	June
2016	81,555	77,665	82,768	59,215	46,983	33,256
2017	95,248	87,694	88,559	82,483	53,309	38,525
% Change	16.8%	12.9%	7.0%	39.3%	13.5%	15.8%

Source: Table Mountain National Park, 2017

- The Cape of Good Hope nature reserve within Table Mountain National Park forms part of the Cape Floral Region, a World Heritage Site. It includes the majestic Table Mountain chain, which stretches from Signal Hill to Cape Point, coupled with the coastlines of the Cape Peninsula.
- This narrow stretch of land contains a mix of extraordinarily diverse and unique fauna and flora. 2016 was a strong year for this prominent icon, the Cape of Good Hope reached its 1 million mark in visitor numbers and grew by 22.7%.
- The first six months of 2017 reflected an equally positive growth rate. The highest volume in visitors were recorded during January (120,888) while the highest year-on-year growth by month was achieved in April (21.2%).

VISITORS TO TABLE MOUNTAIN NATIONAL PARK: CAPE OF GOOD HOPE, JAN-JUN 2016/17



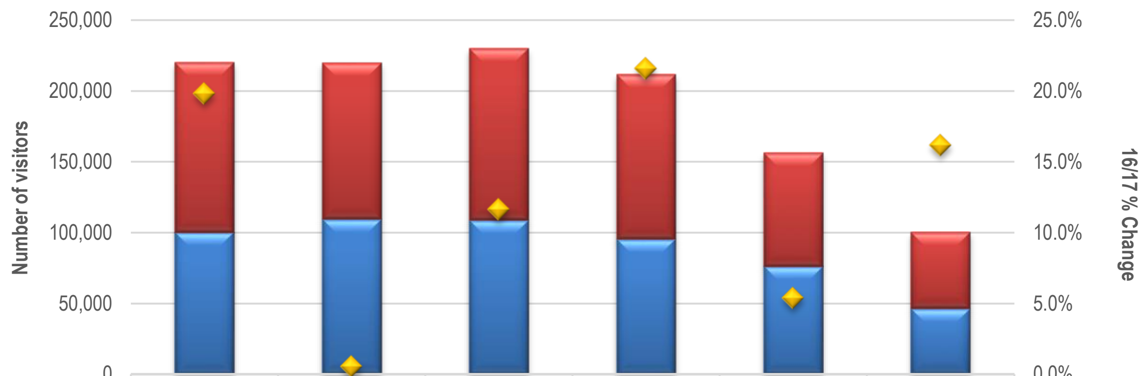
	January	February	March	April	May	June
2016	102,788	100,066	108,514	80,406	65,130	44,950
2017	120,888	108,816	114,742	97,481	71,573	53,759
% Change	17.6%	8.7%	5.7%	21.2%	9.9%	19.6%

Source: Table Mountain National Park, 2017

5. Performance of Cape Town Attractions

- The Cableway has been bustling with visitors since they have reopened after their 2-week annual maintenance period. One of the major upgrades still in progress is the lifts at the Lower Station.
- Despite being a weather permitting attraction, the Cableway reached their 1 million mark in 2016 and has proven to be a strong icon for Cape Town.
- While seasonality patterns still exists, the Cableway not only saw a double digit increase in January (19.8%), March (11.6%) and April (21.6%), but June fared equally well, rising by 16.2% year-on-year.

VISITORS TO THE TABLE MOUNTAIN AERIAL CABLEWAY, JAN-JUN 2016/17

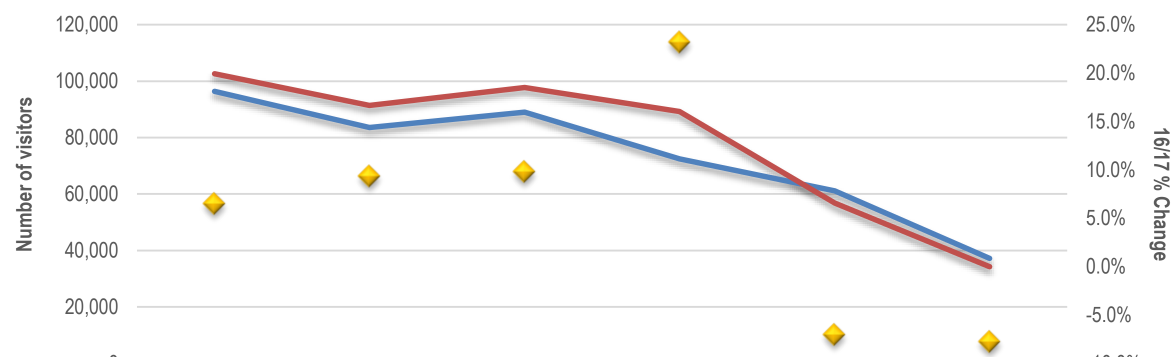


	January	February	March	April	May	June
2017	120,020	110,240	121,294	116,114	80,309	53,962
2016	100,147	109,605	108,649	95,485	76,198	46,446
% Change	19.8%	0.6%	11.6%	21.6%	5.4%	16.2%

Source: Table Mountain Aerial Cableway, 2017

- In 2004 the Cape Floristic Region, including Kirstenbosch, was declared a UNESCO World Heritage Site, another first for Kirstenbosch. It is the first botanic garden in the world to be included within a natural World Heritage Site.
- Between January and June 2017 Kirstenbosch welcomed a total of 472,026 visitors and grew by 7.4% when compared to the same period of 2016. it is important to note that the visitor numbers illustrated in the figure excludes concerts. Events such as the summer sunset concerts amongst others therefore serves as additional volume and economic contribution.
- January recorded the largest number of visitors, reaching 102,654 while the month of April represented the highest year-on-year growth (23.2%).

VISITORS TO KIRSTENBOSCH NATIONAL BOTANICAL GARDEN, JAN-JUN 2016/17



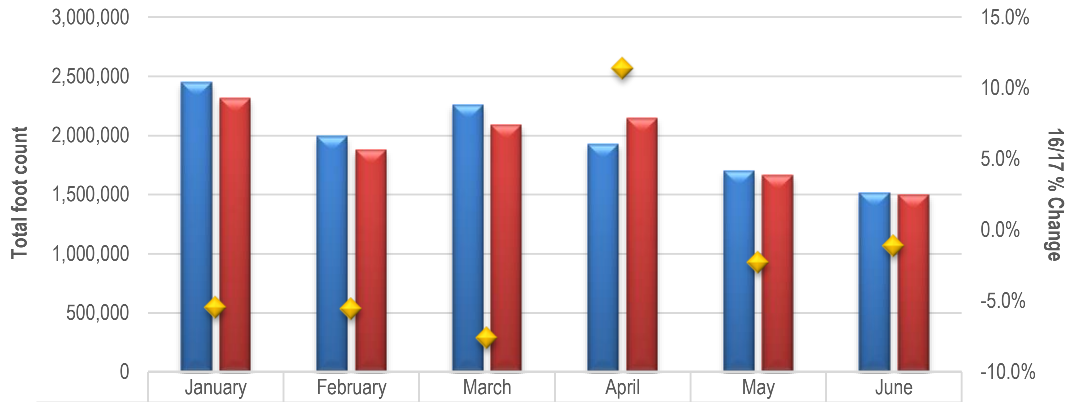
	January	February	March	April	May	June
2016	96,372	83,569	88,972	72,401	61,063	37,144
2017	102,654	91,403	97,724	89,204	56,774	34,267
% Change	6.5%	9.4%	9.8%	23.2%	-7.0%	-7.7%

Source: Kirstenbosch National Botanical Garden, 2017

5. Performance of Cape Town Attractions

- The V&A forms part of the Cape Town Big 7 and welcomed over 24 million visitors to the shopping centre in 2016. The strength in foot count is largely attributed to the vast array of experiences at the V&A Waterfront, ranging from leisure and shopping to family entertainment.
- Into the first six months of 2017, over 2 million footfall were recorded during January, March and April respectively. According to the V&A Waterfront, the figures only reflects the footfall of the Victoria Wharf.
- With the V&A's development of the various districts (e.g. Silo, Portswood, Watershed) they have experienced an increase in the amount of visitors who expand their geographical footprint on the property, therefore not only visiting the shopping centre, but visiting the V&A for other reasons, e.g. Two Oceans Aquarium and Watershed.
- More than 60% of the V&A's visitors are locals and the impact of the current economic situation makes visitors more cautious to how they spend their money.

FOOT COUNT TO THE V&A WATERFRONT SHOPPING CENTRE, JAN-JUN 2016/17

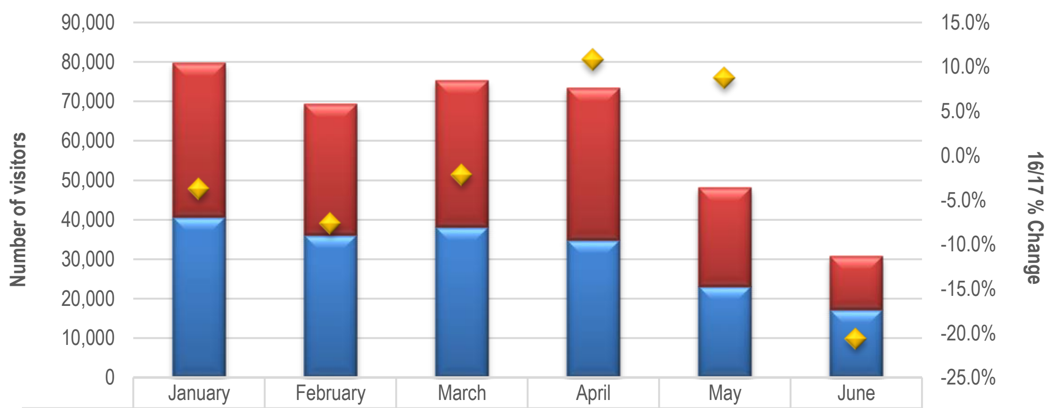


	January	February	March	April	May	June
2016	2,448,535	1,991,469	2,260,136	1,927,031	1,699,055	1,516,693
2017	2,315,272	1,880,838	2,088,415	2,146,850	1,660,504	1,499,856
% Change	-5.4%	-5.6%	-7.6%	11.4%	-2.3%	-1.1%

Source: V&A Waterfront, 2017

- Robben Island forms part of the best of Cape Town-BIG 7 attractions, a World Heritage Site and one of the few icons that bear the weight and historical significance of South Africa.
- Robben Island records over 300,000 visitors per annum and recorded a total of 186,744 visitors between January and June 2017. A marginal decrease of 1.5% were recorded for the six-month period, however, this could largely be linked to weather conditions impacting on the frequency of trips to the island.

VISITORS TO ROBBEN ISLAND, JAN-JUN 2016/17



	January	February	March	April	May	June
2017	39,071	33,255	37,238	38,541	25,048	13,591
2016	40,590	35,998	38,060	34,786	23,032	17,123
% Change	-3.7%	-7.6%	-2.2%	10.8%	8.8%	-20.6%

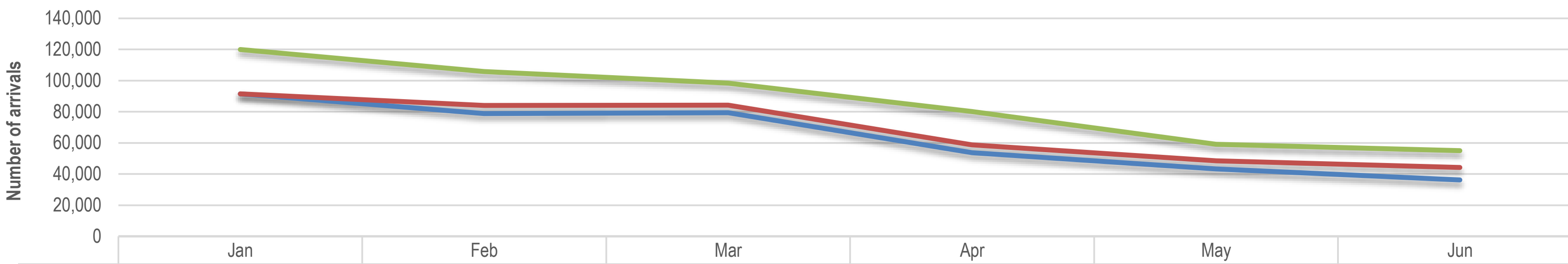
Source: Robben Island, 2017

7. ACSA: Cape Town International Airport Arrivals

- Cape Town International Airport is South Africa's second-busiest airport. In 2016, the airport recorded over 5 million passenger movement and increased by 7.3% year-on-year. Growth in passenger movement continued into the first half of 2017. The airport registered 2.5 million passenger arrivals between January and June 2017, rising by 6.9% year-on-year. Despite the high volume of domestic movement, international arrivals recorded the highest year-on-year growth rates by month, reflecting impressive double digit growth rates for each month. The month of January alone recorded a 31.2% increase in international arrivals when compared to January 2016, and the six-month period collectively reflected a 26.1% rise in international arrivals.

- The Top 10 future bookings for the next six months (Sep 2017-Feb 2018) confirms the strong demand from the European region. 7 out of the Top 10 countries represented Europe. The United States, the Western Cape's third largest international market reflected the 3rd highest number of future bookings for the six months ahead. Brazil ranked in 9th position and posted the highest (99.4%) year-on-year growth in bookings when compared to the same period of the previous year.

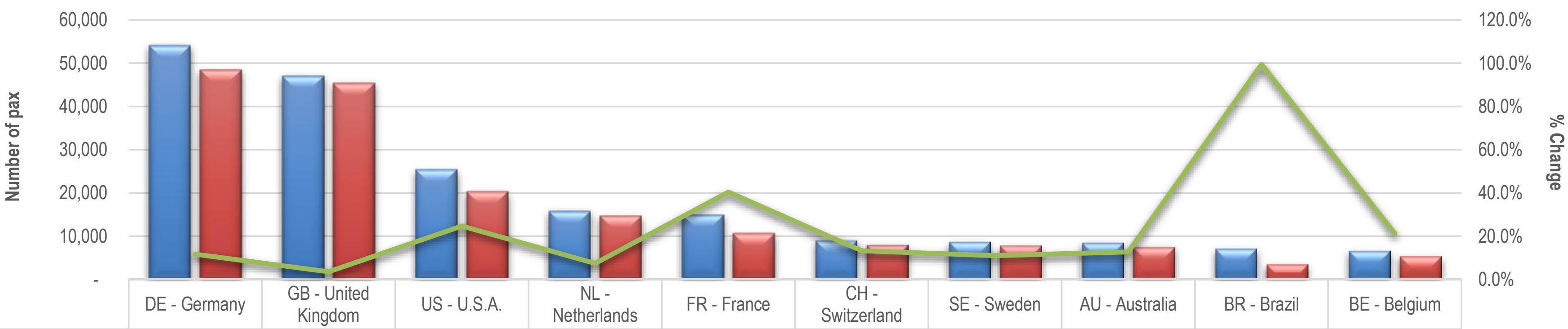
NUMBER OF INTERNATIONAL ARRIVALS THROUGH THE CAPE TOWN INTERNATIONAL AIRPORT, JAN -JUN 2015-2017



	Jan	Feb	Mar	Apr	May	Jun
2015	91,568	78,909	79,368	53,646	43,291	36,290
2016	91,482	84,087	84,176	58,830	48,504	44,205
2017	119,989	105,911	98,455	80,141	59,171	54,942

Source: ACSA, 2017

TOP 10 FUTURE BOOKINGS BY COUNTRY, SEP-FEB 2017/18



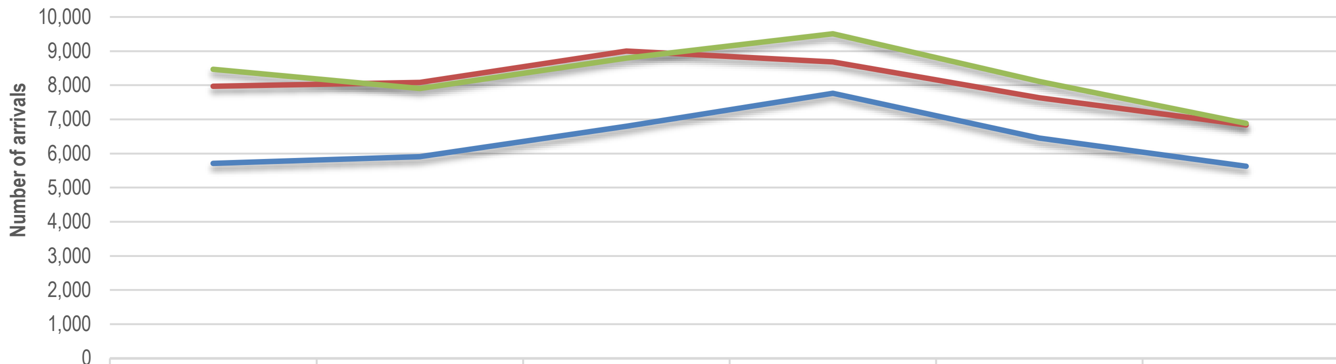
	DE - Germany	GB - United Kingdom	US - U.S.A.	NL - Netherlands	FR - France	CH - Switzerland	SE - Sweden	AU - Australia	BR - Brazil	BE - Belgium
Sep '17 - Feb '18	54,078	47,065	25,361	15,846	14,929	9,056	8,700	8,479	7,079	6,562
Sep '16 - Feb '17	48,441	45,426	20,326	14,747	10,630	7,992	7,835	7,524	3,550	5,409
% Change	11.6%	3.6%	24.8%	7.5%	40.4%	13.3%	11.0%	12.7%	99.4%	21.3%

Source: ForwardKeys, 2017

7. ACSA: Cape Town International Airport Arrivals

- Between January and June 2017, a total of 49,678 regional arrivals[1] entered through the Cape Town International Airport, reflecting a 3.0% increase when compared to 2016 (48,216).
- Domestic passengers accounted for 77.7% of all passenger movement across the six months.

REGIONAL ARRIVALS THROUGH THE CAPE TOWN INTERNATIONAL AIRPORT, JAN-JUN 2015-2017

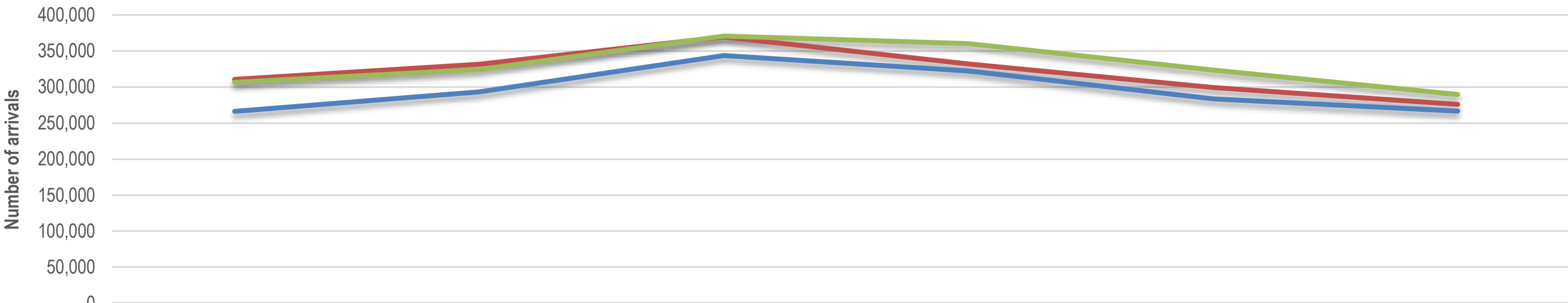


	Jan	Feb	Mar	Apr	May	Jun
2015	5,716	5,905	6,796	7,761	6,453	5,625
2016	7,975	8,079	8,999	8,686	7,636	6,841
2017	8,471	7,901	8,796	9,513	8,115	6,882

[1]**Regional Arrivals** are defined by the Government Gazette by the landing charge in respect of an aircraft which lands at a company airport that has been engaged in a flight where the airport of departure of that aircraft is Botswana, Lesotho, Namibia or Swaziland.

Source: ACSA, 2017

NUMBER OF DOMESTIC ARRIVALS THROUGH THE CAPE TOWN INTERNATIONAL AIRPORT, JAN-JUN 2015-2017



	Jan	Feb	Mar	Apr	May	Jun
2015	266,059	293,365	343,641	322,368	283,724	266,557
2016	310,462	331,348	369,628	331,939	299,425	275,702
2017	306,601	324,105	370,676	360,009	323,477	289,688

Source: ACSA, 2017

8. Acknowledgements

Acknowledgements and many thanks go to the following for supplying the data which made this publication possible and whose continued and unwavering support will sustain the forthcoming issues.

The participating Visitor Information Centres (VICs) in the Cape Metropole:

- Cape Town Central
- Cape Town International Airport
- Kirstenbosch
- Simon’s Town
- Southey’s Vines
- Mobile VIC
- Long Street

The participating indicators and attractions in Cape Town:

- Kirstenbosch National Botanical Garden
- Table Mountain Aerial Cableway
- Table Mountain National Park: Boulders and Cape of Good Hope
- V&A Waterfront
- South African National Parks Board
- Table Mountain National Park
- Robben Island

For more publications like this visit the Wesgro publications portal on our website at www.wesgro.co.za/research_articles