# The Africa Offices Market Dashboard

**H1 2026**

The Africa Offices Market Dashboard report provides occupiers, landlords, and investors with a regular analysis of the rental performance and trends of prime office markets across Africa.

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The Afreximbank African Trade Center in Harare, Zimbabwe

# MARKET OVERVIEW

Africa's prime office market continued to demonstrate resilience in H1 2026, although performance remained highly polarized between modern/Grade A offices and ageing secondary office stock. Across most markets that we track, occupiers continue to prioritize high-quality, ESG-conscious, and operationally resilient office buildings, reinforcing the continent-wide "flight to quality" trend. This has resulted in stronger occupancy and rental performance for institutional-grade offices, while older Grade B and C assets face rising vacancies, increased leasing incentives, and growing competitive pressure.

Prime office rents remain broadly stable across different markets, despite ongoing macroeconomic headwinds, reflecting a balance between constrained Grade A supply and cautious occupier expansion. For instance, Lagos charges the highest rental rates of up to US$ 55 per sqm per month, followed by Abuja (US$ 46 per sqm) and Cairo (US$ 28–37 per sqm). Other key markets recorded comparatively stable rental levels, including Lusaka (US$16–18 per sqm), Kampala (US$17 per sqm), Dar es Salaam (US$15 per sqm), Gaborone (US$14–19 per sqm), and Nairobi (US$13 per sqm).

Occupancy performance has strengthened in several markets where limited new Grade A supply supports absorption. Nairobi recorded one of the strongest improvements, with prime office occupancy increasing from 81.5% to 85% over the review period, while Grade A occupancy reached approximately 87% in Kampala and 80% in Dar es Salaam. In South Africa, Cape Town remains the continent's strongest-performing office market, with vacancies compressing to approximately 6%, significantly outperforming Johannesburg (15.5%) and Durban (11.7%).

**3.5%**

Percentage points increase in prime office occupancies in Nairobi

**50 & 350 M$^2$**

Increase in demand for small office suites in markets such as Zambia

**6%**

Lowest vacancies recorded in prime offices in Cape Town

**50%**

Highest vacancies in prime offices in Zimbabwe

**Source:** Knight Frank

"Occupancy performance has strengthened in several markets where limited new Grade A supply supports absorption."

Conversely, CBD office markets in Zimbabwe continued to face structural challenges, with vacancy levels averaging approximately 50%, reinforcing the migration of occupiers towards suburban office locations.

Changing occupier requirements continue to reshape office demand across the continent. Businesses are increasingly optimizing office portfolios by reducing floor areas and favouring smaller, more efficient workspaces. Demand has shifted towards office suites ranging between 50 and 350 sqm in markets such as Zambia, while serviced offices and condominium-style office ownership continue to gain traction in Tanzania, Uganda, Kenya, and Egypt. Operational factors, including reliable backup power, parking availability, modern building specifications, and professional property management, have become increasingly important in leasing decisions, often outweighing location alone.

Overall, Africa's office market continues to evolve into a distinctly two-tier market, where modern Grade A offices are benefiting from resilient occupier demand, stable rents, and improving occupancy, while ageing secondary stock faces rising vacancies and increasing pressure to reposition through refurbishment, flexible leasing models, and adaptive reuse.

> Changing occupier requirements continue to reshape office demand across the continent.

**Source:** World Bank

Co - working space

# COUNTRY SNAPSHOTS

## BOTSWANA

Prime office rents in the Gaborone CBD currently range from approximately US$ 14 to US$ 19 psm per month for top-tier Grade A office space. These rental rates are achieved by the best-in-class offices with modern building specifications, quality finishes, strong corporate visibility, and superior tenant amenities. In contrast, older buildings (grade B and C offices) command lower rents, generally ranging between US$ 4 and US$ 8 psm per month, underscoring the widening performance gap between prime and non-prime office stock.

The leasing environment remains highly segmented; Grade A offices continue to benefit from comparatively stronger occupancy levels and greater rental resilience as occupiers prioritize modern, efficient, and well-managed offices. Conversely, the broader market, particularly older and Grade B buildings, remains weaker with higher vacancy levels. Landlords of secondary assets are increasingly compelled to compete through rental discounts, flexible lease terms, fit-out contributions, and other leasing incentives to attract and retain occupiers.

Overall, Botswana's office market continues to be shaped by occupiers' preference for quality over quantity. Businesses are increasingly consolidating into modern office developments that offer enhanced operational efficiency, improved workplace environments, and stronger long-term value. While subdued economic conditions continue to constrain overall demand growth, prime office assets in Gaborone remain comparatively well-positioned to sustain occupancy and rental performance. In contrast, older office stock is expected to remain under pressure.


Gaborone City scape

# EGYPT

The office market in New Cairo and El Sheikh Zayed remains landlord-favourable. Constrained supply of institutional-grade offices, coupled with sustained demand from multinational occupiers, has reinforced rental resilience. Monthly Prime Grade A office rents currently average approximately US$ 28 psm, with premium business parks and gated offices commanding the strongest occupier demand and highest occupancy levels.

Leasing activity remains increasingly driven by the rapid expansion of the serviced office segment, reflecting changing workplace strategies among international occupiers. Flexible workspace operators are transitioning from providing temporary swing space to establishing more permanent corporate headquarters solutions, thereby increasing leasing requirements. A good example is IWG Spaces' lease of approximately 16,000 sqm at The Ark Business Park, highlighting the growing maturity of Egypt's flexible office market and the increasing preference for scalable, managed office environments.

Elsewhere, occupier decision-making is becoming increasingly influenced by operational considerations beyond location. For example, parking provision has emerged as a critical leasing determinant, with traditional allocations of one parking bay per 100 sqm proving inadequate in high-density business districts where on-street parking is scarce. As a result, buildings with higher parking ratios are gaining a competitive advantage, with parking availability increasingly driving tenant relocations and influencing corporate site selection.

On the supply side, developers continue to respond to affordability constraints by introducing more flexible financing structures for off-plan office developments. Instalment periods now range from approximately 4.6 years for projects scheduled for completion in 2026 to 9.7 years for developments scheduled for delivery in 2030, supporting investor participation while sustaining development activity across Greater Cairo's expanding office market.

**US$28**

Grade A average rental rates within Cairo

**Source:** Knight Frank

Cairo, Egypt

# KENYA

Nairobi's prime office market recorded a notable improvement in performance during H1 2026, with average Grade A office occupancy increasing from 82% in December 2025 to 85% in June 2026. This is partly driven by the continued absorption of existing Grade A office stock amid a constrained development pipeline, which has kept prime office rents stable at approximately US$ 13 psm per month. The market is exhibiting a distinct two-tier separation, characterized by an undersupply of true Grade A offices alongside an oversupply of lower-grade offices (The only significant Grade A office completion during the review period was 277 Brookside, a 70,000-square-foot office development in Westlands). This has supported stronger occupancy levels and rental resilience in the Grade A office segment, while older office stock continues to face elevated vacancy rates and increased leasing competition.

**85%**

Increased Grade A office occupancy

**Source:** Knight Frank

"Elsewhere, flexible workspace operators continued to expand across Nairobi, reflecting sustained demand for agile workplace solutions."

Elsewhere, flexible workspace operators continued to expand across Nairobi, reflecting sustained demand for agile workplace solutions. For instance, IWG opened three new centres at Nairobi Business Park along Ngong Road, 1 Park Avenue in Parklands, and I&M Tower in Nairobi's CBD.

A notable emerging trend in this market is the growing adoption of profit-sharing partnerships between flexible workspace operators and owners of Grade B offices which have experienced prolonged vacancies. Rather than relying solely on conventional lease structures, landlords are now increasingly collaborating with workspace operators to lease office space through revenue-sharing arrangements. This model enables building owners to improve occupancy while reducing vacancy-related losses and providing operators with opportunities to expand their footprint with lower upfront capital commitments. The increasing prevalence of these partnerships underscores the mounting competitive pressures facing ageing, lower-grade office stock.

Nairobi

# MALAWI

Lilongwe city, Malawi

Malawi's office market is undergoing a period of adjustment, reflecting changing occupier dynamics and softer demand from traditional office users. Leasing activity has reduced as non-NGOs, historically one of the country's largest occupier groups, continue to rationalize their office footprints in response to shrinking donor funding. Many organizations are downsizing, consolidating into smaller premises, or exiting the market altogether. At the same time, corporate occupiers are increasingly prioritizing cost efficiency, resulting in stronger demand for smaller, more affordable office accommodation rather than large corporate headquarters.

These evolving occupier preferences have contributed to increased vacancy rates, particularly in larger-format offices in Lilongwe, where average vacancy is estimated at 15–25%. However, market performance remains highly segmented. Modern, well-located offices offering quality building management, adequate parking, enhanced security, and reliable backup utilities continue to outperform older office stock, recording stronger occupancy levels and more stable leasing activity. This ongoing flight to quality mirrors broader trends observed across several African office markets, where occupiers increasingly prioritize operational reliability over traditional location considerations.

Prime office rents have remained relatively stable over the review period, generally ranging from US$10 to US$12 psm per month, depending on building specifications and location. While nominal rental levels have shown limited movement, much of the recorded rental growth reflects inflationary adjustments rather than strengthening underlying occupier demand. Consequently, landlords continue to face competitive leasing conditions, particularly for secondary office assets, with incentives and flexible lease structures becoming increasingly common.

# NIGERIA

In Lagos, prime Grade A office rents have largely stabilized, with Ikoyi maintaining the highest rental values in the market at above US$ 50 psm per month. Victoria Island (VI) also continues to command strong rents of US$ 37-48 psm per month. However, rental growth has remained subdued, reflecting an environment in which landlords are prioritizing occupancy retention and lease renewals over aggressive rent increases. In Abuja, Grade A office rents average between US$ 46 and US$ 55 psm per month. However, market performance remains highly concentrated, with only a handful of institutional-quality assets, including World Trade Centre (WTC), TY Danjuma Plaza, and Afreximbank House, accounting for the bulk of premium office demand. Prime office yields across Nigeria are estimated at 9–10%.

**US$ 37-48**

Highest rental rates in Victoria Islands

**Source:** Knight Frank

Lagos Nigeria

Transactional activity during the review period remained focused on high-quality, well-located assets. Notable deals included a 450-sqm lease at Wings Office Complex in Victoria Island at approximately US$ 37.5 psm per month. Similarly, Post Office Square in Victoria Island recorded a significant renewal of approximately 700 sqm, alongside an expansion lease of 210 sqm by a technology company at an annual rental rate of approximately US$ 525 psm.

Demand patterns continue to shift in favour of locations offering cost efficiencies and improved accessibility. For instance, Ikeja has emerged as one of the strongest-performing office nodes, driven by competitive occupancy costs, transport connectivity, and growing last-mile business appeal. The strongest demand drivers continue to originate from the financial services, business services, technology, manufacturing, and multinational corporate sectors, which collectively account for the majority of prime office absorption.

# SOUTH AFRICA

South Africa's office market continues to witness a highly differentiated performance profile across its major metropolitan areas, with occupier demand increasingly concentrated in high-quality, mixed-use precincts that offer superior infrastructure, sustainability credentials, and lifestyle amenities.

Cape Town remains the strongest-performing office market in South Africa, with vacancy rates dropping to approximately 6.0%, significantly below national averages, reflecting robust occupier demand and constrained supply. The city's growth continues to be driven by the expansion of the Business Process Outsourcing (BPO) and Global Business Services (GBS) sectors. Strong municipal governance, reliable infrastructure, and a comparatively favourable business environment continue to underpin investor confidence and support rental growth.

Johannesburg remains in a gradual recovery phase, with metro-wide office vacancies estimated at approximately 15.5%. Prime mixed-use nodes such as Rosebank, Sandton, and Waterfall City continue to substantially outperform the broader market, benefiting from a pronounced flight to quality among occupiers seeking modern, efficient, and amenity-rich office environments. An emerging trend supporting demand is the rise of "reverse emigration," whereby professionals and businesses are increasingly relocating back to Gauteng from coastal regions. This is driven by improved affordability, access to larger residential properties, and proximity to South Africa's largest concentration of corporate headquarters, financial institutions, and employment opportunities.

Durban's office market remains balanced, with vacancy rates averaging approximately 11.7%. Market activity remains concentrated in decentralized nodes such as Umhlanga and La Lucia, which have consistently attracted occupiers seeking modern office accommodation in secure, mixed-use environments. A combination of local corporate expansion and lifestyle-driven migration supports demand, resulting in premium-grade buildings within these nodes continuing to outperform older stock located in traditional CBDs.

Johannesburg

# TANZANIA

The office market has strengthened, particularly within the Grade A segment, where improving occupancy levels and limited availability of quality space have supported rental stability over the past two years. Grade A office rents currently average approximately US$ 15 psm per month, with average yields of 9%. Average occupancy levels for Grade A office buildings have improved to approximately 80%, underpinned by steady demand from corporate occupiers, professional service firms, development organizations, and multinational companies.

Occupier demand remains concentrated within Dar es Salaam's established commercial nodes, notably the CBD, Msasani Peninsula (Masaki and Oyster Bay), Mikocheni, and the Morocco–Makumbusho Corridor along New Bagamoyo Road.

Changing workplace strategies also continue to reshape occupier requirements. Businesses are increasingly optimizing their office portfolios by reducing overall space requirements and prioritizing smaller, more efficient office layouts. This trend has sustained strong demand for serviced offices and flexible workspace solutions, particularly within Masaki, Oyster Bay, Victoria, and Makumbusho, where occupiers seek operational flexibility, shorter lease commitments, and lower upfront capital expenditure.

At the same time, sustainability considerations are on the rise within leasing decisions, particularly among multinational corporations, development finance institutions, diplomatic missions, and NGOs. New office developments are progressively incorporating energy-efficient systems, environmentally sustainable building designs, and resource-efficient technologies to align with evolving ESG requirements.

Dar es Salaam

# UGANDA

The Kampala Office market continues to show a clear flight-to-quality trend, with occupiers increasingly relocating from lower-grade buildings to modern Grade A developments within Kampala's prime office nodes of Kololo and Nakasero. This has widened the performance gap between premium and ageing office stock: Prime Grade A offices continue to outperform the broader market, supported by strong property management, adequate parking, modern building specifications, and enhanced tenant amenities. Occupancy levels for Grade A assets have strengthened to approximately 87%, compared to 83% for Grade B offices. Conversely, older Grade B buildings continue to experience prolonged vacancy periods, forcing landlords to rely more heavily on rent concessions and fit-out contributions to attract and retain tenants.

Prime office rents have remained largely unchanged over the past 12 months, averaging approximately US$17 psm per month for Grade A space and US$14 psm for Grade B offices.

Elsewhere, Kampala faces a significant increase in office supply. More than 100,000 sqms of additional office space is expected to be delivered by the end of 2026, led by several landmark developments including the 70,000 sqm Kingdom Kampala Extension on Nile Avenue, the 32,000 sqm Pension Towers on Lumumba Avenue, and the 8,329 sqm Saddler View Office Park in Naguru.

Changing occupier preferences also continue to reshape the market. Demand for condominium-style office units is increasing, particularly among small and medium-sized enterprises (SMEs) and professional service firms seeking long-term asset ownership rather than traditional leasehold arrangements.

**US$17**

Average Prime Office Rental Rates remain consistent over the past 12 months

**Source:** Knight Frank

Kampala City Night Lights

# ZAMBIA

In Lusaka, Grade A office rents in leading commercial nodes have remained stable at approximately US$ 16–18 psm per month, with yields ranging from 9% to 11%. The sustained preference for high-quality offices has supported improved occupancy levels within the prime segment, with Grade A buildings now averaging 70–80% occupancy, depending on location, building specifications, and the availability of reliable backup power systems.

Grade A offices in Kabulonga, Rhodes Park, Mass Media, and parts of Longacres continue to outperform older CBD office stock, reflecting occupier preference for modern specifications, reliable infrastructure, enhanced security, and uninterrupted power supply. Conversely, ageing office buildings within the traditional CBD continue to experience weaker leasing activity as occupiers migrate towards newer developments.

Elsewhere, demand has also shifted towards smaller offices. Leasing activity is currently dominated by businesses seeking office suites ranging between 50 and 350 sqms, while demand for larger office floors spanning 500 to 1,500 sqms remains limited. In response to these evolving occupier preferences, landlords are increasingly reconfiguring existing office stock by subdividing larger floorplates into smaller, more flexible units to attract a broader tenant base, enabling them to achieve higher effective rental rates per square metre. The continued emphasis on flexibility, operational efficiency, and right-sized office accommodation reflects the broader transformation of Lusaka's office market as occupiers prioritize cost optimization while maintaining access to high-quality business environments.

**US$16-18**

Average Grade A Office Rents in Lusaka

**Source:** Knight Frank

Zepre Office Park, Lusaka, Zambia

# ZIMBABWE

Harare, Zimbabwe

In Zimbabwe, the office sector continues to experience a divergence in occupancy rates between the CBDs and suburban markets. Vacancy levels within major CBDs (Harare and Bulawayo) are estimated at approximately 50%, highlighting persistent challenges associated with ageing building stock, infrastructure constraints, and changing occupier preferences.

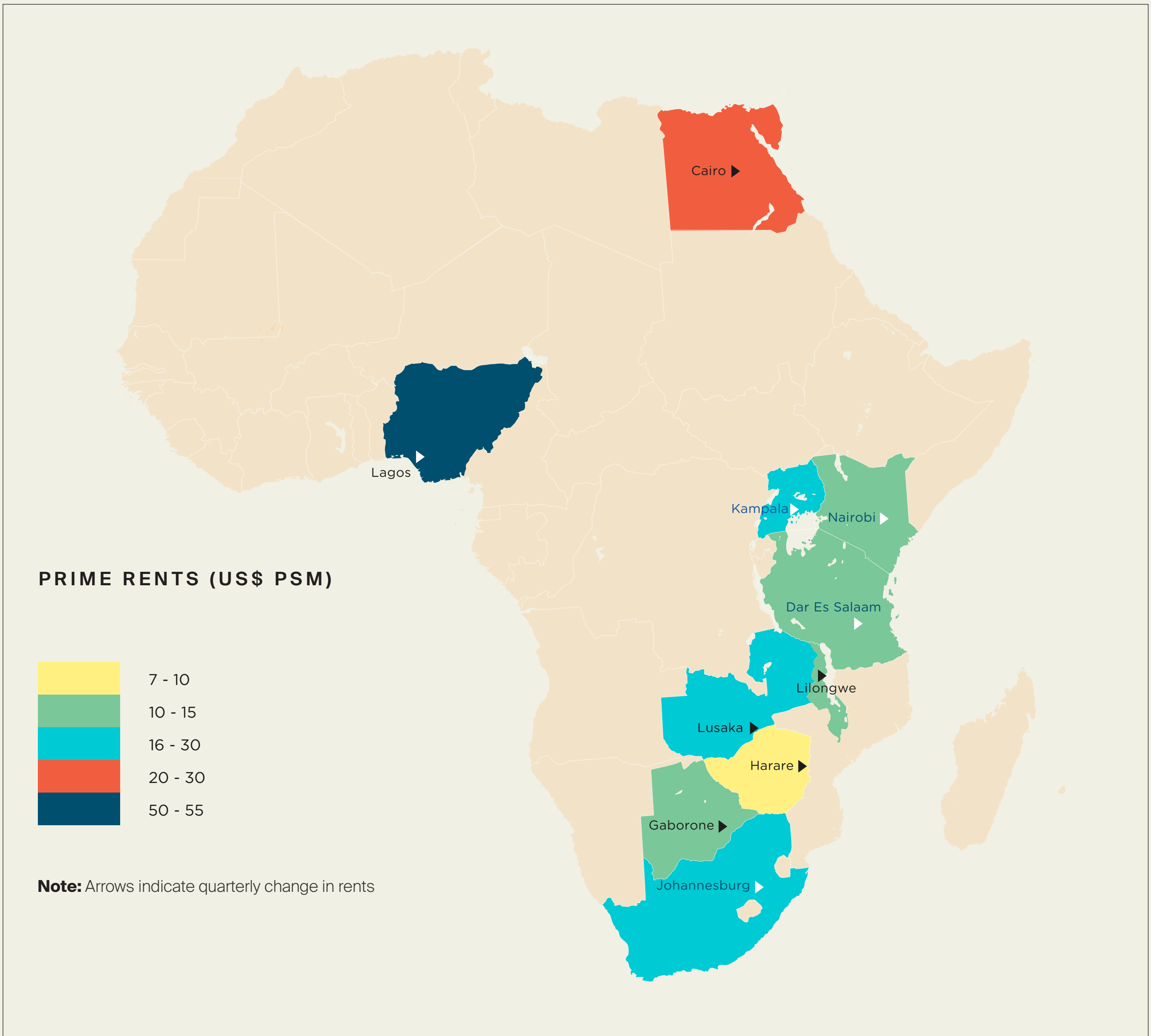
Consequently, CBD offices are generating modest yields of around 6%. In contrast, purpose-built suburban offices continue to record near-full occupancy, supported by stronger tenant demand and improved operational environments. This has translated into better performances, with suburban office yields averaging approximately 9%.

Average net rental rates remained stable at approximately US$ 7 psm per month in CBD locations and up to US$ 10 psm per month in suburban office nodes, reflecting the widening performance gap between the two market segments. Occupier activity remains concentrated among owner-occupiers and businesses seeking operational efficiency, accessibility, and improved workplace environments outside traditional commercial centres.

A notable trend shaping Zimbabwe's office market is the ongoing migration of corporate occupiers from CBDs to low-density peri-urban locations. In both Harare and Bulawayo, residential properties are increasingly being converted into office accommodation as businesses seek larger, more flexible premises in secure suburban environments. The formalization of office development within peri-urban and suburban locations is expected to reinforce existing occupier trends over the medium term.

"Average net rental rates remained stable at approximately US$ 7 psm per month in CBD locations and up to US$ 10 psm per month in suburban office nodes."

## A SUMMARY OF H1 2026 PRIME OFFICE RENTS AND AVERAGE YIELDS IN SELECTED AFRICAN COUNTRIES




| COUNTRY | CITY | PRIME RENTS (US$ per sqm) | AVERAGE YIELDS (%) |
|---|---|---|---|
| BOTSWANA | Gaborone | 10 | 8 |
| EGYPT | Cairo | 28 | 10 |
| KENYA | Nairobi | 13 | 8.50 |
| MALAWI | Lilongwe | 12 | 10 |
| NIGERIA | Lagos | 55 | 10 |
| SOUTH AFRICA | Johannesburg | 19 | 9.50 |
| TANZANIA | Dar es Salaam | 15 | 9 |
| UGANDA | Kampala | 17 | 9 |
| ZAMBIA | Lusaka | 18 | 11 |
| ZIMBABWE | Harare (CBD) | 7 | 6 |
| | Harare (Suburban) | 10 | 9 |

**Source:** Knight Frank

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