The Africa Industrial Market Dashboard

Knight Frank

H1 2026

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

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PHOTO - TILENGA OIL PROJECT IN UGANDA

MARKET OVERVIEW

The occupier demand is currently being driven by manufacturing, regional trade, e-commerce, fast-moving consumer goods (FMCG), mining, and third-party logistics. Investor appetite, meanwhile, is firmly focused on modern, institutional-grade industrial assets. Across most markets that we track, the defining trend is a widening performance gap between high-quality logistics facilities and ageing industrial stock, with occupiers now increasingly prioritising operational efficiency, strategic location, and resilient infrastructure over rent alone.

Prime industrial rents generally remained stable across the continent, reflecting resilient occupier demand amid limited availability of modern warehouses. Rents across the markets we track range from approximately US$ 3 psm per month in Zimbabwe to US$ 7 psm per month in Uganda.

Average industrial yields are among the most attractive within commercial real estate, reaching 12–13% in Uganda and 12.5% in Zambia. Occupancy levels also remain robust across most prime markets, exceeding 80% in Kenya, Uganda, Malawi and Zambia, while Egypt's 6th of October City continues to operate at approximately 95% occupancy, highlighting the persistent shortage of institutional-grade industrial space in key logistics hubs.

A common theme across nearly every market is the continued flight to quality. Businesses are steadily relocating from older industrial facilities to modern logistics parks offering reliable power, larger yard space, enhanced security, efficient loading facilities, and direct access to ports, highways, airports, and regional transport corridors. This trend is particularly evident in markets such as Kenya, Nigeria, South Africa, and Uganda, where demand is outpacing the supply of Grade A warehouses.

Government policy and infrastructure investments are also providing an important foundation for long-term industrial growth.

Across several key markets, investment in SEZs, industrial parks, transport corridors, ports, rail infrastructure, and logistics hubs is improving supply chain efficiency while attracting both domestic and foreign investment into manufacturing and logistics real estate. For example, initiatives such as Botswana's Economic Transformation Programme, Kenya's Manufacturing Priority Agenda 2026, and Tanzania's TISEZA framework are reinforcing the strategic importance of industrial real estate in supporting economic diversification and regional trade.

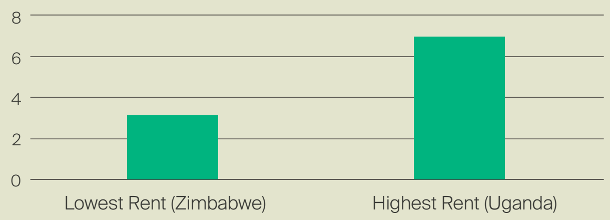
Another notable trend is the growing emphasis on sustainability. Occupiers are attracted to facilities that incorporate energy-efficient building designs, renewable energy solutions, water security, and digital warehouse management systems. ESG considerations, once concentrated within the office sector, are becoming an increasingly important factor influencing industrial leasing and investment decisions as businesses seek to reduce operating costs, strengthen supply chain resilience, and meet corporate sustainability commitments.

80 - 95%

Robust occupancy levels in most prime markets

US$ 3 -7

Rental Rates per SQM across prime markets on the continent



Source: Knight Frank

COUNTRY SNAPSHOTS

BOTSWANA

In Botswana, prime industrial rents have softened over the last 2 years, with headline rentals now ranging between US$ 3.70 and US$ 4.50 psm per month. Vacancy rates have marginally increased by approximately 2–5% resulting in longer leasing periods as landlords compete for a smaller pool of occupiers.

To support the sector, the government has introduced the Botswana Economic Transformation Programme, a national initiative designed to reduce the country's reliance on diamond mining, diversify the economy, and enhance long-term economic resilience. This programme prioritises investment across manufacturing, agriculture, infrastructure, financial services, tourism, energy, water, education, and healthcare, creating a broader foundation for future industrial and logistics demand.

The SEZ developments are also supporting this strategy by attracting investment into logistics, agro-processing, advanced manufacturing, and financial technology. The zones are expected to strengthen Botswana's competitiveness as a regional production and distribution hub while stimulating private sector investment and export-oriented industrial activity.

Elsewhere, agro-industrial development is gaining momentum through initiatives such as Chobe Connect 2026, which seeks to promote sustainable agricultural investment, value addition, and regional supply chains while positioning Botswana's border regions as strategic gateways into the Southern African Development Community.

Gaborone west industrial area aerial view

EGYPT

Egypt's industrial market continues to experience a shortage of modern, institutional-grade industrial space, resulting in strong occupancy levels across prime industrial hubs. This supply-demand imbalance has reinforced the attractiveness of high-quality logistics and manufacturing assets while sustaining investor interest in the sector.

The 6th of October City is one of Greater Cairo's best-performing industrial locations, with occupancy levels reaching circa 95%. Market performance is being supported by significant investment in advanced manufacturing, including a US$ 120 million pharmaceutical hub, highlighting the growing importance of Egypt's life sciences and manufacturing sectors.

Three major industrial clusters anchor Greater Cairo's industrial market: 6th of October City, 10th of Ramadan City, and Obour City, which collectively accommodate much of the country's manufacturing and logistics activity. Industrial land values reflect the relative competitiveness of these locations. Land prices average approximately EGP 10,000 (US$ 193) psm in 6th of October City, while 10th of Ramadan City commands around EGP 11,000 (US$ 212) psm.

Government investment in transport infrastructure and the continued expansion of SEZs are central to the country's industrial development strategy. These initiatives are improving connectivity, supporting manufacturing growth, and reinforcing the country's position as a regional production and logistics hub.

6th of October

One of Greater Cairo's best-performing industrial locations, with occupancy levels reaching circa 95%

Source: Knight Frank

Sixth of October city, Egypt

KENYA

Prime industrial rents remained stable at approximately US$ 6 psm per month for the second consecutive year. Average yields held firm at around 9.5%, underscoring the sector's resilience and continued appeal to institutional investors. Confidence in the market was further reinforced by the successful listing of the Africa Logistics Properties Industrial REIT (ALP I-REIT), backed by a combined US$ 24 million investment.

Like elsewhere, sustainability is becoming an increasingly important differentiator within Kenya's industrial market. A good example is EDGE certification awarded to the Nairobi Gate Mara Warehouse, reflecting the growing preference among occupiers and investors for energy-efficient industrial developments that lower operating costs while supporting broader ESG objectives.

Government policy is also providing a supportive backdrop for industrial expansion. Through its Manufacturing Priority Agenda 2026, the Kenya Association of Manufacturers is advocating for lower energy costs, enhanced trade competitiveness, increased investment in transport infrastructure, and improved access to industrial financing. Continued investment in transport corridors, SEZs, and logistics infrastructure is expected to reinforce Kenya's position as a leading regional manufacturing and distribution hub.

US$ 24 Mn

Combined financial backing after the successful listing of Africa Logistics Properties Industrial REIT (ALP I-REIT)

Source: Knight Frank

Africa Logistics Properties Holdings Industrial Property

MALAWI

Malawi's industrial market activity is driven by import-dependent trade flows, FMCG distribution networks, and growing logistics requirements from businesses seeking reliable storage/ supply chain solutions. Despite this growth momentum, like other African markets, the sector is facing a shortage of modern industrial stock, particularly in strategically located areas with adequate infrastructure and efficient transport connectivity.

Prime industrial rents range between US$ 4 and US$ 7 psm per month, depending on location, building specifications, and facility quality. Occupancy levels also remain strong, now averaging between 85% and 95%, reflecting the imbalance between limited available supply and sustained occupier demand. The few available modern warehouses with adequate loading areas, secure compounds, reliable utilities, and efficient access routes are experiencing the strongest leasing performance. The older industrial facilities face increasing competition from higher-quality stock.

Prime industrial yields range between 9.5% and 11%, positioning the sector among the highest-performing asset classes in Malawi.

Looking ahead, further investment in modern logistics infrastructure will be required to meet growing occupier demand and support Malawi's evolving trade and distribution networks.

View of the Kanengo Silos Complex, a large grain storage facility located on the outskirts of Lilongwe, Malawi

NIGERIA

In Lagos, industrial demand is concentrated in modern, well-located industrial developments that offer efficient connectivity to ports and major highways. While the broader market remains relatively competitive, premium industrial parks and SEZs continue to outperform, reflecting occupiers' growing preference for high-quality logistics and manufacturing assets.

Prime industrial rents in Lagos have remained stable over the last 24 months, although pricing varies by location and asset quality. Within the established Ikeja industrial corridor, prime warehouse space averages around US$ 3 psm per month. Modern facilities within integrated industrial parks and free zones command significantly higher rents of between US$ 4 and US$ 6.50 psm per month.

US$ 4-6.5

Rents for modern facilities within integrated industrial parks and free zones

Source: Knight Frank

Port Lagos, Nigeria

Industrial demand is centred on Lagos' key logistics corridors, particularly Alaro City and the Lekki Free Zone. These areas have emerged as Nigeria's leading destinations for manufacturing, warehousing, and regional distribution. The Ikeja industrial axis, including Apapa and Oshodi, also plays a critical role in the market because of its established industrial base and direct access to Lagos' commercial centres.

E-commerce and third-party logistics are some of the primary industrial drivers. Online retailers and logistics companies are now seeking modern warehouse facilities capable of supporting regional distribution networks and last-mile delivery operations. Therefore, demand for Grade A warehouse space continues to outpace available supply in prime industrial locations. The strong take-up at TY Logistics Park reflects the market's appetite for modern warehouse space.

SOUTH AFRICA

Across the country's major industrial hubs, market fundamentals continue to favour landlords, with low vacancy levels, steady rental growth, and strong demand for strategically located logistics and distribution assets.

• Cape Town is the country's best-performing industrial market. Vacancy rates now average just 3.5%, which is among the lowest in South Africa andthe market continues to outperform every other industrial market in the country. With very little land remaining around Airport Industria and Montague Gardens, occupiers are increasingly competing for a limited pool of modern warehouse space. Demand is particularly robust for logistics facilities, cold storage warehouses, and e-commerce distribution centres.

• Johannesburg serves as the country's primary logistics and distribution hub. This is supported by its strategic national transport links and extensive consumer market. Industrial activity is concentrated along the East Rand and Central Witwatersrand logistics corridors. Occupiers here are seeking large-format, modern distribution facilities capable of supporting sophisticated supply chain operations. The sector is also experiencing a pronounced flight to quality, with businesses prioritising facilities offering excellent highway connectivity, enhanced security, modern warehouse specifications, and the ability to integrate smart logistics technologies and automation systems.

• In Durban, the industrial sector's demand is largely driven by port-related trade and the continued expansion of the Dube TradePort Aerotropolis. The need for near-port warehousing and distribution facilities has reinforced Durban's position as a critical gateway within South Africa's national and regional supply chain network.

Overall, e-commerce growth, supply chain optimisation, and increasing demand for last-mile distribution facilities are the primary drivers of industrial absorption across all major metropolitan areas. Occupiers are placing greater emphasis on operational resilience, with solar power generation, water security through boreholes and storage systems, and energy-efficient building designs now regarded as essential requirements rather than optional building features.

Cape Town Industrial Zone

TANZANIA

In Tanzania, prime industrial rents remained stable at US$ 5 psm per month, while yields averaged 10%. Average occupancy levels are at 70–75%, underpinned by steady demand from manufacturers, logistics operators, import-export businesses, and regional distribution companies.

Industrial activity continues to be concentrated along Dar es Salaam's established logistics corridors, including Nyerere Road (Airport Road), Pugu Road, Mandela Road, Kurasini, Mikocheni Industrial Area, and the port-related logistics corridors. These locations benefit from direct access to the Port of Dar es Salaam, Julius Nyerere International Airport, and Tanzania's expanding national highway network, reinforcing their strategic importance as the country's primary industrial and distribution hubs.

Elsewhere, infrastructure development remains a key catalyst supporting the industrial market expansion. Continued government investment in road improvements, railway modernisation, and the expansion of the Port of Dar es Salaam is enhancing supply chain efficiency and increasing the attractiveness of the industrial and logistics sector. The policy environment also continues to support industrial growth. Government initiatives implemented through the Tanzania Investment and Special Economic Zones Authority (TISEZA) are encouraging manufacturing investment and foreign direct investment into industrial and logistics sectors. In parallel, warehouse operators are increasingly adopting advanced inventory management systems, warehouse automation technologies, and integrated logistics platforms to improve operational efficiency and enhance supply chain visibility.

Kahama Indusrtial Park Shinyanga Region, Tanzania

UGANDA

Uganda's industrial expansion is supported by sustained manufacturing growth, expanding logistics activity, and increasing investment in strategic industrial parks. Prime industrial occupancy remained above 80% during the review period, reflecting a strong demand for modern industrial space. Prime yields of 12–13% continue to position Uganda among the highest-yielding industrial markets across the markets we track. Prime industrial rents remained stable across the Greater Kampala market, ranging from US$ 3 to US$ 7 psm per month, depending on location and asset quality.

Industrial activity is concentrated within Kampala's established logistics and manufacturing corridors. Namanve Industrial Business Park continues to consolidate its position as Uganda's premier industrial hub, benefiting from large-scale infrastructure investment, serviced industrial land, institutional backing, and excellent connectivity to Kampala and regional transport networks. The Ntinda–Nakawa Corridor is one of the country's most sought-after logistics locations due to its strategic position along the Kampala–Jinja Highway and proximity to the CBD. Other emerging growth centres such as Kabalega Industrial Park in Hoima are also attracting significant investment, driven by the East African Crude Oil Pipeline refinery developments, contractor mobilisation, and supporting logistics infrastructure.

Demand is driven by manufacturing, logistics, construction, mining, and energy-related occupiers, with several structural trends reshaping the market. Cold-chain warehousing remains the most undersupplied industrial sub-sector, reflecting increasing demand from the agriculture, pharmaceutical, and food distribution industries. At the same time, lease tenures are lengthening for strategically important occupiers, particularly oil and gas contractors, who are increasingly securing long-term industrial space in anticipation of sustained activity associated with Uganda's petroleum sector. These trends are reinforcing demand for modern, well-located industrial facilities capable of supporting long-term operational requirements.

12 -13%

Prime yields in Uganda

Source: Knight Frank

The 65,000 SQM Yogi Business Park in Nalukolongo

ZAMBIA

Prime industrial rents in Lusaka currently average US$ 3–4 psm per month with developments such as Krimanvi Industrial Park and York Commercial Park setting the benchmark for modern industrial spaces. Grade B warehouses' rents are approximately US$ 2–2.50 psm per month, while Grade C facilities range between US$ 1 and US$ 2 psm per month. The sector is offering some of the highest returns among the markets we track, with average industrial yields now estimated at 12.5%.

Grade A facilities are recording the strongest performance, with occupancy levels ranging between 85% and 100%, while Grade B warehouses average 80–90% occupancy and Grade C facilities maintain occupancy of approximately 75–85%. Modern warehouses with reliable power, good road access and adequate yard space continue to lease quickly. In contrast, older or poorly located industrial buildings generally experience longer vacancy periods.

Industrial activity is mainly concentrated along Lusaka's major transport corridors. The Kafue Road Corridor serves as one of the city's principal industrial locations. At the same time, the Chinika Industrial Area along Mumbwa Road remains Zambia's most established light industrial and warehousing hub, accommodating a high concentration of logistics operators, manufacturers, and FMCG distributors. The Lusaka South Multi-Facility Economic Zone (MFEZ) is attracting both local and foreign manufacturers, strengthening Zambia's export-oriented industrial base through investment, technology transfer, and job creation. Beyond Lusaka, the Copperbelt, particularly Ndola and Kitwe, acts as an important secondary industrial market supported by mining supply chains and heavy industrial activity within the Chambishi MFEZ.

Zambia's strategic position as a landlocked regional trade hub is also increasing the importance of logistics infrastructure, with proximity to the Great North Road, TAZARA Railway, and the proposed Lobito Corridor becoming increasingly influential in industrial site selection.

A view of CNBM-Zambia Industrial Park (COURTESY OF CNBM)

ZIMBABWE

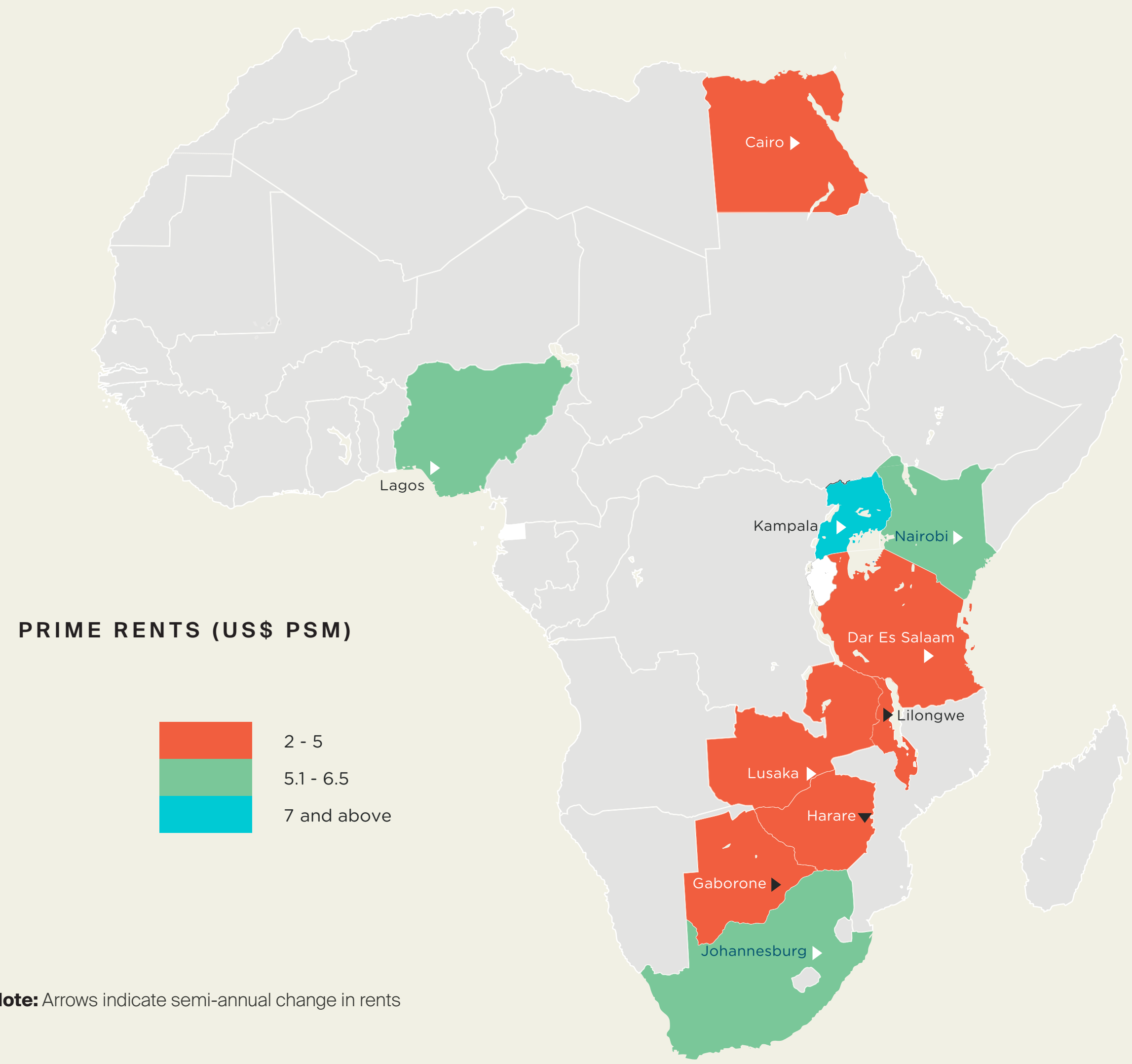
Madokero Industrial Park, Zimbabwe

Food processing, mining and SMEs are the main drivers of industrial activity in Zimbabwe, although investment in modern industrial space remains uneven. Prime industrial rents have remained stable over the review period, averaging approximately US$ 3-5 psm per month. Average occupancies remain low at around 40%, while industrial yields average approximately 7%, among the lowest across the markets we track.

Rising import and export activity is supporting demand for modern distribution facilities, particularly around key transport corridors. According to ZimTrade, Zimbabwe's manufactured exports reached US$ 584.8 million in 2025, led by iron and steel products, tobacco, apparel and textiles, and industrial chemicals. The surge in appetite for modern facilities is evident at Pomona Warehousing and Logistics Park, where modern warehouse space is achieving rents of more than US$ 8 psm per month, significantly outperforming the broader industrial market. The premium achieved by these facilities reflects occupiers' willingness to pay for better-quality warehouses in locations that improve access to customers and transport networks.

However, limited access to finance, insufficient investment incentives, and ageing production infrastructure are hindering manufacturing expansion in the country. At the same time, logistical challenges, including limited rail capacity and deteriorating national road infrastructure, also continue to increase operating costs and reduce industrial competitiveness.

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



Note: Arrows indicate semi-annual change in rents

COUNTRY	CITY	PRIME RENTS (US$ per sqm)	AVERAGE YIELDS (%)
Botswana	Gaborone	4.5	8.5
Egypt	Cairo	4	10
Kenya	Nairobi	6	9.50
Malawi	Lilongwe	3	12
Nigeria	Lagos	6.5	8.0
South Africa	Johannesburg	5.50	8.25
Tanzania	Dar es Salaam	5	10
Uganda	Kampala	7	13
Zambia	Lusaka	4.5	12
Zimbabwe	Harare	3 – 5	7

Source: Knight Frank

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