The Africa Industrial Market Dashboard

H2 2025

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.

knightfrank.com/research

COURTESY STOCK PHOTO - UNSPLASH

MARKET OVERVIEW

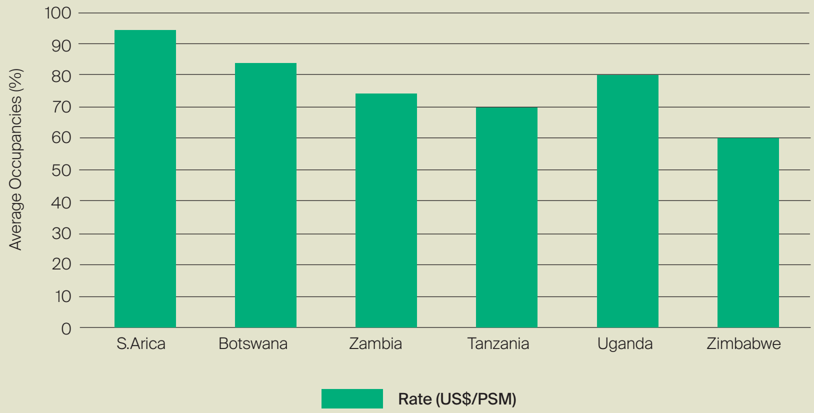
Africa's industrial and logistics sector continues to demonstrate resilience underpinned by e-commerce, infrastructure investment, and the increasing formalisation of supply chains. E-commerce remains a dominant demand driver. In Egypt, the e-commerce market reached approximately US$ 10.2 bn in 2025 and is forecast to grow at a 13–14% CAGR. Nigeria's B2C e-commerce sales are projected to exceed US$ 33 bn by 2026, while South Africa's market is valued at US$ 41.9 bn in 2026.

Across most African markets, modern, purpose-built industrial and logistics facilities continue to outperform older stock. Vacancy rates have tightened in several markets, including South Africa (c.5%), Botswana (modern warehouse occupancy improving to 83% from 75% year-on-year), and Zambia (prime logistics occupancies exceeding 75%).

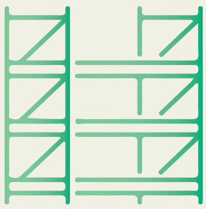
In contrast, older facilities characterised by low eave heights, limited yard depths, and inefficient loading infrastructure have experienced declining occupancy levels. Tenant requirements are increasingly standardised. A good example is in Uganda, where demand is centred on 7–10 metre eaves, reinforced concrete floors capable of supporting high racking loads, multiple loading bays, and adequate truck circulation. Proximity to suppliers, customers, and arterial routes linking CBDs to regional logistics corridors remains a critical site-selection criterion.

Industrial rental rates across the markets we track remain broadly stable, reflecting balanced demand–supply dynamics.

Figure 1: Occupancies for modern industrial facilities in selected African Markets



The African industrial and logistics sector remains one of the most resilient and best-performing asset classes in H2 2025



7-10 Metres

Structural preference of warehouses with more eave height in Uganda

US$ 10Bn

The e-commerce trade value in Egypt in 2025.

Source: Knight Frank

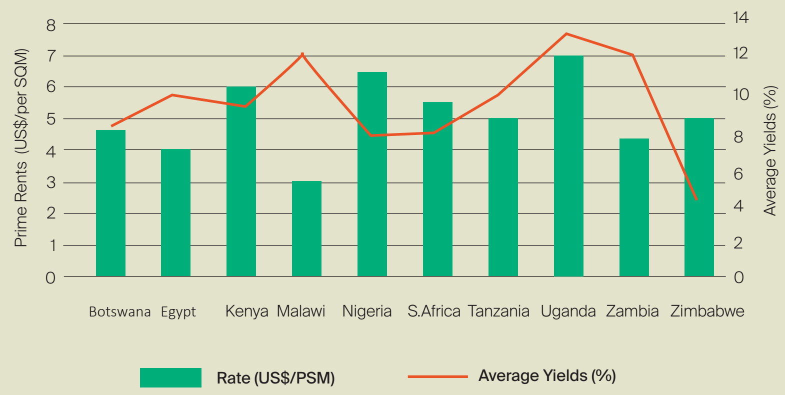
Prime industrial rents range between US$ 3–7 per sqm per month in East Africa, US$ 4–6.5 per sqm in Nigeria's premium logistics nodes, and US$ 5–5.5 per sqm in South Africa and Tanzania.

Industrial activity is concentrated within SEZs, free zones, and logistics corridors, supported by public infrastructure investment and fiscal incentives. Key nodes include SCZONE in Egypt; Tatu City and Vipingo SEZ in Kenya; Lekki Free Zone in Nigeria; Namanve Industrial Park in Uganda; and Lusaka's Multi-Facility Economic Zones in Zambia. Most of these locations offer serviced land, enhanced connectivity, and regulatory advantages, positioning them as focal points for manufacturing, logistics, and export-oriented operations.

Elsewhere, energy reliability and sustainability credentials are emerging as critical considerations for both occupiers and investors. In South Africa, improved grid stability, evidenced by a year-on-year reduction of 4,263 MW in unplanned outages, has supported manufacturing and logistics activity. Across Egypt, Kenya, and Nigeria, occupiers increasingly favour facilities with solar-ready roofs, energy-efficient systems, and ESG-aligned design. Multinational tenants are actively prioritising LEED- and EDGE-certified assets, accelerating the refurbishment and repositioning of older industrial stock.

Overall, the African industrial and logistics sector remains one of the most resilient and best-performing asset classes in H2 2025. While short-term challenges persist in select markets, the medium- to long-term outlook is underpinned by sustained e-commerce growth, infrastructure-led development, SEZ expansion, and continued investor appetite for high-yielding, income-secure assets.

Figure 2: Industrial Rents (US$/psm) and Average Yields (%)



Courtesy photo: Modern Warehouse

COUNTRY SNAPSHOTS

BOTSWANA

Industrial rental rates have remained stable at approximately US$ 4–5 psm per month, reflecting a balance between steady demand and subdued new supply delivery in key industrial nodes. Occupancy levels have strengthened notably. For instance, modern warehouse occupancy increased to approximately 83% in H2 2025, up from 75% in H2 2024, driven by sustained take-up of purpose-built logistics and distribution facilities. Also, the inner-city warehousing within Gaborone continues to record increased occupancy rates, supported by constrained availability of serviced industrial land, strong transport connectivity, and proximity to end consumers.

Elsewhere, the country's e-commerce market reached an estimated US$ 230 million in 2024 and is forecast to grow at a compound annual growth rate (CAGR) of approximately 14% through 2028. This expansion is translating into rising requirements for third-party logistics (3PL), last-mile distribution, and modern warehousing solutions, particularly facilities offering efficient layouts, adequate yard space, and access to major transport corridors

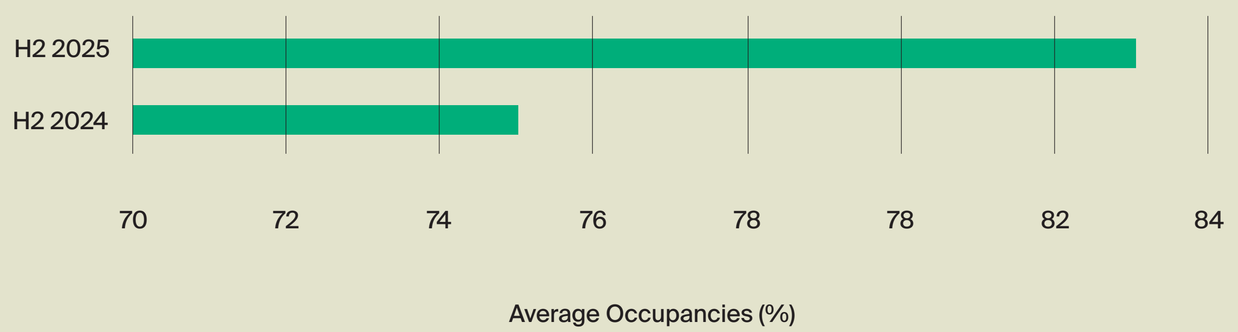
Prime industrial yields are currently estimated at 7.5%–8.5%.

Industrial Concentration and Strategic Nodes

Industrial activity in Botswana is concentrated within designated Special Economic Zones (SEZs) and along strategic logistics corridors, including:

- SSKIA SEZ (Airport City, Gaborone), adjacent to Sir Seretse Khama International Airport, with a focus on logistics, cargo handling, and light manufacturing, supported by plug-and-play infrastructure.
- Zotus City SEZ (Ghanzi), strategically located along the Trans-Kalahari Corridor, positioning it as a key regional logistics and distribution hub.
- Additional SEZs in Lobatse, Palapye, Francistown, Selebi-Phikwe, Pandamatenga, Tuli Block, and Fairgrounds, supporting agro-processing, manufacturing, and regional logistics operations.

Figure 3: Average Modern Warehouse Occupancies in 2024/2025 (%)



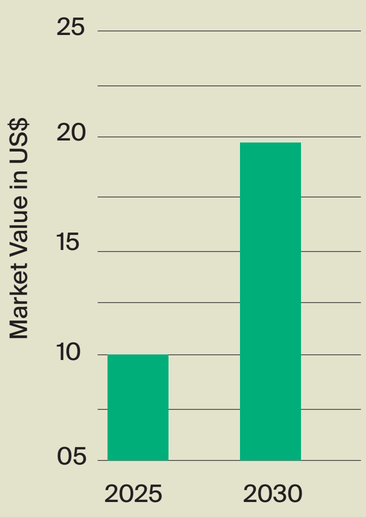
Source: Knight Frank

EGYPT

Egypt's industrial and logistics sector is growing, driven by strong macro-level demand drivers and large-scale public infrastructure investment. The logistics and freight market was valued at approximately US$ 31.7 bn in 2024 and is projected to reach c. US$ 47 bn by 2033, implying an estimated CAGR of 7%. A key catalyst for the industrial demand is the rapid expansion of the e-commerce sector, with the market estimated at US$ 10.2 bn in 2025 and is forecast to nearly double by 2030, translating to a 13–14% CAGR.

This growth is driving sustained demand for urban and peri-urban warehousing, fulfilment centres, and last-mile logistics hubs, particularly within Greater Cairo, Alexandria, and port-adjacent locations.

Figure 4: Egypt's E-Commerce Market



Source: Knight Frank

Supply-side expansion has been reinforced by major national infrastructure initiatives, notably the Suez Canal Economic Zone (SCZONE) expansion and the National Roads Project, which have significantly enhanced connectivity between ports, industrial zones, and consumer markets. As a result, Egypt now accommodates an estimated 1,800 large-scale warehouses and more than 25,000 smaller storage facilities nationwide.

Elsewhere, rising energy costs, tighter sustainability requirements, and corporate decarbonisation targets are accelerating the shift towards energy-efficient warehouses that incorporate solar-ready roofs, LED lighting, smart energy management systems, EV charging infrastructure, and enhanced waste-control measures. Multinational occupiers, in particular, are demonstrating a clear preference for LEED- or EDGE-certified facilities, prompting landlords to reposition older stock or develop higher-specification industrial assets to remain competitive.

Key Industrial and Logistics Nodes

- **SCZONE – Ain Sokhna & East Port Said:** Export-oriented industrial and logistics hubs anchored by upgraded ports, petrochemical complexes, grain terminals, and large-scale logistics yards, serving both regional and international trade flows.
- **New 6th of October / New October City:** A rapidly expanding west Cairo industrial and logistics cluster supported by master-planned developments, with strong activity from FMCG, automotive, and construction materials manufacturers.
- **10th of Ramadan City:** One of Egypt's largest and most established industrial cities, hosting a diverse manufacturing base spanning food processing, plastics, electronics, chemicals, and automotive components, with direct access to national highway networks.
- **Borg El Arab & Alexandria Corridor:** A major industrial belt specialising in food processing, textiles, engineering, and export-led manufacturing, strategically linked to Alexandria's port infrastructure.

US$ 47Bn

The value estimate for logistics and freight market by 2033.

Source: Knight Frank

KENYA

Kenya's industrial and logistics market recorded sustained growth through H2 2025, underpinned by strong capital inflows into purpose-built industrial and logistics parks, increased manufacturing investment, and continued expansion of transport and storage infrastructure. The transportation and storage sub-sector grew by 5.2% year-on-year, outpacing the 4.6% growth recorded in the corresponding period of 2024 (KNBS), reflecting rising trade volumes, increased demand for last-mile logistics, and supply chain reconfiguration.

The industrial market performance has been further reinforced by a convergence of policy implementation, targeted sectoral investment, and logistics-led development.

5.2%

The growth rate of the transportation and storage sub-sector year-on-year

Source: KNBS

Notably, the operationalisation of the KES 5 bn (US$ 39 million) Kenanie Leather Industrial Park in Machakos marked tangible progress in the execution of Kenya's industrialisation agenda, particularly in value-added manufacturing and export-oriented production.

Automotive and electric mobility investments have also emerged as significant demand drivers. Key developments include the restart of Volkswagen's vehicle assembly plant in Thika and the groundbreaking of Isuzu's KES 3.1 bn (US$ 24 million) Parts Distribution Centre in Lukenya, both of which are strengthening downstream supply chains and stimulating demand for modern industrial space.

Elsewhere, SEZs continued to anchor industrial development and foreign direct investment. For instance, Tatu City consolidated its position as Kenya's most active operational SEZ, attracting over KES 65 bn (US$ 504 million) in new investment commitments, including Hounen's 63,000 sqm large-scale manufacturing and mixed-use facility. In parallel, the launch of the 2,000-acre Vipingo SEZ and the continued development of the Nairobi Free Trade Zone expanded the pipeline of serviced, incentive-backed industrial land, enhancing Kenya's competitiveness as a regional manufacturing and logistics hub.

Nairobi gate industrial park

MALAWI

The industrial sector in Malawi remains one of the strongest-performing asset classes, particularly in Lilongwe and Blantyre, driven by sustained demand for warehousing, logistics hubs, and small-scale manufacturing units. Market fundamentals remain supported by a limited supply of functional, well-located stock and strong occupier demand for modern facilities.

Average rental rates for industrial space currently stand at approximately US$ 4 per sqm per month, with variations depending on unit specifications, yard provision, and loading accessibility. Standard warehouse shells typically cluster around this mid-point, while upgraded units with enhanced amenities command higher rents.

Investors benefit from attractive income returns, with average net yields estimated at 10.24%, among the highest across the African markets that we track. Key drivers of demand include reliable power supply, secure yard facilities, and proximity to major transport corridors.

Looking forward, continued private-sector expansion, growth in logistics activity, and ongoing infrastructure upgrades are expected to underpin further take-up, reinforce rental growth, and sustain investor interest in the sector.

Magwero industrial park - Malawi

NIGERIA

The Nigerian industrial market remains anchored in key established hubs, with activity concentrated in Apapa–Oshodi, Ikeja, Amuwo-Odofin, and emerging corridors such as Lekki, driven by strategic infrastructure, including the Deep Sea Port, Free Zones, refineries, and planned industrial estates. Lekki, in particular, is emerging as a key growth node, supported by Free Zone incentives, industrial estate development, and logistics integration, positioning the corridor as the most strategic hub for high-specification warehouse demand over the medium term.

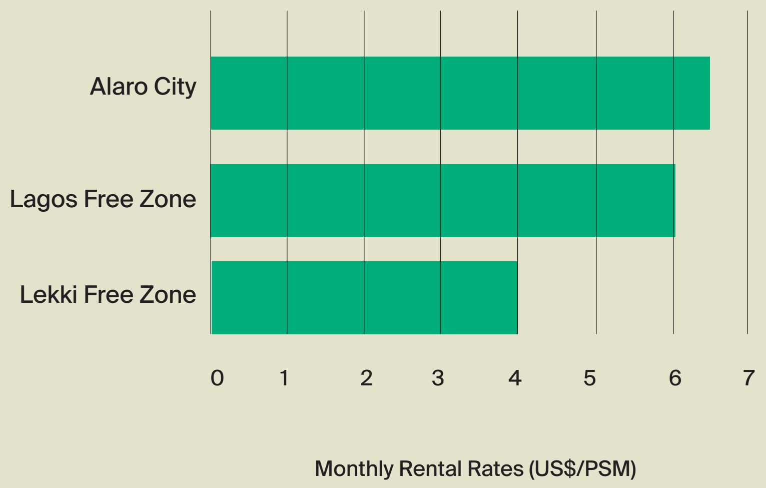
Average rental rates within the Ikeja industrial area stand at approximately US$ 3 per sqm per month, while premium-grade warehouses command higher rents: US$ 4 per sqm in Lekki Free Zone, US$ 6 per sqm in Lagos Free Zone, and US$ 6.5 per sqm in Alaro City.

US$33Bn

Expected value of e-commerce in Nigeria in 2026

Source: Knight Frank

Figure 5: Average Rental Rates for premium-grade warehouses in Nigeria



Source: Knight Frank

These variations reflect differences in location, accessibility, quality of infrastructure, and market positioning. Average prime industrial yields are currently estimated at 9%, in line with regional benchmarks.

Elsewhere, demand for modern warehousing is shaped by the expansion of e-commerce and last-mile logistics, which prioritise facilities with high eaves, efficient layouts, robust road access, and proximity to dense consumer catchment areas. Nigeria's e-commerce market is forecasted to exceed US$ 33 bn in 2026, up from US$ 15 bn in 2023 in business-to-consumer sales, highlighting rapid digital retail growth (PCMI). Moreover, 56% of MSMEs rely exclusively on social media for online sales, while 19% leverage both social media and other platforms, underscoring the critical need for distribution and fulfilment infrastructure in strategic urban corridors.

SOUTH AFRICA

South Africa's industrial and logistics sector continues to outperform other commercial real estate segments, underpinned by sustained demand for warehousing, logistics, and last-mile distribution facilities. Vacancy rates have reduced to an estimated market average of approximately 5%, reflecting strong absorption across core industrial nodes. Demand growth remains concentrated along major transport corridors, particularly those proximate to ports, national highways, and urban consumption centres, where occupiers prioritise operational efficiency and distribution speed.

Demand drivers include ongoing improvements in logistics infrastructure, expanding activity across renewable energy manufacturing and its associated supply chains, and an improvement in electricity supply. According to Eskom, average unplanned outages declined to 9,177 MW between 30 January and 5 February 2026, from 13,440 MW over the same period last year, representing a material improvement of 4,263 MW.

E-commerce remains a critical catalyst for the sector's growth, valued at approximately US$ 41.9 bn in 2026 and projected to expand to US$ 63.1 bn by 2031, representing a CAGR of 8.54%. This trajectory continues to drive requirements for distribution centres, fulfilment hubs, and last-mile logistics assets, particularly within major metropolitan regions.

Notwithstanding the positive demand outlook, the sector faces several headwinds. These include increased competition from lower-cost imports, rising operating expenses across raw materials, and persistent margin pressure on small and medium-sized manufacturers.

S&J Business Park, Johannesburg

TANZANIA

In Tanzania, the industrial sector growth is supported by macroeconomic expansion, infrastructure development, and increased foreign direct investment. Government support, notably through the Tanzania Investment and Special Economic Zone Authority (TISEZA) Act, has also streamlined investment processes and strengthened the business environment for industrial and logistics developers.

Like elsewhere in the continent, demand for modern, high-quality warehouse and logistics facilities remains strong, particularly among e-commerce operators, FMCG companies, and third-party logistics providers.

Key industrial corridors in Dar es Salaam, including Nyerere Road, Pugu Road, Mandela Road, Mikocheni, and Airport Road, continue to attract the majority of leasing activity due to strategic connectivity to the Port of Dar es Salaam and inland transport networks. Special Economic Zones (SEZs), Export Processing Zones (EPZs), and emerging logistics parks in proximity to the port are focal points for development and investment.

Prime warehouse rents have remained largely stable at approximately US$ 5 psm per month, reflecting the scarcity of high-specification space relative to demand. Older, secondary warehouses primarily compete on pricing rather than quality, highlighting the market's increasing polarisation between modern and legacy assets. Average occupancies across the sector are currently 70%, while prime yields remain attractive at 10%, indicating steady investor appetite.

The market trend also shows expansion into peripheral city areas, driven by affordability and availability constraints in central locations.

US$ 5 per sqm

Monthly Prime Warehouse rents

Source: Knight Frank

Kahama Indusrtial Park Shinyanga Region, Tanzania

UGANDA

Prime industrial rents range from US$ 3–7 psm per month, depending on location, building specifications, and accessibility. Average yields remain attractive at approximately 10–13%, positioning the sector among the higher-yielding industrial markets in the region. Average occupancy rates are estimated at c.80%, with modern, purpose-built facilities consistently outperforming the wider market and sustaining occupancies above this threshold.

Elsewhere, demand continues to concentrate within established and emerging industrial zones. Kampala's Traditional Industrial Area, located close to the CBD, has benefited from targeted road upgrades along 7th and 8th Streets and Old Port Bell Road, enhancing last-mile logistics efficiency. The Kampala Industrial Business Park (Namanve) remains the country's most strategic industrial hub, with approximately 60% of contracted infrastructure works completed as of April 2025. Ntinda–Nakawa continues to function as a key urban industrial corridor, while Nalukolongo, located approximately 5.5 km west of the CBD along Masaka Road, is emerging as a growth node, supported by new schemes such as Yogi Business Park, which has over 60,000 sqm of planned industrial space.

Demand dynamics are geared towards mid-sized units ranging between 300 and 1,000 sqm, which are recording the highest absorption rates due to their suitability for SMEs and light industrial users. By contrast, interest in larger units exceeding 1,000 sqm remains comparatively subdued. Lease structures are typically 3–5 years, reflecting a balance between occupier flexibility and landlord income security. Tenants continue to prioritise facilities with modern industrial specifications, including 7–10 metre eaves, reinforced concrete floors capable of supporting high racking loads, multiple loading bays, and adequate truck circulation and manoeuvring space. Proximity to suppliers, customers, and major arterial routes linking the CBD and regional transport corridors remains a critical site-selection criterion.

On the supply side, new development activity is being witnessed in Nalukolongo and Namanve, responding to sustained demand for compliant, modern warehousing and light manufacturing space. At the same time, the market is experiencing a growing stock of obsolete industrial assets, characterised by low eave heights (below 5 metres), limited loading infrastructure, and functional inefficiencies. This divergence has created a tenant's market for older stock, while reinforcing rental and occupancy premiums for modern facilities.

The 65,000 SQM Yogi Business Park in Nalukolongo

ZAMBIA

In Zambia, the industrial market performance is underpinned by sustained occupier demand from mining supply chains, FMCG distributors, agro-processing firms, regional traders, and an expanding e-commerce ecosystem. According to ECDB, Zambia's e-commerce market generated approximately US$120 million in revenue in 2024, representing year-on-year growth of 10–15%, which has directly supported rising demand for warehousing, last-mile distribution, and modern logistics facilities.

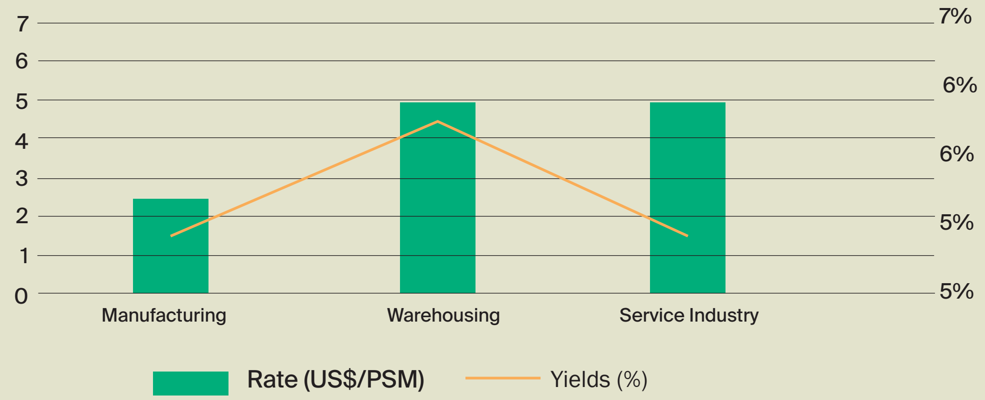
Prime logistics assets are achieving asking rents of approximately US$ 3 –4.5 psm per month, with prime yields of 12-12.5%, outperforming prime office, retail, and residential yields. In contrast, secondary industrial and logistics space commands lower rentals of US$ 1.50–2.50 psm per month, with average yields in the 7–9% range. Occupancy rates within modern logistics parks remain high, exceeding 75%, reflecting limited availability of high-specification stock and consistent take-up by large-scale occupiers.

Industrial activity remains highly concentrated along established transport corridors and strategic industrial nodes, including the Kafue Road industrial belt, Chinika and Mungwi Road, the Lusaka South and Lusaka East Multi-Facility Economic Zones (MFEZs), Ndola's airport-linked logistics precincts, and the Solwezi–Kalumbila mining corridor, which continues to benefit from mining-led demand. Ongoing infrastructure investments, including upgrades to the Lusaka–Ndola dual carriageway, improved access routes to Kenneth Kaunda International Airport (KKIA), and broader national road development programmes, are further reinforcing the attractiveness of these corridors and supporting long-term growth prospects for the sector.

The New Bayer Facility, in Kabwe, Zambia.

ZIMBABWE

Figure 6: Indicative Industrial Rents and Yields in Zimbabwe



Source: Knight Frank

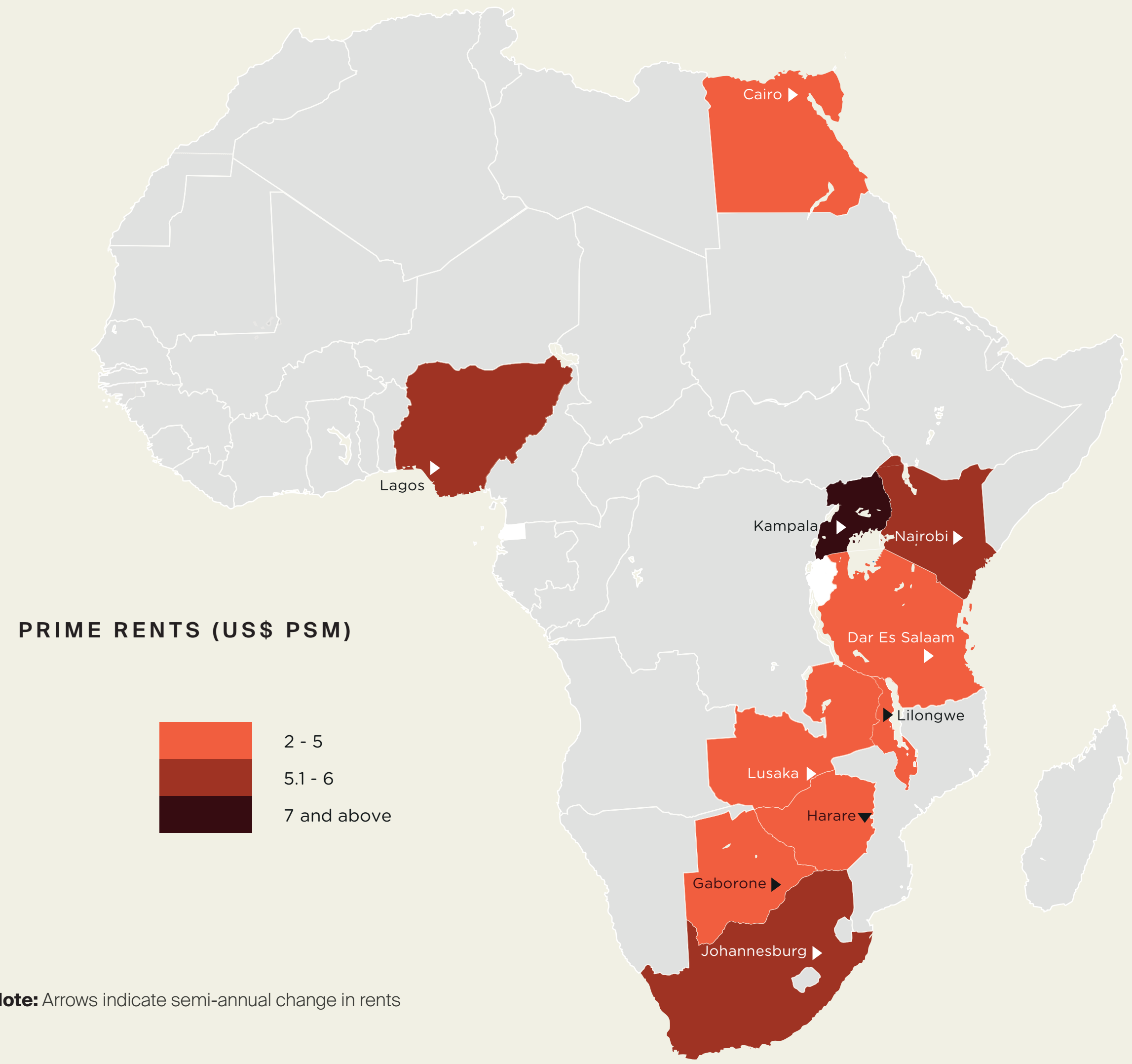
The country's industrial and logistics market remains anchored to the performance of the agriculture and mining sectors, which continue to underpin occupier demand and industrial output. A key catalyst during the review period was the commissioning of a major new tobacco processing facility by Cut Rag Processors (CRP) in Harare in November 2025. The US$100 million investment has established Africa's largest tobacco processing operation, with a production capacity of approximately 3,000 tonnes per month. The facility effectively triples CRP's output and signals a strategic shift from the export of raw tobacco leaf towards higher-value processed cut rag and cigarette production, with positive implications for industrial utilisation, logistics activity, and value-chain integration.

According to the Zimbabwe National Statistics Agency (ZIMSTAT), the manufacturing sector contributes an estimated 15% to national GDP, reinforcing its role as a core driver of industrial real estate demand.

The medium-term outlook remains cautiously optimistic, supported by a favourable agricultural season, relative currency and price stability, and steady international commodity prices. However, market dynamics continue to be shaped by the dominance of the informal economy, which accounts for approximately 76.1% of business entities and contributes over 60% of GDP. This has directly influenced property use patterns, with a growing trend towards the subdivision of large-format industrial properties into smaller, shared units to accommodate SMEs and informal operators seeking flexible, affordable space.

Despite pockets of industrial expansion and improved macroeconomic sentiment, overall market fundamentals remain subdued. Vacancy levels are estimated at approximately 40%, reflecting slow absorption and persistent supply-side pressure. Rental rates and average yields have remained largely stable across sub-sectors, underscoring limited pricing power and a largely tenant-driven market.

FIGURE 7: **A SUMMARY OF H2 2025 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	2.5– 5	5

Source: Knight Frank

BOTSWANA

Eranse Mooki, Managing Director

eranse.mooki@bw.knightfrank.com

EGYPT

Zeinab Adel,

Partner - Head of Egypt

zeinab.adel@me.knightfrank.com

KENYA

Mark Dunford, CEO

mark.dunford@ke.knightfrank.com

LONDON

Ben Woodhams

Partner, Africa Desk

ben.woodhams@knightfrank.com

MIDDLE EAST AND AFRICA

James Lewis

Managing Director

james.lewis@knightfrank.com

MALAWI

Desmond Namangale, Managing Director

desmond.namangale@mw.knightfrank.com

NIGERIA

Frank Okosun, Managing Director

frank.okosun@ng.knightfrank.com

SOUTH AFRICA

Steve Rennie, Managing Director

steve.rennie@rennieknightfrank.co.za

Susan Turner, Managing Director

susan.turner@za.knightfrank.com

TANZANIA

Ahaad Meskiri, Managing Director

ahaad.meskiri@tz.knightfrank.com

UGANDA

Judy Rugasira Kyanda, ACIArb, FISU, FRICS

Managing Director

judy.rugasira@ug.knightfrank.com

ZAMBIA

Tim Ware, Managing Director

tim.ware@zm.knightfrank.com

ZIMBABWE

Siza Masuku,

Managing Director

siza.masuku@zw.knightfrank.com

RESEARCH

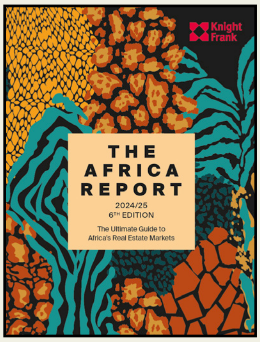
Boniface Abudho, Africa Research Analyst

boniface.abudho@ke.knightfrank.com

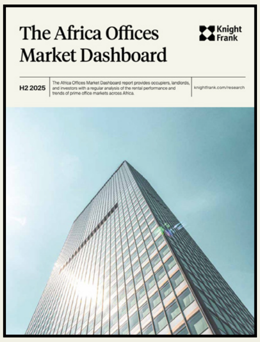
Faisal Durrani, Partner - Head of Research, MENA

faisal.durrani@me.knightfrank.com

RECENT PUBLICATIONS

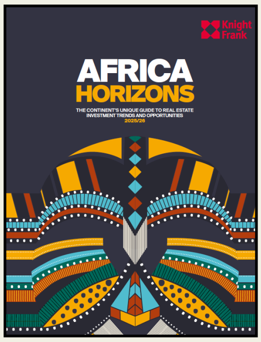


THE AFRICA REPORT 2024/25



AFRICA OFFICES MARKET DASHBOARD H2 2025

AFRICA INDUSTRIAL DASHBOARD H1 2025



AFRICA HORIZONS 2025/26

IMPORTANT NOTICE

Knight Frank research provides strategic advice, consultancy services and forecasting to a wide range of clients worldwide including developers, investors, funding organisations, corporate institutions and the public sector. All our clients recognise the need for expert independent advice customised to their specific needs.

Important Notice: © Knight Frank LLP 2026 This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.