

Kenya

Traditionally, retailers primarily focused their outlets within well-established malls, predominantly situated in affluent neighbourhoods, distanced from the majority of urban residents. However, evolving consumer spending behaviours, marked by a preference for convenience, have compelled retailers to establish their presence in residential areas.

This shift, coupled with reduced disposable incomes and the surge in e-commerce, is prompting retailers to recalibrate their customer outreach strategies.



Convenience retail on the rise



Surge in e-commerce



Boasting an impressive 9.5% average yield

As a result, there has been a discernible decrease in market expansions and new entrants compared to previous years, as developers align their efforts with a more conservative approach characterised by fewer speculative developments.

The retail sector stands as one of the top-performing asset classes in the market.



Decrease in market expansions and new entrants



Supermarkets dominate the formal retail market, with prime monthly rents ranging between c. US\$ 30- 55 psm

Tanzania



Informal retail flourishing



Excess of 65,000 sqm of additional retail space

US\$ 16 psm
Average monthly retail rents



90% of F&B sales take place in small traditional outlets

However, our outlook for the country's retail market remains positive, driven by the combination of strong economic expansion, diminishing inflation, and consistent unemployment figures, which is anticipated to bolster consumer spending. The latter is expected to bolster business and investor confidence. Additionally, the relatively low levels of household debt in Tanzania, coupled with the stability of policy rates, are expected to alleviate the burden of debt repayments for families.

Tanzania's retail landscape is characterised by an informal shopping culture, with an estimated 90% of food and beverage sales transpiring through traditional small stores, street vendors, and unregulated markets.

The retail market is predominantly under the sway of small-scale, primarily domestic retailers, a trend entrenched in long-standing consumer shopping habits that have hindered the flourishing of larger malls in the country. Consequently, an oversupply of retail space is evident, heightened by the impending completion of Morocco Square and Dar Village, which collectively will introduce an excess of 65,000 sqm of additional retail space. Reflecting the subdued uptake of formal retail space, prime rental rates have stagnated at US\$ 16 psm per month for the past five years, while occupancy rates have contracted to an average of around 65%.



Occupancy rates have contracted to an average of around 65%.

Uganda



5% decrease
in retail footfall



Notable 14% y-o-y increase
in turnovers (yield) from
general retail

The retail landscape welcomed new entrants, further enriching the country's shopping experience.

TMT ATRIUM

Strat Bridal + Oak Cafe

METRO PLEX
SHOPPING CENTRE

Krunchix Cafe

THE VILLAGE

Eden Fitness & Wellness

THE ARENA

Myavana + Black Drip + Patio + U home

These new retail players contribute to an expanded range of commodities, enhancing the overall shopping experience and signalling a continual improvement in the retail sector. Fashion and food & beverage categories continue to spearhead retail demand, underscoring their pivotal roles as key drivers in the sector.



Looking ahead, the retail sector anticipates a positive outlook throughout 2024 sustained by the ongoing economic recovery and stable inflationary pressures.

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