

THE AFRICA REPORT

2026/27 **7TH EDITION**

The Ultimate Guide to
Africa's Real Estate Markets

WELCOME



James Lewis
Managing Director, Knight Frank Middle East and Africa

Welcome to this year's edition of the *Africa Report 2026/27*. As we launch this publication, we remain firmly optimistic about the trajectory of real estate markets across the continent.

While performance continues to vary across sectors, a clear theme emerges: Africa's real estate landscape is transitioning into a more selective, performance-driven cycle, increasingly defined by quality and specialisation.

The industrial and logistics sector stands out as the strongest-performing asset class across the continent. Markets such as the Democratic Republic of Congo and Uganda are delivering prime yields of up to 13%, followed by Zambia (12.5%), Malawi (11%), and Tanzania (10%). This performance is being driven by sustained occupier demand, the limited availability of modern warehousing facilities, and a growing pipeline of infrastructure-led development. Government-backed initiatives, such as Senegal's Plan Sénégal Émergent, continue to reinforce this trajectory by prioritising investment in transport, energy, and digital infrastructure to support industrialisation.

In contrast, the office sector presents a more nuanced picture. A persistent undersupply of Grade A office space in key markets continues to drive rental growth at the prime end, with monthly rents reaching US\$ 55 psm in Nigeria and US\$ 35 psm in Côte d'Ivoire and Egypt. Demand remains concentrated among multinational occupiers and expatriate-driven sectors, supporting low vacancy levels in prime assets, most notably in South Africa, where vacancies in top-tier locations have effectively bottomed out. However, the broader office market continues to face structural headwinds, particularly within ageing grade B stock, where vacancy rates remain elevated.

Retail markets are undergoing a structural shift towards convenience-led formats, reflecting evolving consumer behaviour. Across many African markets, retailers are increasingly prioritising proximity-based, neighbourhood retail in response to rising transport costs and constrained household incomes, reflecting perhaps the initial impact of the Middle East conflict's wider ramifications. However, expansion remains uneven, with subdued purchasing

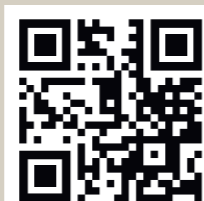
power and the continued dominance of informal retail limiting growth in markets such as Ethiopia, Mozambique, and Tunisia.

The residential rental sector continues to demonstrate resilience, particularly at the prime end, where demand from expatriates and the buy-to-let diaspora community remains strong. The short-let and holiday homes market is also expanding rapidly, supported by tourism, business travel, and cross-border investment flows. Nevertheless, affordability constraints remain a defining challenge across the continent, compounded by limited access to mortgage finance. Significant housing deficits persist in key markets, including Ghana and Kenya (over 2 million units), Cameroon (1.8–2 million units), and Zambia (over 1.5 million units), reinforcing the scale of unmet demand.

Looking ahead, success in Africa's real estate sector will increasingly be defined by the ability to deliver quality, flexibility, and sector-specific expertise. Whether through ESG-compliant prime office developments, convenience-led retail formats, integrated residential communities, or high-spec logistics assets, the market is rewarding precision over scale.

This year's *Africa Report* provides in-depth coverage of 20 African markets, along with a series of thematic insights from our experts that examine the most pressing issues shaping the continent's real estate today.

I invite you to explore our market-leading research and welcome the opportunity to discuss our findings with you in more detail.



DISCOVER THE AFRICA
REPORT 2026/27

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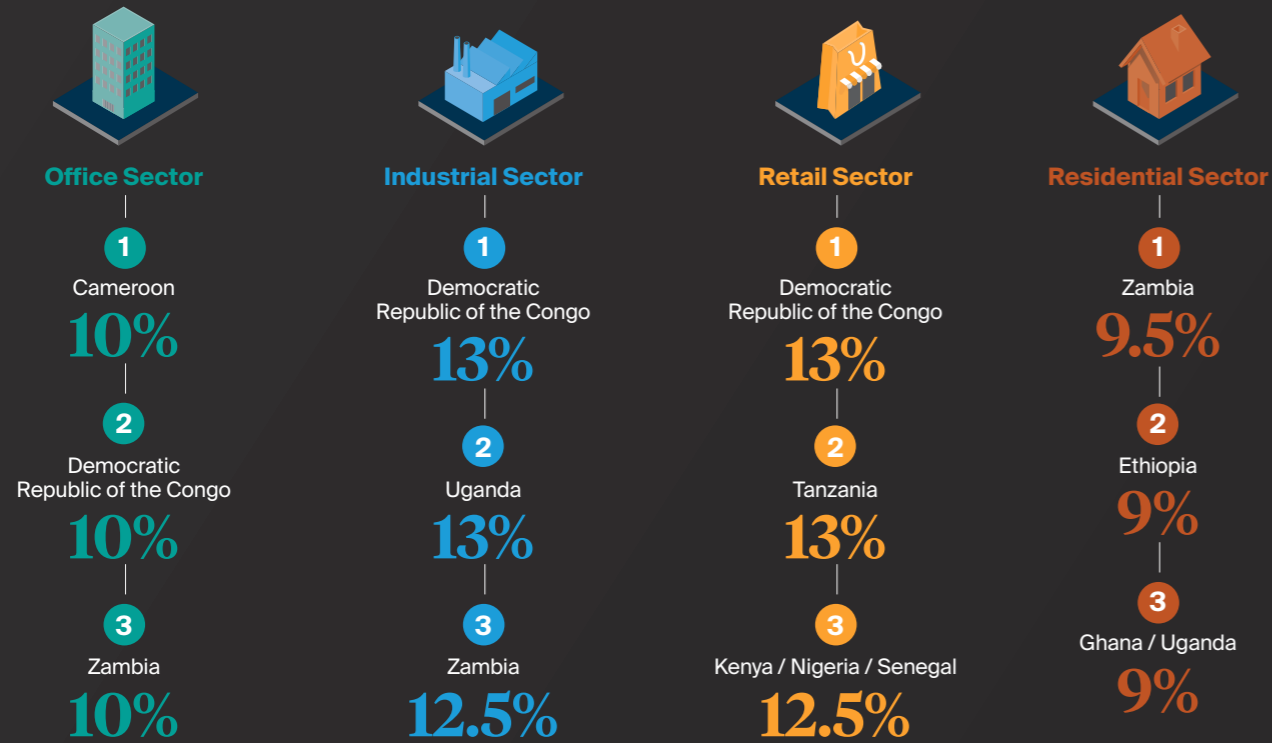
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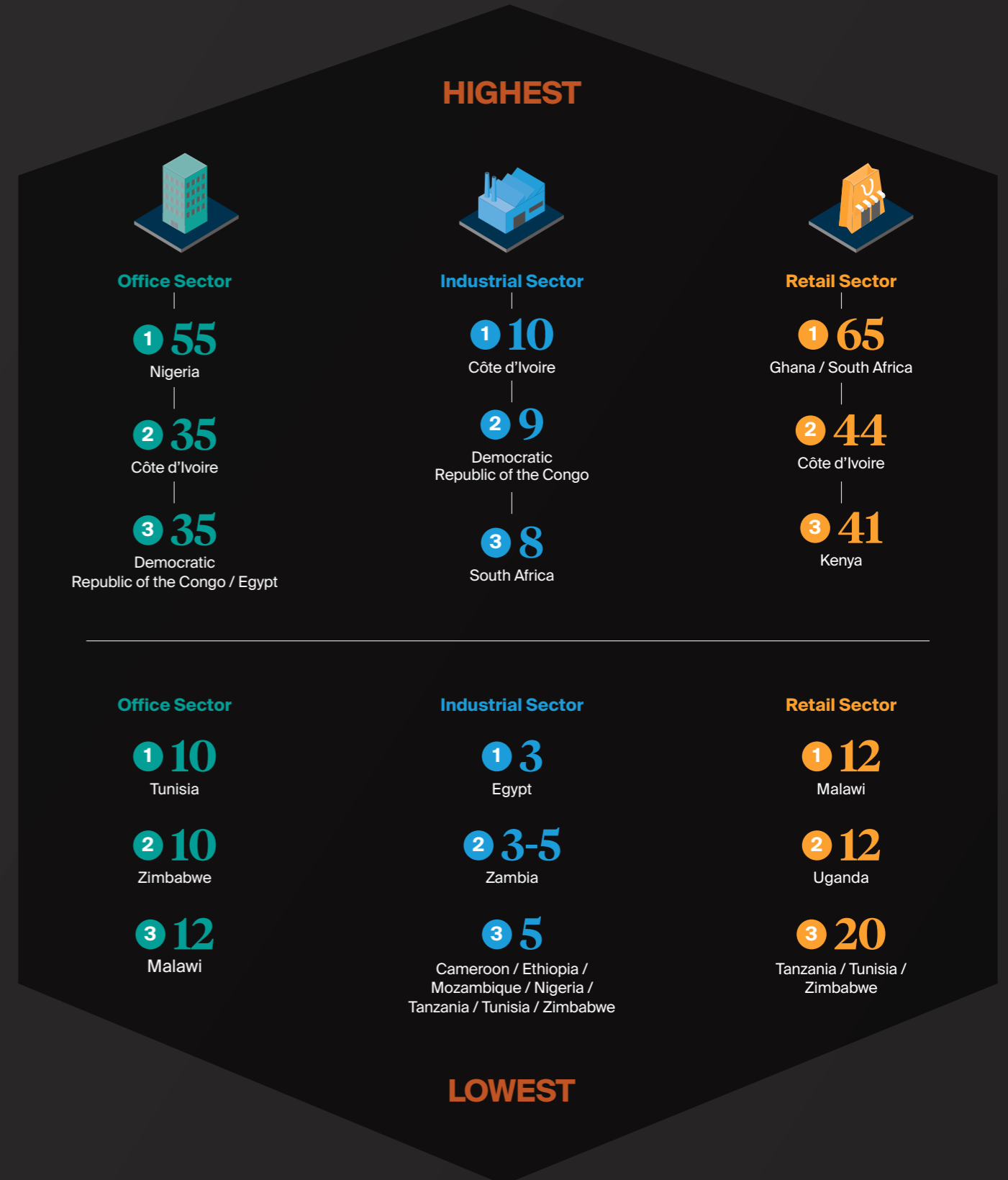
NUMBERS YOU NEED TO KNOW



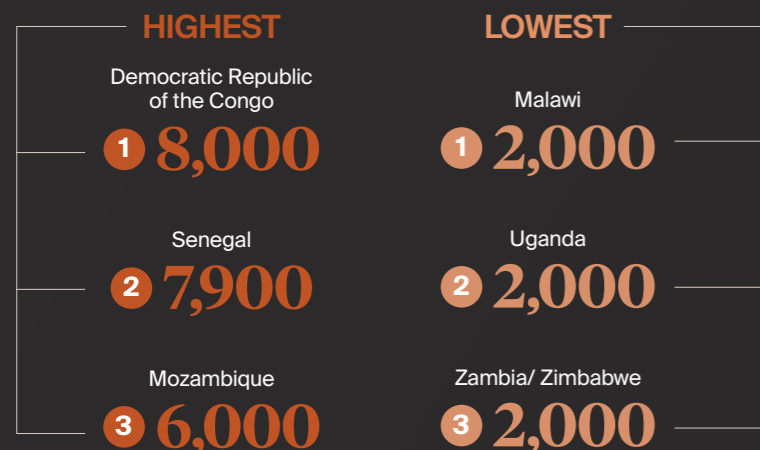
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HOUSING DEFICIT:



AFRICA CAPITAL MARKETS

Is industrial set to replace offices as the investment sector of choice?

BY BEN WOODHAMS, PARTNER, AFRICA DESK & CHAIR OF CAPITAL MARKETS COUNCIL

Offices have traditionally been the favourite sector for institutional investors looking to diversify their investments into real estate, benefiting from long leases that provide a buffer to otherwise volatile markets. These large, secure assets generate a guaranteed and steady return in hard currency, providing a hedge against devaluing local currencies, whilst at the same time dominating the city landscape, giving stakeholders the impression that the institution, whether it be a state pension fund, a REIT or an insurance company, has invested wisely and that their funds are in safe hands.

The asset class has come under pressure in recent years, however, both from challenges within the sector itself and also from competing asset classes that satisfy demand coming from new occupier requirements.

A changing market

The COVID pandemic saw a significant shift in working practices, with employees forced to work from home during the epidemic. For example, in South Africa remote/hybrid job postings were just 0.2% in 2019 but still stood at 3.7% in 2024 – a nearly 20-fold increase from pre-pandemic levels. This had two significant long-term effects on how offices are used today.

Firstly, employees realised that they did not have to be in the office to have constructive meetings, and secondly employers subsequently realised that they did not require as much office space as they no longer had their entire workforce coming into the office every day. This has reduced demand for office space generally, although it has to an extent been mitigated by an increase in flexible workspace providers, who have gone some way to fill that void.

A change in foreign policy

With the global economy facing extreme pressures, governments such as the US, and to a lesser extent the

UK and members of the EU community, have reduced the amount of foreign aid being sent to the continent. Aside from the direct impact that this has had on the work being carried out by the donor community in Africa, a secondary impact has been the exodus of NGOs and other recipients of this funding, which has led to a dramatic increase in vacancy levels in many offices across Africa, with some buildings reporting increases of up to 40% as a direct consequence. In Somalia 75% of NGOs have closed field offices or frozen projects, while the sector has experienced up to a 95% layoff rate by late 2025.

Tenants' demands increase

International tenants, the mainstay of Grade A offices across Africa, are under increasing pressure from stakeholders and shareholders to demonstrate their ESG credentials, and this is reflected in the demands made on the landlords and developers of the space that they occupy. The environmental and sustainability requirements mean that new buildings must comply with ever stricter conditions relating to energy efficiency, and the social needs of occupiers translate into more space that generates less rent such as breakout areas and common facilities. This has made new buildings more costly to construct and has placed greater pressure on Grade B buildings that do not comply, leading to higher vacancy rates.

The Industrial sector as an investment alternative

Conversely, demand for industrial space is on the increase, as a result of changes in retail habits and new occupier demand entering the sector. The increase in online consumer spending has driven a rise in demand for industrial properties to deal with the distribution and delivery of products to the shopper's home, with the market expected to exceed \$75 bn by 2028 and \$113 bn by 2029.

In addition, as can be seen in the article overleaf, there has been a substantial increase in demand for data centres, housed in a new breed of industrial buildings, to cope with the increase in demand for processing power, driven by smartphone penetration and the uptake in the use of Artificial Intelligence. Added to this is the demand from a new breed of sophisticated occupiers, who require modern, efficient logistics space with high eaves, dock levellers and good access to infrastructure, which much of the old stock in many African cities cannot satisfy, leading to new

developments away from the old industrial centres in new nodes linked to recently developed road and rail networks.

Looking at the table at the end of this report, we can see the average yield for office space at 8.9%, with industrial at over 10% and as high as 13% in the DRC and Uganda, reflecting higher returns in the sector, although the case for investing in either would also depend on income growth projections and future demand/supply balance.

The future

It is true to say that the office sector is currently facing challenges, but one could question whether these are long-term, or more likely just part of a correction in the way that they are used. Conversely, the increase in demand for industrial space is certainly on the rise, but this is likely to stabilise when demand and supply balance out. In the short term, investors are certainly favouring the latter, but in reality the office sector is likely to remain an important part of any diversified portfolio of real estate assets.

“We are experiencing strong demand for leasing our warehouses from the e-commerce, distribution, 3PL, processing and light manufacturing sectors. This is being driven by multinational companies moving production closer to their markets, local companies understanding the operational efficiencies and security benefits from operating in international standard warehouse parks and a growing recognition of Africa as an increasingly significant global market.”

Geoffrey White, CEO, Agility Africa



AFRICA'S UNEVEN RECOVERY AND THE REAL ESTATE FRONTIER: STRUCTURAL CONSTRAINTS, HIDDEN OPPORTUNITIES

BY CHARLES MACHARIA, HEAD OF RESEARCH AND STRATEGIC CONSULTANCY, KNIGHT FRANK KENYA

Sub-Saharan Africa's recovery is still finding its footing – and in some areas, it is clearly losing momentum. The World Bank's April 2026 *Africa Economic Update* puts regional GDP growth at 4.1% for 2026, unchanged from 2025 but slightly below earlier projections. On paper, that looks stable. In reality, it tells a more complicated story. The rebound from recent shocks is incomplete; investment per capita remains about 20% below its 2014 level, and long-standing structural constraints are starting to dictate where real estate can – and cannot – perform.

The investment gap: real estate's missing cycle

While GDP per capita has edged upward, real investment, both public and private, has not kept pace. Since the end of the commodity supercycle and the COVID-19 pandemic, capital formation has been subdued. In many resource-rich economies, public investment dropped sharply and never fully recovered. The knock-on effect is visible across the built environment: fewer large-scale developments, delayed infrastructure, and a limited pipeline of high-quality industrial and logistics space.

There's also a deeper issue at play. Weak investment in skills and capabilities is compounding the problem. For the property market, that creates a double constraint: not enough new supply, and not enough demand from expanding, formal-sector businesses. Much of the labour force is still absorbed into informal, low-productivity work, which does little to drive demand for office space or modern industrial facilities.

Middle east tensions: adding pressure to the system

The escalation of tensions in the Middle East earlier this year has added another layer of uncertainty. Oil prices have climbed sharply, with Brent rising from the low US\$70s to above US\$110 per barrel by the end of March 2025. For oil exporters like Angola and Nigeria, that brings some fiscal relief. For importers, it's the opposite story: higher inflation, currency strain, and tighter monetary conditions.

That combination directly affects real estate. Higher interest rates make financing more expensive for developers and end users alike. Rising fuel and input costs also feed into broader inflation, squeezing household incomes and weakening rental affordability. At the same time, large institutional investors, particularly Gulf sovereign wealth

funds, are becoming more cautious. Projects that would typically anchor new real estate clusters, from ports to data centres, may slow down or be rephased. Key corridors like Lobito and Simandou still hold promise, but their success hinges on execution and governance.

Where the market still works: ecosystems matter

Despite these headwinds, the outlook isn't uniformly negative. The opportunities are just more selective. What's becoming clear is that real estate only works where the broader ecosystem is in place. Reliable power, efficient logistics, skilled labour, and clear regulatory frameworks are no longer optional – they're decisive.

Special economic zones and industrial parks illustrate this well. They succeed when they are properly supported and fail when they are not. Ethiopia's Hawassa Industrial Park is a good example of getting the fundamentals right; government investment in infrastructure and training came first, and private capital followed. By contrast, Nigeria's Calabar Free Trade Zone struggled because critical infrastructure gaps were never addressed.

For developers and investors, the takeaway is straightforward: follow the ecosystem. Markets like Kenya, with its established horticulture export base, or Rwanda, with its structured SEZ framework, are showing what coordinated investment can achieve. Regional initiatives such as the AfCFTA are also beginning to shift the equation by expanding market size, which is essential for making industrial and logistics assets viable.

Portfolio strategy: be selective, be practical

In this environment, broad-based bets are risky. A more targeted approach makes sense.

Frontier markets still offer opportunities, but mainly in low-cost, trade-enabling assets. Think border facilities, truck

Real GDP growth at constant market prices (%) and Consumer Price Index (annual change)

	REAL GDP GROWTH, AT CONSTANT MARKET PRICES (%)					
	2010-19	2024	2025E	2026F	2027F	2028F
Angola	2.5	4.4	3.1	2.4	2.7	2.9
Burundi	2.2	4.1	4.0	4.1	4.8	4.9
Benin	4.8	7.5	8.1	7.0	7.2	7.3
Burkina Faso	6.0	4.8	5.3	5.0	5.8	5.5
Botswana	4.7	-2.8	-0.9	2.7	3.2	3.1
Central African Republic	-0.2	1.5	4.5	2.3	3.1	3.2
Côte d'Ivoire	6.3	6	6.3	5.8	6.5	7.0
Cameroon	4.3	3.5	3.2	3.4	3.7	3.9
Congo, Dem. Rep.	6.2	6.1	5.5	5.2	5.1	5.1
Congo, Rep.	1.3	2.1	3.1	3.7	3.4	3.4
Comoros	3.1	3.3	3.8	4.1	4.3	3.9
Cabo Verde	2.9	7.2	6.3	4.8	5.0	5.1
Eritrea	5.2	2.9	3.2	3.5	3.6	3.6
Ethiopia	9.8	8.1	9.2	8.0	6.9	8.4
Gabon	4.1	3.4	2.5	3.0	3.3	3.5
Ghana	6.7	5.8	6.0	4.8	4.9	5.0
Guinea	6.1	5.4	7.4	8.8	11.6	10.7
Gambia, The	2.9	5.6	5.9	5.3	5.2	5.2
Guinea-Bissau	4.2	4.1	5.5	4.8	4.9	5.0
Equatorial Guinea	-3.3	0.4	-5.4	-3.5	-3.4	2.2
Kenya	5.0	4.7	4.6	4.4	5.0	5.0
Liberia	3.1	4.0	5.1	5.0	5.4	5.6
Lesotho	2.0	5.2	2.0	1.3	1.5	1.5
Madagascar	3.0	4.3	3.0	3.8	4.5	4.4
Mali	4.7	4.7	4.1	5.0	5.2	5.3
Mozambique	5.7	2.1	-0.5	0.9	1.6	2.5
Mauritania	4.1	6.3	4.2	4.4	4.5	4.8
Mauritius	3.9	4.9	3.2	2.5	4.6	3.1
Malawi	4.4	1.7	1.9	2.3	2.7	3.0
Namibia	3.1	4	1.7	2.7	3.4	3.4
Niger	6.1	8.3	7	6.7	6.4	6.1
Nigeria	3.5	4.1	4	4.1	4.2	4.3
Rwanda	7.1	7.2	9.4	7.2	7.6	7.3
Sudan	-0.9	-14	3.1	5.5	4.4	2.6
Senegal	4.8	6.1	6.7	2.2	2.6	3.0
Sierra Leone	4.6	4.4	4.5	4.0	4.7	4.6
Somalia		4.1	3	2.8	3.1	3.5
South Sudan	-7.0*	-7.4	-7.7	20.3	2.4	2.9
São Tomé and Príncipe	3.4	1.1	2.1	2.9	3.9	3.3
Eswatini	3.1	3.0	4.0	3.9	3.8	3.3
Seychelles	6.1	3.4	5.8	1.1	4.5	3.1
Chad	4.1	5	5.6	5.2	5.3	5.3
Togo	5.4	6.5	5.9	5.0	5.8	6.2
Tanzania	6.3	5.5	5.9	6.1	6.4	6.5
Uganda	5.4	6.1	6.3	6.8	8.5	8.1
South Africa	1.7	0.5	1.1	1.0	1.5	1.7
Zambia	4.9	3.8	3.8	4.4	4.7	5.1
Zimbabwe	6.1	1.7	7.5	4.6	4.2	4.1

stops, and basic agro-processing infrastructure. More institutionally stable but constrained economies, such as Kenya and Rwanda, are better suited for structured developments like SEZs and high-spec warehousing. Then there are the major infrastructure corridors, which, if delivered properly, could reshape regional logistics and unlock multi-country real estate plays.

The window for opportunity is there, but it is not wide. Growth patterns are diverging, particularly between resource-rich and non-resource economies, and real estate performance will likely follow the same divide. The most reliable strategy right now is not to chase headline growth figures, but to track where real investment is actually happening, and build around that.

FROM PROJECTS TO PLATFORMS: HOW AFRICA'S REAL ESTATE MARKETS ARE MATURING

BY AHMED MOUSTAFA, PARTNER & HEAD OF PROJECT & DEVELOPMENT SERVICES,
EGYPT & AFRICA, KNIGHT FRANK

Across Africa, the real estate conversation is evolving. For many years, the focus was rightly on delivery: bridging infrastructure gaps, creating basic supply, and responding to rapid urbanisation. Today, while those fundamentals remain critical, the market has entered a more sophisticated phase; one defined by scale, institutional participation, and long term value creation.

From my vantage point, leading Project & Development Services for Knight Frank across Egypt and Africa, I see a continent moving decisively from isolated projects towards integrated, investment grade real estate platforms.

Institutional capital is setting new standards

One of the most significant shifts across African real estate markets is the growing role of institutional capital – both regional and international. Sovereign wealth funds, development finance institutions, and private equity investors are increasingly active, particularly in mixed use, logistics, industrial, hospitality, and large scale residential developments.

This capital comes with higher expectations. Investors are no longer focused solely on yield arbitrage or short term exits; they are prioritising governance, transparency, ESG credentials, and lifecycle performance. As a result, developers are being compelled to adopt international standards in master planning, procurement, risk management, and project controls.

In markets such as Egypt, Morocco, Kenya, and Nigeria, we are seeing a clear differentiation emerging between professionally structured projects and those that are not. The former attracts capital repeatedly; the latter increasingly struggles to compete.

Urban scale demands master planning, not stand alone assets

Africa's demographic trajectory remains one of its most significant structural drivers. Rapid population growth, coupled with sustained urbanization, is reshaping the nature of demand, with the continent's population projected to increase from approximately 1.5 bn in 2026 to around 2.5 bn by 2050. The focus is shifting beyond standalone

real estate assets towards the development of integrated, functional urban environments. Consequently, the market is increasingly gravitating towards large-scale, mixed-use master-planned communities that seamlessly incorporate residential, commercial, retail, hospitality, and essential social infrastructure.

Size alone is not enough, however, as the success of these developments also depends on sequencing, phasing strategies, infrastructure integration, and long term operational planning. At Knight Frank, our role increasingly extends beyond traditional project monitoring into early-stage advisory, helping clients stress-test development concepts, optimise land use, and align the product mix with real demand.

Well planned urban districts create resilience. Poorly planned ones amplify risk.

Development risk is being repriced

Another clear trend is the repricing of development risk. Rising construction costs, currency volatility, and geopolitical uncertainty have heightened the importance of disciplined project governance across Africa.

Clients are becoming far more conscious of cost certainty, programme performance, and supply chain resilience. Robust feasibility modelling, value engineering, and procurement strategy are no longer “best practice”; they are essential tools for survival.

This is particularly evident in sectors such as logistics and industrial real estate, where time to market is critical, and in hospitality, where brand standards and operator requirements add complexity. Independent project oversight, clear reporting structures, and early risk identification are increasingly non negotiable for lenders and investors alike.



Sustainability is moving from narrative to necessity

While sustainability has been part of the industry narrative for many years, it is now becoming a commercial imperative. Energy efficiency, water management, climate resilience, and social impact are no longer optional extras, particularly for institutional occupiers and international investors.

In African markets, sustainability takes on a specific context. Solutions must be commercially realistic, locally sourced, and resilient to infrastructure variability. The most successful projects are those that integrate sustainability pragmatically, through passive design, efficient systems, and operational planning, rather than relying solely on certification.

The outcome is better buildings, lower operating costs, and assets that remain competitive in a changing regulatory and investor environment.

The expanding role of professional advisory

As projects become larger, more complex, and more closely scrutinised, the role of professional advisors is expanding. Clients are looking for partners who understand not just construction, but the entire development lifecycle – from concept to operation and exit.

At Knight Frank, our strength lies in combining deep local market knowledge with global best practice. Across Africa, our teams work closely with developers, investors, and lenders to provide clarity in markets that are often perceived as complex or opaque.

This combination of local insight and international discipline is increasingly what differentiates successful developments from those that underperform.

Looking ahead

Africa's real estate markets are not necessarily becoming less complex; rather, they are evolving in sophistication, with increasing depth, improved structuring, and more nuanced investment and development approaches.

Capital is more selective, risks are more closely managed, and expectations are rising across the board.

The opportunity remains substantial, although the next phase of growth will favour those who approach development with long-term conviction, professional rigour and a clear understanding of how real estate functions within a broader economic ecosystem.

For those willing to make that shift, Africa's cities will not only grow – they will endure.

DATA CENTRES: NEW REAL ESTATE ASSET CLASS OF CHOICE

BY OSCAR MATTHEWS, PARTNER – KNIGHT FRANK EMEA DATA CENTRE INVESTMENT & DEVELOPMENT

Africa’s data centre sector has transitioned from conceptual potential to active deployment, with projects now materialising across multiple markets. While installed capacity remains a fraction of global supply, the growth trajectory is encouraging. Demand is projected to expand by approximately 3 to 5 times by 2030, driven by the localisation of cloud services, streaming, fintech platforms, and AI workloads. This implies a capital requirement of approximately US\$ 10–20 bn in new data centre development and, critically, associated power infrastructure.

South Africa: the continent’s primary hub

South Africa remains the continent’s dominant data centre hub, accounting for approximately two-thirds of Africa’s third-party colocation capacity and hosting the majority of hyperscale cloud deployments.

This concentration reflects a combination of various structural advantages, including:

- A mature enterprise demand base
- Presence of global data centre operators and cloud providers
- Established grid infrastructure
- Stronger investor confidence and deployment track record

Subsea and terrestrial fibre driving expansion

The single most significant enabler of Africa’s data centre expansion is the rapid development of fibre connectivity, both subsea and terrestrial.

- On the subsea front, major systems such as 2Africa and Equiano have materially increased international bandwidth, improved redundancy, and reduced latency. The 2Africa system, reaching key completion milestones in 2025, will span approximately 45,000 km (including the Pearls

extension), connecting 33 countries and serving over three billion people across Africa, Europe, and Asia. This expansion has reduced data transport costs and enabled low-latency connectivity to global markets, including Europe, the Middle East, and Asia.

- On the terrestrial side, pan-African fibre operators are developing cross-border backbone infrastructure, strengthening intra-African connectivity, and supporting regional data traffic flows.

Development bottlenecks: land, power, and permits

Despite strong demand fundamentals, development constraints persist, most notably around land acquisition, permitting, and infrastructure readiness.

Large-scale data centre campuses (typically 30–100 MW) require:

- Industrially zoned land
- Reliable grid connectivity
- Water access and waste management approvals

Investors consistently identify title certainty, rezoning timelines, and municipal approvals as key friction points, particularly in emerging markets. To mitigate these risks, developers are adopting joint venture (JV) structures with domestic developers or telcos that already control suitable parcels and understand municipal processes.

The broader regulatory setting is also critical: data localisation rules are proliferating, but approaches differ by country. Hence, operators weigh “cloud-friendly” jurisdictions that allow regional service delivery against places where strict localisation shrinks the addressable market to domestic demand.

“The single most significant enabler of Africa’s data centre expansion is the rapid development of fibre connectivity, both subsea and terrestrial.”

Top performers:

In East Africa, Kenya is emerging as a key hub, supported by multiple subsea cable landings in Mombasa, a strong enterprise ecosystem in Nairobi, policy support through special economic zones (SEZs), and an increasing focus on geothermal-powered energy solutions.

Forecasts indicate double-digit growth in installed capacity through 2030, reflecting rising hyperscaler interest and alignment with the country’s digital economy strategy.

In West Africa, Nigeria anchors regional demand, underpinned by a large enterprise base, subsea cable diversity, and a growing regulatory emphasis on local hosting.

Third-party core and shell capacity is estimated at approximately 66 MW as of late 2024, with several hundred megawatts in the development pipeline. The medium-term investment thesis centres on Lagos as a low-latency hub for ECOWAS markets, supported by increasing enforcement of localisation requirements in finance and the public sector.

In North Africa, a notable emerging dynamic is the region’s positioning as a near-Europe alternative for AI compute. Morocco, in particular, is attracting announcements for large-scale, renewable-powered data centre campuses targeting EMEA AI and sovereign cloud demand. Competitive land availability, geographic proximity to key European hubs such

as Iberia and Marseille, and an expanding national renewable energy programme underpin this positioning.

Recent reports indicate proposed developments of several hundred megawatts, explicitly marketed as lower-cost alternatives to capacity-constrained markets in Southern Europe. While delivery timelines remain contingent on grid enhancements and the deployment of water-efficient cooling solutions, the strategic direction is evident: the export of compute capacity into European markets. Morocco’s renewable energy trajectory, spanning solar, wind, and cross-border interconnections with Europe, further reinforces this value proposition, although execution risks and sequencing of delivery remain key considerations.

Overall, the viability of this growth is underpinned by a significant expansion in subsea connectivity. Subsea cable disruptions across Africa in 2024–2025 underscored the extent to which such incidents can cascade across entire regions, reinforcing the need for diverse landings and mesh topologies, not just bigger domestic data halls. Recent deployments, including the 2Africa subsea cable across both coasts, alongside systems such as the PEACE cable system and newer east coast systems, are critical to meeting the low-latency requirements of cloud and AI workloads. At the same time, this expanded subsea layer strengthens network resilience, mitigating exposure to geopolitical disruptions and marine-related risks.



BOTSWANA



Botswana's economy is facing headwinds primarily as a result of a drop in revenue caused by declining diamond revenues, which have traditionally been the largest contributor to GDP and the backbone of the economy, which contracted by approximately 1-1.5%, with growth forecasts remaining subdued. Greater reliance is now being placed on non-mining sectors, which have historically contributed less to GDP as reduced mining revenues have led to rising government debt and a subsequent downgrade of Botswana's credit rating. Commercial lenders are facing liquidity constraints, leading to a significant increase in interest rates, and prime lending rates have risen from around 6.0% in late 2024 to approximately 7.0% by mid-2025, pushing effective mortgage rates into the 9-17% range.

Softening headline rents in the office market

In response to the shifting economic environment, demand for commercial office space has weakened. Headline rentals for prime office properties have softened, with monthly prime rents in the Gaborone CBD averaging around US\$ 11 psm, reflecting an approximate 8.3% decline over the past two years.

Elsewhere, B-grade office space, where rents can fall as low as US\$ 6 psm, has experienced stronger demand than A-grade offices, as occupiers prioritise cost efficiency. This dynamic positions Gaborone as one of the more economical office markets in the region, with equally competitive fit-out costs.

Government initiatives boosting the industrial sector

Headline rentals for industrial properties have also softened, with monthly prime rents ranging between US\$ 3.7 and US\$ 4.5 psm. Vacancy rates have increased by approximately 2-5%, with available stock taking longer to lease due to reduced demand.

To support the sector, the government has launched the Botswana Economic Transformation Programme, aimed at diversifying the economy beyond diamonds, strengthening resilience, and positioning the country as a high-income economy. The programme prioritises sectors including agriculture, manufacturing, infrastructure, financial services, tourism, energy, water, education, and healthcare. This strategy is further reinforced by the development of Special Economic Zones focused on logistics, agro-processing, and fintech, which support long-term industrial growth.

High development costs slowing retail growth

The retail sector has similarly experienced weak demand, with developments such as The A10 Mogoditshane struggling to attract tenants, remaining largely vacant despite being operational for over six months. Several retail schemes delivered in the past two years have recorded limited uptake.

Elsewhere, the acquisition of Diphlane Mall by the Botswana Public Officers Pension Fund in Q4 2025 is a notable transaction, with indicative prime retail yields in the 7-8% range.

High development costs have led to the suspension of several planned projects, although future developments include a mixed-use scheme in Gaborone CBD, a regional retail centre in Mogoditshane, and convenience retail centres in Maun. Despite these constraints, opportunities remain for the development of neighbourhood retail centres in smaller settlements and in luxury hospitality.

Residential market sees increased demand for undeveloped plots

The prime residential market has faced challenges over the past two years, largely due to a decline in expatriate inflows linked to work permit constraints. However, demand remains strong for undeveloped plots in areas such as Phakalane Golf Estate and Gaborone city centre (Extensions 9 and 11), where freehold plots achieve prices between US\$ 111 and US\$ 185 psm.

The rental market has weakened, with average monthly rents remaining below US\$ 2,200 over the past 7-9 years. Transaction volumes have also declined by approximately 15-20% year-on-year, while acquisitions reflect a modest increase in cap rates of around 20-50 basis points.



Office

B-grade office space, where rents can fall as low as US\$6 psm, has experienced stronger demand than A-grade offices



Retail

High development costs have led to the suspension of several planned projects



Industrial

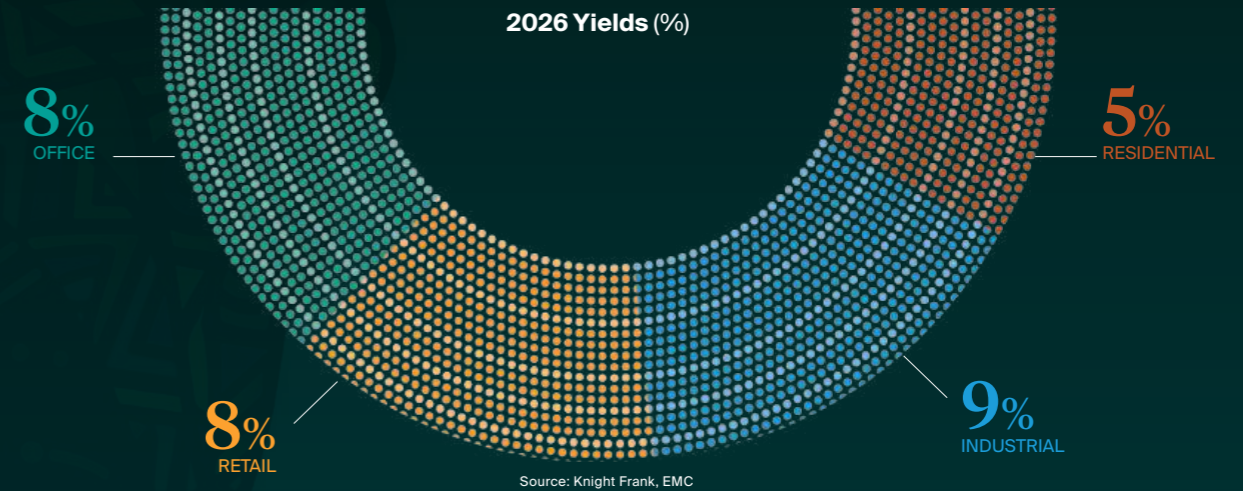
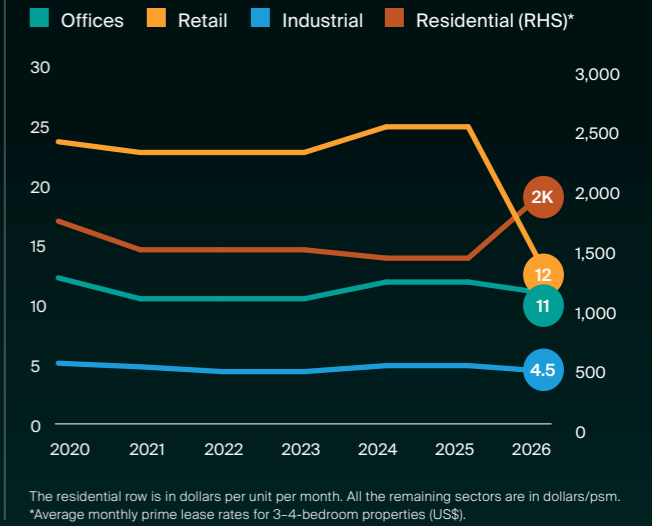
Vacancy rates have increased by approximately 2-5%, with available stock taking longer to lease due to reduced demand



Residential

Demand remains strong for undeveloped plots, where freehold plots achieve prices between US\$ 111 and US\$ 185 psm

Monthly rent (US\$ psm)



“To support the sector, the government has launched the Botswana Economic Transformation Programme, aimed at diversifying the economy beyond diamonds, strengthening resilience, and positioning the country as a high-income economy.”

CAMEROON



LISTEN TO OUR EXPERTS

Cameroon's real estate market is supported by Douala's role as the commercial hub and Yaoundé's position as the administrative capital. Prime offices continue to attract corporates and institutions; formal retail is evolving alongside traditional trade; upper-end residential demand remains resilient; and industrial activity is linked to port and infrastructure development.

Resilient office market

Cameroon's office market is concentrated in prime nodes, including Bonanjo and Bonapriso in Douala, and Bastos, Avenue des Banques, and the CBD in Yaoundé. Demand is driven by financial institutions, corporates, and diplomatic organisations seeking central, well-connected locations.

Monthly prime rents range between XAF 14,200–28,250 psm (circa US\$20–50 psm per month), although the upper end of the range relates to a specific high-specification property developed for boutique banks. Prime Grade A office space typically achieves around XAF 17,100 psm per month (circa US\$30 psm).

Supply of true Grade A space remains limited, supporting relatively low vacancy rates and lease terms of 3 to 5 years. Demand is expected to remain focused on established business districts in both cities, underpinning the resilience of the prime office market.

Dominant informal retail

Formal retail remains underdeveloped, with activity concentrated in a limited number of malls and supermarket-led schemes, primarily in Douala, with international brands such as Carrefour, Super U, and SPAR driving growth in modern grocery formats.

Mall performance is mixed, however, with some centres experiencing elevated vacancy (circa 30%) and weaker

footfall. Prime rents have softened from around US\$44 psm per month to as low as US\$27 psm per month in some schemes.

Competition from expanding supermarket networks and dominant informal retail continues to shape consumer behaviour. Future development is likely to favour smaller, convenience-led schemes rather than large destination malls.

The national housing deficit of 1.8+ million units driving demand for houses.

Cameroon's residential market is characterised by structural undersupply, with a national housing deficit of 1.8–2 million units driving continued demand. Delivery remains largely informal and small-scale, constrained by land tenure issues, limited financing, and a nascent mortgage market.

Douala and Yaoundé anchor the market. In Douala, demand is linked to economic activity but remains price-sensitive, with the upper-end segment reliant on expatriates and diaspora buyers. In contrast, Yaoundé supports a more stable prime residential market driven by government, diplomatic, and international organisations. Areas such as Bastos attract expatriates and high-net-worth occupiers, supporting demand for villas, gated communities, and high-specification apartments.

While pricing varies widely across both cities, prime values are more consistent in Yaoundé due to institutional demand. Overall, the upper-end market is relatively shallow in Douala

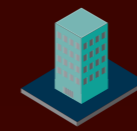
but more established in Yaoundé, with long-term growth dependent on improvements in finance, infrastructure, and formal development.

Industrial sector growth driven by nearshoring and logistics

Douala is Cameroon's primary industrial and logistics hub, anchored by the Port of Douala and key transport corridors, including the N3, although stock is predominantly functional and low specification, with development driven by occupier needs rather than speculative investment.

Infrastructure constraints, particularly limited port capacity and underdeveloped secondary road networks, continue to weigh on operational efficiency. However, there are clear signs of expansion, including ongoing land development in port-adjacent areas and proposals for large-scale industrial zones such as Dibamba.

Looking ahead, growth is expected to remain closely linked to trade volumes and infrastructure investment, with the delivery of higher-quality logistics assets contingent on improvements in planning frameworks and access to financing.



Office

Supply of true Grade A space remains limited, supporting relatively low vacancy rates and lease terms of 3 to 5 years



Retail

Prime rents have softened from US\$ 44.5 psm per month to US\$ 26.7 psm per month in some schemes



Industrial

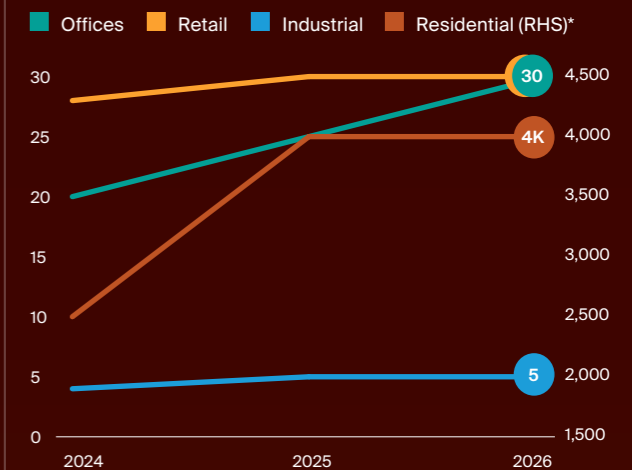
There is evidence of expansion, including land development near the port and proposed large-scale industrial zones such as Dibamba



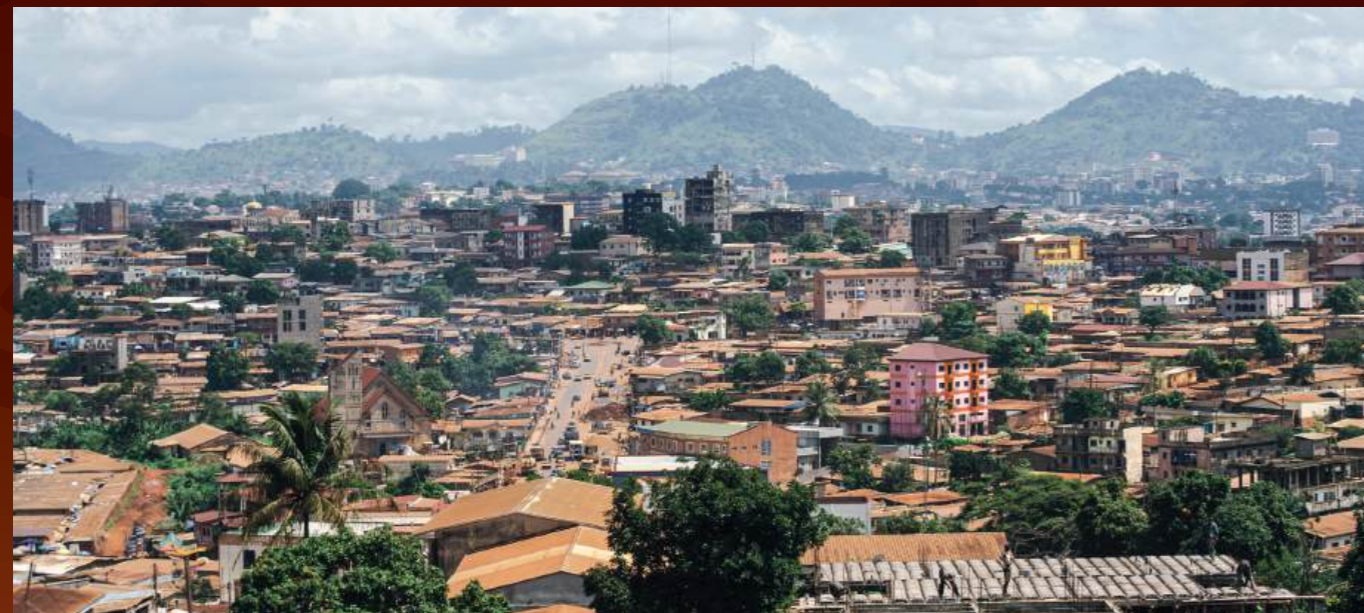
Residential

Cameroon's residential market is characterised by structural undersupply, with a national housing deficit of 1.8+ million units driving continued demand

Monthly rent (US\$ psm)



The residential row is in dollars per unit per month. All the remaining sectors are in dollars/psm. *Average monthly prime lease rates for 3–4-bedroom properties (US\$).



10% OFFICE

9% RETAIL

2026 Yields (%)

10% INDUSTRIAL

Source: Knight Frank, EMC



Abidjan's real estate sector continues to expand, supported by sustained economic growth and improving investor confidence. Côte d'Ivoire remains one of the fastest-growing economies in West Africa, and this macroeconomic momentum is translating into increased demand across the office, residential, retail, and industrial property sectors. However, the supply of modern, internationally compliant properties remains limited across most segments.

Increased demand for modern offices

Abidjan's office market has evolved significantly over the past decade. Years of political instability led to very limited commercial development, leaving a large share of the city's office stock ageing and often unsuitable for international occupiers. Many older buildings lack modern building management systems, energy-efficient infrastructure, and the safety standards typically required by multinational tenants.

Plateau remains Abidjan's primary financial district and continues to host the majority of banks, financial institutions, and professional services firms. However, corporate occupiers are increasingly relocating to newer developments in Cocody and Marcory's Zone 4, where higher-quality office buildings are becoming available. This shift reflects a gradual decentralisation of the office market as occupiers prioritise modern building specifications, improved parking, and better access to residential areas.

Development activity remains relatively measured, and the pipeline of large-scale projects is limited. As a result, supply constraints continue to support relatively high rental levels. Prime Grade A office rents currently average approximately XOF 20,000 (US\$ 35) psm per month. The highest-quality buildings achieve approximately XOF 22,000 (US\$ 38) psm per month.

Well-maintained Grade B office space capable of accommodating international tenants typically achieves XOF 12,000–14,000 (US\$ 21–25) psm per month.

Recent developments highlighting improvements in office quality include Le 24 in Plateau, Ivoire Trade Centre, and Orange Côte d'Ivoire's headquarters in Riviera I. In addition, the proposed Tour F development in Plateau is expected to become the tallest building in the country and will provide additional government office accommodation once completed.

Consumer growth supporting modern retail expansion

Abidjan's retail sector continues to develop steadily as household incomes increase and the city's middle class expands. Modern shopping centres now coexist with established neighbourhood retail clusters.

As elsewhere on the continent, convenience-led retail formats are becoming increasingly prominent as consumers prioritise accessibility and proximity to residential areas.

Prime retail rents in well-performing shopping centres currently range between XOF 20,000 and XOF 30,000 (US\$ 35–53) psm per month, depending on location, tenant mix, and footfall levels. Average prime retail rents currently stand at approximately US\$ 44 psm per month, increasing from US\$ 40 psm in 2024, reflecting improved tenant demand and gradual expansion of the formal retail sector.

While international retailer expansion has slowed in recent years due to global economic uncertainty, domestic brands remain active and continue to underpin demand for space. Supermarkets, fashion retailers, and household goods operators represent the most common tenants within modern retail schemes.

Strong demand for high-end residential property

Demand for high-end residential property remains strong, driven by expatriate executives, diplomatic missions, international organisations, and affluent local households.

Côte d'Ivoire's relatively high concentration of wealthy individuals, coupled with ongoing investment from the Ivorian diaspora, continue to support the prime residential segment.

While mid-market housing is widely available in districts north of Plateau and across the Riviera corridor, internationally comparable residential developments remain limited. As a result, well-designed schemes in prime locations typically sell or lease rapidly upon completion.

Prime residential rents currently range from XOF 2,000,000 to XOF 3,000,000 (US\$ 3,500–5,200) per month, with villas typically at the upper end of this range. This represents a significant increase from approximately US\$ 3,500 per month recorded in 2024, reflecting a persistent demand from the expatriate households. Land values remain highest in Plateau, followed by Cocody Ambassades and Riviera Golf / Beverly Hills, which continue to attract luxury residential development.

Several recent projects highlight the strong demand for high-quality residential products. Résidences Chocolat and Les Flamboyants in Riviera Golf have already sold out, underscoring the limited supply of modern residential developments. The most notable upcoming luxury scheme is Teyliom's Waterfront development at Sol Béni. Phase 1 apartments are currently marketed at approximately XOF 2,000,000 (US\$ 3,500) per month, while sale prices on Phase 2 villas are expected to start at approximately XOF 1,000,000,000 (US\$ 1.75 million).



Office

Corporate occupiers are increasingly relocating to newer developments in Cocody and Marcory's Zone 4



Retail

Domestic brands remain active



Industrial

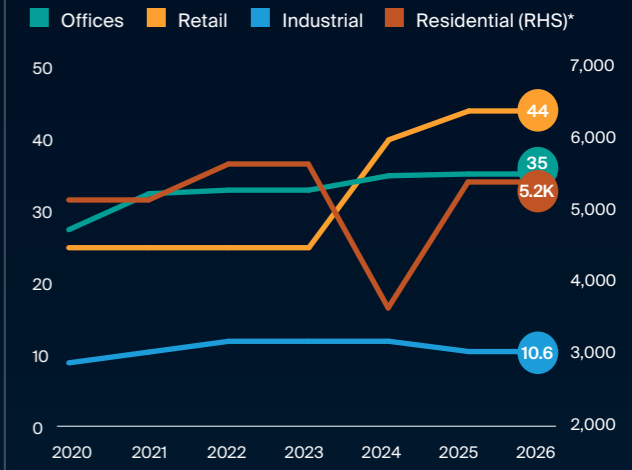
The most prominent emerging industrial cluster is PK24



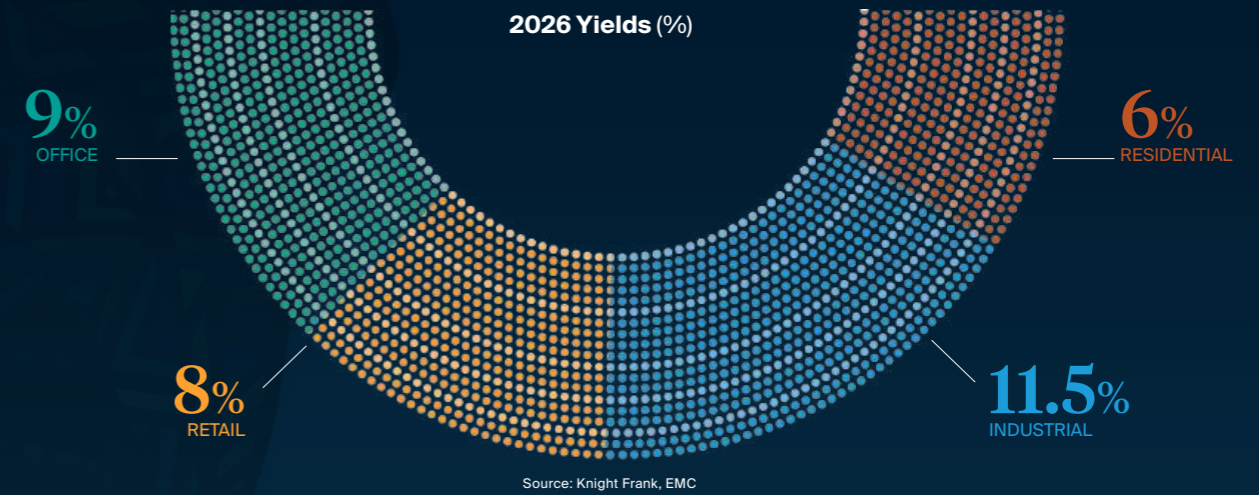
Residential

The most notable upcoming luxury scheme is Teyliom's Waterfront development at Sol Béni

Monthly rent (US\$ psm)



The residential row is in dollars per unit per month. All the remaining sectors are in dollars/psm. *Average monthly prime lease rates for 4 bedroom homes (US\$).



Source: Knight Frank, EMC

Industrial relocation from inner-city zones

Industrial and logistics property remains one of the fastest-growing segments of Abidjan's real estate market. Government policy increasingly focuses on relocating industrial activity away from established inner-city zones such as Vridi, Koumassi, and Yopougon towards newly developed industrial corridors on the metropolitan area's outskirts.

The most prominent emerging industrial cluster is PK24, located approximately 24 km north of Abidjan along the Autoroute du Nord. The area has experienced rapid growth over the past decade as logistics operators and agro-processing companies expand capacity. This expansion is closely linked to Côte d'Ivoire's major export industries, including cocoa, rubber, cashew nuts, and mineral processing.

Future connectivity improvements are expected through the planned Y4 ring road, which will strengthen transport links between PK24 and the Port of Abidjan, the region's largest container port. The most significant project within this corridor is the Plateforme Économique Industrielle d'Abidjan (PEIA), a 450-hectare Special Economic Zone developed through a public-private partnership between the government and Arise IIP.



DEMOCRATIC REPUBLIC OF CONGO



Despite persistent macroeconomic volatility, Kinshasa's real estate market remains resilient, underpinned by supply shortages across all major asset classes. It remains a Landlord's market, particularly in the office and residential sectors, where modern stock is limited. Retail is evolving through neighbourhood-scale formats, while the industrial and logistics sector is gradually expanding to meet distribution requirements driven by the DRC's mining-centric economy.

Increased demand for Grade A offices amid constrained supply

Kinshasa's office market remains structurally undersupplied, with demand for Grade A space significantly exceeding available stock. The majority of existing office buildings are ageing and do not meet the specifications required by multinational occupiers. Grade A supply is largely concentrated within Gombe and adjacent districts, where most international organisations, corporates, and diplomatic institutions are located.

Prime office rents currently average approximately US\$ 35 psm per month and continue to increase, positioning Kinshasa among the highest-cost office markets in Central Africa. This aligns with projected rents for the planned UTEX Centre d'Affaires, where significant above ground parking provision is expected to provide a competitive advantage in a market where parking is typically constrained.

New developments continue to attract strong occupier interest, with a significant proportion of recently completed space pre-let before delivery, driven by sustained demand from international tenants. However, the overall development pipeline remains limited due to high construction costs, currency volatility, and constrained access to development finance.

Informal retail dominance

Kinshasa's retail sector remains dominated by informal trade, although the formal retail segment is expanding gradually, supported by urban population growth and a rising middle-income consumer base. Large-format shopping centres remain limited. Established formal retail destinations include Kin Marché, City Market, and Hyper Psaro, which serve as key nodes within the city's organised retail landscape. Consumer behaviour increasingly favours neighbourhood-scale convenience retail, driven by accessibility, affordability, and security considerations.

International retailers remain cautious, primarily due to currency risk, import dependency and supply chain constraints, with domestic operators continuing to anchor most formal retail developments. Prime retail rents typically range from US\$ 25 to US\$ 40 psm per month, depending on location, tenant mix, and footfall.

Undersupplied residential market

Kinshasa's prime residential market remains one of the most undersupplied segments, with demand consistently exceeding available stock. This demand is driven primarily by expatriates, diplomatic missions, mining sector executives, and international NGOs, all of whom require secure, well-managed accommodation with reliable utilities. Supply of such properties is extremely limited, particularly in Gombe, Ngaliema, and parts of Binza, where secure compounds and high-specification developments are concentrated.

Prime two- to three-bedroom apartments typically rent for US\$ 4,000 per month or more, while three- to four-bedroom villas typically command US\$ 8,000 per month, particularly within gated compounds offering security, backup power, and reliable water infrastructure.

Increased demand for modern industrial / logistics facilities

Kinshasa's industrial and logistics sector is closely linked to the Democratic Republic of Congo's position as a leading global producer of cobalt and copper. While primary extraction and processing activities are concentrated in the Katanga region, Kinshasa serves as a critical administrative, distribution, and logistics hub, facilitating the movement of goods to and from Matadi Port.

Industrial stock is predominantly composed of older warehouse facilities, although demand for modern logistics facilities is increasing, driven by FMCG distributors, telecommunications companies, and international logistics operators. New developments are emerging along key transport corridors, particularly the Route de Matadi and N'Djili, where land availability enables larger-scale logistics schemes.

Prime industrial rents typically range between US\$ 6 and US\$ 9 psm per month, depending on accessibility, specification, and infrastructure reliability.

“Kinshasa's prime residential market remains one of the most undersupplied segments.”



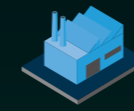
Office

New developments continue to attract strong occupier interest



Retail

Consumer behaviour increasingly favours neighbourhood-scale convenience retail



Industrial

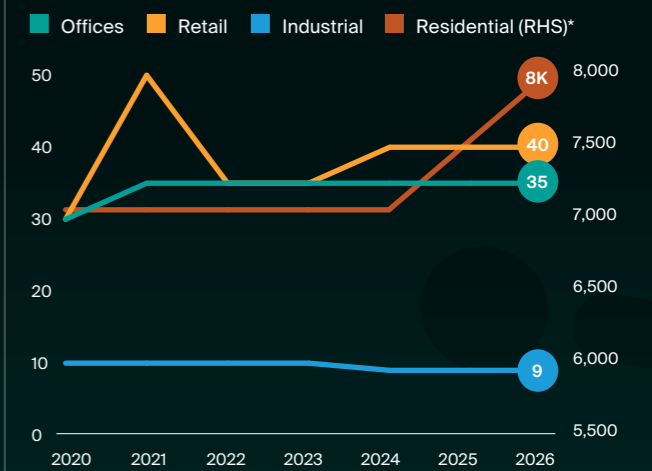
Demand for modern logistics facilities is increasing, driven by FMCG distributors, telecommunications companies, and international logistics operators



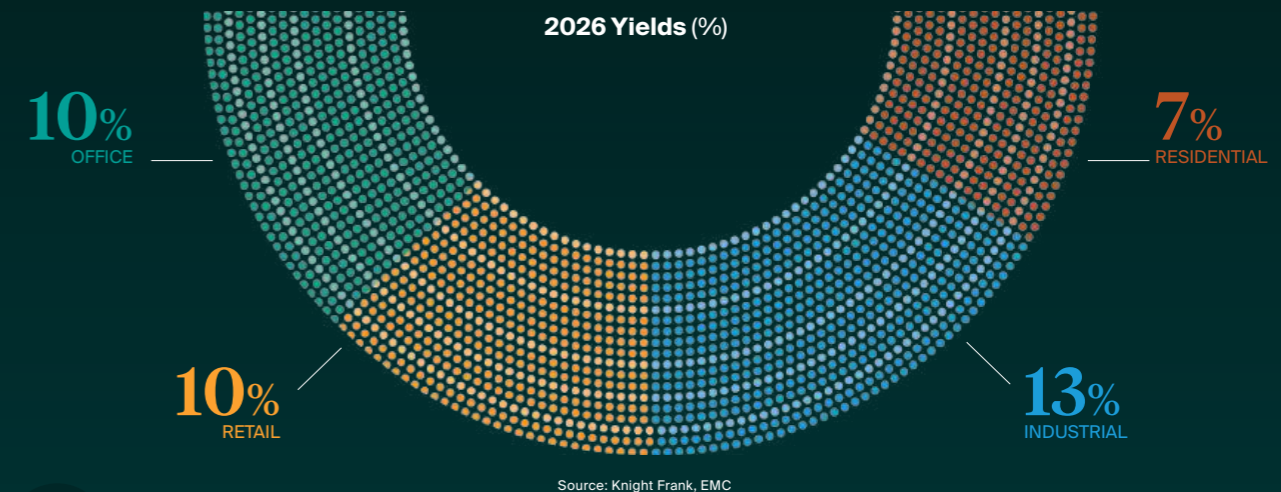
Residential

Demand exceeds the available stock

Monthly rent (US\$ psm)



The residential row is in dollars per unit per month. All the remaining sectors are in dollars/psm. *Average monthly prime lease rates for 4 bedroom homes (US\$).



Source: Knight Frank, EMC





LISTEN TO OUR EXPERTS

Cairo's real estate market is undergoing rapid expansion, underpinned by strong domestic and international demand, large-scale master-planned developments, and sustained inflows of regional capital.

Resilient office market

Cairo's office market is entering one of the most significant expansion phases on record. Total office stock currently stands at approximately 1.0 million sqm, with an additional 818,000 sqm scheduled for delivery by 2029. This represents an 82% increase in total supply, fundamentally reshaping the city's commercial real estate landscape. This expansion reflects Cairo's growing role as a regional business hub, particularly for multinational firms, technology companies, and regional headquarters for companies operating in North Africa.

New Cairo dominates the office market, accounting for approximately 73% of both existing and pipeline stock. The submarket commands the highest capital values, with average sale prices reaching EGP 274,000 (US\$ 5,650) psm, while premium developments achieve up to EGP 466,000 (US\$ 9,600) psm as of H1 2025. In contrast, El Sheikh Zayed provides a more cost-competitive alternative, with average sale prices of approximately EGP 229,000 (US\$ 4,700) psm, attracting occupiers seeking value while maintaining access to high-quality space.

Residential expansion driven by international demand

Greater Cairo's residential market continues to exhibit strong growth across both supply and pricing. Approximately 30,830 residential units were forecast for delivery in 2025, a 29% increase from the 24,000 units delivered in 2024. In total, approximately 244,000 units are currently available for sale across 155 active developments, highlighting the scale of ongoing residential expansion.

Pricing remains highly differentiated by submarket:

- New Zayed records average prices of EGP 102,000 (US\$ 2,100) psm
- New Cairo averages EGP 85,150 (US\$ 1,750) psm
- Villas in New Cairo achieve approximately EGP 159,000 (US\$ 3,270) psm

Capital value growth remains robust. In El Sheikh Zayed, residential prices have increased by 24.7% since January 2024, reaching approximately US\$ 1,964 psm, reflecting sustained demand for well-located suburban developments. Developer-led financing continues to play a critical role in sustaining demand. Average down payments stand at approximately 7.2%, whilst instalment periods have extended to 8.5 years as of Q2 2025, compared to 7.7 years in Q1 2025 and 6 years in 2024.

Looking ahead, the development pipeline indicates a pronounced short-term supply gap. Only 8 projects per annum are expected to be completed in 2026 and 2027, compared with 104 projects scheduled for delivery in 2028 and 2029. This near-term constraint, combined with sustained demand, is expected to support continued price growth over the medium term.

International demand remains a key driver. Our survey of 264 high-net-worth individuals (HNWIs) across Saudi Arabia, the UAE, Germany, the UK, and the US identified approximately US\$ 1.4 bn in private capital targeting Egypt's residential sector, with the New Administrative Capital emerging as the primary investment destination. Approximately 50% of buyers indicated intentions to acquire second homes or holiday properties. Egypt's holiday homes market was forecasted to generate approximately US\$ 1.09 bn in revenue by the end of 2025, with projected annual growth of approximately 7% through to 2030.

Lifestyle and experiential retail on the rise

Egypt's retail sector continues to evolve towards lifestyle and experience-led formats, aligning with broader regional and global retail trends. In Cairo, lifestyle destinations increasingly integrate retail, dining, entertainment, and public realm elements, positioning themselves as mixed-use social hubs rather than purely transactional shopping environments. These schemes form a central component of many large-scale master-planned developments and giga-projects.

Cairo's lifestyle retail market currently comprises approximately 2.6 million sqm of gross leasable area across 82 developments, with an additional 183,730 sqm delivered in 2025.

Tenant composition reflects a diversified retail ecosystem:

- Line stores account for 56% of total units
- Food and beverage (F&B) operators represent 28%
- Convenience retail accounts for 17%

In contrast, Egypt's North Coast retail market is more heavily skewed towards high-end and leisure-oriented formats, with F&B outlets accounting for approximately 78% of total units, reflecting its positioning as a seasonal, tourism-driven destination.

Supply-constrained industrial sector

Cairo's industrial and logistics sector remains one of the city's most supply-constrained real estate asset classes, driven by e-commerce expansion, pharmaceutical manufacturing, and multinational supply chain consolidation.

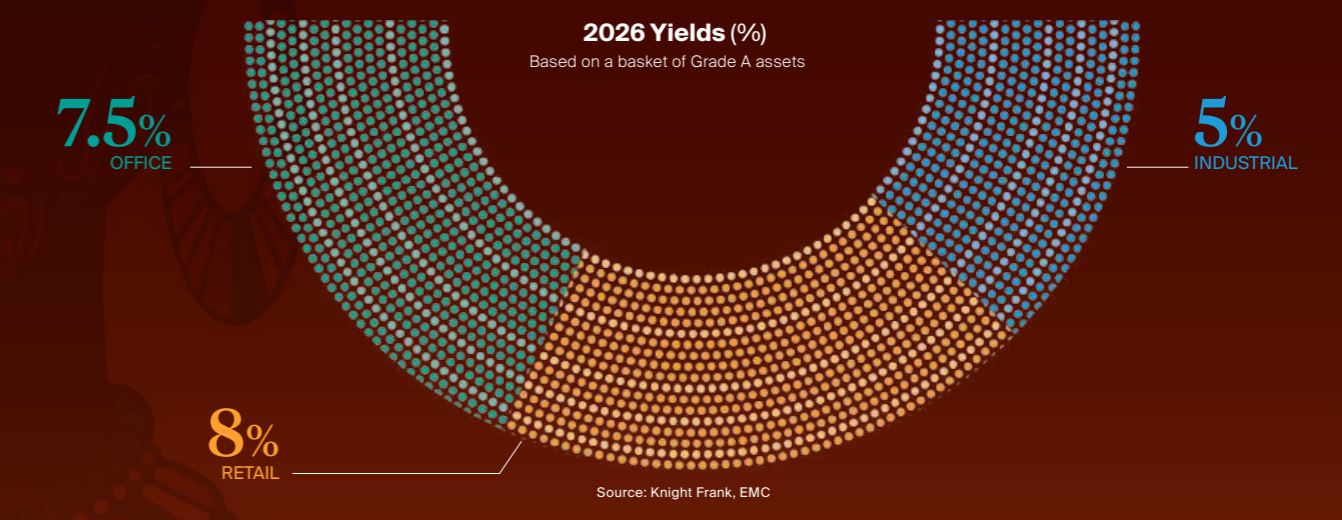
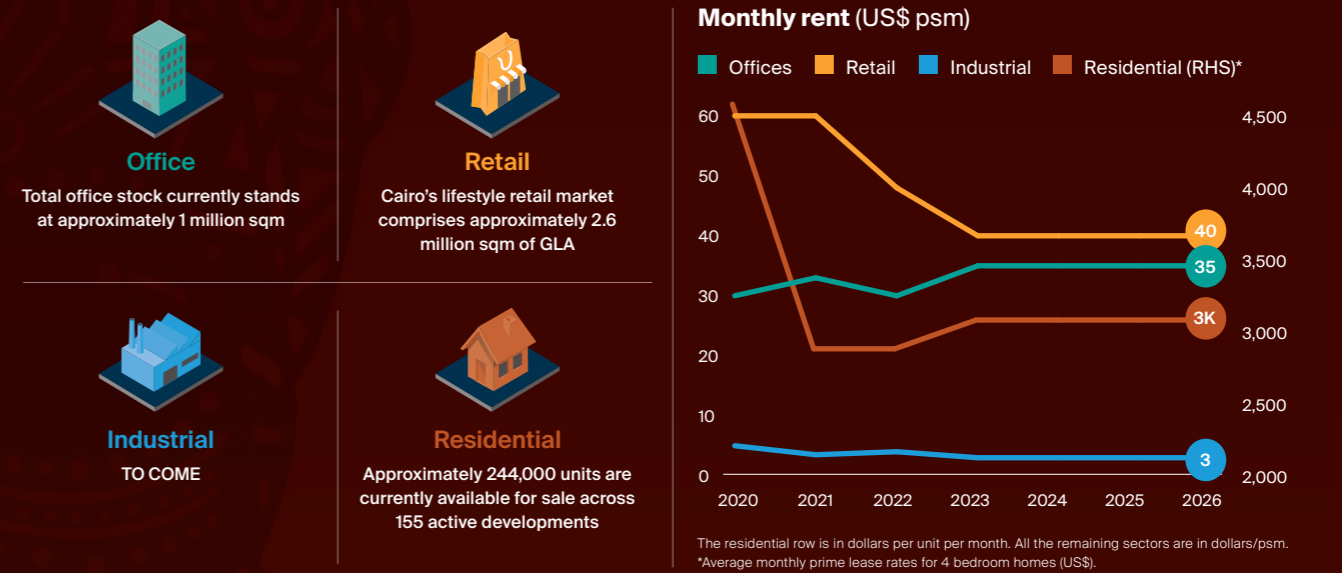
Occupancy in 6th of October City reached approximately 95% at the end of 2025, supported by a US\$120 million investment in a pharmaceutical hub. This underscores the persistent imbalance between strong demand for modern facilities and a fragmented legacy supply base.

Greater Cairo's industrial landscape is anchored by three primary clusters: 6th of October City to the west, and 10th of Ramadan City and Obour City to the east.

Industrial land values reflect their differing market positions, with 6th of October City averaging EGP 10,000 (US\$ 193)

psm and 10th of Ramadan City trading at approximately EGP 11,000 (US\$ 212) psm. The pricing differential reflects proximity to Cairo's urban core, infrastructure maturity, and the quality of the tenant mix.

The government's focus on special economic zones and transport infrastructure upgrades continues to reinforce the sector's investment case. In the near term, opportunities for both occupiers and investors are concentrated in the widening gap between existing stock quality and evolving occupier requirements.





Large-scale urban transformation projects are reshaping Addis Ababa’s built environment. The Addis Ababa Corridor Development Project has significantly improved mobility, connectivity, and urban accessibility.

Constrained supply of Grade A spaces

Addis Ababa’s office market remains undersupplied, particularly in the Grade A segment, with limited availability of internationally compliant office space. Developments such as the NOC Building on Bole Road continue to set the benchmark for prime office rents. The recent expansion of the scheme, including additional office and parking capacity, reinforces its position as a premier business address, anchored by tenants such as NOC and the World Bank.

Emerging developments, including Minaye Office Park in Bole, are gaining traction among international occupiers such as Mastercard and GIZ, indicating a gradual diversification of the tenant base. However, government-related entities remain dominant occupiers, with schemes such as Alfish Tower fully leased to state-owned enterprises.

Despite improving business sentiment, transaction volumes remain relatively limited, with rental performance primarily supported by constrained supply rather than demand expansion.

Gradual formalisation of the retail sector

Ethiopia’s retail sector continues to evolve from a low base, with modern retail supply largely concentrated in Addis Ababa. The entry and expansion of international operators are beginning to reshape the formal retail landscape. The partnership between Carrefour and Midroc is expected to modernise the supermarket segment, while large-scale mixed-use developments such as Mahmadya Village are introducing integrated retail and residential concepts.

Similarly, La Gare by Eagle Hills, with its second phase scheduled for completion in 2026, is set to deliver one of the city’s first international-standard shopping malls, marking a significant milestone in retail market development.

Despite these advancements, the sector remains constrained by subdued consumer purchasing power and

the continued dominance of informal retail channels, resulting in cautious expansion strategies among occupiers.

Expatriate demand sustains prime residential market

Addis Ababa’s prime residential market continues to be supported by demand from expatriates, diplomats, and international organisations, particularly in established locations such as Bole and surrounding districts. While large-scale residential developments are emerging as part of mixed-use schemes, the supply of high-quality, internationally compliant housing remains limited, sustaining rental levels in the prime segment. Prime residential rents for high-end villas average approximately US\$ 4,000 per month, reflecting strong demand for secure, well-managed properties.

However, broader market expansion remains constrained by affordability challenges among domestic households and elevated construction costs, resulting in a more gradual pace of development activity.

Government-Led initiatives support the industrial sector

Ethiopia’s industrial and logistics sector remains largely government-driven, with continued investment in industrial parks and free trade zones aimed at strengthening the country’s manufacturing capacity and export performance. These developments have attracted international occupiers, particularly export-oriented manufacturers from Asia. However, several schemes continue to face leasing challenges, highlighting ongoing constraints stemming from infrastructure gaps, logistics inefficiencies, and evolving market dynamics.

Government policy remains focused on import substitution and local industrial development, which is expected to support long-term sector growth. Sustained performance will depend on continued macroeconomic reform, infrastructure improvements, and strengthening domestic demand.



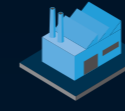
Office

Emerging developments, including Minaye Office Park in Bole, are gaining traction among international occupiers such as Mastercard and GIZ.



Retail

The retail sector is evolving from a low base, with modern retail supply largely concentrated in Addis Ababa.



Industrial

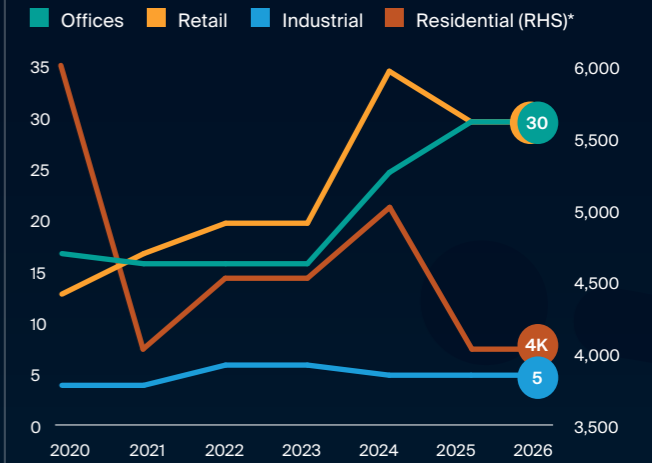
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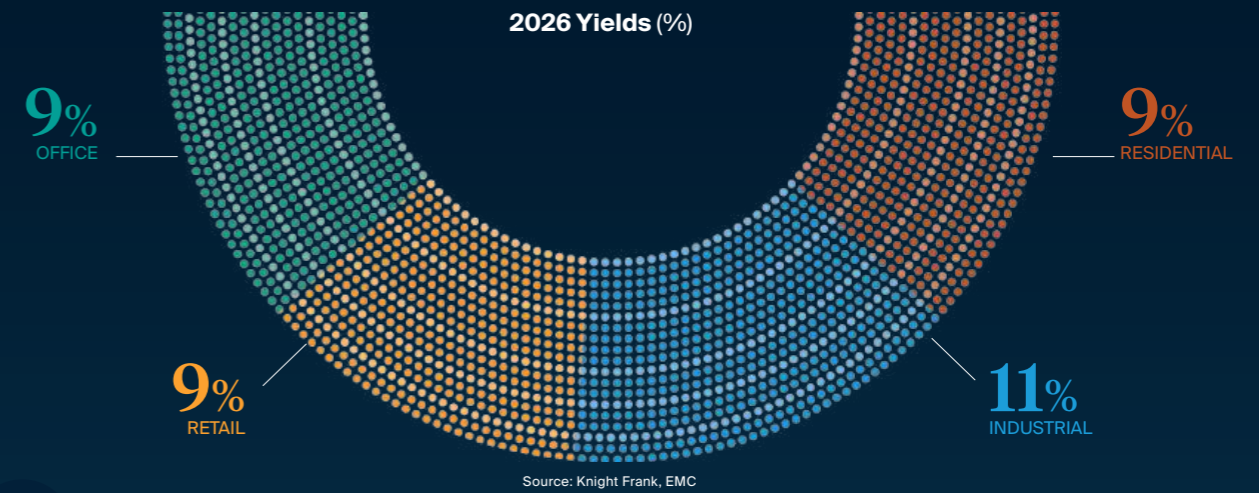
Residential

Prime residential rents for high-end villas average approximately US\$ 4,000 per month.

Monthly rent (US\$ psm)



The residential row is in dollars per unit per month. All the remaining sectors are in dollars/psm. *Average monthly prime lease rates for high-end villas (US\$).



“Emerging developments, including Minaye Office Park in Bole, are gaining traction among international occupiers such as Mastercard and GIZ, indicating a gradual diversification of the tenant base. However, government-related entities remain dominant occupiers, with schemes such as Alfish Tower fully leased to state-owned enterprises.”





LISTEN TO OUR EXPERTS

Accra remains one of West Africa's most politically stable commercial hubs, with sustained residential demand from both domestic and diaspora investors. While commercial property has faced recent headwinds, the office and retail sectors are recording a gradual recovery, aligned with improving economic conditions.

Grade A Office demand drives recovery

In Accra, demand is increasingly concentrated in Grade A space, which commands monthly rents of US\$ 25–30 psm. Total Grade A office stock stands at approximately 145,000 sqm, with demand focused in key business districts including Airport City, Airport Residential, Cantonments, Labone, and Ridge. Occupier demand is driven by multinational corporations, development finance institutions, and technology firms, reinforcing Accra's role as a regional business hub.

High office vacancy levels in recent years, combined with stronger returns in the residential sector, have constrained new office development. However, vacancy rates are now contracting, with landlords reducing leasing incentives previously required to secure tenants.

Elsewhere, secondary and older office stock continues to record elevated vacancy, as occupiers either consolidate into modern, well-specified buildings or shift into lower-cost converted residential units.

Co-working operators such as AfricaWorks, Buro, and HQ are gradually expanding, reflecting growing demand from start-ups and firms adopting hybrid working models.

Improving consumer activity supporting the retail market

Accra's formal retail sector is transitioning towards recovery following a period defined by currency volatility, e-commerce expansion, and the exit of international retailers, including Game and Nike. During 2025, the Ghanaian cedi strengthened relative to 2024 levels, contributing to improved consumer confidence and retail trading conditions.

“Government-led tourism initiatives, particularly the Black Star Experience programme, are driving increased visitor numbers and supporting retail spending in key urban corridors. The Oxford Street district in Osu remains one of the most active high-street retail locations, attracting both domestic and international retailers.”

Established retail centres such as Accra Mall, West Hills Mall, and Junction Shopping Centre record declining vacancy rates, supported by stable footfall and a diversified tenant mix. Prime retail rents in leading centres are increasing, supported by demand from Accra's expanding middle class.

Government-led tourism initiatives, particularly the Black Star Experience programme, are driving increased visitor numbers and supporting retail spending in key urban corridors. The Oxford Street district in Osu remains one of the most active high-street retail locations, attracting both domestic and international retailers.

Prime residential market driven by diaspora and expatriate demand

The residential market continues to attract strong investment from high-net-worth domestic buyers and the diaspora, reinforcing its position as a key residential investment destination. Development activity is concentrated in East Legon, Airport Residential Area, Labone, Tse Addo, and Cantonments, which cater to both expatriates and the growing middle class.

Demand is strongest for townhouses, one-bedroom units, and studio apartments, reflecting both affordability considerations and investor appetite for short-let and rental income-generating assets. Developers continue to pre-sell units at discounted rates, targeting investors seeking rental or short-term letting opportunities. The short-let market is expanding rapidly, supported by tourism, diaspora inflows, and business travel.

Prime residential rents for three- to four-bedroom properties average US\$ 3,000 to US\$ 4,500 per month.

Prime residential yields remain highly attractive at 8%–11%, averaging approximately 9.0%, reflecting a structural undersupply of quality housing.

Ghana faces a housing deficit exceeding 2 million units, with shortages most acute in the affordable and mid-market segments. Affordability constraints persist, driven by high construction costs and limited access to mortgage finance.

Industrial sector supported by free zone expansion and logistics investment

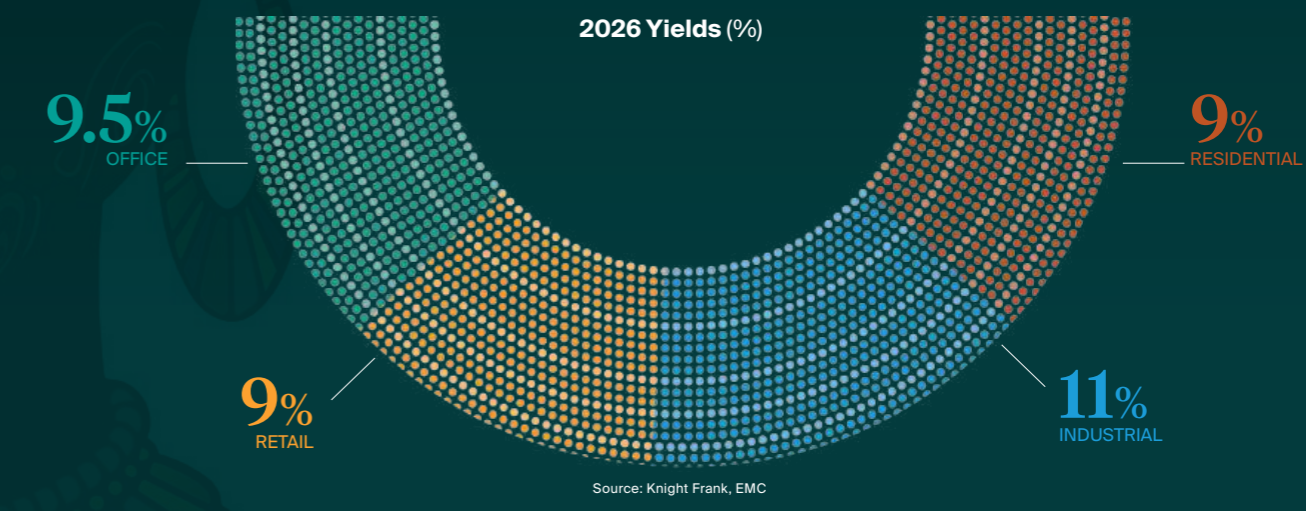
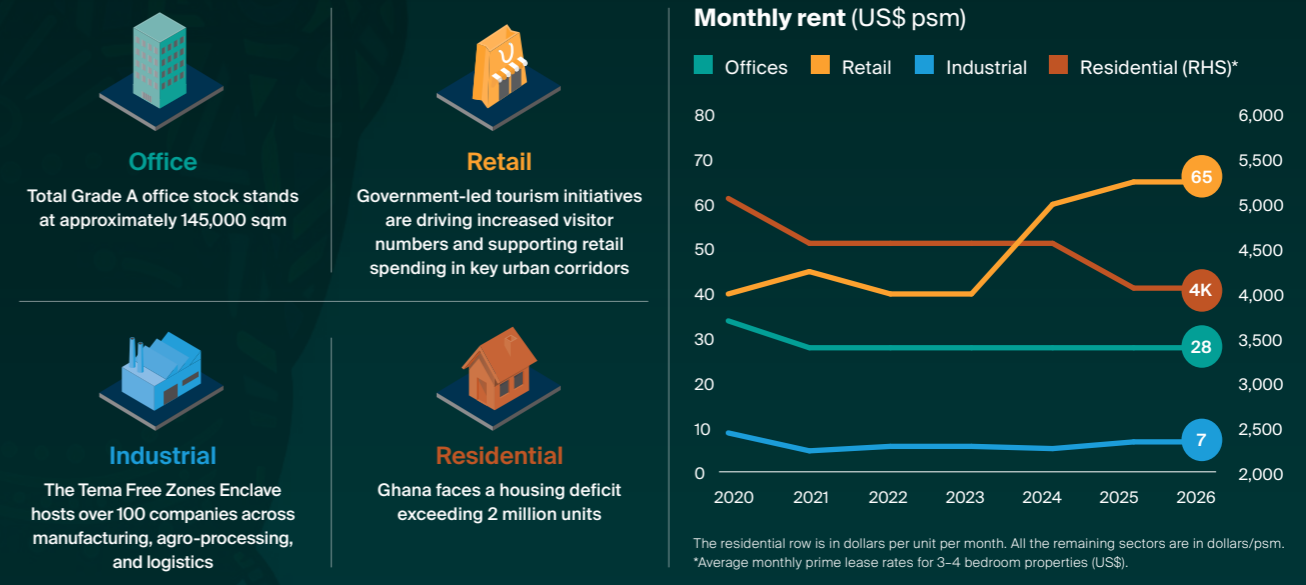
The industrial and logistics sector is gaining traction, supported by free zone expansion and logistics investment, with key hubs including the Tema Export Processing Zone and the emerging Dawa Industrial Zone, located

approximately 40 km east of Accra. The Tema Free Zones Enclave, developed by LMI Holdings, hosts over 100 companies across manufacturing, agro-processing, and logistics. A notable development is the IFC-backed 150 MW solar project serving the Tema and Dawa zones, which improves energy reliability and reduces operational costs, historically a key constraint for industrial occupiers.

Additional activity is observed in the Sekondi Export Processing Zone in Takoradi, supported by downstream oil and gas investment. The proposed Special Economic

Zones Bill is expected to further strengthen the regulatory framework and enhance investor incentives.

Ghana's role as West Africa's principal gateway to landlocked markets in the north continues to underpin long-term demand for logistics and warehousing space. However, abundant land availability, geopolitical risks, and broader economic stagnation have kept prices largely stable. While macroeconomic conditions have recently improved, these gains have yet to translate into meaningful momentum within the wider industrial and logistics sector.





Success in the upcoming period will favour developers and investors who deliver quality, flexibility, and specialization, whether through prime office spaces with robust ESG credentials, community-focused retail, integrated residential developments, or logistics-oriented industrial assets.

Flight to quality supports prime office occupancy

The dominant theme in the office market remains a decisive “flight to quality.” Prime occupancy rates in Nairobi have climbed to 80% as of 2025, reflecting sustained tenant uptake of high-grade developments completed in recent periods. Monthly rents for prime office space have stabilized at US\$ 13 psm, indicating a market finding equilibrium between improved demand and available stock.

A substantial development pipeline, estimated at 2.5 million sq. ft. (approximately 232,300 sqm), is due to come onto the market in 2027 and 2028, reflecting sustained developer confidence in the long-term prospects for prime office space. As new supply remains two years away, tenant leverage is expected to persist, placing older secondary stock under increasing pressure to either be refurbished or repurposed.

The most dynamic trend in this market is the accelerated growth of flexible workspaces, as occupiers increasingly prioritize agility, cost efficiency, and curated work environments.

Yields for prime office assets have held steady in the 8-9% range, aligning with regional benchmarks and reinforcing institutional investor confidence in high-quality commercial real estate.

Neighbourhood malls expand as e-commerce booms

The retail market is being reshaped by continued expansion from major chains, even as consumer spending power faces

constraints. Supermarket giants continue to lead demand for new space, with development activity concentrated on functional, community-centred neighbourhood malls anchored by these key tenants.

Elsewhere, the pervasive influence of digital commerce, with near-universal smartphone penetration, is forcing deeper integration of physical and digital strategies, as retailers prioritize locations that support last-mile delivery and click-and-collect services.

The era of speculative large mall development has given way to a model where retailer expansion plans directly shape new supply, favouring well-located, value-centric destinations.

Resilient residential market

In the residential market, prime sales and rentals continue to demonstrate resilience despite the broader market slowdown. The prime sales price index recorded a 6.17% growth over the 12 months to December 2025, while prime rentals posted a 4.05% growth over the same period, underscoring sustained demand from high-net-worth individuals, expatriates, and diaspora buyers for quality properties in secure, well-serviced locations.

A significant correction in new building approvals reflects a strategic developer focus on completing existing projects rather than launching speculative new stock.

The most transformative trend is the pivot towards large-scale, integrated communities within Special Economic Zones (SEZs), where master-planned environments offering



Office

Prime occupancy rates in Nairobi have climbed to 80.3% as of 2025



Retail

Supermarket giants continue to lead demand for new space



Industrial

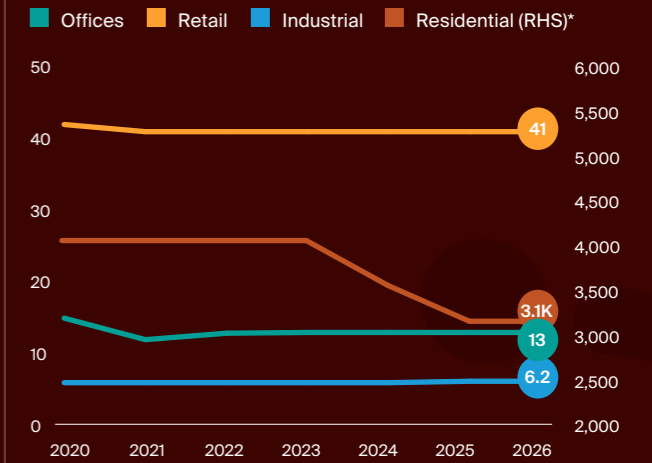
Demand is shifting towards specialised, build-to-suit facilities within SEZs and along key logistics corridors



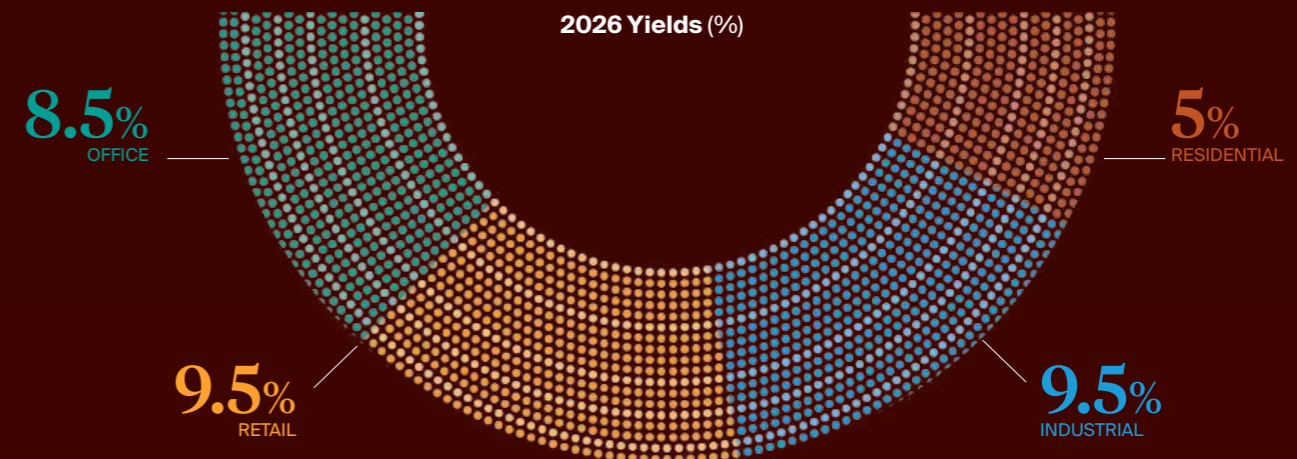
Residential

The prime sales price index recorded a 6.17% growth over the 12 months to December 2025

Monthly rent (US\$ psm)



The residential row is in dollars per unit per month. All the remaining sectors are in dollars/psm. *Average monthly prime lease rates for 4-bedroom homes (US\$).



Source: Knight Frank, EMC

planning certainty, infrastructure, and lifestyle amenities are capturing the lion's share of investment and buyer interest.

SEZs are the epicentres of industrial growth

The industrial market is evolving from a story of potential to tangible, project-led expansion. Policy execution, combined with massive private investment, has positioned Special Economic Zones as the epicentres of growth,

attracting substantial commitments for manufacturing plants in high-growth sectors such as electric vehicles, solar technology, and logistics. Demand is increasingly shifting towards specialised, build-to-suit facilities within SEZs and along key logistics corridors, with prime serviced land becoming scarce. This momentum is driving interest from institutional investors seeking exposure to resilient, income-generating industrial assets.

ASSET CLASS TO WATCH:

Complementing these sectoral trends, capital markets are undergoing a pivotal evolution aimed at deepening liquidity and broadening investment participation. The Real Estate Investment Trust (REIT) segment is poised for renewed activity, with the proposed Centum dollar-denominated I-REIT representing a strategic innovation to attract foreign currency investors and provide a hedge against local currency volatility. Additionally, Africa Logistics Properties (ALP) has received regulatory approval for its Industrial REIT, targeting institutional capital for the high-growth logistics sector. The successful launch and performance of these vehicles will serve as critical litmus tests of investor appetite for well-structured, specialised real estate vehicles, potentially paving the way for further listings and enhanced secondary-market liquidity.

“Kenya’s tourism sector delivered a record-breaking performance in 2025, welcoming approximately 7.9 million visitors across both domestic and international segments, with international arrivals rising by 9% to reach 2.7 million. This growth underscores a broader structural shift within the hospitality market. Today, the country’s hotels and wider hospitality sector are no longer defined solely by room inventory constraints or seasonal demand cycles, but increasingly by the quality of guest experience, the strategic positioning of assets, creating opportunities for long-term investment value.”

Mark Dunford, CEO, Knight Frank Kenya



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Malawi's real estate market continues to operate within a constrained macroeconomic environment characterised by elevated inflation, sustained currency depreciation, and limited access to foreign exchange. These factors are directly influencing pricing dynamics, with landlords across all sectors adjusting rents upwards to preserve real returns and hedge against currency risk.

Increased appetite for smaller offices

The office sector is currently undergoing a period of adjustment, driven primarily by reduced demand from NGOs and corporate occupiers. Several NGO tenants are scaling down operations, consolidating into smaller premises, or exiting the market altogether following changes in donor funding structures. In parallel, corporate occupiers are increasingly prioritising cost efficiency, leading to a shift towards smaller, more affordable office accommodation.

This shift in occupier preferences is contributing to elevated vacancy rates, currently averaging between 15% and 25%, particularly in larger-format office buildings in Lilongwe. In contrast, stronger performance continues to be observed in well-located, modern developments that offer essential amenities such as adequate parking, robust security, and reliable backup utilities.

Prime office rents are typically observed within the range of US\$ 6 to US\$ 12 psm per month, depending on specification and location. Rental performance remains broadly stable in nominal terms, although inflationary adjustments largely drive real rental growth.

Looking ahead, the development pipeline is concentrated within Lilongwe City Centre, where projects such as Reserve Bank Pension Fund House and Fortune Plaza are scheduled for completion in 2026. These schemes are expected to introduce modern Grade A space into the market, improving overall stock quality while increasing competitive pressure on existing buildings.

Neighbourhood and convenience retail on the rise

The retail sector remains relatively stable, underpinned by consistent demand for essential goods and services. Prime

retail rents are typically in the range of US\$ 6 to US\$ 12 psm per month, depending on centre performance, tenant mix, and location.

Occupancy levels in established retail centres remain strong, generally ranging between 85% and 95%, supported by long-term lease structures and stable tenant demand, particularly from supermarkets, pharmacies, and essential service providers.

A notable trend is the continued growth of neighbourhood and convenience retail formats, particularly within residential areas of Lilongwe. This reflects a shift in consumer behaviour towards proximity-based retail, driven by transport costs and income constraints.

Blantyre remains Malawi's primary retail hub, although Lilongwe continues to experience a gradual expansion in formal retail supply.

The industrial sector is the best-performing asset class

The industrial and logistics sector remains the strongest-performing segment of Malawi's real estate market. Demand for warehousing and distribution space remains robust, driven by import-dependent trade flows, FMCG distribution, and logistics requirements. However, the availability of modern, serviced industrial stock remains limited, particularly in well-located areas with adequate infrastructure.

Prime industrial rents currently range between US\$ 4 and US\$ 7 psm per month, depending on specification and location. Occupancy rates remain high, typically between 85% and 95%, reflecting tight supply conditions and sustained occupier demand.

Prime industrial yields range from 9.5% to 11%, positioning the sector as the most attractive from an income

perspective. The combination of limited supply and stable demand continues to underpin rental resilience and long-term performance.

Residential-to-office conversions supporting rental growth

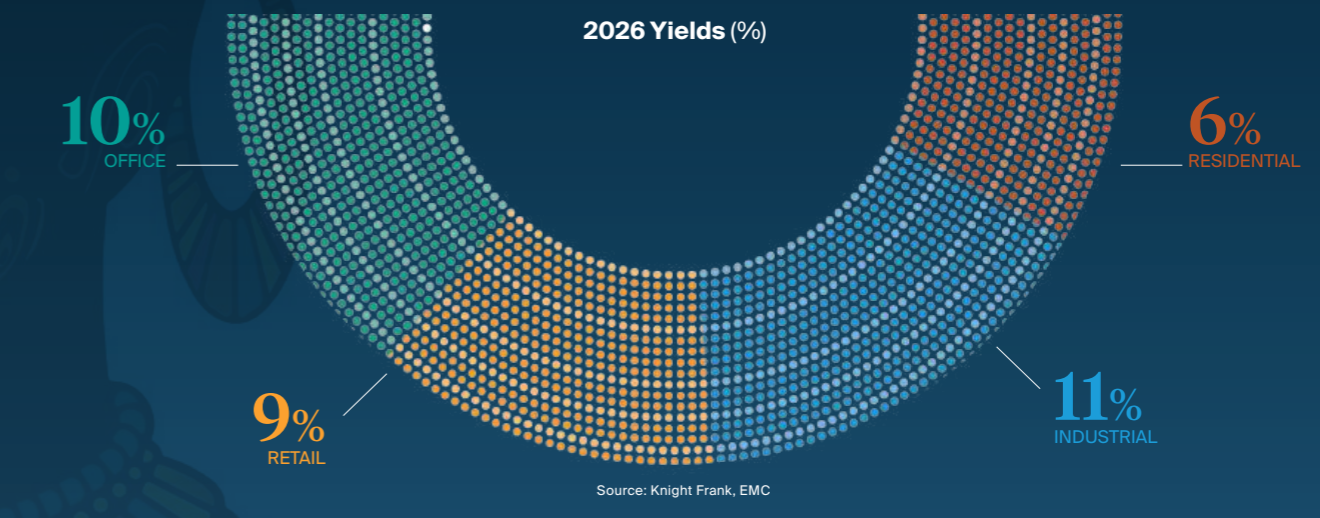
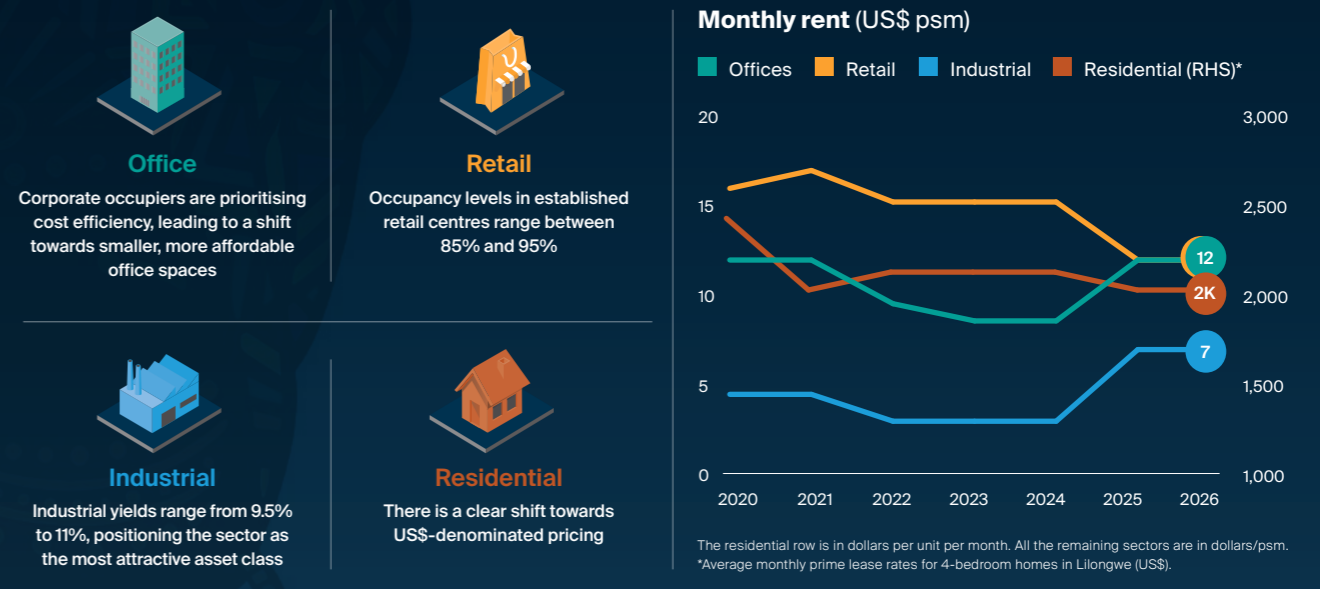
The residential sector remains resilient, supported by both local and expatriate demand, particularly in low-density areas and locations close to central business districts.

Rental growth over the review period is estimated at approximately 25%, largely driven by inflationary pressures

and currency depreciation, rather than purely demand-led increases. Prime residential yields remain constant, ranging between 3.5% and 6%.

A notable trend is the conversion of residential properties into office use, particularly in CBD-adjacent locations. This supports both rental levels and capital values in these areas whilst simultaneously reducing available residential stock.

In the sales market, there is a clear shift towards US\$-denominated pricing, as developers and vendors seek to protect asset values from exchange rate volatility.



“The Malawi office market is entering a period of adjustment, with a clear differentiation emerging between modern assets and ageing stock. While parts of Lilongwe are experiencing occupancy pressure, well-located Grade A buildings with strong operational resilience continue to attract demand. Blantyre is positioned to benefit from shifting occupier activity and Mzuzu shows promising potential as an emerging market, reflecting growing business interest and investment opportunities.”

Desmond Namangale, Managing Director, Knight Frank Malawi

MAURITIUS



Key drivers such as tourism, financial services, and ICT continue to underpin the GDP, though the island's trade-dependent nature demands greater focus on productivity and global competitiveness. There is an anticipated softening in the residential market, while commercial performance will be shaped by tourism activity, retail consumption, and office demand trends.



Stable demand supports the office market

Prime offices in Mauritius continue to record high occupancy levels, supported by sustained demand from the ICT, Business Process Outsourcing (BPO), and financial services sectors. The country remains an attractive destination due to its strategic location, skilled workforce, and supportive government policies.

As elsewhere on the continent, occupiers show a clear preference for modern, LEED-certified buildings, particularly in established business hubs and "smart cities" such as Ebene and Moka. Meanwhile, the traditional office location of Port Louis continues to attract government-related occupiers. As a result, secondary office stock is experiencing higher vacancy rates and downward pressure on rental rates.

Retail sector benefits from tourism recovery

Mauritius' retail landscape remains buoyant, supported by a combination of international tourism and strong domestic demand for high-quality infrastructure. Backed by steady foreign direct investment and a stable economic outlook (forecasting 3–4% economic growth), investor confidence in the commercial sector remains strong.

The expansion of Smart Cities continues to redefine the retail experience, integrating shopping with premium residential, leisure, and lifestyle offerings, and reinforcing the sector's long-term appeal.

Prime residential market remains resilient

High-end coastal properties in the North and West continue to attract strong interest from international investors seeking lifestyle benefits and rental returns. In contrast, the Central regions are driven more by local owner-occupiers and business-oriented foreign buyers prioritising connectivity and value.

Demand is becoming increasingly binary, with international buyers focusing on assets that demonstrate clear income potential and liquidity. At the same time, the domestic market remains active, despite pressure from rising property prices and relatively stagnant wage growth.

Hospitality sector continues to perform well

The tourism sector remains a key pillar of the Mauritian economy, with total arrivals reaching just under 1.5 million in 2025, an increase of 3.9% compared to 2024 and slightly above pre-pandemic 2019 levels. Tourism earnings are projected to exceed MUR 100 bn.

New Mauritius Hotels Ltd (Beachcomber Resorts & Hotels) reported strong financial performance for the year ending June 30, 2025, with revenue increasing by 9.6% year-on-year, driven by robust tourism demand. The company also recorded a 12% increase in revenue in the first half of the 2026 financial year, reinforcing a positive outlook for the sector.

“Demand is becoming increasingly binary, with international buyers focusing on assets that demonstrate clear income potential and liquidity. At the same time, the domestic market remains active, despite pressure from rising property prices and relatively stagnant wage growth.”



Office

Occupiers show a clear preference for modern, LEED-certified buildings, particularly in established business hubs and "smart cities" such as Ebene and Moka



Retail

Retail remains buoyant, supported by a combination of international tourism and strong domestic demand for high-quality infrastructure



Hospitality

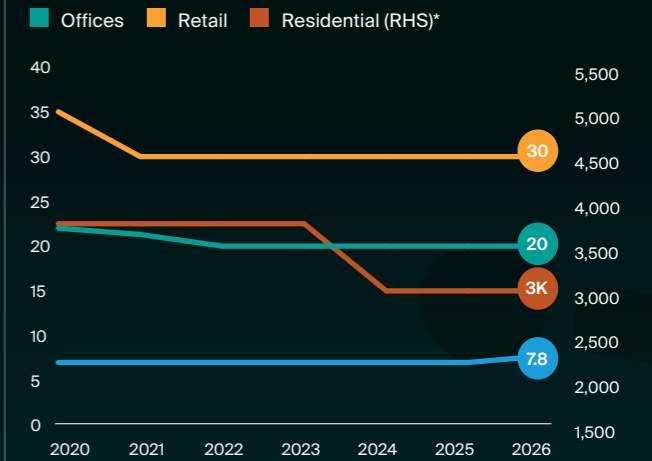
The tourism sector remains a key pillar of the Mauritian economy, with total arrivals reaching 1.4 million in 2025



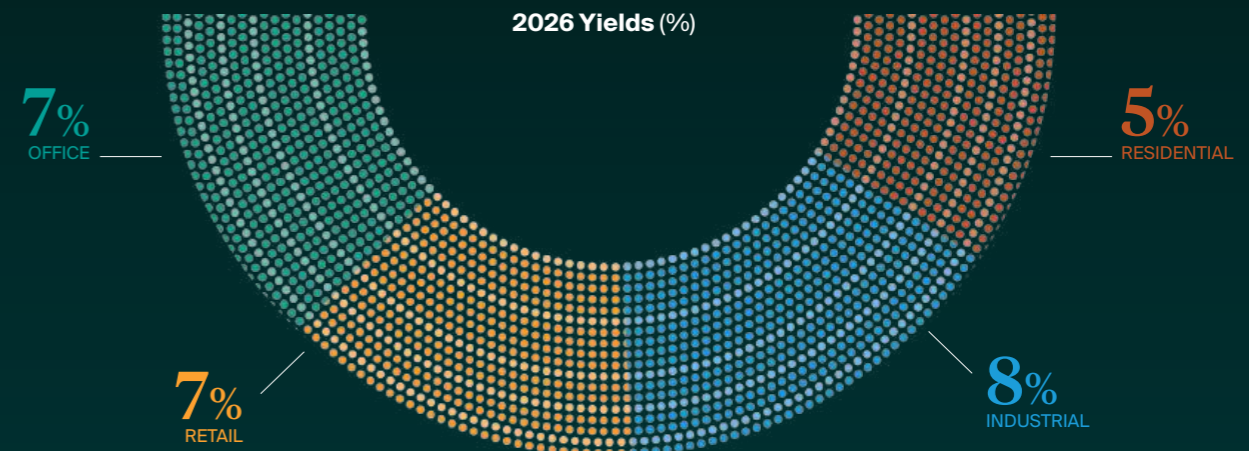
Residential

International buyers are focusing on assets that demonstrate clear income potential and liquidity

Monthly rent (US\$ psm)



The residential row is in dollars per unit per month. All the remaining sectors are in dollars/psm. *Average monthly prime lease rates for 3–4-bedroom properties (US\$).



Source: Knight Frank, EMC





LISTEN TO
OUR EXPERTS

Demand across office, retail, and industrial sectors is underpinned by foreign investment and Morocco's strategic positioning as a gateway between Europe and Africa.

Stable demand supports the office market

Casablanca's office market remains the largest and most mature in Morocco, with Grade A supply concentrated in key business districts such as Casa Finance City and Sidi Maârouf. Demand is driven by multinational corporations, financial institutions, and outsourcing firms, reflecting Morocco's role as a regional business and nearshoring hub.

Prime office rents remain stable, supported by consistent occupancy levels in well-located, high-quality developments. In contrast, secondary stock records higher vacancy, as occupiers continue to prioritise modern, efficient buildings, reinforcing a clear quality-led bifurcation in performance.

Elsewhere, flexible workspace operators are gradually expanding, supported by sustained foreign investment and Morocco's position as a cost-competitive nearshoring destination.

Retail sector benefits from tourism recovery

Morocco's retail sector has experienced renewed momentum, supported by a strong rebound in tourism and rising consumer confidence. Major shopping centres across Casablanca,

Marrakech, and Rabat continue to attract both international and domestic brands, supported by increased footfall.

High street retail has also benefited from increased footfall, particularly in tourist-driven cities, while secondary locations face more subdued demand.

E-commerce penetration remains relatively low but is increasing steadily, prompting retailers to adopt omnichannel strategies to support evolving consumer behaviour.

Resilient prime residential market

The residential market continues to be supported by strong demand in major urban centres, particularly Casablanca and Rabat. Prime residential assets remain popular with both domestic and international buyers, particularly high-quality apartments and villas.

Rental levels remain stable, supported by expatriate demand and affluent households. In parallel, the recovery in tourism continues to support the short-term rental segment, particularly in Marrakech.

Affordability constraints remain a challenge for the broader population, however, limiting access to housing finance.

Industrial sector driven by nearshoring and logistics

The country's industrial and logistics sector remains a standout performer, supported by strong government backing and sustained infrastructure investment.

Industrial zones such as Tanger Automotive City and Kenitra continue to attract significant foreign investment, particularly in the automotive and manufacturing sectors.

At the same time, Morocco's proximity to Europe, combined with port infrastructure such as Tanger Med, reinforces its position as a nearshoring and logistics hub, driving sustained demand for industrial and warehousing space.

“Rental levels remain stable, supported by expatriate demand and affluent households. In parallel, the recovery in tourism continues to support the short-term rental segment, particularly in Marrakech.”



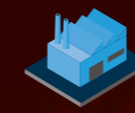
Office

Demand is driven by multinational corporations, financial institutions, and outsourcing firms



Retail

Major shopping centres across Casablanca, Marrakech, and Rabat continue to attract both international and domestic brands, supported by increased footfall



Industrial

Morocco's proximity to Europe, combined with port infrastructure such as Tanger Med, reinforces its position as a nearshoring and logistics hub

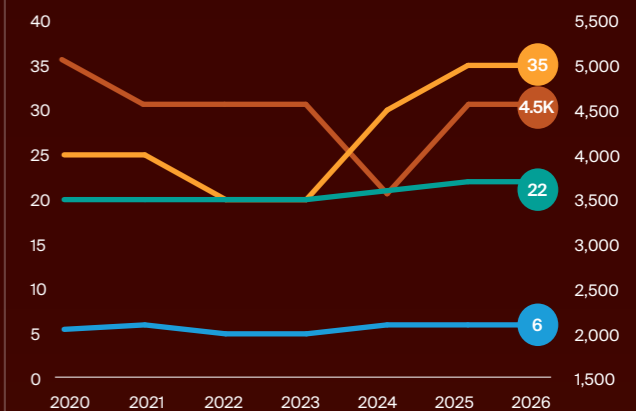


Residential

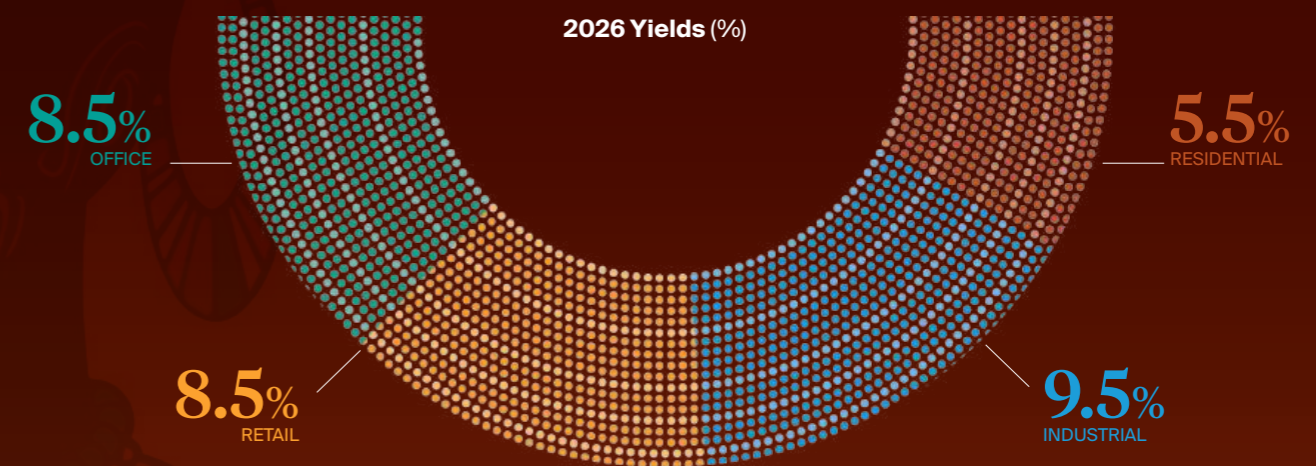
Rental levels remain stable, supported by expatriate demand and affluent households

Monthly rent (US\$ psm)

■ Offices ■ Retail ■ Industrial ■ Residential (RHS)*



The residential row is in dollars per unit per month. All the remaining sectors are in dollars/psm. *Average monthly prime lease rates for 3-4 bedroom properties (US\$).



Source: Knight Frank, EMC

MOZAMBIQUE



The country's strategic position and trade corridors underpin longer-term growth prospects, particularly within the industrial and logistics segment.



Undersupplied office market

Maputo's office market is characterised by a limited pipeline of high-quality Grade A space, with existing developments accounting for the bulk of available stock, with prime schemes such as JAT 3, Platinum Corporate, and JFS Tower providing modern office accommodation. However, vacancy levels remain elevated within certain Grade A assets, reflecting affordability constraints and cautious occupier demand.

In contrast, older office buildings are gaining traction, with rents increasing as occupiers shift towards more cost-effective accommodation. The anticipated restart of LNG projects is expected to gradually support occupier demand and absorption of prime office space over the medium term.

Stable retail market

Mozambique's formal retail sector, particularly shopping centres in Maputo, demonstrates relative stability, with prime rents holding firm and modest growth observed in average rental levels. Performance across the broader retail landscape remains uneven, however, as demand continues to shift towards more affordable, convenience-driven formats.

The sector remains constrained by the limited availability of modern retail stock and strong competition from informal retail channels, which continue to capture a significant share of consumer spending.

Prime residential segment supported by expatriate demand

Maputo's prime residential market remains resilient, with demand concentrated in established high-income neighbourhoods such as Sommerschield, which is primarily driven by expatriates, diplomatic missions, and international organisations, with a preference for secure, standalone villas offering high-quality amenities.

Prime residential rents typically range from US\$ 5,000 to US\$ 10,000 per month, depending on property size, specifications, and location.

Despite this resilience, the market remains relatively illiquid, with notable rental variability across assets and affordability constraints continue to limit activity within the broader residential market.

Limited supply of modern, high-quality warehousing

Mozambique's industrial and logistics sector is underpinned by a lack of modern, high-quality warehousing, with a significant proportion of existing stock being owner-occupied.

Lower-grade industrial space typically achieves rents between US\$ 1.50 and US\$ 3.50 psm per month, while modern logistics assets command higher monthly rental levels (approximately US\$ 5 psm) albeit within a constrained supply environment.

The sector benefits from Maputo's strategic location as a regional logistics gateway, supported by planned infrastructure investments, including port expansion projects, expected to enhance trade capacity and support long-term demand.



Office

Vacancy levels remain elevated within certain Grade A assets, reflecting affordability constraints and cautious occupier demand



Retail

Performance across the broader retail landscape remains uneven, as demand continues to shift towards more affordable, convenience-driven formats



Industrial

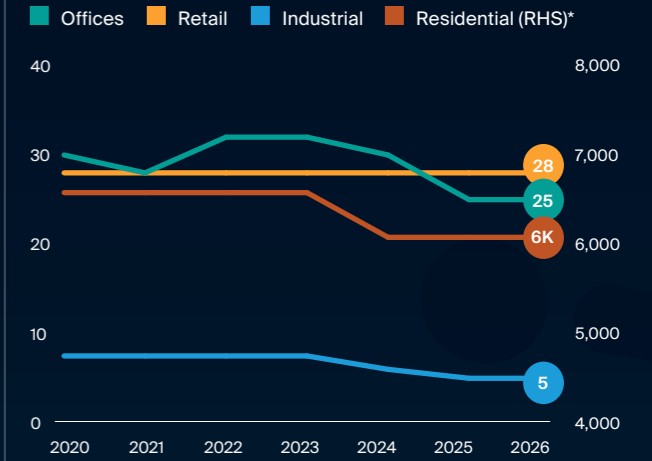
Lower-grade industrial space achieves rents between US\$ 1.50 and US\$ 3.50 psm while modern logistics assets command higher monthly rental levels (approximately US\$ 5 psm)



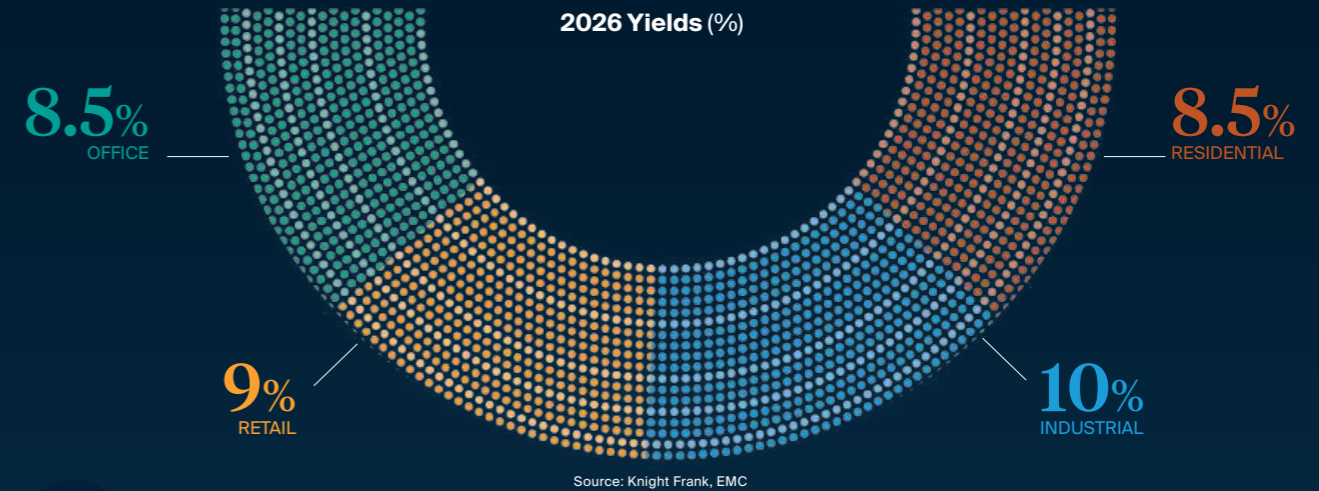
Residential

Prime residential rents range from US\$ 5,000 to US\$ 10,000 per month, depending on property size, specifications, and location

Monthly rent (US\$ psm)



The residential row is in dollars per unit per month. All the remaining sectors are in dollars/psm. *Average monthly prime lease rates for 4-bedroom homes (US\$).



“Mozambique’s formal retail sector, particularly shopping centres in Maputo, demonstrates relative stability, with prime rents holding firm and modest growth observed in average rental levels. Performance across the broader retail landscape remains uneven, however, as demand continues to shift towards more affordable, convenience-driven formats.”



LISTEN TO
OUR EXPERTS

The office market is characterised by tenant-led dynamics and rental repricing, while the residential sector continues to face persistent affordability constraints despite strong underlying demand. The industrial and logistics sector remains resilient, supported by infrastructure-led expansion and evolving supply chain requirements.

Tenant-centric office market

Nigeria's prime office market continues to move further in favour of the tenants following a prolonged period of elevated supply and pricing pressure. While occupancy levels have improved, supported by steady leasing activity, rental performance remains soft, reflecting a firmly tenant-led market.

Prime office rents in Lagos currently average approximately US\$ 55 psm per month, positioning the city among the highest-priced office markets in Africa and significantly above most regional peers, although this pricing premium is increasingly being tested with landlords prioritising occupancy over headline rents, offering rent concessions, flexible lease structures, and incentive packages to secure tenants.

Demand is becoming more selective, with occupiers favouring well-located, operationally efficient buildings. In parallel, decentralised submarkets such as Ikeja are gaining traction, driven by lower occupancy costs and improved accessibility, indicating a gradual shift in location preferences.

Affordability key to unlocking the residential market

In the residential sector, there is a strong underlying demand alongside a persistent shortage of formal housing supply. Despite moderating inflation, rental levels continue to increase, particularly in key urban centres such as Lagos, reflecting ongoing supply constraints.

Affordability remains the dominant market constraint, with tenants increasingly prioritising cost over location, leading

to a migration towards peri-urban and more affordable residential areas. Demand is also shifting towards smaller, more efficient unit types, including studio and one-bedroom apartments, as households react to economic pressures.

Government-led interventions, including public-private partnerships and housing finance initiatives, are supporting incremental supply delivery, although the pace of delivery remains insufficient relative to demand, sustaining upward pressure on rental levels. Current prime residential rents for high-end properties average approximately US\$ 3,000 per month.

Convenience and hyper-local formats drive the retail sector

There is a clear shift towards convenience-led and hyper-local retail formats. Neighbourhood-focused brands, including Bokku Mart, are outperforming traditional large-format retail by capturing daily essential spending within residential catchments, where consumer demand remains most resilient. This shift reflects broader changes in consumer behaviour, driven by income constraints, mobility considerations, and proximity-based shopping preferences.

Selective international expansion continues, with Sinomart International entering the market at Lekki Palms Mall, demonstrating continued foreign interest in targeted, cost-efficient retail formats.

Prime retail rents average approximately US\$ 25 psm per month, with yields of 9.50%.

Two-tier market emerges in the industrial sector

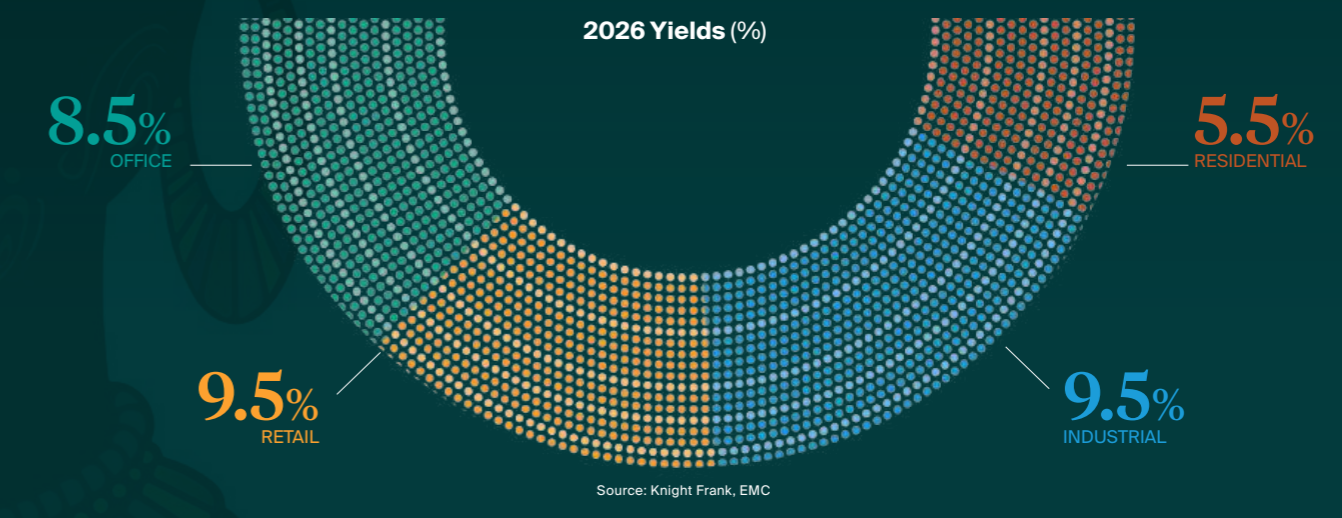
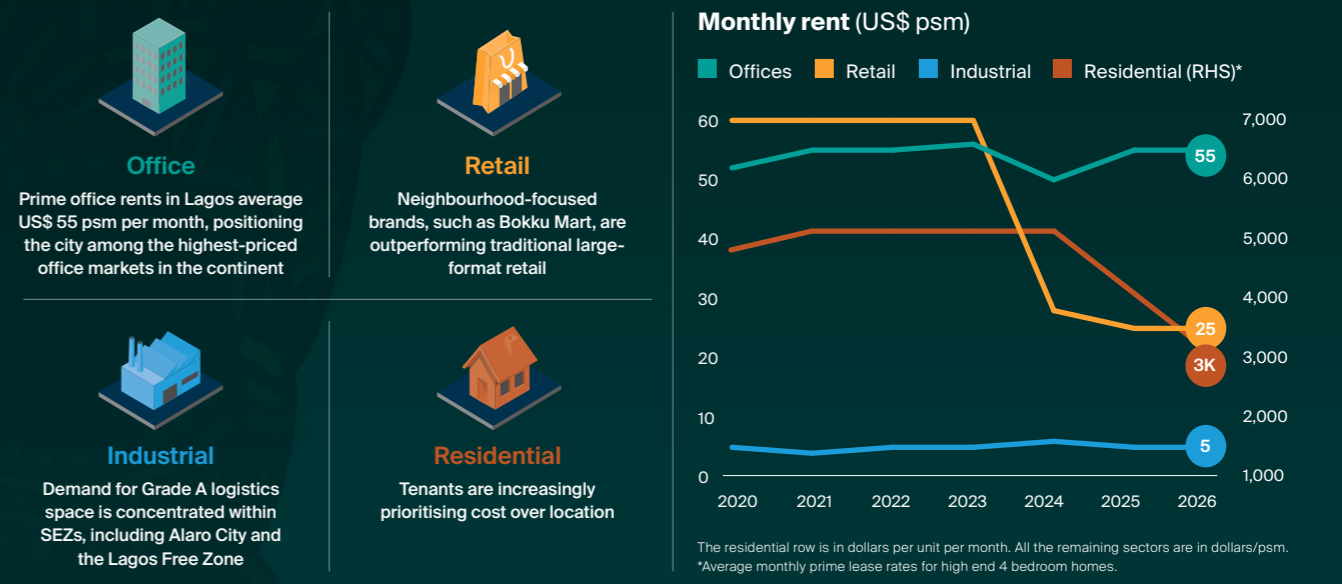
Nigeria's industrial and logistics sector is evolving into a two-tier market structure, reflecting differences in asset quality and location.

Demand for Grade A logistics space is concentrated within SEZs, including Alaro City and the Lagos Free Zone, where occupiers benefit from integrated customs processes and more reliable power infrastructure.

Outside these hubs, demand is primarily directed towards Grade B and C warehousing, particularly for

last-mile distribution, driven by the continued expansion of e-commerce and urban consumption.

Monthly rental growth remains steady at approximately US\$ 5 psm per month. However, overall absorption is partly dependent on improvements in broader economic indicators, particularly the manufacturing Purchasing Managers' Index (PMI), which continues to influence occupier expansion within the industrial sector.



“Nigeria’s real estate market is at a pivotal juncture. Reforms are delivering tangible stability, inflation is cooling, the naira is finding its range, and investor confidence is returning. We are seeing these indicators translate into measured activity across sectors: Grade A office absorption is firming, industrial and logistics demand is accelerating within Special Economic Zones, and residential dynamics is reshaping the city’s geography. The foundations for sustained growth are being laid, but the next phase will require policy consistency and a continued focus on infrastructure to unlock the market’s full potential.”

Frank Okosun, Managing Director, Knight Frank Nigeria

²Hyper-local retail formats involve delivering goods or services within a very limited, local geographic area, often within a few kilometres, to meet immediate, on-demand consumer needs



Despite macroeconomic pressures and persistently high construction costs, Dakar's real estate market remains resilient across its core sectors. Undersupply characterises the office market, whilst retail expansion is increasingly driven by convenience-led formats targeting middle-income consumers. Prime residential rents remain supported by sustained expatriate demand, and the industrial sector is entering a growth phase driven by large-scale government infrastructure investments.

Supply shortage supports prime office rental growth

A chronic shortage of high-quality office space defines Dakar's office market. Although construction activity across the city remains significant, the vast majority of new developments are residential schemes. As a result, almost no new institutional-grade office supply is entering the market.

Currently, only two notable office developments are underway: Tour des Mamelles and Daktower. Both projects have experienced significant delivery delays, reinforcing the persistent supply gap. Demand, however, remains relatively stable. Multinational corporations, development agencies, and regional firms continue to seek modern office accommodation in secure locations.

Prime office rents currently average XOF 15,000 (US\$ 26) psm per month, representing a modest increase from US\$ 25 psm per month two years ago. More basic but recently completed office space typically achieves XOF 10,000–12,000 (US\$ 18–21) psm per month, whilst accommodation below XOF 10,000 (US\$ 18) psm is generally occupied by domestic businesses rather than international tenants. Prime office yields average 9.50%.

Convenience retail on the rise

Dakar's formal retail market remains relatively small, with modern mall space concentrated in a limited number of developments serving middle- and upper-income consumers.

Sea Plaza, located along the Corniche, remains the city's flagship retail destination. The centre combines fashion

boutiques, restaurants, entertainment facilities, and a Casino supermarket anchor tenant, positioning it as Dakar's premier lifestyle mall. Other notable centres include Dakar City Mall and several smaller shopping complexes hosting international fashion brands, telecommunications retailers, electronics stores, and food outlets. These developments provide the primary entry platform for international retailers entering Senegal. However, overall modern retail supply remains modest compared with more mature African retail markets such as Johannesburg, Lagos, and Nairobi, where large-scale mall developments dominate the formal retail landscape.

Elsewhere, convenience retail formats have expanded rapidly over the past decade. The most significant operator is Auchan, which now operates dozens of neighbourhood stores across Dakar. These outlets are typically located within dense residential districts and along key commuter corridors. Alongside Auchan, retailers such as Casino, Carrefour, and a growing network of independent grocers continue to serve the city's expanding middle-class population and expatriate community.

Prime residential market remains resilient.

The prime residential market remains strong, supported by demand from expatriates, diplomatic missions, multinational companies, and international organisations. Demand is heavily concentrated in established residential districts, including Les Almadies, Ngor, Mermoz, and parts of Plateau, where proximity to embassies, international schools, and coastal amenities makes these locations particularly attractive.

New supply remains constrained due to land scarcity and rising construction costs. As a result, rental levels have increased significantly over the past two years. Prime three-bedroom apartments currently command XOF 2.25–2.50 million (US\$ 3,950–4,389) per month, depending on location, building quality, and amenities.

Prime four-bedroom villas in Les Almadies are priced at approximately XOF 4.50 million (US\$ 7,900) per month, more than doubling from approximately US\$ 3,500 recorded in 2024. This sharp increase reflects both limited new supply and sustained demand from expatriate households seeking secure compounds and proximity to international schools.



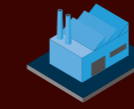
Office

A chronic shortage of high-quality offices



Retail

Sea Plaza remains the city's flagship retail destination



Industrial

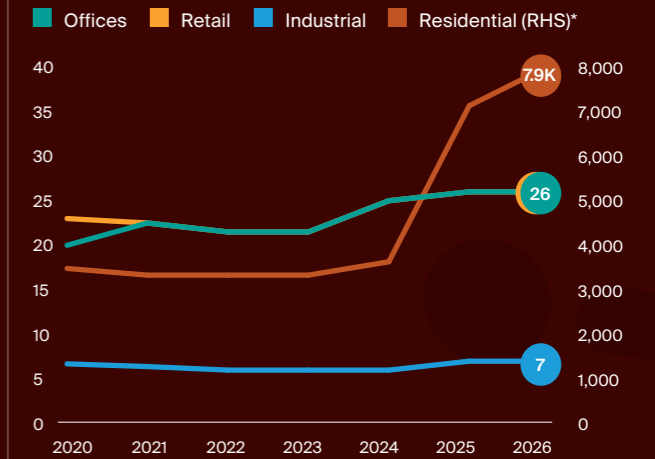
Prime warehousing rents have increased by 15%



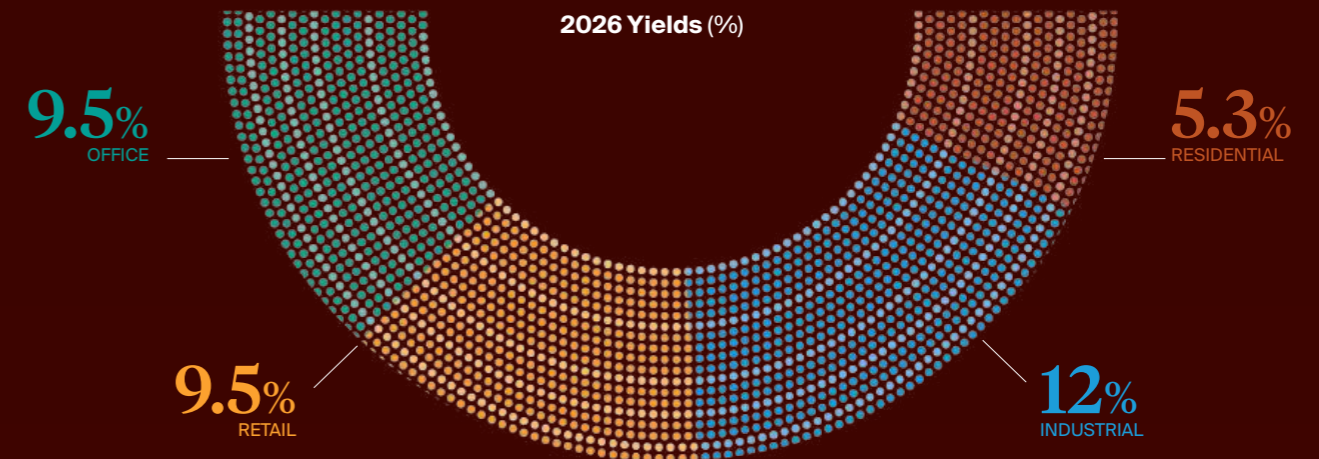
Residential

Prime 3-bedroom apartments command rents ranging from US\$ 3,900–4,500 per month

Monthly rent (US\$ psm)



The residential row is in dollars per unit per month. All the remaining sectors are in dollars/psm. *Average monthly prime lease rates for 4 bedroom homes (US\$).



Source: Knight Frank, EMC

Government initiatives boosting the industrial sector

Senegal's industrial and logistics sector is undergoing a structural transformation driven by the government's Plan Sénégal Émergent (PSE) and large-scale infrastructure development.

The Diamniadio Industrial Park has emerged as the country's flagship industrial hub. The park attracts manufacturers, logistics operators, and regional distributors seeking proximity to Blaise Diagne International Airport and the Dakar-AIBD toll motorway. In parallel, the development of the Port of Ndayane, one of the most ambitious deep-water port projects in West Africa, is expected to significantly enhance the country's regional logistics competitiveness once operational.

These infrastructure projects are already stimulating demand for modern logistics facilities. Prime warehousing rents have increased by approximately 15% over the past several years, currently averaging XOF 4,000 (US\$ 7) psm per month. Demand is strongest among FMCG companies, e-commerce operators, and regional logistics providers seeking modern distribution centres with improved transport connectivity.

Prime industrial yields remain high at approximately 12.00%.



“Sea Plaza, located along the Corniche, remains the city's flagship retail destination. The centre combines fashion boutiques, restaurants, entertainment facilities, and a Casino supermarket anchor tenant, positioning it as Dakar's premier lifestyle mall.”



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Amid a period of stabilisation, South Africa’s real estate landscape is shifting from recovery to strategic growth. The “flight to quality” has bolstered occupancy in P¹ (prime) grade offices, which have seen vacancies drop to 6.8% in prime nodes. Meanwhile, the rise of “convenience-first” retail and a shortage of high-end rental stock in coastal hubs like Cape Town dominate their respective sectors. The industrial sector remains the market’s bedrock, supported by increased demand for logistics.

Flight to quality drives the office market

Driven by a corporate requirement for high quality accommodation, occupiers are increasingly prioritizing energy-resilient, green-certified P-grade buildings equipped with backup water and integrated generator or solar solutions. Premier nodes such as Sandton and Rosebank in Johannesburg, along with Century City and the newly developed Riverlands Precinct in Cape Town, are significantly outperforming secondary markets.

Despite robust demand for premium space, the broader office market still faces structural risks from aging B-grade stock, which has suppressed national rental growth to a modest 3%, although in top-tier nodes this trend is reversing as prime vacancies tighten. National P-grade office rentals currently average between US\$ 13 psm and US\$ 17 psm per month, (circa R250 to R325 psm per month) and in these coveted pockets vacancy rates have effectively bottomed out at around 2%, as the supply of new developments remains highly controlled.

The “Sixty60” effect and convenience retail boom

Traditionally, South African retail has been characterised by massive regional malls, although the “Sixty60” phenomenon, a surge in on-demand grocery delivery, is having an impact on consumer behaviour. This shift has turned the spotlight towards smaller neighbourhood convenience centres that allow for quick “grab-and-go” shopping and serve as last-mile hubs for e-commerce.

Elsewhere, while major regional malls like the V&A Waterfront in Cape Town are seeing massive reinvestment, including a multi-billion rand expansion project, retailers are recalibrating by focusing on high-performing township markets and affluent residential commuter nodes.

Prime monthly retail rents for well-located shops in these top-tier precincts currently range from US\$ 35 psm to US\$ 65 psm (circa R600 to R1,100 psm), with super-prime boutique spaces in Cape Town occasionally exceeding this range. With yields

for high-quality, grocery-anchored centres averaging 8.0% to 8.5%, the retail sector remains a resilient performer. This is particularly evident in ‘essential services’ and convenience-led segments, bolstered by a permanent shift towards on-demand delivery hubs and neighbourhood-centric shopping.

Supply constraints within the prime residential stock

Prime residential rents have sustained a strong upward trajectory, particularly in the Western Cape and Northern Johannesburg, with national escalations averaging 5% over the last 12 months. In Cape Town, “semigration” (internal migration) and a return of international “digital nomads” have created an acute shortage of luxury rental units, driving prices to record highs.

This high demand and dwindling supply are most visible in prime three-bedroom apartments in Sandton and the Atlantic Seaboard, which now command between US\$ 1,200 and US\$ 2,200 per month (circa R22,000 to R40,000). Similarly, four- and five-bedroom luxury homes in secure lifestyle estates, now the preferred choice for affluent families, command rents between US\$ 3,500 and US\$ 6,500 per month, determined by security features, solar backup systems, and proximity to top-tier schools.

Heightened demand for Grade A/ green warehouses

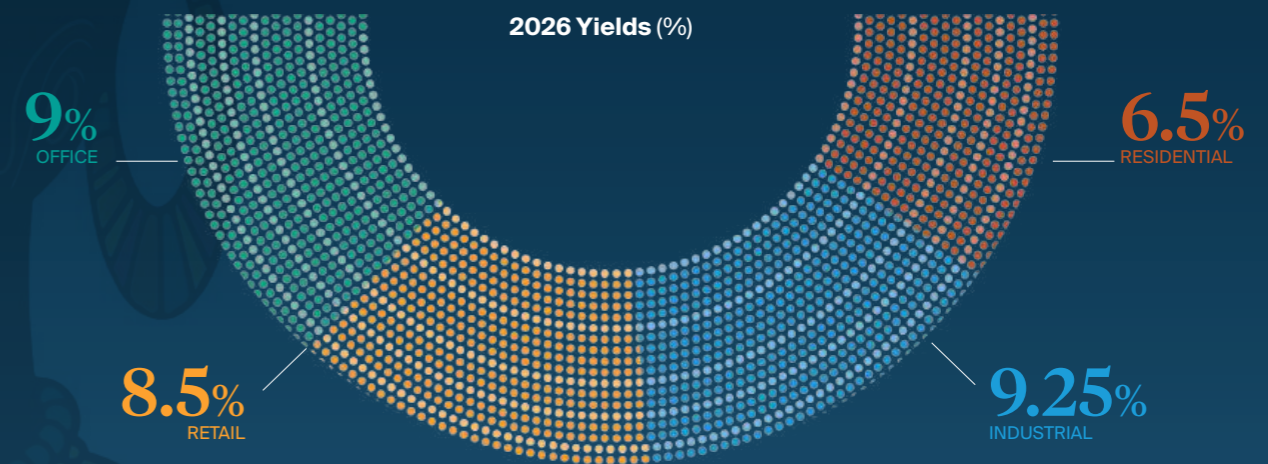
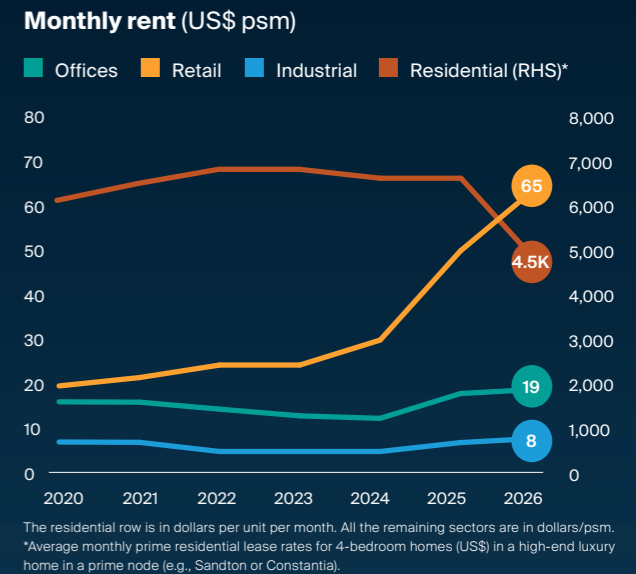
In Gauteng, “super-warehousing” and Grade A logistics parks are rising to meet e-commerce needs, pushing monthly prime warehousing rents to approximately US\$ 5 to US\$ 7 psm (circa R95 to R135 psm). Sustainability is no longer optional in this sector, with “green” warehousing featuring massive rooftop solar arrays and rainwater harvesting becoming the standard for international tenants.

Cape Town currently leads the national market in rental growth, with prime logistics nodes such as Airport Industria, Montague Gardens, and Brackenfell experiencing near-zero

vacancy rates. This “supply-squeeze” has driven annual rental escalations, as businesses scramble for modern space near the N1 and R300 corridors. Since the mountain and sea geographically constrain land, developers are focusing on “brownfield” redevelopments, tearing down old factories to build high-spec, high-eave logistics hubs.

Elsewhere, in Durban, the industrial market is anchored by its status as Africa’s busiest port. While Gauteng is the

distribution heart, Durban is the centre for imports and exports. High-demand nodes such as Riverhorse Valley and the Dube Trade Port command premium rents due to their proximity to the port and King Shaka International Airport. The ongoing R11 bn (US\$ 650 million) modernization of Durban Port’s Pier 2 and the expansion of the N3 “logistics corridor” are major catalysts, drawing massive investment into the South Basin (Mobeni and Prospecton) for cold storage and bonded warehousing.



Source: Knight Frank, EMC

“Prime residential rents have sustained a strong upward trajectory, particularly in the Western Cape and Northern Johannesburg, with national escalations averaging 5% over the last 12 months.”

¹HP-grade (Premium Grade) offices in South Africa represent the pinnacle of commercial property, offering top-tier, modern, and iconic workspaces, often with 4-star Green Star SA ratings. These properties are characterized by superior finishes, high-tech security, and prime locations.



Tanzania's real estate market in 2026 is on a steady growth trajectory, supported by major infrastructure developments, including the Standard Gauge Railway (SGR) and ongoing upgrades to the Port of Dar es Salaam, alongside continued urbanisation and progressive policy reforms. Investment activity remains concentrated in Dar es Salaam, Dodoma, and Zanzibar, where opportunities span commercial, residential, industrial, and tourism-related assets. Sector performance remains differentiated, with the industrial and logistics segment remaining a standout performer, while the residential and retail sectors evolve in response to changing consumer preferences and urban dynamics.

Resilient residential sector

Dar es Salaam's residential sector remains resilient, underpinned by rapid urbanisation and a growing middle-income population. Sustained demand is evident in prime locations such as Upanga, Mikocheni, and the Msasani Peninsula, particularly Oyster Bay and Masaki, where proximity to key employment nodes and lifestyle amenities continues to attract expatriates and high-income tenants.

Prime residential rents for modern apartments in central locations typically range between US\$ 500 and US\$ 1,500 per month, depending on size and specification. Premium coastal properties, particularly on the Msasani Peninsula, achieve rents of over US\$ 3,500 per month, reflecting their superior location and amenities. A clear shift towards higher-density residential formats is evident. Apartments and gated communities are increasingly preferred over standalone housing, driven by land constraints, security considerations, and evolving lifestyle preferences.

Emerging residential areas such as Kigamboni and Mbweni are gaining traction. Kigamboni is attracting middle-income demand due to improving infrastructure and relatively lower rental thresholds, while Mbweni offers a quieter coastal alternative characterised by low-density developments and growing investor interest.

Increased demand for top-grade offices

The office market remains relatively stable, although increasingly competitive, as occupiers place greater emphasis on building quality, operational efficiency, and reliability of essential services, including backup power, parking, and ICT infrastructure.

Office activity remains concentrated within the CBD, including Kivukoni, Kisutu, and Upanga, as well as decentralised nodes such as the Msasani Peninsula, particularly Masaki and Oyster Bay, which continue to attract corporate and expatriate occupiers.

Prime Grade A office rents remain stable at approximately US\$ 13 to US\$ 15 psm per month, indicating balanced market conditions, whilst in the CBD, rental levels typically range between US\$ 8 and US\$ 18 psm per month. In comparison,

in decentralised locations, they range from US\$ 10 to US\$ 20 psm per month, depending on building specifications and location.

The office market is slightly tenant-favoured, as supply from previous development cycles continues to exert competitive pressure on landlords. Small and medium-sized enterprises, professional services firms, and NGOs primarily drive demand. At the same time, large corporate occupiers remain selective, with a clear preference for high-quality, well-managed office space.

Convenience-led retail formats on the rise

There is a continued diversification within the country's retail space, with modern shopping centres operating alongside traditional retail formats, including neighbourhood "mangi" shops and established high-street trading nodes such as Kariakoo. Established centres such as Mlimani City Mall continue to anchor the formal retail market, while newer developments, including Morocco Square, Dar Village, and Kunduchi Mall, are increasing supply and introducing more lifestyle-oriented retail concepts.

Prime retail rents in shopping malls typically range between US\$ 18 and US\$ 40 psm per month, with smaller, high-footfall units achieving premiums above this range. Across the wider retail market, rents generally range between US\$ 15 and US\$ 25 psm per month, depending on location and tenant mix.

Like elsewhere, a notable trend in this market is the continued shift towards convenience-led retail formats, particularly within residential neighbourhoods such as Mbezi Beach and Sinza, reflecting demand for proximity-based shopping.

Recent asset repositioning is contributing to the revitalisation of existing stock. Mkuki Mall has undergone reactivation, while Quality Centre Mall has re-entered the market under new ownership, supporting improved performance within established retail corridors and targeting mid-market consumers. The development pipeline remains active, with projects such as Ocean View Mall in Masaki, currently under construction, expected to enhance the city's prime retail offering and reinforce the expansion of high-quality retail space within the Msasani Peninsula.



Office

The office market is best characterised as balanced to slightly tenant-favourable



Retail

Monthly prime retail rents in shopping malls typically range between US\$ 18 and US\$ 40 psm



Industrial

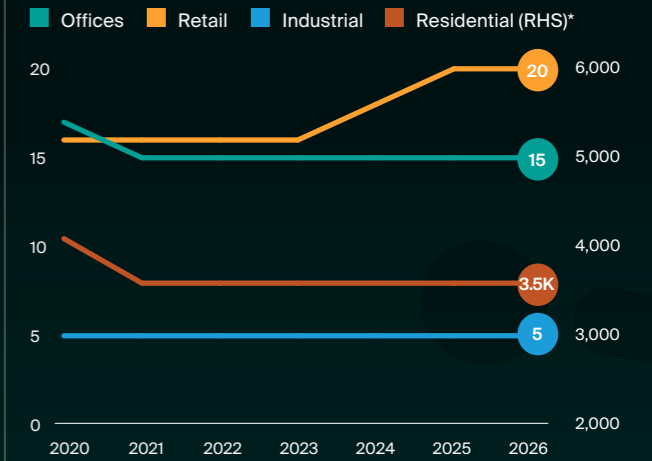
Recent improvements in port efficiency and cargo-handling capacity are reinforcing demand for logistics space



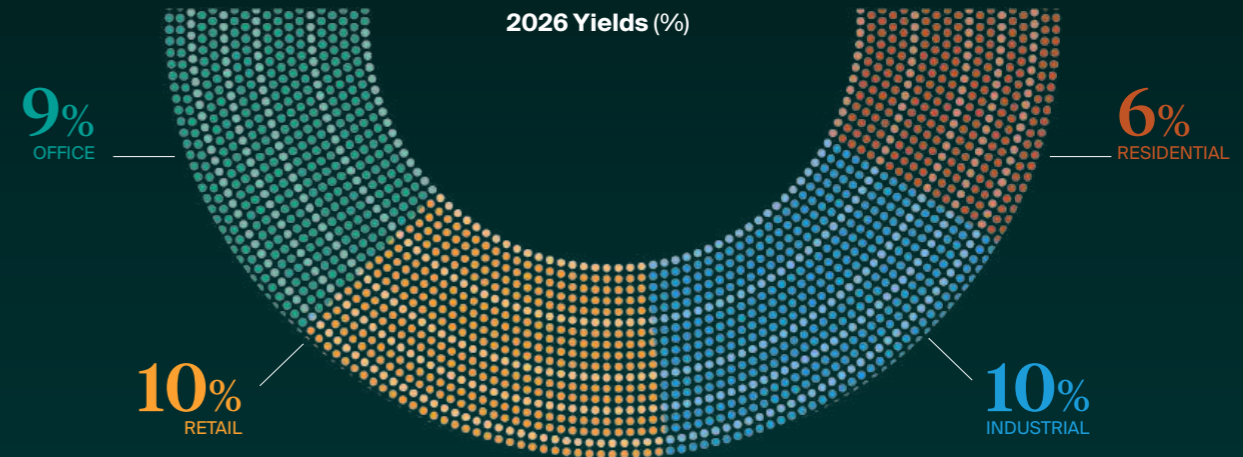
Residential

Sustained demand is evident in prime locations such as Upanga, Mikocheni, and the Msasani Peninsula

Monthly rent (US\$ psm)



The residential row is in dollars per unit per month. All the remaining sectors are in dollars/psm. *Standard 3-bedroom prime rates for units in Oyster Bay and Masaki.



Source: Knight Frank, EMC

Stability prevails in the industrial market

The industrial and logistics sector remains one of the strongest-performing asset classes, supported by rising demand for logistics, manufacturing, and port-related trade. Prime modern warehouse and logistics facilities achieve rents of approximately US\$ 5 to US\$ 7 psm per month, whilst older industrial stock typically ranges from US\$ 2 to US\$ 5 psm per month, depending on specifications and location.

Demand is generally concentrated in areas with strong connectivity to the Port of Dar es Salaam, particularly along key transport corridors such as Nyerere Road and Mandela Road, which serve as critical distribution routes.

Recent improvements in port efficiency and cargo-handling capacity are reinforcing demand for logistics space, driving higher occupancy levels and increased investor confidence. This trend is further supported by Tanzania's growing role as a regional trade and logistics hub serving landlocked neighbouring countries, underpinning sustained demand for warehousing and distribution facilities. As a result, the industrial sector continues to attract investor interest, supported by stable income streams and expanding trade volumes.





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Tunisia's strategic Mediterranean location and established position as a European nearshoring destination underpin long-term demand across office, industrial and residential sectors.

Limited Grade A offices

Tunis's office market is anchored by Les Berges du Lac, the city's premier business district, complemented by Centre Urbain Nord and the emerging La Perle du Lac. While La Perle du Lac introduces new development sites, low achievable rents and limited demand constrain developer activity, with most recent schemes delivered for owner-occupation rather than speculative leasing.

Rental levels have remained subdued for several years, constraining the viability of development. However, available space is gradually being absorbed, resulting in emerging upward pressure on rents, supported by limited Grade A supply. Grade A office rents are currently in the order of TND 350 psm per year, equivalent to approximately US\$ 10 psm per month.

Demand is driven primarily by international organisations, development finance institutions, and outsourcing firms, who are attracted by Tunisia's bilingual workforce and competitive cost base.

Transaction volumes remain constrained, while secondary office stock continues to record elevated vacancy, as occupiers consolidate into prime locations. The availability of co-working and flexible workspace also remains limited, despite growing occupier preference for shorter lease structures.

Informal retail dominates outside tunis

The formal retail sector remains relatively underdeveloped outside Tunis, although it is gaining momentum as tourism recovers and consumer confidence improves. Major shopping centres in Tunis, including Tunis City and Lac Palace, attract domestic and international retailers, while high street retail in Hammamet and Sousse benefits from strong seasonal footfall.

Government initiatives to boost tourism are supporting demand, particularly from food, beverage, and entertainment operators, although informal retail continues to dominate outside the capital, constraining the expansion of organised retail formats. Additionally, recent banking restrictions on cheque-based inventory financing have constrained retail supply chains, contributing to slower market activity.

Retail rents remain broadly stable at low levels, averaging approximately US\$ 20 psm per month.

Prime residential market buoyed by diaspora and foreign interest

Tunis's prime residential market continues to attract demand from the diaspora, expatriates, and European buyers, drawn by the country's Mediterranean lifestyle and relative affordability. Prime locations include La Marsa, Carthage, Gammarth, and Les Berges du Lac, where high-quality residential assets command premium pricing. Luxury apartments in Les Berges du Lac achieve approximately TND 7,500 (US\$ 2,500) per month.

Prime residential yields average 5% to 7%, supported by the limited supply of high-quality rental stock and a lack of alternative investment vehicles.

The UAE-based Bukhatir Group has revived its Tunis Sports City project in the northern suburbs, a large-scale mixed-use development comprising luxury villas, hotels, and sports amenities, with construction scheduled to commence in 2026.

Elsewhere, affordability constraints persist, particularly for middle-income households, due to limited access to mortgage finance and elevated construction costs.

EU integration and nearshoring support industrial growth

Tunisia's industrial and logistics sector is among the most internationally integrated in North Africa, supported by strong trade linkages with the European Union.

The country hosts 30+ industrial zones, including key hubs in Bizerte, Sfax, and the Radès Free Zone, which provides access to the country's primary port infrastructure. The Port of Radès accounts for approximately 63% of national container throughput, reinforcing Tunis's role as the principal logistics gateway.

Within Tunis, industrial activity is concentrated in Charguia, Chotrana, El Mghira, and the Goulette-Marsa Free Zone, alongside port-linked zones in the southeast.

Demand for manufacturing space is improving, supported by Tunisia's competitive labour costs and proximity to Europe. However, demand for modern Grade A logistics space remains limited, reflecting a market dominated by government-managed industrial parks rather than private speculative development.

Long-term growth is expected to be driven by nearshoring trends, export diversification, and continued investment in logistics infrastructure, although this remains contingent on broader macroeconomic stabilisation.



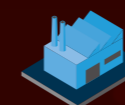
Office

Demand is driven by international organisations, development finance institutions, and outsourcing firms



Retail

Government initiatives to boost tourism are supporting demand, particularly from food, beverage, and entertainment operators



Industrial

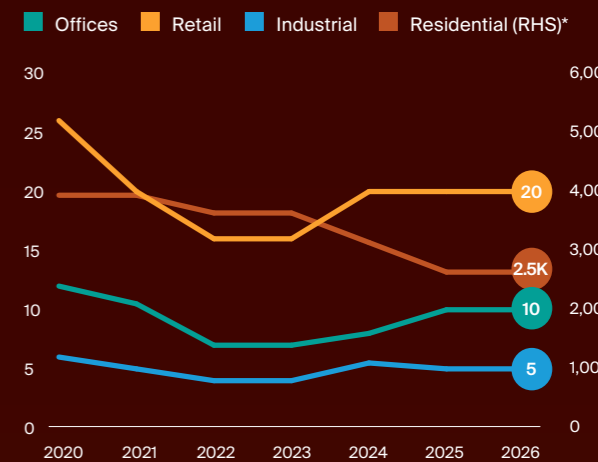
The country hosts 30+ industrial zones



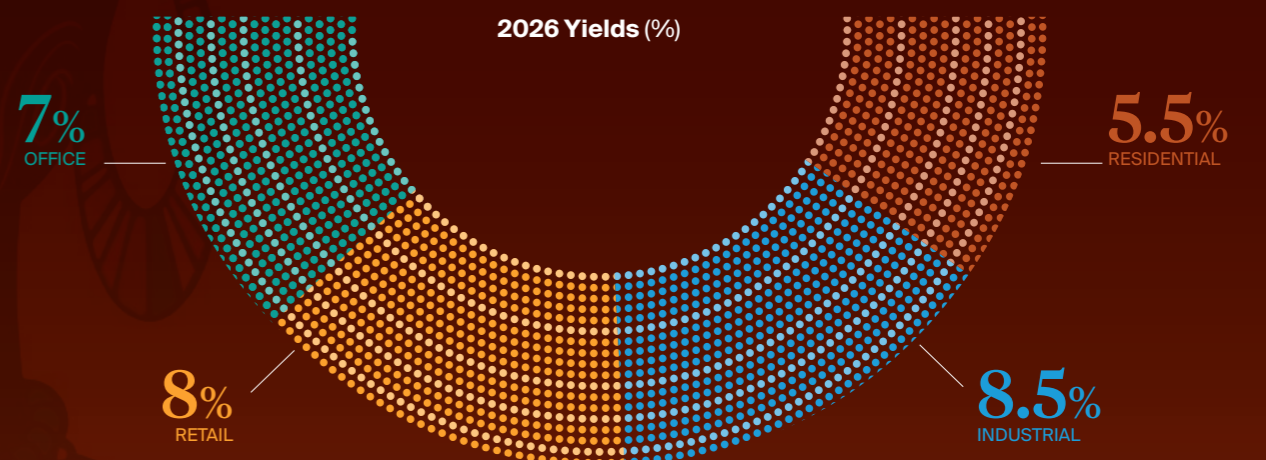
Residential

Affordability constraints persist, particularly for middle-income households, due to limited access to mortgage finance and elevated construction costs

Monthly rent (US\$ psm)



The residential row is in dollars per unit per month. All the remaining sectors are in dollars/psm. *Average monthly prime lease rates for high-end apartments and villas (US\$).



Source: Knight Frank, EMC



Amid a stable macroeconomic backdrop characterised by strong GDP growth, low inflation, and continued infrastructure investment, Uganda's real estate market remains resilient. The office and residential sectors are softening under supply pressures and cautious occupier sentiment, while the retail sector remains stable. The industrial and logistics segment emerges as the strongest-performing asset class, supported by export growth and momentum within the oil sector.



Tenant-favourable cycle defines the office market

Kampala's office market has entered a tenant-favoured cycle, driven by the delivery of new Grade A office stock amid limited net new demand. Leasing activity is primarily characterised by tenant relocations rather than expansions, resulting in rising vacancy levels, particularly within older buildings.

Prime Grade A+ office rents remain stable at approximately US\$ 18 psm per month, while Grade A and Grade B rents have softened to approximately US\$ 17 and US\$ 15 psm per month, respectively. Occupancy levels have declined modestly, currently averaging approximately 84% for Grade A space and 80% for Grade B space, reflecting increased competition across the market.

Demand remains focused on smaller, flexible office units, typically ranging between 50 to 240 sq m, driven by SMEs and firms adapting to hybrid working models.

A notable trend is the growing preference for decentralised office locations, including Naguru, Ntinda, and Nakawa, where occupiers benefit from improved accessibility and lower occupancy costs.

Heightened demand for convenience-led retail

The retail sector remains resilient, supported by increased consumer activity across both prime and neighbourhood retail centres. By the end of the year 2025, average footfall increased by approximately 15% year-on-year, indicating improved consumer engagement. However, this was accompanied by a decline in average spend per visit, reflecting heightened price sensitivity.

Prime retail malls have approached market saturation, with occupancy increasing marginally by approximately 1%, signalling a mature phase in the retail cycle. As a result, leasing activity remains measured, with landlords prioritising tenant quality over occupancy growth.

Elsewhere in the sector, there is a rising demand for convenience-led retail formats, with neighbourhood malls, fuel-station retail and mixed-use developments gaining traction as consumers prioritise accessibility, efficiency, and proximity.

Prime retail rents remain broadly stable, with ground-floor units in prime malls typically ranging between US\$ 12 and US\$ 225 psm per month, depending on unit configuration, size, and visibility. With yields averaging approximately 8.5%, the sector continues to offer stable income performance, supported by sustained demand for essential goods and services.

Oversupply contributing to prime residential market woes

Kampala's prime residential market is currently experiencing downward pressure on rental levels, driven by an increased supply of apartment units and shifting tenant dynamics.

During H2 2025, Two and Three bed units recorded rental declines of approximately 10% and 9%, respectively. Despite this contraction in rental rates, occupancy remains relatively stable at approximately 83%, supported by increased demand from high-income Ugandan nationals, partially offsetting reduced expatriate demand linked to declining donor-funded activity.

Investment activity remains steady, particularly in studio and one-bedroom units, which are attracting investors targeting the short-let and rental-income markets. These units, typically priced between US\$ 80,000 and US\$ 170,000, record the highest absorption rates, reflecting strong demand for smaller, income-generating assets.



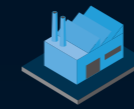
Office

Demand remains concentrated in smaller, flexible office units, ranging between 50 and 240 sqm



Retail

By the end of the year 2025, average footfall increased by approximately 15%



Industrial

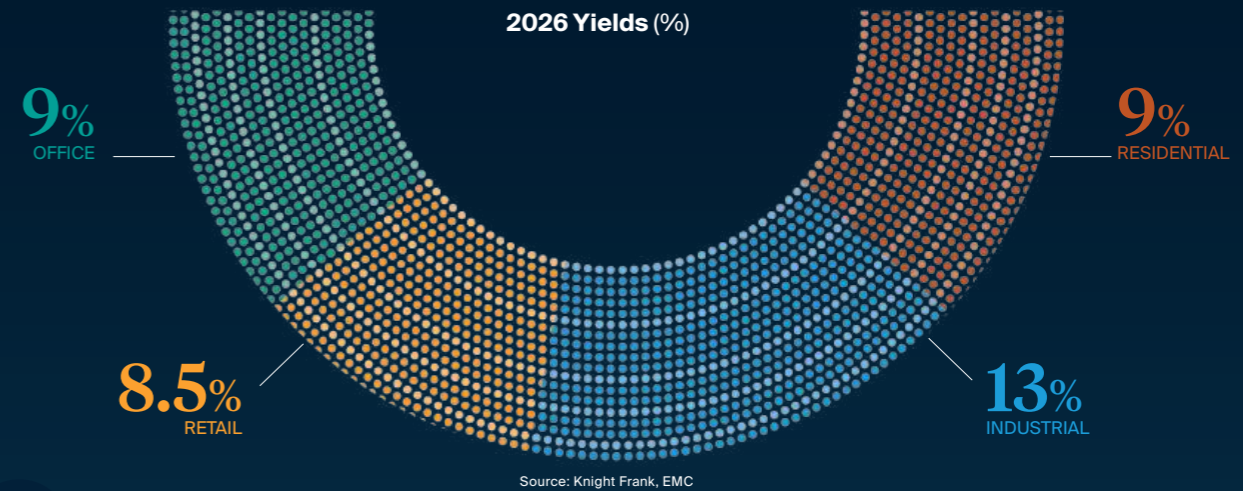
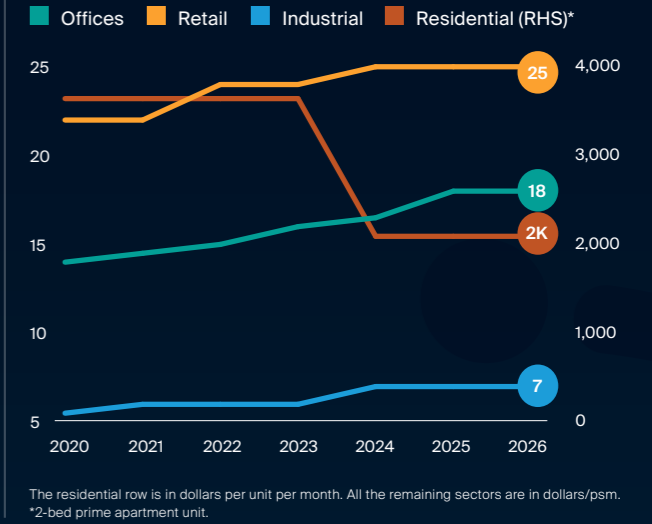
50,000+ sqm of new warehouse space delivered



Residential

2-bedroom and 3-bedroom units recorded rental declines of approximately 10% and 9%, respectively

Monthly rent (US\$ psm)



While the prime residential segment remains under pressure in the short term, the long-term outlook remains positive, supported by continued urbanisation, population growth, and sustained investor interest.

Logistics and industrial sector leading the way

The industrial and logistics sector records the strongest performance across all asset classes, supported by sustained occupier demand and limited availability of modern warehousing facilities. Occupancy levels remain consistently above 80%, while prime rents are stable within the rents up to US\$ 7 psm per month.

Three key demand pillars drive growth in the sector:

- Coffee exports, which reached approximately US\$ 2.4 bn, increasing demand for specialised storage facilities
- Oil sector developments, with production expected in H2 2026, driving demand for logistics and operational space
- Continued expansion in FMCG manufacturing and third-party logistics

Purpose-built, well-located logistics facilities continue to outperform, while older industrial stock remains more price-sensitive and less competitive.

With over 50,000 sqm of new warehouse space delivered and additional pipeline supply in the pipeline, the sector is well-positioned for continued growth, particularly as oil production commences.

Prime industrial yields average approximately 13%, the highest across all sectors.

“Ugandan Retail is fast tracking into a formalized retail sector, from space creation to retail operations to digital payments and business processes – the evolution has been dramatic over the past years and will gain more traction in years to come, enhancing consumer offerings and therefore increasing consumer spending.”

Marc du Toit, Head of Retail- Knight Frank Uganda



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The real estate market in Zambia is navigating a complex operating environment characterised by currency reforms, macroeconomic volatility, and evolving occupier demand dynamics. The residential sector continues to grow, though long-term expansion remains constrained by limited access to affordable housing finance. Meanwhile, the office and industrial sectors are showing early signs of recovery, as surplus space is gradually absorbed and infrastructure-led development supports renewed occupier demand.

Steady absorption of excess office space

Office leasing activity is showing signs of improvement, supported by more competitive rental levels and the steady absorption of previously oversupplied space. Following a prolonged period of overdevelopment and slower corporate expansion, occupier demand has shifted towards smaller, flexible office units, typically ranging from 50 to 350 sqm, reflecting cost-optimisation strategies.

Prime Grade A office buildings in established nodes such as Kabulonga, Mass Media, Longacres, and Rhodes Park remain popular, supported by modern specifications, improved power resilience, and integration of solar energy systems. In contrast, older buildings in the CBD continue to face elevated vacancy rates and downward pressure on rents, reflecting functional obsolescence and reduced occupant appeal.

After a period of limited activity over the past 24 months, leasing momentum increased in 2025, driven by more flexible landlord strategies, including rent-free periods, lease incentives, and fit-out contributions. Prime office rents typically range between US\$ 15 and US\$ 18 psm per month, with yields of 9% to 11%.

A key trend in this market is the continued decentralisation of office demand, supported by road infrastructure upgrades under the Lusaka Urban Decongestion Plan, which is shifting occupier preference towards modern, mixed-use nodes outside the CBD.

Convenience retail formats gain traction

The retail sector remains stable, supported by established shopping centres in Lusaka, including Manda Hill, East Park, Levy Junction, and Cosmopolitan Mall, which consistently maintain occupancy levels of 85% and above.

Conversely consumer behaviour continues to shift towards convenience-led retail formats, in line with broader regional trends. While prime regional malls continue to attract footfall, retailer expansion is increasingly selective due to reduced disposable incomes and rising operating costs. Neighbourhood retail centres and peri-urban nodes are gaining traction, as retailers focus on catchment-driven demand and proximity to residential areas.

Prime retail rents for inline units typically range from US\$ 20 to US\$ 35 psm per month, while anchor tenants achieve rents of US\$ 10 to US\$ 18 psm per month. Although headline

rents remain broadly stable, effective rents are under pressure, as landlords pursue high occupancy and tenant retention through incentives.

1.5 million unit housing deficit sustains demand

Zambia's residential sector remains one of the strongest-performing segments, underpinned by a national housing deficit exceeding 1.5 million units coupled with continued urbanisation.

Demand remains robust across middle- to upper-income segments

- Two-bedroom apartments in areas such as Ibex Hill, Roma, and Chalala typically achieve US\$ 350 to US\$ 1,000 per month.
- Three-bedroom homes in secure estates range between US\$ 800 and US\$ 2,000 per month.
- Prime properties in Kabulonga and Leopards Hill command rents upwards of US\$ 1,500 per month.

Despite sustained demand, rental growth remains sluggish, reflecting limited corporate expansion and affordability pressures, with access to housing finance remaining a key structural constraint. Mortgage rates in local currency frequently exceed 20% per annum, and high transaction costs coupled with stringent lending criteria continue to limit uptake. As a result, the market is predominantly driven by cash buyers, diaspora investment, and incremental self-build activity.

Elsewhere, demand for serviced land is increasing, particularly for residential and mixed-use development, reflecting long-term confidence in urban expansion corridors.

Infrastructure-led investments improve the industrial sector

Modern warehouse and logistics facilities located along key transport corridors, including Kafue Road, Mungwi Road, Chinika, Lusaka South and East MFEZs, the Ndola Airport zone, and the Solwezi-Kalumbila corridor—continue to attract strong occupier demand.

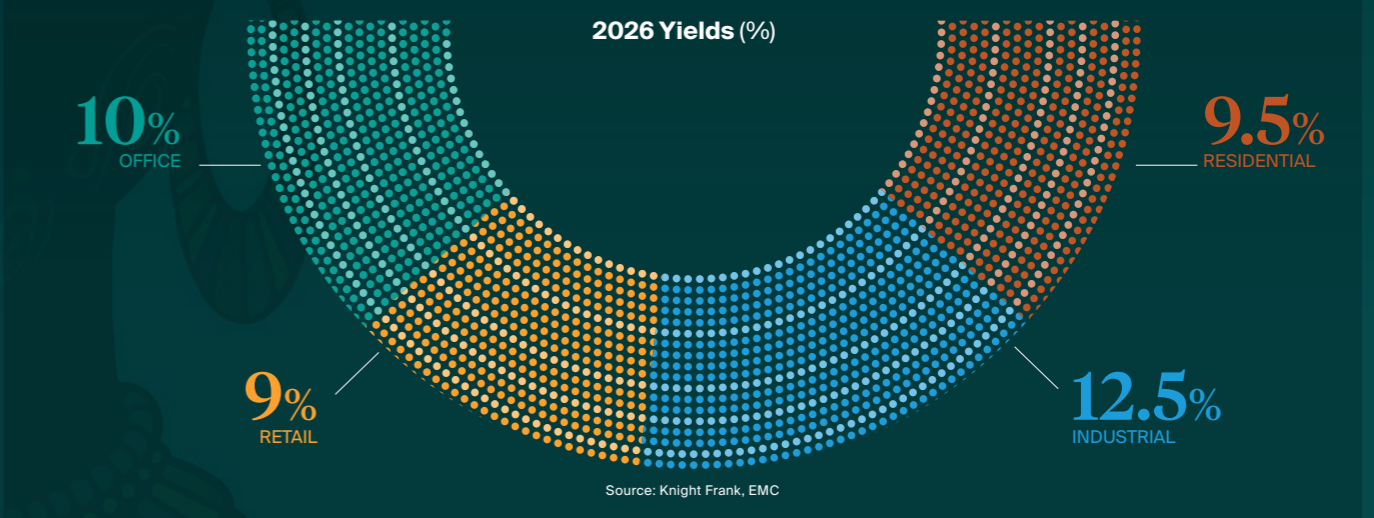
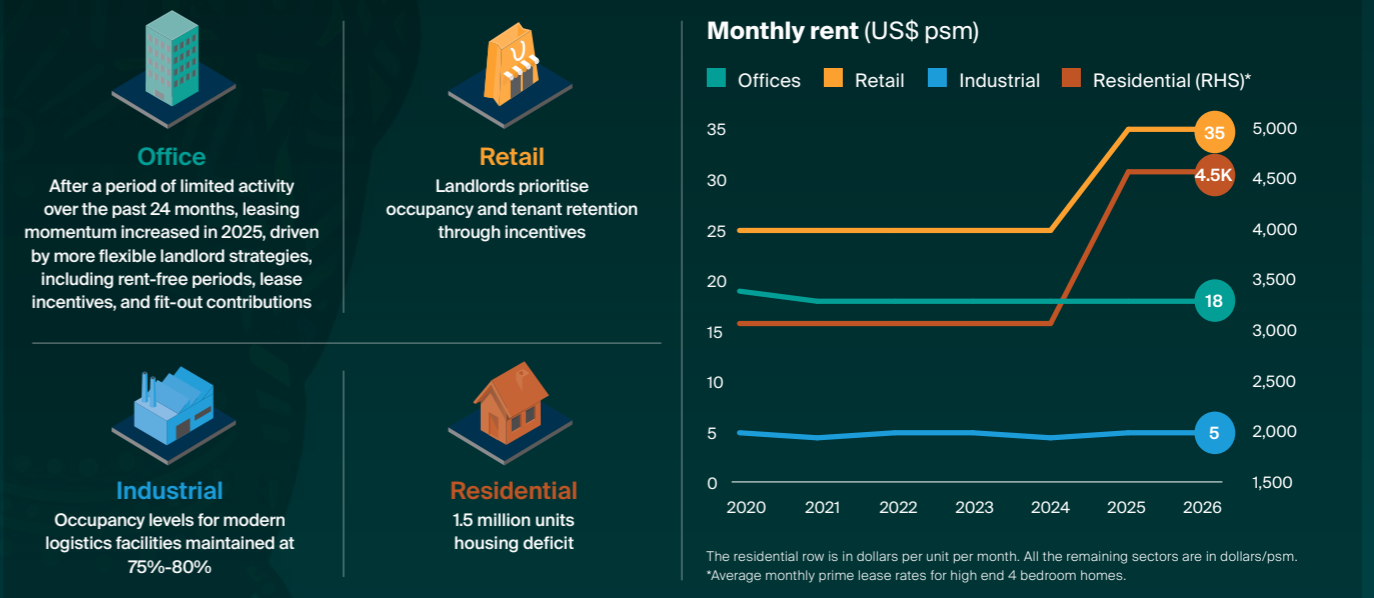
Prime logistics rents range between US\$ 3 and US\$ 6 psm per month, with yields of 12.0% to 12.5%, outperforming all other asset classes. Secondary industrial stock typically achieves rents of US\$ 1.50-2.50 psm per month, although much of this inventory faces functional obsolescence.

Infrastructure-led investment remains a key growth driver, with major projects such as the Lusaka-Ndola Dual

Carriageway, Tanzania-Zambia Railway Authority (TAZARA) railway rehabilitation, and the Lobito Corridor, strengthening Zambia's position as a regional trade and logistics hub.

Demand is supported by mining supply chains, FMCG distribution, agro-processing, and cross-border trade, with occupancy levels for modern logistics facilities generally maintained at 75%-80%.

Government initiatives aimed at promoting industrialisation, including the expansion of Multi-Facility Economic Zones (MFEZs) and investment in large-scale solar energy projects such as the 100 MW Chisamba plant and over 385 MW of additional solar capacity launched in 2025/26, are reinforcing the long-term outlook for the sector.



ZIMBABWE



While Harare remains the country's principal commercial hub, occupier demand is progressively shifting towards suburban nodes.

Exodus from the CBD offices

Harare's office market has recorded the delivery of approximately 12,000 sqm of new Grade A space, predominantly concentrated along the Borrowdale development corridor. Notably, the majority of this new stock is owner-occupied, limiting its immediate impact on the leasing market.

A clear structural shift is underway, with major corporates relocating from the CBD to suburban office nodes, driven by deteriorating infrastructure, security concerns, and reduced accessibility within the CBD. Grade A offices in suburban locations achieve net rents in excess of US\$ 10 psm per month, typically under triple-net lease structures, where occupiers bear full operating costs. In contrast, CBD office rents average approximately US\$ 5 psm per month, reflecting weaker demand.

Vacancy levels remain elevated, estimated at approximately 60% in Harare and 40% in Bulawayo, while default rates are high at approximately 35%. Development activity remains constrained, with high construction costs, driven largely by imported materials, limiting speculative office development.

Manufacturing sector contributes 15% of the country's GDP

Zimbabwe's industrial sector remains underpinned by mining and agriculture, with manufacturing contributing approximately 15% of GDP, according to the 2025 ZIMSTAT Economic Census. However, the sector remains highly fragmented, with an estimated 60% of GDP and 76.1% of businesses operating within the informal sector.

A notable trend is the subdivision of large industrial units to accommodate small- to medium-sized enterprises, reflecting evolving occupier requirements and affordability constraints.

Industrial yields range between 5% and 7%, depending on asset type, with warehousing typically outperforming manufacturing assets due to stronger logistics-driven demand.

Neighbourhood and convenience retail formats expand

Retail development remains concentrated in Harare, where approximately 18,000 sqm of new retail space was delivered during the 2025 financial year.

New supply is primarily small- to medium-scale shopping centres, located both around the CBD and in low-density residential areas, reflecting a shift towards neighbourhood and convenience retail formats. Prime retail rents average approximately US\$ 20 psm per month, with additional operating costs of approximately US\$ 5 psm.

Elsewhere, the sector momentum is faltering following the collapse of OK Zimbabwe, the country's second-largest retail operator, which has entered corporate rescue.

Heightened demand for low- and middle-income residential units

Zimbabwe's residential market is characterised by a significant housing deficit, with demand heavily concentrated in the low- and middle-income segments.

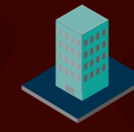
Development activity is dominated by informal, unregulated housing projects that often lack adequate infrastructure, including roads, water, sewerage, and electricity. This places increasing strain on existing urban infrastructure, which was not designed to accommodate the current population growth.

Depending on location, medium- to low-cost serviced land is priced between US\$ 18 and US\$ 65 psm. Supply remains limited, with very few developments delivering fully serviced housing projects of more than 1,000 units, despite steadily rising demand.

High-density housing units are transacting within the US\$ 25,000–US\$ 45,000 range, while properties targeting the middle-income segment are priced above US\$ 45,000. In the upper segment, average prices stand at approximately US\$ 100,000 across most cities, rising to around US\$ 500,000 in prime suburbs such as Borrowdale in Harare.

Overall, demand remains strongest in the low- and middle-income segments, with the majority of transactions conducted on a cash basis due to limited access to mortgage financing.

“A clear structural shift is underway, with major corporates relocating from the CBD to suburban office nodes, driven by deteriorating infrastructure, security concerns, and reduced accessibility within the CBD. Grade A offices in suburban locations achieve net rents in excess of US\$ 10 psm per month, typically under triple-net lease structures, where occupiers bear full operating costs.”



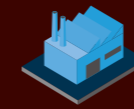
Office

Vacancy levels remain elevated, estimated at approximately 60% in Harare and 40% in Bulawayo



Retail

Prime retail rents average approximately US\$ 20 psm per month



Industrial

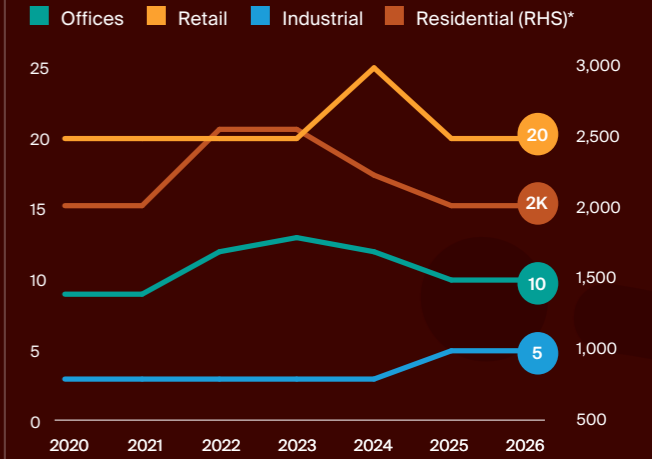
A notable trend is the subdivision of large industrial units to accommodate small- to medium-sized enterprises



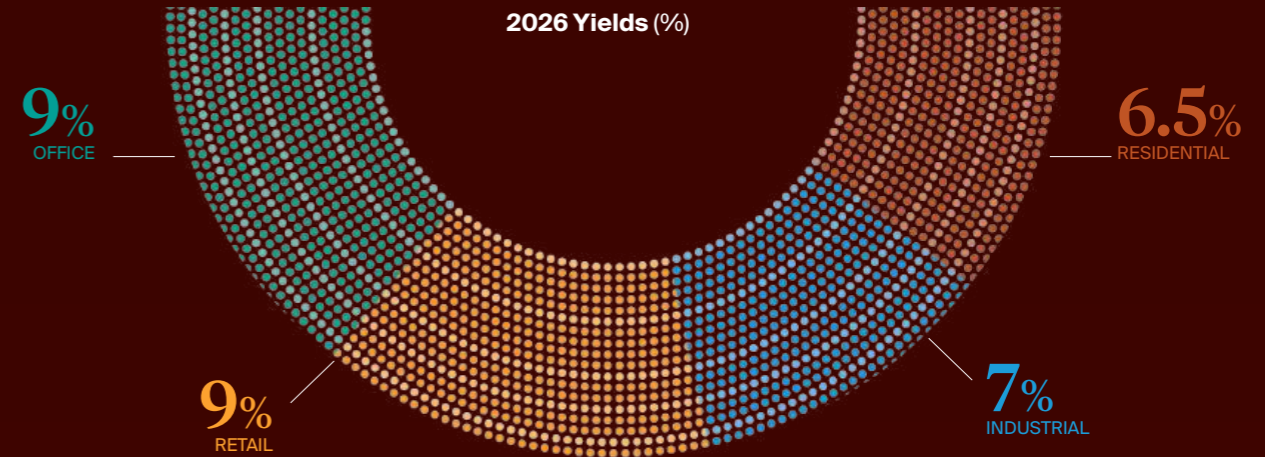
Residential

Demand remains strongest in the low- and middle-income segments, with the majority of transactions conducted on a cash basis due to limited access to mortgage financing

Monthly rent (US\$ psm)



The residential row is in dollars per unit per month. All the remaining sectors are in dollars/psm. *Average monthly prime lease rates for 3-4 bedroom properties (US\$).



Source: Knight Frank, EMC



MONTHLY RENTS AT A GLANCE

(US\$ psm)

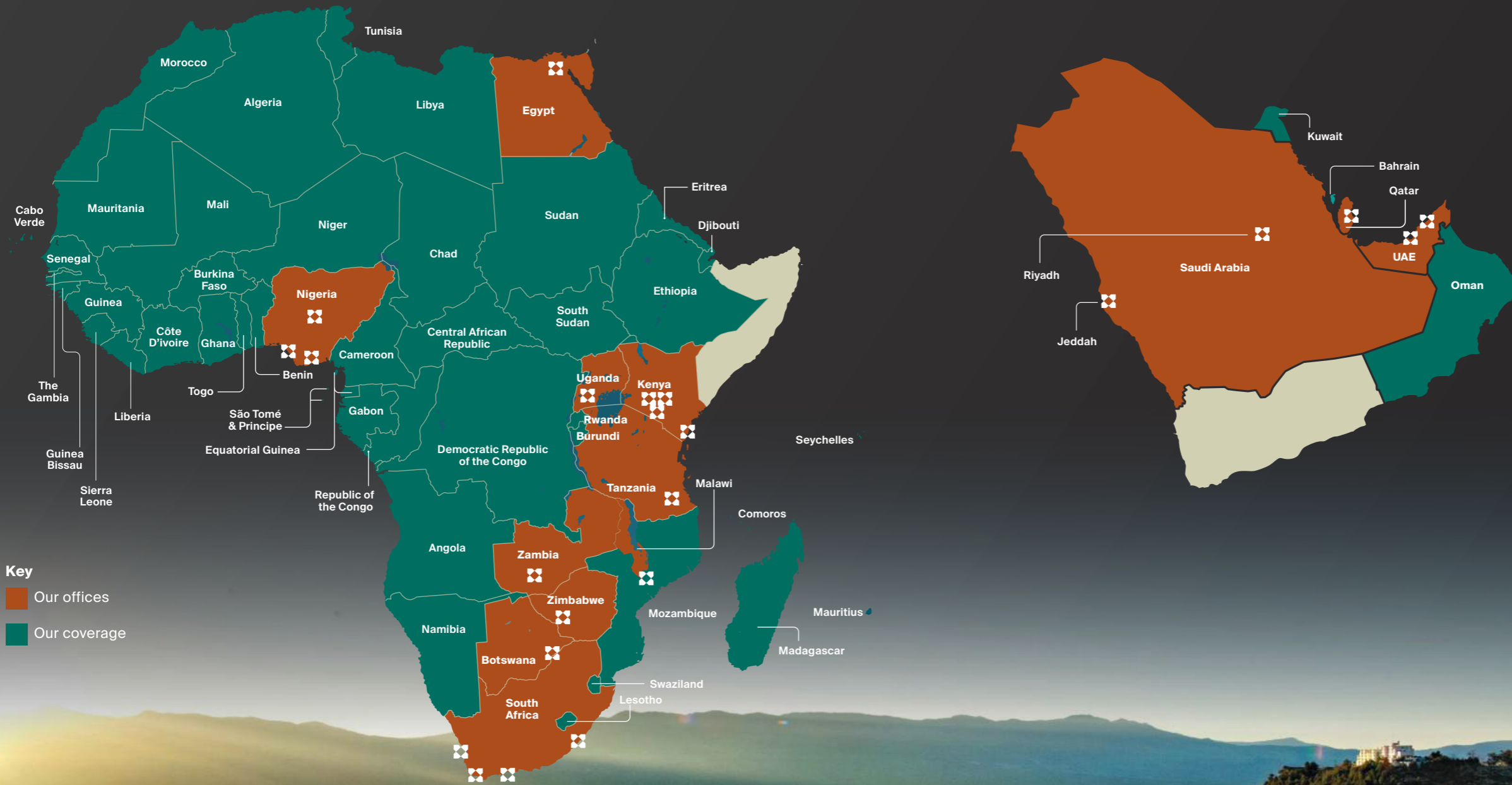


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*Average monthly prime lease rates for four-bedroom homes Source: Knight Frank, EMC

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CONTACTS

James Lewis

Managing Director, Middle East and Africa
james.lewis@knightfrank.com

Ben Woodhams

Partner, Africa Desk, London
ben.woodhams@knightfrank.com

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

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, 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

Other African Countries

Ian Lawrence
ian.lawrence@knightfrank.com

James Whitmee

james.whitmee@knightfrank.com

James Charnaud

james.charnaud@knightfrank.com

Research

Boniface Abudho, Africa Research Analyst
boniface.abudho1@me.knightfrank.com

Faisal Durrani

Partner - Head of Middle East Research
faisal.durrani@me.knightfrank.com

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