



アフリカ レポート 2017/18



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アフリカ: 今後も成長は続くか？

激変する世界情勢がアフリカの経済成長を鈍らせてきましたが、長期的には明るい材料が残されています。

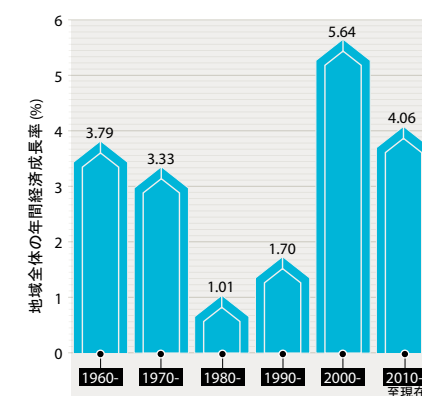
数十年に及ぶ経済低迷に苦しんだ末、今世紀に差しかかる頃からアフリカ経済は加速し始めました。特にサハラ砂漠以南のサブサハラ地域が牽引役となって、2000～2014年までのアフリカ諸国における平均GDP成長率は5%を超えてきました。英エコノミスト誌等の出版物では「アフリカの勃興」というキーワードが度々登場し、それがアフリカの著しい経済成長と明るい見通しの象徴となったのもこの頃です。

しかし、資源価格の下落や中国経済減速等、世界情勢の激変が足かせとなってからは、経済成長が緩慢なものとなってしまいました。アフリカ全体で見ると、2015年のGDP成長率は3.4%に減速しました。2016年には更に2.1%に減速しており、サブサハラ地域に至っては1.5%にまで低下しています。こうした状況から「アフリカの成長は今後も続くか？」という経済的な論点への関心が高まっているのです。

アフリカ諸国の多様な成長ペース

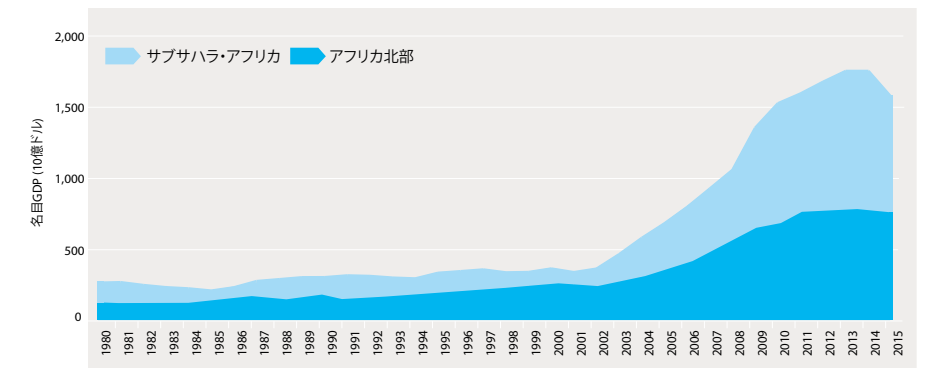
アフリカ諸国がそれぞれのペースで経済成長している状況は、表面的な各国GDPの数値だけを追ってしまうと分かりにくくなってしまうます。大きく分けると、2015年を境目にコモディティ（主に石油等の資源）を輸出する側の国と輸入する側の国との間には違いがあります。原油価格の下落は、

図表 2
サブサハラ地域のGDP成長率(年代別)



出典: World Bank/Knight Frankによる算定

図表 1
アフリカの名目GDP



出典: 世界銀行/Knight Frankによる算定

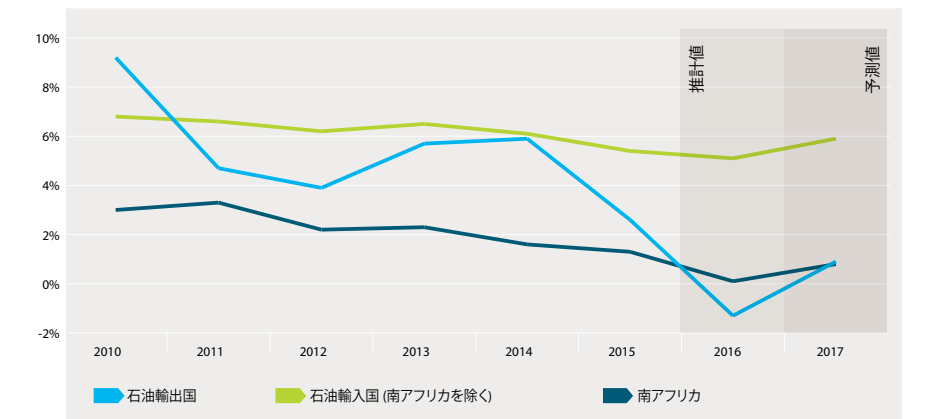
石油を輸出する側の国々にとっては大きな打撃となった反面、石油を輸入（消費）する側の国々にとっては成長を加速させる恩恵となりました。

また、サブサハラ地域のGDP成長率が大幅に下がったのは、経済規模が最も大きいとされるナイジェリア、南アフリカ、アンゴラによるところが大きいと言えます。これらのうち、ナイジェリアとアンゴラはアフリカの2大産油国であることから、原油価格の低迷が特に大きな収入減となり、政府支出、債務水準、貨幣にまで悪影響を及ぼしました。IMF

によれば、アンゴラは何とかゼロ成長に踏み留まったものの、ナイジェリアは2016年に景気後退局面を迎えてしまいました。同様に、経済規模の小さい産油国である赤道ギニアやガボンについても、原油価格の下落が経済に深刻な打撃を与えています。

南アフリカは石油を輸入する側の国ですが、鉱業と製造業の弱さと深刻な干ばつによる農産物への悪影響が重なり、2016年は辛うじて景気後退局面入りを免れたに過ぎません。

図表 3
サブサハラ地域のGDP成長率



出典: International Monetary Fund

以上の国とは対照的に、タンザニア、エチオピア、ケニア、ルワンダ等のコモディティを輸入する東アフリカ諸国は、原油価格の下落、個人消費と民間投資の伸びにより、GDP成長率は5%を大きく上回る水準で推移しています。西アフリカ諸国のうち、コートダジュールとセネガルについても、政治的な安定性、経済改革、公共投資に支えられ、最も力強い伸びを示しています。また、近年のトレンドとは逆行していますが、2016年の北アフリカではサブサハラ地域を上回るGDP成長がみられました。ただし、北アフリカの中でも成長力にばらつきがみられ、リビアとアルジェリアはいずれも原油価格の下落による打撃を受けています。

産業の多様化と技術革新の波

こうした産油国の苦境は、コモディティやその他の単一の生産物に依存しないように、アフリカの産業を多様化させる必要性をいっそう際立たせることとなりました。このため、多くのアフリカ政府にとっては、目下進められている産業の多様化を後押しすることが最優先の課題になっているのです。

成長力の源泉となり、多様化につながるようなアフリカの産業には、小売り、食品・農産物の加工、専門ビジネスのアウトソーシング、金融サービス、建設業

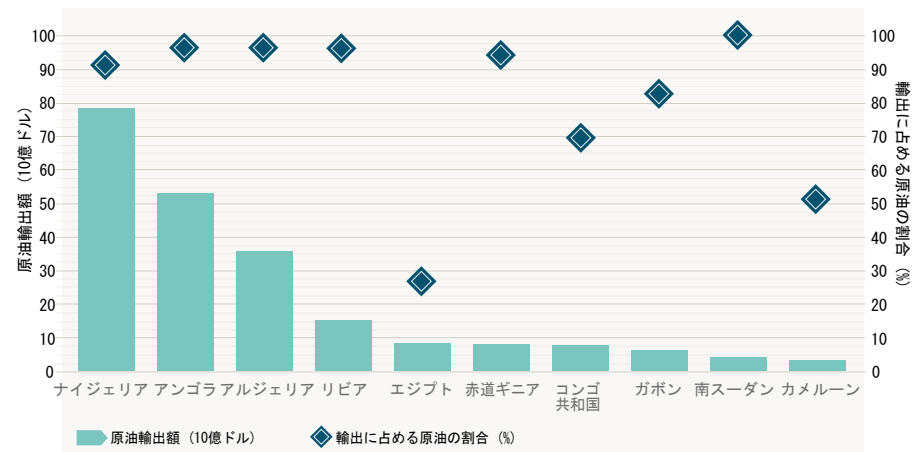


ダルエスサラーム

等が含まれます。また、製造業についても、他の新興市場と比較して改善の余地が大きいことから、成長産業となる可能性を秘めています。

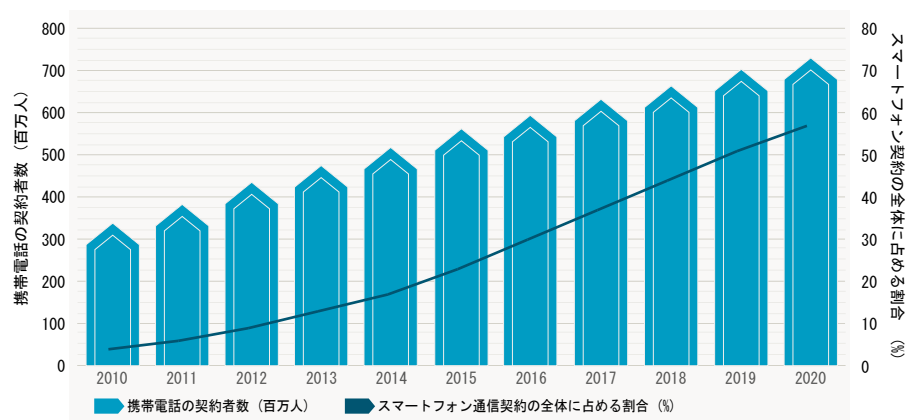
一方、技術革新の波は、将来の成長と多様化のカギを握っています。なぜなら、モバイル通信技術はこれまで地上の固定回線にすらアクセスできなかった人々にも、ワイヤレス通信を可能にしたという点で、既に社会経済を大きく変えるほどのインパクトを与えてきたためです。例えば、これまで一般的な銀行口座を持てなかったような人々にも金融サービスを提供し、アフリカの消費者にモバイル銀行と決済サービスを利用できる環境をもたらしめています。

図表 4
アフリカの主要産油国



出典: Observatory of Economic Complexity (2014年)/Knight Frankによる算定
原油には精製済みの石油製品を含む

図表 5
アフリカにおけるモバイル通信技術の普及予測



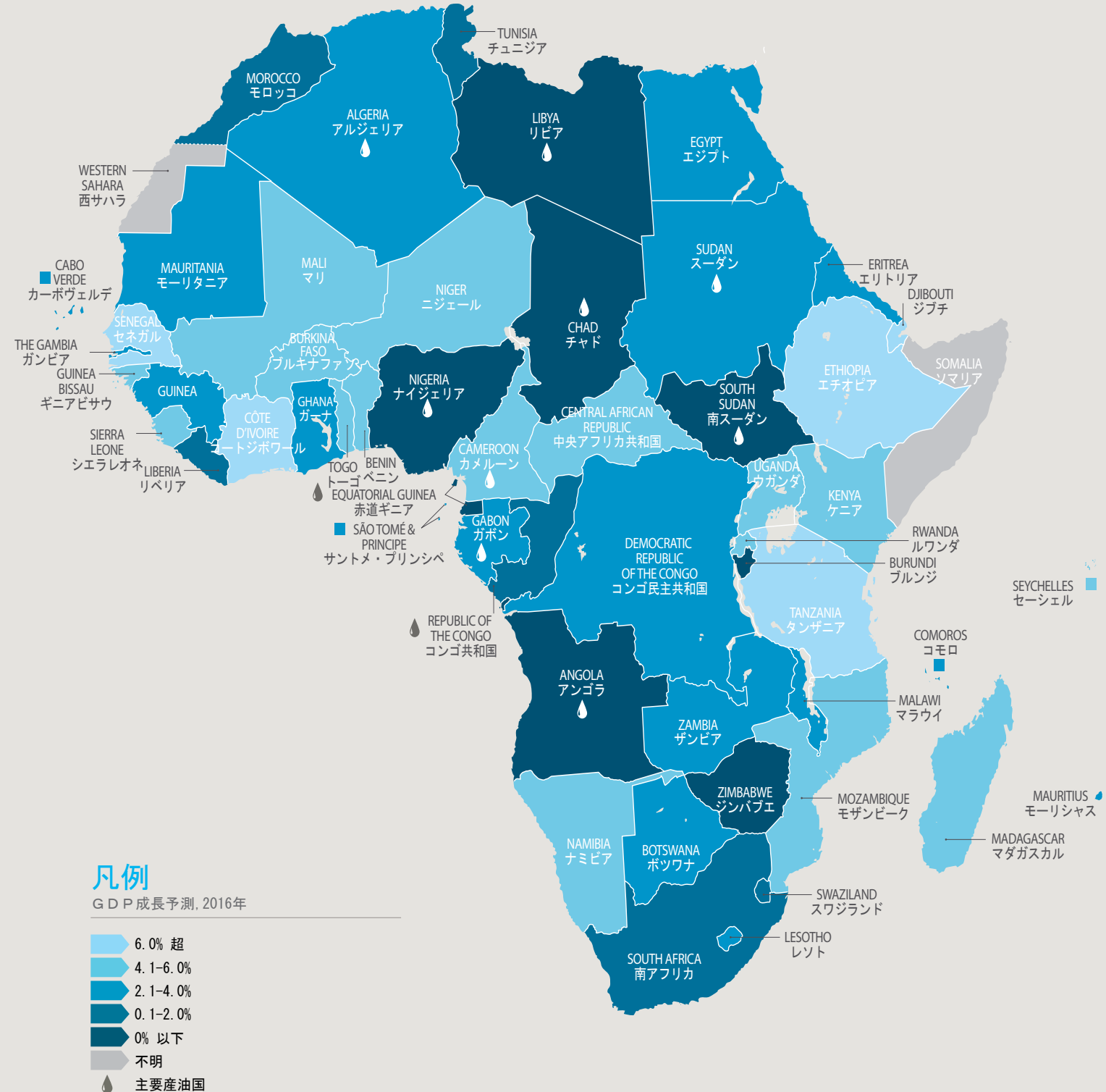
出典: GSMA Intelligence

特に東アフリカはこうしたフィンテックの分野でいくつものイノベーションを起こしてきた地域です。Global Findex社の調べによれば、ケニアでは全人口の58%の人々がモバイル資金口座へアクセスできるとしています。

今や、アフリカのモバイル通信市場は、通常の携帯電話から、スマートフォン普及の段階へと移行しています。そして、2020年までには、スマートフォンがアフリカ市場の過半を占めると見込まれているのです。

より洗練されたモバイル通信技術の普及は、アフリカの消費社会に大きなインパクトを与え、オンラインショッピング等の分野を成長させることでしょう。

アフリカ GDP 成長率, 2016年



出典: International Monetary Fund

人口増加と
都市化の進展

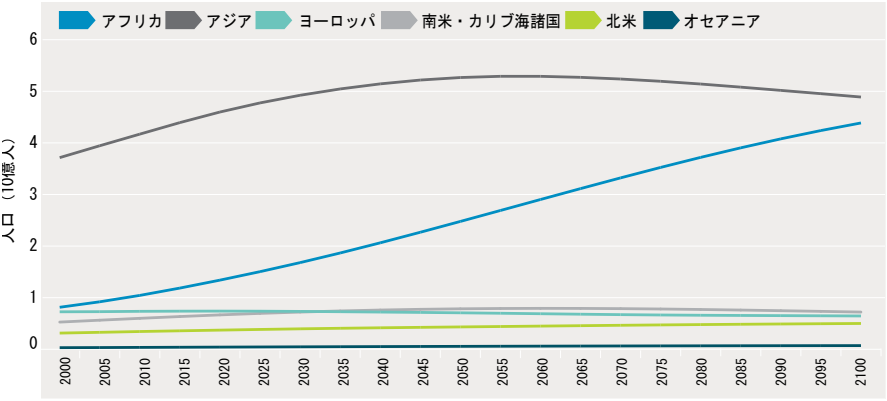
アフリカの一部では経済成長が鈍化したものの、世界でもっとも早い人口増加のペースは、長期的に大きなプラス材料と言えます。また、アフリカの人口動態は、若年層が多いばかりでなく、都市部への人口流入が加速している点に特徴が見られます。

アフリカの総人口は過去30年間で2倍を上回るペースで膨れ上がり、ついに10億人を突破しました。そして、国連の推計によれば、2100年までに40億人を突破し、世界人口の約4割がアフリカ人となる見込みです。アフリカ以外の地域では人口の伸びが更に鈍化し、高齢化の進展も予想されることから、アフリカは世界の中でも労働力の重要な担い手となりそうです。米コンサルティング大手のマッキンゼー社は、2034年までにアフリカの生産年齢人口は11億人に達し、中国とインドを追い抜くと推計しています。

都心居住の進展によって、アフリカの多くの都市で人口集中が加速しており、都市圏の人口は毎年1,500万人を超えるペースで拡大しています。更に国連の将来予想によれば、アフリカ全土の都市化率は2040年までに現在40%前後の水準から、50%を超える見込みです。

アフリカで都市化がもっとも急速に進んでいるのは、(南アフリカを除く)サブサハラ地域に集中しています。カンパラ、ルサカ、ナイロビといったサブサハラの都市は、年率4%を超える勢いで人口増加が進んでおり、いずれ「1,000万人超の巨大都市ラ

図表6
世界人口予測



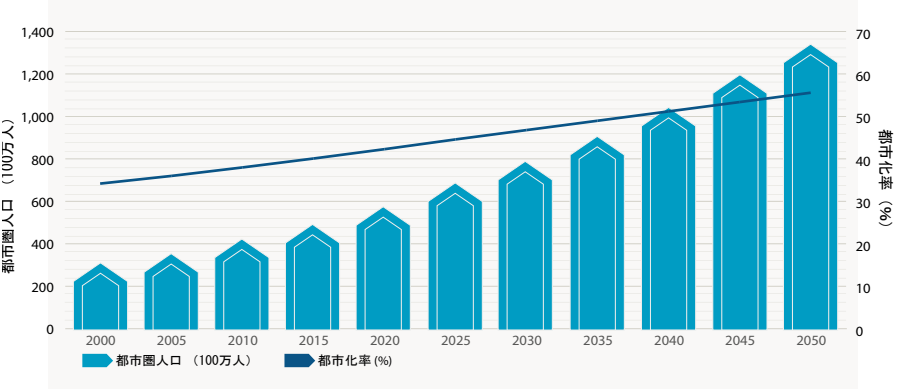
出典: United Nations Population Division

ンキング」にも食い込んでいくことでしよう。グローバル都市研究所(Global Cities Institute)の推計によれば、ラゴス、キンシャ、ダルエスサラームは今世紀末に人口がもっとも集中する3大都市圏になると予想されています。ラゴスからコートジボワールの首都アビジャンまでの1,000キロメートルにわたる海岸沿いの一帯は都市化がかなり進んでおり、未来の巨大都市圏を形成するかもしれません。

その一方で、急速な人口増加は行政や都市インフラに新たな課題を突きつけることになるでしょう。しかし、それと同時に人口増加の勢いに耐えうるだけの巨額のインフラ投資が喚起され、不動産開発の投資機会を生み出すことにもつながります。

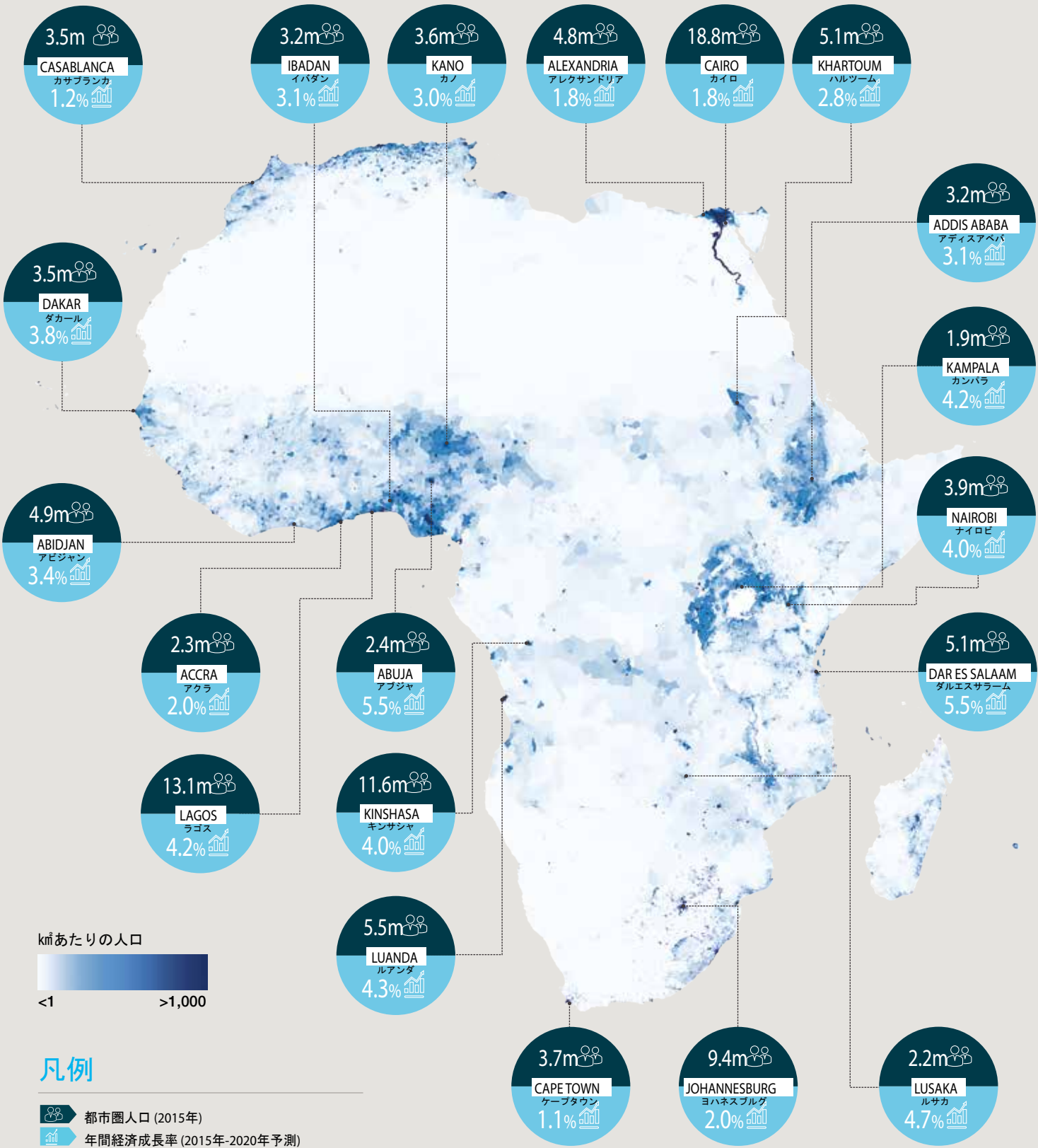
不透明ながらも
ポジティブな先行き

図表 7
アフリカの都市化予想



出典: United Nations Population Division

アフリカの人口密度
と都市の成長力



凡例

- 都市圏人口 (2015年)
- 年間経済成長率 (2015年-2020年予測)

出典: Socioeconomic Data and Applications Center (SEDAC)/United Nations Population Division/Knight Frank

取引市場レビュー

サブサハラ地域における不動産投資・開発プロジェクトへの資金流入が拡大しています。

南アフリカ以外で投資対象となり得るストックの不足、マーケットの不透明感で不動産取引量の抑制傾向は続いています。しかし、サブサハラ地域で長期目線の明確な投資ストーリーには、グローバル機関投資家から強い関心が寄せられてきました。直近2年間で経済が低迷した国もありましたが、こうした関心は衰えていません。

例えば、2016年はサブサハラ地域への投資熱の高まりを示す出来事がありまし

た。新興国市場への投資を専門とする英Actis社が3本目のアフリカ不動産投資ファンド(Actis Africa Real Estate Fund 3)を組成し、5億ドルの資金を集めたのです。サブサハラ地域(南アフリカを除く)への不動産私募ファンドとしては過去最大規模であり、シンガポール政府系のGIC社(Government of Singapore Investment Corporation)も投資コミットしています。

Actis社の過去2つのファンドは、2006年

と2012年にそれぞれ組成されましたが、これらのファンドはガーナ、ケニア、ナイジェリア、タンザニアといった国々でサブサハラ地域を代表する商用不動産開発に投資をしています。同社は既にアクラモール(Accra Mall)、ナイロビ・ビジネス・パーク(Nairobi Business Park)、イケジャ・シティ・モール(Ikeja City Mall)等売却し、アフリカ投資ブームの先駆けとなった投資案件は出口を迎えています。

10数年前、Actis社が最初のアフリカ投資ファンドを立ちあげた頃、グローバル不動産ファンドのほとんどは、サブサハラ地域への投資経験がありませんでした。しかし、その後はサブサハラ地域を投資ターゲットとする不動産投資ヴィークルが数多く設立されており、競合は増えています。こうした投資ヴィークルの多くはモーリシャスに本拠を置きながら、南アフリカで運用するケースが大半です。

代表的な例としては、Rand Merchant Bank社とWestport Propertyグループの合併会社として、2008年に設立されたRMB Westport社という投資ヴィークルがあります。直近の開発プロジェクトとしては、ラゴスのウイング・オフィス・コンプレックス(Wings Office Complex)やルアンダのムシマ・ショッピングセンター(Muxima Shopping Centre)等があります。RMB Westport社が組成する2本目のファンドは4.5億ドルを目標募集額としていますが、既にGIC社と英国不動産大手のGrosvenor社からの投資コミットを獲得しています。

過去2年間に設立された不動産投資ヴィークルとしては、Growthpoint社とInvestec社によって5億ドルで設立された汎アフリカの合併会社があります。また、Momentum Global Investment Management社とEris Propertyグループの合併会社によって、2.5億ドル規模のMomentum Africa Real Estate Fundが組成され、ガーナやナイジェリアでの開発プロジェクトへ出資しています。

一方、The Anglo-South AfricanグループのOld Mutual社は、2016年下半期にナイジェリアのソブリン投資庁とのパートナーシップ契約を締結し、アフリカ投資の拡大路線を明確にしました。これにより、2億ドルの農業投資ヴィークル設立に加え、5億ドルの不動産ファンドの組成を目指し

ます。

2016年で注目すべきもう1つの出来事と言えば、Delta Africa社とMara Diversified Property Holdings社の合併によって組成されたMara Deltaという不動産投資ファンドの組成事例です。Mara Deltaは、2016年のアフリカ不動産投資市場において、最も精力的に物件取得を進めていたファンドであり、ケニア、モーリシャス、モロッコ、モザンビーク、ザンビアにポートフォリオを拡大させていきました。

南アフリカの投資家は、ランド安と国内経済停滞に備えるヘッジ手段として、アフリカ大陸以外の海外投資を増やす傾向が見られます。その結果、南アフリカからの投資資金は、比較的利回りの高い中欧・東欧の地域へと向かっています。Hyprop社、Redefine社、Tower社といった南アフリカの投資家は2016年だけで21億ドル分の不動産を取得しました。

アフリカへの不動産投資資金の大部分は中東の投資家によって拠出されており、こうした資金は現物不動産への直接投資よりも、大規模開発プロジェクトへの出資を好む傾向が見られます。中東の資金によってサブサハラ地域を開発した事例

としては、ナイジェリアの都市、アブジャでEagle Hills社(アラブ首長国連邦の企業)が手掛けるセンチュリー・シティ(Century City)というプロジェクトがあります。他にも、ホテル等のセクターにも強い関心が寄せられています。

日本政府もアフリカ投資支援向け、いくつかの大きなステップを踏み出しましたが、アジアの中では何となく中国の存在感が際立ちます。アフリカにおける巨大なインフラプロジェクトの融資や建設の多くには、中国の機関投資家が関わっています。ただし、不動産投資を専門とする企業はそれ程多くありません。中国の投資家が関わっている主だった大規模開発事例として、Shanghai Zendai社がヨハネスブルグの近くで開発を進めているモダーフونت・ニュー・シティ(Modderfonte New City)プロジェクトがあります。更に、中国国営企業のAVIC社はナイロビで開発された複合施設トゥー・リバーズ(Two Rivers)へ大規模な出資を行いました。

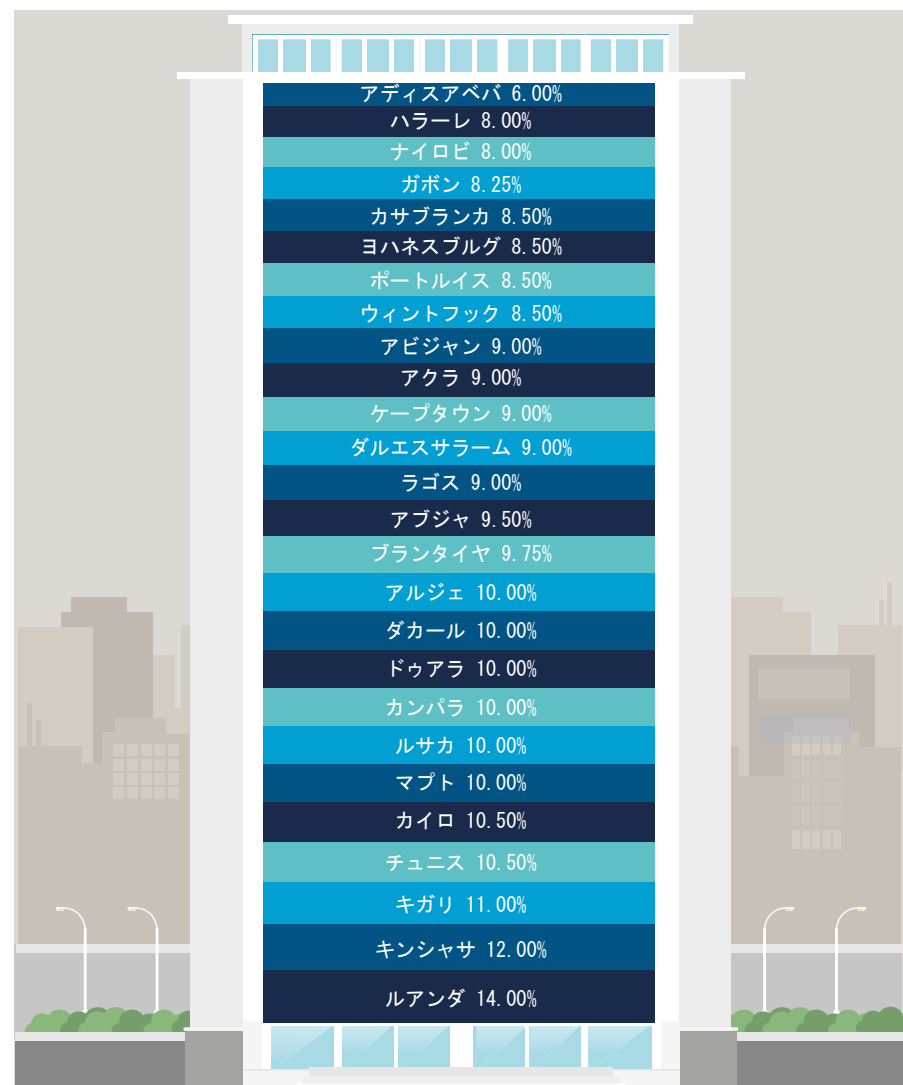
サブサハラ地域の最も有望なマーケットで、機関投資家の投資対象となり得る典型的な物件の取引利回りは、概ね7~9%のレンジに入っています。プライム物件で

このような高い利回りを実現できる国はほとんどありませんが、アフリカ市場のリスクが高い点を勘案すると、投資利回りが十分に高いと感じないグローバル機関投資家もいることでしょう。利回り水準が比較的低い理由は、機関投資家の投資対象となり得るような物件がなかなか市場に出てこない反面、投資需要が強いからです。近年組成された投資ヴィークルが、アフリカでポートフォリオを拡大させようとする際にも、この状況は続くものとみられます。

Actis社やRMB Westport社等によって行われた不動産開発は、サブサハラ地域におけるグローバル機関投資家の投資対象となりうるようなストックを大きく増やすこととなります。しかし、アフリカ市場への新規参入を模索するグローバル機関投資家は、最初から現物資産へ直接投資をするよりも、GIC社やGrosvenor社のように、地場で確固たる実績のあるファンドへ出資する方が無難だと感じるでしょう。このため、サブサハラ地域を投資対象とする不動産ファンドが今後組成されるにつれて、グローバル機関投資家からの需要が喚起されるという新たなトレンドが生まれると考えられます。

図表8

アフリカにおけるプライムオフィスの利回り



出典: Knight Frank Research

サブサハラ地域における取引事例, 2015年-16年

時点	物件名	場所	セクター	売主	買主	推定価格 (100万ドル)	利回り
2015年Q4	イケジャ・シティ・モール	ラゴス、ナイジェリア	商業施設	Actis/RMB Westport/Paragon	Hyprop (75%)/ Attacq (25%)	91.0	>8.00%
2015年Q2	トゥー・リバーズ・デベロップメント (持分39%)	ナイロビ、ケニア	複合用途	Centum	Aviation Industry Corporation of China (AVIC)	70.0	N/A
2015年Q4	イースト・パーク・モール、アカシア / オフィスパーク & ジャカランダモール (持分50%)	ルサカ & ンドラ、ザンビア	商業施設/ オフィス	Casilli Group	SA Corporate	49.6	8.68%
2015年Q3	ウィングス・オアンド・デベロップメント (持分37.1%)	ラゴス、ナイジェリア	オフィス	RMB Westport	Pivotal	49.0	N/A
2015年Q2	ボーダーコム・ビルディング	マプト、モザンビーク	オフィス	Sociedade De Construções Catemba	Delta (現 Mara Delta)	46.0	6.63%
2016年Q4	コスモポリタン・モール (持分50%)	ルサカ、ザンビア	商業施設	Rockcastle	Mara Delta	37.1	7.75%
2015年Q4	バガテル - モール・オブ・モーリシャス (持分34.9%)	バガテル、モーリシャス	商業施設	Atterbury	Ascencia	28.9	c. 7.00%
2015年Q4	マクバ・モール & カフブ・モール (持分50%)	キトウェ & ンドラ、ザンビア	商業施設	Rockcastle	Delta (現 Mara Delta)	21.6	7.75%
2015年Q4	グリーンズパン・モール	ナイロビ、ケニア	複合施設	Greenspan Mall Limited	Stanlib Kenya Fahari I-REIT	20.0	8.10%
2016年Q1	パークレーズ・ハウス	エベース、モーリシャス	オフィス	Jade Group	Delta (現 Mara Delta)	13.4	8.30%

出典: Knight Frank Research/Real Capital Analytics/企業の公表資料及び財務諸表

セクター別の動向:商業施設

サブサハラ地域では近代的な商業施設が増え、質的にも向上しています。

近代的なショッピングモールの建設がサブサハラ地域の街並みを変貌させつつあります。

アフリカの主要都市でショッピングモールが日常生活に広く根付いたこともあり、ここ10年間の不動産開発は商業施設にかなり傾倒してきました。こうした商業施設の開発を加速させてきたのは、アフリカ消費市場の拡大とこれに伴う国内外の小売業者によるスペース拡張の需要です。特に出店攻勢をかけているのはShoprite、Pick n Pay、Gameといった、南アフリカを代表するスーパーマーケット・チェーンです。

今のところ、南アフリカには2,300万㎡程度のショッピングセンターがあり、サブサハラ地域では最も大きく、成熟した市場です。一方、サブサハラ地域(南アフリカを除く)におけるフロアスペースの合計は、たったの300万㎡程度に過ぎません。2016年も南アフリカのストックは増えてきましたが、中でも注目を集めたのはAtterbury社が開発したモール・オブ・アフリカ(Mall of Africa)です。同施設のフロア面積は131,000㎡で、サブサハラ地域内における単体の商業モール開発としては過去最大規模です。

南アフリカ以外のサブサハラ地域では、ケニアの首都ナイロビへの供給量が増え、建設ラッシュが続いています。ナイロビでは2015年にガーデン・シティ・モール(Garden City Mall、33,500㎡)の第1期工事が完了しました。続い

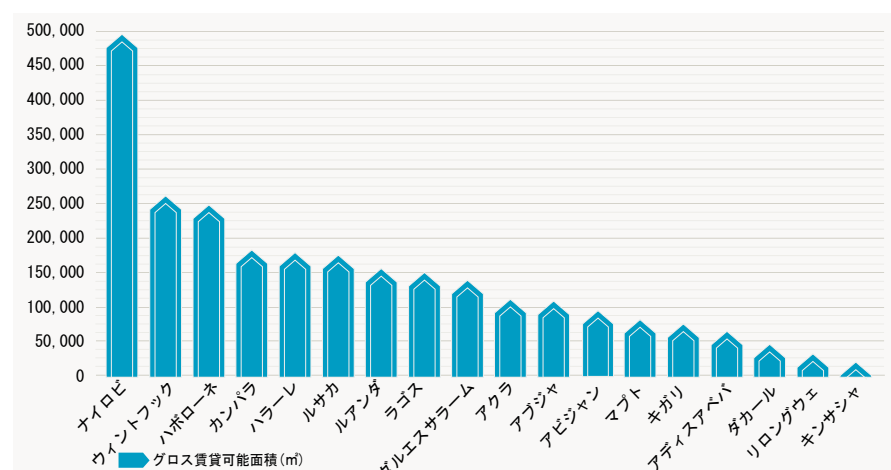
て、2016年に富裕層が住むカレンの郊外にザ・ハブ(The Hub、30,000㎡)がオープンしました。ケニアで最も大きなショッピングモールは、2017年2月にオープンしたトゥー・リバーズ・モール(Two Rivers Mall、67,000㎡)です。

これ以外にも、Atterbury社、Novare社、Resilient社、RMB Westport社といったディベロッパーは、過去2年間にガーナやナイジェリア等で商業施設を供給してきました。コートダジュールとセネガルは、かつてあまり商業施設の供給が進んでこなかった国でしたが、経済状況に明るい兆しが見えるようになると、徐々に関心を集めるようになりました。特筆すべきは、CFAO社がアビジャンで開発した、プライエス・マルコリー(PlaYce Marcory)というモールです。このモール開発は、Carrefour(仏スーパーマーケット)をアンカーテナントとしており、西・中央アフリカへ進出するための足がかりとなるものでした。

産油国等の経済が弱含んだことよって、計画が後ろ倒しになったり、規模が縮小したりするケースもありましたが、依然として数多くの商業施設がサブサハラ地域に建設される予定となっています。そして、ほとんど全ての主要都市において、少なくとも1つ以上の商業モールが開発されたため、ディベロッパーは周辺都市にも開発の触手を伸ばし、先駆者としての利益を狙っています。ただし、手堅いディベロッパーは巨大なリージョナル・メガモールの開発よりも、適切な立地に中小規模で利便性の高いショッピングセンターを供給しようとする傾向が見られます。

商業施設セクターが成熟し、競合プロジェクトが増えるにつれ、ディベロッパーは自らの開発案件を差別化するために国際的なブランド、レジャー施設、より上質な消費体験を提供していかなくてはなりません。既に賑わいのあるショッピングセンターが同一都市に存在しているような場合は尚更ですが、ディベロッパーが新規開発プロジェクトを成功させるためには、ピンポイントで適切な立地を選ぶことがとても重要です。こうした商業モール開発は、アフリカで成長する都市の街並みを形作るうえで大きな役割を果たしていくことでしょう。

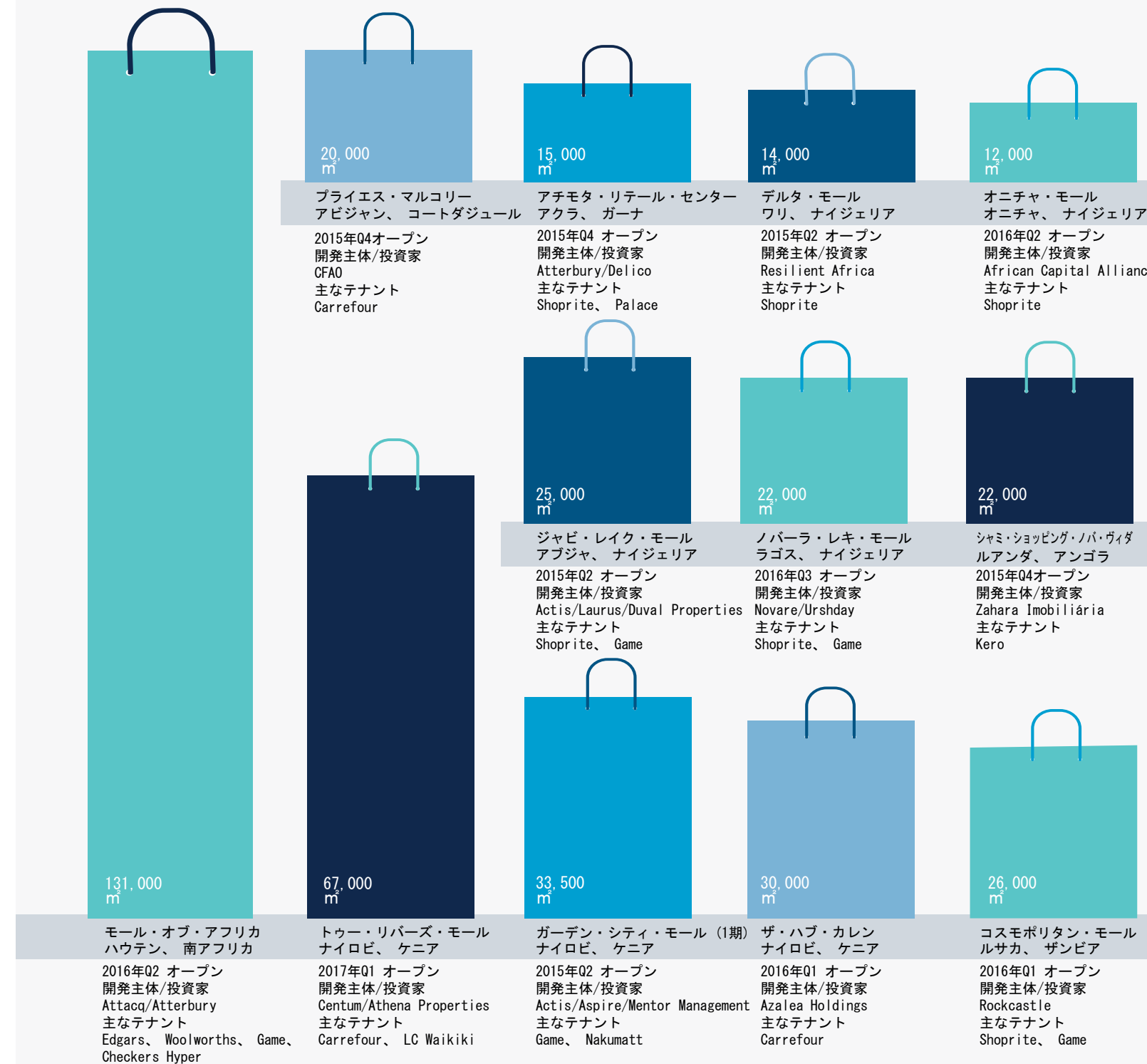
図表 9
サブサハラ地域におけるショッピングセンター供給面積（都市別）



出典: Knight Frank Research
南アフリカの都市は除く
グロス賃貸可能面積が5,000㎡以上のものを集計

ショッピングモールの供給事例

2015年Q1 2017年



セクター別の動向： 物流施設

新規開発へ向けた動きが物流セクターを活性化させてつつあります。

ここ10年で見ると、サブサハラ地域における商用不動産開発の大部分は商業施設とオフィスに集中し、物流施設についてはあまり開発が進みませんでした。しかし、物流拠点となりうる都市に十分なストックが整備されていない実態が浮き彫りになりつつあります。特にアフリカでの業容を拡大させ、流通ネットワークと供給体制を改善させようとする小売業者と消費財メーカーは、よりクオリティの高い物流スペースへの需要を高めており、このことが物流施設の新規開発を後押しする要因となっているのです。

2016年にはザンビアの首都ルサカでヨーク・コマーシャル・パーク (York Commercial Park) が、ガーナのテマ港ではアジリティ・ディストリビューション・パーク (Agility Distribution Park) がそれぞれオープンしました。両プロジェクトとも、入居テナントの要望に合わせて建設したハイエンドなビルド・トゥ・スーツ型のプロジェクトであり、いずれのマーケットでもこれまで実現できなかった開発形態です。特にガーナのプロジェクトは、クウェートのディベロッパーであるAgility社がアンゴラ、コートジボワール、モザンビーク、ナイジェリア、タンザニア等の進出を狙うマーケットの中でも最初に手掛けたものでした。

Rendeavour社が開発するナイロビ近くのタトゥー・シティ (Tatu City)、ルカサのロマ・パーク (Roma Park) のように、大規

模な都市開発の一部に物流・産業施設を開発する計画がいくつかあります。アフリカの国際貿易が海運に依存していることもあり、企業が物流ネットワークを検討する上で港湾施設が欠かせません。このため、港湾施設の周辺にも物流施設のディベロッパーがひしめいています。特に活発なプレーヤーはドバイのDP World社で、港湾施設に関連した物流施設の開発・運営に攻勢をかけています。

因みにアフリカ物流施設の市場は技術革新によって大きなインパクトを与えられる可能性があります。例えば、ドローン (無人飛行機) による輸送は、十分信頼できる道路網が整備されていないような場所であっても、荷物の搬送を可能にすることから、アフリカの輸送インフラが欠如している地域を補完する可能性があります。2016年には、米国のZipline社という企業が世界初の商用ドローン輸送サービスともいえる物流システムを立ち上げました。

また、オンラインショッピングの拡大は将来的な物流市場の拡大にも繋がります。グローバルレベルの業界標準には程遠いものの、スマートフォンの急速な普及に伴って、アフリカのオンラインショッピングは着実に拡大しています。ナイジェリアのJumia社とKonga社といったオンライン商店の先端企業は、高度な要求にも応えられる物流施設を前提に、流通ネットワークの構築を進めています。



Port of Cape Town

物流施設の開発プロジェクト



ダカル・フリー・ゾーン ダカル、セネガル

DP World社はセネガル政府とセネガル郊外のブレイズ・ジャーニュ国際空港の物流自由区 (logistics free zone) を開発することで合意済み。既にダカル・コンテナ・ターミナルは両者で運営中。

アジリティ・ディストリビューション・パーク テマ、アクラ、ガーナ

2016年10月にAgility社はアクラ東部のテマ自由区 (Tema Free Zone) に45エーカーのロジスティック・パーク (第1期) をオープンしました。全期完成すれば、10万㎡の倉庫スペースとなる見込み。

アフリカ・ロジスティック・プロパティーズ ナイロビ、ケニア

アフリカ・ロジスティック・プロパティーズ社 (ALP) は東アフリカのMarisグループによって設立された投資ヴィークル。ALPは世界銀行の国際金融公社から提案された投資案件等、ナイロビ周辺の物流施設を開発するためのファンド資金6,500〜7,000万ドルの調達を目指す。

コースト・ドライポート ソーガ、タンザニア

米国のBlackIvyグループがダルエスサラーム西部のソーガ村にドライポート (内陸の輸送ターミナル) とロジスティック・パークを建設予定。500エーカーの施設は鉄道2路線と接続される計画。

キガリ・ロジスティック・プラットフォーム キガリ、ルワンダ

DP World社はキガリに物流センターの開発・運営をするための権利を獲得しています。第1期は90,000㎡の敷地に12,000㎡のコンテナ・ヤードと19,600㎡の倉庫を建設予定。

タトゥー・インダストリアル・パーク ナイロビ、ケニア

都市開発プロジェクトの一部に組み込まれているこの産業用地は、軽工業、倉庫、物流施設向けに整備された450エーカーの土地。このうち70エーカーはUnilever社が取得する契約を締結済み。

ヨーク・コマーシャル・パーク ルサカ、ザンビア

Actis社は南アフリカのディベロッパーであるImprovon社との協力のもと、ルサカ南部に新しい物流センターを開発。第1期工事は2016年の頭に完了。

ALGERIA



Key facts

Population	39.7 million
Major cities:	
Algiers	2.6 million
Oran	0.9 million
Constantine	0.5 million
Official languages	Arabic
Total area	2,381,741 sq km
GDP growth (2016)	3.6%
Key export	Petroleum
Currency	Algerian Dinar (DZD)
EIU country risk rating (E=most risky)	D
World Bank Doing Business rank (out of 190 countries)	156

Algiers prime rents and yields

	Prime rents	Prime yields
Offices	US\$30/sq m/month	10%
Retail	US\$33/sq m/month	9%
Industrial	US\$9.50/sq m/month	13%
Residential	US\$4,500/month*	7.5%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

Contact

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Bab Ezzouar Mall, Algiers

Office market

The traditional office locations in Algiers of Hydra and the city centre generally remain the prime areas for local businesses. However, international corporate occupiers with larger requirements have tended to shift eastwards towards the airport and the new commercial districts of Bab Ezzouar and Alger Medina. Banking, in particular, is largely no longer headquartered in the city centre, with Natixis, BNP Paribas, Citi and HSBC all now out to the east. Trust Bank and Al Baraka Bank also have new headquarters under construction in Bab Ezzouar. The office market has been subdued over the last year as a result of economic uncertainty and many of the largest construction projects have made slow progress. However, prime rents have been stable, as the availability of space suitable for international occupiers remains limited.

Retail market

The informal retail sector is still predominant in Algeria, but a series of modern retail developments have emerged over the last decade. The first of these was Sidar's Al Qods in Chéraga, which has since been joined by SCCA's Centre Commercial Bab Ezzouar, Arcofina's Ardis-Medina Center and Chaïbi/Asicom's City Center. These shopping centres are all performing well in terms of occupancy and footfall, although Algeria's current economic challenges are likely to slow further development. Carrefour has recently re-entered Algeria but the requirement to form a joint venture with local partners is an inhibitor to the market entry of other international retailers.

Industrial market

Algeria's oil-dependent economy is currently depressed and attempts to diversify the economic base have had only limited success. It is anticipated that the government will increase taxes and subsidised fuel prices in 2017, targeting businesses more than individuals. This will negatively impact Algeria's appeal as a manufacturing location and discourage international investment, which is already deterred by restrictions on foreign ownership. There are several major industrial zones around Algiers including Rouïba, Ouled Fayet, Birtouta and Dar El Beïda/Oued Smar; these are all practically full and it is difficult to find good quality real estate. There is a pharmaceutical/biotechnology cluster at Sidi Abdallah, 30 km south west of Algiers, where Sanofi is building a factory.

Residential market

The prime residential area of Algiers is Hydra, which is also the main area of the city for the diplomatic sector. The upmarket housing market has slowed in the last two years and rents have fallen, with the potential for further decreases due to the depressed economic conditions. Lease renewals are being agreed without review or at discounts to previous levels. The Finance Act 2017 has raised taxes on landlords' rental incomes, impacting the attractiveness of residential investment. There is strong potential demand for affordable housing and government initiatives have attempted to encourage investment in this sector.

ANGOLA



Key facts

Population	25.0 million
Major cities:	
Luanda	5.5 million
Huambo	1.3 million
Official languages	Portuguese
Total area	1,246,700 sq km
GDP growth (2016)	0.0%
Key export	Petroleum
Currency	Kwanza (AOA)
EIU country risk rating (E=most risky)	D
World Bank Doing Business rank (out of 190 countries)	182

Luanda prime rents and yields

	Prime rents	Prime yields
Offices	US\$80/sq m/month	14%
Retail	US\$60/sq m/month	12%
Industrial	US\$10/sq m/month	14%
Residential	US\$15,000/month*	11%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

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BESA Headquarters, Luanda

Office market

Falling oil prices have had a dramatic impact on Angola's oil-dependent economy and the real estate sector. Office demand in Luanda has virtually ground to a halt and supply has increased, causing vacancy rates for new buildings to rise above 20%, with further increases expected in 2017. Luanda still has the highest office rents in Africa, but Grade A rents have almost halved in the last three years. The market has also been affected by recently-introduced legislation prohibiting real estate rents from being set in, or linked to, a foreign currency. This has badly impacted landlords who have typically borrowed in US dollars but are now receiving their revenues in kwanza.

Retail market

The retail sector in Luanda remains at a nascent stage of development, with the majority of activity being either informal trading or in standalone units. International retailers, who were looking at the market in 2013-14, have all but disappeared. However, local investors have promoted the expansion of the mall operator Xyami, which is rolling out retail centres in Luanda and other Angolan cities. There are currently fourteen shopping centres in Greater Luanda, mainly concentrated in the downtown and Talatona, where many expatriates live. There has been a lack of open market transactions, but anecdotal evidence suggests that rents have fallen by around 50% since 2014.

Industrial market

Luanda's main industrial and warehousing locations are in and around the port area and Viana to the east of the city. Historically, it has been very difficult to find good quality warehousing in Luanda, but the drop in demand from the oil sector and an increase in supply has caused the market to become more balanced. Rents and values have fallen by 30-50% in the last couple of years. In the short-term, the market is expected to remain stable, but values should increase once the economy recovers and government initiatives to promote diversified industries have an effect.

Residential market

As is the case in other real estate sectors, high-end residential apartments and villas in Luanda are the most expensive in Africa, despite a 30-50% fall in prices in recent years. Unlike other sectors, residential values were already in decline before the drop in oil prices, due to increased levels of new supply in 2013-14. The prime residential market is dominated by the expatriate community, who generally look to rent rather than buy. A four-bedroom villa on one of the most sought-after compounds in Talatona can still fetch US\$15,000 per month, but in 2014 the same villa would have achieved US\$25,000 per month. Despite the weaker rental market, yields have actually hardened slightly, as investors have bought real estate to hedge against inflation and the devaluation of the kwanza.

BOTSWANA



Office market

Office supply continues to outstrip demand in Gaborone and this imbalance is likely to worsen for secondary space. With several large CBD office towers due for completion in 2017 and government departments set on moving to new CBD buildings, older and poorly located offices will be left empty with little expectation that they will be taken up by the private sector. Fairgrounds Office Park remains the decentralised location of choice, with rents around 20% lower than in the CBD. Despite the perceived oversupply, several occupiers with requirements for 500-1,000 sq m are unable to secure appropriate accommodation in the new CBD buildings, and many high-rise towers with smaller floor plates do not suit corporate occupiers.

Retail market

The retail sector continues to see new development, but demand for space has waned, with few new market entrants and existing businesses contracting in response to weak consumer spending. Historically, mall developers have targeted South African chains, who were able to obtain exemptions to legislation that limits the granting of certain trading licenses to local businesses. However, a hardening of the government's stance meant that South African retailers were unable to obtain exemptions throughout 2016. If this situation persists, it will deter the development of new malls and landlords will have to target Botswana-based tenants, who generally occupy smaller shops of less than 200 sq m.

Industrial market

Demand for industrial space is focused on units of less than 500 sq m, as tenants have started to use newly built business space as cheaper quasi-offices or showrooms. The lack of strict planning controls within industrial areas has enabled this trend. For new warehouses under 200 sq m, rents are now as high as 50 pula/sq m/month, close to half the level of fully-fledged offices. Demand for larger space is dominated by quasi-retailers seeking prominent properties with good visitor parking. With Botswana reaching 50 years of independence in 2016, many 50-year Fixed Period State Grant (FPSG) leases are nearing expiration and industrial property owners are anxious to see how the state treats requests to renew FPSG leases.

Residential market

Gaborone has a diminishing supply of low-to-middle income housing, with most people on average incomes finding it difficult to locate affordable housing or finance their own self-build homes. The drift to smaller and cheaper properties has been reinforced by an increased number of single-family households due to growing student and elderly populations. Many residential buy-to-let investors are struggling to find tenants, particularly as expatriate workers have found it difficult to renew work permits. Demand for multi-residential housing has increased and developers are increasingly tailoring schemes to the demands of average local buyers and tenants. Sales at the high end of the market are far less frequent and likely to stay muted for some time.

Key facts

Population	2.3 million
Major cities:	
Gaborone	0.2 million
Francistown	0.1 million
Official languages	English
Total area	581,730 sq km
GDP growth (2016)	3.1%
Key export	Diamonds
Currency	Pula (BWP)
EIU country risk rating (E=most risky)	B
World Bank Doing Business rank (out of 190 countries)	71

Gaborone prime rents and yields

	Prime rents	Prime yields
Offices	US\$11.50/sq m/month	8.25%
Retail	US\$26.50/sq m/month	7.5%
Industrial	US\$4.75/sq m/month	9%
Residential	US\$1,900/month*	6%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

Contacts

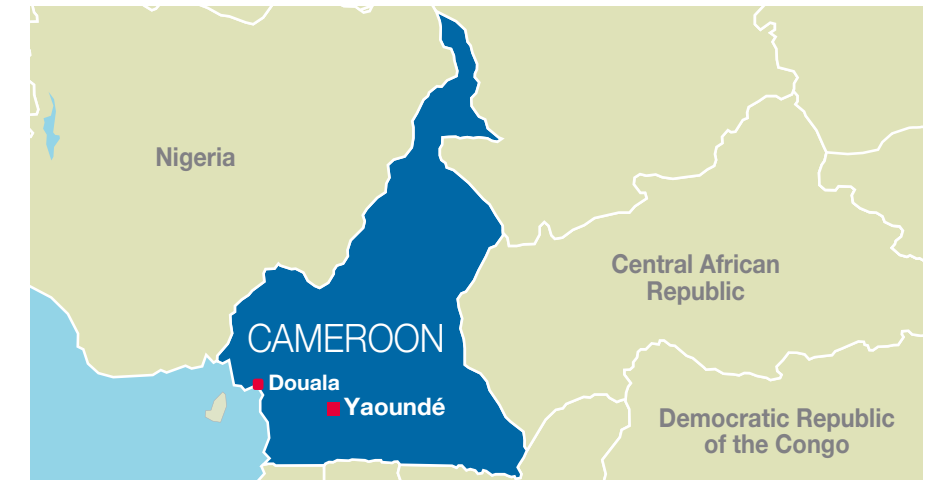
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Zambezi Towers, Gaborone

CAMEROON



Key facts

Population	23.3 million
Major cities:	
Yaoundé	3.1 million
Douala	2.9 million
Official languages	French, English
Total area	475,440 sq km
GDP growth (2016)	4.8%
Key export	Petroleum
Currency	Central African CFA Franc (XAF)
EIU country risk rating (E=most risky)	D
World Bank Doing Business rank (out of 190 countries)	166

Cameroon prime rents and yields

	Prime rents	Prime yields
Offices	US\$26/sq m/month	10%
Retail	US\$46.50/sq m/month	8.75%
Industrial	US\$4.50/sq m/month	12%
Residential	US\$2,800/month*	7.5%

	Prime rents	Prime yields
Offices	US\$22/sq m/month	10%
Retail	US\$22/sq m/month	9%
Industrial	US\$2/sq m/month	15%
Residential	US\$2,800/month*	7.5%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

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New office development, Yaoundé

Office market

Cameroon has some significant advantages, having a good education system that produces high quality employees and being both English and French speaking. However, a challenging business environment has held back the development of its office market. There are hardly any good quality office buildings and rents are flat. Douala is the main commercial city, while the capital Yaoundé has a much smaller corporate market which generally accommodates businesses that need access to government departments. Office development has tended to be by local individuals and businesses and is below the standards required by global corporate occupiers.

Retail market

There are only a small number of international retailers present in Cameroon and most of these, such as Casino and City Sport, are operated as franchises. Until recently, there were no malls in Cameroon but Douala has lately seen the opening of L'Atrium, anchored by Spar, and Kadji Square, which has a Super U hypermarket. The largest retail spaces in Yaoundé are mostly supermarkets or general stores such as Casino, Mahima and DOVV. CFAO/Carrefour have targeted both cities, and are most likely to open first in Douala, possibly as a standalone supermarket rather than a mall-with-supermarket format.

Industrial market

As the location of Cameroon's main port, Douala is the country's principal

industrial centre. However, there is also significant development activity further south around Kribi, where a new deep-water port is under construction. The country is rich in natural resources with significant industrial-scale agriculture including rubber, palm oil and coffee. The stability of the local currency, which is pegged to the Euro, is an advantage, as is Cameroon's geographical position and the potential to sell into the landlocked countries of Chad and the Central African Republic. However, road networks are relatively poor, which creates distribution challenges, and there are persistent delays and other issues associated with moving products through the port.

Residential market

Almost half of Cameroon's population lives in informal dwellings, and there is a housing supply deficit estimated to be the equivalent of 100,000 units per year. This will be compounded in future years as the middle class swells and due to diaspora demand. It is very difficult to get financing unless you are a government employee, with funding mainly available through the government agency, Credit Foncier de Cameroun. With supply lagging demand, house prices are increasing, particularly at the mid-to-top end of the market where financing is a less important consideration. The best residential zones in Douala are Akwa, Bonapriso and Bonamoussadi. In Yaoundé, the prime areas are mainly around Centre Ville, Quartier du Lac and Bastos/Golf.

CHAD



Office market

Recent construction activity in N'Djamena has largely related to hotels and ministries, rather than commercial offices. There is a large area of the city which has been designated as the Cité Internationale des Affaires, but it is unclear if this will present opportunities to corporate occupiers and, if it does, this will not happen for several years. The city's office market is basic, and purpose-built offices are generally not suitable for international companies. As a result, such operations often work out of hotels and apartments where rents can be very high at XAF30,000/sq m/month-plus. However, the local rate for offices is around one-third, or less, of this. The US Embassy's relocation to Dembé/Chagoua is likely to spur the movement of other administrative functions to this area of the city.

Retail market

There are no international retailers in N'Djamena, and the formal retail market largely comprises small supermarkets selling imported products. Supermarket brands include Modern Market, Alimentation Générale and Alimentation La Tchadienne. The most significant retail and commercial street in the city is Avenue Charles de Gaulle. In early 2016, N'Djamena's first mall opened opposite the Cité Internationale des Affaires, anchored by a 2,600 sq m Modern Market. However, this is still a fairly basic development by international standards, being essentially ground floor space under apartments.

Industrial market

Chad is consistently ranked as one of the most challenging countries in the world in which to do business. As a landlocked country with a relatively small and low-income population, Chad is not a target market for international manufacturers, and activity mainly involves local businesses involved with agri-processing. In N'Djamena, industrial activity is mostly concentrated around Farcha where some of the oil companies have bases. There is significant oil activity in the south and west of the country, where ExxonMobil has large operations. However, the government has a history of tense relations with foreign oil companies and it recently imposed on ExxonMobil a fine equivalent to seven times the country's GDP for the alleged non-payment of taxes.

Residential market

N'Djamena saw a surge in the development of high-end villas and hotels in the run-up to the 2015 African Union summit, including a 60-villa compound at Sabangali, and a residential development alongside the Ledger Plaza hotel. However, the summit was cancelled due to the country's economic crisis and, since then, construction activity has almost entirely halted. At the top end of the market, property is generally developed for owner-occupation or for leasing to expatriates. The expatriate leasing market is currently dominated by the diplomatic sector as oil companies have downsized operations. Prime residential rents are around XAF1.75-2.5 million/month, which is slightly down on a year ago, and the market is generally stagnant.

Key facts

Population	14.0 million
Major cities:	
N'Djamena	1.3 million
Moundou	0.1 million
Official languages	French, Arabic
Total area	1,284,000 sq km
GDP growth (2016)	-1.1%
Key export	Petroleum
Currency	Central African CFA Franc (XAF)
EIU country risk rating (E=most risky)	D
World Bank Doing Business rank (out of 190 countries)	180

N'Djamena prime rents and yields

	Prime rents	Prime yields
Offices	US\$55/sq m/month	10%
Retail	US\$46.50/sq m/month	9.5%
Industrial	US\$3.75/sq m/month	13%
Residential	US\$4,600/month*	8%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

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New housing next to Ledger Plaza, N'Djamena

CÔTE D'IVOIRE



Key facts

Population	22.7 million
Major cities:	
Abidjan	4.9 million
Bouaké	0.8 million
Yamoussoukro	0.3 million
Official languages	French
Total area	322,463 sq km
GDP growth (2016)	8.0%
Key export	Cocoa
Currency	West African CFA Franc (XOF)
EIU country risk rating (E=most risky)	C
World Bank Doing Business rank (out of 190 countries)	142

Abidjan prime rents and yields

	Prime rents	Prime yields
Offices	US\$32/sq m/month	9%
Retail	US\$46.50/sq m/month	8.75%
Industrial	US\$6.50/sq m/month	12%
Residential	US\$3,700/month*	8%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

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PlaYce Marcory, Abidjan

Office market

The leasing of Green Buro in Cocody Ambassades in early 2016, to tenants including GE, Pfizer and ExxonMobil, established a new benchmark for prime rents in Abidjan of XOF17,000/sq m/month. This confirmed Abidjan as the market with the fastest rental growth in Africa over recent years. Several new office developments have been announced by international developers, notably Actis' Renaissance Plaza project in Plateau, but no significant new supply will come to the market until at least 2018, putting further upward pressure on rents. Development tends to be focused on Plateau, which is the established CBD where skyscraper construction is permitted, but many international companies prefer Marcory and Cocody.

Retail market

The opening of CFAO/Carrefour's PlaYce Marcory in December 2015 gave Abidjan its first investment-grade mall, along with a variety of new and mainly-French retail brands. The same group is developing a second mall to the north of the lagoon, known as PlaYce Palmeraie, which is progressing quickly and will open in 2017. The nearby Abidjan Mall opened in August 2016, adding further to the recent rapid growth of Abidjan's mall sector, which is now significantly ahead of other markets in Francophone Africa. In the immediate future, any further construction activity is likely to comprise the upgrading of older centres and new development in more peripheral locations such as Yopougon.

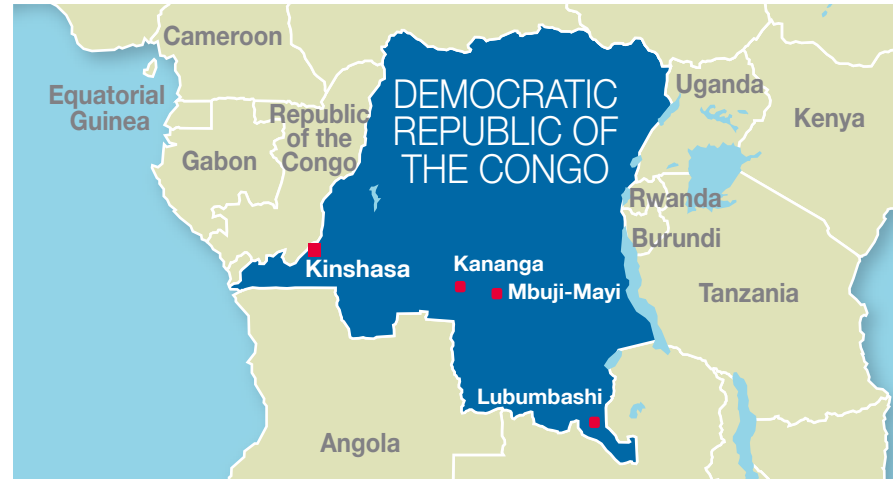
Industrial market

Much of Abidjan's industrial activity is located in areas to the south of the lagoon near the port, such as Vridi, Zones 3 and 4, and Koumassi. These traditional industrial areas are essentially at full capacity. Occupiers are either in legacy real estate or need fast access to the port for import/export activity. To the north of the lagoon, the most important industrial zone is Yopougon, where the majority of businesses are larger users processing local products. International companies in this location include Nestlé and Cargill. Further north, Heineken and CFAO are building a new brewery on the road to Yamoussoukro, which will open in 2017 and give some critical mass to the proposed PPP-funded PK24 industrial zone.

Residential market

Upmarket residential development tends to focus on Zone 4/Bietry to the south, and Cocody and the Riviera to the north. Recent years have seen the development of a significant volume of luxury apartment buildings, and this trend is continuing. The market was boosted by the return of the African Development Bank to Abidjan in 2014, but with the bank now starting a process of "decentralisation", high-end residential demand may be negatively impacted. Increased development outside of Abidjan is being encouraged by improvements to roads and other infrastructure. Most of this is at the affordable end of the market, with small plots being bought for the construction of owner-occupied housing, but there has also been a significant amount of speculative activity.

DEMOCRATIC REPUBLIC OF THE CONGO



Office market

Office development accelerated after the presidential elections in 2011, but market activity has more recently slowed due to uncertainty caused by the postponement of the next elections from 2016 to 2017. New occupiers entering the Kinshasa market are rare, resulting in weak demand for the space that is currently available. The prime area for offices is in the north of the city, with many of the most prominent buildings being along Boulevard du 30 Juin. International companies with a presence include Ericsson, Orange, Citibank, Elf, Vodacom, Nestlé and Alcatel-Lucent. Most of these have offices in Gombe, which is regarded as the most secure area. Office buildings in Kinshasa are generally of a poor standard and many lack air conditioning or elevators.

Retail market

The Kinshasa retail market has shown limited progress in recent years. The 10,000 sq m Le Premier Shopping Mall opened on Avenue de la Justice in 2016, while Conimmo has plans to build the 32,000 sq m City Mall in Gombe. However, the massive and unfinished Gare Centrale mixed-use development provides a reminder of the difficulties of developing in Kinshasa. Shoprite is the only major international retailer in Kinshasa, having a supermarket on Avenue de l'OUA. Rents for ground floor retail space are at a similar level to office rents, highlighting the immaturity of the sector as a higher value is attached to ground floor retail units in more advanced markets.

Industrial market

Historically, prime industrial property has been located in the city centre and Gombe, resulting in relatively high rents. However, more recent development has generally occurred in the east of the city, in areas between the port and the international airport. Industrial property is clustered around the Route des Poids Lourds, particularly in Kingabwa and Limete. Medium and large industrial properties are generally owner-occupied, there is little speculative development, and the leasing market mostly comprises basic second-hand units. Industrial rents in the newer areas drop by as much as 50% compared with the city centre. Much of the centrally-located industrial space can be expected to be gradually converted to office or residential use.

Residential market

With security concerns becoming more acute, residential values have risen dramatically in the parts of Kinshasa regarded as being safe. There has been a significant volume of apartment development, but the availability of standalone houses in good, secure locations remains limited. The best residential areas are generally in the north of the city and include Gombe, Kintambo, Binza, Lingwala and Barumbu. A number of relatively small developments targeting expatriates have been completed in recent years, and these have been successfully leased. Prime rents are in the region of US\$10,000/month, but drop off dramatically outside of the safe areas.

Key facts

Population	77.3 million
Major cities:	
Kinshasa	11.6 million
Lubumbashi	2.1 million
Mbuji-Mayi	2.0 million
Kananga	1.2 million
Official languages	French
Total area	2,344,858 sq km
GDP growth (2016)	3.9%
Key export	Copper
Currency	Congolese Franc (CDF)
EIU country risk rating (E=most risky)	D
World Bank Doing Business rank (out of 190 countries)	177

Kinshasa prime rents and yields

	Prime rents	Prime yields
Offices	US\$25/sq m/month	12%
Retail	US\$25/sq m/month	12%
Industrial	US\$15/sq m/month	15%
Residential	US\$10,000/month*	12%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

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Immeuble Tilapia, Kinshasa

EGYPT



Key facts

Population	91.5 million
Major cities:	
Cairo	18.8 million
Alexandria	4.8 million
Giza	3.6 million
Official languages	Arabic
Total area	1,001,450 sq km
GDP growth (2016)	3.8%
Key export	Petroleum
Currency	Egyptian Pound (EGP)
EIU country risk rating (E=most risky)	C
World Bank Doing Business rank (out of 190 countries)	122

Cairo prime rents and yields

	Prime rents	Prime yields
Offices	US\$35/sq m/month	10.5%
Retail	US\$70/sq m/month	8.5%
Industrial	US\$3.50/sq m/month	12%
Residential	US\$3,500/month*	7.5%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

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Maadi Technology Park, Cairo

Office market

A major issue affecting all property market sectors is the floating of the Egyptian pound, which happened in November 2016 and led to a sharp devaluation against the US dollar. As a result, where rents are payable by local companies at a dollar equivalent rate, they have effectively doubled in local currency terms. Some landlords have been forced to cap the rate at which their rents are converted to the local currency and it is likely to be some time before the market stabilises. Cairo's main office areas are Downtown and New Cairo to the east of the city. The latter offers commercial and residential accommodation in a less congested environment than the city centre and a number of major companies and bank headquarters are now located in this area. The government appears to be pressing ahead with plans to create a new administrative capital to the east of New Cairo which may cause a further shift in focus away from the city centre. Prime city centre office rents are in the region of US\$30-35/sq m/month, and drop to around US\$25/sq m/month in New Cairo, albeit prime schemes such as Cairo Festival City quote higher rates.

Retail Market

The floating of the local currency has caused additional issues for retailers, as they have not just seen rents rise in local currency terms, but the cost of imported goods has also increased. There is further uncertainty over the impact that

the currency devaluation will have on consumer spending. No new malls were delivered to the Cairo market in 2016, and the opening of the massive Mall of Egypt (165,000 sq m GLA) was put back to 2017. Prime rents for small retail units can be in excess of US\$100/sq m/month, but rates for larger units are typically in the order of US\$50-70/sq m/month.

Industrial market

The Industrial Development Authority continues to control and promote new industrial activity in Egypt. It owns significant areas of land which are available for sale or lease. Land in outlying areas such as Upper Egypt may even be offered free, while in other areas land is available at discounted rates. Rents for industrial buildings are in the region of US\$2/sq m/month, and for warehousing are in the range of US\$3-3.50/sq m/month.

Residential market

Developers have reported good take-up of residential units in high quality new developments, although to some extent this reflects the release of a decreased number of units to the market. High-end residential development is primarily focused on 6th of October City and New Cairo. The devaluation of the Egyptian pound will create issues in this sector as developers face increased costs in local currency terms and, as a result, may seek to increase local currency prices.

EQUATORIAL GUINEA



Office market

Office demand in Equatorial Guinea has historically been primarily driven by the construction and energy sectors. The country has a history of big “statement” infrastructure projects such as the Malabo II urban corridor and the Sipopo luxury resort, and work has begun on the construction of a new capital city at Oyala on the mainland. The construction industry has been hit by reduced government spending resulting from lower oil revenues. The oil and gas sector has also contracted, generating muted office demand. However, the market’s few major office landlords are debt-free and able to cope with vacancies, so rents are likely to decrease less rapidly than would be expected in other markets with similar supply/demand dynamics.

Retail market

The retail market in Equatorial Guinea is limited in size, reflecting the country’s small population, much of whom live in extreme poverty with wealth being concentrated in the hands of a very small minority. There are medium-sized supermarkets alongside local markets and street trading. Supermarkets used by expatriates in Malabo include EGTC, Martínez Hermanos, Supermercado Santy and Supermercado Muankaban. These stores are well stocked with international goods but are very expensive, as almost everything has to be imported. There are plans for the construction of larger retail developments including the 12,000 sq m Sipopo Mall.

Industrial market

Equatorial Guinea was one of the fastest-growing economies in the world in the first decade of the 2000s, with its success resting on a string of oil and gas discoveries. Almost all industrial activity relates to the oil and gas sector and, to a lesser extent, agriculture and timber. Industrial activity is focused around KM5, a purpose-built transit-port for oil-related cargo, and the massive liquefied natural gas (LNG) facility at Punta Europa. There has been a drive to relocate some oil and gas activity across Bioko Island to Lonrho’s Luba Freeport, where there has been significant purpose-built construction and real estate speculation.

Residential market

Equatorial Guinea has the highest GDP per capita in Africa, but its wealth belongs to a very small section of the population. Wealthy individuals have channelled a significant amount of capital into residential real estate development and there are some good quality apartment blocks to the west and centre of Malabo. The oil and gas sector drives expatriate demand, and recent falls in oil prices have thus had a significant impact on activity. There does, though, remain a reasonable market for serviced apartments and compounds catering for oil workers in transit to and from offshore operations. There has been some mass house building at developments such as Buena Esperanza on the outskirts of Malabo, but it is debatable if this is truly affordable to most locals.

Key facts

Population	0.8 million
Major cities: Malabo	0.2 million
Official languages	Spanish, French
Total area	28,051 sq km
GDP growth (2016)	-9.9%
Key export	Petroleum
Currency	Central African CFA Franc (XAF)
EIU country risk rating (E=most risky)	D
World Bank Doing Business rank (out of 190 countries)	178

Malabo prime rents and yields

	Prime rents	Prime yields
Offices	US\$37/sq m/month	11%
Retail	US\$37/sq m/month	11%
Industrial	US\$11/sq m/month	14%
Residential	US\$6,500/month*	9%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

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Ibis Hotel, Malabo II

ETHIOPIA



Key facts

Population	99.4 million
Major cities: Addis Ababa Dire Dawa	3.2 million 0.4 million
Official languages	Amharic
Total area	1,104,300 sq km
GDP growth (2016)	6.5%
Key export	Coffee
Currency	Birr (ETB)
EIU country risk rating (E=most risky)	C
World Bank Doing Business rank (out of 190 countries)	159

Addis Ababa prime rents and yields

	Prime rents	Prime yields
Offices	US\$25/sq m/month	6%
Retail	US\$33/sq m/month	6%
Industrial	US\$7.50/sq m/month	10%
Residential	US\$6,000/month*	8%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

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Zefmesh Grand Mall, Addis Ababa

Office market

As a location for international companies, Ethiopia is restricted by its investment code, which prohibits foreign investment in the banking, telecoms and financial services sectors. Nonetheless, office demand is relatively strong in Addis Ababa and buildings generally have high occupancy rates. Most offices are in mixed-use buildings, few of which would meet the quality or health and safety standards required by international corporate occupiers. The traditional locations for upscale offices in Addis Ababa are in Bole Road, Bole Medhanealem/Cameroon Street, Kazanchis and La Gare/Mexico. Investment yields can be very low as there is strong demand from wealthy locals who are subject to restrictions on the transfer of money outside Ethiopia and have few alternative investments available.

Retail market

The Ethiopian retail market has significant growth potential but its development is fundamentally restricted by the fact that foreign investment is not permitted in this sector. Modern retailing in Addis Ababa is still in the early stages of development compared with other countries in the region. The most prominent supermarkets, such as Shoa and Bambis, are local companies operating from medium-sized stores. Addis Ababa has several small and medium-sized malls, including Zefmesh Grand Mall, Medhanealem Mall and Friendship City Centre, which all generally operate at around 100% occupancy.

Industrial market

There is a growing market for consumer products in Ethiopia which has encouraged the market entry in recent years of firms such as Diageo, Heineken, SAB Miller, Duet Group, Tiger Brands and Unilever. However, the manufacturing real estate market is not well developed. The most developed areas and locations with future growth potential are generally found within 100 km of Addis Ababa, to the south of the city and along the new Addis Ababa-Djibouti railway. The only two major new industrial parks are at Bole Lemi, which is mainly used for clothing production, and Dukem/EIZ. While it is possible to construct on a standalone basis, this generally has to be in locations without good infrastructure and requiring land purchases from multiple parties. However, Heineken has successfully achieved this at Akaki Kality.

Residential market

The best locations in Addis Ababa for high-end apartments are in Bole and Kazanchis. Old Airport is also a good residential area, which mainly comprises villas. The market has been buoyant, with high-end apartments mainly being sold off-plan and during their construction periods. Most schemes have been on a relatively small scale, but there are now also some decentralised mega-schemes such as Poli Lotus and Royal Garden. While availability is likely to increase and the market is expected to slow a little, a flight to quality is anticipated and the prime market will remain strong. At the top end of the apartment market, purchases are mainly made for investment.

GABON



Key facts

Population	1.7 million
Major cities:	
Libreville	0.7 million
Port-Gentil	0.1 million
Official languages	French
Total area	267,667 sq km
GDP growth (2016)	3.2%
Key export	Petroleum
Currency	Central African CFA Franc (XAF)
EIU country risk rating (E=most risky)	C
World Bank Doing Business rank (out of 190 countries)	164

Libreville prime rents and yields

	Prime rents	Prime yields
Offices	US\$35/sq m/month	9%
Retail	US\$45/sq m/month	9%
Industrial	US\$8/sq m/month	14%
Residential	US\$6,000/month*	8%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

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Immeuble Premium, Libreville

Office market

Across all sectors, the property market in Gabon has been affected by economic and political uncertainty over the last 12 months. Declining oil reserves and depressed oil prices have led to reduced government spending and an increased focus on the non-oil economy. The results of presidential elections in August 2016 were disputed leading to political unrest. Office rents in Libreville are currently coming under downward pressure, primarily due to significant volumes of new space being either recently completed or close to completion in and around the city centre. These new developments have mostly been built by Lebanese or Chinese developers and investors, and are entering the market when demand for new space is subdued.

Retail Market

While the retail market in Gabon remains dominated by small-scale and informal retailing, more modern and larger scale operations have steadily been introduced to the country. There are few international retailers in Libreville although a franchise of the French supermarket Géant Casino operates at Centre Commercial Mbolo. The main market in Libreville, Marché de Mont-Bouët, is due to be replaced by the Grand Marché de Libreville which will provide better quality market stalls alongside more modern retail units, but work on the new facility has not yet commenced. Gabon is among eight African countries identified as targets for development by CFAO/Carrefour.

Industrial market

With the industrial market being impacted by the slowdown in oil-related activity, future growth may depend on the success of the government's drive to expand non-oil industries. However, the business environment in Gabon is challenging and the government's diversification strategy has so far been based on the granting of specific incentives to foreign investors. There is a special economic zone at Nkok, about 30 km east of Libreville, which was established as a partnership between the government and the Singaporean agri-business Olam. Much of the country's oil-related industry is based in the city of Port-Gentil, which is currently only accessible via air and sea. However, the first road link to the city, involving the construction of several bridges, is being built by the China Road and Bridge Corporation.

Residential market

As with the office sector, the prime residential market is seeing new developments coming on line at a time when demand is limited. Properties that would have previously been expected to re-lease easily once being vacated are now becoming much harder to lease and landlords are experiencing void periods. There is a shortfall of lower income housing, which the government has attempted to address by developing new units, but the number of units completed to date is well behind initial targets.

GHANA



Key facts

Population	27.4 million
Major cities:	
Accra	2.3 million
Kumasi	2.1 million
Sekondi-Takoradi	0.6 million
Official languages	English
Total area	238,533 sq km
GDP growth (2016)	3.3%
Key export	Petroleum
Currency	Cedi (GHC)
EIU country risk rating (E=most risky)	C
World Bank Doing Business rank (out of 190 countries)	108

Accra prime rents and yields

	Prime rents	Prime yields
Offices	US\$35/sq m/month	9%
Retail	US\$40/sq m/month	8.75%
Industrial	US\$10/sq m/month	12%
Residential	US\$4,500/month*	8%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

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Stanbic Heights, Accra

Office market

The recent downturn in the Ghanaian economy has reduced office space demand in Accra. Several new office properties have been completed in the CBD and Airport Area, with the largest new office building to enter the market in 2016 being Dream Realty's The Octagon (36,000 sq m). A number of the new developments due in the medium-term are for owner-occupation, but these will still result in the release of a significant amount of second-hand space. Asking rents remain relatively high but are coming under downward pressure due to rising vacancy rates and the limited number of tenants seeking space. The Accra market is expected to remain balanced in the tenant's favour for the next few years.

Retail market

While the Ghanaian retail market is still predominantly informal, there are some major malls, particularly in Accra. A number of international retailers, largely from South Africa, have a presence in the market. Accra's first Grade A shopping centre was the 20,000 sq m Accra Mall, which is now ten years old. Subsequent openings have included West Hills Mall (27,000 sq m) and The Junction Shopping Centre (11,500 sq m), while pipeline projects include Actis/Mabani's mixed-use The Exchange. There are concerns that the Accra retail market is close to reaching saturation point, and new developments will be entering a challenging economic environment. In the short-to-medium term, retail development is likely to focus on secondary cities such as Takoradi and Kumasi.

Industrial market

The industrial property market has faced challenges stemming from power supply issues, taxation changes, high borrowing costs and the collapse of the cedi. There has been some rationing of power which has resulted in several businesses having to stop production and lay off staff to reduce costs. The key industrial locations in Accra include North Industrial Area, South Industrial Area, Spintex Road and Tema, while Kpone and Accra-Aflao Road are emerging submarkets where land is readily available. Demand for space has eased in recent years and there is some vacancy, with more development to come at Rendeavour's Appolonia project and LMI Holdings' Dawa Industrial City.

Residential market

Ghanaian housing has traditionally taken the form of low-rise accommodation but in larger cities such as Accra, where land prices have increased substantially in recent years, there are an increasing number of townhouses and apartment blocks. The trend to construct apartment buildings has been driven by the mid-to-high income groups in Ghana, with this type of property being seen as a good investment vehicle. The economic boom earlier in the decade encouraged high levels of development, and the market now suffers from oversupply. Prices are generally falling, but good quality product priced at a level that provides developers with a reasonable profit margin will still sell well.

KENYA



Office market

Approximately 300,000 sq m of commercial office space was delivered to the Nairobi market in 2016, compared with an average of 150,000 sq m in recent years. The high levels of new supply have negatively affected rental levels and occupancy rates. This situation has been exacerbated further by external events that have caused some multinationals, particularly in the oil industry, to downsize their operations in Kenya. The take-up of new prime offices in Nairobi remains steady, however, with the city continuing to be the preferred location for global corporates looking to establish regional hubs serving East Africa's 150 million-plus population.

Retail market

Approximately 100,000 sq m of formal retail space was delivered to the market in 2016, up from about 50,000 sq m in 2015. As a result of this new supply, it has taken longer for space to be let and prime rents have stagnated. Retailers from outside Africa are taking a growing interest in Kenya, with the most high profile recent market entrant being the French supermarket chain Carrefour, which has stores at both The Hub and Two Rivers Mall. However, the sudden rise in supply has stretched the capacity of local retailers to occupy the new space.

Industrial market

Most of the stock in the established industrial zones of Nairobi and other major Kenyan cities remains outdated and of poor quality, and industrial areas suffer from heavy traffic congestion. Modern well-configured logistics space is currently scarce in spite of growing demand for high specification facilities, and this has led to some occupiers developing their own space. Rising demand in this sector has prompted the emergence of several master planned industrial parks, particularly on the outskirts of Nairobi where developers are taking advantage of new infrastructure developments, but construction is yet to commence on a large scale.

Residential market

The residential sector remained stable throughout 2016, due to steady macroeconomic conditions and minimal impact from external shocks. Luxury home sales prices increased marginally, but prime rental prices declined as a result of a slight oversupply, which was partly attributable to the exodus of a large number of expatriates following the downsizing of Kenya's oil extraction industry. The Kenyan government estimates that there is a shortage of approximately 200,000 units per annum and is addressing the situation through measures such as slum upgrading and the provision of tax incentives for major developers.

Key facts

Population	46.0 million
Major cities:	
Nairobi	3.9 million
Mombasa	1.1 million
Kisumu	1.0 million
Official languages	English, Kiswahili
Total area	580,367 sq km
GDP growth (2016)	6.0%
Key export	Tea
Currency	Kenyan Shilling (KES)
EIU country risk rating (E=most risky)	C
World Bank Doing Business rank (out of 190 countries)	92

Nairobi prime rents and yields

	Prime rents	Prime yields
Offices	US\$16/sq m/month	8%
Retail	US\$48/sq m/month	8%
Industrial	US\$4.70/sq m/month	8.5%
Residential	US\$4,100/month*	5%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

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Britam Tower (under construction), Nairobi

MADAGASCAR



Key facts

Population	24.2 million
Major cities:	
Antananarivo	2.6 million
Official languages	French, Malagasy
Total area	587,041 sq km
GDP growth (2016)	4.1%
Key export	Nickel
Currency	Malagasy Ariary (MGA)
EIU country risk rating (E=most risky)	C
World Bank Doing Business rank (out of 190 countries)	167

Antananarivo prime rents and yields

	Prime rents	Prime yields
Offices	US\$15/sq m/month	14%
Retail	US\$15/sq m/month	13%
Industrial	US\$4.50/sq m/month	18%
Residential	US\$1,250/month*	12%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

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Antananarivo

Office market

The office market in Madagascar deteriorated after the coup in 2009, but greater stability followed the presidential elections of 2013, leading to a period of steady growth. The preferred office locations for multinationals are the areas to the north of the city centre such as Andraharo, Tana Waterfront, Ivandry and Ankorondrano. The last of these is home to Antananarivo's tallest building, the 33-storey Tour Orange, which was completed in 2013. The areas to the north are favoured over the city centre, as congestion and a lack of car parking make it unattractive to most companies. However, the majority of government and banking occupiers remain in the city centre.

Retail market

The retail sector is largely informal, and Antananarivo is home to markets including the Andravoahangy craft market, the Petite Vitesse food market and the Analakely covered market. The areas around Avenue de L'Indépendance are the main focus for retail activity. As a relatively poor country, Madagascar offers limited opportunities for formal retailing, although there are supermarket chains including Shoprite, Jumbo Score and Leader Price. The most modern shopping centre in Antananarivo is the Shoprite-anchored La City which opened in Ivandry in 2012, while development projects include Filatex's Alhambra Gallery. Many international brands, including Gap, Ralph Lauren and Zara, manufacture clothing in Madagascar,

and this could open up opportunities for international retailers to enter the market. The island's location and history would suggest that these would most probably come from South Africa or France.

Industrial market

The main industrial areas are located in the south of Antananarivo. There is a mixed-use area to the south of the city centre which mainly contains lower quality buildings, Madagascan businesses and airline companies. As it forms the main arterial route south of the city, the road in this area can become very congested. About 5 km to the south of the city centre, the Zone Industrielle Forello is the location of some of the heavier industries. Nearby is the Zone Industrielle Filatex Ankadimbahoaka, which is one of Madagascar's first free zones. There is also a small amount of light industrial activity just south of the airport.

Residential market

The relatively low household income in Madagascar means that most people cannot afford to purchase housing. The development that does take place is generally focused on the prime end of the market and the expatriate sector. These parts of the market were badly affected by the political instability up until 2013 but have since shown signs of recovery. Most high-end residential areas are in and around Ivandry to the north of the city centre, where many of the embassies are located.

MALAWI



Office market

The rental market has seen rising demand for small office space, but there has been a decrease in demand for larger offices. There is a general move towards modular office space that allows occupiers to downsize or increase space as the need arises. Annual rental escalations of 20% or more are common, in line with Malawi's high inflation rate. Lilongwe city centre has a shortage of high quality office space and no construction has taken place in recent years as a lack of infrastructure inhibits the development of vacant sites in central areas. However, five new office buildings are under construction and will be ready for occupation within two years, in parts of the city where infrastructure is in place. Office development and sales in Blantyre are both at a standstill due to the high cost of finance.

Retail market

Demand for high quality retail space is tapering off due to the low purchasing power of consumers. The Gateway Mall in Lilongwe opened in December 2014 but it is not yet fully occupied. The mall was developed by MPICO Limited and is anchored by Shoprite. Lilongwe now has two large modern shopping malls and Blantyre has one, although several smaller malls have appeared in the past two years.

Generally, the traditional high street retailers continue to thrive.

Industrial market

Electricity blackouts and water shortages have worsened to the extent that industrial production is now estimated to be at less than 50% of its capacity. However, demand for warehouses continues to be relatively strong, and is dominated by industrial users requiring logistics and storage space. Warehousing rents have thus maintained comparatively high levels. Investment transactions in this sector are negligible.

Residential market

Although there is still a disparity between the cities of Blantyre and Lilongwe in terms of both rental and market values, this gap is being reduced by the indexation of rents to the US dollar, especially for high quality properties. Lilongwe now has a surplus of representational residential properties, for which rents are quoted in dollars, due to a reduction in demand from the international donor and business communities. Other tenants are moving into smaller and less expensive accommodation in medium density areas where rents are quoted in the local currency. Residential sales have slowed down due to the difficult economic environment.

Key facts

Population	17.2 million
Major cities:	
Blantyre	1.1 million
Lilongwe	1.1 million
Official languages	English
Total area	118,484 sq km
GDP growth (2016)	2.7%
Key export	Tobacco
Currency	Malawian Kwacha (MWK)
EIU country risk rating (E=most risky)	D
World Bank Doing Business rank (out of 190 countries)	133

Malawi prime rents and yields

	Prime rents	Prime yields
Offices	US\$11/sq m/month	12%
Retail	US\$18/sq m/month	10%
Industrial	US\$5/sq m/month	12.5%
Residential	US\$2,500/month*	8%

BLANTYRE

	Prime rents	Prime yields
Offices	US\$5.50/sq m/month	9.75%
Retail	US\$9/sq m/month	8.5%
Industrial	US\$4/sq m/month	10%
Residential	US\$2,500/month*	8%

Source: Knight Frank LLP

*4 bedroom executive house – prime location

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The Gateway Mall, Lilongwe

Key facts

Population	17.6 million
Major cities:	
Bamako	2.5 million
Official languages	French
Total area	1,240,192 sq km
GDP growth (2016)	5.3%
Key export	Cotton
Currency	West African CFA Franc (XOF)
EIU country risk rating (E=most risky)	C
World Bank Doing Business rank (out of 190 countries)	141

Bamako prime rents and yields

	Prime rents	Prime yields
Offices	US\$19/sq m/month	12%
Retail	US\$19/sq m/month	12%
Industrial	US\$5/sq m/month	16%
Residential	US\$1,000/month*	10%

Source: Knight Frank LLP

*4 bedroom executive house – prime location

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BCEAO Tower, Bamako



Office market

In the five years since the coup d'état of 2012, the Bamako office market has struggled to grow and the supply of quality offices remains very limited. The initial improvements in the economic, political and security environment immediately after the coup d'état were short lived. There are significant risks to the outlook, most notably Mali's fragile security situation. Setbacks to the country's improving security, especially in Bamako, may dampen any economic recovery and further stifle office demand and new supply. What little demand there is for offices comes from the banking, telecommunications, government and NGO sectors. Prime rents are currently stable at US\$19/sq m/month, but rental levels fall away dramatically outside the CBD to around US\$6/sq m/month.

Retail market

The continued high security risk has hindered the development of the Bamako retail market. Mali has fallen well behind other West African countries such as Côte d'Ivoire, Ghana and Senegal, where modern retail malls have been developed in recent years. Retail activity in Bamako continues to be generally informal and based around street trading, with the Marché Rose and Street Market in the city centre being key locations. The most modern retail provision is to the west at ACI 2000, where there are also a number of showrooms.

Industrial market

The industrial market continues to be based around local tradesmen, with no

international manufacturers in the city. The main industrial zone is to the east of the commercial centre, and the availability of good quality storage and logistics warehousing is minimal. As much as 80% of the Malian workforce is employed in agriculture, with cotton being one of the country's largest exports. Mining is also an important sector, and both areas have potential for growth should political stability be achieved. If the market stabilises, there should be opportunities for logistics companies and developers, particularly where they hold land in inner city zones, as the continued expansion of Bamako is resulting in higher land values in central areas.

Residential market

The high-end residential market has been hit hard over the last two years. The continued security woes have led to lower demand from NGOs and company executives, resulting in a significant downturn in rental levels. Property owners have had to compete to attract interest from the diminishing number of occupiers in the market for high quality residences. There is stronger demand for lower value housing, particularly because Bamako is growing at a fast pace as many rural Malians are choosing to move to the relative safety of the city. This increased demand for houses is largely being satisfied by the public sector, with government-built housing units significantly outnumbering those built by private developers.

MAURITANIA



Office market

Aside from the diplomatic sector, the oil and mining industry has historically been the main source of international demand in the Nouakchott office market. However, the market is currently quiet with oil and mining companies putting expansion plans on hold and cutting costs due to low commodity prices. Glencore abandoned its Askaf iron ore project in 2015 while Kinross has scaled back its plans for the Tasiast gold mine. Some international businesses operating in Mauritania, including Kinross, have based themselves offshore in the Canary Islands. It is difficult to find good quality offices in Nouakchott, and Al Khaima City Center remains arguably the city's best commercial building, approximately ten years after completion.

Retail market

As a sparsely-populated country of around four million people, Mauritania is not an obvious target for international retailers. However, a large ATAC supermarket, a brand of the French retail group Auchan, opened in 2015 operating under franchise. The main shopping malls in Nouakchott are at the Al Khaima Center and Mauricenter, but these are relatively small and basic. Other supermarkets around the city include Sky Rim and Salam. The large supermarket unit fronting the Ribat Al Bahr development to the north of the city has never opened for business. The prime high street retail location is the Avenue du General de Gaulle, while the largest market for local shopping is the busy Marché Capitale.

Industrial market

Mauritania's reputation for having an opaque tax and import/export regime has inhibited the entry of international businesses. The country is commodity-rich being Africa's second largest exporter of iron ore and with good reserves of oil. However, the collapse of global commodity prices has caused these sectors to contract. In Nouakchott, the main industrial zone closest to the city is at El Mina, which mainly comprises local businesses operating out of older, owner-occupied facilities. Further out of the city, there is heavier industry including cement production, at the Zone Industrielle du Wharf and Port de l'Amitié. Assisted by the World Bank, a free zone has been created at the port in Nouadhibou.

Residential market

The ambitious Ribat Al Bahr urban development project north of Nouakchott, which was first announced in 2010 as capable of housing 50,000 people, remains unbuilt. Nonetheless, future development at the top end of the market is likely to be concentrated on areas to the north of the city. The upmarket expatriate housing area of Tevrah Zeina is located in the north of Nouakchott and, beyond this, there is an area of former green belt land where development has been encouraged in part by the opening of the new University of Science, Technology and Medicine and Oumtounsou International Airport.

Key facts

Population	4.1 million
Major cities:	
Nouakchott	1.0 million
Official languages	Arabic
Total area	1,030,700 sq km
GDP growth (2016)	3.2%
Key export	Iron ore
Currency	Ouguiya (MRO)
EIU country risk rating (E=most risky)	D
World Bank Doing Business rank (out of 190 countries)	160

Nouakchott prime rents and yields

	Prime rents	Prime yields
Offices	US\$12/sq m/month	11%
Retail	US\$14/sq m/month	10%
Industrial	US\$2/sq m/month	15%
Residential	US\$2,000/month*	7.5%

Source: Knight Frank LLP

*4 bedroom executive house – prime location

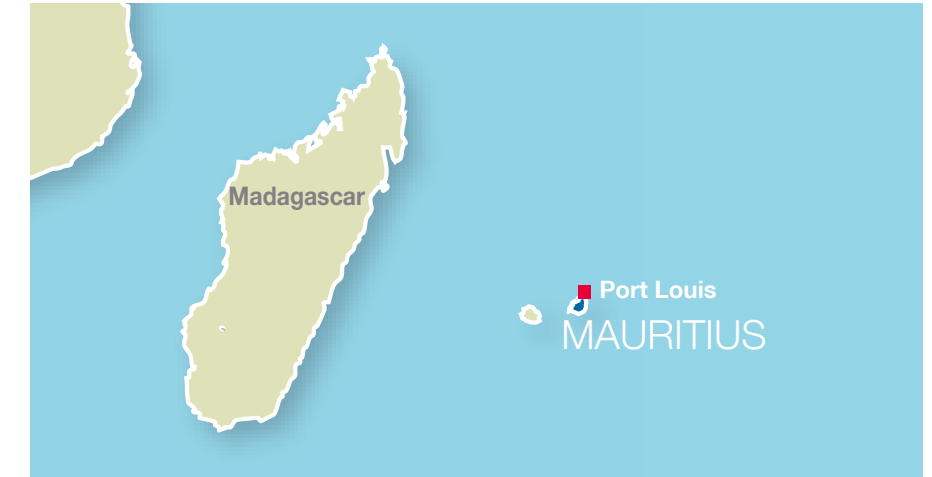
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Al Khaima City Center, Nouakchott

MAURITIUS



Key facts

Population	1.3 million
Major cities:	
Port Louis	0.2 million
Official languages	English
Total area	2,040 sq km
GDP growth (2016)	3.5%
Key export	Textiles
Currency	Mauritian Rupee (MUR)
EIU country risk rating (E=most risky)	B
World Bank Doing Business rank (out of 190 countries)	49

Port Louis prime rents and yields

	Prime rents	Prime yields
Offices	US\$15/sq m/month	8.5%
Retail	US\$45/sq m/month	7.5%
Industrial	US\$8/sq m/month	10%
Residential	US\$3,500/month*	4%

Source: Knight Frank LLP

*4 bedroom executive house – prime location

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Barkly Wharf, Port Louis

Office market

The traditional CBD of Port Louis centres on locations such as the Waterfront, Edith Cavell Street, Pope Hennessy Street, La Chaussée and Royal Road. The Waterfront, which includes Barkly Wharf, commands the highest office rents, at nearly double the level of other parts of the CBD. Mauritius' second major office location is the relatively new Cyber City business park at Ebene, about 10 km to the south east of Port Louis. Office rents in this location are at similar levels to the CBD, but in newer buildings with better parking availability. The government is following the lead of the private sector, by relocating many of its downtown offices to Ebene. This may cause supply to increase in Port Louis, while availability falls in Ebene, pushing rents in the two locations in opposite directions.

Retail market

Mauritius has a well-developed retail market, which includes both small local strip malls and larger regional malls. These include Grand Baie La Croisette, Cascavelle Shopping Mall, Trianon Shopping Park and Phoenix Les Halles. The largest shopping mall is the Bagatelle Mall of Mauritius, which is located south of Port Louis on the M1 near Ebene and is anchored by Monoprix, Intermart, Woolworths and Food Lovers Market. Since opening in 2011, it has been expanded from 130 to 155 stores, and it also includes a hotel and cinema.

Industrial market

Due to the nature of the Mauritian economy, demand for industrial and warehousing

facilities is relatively low. Most of the existing stock is either owner-occupied or leased in small units. The Mauritian government continues to promote industries away from traditional sectors such as fishing, sugar cane, mining and cement production. It has further developed warehousing and freeport facilities around Port Louis and the airport. Private developers have taken advantage of land released around Riche Terre to construct warehousing, although to date most of this has been offered on a build-to-suit basis. Prices have shown little movement over the last couple of years.

Residential market

The residential real estate market in Mauritius continues to attract high levels of investment, although foreign ownership is restricted to government-approved developments. High-end developers targeting wealthy foreign buyers need to ensure that their schemes are approved under the Property Development Scheme (PDS), which has replaced the previous Real Estate Scheme (RES) and Integrated Resort Scheme (IRS). Mauritian nationals are well served by multiple developments across the island and many of the former sugar plantations offer large tracts of land for master planned residential schemes. An increase in supply, combined with a slower global economy, has caused the market to see little growth in rents or prices over the last few years. However, the open, stable, low-tax environment means that the island continues to attract expatriates and investors.

MOROCCO



Key facts

Population	34.4 million
Major cities:	
Casablanca	3.5 million
Fès	1.2 million
Rabat	2.0 million
Official languages	Arabic, Berber
Total area	446,550 sq km
GDP growth (2016)	1.8%
Key export	Insulated wire
Currency	Moroccan Dirham (MAD)
EIU country risk rating (E=most risky)	C
World Bank Doing Business rank (out of 190 countries)	68

Morocco prime rents and yields

CASABLANCA		
	Prime rents	Prime yields
Offices	US\$20.50/sq m/month	8.5%
Retail	US\$25/sq m/month	8.25%
Industrial	US\$5.50/sq m/month	12%
Residential	US\$5,000/month*	8%

RABAT		
	Prime rents	Prime yields
Offices	US\$17/sq m/month	9%
Retail	US\$22/sq m/month	8.5%
Industrial	US\$5/sq m/month	13%
Residential	US\$4,500/month*	8%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

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Maroc Telecom Headquarters, Rabat

Office market

Casablanca is Morocco's main business location and its largest office market. The principal office districts are downtown, Sidi Maârouf and areas around the port including the massive Casablanca Marina development. An important emerging area is Casablanca Finance City (CFC), on the site of the former Casa-Anfa airport. Although there have been delays to its physical construction, international businesses such as Ford, AIG and BNP Paribas have been attracted by the incentives offered to companies granted CFC status. Office developments in the capital Rabat are generally Grade B low-rise buildings with little street setback. Office areas in Rabat include the city centre, Agdal and Hay Ryad, where a notable current development is Foncière Chellah's Mahaj Ryad Center.

Retail market

There was practically no modern retail space in the country until the opening of the Morocco Mall (70,000 sq m) in 2011, and AnfaPlace Shopping Center (31,000 sq m) in 2013. A significant number of international brands have since entered the market, including H&M, McDonald's and Marks & Spencer. IKEA opened its first Moroccan store in 2016, at Zenata on the outskirts of Casablanca. The development pipeline includes Aksal's planned Mall of Rabat at Wessal Bouregreg. To support further retail development, the European Bank for Reconstruction and Development has invested €45 million in Vecteur LV, the real estate vehicle of Label'Ve, which operates the Carrefour franchise in Morocco.

Industrial market

Morocco's relatively diversified economic base and advantageous geographic location make it well-positioned to become a major manufacturing centre for exporting to Europe and the rest of Africa. The government has been successful in attracting foreign investment and interest has been encouraged by a new investment law introduced in 2016 creating free zones across the country. Currently, industrial activity is concentrated in the Casablanca-Tangier axis, particularly in the regions of Casablanca-Settat and Rabat-Salé-Kénitra, and around the port of Tanger-Med. About 30 km from the port, Renault has the largest car factory in Africa. A new port is under construction at Safi on the Atlantic coast, which will provide a major new coal terminal and phosphate hub.

Residential market

Figures from the Bank Al-Maghrib and Moroccan Land Registry show a significant increase in the number of residential transactions in 2016. This was driven by a rise in activity at the low-to-mid end of the market, supported by the increased availability of mortgage finance. The government has attempted to stimulate the construction of social housing by providing tax breaks and cheap land to developers. Despite this, Morocco has a shortfall of housing and there are several master planned new cities at varying stages of development including Zenata Eco-City, Victoria City at Bouskoura and Tamesna near Rabat.

MOZAMBIQUE



Key facts

Population	28.0 million
Major cities:	
Maputo	1.2 million
Official languages	Portuguese
Total area	799,380 sq km
GDP growth (2016)	4.5%
Key export	Aluminium
Currency	Metical (MZM)
EIU country risk rating (E=most risky)	C
World Bank Doing Business rank (out of 190 countries)	137

Maputo prime rents and yields

	Prime rents	Prime yields
Offices	US\$27.50/sq m/month	10%
Retail	US\$28/sq m/month	10%
Industrial	US\$5.50/sq m/month	13%
Residential	US\$5,500/month*	7%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

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Edificio 24, Maputo

Office market

The new Downtown area of Maputo is now seen as the city's CBD and is the main focus for office development. Demand for space has been negatively impacted by the recent downturn in the economy, which deepened in 2016 when the IMF withdrew aid to Mozambique following the discovery of approximately US\$1.4 billion of previously undisclosed government debt. Low occupier demand combined with increased supply has led to prime rents slipping from US\$37.50/sq m/month in 2015 to the current level of US\$27.50/sq m/month. Prime rents are expected to remain around this level over the medium-term.

Retail market

Despite economic headwinds, Mozambique's retail sector has continued to show steady growth over the last two years, driven by the expansion of the middle class coupled with an historic under-provision of formal retail space. In 2016, the Portuguese retail group Sonae in partnership with private fund Satya Capital bought the Extra supermarket chain, which had been owned by South Africa's Pick n Pay until 2013. Pipeline developments include Novare Matola Mall (19,500 sq m, phase one) and Marginal Mall (30,500 sq m) which will expand the site of the existing Game store on Avenida da Marginal into a fully-fledged shopping centre. Demand for retail space is stable and well-located units are usually readily leased at prime rents in the region of US\$28/sq m/month.

Industrial market

The discovery of natural gas off the coast of Mozambique has yet to have its anticipated positive impact on the industrial sector. Over the medium-term, revenues from the production of liquefied natural gas (LNG) should start to flow to the government, although plans to process the gas offshore may mean that limited additional demand is generated for industrial property. Historically, industrial rents in Maputo have been relatively high, reflecting the fact that many of the traditional industrial areas are in central locations or near the port, but rents have fallen over the last two years. The decline in the economy and delays to LNG production have also depressed the industrial markets in the port cities of Nacala and Pemba.

Residential market

The residential market has been heavily impacted by the economic downturn. The rental apartment sector has been most affected due to a significant reduction in expatriate demand as a result of companies cutting their overheads. Rents for mid-to-high end apartments have fallen by more than 40% and are unlikely to recover in the medium-term as there is a large volume of new units due to come to the market. Rental villas at the top end of the market have been less severely affected and currently lease for US\$4,500-5,500/month, although rents drop to around 35-45% of this level on the local mass market.

NAMIBIA



Office market

Windhoek is a relatively small office market with steady demand for space. There is an ongoing shift in activity away from the CBD towards less central areas, where more modern offices with better parking are available. Popular non-CBD office locations include Mandume Park in the south of the city. Office rents have shown steady growth in recent years, but continued new development may lead to downward pressure, especially for space in older buildings. In the office investment market, demand from South African investors has helped to drive yield compression and capital value growth.

Retail market

Despite having a relatively small population of just over 300,000, Windhoek has a significant volume of modern mall space. The largest shopping centres are Grove Mall (52,000 sq m), Maerua Mall (51,000 sq m) and Wernhil Park (38,000 sq m). With Windhoek being well-supplied for retail space, developers have been encouraged to build large-scale malls in other towns; for example, Safari Development's Platz Am Meer (27,000 sq m) opened in Swakopmund in 2016, while Atterbury's Dunes Mall (25,000 sq m) in Walvis Bay is due for completion in 2017. Demand for larger retail units primarily stems from South African chains such as Spar, Pick n Pay, Edgars and Foschini, while the most prominent Namibian-owned supermarket operator is Woermann Brock.

Industrial market

Windhoek has well-established industrial zones at the Northern Industrial Area, Southern Industrial Area, Prosperita and Lafrenz. Development is also taking place at Shali Industrial Estate, north of Windhoek. Logistics is identified as a priority sector by the government's Fourth National Development Plan (NDP4), and the country's geographical location gives it the potential to be a trade gateway for neighbouring countries including landlocked Botswana, Zambia and Zimbabwe. The Namibian authorities are keen for Walvis Bay to become the preferred port location on the west coast of Africa serving the Southern African Development Community area, and a port expansion is currently under construction by China Harbour and Engineering Company.

Residential market

Figures from FNB Namibia suggest that average house prices in Namibia have more than doubled since 2010, but there are signs that the market is now cooling with demand impacted by weakening economic growth. At the prime end of the market, the most desirable locations in Windhoek include the suburbs of Eros, Ludwigsdorf and Klein Windhoek. High sales prices and rents are also commanded by luxury housing in the coastal resort of Swakopmund. Namibia has a shortage of affordable housing and serviced land, which is exacerbated by high levels of rural-to-urban migration.

Key facts

Population	2.5 million
Major cities: Windhoek	0.3 million
Official languages	English
Total area	824,292 sq km
GDP growth (2016)	4.2%
Key export	Diamonds
Currency	Namibian Dollar (NAD)
EIU country risk rating (E=most risky)	B
World Bank Doing Business rank (out of 190 countries)	108

Windhoek prime rents and yields

	Prime rents	Prime yields
Offices	US\$14/sq m/month	8.5%
Retail	US\$25/sq m/month	7.75%
Industrial	US\$6/sq m/month	10%
Residential	US\$2,900/month*	6%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

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Bank of Namibia Building, Windhoek

NIGERIA



Key facts

Population	182.2 million
Major cities: Lagos Abuja	13.1 million 2.4 million
Official languages	English
Total area	923,768 sq km
GDP growth (2016)	-1.7%
Key export	Petroleum
Currency	Naira (NGN)
EIU country risk rating (E=most risky)	D
World Bank Doing Business rank (out of 190 countries)	169

Nigeria prime rents and yields

ABUJA	Prime rents	Prime yields
Offices	US\$33/sq m/month	9.5%
Retail	US\$58/sq m/month	9%
Industrial	US\$12/sq m/month	12%
Residential	US\$6,500/month*	7%

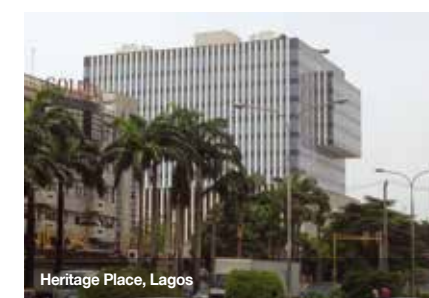
LAGOS	Prime rents	Prime yields
Offices	US\$67/sq m/month	9%
Retail	US\$83/sq m/month	8.5%
Industrial	US\$10/sq m/month	12%
Residential	US\$6,000/month*	8%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

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Heritage Place, Lagos

Office market

There is an oversupply of recently-constructed good quality office space in both Lagos and Abuja. Grade A rents have fallen in recent years, but there is pent-up demand partly resulting from companies' delayed decision-making, and this finally appears to be strengthening activity in Lagos. Two recently-completed projects are RMB Westport's Wings Office Complex (26,000 sq m) where Ericsson has acquired space and Heritage Place (16,000 sq m). Additionally, the first office building at the huge Eko Atlantic development is now complete and available for lease, having been purpose-built for the now-defunct Afren oil company. Within Abuja, the recent completion of the World Trade Center office tower has added to the supply surplus.

Retail market

The slowdown in the Nigerian economy has not detracted from the huge opportunities that its burgeoning middle class are creating for retail development. Nigeria has continued to transition from informal market trading to more modern retail formats. Major developments planned or underway include the Eko Mall within Eko Atlantic which would potentially be the largest in West Africa, and Actis' proposed Twin Lakes Mall (50,000 sq m). The latter is rumoured to have Carrefour as its anchor tenant, thus breaking Shoprite's near-monopoly on the anchoring of Nigeria's modern malls. Developers have also targeted second-tier cities, with locations such as Onitsha, Ibadan and Warri seeing recent mall developments.

Industrial market

The industrial sector has been hard hit by the rapid depreciation of the naira. Several multinationals have to some extent retrenched on previous growth plans, postponed capital projects or sought to sublease warehousing space. Major industrial development is almost entirely restricted to the south west of Nigeria in and around Lagos and neighbouring Ogun State. There are plans for the expansion of the market-leading Agbara Estate, while Lekki Free Trade Zone's viability as an industrial location should be enhanced by the development of a new gas pipeline. Rendeavour has recently acquired a site of approximately 10,000 hectares in the free trade zone.

Residential market

There is a surplus of high-end residential space in Lagos, as a result of over-construction in the previous development cycle. The traditional high-end residential areas of Ikoyi, Victoria Island and Banana Island have also seen increased competition from Lekki to the east. Although Lekki remains heavily congested, master planned communities such as Victoria Garden City have grown rapidly. Within the luxury sector, Eko Atlantic had its first residents in 2016, at the Eko Pearl Towers, while the World Trade Center residential tower in Abuja also began to be occupied. Despite the slowdown in the sector, a significant number of luxury developments are planned, including Gracefield Island and Orange Island.

RWANDA



Office market

The supply of office space in Kigali has outstripped demand for the last few years. Over 50,000 sq m of new office space came to the market in the past year, with an additional 70,000 sq m in the pipeline for the next two years. The take-up of space is relatively slow, and the excess supply is putting downward pressure on prime rents. Kigali City Council is currently leading an urban regeneration drive in the CBD whereby old and low density structures are being demolished to make way for modern, high density commercial developments. As part of this strategy, tenants currently renting residential properties for office use are being encouraged to relocate to newly constructed offices. This will generate demand for some of the space currently on the market and in the pipeline.

Retail market

The retail industry in Rwanda is currently dominated by local retailers, with a small number of regional chains from Kenya and South Africa having a presence, most notably Nakumatt and Mr Price. Retail businesses in Kigali are generally found in destination locations that are not necessarily convenient for the majority of consumers. These environments tend to lack aesthetic appeal, public access and leisure and entertainment facilities that would increase dwell times and revenues. However, Kigali's retail landscape is evolving with the advent of developments such as Union Trade Centre, Kigali City Tower, MTN Centre, CHIC Complex and M-Peace Plaza, and

consumer habits are starting to change.

Industrial market

Rwanda has only a small industrial base, but the government has ambitions to turn it into a regional centre for trade, logistics and manufacturing. A major part of these plans is the Kigali Logistics Platform, a dry port which is due to be developed on a site at Masaka near Kigali. DP World has been granted a 25-year concession to develop and operate the facility. The government has also signed a deal with Alpha Logistics for the construction of a modern bonded warehouse at Petit Barrière, on the border with DR Congo.

Residential market

There has been an increase in the number of apartments and houses coming on to the rental market, and demand for such accommodation is strong. Increased interest in residential rental accommodation has been observed from the expatriate community, with Gacuriro and Kagugu being particularly popular due to their affordable rents and modern housing stock. In the residential sales market, the majority of enquiries stem from indigenous Rwandans seeking houses in the US\$50,000-100,000 range, in locations such as Nyamirambo, Gisozi, Kibagabaga and Kagugu. The prime residential pipeline in Kigali is active with a number of developments scheduled for completion in 2017 including Ridgeview Court, Karibu Homes and Serene Crest Apartments.

Key facts

Population	11.6 million
Major cities: Kigali	1.3 million
Official languages	Kinyarwanda, French, English
Total area	26,338 sq km
GDP growth (2016)	6.0%
Key export	Tin ore
Currency	Rwandan Franc (RWF)
EIU country risk rating (E=most risky)	C
World Bank Doing Business rank (out of 190 countries)	56

Kigali prime rents and yields

	Prime rents	Prime yields
Offices	US\$20/sq m/month	11%
Retail	US\$25/sq m/month	10%
Industrial	US\$6/sq m/month	13%
Residential	US\$3,000/month*	9%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

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Larubibi apartments, Kigali

SENEGAL



Key facts

Population	15.1 million
Major cities: Dakar	3.5 million
Official languages	French
Total area	196,722 sq km
GDP growth (2016)	6.6%
Key export	Gold
Currency	West African CFA Franc (XOF)
EIU country risk rating (E=most risky)	C
World Bank Doing Business rank (out of 190 countries)	147

Dakar prime rents and yields

	Prime rents	Prime yields
Offices	US\$19/sq m/month	10%
Retail	US\$26/sq m/month	9.5%
Industrial	US\$4.50/sq m/month	12%
Residential	US\$2,800/month*	7%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

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Focus One office building, Dakar

Office market

In Dakar, businesses tend to prefer either Plateau or the areas to the north at Les Almadies and Point E. In general, office market activity has shown a shift northwards, particularly when involving international companies. However, demand is relatively flat, and international requirements tend to be small, typically 400 sq m. Larger requirements generally come from the banking and telecoms sectors. Supply and demand are relatively balanced, resulting in almost no rental growth for the last decade. However, this now makes Dakar appear relatively inexpensive and in a similar position to that which the Ivorian capital Abidjan was in two years ago before its recent rapid growth. There are ambitious plans for the development of a new city at Diamniadio, 30 km east of Dakar, and this is likely to become an increased focus for activity across all property market sectors.

Retail market

The Dakar retail market is relatively undersupplied, with only two major upscale developments, Sea Plaza and Dakar City. These malls are both anchored by Casino and between them offer a total of around 20,000 sq m GLA. International brands in the Dakar market include Benetton, Mango and Guess. There are small supermarkets throughout the city, the most ubiquitous being those of the Spanish group, Citydia. Additionally, the city has some boutique shopping, historically centred on Rue Jules Ferry in Plateau. Retail rents are relatively flat and have fallen well behind those of the other

large Francophone West African markets of Côte d'Ivoire and Cameroon.

Industrial market

Compared with many other West African cities, the industrial market in Dakar is fairly stagnant. Over the past five years, there has been little interest in Dakar from international manufacturers and many of the international businesses that are in the city have been scaling back their operations. Small-scale local industrial activity is found throughout Dakar, but the prime area for bigger businesses is the port. Most industrial property is owner-occupied and there is practically no speculative development in this sector.

Residential market

Residential development in Dakar is generally on a small scale, typically up to 20 units. There is a market for well-priced apartments in small blocks and developments such as O2 and Ocean Drive have performed well. A key to the success of schemes is the willingness of owners to lease, as well as sell, units. Progress at the larger-scale Waterfront development has continued to be relatively slow, and no further similarly-sized schemes are likely to be commenced until it is completed and sold. Away from the seafront, the market is comparatively buoyant, although prices drop from up to CFA1,500,000/sq m to around CFA500,000-650,000/sq m at developments such as Mixta/ARM's Residence de la Paix.

SOUTH AFRICA



Office market

Despite relatively weak economic growth in 2016, South African office markets recorded above-inflation rental growth and vacancy rates were broadly stable. In Johannesburg, vacancy rates are relatively high in the CBD and new development is largely focused on the Sandton and Rosebank nodes, particularly in locations within easy reach of stations on the Gautrain rapid rail line. The largest projects in the pipeline are office buildings under construction for Discovery (87,000 sq m) and Sasol (67,000 sq m). In Cape Town, vacancy rates are low at the V&A Waterfront and offices in this location command a premium over the CBD. The Century City node remains an important focus for new development in Cape Town. Office investment volumes were moderate in 2016, with many South African investors preferring to pursue overseas opportunities as a hedge against the weak rand.

Retail market

The Mall of Africa (131,000 sq m) opened in 2016 as part of the ambitious Waterfall City development, located between Johannesburg and Pretoria. A significant volume of additional new retail space is in the pipeline, which will add to South Africa's existing mall stock of more than 23 million sq m. Although there are some concerns of retail oversupply, the sector has generally performed well. The next few years may see a shift in developers' focus towards smaller neighbourhood shopping centres, rather than large regional malls. International brands such as H&M, Zara,

Cotton On and Forever 21 have expanded their South African presence in recent years, providing increased competition to domestic retailers.

Industrial market

The South African industrial market is experiencing an ongoing shift in activity away from heavy manufacturing towards warehousing and distribution, and developers are focused on the delivery of high quality logistics space. In Gauteng, development activity is largely concentrated towards the north and east of Johannesburg in locations such as the Lords View Industrial Park, while the Waterfall City project also includes substantial logistics property elements. Over the longer term, the Ekurhuleni Aerotropolis project around OR Tambo International Airport may prove to be an important catalyst for industrial property development.

Residential market

South African house price growth slowed in 2016, reflecting the more subdued economic backdrop. However, the major coastal cities of Cape Town, Port Elizabeth and Durban outperformed inland markets. This trend was driven in part by demand from domestic buyers relocating to the coast from inland cities for lifestyle reasons, with locations in Cape Town and along the Western Cape coast generally attracting the strongest interest. The housing market should be boosted by a moderate improvement in economic growth in 2017, although a cut in interest rates appears unlikely in the immediate term.

Key facts

Population	54.5 million
Major cities:	
Johannesburg	9.4 million
Cape Town	3.7 million
Durban	2.9 million
Official languages	11 official languages
Total area	1,219,090 sq km
GDP growth (2016)	0.1%
Key export	Gold
Currency	Rand (ZAR)
EIU country risk rating (E=most risky)	C
World Bank Doing Business rank (out of 190 countries)	74

South Africa prime rents and yields

CAPE TOWN

	Prime rents	Prime yields
Offices	US\$18/sq m/month	9%
Retail	US\$60/sq m/month	7.75%
Industrial	US\$5/sq m/month	9%
Residential	US\$5,000/month*	5%

JOHANNESBURG

	Prime rents	Prime yields
Offices	US\$17/sq m/month	8.5%
Retail	US\$60/sq m/month	8%
Industrial	US\$5/sq m/month	9%
Residential	US\$4,500/month*	5.5%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

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15 Alice Lane Towers, Sandton, Johannesburg

TANZANIA



Key facts

Population	53.5 million
Major cities:	
Dar es Salaam	5.1 million
Mwanza	0.8 million
Arusha	0.4 million
Dodoma	0.4 million
Official languages	Kiswahili, English
Total area	947,300 sq km
GDP growth (2016)	7.2%
Key export	Gold
Currency	Tanzanian Shilling (TZS)
EIU country risk rating (E=most risky)	C
World Bank Doing Business rank (out of 190 countries)	132

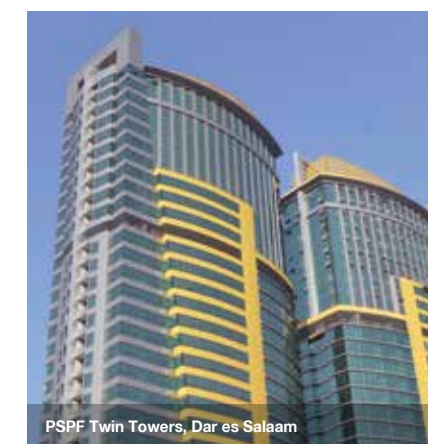
Dar es Salaam prime rents and yields

	Prime rents	Prime yields
Offices	US\$21/sq m/month	9%
Retail	US\$16/sq m/month	10%
Industrial	US\$6/sq m/month	10%
Residential	US\$4,500/month*	6%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

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PSPF Twin Towers, Dar es Salaam

Office market

Dar es Salaam is the commercial capital of Tanzania and its CBD remains at the heart of office market activity. Significant new office development projects within the CBD include Mzizima Towers and the Tanzania Ports Authority HQ building. There are also office development projects outside the city centre, particularly along Ali Hassan Mwinyi Road and Bagamoyo Road. Such developments include Jangid Plaza, Fakyat Tower, Morocco Square and Paloma Park. Despite the increase in supply, office rents remain relatively high and vacancy rates are low.

Retail market

The retail market in Tanzania has steadily grown over a long period, largely through small-scale retail outlets operated from residential buildings and small downtown specialist shops in National Housing Corporation buildings. Such outlets compete with ad-hoc street trading known locally as "Wamachinga", which can sometimes be found on a massive scale in areas such as Kariakoo and Manzese. There are a number of large-scale modern retail malls located in areas such as the city centre, Oyster Bay, Msasani, Mbezi Beach and Mikocheni, and several larger retail schemes are planned. Rock City Mall, in the city of Mwanza, is also now operational. However, some large retailers have closed their Tanzanian operations, including the Kenyan supermarket chain Uchumi and South Africa's Shoprite. The Kenyan retailer Nakumatt, which took over Shoprite stores in Tanzania, is reported to be struggling in the country.

Industrial market

The prime industrial areas of Dar es Salaam are located on Nyerere Road and Mandela Road, and have good transport links to the harbour, international airport and the interior of the country. There are secondary industrial locations in Chan'gombe, Mikocheni, Mwenge and Ubungu. The port of Dar es Salaam is a gateway for goods destined for landlocked countries including Malawi, Zambia, Rwanda and Burundi, therefore logistics companies have significant demand for warehousing space for goods in transit. As part of a government initiative to focus on industrialisation, public corporations such as pension funds have been instructed to invest in industrial activities, and this is expected to stir up the market for industrial premises.

Residential market

Dar es Salaam's high-end residential market is concentrated to the north of Salender Bridge, across the entire Msasani Peninsula and extending northwards to Mbezi and beyond. The most exclusive residential area is Oyster Bay at the southern base of the peninsula. At this end of the market, demand is dominated by diplomats, government executives and high net-worth individuals. The middle market is much less well-defined, with pockets of middle-income housing spread fairly evenly across the city. Within central Dar es Salaam, the Upanga neighbourhood is a well-established residential area offering good quality accommodation mainly in apartment blocks, and it is the preferred location for the Asian community.

TUNISIA



Key facts

Population	11.2 million
Major cities: Tunis	2.0 million
Official languages	Arabic
Total area	163,610 sq km
GDP growth (2016)	1.5%
Key export	Insulated wire
Currency	Tunisian Dinar (TND)
EIU country risk rating (E=most risky)	C
World Bank Doing Business rank (out of 190 countries)	77

Tunis prime rents and yields

	Prime rents	Prime yields
Offices	US\$10/sq m/month	10.5%
Retail	US\$26/sq m/month	9.5%
Industrial	US\$5.50/sq m/month	14%
Residential	US\$4,000/month*	7.5%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

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Tunisia Mall, Tunis

Office Market

Office market activity in Tunis is generally focused on a few key districts of the city. Belvédère and Montplaisir in the downtown area are mainly home to government departments, banks, medical centres and small Grade B offices. Planned commercial districts such as Urbain Nord and Les Berges du Lac I and II are to the north east of the downtown area and offer modern buildings in secure pleasant environments close to the city centre and airport. Construction activity has slowed noticeably over recent years due to limited occupier demand, a lack of bank liquidity and concerns about the economy. Although rents have remained stable through this period, the lack of new supply has caused vacancy rates to fall, and rents are expected to rise in the near future.

Retail market

There has been limited new retail development in Tunis, with the exception of the Tunisia Mall in Les Berges du Lac II which opened in 2015. This 80-unit centre features several foreign brands including Massimo Dutti, Zara, Mango and Pull & Bear. An extension known as Tunisia Mall 2 is under construction and will be connected to the original centre by a tunnel. Despite difficult economic conditions and inflationary pressures, retail market sentiment is generally positive and chains such as Carrefour Market, Monoprix and MG Maxi have continued to expand across Tunisia.

Industrial market

Tunisia has traditionally been seen as a low-cost manufacturing location for mainly French and Italian companies, although local manufacturing has grown due to increased infrastructure spending and restrictions on foreign companies operating in Tunisia. Limited industrial property development and moderate occupier demand have kept the market balanced in recent years. The majority of properties are either owner-occupied or small units serving the local market. Most industrial zones are to the south and west of Tunis, including Mghira where a large labour pool and modern warehousing attracts local and multinational occupiers. Newer industrial zones are being developed in locations close to the city including Manouba and Zaghouan.

Residential market

The prime residential areas in Tunis are generally located to the north and east of the city centre and include Les Berges du Lac I and II, Carthage, Notre Dame and La Marsa. The residential market showed strong growth between 2010 and 2015, with demand boosted by a lack of alternative investment opportunities for Tunisians and by Libyans leaving their own country's troubles. More recently, activity has slowed due largely to restrictions on borrowing and an easing of demand from foreign investors. Prices for high-end residential property have held up more strongly than the wider market, partly because wealthier buyers are less sensitive to borrowing restrictions.

UGANDA



Key facts

Population	39.0 million
Major cities: Kampala	1.9 million
Official languages	English
Total area	241,038 sq km
GDP growth (2016)	4.9%
Key export	Coffee
Currency	Ugandan Shilling (UGX)
EIU country risk rating (E=most risky)	C
World Bank Doing Business rank (out of 190 countries)	115

Kampala prime rents and yields

	Prime rents	Prime yields
Offices	US\$17/sq m/month	10%
Retail	US\$25/sq m/month	12%
Industrial	US\$6/sq m/month	13%
Residential	US\$5,000/month*	8%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

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Mirembe Business Centre, Kampala

Office market

Demand for office space in Kampala picked up in the second half of 2016, particularly for Grade A/AB offices. However, Kampala remains a tenant's market against the backdrop of rising vacancy rates in the Grade B/C segment. Demand for better quality space largely stems from multinational companies and government organisations seeking modern, energy-efficient buildings with ample parking away from the congested CBD. Oil and gas companies have increased their operations in Uganda following the issuance of production licences in 2016, and are considering increasing their office space. This is likely to positively impact demand for prime offices in the medium-to-long term.

Retail market

The retail sector had an unsettled 2016, with several leading retailers running into difficulties. However, increased footfall was recorded in a number of leading malls and many shops continued to trade well, particularly international-branded stores targeting middle-to-upper income consumers. A significant new shopping centre is the Imperial Mall, which opened in Entebbe in December 2016. The development pipeline includes the Arena Mall, a 15,000 sq m centre on Nsambya Road in Kampala, which is currently in the final pre-letting stage with earthworks due to commence in H1 2017. Leasing has also commenced on the proposed 42,000 sq m Kingdom Kampala development, and this has the potential to revitalise the Kampala

CBD following the recent trend for retail activity to drift towards suburban locations.

Industrial market

The traditional industrial areas in the Kampala CBD and its outskirts, such as Banda, Ntinda, Nakawa and Kyambogo, saw subdued leasing activity in 2016 and occupancy rates are fairly low. The supply of space outstrips demand, and a slowdown in trade has reduced the need for warehousing for goods and commodities exported to neighbouring countries. However, demand has increased for relatively large warehouses in areas along the Entebbe-Kampala highway, where interest stems from logistics and transport companies and UN agencies, due to the proximity to Entebbe International Airport.

Residential market

The residential lettings market was relatively slow in 2016, although activity increased slightly in the final quarter. Demand for prime rental accommodation mainly came from those working in the oil and gas, diplomatic and corporate sectors. Residential sales activity was dominated by the transaction of properties in non-performing loan portfolios of various banks. Increased demand has been registered in prime locations, with apartments attracting stronger interest than standalone houses, partly because they are perceived as being more secure. Prime residential development activity has increased and is mostly focused on rental properties with two-to-four en-suite bedrooms. The prime locations for development are Kololo, Nakasero, Bugolobi and Naguru, which are all in close proximity to the CBD.

ZAMBIA



Office market

Lusaka is a growing commercial hub with office space demand primarily stemming from the financial and communication sectors. An oversupply of Grade A space has placed downward pressure on rents, as well as providing more choice for occupiers. The economy was relatively sluggish in 2016, largely due to low copper prices, but a return to better economic growth is expected from the second half of 2017, which should result in increased demand. The prime location is the emerging Great East Road/Thabo Mbeki Road node in the immediate vicinity of the East Park Mall and Arcades Shopping Centre.

Retail market

Over 90% of Zambia's modern shopping mall space is in either Lusaka or the towns of the Copperbelt, with approximately 250,000 sq m of existing retail space in these locations. As a result there are opportunities to develop formal retail centres in expanding towns around the rest of the country. The recently opened Kafue Shopping Mall, anchored by Pick n Pay, highlights the demand for niche malls in other towns, from both shoppers and retailers. Competition for customers and retailers is expected to intensify between the shopping malls in Lusaka, however Zambia's fast-developing property market is proving to be a resilient and risk-tolerant long-term investment destination.

Industrial market

The logistics and industrial sector is one of the most consistent-performing property market sectors in Lusaka, with strong demand for warehouse space supported by the growth of the retail, food and beverage and agricultural industries. While warehouses with low quality specifications still attract good demand, in the long run pressure on Lusaka's transport infrastructure combined with the demand for increasingly sophisticated logistics properties will result in a shift away from the existing industrial area to emerging hubs elsewhere around the city.

Residential market

Market activity has slowed across all sections of the residential market, but there remains a mismatch between demand and supply at the top end of the Lusaka rental market due to a shortage of well-designed modern properties in the best locations. Self-build projects dominate the housing supply across the market, as a result of high interest rates. Zambia has one of the most developed commercial farming sectors in Africa, with increasing interest from private individuals, investment consortiums and funds. The sophistication of Zambian farming comes as a surprise to most outsiders, as many businesses have yields, agronomy and technology on a par with European operations.

Key facts

Population	16.2 million
Major cities:	
Lusaka	2.2 million
Ndola	0.5 million
Kitwe	0.5 million
Official languages	English
Total area	752,618 sq km
GDP growth (2016)	3.0%
Key export	Copper
Currency	Zambian Kwacha (ZMK)
EIU country risk rating (E=most risky)	C
World Bank Doing Business rank (out of 190 countries)	98

Lusaka prime rents and yields

	Prime rents	Prime yields
Offices	US\$20/sq m/month	10%
Retail	US\$40/sq m/month	8.5%
Industrial	US\$6/sq m/month	12%
Residential	US\$3,500/month*	10%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

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PWC Office Park, Lusaka

ZIMBABWE



Key facts

Population	15.6 million
Major cities:	
Harare	1.5 million
Bulawayo	0.7 million
Official languages	16 official languages
Total area	390,757 sq km
GDP growth (2016)	-0.3%
Key export	Gold
Currency	Zimbabwe Bond Notes (from 2016). Other major currencies accepted
EIU country risk rating (E=most risky)	D
World Bank Doing Business rank (out of 190 countries)	161

Harare prime rents and yields

	Prime rents	Prime yields
Offices	US\$10/sq m/month	8%
Retail	US\$25/sq m/month	7%
Industrial	US\$3/sq m/month	12%
Residential	US\$2,000/month*	8%

Source: Knight Frank LLP
*4 bedroom executive house – prime location

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Joina City, Harare

Office market

Zimbabwe is suffering from economic and liquidity challenges which have stagnated office market activity. Supply is higher than demand and tenants are voluntarily surrendering space. Office buildings in the Harare CBD have void rates in excess of 50%, making them unattractive investments. Suburban offices have become more sought-after investments, due to their lower void rates, but there continues to be few sales transactions. To reduce vacancy levels, some CBD landlords are converting office space to shops, while others are partitioning floors into smaller suites. Given the challenging market, no new multistorey buildings have been constructed in the last twenty years.

Retail market

Demand for retail space remains high. However, empty units in the CBD have become visible and vacant space is taking long to lease. Retailers face stiff competition from street vendors who sell their goods on shop pavements. The construction of new suburban shopping malls such as the Mall of Zimbabwe and the Gunhill Mall has been shelved in light of the country's poor economic outlook. Nonetheless, demand for prime suburban retail space remains buoyant and there are high occupancy rates in this sector. Prime rents are currently higher for suburban retail space, at US\$25/sq m/month, compared with US\$20/sq m/month in the CBD. Investors are holding

on to their retail investments, with Riverside Walk being the only suburban shopping mall that has been sold since 2015.

Industrial market

The continued decline of the economy has led to several manufacturing companies closing operations. Very little foreign direct investment has come into the country as a result of the government's indigenisation policies, the high cost of capital and socio-political instability. This has led to an oversupply and underutilisation of industrial space. The sector is therefore characterised by high vacancy rates, declining rents and the voluntary surrender of leased space by tenants. A number of investors in this sector are looking to disinvest, but there is little or no demand except from a few owner-occupiers.

Residential market

Residential market transactions are being slowed down by the lack of mortgage finance to assist buyers. Most transactions are therefore on a cash basis, and the majority of the population does not have the necessary funds to be able to buy property. Low disposable incomes and poor liquidity have depressed rental levels and reduced property prices. Therefore, no major speculative housing developments have been built in recent times, and the few attempts to construct such projects have failed. The limited available new stock has mainly come from self-build projects and housing cooperatives.

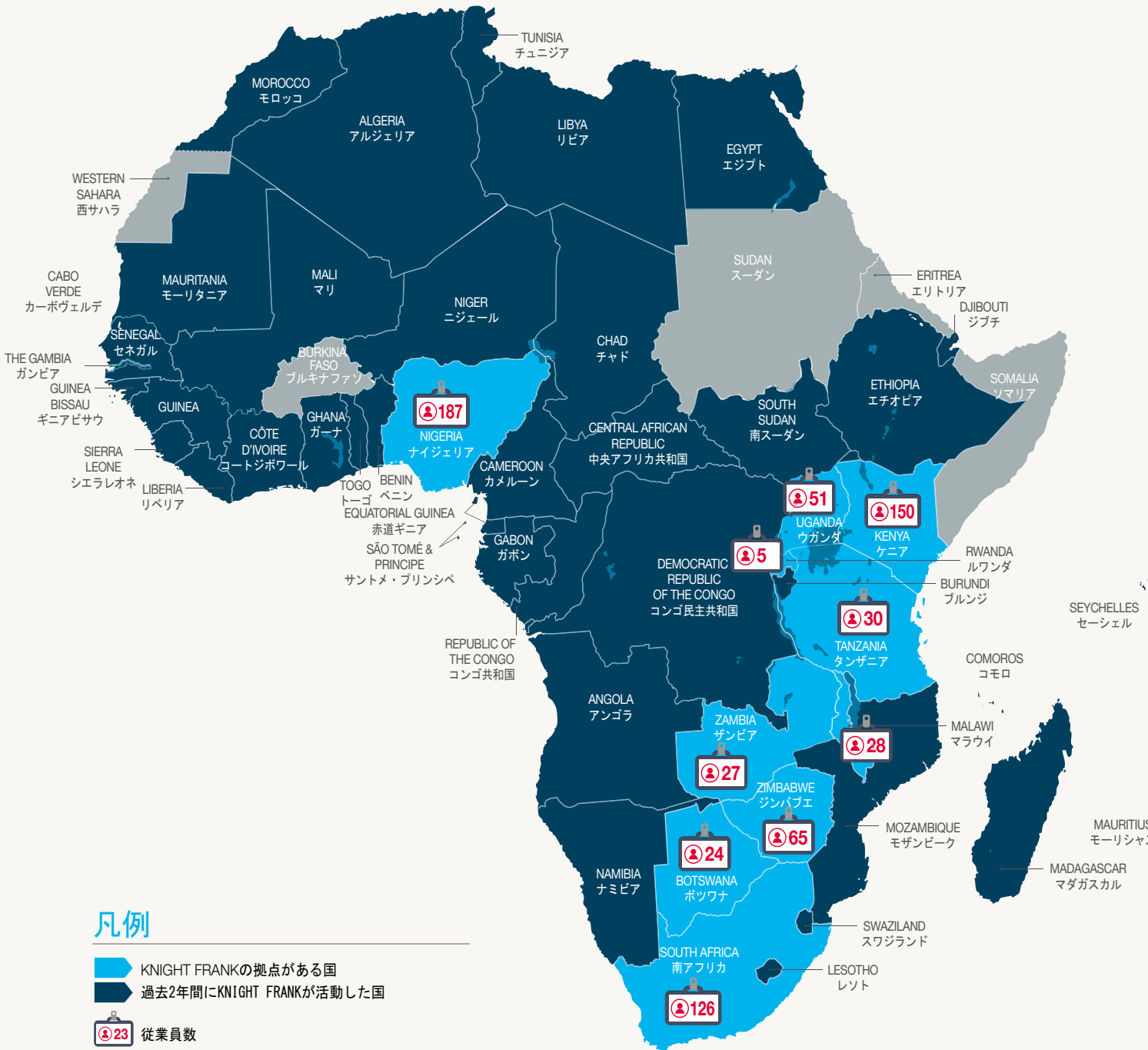
AFRICA COMMERCIAL OCCUPIER GUIDE

		Angola	Botswana	Egypt	Ghana	Kenya	Malawi	Nigeria	Rwanda	South Africa
LEASE TERMS										
	Rents quoted	US\$/sq m/month	Pula/sq m/month	EGP/sq m/month	US\$/sq m/month	KSh/sq ft/month or US\$/sq ft/month	MWK/sq m/month	US\$/sq m/annum or Naira/sq m/annum	US\$/sq m/month	Rand/sq m/month
	Typical lease lengths	1-3 years	1-5 years	1-5 years	2-5 years	6 years	1-3 years	2-5 years	1-5 years	3-5 years
	Frequency of rent payments	Monthly to annually in advance	Monthly in advance	Quarterly in advance	Usually paid quarterly or biannually in advance	Quarterly in advance	Quarterly in advance	Quarterly in advance (now the norm, although historically rents were paid 2-3 years in advance)	Monthly to quarterly in advance	Monthly in advance
	Basis of rent reviews	None	Pre-agreed escalation, typically 6-10% per annum	Pre-agreed escalation, typically 5-10% per annum	Periodic rent reviews at an agreed annual percentage, typically 5-10%	Fixed rental increases, typically 7.5% per annum if rents are paid in KSh or 5% if paid in US\$	Annual rent reviews based on open market rents	Periodic rent reviews based on open market rents	Pre-agreed escalation, typically 5-10% per annum	Fixed annual escalation, typically 7-9%
	Break options	Can be exercised by either party. Typical notice period is 3 months	Uncommon, but can be exercised by either party when in place. Typical notice period is 3 months	Can be exercised by either party. Typical notice period is 3 months	Can be exercised by either party. Typical notice period is 3 months	Break clauses are not common	Can be exercised by either party. Typical notice period is 3 months	Break clauses are not common, except in longer leases	Break clauses are not common	No break options
	Ability to assign lease	Subletting permissible, with landlord's consent	Subletting permissible, with landlord's consent	Subletting permissible, with landlord's consent	Subletting permissible, with landlord's consent	Subletting not permitted	Subletting permissible, with landlord's consent	Subletting permissible, with landlord's consent	Subletting not permitted	Subletting permissible, with landlord's consent
OCCUPATIONAL COSTS										
	Service charges	Paid by tenant. Typically 10-15% of net rents	Paid by tenant. Typically 10-15% of net rents	Paid by tenant. Typically 8-15% of net rents	Paid by tenant. Typically 10-15% of net rents	Paid by tenant. Typically 20-25% of gross rents	Paid by tenant based on actual bills received for services	Paid by tenant. Typically 20-30% of net rents	Paid by tenant, typically 10-15% of rents	Paid by tenant. Covers all landlord expenses except property rates, which are not recoverable.
	Utilities	Tenant pays for all utilities consumed. Communal consumption is recovered through service charge	Tenant pays for all utilities consumed. Communal consumption is recovered through service charge	Tenant pays for all utilities consumed. Communal consumption is recovered through service charge	Tenant pays for electricity. Landlord pays for water, recovering cost via service charge	Tenant pays for electricity. Landlord pays for water, recovering cost via service charge	Paid by tenant through service charge	Tenant pays for utilities, either via service charge or on a metered basis	Tenant pays for electricity. Landlord pays for water, recovering cost via service charge	Tenant pays for all consumables including water, electricity and sewerage/waste
	Relevant local taxes payable	No VAT on rents. Urban Property Tax applies to commercial rents, at an effective rate of 15%	VAT of 12% payable by registered bodies. Withholding tax of 5% paid by tenant on rents above P36,000 per annum	VAT introduced in Egypt in 2016, but the lease of land and buildings is exempt	No VAT on rents. Rent tax of 8% payable by tenant	VAT of 16% payable on rents, service charges and parking fees	VAT of 16.5% payable on rents	VAT of 5% payable on commercial rents. Withholding tax of 10% payable by tenant	VAT of 18% payable on rents	VAT of 14% payable on rents
	Internal repairs	Tenant responsible	Tenant responsible	Tenant responsible	Tenant responsible	Tenant responsible	Tenant responsible	Tenant responsible	Tenant responsible	Tenant responsible
	External repairs and repairs to common parts	Landlord responsible	Landlord responsible	Landlord responsible	Landlord responsible	Landlord responsible	Landlord responsible	Landlord responsible	Landlord responsible	Landlord responsible
	Building insurance	Landlord responsible	Landlord responsible	Landlord responsible	Landlord responsible	Landlord responsible	Landlord responsible	Landlord responsible	Landlord responsible	Landlord responsible
	Restoration	Tenants required to restore premises to original state, subject to reasonable wear and tear	Tenants required to restore premises to original state, subject to reasonable wear and tear	Tenants required to restore premises to original state, subject to reasonable wear and tear	Tenants required to restore premises to original state, subject to reasonable wear and tear. Typically let as shell & core	Tenants required to restore premises to original state, subject to reasonable wear and tear. Typically let as shell & core	Tenants required to restore premises to original state, subject to reasonable wear and tear	Tenants required to restore premises to original state, subject to reasonable wear and tear	Tenants required to restore premises to original state, subject to reasonable wear and tear	Varies by lease agreement. Fair wear and tear will apply in most, but not all, cases
TRANSACTION COSTS										
	Agency fees: new lease	Paid by landlord or tenant. Typically one month's rent	Paid by landlord or tenant. Typically one month's rent	Paid by landlord or tenant. Typically one month's rent	Paid by landlord or tenant. Typically one month's rent	Paid by landlord. Typically 4-8.3% of annual rent	Paid by landlord. Typically 5-10% of annual rent	Paid by landlord or tenant. Typically 5-10% of the total rent	Paid by the landlord, typically one month's rent	Paid by landlord. Typically 15-20% of the annual rent, depending on lease length
	Agency fees: renewal	Paid by landlord or tenant. Typically one month's rent	Paid by landlord or tenant. Typically 2-3% of annual rent	Paid by landlord or tenant. Typically one month's rent	Paid by landlord or tenant. Typically one month's rent	Paid by landlord. Typically 2.5% of annual rent	Paid by landlord. Typically 5-10% of annual rent	Paid by landlord or tenant. Typically 5-10% of the total rent	Paid by the landlord, typically one month's rent	Paid by landlord. Typically 10-15% of the annual rent, depending on lease length
	Agency fees: sublease	Typically one month's rent	Typically one month's rent	Typically one month's rent	Typically 50-100% of one month's rent	No subleasing	N/A	Typically 5-10% of the total rent	No subleasing	Paid by existing tenant. Typically 15-19% of annual rent, depending on lease length
	Legal fees	Payable by tenant on attorney scale	Payable by landlord or tenant on attorney scale	Payable by tenant on attorney scale	Landlord and tenant pay their own costs	Payable by tenant, on a sliding scale depending on rents	Payable by tenant, based on a prescribed scale of fees	Payable by tenant, tariffs vary by lawyer	Landlord and tenant pay their own fees	Landlord and tenant pay their own costs
	Is stamp duty payable on leases?	Yes. Tenant pays	No	No	Yes. Tenant pays	Yes. Tenant pays. It is calculated as 2% of combined total of the average rent over the 6 years plus the service charge for 1 year	Yes. Stamp duty of 3% payable where lease is registered	Yes. Rates vary by state	No	No

		Tanzania	Uganda	Zambia	Zimbabwe
LEASE TERMS					
	Rents quoted	US\$/sq m/month, but government organisations are now asking to charge in TShs	US\$/sq m/month	US\$/sq m/month	US\$/sq/month
	Typical lease lengths	1-5 years	2-5 years	2-5 years	1-3 years
	Frequency of rent payments	Quarterly in advance	Usually paid quarterly or biannually in advance	Monthly or quarterly in advance (retail mall tenants pay monthly)	Monthly in advance
	Basis of rent reviews	Annual escalations are not a norm	Periodic rent reviews at an agreed annual percentage, typically 3.5-10%	Fixed annual rental escalations, typically 3-5%	Annual rent reviews based on open market rents
	Break options	Can be exercised by either by either party. Legal notice period is 3 months	Can be exercised by either party. Typical notice period is 6 months	Can be exercised by either party. Typical notice period is 3 months	Can be exercised by either party. Typical notice period is 6 months
	Ability to assign lease	Subletting permissible, with landlord's consent	Subletting not permitted	Subletting permissible, with landlord's consent	Subletting permissible, with landlord's consent
OCCUPATIONAL COSTS					
	Service charges	Paid by tenant. Typically US\$2-3/sq m/month	Paid by tenant. Typically 15-40% of net rents	Paid by tenant. Typically 10-15% of net rents	Paid by tenant. Typically 75-100% of net rents
	Utilities	Tenant pays for electricity. Water paid for through service charge	Tenant pays for electricity. Landlord pays for water, recovering cost via service charge	Tenant pays for electricity. Landlord pays for water, recovering cost via service charge	Tenant pays for all utilities including electricity and water
	Relevant local taxes payable	VAT of 18% payable on rents. Withholding tax of 10% on rents	VAT of 18% payable on rents	VAT of 16% on commercial rents. Withholding tax of 10% payable by tenant	VAT of 15% payable on rents
	Internal repairs	Tenant responsible	Tenant responsible	Tenant responsible	Tenant responsible
	External repairs and repairs to common parts	Landlord responsible	Landlord responsible	Landlord responsible	Landlord responsible
	Building insurance	Landlord responsible	Landlord responsible	Landlord responsible	Landlord responsible
	Restoration	Tenants required to restore premises to original state	Tenants required to restore premises to original state, subject to reasonable wear and tear	Tenants required to restore premises to original state, subject to reasonable wear and tear	Tenants required to restore premises to original state, subject to reasonable wear and tear
TRANSACTION COSTS					
	Agency fees: new lease	Paid by landlord. Typically one month's rent or between 0-5% of annual rent	Paid by landlord. Typically one month's rent	Paid by landlord. Typically equivalent to one or one and a half month's gross rent	Paid by landlord. Typically 10% of annual rent
	Agency fees: renewal	Paid by landlord. Typically between 0-2% of annual rent	Paid by landlord. Typically one month's rent	Paid by landlord. Typically 2.5-5% of annual rent	Paid by landlord. Typically 10% of annual rent
	Agency fees: sublease	Typically up to one month's rent	No subleasing	Paid by existing tenant. Typically equivalent to one month's gross rent	Typically 50-100% of one month's rent
	Legal fees	Landlord and tenant pay their own costs	Landlord and tenant pay their own costs	Either paid by landlord, or shared between landlord and tenant. Fees by negotiation	Payable by tenant, tariffs vary by lawyer
	Is stamp duty payable on leases?	Yes. Tenant pays at 1% of first year's annual rent	No	No. A lease registration fee is payable based on a statutory scale. Typically landlord pays	Stamp duty payable when leases are registered, based on a statutory scale

Source: Knight Frank Research

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