

RESEARCH



ZAMBIA

MARKET UPDATE

Q4 2017

Zambia

Population	16,200,000 (est)
Major Cities	Lusaka, Ndola, Kitwe and Livingstone
Official Language	English
Total Area	752,614 sq km
GDP Growth	3.6% (2016)
Inflation	6.1.% (CSO December 2017)
Key Industries	Agriculture, Mining, Tourism, Construction
Currency	Zambian Kwacha (ZMW)
Trade Associations	SADC, Comesa



Economic Update

Inflation

Zambia had a single digit inflation rate from 2006 to August 2015. However, from October 2015 the inflation rate jumped from 7% to over 14%, reaching an all time high of 22.9% in February of 2016.

The inflation rate has reduced significantly over the past 18 months and was recorded at 6.1 % in December 2017.

Copper Prices

Copper is the major export earner for the country and higher prices always boost the economy, so with prices rising above US\$ 7,000 per tonne in December 2017 and rising demand for copper , the outlook is positive.

Anticipated demand for copper from:

- economic expansion in China, where copper is essential for its technological, energy and infrastructure development;
- rising production of electric cars;
- America's planned revamping of its energy and transportation infrastructure.

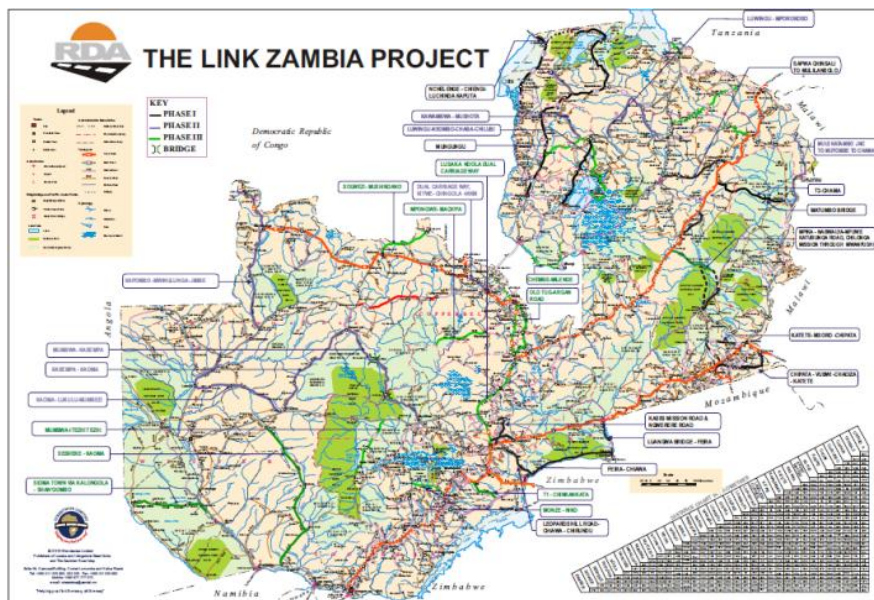
Cover Image: Mongu-Kalabo Bridge – Western Province Zambia



Source: Tradingeconomics.com | Central Statistics Office of Zambia



Source: London Metal Exchange



RDA Link Zambia 8,000 Project

Roads

The Government of Zambia embarked on the Link Zambia 8,000 project (Accelerated National Roads Construction Programme) to rehabilitate the existing road network and international highways linking Zambia to Botswana, South Africa, Zimbabwe, Mozambique, Malawi, Tanzania, the Democratic Republic of Congo and Namibia, and embarked on the L 400 and C 400 Projects for Lusaka and the Copperbelt aimed at rehabilitating and constructing the road network in the various townships and highways, for example the 321 kilometre Lusaka/Ndola dual carriageway commissioned in September 2017 is to be completed in 2021.

Lusaka Decongestion Project under the Ministry of Local Government was scheduled to commence during Q4 2017 and is expected to take 36 months to complete. Examples include major road widening of Great East, Mosi-o-Tunya, Nangwenya, Zambezi and Alick Nkhata Roads.

Airports

There are four international airports and 140 aerodromes across the country. The Government has begun a program to improve the infrastructure at all international airports. Upgrade works for Lusaka's

Kenneth Kaunda and Livingstone's Harry Mwaanga Nkumbula International Airports commenced in 2014 while the construction of the new Copperbelt International Airport in Ndola commenced in June 2017.



Kenneth Kaunda International Airport under construction

The scope for private sector participation in development of airports also exists in airfields at Chipata, Kitwe, Kasama, Mongu, Solwezi and Mansa.



Kafue Lower Gorge Hydroelectric Power Plant

Energy

Zambia is endowed with a wide range of energy resources, particularly woodlands and forests, hydropower, coal and renewable sources of energy with petroleum being the only energy source that is wholly imported.

Whilst power cuts still occur they are far less than 12 months ago and business is better prepared.

The Zambia Electricity Supply Corporation (ZESCO) is the main producer and distributor of electricity in the country. Hydro power is one of the most important energy sources in the country and is generated by three major hydro-electric power stations.

The country has great potential from hydro resources, as Zambia is estimated to have 40 % of the water resources in the SADC region, with about 6,000 MW of unexploited hydro power potential, but only about 2,700 MW capacity installed.

The latest projects include the 750MW Kafue Lower Gorge and the 1,200MW Batoka Gorge hydroelectric power plants. Other planned projects are the 210MW Kalungwishi River, 600MW Devil's Gorge, 500MW Mpata Gorge, 850MW Luapula River hydroelectric power stations. Demand for power in the various sectors of the economy has grown continuously over the years and is likely to increase over the coming years.

Goviex Uranium acquired Dinison Energy Corporation uranium projects in Chirundu and Siavonga, for the proposed development of nuclear power plants.

Lusaka

Office

An increasing supply of new and existing space on the market is forcing Landlords to offer incentives, shorter leases, reduce floor plate sizes and lower rentals in order to secure tenants. It is likely the market will witness more aggressive negotiations in 2018 to relocate tenants out of existing buildings into new space, on better terms.

Key to attracting the best tenants will be green building solutions, quality finishes, good parking, fit out and space planning solutions as well as recreational options for occupiers such as retail(including food) and fitness.

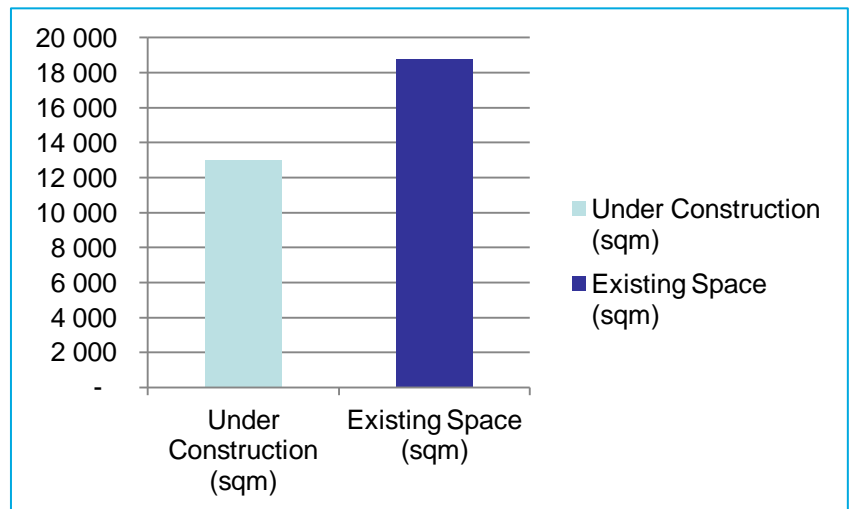
The node centred around Arcades and East Park Shopping Malls is still the busiest office area however there are increasing negatives for office users such as traffic delays, difficult access and sub standard parking ratios. Vacancies rates are very high in this area.

A new node is emerging further west along Alick Nkhata Road close to the United Nations Head Office dominated by the new ZEP- RE Business Park and Longacres Mall, presently under construction.



ZEP-RE Business Park

Kabulonga has emerged as a prime office neighbourhood with very few vacancies, easy access, excellent transport network and very good retail options for office workers.



Prime Office Space Marketed by Knight Frank Q4 2017 / Arcades, Addis Ababa, Long Acres Triangle node

Retail

Rising competition for shoppers and securing the best tenants (in a tenants market!) is leading to a battle between the major shopping malls in Lusaka. New strategies with owners adjusting to tenant demands and seeking to fill vacancies will be the retail story of 2018.

Smaller established malls in the secondary part of the market like Crossroads ,trade very well and are 100% occupied due to size, an excellent tenant mix of service orientated retailers and smaller sized units despite a smaller car park than ideal.

Mid range malls of 6,000 - 8,000 sq.m in emerging suburbs improved by new roads, such as Munali Mall (anchored by Shoprite) opening Q3 2018 and the new Waterfalls (Shoprite) and Garden City Malls (Pick n Pay), opened in Q3 and Q4 2017 at the airport roundabout on the Great East Road are likely to out perform the larger malls in the short term.

Residential

The appetite for buying older houses with plots in prime areas such as Kabulonga and Woodlands waned in 2017 resulting in sellers reducing sales prices by as much as 15% if they needed to sell.

High end rentals also decreased but it is unlikely these will fall further in 2018, although demand will be slow in the first half of the year.

The middle sector of the market for rentals remains very active with high demand and a constant supply – typical monthly rentals are in the range of ZMW5,000 – 10,000.

Investment

Whilst the development of commercial property has increased the stock and promoted the beginnings of an investment market, with transactions in properties such as Manda Hill and East Park Shopping Malls, PWC Office Park, and Arcades Shopping Centres since 2010, the market is still small.

The property investment market has the opportunity to be an attractive option for investors, however the additional cost of VAT on the sale of commercial property and the time and costs involved in obtaining approvals from the Competition and Consumer Protection Commission presently inhibit the sector from growing faster and attracting more investors.

Institutional

A micro bubble in the property sector has been the growth of educational and medical properties. For example the establishment of Lusaka APEX Medical University main campus along Kasama Road in Chalala, Lusaka South approximately 5 years ago is benefiting and supporting the rise of a new neighbourhood. The demand for student accommodation has resulted in local developers building hostels and rooms for rent. Expanding institutions in this sector also include Texila, UNICAF, Cavendish and University of Lusaka.



Copperbelt University School of Medicine – Ndola Campus

Industrial

The supply of warehouses on the market for rent during 2017 resulted in greater choice for businesses and more discerning occupiers. The emphasis for 2018 will be on quality and “value for money” as the market is far more diverse with prime, secondary and tertiary warehouse property options. Rentals did fall last year but have stabilised and rents are in the order of US\$5-6 per sq.m for prime warehousing.

York Commercial Park situated on the Kafue Road, only 6 kms from Lusaka’s CBD, and developed by ACTIS and Improvon is the first specifically tailored industrial and logistics commercial park of its kind in Lusaka. With phase 2 construction now well underway the park offers warehousing for larger users as well as catering for smaller businesses requiring units around 400sq.m. all available from Q2 2018.

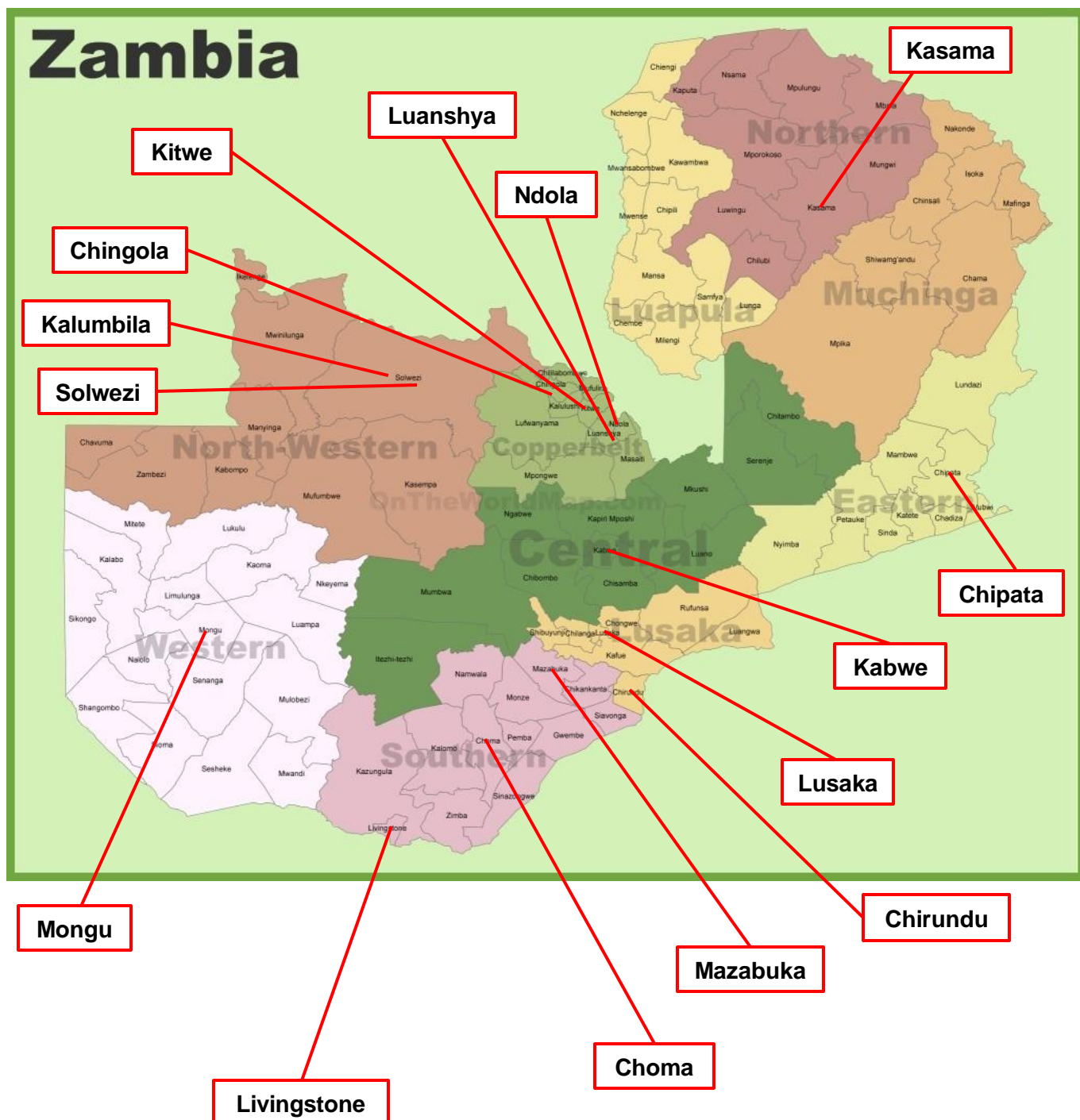


York Commercial Park

There are increasing opportunities for well researched and viable property developments in towns around the country in the ten provinces, often on a smaller scale but nevertheless offering excellent returns. These locations are opening up as road infrastructure improves in Zambia, and local economies expand.

The Ministry of Lands and Natural Resources is to issue 300,000 certificates of title through out Zambia, enhancing security of tenure.

This section of the research report focuses on the following towns – Ndola, Kitwe, Chingola, Luanshya, Solwezi, Kalumbila, Kabwe, Mazabuka, Choma, Livingstone, Mongu, Chirundu, Kasama and Chipata.



Copperbelt Province

Ndola

Ndola is the third largest city in Zambia, with an estimated population of 552,000. It is the industrial centre and capital of the Copperbelt Province.

Ndola's economy over the years witnessed a large decline in its general manufacturing base, impacting on economic diversity and resulting in a decline in formal sector employment. However, the new Dangote cement factory has helped rekindle the manufacturing base once again.

Nearby Masiati and Mpongwe Districts are increasingly becoming commercial farming blocks with crops such as wheat, soya beans as well as livestock.

Rehabilitation of township roads is now underway with a target of 42 kilometres.

Property Market

The 35,000 seater Levy Mwanawasa Stadium contributes to the tourism of the city with international soccer matches.

The newly built Copperbelt University School of Medicine Campus, on the Ndola/Kitwe dual carriageway includes a 500-bed teaching hospital and hostels with a capacity of 1,000 medical students. Development of the Copperbelt International Airport began in October 2017.

New commercial developments include the Protea and Urban Hotels, Kafubu, Ndola Square and Dola Hill Malls, expansion of Rekays Mall, retail and offices and opening of the new Z-Mart Pick n Pay centres in both the CBD and Kansenshi.

New commercial quadrants along the Ndola/Kitwe dual carriage way, and near the President Avenue/Kabwe Road Junction; new industrial quadrant of Ndola Kabwe Road in Masaiti district.



Levy Mwanawasa Stadium - Ndola

Movement of employment to the west and the south-east will continue to have a significant impact on the direction of growth. Parts of the CBD along the Maina Soko, Broadway Roads and Buteko Avenue area are experiencing less activity and relatively higher vacancy rates.

Newer retail centres have generally located near to existing high cost areas along President Avenue.

Kitwe

Kitwe is the second largest city in terms of size and population in Zambia, with an estimated population of 691,000 and is one of the most developed commercial and industrial areas in Zambia.

Kitwe's primary economic activity, like the rest of the region, is mining. Other economic activities in the city include agriculture and manufacturing.

Property Market

There is need for urban regeneration and renewal of commercial businesses in a bid to modernize and decongest the Central Business District and reduce pressure on infrastructure.

Recent retail developments in Kitwe include Copperhill Centre anchored by Pick n Pay along Kitwe - Chingola Road; Nkana Mall located on the corner of Obote and Independence Avenue in Kitwe, Edgar Chagwa Lungu mixed use retail and hotel development (under construction) located along Freedom Avenue and Mukuba Mall situated at the former Kitwe Zoo on Chiwala Road.

Recently completed office developments in Kitwe include City Gate Office Development located in the town centre.

A road project under the Link Zambia 8,000 includes the upgrading of the 45.5 kilometre Kitwe – Chingola Dual Carriage, works are on-going.

There are plans by Nkana Water and Sewerage Company Limited to improve the water distribution and sewage collection systems in Kitwe, Kalulushi and Chambishi Districts, subject to ZEMA approval.

Kitwe City Council is to set up an economic zone on a 20 hectare site from the Mufuchani Bridge across the Kafue River.



Mukuba Mall - Kitwe

Luanshya

Luanshya has an estimated population of 175,000.

Mining is the major economic activity and the main form of employment. The Baluba and Muliashi mines owned by China Non-ferrous Metal Company (CNMC), run the two mines under Luanshya Copper Mines (LCM).

Fisenge and Kafubu Farm Blocks consist of both small-scale and large-scale farmers. Agriculture is also a major contributor of the town's Gross Domestic Product (GDP). Nearby Mpongwe and Masaiti Districts have witnessed an increase in commercial farming activity.

Luanshya town is undergoing social and economic rejuvenation after an economic depression.

Property market

The Luanshya property market is heavily linked to copper prices and industry. There is a shortage of modern commercial and residential property however Pick n Pay opened its sixth Zambian store in Luanshya in 2015, and Roan Mall anchored by Shoprite opened in 2017.

Luanshya residential areas are mainly divided into the municipal area and the mining area.

Chingola

Chingola has an estimated population of 273,000.



Roan Mall - Luanshya

Nchanga Copper Mine, is Africa's largest and the world's second largest open cast mine.

The local economy is built primarily upon the extractive industries. There is little manufacturing capacity and the economy is export driven.

The district has great potential for agriculture.

Property Market

Chingola Municipal Council allocated land to investors in Chingola South to decongest the Central Business District (CBD). The council plans to monitor the development progress to only allow modern buildings in that area. National Pensions Scheme Authority (NAPSA) and Workers Compensation Fund Control Board (WCFCB) also have plans to build modern housing complexes in the area.

Road Development Agency (RDA) and Red Lion Construction Company signed a contract to rehabilitate more than 23 kilometres of urban roads in Chingola.

Residential properties around Chingola town centre are being converted into commercial use particularly along Freedom Avenue. There is demand for stand alone properties with increasing sales of semi-detached houses or flats in preference to stand alone properties.

The Park Shopping Mall' on the corner of Kabundi Road and Freedom Avenue provides modern formal retail. The Government is to revamp the Ipafu Coffee Irrigation Scheme.

The proposed Chingola–Jimbe (border town) railway project is set to enhance trade between Zambia and Angola.

Northwestern Province

Solwezi

Solwezi is the central town in the 'new' Zambian copper-belt with an estimated population of 308,000. It is also the capital of the North-Western Province



Nchanga Open Pit Mine - Chingola

and is situated about 108 kilometres from Chingola.

Solwezi town has grown significantly in recent years, driven by copper and nickel mines, which are run by First Quantum and Barrick Gold.

The town also experienced an increase in mining-related services and business activities in addition to trade on the Congolese border situated about 12 kilometres away which has boosted development in the town.

First Quantum Minerals Plc in 2017 commissioned the Kansanshi copper smelter with the capacity to produce 1.2 million tonnes of copper concentrate, an increase in its previous output.

There are plans to upgrade the airport which will see an increase in flights to Solwezi, and the possibility of international flights, in addition to the daily flights from Lusaka.

Property Market

The housing property market in Solwezi is characterised by both planned and unplanned settlements. Contributing to the housing problem is the issue of 'affordability', land availability and rapid urbanisation. Most land in the town is not yet surveyed and still on traditional tenure.

Kapiji and Solwezi City Malls provide modern formal retail with big name brands such as Pick N Pay, Shoprite, Woolworths and Mr Price and banking facilities.

The rapid increase in demand for housing units in Solwezi is attributable to the increase in mining-related services and business activities in addition to trade on the Congolese border.

There is a growing shortage of housing coupled with increased rentals for generally poor quality housing units in Solwezi and a lack of progress in co-ordinating residential and other development with the social, economic and physical infrastructure by either the local authority or the central government in some older and already established residential areas. Some land has been encroached and some affected local communities' are reluctant to allow progression of such works.

Kansanshi Mining Plc has developed the Kabitaka housing estate for its employees and the interested general public with institutional, commercial and social facilities.

Works are ongoing to rehabilitate the 160 kilometres of the Chingola Solwezi road, currently in a poor state of repair and condition. The project is being undertaken by Roads and Paving Zambia which has also subcontracted China Geo-Corporation CGC to work on the 84 kilometres from Chingola.

The remainder of the road from Solwezi is being undertaken by Roads and Paving Zambia.

The successful completion of the rehabilitation of this road will enhance accessibility to Solwezi from the Copperbelt Province. North Western Water and Sewerage Company Limited are currently improving the capacity of water supply and sewage distribution.

Independence Avenue in the CBD is being expedited into a dual carriageway. This road continues onto the Chingola/Solwezi Road.

Government intends to develop the North Western railway line connecting the province to Angola.



Kapiji Mall - Solwezi

Kalumbila

Kalumbila is a new and fast growing mining town (only 2 years old) in North-Western province with a population of approximately 10,000. First Quantum Mineral's Sentinel copper mine is the main source of employment in the town. The location has great potential for commercial farming with fertile soils and good rainfall.

The Kalumbila MFEZ is to be established that will enhance trade and expand the of medium to large scale industries in the town.

Property Market

The housing property market in Kalumbila consist of new and well planned residential settlements. The commercial, retail and institutional uses are slowly developing to meet the needs of the local and expatriate citizens. While being a small expanding town the infrastructure and services will be more modern in comparison to many towns around the country and offer unique investor opportunities.

The Workers Compensation Fund Control Board is constructing an additional 50 residential units to address the housing need in the town and Choppies supermarket opened Q3 2017.

Central Province

Kabwe

Kabwe has an estimated population of 228,000. The economy is largely driven by government institutions that account for more than 50% employment, from the military and prison services, educational and health institutions. Commercial and small scale agricultural activity supplement the local economy.

The town's central location provides access to the local markets such as Copperbelt, Northern, Lusaka and Southern Provinces and international markets like the DR Congo, Tanzania, South Africa and Zimbabwe, with potential for hospitality and leisure, transportation and storage. There is potential for more commercial agriculture.



Milling Trains, First Quantum Minerals - Kalumbila



Kabwe Mall - Kabwe

Property Market

The housing property market in Kabwe is characterised by both planned and unplanned settlements. Most of the developments are old and in need of refurbishment or redevelopment.

With drainage and major feeder road improvements, in some parts of Kabwe, demand for land has increased significantly resulting in the development of previously vacant farms and bush land.

The new Kabwe Mall anchored by Shoprite, provides formal retail to the Central Province as a whole.

An MoU has been signed between the Government and four South African firms to explore the possibility to build an airport on 5,000 hectares of land in the Mpima forest.

The Mulungushi Textiles is to be revamped under an MoU between the Industrial Development Corporation (IDC) and Marubeni, a Japanese textile firm.

There are plans to construct the Zambia National Fire Training School in Kafulamase area.

Southern Province

Mazabuka

Mazabuka has an estimated population

of 257,000. The town lies south west of Lusaka, on the Lusaka-Livingstone Road and the railway to Livingstone.

Mazabuka is one of the oldest administrative centres in Zambia.

The district is strategically positioned as a trade route between the southern regions of Zambia, neighbouring Zimbabwe and Botswana and the northern and eastern parts of Zambia, Malawi, Mozambique, Tanzania and the DR Congo, and is one of the key commercial farming districts in the country.

The socio-economic activities are mainly driven by sugarcane cultivation (with sugar refining being at the centre) and livestock and crop agriculture. Zambia Sugar Plc purchased by Illovo Sugar Africa Group, is both the major employer and major industry in the district.



Zambia Sugar Plc Cane Fields - Mazabuka

Farming locations in the district include Nega Nega, Lubombo with commercial farms like Syringa, Nzimbi and Nanga Farms and out-grower schemes such as Kaleya smallholders to supply sugar to Illovo Sugar plc.

Property Market

This is characterised by both planned and unplanned settlements. Contributing to the housing problem is the issue of 'affordability', land availability and rapid urbanisation.

The rapid increase in demand for housing units in Mazabuka is attributable to the increase in agriculture-related services and rural-urban migration with increased economic activity accelerated by expansion of production by Zambia Sugar Company who employ approximately 5,200 staff.

No major housing development has been undertaken by the local authorities or central government. Like other districts, demand for housing units has been on an increase and accordingly rental charges have been increasing over time.

There is no formal retail centre in the town or modern business accommodation, however there are standalone Shoprite and SPAR supermarkets in the CBD.

Nzimbi Farm Limited is to construct a sugar milling plant capable of producing 250,000 tonnes daily, subject to ZEMA approval.

Choma

Choma has an estimated population of 142,000 and is now the administrative headquarters for Southern Province and has witnessed the relocation of government departments from Livingstone. Its economic base is largely dependent on the agriculture sector.

Key issues of the town as assessed by the local authority are dealing with the growing population and addressing the legacy of informal settlements and inadequate and poorly maintained infrastructure.

Property Market

The number of households has grown substantially, putting additional strain on land and infrastructure.

On average, 400 additional houses were built and occupied in Choma in the last 10 years, however, the Council only provided some 120 plots per year, thus the majority of new house plots were either purchased privately, acquired illegally or more than one house has been built on each plot .

Residential property prices in Choma have been increasing steadily depending on the workmanship and type of construction materials used and the location of the property. The majority of houses in Choma are generally self-built.

Leisure properties such as lodges and guest houses have increased signalling the centrality of the town ideal for hosting various important meetings for government and non-government organisations.

Government awarded a contract to China Jiangxi Corporation to build a six storey administration complex and over 60 houses for civil servants at the former Choma airstrip. These developments will expand economic activities in the town.

The council plans to build a modern civic centre and a bus terminus among other facilities.

Choma housing estate to have 1,771 high and medium cost plots of varying sizes on a 714 hectare site, adjacent to Kazuma area.

There is a standalone SPAR supermarket but no formal retail centre in Choma,



Choma Farms - Choma



Victoria Falls - Livingstone

Livingstone

Livingstone has an estimated population of 174,000. The economy suffers from lack of diversification. It is now principally based on tourism and marginal service industry. High import tariffs and operational costs reduce competitiveness, having a negative impact on the local business.



Kazungula Bridge – Zambia/Botswana Border

Livingstone town benefited from the United Nations World Tourism Organisation Conference held in August 2013 in terms of infrastructure development such as roads, drainage, water reticulation and a general facelift of the town.

Property Market

Livingstone is a compact city surrounded by the Mosi-oa-Tunya National park and the Victoria falls to the south and south western with theKazungula district enveloping the town on the north and north-eastern parts restricting any further housing developments.

High value residential areas are located in the town centre area, Hillcrest and the western parts of the town with emerging high to medium value areas on Airport Road, Lusaka/Livingstone Road or Highlands Area.

The local property market still remains relatively flat for both rental and owner occupation.

Most activity is in plot sales ranging between K 25,000 – K 40,000 for an average plot size of approximately 1,350 square metres – 2,400 square metres.

Prime sites are available along the Lusaka Road and the Airport Road respectively. These are generally unserviced plots with a minimum provision of gravel roads.

The most significant growth in the residential development sector is to the North West and North East of the city, along Airport Road and Dambwa areas. Housing construction, at present, is restricted to self-build projects financed by monthly earnings or personal loans. Proposed tourism MFEZ by the Government.

Works on the new multi million dollar Kazungula bridge over the Zambezi River between the Zambia and Botswana border, 60 kilometres from Livingstone, which are being undertaken by Daewoo Engineering, started in 2015 and are expected to complete in 2019.

The bridge will increase traffic flow and trucks carrying cargo to Zambia, Botswana and other SADC countries, will be cleared in less than a day instead of seven days.

Livingstone/ Sesheke Road to be reconstructed.

Giwi Investment Limited to construct a 100MW solar power plant in Kazungula District.

JEDI Property Development in 2016 intendd to construct 250 low, medium and high cost houses in Kazungula District.

Chirundu

Chirundu is a border town between Zambia and Zimbabwe with a population of 48,000.



Chirundu Town

The town is on the main road between Lusaka and Harare. Cross border trading is the main economic activity with goods transported in between South Africa, Zimbabwe, Zambia and the DR Congo.

Property market

Chirundu Mall developed by Time Projects and anchored by Shoprite, opening in Q2 2018, will become the town's first formal retail development and there are opportunities for lodges, dry harbours, and other formal commercial developments.

In 2015 the Chirundu Municipal Council advertised various residential, commercial plots in a bid to expand the building infrastructure of the town.

The construction of the Mongu-Kalabo Road is underway, this is expected to cover approximately 34 kilometre stretch and is being constructed across the Mongu plains and would connect Mongu and Kalabo districts.

Maintenance works on the 87.2km Kaoma – Mongu Road M009 from Tateyoyo Gate to Katundu/Lukulu Road is on-going and the maintenance of the 175.8km of Kaoma – Mongu Road M009 from Katundu/Lukulu Road to Mongu is also on-going.

The Government has plans to construct a 20,000 seater Ultra- Modern Stadium in Mongu. The Government also plans to construct King Lewanika University at Namushakende in Western Province.

Western Province

Mongu

Mongu is the provincial headquarters of Western Province with a population of 195,000.

The most important economic sector in Mongu is the primary sector (i.e. including the growing of rice and cashew nuts, fishing and basket making). Whilst the sector is growing, a lack of finance appears to be an inhibiting factor.

Property market

The Mongu property market is generally inactive, there's more of leasing than sales of property. Mongu suffers from a shortage of modern commercial and residential property and limited quality retail facilities. The Mongu residential areas mainly divided into the municipal land and Barotse Royal Establishment land.



Mongu - Kalabo Bridge

The Mongu-Kalabo road will connect Zambia to Angola once the Kalabo-Sikongo road is also constructed.

Northern Province

Kasama

Situated on the Central-Southern African plateau at an elevation of about 1,400m, Kasama, with an estimated population of 290,000, is the capital of the northern province of Zambia.

The town sits in the middle of four major roads; the Kasama-Mpika road, the Kasama-Mbala road (part of Zambia's Great North Road); the Kasama-Luwingu Road and the Kasama-Mungwi Road; all tarred roads. Consequently Kasama is a commercial hub, for the Northern Province.

The town's economy is largely fuelled by increasing number of civil servants in various government departments and the informal economy comprising mostly of traders. Kasama District is the provincial capital of Northern Province providing administrative and commercial functions.

Tourism contributes marginally to the town's economic base with attractions such as Chishimba Falls and Mwelu Rock paintings. However, this provides employment for only a small group and the majority of the population remain dependant on subsistence farming or rely on the informal economy.



New Terminal Building, Kasama Airport - Kasama

Vision 8,000 roads programme launched in late 2012 includes the development of Kasama-Mporokoso Road, with about 24 kilometres of 161 kilometres tarred by December. Progress is also being made on the Kasama-Mungwi-Mbesuma road. Improved access through roads is a priority of government and is seen as a way of promoting growth in the regions.

With the creation of new districts in and around Northern Province, the government has increased staff levels especially in the administrative capital like Kasama, hence creating demand for housing in the town.

Property market

Conversion of traditional land into state land is slowly becoming common practice in Kasama, with buyers purchasing land directly from the traditional village headmen and later selling it for twice the amount initially purchased.

Kasama Municipal Council has offered land in the P7 forest for a shopping mall.

Industrial yards are to be constructed meant to enhance industrialisation in the district.

98% of the 10 kilometres township roads have been completed. Another 15 kilometres are to be rehabilitated.

Government has finalised the master plan for the Kalungwishi Farm Block, meant to propel commercial agriculture in Northern Province. It comprise 200,000 hectares of land with support facilities including dams, 350 kilometres of road network, schools, clinics and agriculture extension services.

Ministry of Education intends to construct the FTJ Chiluba University, subject to ZEMA approval.

Kasama Airport is currently being rehabilitated.

Lunzua Power Authority is to establish a 247MW hydro power station between Lumangwe and Kundabwika Falls to help power Northern Province and other part of the country, subject to ZEMA approval.

A 33KV transmission line is to be constructed between Kasama and Nakonde to boost electricity trade between southern and east Africa, subject to ZEMA approval.

Eastern Province

Chipata

Chipata is a border town close to Malawi and is the provincial headquarters of Eastern Province with a population of 460,000.

The economy of Chipata is agro-based, mainly around crops such as maize, cotton and tobacco beans, groundnuts, potatoes and cotton. Rearing of cattle and goats is also undertaken on a commercial scale.

Cross border trade is one of the prominent economic activities in Chipata. The city being located near the border with Malawi, lies on the Great East Road which connects the capitals Lilongwe (130 km) and Lusaka (550 km) and the Indian Ocean via the Nacala deep sea port in Mozambique.

It is also a popular access point for the South Luangwa National Park.

With the operation of Chipata-Mchinji railway line, the opening up of the Nacala Corridor and commissioning of the rail line, has increased the regional integration trade.

Property market

The property market in Chipata has steadily grown over the past decade with an increasing demand for residential, commercial, leisure, retail and industrial units.

The Airport Road area which is zoned for agricultural use, is developed with various farms, but over the years, there has been an increase in the development of properties to cater for the growing needs of storage facilities in the agricultural industry.

Due to the high number of applications from developers for change of use from agriculture to industrial use received by the Planning Department of the Chipata City Council per annum, the planning department is considering re-zoning the area for industrial and commercial use.

The Chipata-Petauke-Serenje railway line, being planned, will link Zambia's eastern part to the north.

There are plans to develop an integrated mixed-use 400 hectare Multi-Facility Economic Zone (MFEZ), for large scale processing of agricultural commodities. There will be residential, commercial, retail, hospitality, educational and medical uses.



Protea Hotel - Chipata

Farms and Estates

Agriculture is a livelihood for the majority of households, employs 48% of the working population and remains a key priority for enhancing the non-copper economy. (World Bank Brief 2017)

Zambia has a total land area of 75 million hectares out of which 58% (42 million hectares) is classified as medium to high potential for agricultural production so there is a massive opportunity for agricultural investment.

Rainfall in Zambia is between November and April whilst the hottest and driest months are September and October with cooler temperatures between May and August.

Government has an on-going programme of opening up viable farm blocks in each province to be involved in primary production and value addition to agricultural produce. The farm block development initiative involves areas of not less than 100,000 hectares per block.

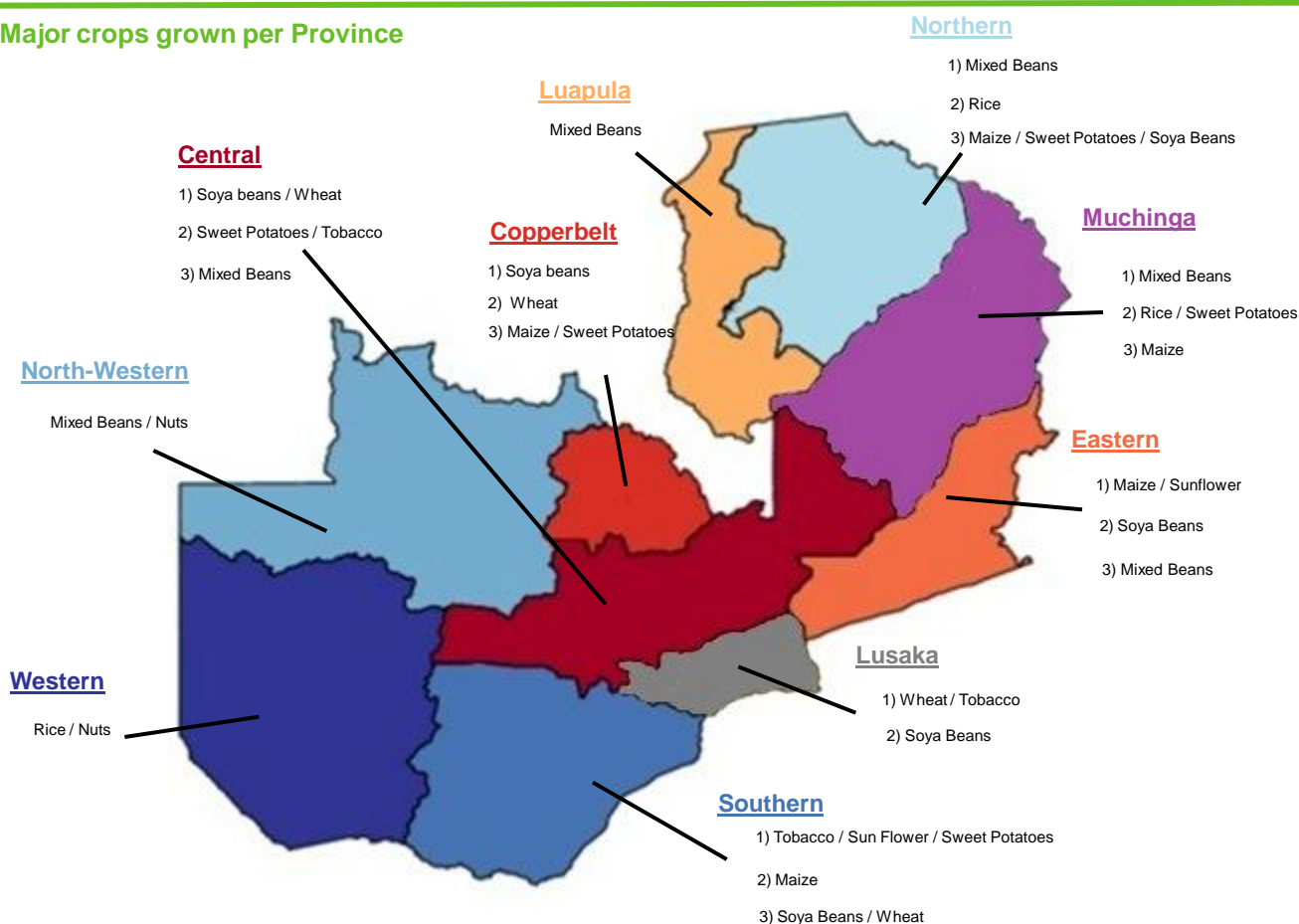
Zambia has sub-tropical vegetation and climate conditions with abundant water resources. Overall it has excellent farming conditions. Popular farming block areas are Mkushi, Mpongwe, Chisamba and Mazabuka.

Central and Lusaka Provinces are the largest producers of wheat in the country, but it is increasingly grown in the Copperbelt and Southern Provinces of Zambia.

The World Bank report (June 2017), highlights that Zambia has successfully increased production of crops (mostly maize) because of the increased size of areas under cultivation as opposed to improved yields. This leaves large scope to increase agriculture productivity and to reduce the vulnerability associated with high dependence on rain-fed agriculture.

Water saving irrigation technologies such as drip irrigation, micro sprinklers and centre pivot systems are being promoted more and more and there has been a marked increase in the use of centre pivot systems especially among large scale farmers as well as micro irrigation systems among small scale farmers.

Major crops grown per Province



Source: Knight Frank Zambia Research

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