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THE AFRICA REPORT

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THEMATIC ANALYSIS: KEY THEMES & OUTLOOK



OFFICE
SECTOR



RETAIL
SECTOR



RESIDENTIAL
SECTOR



INDUSTRIAL
SECTOR





OFFICE SECTOR THEMES

- Flight to quality driving demand for Grade A, ESG-compliant offices
- Undersupply of Grade A offices driving rental growth (US\$ 55 psm in Nigeria)
- Oversupply of Grade B stock leading to rising vacancies (60% in Harare)
- Shift towards flexible workspaces and smaller units (50 and 240 sqm)
- Decentralisation to suburban offices





OFFICE MARKET OUTLOOK

- Prime offices expected to outperform with stable occupancy
- Continued pressure on secondary stock to reposition or repurpose
- Rental growth to remain modest, except in prime nodes
- Investor focus on income stability and asset quality

RETAIL SECTOR THEMES

- Shift towards convenience-led and neighbourhood retail formats- Checkers Sixty60
- Rise of lifestyle and experiential retail destinations- Cairo (2.6 million sqm of GLA)
- E-commerce driving omni-channel retail strategies
- Tourism supporting retail recovery in some key markets such as Morocco
- Selective expansion by retailers amid cost pressures





RETAIL MARKET OUTLOOK

- Convenience retail expected to outperform large-format malls
- Continued evolution towards mixed-use and lifestyle assets
- Moderate rental growth aligned with inflation
- Informal retail to remain a strong competitor in many markets



RESIDENTIAL SECTOR THEMES

- Strong demand for prime residential assets from expatriates, HNWIs, and diaspora investors
- Persistent affordability constraints across domestic markets
- Growth in short-term rentals and holiday home demand (51% targeting Egypt)
- Shift towards apartments and gated communities
- Access to housing finance remains a challenge (Mortgage rates- 20%+ pa)





RESIDENTIAL MARKET OUTLOOK

- Sustained demand in prime segments despite affordability pressures
- Moderate rental growth, driven by supply constraints
- Expansion of integrated and master-planned communities
- Affordable housing deficit to remain a structural challenge



INDUSTRIAL SECTOR THEMES

- Strongest-performing asset class across most African markets – Highest yields (DRC and Uganda -13%, Zambia (12.5%), Malawi (11%), and Tanzania (10%).
- Demand driven by logistics, trade corridors, and SEZs.
- Growth in e-commerce, FMCG, and manufacturing sectors.
- Limited supply of modern, high-specification facilities.





INDUSTRIAL MARKET OUTLOOK

- Continued outperformance driven by logistics demand
- Rental growth supported by supply constraints
- Expansion of logistics parks and SEZ developments
- Long-term growth tied to infrastructure and trade integration (AfCFTA- to increase intra-African trade by 50%)



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