The Africa Offices Market Dashboard

Knight Frank

H2 2025

The Africa Offices Market Dashboard report provides occupiers, landlords, and investors with a regular analysis of the rental performance and trends of prime office markets across Africa.

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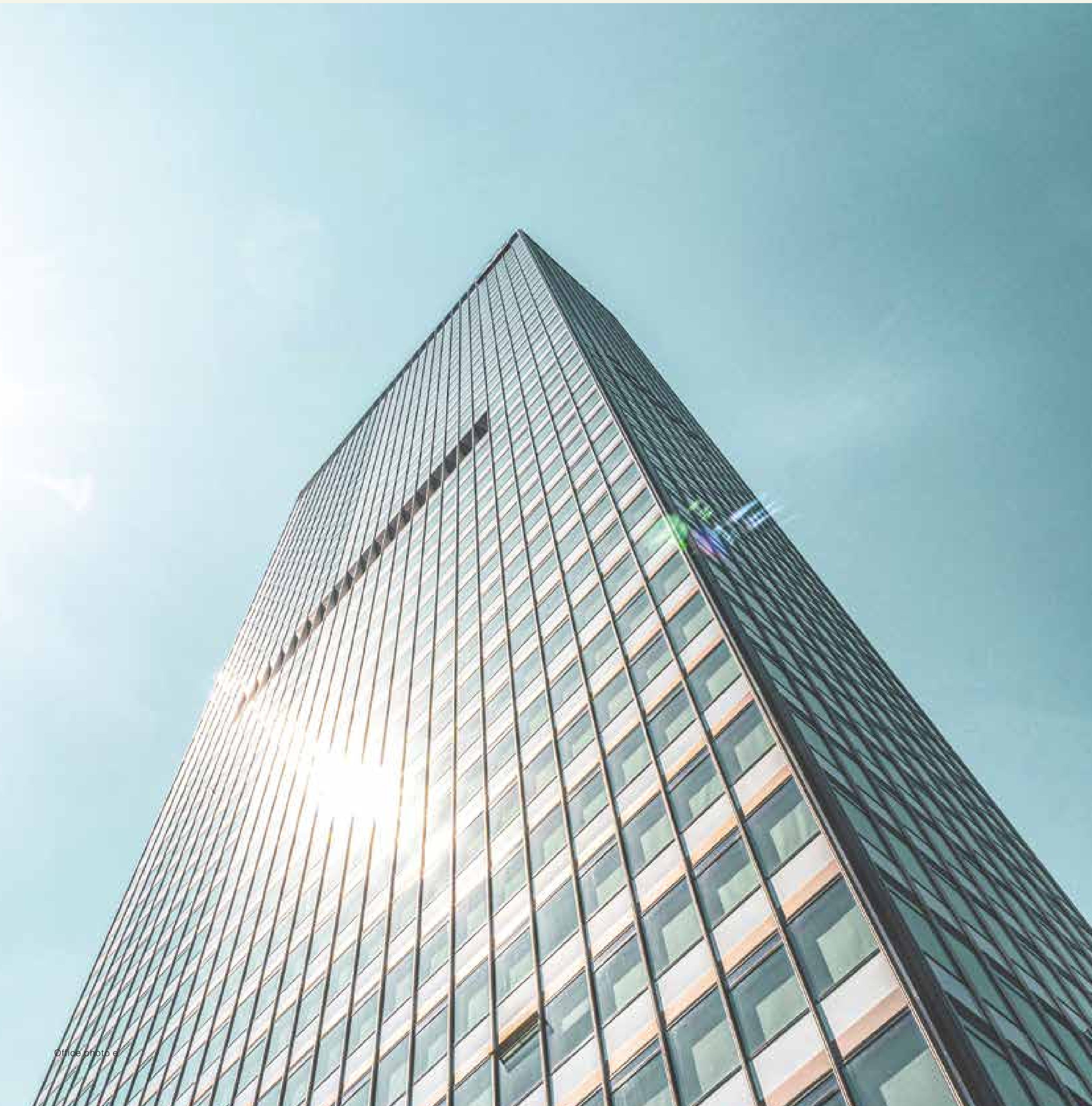


MARKET OVERVIEW

A dominant theme across the continent is the outperformance of Grade A and ESG-compliant offices against other asset classes. Smart buildings incorporating solar energy, water-efficiency systems, fibre connectivity, and resilient power solutions are attracting sustained demand and rental premiums. In Botswana, CBD Grade A offices are operating at approximately 98% occupancy, with ESG-certified assets achieving 30–40% rental premiums. Similar quality-driven leasing patterns are evident in Kenya, South Africa, and Egypt, where multinational corporates, international organisations, and professional services firms increasingly view ESG credentials as a non-negotiable leasing requirement.

With new-build office delivery slowing across several markets that we track, landlords are pivoting towards asset repositioning and refurbishment strategies to protect income and competitiveness. Capital is increasingly being deployed to upgrade mechanical systems and improve energy efficiency and offer more flexible leasing structures. South Africa exemplifies this polarisation; the market is now sharply segmented between prime and secondary stock. Average vacancy rates have declined to approximately 14%, from 16% in H2 2024, driven by improved absorption in well-located, high-quality assets. Notably, the strength of the listed property sector is reinforcing confidence, with South African REITs delivering a 46.2% year-to-date return (as of November 2025), outperforming both Australia and the United States and providing critical capital support to the commercial real estate market.

A parallel shift is underway in location preferences, with demand increasingly gravitating away from congested CBDs towards well-planned suburban and mixed-use nodes. In Egypt, demand is anchored in New Cairo, Sheikh Zayed, and the New Administrative Capital, supported by more than 1.1 million sqm of combined office GLA across East and West Cairo. In Zimbabwe, suburban Harare offices are outperforming the CBD, achieving rents of US$10–12 per sqm per month and yields of approximately 9%.

Elsewhere, hybrid working models and cost rationalisation continue to reshape occupier behaviour across Nigeria, Egypt, Kenya, and Uganda. Demand is increasingly concentrated in smaller, more efficient floorplates (50–350 sqm), alongside growing uptake of co-working and serviced office solutions. Consulting, ICT, financial services, NGOs, and SMEs now account for a substantial share of leasing activity, with consulting firms alone representing approximately 30% of new office inquiries in Uganda, underscoring the shift towards flexibility-driven demand across African office markets.

98%

Grade A office occupancies in Gaborone CBD

100,000 SQM

Additional office developments in the pipeline in Kampala

330,000 SQM

Cairo Fesival City GLA

US$55 per sqm

Prime office rents in Lagos

Source: Knight Frank

COUNTRY SNAPSHOTS

BOTSWANA

Gaborone City scape

The office sector continues to grow strongly, supported by sustained demand for high-quality space and a concentrated occupier base. Gaborone's CBD remains the focal point of demand, with absorption driven primarily by government institutions, IT firms, financial services, NGOs, and professional services. This concentration of corporate and institutional occupiers has reinforced the dominance of Grade A and ESG-compliant offices, supporting continued rental growth in the prime office segment.

Monthly prime office rents currently range between US$ 12.22 and US$ 13.66 per sqm, reflecting a year-on-year increase of 5.08%. ESG-aligned buildings are commanding 30–40% rental premiums, highlighting the growing importance of sustainability credentials in occupier decision-making. Certifications such as Green Star SA are now key differentiators in the competitive Grade A segment.

CBD Grade A assets report exceptionally high occupancy at approximately 98%, driven by strong tenant retention and limited availability of quality stock in the market. In contrast, secondary and older offices, particularly those in nodes such as Kgale, continue to underperform, with comparatively lower occupancy due to obsolescence and weaker tenant appeal.

Prime office yields range between 7.25% and 8%, slightly below the broader African average of approximately 9%. Market conditions remain landlord-favourable, supported by tightening Grade A vacancies and sustained corporate demand for modern, efficient, and ESG-certified office space.

EGYPT

In Egypt, the office market continues to evolve in response to changing occupier preferences, with demand increasingly concentrated in well-established and master-planned offices. For instance, locations such as New Cairo, Sheikh Zayed, and the New Administrative Capital (NAC) are emerging as the main demand drivers, supported by strong transport connectivity and the integration of mixed-use developments. These locations offer a combination of office, retail, food and beverage, fitness, and public transport infrastructure, which has become vital in supporting employee wellbeing, talent attraction, and retention.

On the supply side, West Cairo accounts for an estimated 43,000 sqm of Gross Lettable Area (GLA) across key office developments. Arkan Plaza, with approximately 110,000 sqm of GLA, is the largest office development in West Cairo and serves as a major regional business hub, benefiting from strong visibility, mixed-use integration, and sustained occupier demand. In contrast, East Cairo has a more concentrated supply structure, with total office stock across major developments estimated at 673,000 sqm of GLA. The market is dominated by Cairo Festival City (CFC), which alone contributes approximately 330,000 sqm of GLA.

Elsewhere, the market is witnessing rapid growth in co-working and flexible office space. Uptake is being driven by a broad tenant base, including start-ups, fintech firms, digital agencies, freelancers, NGOs, SMEs, and increasingly large corporates adopting enterprise suites as short- to medium-term swing space or project-based accommodation.

Figure 1: West Cairo Office Supply GLA in sqm

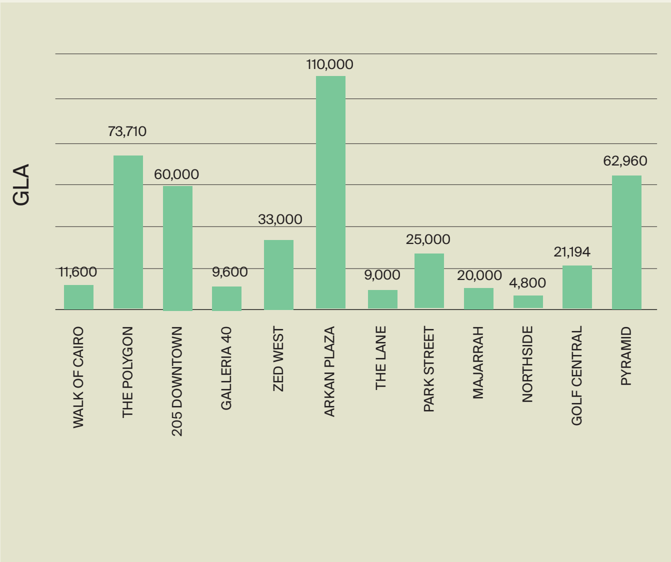
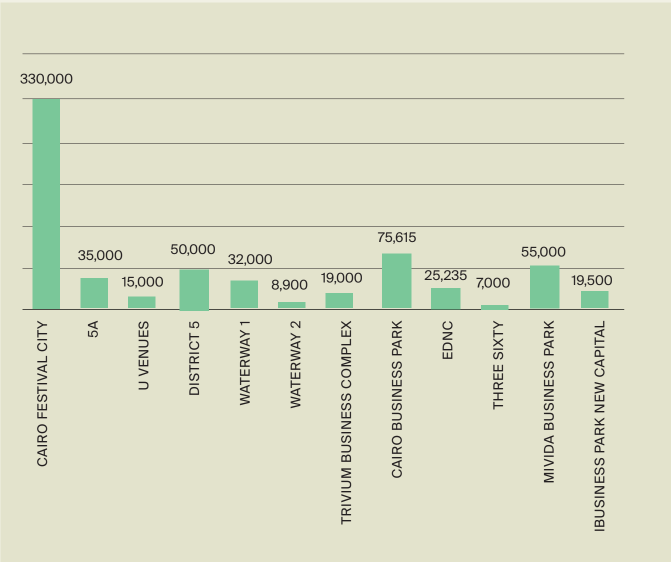


Figure 2: East Cairo Office Supply GLA in sqm



Source: Knight Frank

KENYA

The Kenyan office market continued its period of growth stagnation through H2 2025, underpinned by steady absorption in the Grade A segment and a slow development pipeline. Prime Grade A office rents have remained broadly flat at approximately US$13 per sqm per month, extending a two-year period of rental stability and reflecting an equilibrium between improving occupier demand and the effects of historic oversupply.

Market fundamentals strengthened over the review period, with prime Grade A occupancy increasing from 77.7% to 80.3%. This improvement is largely driven by strong tenant uptake in high-quality developments completed in late 2024, combined with the absence of significant new office completions in 2025.

Despite rising occupancy levels, leasing conditions remain tenant-favourable. Occupiers continue to exert pricing and structural leverage, with negotiations increasingly shaped by cost optimisation, building efficiency, and ESG credentials rather than headline rents alone. Sustainability has become a core decision driver, evidenced by landmark developments such as the US Embassy complex in Nairobi achieving LEED certification, reinforcing the growing preference among multinationals, diplomatic missions, and international organisations for environmentally certified buildings.

In addition, the market has witnessed a continued expansion of flexible and coworking office space. IWG significantly expanded its footprint, delivering more than 2,000 sqm of new flexible workspace across strategic locations, including Loresho, Crescent Parklands, and Mombasa Road. Other operators also scaled up, with Workstyle opening its third Nairobi location, the partial conversion of the former Hilton Hotel into Tulivu Coworking, and Worknest launching a new flexible workspace in Runda.

Collectively, these developments underscore a fundamental shift of demand away from long-term, conventional leases towards flexible, service-led, and cost-efficient workspace solutions. As a result, Kenya's office market is increasingly characterised by flight-to-quality dynamics, greater alignment with ESG principles, and sustained demand for flexible spaces, even as overall conditions continue to favour tenants in the short term.

2,000 sqm

Continued expansion of flexible and coworking office space

Source: Knight Frank

Nairobi

MALAWI

The office market in Lilongwe is experiencing short-term disruption following two significant shocks: the suspension of USAID funding, which has directly impacted the NGO-dominated occupier base, and the government directive requiring all ministerial head offices to relocate to Blantyre. These developments have resulted in a pronounced contraction in occupier demand and a corresponding decline in occupancy levels across Lilongwe's traditional office nodes, particularly within the City Centre and surrounding precincts

A number of occupiers, especially international NGOs and donor-funded organisations, have responded by downsizing into smaller units as part of broader cost-rationalisation strategies. This has increased vacancies in larger floorplates and has placed additional pressure on landlords with ageing or non-refurbished stock.

Current passing rents in Lilongwe's CBD range from US$ 6.80 to US$ 11.00 per sqm per month, depending on asset quality, building condition, availability of backup power systems, and proximity to key commercial nodes. Despite softening demand, these figures reflect an estimated 10% year-on-year increase, largely driven

Blantyre city, Malawi

by currency depreciation, higher operational costs, and landlord repricing to hedge against inflationary pressures. Looking ahead, rental rates for new leases are expected to continue rising, supported by constrained new supply and landlords' need to recoup rising maintenance and energy costs. Grade A offices in Lilongwe command yields of 7.4% to 9.5%.

Elsewhere, Blantyre is well positioned to see increased occupier activity as government ministries and agencies execute their relocation plans. This shift is expected to stimulate demand for quality office space in key Blantyre nodes. However, the market's ability to absorb this influx will depend on the availability of suitable stock and the pace of government transitions.

NIGERIA

The Nigerian office market remains under pressure, with performance largely shaped by oversupply in prime locations and evolving occupier requirements. Prime office rents have remained stagnant at approximately US$ 55 psm per month over the review period, reflecting limited landlord pricing power. Elevated vacancy levels in key prime nodes have strengthened tenants' bargaining positions, leading to increased rent concessions, longer rent-free periods, and more flexible lease structures. Notably, occupancy levels have declined to approximately 73% from 84% recorded in H2 2024. This contraction is being driven in part by the accelerated adoption of hybrid and flexible working models, which have reduced corporate space requirements. Occupiers are increasingly prioritising space efficiency, collaboration zones, and adaptability over large, traditional floorplates.

40,390 sqm

Pipeline office space expected by end of 2026

Source: Knight Frank

Lagos Nigeria

NAME	LOCATION	SIZE (M2)	COMPLETION DATE
Dangote Industries HQ	Ikoyi	17,000	2026
BUA Office Development	Ikoyi	7,000	2026
Ulesh Ikoyi	Ikoyi	16,390	2026
The Rubicon	Ikoyi	9,361	2027
First Bank HQ	Eko-Atlantic	-	2029
Roseworth	Ikoyi	1,680	2029
Harbour Point Towers	Victoria Island	20,000	2030
MTN HQ	Eko-Atlantic	-	-
US Consulate General Office	Eko-Atlantic	14,685	-

Source: Knight Frank

Demand for co-working and serviced office space continues to expand, driven by SMEs, start-ups, NGOs, and corporates seeking short-term flexibility and lower upfront commitments. Key decision criteria for these occupiers include reliable power supply, strong internet connectivity, central and accessible locations, and all-inclusive operating cost structures, which mitigate operational risk in a volatile environment.

Despite reduced occupancy levels, development activity has not fully stalled. Developers continue to respond to perceived long-term demand, particularly for Grade A office space, with approximately 40,390 sqm of additional supply expected to be delivered to the market by the end of 2026. This pipeline is likely to prolong tenant-favourable conditions in the near term, especially within prime submarkets.

In terms of sectoral demand, office take-up is led by oil and gas, financial services, professional services, technology firms, and development agencies. While technology firms tend to be more space-efficient, oil and gas companies and financial institutions remain the largest occupiers by transaction volume, underpinning overall market activity.

SOUTH AFRICA

Occupier behavior in South Africa is currently reflecting a “less space, better space” strategy. Tenants are increasingly prioritising asset quality, modern specifications, security, amenities, and operational resilience over sheer floor area. This shift is accelerating market polarisation, placing Grade A and premium P-grade assets at a clear advantage. Elsewhere, B- and C-grade buildings face an increasing risk of obsolescence unless repositioned through refurbishment, conversion, or more flexible leasing and fit-out strategies.

Overall occupier demand remains particularly high in Cape Town, where office take-up continues to outstrip available supply, especially within prime and core precincts. These locations are now fully let, with high pre-letting levels on new developments, resulting in a tightening vacancy environment, with P-grade vacancy estimated at around 3% and A-grade vacancy at approximately 6%. Overall average office vacancy rates across all property grades have declined to approximately 14% from 16% recorded in H2 2024, reflecting improved market absorption. This tightening has been accompanied by positive rental growth, with prime office rents currently ranging between US$ 13–17 per sqm per month (approximately R210–R285 per sqm), representing a 5.5% year-on-year increase in the city.

Cape Town and Durban continue to experience strong demand from the Business Process Outsourcing (BPO) sector, where requirements for large, efficient floorplates, reliable power, advanced ICT infrastructure, and security have intensified competition for limited suitable stock, resulting in landlord-favourable sentiment for quality stock in these cities. Elsewhere, office market sentiment points to a gradual recovery and a more neutral leasing environment.

Johannesburg

TANZANIA

The Tanzania office market continues to demonstrate resilient growth, supported by sustained tenant demand and rising occupancy levels. Current occupancy rates are estimated at approximately 80%, up from 76% in H1 2025, signalling a positive absorption trend in the short- to medium-term.

Market demand remains concentrated within Grade A commercial nodes, particularly the CBD, Msasani Peninsula (Oyster Bay and Masaki), and select corridors near Mikocheni and New Bagamoyo Road (Morocco–Makumbusho).

These locations continue to attract corporate occupiers seeking improved building quality, modern space configurations, and enhanced accessibility.

In response, landlords have been observed implementing asset-improvement strategies, including mechanical and structural upgrades and tenant-retention incentives. These measures have supported rent stability, with average asking rents maintained at US$ 15 per sqm per month over the last 15 months. Market yields remain competitive at approximately 9% per annum, positioning Tanzania among the highest-yielding office markets in the region.

However, medium- to long-term projections indicate a potential downward pressure on rents due to an expanding development pipeline. Recent completions in Dar es Salaam, including Morocco Square and Peninsula Nobel Centre, have introduced approximately 120,000 sqm of new office stock into the market.

Dar es Salaam

UGANDA

In Uganda, the office market remains tenant-favourable, with rental performance constrained by a widening supply–demand imbalance. Prime rents have remained constant, averaging US$16.50 per sqm per month for Grade A offices and US$14.50 per sqm per month for Grade B space. The rental stagnation is driven by a significant expansion in Grade A office supply, with over 100,000 sqm of new space expected to be delivered by the end of 2025, outpacing current demand. Key pipeline developments include Pension Towers (32,000 sqm), Saddler View Office Park (8,329 sqm), IGG Building (19,000 sqm), and JLOS House (60,040 sqm), among others.

In response, landlords are increasingly offering tenant incentives, including fit-out contributions, extended rent-free periods and flexible lease structures, to sustain occupancy. As a result, average occupancies remain high, currently estimated at 85% for Grade A offices and 82.3% for Grade B buildings.

Occupier preferences are also evolving. Suburban offices are gaining traction relative to the traditional CBD, driven by improved affordability, reduced congestion, and better accessibility. Additionally, there is a growing demand for condominium-style office units, particularly among SMEs. Demand is increasingly tilted towards smaller unit sizes, with limited appetite for large-format floorplates exceeding 1,000 sqm.

Consulting firms account for approximately 30% of new office inquiries, emerging as the leading demand driver. Other active sectors include financial services, ICT, legal services, NGOs, and SMEs.

100,000 sqm

New Office Space expected at the end of 2025

Source: Knight Frank

Kampala City Night Lights

ZAMBIA

The sector is adjusting to a challenging macroeconomic environment characterised by weaker corporate expansion, reduced occupier spending power, and the long-term effects of oversupply in key urban areas. These conditions have placed downward pressure on rents across several locations. Prime office rents now average US$16–18 psm per month, reflecting an 11% year-on-year reduction, while prime yields remain competitive at approximately 9–11%.

Market activity remains concentrated within Lusaka's established commercial nodes. The Thabo Mbeki–Mass Media corridor continues to attract strong occupier interest from private-sector firms and multinational organisations, supported by modern stock and strong accessibility. The Cathedral Hill, Rhodes Park, and Longacres areas remain key institutional hubs, hosting a mix of government offices, diplomatic missions, and international agencies. However, parking constraints in older offices and rising congestion in inner-city locations are accelerating a decentralisation trend, with occupiers increasingly favouring nodes offering improved road networks, larger floorplates, and upgraded facilities.

Current demand dynamics show a distinct shift towards smaller floorplates, with the strongest activity recorded for units between 50 and 350 sqm. Requirements for larger spaces (500–1,500 sqm) are becoming more limited.

The market remains tenant-driven across most segments, with landlords offering increased flexibility to secure occupancy, while prime, well-located assets continue to outperform due to sustained corporate preference for quality and operational efficiency.

US$16-18

Average Prime Office Rents in Lusaka

Source: Knight Frank

Zepre Office Park, Lusaka, Zambia

ZIMBABWE

Harare, Zimbabwe

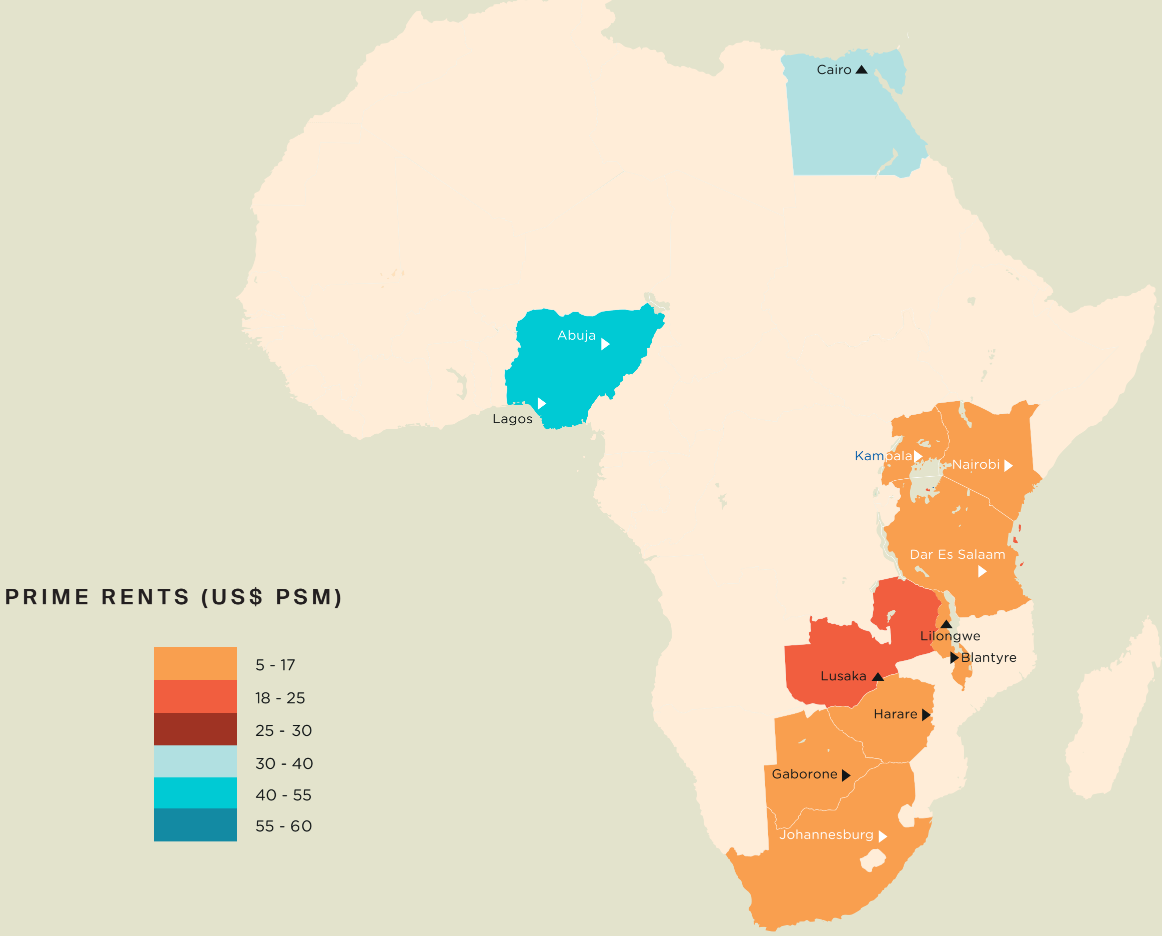
Zimbabwe's office sector remains subdued, with overall market performance constrained by weak occupier demand, elevated vacancy levels, and persistent macroeconomic challenges. However, the period has marked an uptick in asset quality with the introduction of Harare's first Grade A office developments. Several leading financial institutions, including Afreximbank, Stanbic Bank, First Capital Bank, Ecobank, and CBZ Bank, have completed upmarket, purpose-built office facilities incorporating modern design and sustainability features. These developments offer flexible utility layouts, energy- and water-efficient systems, including solar power and borehole supply, as well as enhanced natural lighting and ventilation. Except for Harare Trade Centre by Afreximbank, which has approximately 4,000 sqm available at an asking rent of US$ 30 per sqm per month, the majority of these projects have been developed for owner occupation.

Notwithstanding these improvements in asset quality, the broader office market remains under significant pressure. Vacancy rates are estimated at approximately 60% in Harare's CBD and 40% in Bulawayo, reflecting prolonged demand weakness and a sustained decentralisation trend. A growing number of multi-storey CBD office buildings are being offered for sale, indicating investor exit from central locations due to deteriorating infrastructure, rising crime levels, and persistent congestion.

Rental performance and investment metrics have remained largely stagnant. The absence of business expansion, driven by suppressed consumer demand, currency and exchange rate volatility, elevated interest rates, and weak investor confidence, continues to limit rental growth and capital appreciation.

Elsewhere, suburban office nodes continue to outperform the CBD, benefiting from improved security, better infrastructure, and lower congestion, which support higher rents and stronger yields relative to central locations.

A SUMMARY OF H2 2025 PRIME OFFICE RENTS AND AVERAGE YIELDS IN SELECTED AFRICAN COUNTRIES



Note: Arrows indicate quarterly change in rents

COUNTRY	CITY	PRIME RENTS (US$ per sqm)	AVERAGE YIELDS (%)
Botswana	Gaborone	13.6	8.0
Egypt	Cairo	37.0	10.0
Kenya	Nairobi	13.0	8.5
Malawi	Lilongwe	10.3	10.0
	Blantyre	7.8	9.50
Nigeria	Lagos	55.0	8.0
	Abuja	46.0	9.5
South Africa	Johannesburg	13.0–17.0	9.5
Tanzania	Dar es Salaam	15.0	9.0
Uganda	Kampala	16.5	9.0
Zambia	Lusaka	18.0	11.0
Zimbabwe	Harare (CBD)	5.0 – 8.0	7.0
	Harare (Suburban)	10.0 – 12.0	9.0

Source: Knight Frank

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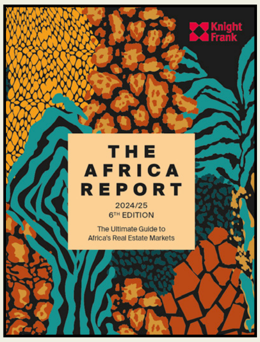

THE AFRICA REPORT 2024/25

AFRICA OFFICES MARKET DASHBOARD H1 2025

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AFRICA HORIZONS 2024/25

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