A REVIEW OF COMMERCIAL OPPORTUNITIES & PERFORMANCE

ZAMREAL – Zambia Property Forum

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About Us

The Zambia Property Owners Association ('ZAPOA') was Incorporated In Zambia Under The Societies Act, Chapter 119 As A 'Not For Profit' Association On 9 June 2014.

ZAPOA Encourages Participation To Promote The Expansion Of Zambia's Commercial and Industrial Property Sectors as well as other growing property sectors such as residential , education , land and hospitality and advance property ownership , management and development interest.

ZAPOA is a Unique, Member Driven Organisation That Aims To Represent, Protect And Advance Members' Property Interests within The Property Industry In Terms Of Ownership, Management And Development.

ZAPOA's Core Objective Is To Represent And Promote The Interests Of The Real Estate Sector In Zambia ., with advocacy , engaging with government on issues effecting the property industry in Zambia.

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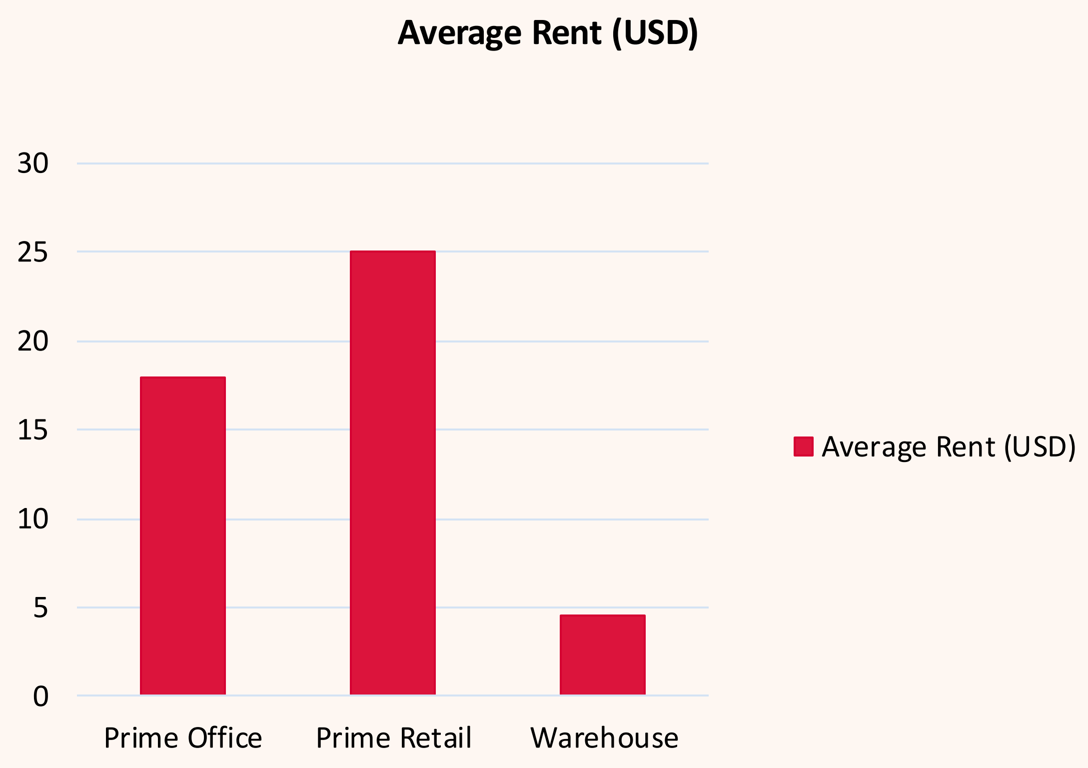
Focus on Zambia 2025 Trends

- The commercial real estate market in Zambia is dominated by currency issues neighbourhood and countrywide opportunities.
- **Office leasing** activity picks up and consolidates - the market is centred on a steady take up of surplus space from historic oversupply due to transactions at more affordable levels.
- Expansion of serviced offices option /Africa Works / Regus / Sunshare / Independent
- **Retail** market offers new opportunities. Most leases fixed in USD and retailers and LLs need to ride out the effects of the Kwacha depreciation / opportunities for neighbourhood malls in other developing parts of the country and mixed use will be a way for established and future malls to enhance value and increase foot traffic. More Kwacha leases ?



Asset Class	Average Yield
Offices	10.00%
Retail	9.00%
Industrial	12.50%
Residential	9.50%

Commercial Property Sector from 2000

Retail Centres, Lusaka

- Completed retail approximately 382,800 sqm.
- Minimum GLA 2,000
- In 2000 Manda Hill, 23m000 sqm (16 x growth)
- Contribution to GDP, the economy.

Project	**Completed retail GLA (sq m)**
Arcades Shopping Mall	18,382
Cosmopolitan Shopping Centre	25,757
Crossroads Shopping Mall	4,500
Eastpark Mall	65,000
Garden City Mall	8,000
Levy Shopping Mall	28,000
Makeni Mall	12,000
Manda Hill	43,400
Society House Retail Mall	8,000
Novare Twin Palms Mall	12,000
Waterfalls Mall	7,000
Woodlands Shopping Mall	5,000
Centro Mall	8,000
Embassy Mall	9,000
Foxdale Court	4,000
Carousel	8,000
Ibex Hub Mall	2,000
Munali Mall	8,000
Novare Great North Mall	26,000
Pinnacle Mall	10,000
Lewanika Mall	19,000
Aquarius Lifestyle Mall	3,500
Longacres Malls	6,000
Chalala	6,600
Kabwata mall	2,904
Shoprite Kabanana	2,300
Bauleni Mall	10,250
Great north Road Mall	16,207
Mosi ou Tunya mall	4,000
	382,800

East Park Shopping Mall

Manda Hill Shopping Mall

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Commercial Property Sector from 2000

Office Centres, Lusaka

- Office built approximately 125,000 sqm
- Minimum GLA 1000 sqm
- More modern offices on the market later than 2000,   and 2010.

Project	Total Office space built
Blue House	7600
Circle Tras-tra - Metropolitan	3600
Aquarius House	1512
Pangaea office park 1	10000
Pangaea office park 2	3600
Garden City Office Park	3000
Anglican Office Park	1800
ZEPRE Office Building	9400
Novare Central Lusaka	8964
Propark Office Park	2600
Green City	2400
F n R Offices	1200
Quadrant Office park	2000
DG Partners 1	3000
DG Partners 2	3000
Mt Meru office park	1950
Abacus House	1100
Sunshare	14000
Synod Office Park	3000
MTN Building	5200
Old Sanlam Building	2400
Acacia Park	7000
Counting House	3039
Abacus Square	1800
Central park	5199
Twikatane Building	1800
Elunda III	2052
Elunda II	3755
Savation Army	1455
PWC Office park	4434
Mikwala house	1800
Manda hill Office building	1115
	124775

Novare Office Building

ZEP-RE Business Park

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Focus on Zambia 2025 Trends

- **Industrial:** New infrastructure projects poised to generate opportunities for warehousing
- Subdued growth in prime rental rates US$4-5psm
- Oversupply of warehouses
- Road infrastructure projects such as the Lusaka to Ndola dual carriageway to create new opportunities for warehouses.
- New Bayer seed processing plant near Kabwe.
- Mining & Agricultural sectors investments poised to attract new logistical developments.
- Hospitality, Medical and Education: Growing opportunities in urban centres around the country.

A comparison of prime industrial rents and average yields in selected Africa Countries

COUNTRY	CITY	PRIME RENTS (US$ PSM)	PRIME YIELDS (%)
Botswana	Gaborone	4.5	8.5
Egypt	Cairo	3	10
Kenya	Nairobi	6	9.50
Malawi	Lilongwe	3	12
Nigeria	Lagos	6	8.0
South Africa	Johannesburg	5	8.25
Tanzania	Dar es Salaam	5	10
Uganda	Kampala	7	13
Zambia	Lusaka	4.5	12.5
Zimbabwe	Harare	3	12

Zambia

- 752,614 KM2, 8 neighboring countries
- Population estimate 21.1m but increase at average of 2.8% pa = approx. 39m by 2050 (majority % under the age of 25).
- Investments in residential and commercial land has rewarded buyers with excellent returns.
- Share of urban population in Zambia has increased from approximately 39.8% in 2011 to 45.1% in 2021.
- New and planned development focus on other geographical areas of Zambia.
- Investment opportunities in all types of land

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