

# Angola

REPORT

Market Overview 2024

Market Intelligence and Research

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informed decisions

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# Country: Angola

- Capital  
Luanda
- Official Language  
Portugese
- Currency  
Kwanza
- Land area  
1.24 million KM<sup>2</sup>
- Location  
13.302284  
-8.875345

## Overview

Angola's economy remains heavily dependent on oil, which contributes approximately one-third of the nation's GDP and dominates export revenues. Although diversification efforts are underway, oil production continues to be the primary driver of economic activity and government finances.

The wholesale and retail trade sector, accounting for 17% of Angola's GDP, is another key component of the economy, particularly in urban areas like Luanda. This sector's growth has been fuelled by the expansion of retail infrastructure, including the development of shopping centres and retail outlets.

In 2023, Angola's GDP reached \$90.4 billion, with a projected growth rate of 2.3% in 2024. As the eighth-largest economy in sub-Saharan Africa, Angola is undergoing significant reforms aimed at fostering future growth, with a focus on improving the business environment and encouraging investment in non-oil sectors.

By 2023, Foreign Direct Investment (FDI) in Angola had reached \$18 billion, driven primarily by the oil sector, but also reflecting growing interest in mining, agriculture, and real estate. Key investors include China, Portugal, the USA, France, and the Netherlands. Notably, the real estate sector has seen increased activity, particularly in commercial and residential developments in urban areas like Luanda.

Housing demand, particularly in Luanda, is expected to rise, driven by a growing middle class and ongoing urbanization. This trend presents significant opportunities for developers and investors, especially in the affordable housing segment, which remains underdeveloped.

The commercial real estate sector is also set for expansion, supported by broader economic trends and the increasing presence of multinational corporations in the capital.

Despite challenges such as high inflation, currency depreciation, and elevated interest rates, Angola's commitment to economic reform has successfully attracted substantial foreign investment, particularly in strategic sectors like oil, gas, infrastructure, and real estate. The government's focus on improving regulatory frameworks and infrastructure has been critical in sustaining investor confidence.

The National Development Plan (2023-2027) and new bilateral agreements with the EU and China are crucial in advancing Angola's economic objectives. These initiatives are expected to enhance the country's investment appeal, particularly in key urban centers like Luanda, where infrastructure and real estate developments are concentrated.

POPULATION  
2024

37.8m

GDP  
2024 (USD)

90.4b

UNEMPLOYMENT  
2024

32%

# City: Luanda

- **Area**  
1 876 KM<sup>2</sup>
- **Population**  
9.6 Million (2024)
- **Population Growth**  
4 % Per Annum
- **Population Density**  
25,000 p/p/km<sup>2</sup>
- **Airports**  
Quatro de Fevereiro  
International  
Airport (4,4km)
- **Time Zone**  
WAT

## Overview

Luanda, the capital and largest city of Angola, serves as the country's economic hub and stands as one of Africa's most dynamic urban centres. As of 2024, the city is home to approximately 9.6 million people, making it one of the largest cities in sub-Saharan Africa.

Strategically positioned along the Atlantic coast, Luanda's port is crucial for Angola's trade, handling a significant portion of the nation's imports and exports. This strategic location has firmly established the city as a major centre for commerce and industry, driving significant economic activity.

Luanda's cityscape is marked by a striking contrast between modern high-rise buildings and colonial-era architecture, showcasing its rich historical and cultural heritage. The Marginal, Luanda's scenic waterfront promenade, is a popular destination, featuring luxury hotels, diverse restaurants, and a blend of local and international cuisines.

Culturally, Luanda is a vibrant melting pot, renowned for its dynamic music and dance scene, particularly the globally recognized genre of Kuduro. The city's cultural diversity is celebrated through numerous festivals, markets, and art galleries, which highlight both traditional and contemporary Angolan art.

In recent years, Luanda has undergone substantial infrastructural development, including the construction of new highways, bridges, and urban transit systems. However, rapid urbanization has brought challenges, particularly housing shortages and traffic congestion.

The government is addressing these issues through urban planning initiatives that include expanding residential areas and improving public transport and road networks.

These developments, along with new shopping centres, entertainment complexes, and recreational facilities, are transforming Luanda into a modern, cosmopolitan city, increasingly attractive to residents and visitors alike.



POPULATION  
2024

9.6m

GDP  
2024 (USD)

47 b

UNEMPLOYMENT  
2024

30%

# Luanda Submarket: Office



## AVE PRIME RENT

**\$35**  
per sqm/month

## SALES PRICE

**\$4,500**  
per sqm

## VACANCY RATE

**25%**

## PRIME YIELD

**10%**

## SERVICE CHARGES

**\$4**  
per sqm/month

### Supply and Demand Commentary

The office market in Luanda, Angola, reflects broader economic dynamics, with approximately 1 million sqm of office space and an additional 120,000 sqm expected within the next 12 months. This expansion underscores Luanda's modernization efforts to meet the needs of both local and international businesses.

Economic factors such as high inflation and currency fluctuations pose challenges, potentially affecting both construction costs and rental affordability. Despite this, the demand for Grade A and Grade B office spaces remains steady, driven by multinational corporations, government institutions, and financial services. ESG-compliant buildings, emphasizing sustainability, are increasingly in demand, reflecting global trends.

### Key Office Nodes

- 1. Ingombota:** A prime office district, known for its high-end office spaces, including Grade A options, making it a top choice for businesses and financial institutions. Its central location drives high demand and premium rental rates.
- 2. Talatona:** A rapidly developing suburb, favoured by international firms and embassies for its modern infrastructure and mixed-use developments. It offers a variety of office spaces in a well-connected area away from the congestion of central Luanda.
- 3. Cidade Alta:** Known for its government institutions, Cidade Alta combines historic significance with modern office spaces. It's especially attractive for businesses needing close ties to government agencies.
- 4. Maianga:** A mixed-use area offering more affordable office space, Maianga is popular with smaller businesses and startups. It features a blend of older and newer developments, appealing to those seeking cost-effective solutions.

### Challenges and Opportunities

Balancing the influx of new supply with existing demand is a key challenge for Luanda's office market. Potential oversupply could lead to increased vacancy rates and pressure on rental prices. However, this scenario also presents opportunities for businesses to secure premium office spaces at favourable rates.

Additionally, ongoing infrastructural projects, such as the new international airport and expanded transport networks, are expected to enhance the city's appeal as a business destination. Luanda's strategic Atlantic coast location positions it as a key hub for regional and international business operations.

Technological trends, such as the rise of remote work and the demand for smart office spaces, are also influencing the market. Developers who incorporate these trends into their projects are likely to attract high-caliber tenants.

### Future Outlook

The outlook for Luanda's office market is cautiously optimistic. Economic reforms, infrastructure investments, and the growing demand for modern office spaces create a strong foundation for future growth. However, market players must remain vigilant about potential oversupply risks and economic fluctuations, particularly related to inflation and foreign exchange rates.

The strategic focus should be on developing versatile, sustainable, and technologically advanced office spaces that can attract and retain high-caliber tenants. ESG compliance and sustainability initiatives will be crucial in maintaining competitiveness. Developers might also consider diversifying into mixed-use projects to hedge against market volatility by catering to both commercial and residential demand.



# Luanda Submarket Retail



## AVE PRIME RENT

**\$50**  
per sqm/month

## SALES PRICE

**\$3,000**  
per sqm

## VACANCY RATE

**10%**

## PRIME YIELD

**9%**

## SERVICE CHARGES

**\$4**  
per sqm/month

### Supply and Demand Commentary

Luanda's retail landscape blends traditional and modern retail spaces, with around 410,000 square meters of commercial Gross Leasable Area (GLA). This represents a growth of approximately 45% from 2014 to 2022, driven by the development of large shopping centres and numerous smaller formal retail outlets across the city. Notable retail complexes, such as Belas Shopping Centre in Talatona, Shopping Fortaleza, and Shopping Avenida in central Luanda, are among the city's largest and most recognized formal retail spaces. These centres typically occupy areas ranging from 20,000 to 40,000 square meters each, reflecting Luanda's ongoing urban development and its capacity to attract both local and international retailers.

Broader economic conditions, including foreign direct investment (FDI) trends and supportive government policies, have significantly influenced this growth. Angola's macroeconomic environment, characterized by ongoing reforms and infrastructural investments, has boosted retail demand and strengthened developer confidence. The influx of FDI, particularly from countries like China and Portugal, has been pivotal in funding these developments and supporting the retail sector's expansion.

### Key Retail Nodes

- 1. Ingombota:** A hub for luxury retail, attracting high-end brands due to its affluent customer base and central location.
- 2. Talatona:** A rapidly developing area favored by residents and expatriates, with modern shopping centers catering to middle and upper-middle-class consumers.
- 3. Maianga:** An emerging retail area offering affordable spaces, appealing to smaller businesses and entrepreneurs.
- 4. Alvalade:** A diverse retail area combining traditional markets with newer developments, attracting a wide range of customers.

### Challenges and Opportunities

Luanda's retail market faces high land and construction costs, leading to expensive rental rates that deter smaller businesses and lower occupancy. Economic instability and competition from informal markets further challenge formal retail development. However, opportunities arise from the growing middle class, driving demand for modern retail formats like shopping malls and mixed-use developments. Government reforms and infrastructure projects also create a favourable environment for investment.

Consumer preferences are shifting towards higher-quality retail experiences, particularly in luxury goods, fashion, and technology. Despite high costs, Luanda's strategic Atlantic location and expanding consumer base position it competitively in sub-Saharan Africa, though it remains less accessible than hubs like Nairobi or Johannesburg. The rise of e-commerce is reshaping the retail landscape, with a growing focus on experiential retail that complements online shopping. Retailers who effectively integrate digital strategies with physical spaces are likely to thrive in this evolving market.

### Future Outlook

Luanda's retail market is in a dynamic growth phase, transitioning from informal to formal retail spaces. While high inflation and currency fluctuations pose risks, the market's potential is supported by a more affluent consumer base and increased investment in modern infrastructure.

Developers who can manage high costs and leverage government support will benefit from Luanda's evolving landscape. The city's strategic location and growing middle class further boost its appeal as a retail hub in Sub-Saharan Africa. As technology and digitalization shape consumer behaviour, Luanda's retail market is likely to adopt a hybrid model combining physical and online retail. Retailers and developers must stay agile to capitalize on these evolving opportunities.



# Luanda Submarket Industrial



## PRIME RENT

\$8  
per sqm/month

## SALES PRICE

\$1,000  
per sqm

## VACANCY RATE

25%

## PRIME YIELD

12%

## SERVICE CHARGES

\$0,5-1  
per sqm/month

### Supply and Demand Commentary

As Angola's capital, Luanda plays a pivotal role in the country's industrial activities, with substantial investments focused in key zones like Viana and the Luanda Bengo Special Economic Zone (SEZ). Luanda's strategic location, serving as the entry point for over 70% of Angola's imports through the Luanda Port, drives significant demand for industrial space.

Currently, Luanda has over 1.5 million sqm of industrial space, though more than 90% of this stock is classified as Grade B and C, indicating a shortage of high-quality, modern facilities. To address this gap, ongoing developments are expected to add approximately 100,000 sqm of new industrial space within the next year, primarily concentrated in Viana and the SEZ.

### Key Industrial Nodes

1. **Viana:** The largest and most significant industrial hub in Luanda, Viana hosts a substantial portion of the city's industrial activities. It benefits from strategic transport connections, including the Luanda-Malange railway and the Estrada de Catete road, making it a prime location for industrial operations.
2. **Luanda Bengo Special Economic Zone (SEZ):** Situated within Viana, this zone is a key area for industrial investment, offering incentives for both domestic and foreign investors. The SEZ aims to boost national production and attract investment in manufacturing and other industrial sectors.
3. **Zee** Following Viana in industrial significance, ZEE is characterized by a mix of manufacturing and logistics facilities, benefiting from proximity to key transport routes.
4. **Icolo e Bengo:** A growing industrial zone gaining attention due to its strategic location and available space for development. While less developed than Viana, it holds significant potential for future growth.

### Challenges and Opportunities

Luanda's industrial sector struggles with underdeveloped logistics infrastructure and frequent power shortages, leading to high operational costs. The reliance on costly diesel generators and language barriers further complicate international business.

However, infrastructure improvements, such as enhanced transport routes and new industrial zones like Viana and the Luanda Bengo SEZ, are boosting investment appeal. Luanda's strategic role as Angola's main import gateway offers growth potential, especially with ongoing energy projects.

- **Economic Impact:** Angola's GDP growth and foreign investment drive demand for industrial space, though inflation and currency fluctuations pose challenges.
- **Comparative Analysis:** While Luanda benefits from its Atlantic location and logistics role, it faces competition from more established African hubs like Lagos and Nairobi, due to higher costs and infrastructure gaps.
- **Energy Solutions:** Addressing power issues through alternative energy sources and improved grid reliability is crucial to lowering costs and attracting investment.

### Future Outlook

Luanda's industrial real estate market holds cautious but promising potential. Infrastructure upgrades and government initiatives lay a foundation for growth, though progress may be slowed by persistent power issues and high operational costs. While Luanda's role as Angola's logistics hub supports demand, these challenges may temper investor interest.

Over time, Luanda's industrial market could thrive as global trade evolves and Angola integrates further into international supply chains. Investors who navigate the current challenges may find significant opportunities as the market matures and infrastructure improves.



*\*Note: KPI's are reflective of the upper end of the residential real estate spectrum*

# Luanda Submarket Residential



## PRIME RENT

**\$15**  
per sqm/month

## SALES PRICE

**\$5,500**  
per sqm

## VACANCY RATE

**8-15%**

## PRIME YIELD

**6- 8,5%**

## SERVICE CHARGES

**\$5-10**  
per sqm/month

## Supply and Demand Commentary

Luanda's residential real estate market is gradually expanding, with developers increasingly targeting the growing middle class through affordable housing projects. However, most supply remains concentrated in mid-range and high-end developments, particularly in suburban areas like Talatona and Kilamba, where land availability and lower construction costs attract developers.

Despite these efforts, the supply of affordable housing lags behind demand, especially in central and well-connected areas. This strong demand is driven by Luanda's growing population, economic stabilization, and the rise of a middle class. Inflation and GDP growth significantly influence residential demand and pricing, with inflationary pressures raising construction costs and rental rates, thereby impacting affordability. Additionally, renting is becoming more popular, particularly among younger residents and expatriates, fuelling the need for diverse housing options across different price points.

## Key Residential Nodes

- 1. Talatona:** A prime area for affluent residents and expatriates, known for its secure gated communities, modern amenities, and proximity to international schools and offices.
- 2. Kilamba:** A large-scale, affordable housing project catering to the middle class, crucial in addressing Luanda's housing deficit.
- 3. Viana:** A growing suburb offering more affordable housing options, popular among middle- and lower-income families, with ongoing infrastructure improvements.
- 4. Central Luanda (Ingombota, Maianga):** High-density residential areas close to the business district, offering a mix of older apartments and new high-rise developments, favoured for convenience despite higher costs.
- 5. Camama:** An emerging residential area on the outskirts, offering affordable housing and attracting families seeking more space at lower costs.

## Challenges and Opportunities

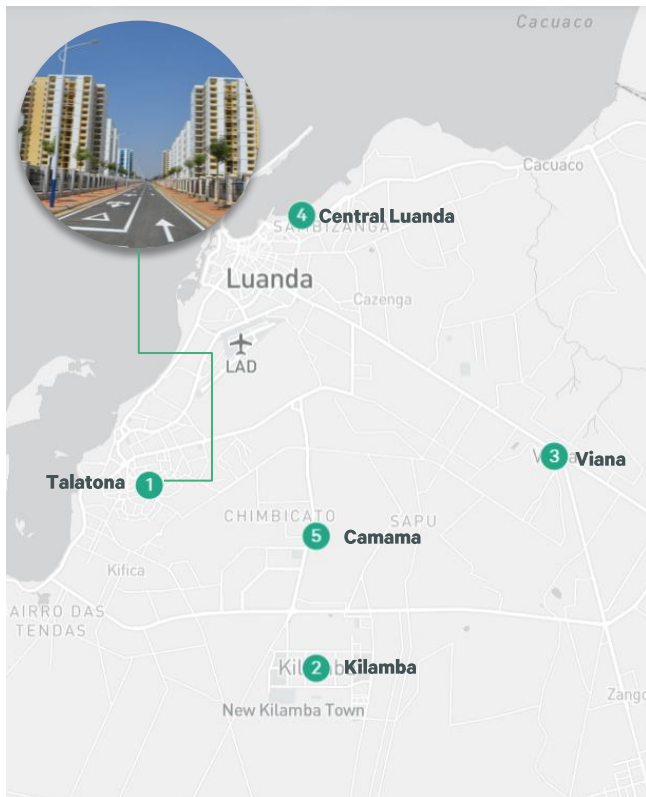
Luanda's residential market faces significant challenges, including underdeveloped infrastructure, inconsistent utilities, and a shortage of affordable housing. The market is skewed towards high-end developments, leaving broader population needs unmet. Additionally, economic instability, high inflation, and legal complexities limit investment and purchasing power.

Government initiatives aimed at improving housing affordability and infrastructure, such as subsidies for low-income housing and investments in road and utility networks, are crucial to addressing these challenges. Comparative analysis shows that Luanda's residential market is less affordable than those in other African cities like Nairobi or Accra, where similar economic and demographic trends have spurred more robust affordable housing initiatives.

However, opportunities exist. The growing urban population and emerging middle class drive demand for mid-range housing, presenting opportunities for developers to focus on affordable homes. The trend towards renting, driven by economic uncertainty, offers further investment opportunities in rental properties. Additionally, long-term urbanization trends indicate continued suburban expansion, particularly in areas like Talatona and Kilamba, where infrastructure developments are likely to attract more residents seeking affordable housing options.

## Future Outlook

The outlook for Luanda's residential real estate market remains cautiously optimistic, with growth opportunities driven by the expanding middle class and suburban development. However, this growth's pace and sustainability depend on successful government reforms, economic stabilization, and significant infrastructure improvements. Developers who navigate these challenges and align their projects with the growing middle class's needs, particularly in emerging suburban areas, are likely to succeed in Luanda's evolving residential market.





# Conclusion

Angola's real estate investment climate presents a dynamic yet challenging landscape, with Luanda at the epi-centre of ongoing transformation. As Angola continues its efforts to diversify its economy away from a historical reliance on oil, the real estate sector is poised for gradual expansion, driven by both government initiatives and market demands.

The National Development Plan (2023-2027) outlines a strategic framework aimed at fostering economic growth, with the GDP projected to rise by approximately 3% this year. These efforts are supported by significant investments in infrastructure, but the market still faces hurdles, including a projected inflation rate of 24.5% and a volatile currency environment, which complicate investment decisions. Luanda remains the focal point for real estate activity in Angola, spearheading the country's development efforts across residential, commercial, and industrial sectors.

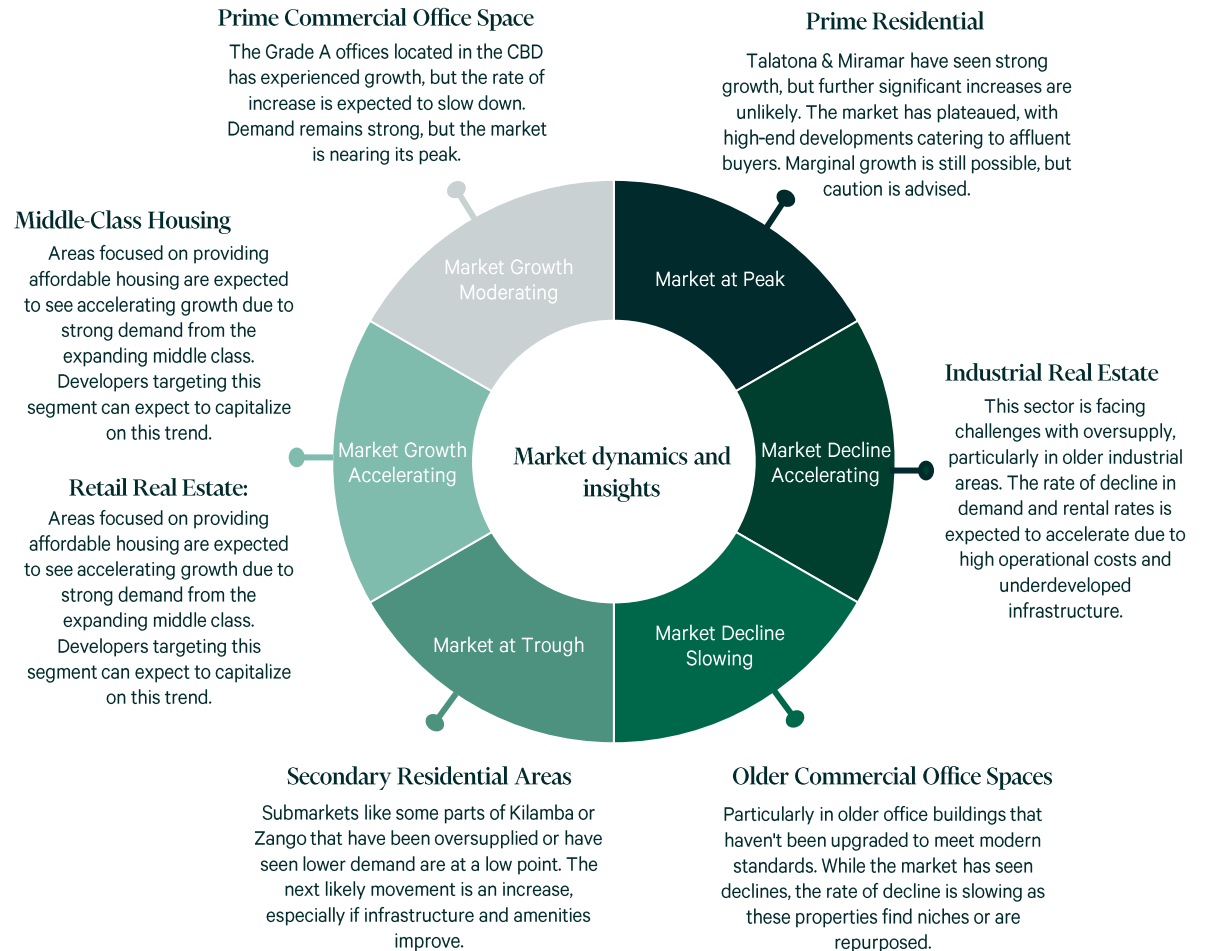
- In the commercial sector, there is a steady increase in demand for Grade A office spaces, particularly from international firms looking to establish a presence in Luanda. Yet, this segment is constrained by high vacancy rates, reflecting the market's ongoing struggle to match supply with evolving demand.
- The industrial real estate market in Luanda is also gaining momentum, underpinned by infrastructure projects like the development of the Luanda Bengo Special Economic Zone (SEZ). This zone is set to become a significant hub for logistics and manufacturing, attracting further investment and supporting Angola's broader economic diversification goals.
- The residential market is experiencing a notable demand for affordable housing, fuelled by urbanization and a growing middle class. However, supply is lagging, particularly in mid-range and affordable segments, with the market still heavily weighted towards high-end developments in areas like Talatona and Kilamba.

The government's commitment to regulatory improvements, including enhanced transparency and modernization of public procurement processes, is gradually bolstering investor confidence. The strategic withdrawal from OPEC in December 2023 and the focus on developing non-oil sectors indicate a shift towards a more sustainable economic model. However, navigating Angola's economic environment will require investors to carefully manage risks associated with inflation, currency instability, and infrastructure deficits.

In conclusion, while Angola's real estate market, particularly in Luanda, faces significant challenges, the long-term outlook remains positive. The ongoing government reforms, coupled with strategic investments in infrastructure and the growing demand across various real estate sectors, provide a strong foundation for future growth.

Investors who can adeptly navigate the complexities of Angola's evolving market stand to benefit from the opportunities presented by the country's economic and urban development initiatives.

The property clock provides a visual and conceptual representation of where different segments of the real estate market stand in Angola, particularly Luanda, as of 2024.



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