

# Nigeria Real Estate Market

H1 2026

Lagos market snapshot: growth firmed in H1 2026 on oil and a stronger naira; logistics leads, while prime offices and malls stabilise from a tenant-led base.



# Market overview: Nigeria’s growth firmed in H1 2026, and Lagos remains West Africa’s leading commercial gateway

|                                                                       |                                                                                |                                                                    |                                                              |                                                                                     |                                                                                     |
|-----------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| <b>4.4%</b><br>Real GDP growth, 2026F<br>4.1% in 2025 · 4.1% in 2027F | <b>15.6%</b><br>CPI inflation, 2026F average<br>23.0% in 2025 · 14.9% in 2027F | <b>23.0%</b><br>CBN Monetary Policy Rate<br>Cut 350bp in September | <b>NGN 1,305</b><br>Per US\$, end-2026F<br>1,440 at end-2025 | <b>+6.3%</b><br>Current account, % of GDP 2026F<br>Oil output ~1.5m barrels per day | <b>32.4%</b><br>Government debt, % of GDP 2026F<br>Fiscal deficit 2.9% of GDP 2026F |
|-----------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|

Lagos is Nigeria’s commercial and financial capital; a stronger naira, easing inflation and lower rates support a gradual recovery, led by logistics and well-managed Grade A space.

MACRO BACKDROP

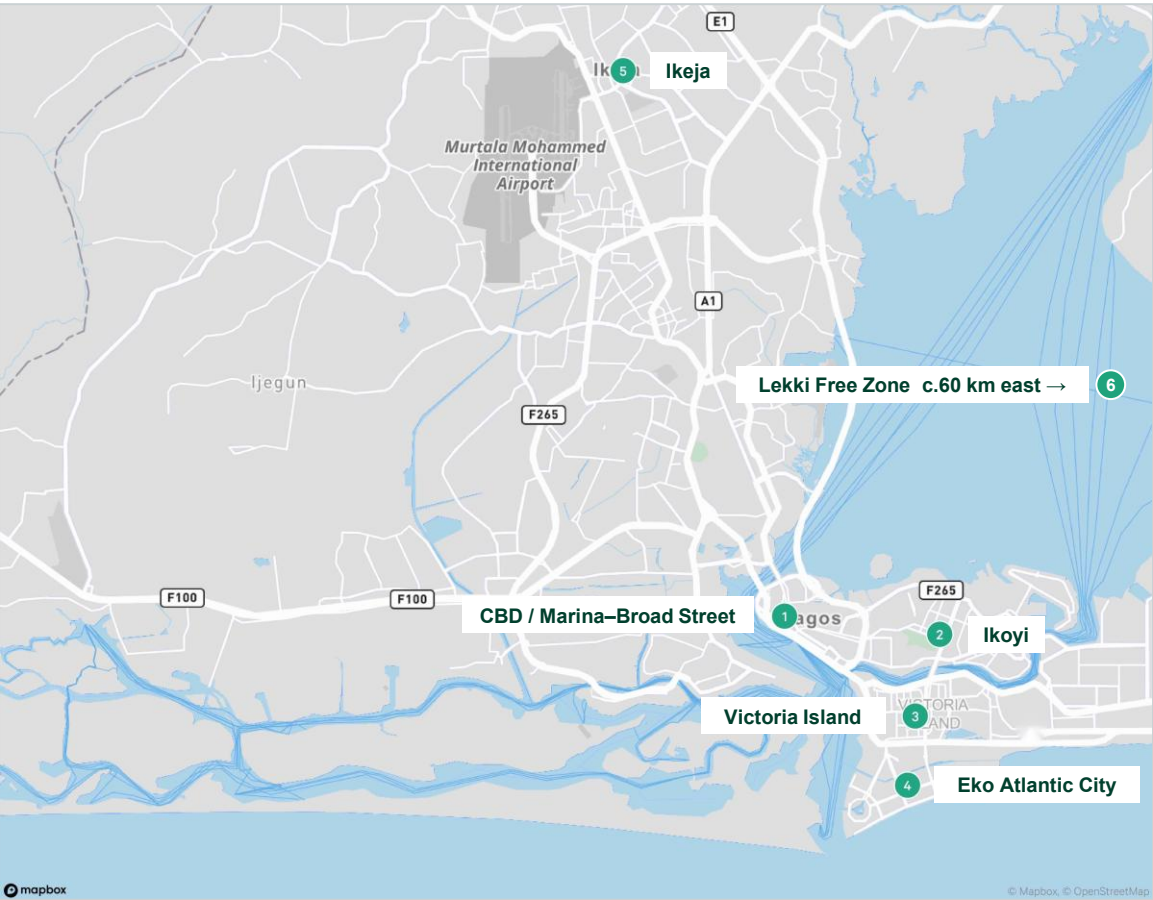
- Oxford Economics forecasts growth of **4.4% in 2026 and 4.1% in 2027**, supported by higher-for-longer oil prices, stable oil output and resilient consumer demand.
- Inflation was 15.4% y/y in August and is forecast to average **15.6% in 2026**; the CBN cut its rate by 350bp to 23% in September, with further easing expected in 2027.
- The naira is forecast at **NGN 1,305/US\$ at end-2026**, stronger than 1,440 a year earlier; the September PMI of 56.4 was the highest since February 2022.

REAL ESTATE DEMAND

- Lagos concentrates **banks, multinationals, oil and gas, telecoms and professional services**, with prime offices in Ikoyi, Victoria Island and Eko Atlantic.
- Office demand is migrating to well-managed Grade A space; occupancy has improved to ~73%, but **landlord concessions** are still needed.
- Free-zone infrastructure along the Lekki corridor, linked to the Lekki Deep Sea Port and refinery, is broadening a historically owner-occupied logistics market.
- Formal retail is tenant-led and rebalancing toward **convenience and specialised formats**, with limited new mall supply.

Source: Oxford Economics Africa, Country Economic Forecast Nigeria (2026); National Bureau of Statistics; Central Bank of Nigeria; CBRE Excellerate Research. F = forecast.

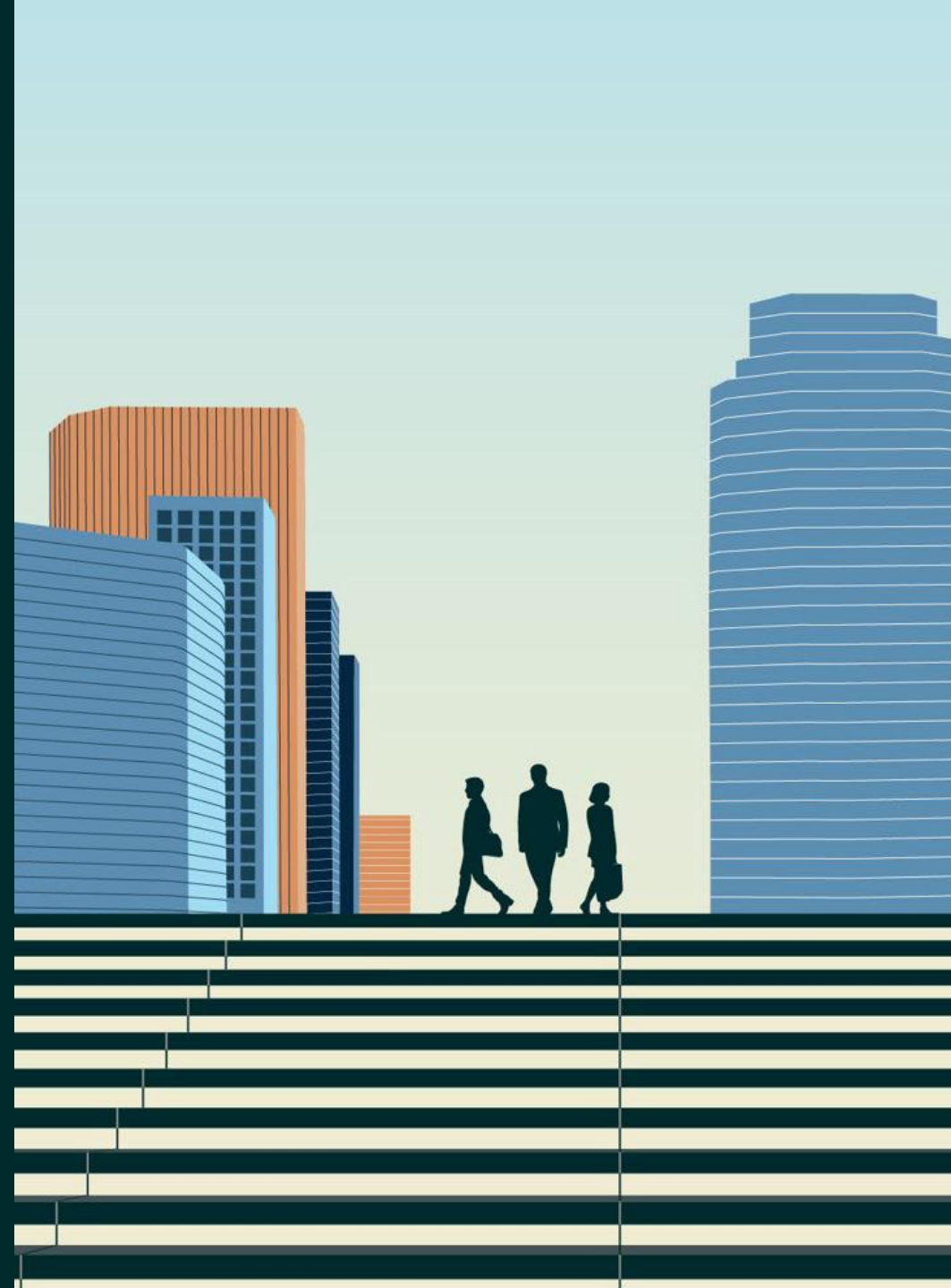
# Key nodes: Lagos activity spans six nodes, from the Island business districts to Ikeja and the Lekki corridor



|   | Key nodes                            | Positioning                                      | Key characteristics                                                                                   |
|---|--------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| 1 | CBD / Marina–Broad Street            | Financial and administrative core                | Historic banking district; government and legacy corporate offices; older stock with limited Grade A. |
| 2 | Ikoyi                                | Prime office and diplomatic enclave              | High-spec office clusters, embassies and a premium residential catchment.                             |
| 3 | Victoria Island                      | Prime commercial and mixed-use district          | Multinationals, professional services and hospitality; competitive Grade A rents.                     |
| 4 | Eko Atlantic City                    | Emerging institutional-grade CBD extension       | Master-planned mixed-use on reclaimed land; growing HQ relocations.                                   |
| 5 | Ikeja                                | Decentralised office and last-mile logistics hub | Airport-adjacent corporate and industrial mix; growing Grade A take-up.                               |
| 6 | Lekki Free Zone / Lekki–Epe Corridor | Industrial and logistics growth corridor         | Free-zone warehousing and manufacturing linked to the deep-sea port and refinery.                     |

Source: CBRE Excellerate Research. Map: © Mapbox, © OpenStreetMap contributors; node locations are approximate. Node 6 lies beyond the map extent, c.60 km east of Victoria Island.

# Market KPI Snapshot



# Market KPI snapshot: prime offices remain tenant-led, while free-zone logistics is well absorbed

Notes on KPI methodology and transparency

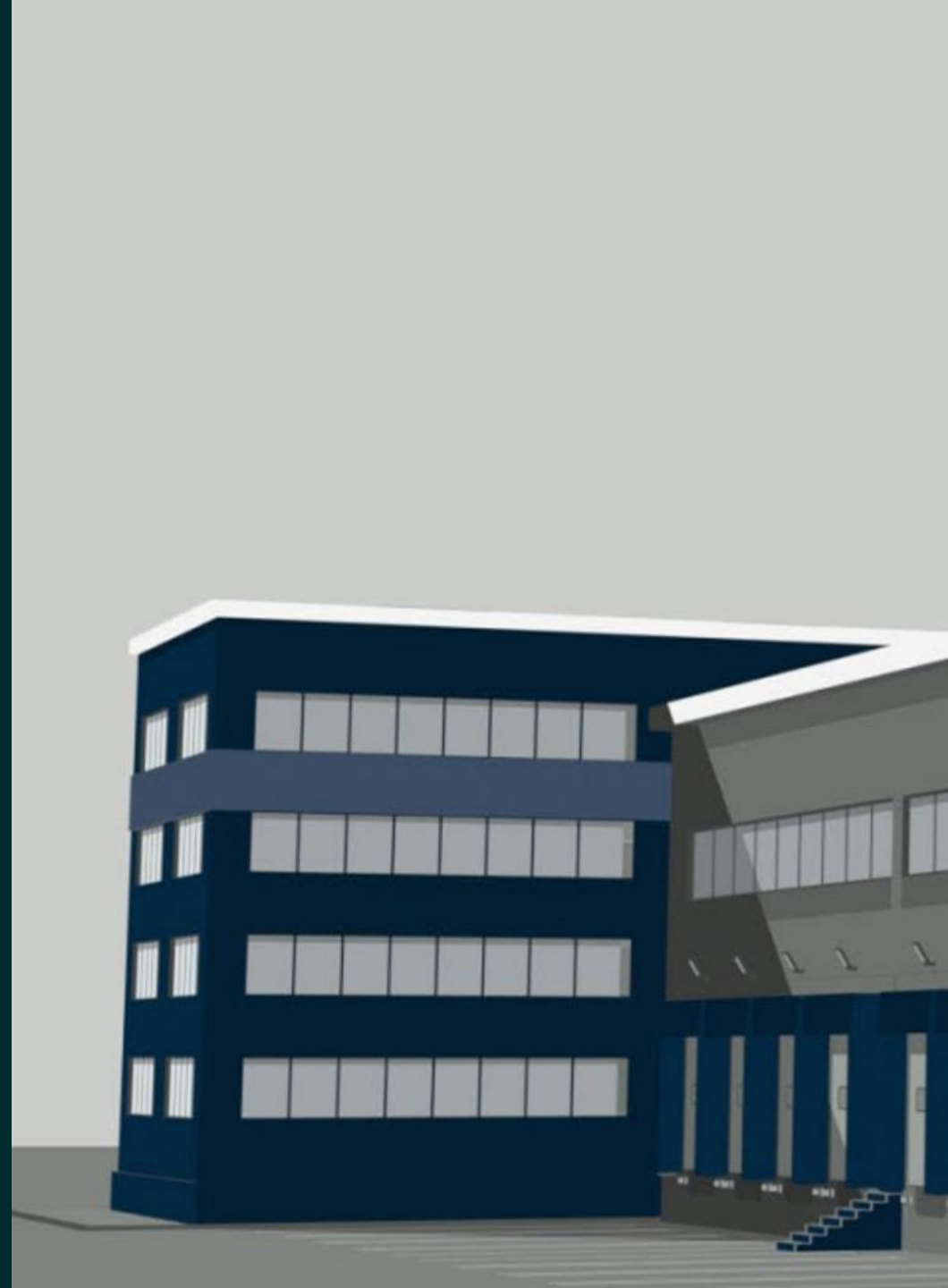
- Many prime leases are US\$-referenced or negotiated in US\$ with naira settlement, especially in Grade A offices and institutional logistics; figures are indicative H1 2026 headline benchmarks for institutional-grade assets.
- Lagos lacks a consolidated stock and vacancy series; vacancy, stock and pipeline are indicative and exclude the informal and owner-occupied market.
- Conversion note: naira rents are converted at NGN 1,305/US\$ (Oxford Economics end-2026 forecast) and rounded.

| Indicator                         | Office                                                                         | Industrial                                                                 | Retail                                                                  |
|-----------------------------------|--------------------------------------------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------------------|
| *Prime Rent (NGN / sqm / month)   | ~71,800 (US\$55; Grade A in Ikoyi, Victoria Island and Eko Atlantic)           | ~6,500 (US\$5; serviced Grade A free-zone warehousing)                     | ~32,600 (US\$25; prime mall line shops)                                 |
| *Rental Range (NGN / sqm / month) | ~57,400–73,100 (US\$44–56; Grade A varies by submarket)                        | ~3,900–8,500 (US\$3.0–6.5; non-free-zone to free-zone stock)               | ~15,700–57,400 (US\$12–44; anchors to line shops)                       |
| Vacancy Rate (%)                  | ~27% in Grade A (occupancy ~73%); tenant-led                                   | No institutional series; free-zone Grade A largely pre-let                 | ~27% in prime malls (occupancy ~73%); tenant-led                        |
| Prime Yield (%)                   | ~8.5–9% (prime office)                                                         | ~8–9.5% (modern logistics)                                                 | ~9–9.5% (prime retail)                                                  |
| Total Stock (sqm)                 | No verifiable citywide series; Grade A concentrated on the Island and in Ikeja | Largely owner-occupied outside free zones; institutional stock still thin  | Limited institutional mall stock; most retail in informal plaza formats |
| Pipeline Supply (sqm)             | Several towers, incl. 17,000 and 20,000 sqm due 2026; more into 2027+          | 29,000 sqm Grade A hub delivered at Alaro City (2025); free-zone expansion | Limited; ~9,000 sqm specialised tech mall under construction in Ikeja   |

\*Typically excluding VAT and service charge unless stated. Source: CBRE Excellerate Research; Oxford Economics Africa (2026).

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# Typical Market Practice



# Lease structure: three-to-five-year terms are standard, with longer leases for build-to-suit and free-zone occupiers

Terms are negotiated case by case and vary by landlord type, tenant covenant, access to FX and the building’s own power, water and security; landlords have become more flexible in a tenant-led office market.

| Item               | Office                                                        | Retail                                                  | Industrial                                                      |
|--------------------|---------------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------------|
| Typical lease term | 2–5 years; Grade A often 3–5 years                            | 3–5 years; anchors can be longer                        | 3–5 years; 5–10 years for build-to-suit and free-zone occupiers |
| Renewal options    | Common; negotiated at expiry with a market rent review        | Common; often linked to turnover and tenant performance | Common where the tenant has invested in fit-out or yard works   |
| Expansion options  | Limited; rights of first refusal on adjacent space negotiable | Occasional; subject to unit availability and tenant mix | More feasible in parks and free zones with phased plots         |
| Subletting         | With landlord consent; restricted in prime assets             | Often restricted; consent and tenant-mix controls apply | Permitted with consent; tighter controls for hazardous uses     |

Source: CBRE Excellerate Research; Federal Inland Revenue Service; Lagos State Government. Market practice: indicative and deal-specific.

# Rental structure: Grade A rents are often US dollar-referenced, with escalations of 5–15% common

How rents are calculated, escalated and paid in Lagos.

| Item             | Office                                                       | Retail                                                          | Industrial                                                    |
|------------------|--------------------------------------------------------------|-----------------------------------------------------------------|---------------------------------------------------------------|
| Rent calculation | Per sqm; frequently US\$-referenced for Grade A              | Per sqm; mix of US\$ and naira structures                       | Per sqm; US\$ reference common in free zones, naira elsewhere |
| Rent escalation  | 5–15% p.a.; higher where inflation risk is priced            | 5–15% p.a.; some malls use stepped rates                        | Fixed annual uplift; VAT and service charge quoted separately |
| Advance rent     | Frequently 6–12 months; longer with smaller landlords        | Often 6–12 months; rent-free periods for fit-out                | Often 6–12 months; varies by park operator                    |
| Currency         | US\$ reference common; settled in naira at agreed conversion | Mix; more naira in neighbourhood formats, US\$ in prime centres | US\$ reference common in free zones; naira outside            |

Source: CBRE Excellerate Research; Federal Inland Revenue Service; Lagos State Government. Market practice: indicative and deal-specific.

# Financial obligations: deposits of three to six months’ rent are typical, and service charges recover generator costs

Recurring costs and statutory obligations attached to commercial leases.

| Item             | Office                                                                                 | Retail                                            | Industrial                                          |
|------------------|----------------------------------------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------|
| Security deposit | 3–6 months, or an equivalent bank guarantee                                            | 3–6 months                                        | 3–6 months; higher for specialised fit-outs         |
| Service charge   | Tenant contributes to OPEX: security, generator and diesel, FM, common areas           | CAM plus a marketing levy in malls                | Park charge; may include estate security and roads  |
| Property tax     | Landlord liability; may be recovered via service charge; Lagos Land Use Charge applies | Same as Office                                    | Same as Office                                      |
| Utilities        | Tenant-paid; generator back-up recovered via service charge                            | Tenant-paid; high energy costs are a key pressure | Tenant-paid; users may self-provide power and water |
| Insurance        | Landlord insures structure; tenant insures contents and liability                      | Same as Office                                    | Same as Office                                      |

Source: CBRE Excellerate Research; Federal Inland Revenue Service; Lagos State Government. Market practice: indicative and deal-specific.

# Fit-out and handover: offices are delivered shell-and-core or fitted, with fit-outs typically taking one to three months

Handover condition, fit-out and reinstatement norms.

| Item               | Office                                                  | Retail                                                  | Industrial                                                 |
|--------------------|---------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------------|
| Handover condition | Shell-and-core or fitted, depending on building         | Typically shell; tenant completes shopfront and fit-out | Shell warehouse with basic MEP; yards and office pods vary |
| Fit-out period     | 1–3 months; longer for high-spec HQ space               | 1–3 months; anchors often longer                        | 1–3 months, depending on racking and automation            |
| Fit-out cost range | Tenant-funded; specification and FX exposure drive cost | Tenant-funded; MEP and brand standards can raise costs  | Tenant-funded; automation and cold chain drive dispersion  |
| Reinstatement      | Negotiated; often to shell or landlord standard         | Often required, especially in malls                     | Often required where specialised works were undertaken     |

Source: CBRE Excellerate Research; Federal Inland Revenue Service; Lagos State Government. Market practice: indicative and deal-specific.

# Transaction costs: brokerage is usually a percentage of annual rent, and each party typically bears its own legal costs

One-off costs incurred when concluding a lease.

| Item                      | Office                                                                            | Retail                                            | Industrial                                            |
|---------------------------|-----------------------------------------------------------------------------------|---------------------------------------------------|-------------------------------------------------------|
| Brokerage fee             | Market-negotiated; often a % of annual rent, landlord-paid in many deals          | Similar; can be higher for prime units            | Similar; can be shared in park transactions           |
| Legal fees                | Usually borne by each party; more extensive for long or free-zone leases          | Similar; mall leases include additional covenants | Similar; may include land and free-zone documentation |
| Stamp duty / registration | Applies to lease instruments; confirm rates with Nigerian counsel or tax advisers | Same as Office                                    | Same as Office                                        |
| Reservation deposit       | Not universal; more common where supply is tight or for pre-lets                  | More common in mall pre-letting                   | More common in park and free-zone pre-allocation      |

Source: CBRE Excellerate Research; Federal Inland Revenue Service; Lagos State Government. Market practice: indicative and deal-specific.

# Operational terms: Grade A offices typically offer 24/7 access, and yard provision differentiates logistics space

Day-to-day operating terms that shape occupier decisions.

| Item                    | Office                                                              | Retail                                              | Industrial                                                |
|-------------------------|---------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------|
| Parking ratio           | Negotiated; constrained in older CBD assets, stronger in new builds | Tenant and visitor parking is a key mall driver     | Yard and parking provision differentiates logistics space |
| Operating hours         | Typically 24/7 for Grade A, subject to building rules               | Malls set trading hours; extended for entertainment | Typically 24/7; regulated for noise and traffic           |
| Cleaning responsibility | Tenant internal; landlord common areas via service charge           | Tenant internal; landlord common areas              | Tenant internal; park common areas                        |
| Building access         | Security protocols standard; tighter in institutional Grade A       | Governed by mall security policy                    | Controls on truck movements and safety compliance         |

Source: CBRE Excellerate Research; Federal Inland Revenue Service; Lagos State Government. Market practice: indicative and deal-specific.

# — Market Outlook



# Outlook: selective opportunities in competitively priced Grade A offices, free-zone logistics and convenience retail



Highlighted: current positions. Office and retail: decline slowing; industrial: growth accelerating.



## Office

**Property cycle position:** Market Decline Slowing

Grade A occupancy has improved to ~73%, but rents remain under pressure and landlords still offer concessions to reduce vacancy; the cycle is stabilising.

**Outlook:** A stronger naira and the 350bp rate cut support recovery; demand keeps migrating to well-managed Grade A space, while older stock faces obsolescence.



## Industrial

**Property cycle position:** Market Growth Accelerating

Prime Lagos logistics (US\$5/sqm/month) is an improving, investable segment; free-zone infrastructure is broadening demand from a historically owner-occupied market.

**Outlook:** Logistics and e-commerce growth sustain demand for serviced Grade A warehousing; tight free-zone supply supports rental premia, with port-linked trade the main catalyst.



## Retail

**Property cycle position:** Market Decline Slowing

Prime rents are broadly stable (~US\$25/sqm/month), but consumer spending pressure and high operating costs constrain performance.

**Outlook:** Easing inflation (14.9% in 2027F) should help gradually; growth shifts toward convenience-led and specialised formats, with limited new mall supply.

Source: CBRE Excellerate Research; Oxford Economics Africa (2026). Property cycle positions are indicative house views; they are not guarantees of future performance.

# Disclaimer and methodology

## DATA SOURCES

- Oxford Economics Africa, Country Economic Forecast Nigeria (2026): GDP, inflation, policy rate, exchange rate, fiscal and external indicators.
- CBRE Excellerate market intelligence: brokerage evidence, landlord and developer information, listings and occupier engagement in Lagos.
- National Bureau of Statistics, Central Bank of Nigeria and Lagos State Government guidance.

## KPI METHODOLOGY

- Rents are indicative H1 2026 headline rents per sqm per month for institutional-grade assets, excluding VAT and service charge, quoted in NGN with US\$ equivalents at NGN 1,305/US\$.
- Vacancy, stock, pipeline and yields are indicative institutional-grade benchmarks, not total-market statistics.
- Property cycle positions and outlook statements are CBRE Excellerate house views based on the latest available evidence.

## DATA NOTES

- Lagos lacks a single consolidated public dataset for stock, vacancy and pipelines; where figures could not be verified across sources they are marked as indicative.
- Typical market practice reflects observed lease terms and is deal-specific.
- Data as at H1 2026 unless otherwise stated; F = forecast.

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# Thank you

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To find out more about CBRE Excellerate services, contact:

Craig Hean

MD - Advisory & Transactions

+27 82 444 9598

Craig.hean@cbre.com

Craig.hean@cbreexcellerate.com

Dewald De Lange

Director: Contracted Accounts Africa

+27 76 730 4314

Dewaldt.DeLange@cbre.com

Dewaldt.DeLange@cbreexcellerate.com

Fabio Nava

Director Capital Markets - Transactions

+27 82 585 2498

Fabio.nava@cbre.com

Fabio.nava@cbreexcellerate.com

Ryan Pape

Country Manager – East Africa

+254 20 444 2061

Ryan.pape@cbre.com

Ryan.pape@cbreexcellerate.com

Hildegard Rohr (PhD)

Market Intelligence and Research Lead: Africa

+27 82 465 0023

Hildegardrohr@cbre.com

Hildegardrohr@cbreexcellerate.com

Frank Simonetti

Director: Contracted Accounts RSA

+27 82 803 3802

frank.simonetti@cbre.com

frank.simonetti@cbreexcellerate.com

Jan Snyman

Director Capital Markets - Advisory

+27 63 283 3125

Jansnyman@cbre.com

Jansnyman@cbreexcellerate.com

Habinuchi Owhondah

Country Manager – West Africa

+081 3792 5577

habinuchi.owhondah@cbre.com

habinuchi.owhondah@cbreexcellerate.com

Riaan Fourie

Director: Valuations

+27 62 334 6959

Riaan.Fourie@cbre.com

Riaan.Fourie@cbreexcellerate.com

Ilse Schoeman

Head of Property Management

+27 83 566 5186

ilze.schoemandutoit@cbre.com

ilze.schoemandutoit@cbreexcellerate.com

Omar Benkabbou

Country Manager – Morocco

+212 620 009090

Omar.Benkabbou@cbre.com

Omar.Benkabbou@cbreexcellerate.com

Nanon Beedasse

Country Manager – North Africa

+225 0778882353

NanonBeedasse@cbre.com

NanonBeedasse@cbreexcellerate.com