

Zambia Real Estate Market

H1 2026

Lusaka market snapshot: copper-led growth and falling inflation in H1 2026 support logistics and managed malls, while Grade A offices remain tenant-led.



Market overview: Zambia’s growth strengthened in H1 2026 on copper and a record harvest, with Lusaka as its commercial hub

5.9% Real GDP growth, 2026F 3.9% in 2025 · 3.1% in 2027F	7.0% CPI inflation, 2026F average 6.2% y/y in August · 9.2% in 2027F	13.25% Bank of Zambia policy rate Easing cycle since November 2025	ZMW 19.4 Per US\$, end-2026F 22.1 at end-2025	+4.9% Current account, % of GDP 2026F Supported by strong copper prices	85.0% Government debt, % of GDP 2026F Fiscal deficit 6.6% of GDP 2026F
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Lusaka is Zambia’s administrative and commercial capital; strong copper prices, a firmer kwacha and falling inflation support demand, but post-election policy risk and El Niño cloud 2027.

MACRO BACKDROP

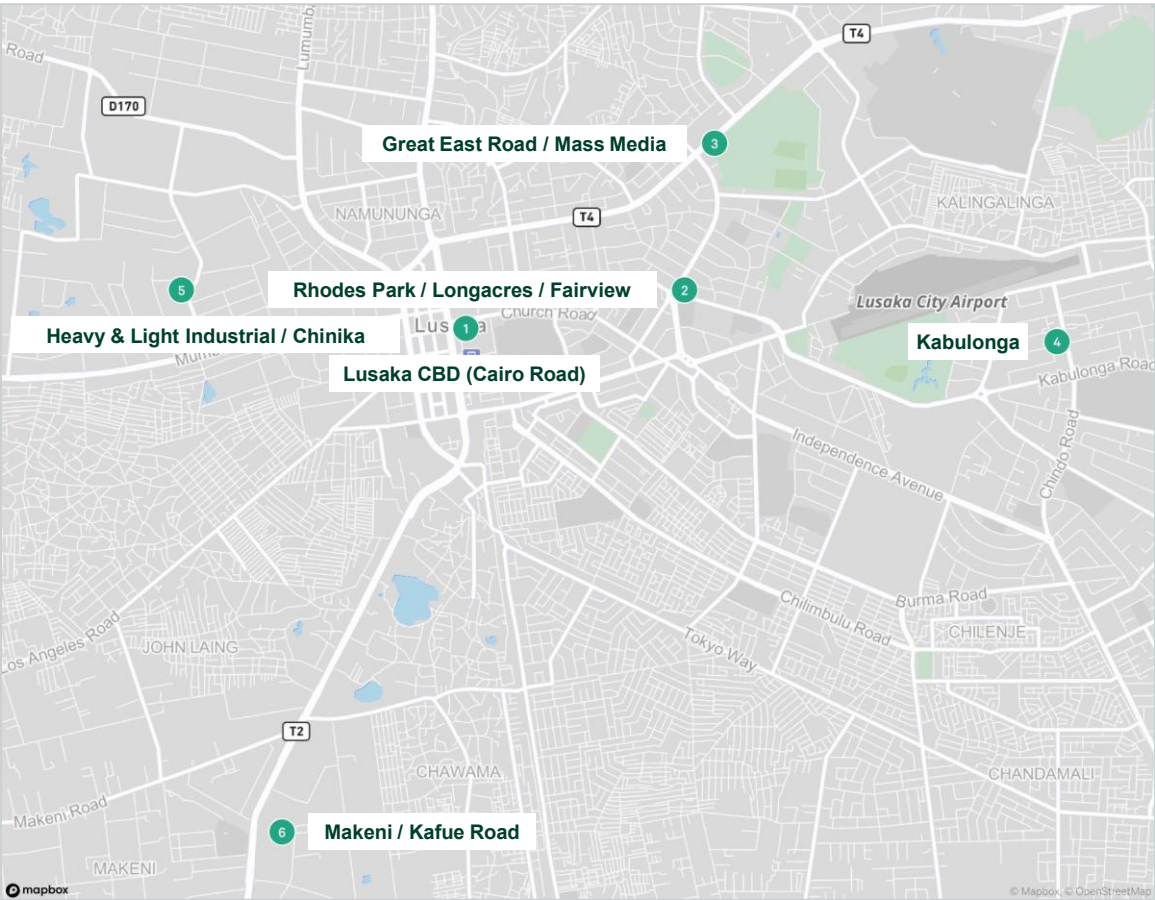
- Oxford Economics forecasts growth of **5.9% in 2026**, led by farming, ICT, transport and trade, slowing to 3.1% in 2027 as El Niño weighs on harvests and hydropower.
- A record harvest cut inflation to 6.2% y/y in August; it is forecast to average **7.0% in 2026**, and the Bank of Zambia has cut its rate to 13.25%.
- The IMF programme expired in January; the 2027 Budget is a key test, with a **6.6% of GDP deficit** in 2026 and debt at 85% of GDP.

REAL ESTATE DEMAND

- Lusaka hosts government, the UN and embassies, banks, mining services and NGOs, with Grade A offices in **Kabulonga, Rhodes Park, Longacres and Mass Media**.
- Grade A office occupancy is about 70–80%, and older CBD buildings on Cairo Road struggle to compete.
- Since December 2025, Bank of Zambia directives require **kwacha settlement** of domestic transactions, including rent, although leases can still be priced in US\$.
- Mall occupancy is recovering, with the largest listed landlord cutting vacancy from 46% to 12%; warehousing in Makeni and the industrial areas is steady.

Source: Oxford Economics Africa, Country Economic Forecast Zambia (2026); ZamStats; Bank of Zambia; CBRE Excellerate Research. F = forecast.

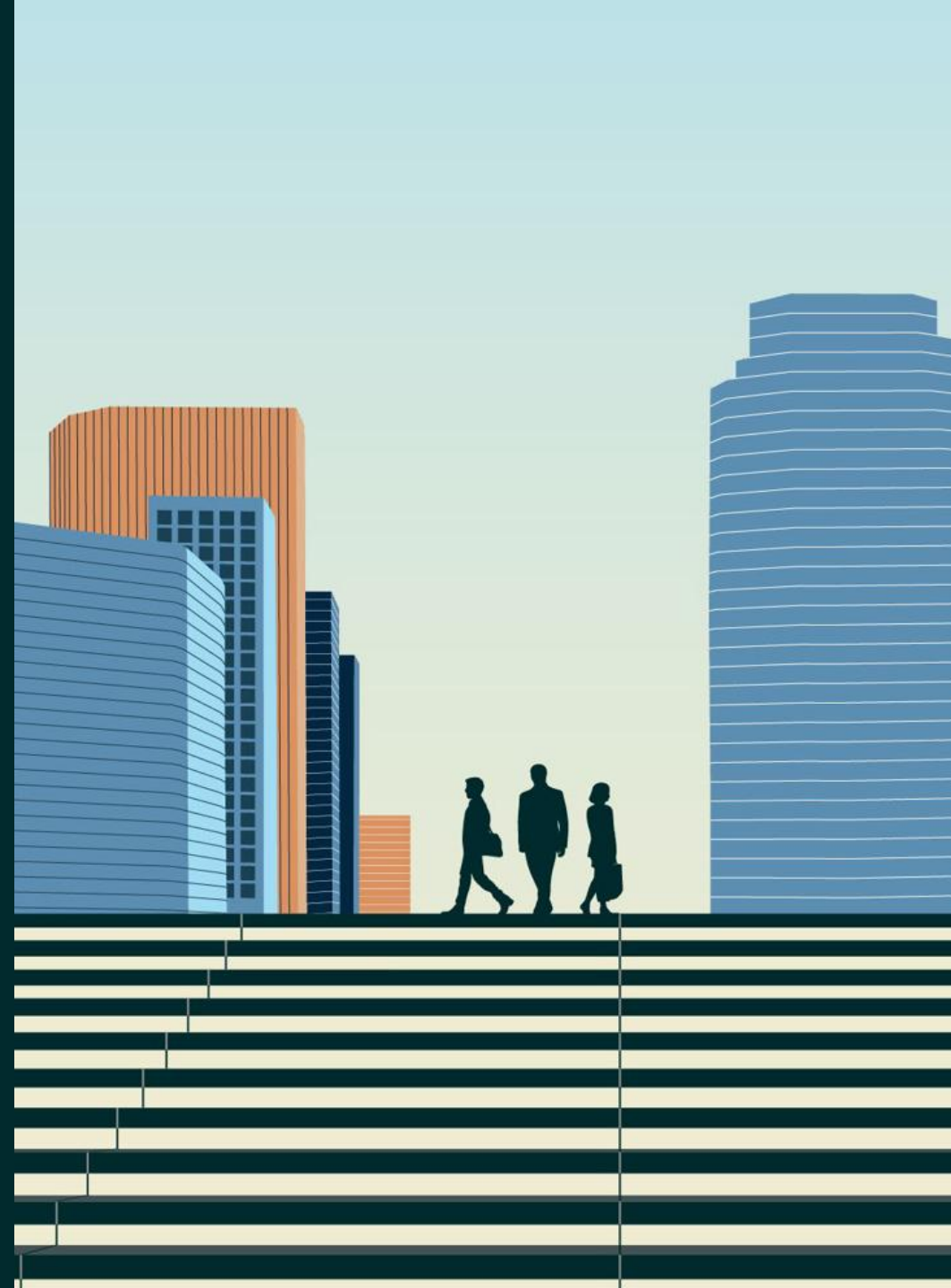
Key nodes: Lusaka’s activity spans six nodes, from the CBD and Great East Road to the western and southern industrial belts



	Key nodes	Positioning	Key characteristics
1	Lusaka CBD (Cairo Road)	Legacy commercial core	Banks, government and older high-rise offices; low rents and weak demand for dated stock.
2	Rhodes Park / Longacres / Fairview	Institutional and diplomatic office node	Government ministries, embassies, UN agencies and corporate offices close to the CBD.
3	Great East Road / Mass Media	Prime mixed-use and retail corridor	Manda Hill, East Park Mall and Arcades, with Grade A offices on Thabo Mbeki Road.
4	Kabulonga	Prime suburban office and retail node	Boutique Grade A offices and convenience retail around Centro Mall, serving affluent suburbs.
5	Heavy and Light Industrial Area / Chinika	Western industrial and warehousing belt	Established manufacturing and warehousing along Mumbwa Road and Lumumba Road.
6	Makeni / Kafue Road / Lusaka South MFEZ	Southern logistics corridor	Modern warehousing on the Kafue Road, extending to the Lusaka South Multi-Facility Economic Zone.

Source: CBRE Excellerate Research; CBRE Excellerate Africa real estate database. Map: © Mapbox, © OpenStreetMap contributors; node locations are approximate.

Market KPI Snapshot



Market KPI snapshot: Grade A offices remain tenant-led, while warehousing is steady and mall occupancy recovers

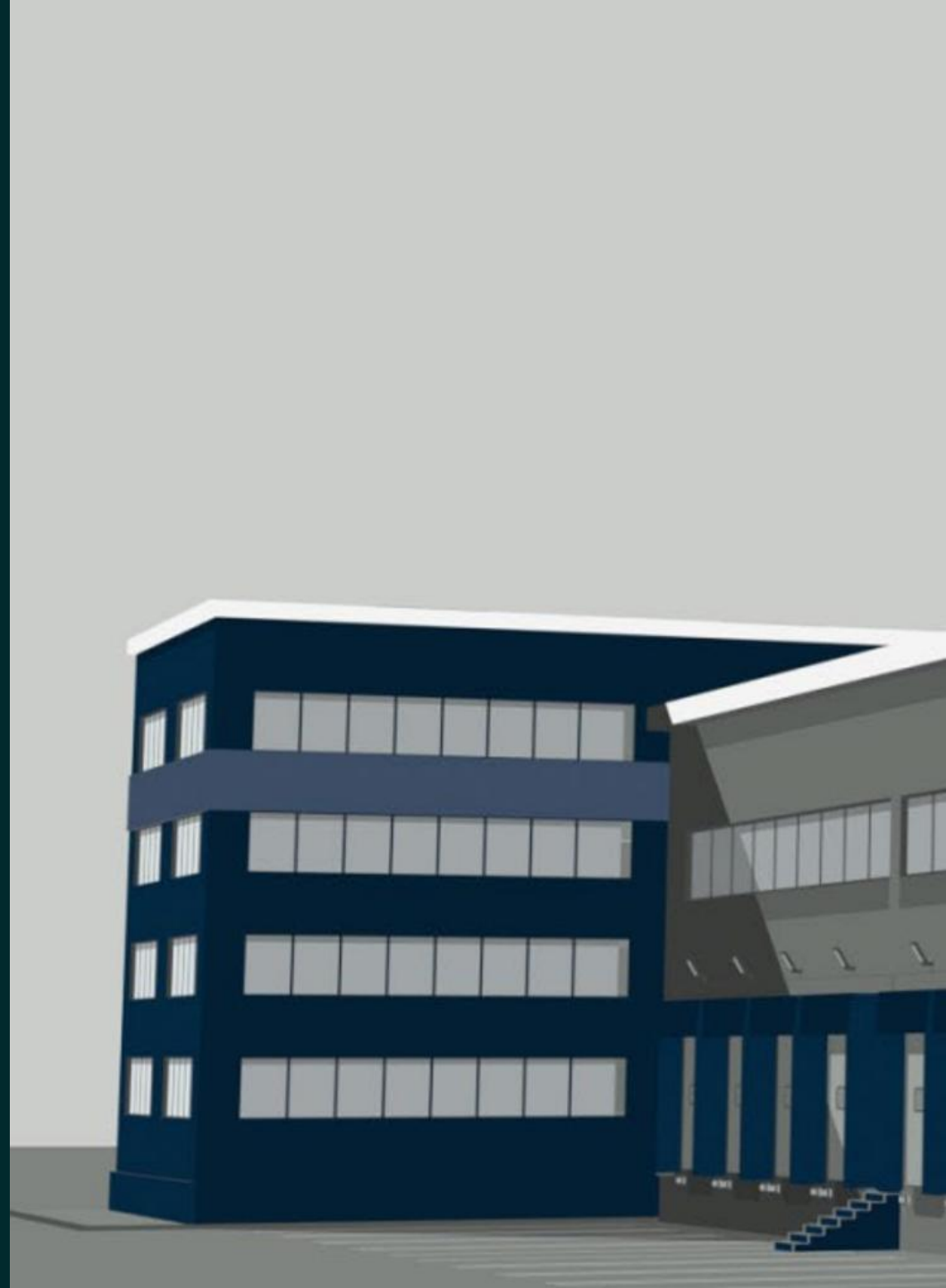
Notes on KPI methodology and transparency

- Rents are set from graded asking-rent evidence in Lusaka (prime and Grade A listings in a standard size band), cross-checked against published benchmarks; many leases are priced in US\$ but must be settled in kwacha under Bank of Zambia directives.
- Lusaka has no consolidated stock or vacancy series; vacancy, stock, pipeline and yields are indicative institutional-grade benchmarks.
- Conversion note: US\$ equivalents use ZMW 19.4/US\$ (Oxford Economics end-2026 forecast) and are rounded.

Indicator	Office	Industrial	Retail
*Prime Rent (ZMW / sqm / month)	~310–390 (US\$16–20; Grade A in Kabulonga, Rhodes Park and Mass Media)	~78–97 (US\$4–5; prime warehousing in Makeni and the industrial areas)	~425–580 (US\$22–30; line shops in prime malls)
*Rental Range (ZMW / sqm / month)	~75–390 (US\$4–20; CBD high-rise to Grade A)	~30–125 (US\$1.5–6.5; older sheds to modern units)	~115–680 (US\$6–35; CBD shops to top mall units)
Vacancy Rate (%)	~20–30% in Grade A nodes (occupancy 70–80%)	Low for prime warehousing; rents steady	~12% across the largest listed portfolio (down from 46%)
Prime Yield (%)	~9–11% (Grade A office)	~12–12.5% (modern warehousing)	~9–10% (prime retail)
Total Stock (sqm)	No consolidated series; Grade A concentrated east of the CBD	Concentrated in the industrial areas, Makeni and the MFEZs	Major malls incl. Manda Hill, East Park and Arcades (25,000 sqm GLA)
Pipeline Supply (sqm)	Limited speculative development	Warehousing in Makeni and the Lusaka South and East MFEZs	Selective; refurbishments rather than new malls

*Typically excluding VAT and service charge unless stated. Source: CBRE Excellerate Research; CBRE Excellerate Africa real estate database; listed property company disclosures; Oxford Economics Africa (2026).

Typical Market Practice



Lease structure: three-to-five-year terms are standard, with tenants of business premises protected by statute

Business leases are governed by the Landlord and Tenant (Business Premises) Act and the lease; terms vary by landlord type, asset quality and tenant covenant.

Item	Office	Retail	Industrial
Typical lease term	3–5 years	3–5 years; anchors 10+ years	3–10 years; longer for build-to-suit
Renewal options	Statutory security of tenure; renewal negotiated	Same as Office; linked to trading performance	Same as Office
Expansion options	Limited; rights of first refusal negotiable	Limited by unit availability and tenant mix	More feasible in parks and MFEZs
Subletting	Requires landlord consent	Usually restricted; consent required	Requires landlord consent

Source: CBRE Excellerate Research; Landlord and Tenant (Business Premises) Act; Bank of Zambia currency directives; ZRA guidance. Market practice: indicative and deal-specific.

Rental structure: leases are often priced in US dollars but must be settled in kwacha, with annual escalations common

How rents are calculated, escalated and paid in Lusaka.

Item	Office	Retail	Industrial
Rent calculation	Per sqm/month; often US\$-priced, settled in ZMW	Per sqm/month; turnover rent in some malls	Per sqm/month
Rent escalation	Fixed annual escalation; reviewed at renewal	Fixed annual steps	Fixed annual uplift
Advance rent	Monthly or quarterly in advance	Monthly in advance	Monthly or quarterly in advance
Currency	ZMW settlement required since December 2025; US\$ pricing permitted	Same as Office	Same as Office; mining-linked exemptions apply

Source: CBRE Excellerate Research; Landlord and Tenant (Business Premises) Act; Bank of Zambia currency directives; ZRA guidance. Market practice: indicative and deal-specific.

Financial obligations: deposits of two to three months’ rent are typical, and VAT at 16% applies for registered landlords

Recurring costs and statutory obligations attached to commercial leases.

Item	Office	Retail	Industrial
Security deposit	Commonly 2–3 months’ rent	Commonly 2–3 months	Commonly 2–3 months
Service charge	Recovered from tenants; covers security and common areas	Mall service charge and marketing levy	Estate charges where applicable
Property tax	Council rates paid by landlord, often recovered; rental income tax up to 16% on landlord	Same as Office	Same as Office
Utilities	Tenant-paid; back-up power and solar are key differentiators	Tenant-paid	Tenant-paid; power reliability is critical
Insurance	Landlord insures structure; tenant insures contents and liability	Same as Office	Same as Office

Source: CBRE Excellerate Research; Landlord and Tenant (Business Premises) Act; Bank of Zambia currency directives; ZRA guidance. Market practice: indicative and deal-specific.

Fit-out and handover: offices are handed over shell or semi-fitted, with fit-outs typically taking one to three months

Handover condition, fit-out and reinstatement norms.

Item	Office	Retail	Industrial
Handover condition	Shell or semi-fitted, depending on building	Shell; tenant completes shopfront and fit-out	Shell warehouse with basic services
Fit-out period	1–3 months	1–3 months; longer for anchors	1–3 months, depending on racking and power
Fit-out cost range	Tenant-funded; imported materials raise costs	Tenant-funded; brand standards drive cost	Tenant-funded
Reinstatement	Usually required unless agreed otherwise	Typically required in malls	Required where specialised works were undertaken

Source: CBRE Excellerate Research; Landlord and Tenant (Business Premises) Act; Bank of Zambia currency directives; ZRA guidance. Market practice: indicative and deal-specific.

Transaction costs: brokerage is commonly one month’s rent, and Zambia levies no stamp duty on leases

One-off costs incurred when concluding a lease.

Item	Office	Retail	Industrial
Brokerage fee	Commonly one month’s rent	Same as Office	Same as Office
Legal fees	Each party typically bears its own costs	Same as Office	Same as Office
Stamp duty / registration	No stamp duty; long leases registered at the Lands and Deeds Registry	Same as Office	Same as Office
Reservation deposit	Not standard; used for pre-lets	Used in mall pre-letting	Used for build-to-suit

Source: CBRE Excellerate Research; Landlord and Tenant (Business Premises) Act; Bank of Zambia currency directives; ZRA guidance. Market practice: indicative and deal-specific.

Operational terms: suburban Grade A offices offer parking and back-up power, while CBD buildings are constrained

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

Item	Office	Retail	Industrial
Parking ratio	Stronger in Kabulonga and Mass Media; constrained in the CBD	Mall parking is a key driver	Yard and truck access are key
Operating hours	Business hours; 24/7 access in Grade A	Malls set trading hours	Often extended, subject to estate rules
Cleaning responsibility	Tenant internal; landlord common areas via service charge	Same as Office	Tenant internal; estate common areas
Building access	Access control and security standard in Grade A	Governed by mall security	Gated estates with controlled truck access

Source: CBRE Excellerate Research; Landlord and Tenant (Business Premises) Act; Bank of Zambia currency directives; ZRA guidance. Market practice: indicative and deal-specific.

— Market Outlook



Outlook: selective opportunities in modern warehousing, recovering malls and well-located Grade A offices



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



Office

Property cycle position: **Market Decline Slowing**

Grade A occupancy is about 70–80% and prime rents fell over the past year, but limited new supply is helping the market stabilise.

Outlook: Institutional, diplomatic and mining-services demand should support well-located Grade A space; older CBD stock will keep losing tenants.



Industrial

Property cycle position: **Market Growth Moderating**

Prime warehousing rents are steady at about US\$4–5/sqm, supported by copper-linked trade, distribution and the economic zones.

Outlook: Demand should hold in Makeni and the MFEZs; El Niño-related power shortages in 2027 are the main operational risk.



Retail

Property cycle position: **Market Growth Accelerating**

Falling inflation, a firmer kwacha and refurbishments such as Arcades have lifted mall occupancy, with listed portfolio vacancy down to 12%.

Outlook: Dominant malls on the Great East Road should keep improving; election-related caution and El Niño may slow consumer spending in 2027.

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 Zambia (2026): GDP, inflation, policy rate, exchange rate, fiscal and external indicators.
- CBRE Excellerate Africa real estate database: graded asking-rent evidence for Lusaka, plus published benchmarks, broker insight and listed property company disclosures.
- ZamStats, Bank of Zambia and Zambia Revenue Authority 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 ZMW with US\$ equivalents at ZMW 19.4/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

- Lusaka 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 legislation, and is deal-specific.
- Data as at H1 2026 unless otherwise stated; F = forecast.

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Market intelligence has been compiled from a range of publicly available real estate research publications, brokerage reports, industry databases and macroeconomic sources. Where information cannot be independently verified across multiple sources, figures should be considered indicative of prevailing market conditions rather than definitive measurements.

Thank you

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