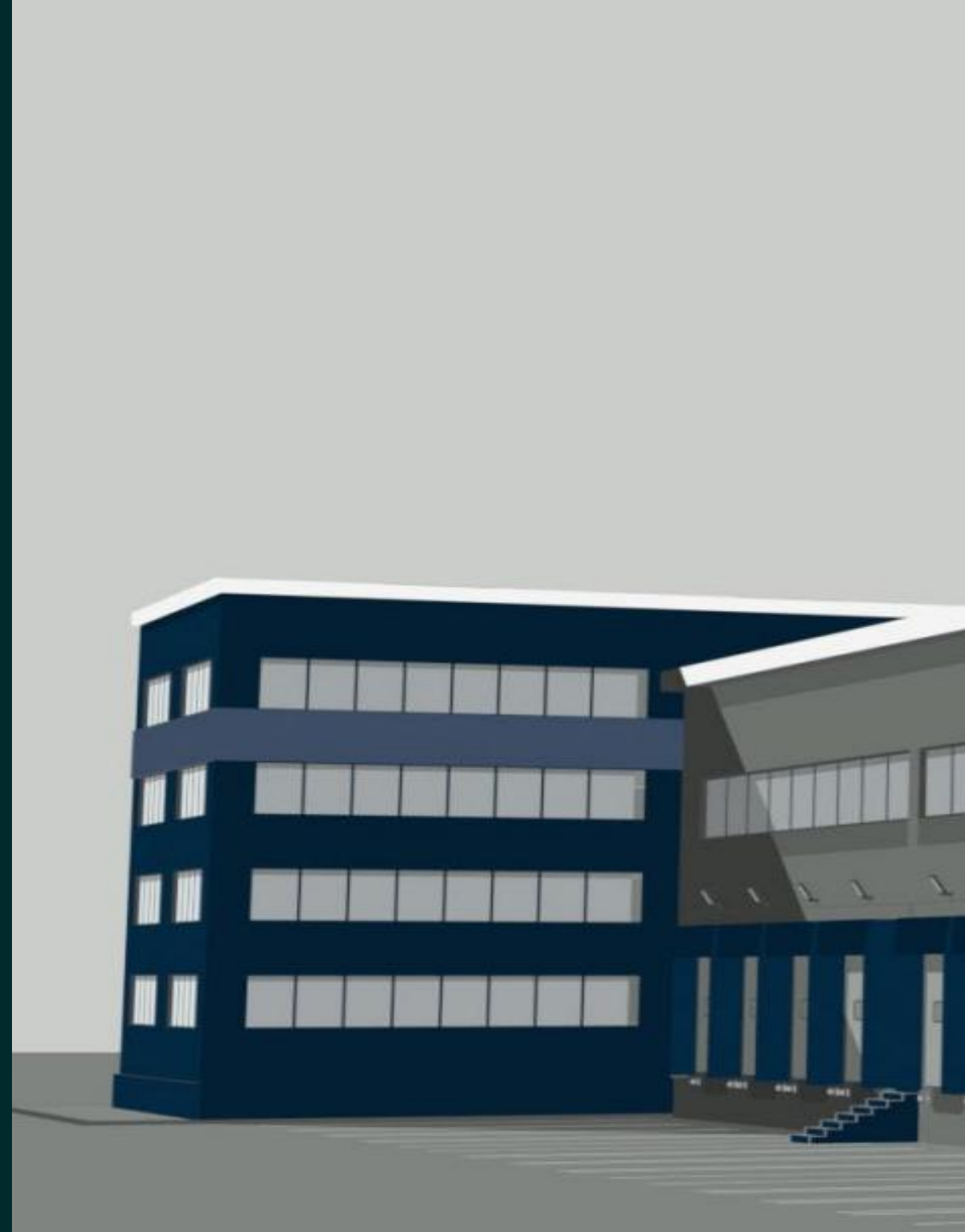


eThekwini Industrial Market Overview

H1 2026

Durban's best-located estates are tight, but most of the metro is softening. High costs and slower growth make this a market where location and cost control decide returns.



Durban’s core estates are tight, but most of the metro is softening and costs are eroding landlords’ returns

▲ **R80.17**

Prime rental, 500m² (R/m²/month)
+5.2% y/y · Q2 2026 +3.8%

▲ **41 of 44**

Nodes with rental growth
Median node +4.4% y/y

▲ **2.55**

Vacancy index (lower = tighter)
Only 11 of 44 nodes at or below 2.0

► **9 of 44**

Nodes with ample serviced land
Land index ≥ 3 · metro 2.25

▲ **R1,744**

Stand value, 5,000m² (R/m²)
+5.8% y/y · central nodes R2,500+

▼ **R28.40**

Operating cost, stand-alone (R/m²)
–3.7% y/y · 35% of gross rent

- Prime 500 m² rentals averaged **R80.17/m² in H1 2026 (+5.2% y/y)**, slowing to +3.8% in Q2, below inflation. Cape Town overtook Durban in Q4 2025, ending its long run as the most expensive industrial metro.
- Growth is broad but shallow: **41 of 44 nodes grew**, but the median node rose only 4.4%. Pinetown & Inner West grew fastest (+7.7% at the median); the Outer West N3 nodes went backwards.
- Durban is the **softest of the three major metros**. Only 11 of 44 nodes have a vacancy index at or below 2.0, and it rose in 27 of 44. The tight core is north-central and port-linked: Moberi, Riverhorse Valley, Mount Edgecombe, Avoca and Briardene.
- The **new northern estates are not yet full**. Cornubia, Dube TradePort and Ballito command R89–100/m² but carry vacancy indices of 2.8–3.1 and the most available land in the metro.
- Costs are the defining issue: operating costs absorb **35% of gross rent**, so net rent (R51.80/m²) is now the lowest of the three major metros despite Durban’s high gross rents.

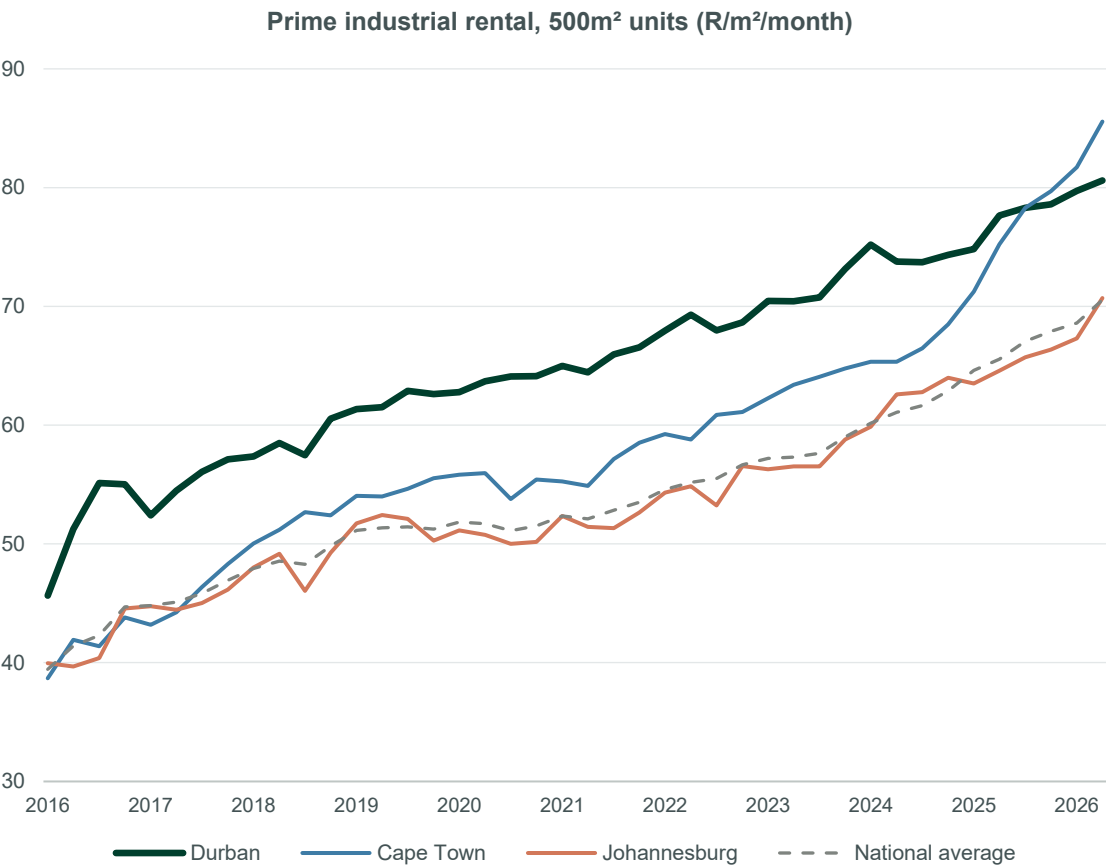
CBRE EXCELLERATE VIEW · SUB-MARKETS

North-Central	▲ Tight core; Riverhorse sets the benchmark
Northern Growth Corridor	► Premium rents; new supply still letting up
South Durban Basin & Port	► Port-linked demand; Moberi tightest node
Pinetown & Inner West	▲ Value catch-up; vacancy edging up
Verulam–Tongaat / Outer West	▼ Soft; ample land, weak demand

We expect **4–6% rental growth**, roughly flat in real terms. Outside the north-central and port-linked core, Durban is **balanced to tenant-favourable**, and returns will depend on cost recovery rather than rent.

H1 = average of Rode quarters 2026:1 and 2026:2. Durban = Rode Durban (eThekweni) region; other KwaZulu-Natal centres shown for context. Source: Rode & Associates, Rode Report 2026:2 (industrial: rentals, vacancy and land indices, stand values, escalations, operating costs); Rode node-level panel data via the CBX industrial property database; SAPOA Industrial Property Trends 2025FY; CBRE Excellerate Research. Node figures are averages of the Rode panel quarters available in each half-year; small panels can exaggerate node-level moves. Sub-markets are CBRE Excellerate groupings of Rode nodes (see methodology).

Durban has lost its rental lead: a decade of growth has only matched inflation

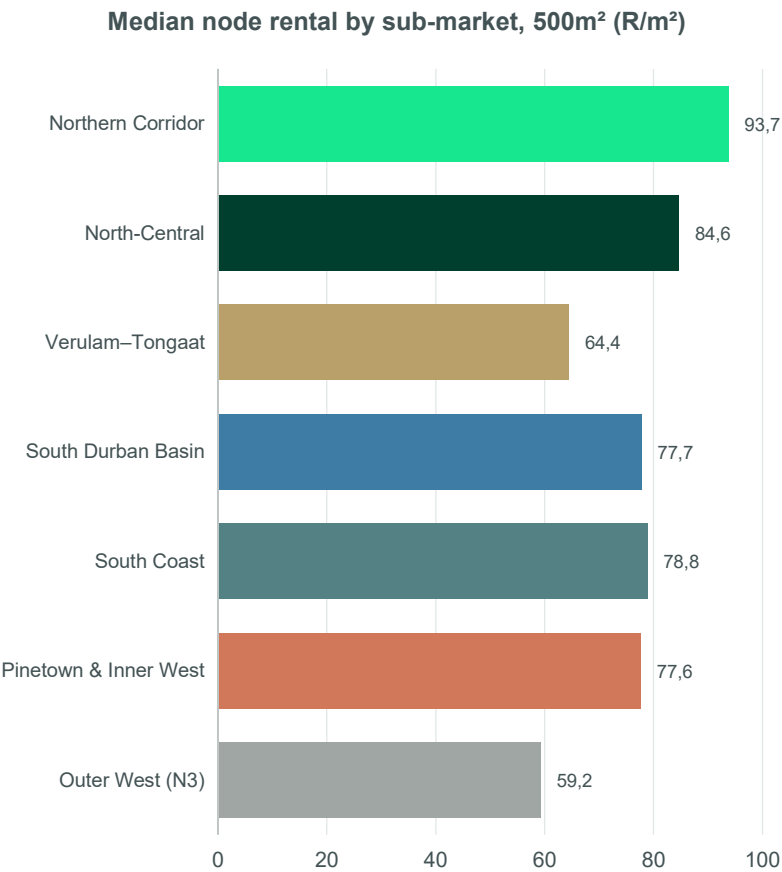


- Durban rents grew **4.5% a year over the past decade**, the slowest of the three major metros and no better than inflation. In 2016 Durban was 25% dearer than Cape Town and Johannesburg; today it is 4% cheaper than Cape Town and only 16% above Johannesburg.
- Real rents have nonetheless recovered to levels that can support new development: new-build rentals of **R135/m²** sit 75% above the R77 market mean. Development is pre-let and concentrated in the northern estates.
- Beyond the metro, KwaZulu-Natal's secondary centres are much thinner markets. Port-linked **Richards Bay** is the exception, with rents comparable to Durban's best estates.

KwaZulu-Natal centre, H1 2026	Rent 500m²	y/y	Vacancy idx
Durban (eThekweni)	R80.17	+5.2%	2.55
Pietermaritzburg	R57.50	+2.0%	2.90
Richards Bay (2 nodes)	R85–95	mixed	–
Ladysmith	R22.50	+12.5%	7.00

H1 = average of Rode quarters 2026:1 and 2026:2. Source: Rode & Associates, Rode Report 2026:2 (industrial: rentals, vacancy and land indices, stand values, escalations, operating costs); Rode Report 2026:2 (pioneer rentals, capitalisation rates); CBRE Excellerate Research. Richards Bay range = two Rode nodes (Alton, Dollar Drive).

The north-central core leads on occupancy; the new northern corridor is premium but still letting up

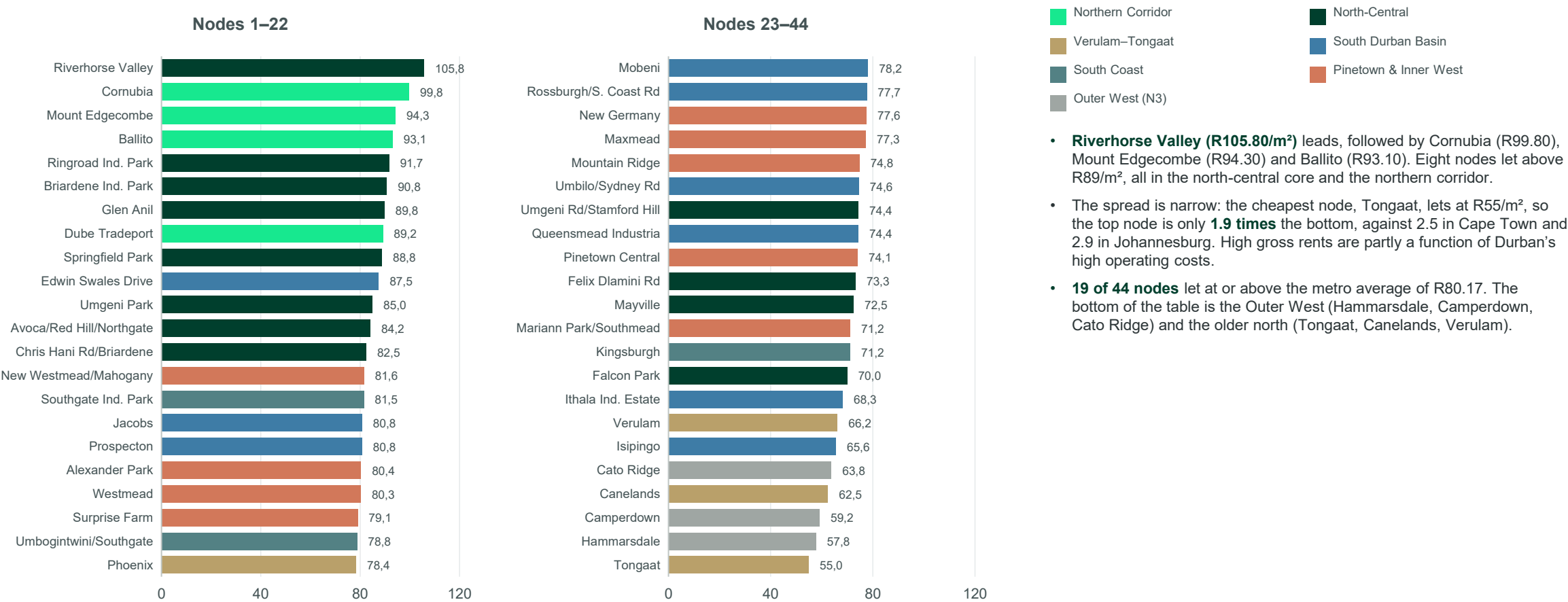


Sub-market	Nodes	Rent 500m²	y/y	Vacancy idx (H1 25 → 26)	Land 1,000m²	Land idx
Northern Corridor	4	R93.7	+5.2%	2.68 → 2.64	R2,275	3.57
North-Central	12	R84.6	+4.4%	2.36 → 2.45	R2,480	2.18
Verulam-Tonga	4	R64.4	+3.2%	3.66 → 3.64	R1,230	2.60
South Durban Basin	9	R77.7	+3.4%	2.37 → 2.45	R2,167	1.73
South Coast	3	R78.8	+1.9%	2.88 → 2.32	R1,938	2.30
Pinetown & Inner West	9	R77.6	+7.7%	2.59 → 2.78	R1,750	1.91
Outer West (N3)	3	R59.2	-0.6%	3.02 → 3.12	R1,168	5.24

- **North-Central** (Riverhorse Valley, Springfield, Briardene, Avoca) is Durban’s prime industrial core: median R84.60/m², home to most of the metro’s tightest nodes, with land at R2,500/m².
- **Northern Growth Corridor** has the highest rents (median R93.70) but average vacancy of 2.6 and the most land (index 3.6). New stock in Cornubia, Dube TradePort and Ballito is still being absorbed.
- **Pinetown & Inner West** grew fastest (+7.7%) as occupiers seek value, though vacancy is edging up. **South Durban Basin & Port** is steady (+3.4%); Moveni is the tightest node in the metro.
- **Verulam-Tonga** and the **Outer West (N3)** are the soft end: vacancy above 3, flat rents and abundant land.

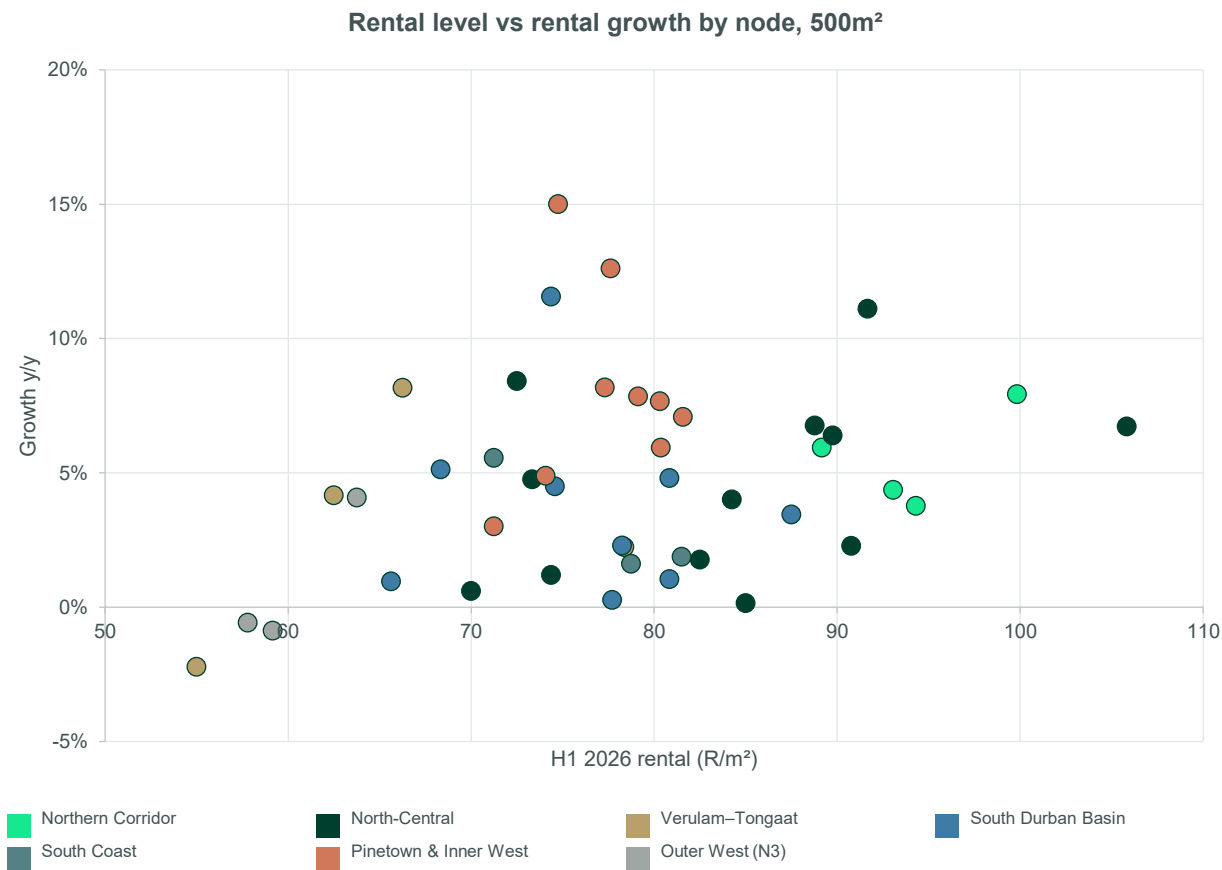
H1 = average of Rode quarters 2026:1 and 2026:2. Median of node values per sub-market (vacancy and land: mean). Rentals = 500m² prime gross; stand values = 1,000m², latest four quarters. Source: Rode & Associates via CBX industrial property database. Node figures are averages of the Rode panel quarters available in each half-year; small panels can exaggerate node-level moves. Sub-markets are CBRE Excellerate groupings of Rode nodes (see methodology).

A narrow R51/m² spread: 36 of 44 Durban nodes let above Johannesburg's average rent



H1 = average of Rode quarters 2026:1 and 2026:2. Prime gross rental for 500m² units, R/m²/month, H1 2026; nodes with H1 2026 data. Source: Rode & Associates via CBX industrial property database. Node figures are averages of the Rode panel quarters available in each half-year; small panels can exaggerate node-level moves. Sub-markets are CBRE Excellerate groupings of Rode nodes (see methodology).

Growth is broad but shallow: the median node is barely keeping pace with inflation

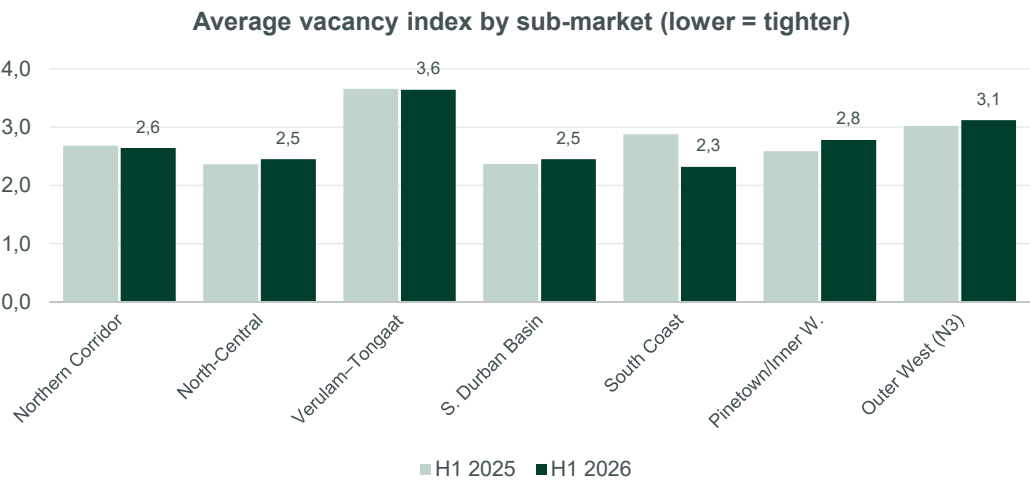


Fastest growth	R/m ²	y/y
Mountain Ridge	74.8	+15.0%
New Germany	77.6	+12.6%
Queensmead Industria	74.4	+11.6%
Ringroad Ind. Park	91.7	+11.1%
Mayville	72.5	+8.4%
Maxmead	77.3	+8.2%
Verulam	66.2	+8.2%
Cornubia	99.8	+7.9%
Weakest	R/m ²	y/y
Tonga	55.0	-2.2%
Camperdown	59.2	-0.9%
Hammar	57.8	-0.6%
Umgeni Park	85.0	+0.1%
Rosburgh/S. Coast Rd	77.7	+0.3%
Falcon Park	70.0	+0.6%

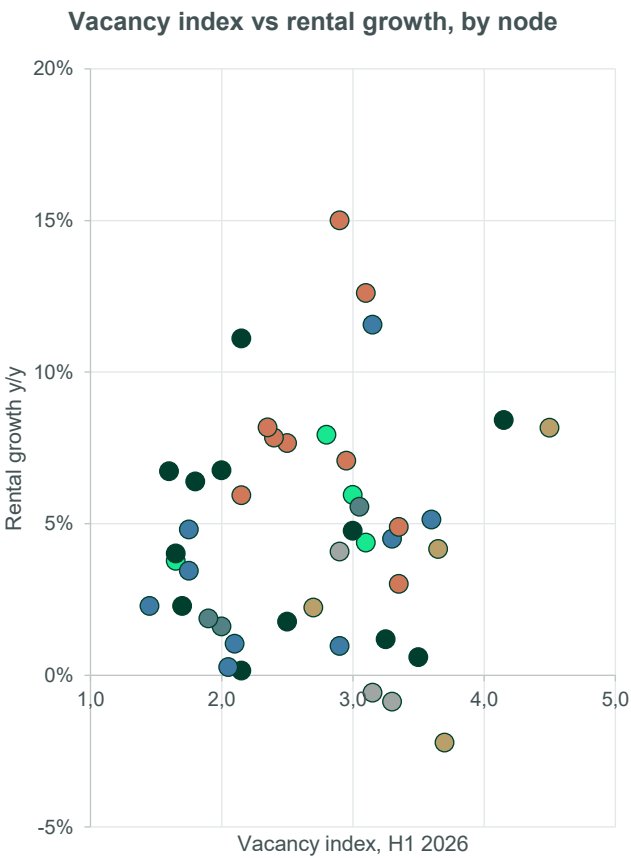
- **41 of 44 nodes** grew, but the median rose only **4.4%**, about the rate of inflation, and no node grew faster than 15%.
- The fastest growth is in **mid-priced Pinetown and inner-west nodes** (Mountain Ridge, New Germany, Maxmead, Surprise Farm) and in Ringroad (+11%) as occupiers trade sideways from the expensive north.
- The premium tier is growing modestly: Riverhorse +6.7%, Cornubia +7.9%, Mount Edgecombe +3.8%.
- Only three nodes fell, all marginally and all on the edges: Tonga, Camperdown and Hammar.

H1 = average of Rode quarters 2026:1 and 2026:2. Rental growth = H1 2026 vs H1 2025, 500m² units. Source: Rode & Associates via CBX industrial property database. Node figures are averages of the Rode panel quarters available in each half-year; small panels can exaggerate node-level moves. Sub-markets are CBRE Excellerate groupings of Rode nodes (see methodology).

Vacancy is rising in more nodes than it is falling; the tight core is small and centrally located



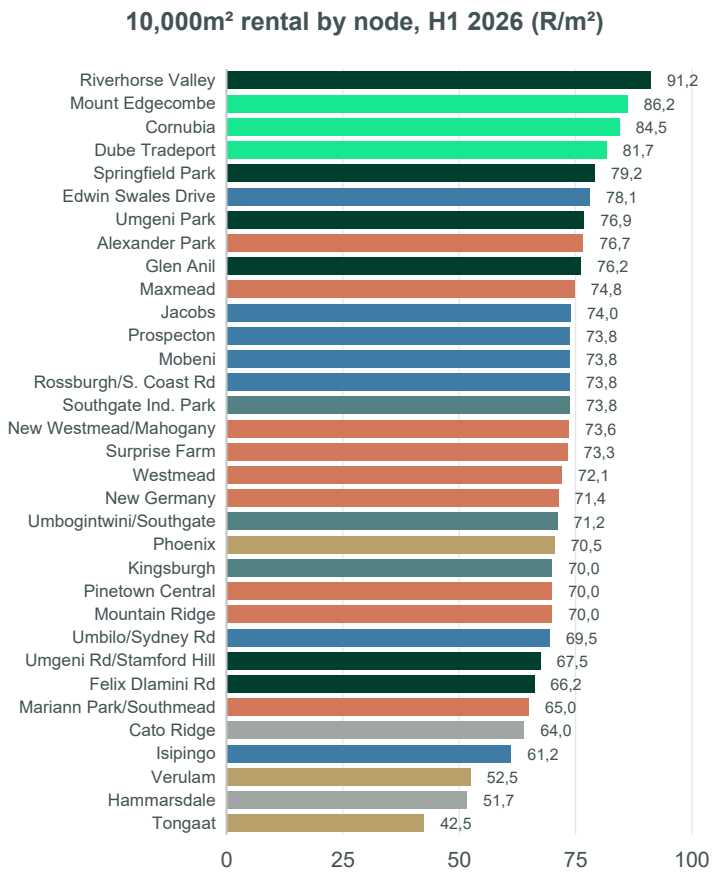
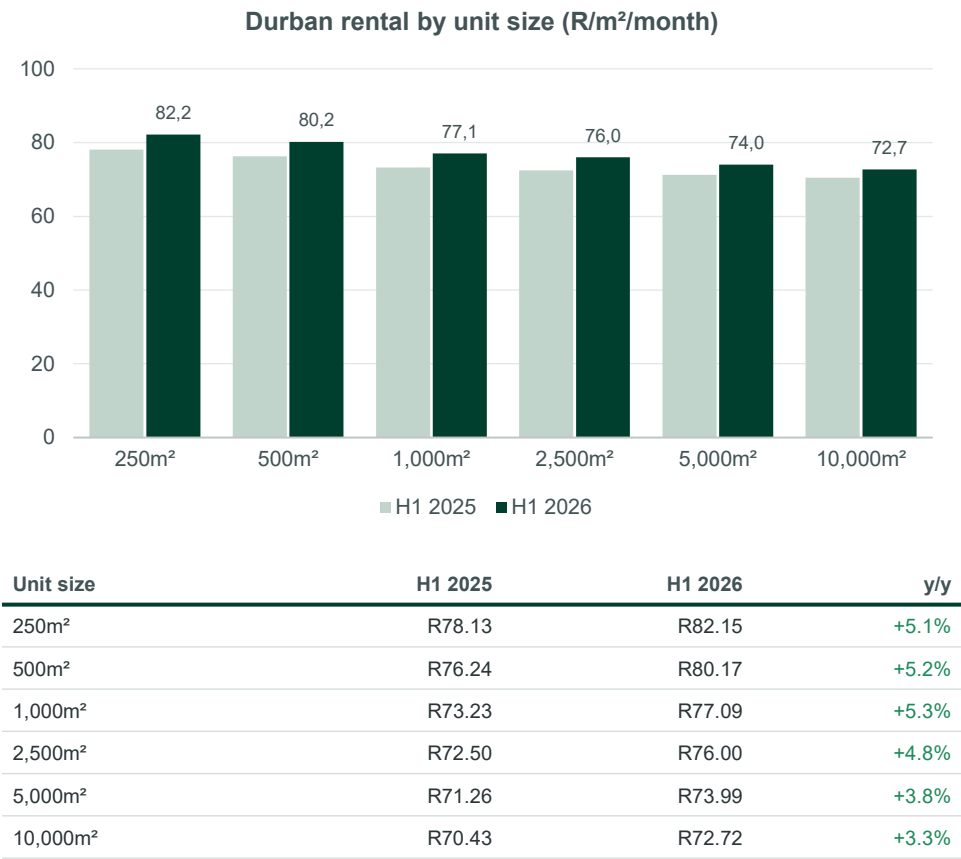
Tightest nodes	Index	Δ y/y	Softest nodes	Index	Δ y/y
Mobeni	1.45	-0.05	Verulam	4.50	-0.17
Riverhorse Valley	1.60	-0.01	Mayville	4.15	+0.15
Avoca/Red Hill/Northgate	1.65	+0.10	Tonga	3.70	+0.03
Mount Edgecombe	1.65	+0.05	Canelands	3.65	+0.02
Briardene Ind. Park	1.70	-0.01	Ithala Ind. Estate	3.60	+0.10



- Only **11 of 44 nodes** have a vacancy index at or below 2.0 (Cape Town 34 of 47), and 18 are at 3.0 or higher.
- The index rose in **27 nodes** and fell in 16. Pinetown & Inner West and the North-Central fringe softened; only the South Coast improved materially.
- The tight core is small: **Mobeni (1.45)**, Riverhorse Valley, Mount Edgecombe, Avoca and Briardene. Vacancy does not explain growth here; cost and location do.

H1 = average of Rode quarters 2026:1 and 2026:2. Rode vacancy index (1–9 panel scale; lower = tighter; below 3 indicates vacancy of roughly 0–5%). Change = H1 2026 vs H1 2025. Source: Rode & Associates via CBX industrial property database. Node figures are averages of the Rode panel quarters available in each half-year; small panels can exaggerate node-level moves. Sub-markets are CBRE Excellerate groupings of Rode nodes (see methodology).

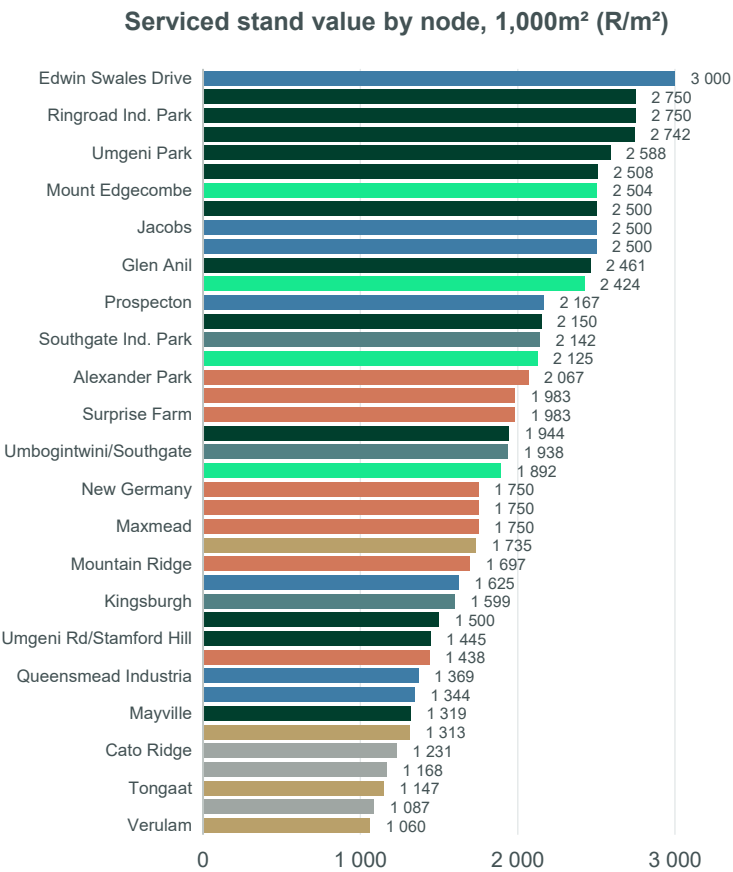
Big-box rents are concentrated in a few north-central estates; large-unit growth lags small units



- Small units of 250–1,000 m² grew **5.1–5.3%**, while 5,000 m² (+3.8%) and 10,000 m² (+3.2%) lagged. Large-box occupiers have more negotiating room in Durban than in either other metro.
- **Riverhorse Valley (R91.30)**, Mount Edgecombe (R86.30) and Cornubia (R84.50) set the big-box benchmark, a R10–20/m² premium over the South Durban Basin (R61–78).
- Logistics remains the structural demand driver, with distribution centres now the largest segment of the national industrial investment index. Port-linked demand anchors the South Durban Basin, but port and rail performance remain a constraint.

H1 = average of Rode quarters 2026:1 and 2026:2. Source: Rode & Associates (Durban averages and node panel data); SAPOA Industrial Property Trends 2025FY (index segments). Node figures are averages of the Rode panel quarters available in each half-year; small panels can exaggerate node-level moves. Sub-markets are CBRE Excellerate groupings of Rode nodes (see methodology).

Durban’s paradox: land is available but expensive, because it is concentrated in few hands



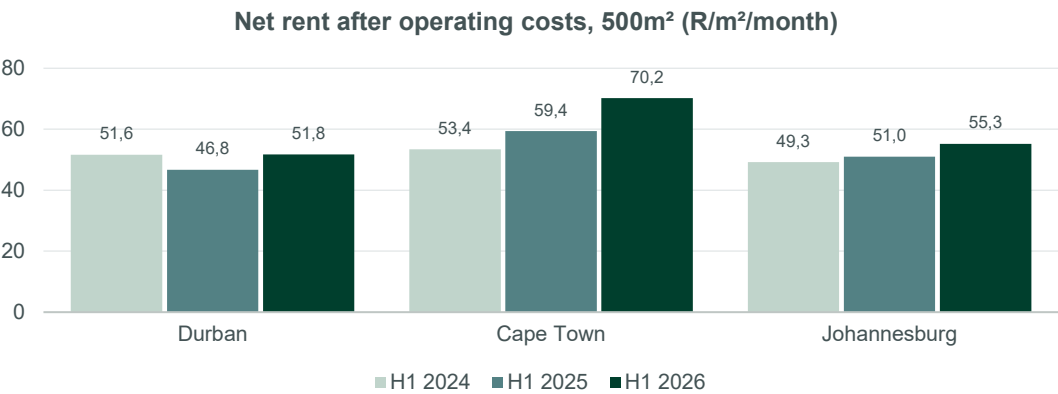
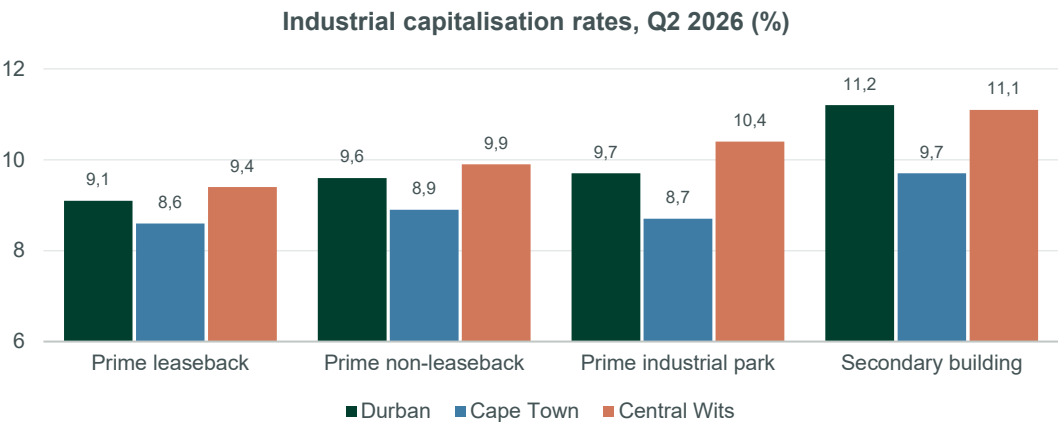
Most land available	Land idx	Stand R/m²
Camperdown	5.82	R1,087
Dube Tradeport	5.50	R2,125
Cato Ridge	5.16	R1,231
Falcon Park	5.00	R1,500
Hammarisdale	4.74	R1,168
Cornubia	3.76	R2,424
Ballito	3.30	R1,892

Sub-market	Land idx	Land-to-rent
Northern Corridor	3.57	2.2 yrs
North-Central	2.18	2.4 yrs
Verulam–Tonga	2.60	1.9 yrs
South Durban Basin	1.73	2.3 yrs
South Coast	2.30	2.1 yrs
Pinetown & Inner West	1.91	1.9 yrs
Outer West (N3)	5.24	1.7 yrs

- Unlike Cape Town and Johannesburg, Durban is not short of serviced land: only 1 of 44 nodes are near capacity, and 9 have ample stands. Most of it is in the **northern corridor** (Dube TradePort 5.5, Cornubia 3.8, Ballito 3.3) and the **Outer West** (index 4.7–5.8).
- Yet land in established nodes costs **R2,500–3,000/m²** (Edwin Swales Drive, Ringroad, Briardene, Riverhorse), as much as Cape Town’s core. In the central nodes land costs 2.3–3.0 years of rent.
- The explanation is ownership: much of the developable land sits with a small number of large landowner-developers, who have held back its release. That keeps central land values high even as availability rises.
- The Outer West N3 corridor offers the cheapest land (R1,090–1,230/m², 1.7 years of rent) for Gauteng-facing logistics, but demand there is still weak.

Stand values = Rode market values for serviced 1,000m² stands, R/m² excl VAT, average of the latest four quarters (2025:3–2026:2). Land availability = Rode stand vacancy index (lower = scarcer). Land-to-rent = stand value ÷ annual 1,000m² rental (CBRE Excellerate analysis). Source: Rode & Associates via CBX industrial property database. Node figures are averages of the Rode panel quarters available in each half-year; small panels can exaggerate node-level moves. Sub-markets are CBRE Excellerate groupings of Rode nodes (see methodology).

High costs and negative reversions mean landlords must win on cost recovery, not rent



- Durban prime leasebacks trade at **9.1%**, between Cape Town (8.6%) and Johannesburg (9.4%). Secondary buildings trade at 11.2%, the widest spread to prime of the three metros: investors pay up for location.
- Stand-alone operating costs of **R28.40/m²** are twice those of the other metros and are up 24% in two years. Net rent of **R51.80/m²** is no higher than in H1 2024 and the lowest of the three metros.
- Escalations of **6.93%** still outpace rental growth, so renewals reset 2–11% below contract rent. Landlords are trading rent for occupancy.
- KwaZulu-Natal recorded **two of 2025's 20 largest industrial sales (R369m)**, both in the tight north-central core: Adcock Ingram, Riverhorse Valley (R254m, fourth-largest nationally) and 133 Flanders Drive, Mount Edgecombe (R115m).

35%

Operating costs as a share of 500m² gross rent (Cape Town 16%, Johannesburg 20%)

-6%

Reversion on a lease signed in H1 2024, renewing in H1 2026

2 of 20

KZN share of SA's largest industrial sales, 2025 (R369m), both north-central

1.2%

KwaZulu-Natal share of national index capital value (Gauteng 6.7%)

Source: Rode Report 2026:2 (capitalisation rates, escalations, operating expenses); SAPOA Industrial Property Trends 2025FY (largest sales, index weights, operating costs). Net rent = 500m² gross rental less stand-alone operating cost; reversion: lease signed at the H1 market rent, escalated at 6.93% (CBRE Excellerate analysis).

Sub-market outlook: where we expect rents to hold up, and where occupiers have leverage

Sub-market	Rents	Vacancy	Our view	Key nodes
North-Central (Riverhorse–Springfield)	▲	▶	Durban’s prime core: tight, well located and the focus of investment. Rents keep growing above the metro.	Riverhorse Valley, Springfield, Briardene, Avoca
Northern Growth Corridor	▶	▼	Premium new estates still letting up. Vacancy should fall as stock is absorbed, but rent growth will stay modest.	Cornubia, Dube TradePort, Mount Edgecombe
South Durban Basin & Port	▶	▶	Port-linked demand anchors occupancy; growth depends on port and rail performance.	Mobeni, Jacobs, Prospecton, Edwin Swales
Pinetown & Inner West	▲	▲	Value catch-up continues, but rising vacancy will cap rents.	New Germany, Westmead, Maxmead
South Coast	▶	▼	Small market; occupancy improving from a soft base.	Southgate, Umbogintwini, Kingsburgh
Verulam–Tongaat & Phoenix	▶	▶	Soft and older; an occupier’s market with flat real rents.	Phoenix, Verulam, Canelands
Outer West (N3)	▶	▶	Cheapest land on the Gauteng corridor; a long-term logistics option but weak current demand.	Cato Ridge, Hammarsdale, Camperdown

CBRE Excellerate Research views based on Rode data to 2026:2. Arrows refer to the next 12 months. Sub-markets are CBRE Excellerate groupings of Rode nodes.

Outlook: in a two-speed market, cost control will drive returns more than rental growth

OCCUPIERS

- Negotiate on **total occupancy cost**: operating costs of R28–34/m² are a third of gross rent, twice the level in the other metros.
- Renewals favour you: contract rents sit 2–11% above market. Reset rent and cap escalations at 6.5–7%.
- Big boxes and the softer north and outer west (Verulam, Tongaat, Hammarsdale) offer the most leverage.

LANDLORDS & DEVELOPERS

- Protect net income: move to full cost recovery and invest in solar and water resilience to cut the electricity bill.
- Retention beats re-letting while reversions are negative and vacancy is rising.
- Develop pre-let only, and only in proven estates: Riverhorse, Cornubia, Dube TradePort and the port precinct.

INVESTORS

- A small market (**1.2% index weight**) where stock selection matters more than the metro trend: national industrial returns span 6–17%.
- Favour the north-central core and port-linked estates, where vacancy indices are 1.45–1.75 and 2025's deals traded.
- Underwrite operating costs and municipal risk explicitly; price older peripheral stock on yield (11%+), not growth.

CBRE EXCELLERATE FORECAST INDICATORS

Indicator	H1 2026	H2 2026F	2027F
Prime rental, 500m ² (R/m ²)	R80.17	R81–82	R83–85
Rental growth y/y	+5.2%	+3–5%	+4–6%
Median node rental growth	+4.4%	+3–5%	+4–6%
Vacancy index	2.55	2.4–2.7	2.4–2.7
Land availability index	2.25	2.1–2.5	2.1–2.5
Stand value, 5,000m ² (R/m ²)	R1,744	R1,740–1,790	R1,790–1,850
Operating cost, stand-alone (R/m ²)	R28.40	R28.5–29.5	R30.0–31.5

KEY RISKS TO THE VIEW

- Electricity and municipal tariff increases pushing operating costs back up after the H1 2026 dip.
- Port and rail performance: delays at the Port of Durban hurt the port-linked nodes that anchor demand.
- Further interest rate hikes after September's increase, slowing expansion and pushing yields out.
- Upside: faster absorption of the northern corridor's new stock and a port recovery lifting logistics demand.

Forecasts are CBRE Excellerate Research views. F = forecast. Source: Rode & Associates; SAPOA Industrial Property Trends 2025FY (return dispersion).

Methodology, definitions and sub-market groupings

DATA SOURCES & DEFINITIONS

Rode & Associates: node-level panel data (prime rentals by unit size, vacancy index, stand values, stand vacancy index) via the 2026 South Africa Industrial Property Database (CBX), quarterly to 2026:2; Rode Report 2026:2.

SAPOA Industrial Property Trends Report 2025FY: largest sales, index weights and segments, operating costs; headline figures only.

H1 2026 = average of available Rode quarters 2026:1–2026:2 per node, vs H1 2025. **Durban** headline = Rode Durban average. **Vacancy index:** Rode 1–9 panel scale (lower = tighter). **Stand values:** latest four quarters. **Land-to-rent** = stand value ÷ annual 1,000 m² rental.

SUB-MARKETS (1)

Northern Growth Corridor: Cornubia, Dube TradePort, Mount Edgecombe, Ballito.

North-Central (Riverhorse–Springfield): Riverhorse Valley, Ringroad, Avoca/Red Hill/Northgate, Falcon Park, Springfield Park, Briardene IP, Chris Hani Rd/Briardene, Glen Anil, Umgeni Park, Umgeni Rd/Stamford Hill, Felix Dlamini Rd, Mayville.

Verulam–Tonga & Phoenix: Verulam, Canelands, Tongaat, Phoenix.

SUB-MARKETS (2)

South Durban Basin & Port: Mobeni, Jacobs, Prospecton, Rosburgh/South Coast Rd, Edwin Swales Drive, Umbilo/Sydney Rd, Isipingo, Queensmead, Ithala Industrial Estate. **South Coast:** Umbogintwini/Southgate, Southgate IP, Kingsburgh.

Pinetown & Inner West: Pinetown Central, New Germany, Mountain Ridge, Westmead, New Westmead/Mahogany, Mariann Park, Alexander Park, Surprise Farm, Maxmead. **Outer West (N3):** Hammarsdale, Cato Ridge, Camperdown.

Other KZN centres (context only): Pietermaritzburg, Richards Bay/Empangeni, Ladysmith. Groupings are CBRE Excellerate’s and can be adjusted.

Disclaimer: This report has been prepared in good faith based on CBRE Excellerate’s current views of the industrial real estate market, using data from Rode & Associates, SAPOA and MSCI. Node-level panel data are based on small samples and can be volatile. Projections and forecasts are indicative only. Supporting data: Durban_Industrial_Nodes_H1_2026_Supporting_Data.xlsx.

Thank you

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Gracias ধন্যবাদ Salamat धन्यवाद Obrigado 謝謝 Спасибо 감사합니다 Merci תודה شكره Danke ありがとう Terima Kasih شکرا

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