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EAPI SUMMIT · NAIROBI · MAY 2026

# AFRICAN REAL ESTATE IN AN ERA OF GLOBAL TURBULENCE

*Five themes shaping African Real Estate landscape*

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# Five Mega Themes

## *Shaping the Landscape*

**01** **Infrastructure Is the New Location**  
*There is momentum that is evident but still a large gap to close. This is yielding CRE opportunity*

**03** **African Real Estate Is Finding Its Correct Price**  
*Disparate pricing conditions exist more than is realized.*

**05** **Capital Structure Catching Up**  
*The exit constraint is being dismantled in real time.*

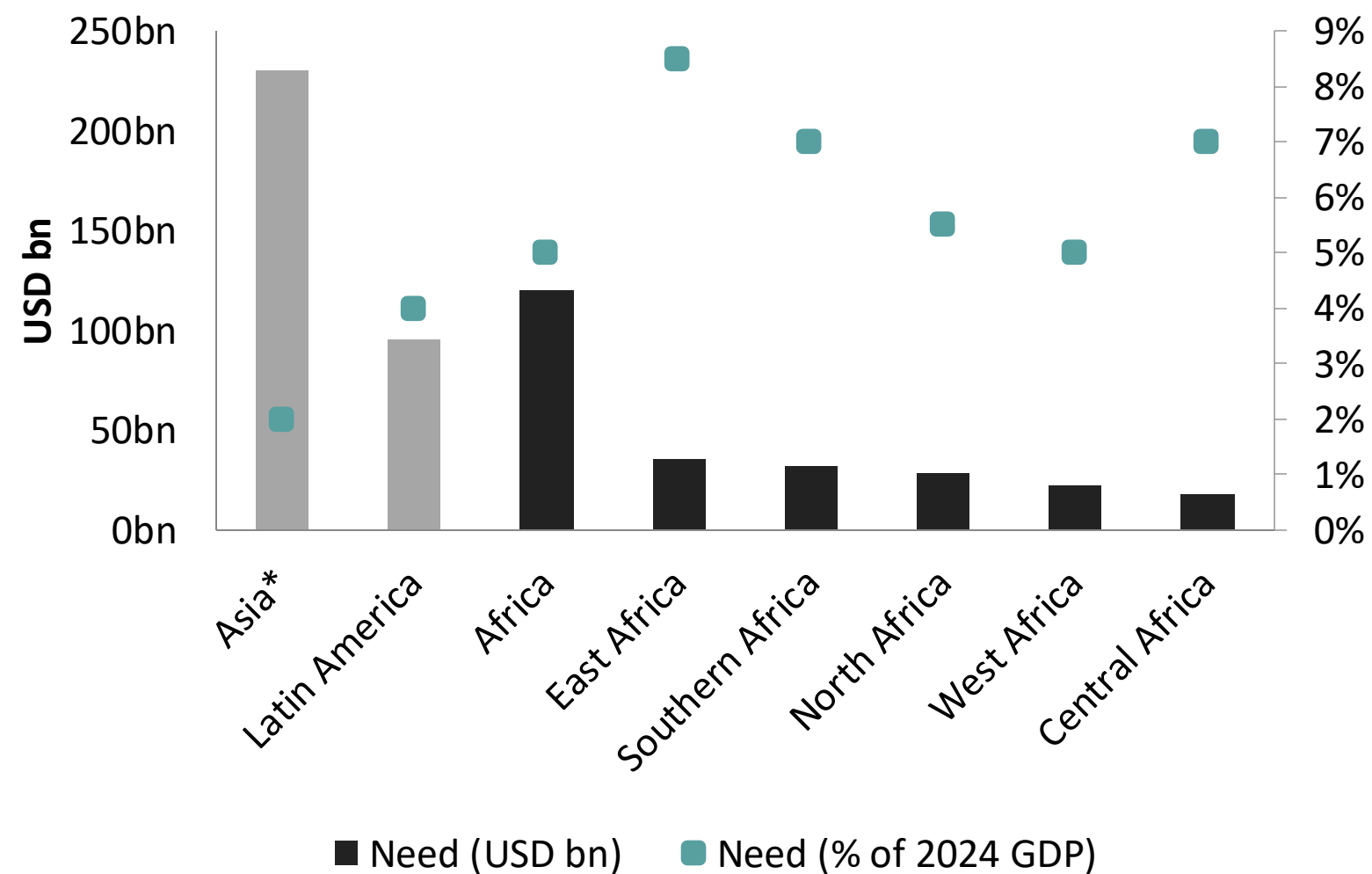
**02** **Impact Asset Classes Must Commercialise**  
*Demographic fundamentals and absence of aid requires faster commercialization.*

**04** **The Capital is there but requires more platforms**  
*Pension capital is rational in bonds - until vehicles and sovereign risk change the math.*

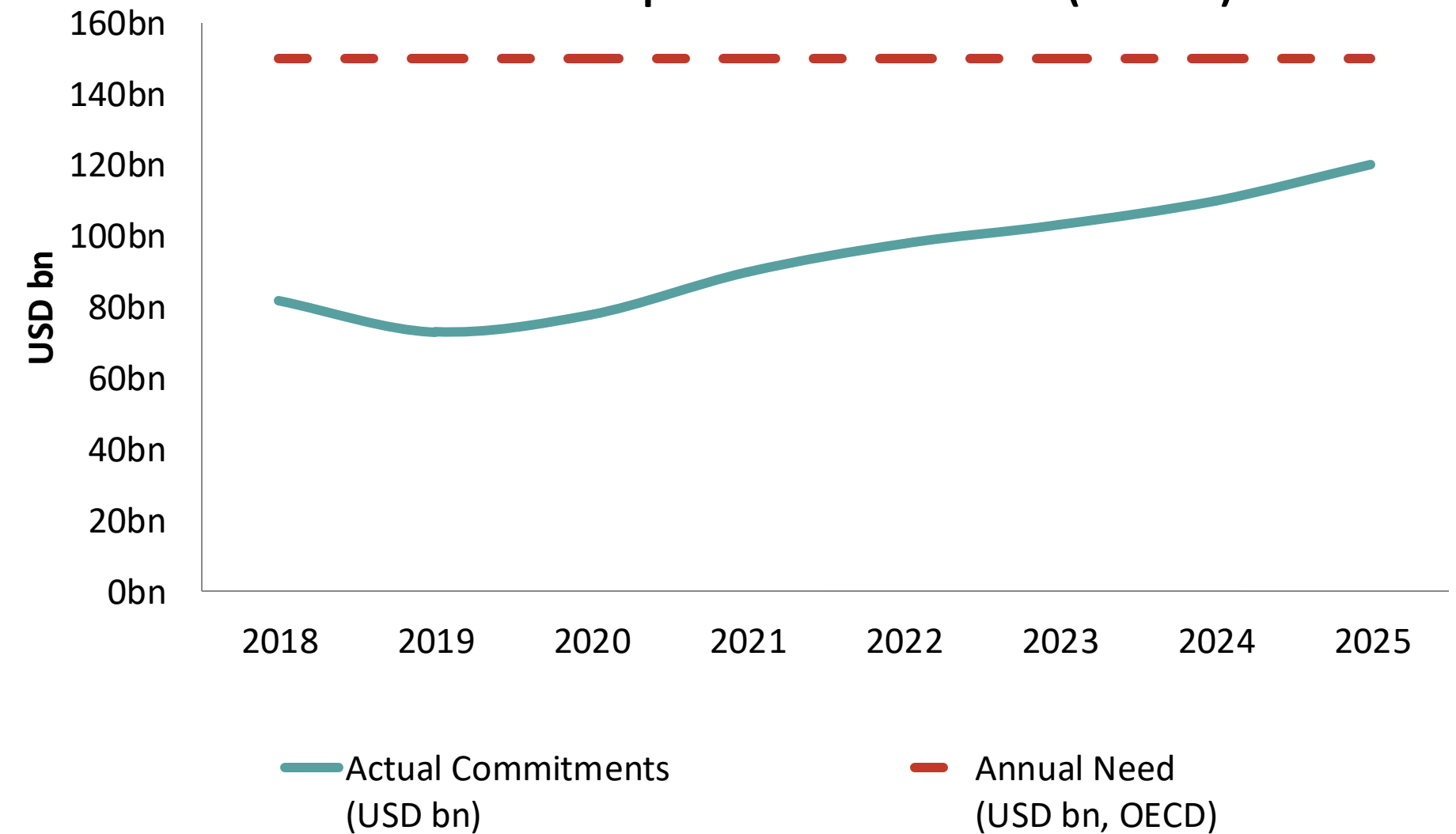
# Infrastructure is the new “location”

USD BN (BARS) · % OF 2024 GDP (DOTS)

### Annual Infrastructure Investment Needed to 2040 (USD bn)



### Africa Infrastructure Spend: Actual vs. Need (USD bn)



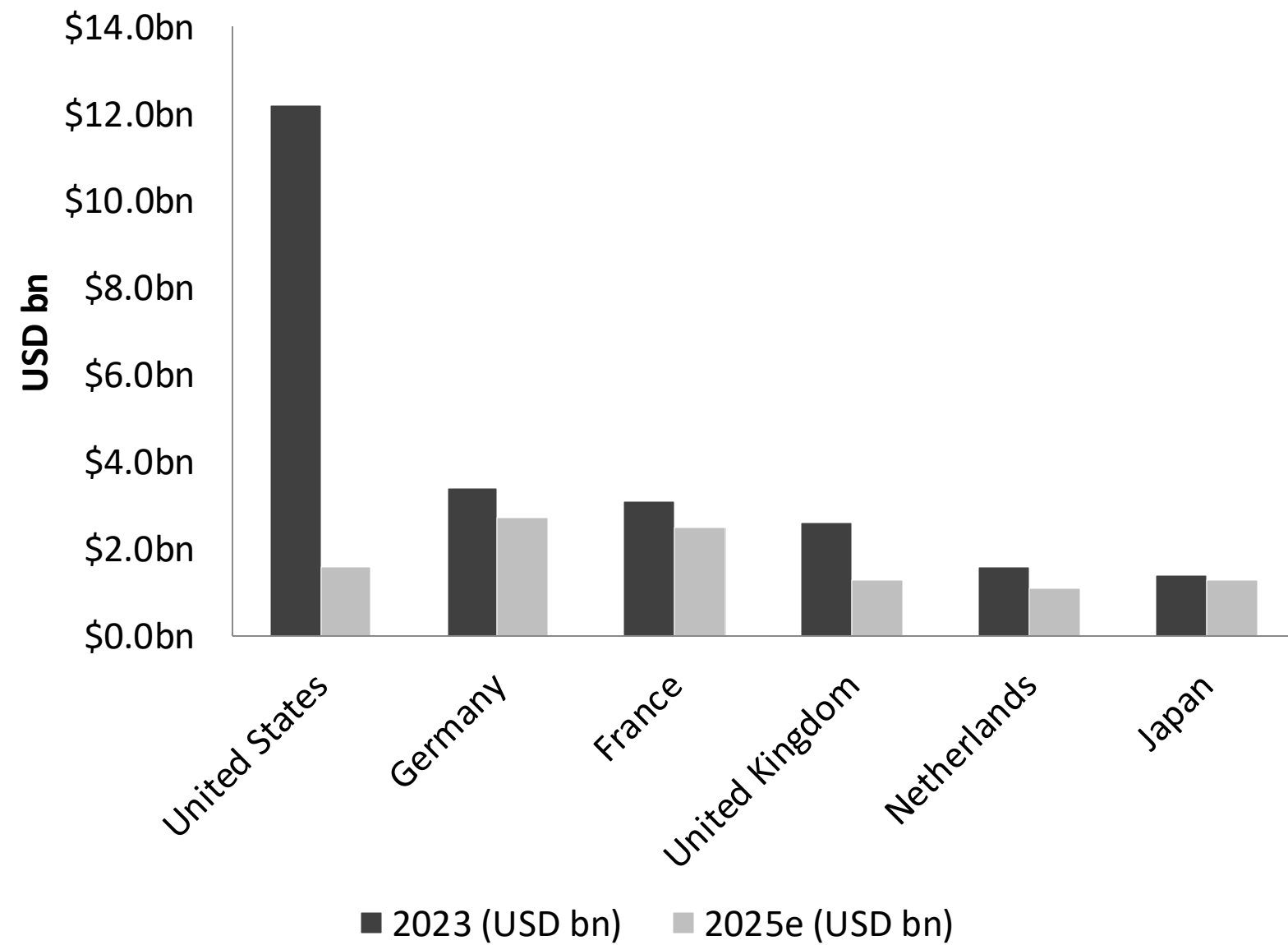
Source · OECD, Africa's Development Dynamics 2025.

Source · ICA/AfDB Infrastructure Financing Trends; Broll analysis.

USD BN · ANNUAL COMMITMENTS VS. NEED

# Impact asset classes must now commercialize

Top DAC Donors to Africa: 2023 vs 2025E (USD bn)



Source · ForeignAssistance.gov; OECD-DAC preliminary 2025 estimates.

Africa's housing deficit is far greater than the lost aid, other impact asset classes

RELATIVE SCALE · USD BILLIONS, ANNUAL

**\$1.4 trillion**

AFRICAN HOUSING DEFICIT

~51M unit deficit · priced commercially.



ALL DAC BILATERAL AID TO AFRICA

2023 · \$42bn

3.0% of the demand

2025e · \$28bn

2.0% of the demand

AND OF THAT...

80% of USAID contractors were **American**.

Source · CAHF Africa Housing Finance Yearbook 2025; UN-Habitat;

# African Real Estate needs to find its correct pricing

## High sovereign risk = high required yields.

African ERPs range from 6.3% (Botswana) to 13.9% (Kenya) — a 7-point spread global models often flatten to a single "Africa risk" assumption.

## Government bonds compete directly with RE.

10-year sovereign yields in higher-risk markets reach 15–18% — a near risk-free alternative to illiquid real estate for local institutional capital.

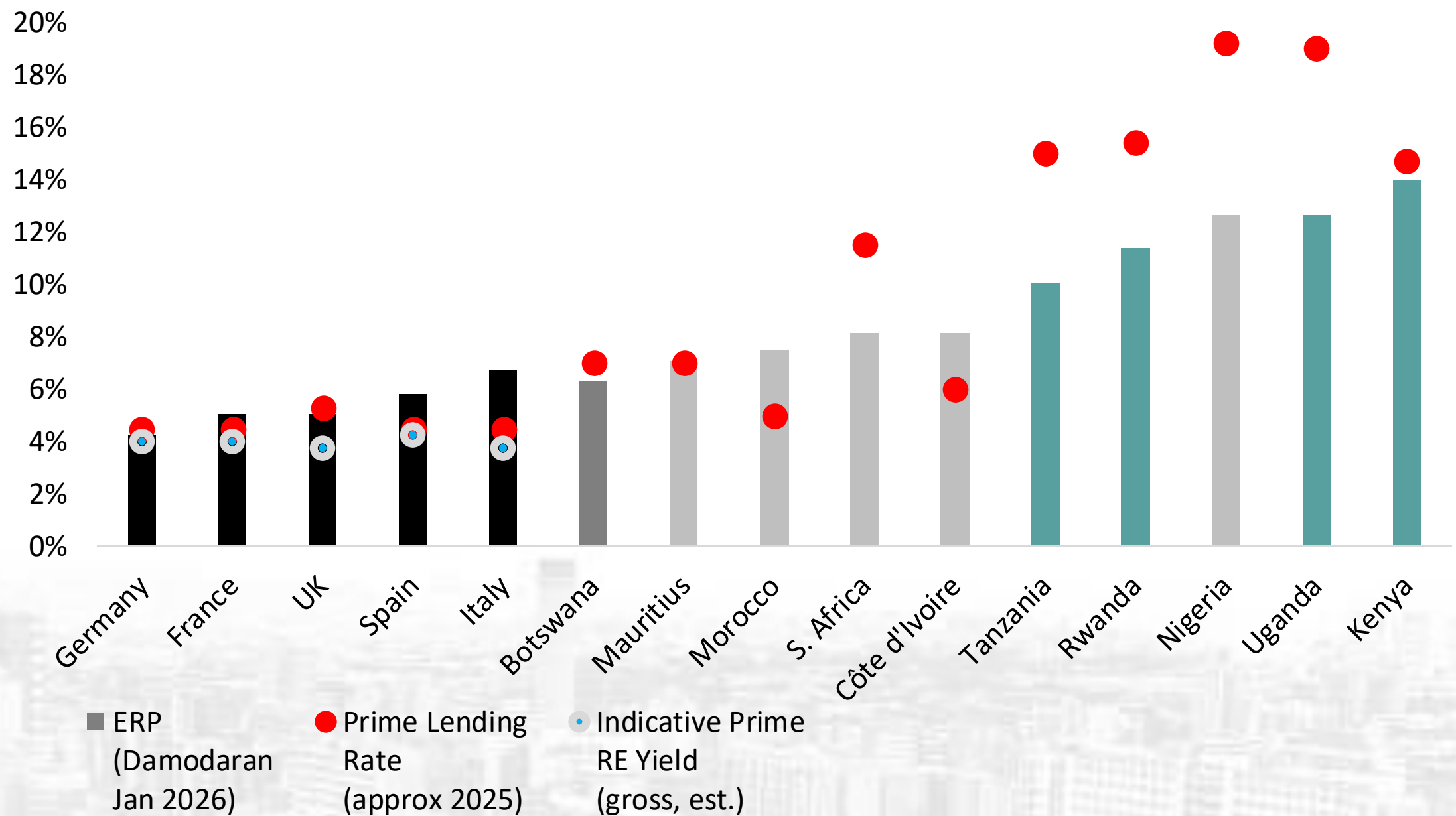
## Only assets with real NOI clear the bar.

The required RE yield is the floor, not the target. Assets priced from genuine income clear. Aspirational pricing does not.

## Lending not accretive

Across the East African Community, prime lending runs higher. Where debt costs more than ERP, leveraged development cannot clear.

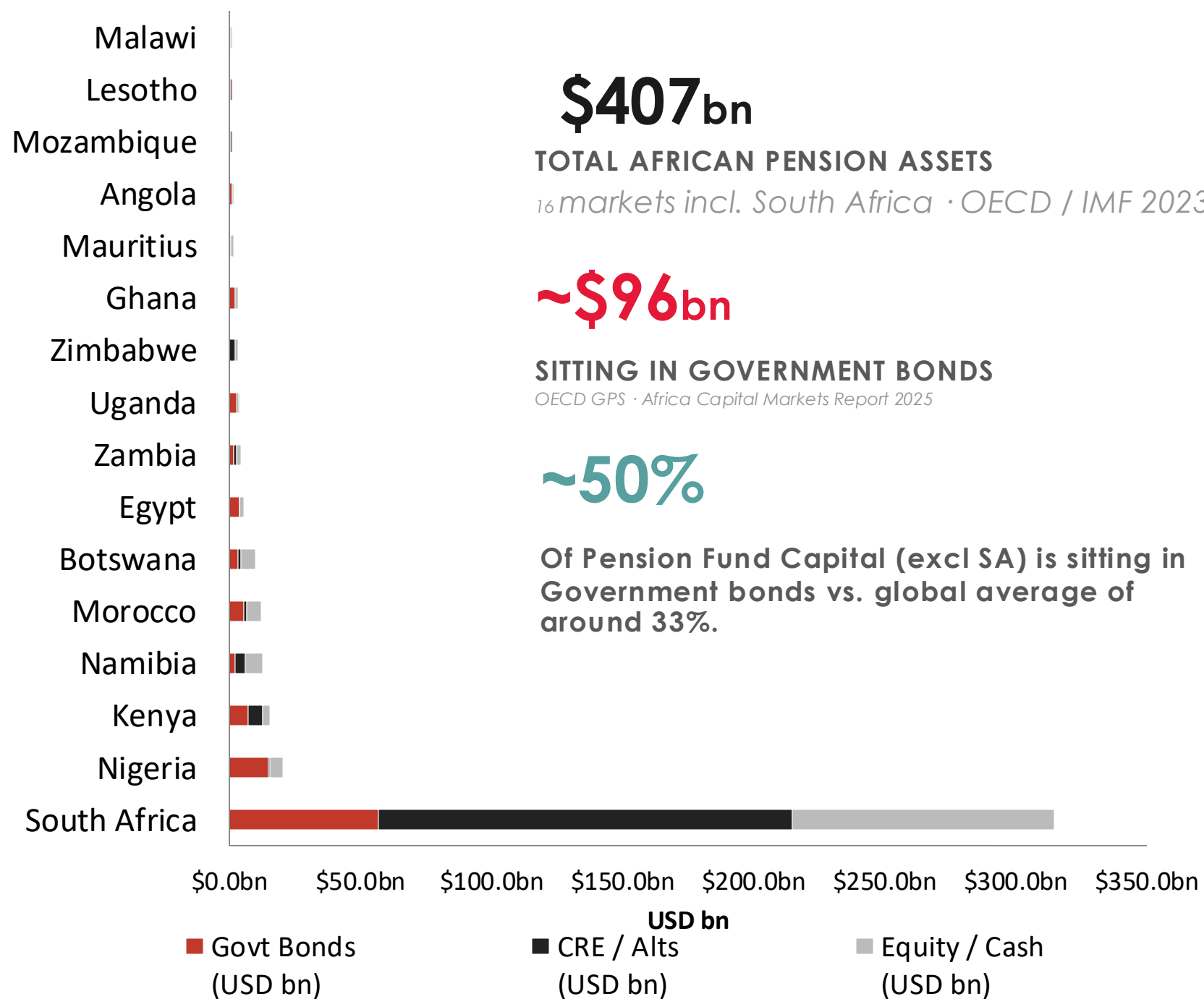
EQUITY RISK PREMIUM · PRIME OFFICE YIELD



SOURCE · DAMODARAN, JAN 2026

# But real estate competes highly with Government Bonds

Pension Assets by Country: Bonds vs CRE vs Other (USD bn)



Country	10yr Govt Bond Yield (approx)	Damodaran ERP (Jan 2026)	Bond vs CRE
5% - 10%			
Botswana	5.8%	6.3%	0.5%
Mauritius	5.5%	7.1%	1.6%
Morocco	3.2%	7.5%	4.3%
S. Africa	8.6%	8.1%	-0.5%
Namibia	10.5%	8.1%	-2.4%
10%- 15%			
Nigeria	15.0%	12.6%	-2.4%
Uganda	15.5%	12.6%	-2.9%
Kenya	11.5%	13.9%	2.4%
Egypt	21.7%	13.9%	-7.8%
Ghana	16.6%	13.9%	-2.7%
15%+			
Zambia	16.6%	15.9%	-0.7%
Malawi	25.0%	15.9%	-9.1%
Angola	16.8%	17.2%	0.4%
Mozambique	15.2%	17.2%	2.0%

Source · OECD GPS DF\_WI · OECD Africa Capital Markets Report 2025 · Damodaran Jan 2026 · IMF WEO 2024.

# Listing momentum remains evident but its slow

1,141

LISTED COMPANIES ON AFRICAN EXCHANGES

2.6% of global · OECD 2025

~44

OF THOSE ARE REITS / RE VEHICLES

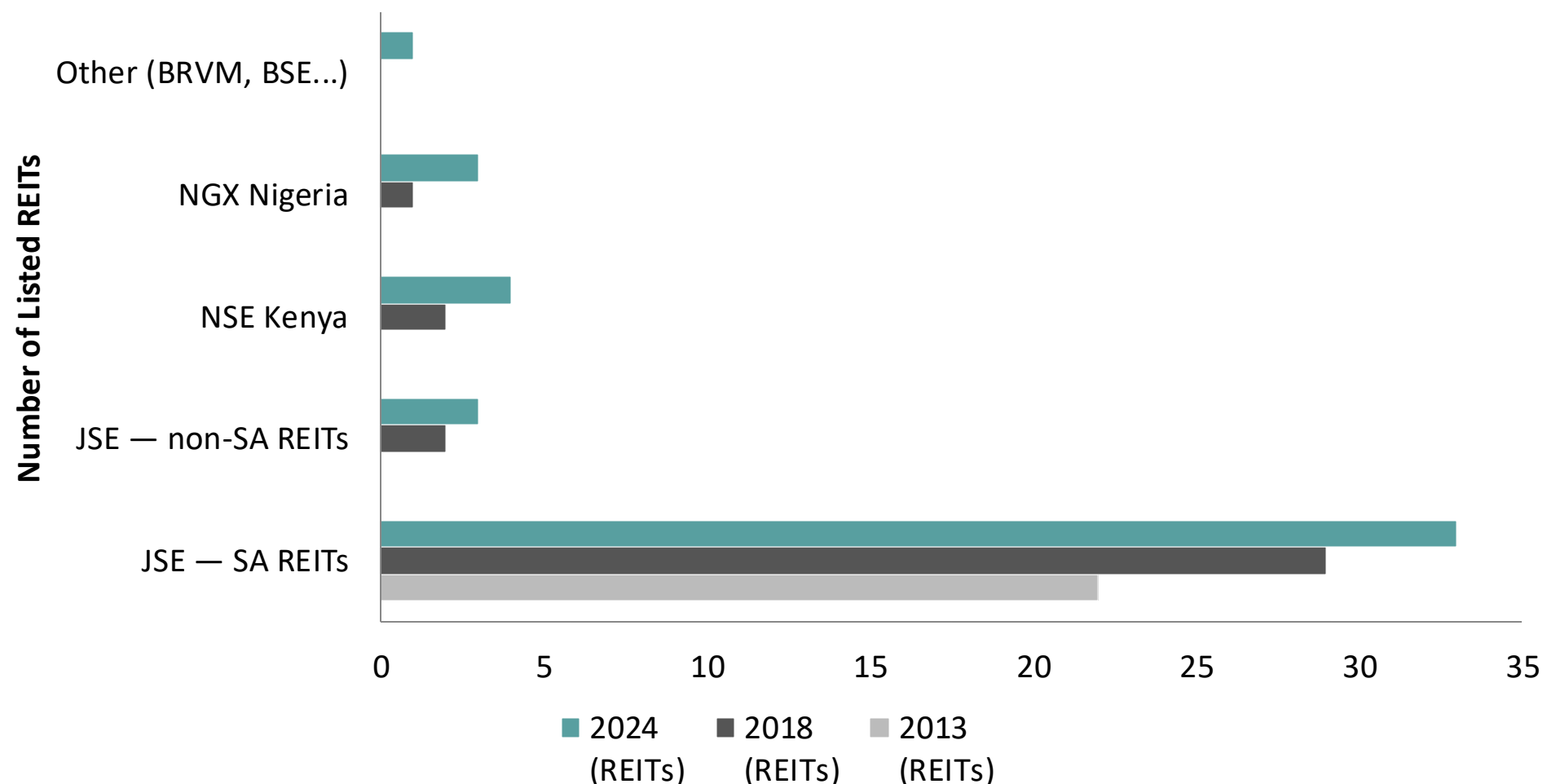
~3.9% · SA REIT Assoc · CMA · NGX 2024

\$561 bn

TOTAL AFRICAN MARKET CAP

0.4% of global · OECD 2025

Listed RE Vehicles (REITs) by Exchange: 2013 → 2018 → 2024



THE STRUCTURAL ARC

Past · present · emerging.

- STAGE 01 · PAST

**Short-horizon PE**

5-7-year fund life. Build → stabilise → forced exit into illiquid market.
- STAGE 02 · NOW

**Listed vehicles emerging**

REIT listings · exchange depth building. JSE REITs leading. Kenya 4 REITs. AELP cross-border linkages. 9/14 exchanges still <5% liquidity.
- STAGE 03 · EMERGING

**Longer-dated capital**

10-20-year mandates · open-ended structures. KEPFIC pension consortium (Kenya). AOFSA institutional allocation (SA). Sovereign + patient pension deployment.



Baseline 2013 = SA REIT regime promulgation (1 May 2013). Pre-regime SA listed property converted en masse from PUT / PLS structures. Kenya REIT regs followed in 2013; first listing 2015. Nigeria's Skye Shelter (2007) was the first formal African REIT.

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IN CLOSING

**Re-newed *Momentum.***

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**THANK YOU.**