Accra Real Estate Mid-Year Review

IMEK Africa

2025

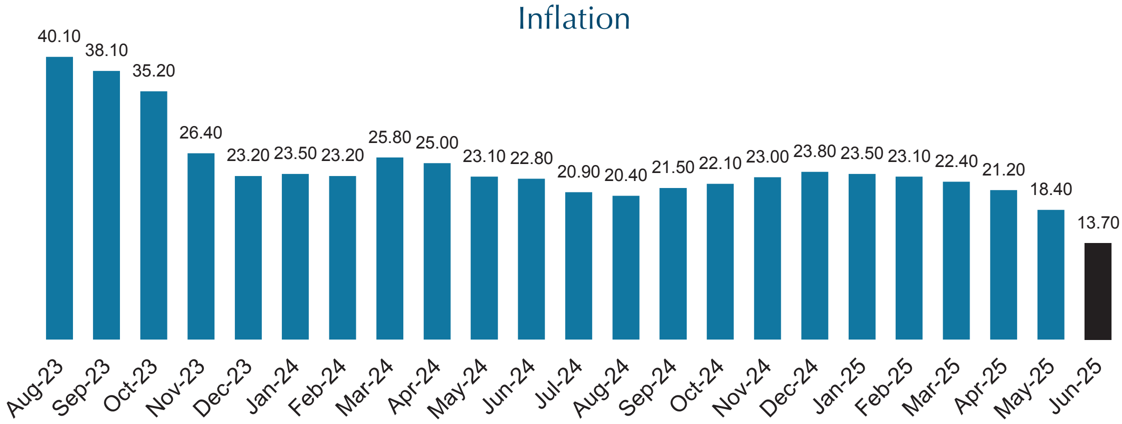
Economic Update

H1 2025 brought a measure of relief, as a mix of tighter monetary policy, fiscal discipline, and a favourable external environment combined to steady the country's battered economy.

Ghana began the year with a new government, swept to power on promises of competence and reform after a bruising election. Early signals are encouraging.

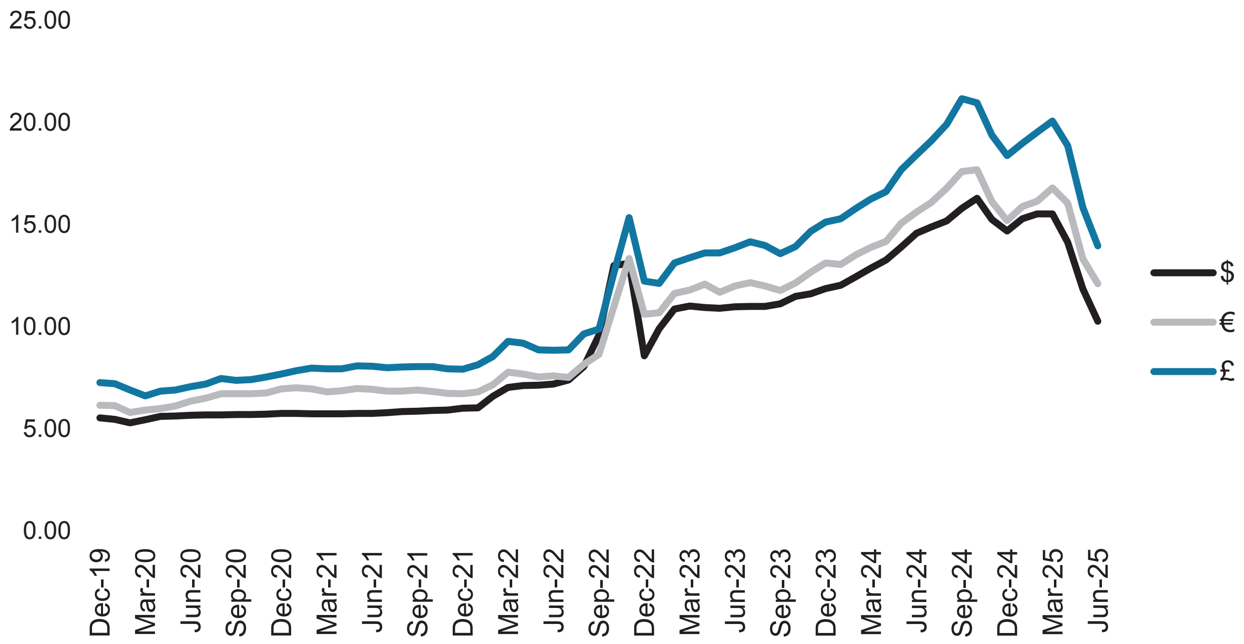
In June, headline inflation recorded a sharp decline of 13.7% after remaining above 20% in the past three years. Behind the slowdown lies a cocktail of aggressive monetary tightening, an appreciating currency, and the fading effects of past shocks. In March, the central bank raised its main policy rate by 100 basis points to 28% and maintained same in May, determined to squeeze inflation out of the system.

Inflation



The Ghanaian cedi recorded an impressive growth in H1 2025. After losing more than half its value over the previous two years, the currency staged a comeback, gaining about 42% against the dollar between January and June. The rebound is supported by a combination of factors including rising confidence, tighter fiscal and monetary policy, improved enforcement of foreign-exchange regulations, and a bumper accumulation of reserves. BoG's aggressive foreign-exchange auctions have brought calm to a market once on edge.

Exchange Rate



Ghana's gross international reserves swelled to a multi-year high of $10.7Bn in April, supported by a surge in gold prices and still-elevated cocoa prices. The creation of the Ghana Gold Board (GoldBod) has given the government tighter control over gold trade, channelling more export proceeds directly into official reserves. The BoG's preference for accumulating gold rather than fiat currency has also strengthened its external buffer. Net reserves now cover 4.7 months of imports, up from just 1.8 months a year ago. Ghana's current-account surplus hit $2.1bn in the first quarter, helped by rising global prices for cocoa and gold, along with strong remittance inflows.

Despite these positive macroeconomic indicators, Ghana's energy sector crisis continues to linger persuading the government to introduce unpopular fiscal measures such as a one-cedi fuel levy and increased data tariffs. Nonetheless, investor sentiment has improved: in June, Fitch Ratings upgraded Ghana's Long-Term Foreign-Currency IDR from 'Restricted Default' to 'B-' with a Stable Outlook.

GDP expanded by 5.3% year on year in the first three months of 2025, up from 4.9% a year earlier.

Public finances have also stabilised, though they are not yet out of the woods. The government broadly stuck to its 2025 budget plan in the first quarter, helped by some judicious trimming of spending to compensate for weaker-than-expected revenue. Public debt, which peaked at 93% of GDP in 2022, is projected to decline to 60% by year-end. The IMF's release of $367m is expected to provide further short- term support, easing external funding pressures.

Real Estate Market

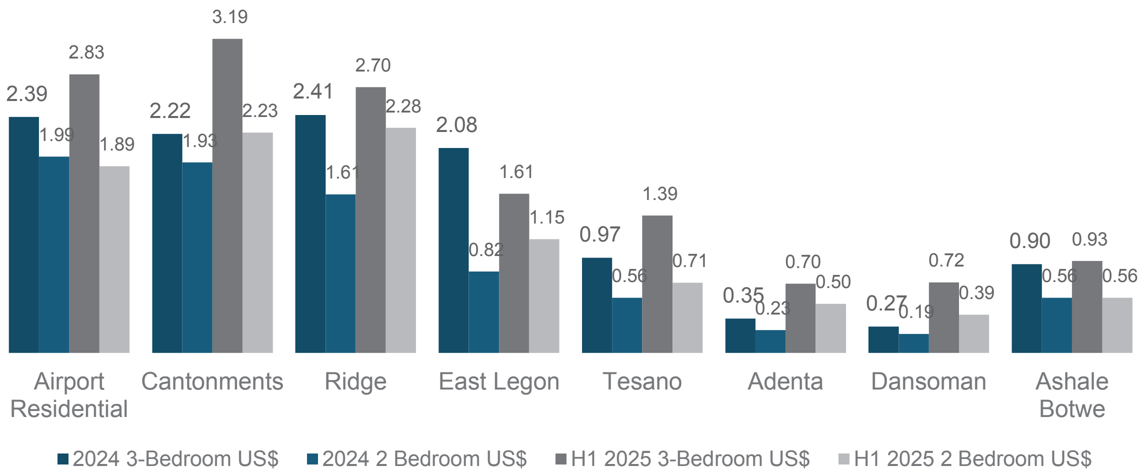
Currency volatility, supply-side distortions and risings costs continue to influence Accra's real estate market, leading to divergent trends across the various real estate sub-sectors. The cedi's modest strength in H1 2025 failed to translate into lower construction input prices. The cost of construction remains largely inelastic exposing a disconnect between macroeconomic gains and sectoral realities despite calls for a downward review in building material prices.

Residential Market Update

Accra's residential market continues to show divergent trends across class segments, with sharp rental and price appreciations in both prime and mid-income enclaves.

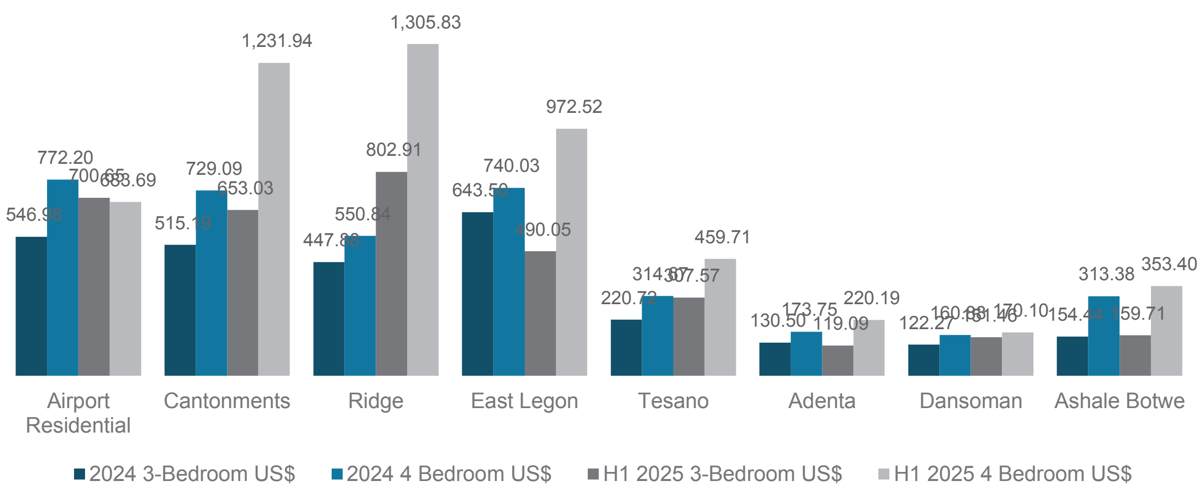
The rental segment continued its upward trajectory in H1 2025. Prime residential enclaves such as Airport Residential Area, Cantonments, Ridge, and East Legon recorded a 13% increase in average rents for two- bedroom houses and 24% for three-bedrooms. The mid-market segment showed even greater volatility: Dansoman, Adenta, and Nungua recorded a 38% surge in two-bedroom rents and a 27% jump for three- bedrooms. The sharper increases in the mid-tier segment are linked to rising demand from urban professionals priced out of prime neighbourhoods, coupled with a slow but steady influx of diaspora home- seekers.

Average Residential Rents: 2024 v H1 2025 (in '000 USD)



House prices followed a similar trend. The average price for a 3-bedroom house in prime locations rose by 28%, while 4-bedrooms saw a steeper 37% increase. Mid-income areas, by contrast, posted more modest growth – 6% for 3-bedrooms and 15% for 4-bedrooms, signalling relative affordability, though these margins are expected to narrow as land values and construction inputs remain elevated.

Average House Prices: 2024 v H1 2025 (in '000 USD)



Financing remains a major constraint. Mortgage interest rates currently hover between 25% and 28% per annum for cedi-denominated loans and between 11.5% and 15% for dollar-denominated options. These rates continue to limit domestic mortgage uptake, making outright purchases often funded by diaspora remittances. Ghana's expanding middle class and the steady return of Ghanaians abroad have made residential investment in Accra, Kumasi, and selected peri-urban areas more competitive. Knight Frank recently ranked Accra as Africa's third fastest-growing real estate market, behind only Nairobi and Lagos.

Nevertheless, the "paradox of appreciation" persists. Despite recent cedi gains, prices of key construction inputs remain flat or continue to rise. Cement retails at GH¢115 for 32.5R and GH¢130 for 42.5R, while steel roofing sheets range from GH¢25 to GH¢70 per square metre depending on thickness. Floor tiles average GH¢80 to GH¢160 per square metre. This stubborn price stickiness continues to erode profit margins for developers and raises barriers to affordable housing delivery.

Amid affordability concerns, developers are exploring new models. Kumasi, in particular, is seeing increased appetite for planned communities, driven by returning diaspora and urban sprawl. Mixed-tier housing developments are gaining traction, alongside government-led decentralised housing plans at the district level. Meanwhile, the Accra Inner-City Redevelopment Project, covering Nima, Maamobi, Kotobaabi, and Accra Newtown, is set to transform 6.5km² into a high-density, green smart city. With an estimated $40 billion cost financed by the Ghana Fund, the five-year project will deliver 301,000 housing units in 45-storey towers for a projected 1.5 million residents. Over 30% of the area will be reserved for arboriculture and open space, making it one of the most ambitious urban renewal schemes in West Africa.

Residential Pipeline

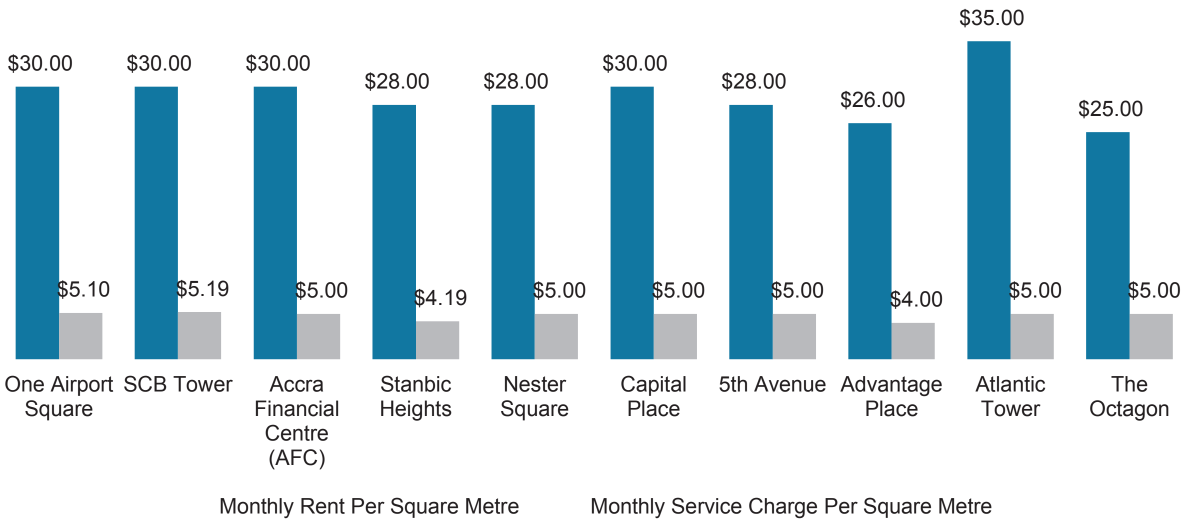
Devtraco Plus is set to launch ARLO Cantonments, an 18-floor serviced apartment scheme with passive income options.

VAAL's AGORA, a 21-floor project in Airport Residential, merges luxury living with cultural design ethos, positioning itself as a future-proof residential asset.

Office Market Update

The office sector in Accra displayed relative stability in H1 2025, with Grade A office spaces maintaining occupancy through pragmatic landlord-tenant engagement. Though rents have remained largely unchanged in dollar terms since 2024, the significant appreciation of the cedi in H1 2025 has altered the economics of returns. Office owners are now receiving considerably less in local currency for the same dollar-denominated leases, eroding real income. Landlords have increasingly adopted a tenant-centric posture, favouring flexibility over friction. Negotiations have leaned in favour of occupiers, with landlords conceding to requests for adjusted payment structures, extended rent-free periods, or softened escalation clauses – all in a bid to sustain occupancy in a market where surplus is no longer the primary concern, but pricing power is quietly recalibrating. This quiet shift marks a reversal of recent years, when currency volatility worked to landlords' advantage. Today, they are absorbing the exchange-rate risk, choosing stability of tenancy over short-term yield maximisation. While the fundamentals of demand remain intact, the nuanced repricing of risk underscores a market in silent transition.

Grade A Offices



Occasionally, high-profile assets such as SSNIT-managed buildings like Premier Towers and World Trade Centre have surfaced in investor conversations, pointing to the importance of consistent asset upkeep to maintain market confidence.

Retail Market Update

In H1 2025, Accra's retail sector recorded structural shifts, following the repeal of the Electronic Transfer Levy (e-levy). The removal of this surcharge on mobile money transactions significantly boosted digital retail activity. In April alone, mobile money volumes reached GH¢365 billion, with FMCG and apparel retailers noting modest growth in online sales. The momentum is nudging traditional operators towards hybrid models that straddle physical and digital platforms. While full-scale e-commerce adoption remains uneven, the direction of travel is clear: brick-and-mortar is no longer the sole mode of delivery. Retailers that once relied entirely on footfall are now investing in logistics, digital storefronts, and payment gateways to retain market share.

Investor appetite for formal retail in Accra remains firm. South African investment firm Lango has significantly expanded its exposure to the city's retail real estate, acquiring landmark malls such as Accra Mall and West Hills Mall. These recent additions complement the firm's existing assets, including the Achimota Retail Centre and prime office developments like the Accra Financial Centre and the headquarters of Stanbic and Standard Chartered banks. The move signals a long-term institutional bet on Accra's retail core.

Digital retail is further buoyed by structural enablers. Ghana's first National E-Commerce Strategy, coupled with plans to launch the eCedi, lays the groundwork for a more formalised and secure digital trading environment. With internet penetration approaching 70%, thanks largely to mobile access, the market is projected to reach 2.9 million

e-commerce users by 2029. Convenience, mobile responsiveness, and seamless digital payments are fast becoming non-negotiables in the consumer experience. For retailers, the imperative is to adapt or risk obsolescence.

Nevertheless, digital growth is tempered by rising cyber threats. Reported cyber fraud losses in Q1 2025 stood at GH¢4.4 million, nearly double the figure from Q1 2024, highlighting the need for enhanced cybersecurity in the retail space.

On the rental front, average rents for Grade A shopping centres have remained relatively stable in nominal terms across key urban markets. However, the recent appreciation of the Ghanaian cedi against major foreign currencies has effectively reduced rental yields for landlords in local currency terms. For malls with US dollar-denominated leases, the conversion to cedi has resulted in real income compression for landlords, even though face rents have not been formally adjusted. This currency dynamic is contributing to ongoing discussions between landlords and tenants, with some occupiers seeking rent renegotiations or lease restructurings to reflect prevailing macroeconomic conditions and sales performance.

Industrial Market Update

Demand for prime warehouse space in Accra remains stable, driven by FMCG companies, third-party logistics (3PL) providers, and light manufacturing firms. Occupiers continue to prioritise proximity to ports and urban consumption hubs with enduring industrial activity in traditional hubs such as North Industrial Area, Kaneshie, and Odorkor. Prime warehouse rents in the Tema and Spintex corridors range between US$4 and US$8 per square metre per month, holding firm despite currency volatility and rising operational costs.

In H1 2025, the IFC committed US$21 million as the first tranche of a US$100 million facility to fund a 150MW solar photovoltaic (PV) plant by LMI Holdings. The project located at the Tema and Dawa Industrial Zones will be delivered in two phases: 100MW by October 2026 and an additional 50MW by mid-2027.

Investor interest is also extending to logistics tech. Kenyan SaaS firm Leta entered the Ghanaian market in early 2025, following a US$5 million seed round led by Speedinvest and Google's Africa Investment Fund to provide software solutions for route optimisation, fleet visibility, and delivery performance helping address inefficiencies and cost pressures in last-mile logistics.

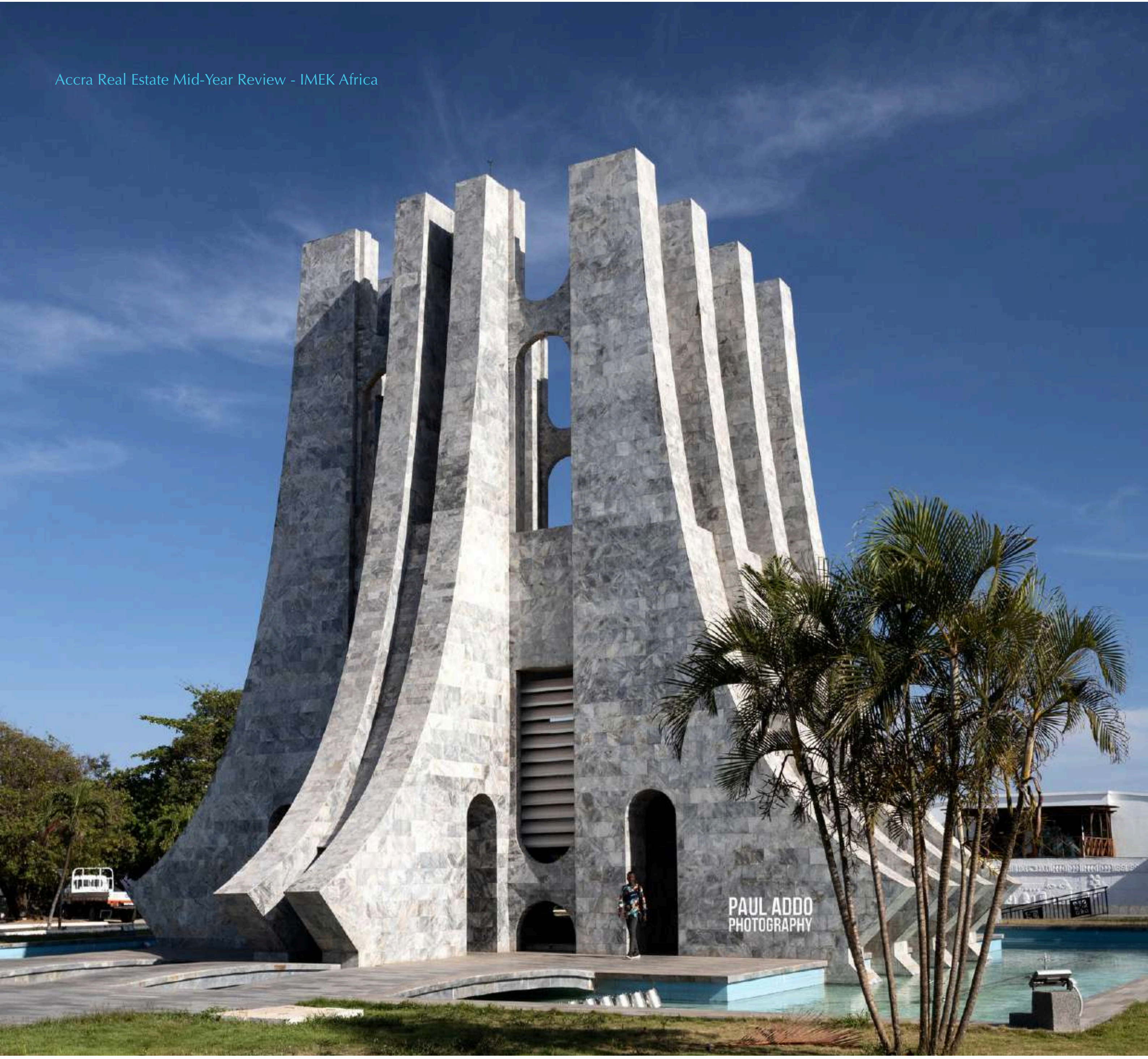
Data Centres

Accra's digital economy is projected to reach US$5 billion by 2030 (ACET), spurred by rising internet penetration, fintech adoption, and cloud service uptake. This growth trajectory is being matched by a wave of institutional investment in digital infrastructure, reshaping demand patterns across the real estate landscape.

In H1 2025, Digital Realty progressed the development of ACR2, a Tier III-standard data centre strategically sited near the city's submarine cable landing stations. The facility is poised to serve as a critical node in West Africa's digital network, offering low-latency connectivity and enterprise-grade data solutions.

These developments are cementing Accra's position as a regional digital infrastructure hub, with mounting interest in industrial and edge data centre assets. Demand is gaining traction along key corridors including Tema, East Legon, and the Airport enclave, where land banking, power reliability, and fibre access are driving site selection.

Investors are beginning to recalibrate their outlook, with data-centric real estate emerging as a viable growth sub-sector within Accra's broader industrial market.

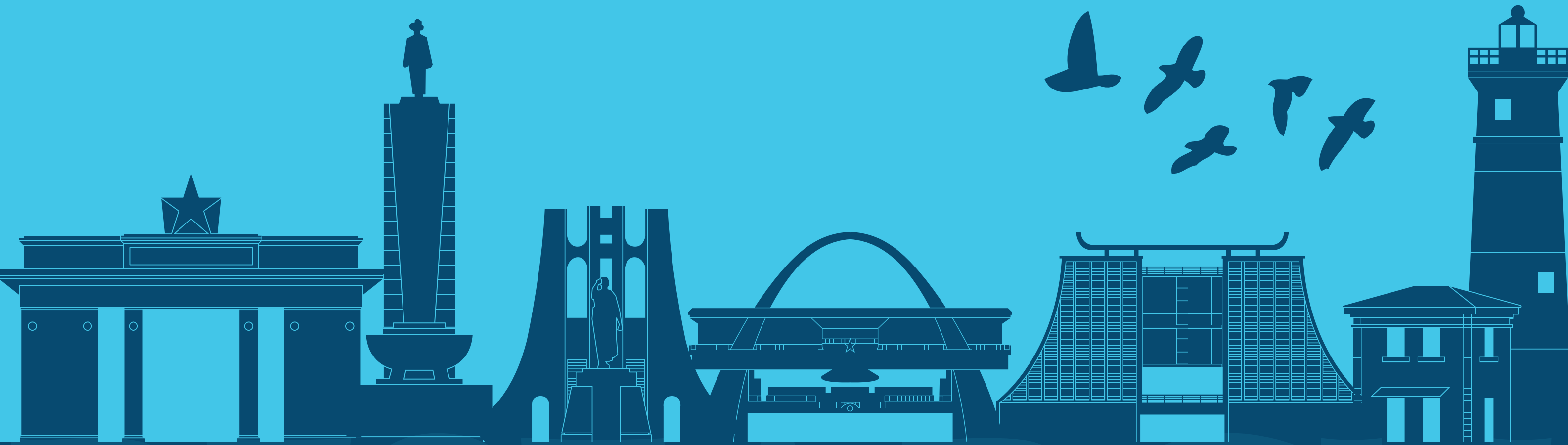


Websites

Ministry of Finance and Economic Planning (MoFEP): https://mofep.gov.gh/

Bank of Ghana (BoG): https://www.bog.gov.gh/

Ghana Statistical Service (GSS): https://statsghana.gov.gh/



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