

South Africa Commercial Real Estate - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2026 - 2031)

Market Report | 2026-02-09 | 150 pages | Mordor Intelligence

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Report description:

South Africa Commercial Real Estate Market Analysis

South Africa Commercial Real Estate Market size in 2026 is estimated at USD 10.72 billion, growing from 2025 value of USD 9.99 billion with 2031 projections showing USD 15.26 billion, growing at 7.31% CAGR over 2026-2031. Developers are pivoting toward hybrid facilities that combine warehousing with server capacity as e-commerce and cloud computing converge, while flexible-office providers capture space vacated by traditional tenants adapting to hybrid work. Energy-efficiency mandates and carbon-pricing rules are pushing landlords to retrofit assets, which improves tenant retention and translates into lower operating expenditure amid persistent power-supply instability. As a result, capital flows continue to target certified green assets, even as elevated interest rates keep overall transaction volumes below pre-2020 peaks.

South Africa Commercial Real Estate Market Trends and Insights

Urbanization & Population Growth

Rapid migration toward Gauteng, the Western Cape, and KwaZulu-Natal keeps occupational demand resilient across offices, light-industrial parks, and convenience retail. Government spatial-planning programs, accompanied by USD 25.89 million earmarked for land acquisition, aim to unlock mixed-use nodes that knit commercial space with affordable housing. These initiatives improve urban land governance and shorten project lead times, which encourages developers to start schemes outside traditional cores. Over the long term, consistent population inflows underpin the South Africa commercial real estate market by

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broadening the tenant base and lowering absorption risk for new projects.

Growing FDI in Infrastructure

A pipeline of USD 24.72 billion in new infrastructure projects, including USD 5.28 billion in private commitments, is accelerating construction of ports, rail links, and digital corridors. A streamlined approval regime under Infrastructure South Africa has already moved 34 strategic projects, worth USD 15.61 billion, into execution, which directly lifts demand for site offices, warehousing, and accommodation. High-profile technology deployments-such as Google's USD 1.39 billion cloud region and Equinix's data-center build-signal confidence in the South Africa commercial real estate market, especially for grade-A campuses that can guarantee redundant power. Medium-term spillovers include stronger rental growth in adjacent micro-markets as multinational suppliers co-locate to leverage clustering benefits.

Power-Supply Instability & Infrastructure Deficits

Rolling outages translate into unbudgeted fuel outlays. Stage 6 load-shedding lifted diesel spend for a leading REIT to USD 28,417 per day from USD 9,474 at Stage 2. Retail-linked landlords suffer doubly as generator costs coincide with subdued consumer traffic, compressing net-operating income. The government has allocated USD 12.18 billion for energy assets, yet capacity additions will not materially ease the strain before 2027. In the interim, occupiers gravitate toward buildings with solar arrays and storage, prompting brownfield retrofits but also raising entry barriers for fringe players lacking access to low-cost funding.

Other drivers and restraints analyzed in the detailed report include:

Rising Demand from Data-Centers & Last-Mile Logistics
Expansion of Shared Workspaces & Hybrid Offices
Economic Uncertainty & Unemployment

For complete list of drivers and restraints, kindly check the Table Of Contents.

Segment Analysis

Logistics assets captured 9.47% CAGR through 2031, outstripping the office segment's entrenched 38.12% share. This acceleration elevates logistics' contribution within the South Africa commercial real estate market, especially around data-center clusters where dual-use footprints are emerging. Developers are layering high-density racks above conventional warehousing bays, creating blended facilities that serve both packet traffic and parcel flow. Landlords report pre-let ratios above 70% on such schemes because occupiers value integrated security and power resiliency. Conversely, traditional retail faces churn as anchor grocers evaluate smaller formats, reducing expansion pipelines and nudging owners to explore mixed-use repositioning.

Momentum in certified green projects is strongest in offices where corporate ESG targets drive leasing. Over 2 million sq m of certified space enjoys vacancy rates 350 basis points below the national office average, a metric that continues to support re-rating of prime CBD towers. While hospitality and industrial parks benefit from special-economic-zone incentives, their combined slice of the South Africa commercial real estate market remains modest, though capital appreciation prospects rise near new transport corridors.

The South Africa Commercial Real Estate Market Report is Segmented by Property Type (Offices, Retail, Logistics, Others), by Business Model (Sales, Rental), by End-User (Individuals/Households, Corporates & SMEs, Others), and by Geography (Johannesburg, Cape Town, Durban, Port Elizabeth/Gqeberha, Rest of South Africa). The Market Forecasts are Provided in Terms of Value (USD).

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List of Companies Covered in this Report:

Growthpoint Properties Redefine Properties Fortress REIT Attacq Ltd Liberty Two Degrees Fairvest Limited Pareto Limited Investec Property Fund Resilient REIT Vukile Property Fund Delta Property Fund Spear REIT Limited Emira Property Fund Ingenuity Property Investments SA Corporate Real Estate Hyprop Investments Equites Property Fund Rebasis Property Fund Dipula Income Fund Balwin Properties Amdec Group PAM Golding Properties Excellerate JHI Chas Everitt Property Group API Property Group De Lucia Group Legaro Property Development Devmark Property Group Rabie Property Group

Additional Benefits:

The market estimate (ME) sheet in Excel format
3 months of analyst support

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