



northcourt 

**Ghana  
Real Estate  
Market Report  
2022**

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# CONTENT

**Summary**

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4

**Macroeconomic  
Indicators**

---

6

**Real Estate  
Summary**

---

8

**Conclusion**

---

24



COMMERCE AUTHORITY



# SUMMARY

## All things considered

**G**hana is taking advantage of global headwinds to navigate its path to growth. Between 2012 and 2021, Ghana's GDP per person grew by an average of 2.3% per year, due to the relatively stable government and focus on economic growth. During the same time, the number of people living below the poverty line dropped from 24.2% in 2012 to 10.7% in 2021. But 2022 has been a rocky year as the Government's stability creed has been tested on almost every front. Even Bolt drivers reportedly switch off air-conditioning during rides to better manage costs.

It would appear that imported inflation and liabilities in the commodities, energy, and financial sectors pose a potential danger to the real estate market in Ghana. It is possible that resolving these needs may discourage investment from the private sector.

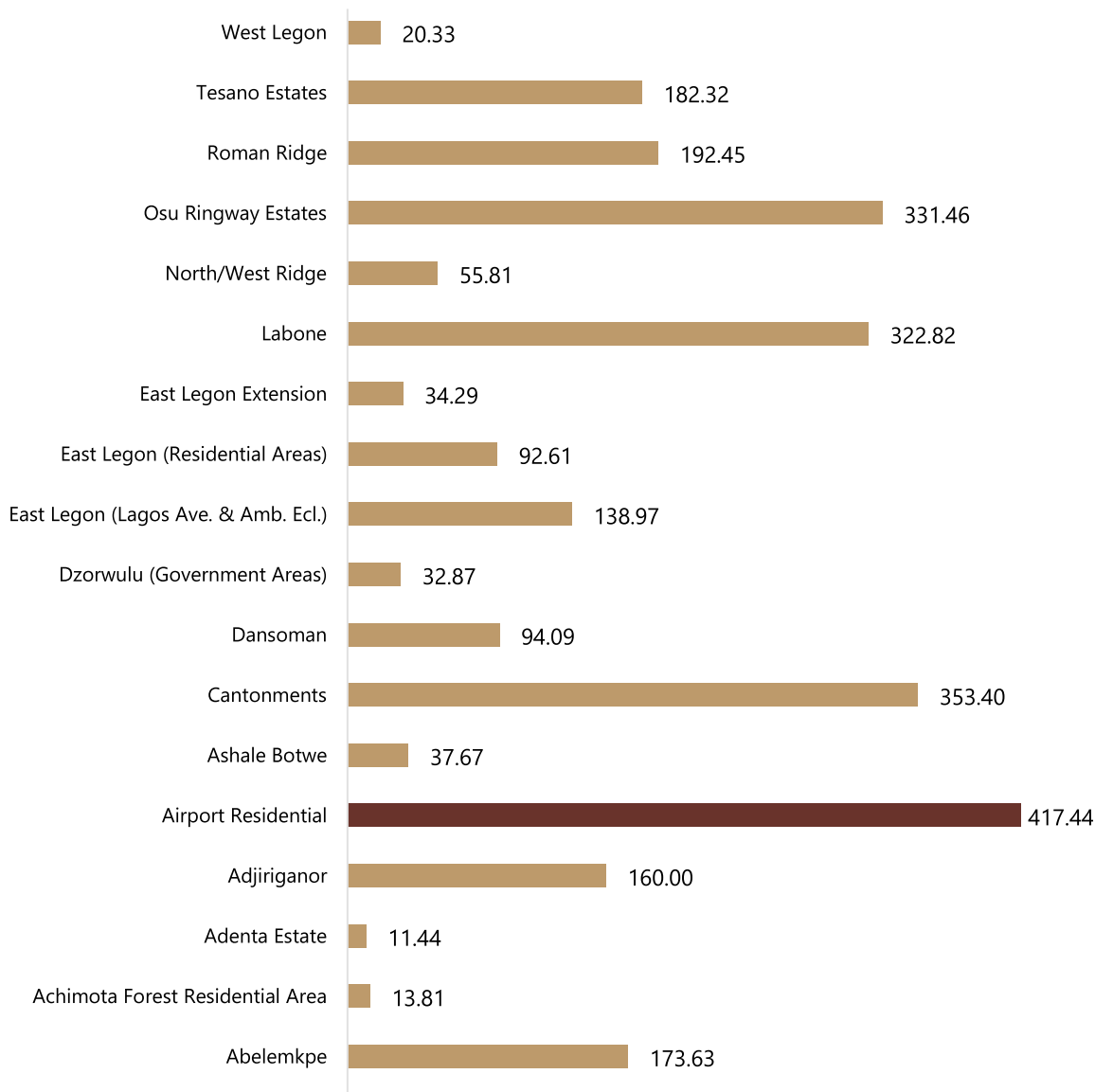
The estimated housing shortage is over 300,000 housing units in Accra, in part because high-end buildings in the centre of Accra are priced beyond the reach of the average Ghanaian. This is despite the construction boom in the city. Land costs in the city centre of Accra are also high. Recent studies suggest that the typical monthly rent for a 75sqm apartment in Accra is \$1,700. The typical monthly rent for a home with two bedrooms and one bathroom in Accra's suburbs is \$500.

The building industry appears to be doing well and contributes positively to both jobs and the GDP. In recent years, the Ghanaian construction industry has contributed over 15% of the country's annual GDP. In Ghana, there is an estimated 2,500 active building and construction contractors. The range of participants includes small businesses, contractors, and international construction and civil engineering behemoths. In 2021, the Rent Control Department resolved 14,586 of the 20,221 cases which ranged from possession recovery, rent arrears, refund of rent advance, enticement of tenants to evacuate to requests for additional time to vacate residential apartments.

After being closed for business for years, the Sunyani airport finally reopened for business in time for the first phase of its renovation. In Kumasi, 100km of inner city roads were commissioned. The presidency also commissioned 60 district courts and 60 bungalows for judges. The \$45m, 56.4km Jasikan-Dodo Pepesu portion of the Eastern Corridor Road was also inaugurated in Q2 2022. However, the \$2.6bn Skytrain project was shelved indefinitely due to high costs. The Land Use and Spatial Planning Authority (LUSPA) designed a new street naming and property address system monitoring and implementation system.



## Accra: Average Land prices (\$psm)



Source: Northcourt

The Institute for Economics & Peace (IEP) index ranked Ghana as the 40th most peaceful country in the world and second in Africa. Between 2022 and 2025, the Ghanaian construction industry is expected to develop by 4.4% per year on average. Ghana's response to the COVID-19 pandemic was faster than many West African economies, as evidenced by its earlier implementation of lockdown measures and the launch of its Ghana Beyond Aid project, which seeks to broaden Ghana's manufacturing base and revamp its taxation structure in order to

strengthen the economy's resilience.

As the central government navigates macroeconomic headwinds with an overextended pocketbook, it is expected that infrastructure investments will support the local economy and provide the much needed growth in the real estate market

**Ayo Ibaru**  
COO / Director,  
Real Estate Research and Advisory  
Accra, Ghana



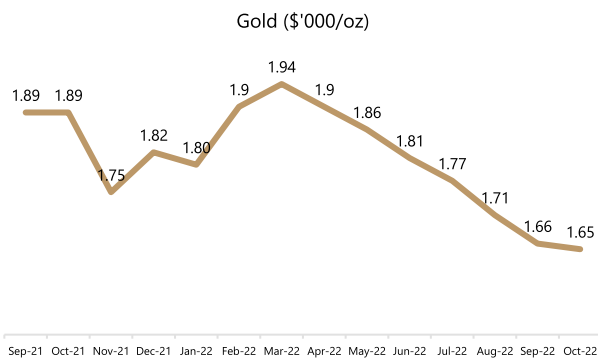
# MACROECONOMIC INDICATORS

**W**hen measured against the dollar, the value of the cedi decreased by 4.1% in 2021, compared to a decline of 3.9% in the previous year, 2020. The depreciation would continue, reaching 24% between January and July of 2022. The national

debt is still high at 104.6% of GDP in October, up from 78% in September. The Central Bank of Ghana's monetary policy, the cost of doing business in Ghana, and the high default rate are the primary factors contributing to the country's persistently high interest rates.

## A few of our favourite things

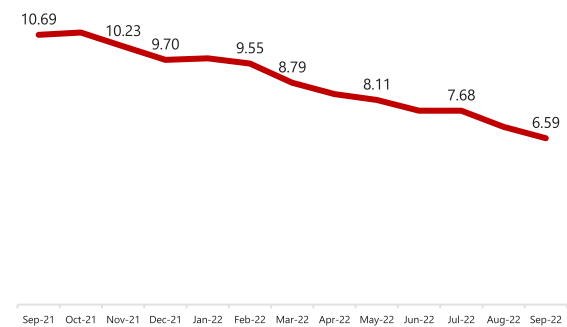
Gold price trend



Source: GSS / BoG

## The national wallet

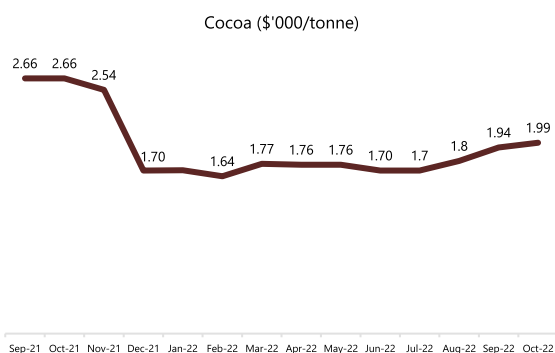
External Reserves (\$'bn)



Source: BoG

## Brown and sound, all around

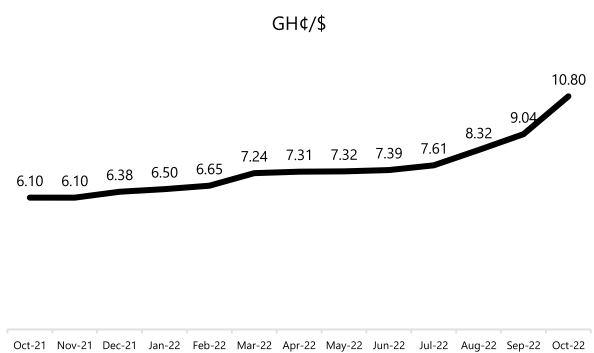
Cocoa Price Trend



Source: GSS

## The price of a dollar

Exchange rates trend, Cedi to the US Dollar



Source: BoG



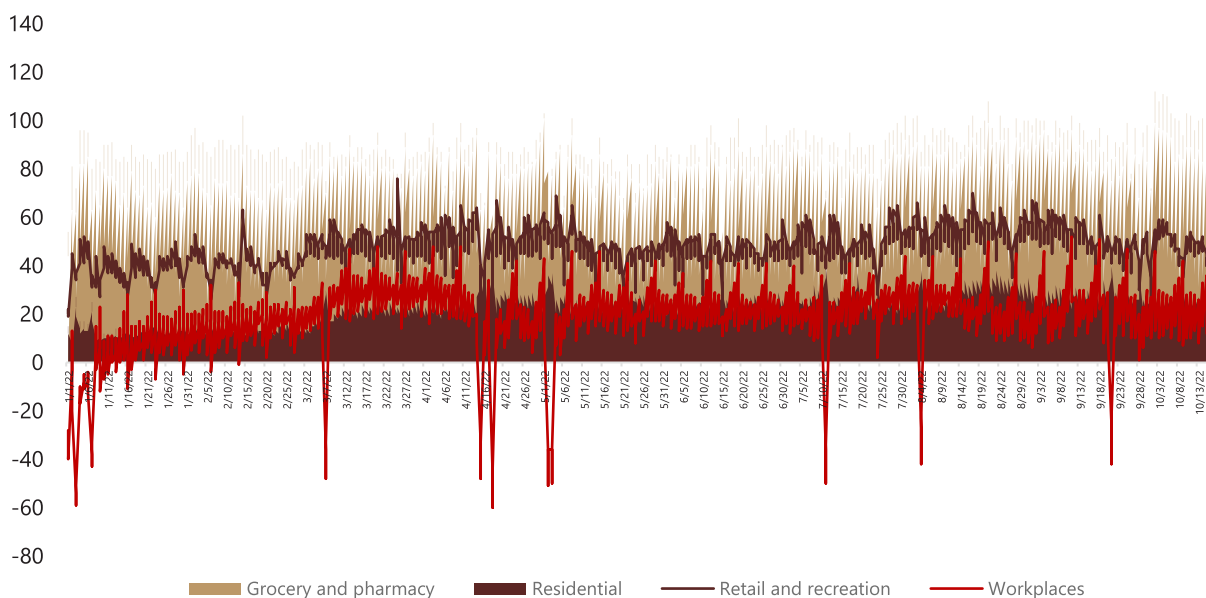


# REAL ESTATE SUMMARY

In recent years, Ghana has experienced rapid urbanisation, and currently, an estimated 58% of the country's population resides in urban areas. Accra, the nation's capital, is home to the Secretariat of the African Continental Free Trade Area (AfCFTA) and is working to establish itself as one of the largest centres for growth in Africa. Nevertheless, the real estate market

experienced a decline in performance relative to the real GDP growth of the country during Q1 of 2022, a growth rate of -2.6% compared to the growth rate of 7% that was recorded in Q4 of 2021. The rising cost of living has translated to a high cost of owning a house. In the meantime, the growth rate of the construction sub-sector of the industry sector increased from 0.5% in Q1 of 2021 to 0.6% in Q1 of 2022.

## Monthly Trend for Ghana: Jan 2022 to Oct 2022



Source: Google mobility

The presidency commissioned a raft of projects - 20 courts and 20 bungalows in Ashanti; 12 courts and 12 bungalows in Eastern; 8 courts and 8 bungalows in Greater

Accra; 8 courts and 8 bungalows in Volta; eight courts and eight bungalows in Ahafo; 7 courts and 7 bungalows in Western, 5 courts and 5 bungalows in Bono East.

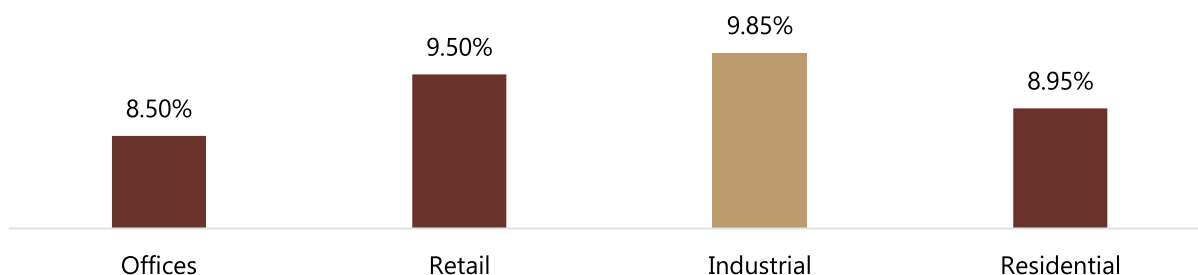




Other commissioned projects by the presidency include 5 courts and 5 bungalows in North East; 4 courts and 4 bungalows in Oti, Western North, Central and Bono; 3 courts

and 3 bungalows in Northern, Savannah and in Upper East; and 2 courts and 2 bungalows in Upper West.

### Average yields (%)



Source: Source: EMC, Knight Frank, Northcourt

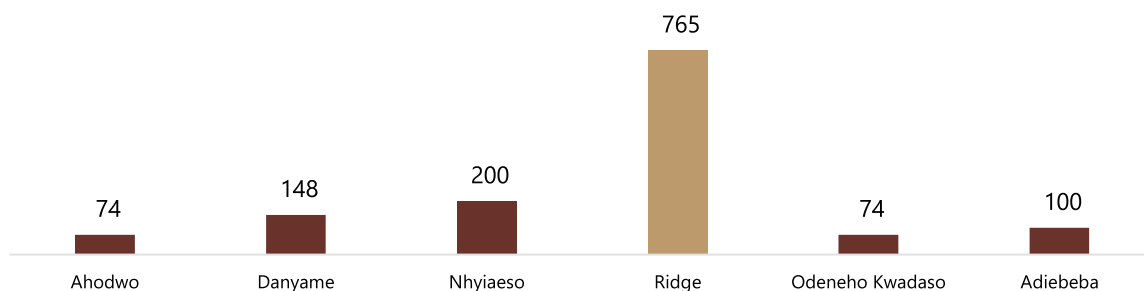
## Land

The Lands Commission opened new offices in each of the six newly created areas. The primary characteristic of these offices is that they will operate in a fully digital environment to reduce the typical delays associated with

the manual processing of documents. Land prices in the Kumasi area average \$765psm in Ridge, \$200psm in Nhyiaeso and \$100psm in Adiebeba

Cardinal Namdini Mining Limited, a subsidiary of Shandong Gold, relocated over one

### Kumasi: Average Land Values (\$psm)



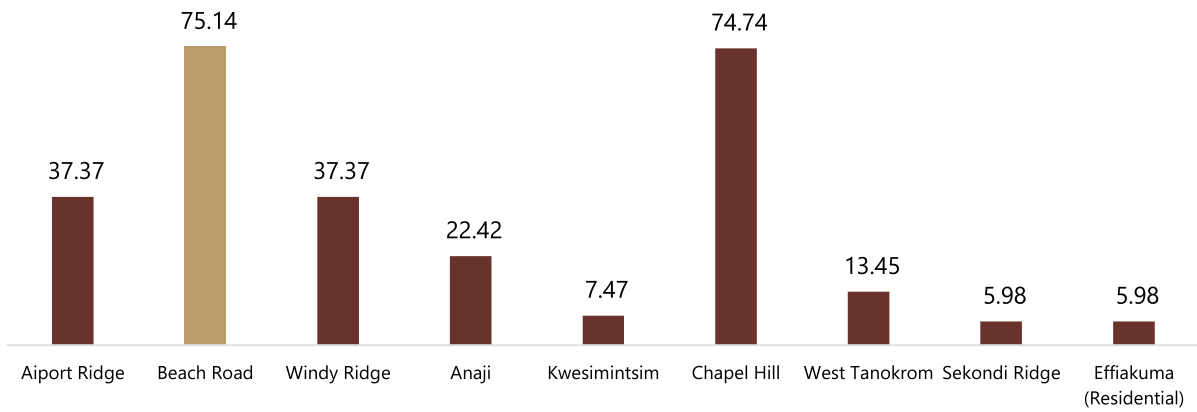
Source: Northcourt

thousand people from its concession area in the Talensi District of the Upper East Region, setting the way for the Namdini gold project to launch. The firm constructed housing for 119 households spread across two settlements located within Biung and New Accra. The New Accra resettlement community consists of 56 houses, whereas that in Biung contains 63. Takoradi land values average \$75.14psm along Beach road, \$74.74 in Chapel Hill and \$13.45 in West Tanokrom.

“  
**Land prices in the Kumasi area average \$765psm in Ridge, \$200psm in Nhyiaeso and \$100psm in Adiebeba**  
 ”



### Takoradi: Average Land Values (\$psm)



Source: Source: EMC, Knight Frank, Northcourt



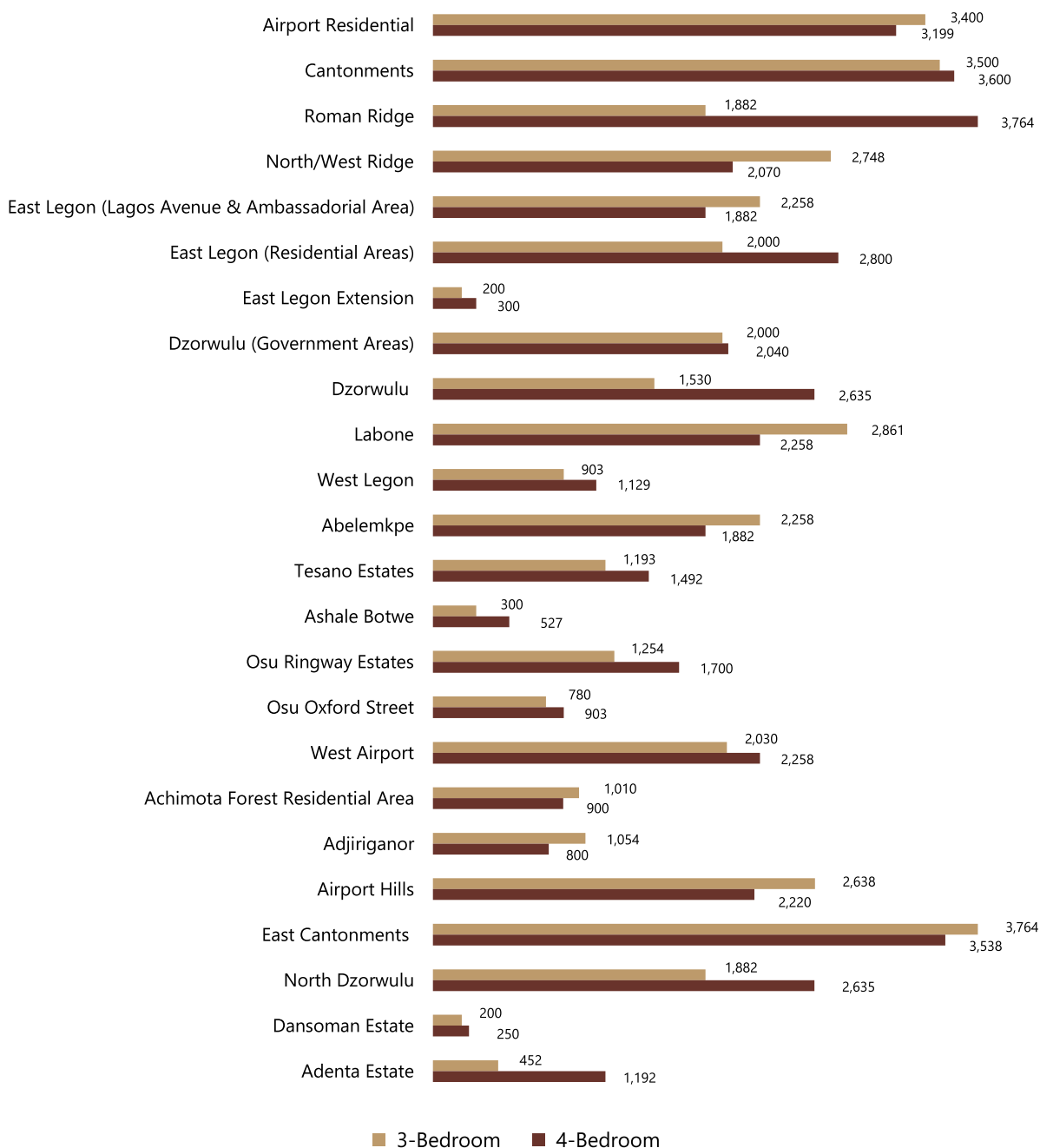


## Residential

The government is working on a framework that will absorb the cost of land and infrastructural services, which are key components in the provision of affordable

accommodation. This will aid private developers in support of its affordable housing programme as they have to deal with the cost of building materials, the majority of which are imported.

### Accra - Average monthly rents for 3 and 4 bedroom apartments (\$)



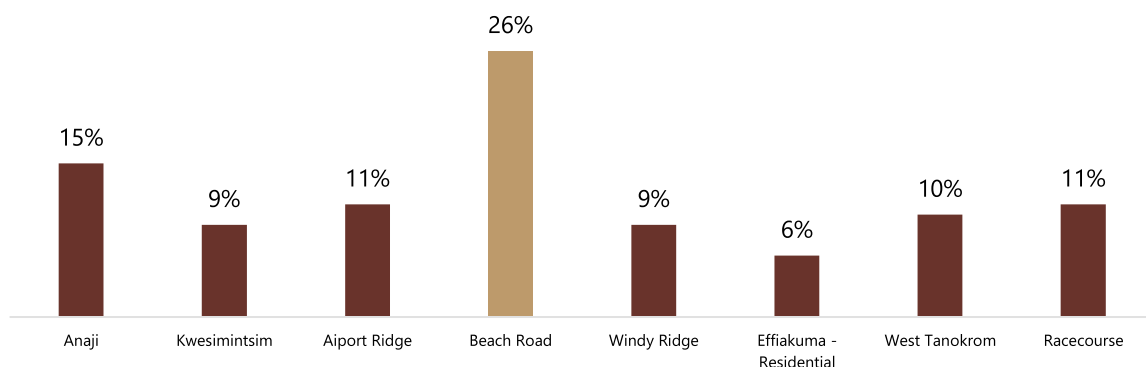
Source: Northcourt



While the government has urged industry players to embrace the use of local building materials, more can be done. For housing to be considered affordable, housing costs

should not exceed 30% of a household's income, regardless of whether the housing is being purchased, financed, rented, or rented to own.

### Takoradi: Average residential vacancy rates (%)

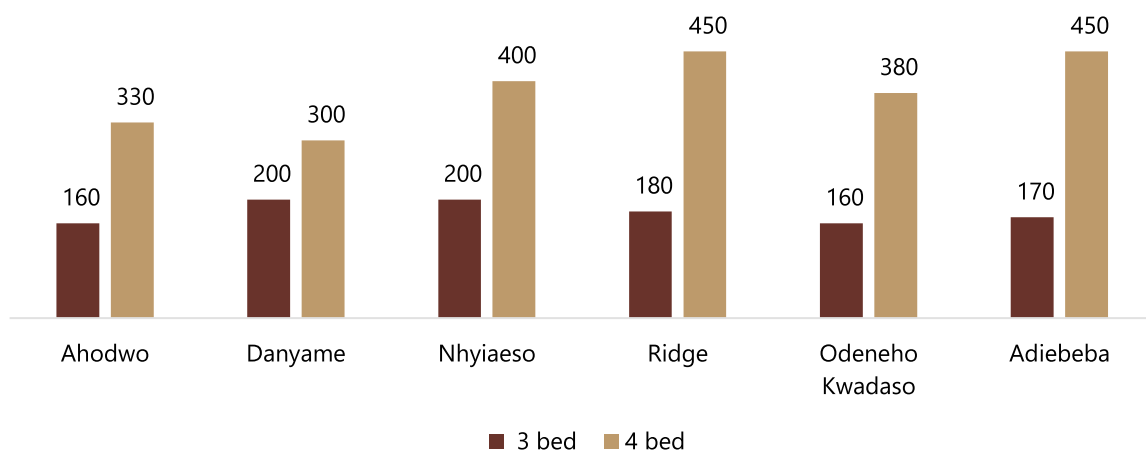


Source: Northcourt

Average residential vacancy rates are highest in Beach Road at 26% and lowest Effiakuma residential at 6%. Anaji, Kwesimintsim and Airport ridge report vacancy rates of 15%, 9%

and 11% respectively. Windy ridge, West Tanokrom and Racecourse round of the vacancy rates in Takoradi with 9%, 10% and 11% respectively.

### Kumasi - 3 and 4 bed average monthly rent (\$)



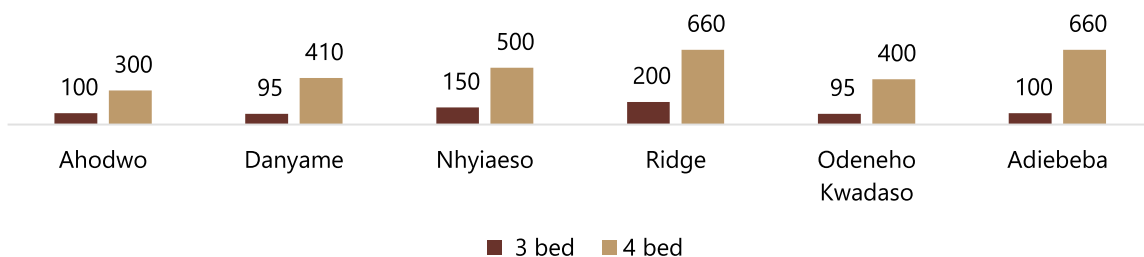
Source: Northcourt

This is especially true in the case of employment at a remote location, as a growing number of companies have recognised the need for greater flexibility over the course of their operations. This indicates that home offices, outdoor spaces, and buildings that

permit residents to work from areas within the building itself will do well in the future. Home design that is both highly functional and promotes well-being will continue to be a primary focus as an increasing number of people move into new homes in new locations.



### Kumasi - 3 & 4 beds average sale prices (\$)

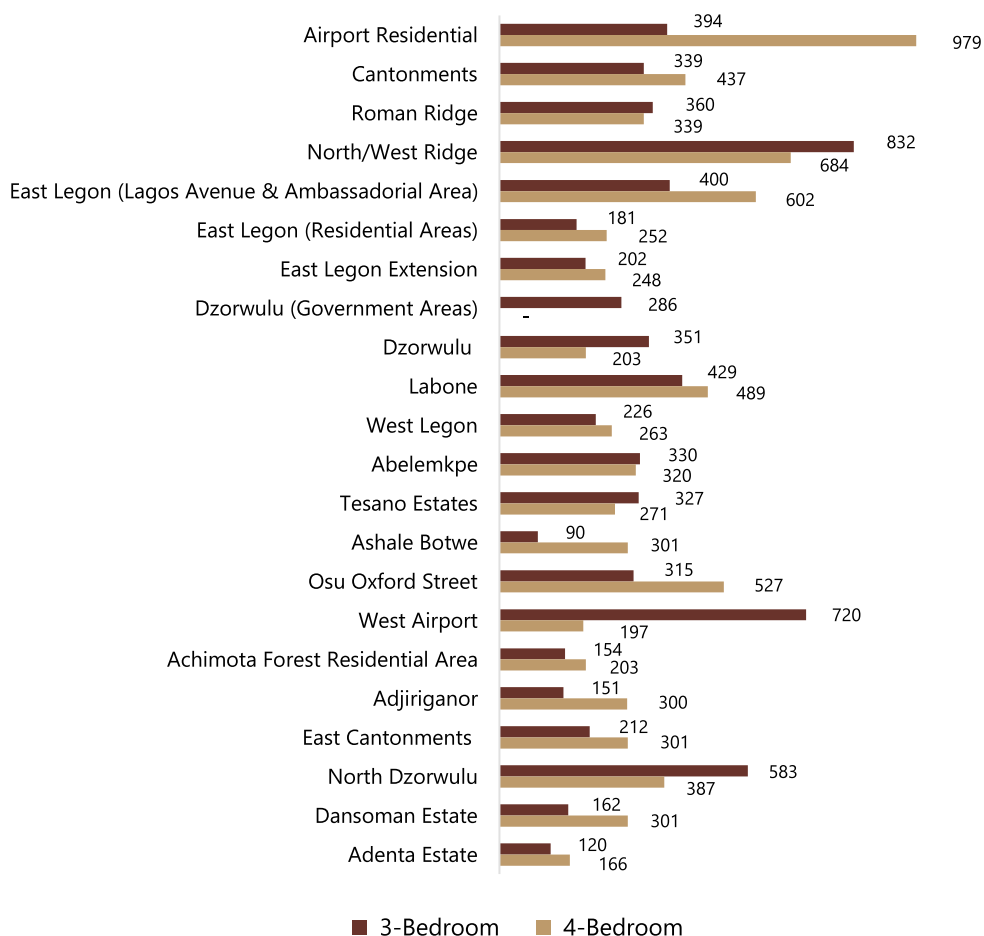


Source: Northcourt

Residential developments that feature expansive, open parkland or large roof terraces equipped with summer kitchens are growing in demand as individuals enjoy socialising outside and maintaining a connection to the natural world in which they live. Branded apartments designed by well-

known architects will also continue to be popular because they offer on-site spas and dining experiences, as well as five-star treatment and the safety of a full-time crew monitoring the property while the owners are away. In addition, these apartments offer five-star treatment and comprehensive security

### Accra - Average sale prices for 3 and 4 bedroom apartments (\$'000)



Source: Northcourt



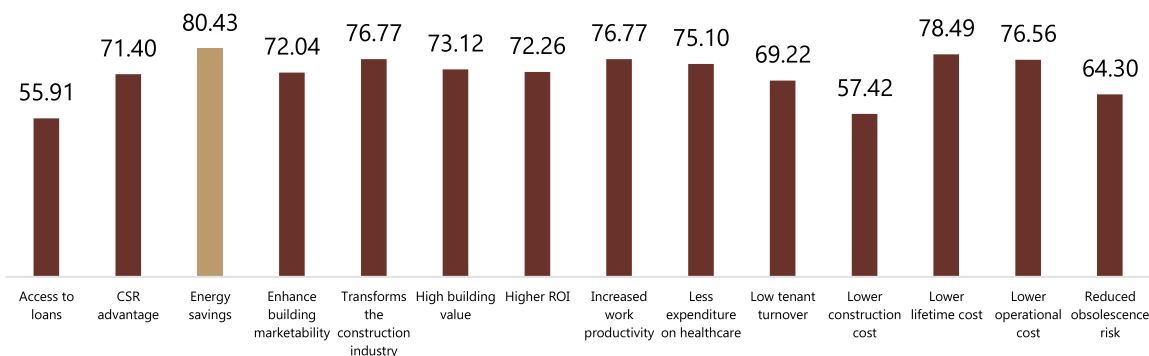
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**Average residential vacancy rates are highest in Beach Road at 26% and lowest in Effiakuma residential at 6%**

”

The demand for high-end facilities that promote a healthy lifestyle has risen in recent years as health and hygiene have moved closer to the forefront of public consciousness. New features and amenities that encourage physical activity include meditation and wellness areas, oxygen-infused clubhouses, organic lawns, yoga courts, Vitamin C showers and chlorine-free gyms have become the favourites of home buyers.

### Economic benefits of green buildings

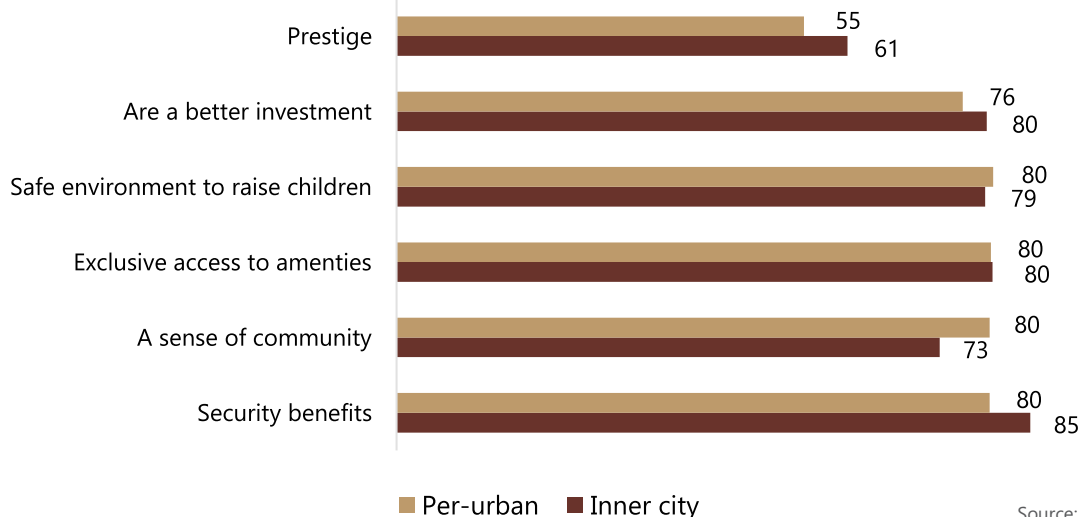


Source: Journal of Construction in Developing Countries

The respondents believe that as a result of the lifecycle cost, the development of green buildings is an appealing business initiative to pursue in today's market. It has been found

that the total costs of ownership for green buildings are significantly lower than those of non-sustainable buildings.

### Reasons people move into Gated Communities in the Grater Accra Metropolitan Area (%)



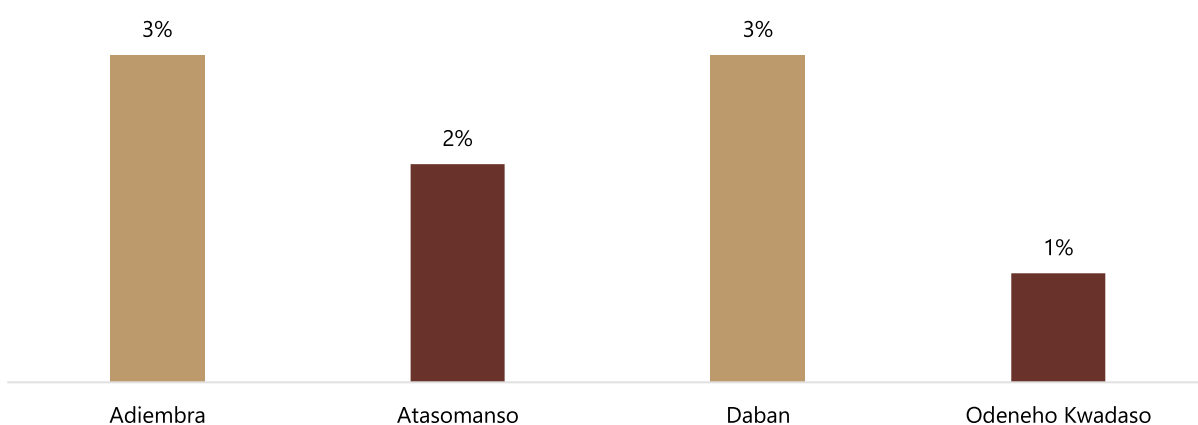
Source: Housing



During the lifetime of the building, the owner will be responsible for a number of costs, such as those associated with maintenance and decommissioning. According to the findings of the study, investing in Green Buildings could help lower these costs. Although it has been stated that the initial capital investment for green buildings is high, the cost of ownership over the building's lifetime is relatively cheap – a primary motivator behind the rise of green construction.

Increased work productivity and occupancy rates are also economic benefits. Green buildings also have the potential to transform the construction industry, which includes the increased utilisation of local materials - and an increase in energy savings. Due to the current energy situation, there has been a surge in the purchase of Solar Home Systems (SHS) as power backup by a segment of the population that is also known as energy elites. These are individuals who require continuous access to electricity and want some autonomy in the provision of electricity for their homes.

### Residential Vacancy rates - Kumasi (%)



Source: Northcourt

The entry of foreign capital in the real estate sector and pressure for land caused difficulties of multiple land sales and compelled many to relocate to inner-city gated communities as a means of escape.

The affluent and rising middle-class households in Ghana readily invest in gated communities to avoid land administration, land use planning and urban governance issues.

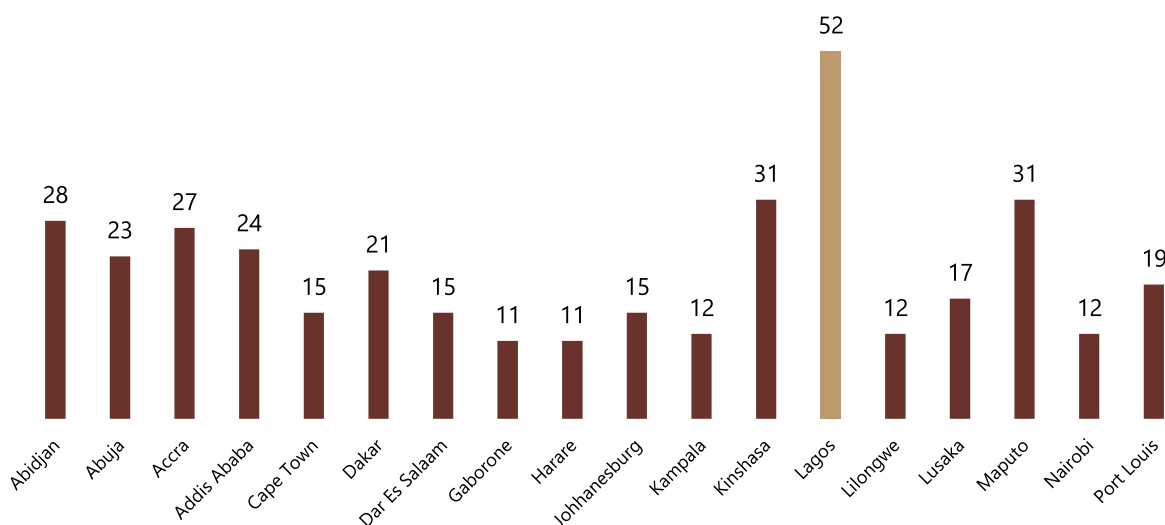
## Office

The prime office market remains subdued, with rents falling by an estimated 20% over the last two years. This has left monthly rents averaging at around \$27psm. Demand for office space continues to be undermined by rightsizing post-COVID occupational strategies as well as the COVID-driven economic weakness. Indeed, grade-A space

in some buildings can be secured for as little as the mid to low \$20, with larger deals closing in the high teens. That said, higher quality, best-in-class buildings have fared much better. For instance, the 13,500sqm Atlantic Towers in Airport City, which was completed in 2020 and is one of the country's few energy-efficient buildings, is fully leased, with monthly rates upwards of \$28 psm.



## Prime rents (\$/psm)



Source: Northcourt

The spillover demand from Atlantic Towers has spurred the scheme's developers to alter the planned use of the project's second tower from a hotel and serviced apartments to a second office tower, which should be completed later this year. Elsewhere, landlords continue to offer concessions and rent reductions in an attempt to attract

demand. In partnership with MultiCAD of Ghana and Gateway Real Estate Africa (GREA), Paragon Architects developed Appolonia City's first Grade A commercial office building. The four-story office building, whose construction will cost around \$4m, will house both corporate offices and retail space.

## Healthcare

The President inaugurated Atlantic Lifesciences Limited, the largest intravenous (IV) fluids manufacturing facility in West Africa. The enterprise located in Lakpleku, close to Old Ningo, in the Ningo-Prampram District of the Greater Accra Region, operates under the government's 1-District 1-Factory programme (1D1F). It is the 107th factory to be finished and put into operation under the 1D1F initiative out of the 278 firms being established and restored around the nation. The \$35 million state-of-the-art facility is a sterile pharmaceutical plant for infusions, eye drops, vaccines/sera, injections, and general anaesthesia drugs. The facility is financed by Ghana EXIM Bank, Standard Chartered Bank, and the company's own stock. By the end of

December 2021, eleven out of thirteen pharmaceutical businesses supported by the 1D1F initiative would have received GHC415.3m for expansion, retooling, working capital, and the construction of new manufacturing facilities in the country.

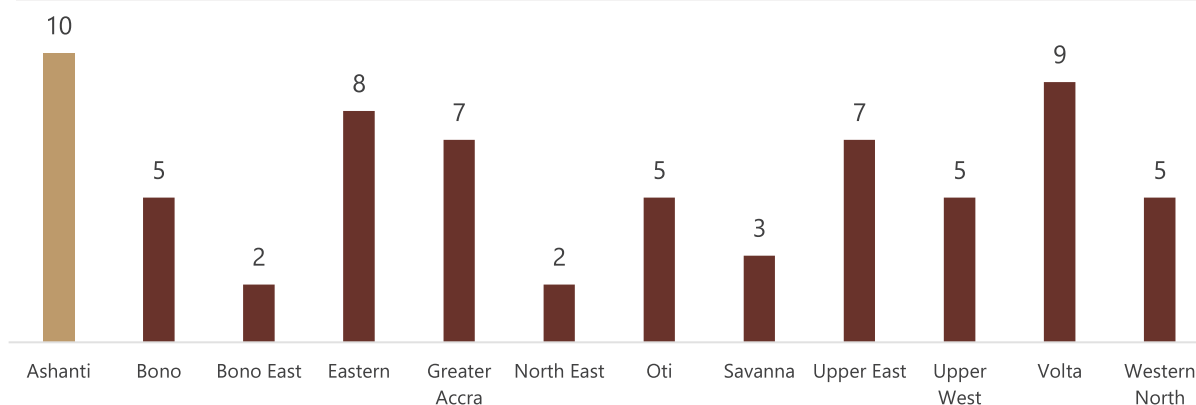
In June, the president commissioned the second phase of the University of Ghana Medical Centre (UGMC) development, which comprised the addition of a €14.5m clinical services facility, medical training and simulation facility, and a medical and scientific research centre to the Centre's current facilities. This phase focuses on key areas: a 1,000-bed clinical services section, a medical training and simulation centre, and a medical and scientific research centre that will serve as a focal point for local and international research.





## Call the medic

Number of planned district hospitals, by region (2021)



Source: 2021 Ghana Budget

In June, the president commissioned the second phase of the University of Ghana Medical Centre (UGMC) development, which comprised the addition of a €14.5m clinical services facility, medical training and simulation facility, and a medical and scientific research centre to the Centre's current facilities. This phase focuses on key areas: a 1,000-bed clinical services section, a medical training and simulation centre, and a medical and scientific research centre that will serve as a focal point for local and international research. The clinical services section houses Ghana's largest ICU, with 16 beds, and the second largest Cardiothoracic Centre.

With increasing distance from campus, the availability of specialised building amenities such as an on-site restroom, safety and security, a study area, and internet access increases. Hostels with specialised construction services that are situated farther from campus have a high occupancy rate. The relationship between location and presence of special building services, on the one hand, and occupancy rate and rent levels, on the other, is explained by the availability of specialist building services and the perceptions of students as expressed by hostel investors regarding the privacy of students. Investors utilise specialised building services to promote occupancy and boost returns.

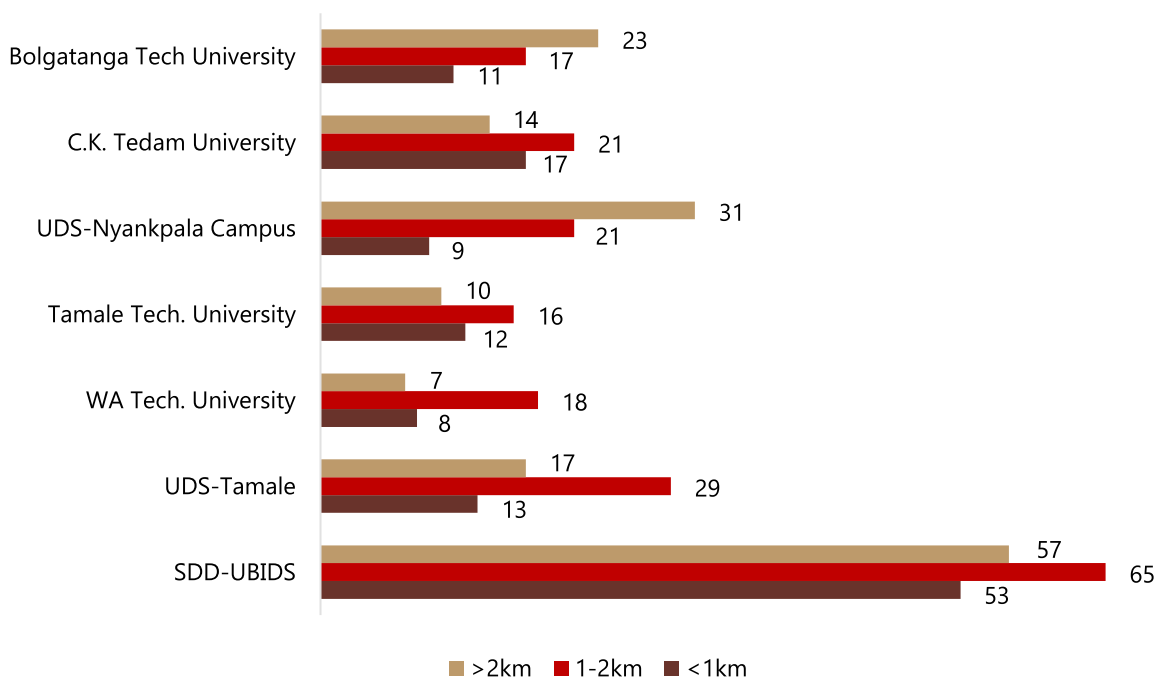
## Student Housing

Student housing investors prefer to locate near university campuses because it ensures a higher occupancy rate, a steady income stream, and, all else being equal, greater profits. Distance from the university campus increases hostel rents. Adding unique building services such as private washrooms, security, and private study places to hostels, so increasing their appeal to students, further

reinforces this notion. Researchers conclude that investors deploy key services, such as security, internet access, and private lavatories, as an investment strategy to compete favourably in the student housing market. This is especially crucial for hostels located far from academic campuses. Student housing rents are affected by the accessibility of services. Whether or not students are willing to pay the going rate for housing is contingent on the services primarily available.



## Number of Hostels and distance from university campuses



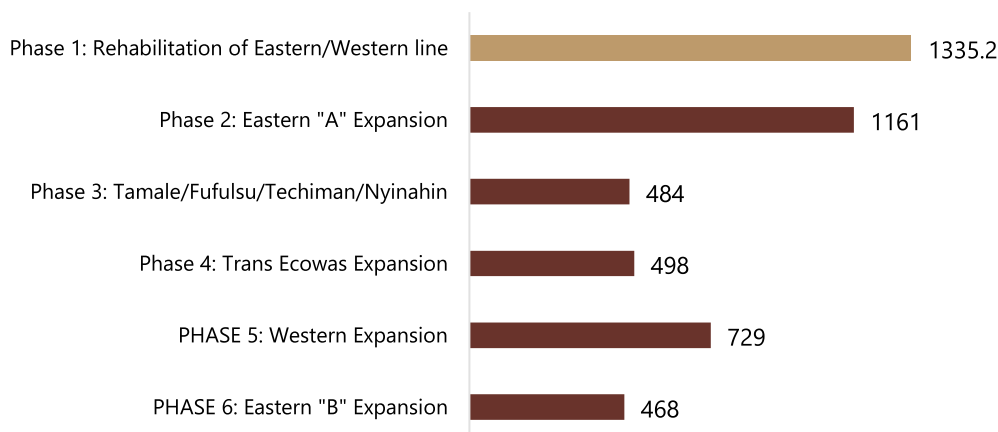
Source: Ghana Journal of Development Studies

## Infrastructure

The medium-term forecast for the construction industry is optimistic, bolstered by infrastructural investment and industrialization projects under the "Ghana Beyond Aid" initiative. The Ghana Railway system and infrastructure have been a bit dormant for a number of years, depriving the nation and economy of a large portion of

their development rate and living expenses. In relation to a developing economy, speed, space, weight, distance, cost, and time are advantageous. Freight movement and passenger travel at a high rate would greatly help the economy by reducing the number of expenses, accidents, and traffic, among other things, and would also contribute significantly to increasing commodity output, trade expansion, and population growth.

## Railway infrastructure: Distance (Km)



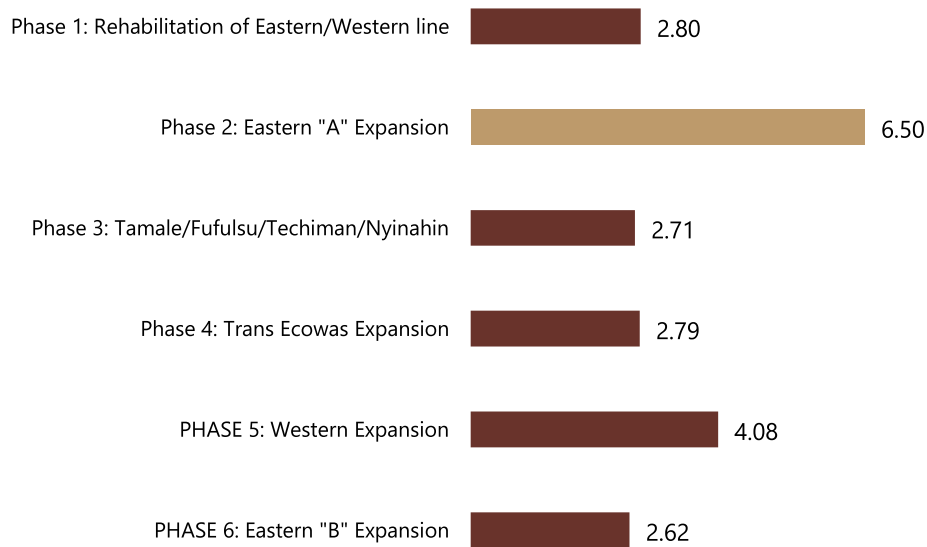
Source: Open Journal of Social Sciences



With the government's current plans for the extension of the railway framework and the creation of jobs, there will be no restrictions on resource extraction and enhanced commerce. In Accra, the Vice President of Ghana inaugurated a 12MW Tier IV data

centre developed by the industry's leading data centre developer, Onix. The data centre is located in Amrahia, Adentan Municipality, Greater Accra Region, close to international data traffic underwater cables.

### Railway infrastructure: Estimated cost (\$'Bn)



Source: Open Journal of Social Sciences

The plant is an enlargement of a previously acquired facility by AIIM in 2021. It has a capacity of 170 racks, which may be expanded to 680 racks, making it the country's largest data centre.

Phase 1 of the Accra-Tema beach road expansion project is currently about 65% complete. The government recently paid GHC10m as compensation to those whose buildings and properties have been demolished to make way for the successful completion of the project.

## Industrial

Like many other markets globally, key drivers of demand in Ghana's industrial sector are the logistics and data centre sub-sectors. Investors are actively securing land plots and built assets to cater to the burgeoning level of requirements from these sectors. The increased demand for space from these two

sectors has however been unable to offset the wider decline in space requirements as a result of the economic weakness and rents are currently some 44% below 2020 levels. The One District, One Factory programme will on track to increase supply. As of October 2022, the programme has over 150 projects in various stages of construction, with over 104 completed and operational.



Ghana also has a growing automobile industry, and exports to other African economies are projected to stay robust, thereby contributing to the industrial sector's growth. The PPP Bill attempts to establish an all-encompassing legislative framework for the evaluation, implementation, and regulation of PPP arrangements and projects involving public institutions and agencies and private entities for the provision of public infrastructure and services. The government has completed 80 warehouses across the country which have the capacity to store up to 1,000 metric tonnes (MT) of food items aimed at ensuring food security in the country.

“  
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Ghana has begun construction of a \$200 million inland marine port to lift pressures with transporting cargo. The project includes an industrial park at Debre, easing haulage of containers and bulk cargo from Ghana's Tema port to Burkina Faso and other landlocked countries via the Volta Lake. Two ports will be created - one at Akwamu-Korankye in the Eastern Region (the southern arm of the project) and Debre in the Savannah Region (the northern arm of the project). Ghana's seaports serve as transit points of cargo for some landlocked neighbouring including Burkina Faso, Mali, and Niger.

The \$200 million inland marine port and the \$250 million industrial park will address a myriad of issues that continue to plague the movement of goods from Ghana to our neighbours in the sub-region and help to take about 30,000 haulage trucks off Ghana's roads. Work is being undertaken by private Ghanaian conglomerate LMI Holdings. The entire project is expected to be fully operational by 2025. As demand gathers pace from the logistics and data centre sectors, coupled with Ghana's historical position as an industrial hub in West Africa and its role as headquarters of the AfCFTA, we expect rents to slowly increase.

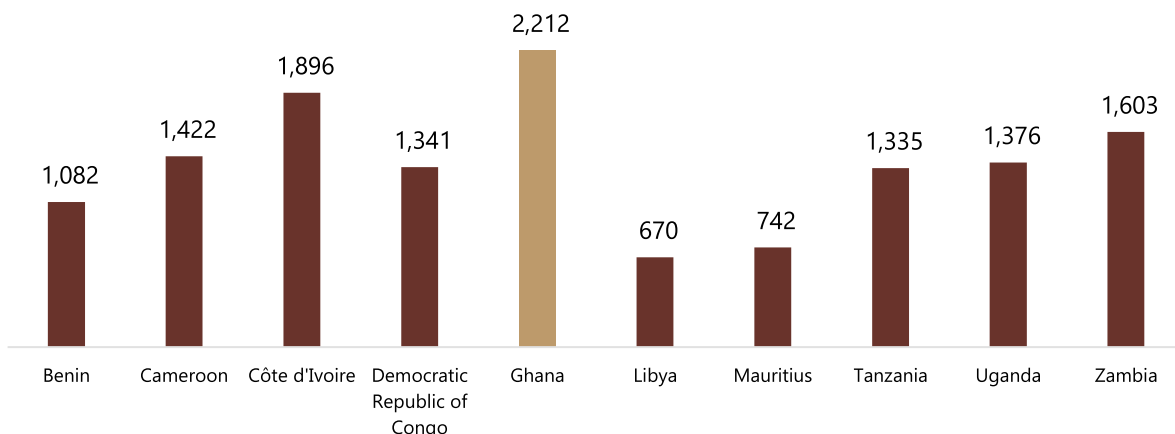
## Hospitality

The Tamale Airport Phase II expansion project, which included the construction of a modern terminal building and other ancillary facilities such as a VIP lounge, two boarding gates, four self-service check-in kiosks, eight check-in desks, airline offices, commercial retail areas, a multi-purpose terminal for Hajj travel, and a 5km road network, was completed at an estimated cost of \$70m. The airport also features a parking lot for 350 vehicles, a technical area with a reservoir for potable water and firefighting, and a sewage treatment facility, among other amenities.





### Development Pipeline by Country (Rooms)

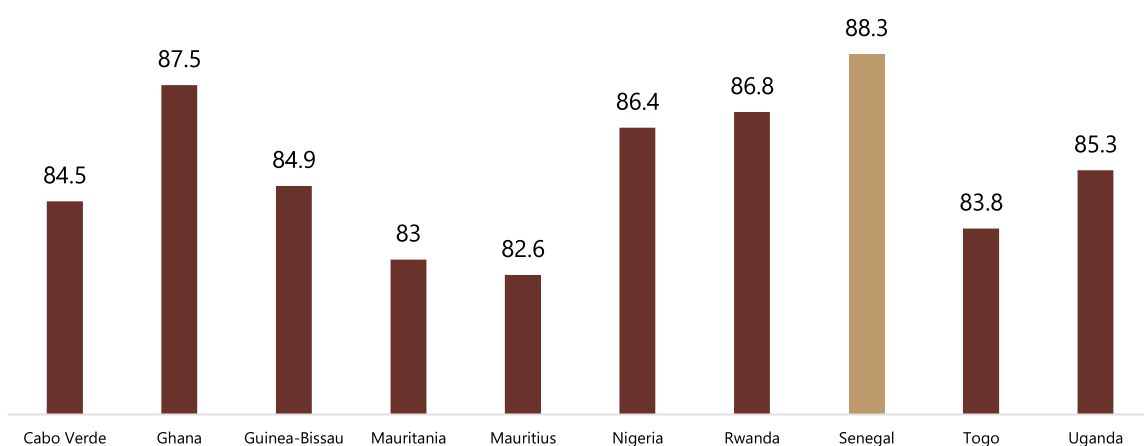


Source: W-Hospitality Group

According to GSS, the number of transactions involving hotels and restaurants in the Ghana real estate market business dropped from 2.8% in Q4 2021 to 2.5% in Q1 of 2022. This was a direct consequence of the country being categorised as an expensive place to live. Regardless, Radisson Hotel Group built its first hotel, Number One Oxford Street Hotel & Suites, a member of Radisson Individuals, on a prominent street in Accra's Osu neighbourhood, close to the city's

financial and government ministries. Its location is ideal for both business and pleasure travellers, as it is only 4Km from Kotoka Accra International Airport, 200m from the Koala Shopping Centre, and close to the city's best attractions, such as Black Star Square and Kwame Nkrumah Memorial Park and Museum. The 108 luxury apartment units comprise a 1,500sqm complex. The outdoor swimming pool, cutting-edge workout centre, and spa.

### Top 10 in Africa: 2021 VISA Openness score (%)



Source: ADB, AU



## Retail

Like elsewhere in the world, the pandemic has altered shopping habits. In Ghana, this has manifested itself in the form of a higher preference for local shopping. Convenience retail and neighbourhood malls have thrived. Developers have responded by focusing on smaller neighbourhood retail developments such as the 6,800 sqm A&C development

which is expected to be completed later this year. On average, retail rents are 11% up on Q1 2020 and while the apparent resilience is attracting new retailers, the recovery remains fragile. Key risks include currency devaluation and rising inflation, both of which are expected to lower real household incomes and subsequently drive down consumer spending.







# CONCLUSION

**T**he Ghanaian economy is experiencing unprecedented currency depreciation, and the subsequent high cost of living is affecting the real estate market. The effects of inflation on real estate markets include increased mortgage rates, higher housing prices, a devaluation of long-term debt, and an increase in building costs. As a result of developers and property owners having to spend more on importing building materials (and other costs), it is anticipated that the cost of development will rise, and the increase will likely be passed on to the end user.

Foreign investors have the opportunity to invest, as assets will be less expensive for them. It is anticipated that banks will increase

interest rates and restrict the number of loans made. This will likely increase asset acquisition costs once more. Landlords are more likely to insist on longer lease terms, often requiring payment in advance for one or two years.

The construction industry and real estate markets could lead the charge to grow Ghana's GDP for many years to come - if given the right support. The stability of Ghana's government and the fact that the African Continental Free Trade Area is now up and running make construction projects in Ghana an attractive option for investors going forward.







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Images by: [Northcourt](#) | [Marcopolis.net](#) | [Twitter](#) | [Modern Ghana](#)

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