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INFORMALISATION IN URBAN SPACES

TRENDS, DATA AND ANALYSIS IN ZIMBABWE

KIGALI, RWANDA

The Real Estate Institute of Zimbabwe

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WHAT IS LAND-USE INFORMALISATION?

Land-use Informalisation: when what the city does stops matching what the city planned

The process by which land is **occupied, converted, densified, and traded outside the planning and titling system** - so actual use drifts away from planned use hence affecting the real estate market.

Occupation

settlement or trading on land without rights or permits (vending sites, informal settlements, land invasions)

Conversion

legally held property used contrary to its zoning: houses becoming shops, clinics, crèches, workshops; residential frontages becoming retail strips.

Densification

unapproved subdivision, backyard cottages and rentals pushing densities far beyond planned levels without matching services.

Transaction

land and property changing hands through unregistered sales, eroding the formal title system itself.

Informalisation is the process. Informality is the condition

One is the engine, the other is the visible result.

INFORMALISATION

A process - ongoing, accelerating, and rational

Driven by population growth, rural-urban migration, deindustrialisation, regulation failure, and affordability exclusion.

It perpetuates itself: one informal actor creates an informal customer, who creates an informal supplier.

INFORMALITY

A state - the condition that results from the process

Not chaos - a parallel urban operating system with its own retail, finance, real estate, transport, and production networks. It has prices, rents, and yields.

Visible as street trade, informal housing, backyard rentals, home industry, and unplanned frontages

The risk is not only today's visible informality, it is the accelerating process that keeps producing it.

Business informalisation and real-estate informalisation are related but distinct phenomena, both matter for asset value.

Informality can either lift value or destroy it.

The same informal pressure can be a demand signal or a risk signal depending on management.

Value Lift

Footfall and activity
Rental pressure
Trade clustering
Early demand evidence
Future formalisation potential

Value Suppression

Congestion and access loss
Perceived risk
Tenant cannibalisation
Weak infrastructure
Unclear tenure and pricing

The real estate skill is to separate productive informality from destructive informality, then design absorption mechanisms.

THE BACKGROUND

Zimbabwe's economy is already majority-informal.

Business informalisation and land-use informalisation are linked and both reprice real estate

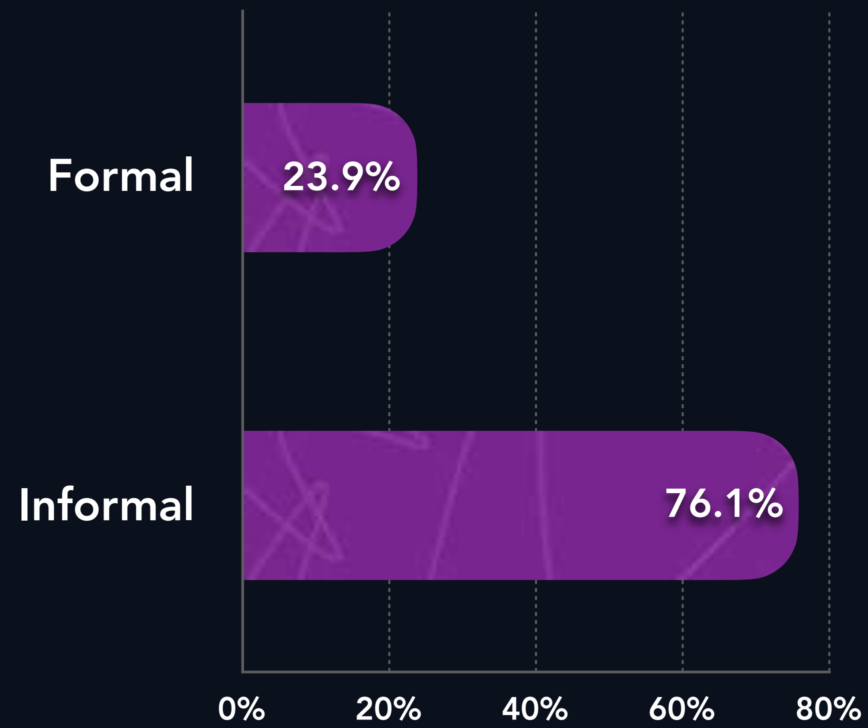
204,798

operational establishments nationwide

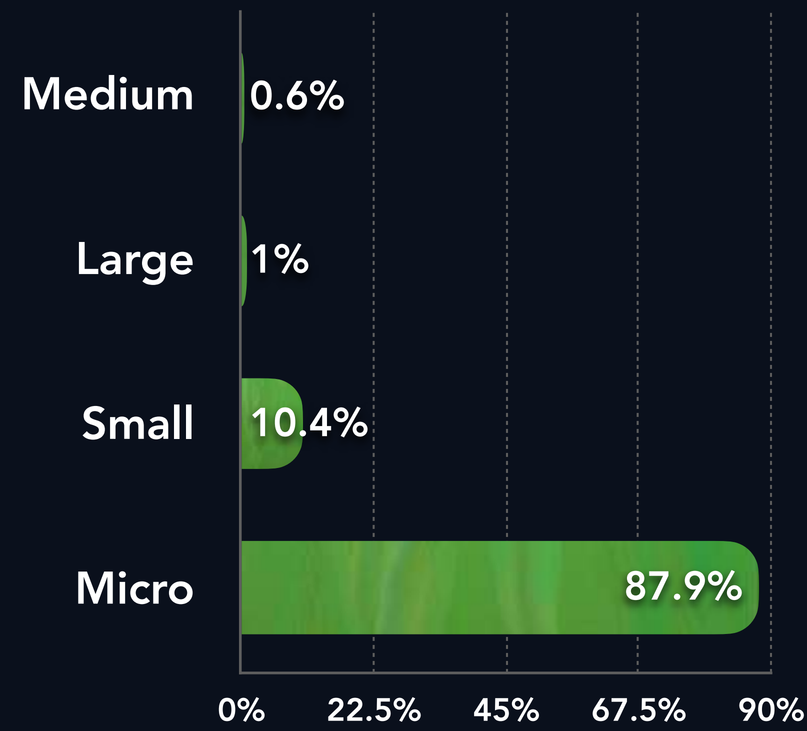
3 in every 4

operate informally

FORMAL VS INFORMAL



ESTABLISHMENTS BY SIZE



Source: Zimbabwe Economic Census 2025

This is business informalisation. It is tightly linked to land-use informalisation, and together they reshape demand, rents, and values across the real estate market.

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The City Begins At Home

The home is not just shelter. It is the starting point of movement, demand, services, schools, transport, work, trading and value

Before informality appears on the street, it first appears in the house.

Housing is not just **one asset class.** It is the urban mechanism that places people, income, work, mobility and services into space.

When formal housing cannot keep up, the house becomes the city's informal infrastructure.

Shelter
Where people sleep and settle.

Commodity
What can be priced, traded and collateralised.

Social good
The household safety net: proximity, family, trust.

Service package
Power, water, sewer, transport, clinics and schools.

Capital stock
The city's balance sheet and future tax base.

The house becomes five informal assets: shop, workshop, warehouse, bank and rental block.

Map housing pressure, and you will see tomorrow's informal economy.

The strongest signal is not the vendor alone. It is where dense housing, weak services, movement corridors and unclear title overlap.

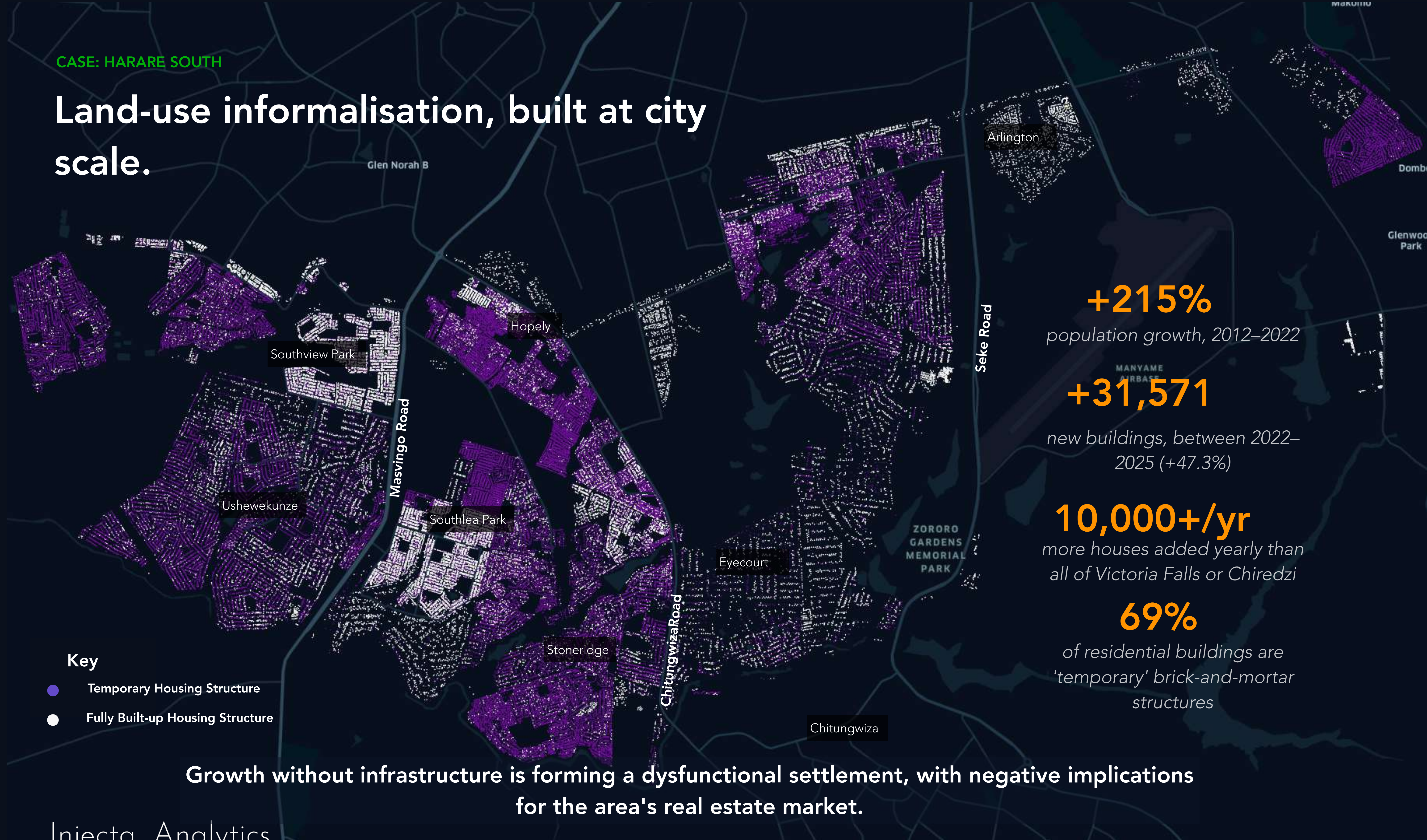
A settlement is not informal because people are poor; it becomes informal when people arrive faster than the city can title, service, house and price them.

Housing Informality: The Rise Of Underserved Settlements

The most stubborn informality: retrofitting services through occupied land is harder, costlier, and politically fraught. The window has largely closed

CASE: HARARE SOUTH

Land-use informalisation, built at city scale.



+215%
population growth, 2012–2022

+31,571
new buildings, between 2022–2025 (+47.3%)

10,000+/yr
more houses added yearly than all of Victoria Falls or Chiredzi

69%
of residential buildings are 'temporary' brick-and-mortar structures

Growth without infrastructure is forming a dysfunctional settlement, with negative implications for the area's real estate market.

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A city-sized market. No formal anchors.

No single large chain **supermarket** operates in Harare South. The anchor tenant, the tenant that underwrites shopping-centre finance, cannot enter.

1. No title deeds- land cannot be collateralised, no development finance

2. No infrastructure - water, power, roads. formal formats can't compete effectively

3. Informal incomes - covenant-grade leases cannot be written

4. Capital stays out - demand is served informally, no rent is generated

The demand exists. The investable property does not, yet. The current real estate playbook cannot price this market.

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DZIVARASEKWA EXTENSION · FOOD RETAIL

When formal retail stays out, the market builds its own.

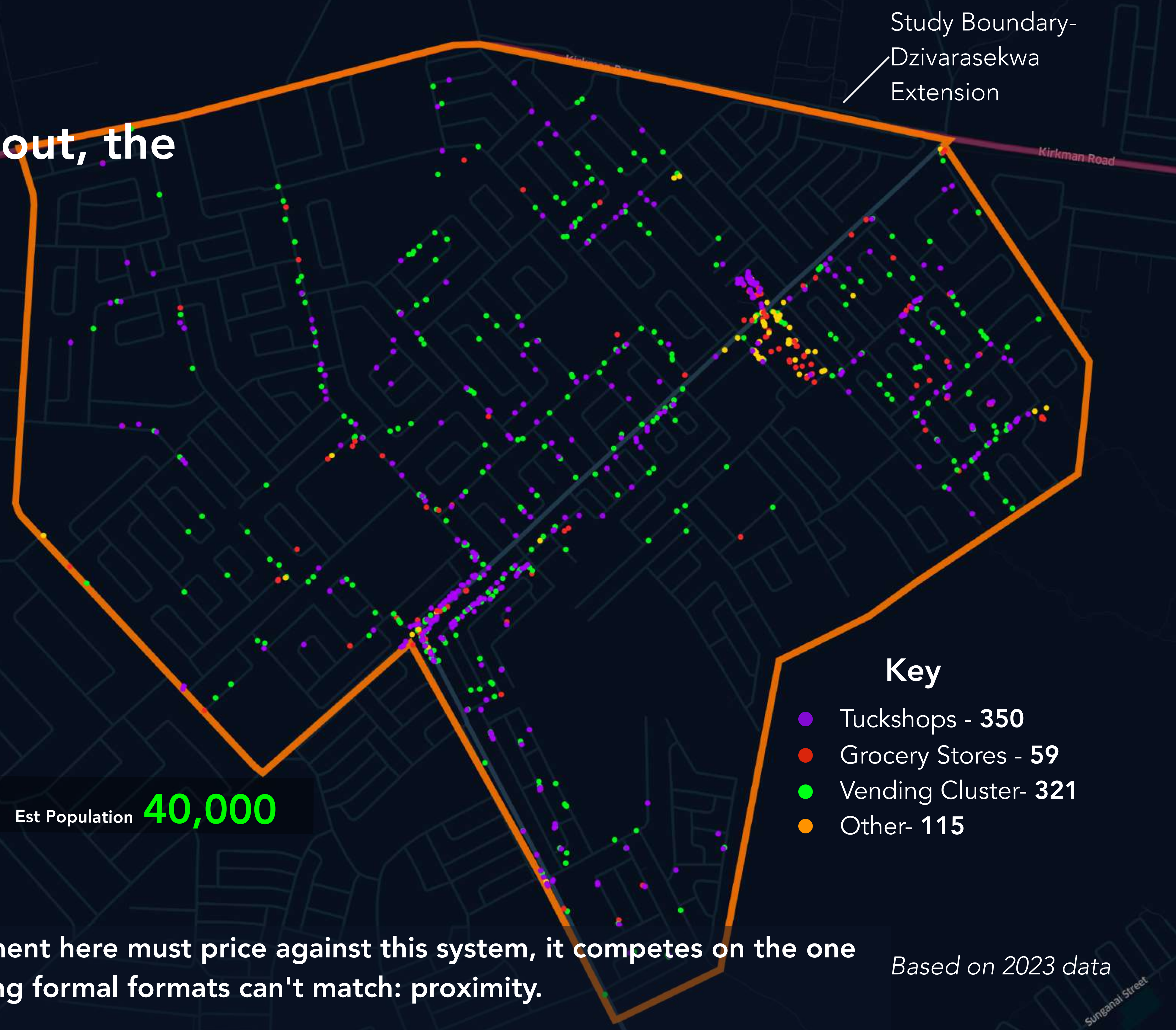
A largely new, fast-growing suburb with strained public infrastructure. Food business, formal and informal mapped by Injecta in 2023.

1 Tuckshop

for every

28 Households

This is a parallel retail property market - dense, revenue-generating, hyper-local. Hundreds of residential stands partly converted to commerce



Any formal retail development here must price against this system, it competes on the one thing formal formats can't match: proximity.

Based on 2023 data

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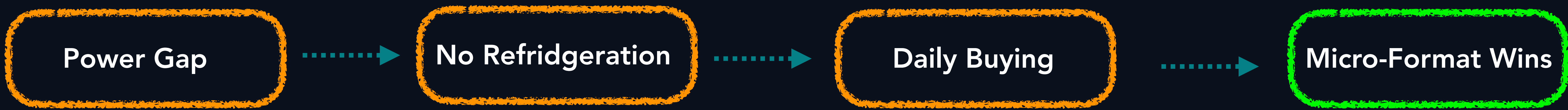
Infrastructure failure explains format failure.

No power, sewer, roads or water does not erase demand. It changes the asset model that works



Example: no electricity means no fridge; no fridge means no bulk buying; no bulk buying means daily small purchases; daily small purchases change the real estate format.

Informalisation of Land Uses In Harare CBD

HARARE CBD CASE STUDY · TM PICK N PAY & OK, HARARE - PART 1

The supermarkets stayed put. The market around them changed.

In 2024 we mapped every business on the block shared by two chain supermarkets and every adjacent. Informalisation had re-sorted the zone's trade mix around them.

THE ZONE'S NEW DOMINANT USES

1. **Automotive retail**
2. **Hardware**
3. **Clothing & apparel**

None are basket-compatible with groceries. Nobody buys brake pads and bread in one trip. The anchors' location logic quietly expired, the site never moved, but the market around it did.

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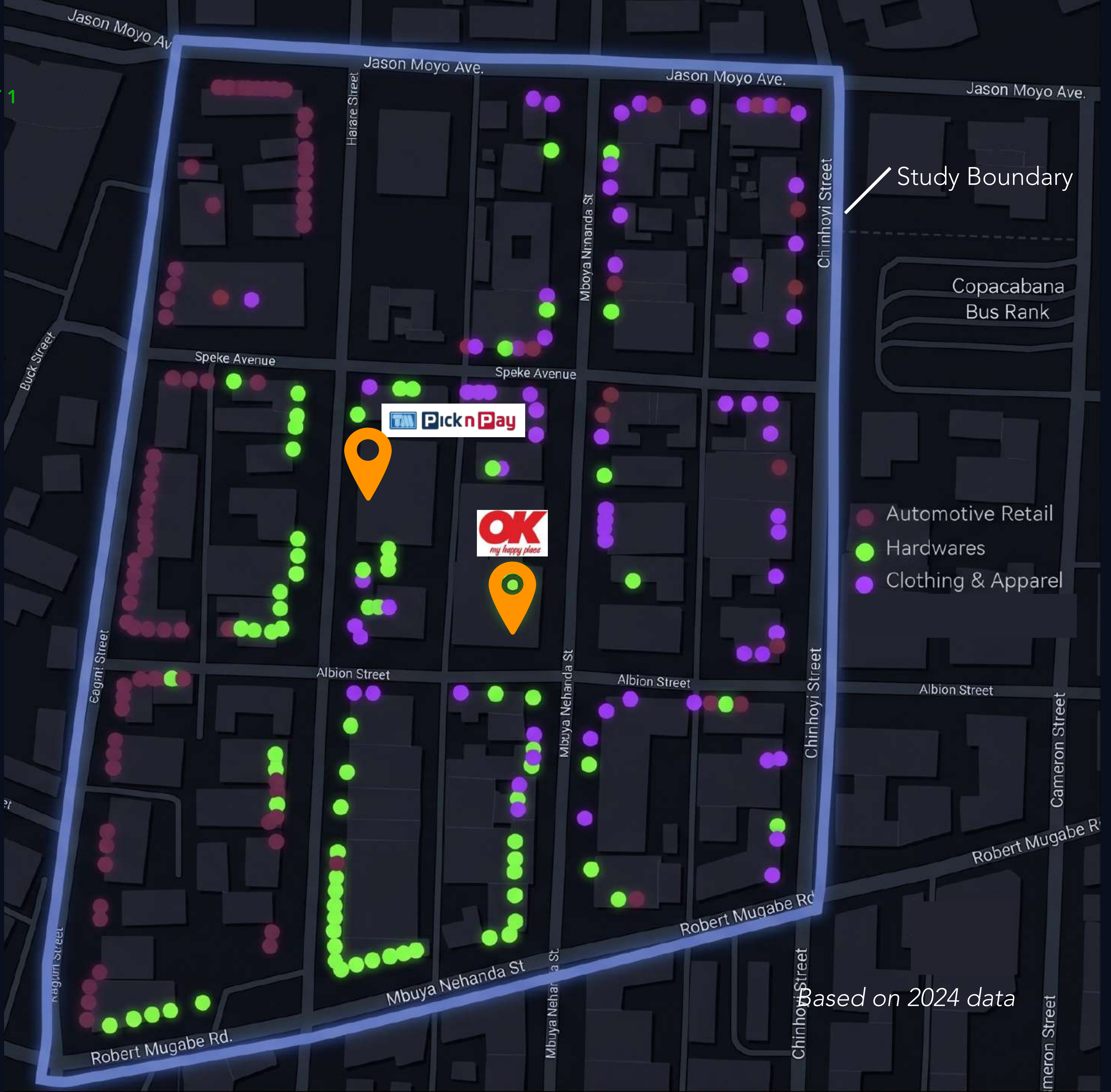


HARARE CBD CASE STUDY · TM PICK N PAY & OK, HARARE - PART 2

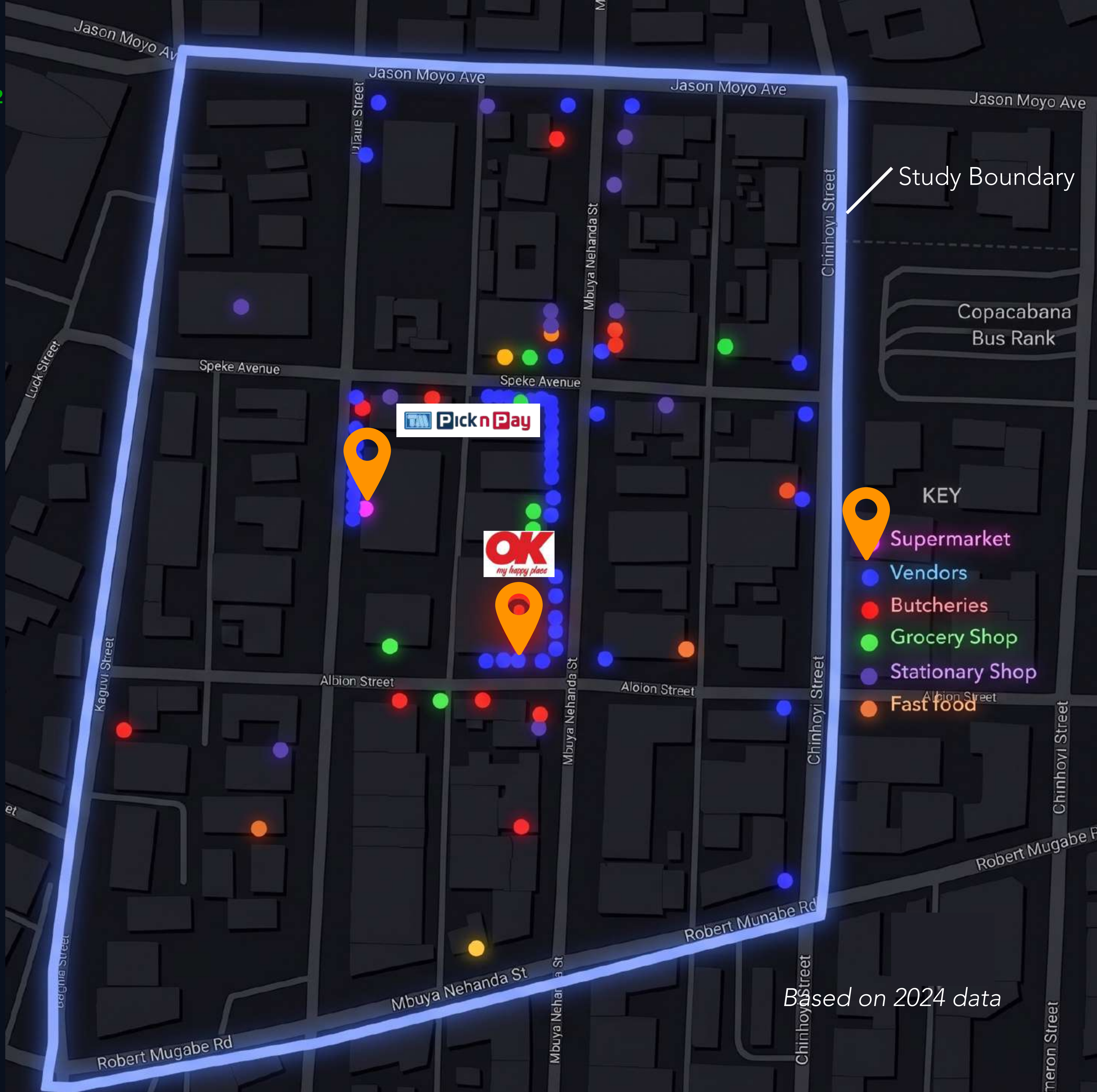
Then the competition moved in - some rent-free.

The same blocks, mapped for direct competitors: vendors, butcheries, grocery shops, fast food, largely informal, ringing the supermarkets' own frontages

Every product a supermarket sells- unbundled, informal, and effectively rent-free, sold at its own door

2024: from this data, we predicted both stores would collapse.

Today: both have since closed. Informalisation is measurable before it reaches the tenant's P&L.



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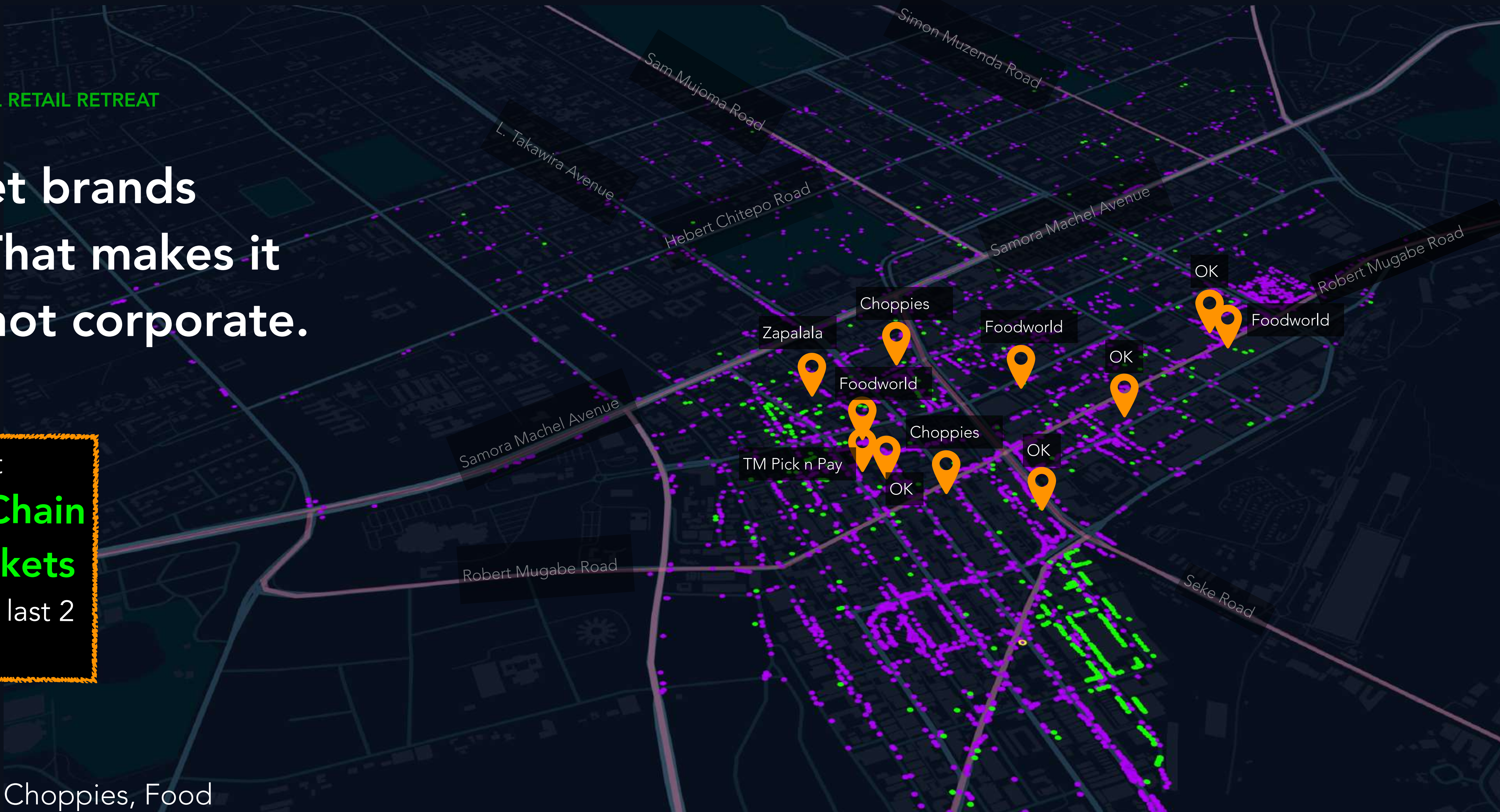
HARARE CBD · THE FORMAL RETAIL RETREAT

Supermarket brands retreated. That makes it locational, not corporate.

At Least
11 Large Chain Supermarkets
Closed in the last 2 years

TM Pick n Pay, OK, Choppies, Food World, Zapalala, at least 10 large chain supermarkets closed in the CBD in 24 months. No brand, balance sheet, or management style was spared: the zone itself repriced.



Key

- Vendors (FMCG space) **(4,190)**
- Grocery Stores **(387)**
- Closed Supermarkets in the past 2 years

Based on 2024 data

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HARARE CBD · ACCESS & AMBIENCE

The CBD sold access and order. Informality has repriced both.

6,200+

vendors across all categories - trading on frontages, pavements, and road reserves

Together they congest vehicular and pedestrian movement, capture shop frontages, overwhelm public infrastructure, toilets included and erode the district's ambience.

The response is flight: businesses are relocating to the northern and eastern suburbs.

A tax on every lease in the district: degradation → tenant flight → weaker covenants → less to reinvest → further degradation. No single landlord can fix it.

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HARARE · BUSINESSES IN RESIDENTIAL AREAS

Where the CBD's tenants are landing.

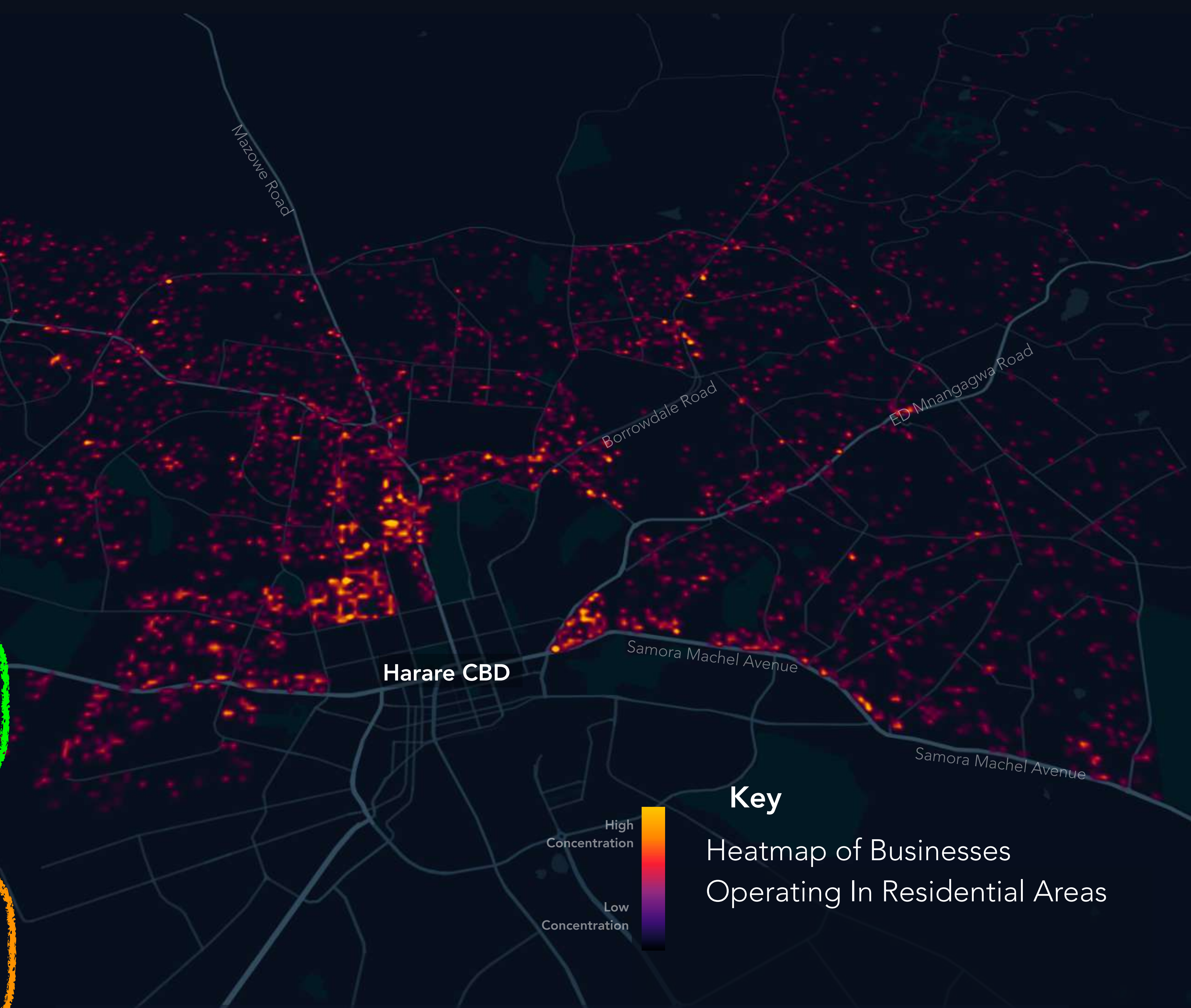
Every hotspot is a business now operating from a residential property. The exodus from the CBD has a destination map and it is bright.

THE SIGNAL - office demand is rising

In the right nodes, demand for office and workspace is climbing. The hotspots are a pre-drawn map of where formal office product would let.

THE STRAIN - residential use is competing

In high-demand areas, office use now bids against residential use for the same houses, repricing rents and changing street character



Highest-and-best use is being decided informally, plot by plot, ahead of the planners and the valuers.

SUBURBAN CENTRES · MANAGEMENT AS DEFENCE

Informality tests every centre. Management decides which ones fail.

The same pressure reaches every node, but it does not land evenly. Ownership structure and management posture decide the outcome.

Village Walk Shopping Centre

PROTECTED - single owner, active management

One entity controls the whole centre: unified rules, enforcement, and upkeep. No vending inside the line. e.g. Village Walk, Highland Park, Sam Levy's Village

EXPOSED - sectional title or passive owners

Multiple owners, no unified control, the first to be penetrated. Weak, reactive management follows the same path. e.g. Avondale, Kamfinsa, Strathaven.

Greenfields Shopping Centre

Informality is a manageable risk, not a fate - proactive owners protect their investments; fragmented and passive ones surrender them.

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NORTHGATE, HARARE · CBZ

The demand for formality never left.

A master-planned, mixed-use town: full services, real title, enforced planning, everything the informal market cannot offer.

7,000+ stands, residential, flats, cluster, commercial

39,000+ people at capacity: a town of its own

US$260m+ sales potential from standalone residential stands alone

Phase 1 fully sold out in a short space of time

In a majority-informal economy, **formality sold out first.** The constraint was never demand, it is supply of credible, planned product.

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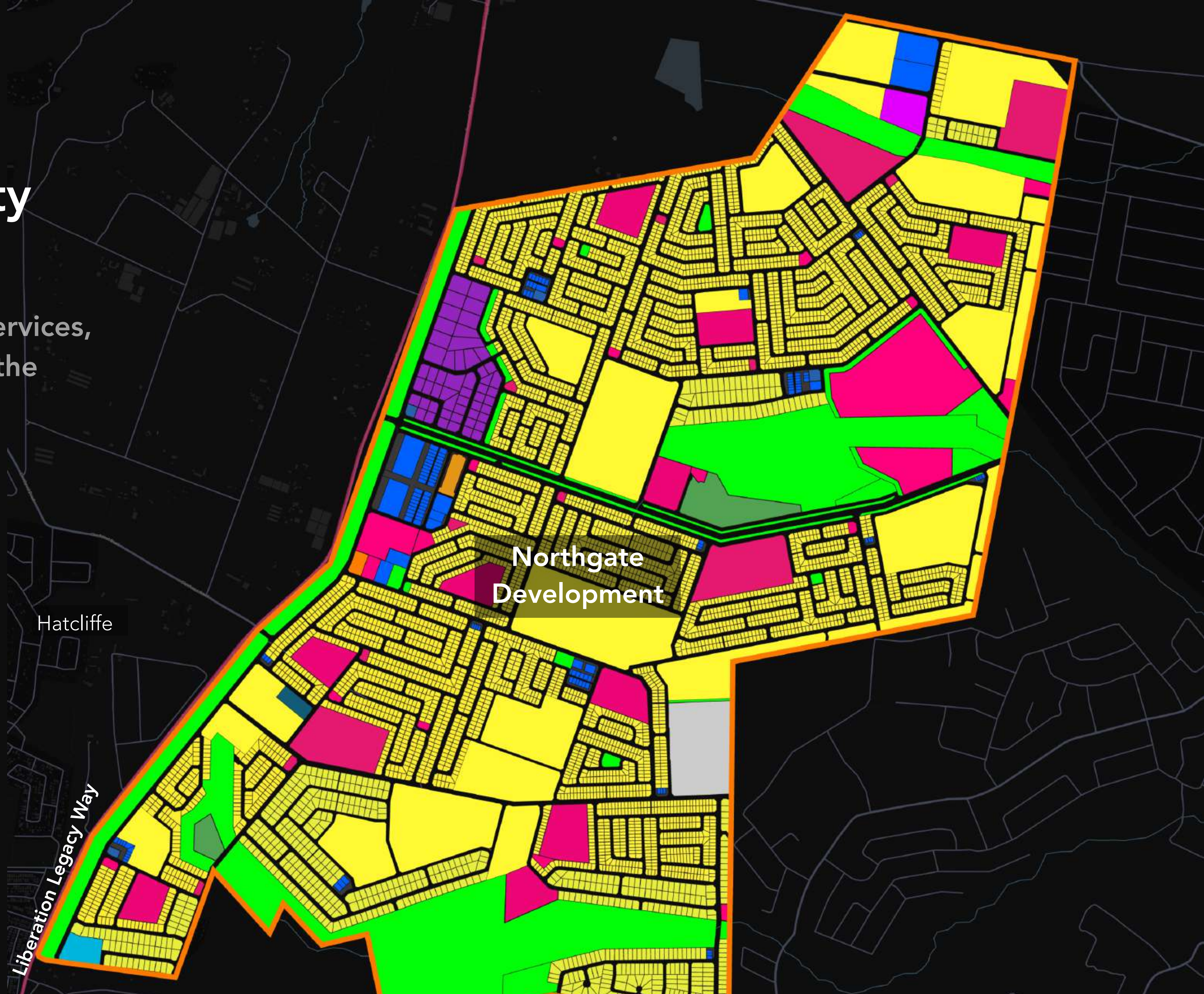

Informalisation is a supply failure, not a preference, when formal product exists at scale, the market buys it.

The Call to Action: Intelligent Formalisation, Not Blind Removal

✗ **The Wrong Question**

"How do we eliminate informality?"

Leads to: forced removals, destroyed livelihoods, vacated space with no replacement demand, failed formalisation programmes.

✓ **The Right Question**

"What is informality revealing?"

Leads to: demand-informed development, correctly formatted real estate products, tenure reform, investable informal zones, better liveability.

Five Actions for Real Estate Professionals

1. Measure informal demand before making investment decisions in any peri-urban or high-density zone.
2. Design real estate products in the right format, packaging and pricing for the actual market, not the aspirational one.
3. Push for tenure reform and compliance certification, no title, no bankable value.
4. Price in infrastructure risk. Off-grid areas suppress NOI, cap rates, and asset values, quantify it
5. Use data to identify nodes where informal activity signals future formalisation. That is where alpha lives.

CLOSING MESSAGE

Informality starts as survival, becomes a market, then becomes a real estate signal.

For real estate professionals, the task is to measure it, price it, manage its risks and convert hidden demand into better assets, rentals, services and liveability.

WHO WE ARE

Zimbabwe's Location Analytics Company.

Injecta Analytics is Zimbabwe's leading location and decision intelligence company and the pioneer of the discipline in the country since our founding in 2021.

We combine proprietary spatial datasets with rigorous analytical frameworks to deliver decision-ready intelligence that helps businesses, investors and organisations commit capital, enter markets and optimise operations with confidence.

Our foundation is **location intelligence.** Our output is **decision intelligence.**

We start with location. We end with decisions.

SECTORS SERVED

Property & Real Estate · Financial Services · Retail & FMCG · Logistics & Supply Chain · Hospitality · Healthcare · Petroleum · Telecoms · Agriculture & NGOs

Proprietary Data

Unique Zimbabwe-specific datasets built through years of rigorous field collection across 50+ urban centres, covering 60+ categories across every dimension of Zimbabwe's economic landscape.

Rigorous Analytics

World-class spatial analytics applied to Zimbabwe's urban realities: demographic modelling, trade-area analysis, network analysis and competitive mapping to surface patterns, opportunities and risk.

Decision-Ready Intelligence

We don't stop at data. We deliver clear, actionable answers structured around your specific business question, working alongside specialists in finance, real estate and economics.

We exist to replace guesswork with intelligence. Every major investment decision has a location dimension - we make sure you know yours.

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Beyond Location To **Intelligence**

Injecta Analytics
Hurudza House, 7th Floor,
14-16 Nelson Mandela,
Harare
info@injectaanalytics.com
www.injectaanalytics.com
+263 776 078 402/+263 772 357 392