The Case for Real Estate and MFIs:

A Deep Dive into Zimbabwean "Go-To" Dumps for Excess Cash

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Introduction and Purpose

Embracing Volatility

Zimbabwe's economy has experienced significant volatility in recent years, marked by macroeconomic instability. This instability is driven by various factors, including shifts in monetary policy, substantial exchange rate distortions, and persistent inflationary pressures. These elements have collectively stifled economic development and hindered business activities, keeping them below their potential. In such a challenging environment, businesses and investors struggle to effectively deploy and grow excess cash reserves.

Government Efforts

The Zimbabwean government has made several attempts to stabilize the economy through various statutory instruments. One key example of such policy change was Statutory Instrument (SI) 142 of 2019, published on June 24, 2019, which abolished the multi-currency system that had been in place since 2009. This instrument designated the Zimbabwean dollar (ZWL) as the sole legal tender for all domestic transactions, effectively banning the use of foreign currencies like the US dollar.

However, the inflationary pressures led to a lift of the restriction on March 29, 2020. In June 2022, the government promulgated Statutory Instrument 118A, which reinstated the multi-currency system for five more years until December 2025, aligning with the National Development Strategy 1 (NDS1) economic blueprint. This move entrenched the multi-currency regime into law.

A Much-Needed Relief

Further, in October 2023, President Mnangagwa extended the multi-currency regime even further to December 31, 2030, through an amendment to the Exchange Control Act published in the Government Gazette. While SI 142 of 2019 initially aimed to ban foreign currencies, subsequent policy changes in 2020, 2022 (SI 118A), and 2023 reversed this course, allowing the US dollar to remain legal tender until 2030. These policy reversals highlight the government’s struggle to restrict USD usage long-term due to economic instability and public demand for hard currency.

Activity in Public Markets

On this background, it is unsurprising that public market activity has been much lower when compared to other countries in the region. On listed equities, there are a few counters which move at the frequency required to sustain a certain level of activity and often, the movement is from institutional, not retail investors as most stockbroking firms will attest. Furthermore, The Zimbabwe Stock Exchange (ZSE) and Victoria Fall Stock Exchange (VFEX) offer a platform for equity investment, but the lack of new listings is evidence to the lack in confidence of corporates in capitalizing through retail investors. Confidence is in institutional investors to a larger extent and to this end, most corporates are choosing private placements. The scarcity of new listings further underscores the evolving business landscape, where dominant private players have emerged but have not transitioned to public markets.

The ZSE went through a phase of overall downturn, marked by a notably low volume of trades and the delisting of two companies from the exchange (Zimbabwe Stock Exchange, 2023). Market illiquidity and the impacts of regulatory changes, including currency shifts over the past decade, have eroded investor confidence.

Implications on Investment Theory

In the absence of activity on public markets, traditional investment theories, which focus on portfolio management and the risk-return trade-off, are difficult to implement in their purest form in Zimbabwe. The lack of consistent asset pricing data and the prevalence of alternative investments make it challenging to objectively measure risk and return. Consequently, businesses often make investment decisions in an ad-hoc manner, frequently deploying excess cash into opaque alternative assets. This practice perpetuates a cycle that hampers efforts toward economic formalization and stability.

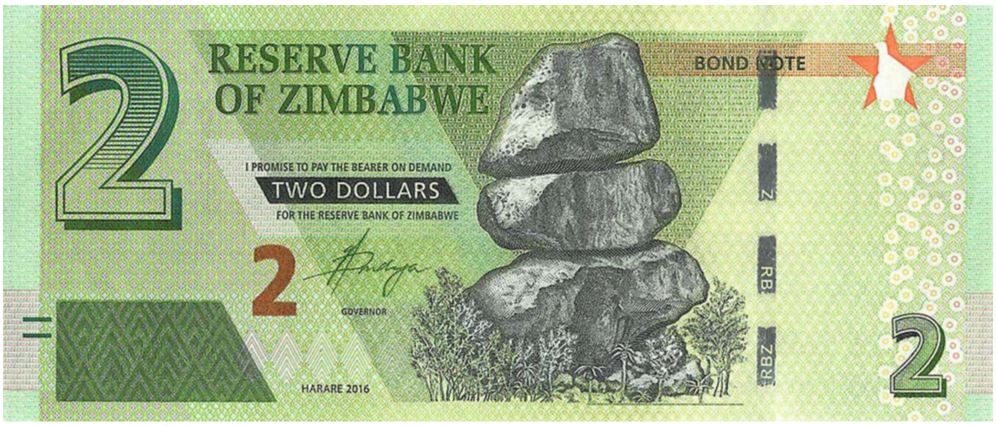
The Challenges of Informal Cash Management in Zimbabwe

Excess cash management has therefore become simplified in Zimbabwe. As there is few to no formal investment channels, the larger populace, whether retail or corporate, approach to this has become generally informal. The country’s rapid informalization proves this narrative – with the informal sector accounting for roughly 65% of GDP according to ZNCC (2024).

Purpose of the Whitepaper

This whitepaper aims to provide insights into the approaches which have been adopted by corporates and individuals in Zimbabwe in managing excess cash – specifically focusing on the Real Estate and Microfinance industries. The paper will seek to provide a detailed analysis into the specific areas, giving further context and providing some basis for making better decisions in the areas.

Our analysis attempts to also cover unique challenges of the Zimbabwean investment landscape and propose a framework for evaluating and executing alternative investment strategies that align with the country's economic realities[1].



[1] We seek to provide an initial platform for discourse around these matters and welcome differing insights for a more valuable dialogue.
For the sake of this white paper, any reference to investor means any institution or individual with excess cash, seeking to make an investment decision.

Real Estate Investments

Introduction

In Zimbabwe, real estate has emerged as a compelling avenue for deploy their excess cash. There are several theories seeking to explain this movement with the two most prominent being diaspora remittances and rise of the informal economy.

Below is a breakdown of why we do not believe these avenues are not as influential as it might appear:

- **Diaspora remittances:**
  Firstly it is true that the country has seen its highest emigration movement over the past decade, with over 3 million Zimbabweans believed to reside in South Africa alone. It is therefore reasonable to infer that a large part of this populace would remit funds home to build their homes. However, when one considers the calibre of jobs that Zimbabweans are emigrating to engage in, much is left to be desired – there is little to no disposable income in those endeavours with the few who are able to secure top jobs having better investment options than to reinvest home.
  - If one considers the pace of the developments and rate of uptake, most real estate transactions are cash based as further highlighted in this paper.
  - It is illogical to purchase a duplex in Harare for US$ 250,000 when the same amount can give you a much bigger property in another country with better infrastructure. It is more likely that those who have capacity in the diaspora are buying homes in the countries where they are residing
  - There is however a notable amount of Zimbabweans in the diaspora remitting funds home on a monthly basis, with diaspora remittances sitting at approximately US$ 1.8 billion in 2023, we believe that this money is mainly used to sustain livelihoods of family members due to structural issues in our economy – and not necessarily being used to invest into real estate.
- **Rise of the informal economy:**
  Contrary to the prevailing belief that informalization creates value, we strongly believe informalization actually destroys value, both for the informally employed and economy as a whole. Most people working in the informal sector earn more at face value, purely because they pay little to no tax.
  - However, the ability of the informal sector to create an enabling level of wealth is questionable when one considers how the lack of capital results in significantly lower productivity, mechanization and economies.
    - It is not unreasonable to expect a single factory employing 1,000 people with a capitalization budget of US$ 100 million to create better value, have better social protection and enable bankability of their employees.
    - The contrast would be the same 1,000 people being self-employed, involved in activities such as vending, artisanal work and other areas which we know informalization entails. Furthermore, there is no business case to backstop a business case which warrants the US$ 100 million and if there are few who make it, they will collectively raise less than US$ 10 million.

        - So, if we extrapolate the argument, the failure of the individuals to motivate capital than the collective, formalized business, means that their ability to produce at the level surely cannot be the same and as a society we are worse off.
        - When you couple this conclusion with the fact that mortgage finance is generally scoped to formal sector, it becomes apparent that informal activity might not be as dominant in the real estate movement.
    - There are however a few people who have arbitrage opportunities who end up having excess cash with the arbitrage being derived from either currency volatility or not paying ZIMRA their dues. This group has a large influence on real estate prices and should not be ignored – we will classify them as informal which to an extent invalidates our initial argument.

So What Exactly Explains The Real Estate Boom

The biggest reason why real estate assets are booming is *lack of options*. Anyone with excess cash, whether individuals or corporates, irrespective of how they secures the cash, has limited options as articulated in the introduction. Real estate therefore becomes the de-facto investment avenue as it requires little to no skill in executing. An example of this occurred in London in the late 1980s and 1990s. The 1990s saw a turbulent real estate market in London, beginning with a downturn that followed the late 1980s boom, characterized by falling house prices and rising unemployment. However, by the late 1990s, as Russian oil wealth began to flow into London real estate, significant investment activity resumed, contributing to increasing demand for property. This was an effort by those involved in the oil industry in Russia to shift their wealth away from being affected by commodity prices.

Nonetheless, the sector has merits, in its own right, especially given the economic challenges which Zimbabwe has faced. It offers unique advantages such as potential capital appreciation, steady rental income, and a buffer against economic volatility. Unlike other investment vehicles that may be more susceptible to the country's fluctuating economic conditions, real estate provides a tangible asset with the potential for long-term growth. Moreover, with high demand for residential, commercial, and industrial properties—driven by urbanisation and a growing diaspora interest—real estate investments are increasingly seen as a reliable option for businesses aiming to diversify their portfolios and secure financial stability in a challenging economic environment[2].

Current State of Real Estate Investments in Zimbabwe

Economic Context

The introduction of a multicurrency system, with the US dollar as a key component until at least 2030, has provided some degree of stability for real estate transactions. Borrowing to

[2] This previous section is meant to contextualize and manage your expectations on the real estate asset class even though it is a viable investment proposition in Zimbabwe as the next sections will explain.

secure real estate is currently expensive, both in dollars (rates between 15% to 30%) and in ZIG (50%+ at time of writing).

Market Trends

- **Residential Sector:** The residential real estate market is experiencing high demand, driven primarily by the lack of options as explained earlier, rapid urbanization and some interest from the Zimbabwean diaspora. Property prices in prime locations such as Harare have risen by approximately 40% over the past five years. Banks are notable players in the sector and there is also a notable trend towards the development of cluster housing in Harare's northern suburbs.
    - The buying prices are so high that the rental yield has become significantly diluted e.g. one can lease a house worth US$ 150,000 for US$ 1,000 / month which implies a gross yield of 8% per annum, netting around 7%. Therefore, residential real estate makes more sense from a capital preservation perspective than yield.
- **Commercial and Industrial Properties:** The demand for commercial real estate, particularly office space in Harare's Central Business District (CBD), has declined. In contrast, there has been a surge in demand for smaller retail spaces and industrial properties, especially in sectors like mining, agriculture, and logistics. This shift reflects a broader economic realignment as businesses seek more practical and cost-effective spaces outside the traditional CBD.
    - Real estate owners with ground floor space in CBD have mostly converted it to small retail rental spaces and the yield is better because it is also less concentrated.
    - Some high rise buildings have been converted to residential real estate but this conversion has been generally difficult. This is because of structural issues surrounding aspects like plumbing, electrical wiring which are fundamentally differ when the primary build use was commercial versus residential.
- **Student Accommodation:** Student accommodation has become an increasingly attractive investment, with a significant deficit in university housing driving demand. Recent developments, such as new facilities funded by international banks and local institutions, highlight the growing interest in this niche market. The government has identified a shortfall of approximately 30,000 beds in university accommodations, making this a lucrative opportunity for investors.
    - The recent construction of a student accommodation complex at the National University of Science and Technology (NUST) by IFDB and Afreximbank is a prime example.
    - There has been a general increase in construction of boarding houses in around the major universities, mostly owned by retail investors.
- **Land Development:** The development of residential stands in emerging areas on the outskirts of Harare and other major cities is gaining traction. These developments cater to a broader market by offering more affordable options compared to inner-city properties.
    - Harare specifically is “crowded out” by that initial group of buyers which we identified at the beginning of this section. Consequently, the city’s expansion is at its highest.

    - The opportunity lies in land development: the appeal of land development lies in its ability to generate quick sales, fuelled by the population growth in Harare and a general reluctance among Zimbabweans to remain renters.
- **Real Estate Investment Trusts (REITs)**: Introduced in 2019, Real Estate Investment Trusts (REITs) provide an accessible avenue for investing in Zimbabwe's real estate market. REITs allow investors to pool their funds to purchase and manage a diversified portfolio of income-generating properties, including residential, commercial, and industrial assets. This investment structure offers the advantage of lower capital requirements and reduced risk through diversification. The regulatory environment in Zimbabwe is supportive of REITs, offering tax incentives and other benefits that make them an attractive option for both individual and institutional investors looking to diversify their portfolios and gain exposure to the real estate market.
    - Listed REITs:
        - Tigere REIT - Became the first REIT to list on the ZSE in November 2022. It is managed by Terrace Africa Asset Management and owns two commercial properties: Highland Park Shopping Mall and Chinamano Corner.
        - Revitus Property Opportunities REIT Fund - Listed in December 2023, becoming the second REIT on the ZSE

Challenges in the Market

High Transaction Costs

One of the significant barriers to real estate investment in Zimbabwe is the high transaction costs associated with property purchases. These costs, which include legal fees, conveyancing fees, transfer duty, registration fees, taxes, and other charges, can sum up to 10% of the property price and can substantially increase the overall cost of acquiring property. For both local and foreign investors, these expenses can be prohibitive.

Limited Access to Financing

Access to financing remains a critical challenge in Zimbabwe's real estate market. High-interest rates, currently 15% to 30% for even prime borrowers, coupled with stringent lending conditions, make it difficult for investors to secure affordable financing. The local mortgage market is underdeveloped, with limited availability of long-term financing options. This situation is exacerbated by the scarcity of foreign currency, which further restricts access to necessary funds for large-scale real estate projects. As a result, many investors must rely on self-financing or alternative funding sources, which may limit the scale and scope of their investments.

Liquidity Constraints

Real estate is generally a less liquid investment compared to other asset classes such as stocks or bonds. Selling property can take considerable time. This limited liquidity poses a risk for investors who may require rapid access to funds or need to liquidate assets in response to changing economic conditions.

Reasons for Investing in Real Estate

Economic Stability and Inflation Hedge

Real estate in Zimbabwe is increasingly viewed as a reliable hedge against inflation, a critical consideration given the country's history of economic instability. Unlike other assets that may lose value during periods of high inflation, property values in Zimbabwe tend to appreciate over time. This was notably evident during the hyperinflation crisis of the late 2000s, when many real estate investors were able to revalue their properties in more stable currencies, thus protecting their investments from devaluation. Today, as the economy continues to experience volatility, real estate remains one of the few asset classes that can preserve and even grow its value, providing investors with a secure store of wealth.

High Demand for Housing

Urbanization and population growth in Zimbabwe have created a significant demand for housing, particularly in urban areas. This demand is further amplified by the ongoing influx of the diaspora, who are increasingly investing in residential properties back home. The backlog in council housing lists and the rising number of market entrants offer lucrative opportunities for real estate investors, particularly in the development of affordable housing solutions. Government in its NDS 1 has stated that the country has a housing deficit of 1.25 million housing units. With the current supply struggling to meet the growing demand, investing in residential properties can yield substantial returns as prices continue to rise and rental markets flourish.

Passive Income Generation

Real estate investments offer a steady stream of passive income through rental properties. In Zimbabwe, rental income is typically denominated in US dollars, providing a stable cash flow that is insulated from local currency fluctuations. This makes real estate an attractive option for businesses and individuals looking to diversify their revenue streams. Moreover, rental income often adjusts to keep pace with inflation, ensuring that the returns from real estate investments remain robust even in challenging economic conditions.

Control Over Investments

One of the key advantages of real estate investment is the level of control it offers. Investors can directly influence the outcome of their investments through property management, pricing strategies, and renovations. This hands-on approach allows investors to adapt quickly to market conditions and maximize returns. For investors in Zimbabwe looking to deploy their excess cash strategically, real estate provides a tangible and manageable asset that can be tailored to meet specific investment goals.

Long-Term Capital Appreciation

Real estate investments are typically associated with long-term capital appreciation. As Zimbabwe's urban areas continue to develop and infrastructure improves, property values are expected to rise. Investors can capitalise on this growth potential by strategically purchasing properties in emerging hotspots, where the potential for appreciation is highest. This long-term perspective aligns well with the goals of companies seeking to grow their wealth steadily over time, making real estate a preferred investment option for those with excess cash reserves.

Conclusion

In summary, there is a reason behind the real estate market movement and an investor needs to have full appreciation of this:

- The prevailing high prices in Zimbabwe are not based on a credit injection unlike the situation in 2008/9 which underpinned the Global Financial Crisis.
- In Zimbabwe's case, the flight to safety is largely the reason behind the high pricing and as long as there is no alternatives, this trend will continue.

We strongly believe this situation will not change in the medium to long term as there is no valid basis to foresee huge structural shifts in the prevailing political and economic environment.

The Microfinance Industry

Introduction to Microfinance

The other area which Zimbabwean institutions are channelling excess cash is microfinance and the explanation for this is simple - in the absence of a strong retail deposit base, the banks have been unable to extend credit to the wider populace, save for a few strong and bankable institutions. The lack of capital is causing “crowding-out” of the small to medium enterprises. The low supply vis-à-vis the high demand has caused the price of money to skyrocket. Borrowing is expensive in Zimbabwe but herein lies the opportunity. Unlike the first focus area, real estate, lending requires skill though most are practicing it loosely with simplified safeguards required to backstop credit risk.

The implications of banks not having capacity to lend at the first level has left a notable chasm in working capital financing. Consequently, microfinance in Zimbabwe has evolved into a critical component of the financial sector. They serve an important need which has strong economic return, and the market has seen a rise in both formal and informal players as the need is glaring and requires a solution.

Products sold under the MFI banner include microloans, savings, insurance, and other financial products designed to support entrepreneurship with a smaller portion being reserved for consumer lending as retail finance is also scarce from banking institutions. From a policy standpoint, the growth of microfinance in Zimbabwe has been supported by initiatives such as the National Financial Inclusion Strategy II, which aims to broaden financial inclusion across the country.

Building Success in Uncertainty: How Microfinance Flourishes in Zimbabwe

Having established a premise for their relevance, MFIs are thriving. Several key factors contribute to their success and resilience as detailed in the following section.

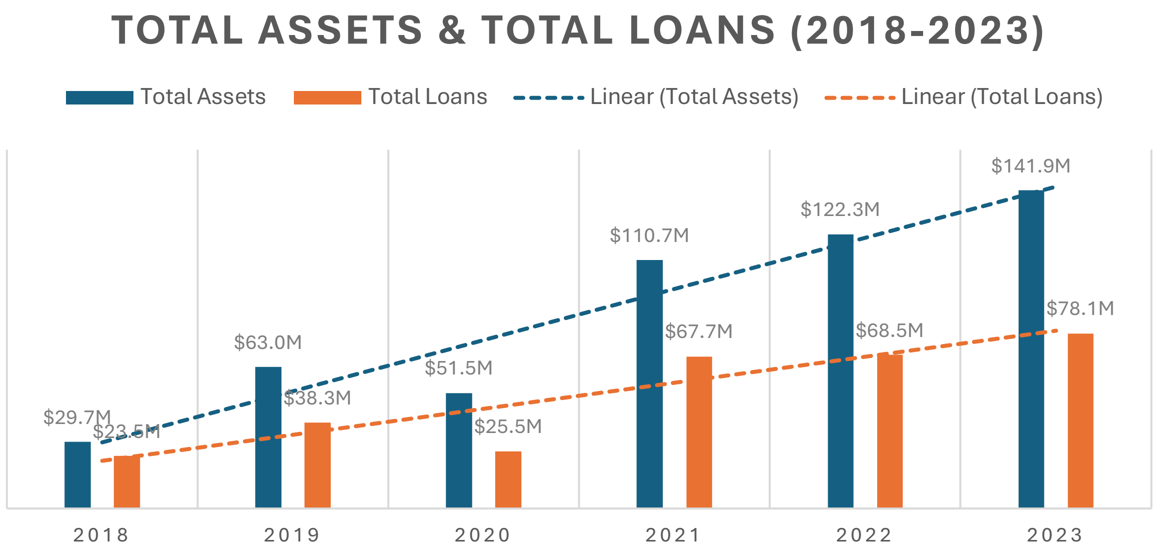
- **Lending in US Dollars**
  One of the primary strategies that has bolstered the viability of MFIs in Zimbabwe is their shift to lending in US dollars, a hard currency.

- **Informalization is not traditionally bankable, so opportunity exists in the medium to long term**
  As the country has informalized, new businesses still need capital. Banks have strong KYC requirements and tight credit control policies which disqualify most of the informal sector businesses. Whilst one might easily fault banks for not being innovative, from a banking perspective, this is risk which does not have a reward to a larger extent as they are earning strong yields from larger established businesses. Money is in short supply so serving the informal sector has no logical benefit unless it serves for long term benefits which are largely debatable.

- **Proven Social and Economic Impact**
  Microfinance has proven to be a powerful tool for poverty alleviation and economic empowerment in Zimbabwe. By providing access to capital, MFIs enable clients to increase their incomes, build assets, and improve their standard of living. This dual impact—both social and economic—enhances the appeal of MFIs to impact investors and donors, who view these institutions as vehicles for both financial returns and positive social change. The demonstrated success in lifting individuals and communities out of poverty has solidified the role of MFIs as key players in Zimbabwe's economic development.

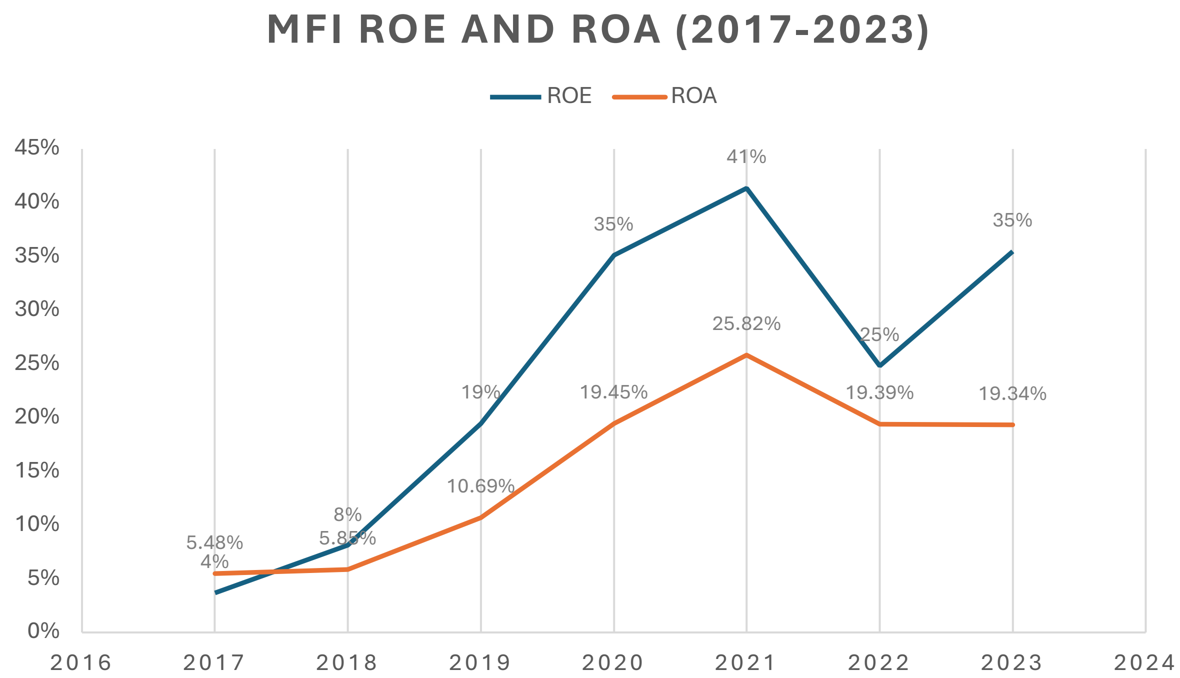
Market Potential and Returns

Key performance indicators from recent reports illustrate substantial increases in total loan portfolios, total assets, aggregate equity, and net profit. For instance, as of December 2023, the sector reported total assets amounting to $141.9 million, with total loans standing at $78.1 million (RBZ, 2023). This marks a significant increase from previous years, reflecting the sector's expanding reach and capacity.

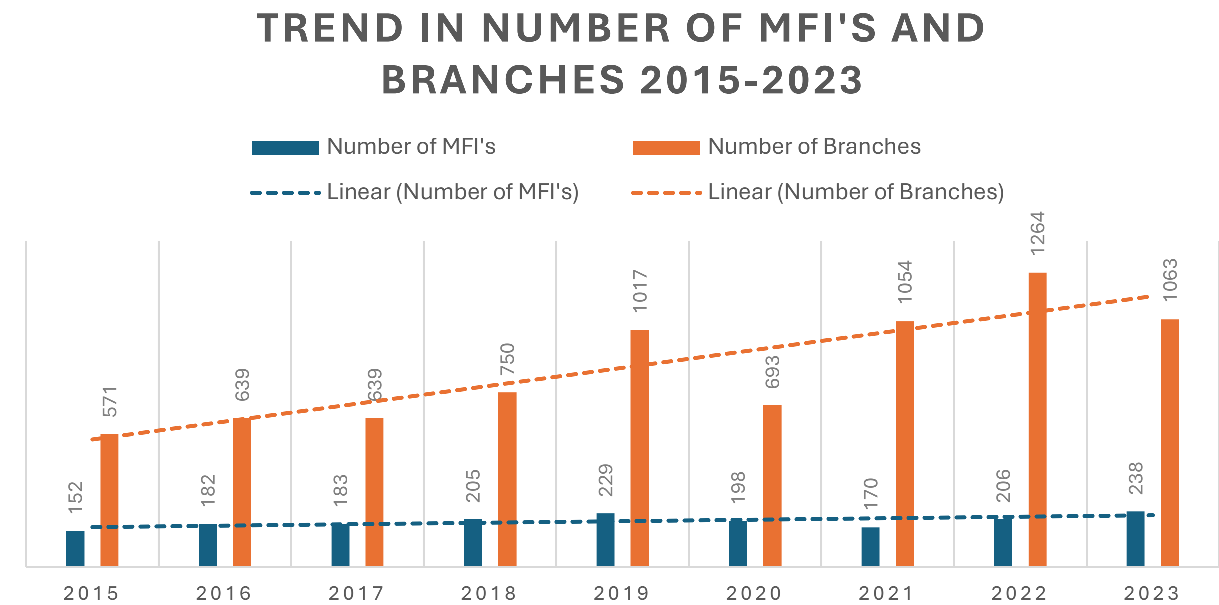


Source: Reserve Bank of Zimbabwe (2023)

The number of active loan clients in the microfinance sector has consistently ranged between 300,000 and 350,000 from 2020 to 2023. This steady client base underscores the sector's critical role in providing essential financial services to underserved populations. Additionally, microfinance institutions (MFIs) have maintained high repayment rates, with a sector-wide Average Operational Self-Sufficiency (OSS) ratio of 209.5%, a return on assets (ROA) of 19.3%, and a return on equity (ROE) of 35.5% as of 2023 (RBZ, 2023). These figures highlight the sector's sustainability and attractiveness as an investment option to individuals who hold excess cash, offering high returns compared to traditional banking investments.



Source: Reserve Bank of Zimbabwe (2023)

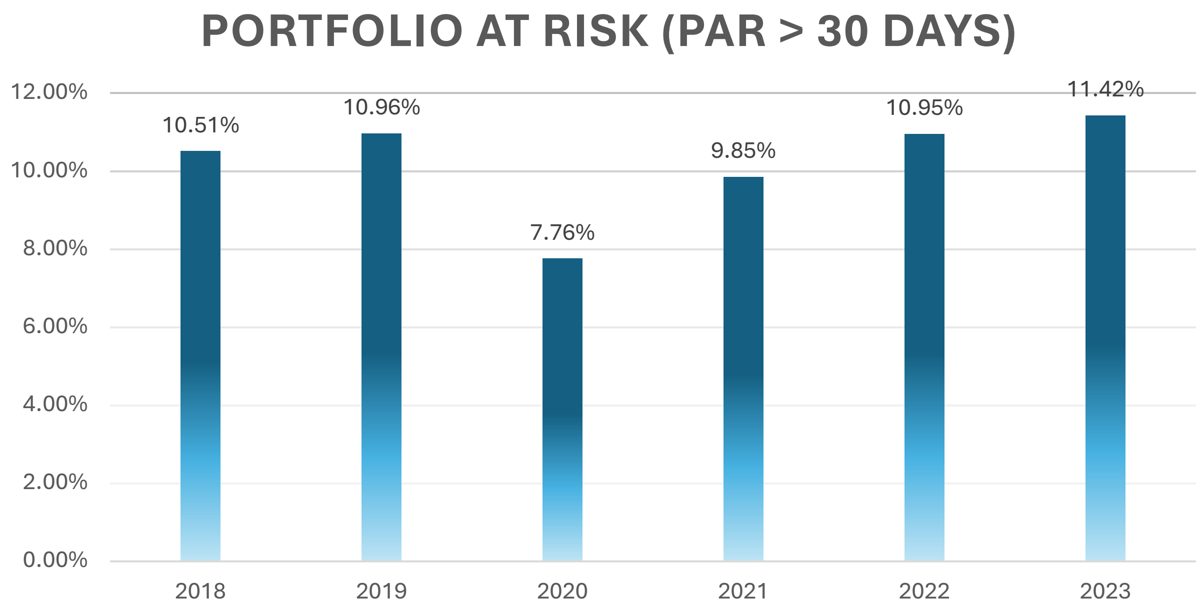


Source: Reserve Bank of Zimbabwe (2023)

The graph above illustrates the trend in the number of microfinance institutions (MFIs) and their branches from 2015 to 2023. Over this period, the number of MFIs has shown a steady and marginal increase, with notable declines only in 2020 and 2021, which can be attributed to the impacts of the COVID-19 pandemic. Conversely, the number of new branches has risen at a significantly higher rate, indicating the expansion of existing businesses within the market. This trend suggests that the market is stable and poised for growth, with established players continuing to expand their operations. These positive trends are anticipated to persist into the foreseeable future, assuming there are no major structural changes to the Zimbabwean economy.

In terms of loan performance, the microfinance sector in Zimbabwe has demonstrated remarkable resilience, evidenced by a significant reduction in the portfolio-at-risk (PAR) ratio. As of December 2023, the PAR (>30 days) ratio stands at 11.42%, indicating a steady improvement in the ability of borrowers to meet their repayment obligations. Although this ratio stands above the international benchmark of 5%, it is still reasonably acceptable and is a key indicator of the sector's growing stability and reliability.

For investors with excess cash, these figures are particularly encouraging. A low PAR ratio suggests that the risk of default within the microfinance sector is decreasing, making it a more secure investment option. The ability of MFIs to maintain high repayment rates even in changing economic conditions reflects their effective credit management practices and the resilience of their client base. MFIs have tailored their financial products to meet the specific needs of low-income borrowers, who, despite their limited resources, have proven to be diligent in repaying loans. This strong repayment behaviour not only supports the sustainability of MFIs but also reinforces their capacity to offer attractive returns to investors.



Source: Reserve Bank of Zimbabwe (2023)[3]

Thriving Amidst Volatility: Zimbabwe's MFIs

Expansion and Growth of MFIs

One of the clearest indicators of the sector's success is the continuous expansion of microfinance institutions across the country. Success Microfinance Bank is a known example of this growth story as, since its inception (13 years ago), has steadily grown into a significant

[3] Portfolio at Risk [30] days - The value of all loans outstanding that have one or more instalments of principal past due more than [30] days. This includes the entire unpaid principal balance, including both the past due and future instalments, but not accrued interest. It also includes loans that have been restructured or rescheduled.

player in the Zimbabwean financial landscape. Even banks have started to leverage their bigger balance sheet to enhance their returns by actively participating in the space.

Profitability and Financial Performance

In terms of financial performance, Zimbabwe's MFIs have consistently posted strong profits, even amid economic instability. For instance, the microfinance sector has seen sustained growth in key financial metrics such as loan portfolios, assets, and equity, as highlighted earlier.

Investment Opportunities in the Microfinance Sector

For individuals and businesses with excess cash, the microfinance sector in Zimbabwe offers several lucrative investment opportunities. Note that the key is finding the right partners who have experience in the business and are formally regulated and registered:

1. **Equity Investments in MFIs:**
   Investing in microfinance institutions by purchasing equity shares is one way to gain from the sector's growth. This can provide high returns through dividends and capital appreciation as MFIs expand and increase their profitability.
2. **Debt Financing:**
   Providing debt financing to MFIs is another avenue. Investors can lend capital to MFIs, earning interest income. Given the high repayment rates and robust OSS ratios, this can be a relatively safe investment with predictable returns. The temptation in such an arrangement is keeping the engagement informal – we recommend full compliance with the law in making any investment decision and you should be able to depend on the legal system to backstop your investment.
3. **Establishing New MFIs:**
   Entrepreneurs with significant capital can consider setting up new microfinance institutions. By focusing on underserved regions or specific niches, new MFIs can capture untapped markets.
4. **Impact Investment Funds:**
   Participating in impact investment funds that target microfinance can be a strategic move. These funds pool resources from multiple investors to finance MFIs and microenterprises, offering diversification and professional management.
5. **Innovative Financial Products:**
   Developing and investing in innovative financial products tailored to the microfinance market, such as mobile banking solutions, insurance products for micro-entrepreneurs, and micro-savings plans, can tap into the evolving needs of the sector.

By identifying and leveraging these opportunities, individuals and businesses with excess cash can achieve high returns while supporting economic development and financial inclusion in Zimbabwe. Microfinance in Zimbabwe represents a viable and high-return investment option for individuals and businesses holding excess cash.

The sector's robust growth, impressive returns, and significant social impact make it an attractive alternative to traditional investments. By addressing the associated challenges and leveraging the benefits, investors can contribute to economic development while achieving substantial financial gains.

Conclusion

In summary, navigating Zimbabwe's volatile economic landscape requires strategic and informed investment choices. Both real estate and microfinance present compelling opportunities for individuals and businesses seeking to deploy excess cash effectively. Real estate, while hindered by high transaction costs and limited liquidity, offers long-term capital appreciation, a hedge against inflation, and passive income generation. The sector continues to thrive due to limited alternative investment options, particularly in an environment where political and economic stability remains elusive.

On the other hand, microfinance has emerged as a critical tool for driving financial inclusion and economic growth. With its proven track record in delivering high returns and supporting underserved communities, the sector provides a viable investment option with significant social impact. The growing demand for microfinance services, particularly in a country with limited access to traditional banking, highlights its relevance in fostering economic resilience. Both asset classes are poised for continued growth in the medium to long term. Investors seeking stability in uncertain times will find value in exploring these avenues as part of a diversified portfolio. However, careful consideration of market conditions, regulatory frameworks, and long-term objectives will be essential for maximizing returns and minimizing risks.

Ultimately, while both real estate and microfinance offer significant opportunities, it is essential to recognize the nuanced challenges each sector presents. Real estate's illiquidity and high capital requirements necessitate careful market entry, while microfinance, though potentially lucrative, demands prudent credit management and a deep understanding of the target market. Nonetheless, Zimbabwe's unique economic conditions, coupled with the persistent demand for both housing and inclusive financial services, position these sectors as critical pillars for long-term growth. Investors who navigate these opportunities with a strategic, informed approach are likely to achieve sustainable returns while contributing to the country's socio-economic development.

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