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Nigeria Real Estate Market Review

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ICOR

INSURANCE

AC

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REDYAG
PHOTOGRAPHY



SUMMARY

Campaigns, Crusades & Marks of the Age

Nigeria's real estate market appears to defy the odds. Whether it's the growth in diaspora funding for residential neighbourhood retail projects, deft developer realignments to market realities or renewed levels of investor re-approachment, there's quite a bit to say for an emerging market recovering (rather quickly) from a pandemic. This report will attempt to discuss possible reasons for all this and the short, mid and long-term implications.

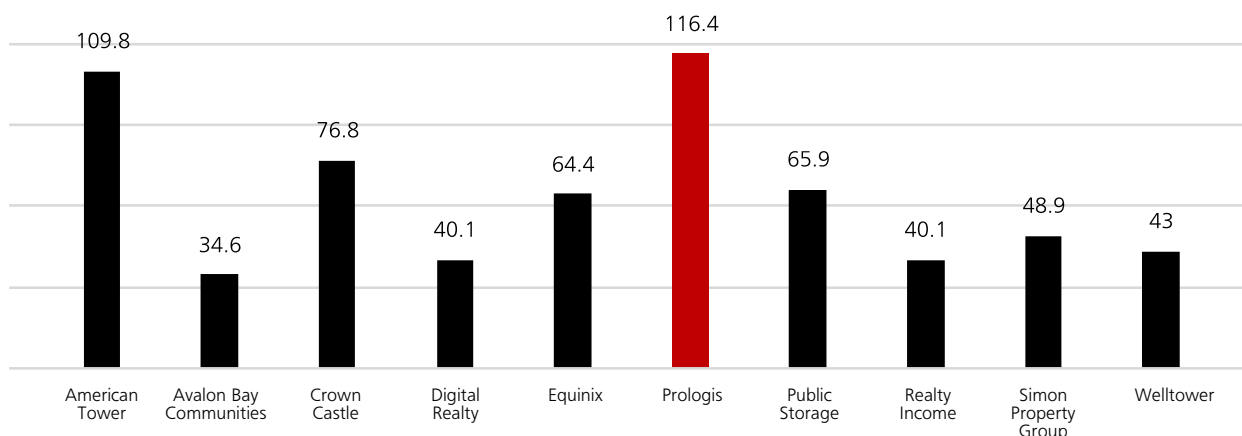
Due in part to the Russia-Ukraine crisis, oil prices have been at their highest in the last 10 years. The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) confirmed losses in excess of 115,000 barrels bpd due to theft and vandalism between January 2021 and February 2022. This adds up to \$3.27bn. Nigeria's bonds have continued to attract

interest, even though the rates could be better for the country's pocketbook. Between January and June, the Federal Government raised over ₦3.02trn in bonds. Lagos-based fintech startup, Flutterwave raised \$250m in a Series D round, raising the company's total haul since its founding six years ago to \$475m. The startup reached a valuation of \$3Bn, becoming the most valuable in Africa. The Lagos Free Zone Company also raised ₦25Bn as part of its Series II Corporate Infrastructure Bond.

MTN and Mafab Communications paid \$273.6m for the 5G spectrum licence. This is expected to support the nation's transition into a more tech-driven services economy. The first telecommunications licenses sold in the early 2000s have now become an estimated market cap in excess of ₦11trn.

Global aspirations

Top 10 largest publicly-traded Global REITs as of March 2022 by Market Cap (\$'Bn)

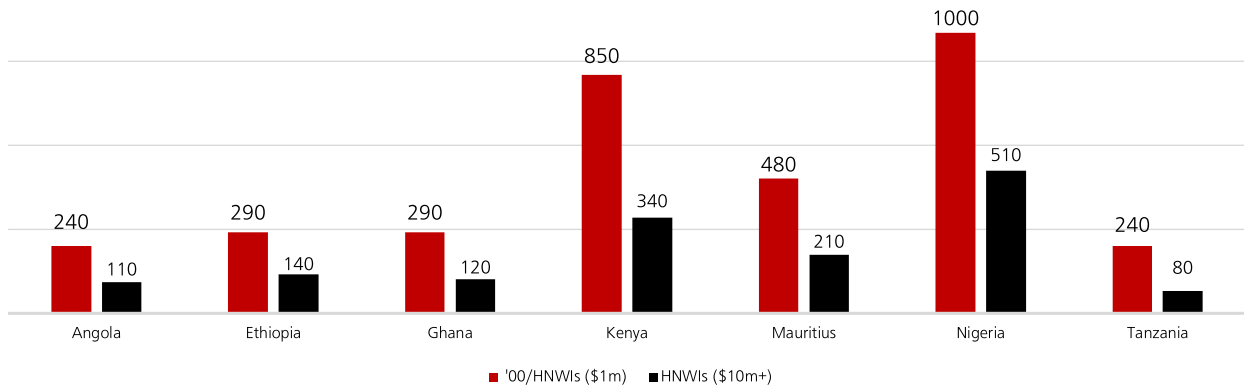


Source: American Tower, Equinix, Northcourt, Prologis, Realty Income



Wealthier still

Country Wealth Rankings; Number of High Net worth Individuals (HNWIs)



Source: Henley & Partners Wealth Report

But all eyes are on yet another make-or-break election cycle as politicians jostle for positions. The governing APC party sold expression of interest and nomination forms to would-be office holders ranging from ₦2m for House of Assembly to ₦100m for Presidential aspirants – with enough business savvy to introduce a 50% discount for persons under the age of 40. These prices only emphasise a disconnect between the political class and much of the country. At the national level, some suggest an apathy for the governing APC while others demonstrate hope in the fast-rising Labor Party (LP).

The precipitous decline in the currency's exchange value has contributed to higher capital and rental prices. The five-year National Development Plan calls for each state to set aside 50ha of land to boost the housing sector. The Family Homes Fund has contributed over ₦19.9bn to the building of 2,754 low-income homes in six states.

For residential developers, building gated communities (and to a lesser extent, new towns) has become a leading development pathway. Existing gated communities are already seeing 25 to 30% YoY price growth. Eko Atlantic welcomed the start of preparations to develop the US Consulate General. In building on successes enjoyed in

2021, the short stay sub market saw additional growth. For the purpose of financing 80% of its Purple Urban residential project, Purple Group raised ₦5bn in Sukuk bonds. Mixta Africa unveiled its retirement community in a largely untapped senior living sub-market.

The costs and implications of green finance, greenwashing, sustainable building methods, and certifications are being discussed with increasing frequency amongst stakeholders. As the demand for energy-efficient structures grows, it is anticipated that the global number of smart buildings will increase from 45m this year to 115m in 2026 by which approximately 90% of smart building expenditure will be allocated to non-residential properties. Famfa Towers in Ikoyi, Lagos is Nigeria's newest Grade A office building (which is currently 94% complete), emphasises this.

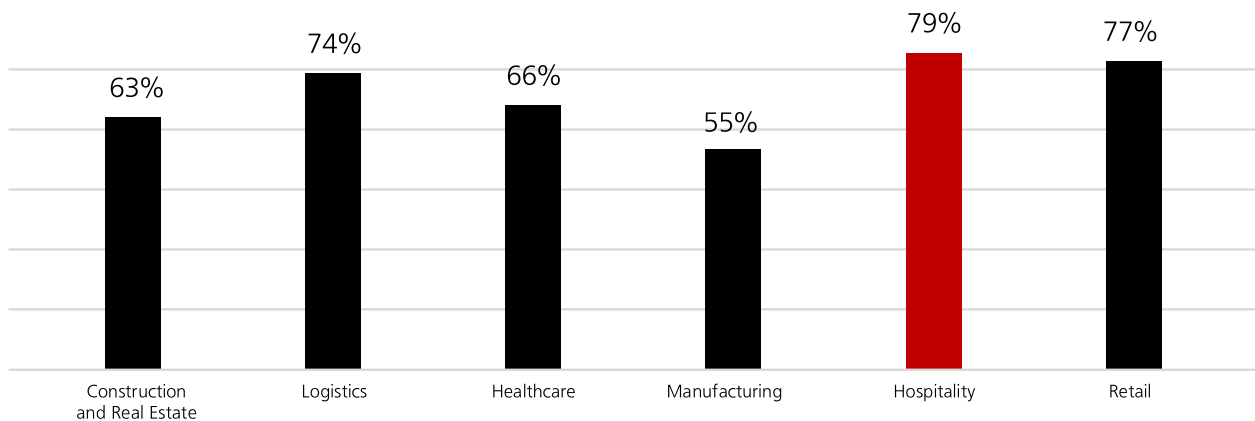


Shelter Afrique, completed its debut bond issuance, raising ₦46bn in the Nigerian capital market”



Security breaches

Global: Firms Hit by Ransomware in 2021 (%)



Source: Sophos

The attractive remodelling, design, and space options offered in suburban areas further encourage the increased demand for residential conversions to office use. To further develop its digital retail infrastructure, Konga has teamed up with Airtel Nigeria. The demand for industrial warehousing, cold storage, healthcare logistics, and medical warehousing is growing and far ahead of the available supply. Equinix completed its \$320m purchase of MainOne and launched a new data centre in Lagos.

On one hand, Dangote Cement raised ₦116bn in bonds and commissioned its 500ha, \$2.5bn fertiliser plant. On the other hand, the firm will need additional funding to complete its refinery. Pan-African development finance institution, Shelter Afrique, completed its debut bond issuance, raising ₦46bn in the Nigerian capital market through its 5-year and 7-year Series 1 Fixed Rate Senior Unsecured Bond Issuance as part

of its ₦200bn bond issuance programme.

The Governor of Lagos State signed the Lagos State Real Estate Regulatory Authority (LASRERA) Bill into Law even though some of its key functions may be a duplication of existing efforts. The President signed the National Health Insurance Authority Bill 2022 into law to improve healthcare investment.

The debates around monthly rent payments for residential apartments, as opposed to the current annual payment system, continued in the Nation's legislature. In rounding out our findings, we explore land titling perspectives and their influences on infrastructure investment in Akure, the Ondo state capital. We also note that on aggregate, investment has increased in Nigeria's real estate market - and is projected to do so.

Ayo Ibaru

COO / Director – Real Estate Research
Lagos, Nigeria





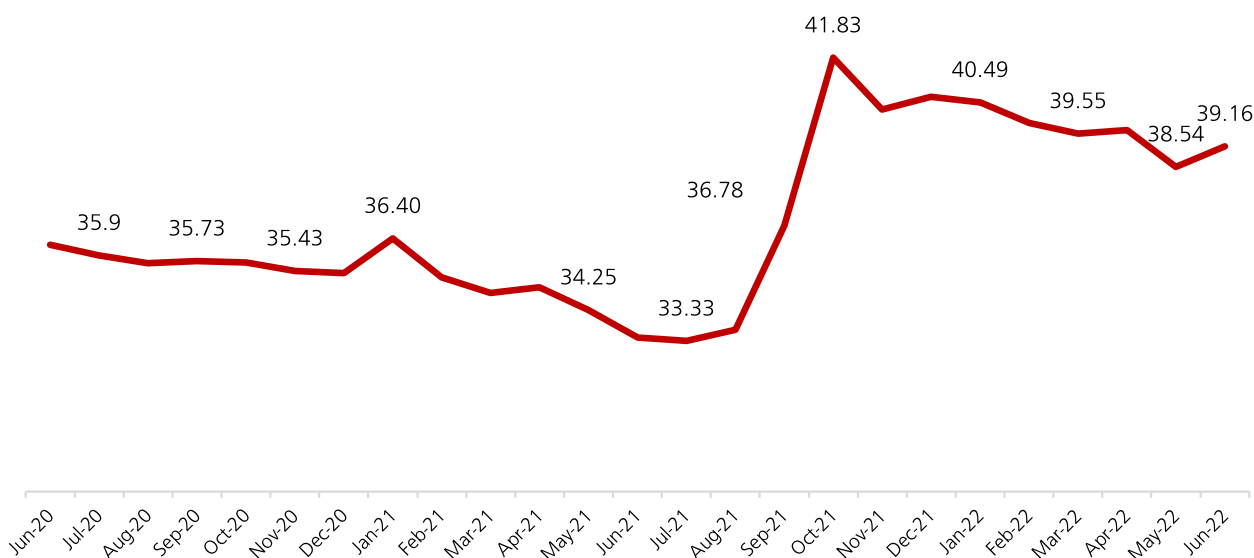
MACROECONOMIC INDICATORS

Stakeholders in Nigeria's economy have continued to navigate the operating environment characterised by rising debt, declining revenue, rising inflation and election-driven expenditure. Concerns around rising food prices combined with currency depreciation have meant that purchasing power has weakened. After nearly five years

in deep waters, Nigeria's construction and real estate sectors reemerged following the gradual moderation of the COVID pandemic. Strong cement demand and a rise in demand for real estate services are indicative of strengthening market fundamentals and a recovery in housing supply.

More questions than answers

External reserves (\$'bn)



Source: CBN

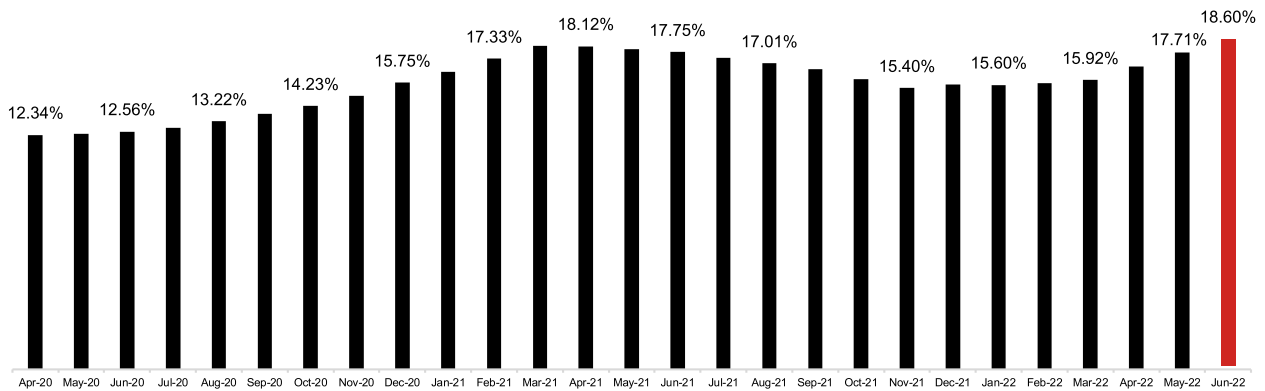
“Inflation has averaged 14% over the past five years and related pressures are intensifying”

To better manage the economy's dependence on the dollar, the CBN launched an initiative where exporters will receive a ₦65 rebate for every US Dollar spent on non-oil exports. This is part of the RT200 Non-Oil Export Proceed Repatriation Rebate Scheme and is intended to boost non-oil export earnings, forex inflows



Food and fuel

Monthly inflation (%)



Source: NBS

and gross external reserves. As of May/June, the parallel market rate traded at ₦610/\$, while the IEFX rate fluctuated between ₦415/\$ and ₦416/\$. This arbitrage corridor may continue to stymie the CBN's policy objectives.

Inflation has averaged 14% over the past five years - related pressures are intensifying. As currency pressures persist, imported inflation is likely to rise. This is not helped by annual crude oil losses and Russia's offer to sell oil at a heavily discounted price of \$35 to India, the

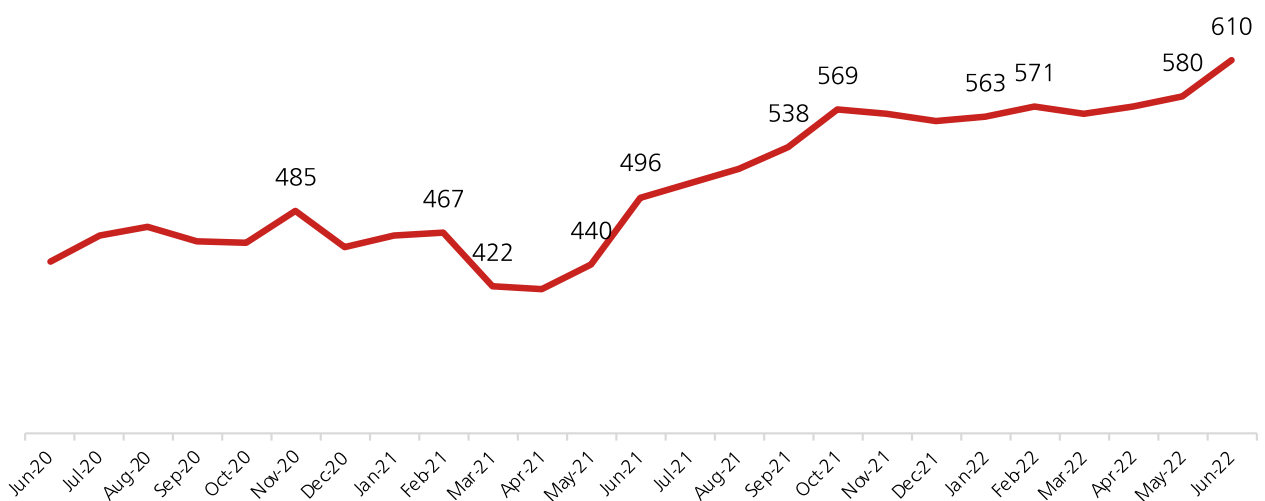
largest buyer of Nigerian oil.

Helios Investment Partners, an Africa-focused private equity firm, sold a 25% stake in its Nigerian gas distribution business, Axxela, to Japan's Sojitz for an undisclosed amount. Axxela currently services over 200 industrial customers. It was also Sojitz's first major equity investment in Africa.

The performance of Nigerian bonds is generally regarded as lacking fervour and capital flows are at historic lows.

Spare a dollar?

Exchange rate (₦=\$)

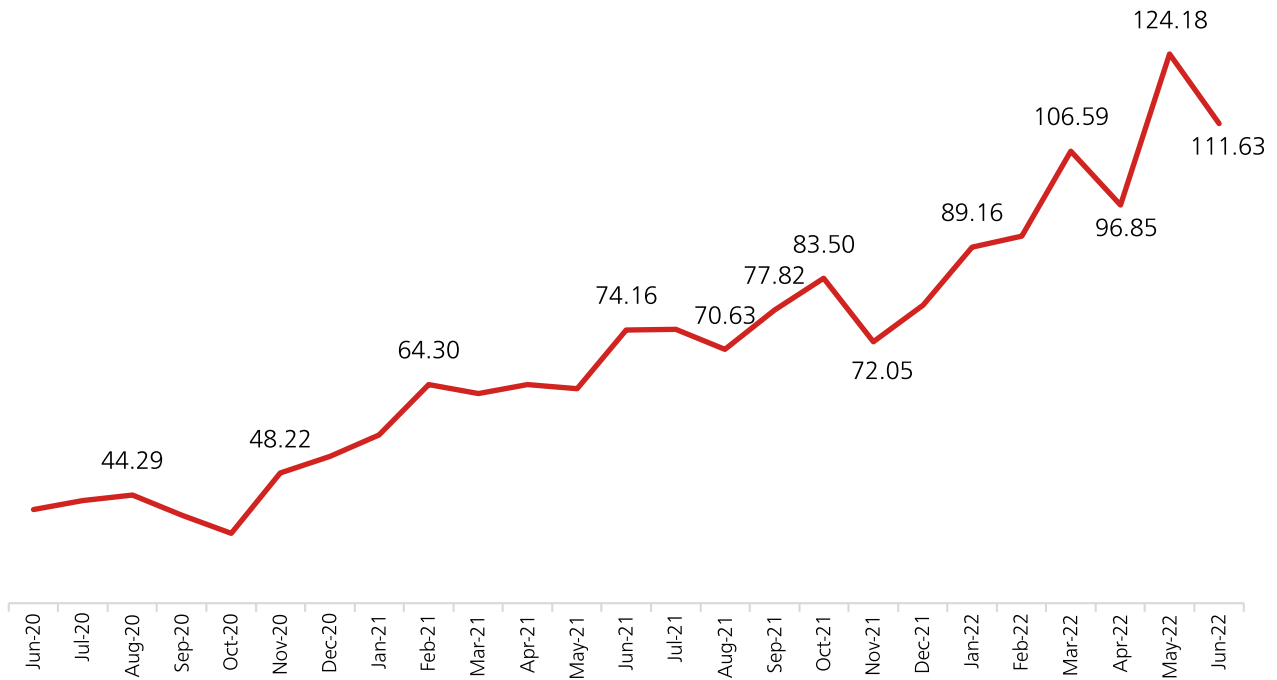


Source: CBN



High prices, high dependencies

Price of Crude (\$/B)



Source: CBN

All these have meant that the rising cost of building materials continues to have a negative influence on the real estate market. Still, developers are making timely adjustment to deliver projects.

“...the rising cost of building materials continues to have a negative influence on the real estate market. Still, developers are making timely adjustment to deliver projects”







TOPICAL ISSUES

Nigeria sues JP Morgan

In contributing to a growing list of public spats between Nigeria and International investors, the government sued American bank - JP Morgan Chase for \$1.7bn in February. This is for its alleged role in the disputed purchase of the offshore oilfield license OPL 245 in 2011. Court filings show that Shell and Eni paid the Federal government a signature bonus of roughly \$200m and subsequently transferred \$1.1bn into its escrow account at JP Morgan to complete the transaction. Evidence suggests that illegal payments to Nigerian officials and others totalled \$1.1bn. By May, JPMorgan had removed Nigeria from its list of emerging market sovereign recommendations,

correctly stating that Nigeria had not taken advantage of high oil prices. This was supported by the fact that, due to petrol subsidies and low oil production, the NNPC did not transfer any revenue to the government for the entire Q1. The damages sought included cash payments to Malabu Oil and Gas, approximately \$875m paid between 2011 and 2013, plus interest, for a total of \$1.7bn. Records show that the Nigerian government asked JP Morgan to make these transfers as part of the oilfield sale at the time. The case dates back to 1998, when Nigeria's military ruler at the time, Sani Abacha, granted the license.

An assessment of COVID lockdowns

“
...movement restrictions placed to combat the spread, including stay-at-home orders, obligatory masks and social distancing only reduced Covid mortality by 0.2%”

According to leading research institution, Johns Hopkins, the first coronavirus lockdowns - which were replicated in Nigeria, had little to no impact on the pandemic death toll in the United States, the United Kingdom, and Europe. The study suggested that movement restrictions placed to combat the spread, including stay-at-home orders, obligatory masks and social distancing only reduced Covid mortality by 0.2% adding that lockdowns, however, produced enormous economic and social costs.



The report concluded that they were ill-founded and should be excluded as a pandemic policy weapon going forward. Border closures also had a negligible impact on Covid mortality, accounting for a 0.1% drop in mortality. On the other hand, some scientists believe that lockdowns had a significant impact on lowering transmission and reducing the number of hospital admissions and deaths caused by COVID before vaccinations and antivirals were developed.

Again, those whose ailments worsened as a result of not being able to get healthcare as the epidemic progressed have blamed the management systems for an increase in non-Covid deaths, according to a growing opinion that severe restrictions were responsible for this increase. Researchers were unable to provide reasons why lockdowns failed to save lives, but agree that lockdowns contributed to diminished economic activity, a rise in unemployment, reduced schooling, political instability and domestic violence.

Lockdowns may have bigger unexpected

repercussions than was previously anticipated. Isolating at home may have resulted in the spreading of a higher virus load to their family members, producing more severe cases. Closing retail outlets may increase the number of people congregating in critical establishments, where the spread of disease was more likely. Another plausible theory is that people's conduct rebounded after lockdowns squeezed case rates so low, that they perceived the virus as less of a threat. The study suggested that differences in population age/health and quality of the health sector were the best explanations for countries' varying COVID death rates.



...differences in population age/health and quality of the health sector were the best explanations for countries' varying COVID death rates”

On your mark

Elections in Nigeria generally follow predictable steps. First, there's a shortlist of hopefuls, and then the primaries are held after which the party flag bearers emerge and it's off to the polls as the media cranks out stories ranging from the sublime to the dramatic. Preparations for the 2023 general elections show little change only that there appears to be an unprecedented number of individuals, at National, State and Local government levels, showing interest.

Ten cabinet ministers including the junior ministers for petroleum, mines and

education, the ministers of justice, transport, labour, Niger Delta region, and Women's Affairs resigned to run for office. Even President Jonathan, arguably one of Nigeria's respected former leaders, after much wrangling, appeared to throw his hat into the ring. Party nomination forms are pricey. The presidential nomination form in the governing APC sold for ₦100m; the governorship, ₦50m; Senate, ₦20m; House of Representatives, ₦10m; and House of Assembly, ₦2m. As of May, this gaggle of hopefuls paid over ₦30bn in purchasing fees.



An oft-discussed concept, change blindness - a perceptual phenomenon in which a change in a visual stimulus (in this instance, an undesired candidate) is introduced and the

observer (i.e. the voter) fails to notice, may be at play as political analysts suspect a deep divide in the electorate as to who the next president should be.

The once and future refinery

A report by rating agency Fitch suggests that the Dangote refinery project in Lagos may require an additional \$1.1bn to meet its 2023 completion target. The firm is planning to establish a \$750m bond programme to partly finance the completion. The refinery has a total storage capacity of 2.4bn litres spread across 20 crude storage tanks, each with a capacity of 120m litres.



The volume and value of brokerage transactions surrounding the refinery is indicative of the project's optimism”

Estimates suggest that the refinery is being built for \$19bn and has been delayed. The Management team projects that the refinery could start production by Q4 2022. This may relieve pressure on the naira by freeing up approximately \$8.7bn annually used to import refined petroleum products, as well as increase demand for housing and other industrial uses. The volume and value of brokerage transactions surrounding the refinery is indicative of the project's optimism.

However, some caution may be required per the execution of these transactions. It is intended to catalyse local development plans in the Ibeju-Lekki area, including the construction of a new international airport, a deep-sea port, and a free trade zone.

The Dangote Group has suggested that there are no plans for rail transport of refined products throughout the country, suggesting that the existing traffic nightmare – thousands of 12-wheeler road tankers carrying 33,000 litres of fuel – will likely relocate from congested Apapa and Port Harcourt ports to the Lekki corridor. To ameliorate this, the Lagos State government plans to construct a 7th axial road connecting Ibeju-Lekki to the Benin-Sagamu Expressway to circumvent the residential Lekki-Epe corridor, a project that could take more than a decade to complete. As of 2022, the Group plans that the dredged Atlantic Ocean landfall point will allow ships carrying crude oil to the refinery to berth and discharge for distribution of refined products to Warri, Port-Harcourt, Calabar, and other Southern states.

It appears that one of the few decent and affordable residential districts in Lagos is about to follow Apapa – a once upscale middle-class Lagos neighbourhood that has deteriorated over the past two decades into a milieu of derelict infrastructure, strewn shipping containers and broken-down trailers.



Belt & Road or Build Back Better?

China's state-owned businesses have reshaped infrastructure across Africa. There are rail, road and power projects that dot the landscape built by Chinese engineers and funded by Chinese banks. Nigerians are relocating to cities at a faster rate than many people anywhere else on the continent. As a result, demand for infrastructure has been on the increase. Western governments, who are concerned about China's expanding economic and political influence in Africa, and the gradual change in the prioritisation of Western companies.

Nigeria has been looking for alternatives to the BRI, and both the United States and Europe have tried to provide them. European leaders are set to announce plans to invest \$170Bn in African infrastructure. According to the Brookings Institute an American think-tank, Chinese enterprises regularly win contracts because they are more competitive.

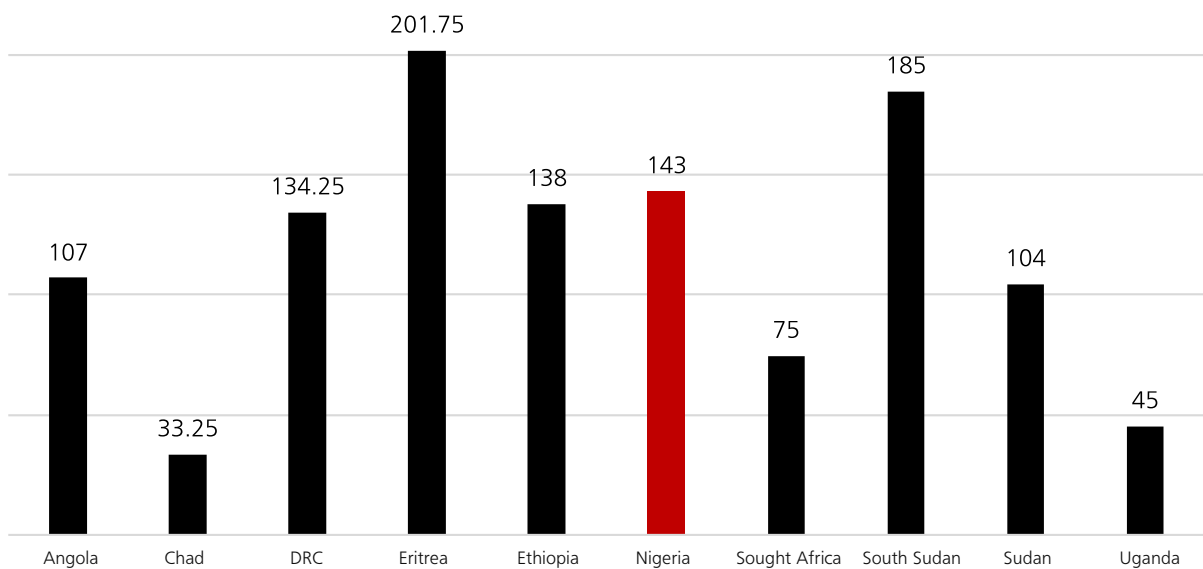
Companies in the West complain that Chinese projects are often poorly constructed, and tales of crumbling roads are common. However, a new study by the China-Africa Research Initiative showed no difference in the quality of work done by Chinese and Western contractors on infrastructure projects.



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Safety first

Active military personnel in Africa – Top 10 ('000)



Source: The Military balance



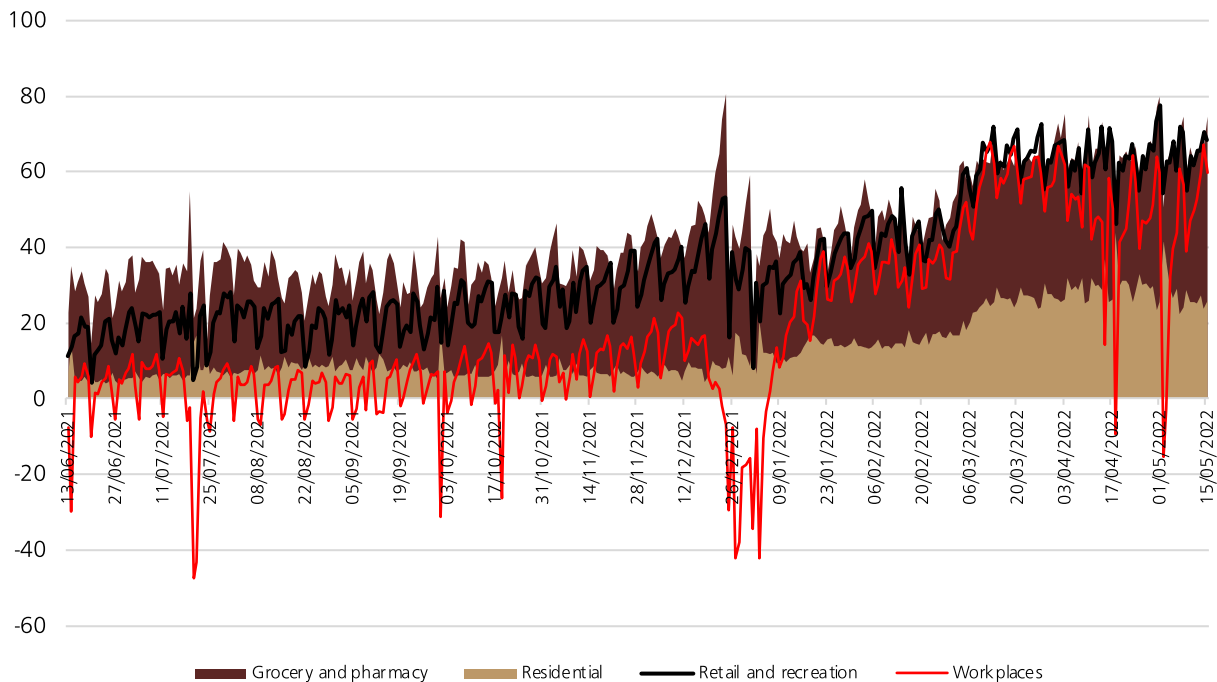
Deep water

The divestment of Shell and ExxonMobil from joint ventures with Nigeria's national oil firm, NNPC Limited, is unprecedented and has major ramifications for Nigeria's economic and political viability. These international oil firms would leave well-trained Nigerians in position, capable of operating assets anywhere on the planet. They will, however, leave a legacy of unsolved land conflicts, environmental damage, and crude oil spills amongst other issues.

The combined hydrocarbon reserves within Shell and Exxon Mobil's asset base are significant enough that all Nigerians should be concerned about the prospect of such a large-scale divestment by two of the country's most important investors. There is an unsettling sense of foreboding in the nation's capital about these coming exits, even as Nigeria's oil barons and potentates wring their hands at the idea of being successors to these multinationals, flaws and all.

The necessity to rationalise assets in their global asset portfolio, particularly in light of the energy transition, provides cover for the majors' divestments. As a consequence, Shell's highly profitable land-based assets in Nigeria are deemed no longer essential. Also, Exxon's joint venture assets are now no longer as interesting as the rest of its global portfolio. Both corporations will keep their stakes in assets held under production sharing contracts, the majority of which are located offshore. Total and Chevron are expected to take similar action. The reasons for their exit range from the increasing difficulty of managing Nigeria's many divisions, crude oil theft, staff kidnappings, a convoluted administrative process and long-running disputes with the NNPC. Nigeria's economic links to the United Kingdom and the United States of America through Shell and Mobil respectively will also be reduced.

From point A to point B
Mobility Trend for Nigeria: June 2021 to June 2022



Source: Google Mobility





INVESTMENT MARKETS

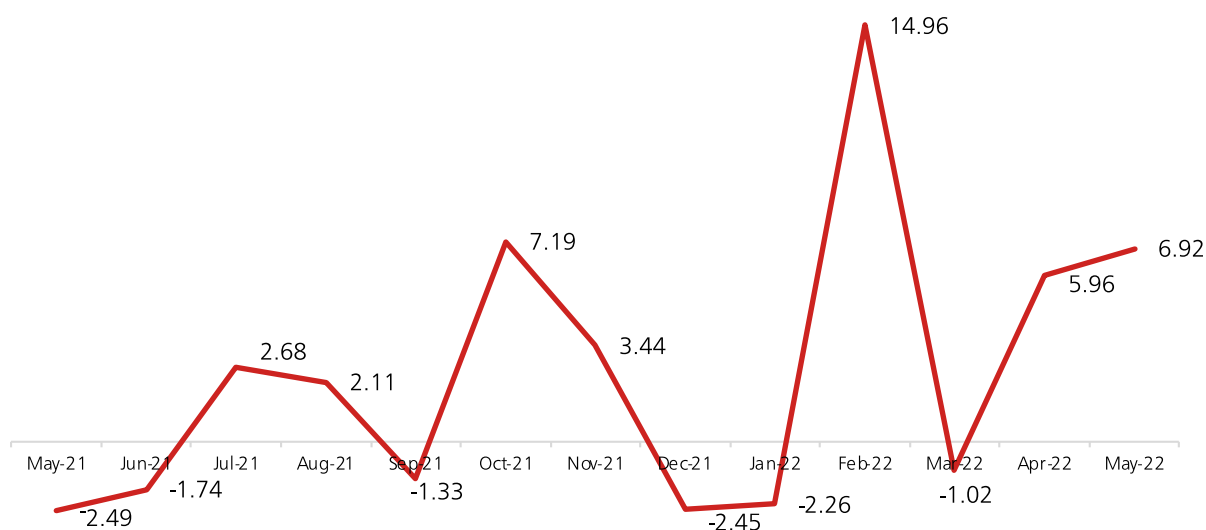
Equities

In May, the NGX – Nigeria's stock market posted a YTD gain of ₦4.46Trn, outperforming the Johannesburg, Egyptian, and Ghanaian Stock Exchanges. Due to Seplat and Airtel's dual listings in Lagos and London, their trading volumes remained high, allowing for the moving of funds from an otherwise difficult-to-exit stock market. As a result of growing political risk, foreign investors are unhurried in their participation in the market. The stock market has been driven by local investors with a low to medium risk appetite. Some suggest that the current position of the stock market is akin to that of 2008, with limited investment opportunities.



Signs of growth

NSE-ASI Returns (%)



Source: NGX, Trading Economics



Fixed Income and Money Markets

MTN Nigeria's ₦127bn CP issuance, the largest in Nigeria was issued under its ₦150bn CP Programme and comprised a 184-day 7.50% Series 1 and a 254-day 8.50% Series 2 issuance. Dangote Cement completed its ₦116bn Series 2 Bond issuance under its ₦300bn Issuance Program.

Three tranches were issued: a 5-year Tranche A issuance priced at 11.85%, a 7-year Tranche B issuance priced at 12.35%, and a 10-year Tranche C issuance priced at 13%. The

proceeds will be used to fund expansion projects, short-term debt refinancing and working capital requirements.

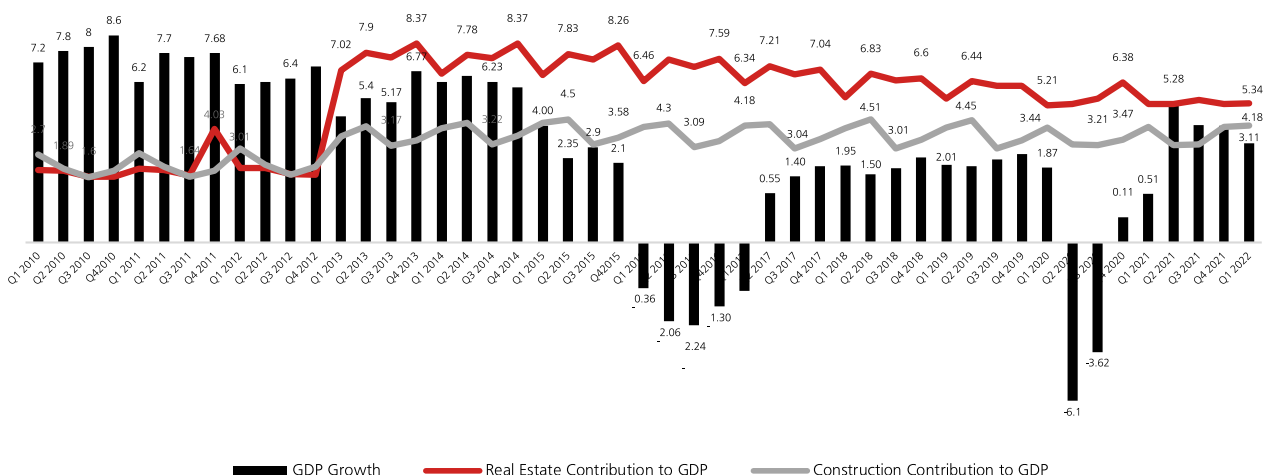
Shelter Afrique successfully raised ₦46bn 5- and 7-year bonds at 13% and 13.25% respectively to provide affordable housing. The bonds were issued in two tranches - the initial ₦40bn tranche which was oversubscribed by 61.7% requiring an additional ₦6bn issue. The Federal Government of Nigeria held an auction in Q1 2022 which resulted in an over-subscription by ₦175.24bn at 12.5% for the January 2026 bond offer and ₦214bn for January 2042, 13% bond offer. The Federal Inland Revenue Service (FIRS) began collecting taxes on income earned by corporations via bonds and short-term securities in Q1 2022. This includes bonds issued by State and local governments and their agencies and bonds issued by corporations. Private developer - Veritasi Homes & Properties Limited's ₦10bn Commercial Paper was approved for registration on FMDQs Exchange platform.



Dangote Cement completed its ₦116bn Series 2 Bond issuance under its ₦300bn Multi-Instrument Issuance Program”

One step in front of the other

GDP Growth, Construction and Real Estate Contributions (%)



Source: NBS





REAL ESTATE PERFORMANCE

Growth, Inter Alia

Overview

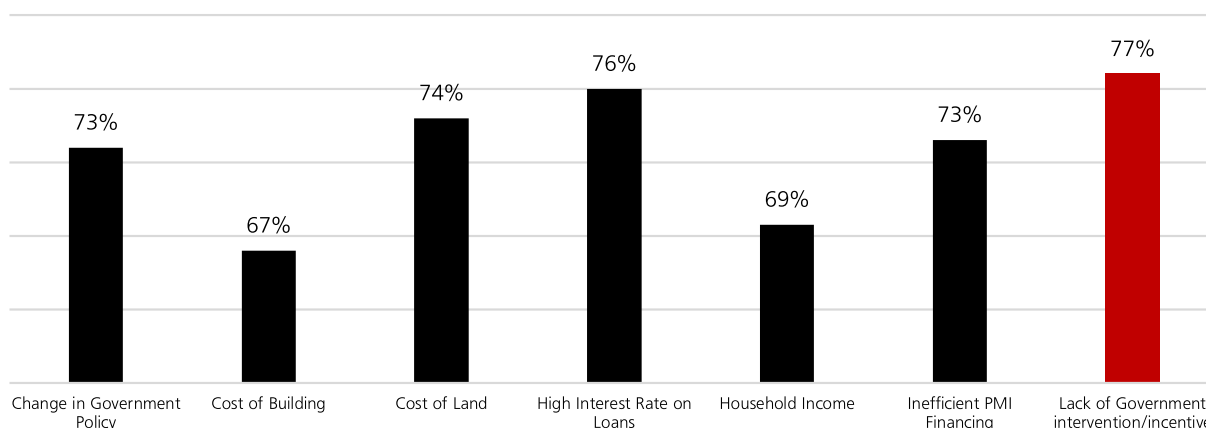
Overarching trends found around the world can have a big impact on real estate demand in Nigeria. One of these factors is population growth and urbanisation, which has driven up housing costs in many cities around the world. There's also the growth of ecommerce, which has resulted in a surge in increased warehouse space demand. Political and economic considerations typically influence the growth of core cities, as they benefit from favourable infrastructure development (relative to the rest of the nation). This in turn encourages more rural-urban migration and stimulates further development activity. As such, enforcing property rights as central to encouraging growth. This is seen in the genealogy of modern global cities, which did

not grow through the slow infilling of small property owners, but rather through significant capital borrowed by major developers to execute large scale projects. This procedure depends a network of unhindered property rights - the right to purchase, construct, rent, and mortgage property at preferential rates executed by institutions providing supporting infrastructure, either by providing services directly (for example, electricity, water, drainage, and street cleaning) or by partnering with a private entity.

ESG and sustainability have continued to feature in Nigeria's real estate market. Japan and the United Nations Industrial

6-3-3-4

Major Factors Affecting Housing Affordability in Ekiti State (%)



Source: International Journal of Research and Review



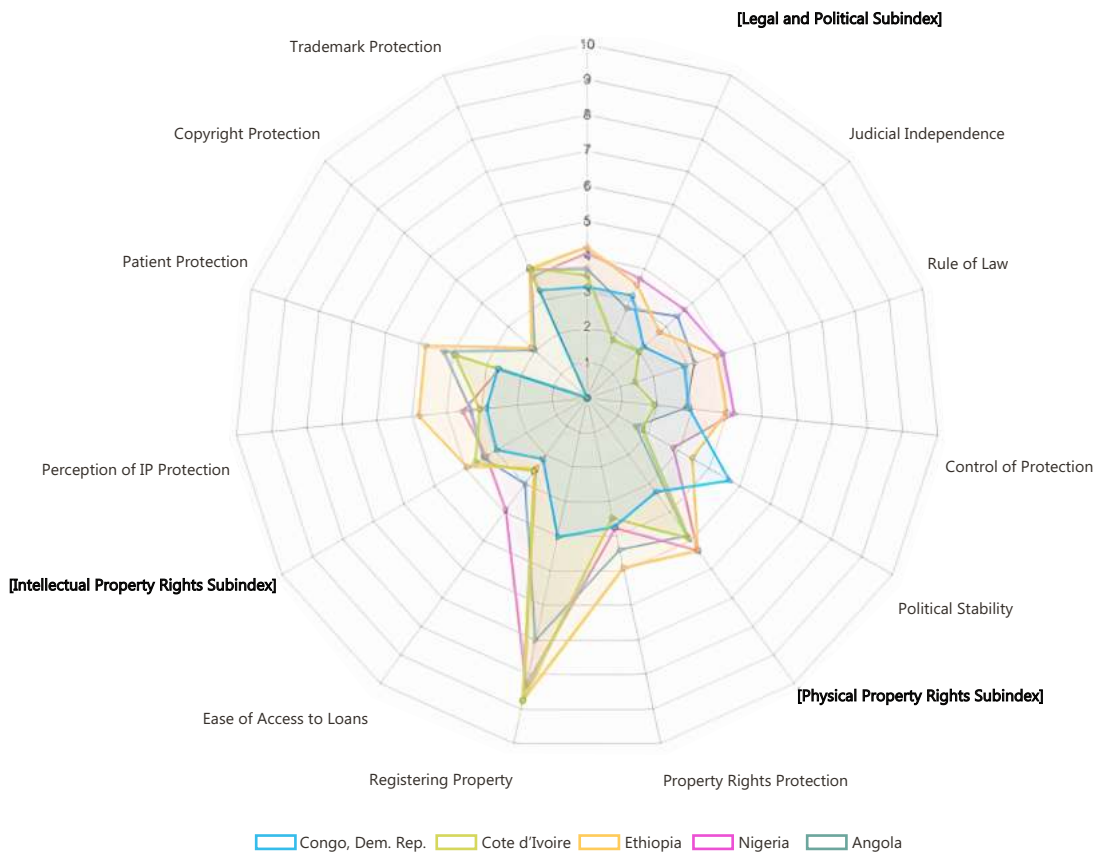
Development Organisation (UNIDO) pledged \$2.8M in funding for investment in Nigeria's plastics industry with the goal of decreasing marine plastic waste contamination to zero. Following the production of a national policy for plastics recovery (and conversion into secondary raw materials, biogas, or energy), Nigeria joined the World Economic Forum's global project against plastic pollution and the Global Partnership for Action on Plastics (GPAP) in 2021. These partnerships are projected to prevent 523,000 tonnes of projected plastic waste per year by the end of 2022.

As businesses debate Work From Anywhere (WFA) policies on a long-term basis, space requirements will require adjustment. However, negative effects on society and individuals should be taken into consideration as it could exacerbate social inequalities

because most often WFA is a privilege reserved for white-collar workers. Flexible working hours are now the norm at many real estate services companies - however, site officers and technicians are generally expected to be available more frequently.

In Akure, the capital city of Ondo state, there is a declining demand for land titling. This is consistent with the majority of people in developing nations who lack official documentation of ownership for the land and property they hold. Creating and regularly updating land ownership records may aid the government even though regulation and administration of land have proven problematic. Market participants are unable to reap the full benefits of land ownership. Low rates of land titling exacerbates market inefficiencies. This poor participation in land titling is complicating property development.

The Rights
International Property Rights Index 2021 (Max=10)



Source: IPRI



Improvements to land titling will facilitate access to credit, ease the enforcement of property rights, and stimulate economic growth and innovation.

The governors of Ekiti and Ondo states inaugurated the 30.5km Agbado – Ode – Isinbode – Omuo road and two Faculty buildings at Ekiti State Polytechnic, Isan Ekiti, which will house, the dean's office, four laboratories, twelve classrooms, a data room and twenty-eight lecturers' offices. The Federal Ministry of Humanitarian Affairs commissioned the construction and installation of 47 solar-powered streetlights in Akure South/North Federal Constituency, Idanre street, Omuo street, Olokun street,

“The construction contracting value chain is becoming increasingly specialised, with enterprises electing to focus on residential, healthcare and retail development”

Ilara Mokin street, Ilemo street and Dallimore street were tarred after the completion of Ijapo road construction.

Parts of a house								
Cost of building materials (₦)								
Description	H1-2016 (₦)	H1-2017 (₦)	H1-2018 (₦)	H1-2019 (₦)	H1-2020 (₦)	H1-2021 (₦)	H1-2022 (₦)	% Change 2021/2022
Cement (50kg)	1,500	2,800	2,700	2,600	2,600	3,500	4,000	14%
Sandcrete block (9 inch)	200	220	210	240	230	280	320	14%
Aluminium Roofing sheet (0.55mm)	1,550	2,500	1,800	3,000	2,650	3,800	4,500	18%
Cables (6mm/Coil)	16,000	38,000	35,000	32,000	24,000	34,200	52,000	52%
Coloured Emulsion Paint (20 litres)	8,500	12,000	5,500	14,000	14,000	27,500	38,000	38%
Paving Stone 60mm (Local)	1,750	2,100	1,800	4,800	4,500	4,500	5,900	31%
Harvey Roof Tiles	5,700	11,000	3,500	3,500	4,500	7,500	9,500	27%
White Emulsion (Dulux)	26,000	28,000	30,368	31,000	35,000	16,500	25,000	52%
Twyford Complete Set WC	14,500	14,000	14,500	27,000	25,000	48,000	60,000	25%
Ariston Water Heater (Small)	28,000	28,000	25,000	24,000	25,000	31,000	48,000	55%
13A socket	950	1,200	1,500	800	700	1,300	1,500	15%
Distribution Board	40,000	45,000	48,000	48,000	45,000	48,000	58,000	21%

Source: Castles, Northcourt



Recent surveys suggest that residential projects have the most demand for construction contracting, followed by healthcare and then industrial uses (factories, warehouses etc.). The demand for new office developments has been, at best, sluggish. The construction contracting value chain is becoming increasingly specialised, with enterprises electing to focus on residential, healthcare and retail development. At least until Q1 2023 infrastructure projects are anticipated to be commissioned.

Nigeria moved to 60th position, up 8 places from its last entry on JLL's Global Real Estate Transparency Index in 2020. This move was in part because of the establishment of the Lagos State Real Estate Regulatory Authority

(LASRERA) and the development of an online portal for planning applications. The LASRERA law enables the Authority to regulate real estate transactions and issue permits, resolve property disputes, register practitioners in the real estate sector and compile abandoned buildings (including the demolition of the same when required). Analysts suggest that some of these functions are already being done by the Nigerian Institution of Estate Surveyors and Valuers (NIESV), Estate Surveyors and Valuers Registration Board of Nigeria (ESVARBON) and the Lagos State Multi-door court system – with the compilation/demolition of buildings potentially doable by the Lagos State Building Control Agency (LASBCA).





Land

As the federal and state governments carry out their infrastructure projects, compensation for affected land parcels continues to remain inconsistent. A recent study examined the perceptions property owners in Zaria during the construction of roads by demolishing buildings. 13% were dissatisfied with the compensation. Compensation is different in southern Nigeria due to the lengthy process.

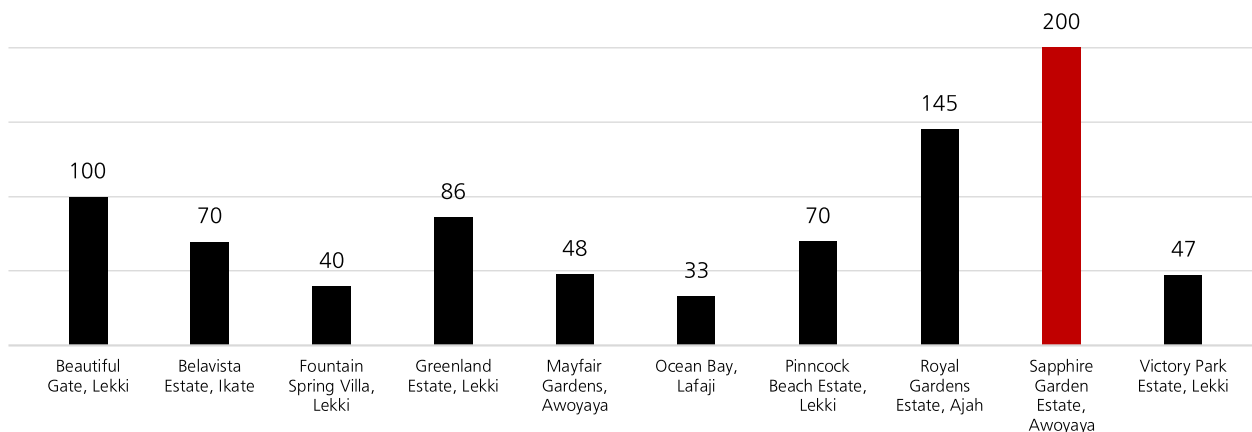
The Oyo State government launched an app that tracks land files and obtains information about property without having to physically visit the Ministry of Lands.



A private investor was allocated 200ha of land by the Kebbi State Government to construct a 5,600MW solar power plant in the state”

Land, reclaimed

Lagos: Wetland reclaimed by developers (Ha)



Source: Lagos State Ministry of Physical Planning and Urban Development

The app, Ilè D'olà provides an online tracking mechanism for files.

A private investor was allocated 200ha of land by the Kebbi State Government to construct a 5,600MW solar power plant in the state.

The project would partner with the Transmission Company of Nigeria and establish a transmission station in Fakon Sarki,

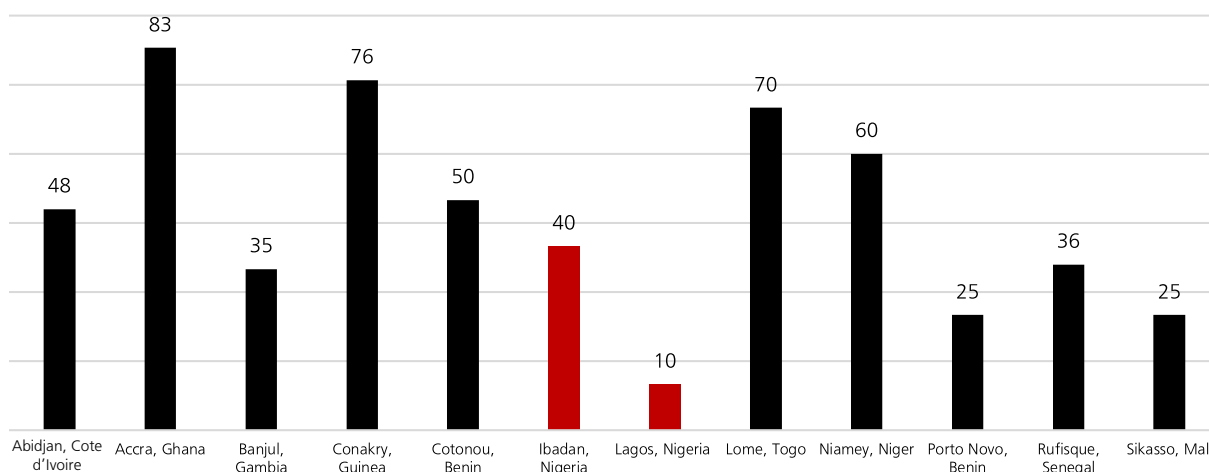
Argungu.

Many West African nations are working to protect the environment, and develop a proper waste management structure at the national and local levels, the lack of which results in ineffective garbage collection, low public support for waste segregation, unconstrained waste burning and open dumpsites.



Wasting waste

Waste collection rates for select cities in Sub-Saharan Africa (% Coverage)



Source: World Bank

The creation of an efficient waste management system contributes to enhancing property uses, thus supporting sustainable development.

Waste collection is usually done in two steps, with handcarts and tricycles commonly used to collect waste from households and transport it to an aggregation site. Small vehicles and trucks then transport waste from the aggregation site to the final disposal site.

In some instances, waste is either dumped on vacant land or in a canal, transported to a transfer station, or delivered directly to the final disposal site. As things stand, 69% of waste in Sub-Saharan Africa is dumped in open areas and frequently burned.

24% of waste is disposed off in some form of landfill, with only 7% of waste being recycled or recovered. The amount of land-filling and recycling is expected to increase as waste

Land, sea and sky

Average land prices psm (₦)

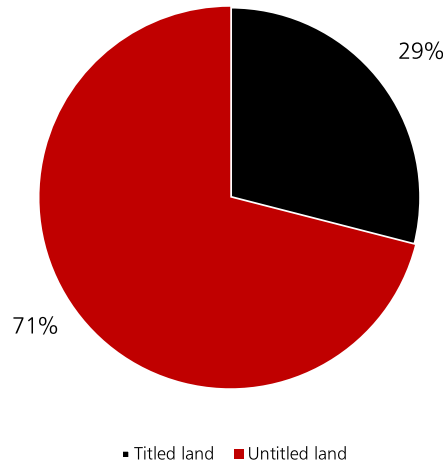
Location	2017 Average	2018 Average	2019 Average	2020 Average	2021 Average	2022 Average	2021-2022 Change (%) (₦)
Old Ikoyi	₦435,000	₦363,000	₦450,000	₦435,714	₦514,889.92	₦744,285.71	53%
Lekki Phase 1	₦140,000	₦196,000	₦200,000	₦191,857	₦246,785.71	₦398,000.00	79%
Victoria Island	₦312,000	₦300,000	₦340,000	₦315,775	₦273,000.00	₦510,000.00	75%
Sangotedo	₦26,000	₦28,000	₦30,000	₦27,750	₦22,964.29	₦38,500.00	56%
Agungi	₦84,000	₦95,000	₦100,000	₦105,364	₦99,821.43	₦177,142.86	73%
Abraham Adesanya	₦34,000	₦24,000	₦36,000	₦57,900	₦38,214.29	₦67,714.29	51%
Magodo	₦86,000	₦110,000	₦130,000	₦145,357	₦139,257.14	₦276,857.14	95%
Ikeja GRA	₦260,000	₦261,000	₦240,000	₦295,829	₦284,428.57	₦388,000.00	35%

Source: Northcourt



The land upon which we stand

Land titling in Akure, Ondo state (%)



Source: Ondo State Ministry of Lands

systems modernise, creating new sites for property development and consequent city regeneration.

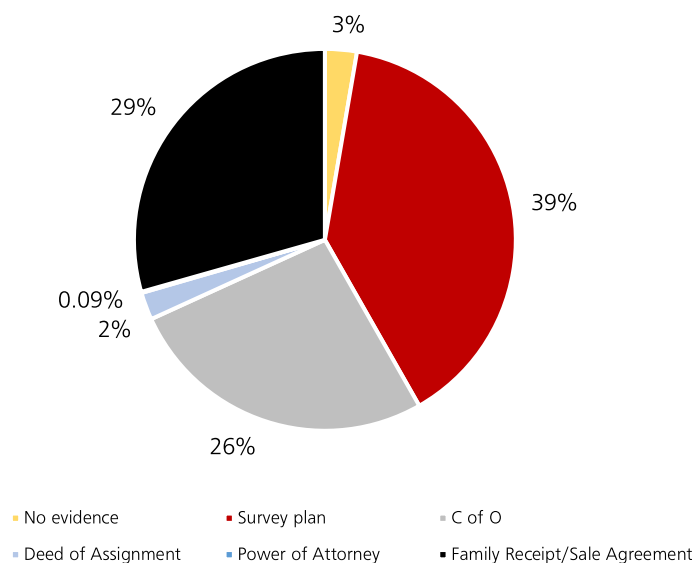
Studies on residents' satisfaction with dwelling units and supporting infrastructure Northern Nigeria show that while electricity supply has improved, water supply and waste disposal continue to present enormous opportunities for intervention by the

government and the private sector.

The majority of land in Akure is possessed without a recognised title, making it difficult to establish the ownership stake in such land. As a result, it may be challenging to investigate the potentials of land development, such as collateralisation and infrastructure investment.

What's that you have in your hand?

Categories of documents possessed by homeowners in Akure, Ondo state



Source: Ondo State Ministry of Lands





Residential

The demand for residential property remains strong. Apartments in key nodes spend less time on the market and vacancy rates have declined. Gated communities have retained their appeal with developments in Abeokuta, Port Harcourt, and Ibadan on the increase. Some areas of Lekki phase 1, Lagos, are now more desirable to investors due to enhanced security, estate services, and infrastructure.

Property prices in Imo, Kwara, Ondo, Oyo, and Enugu states have also risen. But maintenance costs have also followed suit, a result of an economy attempting yet another recovery. This has led to frequent landlord-tenant renegotiations, as the rising cost of living makes even justifiable property service charge increases difficult to pay.

The Lagos state government launched Benson Estate, Ibeshe - a 15ha development comprising 40 blocks with 480 units of one, two, and three-bedroom flats priced between \$9,500 and \$25,900 located in Baiyeku Local Council Development Area.

Onitsha saw conversions from lock-up shops to high-rise buildings complete with large shops and warehouses. New constructions are going the way of higher buildings in Awka, indicating an increase in the intensity of use. Several residential apartments are being converted to commercial buildings along Zik Avenue and in many parts of Awka - the capital city. Existing developments are giving way to taller buildings and plazas with three to five floors. In Nnewi - a key node considered safe, there is a demand for shops, warehouses and other commercial properties. Development in Awka is driven primarily by the private sector although growth is uneven. There is a difference in the pattern of development along Zik Avenue and the Expressway area.

In all, Anambra state has welcomed new investments in commercial developments and residential layouts and the real estate market in Anambra State continues to contribute to the expansion of the eastern commercial powerhouse.

Eastern lights

Factors that influence residential development in Anambra state (%)



Source: International Journal of Developing and Emerging Economies



The determinants of the largely private sector-driven market and their impact on residential real estate development include locational advantages, labour and material costs, migration into the state and improved standards of living.

Lack of secure access to land, high construction costs, limited access to finance, weak ownership rights under the Land Use Act, lack of critical infrastructure and the affordability gap and inefficient development contingencies remain key challenges.

Minna, Niger state's high and medium-density locations lack social services, retail centres, high-quality schools, drainage, and other neighbourhood amenities. Low-density areas however have unfettered access. A recent study of the Minna real estate market concluded that environmental factors such as weather/climate and temperature, soil texture, land topography, vegetation, pollution, and a waste disposal system contribute to tenants' choice of neighbourhood. A nodal analysis further indicated that the presence of an adequate waste disposal system in F-layout compared to the low-cost Bosso and Tunga regions slightly influenced absorption rates. Bosso is characterised by low-quality amenities.

“A recent study of the Minna real estate market concluded that environmental factors such as weather/climate and temperature, soil texture, land topography, vegetation, pollution, and a waste disposal system contribute to tenants' choice of neighbourhood”

Residential Vacancy Rates (%) - H1 2022	
Abuja	Vacancy Rate
Apo	11%
Gwarimpa	4%
Jabi	3%
Katampe	30%
Lugbe	7%
Maitama	4%
Utako	6%
Wuse 2	5%
Lokogoma	1%
Wuye	4%
Port Harcourt	Vacancy Rate
Old GRA	2%
GRA Ph 1	3%
GRA Ph 2	2%
GRA Ph 3	8%
Elelenwo	6%
Peter Odili	4%
Presidential Housing Estate	5%
Rumuogba	7%
Stadium road	11%
Woji	6%
Lagos	Vacancy Rate
Ikeja GRA	0.57%
Ikoyi	4.13%
Lekki	2.5%
Magodo Phase II	0.58%
Oniru	0.25%
Surulere	0.31%
Victoria Island	3.26%
Yaba	0.19%

Source: Northcourt



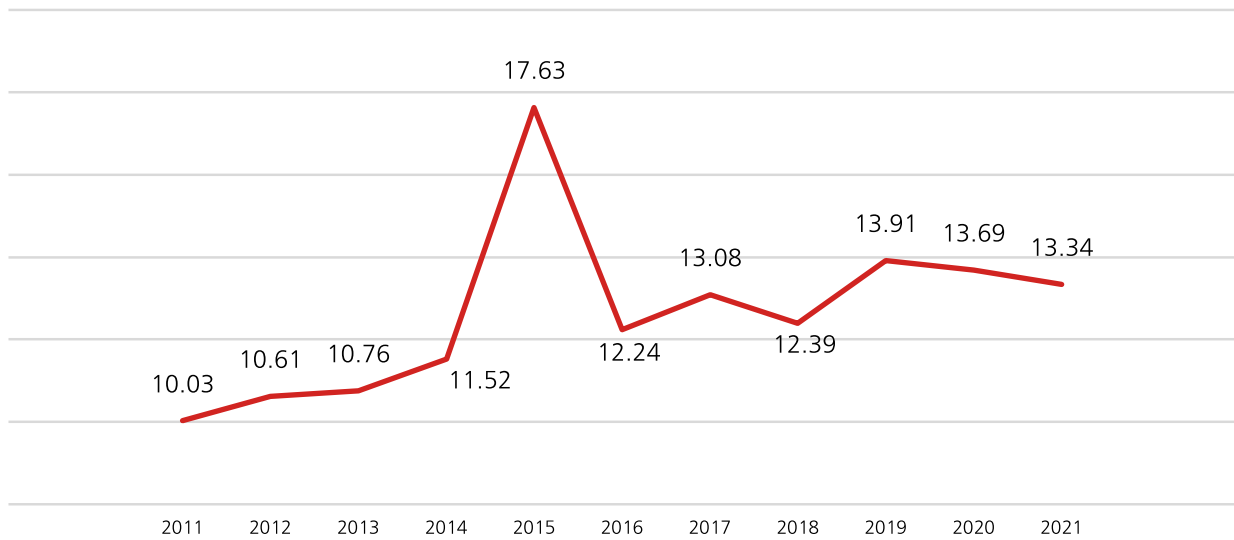
In comparison to high-density residential neighbourhoods, the Tunga area of Minna has better infrastructure. Low-density areas, typified by the F-Layout area have adequate

infrastructure - but present opportunities for modernisation.

There is a strong correlation between annual emoluments and the rental values of

Returns on Housing

Average returns for 2-bedroom apartments in Uyo (%)



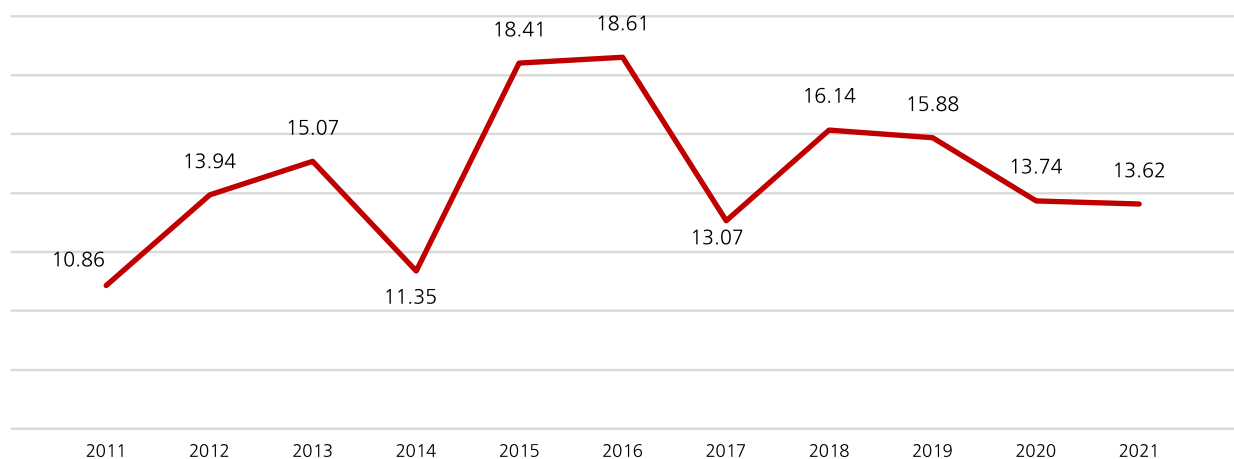
Source: Journal of Environmental Design and Construction Management

dwelling of Ekiti state civil servants. Annual pay shows a positive relationship with the rental values of residential properties owned by Ekiti state government employees. Regardless of their family size, the quality of

such dwellings, or their proximity to their place of employment, public servants in Ekiti state can only afford to pay rent for specific types of residences.

Returns on Housing II

Average returns for 3-bedroom apartments in Uyo (%)



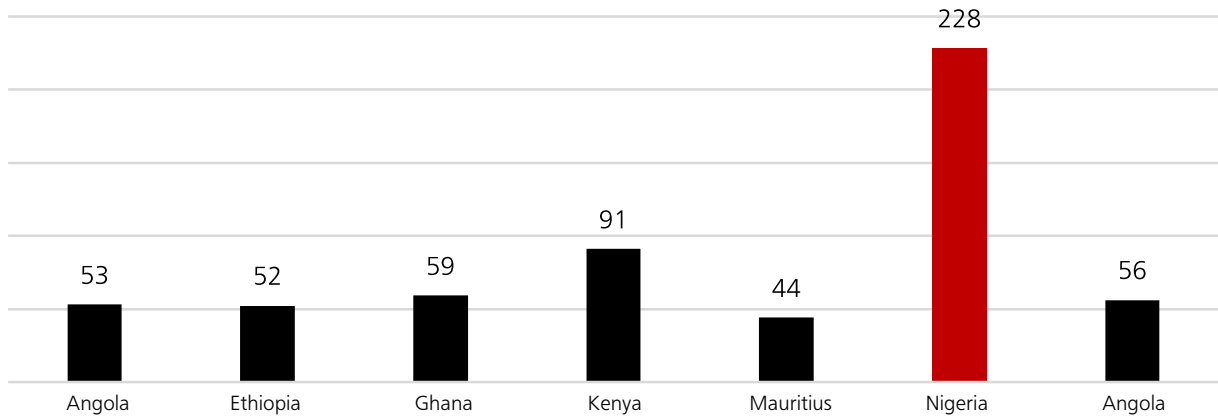
Source: Journal of Environmental Design and Construction Management



Slum settlement in the Ugep region of Cross Rivers state continues to expand due to a lack of basic services, which has a significant influence on the socioeconomic and health conditions of the broader population.

Recent studies suggest a slowing supply in the housing market. But there is a rise in demand as evidenced by high price signals. And this demand has continued to grow each year

Keeping it in the family
Total Private Wealth (\$bn)

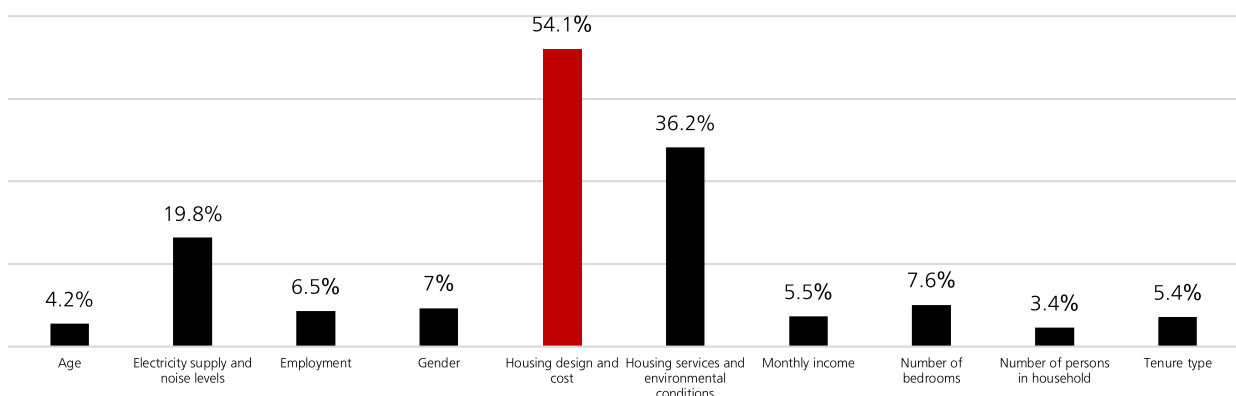


Source: Henley & Partners Wealth Report

with supply unable to keep up, resulting in a growing housing supply-demand gap. While high capital values attract developers, high land and construction costs continue to dampen development activity.

“**While high capital values attract developers, high land and construction costs continue to dampen development activity**”

Sand and Sun
Gated Estates in Northern Nigeria: Predictors of dwelling unit satisfaction (%)



Source: Journal of Infrastructure Development

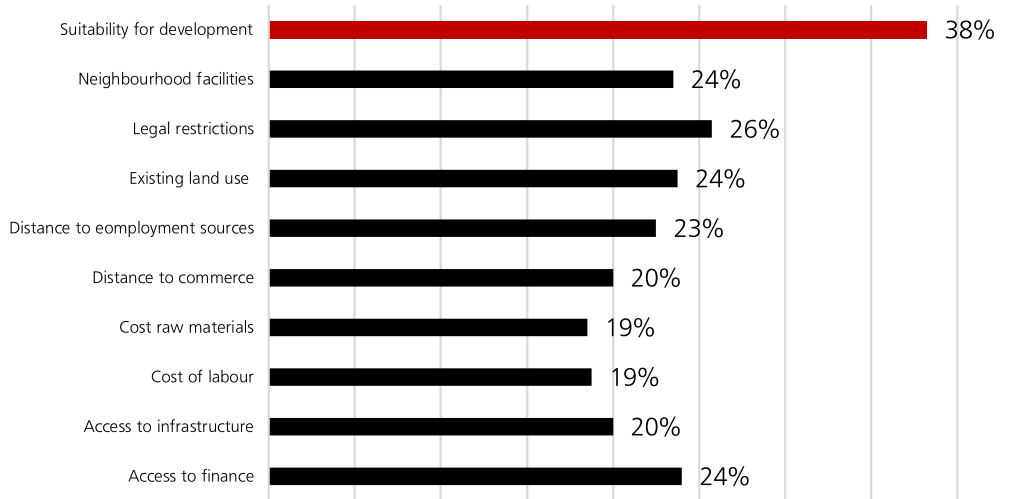


Abuja has continued to welcome new residents - a result of its good infrastructure and security systems. The Katampe area has new housing projects, some of which are on Ibrahim Gambari, Aminu Sale and Mamman Kontagora streets. There are also large residential

developments ongoing in the Gwarimpa, Wuye and Lokogoma areas. To bring an end to flooding, some parts of Trademoore estate in Lugbe have been scheduled for demolition which will see a reduction in residents on Imo and Bayelsa streets.

Trading buildings

Factors that influence the pattern of real estate development in Anambra State (%)



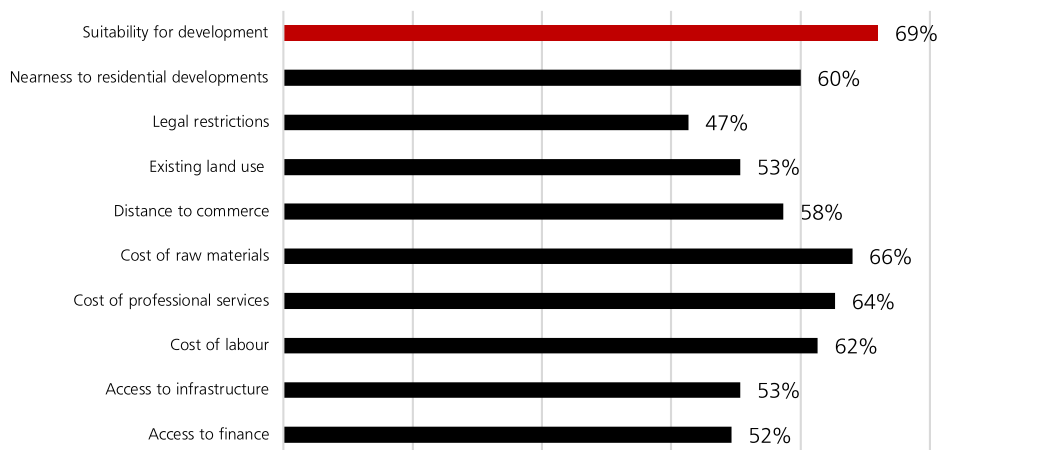
Source: International Journal of Research and Scientific Innovation

The rise of home offices has strengthened the Lagos housing market. The demand for apartments with four or more bedrooms has increased since the end of 2020 and is anticipated to continue until 2023. In the previous three years, occupancy rates in high-

end residential locations have increased - as have house prices. Further, the growing capital and rental values of gated communities reflect a sustained increase in demand.

Influences

Leading development factors in Anambra State (%)



Source: International Journal of Research and Scientific Innovation

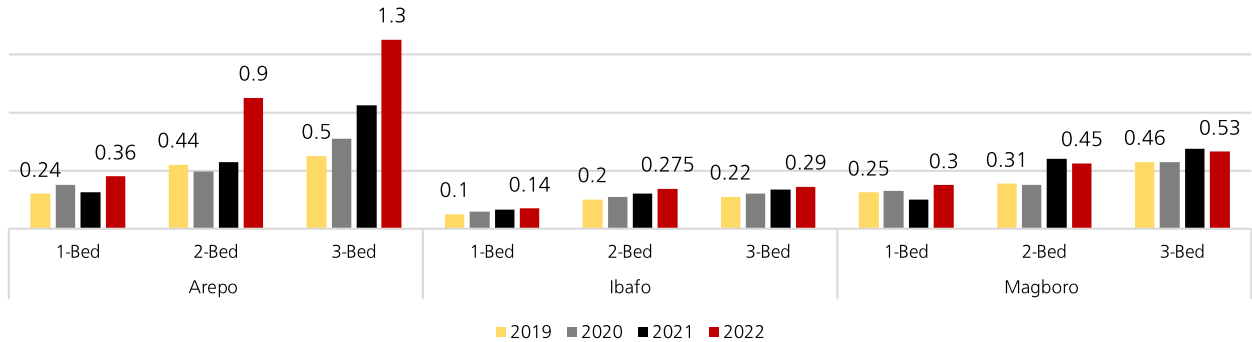


As developers continue to prioritise security and optimise maintenance fees, this will likely continue.

Road and drainage infrastructure have continued to deteriorate nationally as the

government scrambles to renovate. Due to population pressures on inadequate infrastructure, electricity and water are most often in low supply contributing to rent discrepancies and the general desirability of most locations. As a result of the growth of

House prices in second tier cities
 Select New Towns in Ogun State: Average per annum rent (₦/M)



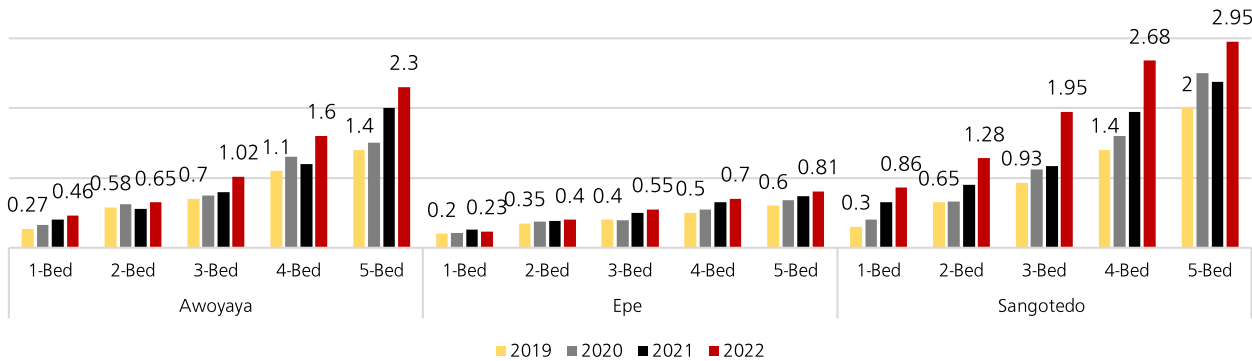
Source: Northcourt

the business community and landlords' inability to cut commercial space rentals, there is a sustained demand for residences with four or more bedrooms for the express purposes of conversion to commercial use by SMEs.

In a number of nodes surveyed, including

Lekki 1, Surulere, and Magodo - Lagos, the number of 3-bedroom apartments are generally attributable to the first wave of occupants, which consisted of conventional family-sized households living in owner-occupied (or allocated) residences. This continued to be the case as the volume of residents grew.

The case for new towns
 Select New Towns, Lagos State: Average per annum rent (₦/M)



Source: Northcourt





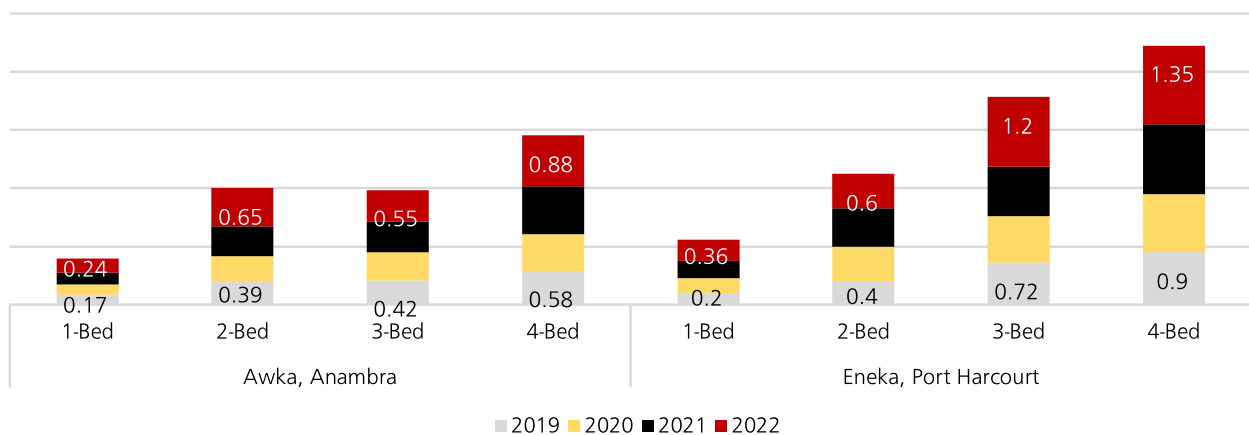
As a result of the concern surrounding collapsing structures, the insistence of investors on competent construction contractors and project delivery teams will continue – especially for big-ticket developments”

Landlords soon caught on that converting residential apartments to office and retail uses (stores, shops, supermarkets, and malls) most often gave a higher return than leasing out their apartments for residential use. Conversions from residential to commercial provide tenants with much-needed flexibility of use and landlords with a reliable source of income.

As a result of the concern surrounding collapsing structures, the insistence of investors on competent construction contractors and project delivery teams will continue – especially for big-ticket developments.

Trade and energy: The new towns of Anambra and Port Harcourt

Select New Towns: Average per annum rent (₦/M)



Source: Northcourt

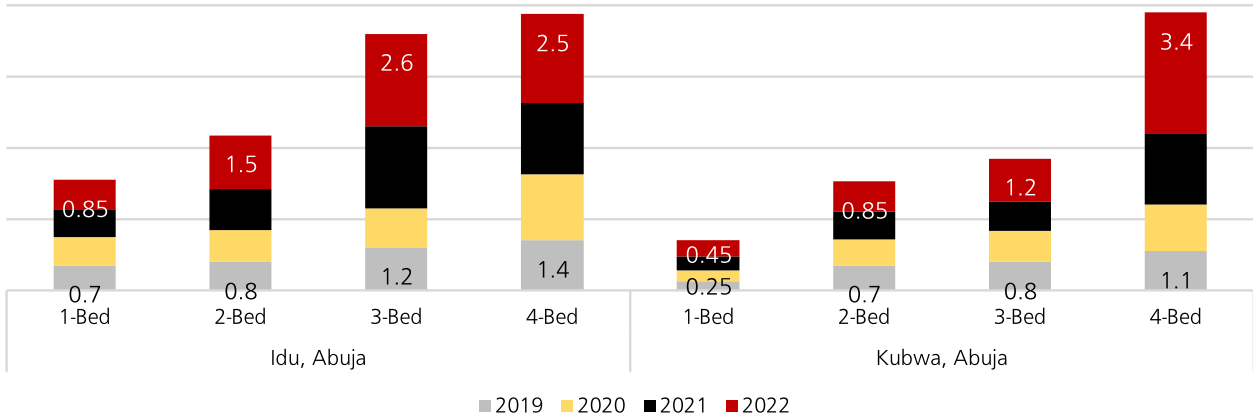
A recent study of the Lagos Island residential real estate market suggests that 41% of respondents report working from home (even if this may be partial) while 14% work from a Co-working space. By extension, 35% of the respondents consider working close to home very important, 16% consider it as slightly important while 32% consider it important. The interest for detached houses came in highest at 23% of the respondents, 20% are interested in 2-bedroom flats while 18% and 16% are interested in 1-bedroom flats and a

studio apartments respectively. 54% of the respondents consider affordable rent as very important, 11% consider it slightly important while 27% consider it important. 57% consider good road infrastructure very important, 12% consider it slightly important and 29% consider it important. The government's adoption of a property technology strategy has increased participation in the National Housing Programme run by the Federal Ministry of Works and Housing.



Front and centre

Select New Towns in Abuja: Average per annum rent (₦/M)



Source: Northcourt

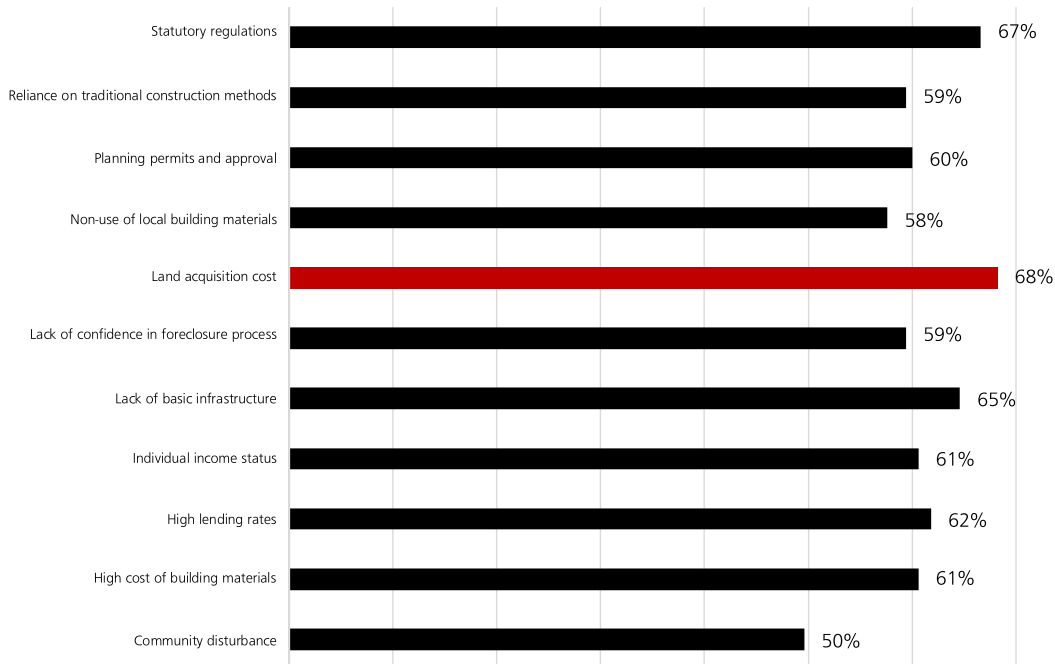
Under the Lagos Home Ownership Mortgage Scheme, the recently inaugurated 774-unit housing complex in the Sangotedo neighbourhood is arguably one of the larger undertakings.

Some pundits suggest that an aggressive approach to housing supply is required to

address the country's housing crisis, fix the broken market system, halt the high house prices trend, and even rejuvenate the country's housing finance system. Others suggest that new towns should be established in order to depopulate the overcrowded city centres and alleviate housing demand pressures.

Homes for Oil

Rivers State: Challenges of Private Residential Property Development (%)

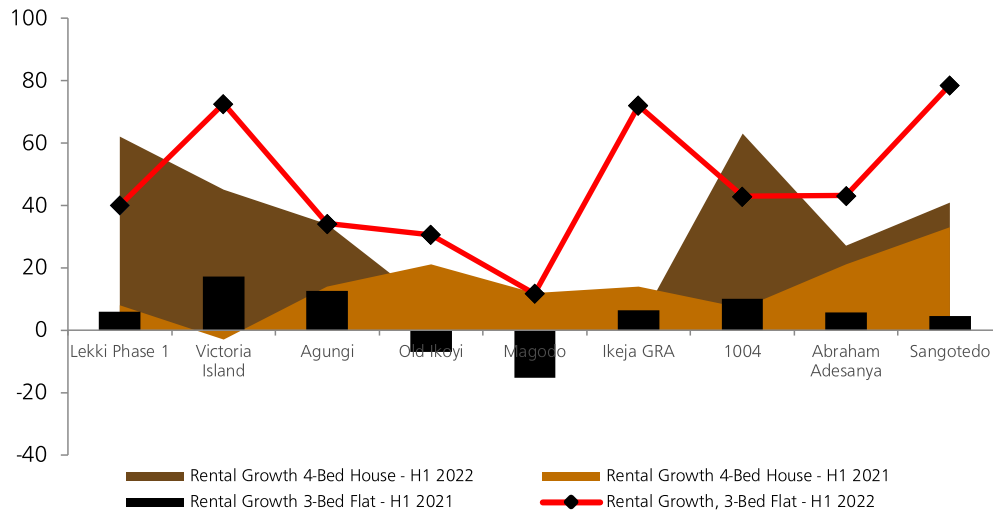


Source: American Journal of Sciences and Engineering Research



For a year

Percentage Growth in Rental Values - Lagos (H1 2021 to H2 2021)



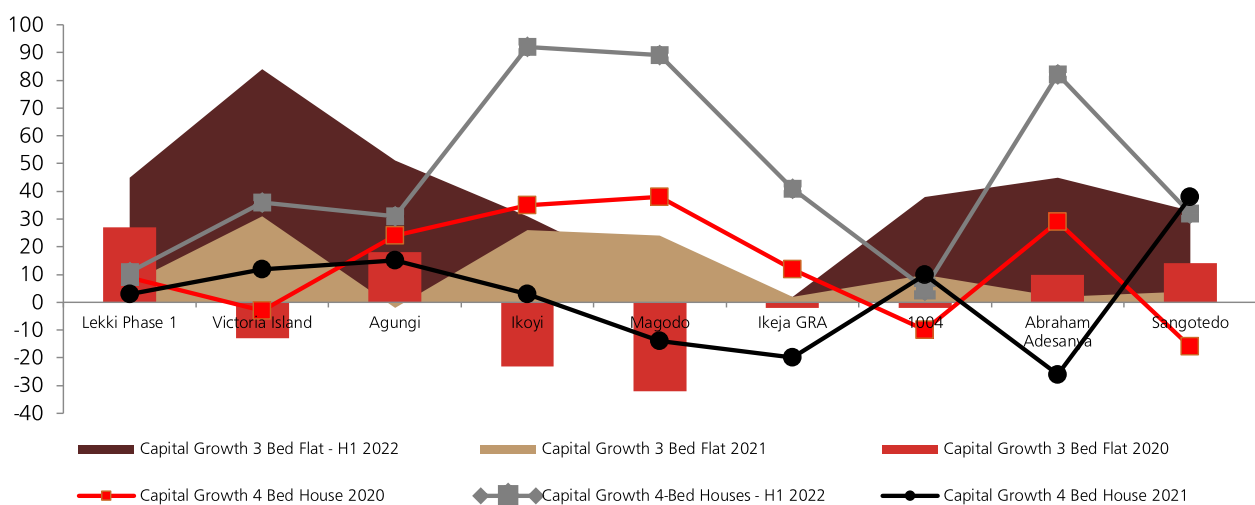
Source: Northcourt

Public sector efforts to address the growing housing deficit and rising housing costs through direct housing construction and other enabling strategies have been ineffective. When measured in terms of housing units produced, private developers have not significantly increased supply. Low-income groups have limited access to the

organised private sector's housing delivery capacity. This is further constrained by the nature and pricing of the houses produced, as well as their location and mode of access. Still, the private sector appears more likely to deliver the types of housing that the majority of Nigerians can afford.

99 years, renewable

Percentage Growth in Capital Values - Lagos (2020 to H1 2022)



Source: Northcourt



Office

Organisations have debated how work could be done remotely in the wake of COVID-19. Several unoccupied offices were left to be managed by facilities managers. 18 months on and it's official - people are moving back into offices, albeit gradually. Hybrid workspaces are being adopted by companies to allow for social distancing separation while also allowing employees to be more flexible. Because of the open design and inherent adaptability, the facilities and talent have found that hybrid work is an ideal platform for future growth.

Office management strategies now have a renewed focus on tenant health and well-being. Similarly, the building's working body is a collection of pieces that all contribute to its

overall function. Facility managers may now track the peaks and valleys of a building's energy use and gain insight into its inner workings. With talent working from all over the world, offices may have to deploy technology which benefits both the user and the facility. Buildings of the future are going to have to be adaptable and flexible in order to keep up with the changing needs of its occupants.

While some businesses will return to office buildings, others will not. Large office space customers are reconsidering their requirements. As a result of the post-Covid-19 reconsideration of office work, investors may need to reprice their assets.





Suburban and coworking real estate markets may become the more favoured investment destinations.

Demand for the Grade A office market has been poor as large corporates continue to implement key elements of work-from-home policies.

Prime Office Rent				
Location	H1 2021 Average	H1 2022 Average	2021 - 2022 % Change (₦)	2021 - 2022 Change (%) (\$)
Abuja				
CBD	₦62/\$0.12	₦65/\$0.108	-5%	-10%
Wuse 2	₦65/\$0.13	₦57.5/\$0.096	-12%	-26%
Garki II	₦28/\$0.056	₦31/\$0.052	43%	20%
Port Harcourt				
Olu Obasanjo Way	₦16.5/\$0.033	₦18/\$0.03	9%	-9%
Trans Amadi Road	₦17.5/\$0.035	₦22.5/0.038	22%	9%
Aba Road	₦15/\$0.03	₦21.5/0.036	30%	17%
Lagos				
Lekki Phase 1	₦74/\$0.148	₦78.75/\$0.131	6%	-11%
Lagos Island	₦22/\$0.044	₦27.5/\$0.046	25%	5%
Ikeja	₦28/\$0.056	₦53/\$0.088	89%	57%
Yaba	₦25/\$0.05	₦38.35/\$0.064	53%	28%
Ikoyi	₦176/\$0.352	₦235/\$0.391	34%	10%
Victoria Island	₦182/\$0.364	₦337.5/0.563	85%	55%

Source: Northcourt

Small and medium-sized occupiers have returned to the office. The telecommunications, energy, technology, and real estate sectors have continue to drive a

demand for office space in Old Ikoyi, Victoria Island, and Lekki Phase 1. Meristem Securities completed their head office - a 6-floor building with a gross area of 2,845sqm in Ikoyi.



The Dreams from the Slum Empowerment Initiative launched a workstation in Ajegunle, Lagos to create access to work equipment for craftsmen while also creating a suitable work environment. It includes 10 workstations, a boardroom, a conference room, a private office, a meeting room, and an artisan centre.



Suburban and coworking real estate markets may become the more favoured investment destinations”

Office Pipeline				
Name	Floors	Size (m)*	Location	Delivery Date
A & A Towers	22	Unspecified	Eko Atlantic	2023
Corporate Towers	34	Unspecified	Eko Atlantic	Ongoing
Dangote HQ	18	17,000	Ikoyi, Lagos	2023
Famfa Oil	22	21,900	Ikoyi, Lagos	2022
Trinity Tower	14	6,000	Victoria Island	2022
UICL HQ	9	Unspecified	Victoria Island	Ongoing
Aerobell Towers	8	7,000	Victoria Island	2022
First Pension Custodian Nigeria HQ	5	NA	Victoria Island	2023
Office development, 4 Babatunji Olowofoyeku	4	1,300	Victoria Island	2021
Geely Showroom	4	Unspecified	Victoria Island	Ongoing

*approx
Source: Northcourt



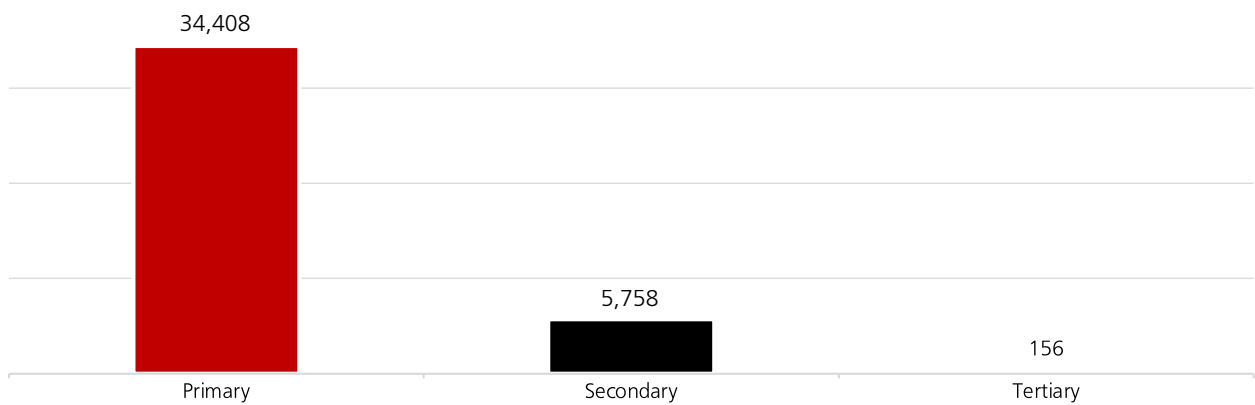
Healthcare

The Nigeria healthcare real estate market has witnessed an increase in local investment and a few acquisitions. Pension funds have commissioned studies to evaluate investment opportunities in Nigeria's healthcare as more infrastructure funds investigate the sub-

market. Attracting capital has always been problematic in the absence of effective demand. The Lagos state government completed a 500-bed psychiatric hospital and rehabilitation centre in the Ketu Ejirin Local Council Development Area.

Health centers need apply

Estimated number of healthcare centres, by classification



Source: OCHR

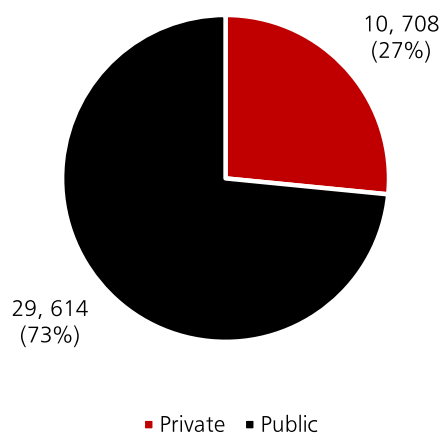
The second phase of the project will include a 1,000-bed psychiatric hospital and rehabilitation centre.

global growth equity investor, with participation from Partech, Picus Capital, Tencent Exploration, AAIC (Asia Africa Investment and Consulting), P1 Ventures, Laerdal Million Lives Fund, M3 Inc., and Arvantis Social Foundation.

Reliance Health - a telemedicine-focused startup completed a \$40M Series B funding round led by General Atlantic, a leading

A question of ownership

Estimated number of healthcare centres, by ownership (%)



Source: OCHR

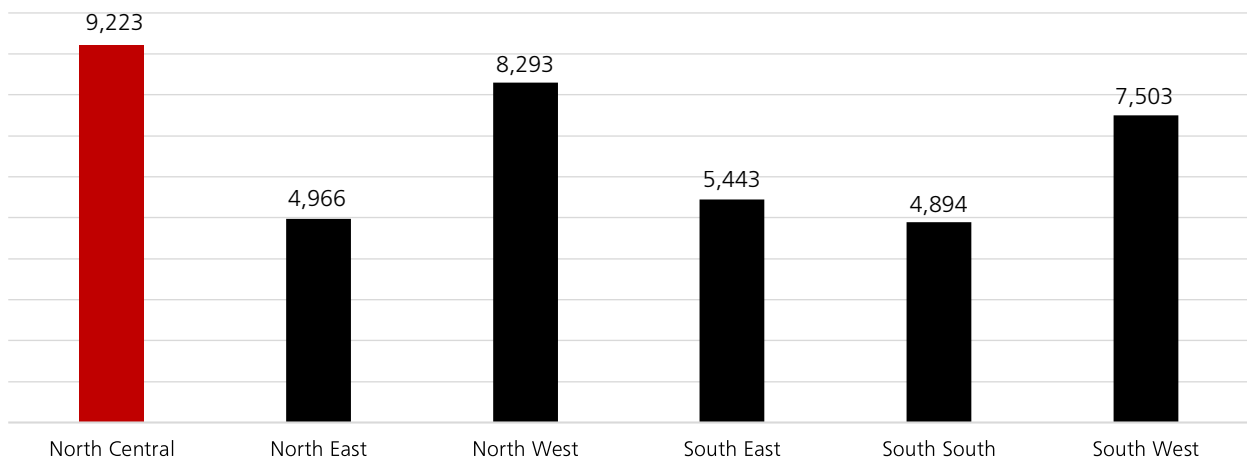
“The Lagos state government completed a 500-bed psychiatric hospital and rehabilitation centre in the Ketu Ejirin Local Council Development Area”



Oyo state received €55m from France in January 2022 to assist about 300 clinics across the state. The Central Bank of Nigeria’s 100 for 100 initiative, which provides funding for 100 companies in 100 days provided ₦1.5bn for Me Cure Healthcare Limited’s expansion while Summit Healthcare received ₦300m.

A question of ownership

Estimated number of operational medical centres in Nigeria, by region (Primary and secondary)



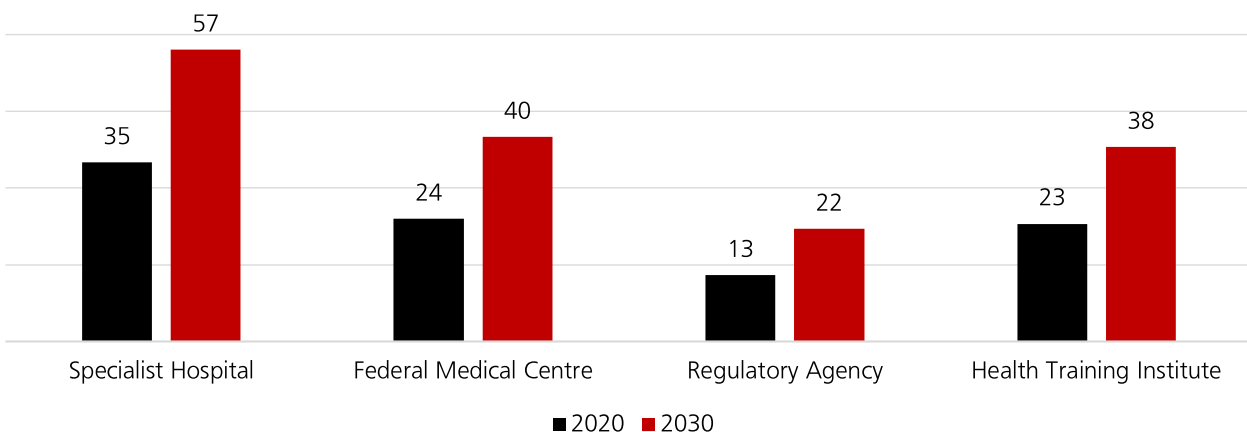
Source: OCHR

A total of 31 pharmaceutical and 91 hospital projects received ₦115.36bn enabling the purchase of 59 MRI scanners, 42 CT scanners, and 4 oncology screening devices, the funding of a dental and maxillofacial hospital (₦2bn), the Marcelle Ruth Cancer centre and

the Duchess International hospital (Lagos), the Dr Peter Odili Cancer & Cardiovascular Diagnostics & Treatment Centre and the Professor Kersley Harrison Hospital (both in Port Harcourt).

The exceptions

Estimated number of special facilities required, by type

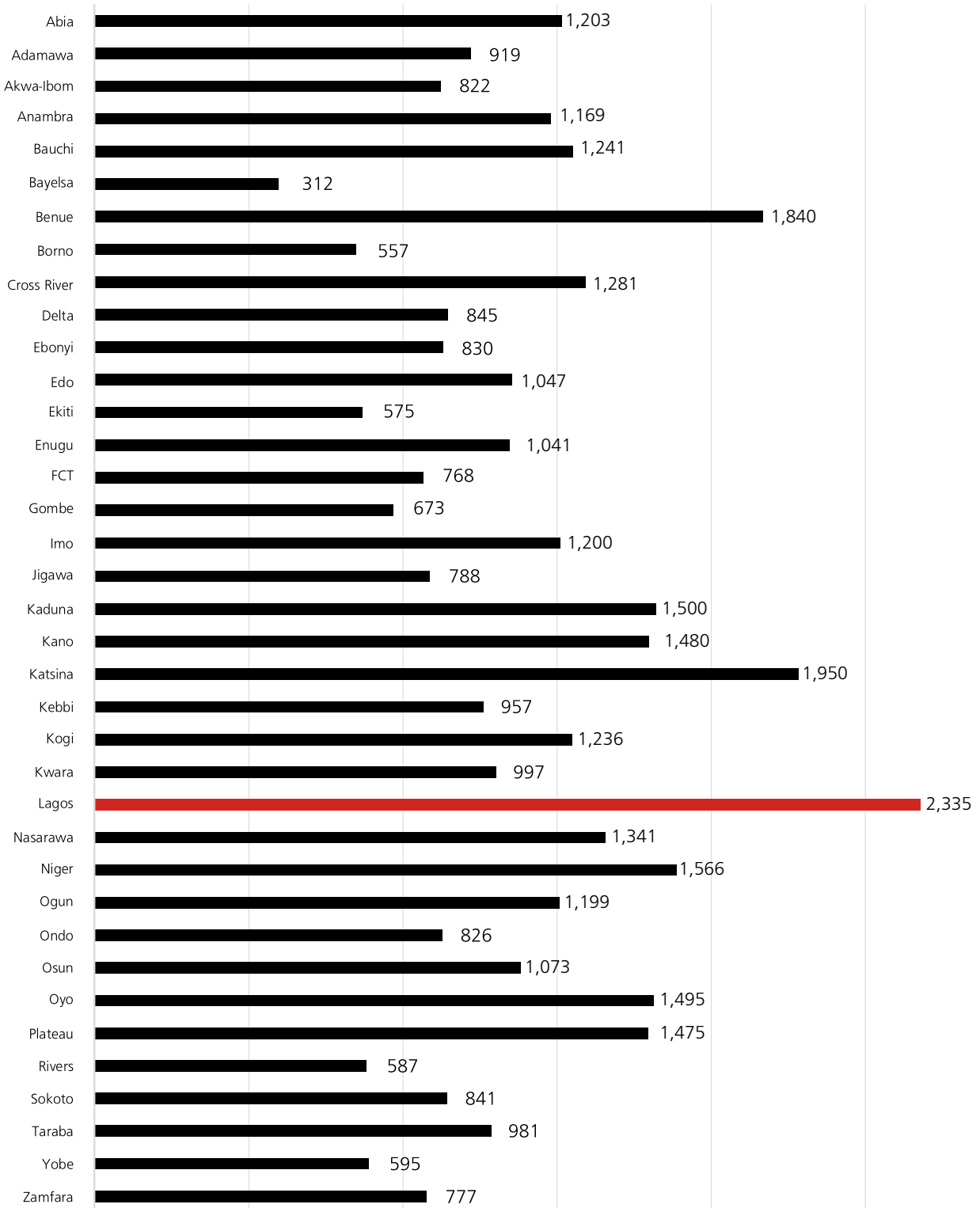


Source: The Lancet



Hospitals, stateside

Estimated number of operational medical centres (Primary and secondary)



Source: OCHR

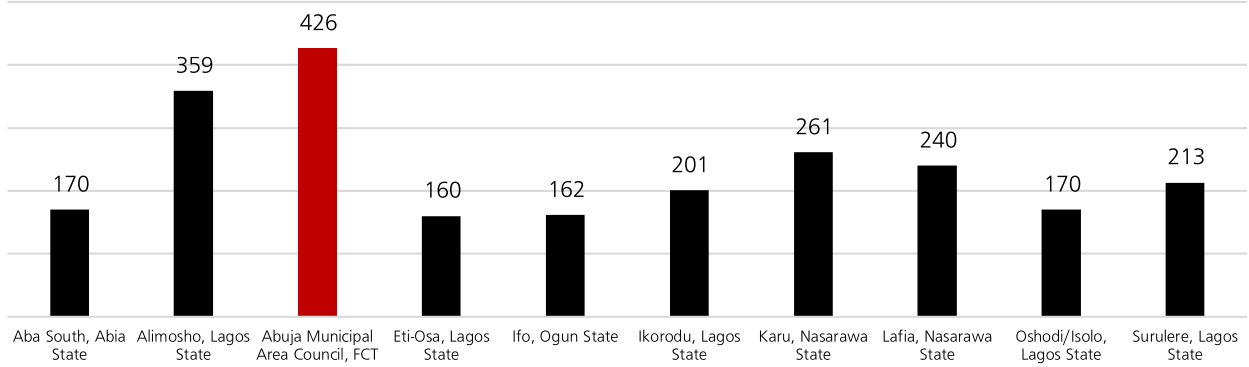
The Lagos Urban Development Initiative is advocating for a more liveable, and sustainable city so as to resolve the estimated \$35bn loss from air pollution. Codix Pharma

launched a new facility in Ilupeju and is planning its expansion into Ghana, Liberia and Sierra Leone.



Neighbourhood doctors

Largest number of operational medical centres by Local Government

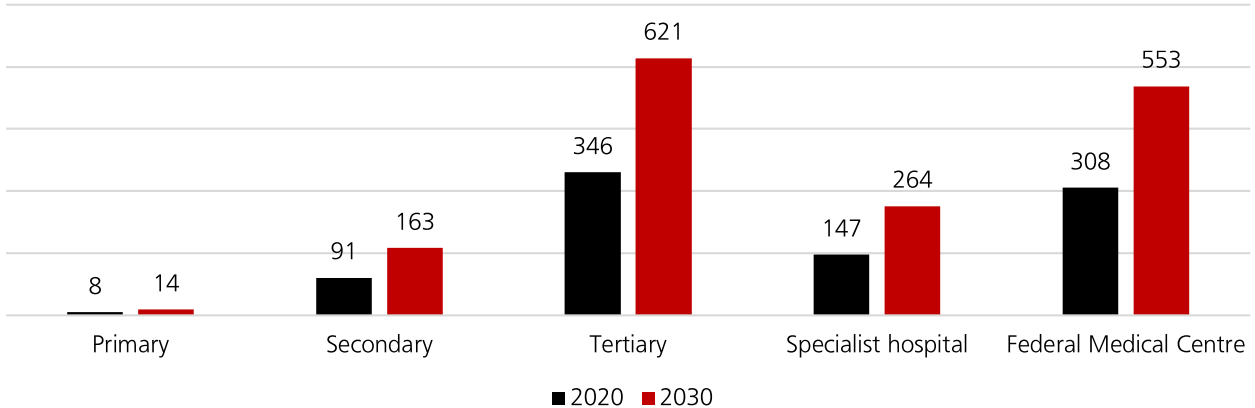


Source: OCHR



Safe space

Average number of beds required in healthcare facilities by 2030



Source: The Lancet



PropTech

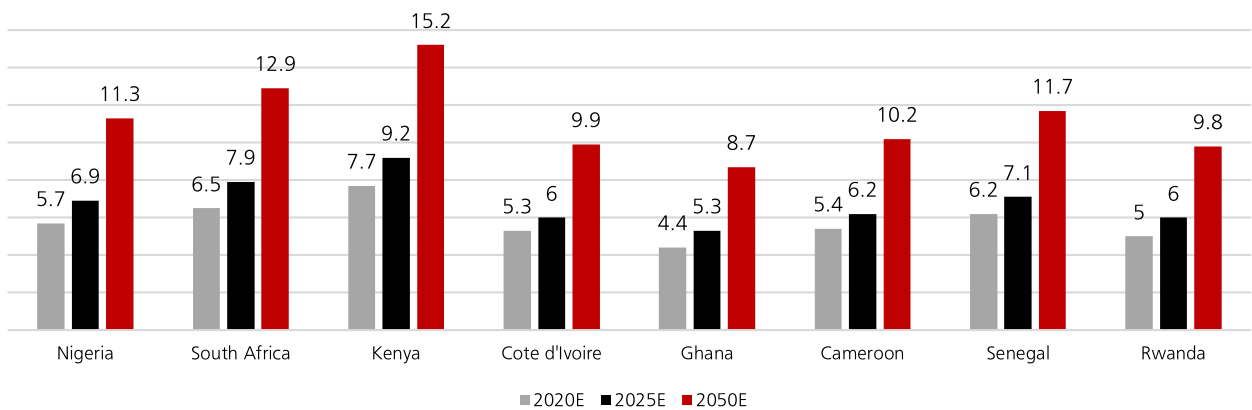
The Centre for Real Estate Technology & Innovation suggests that venture capital investments in real estate technology companies reached \$32bn in 2021 globally. About half (49.1%) of venture funding was invested in residential real estate while the multifamily sector came in second with 20.8%

of the investment, construction at 18.9% and commercial real estate at 7.6%, respectively.

Africa's iGDP (Internet GDP - i.e. the contribution of the internet to National GDP) has the potential to add an estimated \$712bn to the continent's economy by 2050.

Tech saves

Estimated iGDP contribution (%)



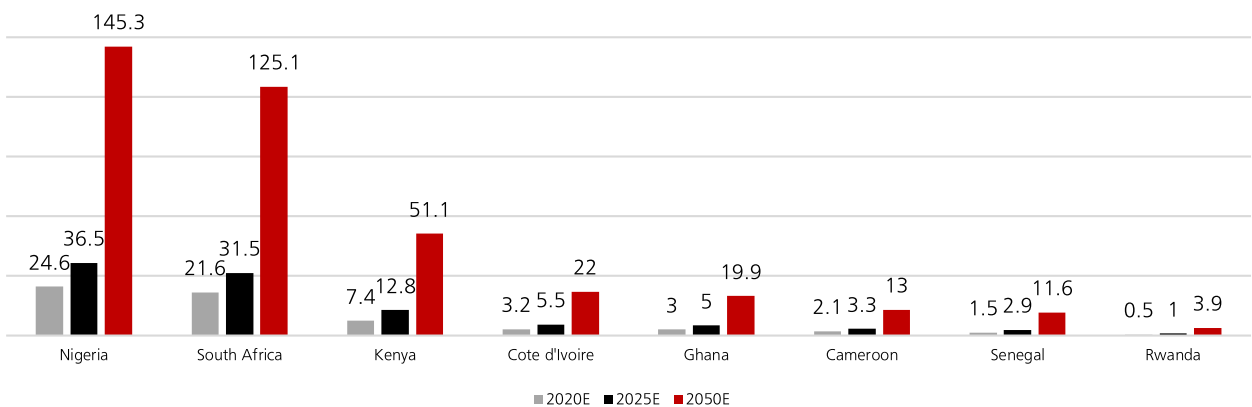
Source: National Statistical Bodies, Google

Half of the world's population is affected by the challenges of address verification, which costs businesses an estimated \$200bn a year. For the rollout of its address verification technology in Nigeria, smart addressing

startup OkHi received a \$1.5m seed investment from Chapel Hill Denham, Flutterwave's founders and executives, EXFI, Founders Factory Africa, and Betatron.

Data and cents

Estimated iGDP contribution (\$'bn)



Source: National Statistical Bodies, Google



As a result of the now declining pandemic, retailers have had to change their strategies to keep up with changing shopper behaviour. Nigerian retailers appear to re-emphasize brick and mortar - even as a few have begun to develop investment products using blockchain technology.

Retail centre operators are allowing for fractionalized investment in their brick-and-mortar malls. For an undisclosed amount, The MTN Group purchased 144 digital plots of land in the Africarare metaverse, Ubuntuland.



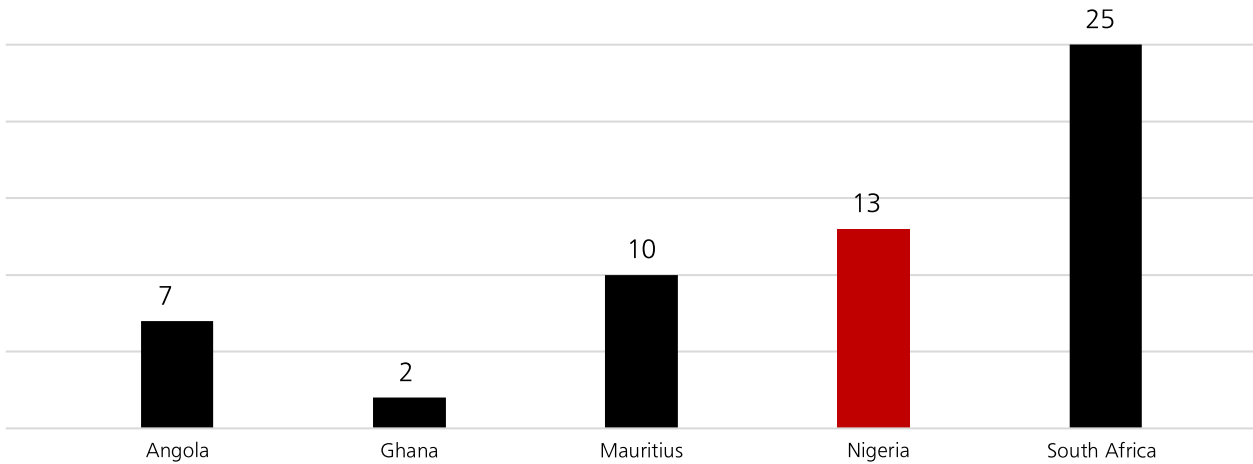
As global funds seek untapped, early-stage opportunities, the growing belief that African property technology is the next frontier may insulate Nigeria’s proptech ecosystem from global headwinds”





Digital libraries

Select African countries: Number of co-location data centres (2021)



Source: Google, National Statistical Bodies, Northcourt

Spleet raised \$625,000 in a round led by MetaProp Accelerator and plans to develop products that simplify the residential rental processes, including a Rent Now Pay Later package. After aggressively hiring and expanding over the past few years, growth-stage startups are conserving capital while seeking alternative methods to grow their numbers.

This is critical to maintaining investor confidence and preparing for challenging economic times ahead as global headwinds

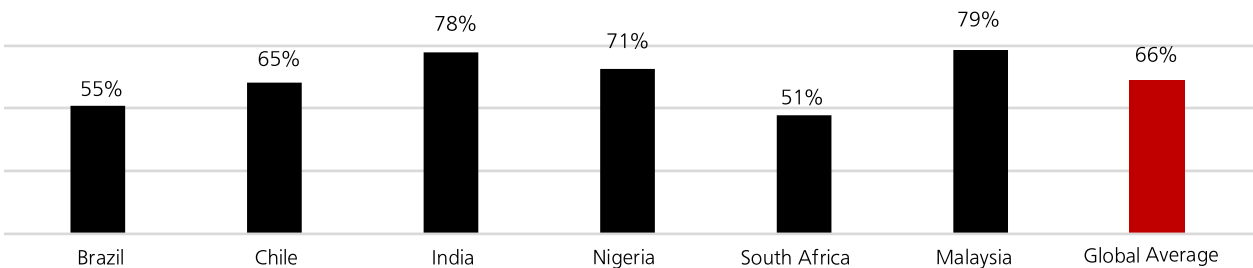
suggest.

As global funds seek untapped, early-stage opportunities, the growing belief that African property technology is the next frontier may insulate Nigeria's proptech ecosystem from global headwinds. Even though startups continue to hire, the global trend indicating job cuts is instructive.

The EU intends to support Nigeria's digitalization agenda with a total of €160m in grants and €660m in loans.

National security, online

By Country: Firms Hit by Ransomware in 2021 (%)



Source: Sophos

€100m will be directed to expand secure 4G connectivity in Lagos and Ogun states and triple national data infrastructure, €250m will be set aside for digital identity infrastructure,

€9.5m for the Nigeria Innovation Programme and €2m in support for the improvement of administrative capabilities.



Private Equity

Lagos based MAX, the largest car subscription network for low-to-zero emission vehicles in Africa was acquired by the Rwanda Innovation Fund (RIF). Angaza Capital, a growth equity firm with offices in Kigali, Abu Dhabi, and Tel Aviv, oversees the RIF. The IFC aims to provide \$3m as support for Nigerian businesses through its Startup Catalyst Program, Microtraction Fund II - a \$15m seed-stage fund focused on pre-seed and seed-stage investments in tech and ICT-enabled enterprises in Sub-Saharan Africa. The Fund will be backed by the Blended Finance Facility (BFF) of the IDA18 IFC-MIGA Private Sector Window (IDA PSW), developed by the World Bank Group to promote private sector investment in IDA nations, with a focus on fragile and conflict-affected governments.

DrugStoc, a business focused on the distribution of pharmaceuticals raised \$4.4m in a Series A fundraising round headed by Africa HealthCare Master Fund, Chicago-based venture capital firm Vested World, and the German Development Bank (DEG). DrugStoc connects 400 manufacturers producers with 3,200 physicians, hospitals, and pharmacies. Having successfully expanded into financial services in 2021 with the help of a \$10m investment from the IFC and Partech, TradeDepot, a B2B eCommerce platform, has now raised a total of \$110m in a

Series B funding round that includes both equity and debt investments. With its at-home lab testing platform, Lagos-based healthcare startup - Healthtracka also raised \$1.5m in seed funding.

“**Having successfully expanded into financial services in 2021 with the help of a \$10m investment from the IFC and Partech, TradeDepot, a B2B eCommerce platform, has now raised a total of \$110m**

In 2021, Africa's VC funding reached a record high of nearly \$4bn, more than the amount raised in the previous two years. Andela, Flutterwave, Chipper Cash, OPay, and Wave are among the unicorns that have raised over \$200m in funding. NBK Capital Partners Mezzanine Fund closed a \$10m financing facility with Uber's exclusive vehicle supply partner in Africa - Moove. The facility will support Moove's expansion in West Africa. Through year-end December 2021, more than 2m trips made in Moove-financed vehicles since it launched operations in 2020.





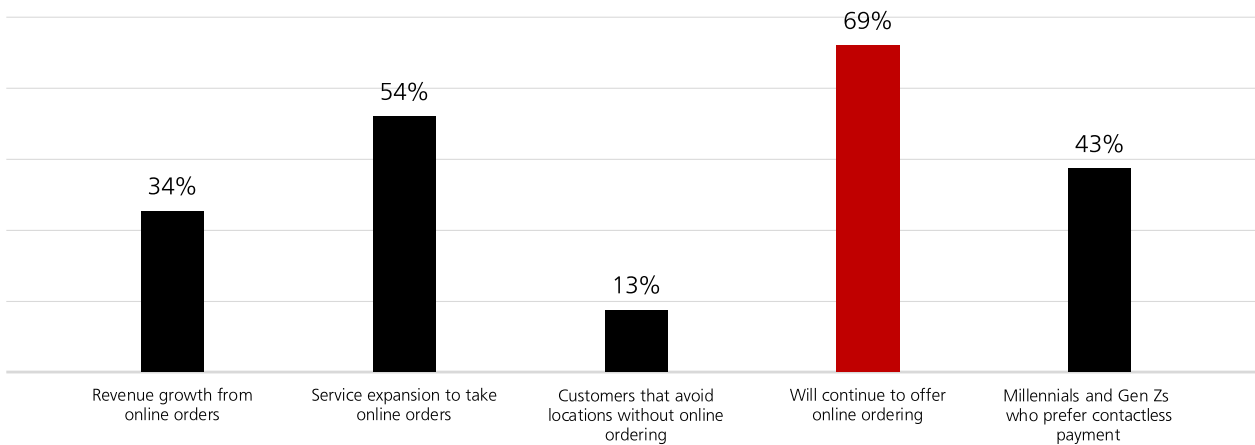
Retail

The long-term sustainability of above-market returns on mall investment is increasingly contingent on the quality of non-grocery support features such as lounges, entertainment centres, play spaces, parking, and security. The prognosis for retail, at least

from a volume-of-transactions standpoint, is positive. Lenders report backing more project refinancings than new developments. Mall managers report a return to pre-COVID footfall levels - despite a decline in consumer purchasing power.

The future of restaurants

A Global Survey: Lessons learnt by restaurants in 2021



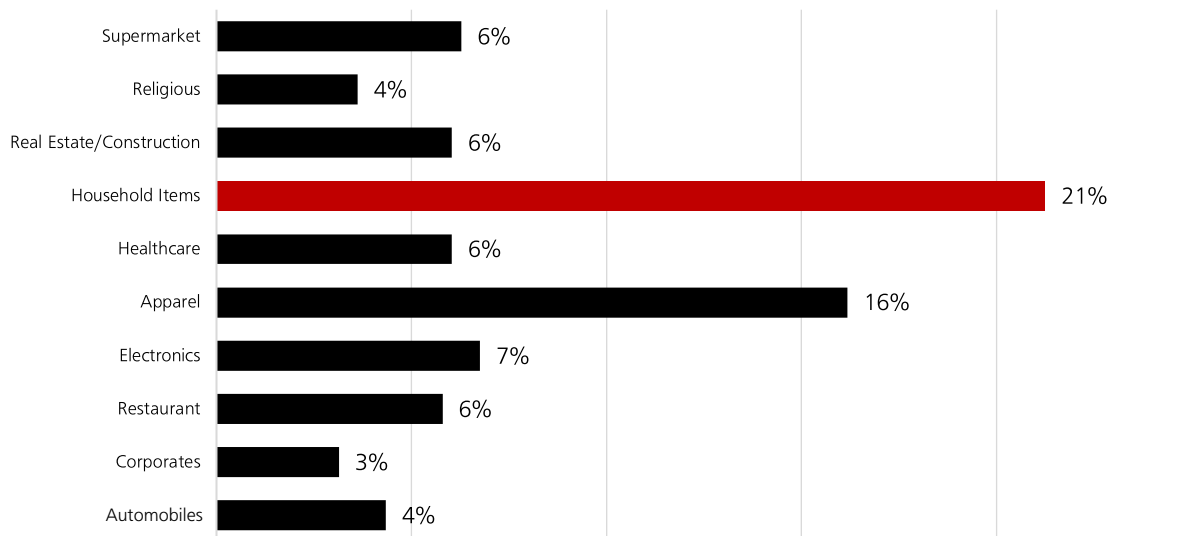
Source: Sophos

Increasingly, pipeline developments are taking on more mixed-use characteristics to better de-risk retail mall developments.

Landlords and tenants are working in tandem to reduce vacancies while ensuring timely rent payments.

So much to do

VGC, Abraham Adesanya and Sangotedo - Lagos: Major property uses



Source: Northcourt



Shoprite's departure from Maryland mall, Ikeja meant that an opening was created for leading retailer, Marketsquare which will now join over 40 shopping stores, banks, restaurants, a supermarket and a state-of-the-art cinema facility. Amstel Malta Ultra partnered with The Mix Africa to launch the flagship PUMA store in Abuja as part of its

commitment to supporting healthy lifestyles.

Integrated food service company and owners of Kilimanjaro restaurants, Sundry Foods Limited opened five new outlets in Lagos, Abuja and Port Harcourt. Pizza Jungle opened at the 911 Mall on Usuma street in Maitama, Abuja, and a food court along Old Aba - Port Harcourt Road.

Say that again?

Estimated noise levels inside and outside key restaurants in Port Harcourt (dB)

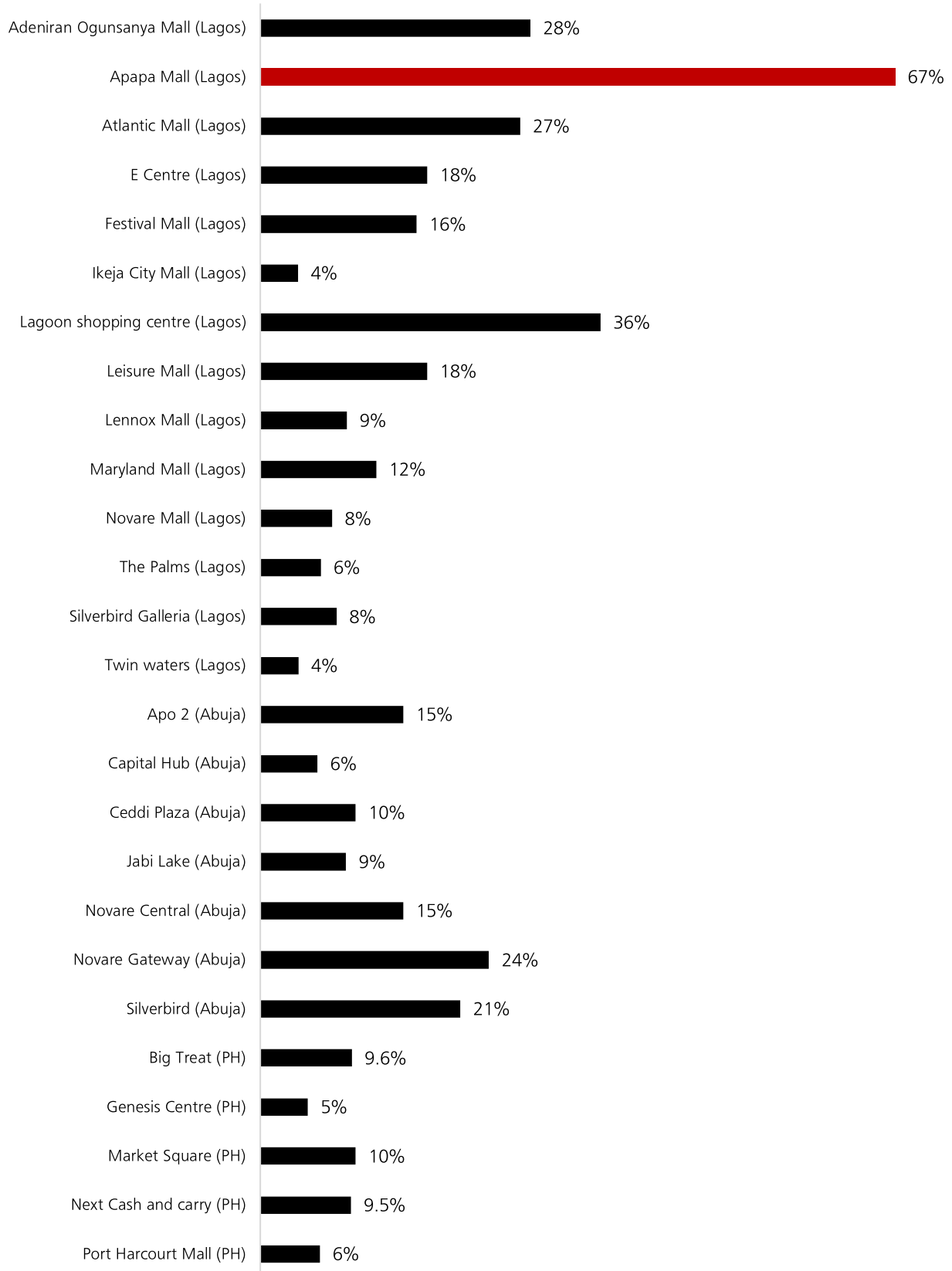
Brand	Location	Noise Level (dB)		
		Inside restaurant	Outside restaurant	Average
Big Treat	Air force Junction Aba road	74.5	79.4	77
	Rukpokwu	70.4	74.2	72.3
Chicken Republic	Abacha road	77.5	72.6	75.1
	Aggrey road	80.3	78.8	79.6
	1 st Artillery	65.8	80.3	73.1
	Trans Amadi	73	71.8	72.4
Genesis	Choba road	78.9	71.6	75.3
	Location Road Junction	80.2	78.6	79.4
	Rumuokuta Junction	76.4	78.4	77.4
	Iwofe road	78.2	76.2	77.2
	Agip Junction	76.8	78.2	77.5
	UST Junction Ikwerre Road	80.2	78.6	79.4
	GRA	76.7	77.8	77.3
	Market Junction Aba road	78.9	72.1	75.5
Kilimanjaro	GRA Junction Aba road	76.6	74.6	75.6
	Okporo/Rumuodara	78	78.6	78.3
	Rukpokwu	74	69.9	72
	UNIPORT Junction Choba	78.4	78.8	78.6
	Rumuokuta by Rumuola road	80.1	78.8	79.5
	Agip Junction	78.9	76.8	77.9
Pepperoni	Iwofe Road by Ada George Junction	77	79	78
	Okporo Road, Rumuodara	76.8	77.4	77.1
	GRA Junction	78.2	80.1	79.2
Shandeess	Rumuodara	69.3	73.5	71.4
	Agip road	73.4	74.2	73.8
The Promise	Aggrey road	80.3	77.9	79.1
	Rukpokwu	73.6	75.8	74.7
	Rumuigbo	79.9	71.9	75.9
	Odili Road	76.3	73.9	75.1
	Trans Amadi	77.3	73	75.2

Source: Journal of Environment, Earth Sciences and Ecology



Seeing, buying and playing

Grade A Malls - Retail Vacancy rate (%)



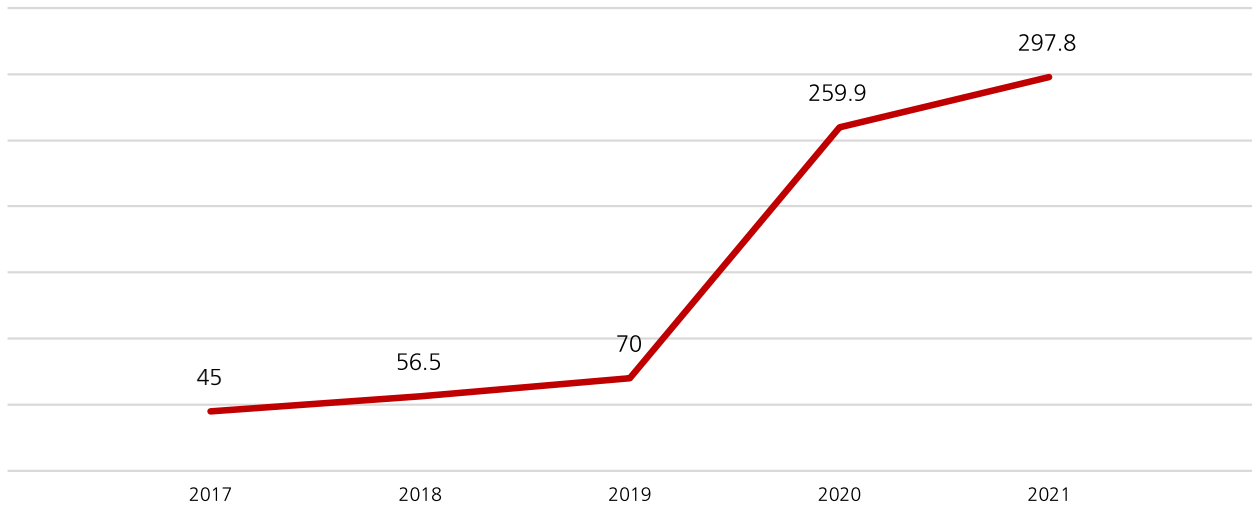
Source: Northcourt



The relationship between traditional retailing, e-commerce and customer service has become more co-dependent as COVID effects peter out. Retailers now focus on the bottom line and its variables, as well as how to best capture market share and retain a distracted customer base.

The moderated performance of high street retail in some locations is now a regular occurrence. The ability to disrupt retail processes is essential to meet the fast-paced, high-volume requirements of modern logistics in the 'buy-online-and-deliver-to-me' era.

Lights, camera, traction
Estimated number of people employed by Nollywood ('000)



Source: NBS

“The relationship between traditional retailing, e-commerce and customer service has become more co-dependent as COVID effects peter out”





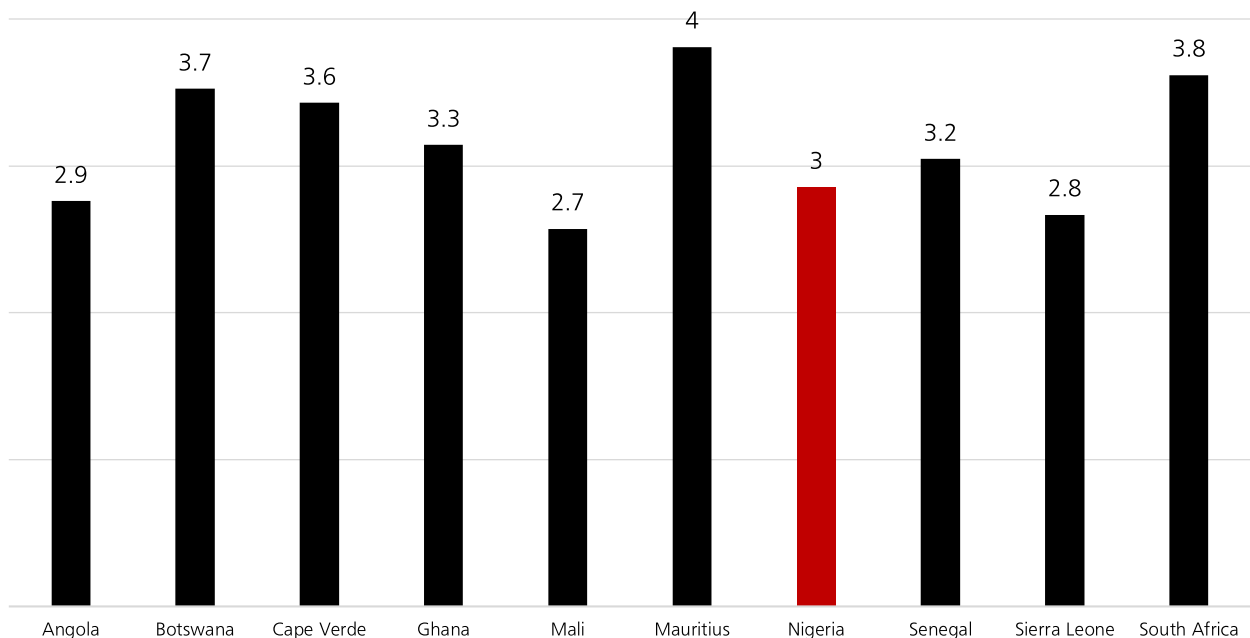
Hospitality

In 2020/2021, lockdowns, travel restrictions, consumer fears, and economic downturns cost the travel & tourism industry \$4.5trn and 62m jobs globally. Increasing vaccination rates, easing travel restrictions, and economic growth have aided recovery, even though this remains fragile. While international tourist arrivals increased by 18m in January 2022 compared to January 2021 this was still 67% below 2019 levels, according to a recent forecast from the UNWTO. As of May 2022,

75% of the population in high-income economies had completed the initial COVID-19 vaccination protocol, compared to lower-middle-income and low-income economies which had 52% and 13% vaccination rates respectively. Lower vaccination rates have been shown to increase travel policy uncertainty, reduce consumer confidence, and prolong the pandemic's overall negative impact.

Boarding passes and entry tickets

Travel & Tourism Development Index 2021 overall rankings (Max=7)



Source: World Bank

Transcorp Hotels Plc's ₦22bn gross revenues for 2021, more than doubled the ₦10bn reported the previous year. It was also ₦2bn more than its 2019 earnings. Demand for leisure was robust throughout the year, owing to a reconfiguring of leisure package offerings. As the domestic leisure, business, and leisure segments continue to grow, foreign guests have begun a staggered return. As global chains reignite their ambitions, it is expected that Nigeria's hospitality industry will continue its post-COVID run.



Lower vaccination rates have been shown to increase travel policy uncertainty, reduce consumer confidence, and prolong the pandemic's overall negative impact”

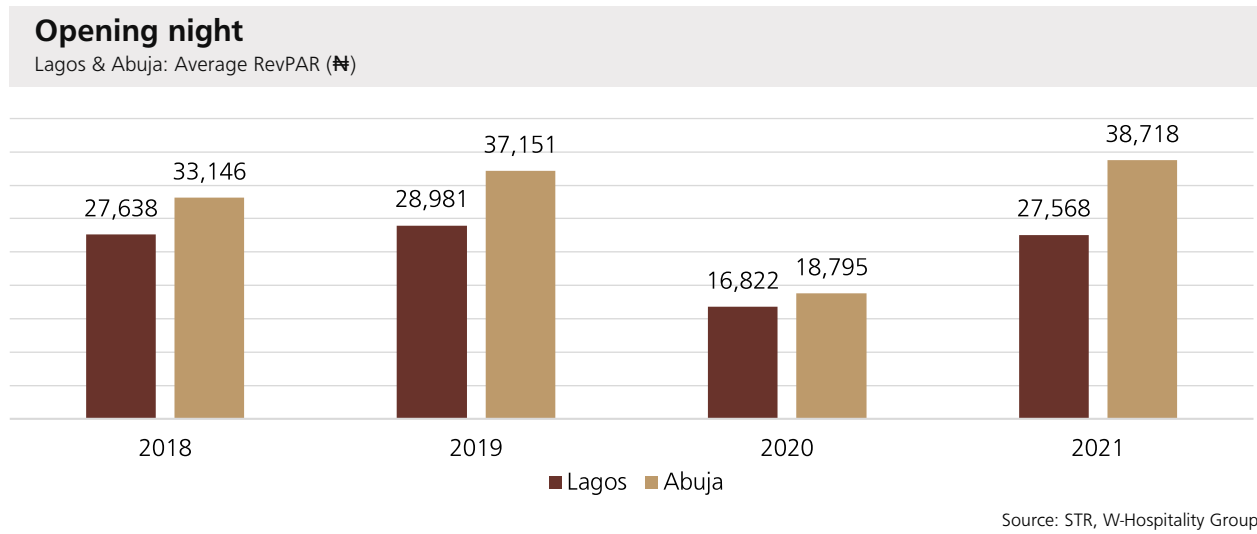


This is as increased vaccination rates and medical advances such as the new COVID Antiviral tablet is considered.

There is also the emerging case of revenge travel - that is, holiday trips that attempt to make up for those missed as a result of the lockdowns. These are likely to contribute to growth. Overall, travellers are increasingly looking for ways to make their trips more experiential. Local destinations have also seen

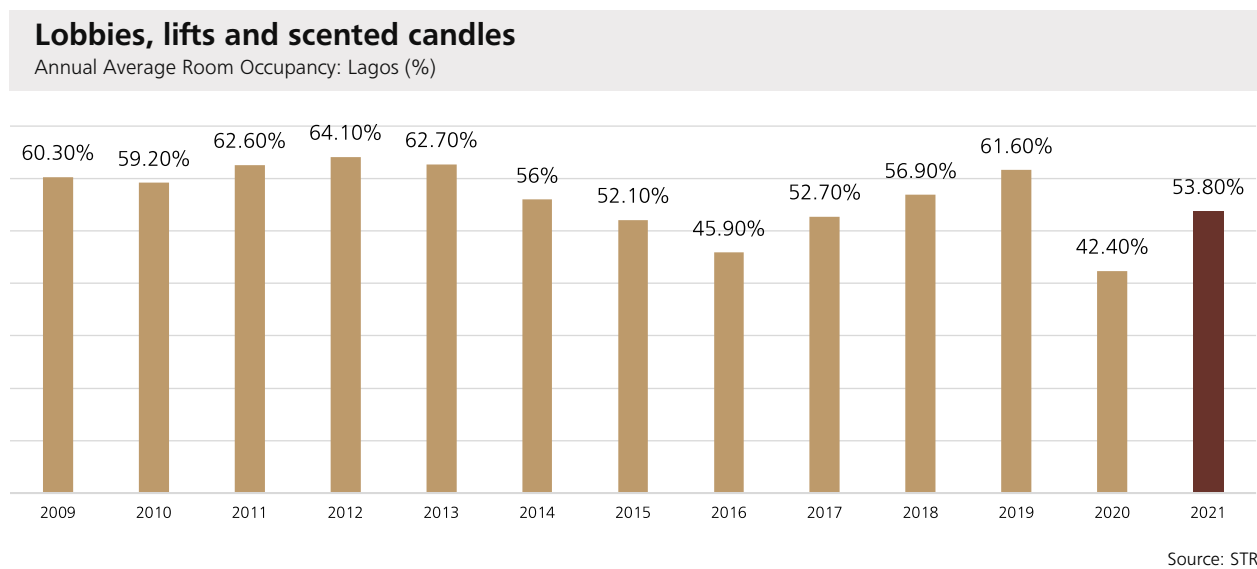
continued interest.

Last-mile logistics has risen to prominence in the outdoor dining sub-market, a result of the rapid transition to online ordering powered by apps and mobile payment platforms. This has led to a rethink of their site selection criteria in favour of nodal road networks. Some investor groups are shifting from hotel development to purchasing existing assets.



Further increase in acquisition volumes in 2022 is expected as owners and lenders come under pressure to recycle funds into properties that may be valuable. The cost of developing new hotels in Nigeria's core cities

has increased over the last decade. While development activity has moderated, there has been some interest from more established developers who expect their hotels to open to a recovered economy.

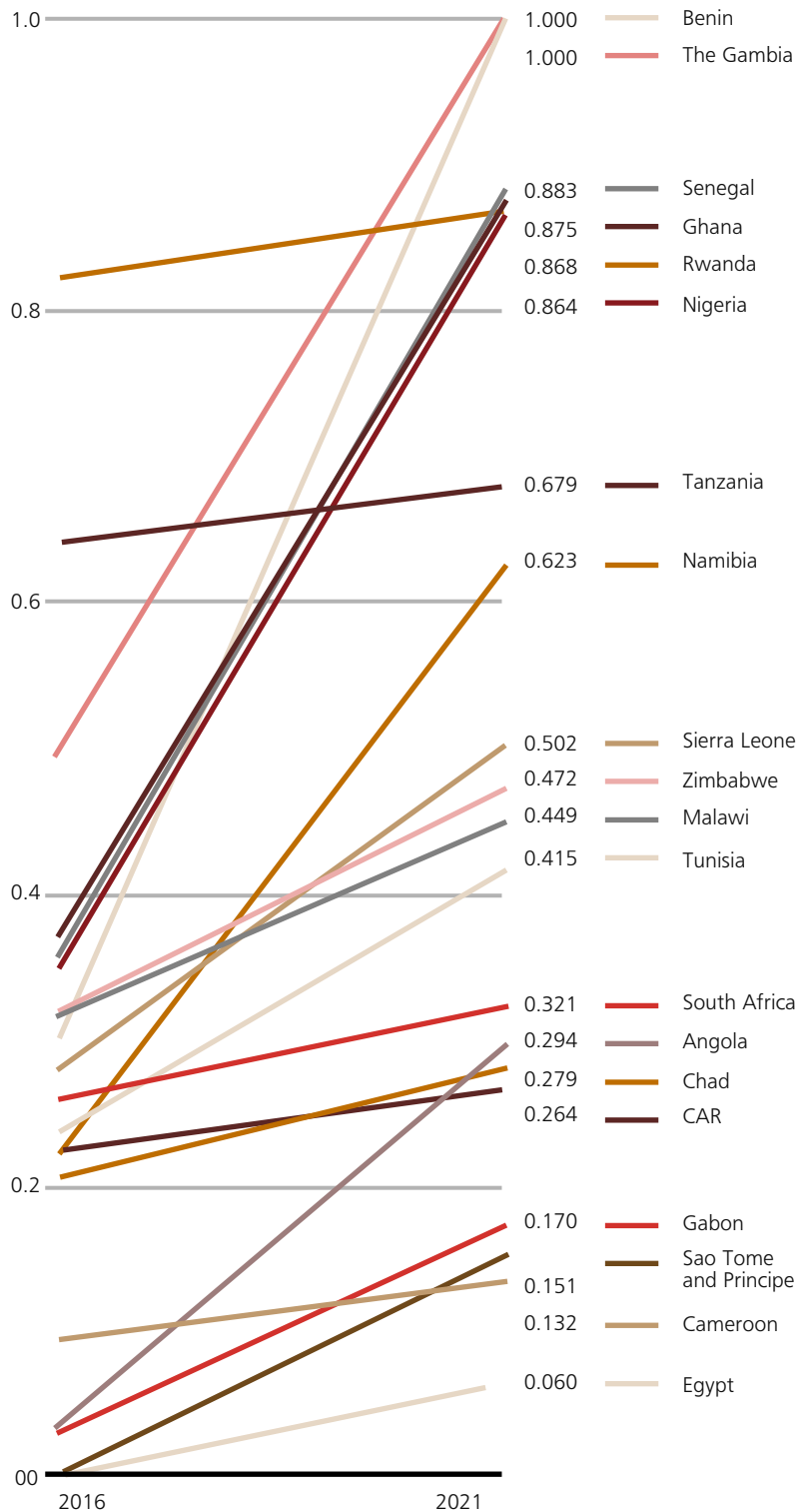






Getting in

Africa Visa Openness Index, 2016 – 2021



Source: AFD, AU

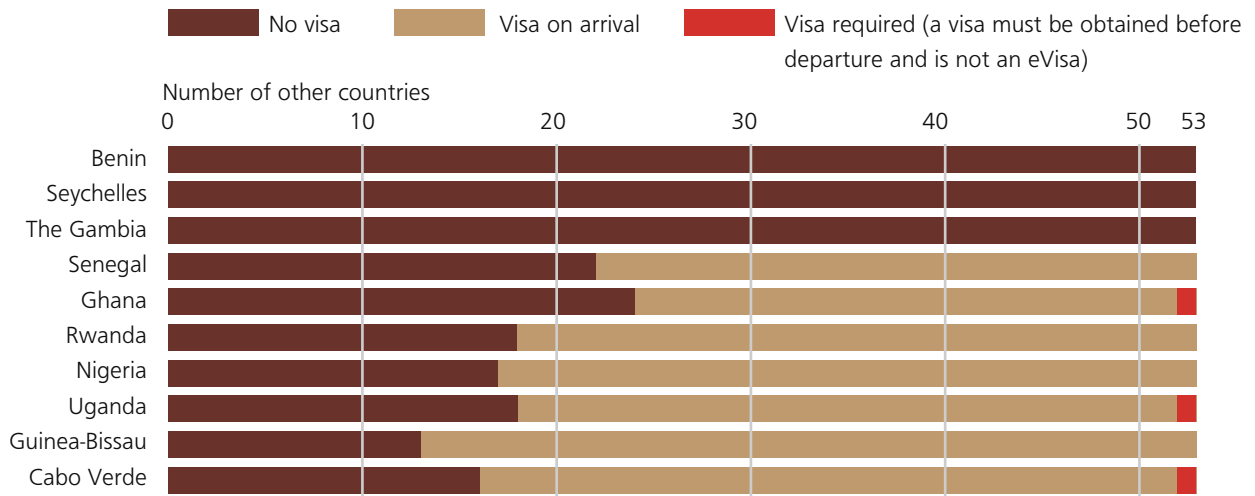
With a combined floor space of almost 2,000sqm, the former site of the Australian High Commission in Victoria Island will be converted into the Hyatt Regency Lagos, a hotel and residential development with 360

rooms, 40 suites, and 149 luxury apartments. The make-up of demand and the speed of the recovery will continue to be top of mind for hotel owners, operators, and investors.



A soft landing

Top 10: Visa openness in Africa by category: No Visa, Visa on arrival, Visa required



Source: AFBD, AU

Additionally, the industry will have to manage operational challenges brought on by inflation and supply chain issues. Barrows Hotel Enterprises, a provider of hotel investment and advisory services in the Middle East and Africa, is building a 139-room 4-star international airport business hotel in Lagos - Nigeria. Construction is scheduled to begin in February 2023 and will be fully funded by bonds. Hotels Etc, a leading American discount company, plans to open a new international corporate office in Nigeria in the Q4 of 2022. When users sign up, the

company plans to offer up to 75% off public rates on travel, shopping, recreation, health, and other services.

The 251-room Marriott Hotel, which has been under construction for almost six years, was a key hotel completion in Lagos. Located at the crossroads of Alfred Rewane, Gerrard, and Osborne roads in Ikoyi, Lagos is a 10-story, 176-room hotel being developed by the Chelsea Group. Along B.I.S. Way, Victoria Island, the Emerald Continental Hotel is a 244-room hotel currently under construction.





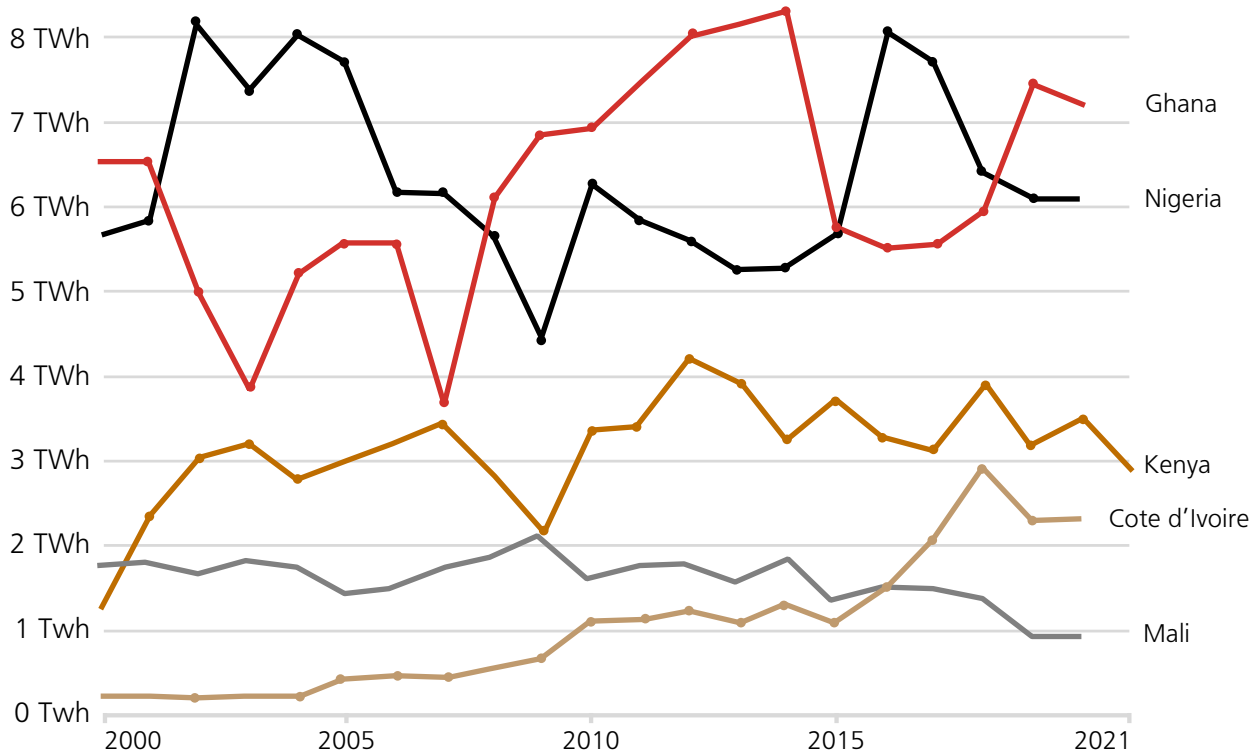
Infrastructure

Nigeria's construction industry is projected to expand by 5.7% in 2022, accelerating from its 3.1% expansion in 2021. The gradual recovery of the overall economy and investments in the infrastructure, healthcare, and energy sectors will likely support the industry's growth; however, total construction output is not expected to reach

2019 levels until 2023.

Nigeria Exports Processing Zones Authority (NEPZA) and the Nigerian Investment Promotion Commission (NIPC) partnered to facilitate investment in the three special economic zones in Lagos, Kwara, and Katsina, designated for the medical, agro-allied, and cotton clusters respectively.

All of the lights
Annual hydropower generation in measured in Terawatt-hours (TWh)



Source: The Economist

Five projects were recently commissioned in Ogun state and they include: the 42km Sagamu-Abeokuta Road and the 14km Ijebu Ode-Mojoda-Epe road highway both of which will support the train stations in Ogun state, while connecting two commercial hubs - Lagos and Kano. The roads are also expected

to connect the Sagamu-Benin interchange while linking the Lagos Ibadan expressway. Other commissioned projects include the 527-unit low- and middle-income Kobape Housing Scheme, and 83 duplexes at Kings Court Estate, Oke Mosan, Abeokuta.



Bonds that last

Global Concrete Top 10: Concrete producing countries by volume in 2021

Country	Production (Mm ³)	Global share (%)
China	2,840	28%
India	537	6%
US	186	1.80%
Vietnam	141	1.40%
Iran	141	1.40%
Indonesia	119	1.20%
Brazil	115	1.10%
Pakistan	91.4	90%
Japan	89.2	0.90%
Nigeria	63.9	0.60%

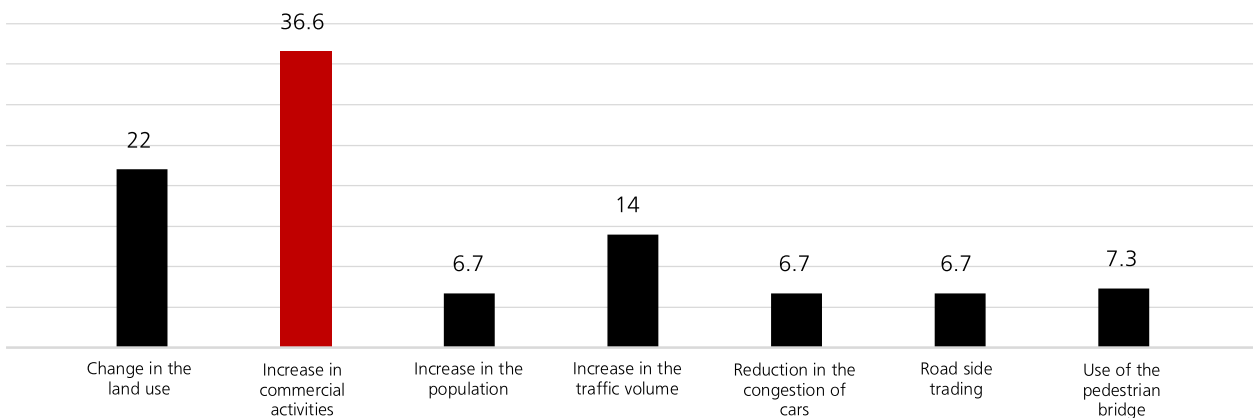
Source: 2021 Global concrete report

Lagos state raised ₦137.3bn in bonds in Q4 2021 to fund infrastructure initiatives in healthcare, environmental sustainability and road construction which include a 10km regional road in Eti Osa, a six-lane highway in

the Lekki-Epe axis and the Ijedodo road in Alimosho. The Lagos state government bought two 10-car 330kmph trains from US train maker - Talgo and projects that operations will commence by Q4 of 2022.

Road development and growth

Effect of road re-development in Akure (%)



British Journal of Environmental Sciences

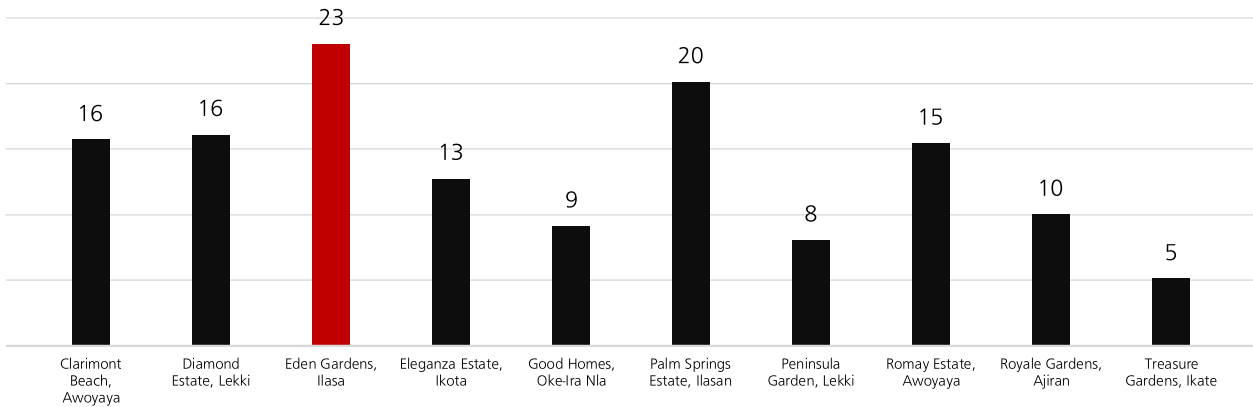
Along its major thoroughfares, Akure's city centre is defined by key land use types - 46.7% being commercial, 26.7% mixed use, 20% residential and 6.6% religious use. As a result of the major roads, residential areas that previously dominated the area have been

converted to commercial use. This is evident on four major thoroughfares – Oyemekun, Oba Adesida, Arakale and Oba Osupa roads which has been expanded into a double-carriageway.



Land from water

Lagos: Wetland Reclaimed by Developers (Ha)



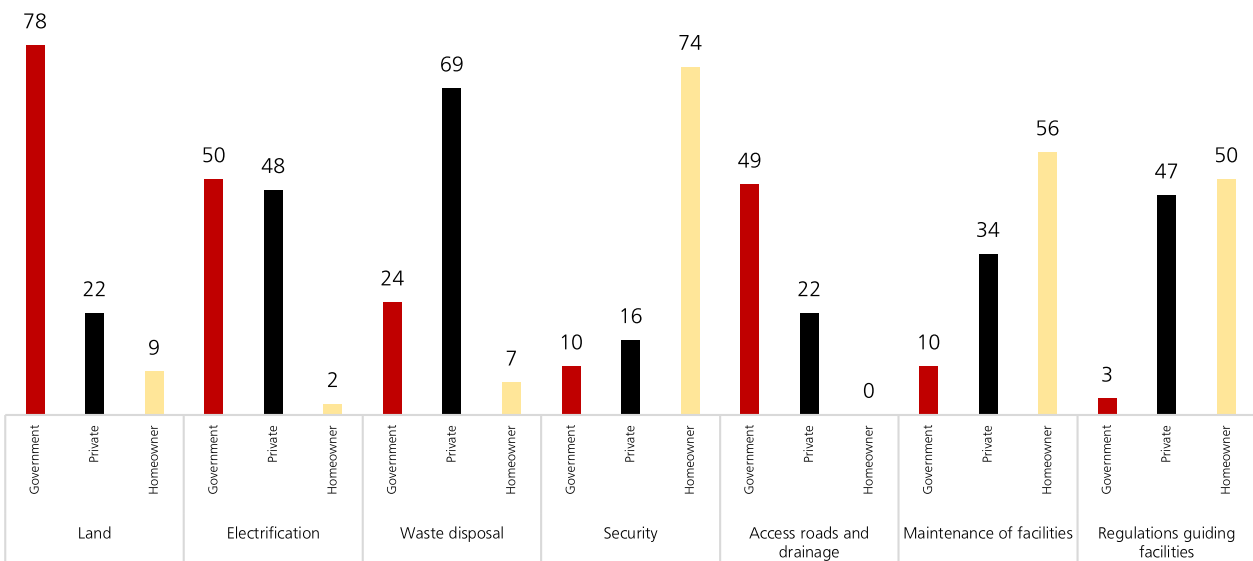
Source: Lagos State Ministry of Physical Planning and Urban Development

“...announcements of proposed road projects have been shown to have an effect on property values - even though this is most often a function of the size of the proposed project”

Studies reviewing the traffic gridlock in Nigeria's core cities suggest that the accessibility of a location by road is sometimes the principal determinant of property values as they provide accessibility to the different land uses in the urban area. The effect of road networks is such that mere announcements of proposed road projects have been shown to have an effect on property values - even though this is most often a function of the size of the proposed project.

All sides of the divide

Southwest Nigeria: Provision of Amenities in PPP Housing delivery (%)



Source: African Journal of Reproductive Health

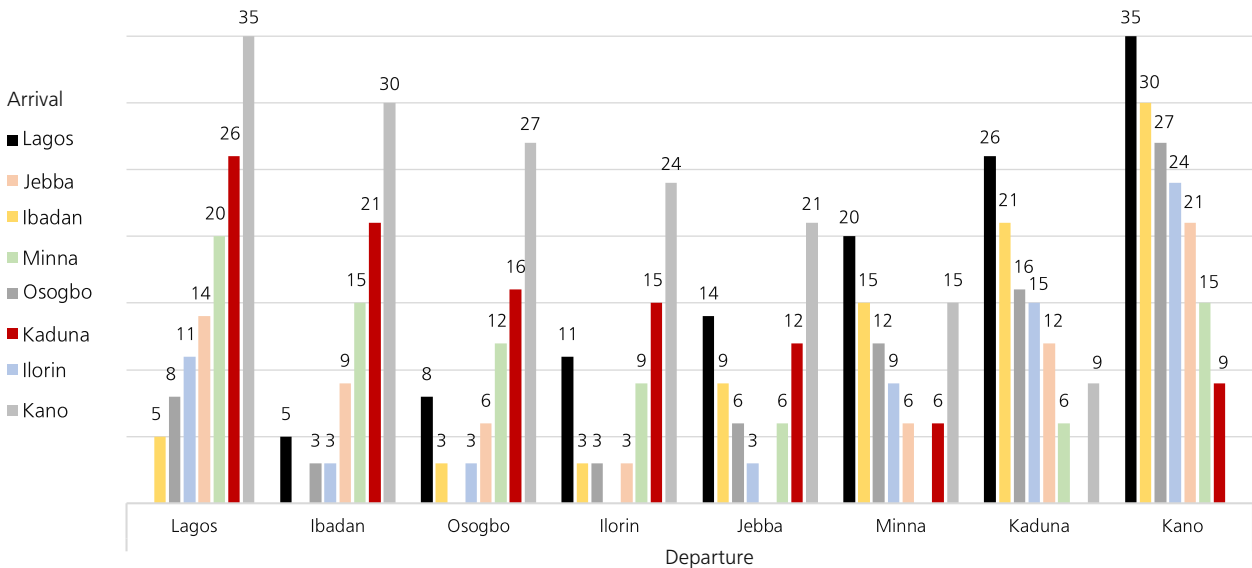


Changes in accessibility resulting from highway development projects have a positive effect on the price of housing in nearby municipalities, even though the subsequent increase in noise pollution and traffic intensity levels contribute to a decline

in prices down the line. However, when all externalities are considered, the effect of highway development on house prices is positive, and the effect is noticeable even before the project is completed due to the public anticipation effect.

Travel time

Estimated travel time from capital city to major towns, by rail (hours)



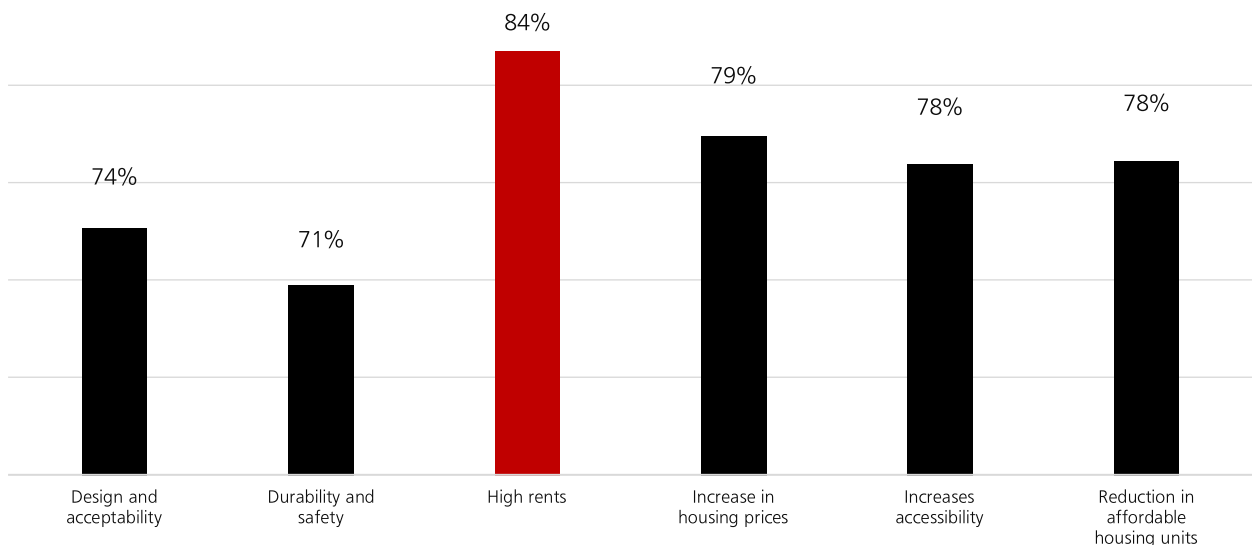
Source: Atlassian

The Rockefeller Foundation and the Global Energy Alliance for People and Planet have partnered with Sustainable Energy for All to develop an integrated low-cost, data-driven

energy planning tool which forecasts that Nigeria needs an additional 19.3m electrical connections to attain universal energy access by 2030.

What it takes

Enugu Metropolis: Impact of developer infrastructure charges on housing affordability in gated communities (%)



Source: Town and Regional Planning 2021



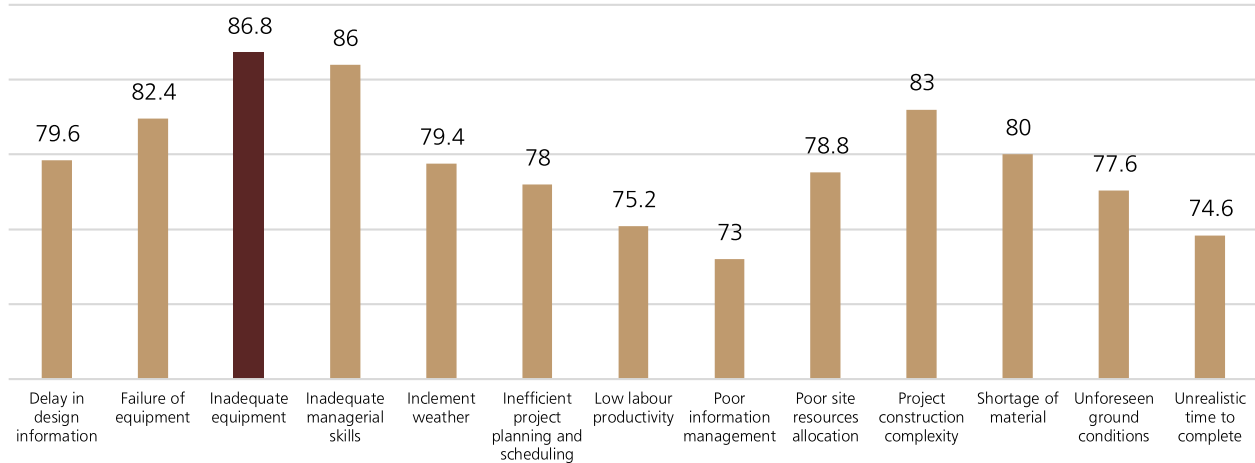


Studies show that 19.3m additional grid densification connections are needed to meet Nigeria’s electricity requirements.

The Nigerian government partnered with Siemens to update the national power grid

and conduct an industry-wide audit to expand production capacity from the present 16,384MW to 30,000MW by 2030. Lagos-based startup, Salpha Energy received \$1m from the Shell-backed All On.

Brick by brick
Factors affecting the time spent on road construction projects in Ekiti and Ondo states



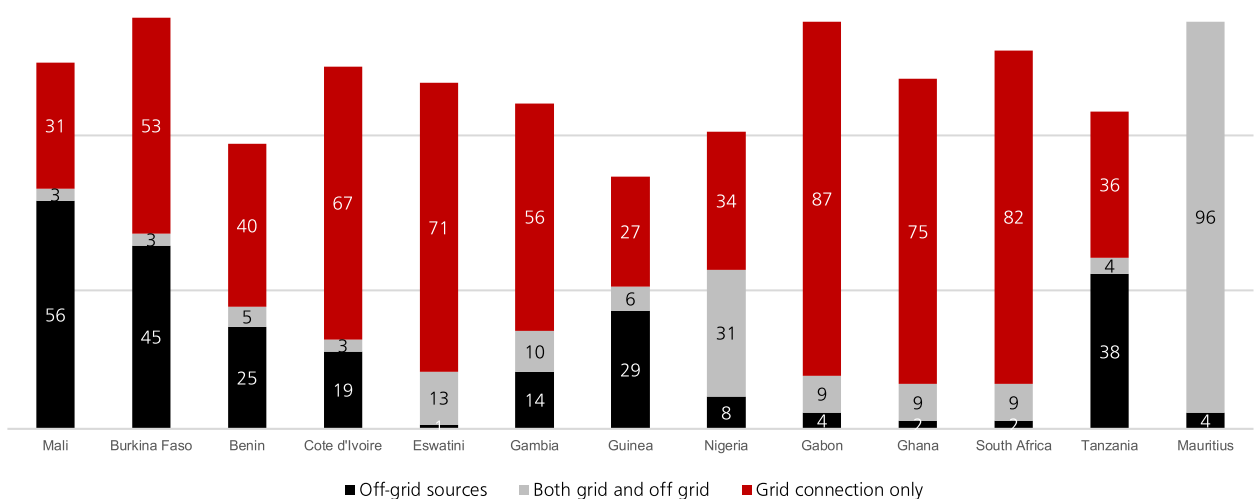
Source: African Journal of Applied Research

The Federal Government has started rehabilitating 1,804.6km over 21 federal roads financed by the NNPC - ₦621.23bn through a tax credit scheme. Nigeria's solar off-grid market is one of the fastest-growing in Africa, growing at an average annual rate of 21% over the past five years by some

estimates. The deployment of solar could improve contribution to business growth by \$9bn to \$12bn.

BUA Group Cement launched a cement factory in Sokoto state Nigeria projected to produce 3m metric tonnes per annum.

Power up
Sources of electricity, estimated: 2019 – 2021 (%)

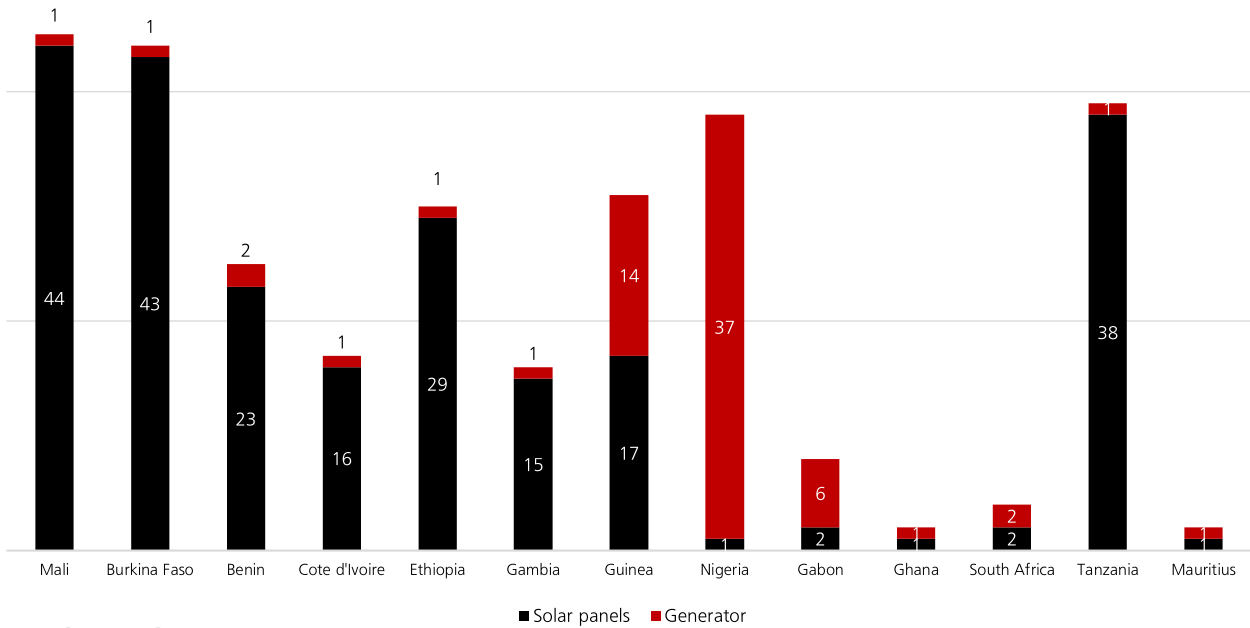


Source: National Statistics Bodies and Regulators



Sockets in the sun

Use of solar panels and generators, estimated: 2019 – 2021 (%)



Source: National Statistics Bodies and Regulators

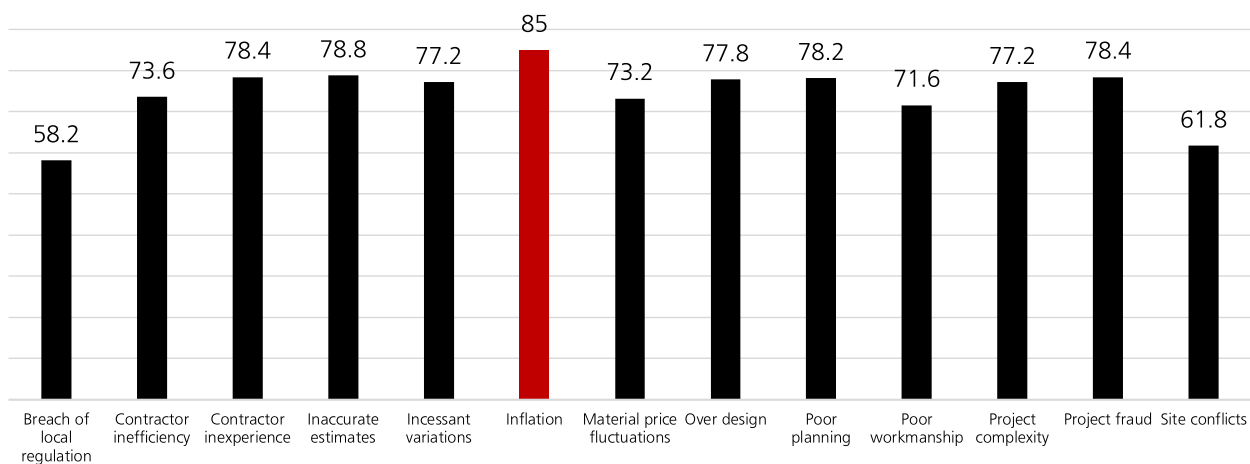


A review of Nigeria's data centre market suggests that over 90% of the country's data is hosted outside the country”

In total, more than 11m metric tonnes of production capacity have been acquired through the Group in various states. The firm also signed an agreement with Finnish firm, Wartsila OY to construct a 70MW dual-fuel power plant in Sokoto State.

Brick by brick

Factors affecting the cost performance of road construction projects in Ekiti and Ondo states



Source: African Journal of Applied Research



Nigeria accounts for 29% of all internet usage in Africa. Service providers - MTN, Airtel, and Mafab Communications Limited bid for NCC's 3.5Ghz spectrum 5G network licence. MTN Nigeria and Mafab Nigeria emerged as the winners.

Nigeria's data centre market is also one of Africa's fastest-growing. Increased demand for data services, e-commerce, digitisation,

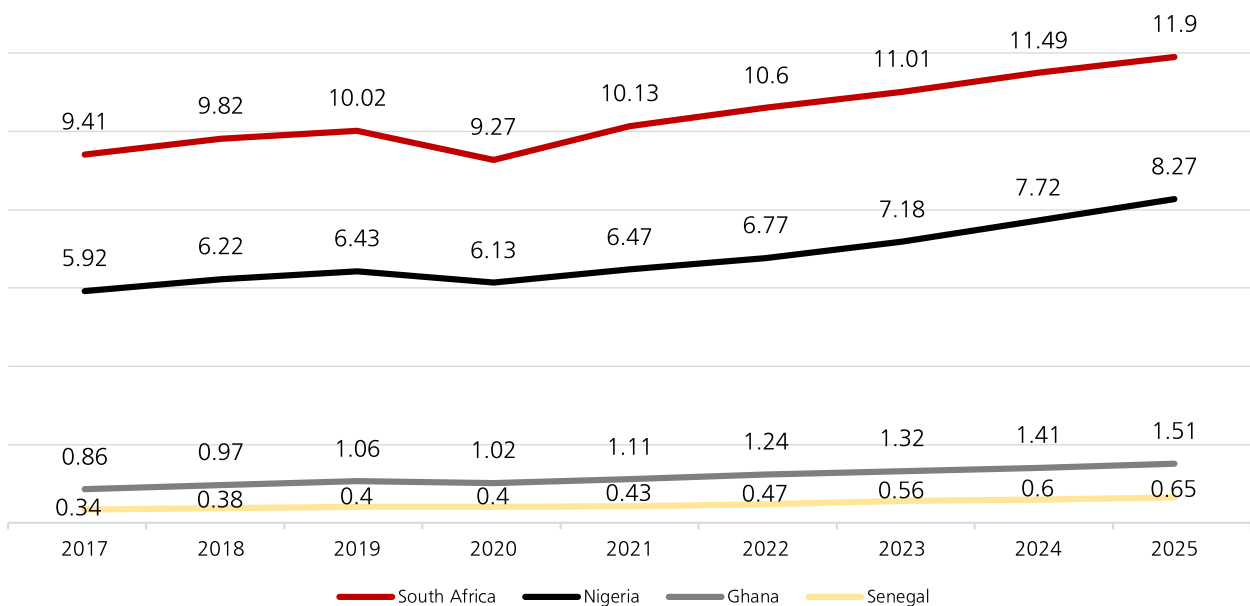
improved infrastructure, and e-governance are driving up investments.

A review of Nigeria's data centre market suggests that over 90% of the country's data is hosted outside the country.

Nigeria has 11 data centres and the estimated capacity utilisation is less than 30%.

Where the roads lead

Estimated number of vehicles, all car and truck types - Base case ('M)



Source: Afrobarometer



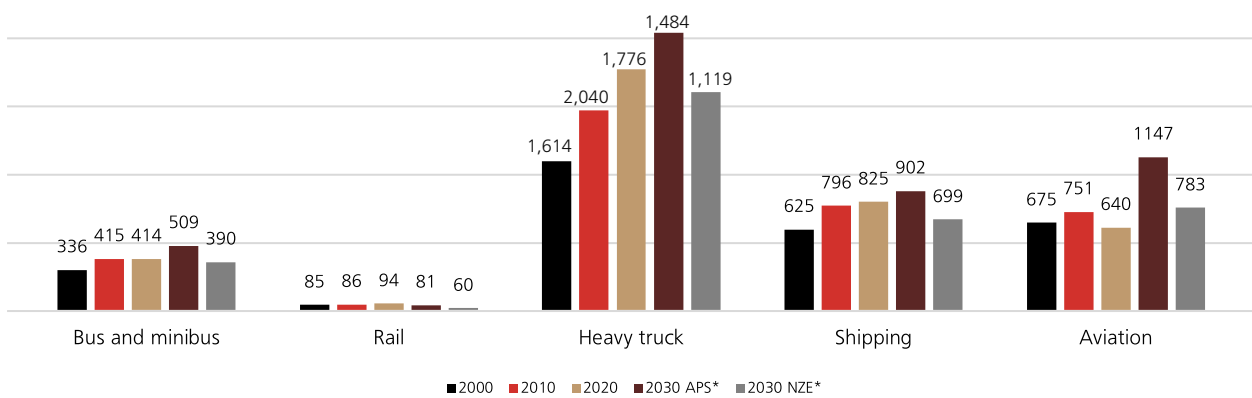
Industrial

The importance of supply-chain resilience was tested by the rise of e-commerce, which grew by more than 22% globally, along with capacity limits and congestion in both air and sea transport. Investors have become more aware of the challenges, and the corresponding opportunities for growth. They are investing in new ventures with larger

funding rounds - paying more attention to logistics and supply-chain visibility in e-commerce. These funds have been directed towards niche last-mile delivery businesses, visibility and intelligence providers, and road-freight marketplaces - even though the market is made up of several small and informal providers.

Grey skies

Global CO2 emissions from transport by subsector: 2000-2030 (MtCo²)



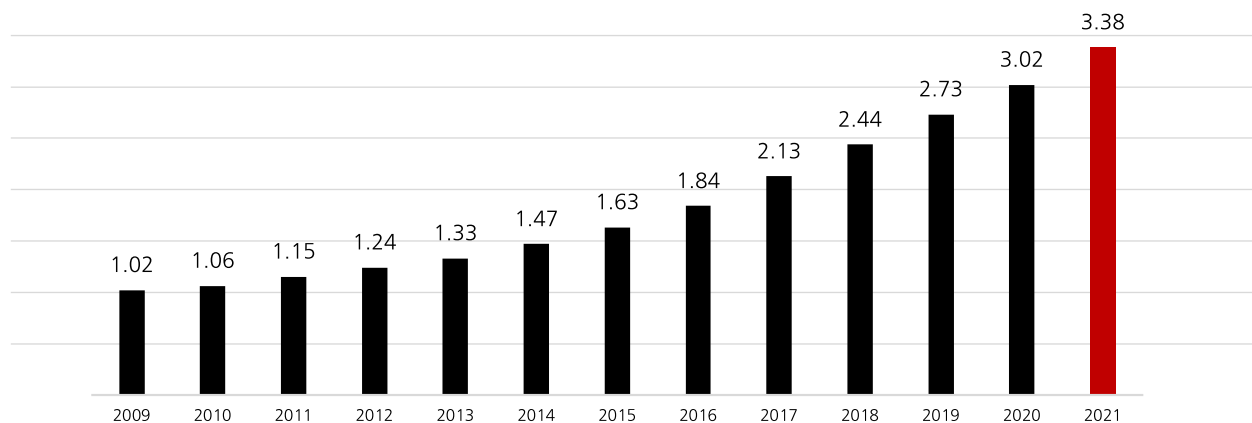
Source: The Economist

Nigeria's warehousing and self-storage market has also seen a rise in investment. Typically, manufacturers venture into these sub-markets for produced items with Lagos, Ogun and Kaduna state governments developing the capacity to better support

assets created. While market leaders consent that the warehousing market is problematic for investors, typical returns are estimated to be 5 to 10X that of Ghana and Côte d'Ivoire combined - and therefore worth the hassle.

iRobot

Operational stock of industrial robots, Global (m)



Source: International Federation of Robotics

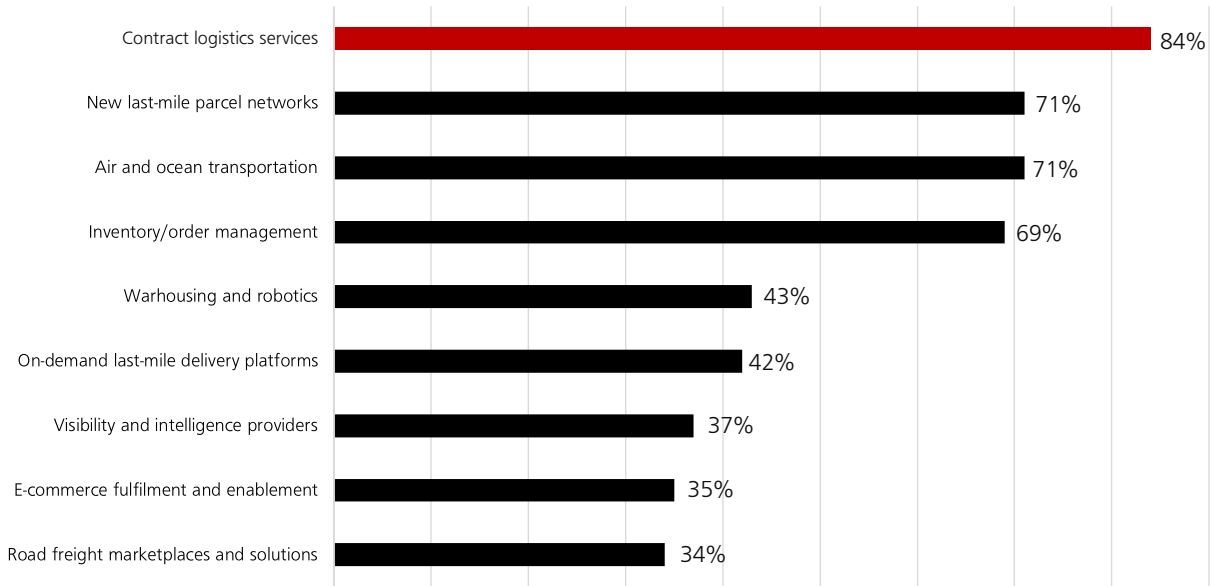


Second-tier cities are experiencing a rise in demand for warehousing and logistics - a result of cheaper land prices and fewer regulatory obstacles. The main influence of robotics has been seen in industrial applications. Starting in 2020, the most

popular applications of newly installed industrial robots are handling, welding, and parts assembly. More than 3.5m robots will be in use across various industries by the end of 2022, globally.

Winners, takings, and all

Percentage of funding of top 5 startups of total subcategory funding amount (%)



Source: CB Insights, McKinsey

Due to insufficient cold storage, agro-processing, and transportation facilities, the USAID estimates that Nigeria's agricultural sector suffers annual post-harvest losses (PHL) of \$268bn. Capacity mapping conducted by the Global Alliance for Improved Nutrition (GAIN) suggests that Lagos state alone has estimated cold chain storage capacity in excess of 200,000m³. While there are cold storage systems available and operational throughout Nigeria the supply-demand gap is significant. Stepping up to bridge this gap is Kaduna State's Milky Way, is a partnership between Arla Foods, a Danish dairy corporation, the Kaduna State Government, and Milcopal, a local dairy cooperative.

ColdHubs, an Owerri-based solar-powered cold storage company launched in 2015 that operates 54 cold rooms in 22 states across Nigeria with a total capacity of over 40,000 tonnes. It relies solely on solar power and has saved more than 1,050,688kg of carbon dioxide across all its sites.

Some argue that Dangote's most anticipated manufacturing feat - The Dangote refinery is a symbol of Nigeria's steady shift from an import-dependent economy to one that is self-sufficient. It will be Africa's largest oil refinery when it is finished. Foreign reserve spending on imported petroleum products will likely reduce and the supply of petroleum products in Nigeria should stabilise.



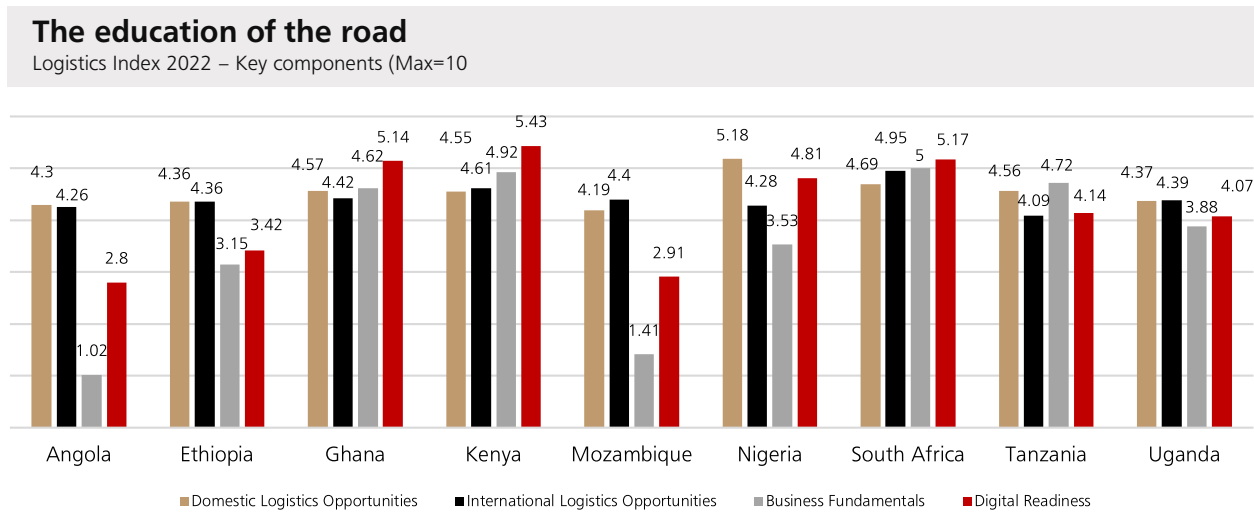
The Federal Government of Nigeria is investing \$50m in metal exploration and mining which grew by 75.63% in Q3 of 2021 driving up the demand for warehousing. Industrial real estate continues to be one of the more active segments of the commercial real estate market. The factors that drove the increase, such as e-commerce and supply chain restrictions, which are currently supporting the growth of just-in-case rather than just-in-time warehouse usage.

The combination of highway accessibility and exit ramps, markets and local environment factors, proximity to airport, railway stations and ports, remote-work and, last-mile logistics has continued to influence warehousing demand and location choices. Rama, an Indian manufacturer of steel tubes, is establishing a 20,000 MT pa manufacturing plant at its sister company RST Industries. This will likely be operational by Q3 2022, with full

capacity expected by 2023. The expected annual market size for speciality steel tubes is 50,000 MT.

There are a few seaports under construction by the Federal Government under a PPP arrangement: Lekki deep seaport, Bonny deep seaport, Warri deep seaport and the Ibom seaport pioneered by the Akwa-Ibom

“The global maritime industry is responsible for the movement of over 800m containers through various ports around the world. Africa owns about 12% of this”



Source: Agility

Key roads and highways around the Lekki Port include the old Ibeju-Lekki Road, Lekki-Epe Expressway, Ikorodu Road, Ikorodu-Itoikin-Ijebu-Ode Road, Itoikin-Epe Road, Lagos-Ibadan Expressway and Sagamu-Benin Expressway.

Works at the dredging and reclamation on the Lekki port have reached 89.93% while the building of quay walls has reached 85.65%. Dangote Peugeot Automobiles Nigeria Limited (DPAN) has begun the assembly of automobiles - Landtrek 3008, 5008, and the new 508 models.



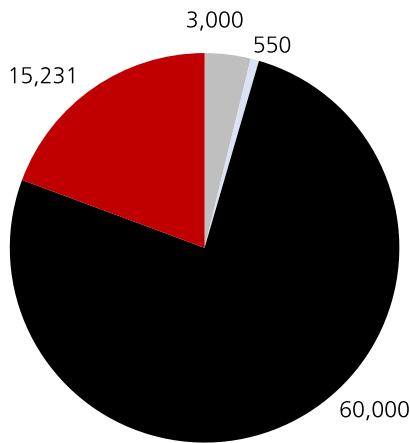


The newly constructed plant is capable of producing 120 cars per day. DPAN is a joint venture between Dangote Industries Limited; Kaduna and Kebbi states; and Stellantis Group, the parent company of Peugeot.

In BUA Group's Sokoto and Edo plants, work is currently being done to finish the construction of two new plants with a capacity of 3m metric tonnes each.

What's in store?

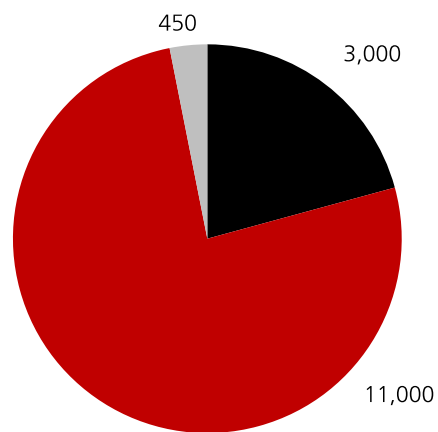
Storage used by humanitarian organisations (sqm)



- Chellarams/WFP/UNICEF, Lagos
- Chellarams/WFP, Port Harcourt
- ICRC, Maiduguri
- WFP, Damaturu

Wider and deeper

Storage used by humanitarian organisations (MT)



- WFP, Damaturu
- Pioneer/WFP, Maiduguru
- IMC, Maiduguri

Source: World Bank

This will bring the company's total production capacity to 17m metric tonnes per year by the 2023, up from 11m metric tonnes that was achieved with the commissioning of the new Sokoto Line 4 factory. Ellah Lakes Plc. will be partnering with Montserrado Investment Ltd. to build a 600 tons per day Sugar processing plant. The facility is expected to run on 100% renewable power and be commissioned within 24 months. According to the NIPC, the investment announcements for 2021 totalled \$23.30bn. There were 20 industrial projects totalling \$10.5bn, accounting for 45% of all investment announcements.

Flour Mills of Nigeria invested ₦50bn in Sunti sugar estate, Niger State to reduce the annual imports that 1.3m to 1.5m tonnes annually. Guinness Nigeria officially opened its £6.2m ultra-modern headquarters in Ogba, Lagos

and Nigerian Breweries, announced a €112m investment to expand Ama brewery in Enugu state from 3m hectolitres to 4.8m hectolitres in the first phase and then to 5.3m hectolitres in the second phase.

The global maritime industry is responsible for the movement of over 800m containers through various ports around the world. Africa owns about 12% of the global container volume, worth an estimated \$4bn.

OnePort 365 raised \$5m. The startup was created to address port congestion, opaque service provider processing, simplify trucking, terminal management to shipment, warehousing operations, and marine insurance. Mobility 54 led the round, with SBI Investment, Flexport, ODX, and Samurai Incubate joining in.



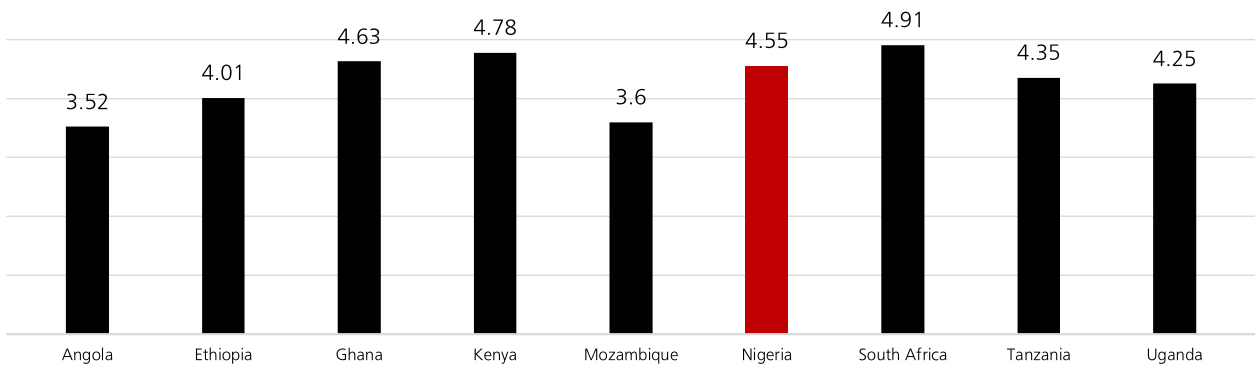
OnePort 365 plans to expand its services to include air freight, ocean freight and pay-as-you-go warehousing across its Nigeria and Ghana locations.

SafeBoda, a Ugandan bike-hailing startup based in Ibadan, celebrated two years in the Nigeria market. SafeBoda bypassed Lagos,

Nigeria's commercial hub, in favour of Ibadan, a decision that has paid off-especially since the Lagos government shut down bike-hailing businesses a month after it launched and reached 100,000 rides in June 2020, 6 months after it began operations. It also grew by 150% in August 2020, with 250,000 rides. By April 2021 it reached 1m rides.

Just moving

Logistics Index 2022 – Key components (Max=10)



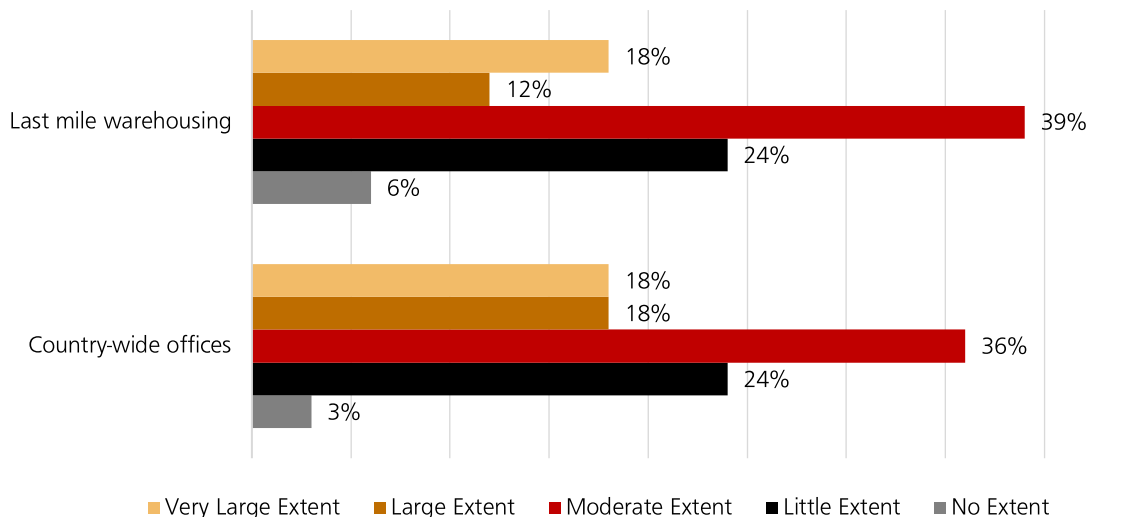
Source: Agility

Nigeria's seaport system has grown steadily due to its strategic location and access to a vast market. The Lagos ports flourished in the setting of being the commercial capital. Port patronage is not only determined by port

size, but by macroeconomic viability, shipping liner connectivity index, cargo dwell times and ship turnaround times - areas in which Nigeria's traditional weaknesses could impede her dominance.

Everywhere and on time

Logistics improvements that made the most impact, Jumia



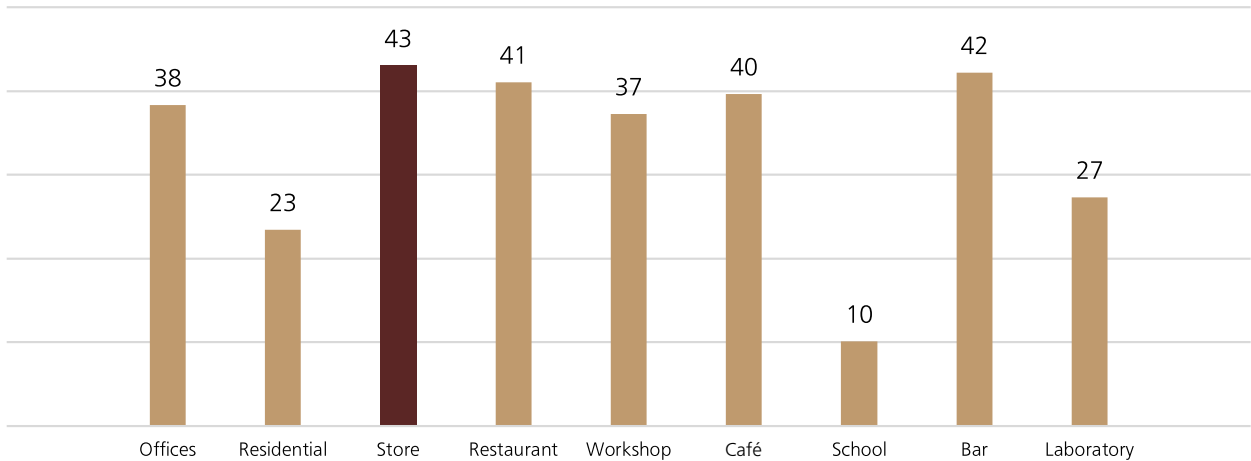
Source: Jumia



A new law mandating that all shipments crossing the Seme border be containerised intends to increase customs income, further streamline processes, and potentially shift commerce towards maritime ports, which would assist Nigeria in competing with the Port of Cotonou and Lome.

TradeDepot, a six-year-old Nigerian startup that connects retailers to manufacturers, expanded its footprint by buying Green Lion, a Ghana-based logistics, supply chain and storage platform. Topship, a Nigerian logistics company raised \$2.5m from Flexport and YC

Shipping houses
Preferred uses for shipping container accommodations - Niger Delta (%)



Journal of Science, Engineering and Technology

to assist merchants with international shipping by making it easier for African companies to export and import parcels and cargo to their customers, suppliers, and distributors around the world. Around 60% of air cargo is carried in the hold of passenger planes worldwide. E-hailing and shared-mobility firm Transtura acquired WazoMoney to provide long-term, cost-effective solutions to the challenges facing the logistics industry. A review of the Nigeria Delta area indicates that individuals prefer shipping containers as offices, restaurants, workshops, stores, and cafés. It is unpopular for uses requiring a high degree of comfort and social interaction, such as residences schools, and places of worship. Buildings constructed entirely of shipping containers are making a case for their addition to urban environments.

And there is a growing volume of empty container modules in the world's sea ports. This is primarily due to trade imbalances between nations, which result in consumer nations importing more than they export, leaving unused containers at the ports in a bid to avoid the costs of returning them to their countries of origin. As urban areas become more complex, the shipping container will likely see more demand.







CONCLUSION

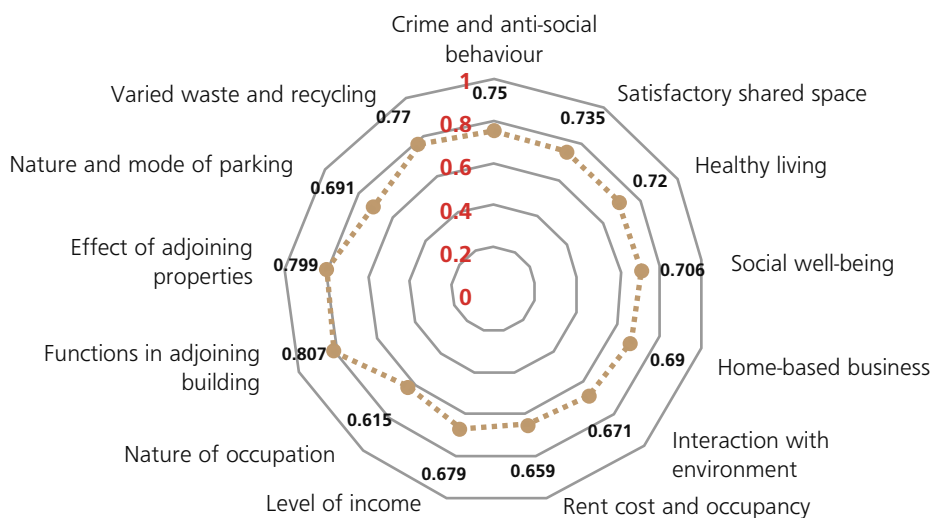
Nigeria's economy is projected to grow by 2.9% in 2022. Lagos remains a desirable location for real estate development, but second-tier cities are increasingly attractive for residential, industrial and agricultural uses. Estimates suggest that more than 70% of office employees are back to their desks or alternating days spent at home. Data from Google mobility supports increased outdoor movement, even though there are flashes of COVID cases.

Healthcare investment in Nigeria is on the increase as investors gradually coalesce into categories – diagnostics, oncology and

“Infrastructure project announcements, commissionings and partnerships – complete with high-resolution pictures and high quality audiovisuals are likely to accelerate as incumbent office holders/parties seek to curry the favour of the electorate”

Full option

Critical indicators for mixed-use building sustainability



Source: Environmental and Sustainability Indicators



paediatrics to name a few. The real challenge for the long term will likely be working out how the eventual pricing of healthcare services will match the average citizen's purchasing power, a reason why there are high expectations for the recently signed National Health Insurance Authority law.

Housing supply still trails effective demand and key stakeholders continue to tinker with their solutions to restore the balance. But with the bottom line being the priority for private developers, the Federal and State governments will need to hasten their efforts to increase the housing supply. The high cost of construction materials remains quicksand for housing delivery. Due to economic considerations (desire for short-term recouping of investments and the rapid replication of housing stock in the absence of a viable mortgage financing system), housing units built by private companies in prime areas have been offered almost exclusively to upper income (has they are) able to pay the house prices in a minimal number of instalments.

Developers will continue to focus on lean, on-site execution. This is expected to feature in the retail and hospitality sub-markets as they accelerate the deployment of their strategies honed during the pandemic. Neighbourhood malls are still the way to go, and larger offerings will have to incorporate other uses – hospitality, family entertainment and residential to mitigate Nigeria's unique economic circumstances. Hospitality concerns will emphasise alternative services that proved successful during the pandemic, and improve formal and informal partnerships while introducing technology to more areas of the business. While boutique hospitality returned to profitability first, big name brands have closed the gap.

Recent studies suggest that political power, and not commerce, may be a stronger contributor to the growth of Nigeria's largest cities. Infrastructure, such as electricity, roads, and bridges, function optimally when paired with effective financial incentives which are usually guided by political winds. Infrastructure project announcements, commissionings and partnerships – complete with high-resolution pictures and high quality audiovisuals are likely to accelerate as incumbent office holders/parties seek to curry the favour of the electorate. But this may not be enough as opinion polls suggest that economic circumstances have not been favourable for the better part of the last 3 years. Results are fairly similar across age, gender, educational attainment, social groupings and economic tiers. Property rights will remain central to the expansion of Nigeria's real estate market while the performance of public and private sector initiatives will be determined by institutions for infrastructure management and local support.





In Memoriam

“It is a far, far better thing that I do, than I have ever done;
It is a far, far better rest that I go to than I have ever known”

– Charles Dickens



Joseph Makoju

Former GMD/CEO of Dangote Cement, Nigeria | 73

(13 July 1948 – 11 April 2022)

A brilliant mind, he was a recipient of the Federal Government College's J. F. Kennedy essays award as well as the Government College of Kaduna's Harford award. He majored in mechanical engineering at the University of Nottingham in the UK, where he received a first-class honours diploma in 1972 and then earned a Master of Philosophy in mechanical engineering in 1974. For former Presidents Olusegun Obasanjo and Goodluck Jonathan, he served as a special adviser on electricity.

He also served as the honorary advisor to the president and chief executive of the Dangote Group, was the first chairman of the board of the West African Power Pool, the former managing director of the National Electric Power Authority (now the Power Holding Company of Nigeria), and the Chairman of the Cement Manufacturers Association of Nigeria. He also received the Grand Commander of the Special Order of Merit (GCSO), Niger Republic, and Officer of the Federal Republic of Nigeria (OFR).

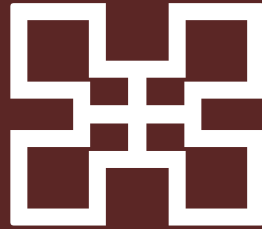
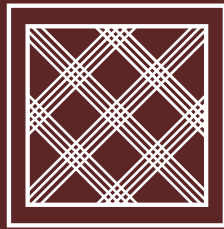
He will be missed.



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Real Estate Research & Advisory

Ayo Ibaru
ayo.ibaru@northcourtrealestate.com
+234 818 518 6975

Real Estate Facility & Property Management

Oyindamola Bamisile
oyin.bamisile@northcourtrealestate.com
+234 806 588 6527

Real Estate Brokerage & Valuation

Tayo Odunsi
tayo.odunsi@northcourtrealestate.com
+234 802 325 0289

Lagos:

5B Adewale Kolawole Crescent,
Lekki Phase 1

Abuja:

Ventures Park, 5 Kwaji Close, Maitama



01-291 0707



research@northcourtrealestate.com



www.northcourtrealestate.com



@northcourt_re