

actis

# Heritage Place

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## Heritage Place

**With high demand for office space in Lagos, Nigeria back in 2010, Actis identified the opportunity to develop a building to exacting standards. Becoming the first commercial building in Nigeria to achieve LEED-certified status for design and construction, Heritage Place has become the location of choice for 12 multinational companies and has left a legacy of improved standards among building contractors.**

### The opportunity

In 2010, the Nigerian economy was expanding rapidly and the resulting high demand for office space had led to double-digit rent growth. At the same time, existing stock of office space was largely poor quality following years of underinvestment. With its presence on the ground and experience of real estate developments across Africa, Actis could see strong potential in developing an A-grade office block that would appeal to companies seeking modern, state-of-the-art and sustainable premises in attractive locations.

That year, Actis had established a real estate platform, Laurus Development Partners with the aim of improving the design and construction of buildings in West Africa to support the sustainable development of A-grade commercial, retail and middle income residential buildings. Laurus brings together international expertise and local talent to bring designs and projects to successful execution. Leveraging the expertise of Laurus, Actis conducted a market study to determine the optimal location for the office building, choosing a site close to Lagos airport and other transport routes that would be attractive to companies seeking to locate in Lagos. The site was specifically chosen to ensure the building would continue to be attractive for years to come: it is located in a corridor undergoing rapid development over the next two decades.

Actis was able to secure the site through a proprietary deal as a result of its strong connections with the developers and its excellent reputation, built over decades in our markets, for delivering on time and to budget. We were also able to offer planners assurances that we were seeking to develop a high quality building yet charging tenants at the market rate.

### What did we do?

Our starting point for the development was to ensure the building was designed around the needs of our end users. We understood that the type of company seeking A-grade office space in Lagos was likely to be corporates and multinationals, which would be looking for modern buildings with open, attractive workspaces that would facilitate collaborative styles of working as well as sustainability features to help them meet their own carbon footprint targets. We also knew that these tenants would expect high quality ancillary services, such as an on-site cafeteria, and aesthetically pleasing design features and communal spaces. Actis therefore embarked on a rigorous planning phase to ensure the right features were included in the design and to avoid any unnecessary delays and costs during construction.

This was followed by a highly disciplined construction phase where we were able to leverage our relationships with developers and our knowledge and experience of investment in similar projects to establish the highest standards of building work and practices.

At Actis, the philosophy that “values drive value” is part of our DNA. We take the view that by adhering to, and often surpassing, international ESG standards, we create more valuable companies and assets that will be attractive to buyers and, in the case of buildings, tenants. Our investment in Heritage Place was no exception. From the outset, we placed a strong emphasis on the building’s ESG credentials, with the health and safety and environmental impact at the top of our priority list.

As with all our investments that involve construction, we required that all contractors and sub-contractors work to international standards of health and safety, with workers trained in the use of the correct equipment and ensuring they had access to high quality facilities while on site. A full-time health and safety officer was employed and we brought in an external safety consultant, who was responsible for monitoring and reporting on site standards. The result was that, unusually for Nigeria, the Heritage Place site was accident-free. In addition, we included contractual obligations to ensure that all construction work was contained within the site and there was no spill-over into adjacent areas.

Many local buildings also fell short of health and safety standards and with Heritage Place, we wanted to establish new best practice in the region. We incorporated international standards for fire requirements, such as sprinklers and fire escapes, as well as for air quality into the design.

Heritage Place was the first commercial building in Nigeria to achieve the internationally-recognised LEED certification status. This was the result of detailed planning in the design and construction of the building, where sustainable materials were used where possible. Energy efficiency measures included motion sensor lighting and the use of cladding that minimises heat gain and maximises light entry to the building and water recycling features. Construction naturally involves an element of waste and our planning ensured that waste disposal met high sustainability standards.

### The building today

Despite delays in receiving planning permission for the building, Heritage Place was completed in January 2016, on time and slightly under budget. This is a testament to the rigorous planning undertaken from the outset and the disciplined process that followed.

At the time of completion, Nigeria entered a recession, which led to a number of tenants that had signed up to occupy space withdrawing from their contracts. Nevertheless, our focus on creating an attractive building constructed to high standards has meant that Heritage Place is resilient to downturns because it is a highly desirable location for tenants. By the summer of 2017, occupancy rates stood at 60%, with an achievable target of 70% by the end of the year.

Actis has also created a legacy in the Nigerian construction industry through the Heritage Place development that will last beyond our direct involvement. The high standards and sustainable practices employed in the creation of the building have been adopted by the developers and contractors for future projects, with the health and safety requirements we mandated now being applied as standard.