



Laurus Development Partners is an Actis joint venture established to focus on property development in West Africa. Laurus is one of the key actors in the property and retail markets, both in Ghana and Nigeria. **Faustin Moukala speaks to Carlo Matta, CEO of Laurus, based in Accra.**



## LAURUS DEVELOPMENT PARTNERS

### *How is Laurus DP involved in property development in Africa?*

We are a property development company operating in both Ghana and Nigeria focusing on quality projects. Laurus was funded as a joint venture between Actis, the leading emerging markets private equity group based in London, and Carlo Matta, former MD at Hines Europe. This set-up combines Laurus development expertise with Actis financial capabilities to deliver unique projects in these markets. Laurus has offices in Accra and Lagos and manages all aspects of property development on the ground through a team of professionals with both local and international experience. We found that our approach and structure allow us to mitigate most of the risk associated with the development process.

### *What are your current developments?*

One Airport Square is a Class A, 20 000 m<sup>2</sup> office development in Accra which is under construction in the Airport City precinct. In Accra we are also working on a 75 000 m<sup>2</sup> mixed-use scheme in the airport area; the scheme will include office, hotel, retail and residential accommodation. In Lagos we are about to start construction of Heritage Place, a 20 000 m<sup>2</sup> Class A office scheme in Ikoyi, the most prestigious location in the city. Lastly we are working on the initial stage for the development of a shopping mall in the Nigerian capital, Abuja.

### *Is your focus specifically on office and retail developments?*

No, we started with office and retail but in Accra we are working on residential and hotel developments.

### *Can you explain what you call a “vertically integrated approach”?*

It means that through our affiliation with Actis we offer a vertically integrated structure from deal sourcing, to deal structuring, programming, management, sale and lease, etc. We have the ability to follow a property development deal from the very beginning to the very end. Our affiliation with Actis and access to its capital allow us to move fast once an opportunity is identified, and most importantly, it guarantees that the project will be properly

capitalised and will never run out of funding – one of the main causes of aborted projects in both Ghana and Nigeria. Put simply, we have all the ingredients in-house to deliver.

### *How are your projects tailored to meet the climatic and socio-economic conditions of West Africa?*

A building’s impact on the environment is definitely a huge challenge in West Africa. All our projects are designed and conceived to be environmentally sustainable. One Airport Square, for example, will be the first environmentally certified commercial building in Ghana; Heritage Place will be LEED certified. We push our designers to design buildings that are 25 to 30 per cent more energy-efficient than their peers in the market; we use rain water harvesting to reduce water use of our buildings on the burden of the public grid; we spend money on attenuation tanks which reduce the load on the public drainage in case of rain storms, etc. On the socio-economic side we strive to create projects with large public spaces that regular people can enjoy. One Airport Square features a large public square, while our mixed-use scheme revolves around a public pedestrian ‘promenade’ so that every Ghanaian will be able to enjoy. In addition, we work closely with our engineers to make sure we use local building material to the maximum extent possible to benefit the local economy.

### *Why is building ‘green’ so important for you and how does it translate into your projects?*

We believe that ‘green’ building is no longer an option but a necessity. Both Laurus and its investors believe that it is the moral responsibility of the developer to deliver projects that minimise their impact on the environment. But there is an economic reason too: we have found that a lot of corporate tenants increasingly look for green premises as part of their corporate environmental and social responsibility agenda. In addition, when we look at the exit from the investment (ie selling the building) we are convinced that a green building will attract better value whereas a brown building will be a liability.

### *How would you describe the Ghana real estate market as a whole? What are the booming sectors?*

Ghana’s market is obviously characterised by large imbalances between supply and demand, which has driven prices and rental rates high. I see a lot of potential in the office sector and in the retail sector. Residential will require more caution as a lot of supply is coming on line especially in the high end band. I still see opportunity in the mid high-end and mid-income residential markets, especially if the developer focuses on quality (which does not mean luxury) and delivering value.

### *And for Nigeria?*

Nigeria is a similar story with the difference that the residential high end has already suffered a price adjustment in 2011 as a result of the oversupply.

### *Apart from Nigeria and Ghana, are they other countries you are eyeing for the future?*

For the time being we are very happy and busy with Ghana and Nigeria and I do not foresee us doing projects elsewhere; if I had to bet on a new market, however, I would look at Ivory Coast.

### *What is in the pipeline?*

Potentially mid- and low-income housing in both Ghana and Nigeria and more retail in Nigeria.



One Airport Square (and page 50)

Q&A

## Chulu Nomlomo

IS THE DEVELOPMENT MANAGER AT BUNA GROUP

### *How did you come to work in real estate?*

When I graduated from varsity I packed my bags and got on the next bus to Jhb to look for work on the mines. When I got my first working experience I was of the view I was doing mining but later found out it was real estate. So I said what the heck, work is scarce I might as well continue - that’s how I got to work in real estate.

### *What do you enjoy most about your job?*

I don’t have a job, I have a hobby. The best part of my hobby is interacting and engaging with the people.

### *Which African country is your favourite and why?*

South Africa. The politics and people make it interesting and exciting at the same time - one minute we happy within a couple of hours or day/so we are so mad at each other. We can be so united but within seconds so divided. You have to love this country and its dynamics at play.

### *If money were no object, which car would you drive?*

A tricycle! I never had one growing up, had to watch all the other kids drive theirs around.

