

3 major trends in the commercial property space in Africa

By [Peter Hodgkinson](#)

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The ongoing Covid-19 pandemic has seen three major trends emerge as drivers of investment in Africa's commercial property space. Though this sector has certainly taken a big knock, and commercial office space is still slow to recover, we are seeing positive activity in light industrial property, data centres, healthcare and pharmaceuticals, and even in hospitality, throughout Africa.



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Work-from-anywhere drives digital infrastructure and supply chain investment

The shift to hybrid work-from-anywhere (WFA) workforce management strategies, which are expected to remain even post-pandemic, has been a key driver of accelerated digitalisation. Though necessitated by hard lockdowns around the world in 2020, businesses have found that the right balance of in-office work and work-from-home can result in considerable cost savings, improved employee wellbeing and increased productivity. Africa is no exception to this trend and this is driving investment into improved digital infrastructure. Data centres are being updated, upgraded, expanded or built to support this more digitalised workforce. These are mission critical facilities, and we are working with our clients to ensure that their facilities and systems are designed to the highest standards of resilience, redundancy, level of fault tolerance, security, and maintenance, while respecting budget constraints.

The same trend is driving investment into bigger, better, more sustainable warehousing facilities. E-commerce was already a growing sector worldwide before the pandemic and went into overdrive as lockdowns forced people to do their shopping from home. Retailers have had to rethink their entire supply

chain, including warehousing and logistics, and third-party logistics businesses have also had to respond. In the US and elsewhere, fulfilment centre footprints are being optimised and redesigned to take advantage of this new boom in e-commerce.

In Africa, we have seen big retailers, who have been successful even in these trying economic times, developing large and centralised greenfield (new) warehouses and distribution centres, driving efficiencies in how they manage their distribution and supply chains. Through considered and strategic investments in establishing warehouses and distribution centres in good, centralised locations, these businesses are able to be more astute in their procurement and processes.

As engineers, we work with developers to ensure we are leveraging available improvements in design technologies and philosophies. The trend is towards increasing upfront expenditure to reduce operational costs throughout the facility's life cycle. Operational costs over the life cycle of a facility are substantially higher than the initial capital costs – where maintenance to joints, repairs to machines and downtime, for example, result in far higher costs over a 20-year period if not designed correctly up front. As such, we are seeing the benefits of advanced floor technology designed to increase panel sizes, reduce joint linear metres, and improve joint performance through high specification joint products.



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The healthcare imperative reaches new heights

The provision of healthcare services across Africa has long been a major trend in property development, and the pandemic has brought a new sense of urgency to this space. While there remains definite scope in Africa for high-tech and high-performance hospitals that deliver state-of-the-art care, this is not the sole focus. Particularly in remote and rural areas – where even basic healthcare and medical services may be lacking – a more decentralised approach can bring care to where the people are, is needed.

Place-based wellness centres, which create an opportunity to leverage a larger number of smaller facilities to deliver quality services and care across wider geographic areas are still desperately needed across the continent. And whether these take the form of a standalone facility in a remote area or an add-on to existing primary healthcare clinics within the same complex, place-based community wellness centres can be designed and constructed with modular units to make them flexible, adaptable and fit-for-purpose to the evolving needs of the communities they serve.

In addition to healthcare facilities, Africa's need to build pharmaceutical manufacturing facilities has also come under the spotlight. Importing vaccines against Covid-19 instead of manufacturing them in country may be top of mind, but expansion of Africa's capability to manufacture other drugs and vaccines has become an imperative. And we are seeing investors rise to the occasion.



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Tourism remains commercially viable

Finally, and perhaps surprisingly in the current context, investment into hospitality in Africa is also on the rise. Property developers are preparing for an increase in tourism throughout Africa when travel restrictions ease, and we are working on several new hotel projects, for example. Travel in Africa is affordable compared to much of the developed world, and increased leisure tourism is expected.

In addition, work-from-anywhere means many traditionally office-based workers may choose to work from non-traditional locations in the not-too-distant future. African destinations like Mauritius are already offering so-called “nomad visas” – allowing people to live and work in Mauritius for up to a year without making any major investments in starting up a business or finding local employment. Investors are preparing for an increase in people choosing to work from the beach or the bush, rather than in the big city.

These trends are encouraging for Africa's commercial property recovery post-pandemic, and as engineers we must keep sight not only of our clients' immediate need to take advantage of these opportunities, but also of the sustainability of the projects we design today. Buildings are the foundation of our communities, but their emissions also add to existing climate crisis pressures. To continue to thrive, society needs net-zero buildings. This means not only designing and constructing new net zero buildings, but rethinking retrofit to prepare our existing buildings for a low-carbon future. These are the challenges we're helping developers, contractors, architects and local government tackle today.

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