
LAGOS CITY REPORT

H2 2025

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Economic Overview

237.5m
Population

▲ 2.08%
Growth rate
in 2025

27%
Interest Rate

▼ -1.82% YTD
change in
2025

₦113.59Tn
GDP Size

▲ 3.98% Q3
2025 Growth

22.97%
Inflation

▲ 19.65%-point
change YTD in
2025

\$1: 1436
Exchange Rate

▲ 7.4% YTD
appreciation
in 2025

\$45.48B
External Reserves

▲ 11.3% YTD
increase in
2025.

The Nigerian economy sustained its recovery trajectory, driven by economic reforms focused on exchange rate liberalisation, monetary tightening, and fiscal restructuring. The results of these bold steps became more visible in the second half of the year 2025 as the economy showed clearer signs of macroeconomic consolidation, stability and tax restructuring. GDP growth strengthened, inflationary pressures moderated, external reserves improved, and the naira remained resilient, suggesting that the economy was gradually finding its footing. Oil prices remained supportive of foreign exchange inflows during most of the period, while improved FX liquidity helped reduce volatility in the currency market. Overall, H2 2025 marked a transition from economic uncertainty to a more predictable investment climate.

Economic Highlight

Nigeria's Real GDP growth declined to 3.98% in Q3 2025 from 4.23% in Q2 2025, but stronger performance when compared to 3.86% in Q3 2024, indicating a positive economic outlook when compared with previous years. The real estate sector recorded 3.8% real GDP growth in Q3 2025, lower than the 5.43% growth in Q3 2024. The construction sector slowed to 3.89% from 5.3% in Q2 2025, but higher than the 2.91% recorded in Q3 2024.

The Nigeria Tax Act 2025, which takes effect from January 1, 2026, is expected to introduce a more modern, equitable, and business-friendly tax system. The reforms aim to enhance GDP performance, particularly in the real estate and construction sectors, through improved transparency, simplified compliance processes, and targeted incentives.

The naira traded at an average of ₦1,474.85/\$1 in Q3 2025, before appreciating slightly to ₦1,441/\$1 in Q4 2025. This relative stability suggested improved FX liquidity and stronger confidence in the foreign exchange market. It recorded a 7.4% YTD appreciation from an exchange rate of ₦1,541.36/\$1 at the start of the year to ₦1,435.75/\$1 by the end of 2025.

Nigeria's GDP Growth Rate

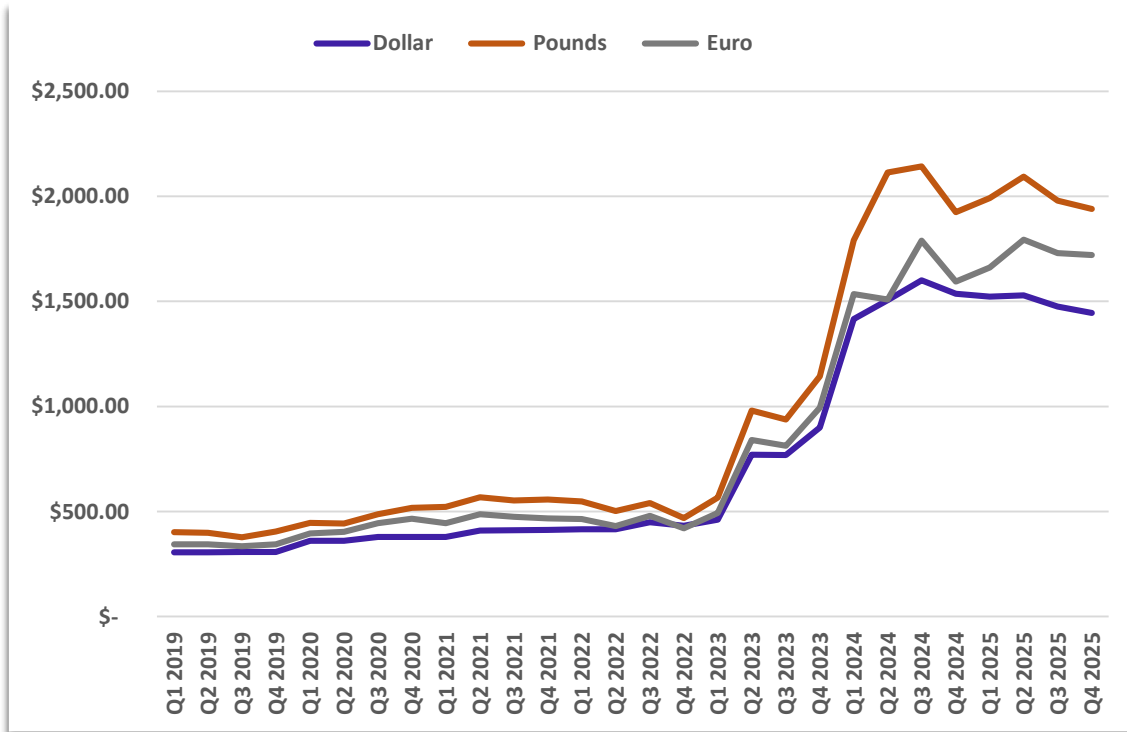


Source: NBS | 2025

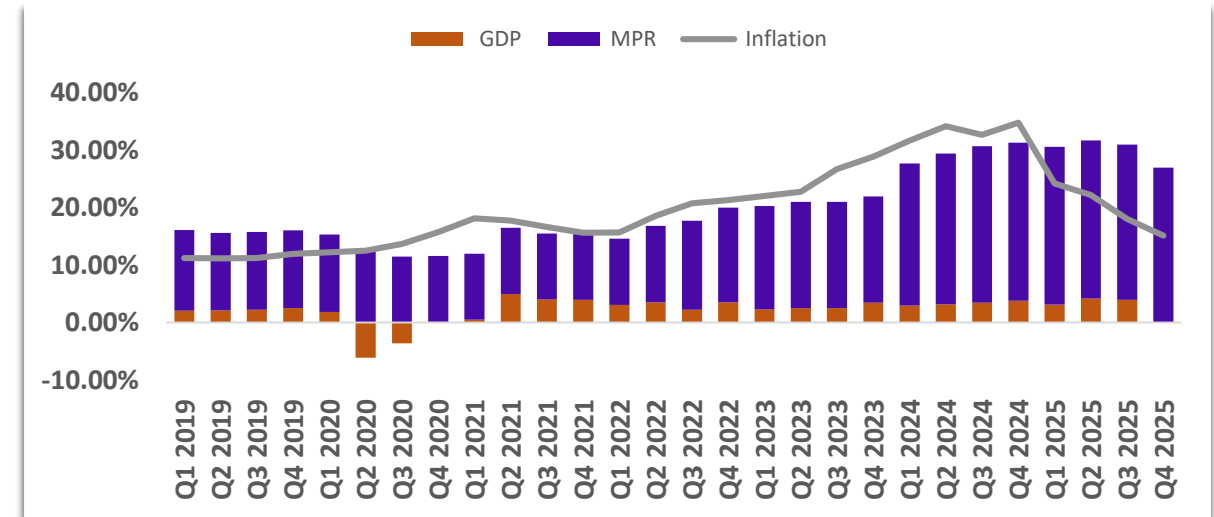
Economic Overview

Nigeria's external reserves strengthened during the period, rising to approximately \$45.48 billion, representing an 11.3% year-to-date gain. This improvement reflected better oil earnings, controlled FX interventions by the Central Bank, and stronger external inflows, providing greater import cover and macroeconomic resilience. The accretion in Nigeria's external reserves has helped to reduce pressure on the naira.

Nigeria's Exchange Rate



Nigeria's Headline GDP, Inflation Rate and Interest Rate



The GDP growth trend indicates that economic expansion moderated marginally in H2 2025, with real GDP growth easing to 3.98% in Q3 2025 from 4.23% in Q2 2025, representing a 0.25 percentage-point quarter-on-quarter slowdown. As with other key economic indices, GDP growth was resilient on a year-on-year basis, outperforming the 3.86% recorded in Q3 2024. This pattern is indicative of a policy-driven adjustment rather than a weakening economy, with growth consolidating at a higher level than in the previous year.

The inflation trend reflects general price level stability during the period, declining to approximately 22–23% from levels above 30% in H2 2024, marking a double-digit year-on-year reduction. In response to earlier inflationary pressures, the Monetary Policy Rate remained elevated but stable at around 27–27.5% throughout H2 2025, largely unchanged from the Q2 rate. This combination of easing inflation and a steady policy rate indicates a shift from aggressive tightening to consolidation, supporting macroeconomic stability while continuing to constrain short-term borrowing amid growing investor confidence.

Prime Office

Ikoyi

The Ikoyi prime office market demonstrated notable stability in H2 2025, with marginal improvement in existing stock level and a supportive gradual absorption. Total prime office stock stands at circa 157,921 sqm, with an additional 42,300 sqm development in pipeline. A key milestone during this period was the delivery of The Pantheon, a Grade A office development for Access Bank Plc, with an estimated 1,140 sqm of office space for sale.

Occupancy trends dipped to a combined rate of 79% across Grade A and B office market, with Grade B offices leading in occupancy as voids created in Grade A office spaces remain unabsorbed. Tenants are more cost-conscious amid sustained landlord incentives to retain sitting tenants and attract new ones.

Grade A office rents experienced a modest uptick, moving from \$650 psm/annum in H1 2025 to \$705 psm/annum in H2 2025. This adjustment underscores the renewed confidence in the market and relatively stable supply despite strategic efforts by landlords to maintain competitiveness, with rent levels largely supported by flexible lease terms and incentive packages designed to attract and retain tenants in the market that remains cautiously optimistic.

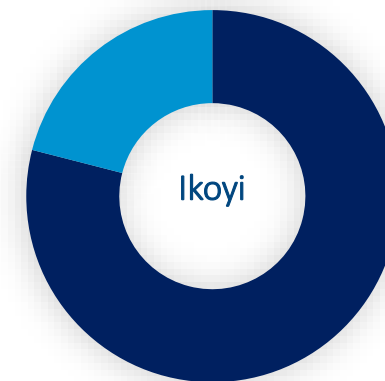
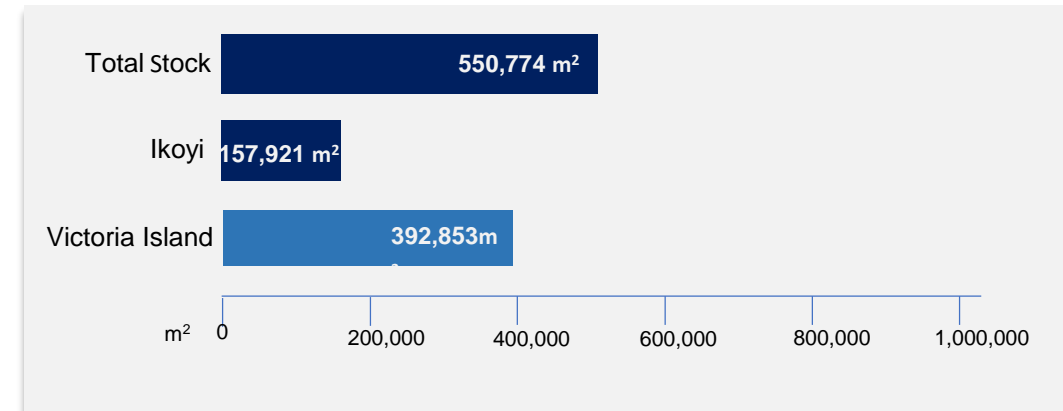
Victoria Island

The Victoria Island office market remained resilient in H2 2025, maintaining stable occupancy levels. The submarket comprises approximately 392,853 sqm of total gross lettable area, with demand primarily supported by the oil and gas and financial services sectors, which continue to underpin leasing activity in prime office locations.

Occupier preferences remained skewed towards Grade B and C office spaces due to their relative cost advantages. Notwithstanding this trend, combined Grade A and B office occupancy adjusted marginally to 83% in H2 2025, from its 86% levels in H1 2025. This performance was supported by softening rental levels and competitive landlord incentives.

Grade A office rents saw a significant adjustment, increasing by 25% over the period to \$595 per sqm per annum in H2 2025. This reflects a measured adjustment in pricing strategies as landlords respond to sustained demand while accommodating ongoing occupier negotiations focused on value.

Prime Office Stock, Pricing & Occupancy



79% | Occupancy

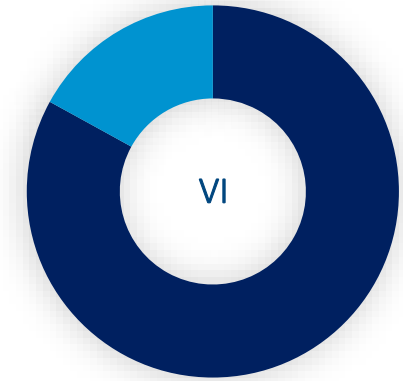
21% | Vacancy

Grade A - Ikoyi

11 Buildings

(per sqm./Annum)

\$705



83% | Occupancy

17% | Vacancy

Grade A - VI

16 Buildings

(per sqm./Annum)

\$595

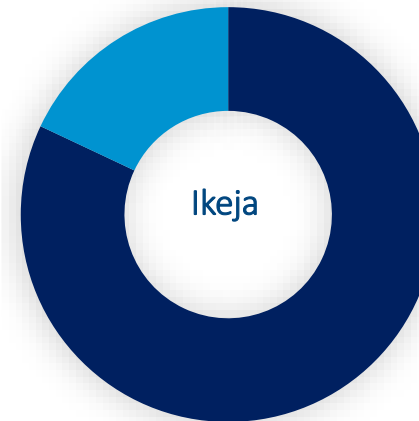
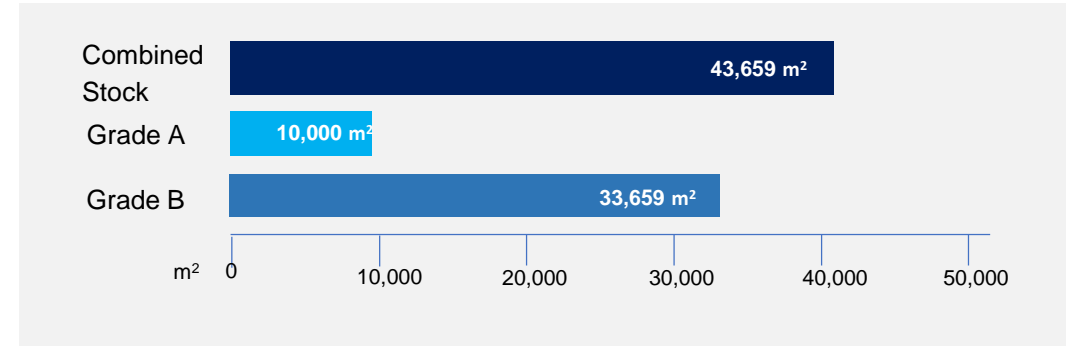
Prime Office - Ikeja

The Ikeja office market continues to strengthen its position as a major commercial hub on the Lagos mainland, supported by its strategic proximity to local and international airports, the Alausa Central Business District, key transport corridors, and nearby industrial zones. These locational advantages, combined with a maturing business environment, have driven increased interest from technology and fintech firms.

Despite sustained demand, much of the existing office stock in the submarket consists of ageing or downgraded buildings, creating opportunities for modern developments. This has been exemplified by The Phoenix, a 10,000 sqm Grade A office development on Mobolaji Bank Anthony Way, delivered in Q2 2025. The property has achieved an occupancy rate of 32.02% and has attracted multinational tenants, including Tetra Pak, Biersdorf (NIVEA) and Merck Pharmaceuticals, underscoring rising demand for high-quality office accommodation in Ikeja.

As at H2 2025, overall office occupancy in Ikeja stands at 82%. This performance was supported by consistent demand from key sectors such as financial services, technology, FMCG, and aviation. Rental prices adjusted marginally over the period, with prime office rents sustaining its trajectory \$350 per sqm per annum in H1 2025, gradually closing the dichotomy between the Island and Mainland prime office rents, and representing strong demand amidst supply shortfall.

Prime Office Stock, Pricing & Occupancy



82% | Occupancy

18% | Vacancy

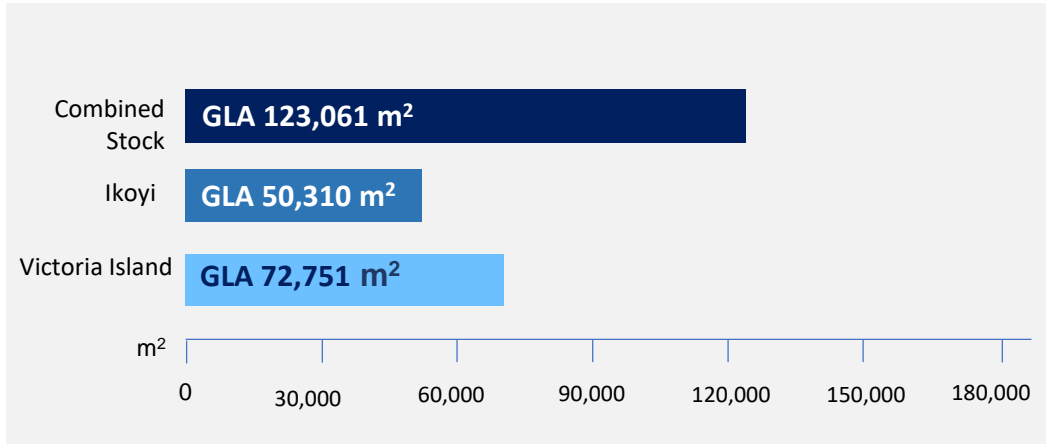
Grade A & B - Ikeja

5 Buildings

(per sqm/Annum)

\$350

Prime Office Pipeline



Top Developers



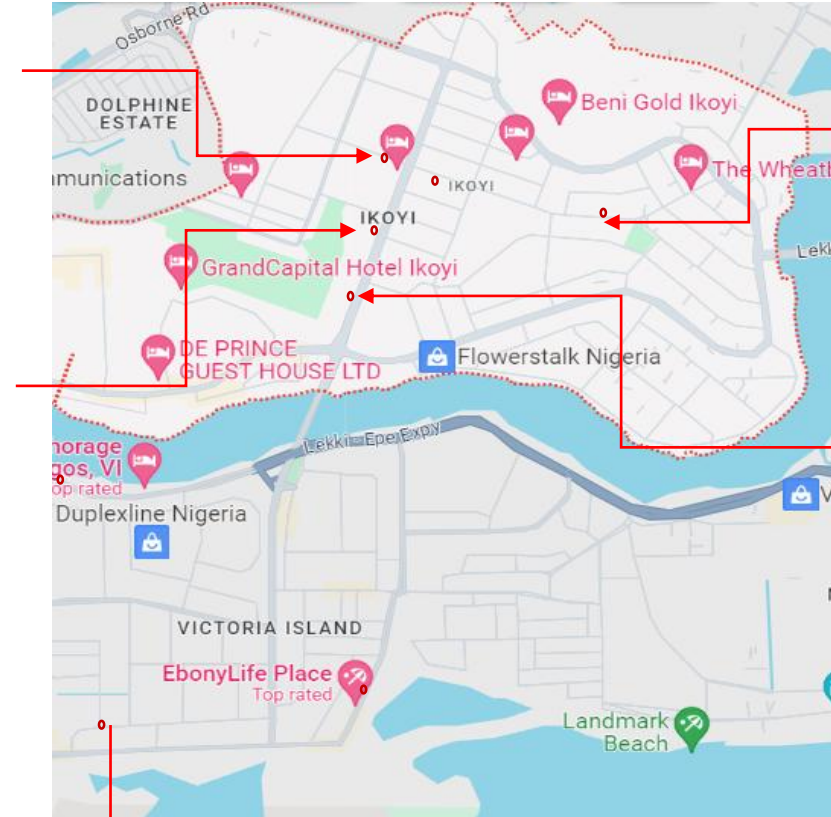
Source: Trollope Research, 2025



NDIC HQ



BUA Group



Ulesh



Dangote HQ



Northwest Petroleum

Prime Residential (Ikoyi & Victoria Island)

The prime Ikoyi residential market maintained its expansionary trajectory in H2 2025, as more residential pipelines were delivered, fully sold before completion, while those in the development pipelines have witnessed impressive absorption by the ever-increasing demand for luxury. The market demand is driven by high-net-worth individuals, corporate tenants, and diaspora buyers seeking USD-linked assets. This diverse demand base ensures resilience and strong absorption rates, especially for luxury apartments and low-density projects. Investor confidence is evident in active supply, with developers focusing on quality, security, and modern amenities typical of a truly luxury development.

Occupancy levels across the Ikoyi residential market remained stable at 94% in H2 2025, indicating strong demand amidst a supply lag especially for investment grade residential stock, which are now limited in supply as developers shift focus to owner-occupied developments.

Overall market sentiment for premium three-bedroom apartments was the same as the previous period, with sales prices rising to around ₦1.88 billion per unit in H2 2025. This increase has been driven by stronger demand and a rising trend of dollar-denominated pricing. However, we noticed consolidating price points across the market, even where the quality of developments varies considerably.

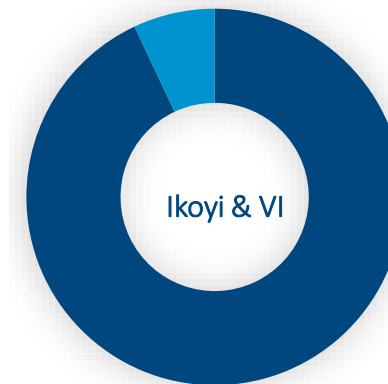
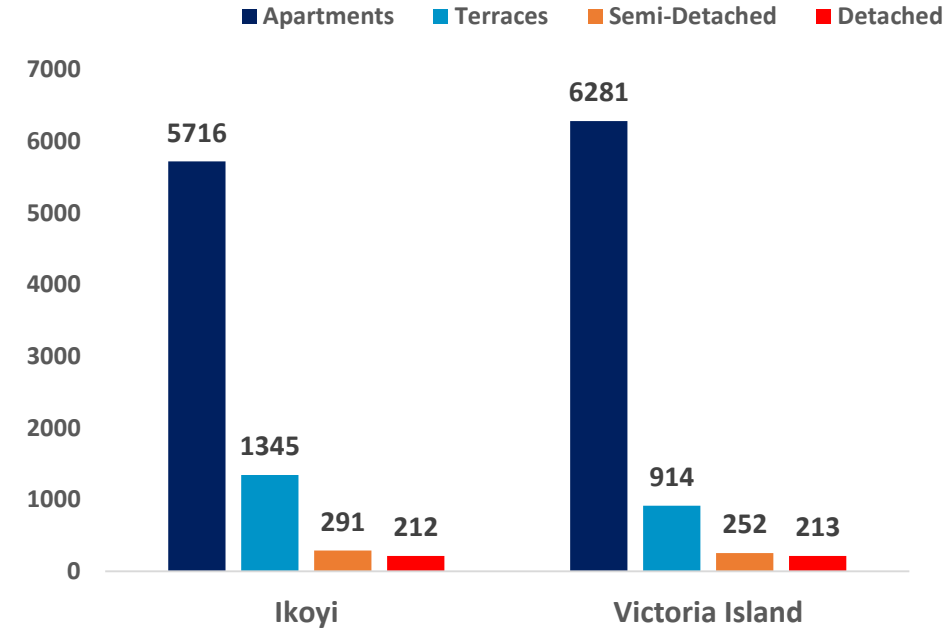
Victoria Island’s prime residential market continues to benefit from its strategic proximity to Lagos’ major commercial hubs, which remains a key driver of sustained residential demand. Development activity within the submarket has moderated, with the delivery of new projects slowing in recent periods.

Occupancy levels remained exceptionally strong at 97% in H2 2025, rising above the 96% recorded in H1 2025, indicating a highly liquid and demand-driven market. The supply lag, especially for investment grade apartments amidst strong demand underpinned upward momentum in the capital values of prime residential assets.

Recent additions to the market, including La Tour Tower, have further enhanced its residential appeal by reinforcing the quality and depth of available housing options. Rental performance remained stable in H2 2025, with average rents for luxury three-bedroom apartments holding steady at approximately ₦22 million per annum, signalling a period of price consolidation following earlier growth.

Eko Atlantic continues to attract leading developers, reinforcing its position as a key growth node within Victoria Island. The submarket accounts for the largest share of the area’s residential development pipeline, with prominent developers such as Arkland and Eko Development Company spearheading several ongoing projects that are expected to further strengthen the long-term residential landscape.

Ikoyi & Victoria Island Residential Stock & Pricing



93% | Occupancy

7% | Vacancy

Annual Rent

Ikoyi & VI

3,905
Units

Apartments

\$17,600

Prime Residential – Ikeja

The residential market in Ikeja GRA is marked by strong demand, supported by the area’s proximity to commercial and recreational hubs, as well as major inter-state transport routes. Despite this, the supply of premium apartments is limited, as developers have historically prioritized detached houses and terraces. This supply gap presents opportunities for Grade A apartment developments, especially as older buildings lose their appeal.

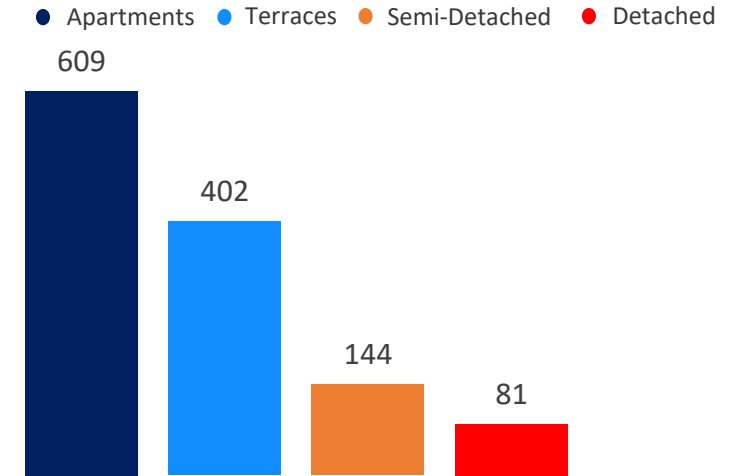
Recent additions such as Lion Heart Residences on Sobo Arobiolu Street and Arium Parkwest Homes on Oduduwa Way have enhanced the market supply. Currently with over 1,200 residential units, with an excess of 300 currently under development. Key players dominating the area include Richard Brainsworth, Foreshore and Aurora Hills Limited.

The occupancy rate in Ikeja GRA remains robust at 93%, driven by steady demand for high-quality homes that are typically taken up shortly after delivery.

Prices have climbed, reflecting both inflation and buyer interest. Median values are approximately 850 million naira for detached houses, 370 million naira for terraces, and 270 million naira for apartments.

Shonibare Estate has held its position as a closed community over the years, attracting multinationals and HNIs who favour the mainland based on proximity to the prime industrial, airports, Alausa and interstate road networks. The estate has a 92% occupancy rate due to its accessibility and security.

Ikeja Residential Stock & Pricing



93% | Occupancy

7% | Vacancy

Annual Rent

Ikeja GRA

465
Units

Apartments

₦12,000,000

Source: Trollope Research, 2025

Prime Residential Pipeline



39 Bourdillon
38 Units



Mandilas Tower
58 Units



Metropolitan Towers
40 Units



Grand Panorama
75 Units

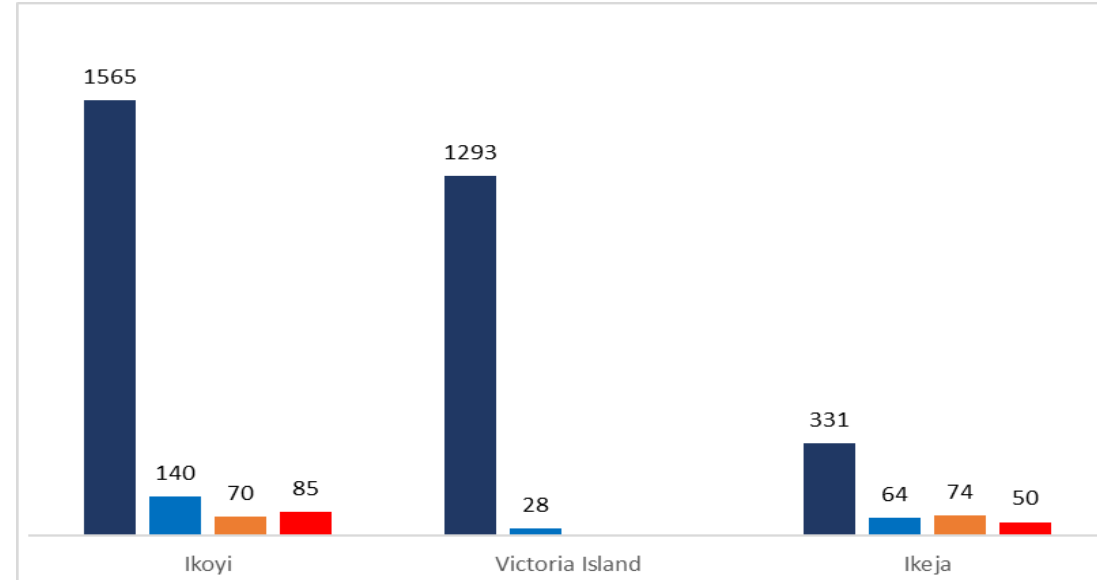


Quantum Luxury Towers
50 Units



G2
20 Units

Stock



Top Developers



Source: Tropolpe Research, 2025



Detail | Delivery | Distinction

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