

## KPDA WEEKLY MEDIA REVIEW

### Weekly Insights into Current Affairs Affecting the Kenyan Real Estate Market

Every Friday, we select a few media articles from the week that we think are worth your time as a player in the property development sector. We look for compelling articles not only about trends in the market, but also policy issues, upcoming technologies and global trends in real estate. We would love to hear from you on what you are engaged in to promote the sector. Contact us via [admin@kpda.or.ke](mailto:admin@kpda.or.ke)



### INVITATION TO THE KPDA CORPORATE NETWORKING KOROGA EVENT, FRIDAY 19<sup>TH</sup> JUNE 2015

*An interactive, informal session allowing for members, partners and friends of KPDA to network and socialise!*

**Where:** GYMKHANA CLUB (Located along Desai Road - off Forest Road, Parklands, Nairobi)

**When:** Friday, 19<sup>th</sup> June 2015

**Time:** 6.00pm to 11.30pm

#### TICKETS FOR THE KOROGA

Members Kshs. 1, 500

Non Members Kshs. 2, 500



#### THANK YOU.....

KPDA would like to thank all our members, partners and friends for turning up in great numbers at our recently concluded KPDA CEO Breakfast Forum held on 26<sup>th</sup> May 2015 at the Nairobi Serena Hotel. Thank you for your support.....

#### TILISI DEVELOPERS LAUNCH NEW PROJECT



## Kenya's Newest Community



**SPECIAL LAUNCH PRICES FROM KSH. 29M PER ACRE**

A 400 acre master planned development off Nairobi-Nakuru Highway

### FULLY SERVICED LAND PARCELS FOR

Logistics · Residential · Retail · Commercial · Educational · Medical · Recreational

- Just 25 kilometers from Westlands
  - Just 10 minutes from the Southern and Northern Bypasses
  - Phase 1A consists of 5-acre parcels for logistics and high density residential
  - Development controls and guidelines to ensure a conducive environment
- State-of-the-art infrastructure including:
- paved roads with street lighting
  - connection points to power, water, sewerage and ICT
  - internal security including boundary walls and CCTV
  - landscaping



## INVITATION TO KARA - EAPCC RESIDENTS DIALOGUE FORUM ON WEDNESDAY 3<sup>RD</sup> JUNE 2015

The Kenya Alliance of Resident Associations (KARA) in partnership with the East African Portland Cement Company Ltd (EAPCC) has organized a series of Residents Dialogue Forums (RDF) to create stakeholders and public awareness, interest and participation in preventing construction and/or occupation of poor quality buildings within their neighbourhoods.

For more information, kindly click on the link below:

As you may be aware, incidences of buildings collapsing and in some cases leading to loss of lives are on the rise particularly in major urban areas. We welcome the Government efforts in taking stern action against the concerned developers and putting measure in place to prevent future occurrences.

We recognize that key construction industry stakeholders and the general public also have a role to play in addressing this challenge. The Kenya Alliance of Resident Associations (KARA) in partnership with the East African Portland Cement Company Ltd (EAPCC) has therefore organized a series of Residents Dialogue Forum (RDF) to create stakeholders and public awareness, interest and participation in preventing construction and/or occupation of poor quality buildings within their neighbourhoods.

We are pleased to invite you to the first RDF on quality, safety and compliance to the construction regulations. The forum will be held on **Wednesday, 3rd June 2015** from **8.30am to 12 noon** at the **Laico Regency Hotel, Nairobi**. The forum will be addressed by the top leadership of EAPCC; National Construction Authority (NCA); National Environment Management Authority (NEMA); Nairobi City County Government; Ministry of Housing and Planning among others. We request that you confirm your attendance through the contacts below as soon as possible to guarantee your reservation. Please note that participation is strictly by prior confirmation. Thank you.

Nancy Kariuki

**Program Officer (Administration & Operations)**

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## REMINDER TO ALL KPDA MEMBERS ON THE CODE OF CONDUCT

We would like to remind all members of KPDA that as a show of our continued dedication to

deliver the highest quality of product and service to the public as well as our fellow developers, we encourage you to read through the KPDA Code of Conduct. We wish to urge all our members to commit adherence to it by filling the commitment form included.

To access our KPDA Code of Conduct, please follow the below link:

[https://gallery.mailchimp.com/7bca7a3b8f6eed9f612fdccdd/files/KPDA\\_Code\\_of\\_Conduct.pdf](https://gallery.mailchimp.com/7bca7a3b8f6eed9f612fdccdd/files/KPDA_Code_of_Conduct.pdf)

**MAY 21**

### **PROPERTIES REMAIN VACANT DUE TO INSECURITY**

**Business Daily** | Evelyn Situma | 21<sup>st</sup> May 2015

Landlords of upscale residential houses have decided to hold on to their vacant properties for six to eight months before they look for takers as insecurity, tight immigration rules and terror threats bite the market.

Reginald Okumu, managing partner of Ark Consultants, said that stringent immigration rules as well as the escalating insecurity have discouraged many expats from flying in, with many who were already in the country preferring to leave and monitor affairs from afar. And it is this group who are potential prime residential tenants.

In its latest report on the real estate market, property consulting firm, Knight Frank said there were signs of a slowdown in transactions in the prime residential market towards the end of 2014 which have been carried on to this year. [Read More](#)

**MAY 22**

### **URGENT ACTION NEEDED TO RESTORE THE CAPITAL CITY TO ITS LOST GLORY**

**Daily Nation** | Anthony Alex Irungu | 22<sup>th</sup> May 2015

The recent events of shame, including the floods and the cholera outbreak in Nairobi prove that not only is the city county government ill-prepared to protect city dwellers from mother nature's ire, it's also not willing to restore the city's lost glory.

Every day, the county government collects millions of shillings from land rates, rent, parking fees, bill board advertisements and business permits, among others, not forgetting funds from the national government and grants from the international community.

The leadership might argue that most of the collected revenue is gobbled up as salaries and wages by the city's bloated workforce, but if this is true, then it must be the most incompetent, demotivated, and unproductive workforce given the pathetic state of the city once regarded the 'City in the Sun.' [Read More](#)

**MAY 24**

### **REGIONAL LAND OFFICES CLOSED**

**Daily Nation** | Brian Moseki | 24<sup>th</sup> May 2015

Some 13 land registries in western Kenya have been temporarily closed for re-organisation and digitisation of files.

Acting Lands Cabinet Secretary Fred Matiang'i on Sunday said the land offices that had been shut include those in Kisii, Siaya, Busia, Migori, Kakamega, Bungoma and Nyamira counties.

He assured the residents of the affected regions that the re-organisation and digitisation would be hastened, hinting at the possibility of concluding the work in two weeks.

During the closure, the services that will not be available include searches, stamp duty and land rent payments, and applications for valuation and processing.

That will affect transactions like payment for allotment, applications for subdivision, settlement programmes and land adjudication.

Dr Matiang'i, who spoke at the Kisii County headquarters after paying Governor James Ongwae a courtesy call, said most of the problems in the land sector had been caused by an outdated filing system and disorganisation in land registries. [Read More](#)

#### **MP OWNS LAND IN KILIFI SETTLEMENT SCHEME**

**Daily Nation** | Nehemiah Okwembah & Samuel Kazungu | 24<sup>th</sup> May 2015

Kilifi North MP Gideon Mung'aro has denied claims that he was illegally allocated land in Chembe Kibabamche and Kilifi/Jimba settlement schemes.

He instead said he helped residents to get what was rightfully theirs that had been illegally allocated to foreign companies.

The MP said the only property he owned in the scheme was a piece of land he inherited from his grandfather. He said the parcel was not among those investigated by a task force he established to look into land allocation in the schemes. [Read More](#)

#### **MAY 26**

#### **BRITAM SET TO PUMP SH35BN IN PROPERTY INVESTMENT PLAN**

**Daily Nation** | Edwin Okoth | 26<sup>th</sup> May 2015

British-American Asset Managers plans to invest Sh35 billion as it seeks to expand its property portfolio.

The company has outlined a number of housing projects in partnership with Housing Finance Corporation and other investors. The investments are aimed at enabling the company to strengthen its grip on the mortgage industry in the next two years.

At a recent meeting with investors to unveil the real estate investment strategy, Britam Asset Managers acting chief executive Jude Anyiko said the firm's plan is intact despite the exit of its asset managing partners last year.

“Strategies are rooted in the institution and I can assure you everything is within plan. We shall soon be breaking ground for 1,100 residential housing units on Thika Road and Kamiti Road at a cost of Sh11 billion.

Several multi-billion shillings projects are in the pipeline as we are engaged in various negotiations with partners to bring in more,” Mr Anyiko said. [Read More](#)

**MAY 27**

## **TENANTS VACATE NHC HOMES IN NAIROBI WEST**

**The Star** | Martin Mwita | 27<sup>th</sup> May 2015

SEVERAL residents of National Housing Corporation estate in Nairobi West have vacated their homes while many others are scouting for new houses, two weeks after floods wrecked havoc in the area.

Those that have already moved, according to a spot check by the Star, were mostly occupants of houses on the ground floor which were submerged in water after a heavy downpour caused a nearby river to burst its banks, causing floods.

Nine three-bedroom apartments have so far been vacated as families fear recurrent floods after their property was damaged following heavy rains on May 12.

The estate's association secretary Emmanuel Naicca told the Star that residents have previously complained to NHC over poor workmanship and the recent incident was “a disaster in the waiting”.

“We have been having a tiff with NHC. It is not the first time it is flooding. Whenever there are rains there has always been a problem including the sewage system mixing with the drainage and coming up into houses through all openings,” said Naicca, who said he bought his house at Sh8.5 million in 2009.

This has raised safety and durability concerns of the housing project which NHC completed in 2009. The estate has 182 three-bedroom units which were sold for between Sh7.5 million to Sh8.5 million then.

NHC is estimated to have made more than Sh1.5 billion from sale of the houses. Majority of the apartments were occupied between 2009 and 2013.

Residents say they have tried to reach NHC to address drainage problems but the state company has not responded to their calls. [Read More](#)

## **KENYA NEEDS TO BUILD HUMAN SKILL CAPACITY FOR THE REAL ESTATE INDUSTRY**

**The Star** | Wafula Nabutola | 27<sup>th</sup> May 2015

You are going for a meeting at one of the many new buildings in Nairobi. You reach, you are impressed by the outer facade, the selection of materials, the modern feel. You walk in.

The walls are still scratch-free, no damage to architectural pillars in the foyer. It is nearly perfect. Nearly, because just as you are taking in the great ambiance, you notice a cover missing on a cable distribution box, cables in it covered in paint.

Sounds like all the many buildings, hall ways, receptions that we all pass through day in day out? Is there nothing wrong with that? We as consumers of the building industry have come to accept this.

The government has embarked on developing a pool of one million artisans. It is a brilliant utilisation of resources, our educated and energetic youth.

As a developing nation, espousing devolution, we need artisans for economic, technological and social development. In the past we had excellent craftsmen and some women, who had been trained by the colonial government.

Prior to and in the early days of independence from Great Britain in 1963 those in schools were required to have at least one skill in technical knowledge like carpentry, plumbing, electrical, welding and masonry. [Read More](#)

#### **CYTONN TO LAUNCH SH50 BN DEAL**

**The Star** | STAR Reporter | 27<sup>th</sup> May 2015

INVESTMENT management group Cytonn is today set to unveil a Sh50 billion property deal during launch of its real estate subsidiary.

The fast growing company, which started operations last year, announced that it will unveil its subsidiary Cytonn Real Estate today as it gears up for a new property development project in Karen worth Sh50 billion.

Cytonn Real Estate will unveil its recently assembled real estate deal pipeline, worth over Sh50 billion in projects and also highlight the first project, which is the most aspirational gated community coming up in Karen area," said the firm in its weekly report.

Last year, Cytonn Investments secured a contract as lead transaction advisors for a Sh40 billion real estate project by developer Acorn Group which failed to take off after a objections from rival firm Britam. [Read More](#)

#### **MIGORI HOTELS UPGRADE TO STAY AFLOAT**

**The Star** | Manuel Odeny | 27<sup>th</sup> May 2015

HOTELS in Migori have resorted to installing new infrastructure to attract visitors amid an oversupply of rooms in the county caused by a rise in new facilities.

New and upcoming hotels in the county have risen to 20, which have increased the total number of hotels in Migori to over 50.

The many hotels are competing for a small number of visitors amid the low tourism season across the country.

Hotels in the county's major towns of Migori, Kehancha, Isebania, Awendo, Rongo and Sori are operating below their capacity.

“We are currently undergoing a serious crisis following the drop in visitors coming to stay in many hotels as we operate below capacity, incurring huge losses,” Grabo County Dream hotel manager Chris Odero told the Star.

The hotel was the first hotel in Migori to install WiFi services in a bid to attract more clients.

The hotel has managed to attract more clients from regional companies and other walk-in clients with laptops and smart phones. [Read More](#)

### **MONEY FOR THE POOR USED TO BUILD GARDEN CITY**

**Daily Nation** | Lilian Ochieng | 27<sup>th</sup> May 2015

Garden City, an upmarket real estate development opening its doors to the public today, has been listed among several developments whose financing has been diverted from British aid funds meant for the poor.

An article appearing in the UK's Guardian newspaper Thursday noted that CDC, which jointly with Actis has invested \$25 million in developing the 32 acres on Thika Superhighway, has pumped more than \$260 million in 44 property and construction companies in Latin America, Africa and Asia.

“At least 20 of these are hotels, shopping centres or companies that build or manage gated communities and luxury property, according to Guardian research,” said the newspaper.

The Sh23 billion Garden City shopping mall will house the first Kenyan retail outlet to be run by South Africa's Massmart through its subsidiary Game. Massmart is majority owned by US largest retailer Walmart. [Read More](#)

### **CYTONN REAL ESTATE FUND SEEKS SH10BN**

**Business Daily** | Geoffrey Irungu | 27<sup>th</sup> May

Cytonn Investments Management plans to raise Sh10 billion equity from global and institutional investors through its real-property fund.

Apart from the Cytonn Real Estate Fund (CREF) capital, the firm says it intends to raise an additional Sh40 billion from pension funds, debt and banks. Up to Sh10 billion of this would come from pensions while the other Sh30 billion is debt in form of bonds and bank credit.

Cytonn CEO Edwin Dande said the company has already raised Sh2 billion out of the Sh10 billion equity target.

“In the CREF targeting global and institutional investors, we are planning to raise Sh10 billion. It is a continuous process and we have already raised Sh2 billion. We expect that we will complete the process by the end of the year,” said Mr Dande.



The first Cytonn real-estate project will be a gated residential community in Karen, Nairobi. It will be developed through its affiliate Cytonn Real Estate –set to be launched formally on Wednesday.

[Read More](#)

**MAY 28**

## **THE EXTERIOR OF YOUR HOUSE ALSO DESERVES ATTENTION**

**Daily Nation** | Wilson Manyira | 28<sup>th</sup> May 2015

While interior décor enthusiasts are never short of ideas thanks to newspapers, magazines and online resources, the same cannot be said for those looking for exterior design options.

“What sets apart exterior design from interior design is the intricate nature of the former compared to the latter”, says Mr Dominic Nyaga, an exterior expert with Reinvent Creative Ltd.

With interiors, he explains, your main worry is colours, wall hangings, furniture accessories and other interior décor objects.

But for exterior design, adds Mr. Nyaga, when you think about colour, it is a complicated process of colour choices in regard to reactivity to moisture, combustion rate and also adaptability to different climatic and weather conditions.

“This is especially because the colours chosen for exteriors will be exposed to a variety of weather conditions”. He explains.

According to him, exterior design also involves, materials used in the actual building of the house.

“In short, exterior designing is not a job for novices,” offers Mr Nyaga. [Read More](#)