

## **NCA STRATEGIC PLAN LAUNCH**

The National Construction Authority on Thursday, 28<sup>th</sup> May 2015 launched its strategic plan for the period 2015-2020.

Click the below link for the NCA Strategic Plan:

<http://www.nca.go.ke/download/Strategic%20Plan%20to%20FAD%20Committee.pdf>

## **INVITATION TO THE 2015 EASTERN AFRICA REAL ESTATE INFRASTRUCTURE DEVELOPMENT & FINANCE CONFERENCE**

Welcome to the 2015 Eastern Africa Real Estate Infrastructure Development & Finance Conference.

The 2015 Eastern Africa Real Estate Development & Finance will be held from 8th to 9th July 2015 at the Villa Rosa Kempinski Hotel in Nairobi Kenya. Thereafter there will be a golf tournament on Friday 10th July at the Vetlab Sports Club. This time round the organizers include the University of Nairobi.

For More Details Follow The Link Below:

## **OPTIVEN AND KOTO HOUSING PARTNERSHIP**

KOTO housing Kenya Limited is pleased to announce the signing of an MOU with one of the leading Estate developers in Kenya, Optiven Ltd, a Real Estate Company founded to provide property consultancy solutions to the East Africa community.

Click the link below for Optiven and Koto Housing Partnership video:

<https://www.youtube.com/watch?t=27&v=SvhsTEARsrk>

## **JUNE 6**

### **LANDLORDS STARING AT FINANCIAL LOSSES AS HOUSING GLUT HITS SATELLITE TOWNS**

**Daily Nation** | Vincent Achuka | 6<sup>th</sup> June 2015

Property developers in the satellite towns of Nairobi are finding it increasingly difficult to attract tenants as the areas experience a glut of rental units.

With the capital city experiencing pressure on housing due to rural-urban migration, a percentage of its residents have over the years opted to construct their own homes on the outskirts of the city.

For this reason, towns like Kitengela, Kajiado, Ruai, Kikuyu, Kiserian, Kamulu, Athi River and Mlolongo have emerged as some of the areas preferred by those wishing to own their own houses fuelled by the availability of affordable land.

Real estate developers have also joined the exodus and are making speculative investments in hopes of easy profits. In the process, residential flats and houses for rent are mushrooming in areas traditionally perceived of as the preserve of home owners. [Read More](#)

**JUNE 7**

### **MINISTRY TO ISSUE TITLE DEEDS FOR TROUBLED KIHU MWIRI LAND BUYING COMPANY**

**Daily Nation** | Martin Mwaura | 7<sup>th</sup> June 2015

A cartel of rich individuals from Murang'a have been fuelling confusion at Kihiu Mwiri Land Buying Company where five directors have been killed over controversies.

Acting Land Cabinet Secretary Fred Matiang'i said that Sh147 million collected from shareholders for surveying and sub-dividing the land is also at the heart of the controversy.

Dr Matiang'i said some local administrators are partly to blame for the confusion and has ordered Land officials to commence work to subdivide the farm on Tuesday.

Dr Matiang'i told the Nation that the government is determined to end the dispute and ensure that title deeds are issued to the shareholders.

The CS said the trouble at the Kihiu Mwiri Farm was the handiwork of a cartel of rich and middle class operatives who thrive on the confusion to take advantage of poor shareholders. [Read More](#)

**JUNE 8**

### **UAP IN A RACE TO OPEN TALLEST JUBA BLOCK THIS MONTH**

**Business Daily** | John Gachiri | 8<sup>th</sup> June 2015

UAP Group says it will complete construction of the tallest building in South Sudan by the end of this month and has expressed optimism about the country's future amid raging political conflict. Chief executive Dominic Kiarie said the firm was finishing construction of UAP Equatoria Tower, a 15-storey office block with 8,000 square metres of lettable space in the capital Juba's Hai Neem area.

The building, initially expected to open late last year but now expected to be ready for occupation in about a fortnight, is a fully air-conditioned property and features high-speed elevators.

This is the group's second major development after UAP Heights Apartments in the volatile country whose conflict has hit local companies invested in Africa's youngest state hard.

Mr Kiarie, however, said the company's expectations are that normalcy would soon return ensuring occupancy levels were not affected. [Read More](#)

### **CHURCH IN SH1.5BN TEN-STOREY WESTLANDS APARTMENT PROJECT**

**Business Daily** | John Gachiri | 8<sup>th</sup> June 2015

The Mennonite Church is putting up a 10-storey high-end apartment block in Nairobi's Westlands, joining other local churches with similar real estate ventures.

The Mennonite Board in Eastern Africa Registered Trustees (MBEA) is developing Sky View Gardens, an apartment complex with 64 units comprising 32 two-bedroom and 32 three-bedroom apartments on a three-and-a-half acre plot.

The church said that it decided to borrow a leaf from other churches and non-profit organisations that are turning to real estate to fund operations.

“While this is new for Mennonite Board in Eastern Africa (MBEA), many churches and mission organisations are taking similar initiatives, creating a legal investment arm for their organisations,” said MBEA chairman Philip Okeyo in a church newsletter.

The sale price of Sh20.25 million for a two-bedroom and Sh26.25 million for a three-bedroom unit puts the value of the project at around Sh1.49 billion.

Groundbreaking is expected in the next few weeks and construction should be completed in 18 months. [Read More](#)

#### **CHURCH FIRMS TO PAY LAND RATES UNDER BILL**

**Daily Nation** | Otiato Guguyu | 8<sup>th</sup> June 2015

Religious and charitable organisations in Nairobi County will, from now on, pay rates on land currently housing activities that are profit-driven.

The county is drafting a new law that will impose the charges on private schools, hospitals and residential commercial buildings developed by religious and charity organisations.

#### **COLONIAL TIMES**

“The law was enacted during colonial times when only the government provided these services; it has to be revisited to allow for new valuations. For instance, we cannot charge religious institutions even if they set up commercial blocks,” Nairobi County Deputy Chief Valuer, Ms Gineth Magiri, told the Nation, citing the new office block built by the All Saints Cathedral Church in Nairobi.

The Nairobi City County Valuation and Rating Bill seeks to draw a clear line from commercially profitable businesses done by civil organisations that earn revenue. The Bill excludes rateable land used for public religious worship; cemeteries, crematoria and burial grounds, public hospitals or other public institutions treating the sick. [Read More](#)

#### **OFFICIALS TO GIVE DETAILS OF LAND DEAL**

**Daily Nation** | Vincent Agoya | 8<sup>th</sup> June 2015

Senior lands officials have been summoned to court to explain how 665 hectares of public utility land meant for the expansion of a sewage treatment plant in Nairobi was transferred to a private developer.

The National Land Commission secretary, the chief lands registrar and the Nairobi County director of survey, are required to attend court in person on July 17 to shed light on the acquisition of the plot in Ruai by Renton Company Limited.

Petitioners, who include a group of squatters kicked out of the plot despite a court order in their favour and a city businessman allowed to join the proceedings “on behalf of the public”, want the title revoked, and the land reverted to its proposed public use.

It is alleged that the property, held in trust by the then Nairobi City Council, was fraudulently transferred to the private firm, without permission of the lands commissioner. [Read More](#)

### **POOR PLANNING HAS ONLY PLAYED UP THE CITY'S DISADVANTAGED LOCATION**

**Daily Nation** | Njoki Chege | 8<sup>th</sup> June 2015

Burst sewer systems. Gridlocks kilometres long. Frequent power outages. Dry taps for weeks. Badly done roads that turn into lakes when it rains. Soaring cost of living.

Welcome to Nairobi, the nation's capital, where South C estate turns into South “Sea” estate after a night of heavy rain. Where residents spend hours in traffic and get home at 4 am -- to a flooded house.

Life in the city is hard enough, but when it rains heavily, Nairobi becomes a nightmare.

For the last month, Nairobians have borne the brunt of, and experienced first-hand, the effect of an overwhelmed, poorly planned city.

The recent floods not only destroyed property, but also traumatised children on their way home from school when their school bus almost tipped over in raging flood waters. [Read More](#)

### **JUDGE ORDERS OFFICIALS TO SHED LIGHT ON TRANSFER OF 659HA IN RUA I**

**Daily Nation** | Vincent Agoya | 8<sup>th</sup> June 2015

The High Court on Monday summoned three senior land officials to explain how 659 hectares meant for expansion of a sewer treatment plant in Nairobi was transferred to a private developer.

Mr Justice John Mutungi ordered the National Land Commission secretary, the chief lands registrar and Nairobi City County director of survey to shed light on how Renton Company Limited acquired the plot in Ruai.

The case was filed by a group of squatters who were kicked out of the plot and city businessman Jacob Juma, who was allowed to join the proceedings “on behalf of the public”.

The petitioners want the title held by Renton revoked, and the parcel reverted to its proposed public use. [Read More](#)

### **LANDOWNERS TO BE PAID SH4BN**

**Daily Nation** | Gitonga Marete & Dennis Odunga | 8<sup>th</sup> June 2015

Mombasa residents who will be displaced by the standard gauge railway will be paid a total of Sh4.4 billion.

Those to benefit from the compensation are owners of land falling within an eight kilometre stretch starting from the port to Miritini.

Individuals who have built structures on their plots are set to be paid a total of Sh330 million, according to National Land Commission (NLC) Chairman Muhammad Swazuri.

But Dr Swazuri warned those with fake title deeds along the eight kilometre stretch that they will not be compensated.

“We know there are people who acquired title deeds through shady deals. Once we confirm that a title was acquired in this manner, we will not pay them.

“We want the land to be handed over to the contractor as soon as possible. For the time being as we proceed with the exercise, the contractor will begin work in areas where there are no people,” he said. [Read More](#)

**JUNE 9**

### **AVERAGE HOME LOAN SOARS TO SH7.5M, LOCKING OUT MANY**

**Business Daily** | Kiarie Njoroge | 9<sup>th</sup> June 2015

The average size of mortgages increased to Sh7.5 million, making it difficult for a majority of K. The Central Bank of Kenya (CBK) data shows that the average home loan rose from Sh6.9 million in 2013 and Sh6.4 million in 2012, a jump blamed on high interest rates, expensive homes and upfront fees.

Mortgage lending increased last year by nearly a fifth to Sh164 billion held in 22,013 accounts, up from 19,879 a year earlier and 18,587 in 2012.

“Banks identified high cost of housing/properties, high interest rates, and high cost of incidental cost as the major impediments to the growth of their mortgage portfolios,” noted the CBK.

The average mortgage interest rate stood at 15.8 per cent last year, down from 16.37 per cent in 2013.

At 15.8 per cent, those borrowing Sh7.5 million for 10 years will need to pay Sh124,701 per month and Sh109,108 if the mortgage runs for 15 years. This makes it difficult for those earning less than Sh300,000 monthly to qualify for the average home loans, given that banks demand that borrowers retain a third of the pay after all deductions. Kenyans to own homes financed by commercial banks.

[Read More](#)

**JUNE 10**

### **MAURITIAN PE IN SH9.7BN REAL-ESTATE DEAL WITH KENYAN FIRMS**

**Business Daily** | John Gachiri | 10<sup>th</sup> June 2015

Real-estate developer AMS Properties and Hass Consult will team up with a Mauritian private equity firm to develop properties worth Sh9.7 billion in the region. Xterra Capital Advisors, a Port Louis-based private equity firm, has signed an agreement with AMS Properties and property marketing firm Hass Consult to raise \$100 million.

The property fund to be raised in September will invest in residential, commercial and hotels across eastern Africa.

“The East Africa portfolio includes large-scale mixed-use developments, new and income earning, commercial properties and upscale hospitality properties.

“The total value of equity capital to be raised by the fund is in excess of \$100 million,” said Xterra Capital in a statement.

The private equity firm is investing in Kenya’s real-estate sector which has returns that have in the past couple of years outpaced most peer markets. [Read More](#)

## **BANKS SAY LAND AND HOUSES IN KENYA STILL OVERPRICED**

**The Star** | Constant Munda | 10<sup>th</sup> June 2015

Commercial lenders want the state to take up valuation supervision of real estate property to grow the struggling mortgage industry.

More than half of 36 banks providing mortgages see the high cost of real property (land and houses) as the main hindrance to home ownership in Kenya.

They are now proposing that the state takes “measures to oversee valuation... to avoid arbitrary pricing of properties”.

In their feedback to the Central Bank in an annual study whose findings were published last Friday, 22 banks pointed at high cost of houses as main reason for the low uptake mortgages. The price of land is mainly believed to be driven by speculation which leads to high cost for the house.

Lordship Africa, a grade A property developer, in April cited a case where quotation for a three-acre parcel of land in Nanyuki shot up three-fold in just three weeks, underlining the “crazy” pace at which property prices are skyrocketing. [Read More](#)

## **MOMBASA PROPERTY MARKET ON A REBOUND**

**The Star** | Martin Mwita | 10<sup>th</sup> June 2015

THE real estate sector in Mombasa is on a recovery path after going through one of its worst slumps last year with developers recording a 60 per cent increase in inquiries.

The developers said the inquiries signify improved client perception of the Coast region, which has been struggling with insecurity in the last two years.

In 2013 and 2014, property prices in the region dipped by an estimated 20 per cent, with investors adopting a wait-to-see trend after the wave of terror related incidences witnessed in the region.

Developers are now optimistic as inquiries for holiday homes, buy-to-let, rental and commercial properties rise in the second quarter of 2015.

The Kenya Property Developers Association said inquiries from Kenyans, local investors and diaspora have doubled compared to the same period last year.

Property in Mombasa's North Coast remain the most sought after with apartments, own compound maisonettes and land attracting a higher demand.

"Apartments lead in inquiries due to their affordability more than own compound houses," said KPDA Coast region chairman Mwenda Thurania. [Read More](#)

## **INVESTING AID MONEY IS VERY GOOD BUSINESS**

**Daily Nation** | Peter Chando | 10<sup>th</sup> June 2015

The biggest mall in East Africa, located by the biggest road in East Africa, is now open to the public.

Just as it was opening, the Guardian newspaper reported that British MPs had raised related concerns. It appears the construction of the shopping city was partly funded by British aid money.

Apparently, the Department for International Development, through its CDC arm, has invested British taxpayer money in upmarket real estate projects in Africa, Asia and Latin America.

This information has been received with exasperation. It seems audacious that charity funds have been used to build playgrounds for the rich in countries where millions live in abject poverty.

The CDC has come out fighting, explaining that it pumps funds into fast-growing sectors in developing countries that are likely to create jobs.

It defends its decision to invest in a high-end mall on the basis of the temporary jobs created during construction and the subsequent long-term jobs once the mall is up and running. In their view, high-end real estate is a high impact social investment in countries such as ours. [Read More](#)

**JUNE 11**

## **THE HEIGHT OF IMPUNITY**

**The Standard** | Francis Ayieko | 11<sup>th</sup> June 2015

Seven residential buildings on Kombo Road - off Kamiti Road - in Nairobi were last month marked for demolition by the National Construction Authority (NCA) and the Nairobi City County (NCC).

Apparently, the buildings, on a 300-metre stretch, have eaten into the road, which is due for expansion. Five of them are new while one of the remaining two is a squat, old dilapidated two-storey building shunned by tenants. The other one has been under construction that has seen it rise from two to five floors.

One of the five new buildings has six storeys that were hurriedly put up last year and early this year, after an old building on the same spot was demolished.

Despite the demolition marks (a big, red X), construction work on six of the buildings has been going on. The one that was at the foundation stage when NCA and NCC officials came calling has all the four walls up.

The roof of the six-storey building is being finalised while workers at the five-storey building are busy putting up the sixth floor and preparing rooms on the completed floors ready for occupation. (People have been renting rooms on the two “old” floors for a few years now). [Read More](#)

## **SCRAMBLE FOR NAIROBI'S SKYLINE**

**The Standard** | James Wanzala | 11<sup>th</sup> June 2015

For over 40 years, the iconic Kenyatta International Conference Centre (KICC) was synonymous with Nairobi. Standing at 105 metres, KICC ruled the capital's skyline until Times Tower took over.

However, KICC and Times Tower are set to face stiff competition from new commercial buildings coming up in the city. In Upper Hill, UAP Tower is nearing completion. The 33-storey building being developed by UAP Properties Limited will be 163 metres tall.

On completion, UAP Tower will be a Grade A office development with very high quality and durable granite finishes, generous parking (over 800 parking spaces) and fire and safety provisions (fire detection and alarm warning systems). It will also have a fireman's lift, sprinkler system, jockey pump, water storage tanks, fire hydrant with hose reel provision and a building management system (BMS).

Green-building features incorporated in the design of the building include natural ventilation, lighting control with motion and occupancy sensors and use of LED and energy-saving fittings to achieve low consumption of energy in public area.

The development comes on the back of high demand for Grade A offices by multinationals in Nairobi, which is becoming a regional business hub. [Read More](#)

## **WHAT APARTMENTS BUYERS ARE WILLING TO PAY FOR**

**The Standard** | Peter Muiruri | 11<sup>th</sup> June 2015

About two decades ago, living in a flat was considered a key characteristic of the urban lifestyle in Kenya. It was the dream of every ‘new arrival’ in the city to climb the stairs into a relative's apartment on the third floor.

However, what was considered “luxury” was nothing more than four white walls and a corridor that led to one or two other rooms. Among the common amenities was a communal watering point in the courtyard where residents would take turns drawing water.

That was then. Today, the apartment lifestyle has changed, with modern flats bearing little resemblance to their older cousins. Dotting the skyline in Nairobi's leafy suburbs of Kilimani, Kileleshwa, Lavington and Westlands is row-upon-row of lustrous apartments. A similar trend is being witnessed in other urban areas in the country.

And they are no longer the humble abode of lowly civil servants but the modern middle and upper-classes that fancy the higher things in life. They are also popular with diplomatic and expatriate communities.

The shared amenities now include Olympic-size swimming pools, fitness centres, expansive lounges and gazebos. For a tech-savvy generation, having a Wi-Fi zone is an added advantage. A development at the Coast, for instance, has gone a notch higher and installed a movie theatre for residents. [Read More](#)

## **HOMES FOR STARTERS**

**The Standard** | Mwaghesha Mkala | 11<sup>th</sup> June 2015

From a distance, they look like any standard apartment block around the city. The three blocks are almost complete and are expected to be occupied by next month. But the occupants will not be your ordinary middle-class Kenyan who has been saving for a dream home.

These flats, aptly known as First Homes, consist mostly of bedsitters, popularly referred to as starter homes that target young first-time homeowners. They are being built a short distance past Mlolongo on Mombasa Road.

According to Aaron Gitonga, the director of Rogam Investment Limited, the company that is putting up the houses, the project is aimed at helping those who are just starting out in life own homes.

“No one takes that market seriously and that is why letting of SQs (servant quarters) is popular. First Homes seek to capitalise on the absence of such an option for clients,” said Gitonga.

Located in the rapidly growing Mlolongo area, the project neighbours notable apartment developments like Hill Crest Park, Valley View Park, Sheshe Gardens and Delta Plains. It is expected to have a total of 250 apartment units, 180 of which are bedsitters. [Read More](#)

## **WORKERS ESCAPE DEATH AFTER MALL COLLAPSES**

**The Standard** | Mwaghesha Mkala | 11th June 2015

About 30 workers escaped death after a mall they were building in Kisumu collapsed last week. The building had reached the second floor and the workers were having lunch when it caved in.

According to sources from the County Government of Kisumu, investigations have started to determine why the building collapsed and if the developers got the necessary approvals. With cases of collapsed buildings across the country on the rise, there has been considerable pressure on authorities to monitor the situation in the construction industry. [Read More](#)

## **TITLES FOR MEMBERS OF TROUBLED LAND COMPANY**

**The Standard** | Mwaghesha Mkala | 11th June 2015

Members of the troubled Kihiu Mwiri Land Buying Company will finally get title deeds, ending two decades of deaths and wrangles, according to acting Lands Cabinet Secretary Fred Matiang'i. The CS, who visited the 1,058-acre parcel of land, formed a five-member team to solve the crisis.

“The team will start its work next week and finish in three months. The title deeds will then be issued to shareholders on September 4,” he said, adding that the National Land Commission will also be involved in the process.

The CS's move came after Deputy President William Ruto ordered the ministry to intervene in the affairs of the company and help the shareholders. [Read More](#)

## **PORTICO HOTEL TO START OPERATING IN TWO MONTHS**

**The Standard** | Mwaghesha Mkala | 11th June 2015

Zehneria Portico, the new addition to Heron Portico's chains of hotels, is set to officially open in two months. The hotel, which is currently undergoing refurbishment to get to three-star hotel status, is located in Westlands and targets the business community in the area and a global clientele seeking efficient and convenient services.

The hotel, which was acquired in February from another investor, has accommodation comprising 56 three-tier rooms, an open-kitchen restaurant, lounge bar, two meeting rooms, an outdoor swimming pool and a health club. It also has a gym and a business centre. [Read More](#)

#### **TAKE COVER, INSURERS TELL PROPERTY OWNERS**

**The Standard** | Mwaghesha Mkala | 11th June 2015

Kenyans should learn the importance of insuring their property from the havoc wreaked by recent flooding in the country.

According to the Association of Kenya Insurers ( AKI), the losses resulting from the floods, together with the rising cases of collapsed buildings in major towns, should be a lesson to Kenyans to get their investments insured.

“Whether it is a car, a building or anything that is an investment, people should insure, if possible, comprehensively, so that whenever such natural occurrences happen, they are not a major setback,” say AKI CEO, Tom Gichuhi.

Speaking during a media breakfast meeting in Nairobi, Gichuhi also stressed the need for Kenyans to save for their retirement. He said AKI would soon roll out a media campaign that will seek to inform the public about the importance of pension, noting that insurers have not done enough to make Kenyans appreciate the importance of having savings for retirement.

“We have not been doing enough as insurers and the data confirms that. What we want to do is bridge the gap of information between the services we offer and what the public knows,” he said, adding that an ongoing consumer-education programme would go on up to July. Only five per cent of Kenyans are insured. [Read More](#)

#### **WHAT DOES IT TAKE FOR A BUILDING TO QUALIFY AS ‘GREEN’?**

**The Standard** | Peter Muiruri | 11<sup>th</sup> June 2015

A key component of green architecture is a building’s ability to save energy. It is estimated that over 70 per cent of the world’s energy is consumed in our homes. This is more than the amount of energy consumed by the transport and industrial sectors. This contributes to more than two thirds of carbon emissions, which are the single largest contributors to global warming.

According to UN-Habitat, the way we design our homes can to a large extent impact on energy generation, consumption and saving.

“It is essential to adopt urban-planning and building-design methodologies that are energy-conscious and environmentally-friendly,” states the UN Habitat Urban Energy Unit’s newsletter.

It notes that for a building to truly be “green”, it should meet at least four parameters: optimise energy efficiency, have little demand for energy, an efficient energy supply, and the ability to maximise its share of renewable energy sources. [Read More](#)