

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

THE DEVELOPER'S DIGEST CURRENT ISSUE IS OUT!

The March to April 2015 Issue of *The Developer's Digest* is out! Please click on the link below to access the full document:

https://gallery.mailchimp.com/7bca7a3b8f6eed9f612fdccdd/files/The_Developer_s_Digest_March_to_April_Issue.pdf



KPDA CEO BREAKFAST FORUM

DATE: Tuesday, 26th May 2015

VENUE: Nairobi Serena Hotel

TIME: 7.00am – 9.30am

THEME: 'THE PROSPECTS OF REITs in KENYA'

During the forum we will have speakers and panelists from the following organizations:

- ❖ STANLIB Kenya
- ❖ Housing Finance
- ❖ UAP Investment Ltd
- ❖ Capital Markets Authority

CHARGES:

KPDA Members: Kshs. 3,500

Non KPDA Members: 4,500

Confirm attendance by contacting the KPDA secretariat on telephone **0737- 530290/0705 277787** or by email to admin@kpda.or.ke.

We look forward to seeing you at the breakfast!

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

THE PRESTIGIOUS INTERNATIONAL PROPERTY AWARDS 2015-2016

The International Property Awards are open to residential and commercial property professionals from around the globe. They celebrate the highest levels of achievement by companies operating in all sectors of the property and real estate industry. An International Property Award is a world-renowned mark of excellence. The awards are split into regions covering Africa, Asia Pacific, Arabia, Canada, Caribbean, Central & South America, Europe, UK and USA. Participants enter at their relevant national level and are judged by a highly experienced team of professionals who cover the whole range of property disciplines. Companies selected as winners are then invited to attend a glittering awards dinner for each region and have the right to use the prestigious logo in their marketing. [Read](#) [More](#)

JOINT BUSINESS FORUM IN BOSTWANA

The Kenya High Commission in Botswana and the Ministry of Foreign Affairs and International trade, Nairobi in conjunction with the Botswana Investment and Trade Centre will hold a Joint Business Forum in Gaborone Botswana from 2-4 June, 2015. The objective of the business forum is to promote trade and investments between Kenya and Botswana and provide an opportunity to network.

Follow the link below for more details:

MAY 10

TATU CITY BANK LOANS AUDIT SPARKS FRESH DIRECTORS ROW

Business Daily | Brian Wasuna | 10th May 2015

The appointment of PricewaterhouseCoopers (PwC) to audit offshore loans borrowed by directors of the Sh240 billion Tatu City project has sparked a new dispute between local and foreign shareholders of the real estate venture. Norwegian director Hans Jochum Horn has claimed in a new application filed at the High Court that local Tatu City directors Nahashon

Nyagah and Vimal Shah are colluding with the consultancy firm to expand the limits of the ongoing audit approved in March by Justice Eric Ogola.

Mr Horn claims the two have asked PwC to investigate the ownership of Tatu City's offshore lenders, which was not part of the parameters set by Justice Ogola. The audit is expected to confirm the amount borrowed since the project began and the current status of the loans.

"The auditors, at the prodding of Mr Nyagah and Mr Shah, perceive the scope of the audit to include carrying out background checks on the financiers' ownership whereas this exercise was to determine the total loan amounts secured from inception and the reconciliation on repayments," says Mr Horn.

Mr Nyagah and Mr Shah are yet to respond to the application, but Justice Ogola ordered them to file their replying affidavits and appear before him on May 13 for a hearing.

Mr Horn and New Zealander Stephen Jennings are major shareholders of the multibillion shilling project. Mr Nyagah and Mr Shah moved to court in February after a boardroom war erupted between them and the foreign shareholders.

The local partners claim that their foreign counterparts want to kick them out of the project so as to freely plunder assets and capital of Tatu City and Kofinaf-- the firm that owns the 2,400 acres of land on which the project is to be built. [Read More](#)

MAY 11

NEW CLAIM IN KAREN LAND DISPUTE

Daily Nation | Mazera Ndurya | 11th May 2015

The original owner of the Sh8 billion Karen land whose ownership is in dispute was an investor, Mr Arnold Bradley, a judge heard on Monday.

Telesource Com Ltd, which is one of the claimants, told Justice Lucy Nyambura Gacheru that Bradley appointed Barclays Bank of Kenya Ltd as the executor of the will he prepared on August 15, 1969.

Referring to evidence presented to Justice Gacheru by Barclays through its senior legal counsel, Mr Waweru Mathenge, lawyer Steve Gikera for Telesource said the will identified the beneficiaries of the estate after Bradley died on October 22, 1973.

Mr Gikera told the judge that Bradley stated in his will that four acres of the land be allocated to his daughter Annette Therese Benson.

"Bradley devised and bequeathed to his daughter Annette Therese Benson approximately four acres of the parcel of land known as L.R 3586 which she occupied at the time, together with buildings and improvements erected thereon," Mr Gikera told the judge.

Telesource Com Ltd is contesting a case filed against it and eight others by Muchanga investments Ltd, which states through lawyer Cecil Miller that it is the bona fide owner of the land, having acquired it from the bank in 1983.

Mr Miller has told the court that Muchanga is the legal owner of the land and all other claimants are trespassers into the upmarket property.

Muchanga, which is owned by Horatius Da Gama Rose, has presented evidence to prove its ownership. [Read More](#)

MAMA LUCY HOSPITAL BUILT ON LAND AT CENTRE OF 43-YEAR-OLD OWNERSHIP DISPUTE

Daily Nation | Mazera Ndurya | 11th May 2015

The land on which Mama Lucy Kibaki Hospital is built is at the centre of a 43-year-old legal dispute between two companies, each claiming ownership.

Besides the hospital, the 818 acre parcel of land in dispute and which is valued at Sh5 billion also hosts Umoja II Estate, Kenya Cooperative Creameries (KCC), Steel Structures, administration offices, schools and other social amenities.

Dandora Housing Schemes Limited (DHS) and Kiambu Dandora Farmers Company Limited (KDFC) are claiming ownership of the land.

When the case came up before the Environment and Lands Division of the High Court, DHS opposed a bid by KDFC to be enjoined in the case.

In an application, DHS is asking the court to compel the chief registrar of lands to issue it with a provisional title deed saying the original one got lost.

Lawyer Lawrence Kamau for DHS told Justice John Mutungi that the plea by KDFC to be enjoined in the case had been struck out for non-attendance.

But lawyer Boniface Njiru for KDFC told the judge that he has the original title to the land in dispute and that he was willing to produce it before court for perusal.

“My clients have the original title deed to this parcel of land. I am ready and willing to produce it before this court to prove that this land belongs to KDFC,” Mr Njiru told the judge.

However Mr Kamau interjected saying, “This case has been pending before court for almost 50 years and the main issue has been the title to the property.” [Read More](#)

MAY 13

AN ARCHITECTS' PARADISE AT THE COAST AS BUILDERS TRY TO OUTDO EACH OTHER

Daily Nation | Allan Olingo | 13th May 2015

Mombasa's real estate landscape is changing as luxury developments slowly spring up along the coastline and developers cash in on the region's world-acclaimed beaches.

A cursory look at new developments such as Vipingo Ridge, English Point Marina, Ocean Seven and the latest kid on the block, Crest Apartments, leaves one with no doubt that the property offerings at the coast are changing for the better, and as a result attracting world-class architecture and clientele.

When the English Point Marina was launched at the coast five years ago, it was the first of its kind in the region. Some people whispered that, given the enormity of the promise and the work at hand, the coast may never live to see the coming of age of this new baby.

They were wrong, because next month English Point Marina is expected to open its doors to the public, marking a grand, luxurious entry into Kenya's – and the region's – property and tourism market. [Read More](#)

HOME AFRIKA SETS ITS SIGHTS ON KISUMU CITY

Daily Nation | Silas Apollo | 13th May 2015

Property firm Home Afrika is targeting middle income earners in Kisumu with its new housing project in Riat Hills.

The Sh3 billion gated community which will overlook the lakeside city to the west, will be constructed on a 91-acre piece of land.

However unlike most developments in the area, the project will be undertaken on a purchase-and-build basis.

Would-be tenants will be required to build their own homes besides those developed and sold by the Home Afrika group.

Once complete, Lake View Heights will join the league of upcoming high-end real estate units that have already set foot on the vast hill.

It will include additional amenities such as retail space, offices, light industries, a hotel and conference area, a school as well as a police post.

The development will comprise 140 pieces of 0.25-acre land and each piece will be sold for Sh2 million each.

Mr Njoroge Ng'ang'a, Home Afrika chief executive said the three-year plan will be built in conjunction with would-be home owners who will be required to construct their own houses.

Mr Njoroge said the strategy employed by the company will place them in charge of building of roads, schools, offices, shopping malls as well as a police posts and other supporting infrastructure. [Read More](#)

RUAKA GROWING FAST, THANKS TO NORTHERN BYPASS

Daily Nation | Eric Wainaina | 13th May 2015

Four years ago, Ruaka Town in Kiambu County consisted of a few shops and simple residential flats. However, the area has undergone a radical transformation in the past few years, thanks to the construction of the Northern Bypass.

The construction of the bypass opened up the area and saw investors rushing in to build homes, which are highly regarded for their attractive returns.

Mr Peter Njuthi Karomo, who has lived in Ruaka all his life, says that as soon as the construction of the bypass began, developers started buying plots in the area and turned them into concrete jungles.

But thanks to the bypass, he adds, transport to the city has greatly improved, since one can access it via Limuru Road, while those working along Mombasa Road can use the bypass.

“The area opened up, leading to a demand for housing, which saw many investors come and build flats, rapidly changing the face of Ruaka” says Karomo

Indeed, a person who visited the the town a few years ago, will be shocked at the transformation.

Many of the local people, who previously lived in semi-permanent houses, have also sold part of their land and built fancier homes as wells as rental houses. [Read More](#)

HERE’S HOW TO BUY A HOUSE WITHOUT PAYING ANY DEPOSIT

Daily Nation | Pauline Kairu | 13th May 2015

To the vast majority of urban Kenyans, owning a home remains is a pipe dream.

In fact, according to the National Housing Survey Report released earlier this year by the Cabinet Secretary for Lands, Housing and Urban Development, Mrs Charity Ngilu, only 4.2 per cent of Kenyan households could borrow money to buy or build a house.

This explains why the number of households paying rent rose from 17.25per cent in 1994 to 23.8per cent in 2005/06.

It is with this in mind that one property developer, Kings Pride Properties, has come up with what it calls the “zero deposit route” to owning a home.

The firm's chairman, Maj (rtd) David Karau, says they have been working ways to enable the youth, as well as lower-middle and middle-income earners, to afford their own homes.

But even as the country's property prices have hit an all-time high, Mr Karau says there are still ways of creating more opportunities to enable first-time buyers to get their own place at a reasonable price. [Read More](#)

TWISTED STEEL BARS BANNED IN UGANDA

Daily Nation | DN2 Correspondent | 13th May 2015

Uganda has banned the use of twisted steel bars in construction over inferior reinforced concrete strength, raising questions over the use of the bars in Kenya.

The construction sector in Uganda will going forward be required to use ribbed (deformed) steel bars which provide reinforced concrete strength.

Kenya has in the recent past experienced a string of building collapses thus raising questions on the use of sub-par building materials.

At the centre of the Uganda ban is what is referred to as concrete bonding. The ribbed surface provides a better bond with the concrete compared to the twisted bar where the concrete may slip causing cracks.

Deformed bars have ridges, projections or ribs on their surface to provide better anchoring for concrete.

“Internationally, twisted bars have been phased out for use in structural reinforcement of concrete due to their poor bonding and structural properties,” said Ben Manyindo, the executive director of the Uganda National Bureau of Standards (UNBS)

“Developments in the technology for the manufacture of steel reinforcement bars have made it possible to produce ribbed bars with superior strength and bonding properties.” [Read More](#)

TATU CITY LOCAL PARTNERS DEFEND PWC AUDIT

Business Daily | Abiud Ochieng | 13th May 2015

Kenyan partners in the Sh240 billion Tatu City project have opposed an application filed by foreign shareholders contesting the mandate of PricewaterhouseCoopers (PwC) which has been hired to audit offshore loans borrowed by the real estate developer.

Norwegian director Hans Jochum Horn claimed in a recent application that local Tatu City directors Nahashon Nyagah and Vimal Shah are colluding with PwC to expand the scope of audit approved by the court in March this year.

Mr Nyagah and Mr Shah through lawyer Nelson Havi yesterday told Mr Justice Eric Ogola that the board of directors of the multi-billion shilling project had in a meeting held in January this year appointed PwC to audit the foreign loans.

“The order made by the court on March 6, 2015 only reiterated the board’s decision and limited the time within which the audit report should be submitted to the court to 45 days or within such reasonable period of time as shall be adequate to perform the audit,” Mr Havi said. [Read More](#)

GOVERNOR NOW WANTS PROBE INTO 4,000-ACRE LAND OVER GRAB CLAIMS

Daily Nation | Kalume Kazungu | 13th May 2015

A 4,000-acre land belonging to a settlement scheme in Lamu County will be reallocated afresh after its ownership was revoked.

Governor Issa Timamy said he cancelled ownership of the Manda Settlement Scheme land following reports of grabbing.

He wants the National Land Commission (NLC) to carry out a fresh survey before the land is sub-divided to residents.

“Ownership of the land in question has been shrouded in controversy for decades now. It will therefore be better if the land is subjected to a fresh survey before sub-dividing among the locals to end the conflicts we have since witnessed,” Mr Timamy told residents yesterday.

Manda Settlement Scheme was established in 1964 and is mainly occupied by Bajuni from Kiunga in Lamu East Sub County. The Bajuni occupied the land during the Shifta War.

The land is collectively owned by Manda residents. However, reports of land grabbing and illegal allocations prompted the governor to take the step.

Mr Timamy said his government will work with NLC to ensure a successful survey and a fair distribution of the land. [Read More](#)

PAINT VERSUS WALLPAPER WHICH HOLDS THE MAGIC?

The Star | Lola Okulo | 13th May 2015

Just like a canvas that an artist paints on, a blank wall can be the ideal space for your creative decor ideas to come to life.

In two ways you can dress your wall and transform your office or home into a room that speaks volumes about your personality.

Today’s technology of decorative 3D painting on a wall can help in creating an ideal mood for your space or one can opt for wallpaper.

While most durable wallpaper can last between 10 to 15 years if well maintained, decorative paints can last a lifetime according to their suppliers and interior design specialists.

Classic Mouldings, one of the main players in home and office decorative paints, says the durability of these paints is all in the composition.

CM imports its paints from Europe and then uses various materials and techniques in the mixing process to make a paint with desired visual and touch effects which add life to the surfaces they are painted on.

“We have hundreds of decorative paints which we create by mixing different paints to get an amazing design,” says CM managing director Noiman Moshe. [Read More](#)

VALUE OF APPROVED BUILDING WORKS RISES

The Star | Martin Mwita | 13th May 2015

The total value of building plans approved for construction in Nairobi County has increased by 9.4 per cent in the first quarter of the year.

According to Leading Economic Indicators report by Kenya National Bureau of Statistics released last week, the total value of approved plans increased to Sh45.3 billion from Sh41.4 billion over the same period last year.

This is however a 34.5 per cent drop from last quarter of 2014 when approved building plans value recorded a high of Sh69.2 billion.

During quarter one, the value of approved residential construction plans was Sh29.7 billion while non-residential was Sh15.6 billion.

Demand for residential houses in Nairobi continued to grow but data shows there was a slowdown in construction of non-residential spaces compared to last year where the demand outstripped supply.

The quantity of cement produced has also continued to increase in the first three months of this year with March having the highest volume of 533,294 metric tonnes from 465,471 tonnes in February. In January 488,407 tonnes of cement were produced. [Read More](#)

SHILLING WOES THREATEN REAL ESTATE SECTOR

The Star | Star Reporter | 13th May 2015

THE weakening of the Kenya shilling could dampen growth in real estate sector if it persists because of imported building materials, investment management firm Cytonn has said.

In its weekly financial report, Cytonn said the volatility of the shilling was a major concern for developers and buyers because the real estate sector is capital intensive.

“Our immediate concern regarding the sector remains insecurity and a volatile shilling; the sector is extremely capital intensive and imports key building materials hence very sensitive to a volatile shilling,” said Cytonn in the report.

The Kenya shilling weakened to a three-year low on Monday to Sh96.25. [Read More](#)

SOUTH AFRICA'S MASSMART TO OPEN FIRST STORE AT GARDEN CITY SOON

The Star | Star Reporter | 13th May 2015

AFTER years of unsuccessfully seeking local partnerships to venture into Kenya, South African retailer Massmart will open its first store at Garden City Mall along Thika Road in two weeks' time.

The company which was pursuing a joint venture with Naivas for its Kenya entry has decided to go it alone and announced that it will open its first store at Garden City Mall on May 28.

Phase one of Garden City which is a multi-billion shilling mixed-use real estate project, situated between exit seven and eight on the Thika Road is due to be completed on May 28.

When complete it will be the largest mall in Africa with retail space covering 50,000 square metres. It occupies 33-acre and will also include space for over 100 shops and other retailers like Nakumatt.

The integrated project also has houses, duplexes and over 400 apartments.

Massmart is listed on the Johannesburg Stock Exchange and has a network of comprising nine wholesale and retail chains and one buying group - 376 stores and 431 buying group members all focused on high-volume and low-cost distribution.

Other firms that will set up shops at the grand mall, according to information by property managers Knight Frank include, Tile and Carpet Centre, Victoria Courts, Artcaffe and Foschini. The mall's shops will be arranged around light and airy courtyards and meeting points, said Knight Frank.

Garden City will have over 1,000 parking spaces, majority at roof top. The parking ratio for the mall will be one space to 25 square metres of retail floor space to eliminate the parking problem associated with most shopping centres within Nairobi. [Read More](#)

NAROK FLOODS A TRAGIC LESSON IN URBAN DESIGN, DEVELOPMENT AND MANAGEMENT

The Star | Wafula Nabutola | 13th May 2015

Watching cars being swept away after heavy rains gave me the feeling of utter helplessness and defeat that such a thing can happen once again as it does annually. For decades, Narok only had a single petrol station and a shop that tourists flocked to buy supplies as they prepared to go to the Maasai Mara Game Reserve.

Narok is the gateway to the game reserve. Today, thanks to devolution, the town has four banks, more than three supermarkets, insurance brokers and a university - what a transformation!

There has been tremendous development and construction, one could even feel that the speed of development and selection of businesses is unusual in Kenya. Except, the usual typical Kenyan small town concept of one main street running through, with all businesses crowding the sides, with no space left for expansion or free and comfortable passages.

Every inch of free space has been 'grabbed' and no one seems to care about public needs. Very often, traffic comes to a standstill whenever a car needs to turn into a side street parking. Such annoyance still exists in Narok. [Read More](#)

MAY 14

SH5.1 BILLION MARINA TO OPEN ITS DOORS IN A MONTH

The Standard | Mwachsha Mkala | 14th May 2015

While on a visit to the Coast, President Uhuru Kenyatta was at State House, Mombasa when he saw an arresting development across the channel.

His interest piqued and he asked to be taken over. He was so impressed by the development that he asked to open it. This is the English Point Marina.

Uhuru is not the only one; a string of senators, MPs and governors are a constant feature at the establishment. When plans for the English Point Marina were announced, analysts were optimistic it would put the Kenyan coast in the league of luxury boat destinations. Think about multimillionaire yacht owners and the like. Being the first of a kind, it has had its own shortcomings, key among them the expertise needed to pull off a project of this magnitude, something the developers say has held them back by almost two years. [Read More](#)