



## THE KENYA PROPERTY DEVELOPERS ASSOCIATION

### CODE OF CONDUCT



**'The time is always right to do what is right'**

*Martin Luther King 1929 - 1968, American leader of the civil rights movement and Nobel Peace Prize winner*

#### **KPDA Vision:**

*"Creating a value driven, sustainable and socially responsible real estate industry."*

#### **KPDA Mission Statement:**

*"To promote the involvement of the private sector in development through advocacy, education, research and ethical standards."*

#### **PREAMBLE**

In an attempt to manage the Kenyan property development's ethical status, KPDA encourages all its members to avoid costs associated with negative ideals and instead gain the benefits of sound standards of behaviour. Therefore in order to actively promote the importance of virtues and the value of proactively managing ethics amongst its members, the Association emphasizes that sound business values should be viewed as a source of competitive advantage, and building moral capital should be every corporate's goal.

One of KPDA's core interests is to further an ethical business code in the property development industry in Kenya by consolidating and maintaining high business values in our member companies. Members are encouraged to promote ethos and integrity amongst themselves within the property development industry, as well as recognize that unscrupulous conduct by any of its members have adverse repercussions on the reputation, functioning and sustainability of the entire building industry.

KPDA members and their employee representatives are committed to promoting the highest level of professionalism, integrity, and ability available in the property development industry in all its forms. This demonstrates how members embrace the KPDA mandate to achieve and maintain uniformly high professional and ethical standards throughout the property development industry in Kenya.

The development of the property development industry will be enhanced when all stakeholders comply with the KPDA Code of Conduct which covers:

- ❖ Knowledge of and compliance with relevant laws, practice circulars and guidelines, and essential facts;
- ❖ Due diligence and compliance with law and statutory requirements;
- ❖ General duty to clients and public;
- ❖ Prohibition against bringing discredit or disrepute to the real estate industry;
- ❖ Duty to clients in relation to signing of documents;
- ❖ Obligations in respect of agreements;

- ❖ Obligation in conveying offers and counter offers;
- ❖ Interpretation or translation if necessary;
- ❖ Duties in respect of advertisements;
- ❖ Duty to avoid conflict of interests;
- ❖ Recommending professional advice where appropriate;
- ❖ Safeguarding confidential information

This Code of Conduct is designed to foster trust and mutual respect amongst those working in the real estate industry. It is not intended to discourage fair and healthy competition within the industry, but to increase the esteem of the employers, their employees and the individuals who have earned them. We consider industry relationships critical to the industry's success.

The Kenya Property Developers Association (hereinafter "KPDA") and each member have agreed to adhere to and enforce the following Code of Conduct:

### **COMPANY STANDARDS**

#### **EVERY MEMBER OF KPDA SHALL:**

1. Be legally registered as a company and maintain current business, tax and regulatory permits required by law.
2. Uphold sound corporate governance in the administration of their business.
3. Operate from a permanent address with all the necessary facilities and equipment to conduct business in an efficient, thorough and timely manner.
4. Maintain detailed and authentic financial records, following generally accepted accounting principles and maintaining appropriate financial control policies and procedures.
5. Arrange a detailed annual audit by an established, registered and qualified accountant.
6. Observe all national laws and other regulations relevant to the projects s/he undertakes and take reasonable care not to knowingly engage with Customers, partners or financiers who conduct illegal or unethical business.

### **DUTIES TO CUSTOMERS**

#### **EVERY MEMBER OF KPDA SHALL:**

1. Discharge all duties to the Customer with honesty, integrity and impartiality.
2. Perform all services in a conscientious, efficient and safe manner and accept only business that the KPDA Member reasonably believes it can perform competently, diligently and in the time required.
3. Observe all legal requirements pertaining to the transfer, development and sale of the property.
4. Engage only qualified and registered professionals in the development process and perform reasonable due diligence to ensure the same are registered, insured and of good repute.
5. Ensure that where any payments are legitimately due to the Customer or professionals involved in the contract, the same are made as promptly as possible
6. Exercise due care when handling monies on behalf of the Customer
7. Protect the privacy and confidentiality of the Customer and only disclose non-public information regarding the Customer if:
  - a) Authorized by the Customer to do so;
  - b) Such disclosure is in furtherance of the transaction with the Customer; or
  - c) Such disclosure is required by law or is necessary to prevent a crime or imminent and serious bodily harm to the Customer, the KPDA Member or a third party.
8. Refrain from fraudulent practices, including but not limited to:
  - a) Forgery or alteration of any document;
  - b) False, fictitious or misleading entries or reports;
  - c) Misappropriation of a third party's money or other property; and

- d) False or misleading statements to those investigating irregularities or other misconduct.
9. Refrain from knowingly paying or receiving a bribe or kickback or conferring any benefit intended to influence the conduct of any public or quasi-public official or any political figure.
10. Disclose to the Customer any existing or potential conflict of interest and refrain from making any secret or inappropriate profit or commission from the transaction with the Customer.
11. Not discriminate against or harass any Customer and/or professional on the basis of tribe, race, religion, color, sex, nationality, handicap or family status.
12. Participate in continuing education activities to constantly improve the quality, affordability, innovation and safety of development projects undertaken or products produced or services rendered.
13. Take reasonable steps to conserve the environment in all projects undertaken and make reasonable efforts to foster congenial community relations.
14. Do all in his or her power to provide the Customer with competitive prices and terms so as to make the goal of affordable housing to all Kenyans a reality.

### **DUTIES TO FELLOW MEMBERS**

#### **EVERY MEMBER OF KPDA SHALL:**

1. Deal truthfully with other Members and refrain from making any claim known or suspected to be false.
2. Act with utmost good faith in all dealings with fellow Members.
3. Not engage in activities that constitute an illegality in law when dealing with fellow Members.
4. Co-operate with other Members as far as is possible in initiatives to bring down development costs (including but not limited to through formation of joint ventures and sharing of infrastructural costs).
5. Alert KPDA and other Members to public officials, professionals and developers that perform sub-standard work or promote unethical practices.
6. Not malign the name of any other Member in a bid to market oneself as better or otherwise make false or misleading statements about competitors, their businesses or their business practices but instead co-operate with them and work as a team with a common agenda.
7. Support KPDA and other Members in reasoned efforts initiated in good faith to oppose and confront fraud, corruption and harassment of fellow Members.
8. Where charged with unethical practice or requested to co-operate in any other way by KPDA or any government, legal or other investigative body, promptly co-operate and not seek to disrupt or obstruct such process.
9. Participate actively as a KPDA Member and as a stakeholder in the building industry to promote the principles of this Code of Conduct and to support the development of the property development industry.
10. Generally desist from engaging in any practice or take any action inconsistent with the goals and objectives of KPDA.

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**KENYA PROPERTY DEVELOPERS ASSOCIATION CODE OF CONDUCT**

*Adherence and Commitment Letter*

As a company involved in the property development business in Kenya, and in my capacity as the CEO/Director/Managing Director of \_\_\_\_\_  
(Please write name of company), I hereby express my company's voluntary will and commitment to adhere to the KPDA Code of Conduct.

I understand that we (as a company) are obligated to read through the Code of Conduct and to comply with the principles and policies outlined in the Code of Conduct, including any amendments made by KPDA.

In order to demonstrate our commitment to this Code of Conduct we shall endeavor to do the following:

1. Maintain high company standards and observe all Kenyan laws;
2. Observe our duties to Customers;
3. Observe our duties to fellow Members.

This letter will be signed once upon a member joining KPDA and shall be witnessed by a member of the KPDA Secretariat Staff.

**CONSENT BY APPLICANT**

**NAME OF COMPANY/ORGANIZATION:** \_\_\_\_\_

**FULL NAMES:** \_\_\_\_\_

**DESIGNATION:** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**WITNESSED BY (KPDA)**

**FULL NAMES:** \_\_\_\_\_

**DESIGNATION:** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_