

NCCG BUILDING PERMITTING APPROVALS REPORT FOR THE PERIOD JULY - SEPTEMBER 2016
Prepared by *purity mukami kinyamu*

NCCG BUILDING PERMITTING APPROVALS REPORT

JULY - SEPTEMBER 2016



Fortis Tower, a building developed by AMS Properties Ltd

SOURCE

The 2016 Quarter 3 KPDA NCCG Building Permitting Approvals Activity Report provides a summary of statistical information on planning permitting activity in Nairobi for the period between July and September 2016. Only statistics received from the Nairobi City County Government, Urban Planning Department have been used as references.

This report uses building permitting approval requests submitted to the Nairobi City County Government which are then analysed and approved by a specialist committee appointed by the Urban Planning Department of the Nairobi City County Government. The report contains information on applications that have been approved by the specialist committee highlighting development locations, types, values, application revenues and process performances.

STATISTICS

580 planning applications were approved during this period which is 21% less than that of Q2 same year. Other key statistics from this report include:

- Value of approved permits was over Kshs.25.7 billion worth of development projects and permitting fees collected were over 203 million;
- The highest value of buildings submitted for approval was **Kshs. 1, 133, 100, 000** by the Alexander Forbes Retirement Fund and the maximum submission fee paid was **Kshs. 11,366, 000**;

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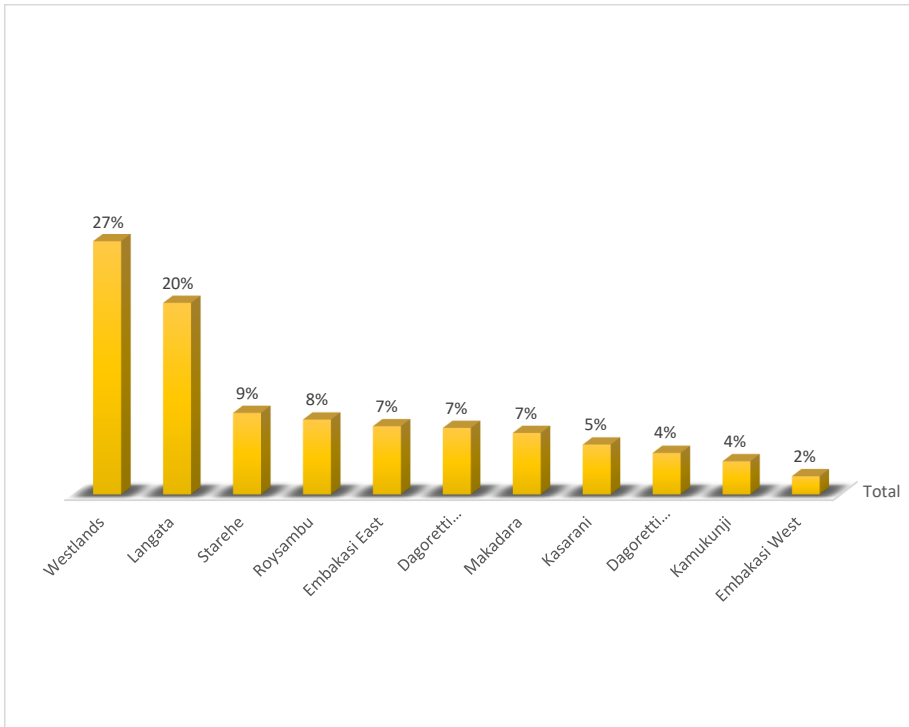
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- On average the estimated value of development was Kshs. 44, 503, 571 and that of submission fees totaled Kshs. 352, 820 which is close to the averages of the previous quarter;
- The location of buildings with the highest percentage of permits/approvals were from the below subcounties:
 - ♣ 26% in Westlands
 - ♣ 20% in Industrial Langataea and
 - ♣ 8% in Starehe and Roysambu
- Based on the Kenyan Building Code of 1997, this report depicts permits that were issued in the following percentages in accordance to the named classifications below:
 - ♣ 80% (462) - Domestic Class (domestic buildings, commercial developments and offices)
 - ♣ 12% (71) - Public Class (religious buildings, social halls, libraries, schools, etc.)
 - ♣ 8% (47) - Warehouse Class (factories, industries and go downs)

A comparative analysis is provided based on monthly performance.

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PERMIT APPLICATION ACTIVITY BY SUBCOUNTY



There are more development activities on the Western side of Nairobi compared to the Eastern side. The highest permits were approved at Westlands and Langata areas.

- For a while Karen had the highest percentage of permits locality wise. This would be as a result of the construction of the Southern Bypass connecting the Nairobi - Naivasha Highway to Mombasa Road. The bypass has also enabled easy and fast commuting to the Jomo Kenyatta International Airport and Wilson Airport. The neighbourhood has an organized road network, with properly connected entry and exit routes that lead to and from Nairobi's central business district. This provides for closer proximity to Nairobi's central business district which most Kenyans find convenient. The high number of permits approved in the Karen area is also likely due to the high capital returns in rental and ownership income to be received by developers as the area is considered high-end.
- During this quarter we note that the distribution has shifted to westlands.
- Kamukunji has the least percentage of permits approved amongst the top 10 areas of developments approved.

Commented [PM1]: Discuss why

NB: Localities that do not appear in the graph had less than 2% presentation.

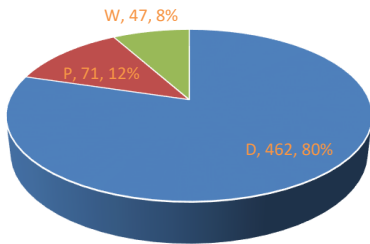
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DWELLING RELATED ACTIVITY ACROSS NAIROBI

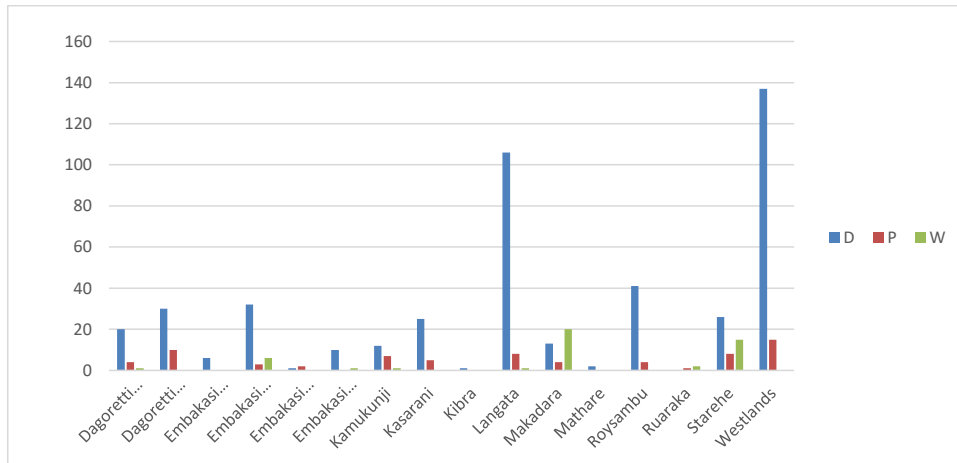
Buildings approved included domestic buildings, commercial developments, offices, religious buildings, social halls, libraries, schools, factories, industries and go downs. The following graph identifies permit applications that relate to various building classes:

Distribution by Building class



➤ It is notable that 80 % of the approvals for building permits were issued to the Domestic Class of buildings. 12% permits were issued to the Public Class and only 8% issued to the Warehouse Class. This can be majorly attributed to numerous emerging businesses, including but not limited to foreign investors and SMEs which has increased demand for offices and residential houses.

BUILDING CLASS BY LOCALITY

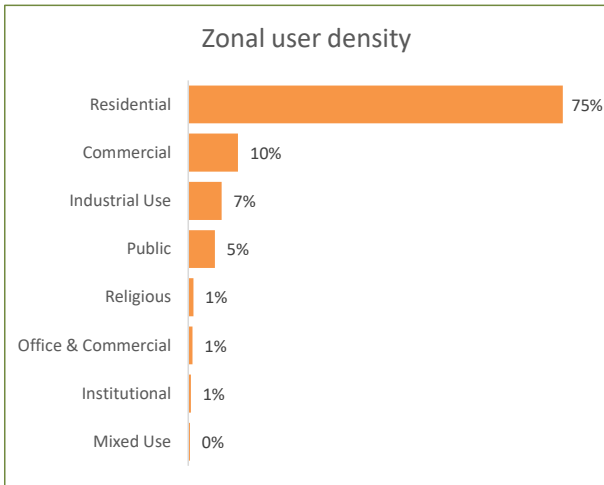


- The graph indicates Westlands being the area with the highest number of Domestic Class approvals.
- Makadara subcounty topped in approvals related to the Warehouse Class mainly because the area has a high number of industries as well as warehouses set up.

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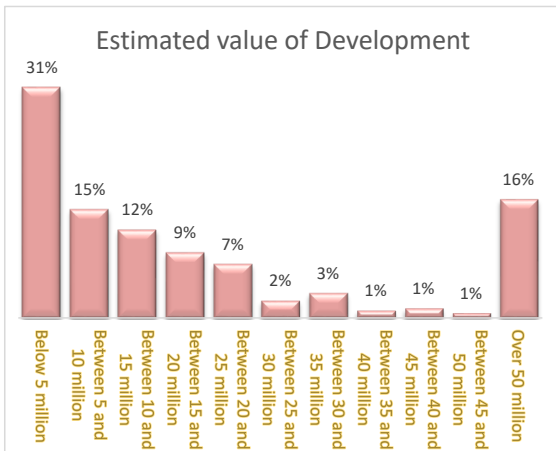
NUMBER OF APPROVALS BY ZONAL USER DENSITY



➤ The Residential Class accounted for 75% of the approvals (which is notably lower than the previous quarter) due to the high demand by Kenyans to own a home and the increase in the middle-aged working population who consider incurring the cost of buying a house rather than renting more significant an expense.

➤ Commercial Class buildings accounted for 10% which is slightly higher than Q 2. This could indicate shift to commercial use development probably due to higher returns and uptake as compared to residential class

THE VALUE TREND OF DEVELOPMENT PERMITTED BY THE NAIROBI CITY COUNTY GOVERNMENT



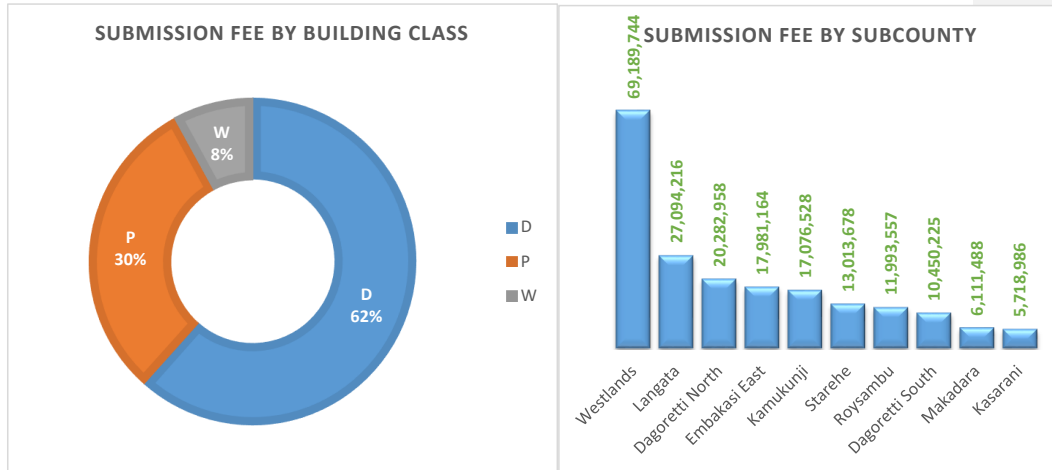
➤ 31% of the buildings presented for approvals were valued below Kshs, 5 million while 51% were valued between Kshs. 5 - 50 million. Most of these buildings were in the residential category.

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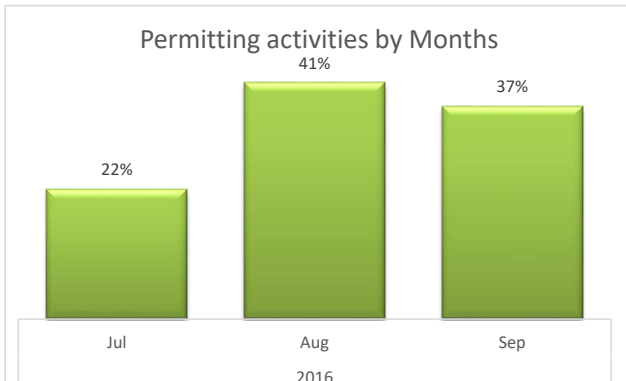
REVENUE FROM THE APPROVALS ISSUED BY THE NAIROBI CITY COUNTY GOVERNMENT

The main source of submission fee during this quarter is from Westlands followed by Langata. The category that contributed the highest amount of revenue is the Domestic Class.



MONTHLY ANALYSIS OF APPROVALS ISSUED BY THE NAIROBI CITY COUNTY GOVERNMENT

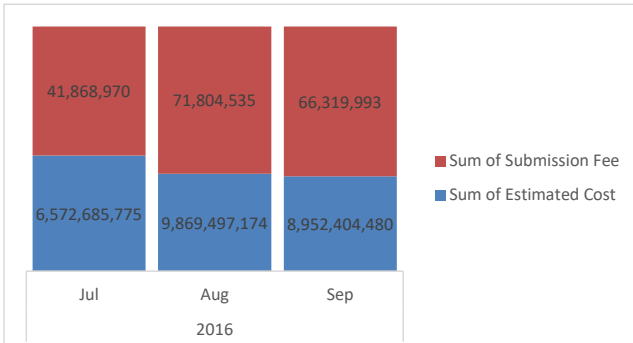
PERMIT PROCESSING PERFORMANCE



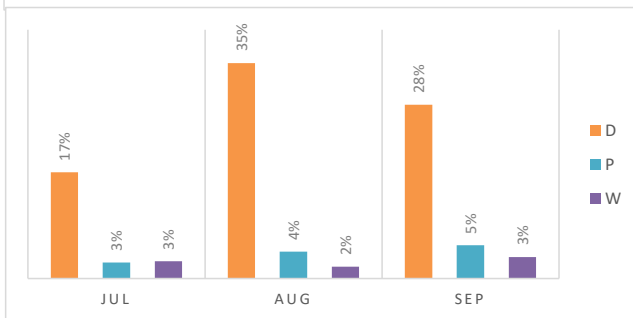
➤ August recorded the highest number of approvals in the third quarter accounting for 41% of all approvals issued in the quarter.

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➤ August had the highest investments in terms of estimated value of buildings which was Kshs. 9,869,497,174.

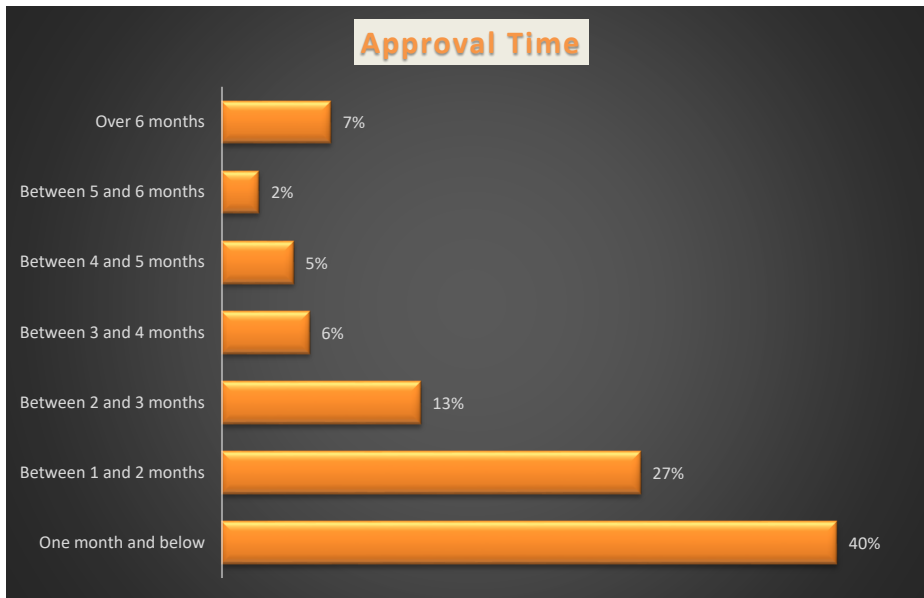


➤ Throughout the quarter, the Domestic class dominated the permitting activities of the NCCG. This may lead to imbalance in the county development as the residential and commercial development need to be substituted with the essential public establishments such as schools, churches, social halls etc.

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GRAPH DEPICTING APPROXIMATE APPROVAL TIME TAKEN BY THE NAIROBI CITY COUNTY GOVERNMENT TO CARRY OUT BUILDING PERMITTING



- Most of the permits took more than one month to be approved. This accounted for 60% of the total approvals percentage.
- On average, the number of days taken for approvals to be issued is 69 days which is slightly over 2 months.

COMPARATIVE ANALYSIS OF Q3 2016

		MONTH		
		July	August	September
Submission Fee		Kshs. 41,868,970	Kshs. 71,804,535	Kshs. 66,319,993
Estimated Value		Kshs. 6,572,685,775	Kshs. 9,869,497,174	Kshs. 8,952,404,480
Building Class	Domestic	99	201	162
	Public	15	25	31
	Warehouse	16	11	20

It is noted that there has been an increase in the worth of developments approved. Domestic buildings continue to have the highest number of approvals.

FOR MORE INFORMATION, KINDLY CONTACT THE KPDA SECRETARIAT

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