



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

EAST AFRICA PROPERTY INVESTMENT SUMMIT

15- 16 April 2015

Villa Rosa Kempinski, Nairobi Kenya

East Africa presents investors with a brilliant property sector driven by economic growth, strong regionally based trade and the prospect of future mineral revenues. With increased expenditure on infrastructure, foreign investment and diaspora remittance, East Africa has proven itself to be an area overflowing with potential. With a population of over 150 million, East Africa is one of the fastest growing regions with GDP on the rise, despite global economic conditions.

The goal of the EAPI SUMMIT is to connect like-minded individuals with the idea to pool resources on the East Africa real estate agenda. The East Africa Property Investment Summit 2015 provides the perfect environment for industry decision-makers to meet new partners, build personal relationships and engage in mutually beneficial deals across the continent.

For more information click on the link [E-API-Information- Flyer.pdf](#)

ESSENTIAL BUSINESS AFRICA, FOCUS ON KENYA

“Essential Business Africa are focused on promoting Kenya as a country, the successful companies operating within it and feel that your business would be of great interest to their readers.

They are offering to allocate you 8-10 pages of editorial based around an interview with senior colleague of yours such as the CEO or MD to follow on from the foreword we are providing them as part of their focus on construction and property development in Kenya. Once published in **Essential Business Africa** it will appear online for 12 months

on www.essentialbusinessmag.com with direct hyperlinks back to your site. Finally, they will reproduce the entire profile into a branded marketing brochure for you to use as your marketing material throughout 2015.

This opportunity is completely free of charge with no cost to your business whatsoever and nothing will be published without your authorisation and sign off prior to publication.

If this is of interest please contact Adam Caan, from Essential Business Africa, providing him with your contact details and he will guide you through the process and organise a project plan. His email address is acaan@essentialbusinessmag.com”

February 6

People Daily | Wahinya Henry | 6th February 2015

NAIROBI'S BIG NINE

Real estate consultancy, HassConsult says not even policies to fix run-away land prices can stabilise the cost of land in the city. “Land in Upper Hill and Westlands is expensive because investors can put up a 60 storey building and gain more.

In Karen, the same land will be for putting up a home and not a commercial building,” says HassConsult head of research and marketing, Sakina Hassanali, noting, “For prices to stabilise, investors in future will have to forego the craze to acquire land in the city and get out to the suburbs once infrastructure is put in place.”

According to the first ever land index released by Stanlib and HassConsult, land price in the most intensively developing nine suburbs of Nairobi for commercial and apartment investments is astounding.

Average price per acre in 2007 stood at about Sh30 million but today it is more than Sh170 million, according to the index whose data was from advertised land prices. “Accessibility, infrastructure and desirability, all additionally influenced pricing,” said Stanlib regional head of business development, Felix Gichaga.

The suburbs sampled in the index by Johannesburg based Stanlib company that manages and administers assets running into billions for over 400 retail and institutional clients and real estate consultancy HassConsult were Karen, Kileleshwa, Kilimani, Langata, Lavington, Runda, Spring Valley, Upper Hill and Westlands.

Where an area is zoned for commercial use, or for high density residential, which typically means apartment blocks, the land itself becomes worth considerably more than land for low density and residential only.

According to Gichaga, commercial property developers would rather pay more for land and later put up apartments or office blocks where the far higher sales proceeds can cover the big jump in land costs. This has also contributed to higher rents for apartments in the city.

[Read More](#)

People Daily | Jen Musyimi | 6th February 2015

CONSTRUCTION MALPRACTICES ALWAYS CATCH UP

We come across developers every now and then who believe that the construction industry in this country is compromised, so much so that they think they would get away with anything provided they were willing to pay for it. People who believe the industry is corrupt and rotten. The fact remains that no one gets away with any malpractice in construction.

So, the developer with this mindset will expect the architect to design a ten storey building in an area whose approved plot ratio is in contradiction. Or they will urge you to develop their plot that borders the river, disregarding the riparian jurisdictions. Or develop near a road disregarding the way-leaves.

Your building that lies on the road reserve or the river line will be demolished tomorrow when another government is in place or different leaders are in office. And you will blame no one. Similarly, that building that was constructed in a compromising manner will collapse by daybreak. And you will only lament from a distance.

What the National Construction Authority is doing is teaching us that no one will get away with any malpractice in this industry any more. The contractor who put up the building that has structural compromises is being pursued, long after he completed his shoddy works.

And we have also seen buildings being marked for demolition way after they are occupied, case in mind is the recent Utawala/Syokimau saga. [Read More](#)

February 10

Daily Nation | Abiud Ochieng | 10th February, 2015

TATU CITY OWNERS FALL OUT, AGAIN

Development of Tatu City could stall again after another fall out between shareholders hit the Sh240 billion project.

On Friday, local partners and directors, Mr Nahashon Nyagah and Mr Vimal Bhimji, moved to the High Court claiming that their foreign counterparts, Mr Stephen Jennings and Mr Hans Jochum Horn, are frustrating the project and have failed to account for money raised since the project began.

Mr Nyagah also claims to have been kicked out as a director and chairman of the board. Mr Pius Mbugua Ngugi has been appointed in his place. Other managers of Tatu City Ltd were also appointed.

Mr Nyagah said these actions are being undertaken by the foreign investors to give them exclusive control over affairs of Tatu City Ltd and Kofinaf, a coffee firm on whose land the project sits, so that they may continue pilfering the capital and income of the company and its assets.

“There is real danger that such actions will leave the company exposed because the properties of Tatu City Ltd and Kofinaf Company Ltd would have been sold, the proceeds siphoned out of the country and beyond reach because they are not Kenyan nationals and cannot be readily available to account should the project stall or fall,” said the former Central Bank of Kenya governor.

The application was certified urgent and will be heard on February 27, 2015. [Read More](#)

February 11

The star Newspaper | KNA | 11th February, 2015

ENGLISH POINT MARINA CONCEPT SET TO REVOLUTIONISE KENYA'S TOURISM INDUSTRY

Aerial View of English Point Marina and its docking bay.

Mombasa, a premier regional tourist destination which has seen dwindling tourist figures in recent years, will soon enjoy a massive Sh5 billion luxury cruise boating investment. The English Point Marina in Mombasa boasts 96 luxury apartments and eight penthouses overlooking the expansive Indian Ocean and offers a scenic view of the city's Old Town area and Fort Jesus. The four-acre luxury marina project is the brainchild of two Mombasa born and bred brothers; Alnoor and Aryn Noor who acquired English Point after recognising its unique location and untapped cruise tourism potential. English. [Read More](#)

February 12

Standard Newspaper | H&A correspondent | 12th February, 2015

CROWN PAINTS TO INVEST SH225M IN RWANDA

Kenya: Paint manufacturer Crown Paints has announced its entry into Rwanda with the establishment of an ultra-modern paint showroom in Kigali with a five-year plan to invest about \$2.5 million (Sh225 million). Rwanda is the third country to host Crown Paints' showrooms in East Africa as the paint maker also owns five in Kenya and one in Tanzania. According to Crown Paints Group CEO Rakesh Rao, the company also plans to establish a paint factory in Rwanda. "We aim to acquire more customers and equip them with knowledge on our paints portfolio. There is a boom in the construction sector in Rwanda and consumer tastes are changing fast, with more people using texture and stone finishes," said Rao. Crown Paints opened a depot in Kigali six months ago. Next frontier According to Rao, Rwandan market is the next frontier for its growth in the coming years: "With the rise in construction, Rwanda market offers a great opportunity for Crown Paints. We have gained a great level of stability in a short period. The market offers a lot of opportunity for quality paints." The showroom will also serve customers from the Democratic Republic of Congo and Burundi. The firm has been in an expansion overdrive. Last year, Crown Paints announced its entry into the Tanzanian paint industry. The group, then, said it intended to invest \$3.6 million (about Sh316m) in 18 months to build a market leading company. Crown Paints also opened a paint showroom located in Dar-es-Salaam at this time. The company announced that Dar-es-Salaam will become the headquarters of Crown Paints Tanzania, enabling the company to expand into other provinces in the country. Last year also saw the group open showrooms and depots in various towns in Kenya. Its latest foray into Rwanda dovetails with the firm's ambitious

growth plan. [Read More](#)

Standard Newspaper | Harold Ayodo | 12th February, 2015

RESTRICTIVE COVENANTS GAINING POPULARITY, KEEP ESTATES SERENE

Some homeowners are being slapped with law suits for interfering with the ambience of exclusive estates. Most of the investors bought homes in gated communities before ‘abusing’ the serenity of the posh areas by constructing extensions (servants quarters) in breach of prior agreements. Others even set up mama mboga kiosks (make shift vegetable shops), salons and car wash dens in areas designated for mini-shopping malls. The affected homeowners are receiving legal letters and eventual law suits for breaching restrictive covenants they signed before buying the houses. Restrictive covenants limit the manner in which homeowners use their property for the benefit of adjoining neighbours. Once made, the agreements bind even third parties who were not party to the original bargain as a property right. Even the Court of Appeal has set precedents on judgments against property owners who have breached binding restrictive covenants they never signed originally. Prospective investors in property should therefore confirm whether there are such binding legal agreements before purchase. See Also: County to build 10,000 houses for teachers It is the responsibility of property lawyers to read sale agreements between the lines and advise their clients in detail before buying property. Prospective property buyers should also ask questions to conveyancers they have engaged as investors have a right to make informed decisions. Legally, purchasing such property means the owner is contractually giving up certain property rights that were entered into by the original seller. The restrictive covenants can also be enforced by developers and county councils to protect property values and residents from cutting down trees or destroying historic elements. Others could be preserving serenity of a neighbouring property, restricting the number of pets and prohibiting installation of solar panels. [Read More](#)

Standard Newspaper | Mkala Mwaghesha | 12th February, 2015

COUNTY TO BUILD 10,000 HOUSES FOR TEACHERS

Nairobi County will build 10,000 housing units for its teachers. The houses, to be built in Uhuru and Embakasi estates, will benefit the over 8,000 teachers working in the county. The move is part of recommendations by a task force that looked into the education sector. Speaking last week at the opening of a regional conference on education, Governor Evans Kidero also said that teachers bodies like Knut, Kepsha and Kessha will also be provided with space. The county has 21 day nurseries, 178 pre-units, 205 primary schools, 82 secondary schools and 11 technical institutions. [Read More](#)