

KPDA Media Weekly Review Report as at 10th December 2020



CEO DE-BRIEF

KPDA ADVOCACY - COMMENTS ON THE DEFECTS LIABILITY PROPOSAL - NATIONAL CONSTRUCTION AUTHORITY REGULATIONS 2019



Our Ref: KPDA/01/2020

10th January 2020

Sussane B. Lutta
Senior State Counsel
Ministry of East African Community and Regional Development- KENYA
Cooperative Bank House, 17th Floor
Haile Selassie Avenue
NAIROBI

Dear Madam,

RE: COMMENTS FROM KPDA ON THE DEFECTS LIABILITY PROPOSAL - NATIONAL CONSTRUCTION AUTHORITY REGULATIONS 2019

Pursuant to your request to receive written proposals towards the Defects Liability section of the National Construction Authority Regulations 2019 - Code of Conduct for the Construction Authority, we hereby wish to tender our comments as seen below:

1. Regulation 1.2 proposes to have the Defects Liability Period (DLP) period run for between **24 to 60 months**.

Considering that 50% of the building contract's retention amount is paid on date of practical completion and the remaining amount at the end of the DLP period; extending DLP to 60 months would likely lead to Contractors increasing the contract sum to cover the time value of the amount that would be locked by the Client.

Conversely, the Contractor would suffer a longer period within which they would have to correct defects at their cost and the Client would likely have to pay a higher contract sum. Considering that this initiative is under the auspices of the Ease of Doing Business Agenda, this amendment would have the opposite effect which is to make doing business harder. We therefore propose that the DLP remain as is, between **six to twelve months**.

2. Clause 1.4 obliges the Contractor to provide the owner of the project Performance Security to cover the DLP period. This addition is unnecessary as construction contracts already provide for performance bonds and retention provisions. The regulations should instead make it clear at what point the security would become payable and whether it ought to be part of the performance bond. We would therefore recommend the removal of this clause.



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Monday, December 16, 2019

Elizabeth Mwangi-Oluoch
Chief Executive Officer,
Kenya Property Developers Association,
P.O Box 76154 – 00508,
Nairobi, Kenya.



Dear Madam,

**RE: CAPACITY BUILDING AND EXPOSURE TOUR TO INDIA – DELHI,
BANGALORE & GOA – 29TH FEBRUARY – 10TH MARCH 2020**

KCB Bank Kenya Ltd. is the leading mortgage solutions provider in Kenya today. With the growing need for professionalism among the Developers in Kenya, and with keenness to participate in the Big 4 Agenda of Housing through partnerships with developers, the KCB Mortgage Division has organized an international exposure/capacity building trip for members of our Developers Club. The Developers Club consists of stakeholders in the real estate industry.

With the current rapid urbanization in India, the fundamental strategy for affordable housing is to combine the strengths of the private sector with those of the public sector in order to overcome challenges and in turn achieve superior outcomes that spurs growth in the affordable housing segment.

The Kenya Property Developers Association is a key player in the real estate sector in Kenya in promoting the involvement of the private sector. KCB, as a partner of KPDA, will be privileged to have you join us, together with some of your members for our business exposure trip to India.

Key highlights for the trip include;

- Affordable Housing
- Alternative building technology/Construction techniques that will provide insights for delivery of affordable housing
- Housing Policy/Regulatory Framework and Planned Cities
- Agriculture/Greenhouse Technology
- Day Trip to Mumbai

KCB Bank Kenya Limited
Directors: A. A. Khawaja (Chairman); J. N. Oigara; T. D. Ipomai; C.S. – National Treasury;
S. K. Rono; Ms. N. Onyango; Mrs. C. Okongo; J. W. Muigai; S. Makome

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9th January 2020

Daily Nation | Stephen Munyiri | Thursday 9th January 2020

TRADERS WORRIED AS KENYA RAILWAYS PURSUES KARATINA LAND

The Kenya Railways Corporation has stood its ground, saying those who have encroached on its land in Karatina, Nyeri County, must move to pave the way for revival of the Nairobi- Nanyuki line.[Read More.](#)

The Standard | Nikko Tanui | Thursday 9th January 2020

TEACHER WHO TURNED TO BRICK MAKING NOW EARNS SH90,000 A-MONTH

In 2014, Francis Tonui wanted to build his dream house.

But when he visited a contractor to find out how much it would cost, he was taken aback when he was presented with a Sh16 million Bill of Quantities.[Read More.](#)

The Standard | Mwangi Muiruri | Thursday 9th January 2020

STATE MOVES TO STREAMLINE MANAGEMENT OF PUBLIC LAND

Developers of an upcoming city, owned by the Kenyatta family in Ruiru, are on the spot after their dam caused rain water to flood homes in surrounding areas in the small hours of Thursday.[Read More.](#)

Business Daily | Philip Muyanga | Thursday 9th January 2020

HOW PENSION SCHEMES CAN CUT PROPERTY BUSINESS RISKS

Pan-African financier Shelter Afrique got a reprieve after the High Court halted an order requiring it to pay Sh8.7 million to a company which owns apartments in Mombasa.[Read More.](#)

8th January 2020

Business Daily | James Kariuki | Wednesday 8th January 2020

REALTOR TARGETS FARMERS IN PLOT CONSOLIDATION DEAL

Real estate developer, Exurbia Living has bucked the recent trend of subdividing farmland into plots by consolidating its holding in Kajiado targeting agriculture buyers.[Read More.](#)

7th January 2020

Daily Nation | Waweru Wairimu | Tuesday 7th January 2020

TURKANA COMMUNITY IN ISIOLO WANTS LAND ADJUDICATION HALTED

Members of the Turkana community living in Isiolo have demanded the revocation of the legal notice establishing the county as an adjudication area.[Read More.](#)

6th January 2020

Daily Nation | Joseph Wangui | Monday 6th January 2020

NSSF LOSES SH293M IN SHADY LAND DEAL DONE 24 YEARS AGO

The National Social Security Fund (NSSF) has lost Sh293 million in a shady land deal carried out 24 years ago by reclusive city billionaire Mike Maina, lawyer Chege Kirundi and government officials.[Read More.](#)

5th January 2020

Business Daily | Victor Juma | Sunday 5th January 2020

HF NOW EXITS HOMES CONSTRUCTION TO CUT REAL ESTATE EXPOSURE

Mortgage financier HF Group will exit the homes construction business once it completes the units it is currently building.[Read More.](#)

Business Daily | Otiato Guguyu | Sunday 5th January 2020

PORTLAND CEMENT BOOKS SH1.6BN LOSS FROM LAND SALE

East African Portland Cement Company (EAPCC) made a loss of Sh1.6 billion from sale of part of its land holdings in the year ended June, an audit of its books by PricewaterhouseCoopers (PwC) shows.[Read More.](#)

Business Daily | Cathy Mputhia | Sunday 5th January 2020

FINALLY, A BILL TO CURTAIL PUBLIC LAND GRABBING

Paul Mutiso is an ambitious entrepreneur in the technology sector. As part of his five- year investment plan, Paul sought to buy a half acre property in Syokimau to build a family home. He began searching online for properties for sale and indeed landed on one that appealed to him.[Read More.](#)

For more information on the **KPDA Media Weekly Review Report**, kindly contact the
KPDA Secretariat on **0737 530 290** or **0725 286 689** or by emailing
ceo@kpda.or.ke

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