

## KPDA WEBINAR: CONSUMER SAFEGUARD AND AWARENESS IN THE KENYAN REAL ESTATE SECTOR, WEDNESDAY 14<sup>TH</sup> JULY 2021

On Wednesday 14<sup>th</sup> July 2021, KPDA held a webinar on Consumer Protection in the Kenyan Real Estate Sector. The session which run from 2.00pm to 4.00pm EAT revolved around discussions on the pitfalls consumers face in the sector and different ways in which they can protect themselves. There were 91 participants.

The webinar brought together the following panelists:

- ❖ Margaret Kibe - Managing Director of Bahati Ridge Development Ltd
- ❖ Ruth Okal - Property Investment Manager for ILAM Fahari I-REIT
- ❖ Ian Odongoh - Advocate from Karanja Njenga Advocates

The session was moderated by Steve Aldridge who is a Director at Global Property Advice.

### TAKEAWAYS FROM DISCUSSIONS

1. Delinquent and unethical developers need to be weeded out so that the consumers are given better protection and developers compete on fair and equal terms.
2. The Real Estate Regulatory Board could be effective as a self-regulating body through “RERB APPROVED DEVELOPERS” status and the wide promotion of “RERB APPROVED DEVELOPERS” as a mark of confidence, protection and trust.
3. Elements of an “approved developer” could include indicate that a development:
  - Display transparency of the firm’s directors and the development’s source of project finance
  - Has undergone due diligence carried out by a panel of lawyers
  - Provide for the standardization of sales and purchase agreements with the inclusion of consumer safeguards and guarantees throughout the purchase process.
  - The disclosure of land ownership
  - Include capital controls, gearing guidelines and client deposit escrow accounts.
  - Receive a guarantee of the developer’s performance by a bank (this is practiced in Europe)
  - Receive a payment guarantee from the purchaser’s bank (this is practiced in Europe)
  - One stop shop statutory approvals (NEMA and Building Permits)
  - Allow for bank engagement as escrow holder and lender
  - Put in place a long-term management and service charge plan
  - Provide for construction insurance
4. The regulation of Real Estate Investment Trusts (REITs) has already encountered some of these consumer controls and can be learned from.
5. KPDA is in the best position to play a key role in the assembly and delivery of the objectives of the proposed for Developers’ Regulatory Board

We are grateful to our Moderator, Panelists and audience for making this webinar a success.

For more information on the webinar please contact the secretariat through the email address [ceo@kpda.or.ke](mailto:ceo@kpda.or.ke) or calling 0725 286 689 or 0737 530 290.