



Kenya Property Developers Association

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CEO MORNING LEARNING SESSION HELD ON TUESDAY 17TH MAY 2016 AT THE INTERCONTINENTAL NAIROBI HOTEL

THEME: *'Lessons in Affordable Housing and Building Technologies in Kenya'*

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Speakers and members of KPDA staff as well as some members of the KPDA Board of Directors take a group photo

Abraham Harold Maslow, an American [psychologist](#) created the famous [Maslow's hierarchy of needs](#), a theory of psychological health predicated on fulfilling innate human needs in priority. The theory states that people are motivated to achieve certain needs and that when one need is fulfilled a person seeks to fulfill the next one, and so on and so forth. This theory, developed in 1943 continues to be used as a teaching medium in classrooms and in working industries to depict what motivates man. Top most to be achieved as a priority human need is shelter, and therefore all other non-physiological aspects may be fulfilled but if this basic physiological need is not fulfilled, then man will not be satisfied.

As such, KPDA's role in the provision of affordable housing and or the access to facilities that help Kenyans put up affordable housing cannot be trivialized. It is with this in mind that on Tuesday, 17th May 2016, KPDA organized for a **CEO Morning Learning Session** with the theme *'Lessons in Affordable Housing and Building Technologies in Kenya.'* The event which was held at the Intercontinental Nairobi hotel was attended by one hundred and thirty eight (138) participants and was graced by the Cabinet Secretary for the Ministry of Land, Housing and Urban Development, Prof. Jacob Kaimenyi who stayed throughout the presentations.



Prof. Jacob Kaimenyi, Cabinet Secretary for the Ministry of Land, Housing and Urban Development at the event

In his remarks as the Chief Guest, Prof. Kaimenyi emphasised on the need for Kenyans to be provided for affordable and decent housing. He highlighted the key challenges that developers face which include (but are not limited to) lack of affordable financing, lack of sufficient tax incentives and the unavailability of land at affordable rates.

‘ Albeit all these challenges, I encourage developers to embrace new building technologies such as the use of Expanded Polystyrene Panels (EPS) which will lower the overall cost of constructing a vast number of affordable houses for Kenyans,’ he said.

He was also able to highlight that the Ministry had formed the Housing Contact Group, a technical working committee made up of various players from the private and public sector to discuss measures of improved provision of affordable housing in Kenya. The group which has been meeting since its establishment in November 2015, has since divided itself into the following main tenets:

- Mobilization of affordable funding
- Regulatory and institutional framework
- Incentives and
- Project profiling

The forum brought together the following speakers and panellists:

- Peter Muraya - CEO and Co-Founder, Suraya Property Group Ltd
- Bruno Pescheux - Managing Director, Bamburi Cement Ltd
- Mary Mathenge - CEO, The National Cooperative Housing Union (NACHU)
- Jack Liu - Managing Director, Boleyn Magic Wall Panel Ltd (BMWP)
- Ms. Kahumbya Bashige - The Regional Business Manager, Shelter Afrique
- Patrick Bucha - Housing Secretary, Ministry of Land, Housing and Urban Development

One of the presentations made by Peter Muraya who is the CEO and Co-Founder of Suraya Property Group Ltd on ‘*A Case Study on Affordable Housing in Kenya: Focus on Suraya Property Group Ltd*’. He began by explaining the difference between affordable housing and low cost housing. The Government’s definition of a minimum low cost house is ‘2 habitable rooms measuring no less than 32sqm.’

One of the event sponsors, Bamburi Cement Ltd also gave remarks on the event’s theme through their CEO and Managing Director, Bruno Pescheux. He was able to brief the audience on their ‘Maskani’ Program which they have been running for the last one (1) year in Kenya and for almost five (5) years in other African countries such as Malawi.

The National Cooperative Housing Union (NACHU) represented by their CEO, Mary Mathenge, highlighted their contribution to improved shelter and quality of life for modest and low income communities through the provision of access to capacity development, technical services and financial solutions. Over

the years, NACHU has housed hundreds of informal, ‘jua kali’ workers, women and youth groups throughout various counties in Kenya, not just Nairobi.

Mr. Jack Liu, Managing Director of Boleyn Magic Wall Panel Ltd (BMWP) stated that ‘the fate of the real estate industry lies in the Industrialization of building process.’ BMWP is a company who have set up an EPS Panel Factory in Kitengela and they complete their developments using the EPS technology which, when done on a large scale, is cost effective.

Finally, participants received a presentation from the Regional Business Manager of Shelter Afrique, Ms. Kahumbya Bashige who spoke on ‘Housing Finance in Kenya: Perspectives from Shelter Afrique.’ In her remarks, Kahumbya stated that Shelter Afrique’s goal is to approve financing worth USD 1.1 Billion for new affordable housing across the continent over the next five (5) years.

Challenges Faced by Developers in Providing Affordable Housing Kenya

These challenges were identified as:

1. Expensive and affordable funding to developers
2. Lack of infrastructure and major basic amenities on land located in the outskirts of Nairobi (and also within Nairobi)
3. Delays and inefficiencies in land processes at the Ministry
4. Numerous licenses and levies payable which overlap in meaning

Way Forward on the Provision of Affordable Housing; KPDA’s Role

It was agreed that the following initiatives would be spearheaded by KPDA following this forum:

1. KPDA will continue to engage with the government to improve the efficiencies of land processes at the Ministry. A special sub-committee has been created by the KPDA Public Policy and Advocacy Committee which will be engaging the Ministry of Land, Housing and Urban Development with suggested proposals and suggestions. The same sub-committee will also look into monitoring and evaluating compliance of the Ministry’s Service Charters.
2. KPDA will work with the Ministry to set up a taskforce to examine fast tracking digitization of processes at the Ministry.
3. As a member of the Ministry’s Housing Contact Group on Affordable House, KPDA will continue to advocate for solutions to the challenges faced by developers to encourage more of them to take up affordable housing projects.
4. KPDA will encourage for Public Private Sector Partnerships (PPP) to encourage its members to get more involved in affordable housing by beginning to sign MoUs with NACHU and the Ministry.
5. To reduce construction related costs and streamline the sector, the Ministry has proposed the review of various levies imposed by various institutions and professional bodies including the National Environment Management Authority (NEMA), National Construction Authority (NCA) and other statutory levies. Further we proposed a **One Stop Levy** collection point to minimize inconvenience to developers who end up paying levies to many individual statutory institutions.
6. The Ministry will engage with the private sector to drive for the implementation of the National Policy on Investment which is a government initiative.
7. The Ministry will look into availing various parcels of land available throughout the country to developers to put up affordable houses at allotment prices. These parcels of land are currently lying mostly idle and are owned by both government and various parastatals.

We would like to give special thanks to our sponsors with whom, we could not have had a successful event:

- *Bamburi Cement Ltd*
- *Crown Paints Kenya Ltd*
- *Mabati Rolling Mills Ltd and*
- *Newmatic Africa Ltd*

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