



2019 KPDA ANNUAL REPORT



MISSION

To promote the involvement of the private sector in development through advocacy, education, research and ethical standards.

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VISION

Creating a value driven, sustainable and socially responsible real estate industry.

.....

OUR CORE VALUES

✦ Integrity and Honesty:

Integrity and honesty form the core of our daily decisions. We expect our members to uphold high standards of behavior and take personal responsibility for the decisions they make

✦ Transparency:

We believe that transparency builds trust. We are upfront and visible about decisions and actions we take

✦ Professionalism and Diligence:

We challenge and support our members to work to the highest industry standards. We honor our commitments and stakeholders' needs to the best of our ability

✦ Sustainable Practices:

We are committed to ensuring development serves human needs today while protecting the future of generations to come

✦ High Ethical Standards:

We conduct our daily operations in accordance with the highest ethical standards with full commitment to observance of applicable laws

FORWARD

The year 2019 was a successful one for KPDA and we managed, through the support of our members, committees, partners, the secretariat and the Board of Directors to achieve a majority of our goals.

We have significantly increased our advocacy activities to provide our members with a better business environment, as is our mandate and core reason for existence.

We believe that working together will make for Kenya's real estate sector to be deemed as an attractive investment option which in turn will boost our country's economy.



2019 MILESTONES



KEY ACHIEVEMENTS OF THE KPDA AFFORDABLE HOUSING TASK FORCE AND THE PUBLIC POLICY AND ADVOCACY COMMITTEE

KPDA has been working closely with the State Department for Housing and Urban Development to lobby for certain tax incentives to be issued in order to spur housing in Kenya. Our proposal to Treasury in May 2019 detailed the following assumptions and findings regarding the impact of taxation on housing delivery:

Assumptions

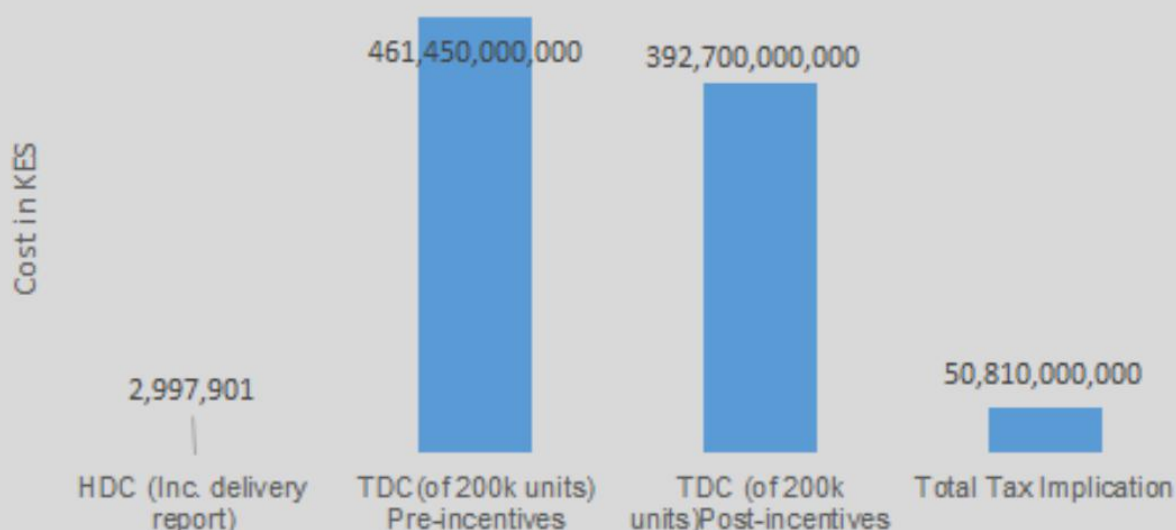
- 1) No. of Units constructed: 200, 000 units
- 2) Size of Units: 40sqm (2-bedrooms units)
- 3) Construction cost: KES 32, 000 (excl. VAT)
- 4) Import tax: Assumes 70: 30 ratio of local to imported construction inputs



Findings

- 1) Housing delivery cost: KES 2, 997, 901 (incl. of developer profit)
- 2) Total Development Cost (of 200k units) pre-incentives: KES 461.45 Billion
- 3) Total Development Cost (of 200k units) post incentives: KES 392.70 Billion
- 4) Total Tax implication: - KES 50.81 Billion (vs KES 392.70 Billion injected in the economy)

Findings Regarding the Impact of Taxation on Housing Delivery



2019 MILESTONES



As the Government strives to meet its Big Four Agenda on Affordable Housing, it must work closely with the private sector. Zero rating VAT (for example) for affordable housing for locally manufactured products and on professional fees would lead to a 10% reduction in price (KES 314, 496/-) resulting in a unit price of KES. 2, 590, 117/- and KES 48.41 Billion being collected in taxes.

KPDA is happy to report that some of these tax incentives were passed into the Finance Bill 2019.

They are:

VAT EXEMPTION

Value Added Tax Act, 2013: First Schedule. Goods imported or purchased locally for the direct and exclusive use in the construction of houses under an affordable housing scheme approved by the Cabinet Secretary on the recommendation of the Cabinet Secretary responsible for matters relating to housing.

IMPORT DECLARATION FEE & RAILWAY DEVELOPMENT LEVY

Import Declaration Fee & Railway Development Levy: Section 7 (2Ac): Without prejudice to the provisions of subsection (2), the fee at a rate of one point five per cent shall be charged on the custom value of input for the construction of houses under an affordable housing scheme approved by the Cabinet Secretary on the recommendation of the Cabinet Secretary responsible for matters relating to housing.

Railway Development Levy: Section 8 (2Ab): Without prejudice to the provisions of subsection (2), the fee at a rate of one point five per cent shall be charged on the custom value of input for the construction of houses under an affordable housing scheme approved by the Cabinet Secretary on the recommendation of the Cabinet Secretary responsible for matters relating to housing.



2019 MILESTONES



The AHP Tax Incentive Implementation Taskforce has been constituted to develop the implementation process and respective regulations to operationalize the passed incentives.

The Taskforce comprises of representation from SDHUD, Kenya Revenue Authority and private sector (KPDA, KEPSA and cooperatives)

Taskforce Goals:

1. Ensure that the process and regulations develop make sense from the user perspective (developers and cooperatives) and spur the increased supply of truly affordable housing.
2. Ensure incentives flow down to home owners.
3. Ensure incentives are not abused.



The Naivasha Affordable Housing Project (NAHP) Site Visit, Friday, 30th August 2019

Following an invitation from the World Bank Group, KPDA was duly represented in the site visit to the proposed project. The proposed Naivasha Affordable Housing Project (NAHP) project forms part of IFC's Kenya Competitiveness Enhancement Program (KCEP).

The site visit was meant to raise awareness, gauge interest and obtain final input from potential market players regarding the investment vehicle, the capital structure, deal terms, conditions, and proposed yields.



2019 MILESTONES



The National Assembly Speakers Round Table, 17th – 19th October 2019 at Travellers' Beach Hotel, Mombasa



KEPSA hosted the second National Assembly Speaker's Roundtable (SRT) with the 12th Parliament at Travellers' Beach Hotel in Mombasa on 17th to 19th October 2019.

KEPSA's business legislative agenda is carried through the Speaker's Roundtable (SRT) established in 2009 to facilitate structured private sector engagement with both Houses of Parliament (the National Assembly and Senate) and to strengthen private sector participation in policy and legislative development process.

At the beginning of every Parliamentary cycle, as was the case in 2018, KEPSA engages the new Members of Parliament in order to raise awareness on the Parliament's critical role in creating enabling business environment and to set the business legislative agenda for the life of the prevailing Parliament.

Much of the technical engagements on business legislation takes place at the Parliamentary Departmental level throughout the year with subsequent SRTs being organized each year to take stock of progress made in the previous year and agree on the business legislative agenda to be prioritized for the subsequent year.

The 2019 National Assembly Speaker's Round Table was the Sixth since establishment of the platform in August, 2009, and the second with the 12th Parliament following the inaugural engagement held on 5th October 2018 at Leisure Lodge Diani, Kwale County. The focus was identifying and harnessing legislative interventions to boost productivity and competitiveness of Kenya's businesses to spur growth & job creation.

KPDA was represented at the forum by Gikonyo Gitonga, KPDA Board Director during the fifth session whose focus was on **"Status Report on Unlocking the Potential of Big-4 Sectors to Drive the Economy- Policy and Legislative Interventions."** Gikonyo also heads the KEPSA Lands Sector Board.



The Senate Speaker's Roundtable Held on 7th – 9th November 2019 at The Great Rift Valley Lodge, Naivasha



KEPSA's business legislative agenda is carried out through various fora, among them the Speaker's Roundtable (SRT) established in 2009. The Senate Speaker's Roundtable is an annual engagement with the Senate, and is one of the Public- Private Dialogue engagement platforms established by KEPSA to dialogue on policy and legislative issues of concern to the Private Sector in relation to Kenya's economic development. It is a high level public private dialogue platform between the business community and Senate, and facilitates a joint review of the policy and legislative environment in the country in order to identify crucial legislation that need to be reviewed or fast-tracked based on the country's and private sector's development priorities.

The 2019 Senate Speaker's Round Table was the 5th Round Table since establishment of the Speakers Round Table platform in August 2009, and the second with the 12th Parliament. It brought together members of the Senate led by the Speaker of the Senate, Hon. Kenneth Lusaka, EGH, MP and private sector led by KEPSA Chairman Mr. Nicholas Nesbitt. The previous Senate Speaker's Round Table was held on 23rd to 24th November 2018 at Leisure Lodge, Diani, Kwale County.

The theme of the 2019 engagement was, "Boosting Business Competitiveness in the Counties for Growth & Job Creation: The Roles of the Senate & the Private Sector". It built on the success of the previous SRT engagement and provided an opportunity to develop more focused targeted and relevant legislative interventions for boosting Kenya's economic competitiveness for growth and job creation.

KPDA was represented at the forum by Gikonyo Gitonga, KPDA Board Director during the fifth session whose focus was on "Affordable Housing."



2019 MILESTONES



THE REVIEW AND FINALIZATION OF THE DRAFT BUILDING REGULATIONS (BUILDING CODE)

The National Construction Authority organized for a workshop to Review and Finalize the Draft Building Regulations (Building Code) on 5th and 6th December 2019.

KPDA was represented by David Gatimu who is a member of the KPDA Affordable Housing Task Force.



KEY ACHIEVEMENTS OF THE MEMBERSHIP AND OUTREACH COMMITTEE



2019 was a tough year for the industry, but we pulled through, now to conquer 2020!

We were able to increase our membership numbers to 154 from what the numbers were at the end of 2018 of 141.

KPDA has also expanded its membership categories and benefits as follows:

2019 MILESTONES



Platinum Membership Exclusive Benefits:

1. Appearance of logo in the KPDA e-newsletter, The Developer's Digest
2. Preferential event ticket rates and invitation to exclusive events
3. Appearance of logo in all issues of the KPDA Media Weekly Review Report
4. Opportunity to put up one roll up banner at one event in the year at no cost (Terms & conditions apply - excluding the Annual Conference)
5. 20% preferential discount for sponsoring the Conference (terms and conditions apply)

Associate Gold Membership Exclusive Benefits:

1. Introductory B2B
2. Preferential event rates
3. Appearance of logo in all issues of the KPDA Media Weekly Review Report (5 in a year)

Business Membership Organization Membership

1. Access to advocacy strength in numbers by serving on KPDA committees committed to working in the interests of the industry as a whole
2. Exposure to the local and international client base through listing in the KPDA website
3. Free access to information on the latest issues affecting the industry, via regular publications, newsletters, media reports and research
4. Participate (both as a delegate or an expert speaker) in networking events and professional development courses at discounted rates
5. Access discounted rates of 15 – 20% to KPDA international and local partner events

Associate Silver Membership Exclusive Benefits:

1. Access to advocacy strength in numbers by serving on KPDA committees committed to working in the interests of the industry as a whole
2. Exposure to the local and international client base through listing in the KPDA website
3. Free access to information on the latest issues affecting the industry, via regular publications, newsletters, media reports and research



2019 EVENTS



| Event | Date & Venue | Description |
|--|--|--|
| KPDA/SCAK Breakfast Forum | 28th February 2019 Villa Rosa Kempinski Hotel - Nairobi | "Emerging Trends in Financing Commercial Developments" |
| 7th KPDA AGM and Koroga Event | 3rd May 2019 Mint Shack Restaurant Nairobi | The event had an attendance of 82 persons and was sponsored by PMC Estates. |
| KPDA/RAK Breakfast Forum | 21st May 2019 Park Inn by Radisson Hotel | "The Journey of Bringing a REIT to the Market" |
| KPDA Learning & Development Symposium | 13th June 2019 ICEA Lion Centre, Nairobi | "The Legal and Tax Structuring of a Real Estate Joint Venture" |
| KPDA CEO Breakfast Forum | 30th July 2019 Villa Rosa Kempinski Hotel - Nairobi | "Know Your Regulator" |
| The Two Rivers/KPDA Members' Mixer | 22nd August 2019 Two Rivers Mall Exhibition Hall | The audience comprised approximately 100 delegates. It was sponsored by Two Rivers Development Ltd |
| KPDA/MMLTT CEO Breakfast Forum | 27th August 2019 Park Inn by Radisson Hotel - Nairobi | "Creating Commercially Viable Projects in Real Estate" |
| KPDA Half Day Workshop | 12th September 2019 Park Inn by Radisson Hotel - Nairobi | "The Financial Model and Market Research Training for Determining Project Feasibility" |
| The KPDA Annual Conference | 29th October 2019 Radisson Blu Hotel Nairobi | "The Challenging Kenyan Economy: Prospects in Real Estate" |
| End of Year KPDA Networking Koroga Event | 22nd November 2019 Spice Roots Restaurant - Nairobi | The event was proudly sponsored by Rexe Roofing Products Ltd and Cummins C&G Ltd an attendance of over 120 persons |



Property Developers

| No. | Company Name | | |
|-----|--|-----|---|
| 1. | Acorn Management Services Ltd | 15. | Coral Property International Ltd |
| 2. | Adwaa Alkhalil Development Company Ltd | 16. | Daykio Plantations Ltd |
| 3. | African Developers Groups for Construction and Investments | 17. | Dewbury Ltd |
| 4. | AHCOF Investments (Kenya) Ltd | 18. | Dunhill Consulting Ltd |
| 5. | Amazon Projects Ltd | 19. | Elegant Properties Ltd |
| 6. | Amboseli Court Ltd | 20. | Elm Ridge Ltd |
| 7. | AMS Properties Ltd | 21. | Endless Africa Ltd |
| 8. | Bahati Ridge Development Ltd | 22. | Enkavilla Properties Ltd |
| 9. | Blueline Properties Ltd | 23. | Fairdeal Development & Infrastructure Ltd |
| 10. | Camelot Consultants Ltd | 24. | Fedha (Management) Ltd |
| 11. | Century City Property Ltd | 25. | Golden Compass Ltd |
| 12. | Cheriez Properties Ltd | 26. | Heri Homes Properties Ltd |
| 13. | Chigwell Holdings Ltd | 27. | HF Development and Investments Ltd |
| 14. | Cytonn Real Estate | 28. | Home Afrika Ltd |
| | | 29. | House and Homes Ltd |





Property Developers

| No. | Company Name | | |
|-----|-----------------------------|-----|--------------------------------|
| | | 44. | Mlima Construction Company Ltd |
| 30. | iJenga Ventures Ltd | 45. | MML Turner & Townsend |
| 31. | Immensity Holdings Ltd | 46. | Mugumo Developments Ltd |
| 32. | INFPAC Ltd | 47. | Natureville Homes |
| 33. | Jabez Properties | 48. | Norcent Projects Ltd |
| 34. | Kamhomes Investments Ltd | 49. | Oakpark Properties Ltd |
| 35. | Karibu Homes | 50. | Optiven Ltd |
| 36. | Karume Holdings Ltd | 51. | PDM (Kenya) Ltd |
| 37. | Kings Developers Ltd | 52. | Pioneer Holdings (Africa) Ltd |
| 38. | Kzanaka Ltd | 53. | Prissy Apartments Ltd |
| 39. | Laser Property Services Ltd | 54. | Prism Residential Ltd |
| 40. | Leo Capital Holdings Ltd | 55. | Realux Holdings Ltd |
| 41. | Lordship Africa | 56. | Rozana Properties Ltd |
| 42. | Manrik Holdings Ltd | 57. | Sayani Investments Ltd |
| 43. | Meera Construction Ltd | 58. | Sherry Blue Properties Ltd |



Property Developers

59. Shreeji Development Ltd

60. Sigimo Entreprises Ltd

61. SJR Properties Ltd

62. SLOK Construction Ltd

63. Sohail Developments Ltd

64. Soma Properties

65. Superior Homes
Kenya Ltd

66. 14Trees Kenya Ltd

67. Tatu City Ltd

68. Tecnofin Kenya Ltd

69. The Combined
Warehouses Ltd

70. The Epic Properties Ltd

71. The GoDown Arts Centre

72. Tilisi Developments Ltd

73. Trident Estates Ltd

74. TSG Realty Ltd

75. Two Rivers
Development Ltd

76. Unity Homes Ltd

77. Username
Investments Ltd

78. VAAL Real Estate

79. Vishwa Developers Ltd

80. Wood Products Kenya Ltd





REAL ESTATE AGENTS /MANAGERS

| No. | Company Name |
|-----|-------------------------------|
| 1. | Axis Real Estate Ltd |
| 2. | Broll Kenya Ltd |
| 3. | Hass Consult Ltd |
| 4. | Knight Frank Kenya Ltd |
| 5. | MW&C Company Advocates LLP |
| 6. | Pam Golding Properties Ltd |
| 7. | Regent Management Ltd |
| 8. | Shabaha Solutions Ltd |
| 9. | Tyson's Ltd |
| 10. | Zevian Real Estate |



PROFESSIONAL FIRMS/ADVISORY SERVICE PROVIDERS/MANAGERS

a.) Law Firms

| No. | Company Name |
|-----|---|
| 1. | Anjarwalla & Khanna Advocates |
| 2. | Balala & Abed Advocates |
| 3. | Bowmans (Coulson Harney LLP) |
| 4. | Kanaga and Associates Ltd |
| 5. | Karanja Njenga and Company Advocates |
| 6. | Khayesi Njambi & Khayesi Advocates |
| 7. | KN Law LLP |
| 8. | Know Advocates LLP |
| 9. | Mboya Wangong'u & Waiyaki Advocates |
| 10. | Menezes and Partners Advocates |
| 11. | Mereka & Co. Advocates |
| 12. | MMC Asafo |
| 13. | Murimi and Company Advocates |
| 14. | O&M Law LLP |



PROFESSIONAL FIRMS/ADVISORY SERVICE PROVIDERS/MANAGERS

b.) ARCHITECTURAL FIRMS

- | | |
|----|--|
| 1. | Boogertman and Partners Architects Ltd |
| 2. | K&M Archplans Ltd |
| 3. | Morphosis Ltd |
| 4. | Paragon Architects |

c.) PROJECT MANAGERS

- | | |
|----|------------------------|
| 1. | Buy Rent Kenya Ltd |
| 2. | DLR Group Africa Ltd |
| 3. | Tandem and Stark Ltd |
| 4. | Global Property Advice |

d.) ASSOCIATIONS

- | | |
|----|---|
| 1. | REITS Association of Kenya (RAK) |
| 2. | Town and County Planners Association of Kenya (TCPAK) |

e.) ADVISORY FIRM

- | | |
|----|-------------------------|
| 1. | Emerge Developments Ltd |
|----|-------------------------|

INDUSTRY SUPPLIERS

a.) CEMENT PRODUCERS

- | No. | Company Name |
|-----|----------------------|
| 1. | Bamburi Cement Ltd |
| 2. | Rhombus Concrete Ltd |
| 3. | Savannah Cement Ltd |

b.) SECURITY PROVIDERS

- | | |
|----|----------------------------|
| 1. | Secureman Services Ltd |
| 2. | Dahua Technology Kenya Ltd |

c.) INTERIOR DESIGNERS

- | | |
|----|---------------------|
| 1. | Newline Ltd |
| 2. | Newmatic Africa Ltd |

d.) CERAMIC SUPPLIERS

- | | |
|----|------------------|
| 1. | Saj Ceramics Ltd |
|----|------------------|

e.) ROOFING PRODUCT SUPPLIERS

- | | |
|----|--------------------------|
| 1. | G&G Mabati Mills Ltd |
| 2. | Mabati Rolling Mills Ltd |





f.) ALUMINIUM FORMWORK SUPPLIERS

INDUSTRY SUPPLIERS

1. Ali Fabrication Solutions Ltd

2. Kumkang Kind East Africa Ltd

g.) EPS PANEL MANUFACTURERS

1. Cemex Holdings Ltd

2. Boleyn Magic Wall Panel Ltd

h.) BUILDING MATERIAL MANUFACTURERS

1. Classic Mouldings Ltd

2. Koto Housing Kenya Ltd

3. Sarma Enterprises Ltd

4. Capital Blocks and Pavers Ltd

i.) CONTRACTOR FIRMS

1. Questworks

j.) ENERGY SAVING SOLUTIONS

1. Davis and Shirtliff Ltd

2. Technical Engineering Services Ltd

k.) ONLINE PLATFORMS

1. iBUILD Kenya Ltd

2. Villasoft Ltd

l.) CAR AND GENERAL

1. Cummins C&G Ltd





FINANCIAL INSTITUTIONS/ MORTGAGE BANKS

| No. | Company Name |
|-----|--|
| 1. | BRITAM |
| 2. | Commonwealth Housing Mutual Help Group |
| 3. | Fusion Capital Ltd |
| 4. | Invhestia Africa Ltd |
| 5. | KCB Bank Kenya Ltd |
| 6. | NCBA Bank Kenya PLC |
| 7. | Popote Payments Ltd |
| 8. | Spearhead Africa Ltd |
| 9. | STANLIB Fahari I-REIT |
| 10. | Untapped Water Ltd Kenya |
| 11. | Vedman Capital Ltd |

GOVERNMENT INSTITUTIONS

| | |
|----|--|
| 1. | State Department for Housing and Urban Development |
| 2. | Polish Investment & Trade Agency |



FEBRUARY

KPDA Members Cocktail Event
(5.30pm – 9.30pm)
Theme: TBC

Date: Thursday, 20th February 2020
Venue: TBC

Organizers:
KPDA, Tel: 0725 286 689/0737 530 290
Sponsorship Opportunities Available!!

MARCH



KPDA CEO Breakfast Forum
(7.30am – 10.30am)
Theme: "Critical Matters in the Real Estate Cycle"

Date: Tuesday, 3rd March 2020
Venue: Nairobi Serena Hotel

Organizers:
KPDA, Tel: 0725 286 689/0737 530 290
Sponsorship Opportunities Available!!

APRIL

East African Property Investment Summit (EAPI)
Theme: TBC

Date: 1st – 2nd April 2020
Venue: Radisson Blu Hotel, Nairobi

Organizer:
API Events
Kfir Rusin – Managing Director
Email: krusin@apievents.com

APRIL

8th KPDA AGM and Koroga Event
(4.00pm onwards)

Date: Friday, 4th April 2020
Venue: TBC

Organizer: KPDA
Tel: 0725 286 689/0737 530 290
Sponsorship Opportunities Available!!



MAY

KPDA Half Day Workshop
(8.00am – 1.00pm)

Theme: TBC

Date: Tuesday, 12th May 2020
Venue: Park Inn by Radisson, Nairobi

Organizers:
KPDA, Tel: 0725 286 689/0737 530 290
Sponsorship Opportunities Available!!

JUNE

KPDA Half Day Workshop
(8.00am – 1.00pm)

Theme: TBC

Date: Tuesday, 23rd June 2020
Venue: Park Inn by Radisson, Nairobi

Organizer: KPDA
Tel: 0725 286 689/0737 530 290
Sponsorship Opportunities Available!!

AUGUST

KPDA CEO Breakfast Forum
(7.30am – 10.30am)
Theme: TBC

Date: Tuesday, 4th August 2020
Venue: Nairobi Serena Hotel

Organizer: KPDA
Tel: 0725 286 689/0737 530 290
Sponsorship Opportunities Available!!

AUGUST

KPDA Learning and Development Symposium
(8.00am – 1.00pm)
Theme: TBC

Date: Thursday, 27th August 2020
Venue: TBC

Organizer: KPDA
Tel: 0725 286 689/0737 530 290
Sponsorship Opportunities Available!!

OCTOBER

KPDA Annual Conference
(8.30am – 4.30pm)
Theme: TBC

Date: Tuesday, 27th October 2020
Venue: Nairobi Serena Hotel, Nairobi

Organizer: KPDA
Tel: 0725 286 689/0737 530 290
Sponsorship Opportunities Available!!

NOVEMBER

End of Year KPDA Corporate Networking Koroga Event (6.30pm onwards)

Date: Friday, 27th November 2020
Venue: TBC

Organizer: KPDA
Tel: 0725 286 689/0737 530 290
Sponsorship Opportunities Available!!



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Kenya Property Developers Association



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