

THE NAIROBI CITY COUNTY GOVERNMENT (NCCG) BUILDING PERMITTING APPROVALS REPORT

JANUARY - DECEMBER 2017



BRITAM Towers, Nairobi

SOURCE

The 2017 KPDA Building Permitting Activity Report provides a summary of statistical information on planning permitting activity in Nairobi from January to December 2017. During this reporting period, only statistics from the Nairobi City County Government are used as references. This report uses standardized data submitted to the Nairobi City County Government. The report highlights information on applications received, development locations, types and values, department revenue from applications and permit processing performance.

While every reasonable effort is made to ensure that the information provided in this report is accurate no guarantee for the currency or accuracy of information is made. The permitting data was provided to the Kenya Property Developers Association by the Nairobi City County Government Physical Planning Department.

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INTRODUCTORY SUMMARY ON THE REPORT

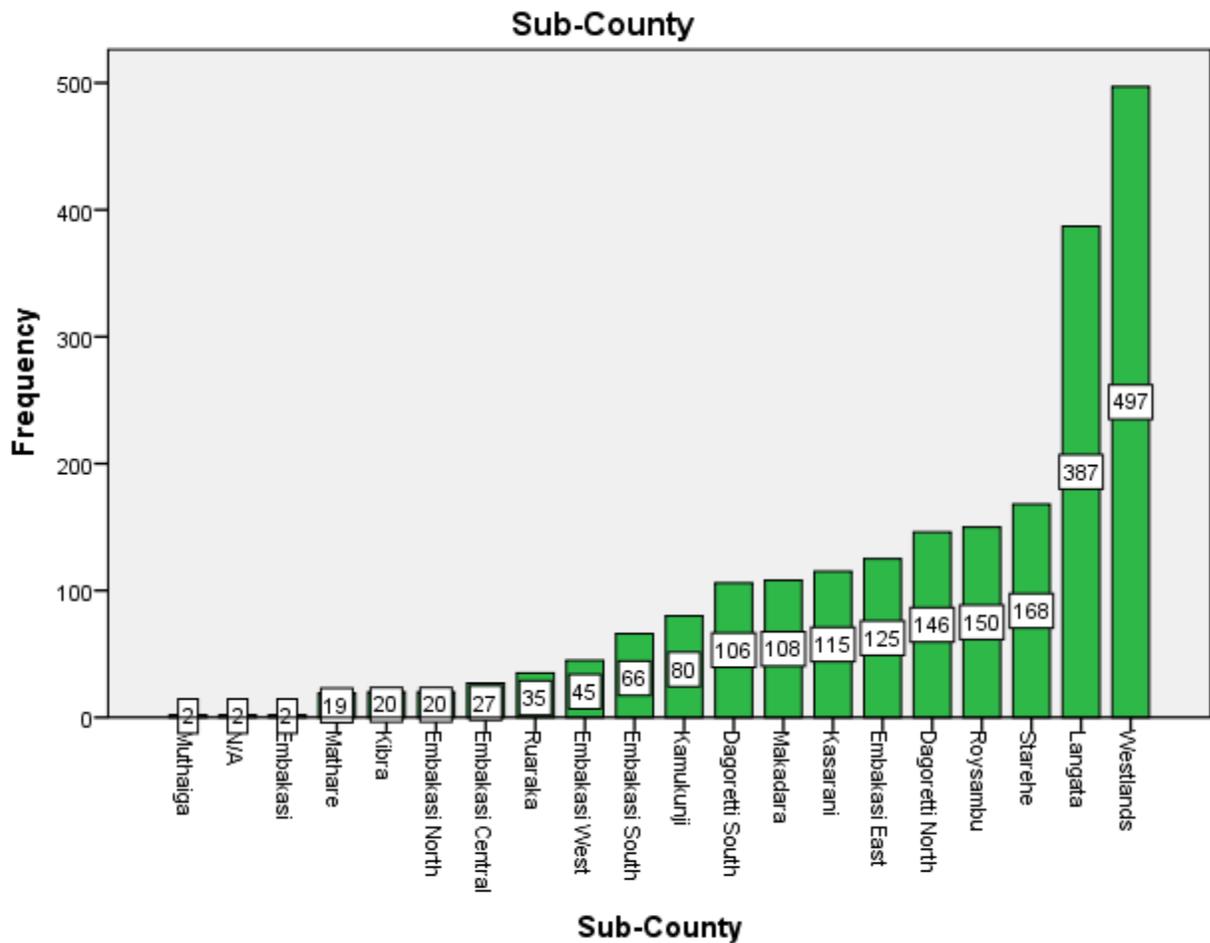
STATISTICS

A total of 2,120 building permit applications were approved from January to December 2017 with the last quarter having the highest number of approvals attributed to the long electioneering period. Other key statistics from this report include:

- Value of approved permits represents over Kshs.108.7 billion (108,666,025,515) worth of development projects and permitting fees collected were Kshs.951.99 Million (951, 987, 789.1);
- During 2017 the highest valued building submitted for approval stood at Kshs. 5,367,000,000 (Proposed amendment to mixed development) by Rosslyn Property Holdings Ltd and the maximum submission fee paid was Kshs. 57,658,610.
- On average the estimated value of building developments approved was Kshs. 51,281,749 and that of the submission fee was Kshs. 450,538.
- Building permits that were issued in accordance to the named classifications below:
 - ♣ 80.1% (1699) - Domestic Class (commercial developments, domestic buildings and offices)
 - ♣ 11.2% (237) - Public Class (social halls, religious buildings, libraries, schools, etc.)
 - ♣ 8.7% (184) - Warehouse Class (industries, factories, and go downs)

The statistics show that in the year 2017 Domestic classifications were most approved proposed developments due to the ever increasing need for housing by Kenyans and especially affordable housing and ownership of homes by the middle class.

PERMIT APPLICATION ACTIVITY BY SUB-COUNTY



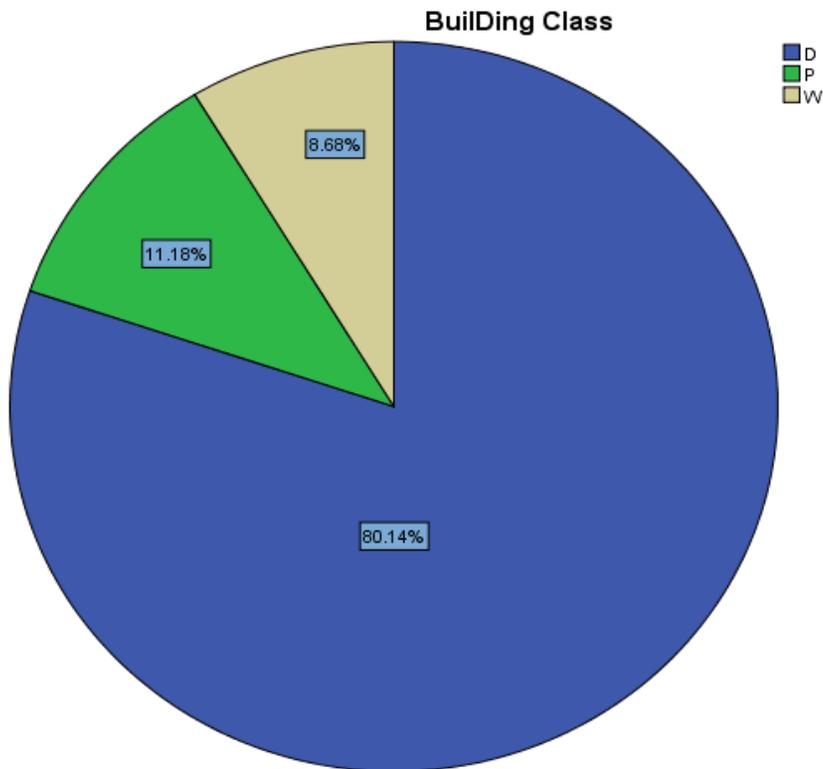
NB: Localities with less than 2% have been omitted.

The highest permits were approved in the areas of Karen, Westlands, Lang'ata, Starehe and Roysambu.

- Karen has the highest percentage of permits locality-wise. This is as a result of the revised zoning policy that allowed construction of apartments.
- The Neighborhood has an organized road network, with the Southern Bypass being the key. The high number of permits in the Karen area are also very likely due to the fact that rent or property owning in Karen attracts high revenue. This is a likely factor that developers considered in achieving better return on capital;
- Muthaiga had the least number of permits amongst the top 18 areas of development regardless of being very close to the CBD. Embakasi, Mathare and Kibra areas attracted fewer developments due to traffic and building congestion and civil unrest especially during the election period.

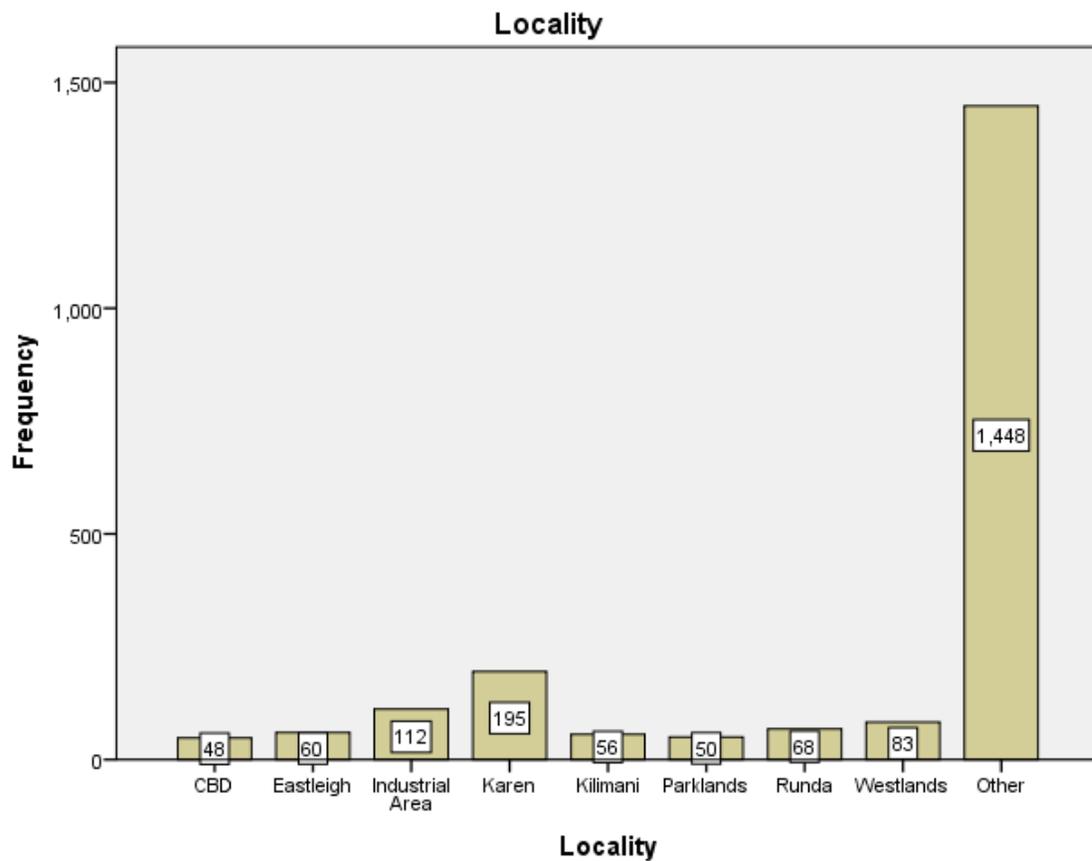
DWELLING RELATED ACTIVITY ACROSS NAIROBI

Buildings approved included domestic buildings, commercial developments, offices, religious buildings, social halls, libraries, schools, factories, industries and go downs. The following graph identifies permit applications that relate to various building classes.



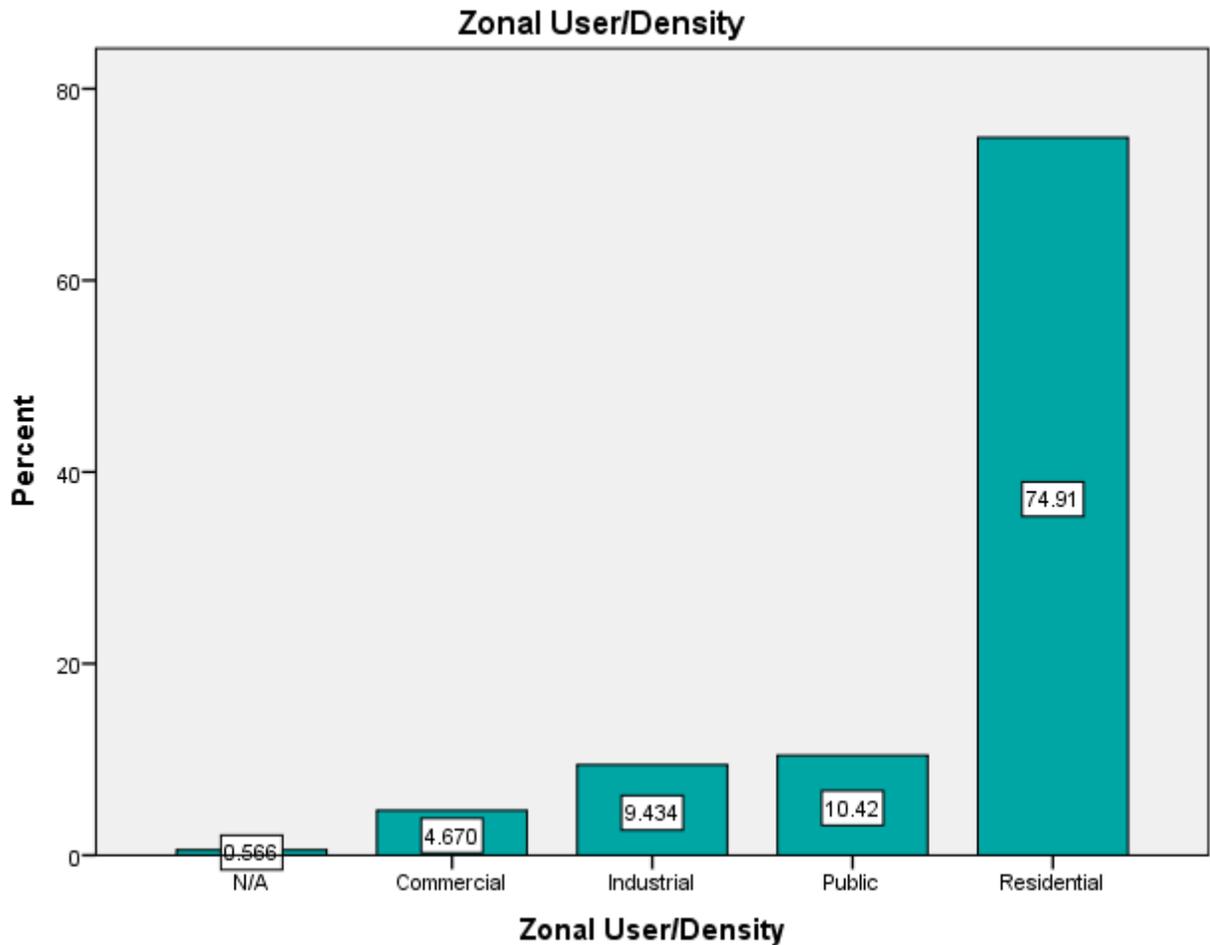
- It can be noted that 80.14% of the planning submitted under the building class category were domestic class which includes domestic buildings, commercial developments and offices.

BUILDING CLASS BY LOCALITY



- The highest development permits in the year 2017 were approved in Karen, Industrial Area, Westlands, Runda and Eastleigh with domestic infrastructures dominating in these areas except from the Industrial area where most of them were factories and warehouses.

NUMBER OF APPROVALS BY ZONAL USER DENSITY

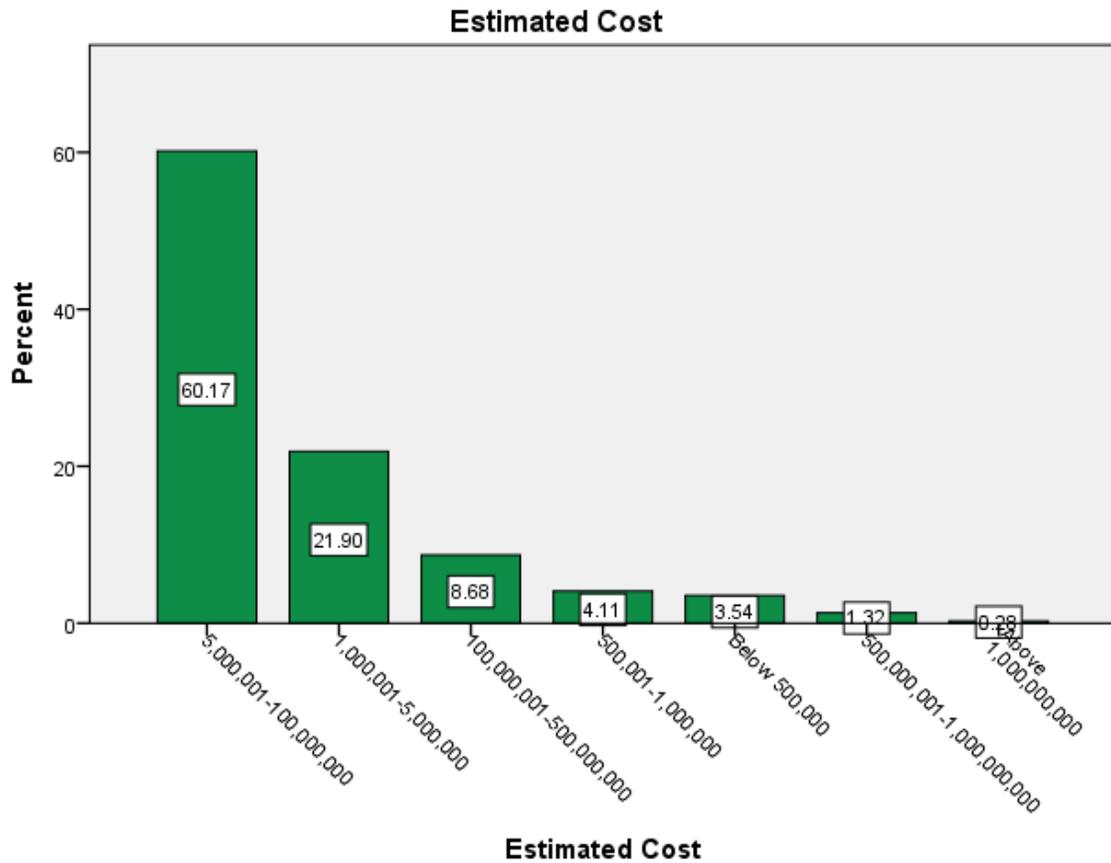


- The Residential Class accounted for 74.91% of the approvals due to an increase in the middle aged working population who consider owning a home more crucial than renting one and also high demand by Kenyans to own homes. Most of developers have invested more on Residential

developments which are more profitable due to the growing demand. There has been an improvement in security within the nation which has resulted in an influx in foreign residents in Kenya thus increasing the demand for residential houses (in particular well-furnished residential infrastructures) mostly in the high end areas.

- Commercial Class buildings accounted for 4.67% of the approvals.

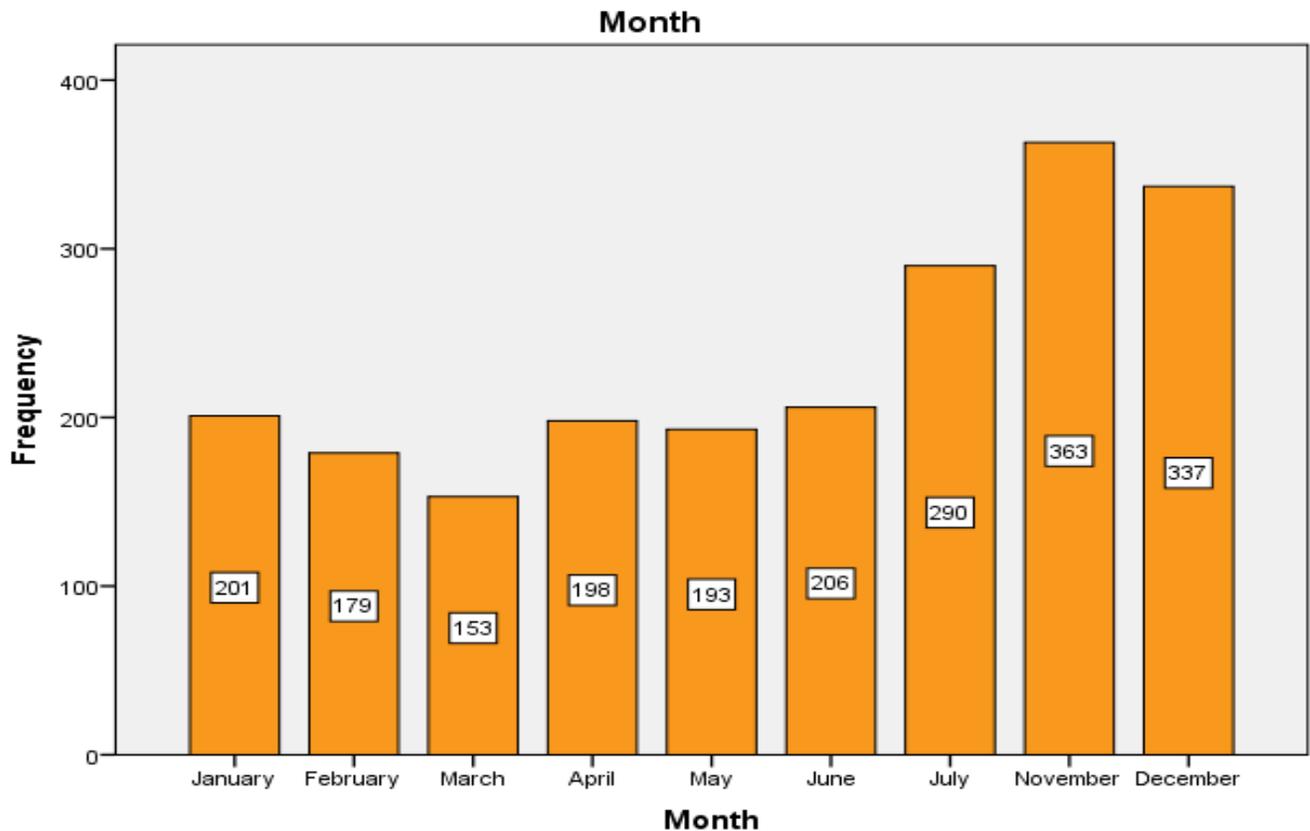
THE VALUE OF BUILDING PERMITTED BY THE NAIROBI CITY COUNTY GOVERNMENT



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- 60.17% of the buildings presented for approval were valued between five million and one hundred million. Only a paltry 0.28% of the buildings were above one billion shillings.

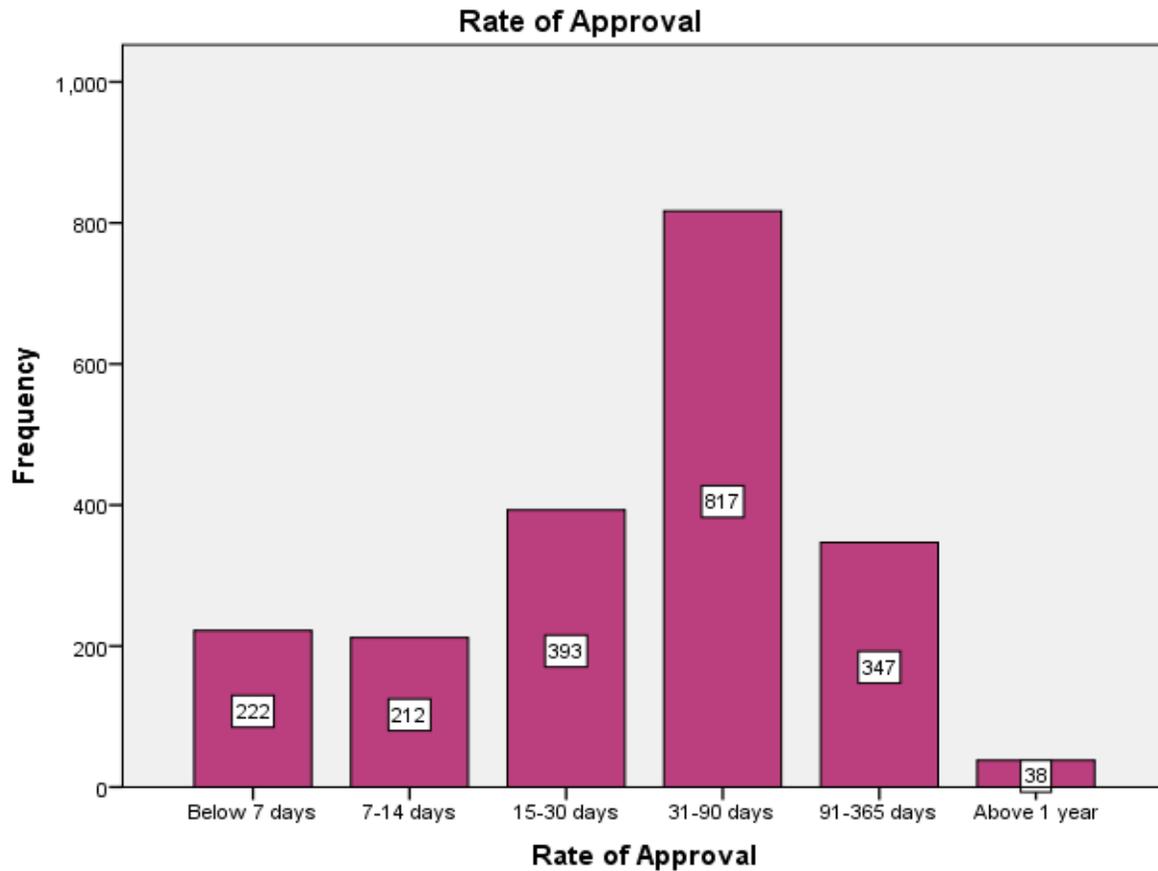
MONTHLY PERMIT PROCESSING GRAPH



- The Month of November recorded the highest number of approvals, with 363 approvals.
- January recorded the highest number of approvals in the first quarter.

- There were no permitting in the months of August, September and October due to the electioneering period. This explains the high number of permitting that took place in November as there was a backlog.

APPROVAL RATE BY THE NAIROBI CITY COUNTY GOVERNMENT TO CARRY OUT BUILDING PERMITTING



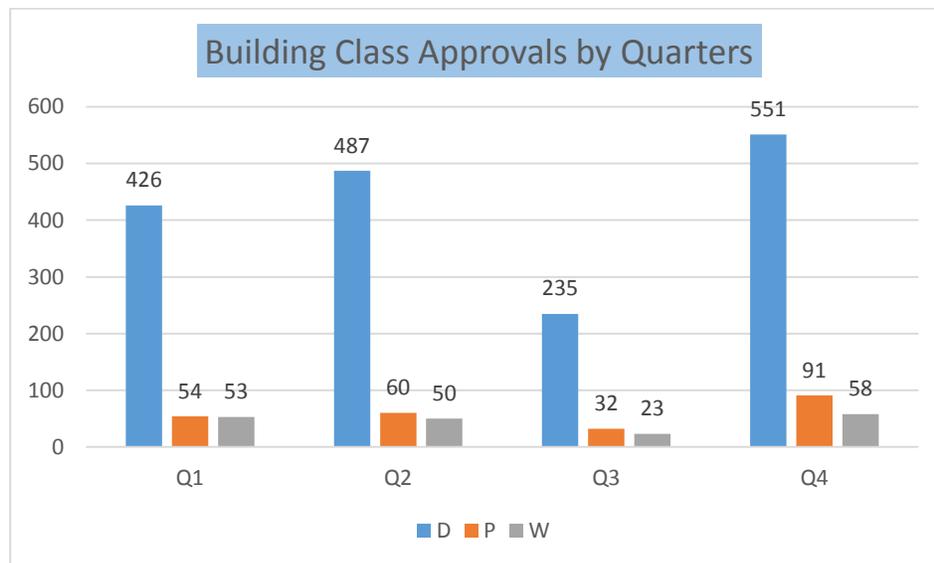
- It took more than a month for most of the building permit applications to be approved with most being done between 31 and 90 days. This delay in the approval process can be attributed to the long election period witnessed last year.

COMPARATIVE ANALYSIS BETWEEN THE FOUR QUARTERS OF 2017

| | | 2017 QUARTERS | | | |
|---------------------------------|------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 1 ST QUARTER | 2 ND QUARTER | 3 RD QUARTER | 4 TH QUARTER |
| Submission Fee | | Kshs. 241,603,260 | Kshs. 251,512,600.1 | Kshs. 203,200,176 | Kshs. 255,671,753 |
| Estimated Value | | Kshs. 25,925,816,662 | Kshs. 27,303,406,213 | Kshs. 20,826,088,818 | Kshs. 34,610,713,822 |
| Building Class Approvals | Domestic | 426 | 487 | 235 | 552 |
| | Public | 54 | 60 | 32 | 91 |
| | Warehouse | 53 | 50 | 23 | 58 |

- The highest estimated value was recorded during the October to December quarter of the year with the least average value being July to September Quarter.

| | Building Class | | | Total |
|--------------|----------------|------------|------------|-------------|
| | D | P | W | |
| Q1 | 426 | 54 | 53 | 533 |
| Q2 | 487 | 60 | 50 | 597 |
| Q3 | 235 | 32 | 23 | 290 |
| Q4 | 551 | 91 | 58 | 700 |
| Total | 1699 | 237 | 184 | 2120 |



- Domestic buildings have the highest number of approvals and most were approved in the fourth quarter (551). Public amenities such as social halls came in second with most approvals taking place in the fourth quarter (91).

FOR MORE INFORMATION, KINDLY CONTACT THE KPDA SECRETARIAT

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