AMECEA
Association of Member Episcopal
Conferences in Eastern Africa

ASSOCIATION OF MEMBER EPISCOPAL CONFERENCES IN EASTERN AFRICA

REQUEST FOR PROPOSAL FOR MIXED URBAN DEVELOPMENT ON PLOT LR NO 330/394 (NAIROBI BLOCK 15/442) GITANGA ROAD NAIROBI THROUGH JOINT VENTURE PARTNERSHIP

April 2024

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DEFINITIONS

1.1. The following terms used in these Bid Documents shall have the meaning given to them unless otherwise defined herein below:

TERM	DEFINITION
Bid	Shall mean the proposal containing the '**Mandatory Requirements', 'Technical Proposal'** and '**Financial Proposal'** as submitted by a Bidder in response to this RFP Document.
Bidding Entity	Shall mean a single entity (Sole Proprietorship / Private Limited Company) or a partnership firm submitting a bid for the Project.
Bidding Consortium	Shall mean a group of bidding entities jointly submitting a bid for the Project.
Bid Documents	Shall mean this Request for Proposal (RFP) together with all its attached Annexes and Standard Forms, Architectural and Engineering drawings.
Bid Submission Deadline	Shall mean the final date and time for the Bidders to submit their Bids as noted in Annex A (Appendix to Instructions to Bidders).
Bid Validity Period	Shall mean the period during which Bids must remain valid as determined under Annex A (Appendix to Instructions to Bidders).
AMECEA	Shall mean the Association of Member Episcopal Conferences in Eastern Africa.
Clause	A clause of these Bid Documents.
Consortium	Each entity in the Bidding Consortium shall be referred to as a "Consortium Member".

Contract Period	Shall mean a period agreed between the two Parties and defined in the Joint Venture Agreement to be signed by both parties.
Contracting Authority	Shall mean the Association of Member Episcopal Conference in Eastern Africa [AMECEA].
Development Cost	Shall mean the development cost offered by a Bidder in the Financial Proposal for the development of the Project, which includes the construction costs, all taxes including Value Added Tax (V.A.T.) payable, and profits expected from the Project by the Bidder but excluding the cost of land.
Development Partner	Shall mean the Successful Bidder which shall by itself or through a Special Purpose Vehicle enter into a Joint Venture Agreement with AMECEA to develop the Project.
Financial Proposal	Shall mean the financial bid as submitted by the Bidder as per the format specified under Section VI in the Request for Proposal.
JBA	Means the Joint Bidding Agreement outlined in Standard Form VIII to be entered into among the members forming the Bidding Consortium.
JVA	Means the Joint Venture Agreement to be entered into by AMECEA and the Development Partner. **"Joint Venture Agreement", "Contract"** and **"Development Contract"** are synonymous.
Lead Consortium Member (LCM)	Shall mean the Lead Consortium Member which shall be vested with the prime responsibility of developing the Project.

Letter of Acceptance (LOA)	Shall mean the letter issued by AMECEA to the Successful Bidder and shall be as per terms mentioned in Clause 10.5.2.
Project Name	Shall mean the Mixed Urban Development on Plot LR No 330/394 (Nairobi Block 15/442) Gitanga Road Nairobi.
Project Facilities	Shall mean collectively all the facilities to be developed by the Development Partner at the Project Site in accordance with the provisions of the Joint Venture Agreement.
Project Site	Shall mean the parcel of land at LR No 330/394 (Nairobi Block 15/442) Gitanga Road Nairobi.
Bidder	Shall mean the Bidding Entity or Bidding Consortium submitting a bid for this Project.
RFP	Means this Request for Proposal document.
Successful Bidder	Shall mean the Successful Bidding Consortium or Bidding entity that attains the highest aggregated score in their technical and financial bids.
Technical Proposal	Shall mean the Technical Bid as submitted by the Bidder as per the format specified under Section V of the Request for Proposal.

2. DISCLAIMER

2.1. The Association of Member Episcopal Conferences in Eastern Africa [AMECEA] has taken adequate care in the preparation of this Request for Proposal (RFP). Nevertheless, the Bidder should satisfy itself that the RFP is complete in all respects. Without prejudice to the generality of the foregoing, Bidders are advised to carefully examine the instructions contained herein and be satisfied with the conditions that must be satisfied prior to submitting a proposal.

2.2. Neither AMECEA nor its employees, consultants or advisors accept any liability or responsibility for the accuracy or completeness of, nor make any representation or warranty, express or implied, with respect to the information contained in the RFP, or on which the RFP is based, or any other information or representations supplied or made in connection with the selection process.

2.3. Neither AMECEA nor its employees, consultants or advisors will be subject to any liability to any Bidder or any other person under any law, statute, rules or regulations or otherwise for any loss, expense or damage which may arise from or be incurred or suffered in connection with any information contained in this RFP, the award of the Project, the information and any other information supplied by or on behalf of AMECEA or their employees, consultants, or advisors, or otherwise arising in any way from the selection process for the Project.

2.4. The RFP does not address concerns relating to the diverse investment objectives, financial situation and particular needs of each party. The RFP is not intended to provide the basis for any investment decision and each prospective Bidder must make its/their own independent assessment in respect of various aspects of the feasibility of the Project. No person has been authorized by AMECEA to give any information or to make any representation not contained in this RFP.

2.5. Nothing in this RFP is or should be relied upon as a promise or representation as to the future. In furnishing the RFP, neither AMECEA nor its employees, consultants, or advisors undertake to provide the recipient with access to any additional information, to update the RFP, or to correct any perceived inaccuracies therein.

2.6. AMECEA or its authorized officers/representatives/advisors reserve the right, without prior notice, to change the procedure for the selection of the Successful Bidder or terminate discussions and the delivery of information at any time before the signing of any agreement for the Project, without assigning reasons thereof.

2.7. AMECEA reserves the right to reject any or all of the Bids submitted in response to the RFP at any stage without assigning any reasons whatsoever.

2.8. AMECEA reserves the right to change any or all of the provisions of the RFP. Such changes will be intimated to all the Bidders.

2.9. AMECEA reserves the right to change, modify, add to or alter the selection process including adding other parameters to the evaluation criteria. Any change in the selection process shall be communicated to all Bidders.

2.10. DATA PROTECTION CLAUSE

All data received by AMECEA from Bidders in reponse to this RFP shall be processed and handled with the highest level of protection in accordance with the Data Protection Act of 2019 and the Data Protection (General) Regulations of 2021.

3. Section I: INTRODUCTION

3.1. AMECEA is a Catholic Organization comprised of the following countries as Members: **Eritrea, Ethiopia, Kenya, Malawi, South Sudan, Sudan, Tanzania, Uganda** and **Zambia;** and **Somalia and Djibouti** as Affiliate Members.

3.2. AMECEA (the **"Contracting Authority"**) intends to undertake to develop its property in Nairobi to include parking lots, commercial and retail spaces, offices and high-end apartments on plot LR No 330/394 (Nairobi Block 15/442) Gitanga Road Nairobi. The property measures 1.4 acres and is located in the leafy suburbs of Nairobi in Lavington area, Gitanga Road No. 49. AMECEA had commenced construction of the property of which excavation of three basement levels have been done and part construction commenced. D. Due to financial constraints, the project stalled midway. This being a fairly capital-intensive undertaking, AMECEA now invites Development Partners to implement the Project through joint venture partnerships with private investors.

3.3. The investors will be expected to bring in the financing required for the construction, while AMECEA will avail the land for the development.

3.4. Subject to the agreement of the parties, the Development Partner, through the Special Purpose Vehicle, may be allowed to charge the land upon which the development shall be undertaken on condition that any monies secured by charging the land are deposited into the escrow account and are strictly used for the development of the Project.

3.5. AMECEA conducted a feasibility study in 2023, herewith attached with shadow designs, with the result that a mixed-use development would be viable. Bidders may propose design changes to improve the viability of the project, but subject to the Contracting Authority's approval.

4. PROJECT IMPLEMENTATION STRATEGY

4.1. The project will be implemented on a Joint Venture arrangement basis.

4.2. Development Partner(s) have the opportunity to enjoy relatively high returns expected from the project. The relationship between the AMECEA and the Development Partner(s) shall be governed by a Joint Venture Agreement. AMECEA shall appoint its own independent technical and financial experts to monitor the implementation of each party's obligations under the partnership.

4.2.1. The Bidders shall be expected to use their ingenuity in terms of construction technologies, material finishes and approach to implement them and offer their most competitive development cost for construction. This is to ensure the project is competitive within the current market trends.

4.2.2. The bidding parameters will be based on the technical viability of the Bidder's proposal (i.e., Technical Proposal) and the proposed development cost.

4.2.3. The Development Partner will propose a fair share ratio of the complete project in favour of AMECEA for its equity contribution in terms of land and construction works already undertaken.

4.2.4. The Contracting Authority will then proceed to enter into a Joint Venture Agreement with the Successful Bidder to undertake the development of the Project.

4.2.5. Existing Construction works already undertaken by AMECEA are to be taken into account by the Development partner.

5. JOINT VENTURE STRUCTURE

Both parties shall enter a joint venture relationship governed by a Joint Venture Agreement. In this JV relationship, AMECEA will grant a lease of the land to a Special Purpose Vehicle established by the Development Partner and AMECEA for the construction works only. On their part, the Development Partner shall be expected to raise and contribute the required development finances and appoint Engineering Procurement and Construction (EPC) Contractors.

6. EXISTING SITE CONDITIONS

The existing site conditions are as follows:

- AMECEA conducted a feasibility study in 2023, herewith attached.
- A hydrological study report is also available for review, herewith attached.
- Excavation levels of three basements are substantially complete.
- Construction of reinforced basement concrete slabs and columns is partially complete, based on earlier approved designs, herewith attached.
- Site hoarding is in place but will require improvements.
- Site offices and site stores are in place and may require improvements.
- County Government approvals will require to be renewed or resubmitted afresh.
- A NEMA License is in place and will require renewal.
- All NCA licenses are to be applied for afresh by the Development Partner.

7. REPRESENTATIVES OF THE PARTIES

7.1. CONTRACTING AUTHORITY'S REPRESENTATIVE(S)

7.1.1. The Contracting Authority shall have the right to appoint one or more representative(s) to safeguard their interest in the project.

7.1.2. The Contracting Authority shall notify the Development Partner of the name(s) of Representative(s) and their delegated authorities and powers.

7.1.3. The identity of the person or its replacement appointed by AMECEA to act as its Representative will be made in a separate written notification to the Development Partner prior to their appointment or replacement.

7.2. DEVELOPMENT PARTNER'S REPRESENTATIVE(S)

The Development Partner shall have the right to appoint one or more representative(s) to act on its behalf and issue binding decisions under this Contract within his/her given authority. The Development Partner shall notify AMECEA of the name(s) of any Development Partner Representative(s) and their delegated authorities and powers. The identity of the person or its replacement appointed by the Development Partner to act as the Development Partner Representative shall be made in a separate written notification to the Contracting Authority prior to their appointment or replacement.

8. DEVELOPMENT PROPOSAL

8.1. AMECEA has carried out a recent comprehensive feasibility study of the property in line with the current development trends.

The current proposed development is to construct a minimum of 154 modern Apartment units comprising two-bedroomed and three-bedroomed high-end apartments. The development is to also include commercial retail spaces, offices and adequate parking lots of at least 400 car park spaces to serve the apartments and the commercial spaces. Separation of residential parking spaces from the commercial parking lots would be advised.

8.2. AMECEA intends to retain the commercial and office spaces as defined in the feasibility study, as part of its share in the project.

8.3. The Project shall integrate the following planning principles:

8.3.1. **Densification**: To ensure the highest and best use of land.

8.3.2. **Compact Development**: To optimize land use, within the scope of County Government approvals and by-aws. The Project is expected to adopt a vertical development approach.

8.3.3. **Self-Reliance**: The Project shall include support services such as playgrounds and recreation facilities such as swimming pools and gymnasiums.

8.3.4. **Environmental Sustainability**: The developers shall ensure the use of green technology and energy conservation in developing the Project.

8.3.5. **Human-centered Development**: The proposed development shall take into account the needs of the residents and the larger public, especially people with disabilities and the elderly, and as such, the designs of the units shall adequately address those needs.

9. Section II: INVITATION TO SUBMIT BID(S)

Bid No. **AMC/PRO/T/001/2024**

Bid Name **PROPOSED MIXED URBAN DEVELOPMENT ON PLOT LR NO 330/394 (NAIROBI BLOCK 15/442) GITANGA ROAD NAIROBI**

9.1. The Association Member Episcopal Conferences in Eastern Africa hereby invites Bids from eligible Bidders to undertake the Development of Mixed Urban Use through a Joint Venture arrangement basis.

9.2. The Request for Proposal (RFP) includes the following documents:

Section II	Invitation to Submit Bid (s)
Section III	Instructions to Bidders
Section IV	Project Output Specifications
Section V	Technical Proposal
Section VI	Financial Proposal
Section VII	General Outline of the Conditions of Contract

9.3. Bidders may obtain further information and inspect the Request for Proposal documents at the email address: secgeneral@amecea.org.

9.4. The Request for Proposal (RFP) document may be obtained free of charge and downloaded from the AMECEA website http://www.amecea.org.

9.5. Completed Mandatory Requirements, Technical and Financial Bid documents shall be submitted on or before **31st May 2024 at 10:00 am** in plain sealed envelopes clearly marked:

Bid No. **AMC/PRO/T/001/2024**

Bid Name **PROPOSED MIXED URBAN DEVELOPMENT ON PLOT LR NO 330/394 (NAIROBI BLOCK 15/442) GITANGA ROAD NAIROBI**

9.6. Tender documents are to be delivered to the AMECEA SECRETARIAT situated on 49 Gitanga Road - Nairobi.

The Secretary General

Association of Member Episcopal Conferences in Eastern Africa

P.O. Box 21191-00505

NAIROBI.

10. Section III: INSTRUCTIONS TO BIDDERS

10.1. GENERAL

10.1.1. Purpose of this Document

This RFP issued to Bidders is to provide instructions and regulations regarding the preparation, submission and the evaluation of Bids.

10.1.2. Eligibility and Qualification Requirements

10.1.2.1. Mandatory Requirements

Bidders are **reminded to take note** that only bids meeting the following mandatory requirements will be evaluated.

The following are the mandatory requirements:

10.1.2.1.1. A duly signed covering letter in accordance with Standard Form I.

10.1.2.1.2. The duly signed Bidders Information Sheet in accordance with Standard Form II.

10.1.2.1.3. In the case of a Bidding Consortium (BC), the Power of Attorney for designating the Lead Consortium Member, duly signed, in accordance with Standard Form V.

10.1.2.1.4. Power of Attorney to the Bid Signatory, duly signed, in accordance with Standard Form VI.

10.1.2.1.5. The duly signed Certificate of Bidder's visit to site in accordance with Standard Form IV.

10.1.2.1.6. A duly signed Format of undertaking in accordance with Standard Form VII.

10.1.2.1.7. In case of a Bidding Consortium (BC), the duly signed Joint Bidding Agreement in accordance with Standard Form VIII.

10.1.2.1.8. The requisite number of copies of Bid documents as stipulated in the RFP.

10.1.2.2. Eligibility Criteria

10.1.2.2.1. Bidders must prove that they have undertaken project(s) of similar nature on a JV, single Entity or any other partnership agreements **(Enclose copy of agreement with the client, which clearly mentions the total contract value of project or Completion Certificate from the client for the development)**.

10.1.2.2.2. Demonstrate the ability to put together a project management team to deliver the project within a maximum period of 24 months. (Provide CV's and Certificates, both professional and educational, of key personnel to be involved in the project and their roles).

10.1.2.2.3. Bidders shall demonstrate ability to raise equity for the deployment to the development of the Project to the extent of **KES 3 billion**. In the case of a Consortium, the Bidder has to demonstrate the ability of each member's contributions towards the above amount and indicate the equity available for deployment towards the project. **<u>(Bidders to attach audited accounts for the last three (3) Years).</u>**

10.1.2.2.4. The AMECEA officials, representatives, and employees, are not eligible to participate in the bid.

10.1.3. Bidding Consortium (BC)

10.1.3.1. Bids submitted by a Bidding Consortium shall comply with the following requirements:

10.1.3.1.1. The Joint Bidding Agreement entered into by the Bidding Consortium parties in the format outlined in Standard Form VIII shall be submitted with the bid.

10.1.3.1.2. One of the Party shall be nominated to be the Lead Consortium Member and shall be authorized to give and receive instructions for and on behalf of any and all the partners of the joint venture, and the execution of the contract;

10.1.3.1.3. All parties of the Bidding Consortium shall be liable jointly and severally for the execution of the contract in accordance with the contract terms.

10.1.4. Constituent Parts of the Mandatory Requirements

Bidders who shall fail to provide all of the requisite mandatory requirements will have their bids considered unresponsive and subsequently disqualified.

10.1.5. Falsified Information

A Bidder who gives false information in the bid document about their qualification, or who refuses to enter into a contract after notification of award of contract shall be considered for debarment from participating in future public procurement.

10.1.6. Cost of Bidding

The Bidder shall bear all costs associated with the preparation and submission of its bid and of negotiating the Contract including any visit to the Sites. AMECEA will in no case be liable for those costs, regardless of the conduct or outcome of the bidding process.

10.1.7. Site Visit

10.1.7.1. The Bidder is advised to visit and examine the sites and their surrounding and obtain for itself at its own cost and responsibility, all information that may be necessary for preparing the bid(s) and entering into a contract.

10.1.7.2. The Bidder and any of its personnel or agents will be granted permission by AMECEA to access the land for the purpose of such visit, but only upon the express condition that the Bidder, its personnel or agents, will release and indemnify AMECEA from and against all liability in respect of and will be responsible for personal injury (whether fatal or otherwise), loss of or damage to property and any other loss, damage, costs and expenses however caused, which but for the exercise of such permission, would not have arisen.

10.1.7.3. AMECEA shall organize site visits at certain dates as indicated in the Appendix to Instructions to Bidders. A representative of AMECEA will be available to meet the visiting Bidders at the sites. The representative(s) will not be available at any other time for site inspection visits.

10.2. <u>BID DOCUMENTS</u>

10.2.1. Contents of Bid Documents

10.2.1.1. The bid documents comprise the documents listed here below and are to be read together with any addendum issued in accordance with Clause 10.2.3. of these Instructions to Bidders. The bid document consists of six (6) main parts, namely:-

SECTION II "INVITATION TO SUBMIT BID (S)"

SECTION III "INSTRUCTIONS TO BIDDERS"

SECTION IV "PROJECT OUTPUT SPECIFICATIONS"

SECTION V "TECHNICAL PROPOSAL"

SECTION VI "FINANCIAL PROPOSAL"

SECTION VII "GENERAL OUTLINE OF THE CONDITIONS OF CONTRACT"

10.2.1.2. The Bidder is expected to examine carefully all instructions, conditions and forms in the bid document. Failure to comply with the requirements for bid submission will be at the Bidder's risk. Pursuant to Clauses 10.1.2., 10.1.3 & 10.1.4. of this RFP, bids which are not responsive to the requirements of the bid documents will be rejected.

10.2.1.3. All recipients of documents related to this bid for the purpose of submitting a bid (whether they submit a bid or not) shall treat the details of the documents as "Private and Confidential".

10.2.2. Inquiries by Bidders

10.2.2.1. A Bidder making an inquiry relating to the bid documents may notify AMECEA in writing via email at AMECEA mailing address indicated in the invitation to submit bid(s). AMECEA will respond in writing to any request for clarification which is received not later than **8th May 2024**. Written copies of the response (including the inquiry but without identifying the source of the entity) will be sent to all Bidders who have submitted their bids. If a Bidder sends an inquiry after the stated date, AMECEA shall have the option of either responding to the inquiry and extension of the date of submission of bids or ignoring it.

10.2.2.2. AMECEA shall reply to any clarifications sought by the Bidder within three (3) days of receiving the request to enable the Bidder to make timely submission of its bid(s).

10.2.3. Amendment of Bid Documents

10.2.3.1. At any time prior to the deadline for submission of bids, AMECEA may, for any reason, whether at its own initiative or in response to a clarification requested by a Bidder, modify the bid documents by issuing an addendum.

10.2.3.2. Any addendum will be updated on the AMECEA website. No updates will be made after the 16th of May 2024 to enable all bidders to comply and successfully submit their bids.

10.2.3.3. In order to allow prospective Bidders reasonable time in which to take the addendum into account in preparing their bids, AMECEA may, at its discretion, extend the deadline for the submission of bids.

10.2.4. Language of the Bid:

The bid and all correspondence and documents relating to the bid exchanged between the Bidder and AMECEA shall be written in the English language. Supporting documents and printed literature furnished by the Bidder with the bid may be in another language provided they are accompanied by an appropriate translation of pertinent passages in the above stated language. For the purpose of interpretation of the bid, the English language shall prevail.

10.2.5. Documents Comprising the Bid:

The Forms submitted with the bid documents shall be used without exception subject to extensions of the schedules in the same format.

10.2.6. Currencies of the Bid:

The currency for the purpose of the Bid shall be Kenya Shillings (Kshs). The conversion of foreign currency to Kenya Shillings shall be based on the correponding Exchange rate specified by the Central Bank of Kenya on the closing date of bid submission.

10.2.7. Bid Validity:

10.2.7.1. The bid shall remain valid and open for acceptance for a period of one hundred and twenty (120) days from the date of Bid opening or from the extended date of Bid opening.

10.2.7.2. In exceptional circumstances prior to expiry of the original bid validity period, AMECEA may request Bidders for a specified extension of the period of bid validity. The request and the responses thereto shall be made in writing or by email or facsimile.

10.2.8. Project Development Costs:

10.2.8.1. The Bidders shall also include as part of their Financial Bids, all project development costs to include but not limited to :

10.2.8.1.1. Construction costs

10.2.8.1.2. County Government Approval or renewal fees.

10.2.8.1.3. NEMA licence renewal fees

10.2.8.1.4. Legal fees

10.2.8.1.5. Project consultants fees

10.2.8.1.6. Marketing fees

10.2.8.1.7. Cost of financing the project

10.2.8.1.8. Contingency liabilities.

10.2.9. No Alternative Offers:

The Bidder shall submit an offer which complies fully with the requirements of the bid documents unless otherwise provided for in the Appendix to instructions to Bidders. Only one bid may be submitted by each Bidder either by itself or as a member in a Bidding Consortium.

10.2.10. Format and Signing of Bid

10.2.11. The Bidder shall prepare the bid as outlined in Clause 10.3. and mark appropriately one set "ORIGINAL" and the other "COPY".

10.2.12. The copy of the bid shall be typed or written in indelible ink and shall be signed by a person or persons duly authorized to sign on behalf of the Bidder. All pages of the bid where amendments have been made shall be initialed by the person or persons signing the bid.

10.2.13. The complete bid shall be without alterations, interlineations or erasures, except as necessary to correct errors made by the bid, in which case such corrections shall be initialed by the person or persons signing the bid.

10.3. <u>SUBMISSION OF BIDS</u>

10.3.1. Sealing and Marking of Bids

10.3.1.1. The Bidder shall place one (1) original plus three (3) copies of their Mandatory Requirements in a sealed envelope clearly marked

"MANDATORY REQUIREMENTS". The Bidder shall clearly mark the original document as "ORIGINAL" and the 3 copies as "COPY".

The Bidder shall place one (1) original plus three (3) copies of their Technical Proposal in a sealed envelope clearly marked **"TECHNICAL PROPOSAL"**. The Bidder shall clearly mark the original document as "ORIGINAL" and the 3 copies as "COPY".

The Bidder shall place one (1) original of its Financial Proposal in a sealed envelope clearly marked "**FINANCIAL PROPOSAL"**. The Bidder shall clearly mark the original document as "ORIGINAL". No copies are allowed for the Financial Proposal.

In the event of discrepancy between the original and any copy, the original shall prevail. The three envelopes should then be sealed in one common outer envelope marked:

Bid No. **AMC/PRO/T/001/2024**

Bid Name **PROPOSED MIXED URBAN DEVELOPMENT ON PLOT LR NO 330/394 (NAIROBI BLOCK 15/442) GITANGA ROAD NAIROBI**

10.3.1.2. The inner and outer envelopes shall be addressed to AMECEA at the address stated in the Appendix to Instructions to Bidders and bear the name and identification of the Contract stated in the said Appendix with a warning not to open before the date and time for opening of bids as stated in the said Appendix.

10.3.1.3. The inner envelopes shall each indicate the name and address of the Bidder to enable the bid to be returned unopened in case it is declared "late", while the outer envelope shall bear no mark indicating the identity of the Bidder.

10.3.1.4. If the outer envelope is not sealed and marked as instructed above, AMECEA will assume no responsibility for the misplacement or premature opening of the bid. A bid opened prematurely for this cause will be rejected by AMECEA and returned to the respective Bidder.

10.3.2. Deadline for Submission of Bids

10.3.2.1. Bids must be received by AMECEA at the address specified in the Instructions to Bidders and on the date and time specified in the Invitation to Submit Bid(s).

Bids delivered by hand must be placed in the Bid Box located on the **AMECEA SECERETARIAT on GITANGA ROAD** so as to be received not later than **31st May 2024 at 10:00 am East African Time (G.M.T.+3)**.

Proof of posting will not be accepted as proof of delivery and any bid delivered after the above stipulated time, from whatever cause arising will not be considered.

10.3.2.2. AMECEA may at its discretion, extend the deadline for the submission of bids through the issue of an Addendum in accordance with Clause 10.2.3. of this RFP, in which case all rights and obligations of AMECEA and the Bidders previously subject to the original deadline shall thereafter be subjected to the new deadline as extended. The Addendum will be posted in AMECEA official website immediately upon issuance.

10.3.2.3. Any bid received by AMECEA after the prescribed deadline for submission of bids will be returned unopened.

10.3.3. Modification and Withdrawal of Bids

10.3.3.1. The Bidder may modify or withdraw its bid after bid submission, provided that written notice of the modification or withdrawal is received by AMECEA prior to the prescribed deadline for submission of bids.

10.3.3.2. The Bidder's modification or withdrawal notice shall be prepared, sealed, marked and dispatched in accordance with the provisions for the submission of bids, with the inner and outer envelopes additionally marked **"MODIFICATION"** or **"WITHDRAWAL"** as appropriate.

10.3.3.3. No bid may be modified subsequent to the deadline for submission of bids.

10.3.3.4. No bid may be withdrawn in the interval between the deadline for submission of bids and the period of bid validity specified on the bid form. Withdrawal of a bid during this interval will result in the forfeiture of the Bid Surety.

10.4. BID EVALUATION

10.4.1. Process to be Confidential

10.4.1.1. After the date and time referred to in paragraph 10.3.2.1. above (the **"Submission Deadline"**), information relating to the examination, clarification, evaluation and comparisons of bids and recommendations concerning the award of Contract shall not be disclosed to Bidders or other persons not officially concerned with such process until the award of Contract is announced.

10.4.1.2. Any effort by a Bidder to influence AMECEA in the process of examination, evaluation and comparison of bids and decisions concerning award of Contract may result in the rejection of the

Bidder's bid.

10.4.2. Clarification of Bids

10.4.2.1. To assist in the examination, evaluation and comparison of bids, AMECEA may ask Bidders individually for clarification of their bids. The request for clarification and the response shall be in writing or by facsimile or telex, but no change in the price or substance of the bid shall be sought, offered or permitted EXCEPT as required to confirm the correction of arithmetical errors discovered by AMECEA during the evaluation of the bid.

10.4.2.2. No Bidder shall contact AMECEA on any matter relating to its bid from the time of the bid opening to the time the Contract is awarded. If the Bidder wishes to bring additional information to the notice of AMECEA, it shall do so in writing.

10.4.3. Determination of Responsiveness

10.4.3.1. Prior to the detailed evaluation of bids, AMECEA will determine whether each bid is responsive to the requirements of the bid documents. A bid may be deemed non-responsive if it does not satisfy any of the following conditions:

10.4.3.1.1. It does not meet the mandatory requirements.

10.4.3.1.2. It does not contain sufficient information for it to be evaluated and / or is not in the specific formats.

10.4.3.1.3. It is not signed and / or sealed in the manner and to the extent indicated in Clause 10.3. of this RFP.

10.4.3.2. For the purpose of this clause, a responsive bid is one which conforms to all the preceding terms, conditions and specification of the bid documents without material deviation or reservation. A material deviation or reservation is one which affects in any substantial way the scope, quality, or performance of the contract, or which limits in any way inconsistent with the bid documents, AMECEAs rights or the Bidder's obligations under the Contract and the rectification of which would affect unfairly the competitive position of other Bidders who have presented responsive bids.

10.4.3.3. A bid determined not to be responsive will be rejected by AMECEA and may not subsequently be made responsive by the Bidder by correction of the non-conforming deviation or reservation.

10.4.4. Evaluation of Bids

AMECEA will only evaluate bids determined to be responsive to the requirements of the bid documents in accordance with Clause 10.1.2. Responsive Bids will be evaluated in the following steps:

10.4.4.1. Step 1: Evaluation of MandatoryRequirements

Evaluation of Mandatory Requirements will be assessed. The Bidder will be expected to meet the minimum eligibility in accordance with Clause 10.1.2.2.

The Bidders should furnish all information required. Any Bidder found not to have met the mandatory requirements will be declared to be non- responsive and shall not be eligible for the next stage of the evaluation process.

The **"TECHNICAL PROPOSAL"** and **"FINANCIAL PROPOSAL"** of such Bidders shall be returned unopened. Only those Bidders who pass the mandatory requirements evaluation stage will proceed to the next stage of technical evaluation.

10.4.4.2. Step 2: Evaluation of Technical Proposal

In this stage, the Bidders' **TECHNICAL PROPOSALS** will be assessed. The Bidders should furnish all the information required to support their technical proposal.

The evaluation shall be done by the Evaluation Committee in accordance with Clause 10.1.2, 10.1.3, & 10.1.4. of this RFP and the Standard Forms contained in this RFP. Technical Proposals will be assessed in accordance with the following parameters:

10.4.4.2.1. The overall development concept and designs;

10.4.4.2.2. Conformity of the development concept to applicable laws and regulations;

10.4.4.2.3. Appropriateness of proposed construction methods and technology; and

10.4.4.2.4. Adherence to the planning principles outlined in the RFP.

Bidders who shall not pass the technical evaluation stage will have been found to be technically incapable and shall not be eligible for the next stage of the evaluation process. Their Financial Proposals shall be returned unopened.

A technical score (**"TS"**) shall be awarded to each evaluated Bidder as per the evaluation criteria and those who will have attained the required cut off marks at the technical evaluation stage will have their technical bids declared successful . All such Bidders shall be eligible for the next stage of financial evaluation.

10.4.4.3. Step 3: Evaluation of Financial Proposal

In this stage, the Bidders' Financial Proposals will be assessed in accordance with the following parameters:

10.4.4.3.1. Overall development cost

10.4.4.3.2. Proposed share ratio of total units allocated to AMECEA

10.4.4.3.3. Elaborate marketing strategy for selling the developed units.

A Financial Score (FS) shall be awarded to each evaluated Bidder. The final score for each Bidder shall be arrived at by aggregating the Technical and Financial scores.

10.4.5. The bid evaluation committee shall evaluate the financial bids within 30 days from the date of notification of the results of the technical evaluation.

10.4.6. AMECEA may at any time terminate procurement proceedings before award and shall not be liable to any person for the termination.

10.4.7. AMECEA shall give prompt notice of the termination to the Bidders and on request give its reasons for termination within 14 days of receiving the request from any Bidder.

10.4.8. Persons not officially involved in the evaluation of the bids shall not attempt in any way to influence the evaluation.

10.4.9. Any person who has a conflict of interest with respect to the procurement shall not participate in the procurement proceedings.

10.5. AWARD OF CONTRACT

10.5.1. Award

10.5.1.1. Subject to Clause 3.2 AMECEA will award the bid and enter into a Joint Venture Agreement with the Development Partner:

10.5.1.1.1. whose bid is determined to be responsive to the bid documents, and

10.5.1.1.2. who has been assessed as being technically and financially capable, and

10.5.1.1.3. who has attained the highest aggregated score in the TECHNICAL and FINANCIAL evaluation.

10.5.1.2. AMECEA reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids, at any time prior to award of Contract, without thereby incurring any liability to the affected Bidders or any obligation to inform the affected Bidders of the grounds for AMECEAS action.

10.5.2. Notification of Award and Signing of the Joint Venture Agreement

10.5.2.1. Prior to the expiry of the bid validity period prescribed, AMECEA will issue the Successful Bidder by email and confirmed in writing by registered letter that its Bid has been accepted. This letter hereinafter and in all contract documents shall be called the "Letter of Acceptance".

10.5.2.2. Within fourteen (14) days of receipt of the Letter of Acceptance from AMECEA, the Successful Bidder shall send a written acknowledgement agreeing to comply with the conditions set out therein and for the execution of the development contract. This notification of award will constitute the formation of the Contract subject to the parties signing the Joint Venture Agreement.

10.5.2.3. The Successful Bidder shall sign the Joint Venture Agreement from AMECEA within Fourteen (14) days from the date of receipt of the Joint Venture Agreement and return it to AMECEA.

10.5.2.4. Upon the furnishing of the JVA by the Successful Bidder to AMECEA, AMECEA will promptly notify other Bidders that their proposals have been unsuccessful.

10.5.2.5. The parties to the Joint Venture Agreement shall have it signed within thirty (30) days from the date of notification of contract award unless there is an administrative review request.

10.5.2.6. In the absence of an administrative review request, failure of the Successful Bidder to enter into a Joint Venture Agreement within the stipulated period shall constitute sufficient grounds for the annulment of the Letter of Acceptance (LOA). In such event, AMECEA reserves the right to invite the second best evaluated Bidder for negotiations, or call for fresh Bids OR take any such measures as may be deemed fit in the sole discretion of AMECEA including annulment of the bidding process.

10.5.3. Appendix to Instructions to Bidders

The following information regarding the particulars of the bid shall complement, supplement or amend the provisions of the Instructions to Bidders. Whenever there is a conflict between the provisions of the Instructions to Bidders and the provisions of the Appendix, the provisions of the Appendix herein shall prevail over those of the Instructions to Bidders.

ANNEX A - APPENDIX TO INSTRUCTIONS TO BIDDERS

1.	PROJECT NAME	Bid No.**AMC/PRO/T/001/2024** Bid Name **<u>PROPOSED MIXED URBAN DEVELOPMENT ON PLOT LR NO 330/394 (NAIROBI BLOCK 15/442) GITANGA ROAD NAIROBI</u>**
2.	CONTRACTING AUTHORITY	**ASSOCIATION OF MEMBER EPISCOPAL CONFERENCES IN EASTERN AFRICA [AMECEA]**
3.	ADDRESS FOR SUBMISSION OF BIDS	**THE SECRETARY GENERAL** **ASSOCIATION OF MEMBER EPISCOPAL CONFERENCES IN EASTERN AFRICA** **P. O. BOX 21191 - OO505** **NAIROBI**
4.	BID SUBMISSION DEADLINE, LOCATION OF MANDATORY REQUIREMENTS AND TECHNICAL BIDS ENVELOPES OPENING	Bid Submission Deadline will be on 31st May 2024, 1000 Hours**, East African Time,** which will be the date on which the Bid Opening Committee convenes to open Mandatory Requirements and Technical Bids Envelopes. **Location : AMECEA SECRETARIAT- GITANGA ROAD - NAIROBI**
5.	BID CURRENCY	Kenya Shillings (Kshs.)

6.	LANGUAGE OF BID	All Bids, correspondence and documents required under or related to the Bid Process shall be made in the English language. Bidders may submit Bids, correspondence and documents in any other language, provided that the same are accompanied by an English translation duly signed by the Authorized Representative of the Bidder. In case of discrepancy between the other language and English texts, the English text shall prevail.
7.	BID VALIDITY PERIOD	Submitted Bids shall remain effective for One hundred and twenty (120) Days from and including the date of the Bid Submission Deadline.
8.	NUMBER OF COPIES OF THE BID	Bids shall be made in three envelopes: the first containing the "**MANDATORY REQUIREMENTS**", the second containing the "**TECHNICAL PROPOSAL**", and the third containing the "**FINANCIAL PROPOSAL**" labeled and sealed as illustrated below:- **Envelope "A"** Contain one (1) original and three (3) copies of the Mandatory Requirements. **Envelope "B"** Contain one (1) original and three (3) copies of the Technical Proposal. **Envelope "C"**

		Contain one (1) original of the Financial Proposal. All to be sealed in a plain outer envelope clearly marked as in note '1' above.
9.	**SITE VISIT**	A site visit shall be conducted on any working day (Monday to Friday), between 0800 hours and 1600 hours.

11.Section IV: PROJECT OUTPUT SPECIFICATIONS

11.1. Bidders are to prepare the concept designs for the project. The designs to be prepared by the bidders should provide high end, self-contained apartments of suitable space and size In line with the Feasibility study report.

11.2. The Bidders shall be expected to use their ingenuity in terms of construction technologies and approach to implement them and offer their most competitive development cost for development.

11.3. The Project should utilize green technologies that promote the conservation of non-renewable resources, minimize environmental impact, and/or include building components that contribute to the economic efficiency of the facility over the long term.

11.4. The development shall comprise residential units of various types and configuration with all the attendant social amenities.

- The Development should comprise of two bed roomed and three bed roomed high end apartment units.
- Bidders are to provide brief written description of design concept and construction approach and appropriate technology and material use.
- Bidders are to demonstrate adaptation of the design in response to user needs and requirements.
- Bidders are to include innovative and green building solutions.
- Bidders are to demonstrate clear understanding of the project functional requirements, observe good relationships between internal and external functional space, economy of design and user space, circulation, security and safety.
- Bidders are to provide description of proposed structural designs.

N/B: Due to the vertical scale, care must be taken to ensure adequate lighting and air circulation to the lower floors.

11.5. The design & supervision will take into consideration the following aspects of the project goals, to assist in adaptable design solutions-;

- To blend into the surrounding, buildings within the urban environment,.
- To develop flexible building plans with facilities that cater for change and growth and accept the fast and dramatic progress in computerization and building automation so as to utilize the latest technological methods in administration, organization, communication networks and services.
- To develop an innovative functional design solution that is sensitive to climatic conditions
- To provide productive, comfortable and aesthetically pleasing livable environment
- To provide an environment with acoustics, lighting, climate control, access to computer technology.
- To provide durable facilities with long structural and functional lives and low operation and maintenance costs.
- To develop access for the handicapped.
- To provide physical and electronic security measures compatible with the importance of the project while being easy to operate, maintain and upgrade.
- To ensure the quality of construction compatible with the intended design.

N/B: Bidders will be expected to use their innovative technology and design skills to come up with more units than the minimum number required in the RFP.

- Units of different sizes will be considered on condition that they are consistent generally with similar unit sizes for properties within the same geographical area as the site.

11.6. Communal Facilities (preferable modern integrated models):

- Recreational and playing fields.
- Open Grounds.
- Swimming Pool and Gymnasium.
- Commercial Centre.

11.7. Roads

- The Development to have a properly designated network of road a separate access for the residents and the commercial users.
- Roads to have storm water drainage and a pedestrian pavement on at least one side.
- Roads to have street and footpath lighting.

11.8. Other preferred community facilities which may be considered

- Storm water, boreholes and roof harvesting facilities to complement normal water supply.
- Use of renewal energy and solar power as well as power back-ups facilities.

12. Section V: TECHNICAL PROPOSAL

12.1. INTRODUCTION

The Technical Proposal shall constitute the following:

Constituent Parts of the Technical Bid	
Part 1	The Technical Bid submitted in accordance with Annex B (Technical Bid Requirements)

The Bidder shall comply with the requirements of the latest edition of the Kenya Building Code. Codes and specifications incorporated by reference shall be those of the latest edition at the time of receiving proposals, unless otherwise specified.

The plans and specifications shall state the design codes, standards and requirements used for the development of the plans including the edition and applicable sections.

12.2. TECHNICAL PROPOSAL EVALUATION

The Technical Proposal shall be evaluated and scored using a scale of 100 points allocated according to the quality, thoroughness and credibility of the Technical Proposal elements as defined in Annex B (Technical Bid Requirements). The available total points and relative weights for these elements are presented in the following table:

ANNEX B – TECHNICAL BID REQUIREMENTS

The Technical proposal shall be evaluated and scored using a weighted scale of 40% allocated according to the quality, thoroughness and credibility of the Technical Proposal elements in this Section 5.

Technical Bid Reference	Evaluation Elements	Sub - Percentages	Notes
1.0	Architectural design concept and approach to the Site	30%	Demonstrates a coherent conceptual approach and orientation that meets the requirements of the CA. the design proposal will demonstrate the following: a) Clarity in presentation b) Design functionality c) Innovativeness d) Aesthetical values e) Site accessibility f) Environmental effectiveness g) Cost effectiveness h) "Green buildings" solutions
1.1	Design report detailing the	8%	Sufficient detail and adequate rationale is

	functional content of the conceptual design (not more than 6 pages)		provided to support the proposed design in relation to: a) Net and Gross areas; b) Project planning; c) Design concepts and approach; d) Project environment; e) Functional design
1.2	Floor plans for individual housing units, commercial centre and/or any other communal facilities.	2%	Functional, accurate and complete drawings are provided and should comply with minimum area requirements specified in the Project Output Specifications.
1.3	Comprehensive Site Plan. Should include elevations and sections.	4%	Accurate and complete drawings are provided and should provide reasonable building height and ceiling heights.

1.4	Exterior and interior perspectives	2%	Accurate and complete drawings that exhibit clear building volume and massing of buildings on site.
1.5	Landscape designs Should include recreational green spaces	3%	Functional, accurate and complete drawings are provided.
1.6	Design for vehicular parking and drive ways . Separation of residence and commercial parking lots.	5%	Accurate and complete drawings should be provided specifying parking lot requirements and markings.
1.7	Innovative use of Key materials and schedule of finishes. Demonstrate use of maintenance free materials.	5%	Detailed and accurate schedule provided.

1.8	Construction Works Program	5%	Detailed construction plans (text and drawings) is provided that includes: details of the proposed approach to commissioning and decommissioning.
1.9	Construction works specifications	5%	Sufficiently detailed written description adequately addressing: a) construction method statement; b) project management plan; c) impacts on existing engineering services and buildings; d) key materials and products; e) refurbishment within the overall construction; f) safety strategies; g) quality control; and h) utilities and building services strategies.

2.0	Schedule of Accommodation indicating proposed units share ratio	5%	Qualified Partner is to provide the detailed Schedule of Accommodation with all functional units in accordance with the requirements of the design and overall technical proposal
2.1	Proposed Structural design system (not more than 2 pages)	3%	Sufficiently detailed written description of the structural system to be provided. .
2.2	Electrical and electronic design system (not more than 2 pages)	3%	Sufficiently detailed written description provided.
2.3	Mechanical services Design system (not more than 2 pages)	3%	Sufficiently detailed written description provided.

2.4	Mobilization plans, construction Staff organization, and list of Project equipment	5%	Detailed mobilization plans, construction Staff organization, and list of Project equipment are provided.
2.5	Use of non-renewable resources and green technologies	2%	Accurate and complete drawings are provided.
2.6	Design Program	5%	Qualified Partners are to provide an outline of design and construction programme for the completion of the construction works and commissioning. This construction programme should detail key deliverables and a critical path graph (with use of Primavera - or equivalent - software). This timetable should demonstrate that the units required will be available and operational on the scheduled date.

2.7	Project Management Team	5%	Qualified Partners are to provide the Project Management Team Organization chart and CVs for the **project Architectural firm, Quantity Surveying firm, Civil & Structural Engineering firm, Electrical and Mechanical Engineering firm, Construction Manager, Project Manager and Facilities Manager.** Each project design team member should have a **minimum experience of ten years** and above in handling housing projects of similar size as the project.
	Total	**100%**	

Only those Bidders, who shall have an overall aggregate of 70% of the evaluated Technical Proposal, shall proceed to the financial proposal evaluation stage.

N/B: Bidders who will attain an overall Technical score of 70% and above in the Technical Evaluation shall proceed to the Financial Evaluation stage. Those who do not attain the score shall be considered non-responsive and shall not be considered for financial evaluation.

The Technical Score shall have an overall weight of 40% in the Total aggregated score and shall be calculated as follows:

$$Tx = TS \times 40\%$$

where:

TS is the Technical score obtained in Annex B; and

Tx is the weighted overall Technical Score.

13. SECTION VI: FINANCIAL PROPOSAL

13.1. THE FINANCIAL BID

13.1.1. General

13.1.1.1. Each Bidder shall submit a complete Financial Bid, by duly completing the forms provided in Annex C, D and E (Financial Bid Forms 1- 3), for the Project. The Bidders shall not amend or change the Financial Bid Forms, in any way whatsoever, other than for duly filling the required data. Any Bid which does include amendments or additions of whatsoever nature to the Financial Bid Forms shall be rejected.

13.1.1.2. The Financial Bid shall comprise the following documents:

Constituent Parts of the Financial Bid	
Financial Bid	The Project Financial Package in accordance with Annex C - Financial Bid Form 1.
	The Proposed Share Ratio between AMECEA and the Development Partner.
	Marketing Plan in accordance with Annex E – Financial Bid Form 3.

The Bidder shall submit the above mentioned documents in accordance with the following conditions and instructions.

13.1.2. Financial Bid Form 1

In Financial Bid Form 1 (Annex C), the Bidder shall provide the number of units proposed to be developed for the Project, the Development Cost per unit in Kenya Shillings, and the

Development Cost per Square Metre and the overall Total Development Cost.

13.1.3. Financial Bid Form 2

In Financial Bid Form 2 (Annex D), the Bidder shall provide the proposed share ratio of the development between AMECA and the Development Partner.

13.1.4. Financial Bid Form 3

In Financial Bid Form 3 (Annex E), the Bidder shall provide the proposed Marketing Plan..

13.1.5. Memorandum of Understanding between the Bidder and the Lender(s)

Should the Bidder require financing for the Project from Lender(s), as part of the Financial Bid, the Bidder shall submit a signed MOU between the Bidder and the Lender(s) expressing the Lender's interest in financing the Project if the Bidder becomes the Successful Bidder.

13.1.6. Financial Bid Envelope

The Financial Bid (Forms 1, 2, and 3) together with the MOU executed with the Lender(s) for financing of the Project shall be enclosed in separate envelopes with the following inscription: "Financial Bid for Project (Name and Lot No.)". All the Financial Bid envelopes for the Project shall then be enclosed in the Financial Bid

Envelope in accordance with Clause 10.3.1. of this RFP.

13.1.7. Financial Bid Basic Conditions

13.1.7.1. Any Financial Bid including any basis or conditions of the Financial Bid or any additional document of whatsoever nature other than those required under Section VI of this RFP Document shall be rejected.

13.1.7.2. Any Financial Bid including any conditions, provisions, restrictions, basis of Financial Bid calculations or assumptions of whatsoever nature presented in any form shall be rejected.

13.1.7.3. Any Financial Bid including any alterations, amendments or changes in the Financial Bid Forms 1, 2 or 3 other than filling these forms as indicated, shall be rejected.

13.1.7.4. In the event of any discrepancy between words and figures in the Financial Bid Forms, the amounts indicated in words shall prevail.

13.2. EVALUATION

The Financial Bid shall be evaluated against three Financial Sections as follows:

- Project Financial Package as provided by the Bidders in Annex C – Financial Bid Form 1 (70 points)
- Proposed share ratio (20 points)
- Proposed Marketing Plan as provided by the Bidders in Annex E – Financial Bid Form 3 (10 points)

Financial Score Summary—Table 1

Evaluation Attributes	Maximum Score	Bidder Score
Project Financial Package	70	
Proposed Share Ratio	20	
Marketing Plan	10	
Total Score	**100**	

ANNEX C- FINANCIAL BID FORM 1

A) NUMBER OF PROPOSED UNITS

Unit Type	Number/Area of Proposed Units
Parking Spaces Provided	
Commercial and office spaces	
2 BR	
3 BR	

B) DEVELOPMENT COST PER UNIT (KSHS)

Unit Type	Development Cost (Kshs)
Parking Spaces	
Commercial and office spaces	
2 BR	
3 BR	

C) DEVELOPMENT COST PER SQUARE METRE AND THE TOTAL DEVELOPMENT COST

Development Cost per Square Metre	Total Development Cost (Kshs.)

NOTE:

Table A - Insert the Number of Proposed Units, or areas
Table B - Insert the Development Cost for Each Proposed Unit
Table C - Insert the Development Cost per Square Metre and the Total Development Cost

ANNEX D - FINANCIAL BID FORM 2

PROPOSED SHARE RATIO

Proposed Share Ratio	Percentage of total development

ANNEX E - FINANCIAL BID FORM 3

MARKETING PLAN

The Bidders shall be required to develop a marketing plan for the sale of the developed units. The Marketing Proposal shall be in the form of a written plan detailing the marketing strategies that the bidder intends to put in place to optimize on the uptake of the Apartment units.

ANNEX F – Evaluation Guide

NUMBER OF PROPOSED UNITS - 20 POINTS MAXIMUM

Number of Proposed units	Total Score
Attained Maximum optimum possible number of units with corresponding parking per unit	20

DEVELOPMENT COST PER SQUARE METRE AND THE TOTAL DEVELOPMENT COST - 40 POINTS MAXIMUM

Unit Type	Development Cost (Kshs)	Total Score
Parking Spaces Residential		5
Commercial		5
Commercial and Office		5
Spaces		5
2 BR		10
3 BR		10

DEVELOPMENT COST PER SQUARE METRE AND THE TOTAL DEVELOPMENT COST - 20 POINTS MAXIMUM

Development Cost per Square Metre	Total Score	Total Developmen Cost (Kshs.)
Between Kshs 50,000 - Kshs. 60,000	10	
Above Kshs. 60,000	10	

PROPOSED SHARE RATIO 20 POINTS MAXIMUM

Proposed Share Ratio	Points
65% developer 35% Amecea	10
70% Developer 30% Amecea	7
Above 70% Developer	3

MARKETING PLAN BUYERS - 10 POINTS MAXIMUM

a. Failure to provide a marketing and outreach plan (0 points).

b. Provided a detailed description of how the Bidder will work to identify appropriate potential buyers (10 points).

13.3. WEIGHTING OF MARKS

Financial Marks shall have an overall weight of 60%.

$$Fx = FS \times 60\%$$

Where:

FS is the Financial score obtained in Table 1; and

Fx is the weighted average Financial Score

14. Total Aggregate Score

14.1. The Bidder who shall have attained the highest overall aggregate score of the Financial Proposal and Technical Proposal, shall be the Successful Bidder.

The overall aggregate score shall be calculated as follows:

$$TS = TX + FX$$

14.2. The Bidder with the highest aggregate score (TS) in both the Technical and Financial proposal will be considered the Successful Bidder. The Contracting Authority however, reserves the right at its sole discretion to reject any financial bid which it considers is unable to deliver the project if it is later found out that the Bidder's Lenders / Financiers are unable to raise the finances required to undertake the project or if the financial assumptions provided in the financial bid do not support the financial viability of the proposal.

STANDARD FORMS

(I) FORMAT OF COVERING LETTER

(The covering letter is to be submitted by the Bidding Entity or the LCM of a Bidding Consortium, along with the Bid. To be provided on respective Bidder's letterhead).

Date:

To:

THE SECRETARY GENERAL ASSOCIATION OF MEMBER EPISCOPAL CONFERENCES IN EASTERN AFRICA
P.O. BOX 21191 - OO505
NAIROBI

Dear Sir,

REF: MIXED URBAN DEVELOMENT ON PLOT LR NO 330/394 (NAIROBI BLOCK 15/442) GITANGA ROAD NAIROBI

Please find enclosed one original + three (3) copies of our Bid in respect of the Selection of a Development Partner for the Proposed **MIXED URBAN DEVELOMENT ON PLOT LR NO 330/394 (NAIROBI BLOCK 15/442) GITANGA ROAD NAIROBI** comprising of our **MANDATORY REQUIREMENTS, TECHNICAL PROPOSAL** and **FINANCIAL PROPOSAL**, in response to the Request for Proposal ("RFP") Document issued by yourselves on_(Date).

We hereby confirm the following:

1) The Bid is being submitted by **[insert name of the Bidding Entity / Lead Consortium Member in case of Bidding Consortium]** who is the Bidding Entity / the Lead Consortium Member of the Bidding Consortium comprising **[insert names of Consortium Members]**, in accordance with

the conditions stipulated in the RFP.

2) **(In case of a Bidding Consortium).** Our Bid includes the Power of Attorney for designating the Lead Consortium Member in the format specified in the RFP, and the Joint Bidding Agreement (as per the principles stated in the RFP) between **[insert names of Consortium Members]**, who are the Consortium member (s) as per the conditions stipulated in the RFP.

3) We have examined in detail and have understood the terms and conditions stipulated in the RFP Document issued by AMECEA and in any subsequent communication sent by AMECEA. We agree and undertake to abide by all these terms and conditions. Our Bid is consistent with all the requirements of submission as stated in the RFP or in any of the subsequent communications from AMECEA.

4) The information submitted in our Bid is complete, is strictly as per the requirements as stipulated in the RFP, and is correct to the best of our knowledge and understanding. We would be solely responsible for any errors or omissions in our Bid.

5) We confirm that our Proposal does not contain any Conditions.

6) The Bidding Company / Bidding Consortium of which we are the Lead Consortium Member **(Please strike out whichever is <u>not</u> applicable)**, satisfies the legal requirements and meets all the eligibility criteria laid down in the RFP.

7) The Power of Attorney from the Bidding Company / Lead Consortium Member authorizing the undersigned as the Authorized Representative who is authorized to perform all tasks including, but not limited to

providing information, responding to enquiries, entering into contractual commitments on behalf of the Bidder, etc., in respect of the Project is included as a part of the Proposal.

8) We confirm that our Bid is valid for a period of 90 days from the last date of submission of the Bid.

For and on Behalf of:

Signature and Stamp:

(Authorized Representative and Signatory)

Name of the Person:

....

Designation:

....

(II) BIDDER'S INFORMATION SHEET

Date:...........................

Applicant's Legal Name: [**Insert full legal name**]
In case of BC, legal name of each party: [**Insert full legal name of Consortium Member**]
Applicant's Actual Country of Constitution: [**Indicate Country of Constitution**]

Applicant's actual or year of Constitution: [**Indicate year of Constitution**]
Applicant's legal address in country of constitution: [**insert street/ number/ town or city/ country**] • Certificate of Registration / Incorporation and Articles of Association or Documents of Constitution of the Legal Entity named above, Register of directors and Secretaries, latest annual return and CR 12 • Information on any subsidiaries, joint ventures, or associated companies in Kenya or elsewhere. • In case of BC, letter of intent to form a Bidding Consortium or Joint Bidding Agreement, in accordance with attached form. • In case of government owned entity, documents establishing legal and financial autonomy and compliance with commercial law. Financial information i. Audited financial statements for the past three years. ii. Bank references from three Kenyan banks of their ability to carry out the JV iii. Details of any outstanding loans or obligations with Kenyan financial institutions Track Record and Expertise i. Past development projects carried out in Kenya, with a focus on similar JV agreements. ii. Reference from past Kenyan partners, clients, or contractors. iii. Client feedback or testimonials, especially from Kenyan stakeholders. Regulatory and Compliance

i. Licenses and permits relevant to property development in Kenya, e.g.,NCA (National Construction Authority) license.
ii. Records of adherence to Kenyan building codes and standards.
iii. Environmental Imapct Assessment (EIA) licenses for past projects from NEMA (National Environment Management Authority).

Litigation and Legal Matters

i. Details of any or past litigations in Kenyan courts.
ii. Records of any land disputes or issues related to previous Kenyan developments.
iii. Due diligence reports from Kenyan legal experts on past JV projects.

Contracts and Agreements

i. Sample contracts used in Kenya
ii. Details of Kenyan subcontractors, suppliers and other essential parties.
iii. Details of JV agreements with other landowners in Kenya.

Technical and Operational Capacity

i. Details of machinery, technology, and equipment used in Kenyan projects.
ii. Qualifications of key personnel overseeing Kenyan operations.
iii. Membership or affiliation with Kenyan industry bodies.

Reputation and Stakeholder Feedback

i. Feedback from Kenyan JV partners, landowners, and stakeholders.
ii. Media scrutiny reports from Kenyan media sources.

iii. Engagement with local communities in past projects. Land Valuation and Assessment i. Past project feasibility studies and market analyses. Risk Management i. Insurance coverage specifics for Kenyan projects. ii. Local Engagement and Social Responsibility iii. Corporate social responsibility initiatives in Kenya. iv. Employment of locals and engagement with local suppliers
Applicant's authorized representative information: Name: [**insert full legal name**] Address: [**insert street/ number/ town or city/ country**] Telephone/Fax No: [**including country and city codes**] Attached are copies of original documents of: • Certificate of Registration / Incorporation and Articles of Association or Documents of Constitution of the Legal Entity named above. • In case of BC, letter of intent to form a Bidding Consortium or Joint Bidding Agreement, in accordance with attached form. • In case of government owned entity, documents establishing legal and financial autonomy and compliance with commercial law.

(III) INFORMATION SHEET FOR BIDDING CONSORTIUM (BC) PARTY

Date:.........

Each Applicant that is a BC Party must submit this information.

BC Applicant Legal Name: [**insert full legal name**]
BC's party / Sub-Contractor's Legal Name: [**insert full legal name of Consortium Member**]:
BC's Party's Country of Registration: [**indicate country of registration**]:
BC's party's year of constitution:[**indicate year of constitution**]:
BC's party's Legal address in country of constitution: [**insert street/ number/ town or city/ country**];
BC's party authorized representative information Name: [**insert full legal name**] Address: [**insert street/ number/ town or city/ country**] Telephone/Fax No.: [**including country and city codes**] Attached are copies of original documents of: • Articles of Incorporation or Documents of Constitution of the legal entity named above. • In case of government owned entity, documents establishing legal and financial autonomy and compliance with commercial law. Financial information i. Audited financial statements for the past three years. ii. Bank references from three Kenyan banks of their ability to carry out the JV iii. Details of any outstanding loans or obligations with Kenyan financial institutions Track Record and Expertise

i. Past development projects carried out in Kenya, with a focus on similar JV agreements.
ii. Reference from past Kenyan partners, clients, or contractors.

Client feedback or testimonials, especially from Kenyan stakeholders

Regulatory and Compliance

i. Licenses and permits relevant to property development in Kenya, e.g.,NCA (National Construction Authority) license.
ii. Records of adherence to Kenyan building codes and standards.
iii. Environmental Imapct Assessment (EIA) licenses for past projects from NEMA (National Environment Management Authority).

Litigation and Legal Matters

i. Details of any or past litigations in Kenyan courts.
ii. Records of any land disputes or issues related to previous Kenyan developments.
iii. Due diligence reports from Kenyan legal experts on past JV projects.

Contracts and Agreements

i. Sample contracts used in Kenya
ii. Details of Kenyan subcontractors, suppliers and other essential parties.
iii. Details of JV agreements with other landowners in Kenya.

Technical and Operational Capacity

i. Details of machinery, technology, and equipment used in Kenyan projects.
ii. Qualifications of key personnel overseeing Kenyan operations.
iii. Membership or affiliation with Kenyan industry bodies.

Reputation and Stakeholder Feedback

i. Feedback from Kenyan JV partners, landowners, and stakeholders.
ii. Media scrutiny reports from Kenyan media sources.
iii. Engagement with local communities in past projects.

Land Valuation and Assessment

i. Past project feasibility studies and market analyses.

Risk Management

i. Insurance coverage specifics for Kenyan projects.
ii. Local Engagement and Social Responsibility
iii. Corporate social responsibility initiatives in Kenya.
iv. Employment of locals and engagement with local suppliers

(IV) CERTIFICATE OF BIDDER'S VISIT TO SITE

This is to certify that [M/s] ....

......................................, being the authorized representative/Agent of [**Name of Bidder**]

....

participated in the organized inspection visit of the site of the works for the [**Name of Contract**] ....held on

.... Day of .... 20 ....

Signed ....

[AMECEA Representative]

....

NOTE: This form is to be completed whether the site visit is made at the time of the organized site or privately organized.

(V) FORMAT OF POWER OF ATTORNEY FOR DESIGNATING THE LEAD CONSORTIUM MEMBER

(Each firm should designate the LCM on a separate sheet.)

Whereas the AMECEA has invited proposals from interested parties for the PROPOSED MIXED URBAN DEVELOPMENT AT GITANGA ROAD NAIROBI

Whereas, the members of the Consortium are interested in bidding for the Project and implementing the Project in accordance with the terms and conditions of the Request for Proposal (RFP) Document and other connected documents in respect of the Project, and

Whereas, it is necessary under the RFP Document for the Consortium Member to designate the Lead Consortium Member with all necessary power and authority to do for and on behalf of the Consortium, all acts, deeds and things as may be necessary in connection with the Consortium's bid for the Project who, acting jointly, would have all necessary power and authority to do all acts, deeds and things on behalf of the Consortium, as may be necessary in connection with the Consortium's bid for the Project.

NOW THIS POWER OF ATTORNEY WITNESSETH THAT;

We, M/s.______________________ [**insert the respective names and addresses of the registered office**] (Consortium Member) do hereby designate M/s.

____

being one of the members of the Consortium, as the Lead Consortium Member of the Consortium, to do on behalf of the Consortium, all or any of the acts, deeds or things necessary or incidental to the Consortium's bid for the Project, including submission of proposal, participating in meetings, responding to queries, submission of information / documents and generally to represent the Consortium in all its dealings with AMECEA, in connection with the Project until culmination of the process of bidding and thereafter till the Agreement is entered into with AMECEA.

We hereby agree to ratify all acts, deeds and things lawfully done by Lead Consortium Member, our said attorney pursuant to this Power of Attorney and that all acts deeds and things done by our aforesaid attorney shall and shall always be deemed to have been done by us / the Consortium.

Dated this .... day of ....

2024.

Signed & Stamped: ....

(VI) FORMAT OF POWER OF ATTORNEY FOR AUTHORISED REPRESENTATIVE

We .... (name and address of the registered office) do hereby constitute, appoint and authorize Mr. / Mrs. / Ms ....(name and residential address) who is presently employed with us and holding the position of .... as our attorney, to do in our name and on our behalf, all such acts, deeds and things necessary in connection with or incidental to our proposal for the project MIXED URBAN DEVELOPMENT ON PLOT LR NO 330/394 (NAIROBI BLOCK 15/442) GITANGA ROAD NAIROBI through a Joint Venture Partnership, including signing and submission of all documents and providing information / responses to the AMECEA, representing us in all matters before AMECEA, and generally dealing with AMECEA in all matters in connection with our Proposal for the said Project.

We hereby agree to ratify all acts, deeds and things lawfully done by our said attorney pursuant to this Power of Attorney and that all acts, deeds and things done by our aforesaid attorney shall and shall always be deemed to have been done by us.

…………………………………………………… (Signature)

[**Insert Name, Title and Address**]

Accepted

…………………………………………………… (Signature)

[**Insert Name, Title and Address of the Attorney**]

(VII) FORMAT FOR UNDERTAKING

The information / documents submitted by us are true to our knowledge and if the information / documents so furnished shall be found to be untrue or false, the bid shall be liable for disqualification.

We are also aware that, in the event that we proceed to establish a Development Contract for the project with AMECEA, if the information / document furnished is found to be untrue or false during the currency of contract, our contract will be terminable by AMECEA.

We hereby declare that we have made ourselves thoroughly conversant with the specifications and conditions laid by AMECEA for this bid and we have understood the same before submitting this Bid.

We hereby certify and confirm that in the preparation and submission of our Bid for the proposals listed below, we have not acted in concert or in collusion with any other Bidder or other person(s) and also not done any act, deed or thing which is or could be regarded as anti-competitive.

We further confirm that we have not offered nor will offer any illegal gratification in cash or in kind to any person or agency in connection with the instant proposals.

We hereby undertake to keep the offer open for a period of not less than 90 days from the date fixed for opening the same and thereafter until it is withdrawn by us by the notice in writing duly addressed to the authority opening the Bids.

Signature of Bidder

Bidder ______________________________ Address ______________________

____

Dated the__________________day of____________________________________2024.

Signature of Witness

Witness ______________________________ Address _______________

____

Dated the______________________day of________________________2024.

(VIII) FORMAT FOR JOINT BIDDING AGREEMENT

THIS Joint Bidding Agreement executed on this __________day of

____________________2024 between M/s____, a

____________________ incorporated under____________________________and having its Registered Office at______________________(hereinafter called the "Lead Consortium Member", which expression shall include its successors, executors and permitted assigns) and M/s_________________________, a _____________________ incorporated________________________________and having its Registered Office at______________________________(hereinafter called the "Technical Consortium Member", which expression shall include its successors, executors and permitted assigns) for the purpose of making a Proposal and entering into the Joint Venture Agreement (in case of award) to be hereinafter referred to as the Contracts, against Request for Proposal of the AMECEA, or its authorized representative.

WHEREAS AMECEA desires to select a Development Partner for the DEVELOPMENT OF ITS PROPERTY ON PLOT LR NO 330/394 (NAI **WHEREAS**, AMECEA had invited Proposals vide its RFP Document; **AND WHEREAS Clause 10.2.3** of the Instructions to Bidders in this RFP document stipulates that the Bidder qualifying on the strength of a Bidding Consortium is to submit a legally enforceable Joint Bidding Agreement in a format specified by AMECEA wherein the Consortium Members have to set out their roles and responsibilities for the implementation of the Project.

AND WHEREAS the Proposal has been submitted to AMECEA vide letter no. __________dated__________________in accordance with the relevant provisions of RFP.

NOW THEREFORE, THIS DEED WITNESSTH AS UNDER:

In consideration of the above premises and agreements all the partners in this Consortium do hereby mutually agree as follows:

1) In consideration of the award of the Contract by AMECEA to the Consortium, we, the members of the Consortium and partners to the Joint Bidding Agreement do hereby unequivocally agree that partner, M/s (name of Lead Consortium Member), shall act as the Lead Consortium Member as defined in the RFP for self and agent for and on behalf of the Consortium Members.

2) Notwithstanding anything contrary contained in this Joint Bidding Agreement, all the Consortium Members shall be jointly and severally responsible for the execution of the Project in accordance with the terms of the Joint Venture Agreement.

3) The roles and responsibilities of the Lead Consortium Member are as follows:

   a.

   b.

4) The roles and responsibilities of the Consortium Members are as follows:

   i.

   ii.

   iii.

5) The Lead Consortium Member is hereby authorized by the Consortium Members to bind the Bidding Consortium and receive instructions for and on their behalf. It is further understood that the execution of the Contract shall be done exclusively by the Lead Consortium Member.

6) The Lead Consortium Member shall be jointly liable and responsible for ensuring the individual and collective commitment of each of the members of the Consortium in discharging all their respective obligations. Each Consortium member further undertakes to be individually liable for the performance of its part of the obligations

without in any way limiting the scope of collective liability envisaged.

7) The Lead Consortium Member shall inter alia undertake full responsibility for liaising with Lenders and mobilizing debt resources for the Project, achieving financial closure and implementation of the Project on behalf of the Consortium.

8) This Joint Bidding Agreement shall be construed and interpreted in accordance with the Laws of Kenya and shall have the exclusive jurisdiction in all matters relating thereto and arising hereunder.

9) It is further expressly agreed that the Joint Bidding Agreement shall be irrevocable and shall form an integral part of the Contract and shall remain valid till the term of the Contract unless expressly agreed to the contrary by AMECEA.

10) The Lead Consortium Member is authorized and shall be fully responsible for the accuracy and veracity of the representations and information submitted by the Consortium Members respectively from time to time in response to the RFP and for the purposes of the project.

11) It is hereby expressly understood between the partners to this Joint Bidding Agreement that neither partner may assign or delegate its rights, duties or obligations under the contract except with prior written consent of AMECEA.

12) This Joint Bidding Agreement

    a) has been duly executed and delivered on behalf of each Party hereto and constitutes the legal, valid, binding and enforceable obligation of each such Party,

    b) sets forth the entire understanding of the Parties hereto with respect to the subject matter hereof;

    c) may not be amended or modified except in writing signed by each of the Parties and with prior written consent of AMECEA.

IN WITNESS WHEREOF, the partners to the Joint Bidding Agreement have, through their authorized representatives, executed these present and affixed Common Seals of their respective companies on the Day, Month and Year first mentioned above.

For and behalf of Lead Consortium Member by:

(Signature)

(Name)

For and on behalf of the Consortium Member

by: (Signature)

(Name)

(Designation

)

Feasibility Study

A Feasibility Study for the Proposed Development of AMECEA Complex Located Along Gitanga Road within Thompson Estate, Kilimani Nairobi City County.

FINAL REPORT

Lantmetri

Lantmetri Property Associates
P. O. Box 48974 - 00100 Nairobi Kenya
Gateway Place, Jakaya Kikwete Road.
Telephone: +254777888544;
E-mail: lantmetri@gmail.com

Executive Summary

The analyzed site is located in Kilimani area along the Chania Avenue off Ring Road Kilimani road. The proposed AMECEA Commercial Complex will be located next to AMECEA Head offices at the junction of Korosho road and Gitanga road and approximately 500 meters to the east of the intersection of Gitanga road and James Gichuru roads. The land parcel measures approximately 1.46 acres. The proposed Complex of about 12 floors shall comprise of about 300 car parking within 2 basements, 2 floors of retail spaces; Commercial offices on 2 floors; and 94 No. of residential apartments.

In general, the viability of the project is good. It is mostly visible from all directions and connectivity to the site is favorable. It is next to major roads running across the Thompson estate area. Based on the location analysis for the site, Retail scored the highest at 62.05, followed by residential with 60.00 then Commercial Officer with 57.16. Hotel was the least at 43.74. The relatively strong weighting of the three main uses is an indication that this site would make an ideal Mixed-Use Development. These strong scores justify our basis to choose mixed-use complex of retail, commercial office and residential.

After assessment of the various development options, physical and social economic elements within the Nairobi City County, it can be concluded that there is high prospect of mixed-use development in close proximity to the proposed site. In our opinion, there is already demand for retail space, commercial offices and residential apartments with the little supply available in the area.

The space and apartment design and requirements for the proposed Complex was computed based on the Physical Planning Handbook standards. After assessment of the real estate market in this area, it can be concluded that there are several competitors in close proximity. In our opinion, these competitors are likely to offer cutthroat competition to the proposed mixed-use development. However, since the development is within a mixed-use complex comprising of retail, commercial office and residential apartments, it will probably have an edge over the competitors. This shall be subject to a proper tenant mix within the development and professional management of the entire complex.

Based on the financial analysis on the financial feasibility section of this report, the project has a positive NPV a payback period of approximately 11 and 12 years is quite favorable and within the acceptable 12 years. The Internal Rate of Return are also higher than the discount rate. We therefore conclude that the proposed development alternatives are viable with preference of mixed-use development. The report was compiled guided by the following summary of the relevant parameters:

Parameter	Description
Land	• Land size 1.466 acres or 5,932.70 Square meters • The land prices of Kshs 350M per acres giving an estimated land value at Kshs 513M
Development control	• Land coverage at 75% = 4,449 Square Meters • Plot ratio of 447% which works out to 5,932.70 x 4.47= 26,520.00 SQM
Complex salient features	• 8,900SQM on 2 Basement Levels for Car Parking • 8,000SQM of Retail Space and 7,425SQM of Commercial offices • 10,520SQM of 66No 2bedroom apartments 100SQM each; and 28No, 3bedroom apartments 140SQM each. • Open area and lobby garden for common facilities
Construction Costs	• Kshs 1,352,520,000.00 for 26,520.00SQM and 8,900 SQM parking, • The Office, Retail and residential construction cost averages Kshs 51,000 per SQM
Development cost	• Kshs 1,595,973,600.00 consisting of contingency cost, Professional Fees and Marketing (Publicity) Costs. • Development cost of Kshs 60,180 per SQM inclusive of Professional fees, Legal fees, and Contingencies among others.

Loan cost	• External financing to cover **80%** cost of construction
	  o Self-financing (AMECEA) at Kshs 319,194,720.00.
	  o 80% Debt Financing of Kshs 1,276,778,880.00
	  o Total amount loan cost Kshs 1,564,054,128.00 including 20% loan interest and 2.5% financing cost.
	• External financing to cover **100%** cost of construction
	  o 100% Debt Financing of Kshs 1,595,973,600.00
	  o Total amount loan cost Kshs 1,955,067,660.00 including 20% loan interest and 2.5% financing cost.

Rental charges	• Kshs 100.00/SQF for Commercial office • Retail spaces at Kshs; 150.00/SQF • Kshs 200,000.00- 2Bedroom Serviced apartment • Kshs 280,000.00- 3Bedroom Serviced Apartment • Kshs 5,000.00 per space for Car parking • Sales revenue of Kshs 15 Million per two Bedroom unit and Kshs 21 Million and Kshs 750,000 per car parking unit.
Projected revenue	• Rental revenue of Kshs 24,573,600.00 monthly and Kshs 294,883,200.00 annually. • The occupancy level **50%** for the years 1 to 3, at **60%** for the year 4-6, at **70%** for year 7-10 and **80%** beyond year 10. • Inflation rate of 9.6% in October of 2022, thus discount rate 11.5% • The expenses of 10% made up an allowance of 6% towards operational cost and 4% as management cost. • Total Sales revenue of Kshs 1,237,500,000.00 within 8 years.

IRR and NPV	• 11 Years payback Period for 80% financing and 12 Years for 100% financing. • The Terminal Value at Kshs1.932 Million for 80% financing and Kshs 2.021Million for 100% financing. • The project has an IRR of *1.421%* for 80% financing and ***1.315%*** for 100% financing. • Net Present Value of Kshs 49,283,246.22 for 80% financing and Kshs 66,669,149.26 for 100% financing.

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List of Tables

List of Acronyms

AHA	- Affordable Housing Agenda
AMECEA	– Association of Member Episcopal Conferences in Eastern Africa
AVIC	- China National Aero-Technology International Engineering Corporation
CBD	– Central; Business District
CNBC	– Consumer News and Business Channel
COVID-19	- Coronavirus Disease
CPI	- Consumer Price Index
EAC	- East African Community
GDP	– Gross Domestic Product
GOK	– Government of Kenya
GSU	- General Service Unit
GTC	- Global Trade Center
HFO	- Heavy Fuel Oil
ICT	– Information Communication and Technology
IRR	- Internal Rate of Return
KNBS	– Kenya National Bureau of Statistics
KP	- Kenya Power
Kshs	- Kenya Shillings
LAPSSET	– Lamu Port-South Sudan-Ethiopia-Transport
MGR	- Meter Gauge Railway
MUD	- Mixed Use Development
NPV	– Net Present Value
NSE	- Nairobi Stock Exchange)
PPP	- Public-Private Partnership
RBA)	- Retirement Benefits Authority
REREC	- Rural Electrification and Renewable Energy Corporation)
SDGs	- Sustainable Development Goals
SGR	- Standard Gauge Railway
Sq Km	– Square Kilometers
SQFT	– Square Feet
SQM	– Square Meters
UN	- United Nations
UNESCO	– United Nations Educational, Scientific and Cultural Organization
UNON	- United Nations Office in Nairobi
USD	- United States Dollars

1 INTRODUCTION

Lantmetri Property Associates–independent real estate property advisers have prepared this Feasibility study. It has been prepared based on information provided by the client and site suitability assessments.

Commercial Complex will be designed to be a mixed-use urban development; meaning it will have space for Commercial offices, rental and serviced residential apartments, and retail space for a number of shops and outlets.

According to the information from the AMECEA who is the client for this Commercial Complex, the commercial office shall be located fronting the Gitanga Road in Nairobi Kilimani area. The commercial block, will be on second floor to 10th floor. Beneath it, we shall have retail mall from ground floor to first floor. The project will also have enough packing space within two basements, which will be able to accommodate over 300 personal vehicles.

On the other hand, behind the commercial block a residential block shall be developed above the retail mall. "From 2nd to 9th floors there shall be residential apartment to form a mixture of executive of two bedrooms and three bedrooms apartments. In total, the residential block will have 24 two-bedroomed apartments among them nine will be serviced apartments and with 24 three-bedroomed apartments being serviced apartments.

1.1 The feasibility study

The sole purpose of this feasibility study was to evaluate market capacity and financially justify the potential for development of a real estate project considering the location, situation in the real estate market, comparative environment, development costs and liquidity of the project.

The objectives that guided this feasibility study were as follows:

- Physical and legal feasibility of the object including the site, its location, connectivity, visibility, accessibility, available utilities, compatible surroundings, appropriate zonings and satisfactorily environmental impact. etc.,
- Socioeconomic feasibility that seeks to identify the factors that are likely to have a positive or negative effect on the market e.g., demographic factors of the population, local economic conditions, income and expenditure, among others,
- Market feasibility that entails the demand and supply analysis to determine if the project is viable and
- Lastly, the financial feasibility in order to determine the project's profitability.

1.2 Client Goals

The property owner of land parcel located within Thompson Estate, Kilimani area of Nairobi City County is keen to optimize this land holding through the development of a competitive real estate property. The property is located in the heart of Kilimani Estate in Zone 4 of Nairobi City planning zones. The estate neighbours Lavington estate to the north, Woodley estate to the south, Kawangware Estate to the west and Hurlingham estate to the East. The area is served by an extensive transit system, including public vehicles from Karen Estate, Dagoretti, Lavington Estate, Ngong Town, Woodley Estate and Kawangware estate. The site is therefore transit, pedestrian, and private vehicles-accessible.

1.3 Terms of Reference

This feasibility study contains the client expectation, which falls within the following:-

a) **A brief on the need analysis** of the proposed project, in terms of the supply and pricing trends in a particular area. Investigative questions such as, will the need be there by the time the project is complete? What is the outlook for the real estate developments in the area? What are the risks of oversupply? Pricing and uptake opportunities as well as marketing strategies that may be deployed in tandem with the development, state of the markets etc.
b) **Legal considerations:** what are the legal regimes to be observed
c) **Development size:** The Legally allowable and most profitable size of development that would make best, highest and most practical use of the land.
d) **Cost Estimates:** Estimates of the project to an acceptable level of accuracy including both the initial and operating costs.
e) **Financial analysis:** Returns on Investment for Sale and Letting
f) **Target market:** customers, competition and any other similar development in the area
g) **Comparative Analysis:** on competition and possibilities in a given area, including taking into account what other developers are doing, the direction and trend of real estate market within the area, and the prevailing and current market desires and preferences of most clients as tenants of owners
h) **Any other information**: such as economic outlook, industry intelligence and pricing indices that better advice the client on future expectations

1.4 Scope of Work

The overall expectation of this assignment was for the consultant to;

i. Provide a report on real estate market demand and supply assessment in order to ascertain an appropriate proposed **AMECEA Complex** development within the property.
ii. Prepare a Financial reports (Development Cost Estimates and report on projection for the income) for proposed development option.
iii. Prepare a feasibility Report suitable to meet the standard and requirements of Banking and Financial Institutions based on prevailing market conditions.
iv. Provide feasibility study financial Report Estimate based on prevailing market condition and informed by design decision and project location.
v. Conduct a validation meeting with AMECEA Management team to review the draft report of the feasibility study
vi. Deliver a final feasibility study report

1.4.1 Expected Outputs and Deliverables

The Consultant is expected to deliver the following:

A. Deliver first Draft preliminary report of the feasibility study report.
B. Validation of Draft Preliminary Report through meeting with the client team to review initial findings of the study
C. Draft Feasibility Study report incorporating comments and feedback from the client.
D. Present the Final report to the Client Management
E. Provide final feasibility study report.

1.5 Methodology

Our basic approach has been to identify the forces of supply and demand that either directly or indirectly affect the retail market potential in Zone 4 of Nairobi City County, where the proposed **AMECEA commercial complex** shall be developed. The market forces include population, population change, households, age structure, family size, household income, employment, shopping habits and patterns, existing and proposed competitive facilities, directional growth patterns, accessibility within the market area, and finally consumer expenditure dynamics.

In order to determine the prevailing rental market and gauge the potential of the proposed development, we have carried out a number steps as summarized below:

1. We undertook an analysis of real estate trends taking place in commercial, retail and residential developments patterns nationally, regionally, and, more specifically, in the Zones 3, 4 and 5 of Nairobi City County Planning Zones.
2. We conducted research on the published and unpublished literature to gather data regarding population and its projections, housing supply, expenditures, competition, general habits in housing sector and patterns, and other data pertinent to this analysis. Sources included:
    - Kenya National Bureau of Statistics
    - Physical Planning Handbook.
    - The East African.co.ke
    - (UNESCO reports)
    - African Development Bank - Kenya Office
    - Business Daily Africa.com
    - Central Bank of Kenya 2022
    - Citibank Retail Report, 2023
    - CNBC Africa
    - Construction Kenya 2022
    - Consumer Federation of Kenya 2022
    - The World Bank 2022/23
3. Members of our staff visited the site and toured the delineated trade areas, which include Kawangware, Kilimani, and Thompson Ngong Road, Lavington, Milimani, Woodley and Westlands. We also drove on the major and many of the minor traffic arteries in and around Kilimani Estate. The team also visited major commercial projects within the primary trade area. They took notes regarding, institutions, commercial facilities, socioeconomic levels, employers, and general physical conditions of the malls visited.

4. Our team also met with residents and estate managers of apartments to discuss the level of business operations in the area, resident characteristics, and trade area coverage.
5. We analysed the accessibility in terms of traffic ingress and egress to proposed site, and in many of the real estate developments in the area. We also reviewed the support amenities provided like generators, swimming pools, security among others by most of the existing developments in the area.
6. Members of our staff inventoried the existing and proposed competitive developments that affect the market at the subject site. The evaluation identified the characteristics of these real estate projects within the trade area including their location, size, amenities, degree of success, and general impact of competitive facilities.
7. We evaluated the socio-economic characteristics of Kilimani Estate, other estate within the trade area based on the 2019 population, and we made use of the Housing Census, and projections to derive the current population in the area. The socio-economic characteristics include population, population growth, age structure, and household characteristics among others.
8. Once the trade area was delineated, we evaluated the population and made projections for 2025 to determine the level of market support available within the trade area for the proposed the development.
9. We compiled the financial feasibility section in accordance with the International Valuation Standards.

2 GENERAL INFORMATION

2.1 Overview of Kenya Demographics

Kenya covers 581,309 km^2 (224,445 square miles), warm, humid climate along its Indian Ocean coastline, with wildlife-rich Savannah grasslands inland towards the capital. Kenya, along with Uganda and Tanzania, is famous for its safaris and diverse wildlife reserves and national parks such as the East and West Tsavo National Parks, the Maasai Mara, Lake Nakuru National Park and Aberdares National Park. There are several world heritage sites, such as Lamu and many world-renowned beaches, such as Diani, Kilifi, where international yachting competitions are held annually.

The economy of Kenya is the largest by GDP in Southeast and Central Africa. Agriculture is a major employer with the country's major exports being tea, coffee and fresh flowers to Europe. The service industry is also a major economic driver.

Figure 2:1: Showing Map of Kenya

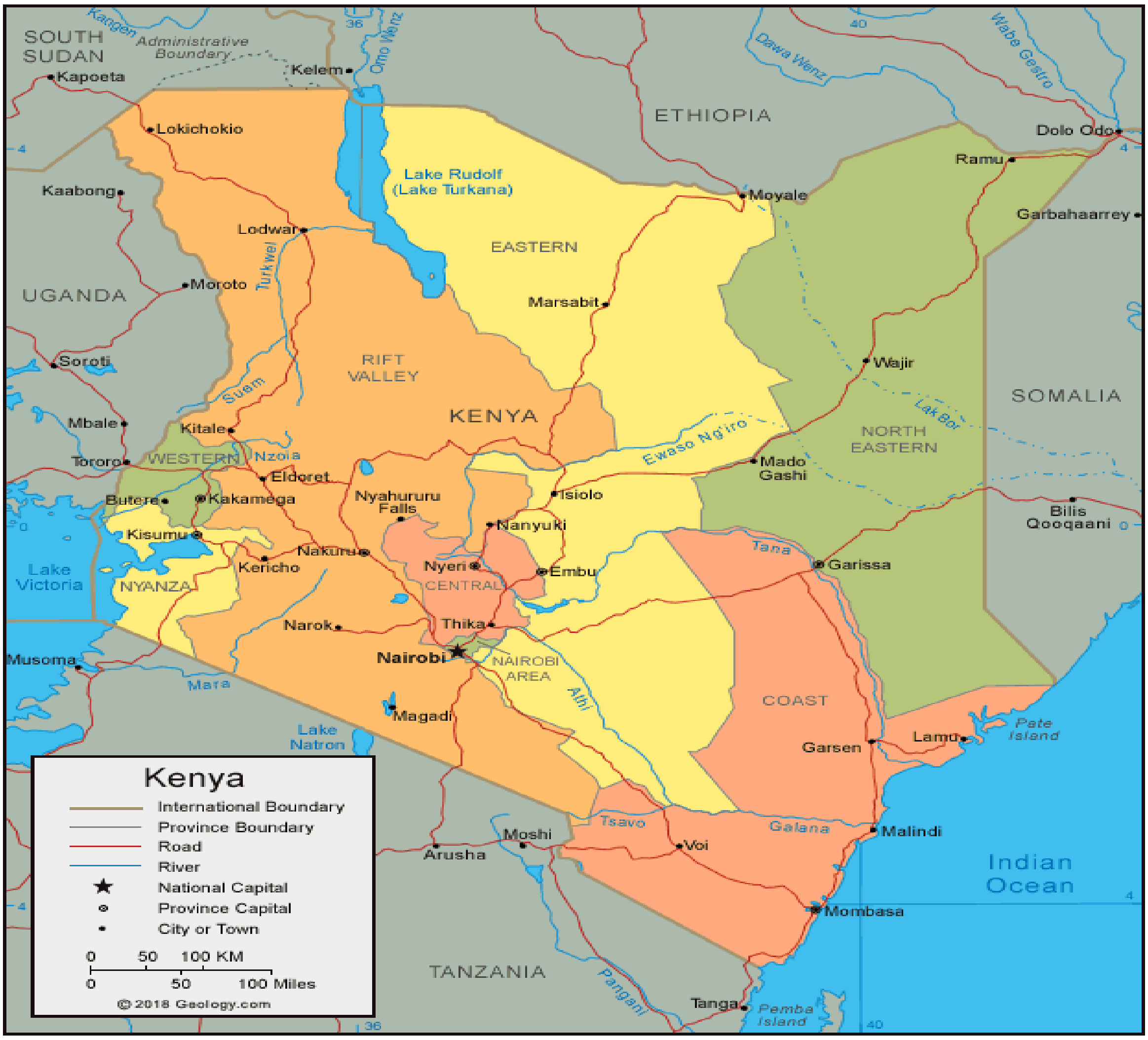


Image 1: Source: Google, April 2022

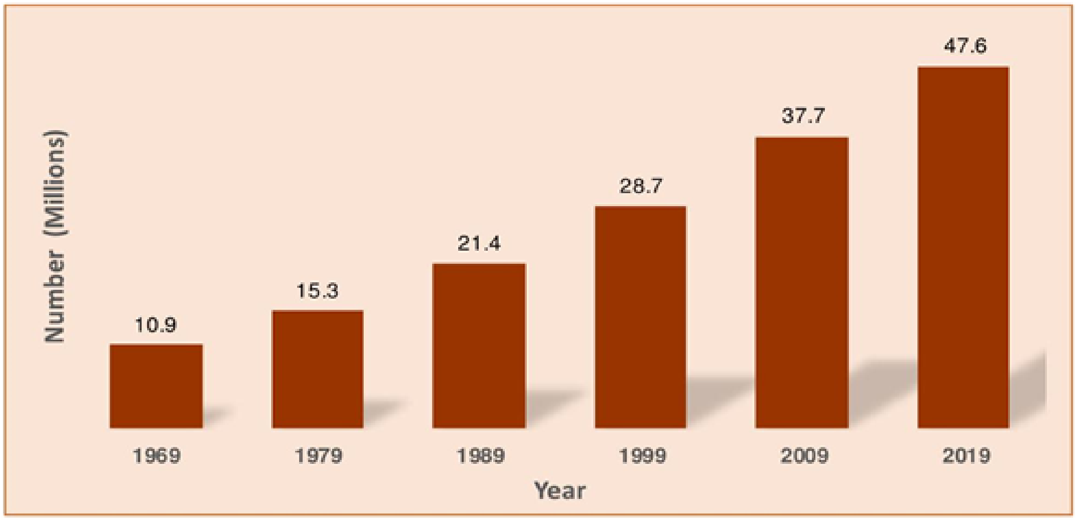
2.2 Kenya's Population Demographics

Kenya's population is very diverse and home to most of Africa's linguistic and ethnic groups. There are believed to be at least 42 communities, although Nilotes (30%) and Bantus (67%) account for a majority, followed by Cushitic groups, Arabs, Indians, and Europeans.

Table 2:1: The 2019 Kenya Census Indicator at a Glance

Indicator		**2019**
Population size		47,564.3
	Male ('000s)	23548.1
	Female ('000s)	24014.7
	Inter Sex ('000s)	1.5
Sex Ratio (No of Males per 100Females)		98.1
Population Density (No Per Sq Km.)		82
Number of Households ('000s)		12143.9
Average Household Size		3.9
Inter-Censal Growth Rate		2.2

Figure 2:2: Population trend in Kenya (1969-2019)



2.3 Public and Private Sector Development Plans & Trends

Kenya has invested about 6.4% of GDP on education or, approximately Kshs 160 billion per year. This heavy investment is borne largely by Government alone although there is an option in partnership between the Government and non-public providers of education and training that can help reduce levels of public financing. Public-Private

Partnership (PPP) has been adopted widely internationally over the last two decades to enable governments to obtain greater value for their investment in education. The PPP can take various forms from direct investment by the private sector either for the establishment of an institution or in support of one or more existing ones. It can also involve government and private institutions collaborating to provide investment for specific housing purposes, as for example, provision of affordable and social housing, support for ICT among others.

2.3.1 Private sector trends in Nairobi Region

Various real estate projects have been constructed in order to accommodate the large demand for housing within Nairobi region. Many private investors have focussed on large-scale real estate development like, shopping malls, Commercial blocks, industrial parks, Hotels and conference centre while overlooking the low- and mid-income sector due to low returns in this category.

2.3.2 Public sector plans

The Government has continued in its efforts to develop efficient and effective infrastructure, which is a key enabler for other sectors as envisaged in Kenya Vision 2030. An improved road network enhances connectivity, mobility and promotes trade and investments by reducing cost of doing business. Significant progress has been made in the construction of the Standard Gauge Railway (SGR).

In addition, the construction of roads across major towns such as Nairobi, Nakuru and Kisumu shows the Government's commitment to developing infrastructure to promote business. In 2018, the construction sector registered a slowed growth of 6.3% compared to a revised growth of 8.5% in 2017. Wage employment in the sector grew by 2.2% from 167.9 thousand persons in 2017 to 171.6 thousand persons in 2018. Loans and advances from commercial banks to the construction sector grew by 1.8% from Kshs 112.0 billion in 2017 to Kshs 114.0billion.

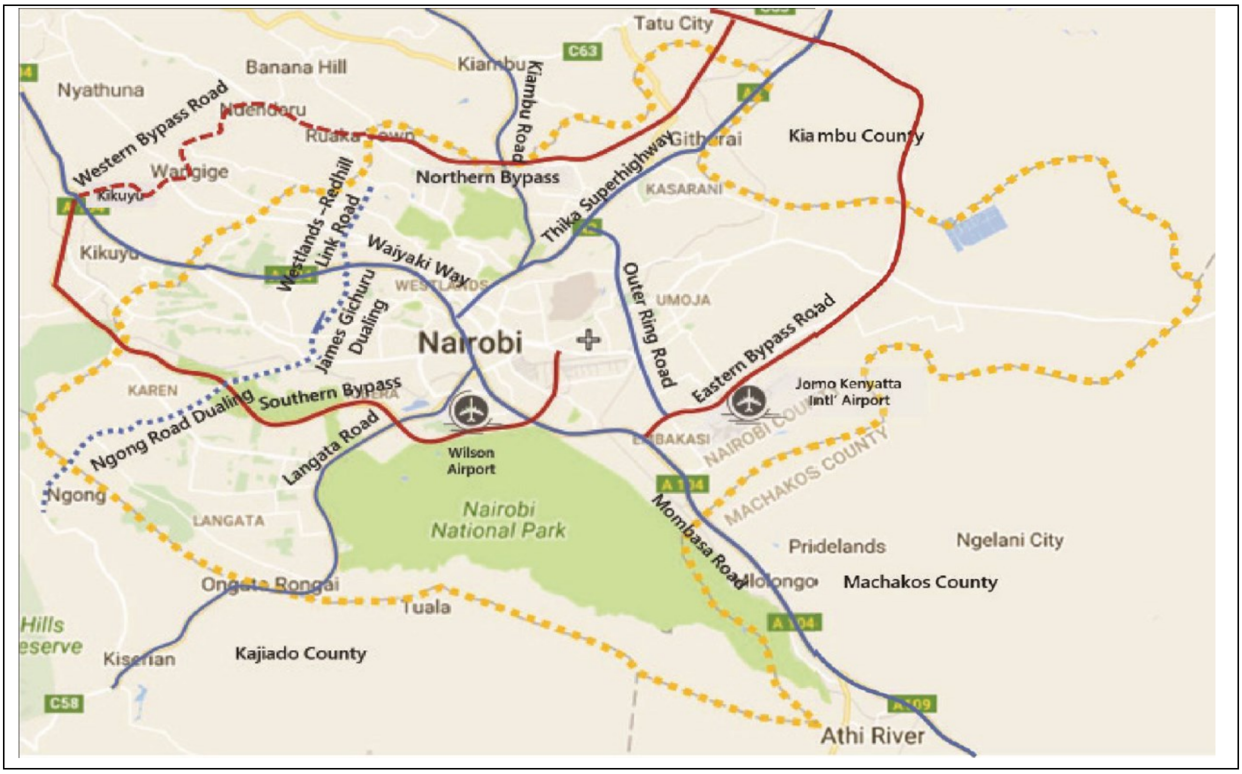
2.3.2.1 *Roads*

A priority area in the city's transport sector is the decongestion of roads. Major plans are being implemented in an effort to ensure smooth flowing traffic on the city roads. As part of the Vision 2030, a number of roads including; Rironi Westland Road, Westland Mulolongo Nairobi Express Way, Expansion of Ngong Road, the Nairobi by-passes, Nairobi Ring roads, Outer-Ring roads among others have been constructed by the Kenyan government with some being financed by various donors including the Chinese Government. The construction of these roads has significantly eased off vehicular traffic congestion in Nairobi's downtown and enabled easy access to major estates. These major roads comprise the:

A. **Nairobi Express Way;** Links the major commercial areas within Nairobi City to Jomo Kenyatta International Airport, starting from James Gichuru Wayaki Way junction to Mulolongo centre.

B. **Rironi Westland Road;** Linking Westland from James Gichuru Wayaki Way junction to Northern By-pass at Rironi area.
C. **Eastern Bypass;** the conversion of the 32.0 Km Eastern Bypass into a dual carriage which links Mombasa Road to the Thika Superhighway through City Cabanas, Pipeline, Njiru, and Ruiru
D. **Ngong road Phase 1 & 2;** It involves the dualling of Ngong road from Kenya National Library Services to Lenana Road Junction through Prestige Plaza area Dagoretti Corner and Junction shopping mall.
E. **Nairobi Ring roads;** Include road links that connect various estate without going through the Nairobi CBD. Connecting UN Offices at Gigiri Area to Langata Road though Westland, Parklands, Kileleshwa, Lavington, Kilimani, Lavington, and then all the way to Karen Estates.
F. **Outerring roads;** This road links Mombasa Road and Jomo Kenyatta international Airport through Embakasi Estate Donholm estate and Kariobangi Estates to Thika Road at GSU head offices.
G. **Northern by-pass;** Linking Limuru road to Thika road through Limuru and Karuri areas.
H. **Eastern by-pass;** Linking Mombasa road to Ruiru-Kiambu road near Kamiti prison through Utawala and Embakasi areas.
I. **Southern bypass**; It runs from Wayaki Way through Kikuyu town, Dagoretti, Thogoto area, Karen and Langata to South C Estate ending up at Mombasa road at Ole-Sereni hotel.

Figure 2:3- Map of Nairobi showing major roads



Source: Kenya National Highway Authority

2.3.2.2 *Railways*

The railway network includes the standard gauge rail from Mombasa-Nairobi-Malaba, Commuter Rail stations (Syokimau, Imara Daima, etc,) and Light Rail system within Nairobi. Kenya is collaborating with other countries in the region to develop railway infrastructure to improve regional connectivity. Currently the Phase I and Phase II A of the SGR are complete. The SGR now links Mombasa to Naivasha through Nairobi and Ngong town.

Similarly, Kenya signed a Memorandum of Understanding with the Government of Ethiopia for the development of Lamu-Addis Ababa standard gauge railway (LAPSSET Project). Under the Lamu-South Sudan and Ethiopia Transport Corridor Project, the development of a railway component is among the priority projects.

In Nairobi, Syokimau railway station was officially opened in December 2012 and provides affordable and modern transport services between Syokimau and the Central business district. It comes with modern facilities, ample and secure parking, Wi-Fi, restaurants and scheduled train services. It is the first to be completed under the Nairobi commuter rail project. The Imara Daima railway station was also officially opened in December 2013 by retired president Mwai Kibaki. Other ongoing stations under the project are the Jomo Kenyatta International airport link and the Nairobi Central Railway station. Al these railway projects are under the Nairobi Metropolitan Transit Master plan.

The development of these critical transport facilities has, besides reducing transport costs due to faster movement of goods and people within the region, also increased trade, improved the socio-economic welfare of Northern Kenya, Nairobi and areas within the network and ultimately boosted the country's potential in attracting investments from all over the world.

2.3.2.3 *Power*

Kenya’s power sector has experienced steady growth over the last two decades. Moreover, Kenya has remarkable renewable resources as evidenced by its track record as one of the lowest cost developers of geothermal power in the world. Kenya has also aggressively tried to increase access to the power grid, having more than doubled electricity access from 32% in 2013 to 75% of households in 2022.

Kenya Power (KP) is currently the sole distribution company in Kenya. Impressively, KP more than doubled access in Kenya from 26% of households in 2013 to 77% in 2018, meeting best-in-class benchmarks globally. KP has been assisted in this effort by Kenya Rural Electrification and Renewable Energy Corporation (REREC). Since its inception, REREC has helped move rural electrification from 4% to 32% of rural households, largely through its efforts to connect 60,000 public facilities (mostly primary schools) around the country and all household consumers within 600 meters of those facilities.

Kenya installed electricity capacity as of 2021 stood at 2,990 MW, a significant growth from 1,800MW in 2014, but still low for a country with a population of over 50 million. The GOK is pursuing efforts that will increase power demand and supply and lower the cost of electricity by injecting cheaper renewable energy sources such as geothermal, wind, solar, and the addition of natural gas into the energy mix while weaning off the more expensive heavy fuel oil (HFO) plants. It is expected that generation will reach 5,000MW by the year 2030, with the bulk of it coming from geothermal, natural gas (imports), wind, and solar. Kenya has long-term goals of developing nuclear power with the first project expected to start in 2035. The sector presents opportunities for trade and investment, especially in renewable sources like geothermal, solar, and wind.

2.4 Economic Survey of Kenya

The Coronavirus Disease (COVID-19) adversely affected Kenya’s economy and the consequent containment measures both domestically and internationally. These significantly slowed down economic activities in 2020. In 2020, GDP growth decelerated to 1.4% from 5.4% in 2019. According to the African Development Bank, the GDP is, however projected to grow by over 5.5% in the year 2022. The Economic growth in Kenya is supported by agriculture, while weaknesses in services and industry have had a dampening effect. Expansionary fiscal, monetary, and financial policy measures have been introduced to mitigate the impact of the pandemic on businesses and households.

The fiscal deficit widened in the recent past as a result of revenue short falls and as the pandemic-related spending increases to deal with health issues and to mitigate the damage to household income and businesses. However, the current account deficit is narrowing down, supported by a sharp reduction in the oil import bill. Foreign exchange reserves also declined significantly at the end of 2020 compared to the November 2019. The local currency has also weakened to above Kshs 114 to the US dollar at the end 2021 from Kshs 101 to the dollar in end of 2019. The current exchange rate is in the range of kshs123. Spillover effects from major sectors affected the financial sector; the capital market was the hardest hit. The pandemic did serious social damage. Nearly 2 million people are estimated to have fallen into poverty, and nearly 900,000 lost their jobs.

There are other economic factors making Kenya an ideal investment destination including: rapid urbanization at 4.3% per annum versus a global average of 2.0%, an expanding middle class, and positive demographics such as high population growth at 2.6% per annum against a Sub-Saharan Africa average of 2.3%. The positive outlook has led to increased investment from major foreign firms, in particular from China, with their focus being in and around the country’s capital. Examples include a US$70 million investment by Chinese investors, China National Aero-Technology International Engineering Corporation (AVIC), as well as the acquisition of a 38.9% stake in the Two Rivers development by Jiangxi.

The number of new developments in Nairobi region affirms that market is mature for anyone looking to develop property for sale. Mixed developments are also picking up, in addition, Construction financing is on the rise because commercial banks now offer facilities of up to 105%, and new regulations from the Retirement Benefits Authority (RBA) allow pensioners to leverage up to 60% of their benefits as Construction finance security. This means more Kenyans are empowered to invest in real estate. Real estate investment in Kenya also benefits from inflows from the diaspora.

The net positive outlook is at the back of increased capital injection into the sector, where investors are lured by high returns on their investment, high demand for houses and government incentives that include tax reductions. Despite input cost challenges, demand continues to outpace supply in most real estate sectors, increasing market stability and potential returns for investors.

2.4.1 GDP Growth Rates

GDP is the monetary value placed on all finished goods and services produced within a country's borders in a specific time. It is inclusive of private and public consumption, government outlays, investments and exports less imports within a specified territory. GDP is the measure for the economic performance of a country.

East African Community (EAC) real GDP contracted by 0.2 per cent in 2020 from a growth of 6.2 per cent recorded in 2019. COVID-19 affected the East Africa Community members in many ways such as having negative effects on tourism earnings, falling commodity prices and waning financial flows, consequently worsening the region's fiscal and current account balances.

Nominal GDP increased from Kshs 10,255.7 billion in 2019 to Kshs 10,753.0 billion in 2020. Agriculture remained the dominant sector in the economy accounting for about 23.0 per cent of GDP. Other sectors that contributed significantly to the economy in 2020 were Transportation and Storage (10.8 per cent); Real Estate (9.3 per cent); Wholesale and Retail Trade (8.1 per cent); Manufacturing (7.6 per cent); Financial and Insurance Activities (6.5 per cent); and Construction (7.0 per cent). Taxes on products contributed to the GDP with a share of 8.0 per cent.

Agricultural activities benefited from sufficient rains that were well spread throughout the country. Similarly, the increased precipitation was a significant boost to electricity generation and consequently favourable to growth during the review period.

However, there was a significant growth in some of the key sectors of the economy such as Public Administration and Defense, Human Health Activities, and Construction, which expanded by 5.3 per cent, 6.7 per cent and 11.8 per cent, respectively.

Table 2:2: Showing Gross Domestic Product by Activity in 2016 – 2020

Industry	**2016**	**2017**	**2018**	**2019**	**2020***
Agriculture, forestry and fishing	20	20.9	20.3	21.2	23
Mining and quarrying	1.1	0.8	0.7	0.7	0.7
Manufacturing	9.3	8.7	8.4	7.9	7.6
Education	4.5	4.3	4.3	4.2	3.8
Electricity supply	1.9	1.8	1.7	1.6	1.5
Water supply; sewerage, waste management	0.8	0.7	0.6	0.6	0.6
Construction	5.1	5.4	5.8	6	7
Wholesale and retail trade; repairs	8.3	8.4	8.2	8.2	8.1
Transportation and storage	10.2	10.2	11.3	11.7	10.8
Accommodation and food service activities	0.9	1	1.1	1.2	0.7
Information and communication	2.7	2.6	2.6	2.5	2.5
Financial and insurance activities	7.8	7.5	6.7	6.4	6.5
Real estate	**9.3**	**9.3**	**9.4**	**9.2**	**9.3**
Professional, scientific and technical activities	1.9	1.8	1.8	1.7	1.5
Administrative and support service activities	1	1	1	1.1	0.9
Arts, entertainment and recreation	0.2	0.3	0.3	0.3	0.2
Public administration and Defense	5.4	5.2	5.3	5.4	5.5
Human health and social work activities	2.1	2.1	2	1.9	2
Other service activities	1.4	1.4	1.5	1.4	1.2
Activities of households as employers	0.7	0.7	0.7	0.7	0.7

Source: Kenya National Bureau of Statistics, 2022

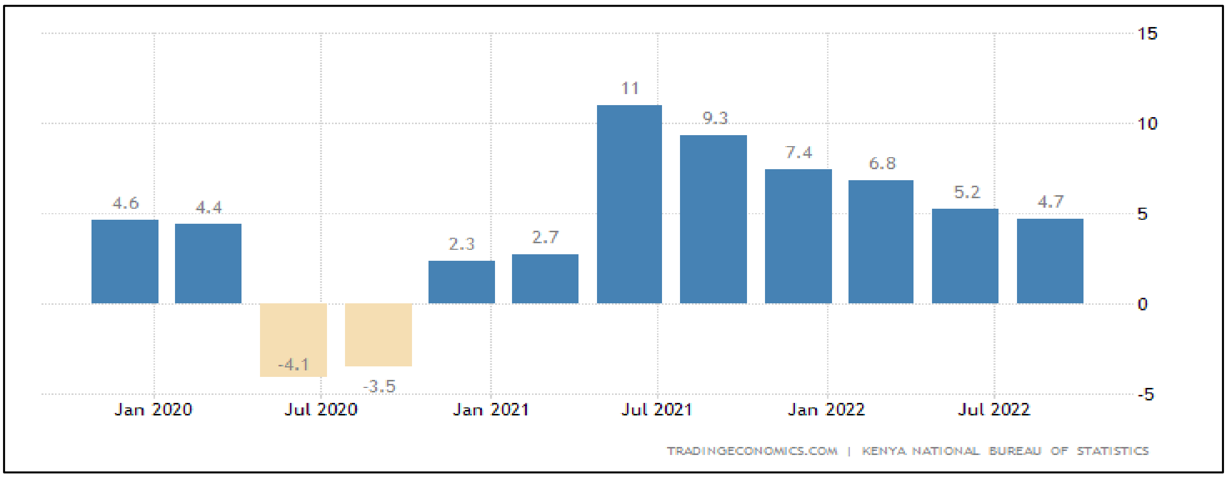
According to the KNBS Economic Survey, 2021 Kenya's economy recovered from the effects of the COVID-19 experienced largely in 2020 coupled with uncertainties associated with general elections held in 2017. Real Gross Domestic Product (GDP) expanded by 5.4% in 2019 and 5.0% in 2021 compared to 1.4% in 2020. In January 2022, it was estimated that the GDP had recovered to 7.4%. The growth was principally attributable to increased agricultural production, accelerated manufacturing activities, sustained growth in transportation and vibrant service sector activities.

However, for the period between January and July 2022, the GDP decreased from 7.4% to 4.7% as shown in the figure below. There were less investments during this period as investors shied away awaiting the results of the 2022 August Elections and the economic policies the new government.

The economy of Kenya advanced by 4.7% year-on-year in the third quarter of 2022, the fifth consecutive quarter of slowing growth and the weakest economic expansion since the first quarter of 2021. Accommodation and food services, and wholesale and retail trade contributed to the growth, while agriculture, forestry and fishing, and mining and quarrying contracted slightly. Kenya's economic growth is expected at 5.3% in

2022 and 6% in 2023, according to the forecasts of the Ministry of Finance, The Treasury.

Figure 2:4: Kenya's GDP Rate (January 2020 – July 2022)



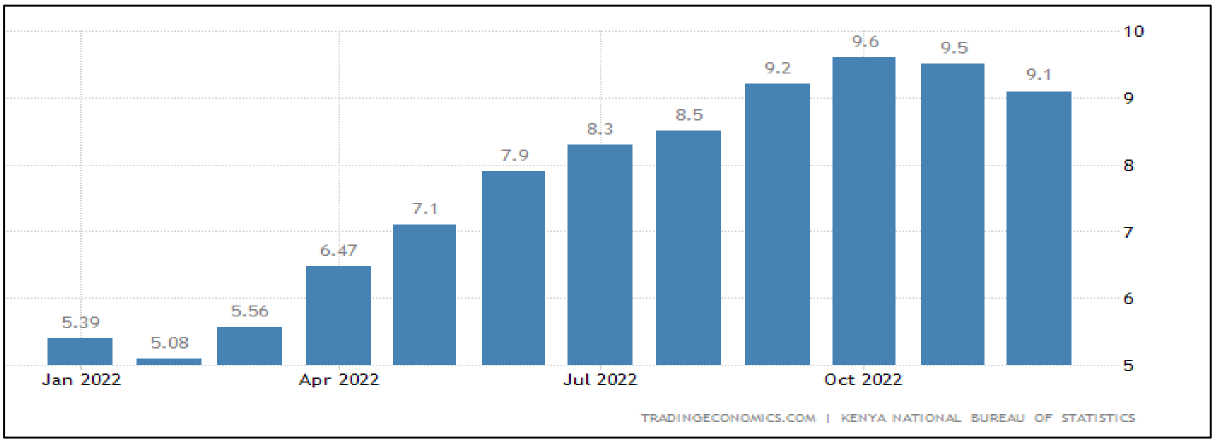
Source: Trading Economics, 2023

2.4.2 Inflation Rates

Inflation is defined as a sustained increase in the general level of prices for goods and services. With inflation, every shilling/dollar one owns, buys a smaller percentage of a good or service. The annual inflation as measured by the Consumer Price Index (CPI) decrease was because of favourable weather conditions and prudent macroeconomic policies.

According to Trading Economics, 2021, the annual inflation rate in Kenya accelerated to all time high of 9.60% in October 2022, from 5.08% in the month of February 2022. Main upward pressure came from food & non-alcoholic beverages (12.15%), namely wheat and basic goods; transportation (6.88%), due to another increase in fuel prices; and housing & utilities (5.47%). On a monthly basis, consumer prices inched up 1.69%, following a 0.85% rise in the previous month.

Figure 2:5: Kenya's Inflation Rate (January – December 2022)



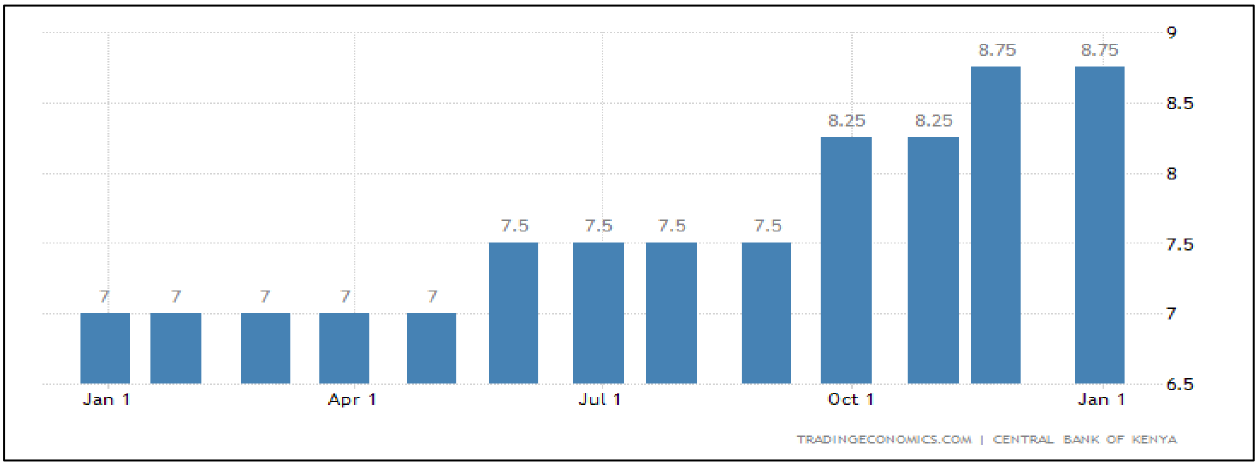
Source: Trading Economics, 2023

2.4.3 Interest Rates

Interest rate is the rate charged by a lender to a borrower as a percentage of the principal amount borrowed which is paid for a certain period during the term of the loan. The interest rate charged depends on a number of factors such as, amount borrowed, default probability, credit worthiness of borrower, purpose of the loan, among others. The interest rate affects many variables, thus making it a vital tool when dealing with investment, inflation and unemployment.

The Central Bank of Kenya raised its benchmark interest rate by 50 bps to 8.75% in November 2022, bringing borrowing costs to the highest since late 2019. The annual inflation rate in Kenya accelerated for the eighth straight month to a fresh 5-year high of 9.6% in October of 2022, from 9.2% in September. Meanwhile, the recently released GDP data for the second quarter together with leading indicators of economic activity suggest that the Kenyan economy should remain strong in 2023.

Figure 2:6: Kenya's Interest rate (January 2022– December 2023)



Source: Trading Economics, 2023

2.4.4 Construction

The construction sector grew by 11.8 per cent in 2021 compared to a growth of 5.6 per cent in 2019. The Government and expanded construction in the housing sub-sector attributed the accelerated growth to the continued investments in road infrastructure. The accelerated growth was further supported by ongoing rehabilitation of the Meter Gauge Railway (MGR). Cement consumption increased by 23.3 per cent from 5,933.3 thousand tons in 2019 to 7,312.7 thousand tons in 2020, also reflected growth in the sector. The number of residential buildings completed by the State Department for Housing during 2020/2021 were 2,332 units while 2,032 units were under construction. Importation of timber and wood products, bitumen and cement, construction related materials, increased by 69.6, 15.2 and 3.4 per cent, respectively. Credit advanced to the building and construction sector grew by 3.4 per cent to Kshs 119.7 billion.

2.4.5 Diaspora Remittances

In Kenya, Remittances refers to inflows of migrants' and short-term employee income transfers (personal remittances). Remittances in Kenya averaged 115,866.68 USD Thousand from 2004 until 2022, reaching an all-time high of 363.581.66 USD Thousand in March of 2022 from a record low of 25,154 USD Thousand in January of 2004. Remittances in Kenya is expected to be 340000.00 USD Thousand in the month of March 2023. In the long-term, the Kenya Remittances is projected to trend around 320000.00 USD Thousand per month in 2023 and 330000.00 USD Thousand per month in 2024.

2.4.6 Planning regulations for the area

All developments in Nairobi are subject to approval by the Nairobi City Government and NEMA licensing. According to the City Council Zone guide of 2004, Kilimani Estate was located in zone 4 of the 20 planning zones of Nairobi City County. However, Arthur Munyua Mwaura 2006, in their Policy Review proposal, Zone 4 was further subdivided into 9 development control units. Therefore, the proposed site falls within Zone 4G, with the allowable ground coverage is 70% while the plot ratio is 350% and a maximum 10 floors of Development density allowed depending on the support services with minimum plot size of 0.2 hectares.

3 PROPOSED DEVELOPMENT AND RISK ANALYSIS

3.1 Project description

The object of this feasibility study is a proposed Commercial Complex – "**The AMECEA Commercial Complex** " by AMECEA an acronym for **Association of Member Episcopal Conferences in Eastern Africa**. The 12 floor mixed-use complex shall be located along Gitanga road in Thompson Estate Kilimani area, approximately 500 meters to the east of the intersection of Gitanga road and James Gichuru road. The site is approximately 1.466 acres and is a first-row parcel on the Southern side of Gitanga Road.

The property is located within Thompson Estate in Zone 4 of Nairobi City planning zones. The estate neighbours Lavington estate to the north, Woodley estate to the south, Kawangware to the west and Kilimani estate to the East. The area is served by an extensive transit system, including public vehicles commonly known as route 46/56, taxis and pedestrian paths. The site is therefore transit, pedestrian, and private vehicles-accessible.

It is proposed to the plot owner to develop a Mixed Use Development (MUD) Complex, which shall include; of Basement Parking, Retail Space, commercial Office and Services and Rental apartments; 2 levels of Basement Parking on 8900SQM to accommodate 300 spaces. 2 levels Retail Space occupying 7000SQM of which 6,800SQM shall be lettable; Two floors of Commercial offices on second and third floors covering 8,000SQM or 6600SQM of lettable space.;66 No. Two Bedroom apartments @ 100SQM and 28 No. Three bedrooms apartments

@ 140SQM totaling to 10,520SQM accommodated on the Fourth to Eleven floors; Open area and lobby garden on the remaining area to accommodate common facilities for residents.

. The accommodation details of the proposed development are as follows:

3.1.1 Salient features for Mixed Use Development

The property owner proposes to develop a twelve (12) storey of mixed-use development to comprise of Basement Parking, Retail Space, commercial Office and Services and Rental apartments. As per the planning regulation, we adopted plot ration of 447% and coverage of 75%, and building height of twelve (12) levels. The proposal shall include;

A. Basement Parking developed on two levels totalling to 8900SQM to accommodate 300 parking spaces.
B. Two levels Retail Space on Ground floor and first Floor occupying 8000SQM per floor of which 6,800SQM shall be lettable. This shall accommodate retail stores like; Salons & Barber shops, Bookshop, Dry cleaners, Mobile Money shops, Eateries/restaurants and fashion clothes shops etc.
C. Two levels of Commercial offices on second and third floors covering 8,000SQM or 6600SQM of lettable space. This is to accommodate AMECEA Offices and other organizations.
D. 66 No. Two Bedroom units and 28 No, Three Residential apartments totalling to 10,520SQM at a ratio of 65%:35% accommodated on the forth to Eleven floors as follows:
    - Eight units per floor of Two-bedroom apartments measuring 100SQM each on each floor.
    - Three unit per floor of Three-Bedroom apartments measuring 140SQM each on each floor.
E. Open area and lobby garden on the remaining area above Commercial offices to accommodate common facilities for the apartments.

The proposed mixed use development shall be designed to accommodate the following possible tenant:

i. AMECEA Offices.
ii. Restaurant & Food court – on the ground floor of retail space
iii. Retail & specialised shops – on the ground floor.
iv. Professional Offices for services such as Building and Construction, Legal Firms, Engineering, Human Resource and Researchers, among others,
v. Out Patient Hospital and pharmaceutical shops, among others.
vi. Medical Service Providers e.g. A.A.R., Aga Khan Hospital, Nairobi Women Hospital and Individual medical consultants.
vii. Educational and Catholic Church offices for both Local and International organisations missionary activities.
viii. Sufficient provision of washrooms.
ix. State of the art security features.

The rental rates for the commercial offices and retail spaces will be determined on the basis of the size of the space taken up and their specific location within the MUD Complex.

3.2 Traffic Count and Parking Analysis

A Traffic Impact Analysis and Parking provision for the proposed development creates a basis of diverse parking users with varying peak demand times for parking. The mixed uses and varying peak demand times increase the likeliness of a successful shared parking model. For example, the restaurant can share parking with the office space tenants because restaurant parking demand peaks are in the evening and the office parking demand peaks are normally during the normal working hours during day. Additionally, a significant portion of the daytime demand for the restaurant could come from the adjacent office uses, which would not generate parking demand. Therefore, the building management should formulate and adopt a shared parking programme.

Therefore, we are of the opinion that, if the developer chooses to proceed with the current proposal, then 300 No parking spaces (computed based on the provisions of the Physical Planning Handbook, and international parking requirements) shall be adequate for the proposed MUD complex.

3.3 Risk and Mitigation

The study explored the option where the property owner would maintain the site in its current state i.e., using the site as it is without further improvement as part of highlighting the need to undertake the proposed MUD Complex. At this state, the client faces several risks including; -

a) **Physical Asset risk** – where the costs of land management may arise due to the condition of the existing structure. The aging of the facilities tends to have more risk for unforeseen problems to surface, such as costly roof replacements or equipment failure.
b) **Market risk** - where the property as a whole is known for its up and down-market cycles. Good markets are characterized by strong occupancies and steady rent growth while downturns often result in lower occupancies and flat or even discounted rents.
c) **Geographic risk** – where the property is heavily influenced by its location based on the regional, county, city or even a specific neighbourhood. Job growth, population and demographics are some of the key ingredients to that equation.

However, at this No development option, the property shall fetch low value. The client also forgoes the chance to maximize returns on land and positively establish an impact in Kilimani Area.

3.3.1 Developer Risk

The experience and ability of the developer can have a substantive impact on whether that developer can execute on a business plan and deliver targeted results to stakeholders. An experienced contractor should be selected or involve project managers who can deliver on time and under budget.

3.3.2 Debt Risks

Placing debt on a project is a common practice in financing construction projects, though placing too much debt on it or having the same mature at an inopportune time can imperil the project, particularly in the event of a market downturn as debt risks can lead to foreclosure.

Foreclosure is not as much of a risk itself but the unfortunate outcome of the incurred risks of over advantage, debt maturity or a combination of both.

3.3.2.1 *Over Leverage*

If a property loses too many tenants, its net operating income can drop to the point where its debt coverage service ratio falls below 1.0, which places the asset into the risk of defaulting on its Construction finance. Prudent advantage on an asset can range anywhere from 0% to 80% depending on the asset strategy.

3.3.2.2 *Debt Maturity Risk*

If a property's debt matures in a down market or at a point when its net operating income is compromised, then the project may be unable to obtain a new loan of the same amount of the outstanding debt. If investors are unable to infuse the additional capital necessary to refinance the project, then the asset is now at risk of Construction finance default.

3.3.3 Tenant risk

There are two primary subsets of tenant risk

1. Rent roll quality and
2. Rollover risk

3.3.3.1 *Rent Roll Quality*

This usually refers to the worthiness, stability and number of tenants in a premise. Do the tenants in a particular premise have the staying power? Could they go out of business or default on their lease?

Another element of tenant risk is single tenant vs. multi-tenant scenarios. Single tenants can be great during a lease term since the property, by definition is 100% leased but if they default or vacate at expiration, the property is now 100% vacant. In contrast, multi-tenant buildings are rarely 100% leased or 100% vacant. By creating a diverse tenant mix where no single tenant occupies more than 20% of the total leasable area of a building and staggering lease expiration, you can mitigate occupancy risk and help to ensure the property remains mostly occupied at all times regardless of the circumstance of each single tenant.

3.3.3.2 *Rollover Risk*

This refers to the remaining term left on leases at a property and it affects both single tenant and multi-tenant properties.

3.3.4 Physical Asset risk

There is the potential that unexpected costs may arise due to the condition of the property itself due to obsolescence. Aging assets tend to have more risk for unforeseen problems may surface, such as costly roof replacements or equipment failure. Any developer can mitigate physical asset risk through professional third-party reports that examine the physical aspects of an asset and highlight abnormal costs.

3.3.5 Entitlement Risk (new development)

New developments must navigate a lengthy and often complex process in order to obtain county approval to construct the project. This is referred to as the entitlement process and, prior to receipt of construction permits, all new development possesses entitlement risk. This is especially relevant in the development of current MUD Complex.

3.3.6 Construction risk

Any time a project entails significant construction (new development or redevelopment of an existing asset) there are risks that the construction project may incur cost overruns, take longer than anticipated to complete, or expose previously unknown defects in the physical elements of the various construction materials. When looking to invest in a project with potential significant cost overruns, it is critical that a competent experienced contractor is engaged in the construction and implementation of the project.

3.3.7 Market risk

Real estate as a whole is known for its up and down-market cycles. Good markets are characterized by strong occupancies and steady rent growth while downturns often result in lower occupancies and flat or even discounted rents.

3.3.8 Geographic risk

Properties are heavily influenced by their location based on the regional, county, city or even a specific neighborhood. Job growth, population and demographics are some of the key ingredients to that equation.

4 PHYSICAL AND SOCIO – ECONOMIC FEASIBILITY

4.1 The Site

The proposed AMECEA Commercial MUD Complex will be located on Land Reference No. 330/394 measuring approximately 1.466 acres situated along Gitanga Road in Thompson Estate. This is approximately 7 km to the west of the Nairobi CBD. The site is first row south of Gitanga road. Other properties adjacent and near to the site include AMECEA head offices, Torentiti Apartments, The Law Society of Kenya, The Kenya National Human Rights Commission. The Valley Arcade mall, Gitanga heights, Gitanga Apartments, Valley Apartments, and the Seventh Day Adventist Church apartments, Clyde Garden Apartments are in the immediate vicinity.

The proposed construction site is a rectangular shaped mixed soils parcel sloping gently to the east. The site has no significant heritage historical sites features, water bodies or any environmentally sensitive resources that may necessitate special protection. However, the client would have to carry out an Environmental Impact Assessment study for the proposed project in order to ascertain if the proposed project would have any adverse environmental effects.

Figure 4:1: An aerial view of the proposed site

Source: Google Map 2023.

4.1.1 Topography and Drainage

The proposed site under consideration is gently flat and drains along the access road. The site is on a flat area with loamy soils and grassy surrounded by residential plots up-market compounds with houses, gardens and some trees with black loam soil on a gentle slope. The Kilimani area is on high ground approximately 1700–1800 metres above the sea level with rugged topography.

Nairobi is adjacent to the eastern edge of the Rift Valley, minor earthquakes and tremors occasionally occur. The Ngong Hills, located to the west of the city, are the most prominent geographical features of the Nairobi area. Mount Kenya is situated north of Nairobi, and Mount Kilimanjaro is towards the southeast. Both mountains are visible from Nairobi on a clear cloudless day. The Nairobi River and its tributaries traverse through the Nairobi City County.

4.1.2 Vegetation

The area is highly urbanized. Due to the economic nature of the resident community, there are patches of thick grass and small bushes that covered the vast land are continually being cleared as more people move into the area. The vast area was used for grazing due to its rich grass cover. Flora assessment was conducted in the project site and found to be limited due to the current developments.

4.1.3 Water Resources

The area is not served by adequate Nairobi city County water connections and for such a reason the proponent may have to consider drilling a borehole or seek alternative sources of water during operational phases.

4.1.4 Accessibility

The surrounding access roads, which lead to the proposed development, are as follows;-

- **Gitanga road** is a two-lane arterial that runs west to east in the project area. This road fronts the proposed development. It runs from Kilimani estate to Kawangware estate. The main road users are both private vehicles and public service vehicles.
- **Kingara road** is a two-lane arterial that runs north and south in the project area. The road runs between Junction Mall along Ngong Road to the junction of Gitanga road and James Gichuru road. The road cuts across Thompson estate, which is an upper middle-income residential estate characterized by apartments and flats.
- **James Gichuru** is a two-lane arterial that runs north and south in the project area. The road runs between junction of Gitanga road and James Gichuru road to Westlands area along Wayaki way. The road cuts across Lavington estate, which is a high-income residential estate.

- **Muthangari drive** is a two-lane arterial that runs north and south in the project area. The road cuts across Lavington estate, which is a high-income residential estate.
- **Korosho road** is a two-lane arterial that runs east and west in the project area. The road stretches south of Gitanga road for approximately 200 meters then stretches to the west collecting traffic from Vanga road before linking up with Mbaazi Avenue then Kingara road. It either collects or feeds Gitanga road from Kilimani estate, which is South of Gitanga road.

4.2 The neighborhood

Thompson estate of Kilimani area is mainly a residential area of upper middle income and high-income level located in the outskirts of Nairobi City. This area is about 20 minutes and 7 km from the City Centre. The area borders Lavington Estate, Kilimani estate, Woodley estate and Kawangware residential estate. The area has a number of public and private institutions like Law Society of Kenya, Kenya Human Rights Commission, and Braeburn and Rusinga Schools. These facilities have contributed to the increasing population in the area. The proposed MUD Complex is therefore aimed at serving this growing population in the area, which has also been fueled by increased development of apartment units. The development of the proposed MUD Complex is also expected to attract more activities and more people to Thompson estate area.

The AMECEA complex will house facilities such as Office Suites, Facilities, Restaurants, Coffee shops, a supermarket, Children Play Centre, and Banks. The main land use around the site is residential. Other land uses allowed within the Thomson Estate include schools, hospitals, churches, public institutions and small Businesses.

4.3 Location Analysis

The spreadsheet below allows us to convert subjective feelings and impressions about the area surrounding a site to a more objective model as to what the area would best support.

In this case, four different property types of possible developments were analyzed – Residential, Restaurant/Hotel, Retail and Commercial Offices in order to choose the most appropriate land use. Each property type has 19 different criteria (that is shared with the other property types).

For the purposes of scoring, ten is the most important, five is moderately important, while one is the least important.

The weight column allows the user to decide which criteria is the most important to that use, and the subject or 'rate' column allows the user to score the overall location based on those criteria – the two are multiplied and then averaged with the other criteria to provide an indication of the best use for the site based on the location.

Table 4:1- Location analysis for the proposed site

LOCATION ANALYSIS								
User	**Residential**		**Hotel**		**Retail**		**Commercial Office**	
General criteria	**Weight (x)**	**Subject (y)**	**Weight (x)**	**Subject (y)**	**Weight (x)**	**Subject (y)**	**Weight (x)**	**Subject (y)**
Road System	**8**	**9**	**9**	**9**	**10**	**9**	**10**	**9**
Public transport	**8**	**9**	**6**	**9**	**10**	**9**	**10**	**9**
Retail centers	**8**	**7**	**8**	**7**	**9**	**7**	**8**	**7**
Municipal Service	**7**	**8**	**4**	**8**	**9**	**8**	**9**	**8**
Education facilities	**8**	**6**	**3**	**6**	**6**	**6**	**5**	**6**
Recreational facilities	**5**	**7**	**5**	**7**	**4**	**7**	**4**	**7**
Health services	**10**	**8**	**3**	**8**	**6**	**8**	**8**	**8**
Cultural amenities	**7**	**5**	**5**	**5**	**8**	**5**	**6**	**5**
Population density	**8**	**9**	**3**	**9**	**9**	**9**	**8**	**9**
Employment centres	**8**	**6**	**5**	**6**	**5**	**6**	**7**	**6**
Growth vectors	**8**	**9**	**6**	**9**	**7**	**9**	**8**	**9**
Disposable Income	**8**	**8**	**4**	**8**	**9**	**8**	**7**	**8**
Crime Rating	**7**	**3**	**7**	**3**	**8**	**3**	**7**	**3**
Use Specific criteria	**Weight (x)**	**Subject (y)**	**Weight (x)**	**Subject (y)**	**Weight (x)**	**Subject (y)**	**Weight (x)**	**Subject (y)**
View Corridors	**7**	**8**	**6**	**8**	**9**	**8**	**8**	**8**
Surrounding amenities	**8**	**7**	**7**	**7**	**9**	**7**	**7**	**7**
Schools	**9**	**8**	**3**	**8**	**8**	**8**	**4**	**8**
Grocery stores	**9**	**9**	**7**	**9**	**9**	**9**	**8**	**9**
Parking	**8**	**10**	**8**	**10**	**9**	**10**	**9**	**10**
Visibility Traffic	**8**	**8**	**10**	**8**	**9**	**8**	**7**	**8**
Location Weighted Rating by Use	**60.00**		**43.84**		**62.05**		**57.16**	

Retail scored the highest at 62.05, followed by residential with 60.00 then Commercial Officer with 57.16. Hotel was the least at 43.74. The relatively strong weighting of each of the uses is an indication that this site would make an ideal mixed-use development. Additionally, the strongest highest score by the retail followed by residential uses *validates, our opinion the client's project development of mixed use comprising of **retail, Commercial offices and Residential apartments**.*

4.4 Socio – Economic Feasibility

The Development is located in Kilimani Estate of Kilimani Ward in Dagoretti North constituency, Westland Sub County. The demographic data used in this analysis is based on the 2019 census report, which delineated the area under Dagoretti North constituency and Westland Sub County. We are of the opinion that the Dagoretti North constituency will not have a material effect on this analysis because it still falls under the proposed development trade area. Additionally, the age distribution used in this analysis has been adopted from that of Westlands Sub County. However, in our opinion Kilimani estate has the same economic class as Westlands Sub County. Additionally, the secondary trade area for the proposed development includes the larger Westlands area.

4.4.1 Demographic Study

The number of Kenyans classified as middle class has doubled in the last decade to almost a fifth of the population or 6.5 million Kenyans (African Development Bank). It means that one out of every five Kenyans is considered middle class — A status mostly defined by tertiary educated persons holding salaried jobs or owning small businesses, urban residency and ownership of household goods such as refrigerators, phones, flat screen TVs and automobiles. The African Development Bank defines persons with an annual income exceeding Sh. 340,000 per year and spending between Sh. 500 and Sh. 900 ($6 and $10) daily as being in the middle class.

4.4.2 Population Characteristics

The 2019 national census revealed that city of Nairobi has one of the highest population growth rates in the continent at 4.1% higher than the national average rate of 2.11%. Nairobi County is the most populous region, with a population of 4,397,073 residents, or 1.4 million households. This is because, in addition to birth rate, the city experiences a lot of rural-urban migration. Dagoretti Constituency on which the project will be located has a population of 434,208 but one that is within the upper middle- and high-income economic bracket. Below is a projection of the same since the last census.

Table 4:2: Population Projection of Dagoretti Constituency

Years	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Population	434,208	452,011	470,543	489,835	509,918	530,825	552,589
Number of Household	155,089	155,866	162,256	168,909	175,834	183,043	190,548

Source: Author 2023

According to the 2019 Census data, population in this area is set to grow by 4.1% compared to 2.11% nationally. This growth rate will result in a projected population of Dagoretti Constituency at 552,589 within the trade area of the proposed development by 2025, compared to 434,208 in 2019. We believe that this increase in population will fuel increased demand for residential units, commercial space and higher education services.

In 2019, there were about 155,089 households in Dagoretti constituency. The number is likely to have significantly risen in line with the population increase. The mean household size for the area is 2.9. We estimate that in 2025 the number of households will have risen to approximately 190,548 households. Due to the high incomes of the population, it is likely that the majority of the household own automobiles and are thus mobile. The proposed project is likely to benefit from this, as there will be need for more accommodation and working space for the larger Nairobi County as a geographical area.

4.4.3 Socio economic factors of the trade area

4.4.3.1 *Kilimani and Hurlingham estates*

Kilimani and Hurlingham estates are residential cum Commercial neighbourhoods located in zone 4 of the 20 planning zones of Nairobi City County. They are predominantly high-income Mid-density zones. They stretch out within Kilimani location of Dagoretti Constituency to the west of the Nairobi city Centre. In 1999, the area had a density of 25 persons per hectare and a population of 36,220 (Republic of Kenya, 2001) while during the 2009 census, the constituency recorded a population of 329,577 which has since risen to 434,208 after 2019 census (KNBS 2019). The Kilimani location occupies an area of 1500 hectares.

Originally, the area was exclusively a high-income low-density residential area. Currently, the area has extensively rejuvenated to high-income high-density developments although there still exist pockets of Upper – income low-density residential neighbourhoods. The area has impulsively transformed into a middle- and Upper-Income high-density zone because of the high level of real estate developments of apartments and flats. Many of the new developments in Kilimani location, particularly for commercial use, have been put up along the main road corridors namely Ngong' road, Argwings Kodhek road, Gitanga Road and Korosho Road. The other developments have been constructed along secondary roads within the neighbourhood. Many of the bungalows and maisonettes that were once the predominant building type have been demolished with high-rise buildings having taken their place.

From the 1980s, there has been a high influx of professional offices for private individuals and organizations and other non-residential uses. Ngong' road, Argwings Kodhek road and Gitanga Road are fast transforming into commercial corridors with centres such as Yaya Centre, Adlife Plaza Hurlingham, Valley Arcade, Adams Arcade, Junction mall, and Prestige Plaza forming some of the commercial nodes.

4.4.3.2 *Lavington estate*

Lavington is a suburb within Nairobi City made up of mainly high-income residential estate at the northwest of the city Centre. Lavington belongs to the Westlands administrative division of Nairobi. It lies between Westlands and Kilimani, neighbouring Kileleshwa to the east and Kawangware to the West. Its feeder roads feed to James Gichuru Road. The bulk of the area now known as Lavington was originally the St Austin's Mission established by the French Holy Ghost Fathers. The area is home to many large villa residences and beautiful gardens. Lavington estate is within zone 5(b) of Nairobi City County planning zones. The estate had been meant for single dwelling residential houses with no flats or apartments. However, over the past few years, a number of apartments have been coming up especially along James Gichuru road. Lavington is characterized by good road network, which makes it easily accessible by the residents. James Gichuru Road, which connects Gitanga Road at Kingara road junction, stands to be the main road that bisects Lavington. It connects the estate with neighboring estates such as Kilimani and Westlands. There are other smaller roads such as Mugomo Road and Muthangari road, which link Lavington to neighbouring Kileleshwa and Kilimani respectively.

The above social economic setting of the estate has attracted commercial activities at the main Lavington Centre. Today, there are two main shopping malls at the Centre i.e., Lavington Mall and Lavington Curve with several offices. The two malls house Chandarana and Carrefour respectively. Despite of being a commercial zone at Lavington, the residents of this estate continue to visit and work at other areas like Junction Mall, Yaya Centre, Valley Arcade ABC Place and Prestige Plaza among others. Therefore, there is high prospect of the residents' form Lavington estate to rent offices at the proposed development.

4.4.4 Government Services

All government services are present within 5 KM of the property. This would range from the Sub County Commissioner Headquarters, the Area Member of Parliament and political leadership, Kenyatta National Hospital, Kilimani Police Station and other public as well as multiple private health facilities. All key government ministries and a majority of government parastatal corporations are domiciled within a few Kilometers from the location, including their various outreach offices.

5 MARKET FEASIBILITY

5.1 The Kenya Property Market

The property market in Kenya's major towns has continued to experience growth since 2000, with major developments in the retail, industrial, office block, hospitality and residential sectors due to the private and the Kenya Government has continued investments in infrastructure.

The Government has continued in its efforts to develop efficient and effective infrastructure, which is a key enabler for other sectors as envisaged in Kenya Vision 2030. An improved road network enhances connectivity, mobility and promotes trade and investments by reducing cost of doing business. Significant progress has been made in the construction of the Standard Gauge Railway (SGR).

In addition, the construction of roads across major towns such as Nairobi, Mombasa, Nakuru and Kisumu shows the Government's commitment to developing infrastructure to promote business. In 2018, the construction sector registered a slowed growth of 6.3% compared to a revised growth of 8.5% in 2017. Wage employment in the sector grew by 2.2% from 167.9 thousand persons in 2017 to 171.6 thousand persons in 2018. Loans and advances from commercial banks to the construction sector grew by 1.8% from Kshs 112.0 billion in 2017 to Kshs 114.0 billion.

According to KNBS during the period 2014 to 2018, the total value of completed private buildings in Nairobi City County increased by 4.6% from Kshs 86.1 billion in 2017 to Kshs 90.1 billion in 2018. During the same period, the value of public buildings completed was Kshs 1.5 billion compared to Kshs 2.3 billion in 2017. The number of housing units under construction in 2018 were 2,028 at an estimated cost of Kshs 4,381.0 million a steady increase compared to the 1,164 units completed in 2017. The National Housing Corporation advanced 46 loans amounting to Kshs 105.2 million to individuals in 16 counties in the 2017/18 financial year.

Growth in the economy has had a profound positive effect on the middle-income class, who have benefited greatly on the back of improved economic conditions, which has resulted in increased demand for residential housing, which still outpaces the market supply. Kenya's middle-income residential property market has seen a price surge resulting in the market outperforming the other asset classes in Kenya over the last 10 years.

While there is demand for property, the cost of housing is likely to remain high due to micro-economic factors such as the cost of land acquisition and labour, cost of transactions (professional fees and stamp duty), and the rising inflation rates.

5.1.1 Kenya's Property Growth Influencers

The areas that have experienced faster growth in real estate investments than others within the major cities exhibit the following aspects: -

- Availability of land
- Potential for densification i.e., change of users in reaction to the growing demand
- Proximity and easy access to urban centers
- Redevelopment potential – through extension of user or amalgamation of parcels
- Good public transport
- Availability of information i.e., through internet accessibility and systems digitization

5.1.2 Real Estate Investment in Kenya

Kenya has emerged as a formidable Real Estate market especially in Nairobi and Mombasa. Performance has outperformed global markets such as London, Miami, and Indonesia. This has been driven by a housing deficit, a growing middle class and rapid population growth.

Nairobi however continues to see larger investment in major real estate e.g., GTC Nairobi by AVIC International Real Estate (7.5 acres), Garden City by Actis (32.2 acres), Two Rivers by Centum (15 acres – a MUD with a shopping mall and residential apartments) and the Hub in Karen (20 acres) by Azalea holdings.

On the other hand, the Kenya Government has embarked on the Big Four Agenda as a Sustainable Development Strategy. These Big Four agenda initiatives include food security and nutrition, universal healthcare, affordable housing and manufacturing. At the global level, the Big 4 Agenda is aligned to the United Nations Agenda 2030 on Sustainable Development Goals (SDGs).

The Affordable Housing Agenda (AHA), which is now, revolutionizing the real estate development towards affordable residential units. Currently, the government is set to deliver 1,370 one, two and three-bedroom houses residential within along Park Road in Ngara. Kibera, Athi River and in the various Counties.

For the past two decades, the Kenyan real estate market has grown exponentially as evidenced by its contribution to the country's GDP, which grew from 10.5% in 2000 to 12.6% in 2012 and 13.8% in 2016. The growth has been driven by; -

a. Infrastructural developments such as improved roads, utility connections, upgrade of key airports;
b. Stable GDP growth which has averaged at 5.4% over the last 5 years against a Sub- Saharan average of 4.1%;
c. Demographic trends such as rapid urbanization at 4.4% per annum. against the world's 2.5% and population growth averaging at 2.6% per annum ; and
d. High total returns averaging at 25.0% against 12.4% in the traditional asset classes.

These factors have therefore led to the development of unique trends across the various real estate themes, as investors sought to gain high returns and buyers sought aspirational lifestyles and quality products.

5.1.3 Major Real Estate Developments in the Country

5.1.3.1 *Major Mixed-Use Commercial Developments*

A number of real estate projects have come up for commercial and residential and retail uses across the country. These projects are expected to translate positively the real estate market within the towns and urban centers. In Nairobi city, a number of Mixed-Use Developments have come including the following;

a) The Global Trade Centre - GTC Nairobi

The Global Trade Centre - GTC Nairobi is located in Westlands Constituency, approximately 2km North West of Nairobi CBD, along Westlands Road and Chiromo lane off Chiromo Road. The Development occupies an area of about 7.5 acres (30,736m^2) piece of land located next to Mirage Towers and Villa Rossa Kempinski Hotel.

The AVIC-International Real Estate (Kenya) Limited has developed this iconic real estate project for its headquarters as a flagship for the future developments within Nairobi City County. The project is an upscale development complex that displays the urban vitality and modern atmosphere of Nairobi while making full use of the geographic advantage, the public interest and the profound local culture. The project, is composed of; GTC Office Tower of 43 levels; 35 levels 5 Star Hotel Tower; 4 Apartment Towers (A, B, C and D) of 24, The Global Trade Centre 28, 24 and 25 levels respectively; a 4-levels GTC Retail/shopping Mall on the Western side of Chiromo Lane; 2No 2 levels bridges; and other auxiliary facilities including approximately 1479 parking units, a fire lane, roof gardens and a security checkpoint.

b) The Tatu City

Tatu City is a 5,000-acre, mixed-use development with homes, schools, offices, a shopping district, medical clinics, nature areas, a sport & entertainment complex and manufacturing area for more than 150,000 residents and tens of thousands of day visitors. Schools and businesses are already open at Tatu City, and a range of houses is under construction to suit all incomes.

As a Special Economic Zone, it appeals to a global market that is looking to buy into offices, light industry, logistics parks, retail spaces, hotels and homes. The mixed development is a holistically model of the African city of the future offering naturally exclusive urban living and a place where everyone will desire to live, work and play.

c) The Two-Rivers shopping complex

The Two Rivers shopping complex is at the heart of the affluent Runda, Gigiri, Muthaiga, Ruaka and Nyari neighborhoods. The Two Rivers shopping complex covers an area of 1.2 million square feet (excluding parking space for about 3,000 vehicles) and has over 220 shops, over a quarter of which are occupied by global firms making their first entry in Kenya. Runda became a home of Kenya and East Africa's biggest shopping complex when its first phase opened in February 2017.

The French retailer Carrefour is the Two Rivers shopping complex's anchor tenant with other brands being LC Wakiki - a Turkish luxury clothing line - and Virgin Active, a platinum health club founded by billionaire Richard Branson. Phase 2 of this Marquee Development involves the integration of a Resident's Centre as part of an all provided experience that Two Rivers shopping complex hopes to deliver in one location to live, work and play.

d) The HUB Karen

The hub is among the newest malls in Nairobi located in the neighborhoods of Karen that occupies an area of about 20 acres. The project was designed by Bowman & Associates and was opened in September 2015. The developed was developed into two phases in which the first-phase development of 35,000 square meters of retail and office space opened in 2015. The other phase followed by the completion of a 150-bed hotel and conference center in the year 2018.

The Hub Karen has positioned itself to capture the increasing need for sophisticated retail experiences in Kenya's capital, Nairobi, an emerging international cosmopolitan city. The Hub Karen eyes are on the middle-income class, which is expected to grow by 30% in 2022 according to the developers of the Project. Nairobi's newest lifestyle and experiential destination promises to be an enjoyable customer journey with a maximum shopping, eating and entertainment experience.

e) The Garden City

Garden City is a mixed-use Greenfield Development, which has the scale and scope to change the horizon of North West Nairobi. The site, which opened for business in the month of May in the year 2016, is located on a prime 32-acre plot of land adjacent to the upgraded Thika Highway. It incorporates the largest mall in East Africa. The shopping complex has Game stores as its anchor tenants.

The Garden City comprises of retail, leisure and residential segments and the delivery is being managed by and Auris Property Management Company under the Actis global investor. Garden City is using a 'green-by-design' approach incorporating sustainability measures from the very beginning of the design process: current features under discussion include water recycling and rainwater harvesting, the installation of solar collectors and the extensive planting of indigenous trees and landscaping forming a central park. Actis has a record of accomplishment of successful real estate projects in Kenya, including its office complex, the Nairobi Business Park.

5.1.3.2 *Residential developments.*

The Kenya Government is expected to begin plans for the construction of 42,000 affordable housing units in the next 60 days. The national government announced plans to commence the construction of 42,000 affordable housing units within the next two months at the beginning of January 2023. The proposed Affordable housing Projects will be developed in the following sites within the Nairobi Metropolitan area:

i. Makongeni, Nairobi City County, which will host 30,000 units,
ii. Starehe, Nairobi City County which will host 2,470 units,
iii. Shauri Moyo, Nairobi City County, which will host 1,728 units,
iv. Ruiru, Kiambu County, which will host 1,200 units, and,
v. Mavoko, Machakos County, which will host 5,360 units.

The current Kenya Government administration is enhancing its prioritization of delivering approximately 200,000 decent housing units annually to the low and middle-income earners at low costs through Affordable Housing Program. A number of residential developments have come including the following;

1. **Park Road - Ngara Project**

Park Road is the first development promoted by Government under the Affordable Housing Program. This project is located within the Ngara area of the City of Nairobi, and consists of 1,370 Units.

Amenities in the housing project include; - sufficient parking; mains services connections to power, sewer and water; borehole to supplement water supply; safe children's playground; rooftop gardens; running track; perimeter wall & security gate; retail and commercial center; solar water heaters and lifts for each residential block.

The Project Construction period was projected to be about 24 months. The first phase of 228 units was expected to be ready by end 2022. Phase 2 of 260 units would follow this and will be ready this year. The last and final phase shall be ready by end of this year.

Table 5:1: Residential units and sizes for Park Road - Ngara Project

Accommodation	Plinth Area (m)	No. of Units
Category 1		
Two Bedroom	60	228
Three Bedroom	80	260
Category 2		
One Bedroom	30	84
Two Bedroom	40	252
Three Bedroom	60	546

2. **Shauri Moyo – Kisumu**

The project consists of construction of 250 housing units and associated infrastructural services in tow sites A and B. 210 No. housing units have been offered for sale while 40 No. one bedroom units have been reserved for rental purposes.

Table 5:2: Project Details of Unit Areas for Shauri Moyo

Accommodation	Plinth Area (M)	No. of Units
One Bedroom	37	60
Two Bedroom	68	120
Three Bedroom	95	70

3. **Mavoko Sustainable Housing – Machakos**

The project is a sustainable housing development that will see the provision of 463 units and includes various social amenities. The project will be developed in three clusters comprising:

Table 5:3: Mavoko Sustainable Housing – Machakos

Accommodation	Plinth Area (M)
Category A	
2 Bedroom Bungalow	395
3 Bedroom Bungalow	484
2 Bedroom	484
Category B	
2 Bedroom	484
2 Bedroom Maisionette	63
3 Bedroom Bungalow	6093
Cluster C	
2 Bedroom Bungalow	105
3 Bedroom Maisonette	98
3 Bedroom Maisonette	6093

4. **NHC - Stoni Athi – Rental Section**

NHC Stoni Athi View- a home that reflects individual profile and lifestyle with spacious four bedroom semi-detached maisonettes in three design styles to choose. Spacious and excellently planned gated community with a safe boundary wall, well-landscaped greenery and open play courts for children.

Masterful design and modern luxury are uniquely embodied in the houses with the interiors and exteriors tastefully designed with every detail carefully selected and quality crafted, exemplified by generously spacious rooms, a divine master ensuite, high quality cabro car parking, bore-hole, breath taking panoramic view of Stoni Athi Dam and Stoni Athi River.

5.1.4 Residential Sales and Rental Markets

Prime residential rents in Nairobi improved during the year 2022 significantly better than 2021. The residential has experienced the highest demand due to a rapidly growing population and an expanding middle class. The rental returns are good, ranging from 6% to 8%. Despite the challenges of the pandemic, the real estate industry is optimistic for 2023. With construction finance rates expected to stay below 5%, housing demand is expected to remain strong, with an occupancy rate of more than 80%.

According to the World Bank's '*Ease of Doing Business Index*,' the average rental yield for unfurnished units is 9% and for furnished units is 16%. This is because an abundance of amenities distinguishes the developments. The increased supply and demand for serviced apartments in Westlands, Lavington, Kilimani, and Kileleshwa have significantly contributed to the status of Nairobi City as an essential business hub in East Africa.

5.1.5 Serviced apartments within the Kilimani Tade Area

Serviced apartments are becoming more appealing to investors. Serviced apartments, unlike hotels, have lower overheads, making them less expensive to operate. Combining long-term and short-term rentals increase monthly income. In addition, when demand for the unit falls, it can easily convert into either furnished or unfurnished apartments.

5.1.5.1 *Prime Residential*

According to Knight Frank's report, the prime residential sale prices in Nairobi marginally improved by 1.2% over the past 6 months to December 2021, compared to a 1.1% decline in the same period in 2020 due to re-opening of economy and increased investment activity. The prevailing market conditions, coupled with the already high capital values of prime residential homes, have however resulted in low transaction volumes.

5.1.5.2 *Property Yields and potential High Returns*

Real estate has consistently outperformed other asset classes in the last 5 years, generating returns of between 25% and 30%. Residential units in Kenya generate an average rental yield of 5%, while commercial space generate an average yield of over 9%.

Total return, including rental yield and appreciation, is in the region of 28%. Furthermore, over the past 5 years the real estate market has outpaced other investment channels such as the NSE (stock exchange) and Government Bonds and Bills, assuring investors of the possibilities and rewards incumbent in Real Estate Investment.

5.1.6 Nairobi Retail sector performance

The Nairobi Metropolitan area retail market recorded an average rental yield of 7.8% in 2022, 0.3% points higher than the 7.5% that was recorded in 2021. The performance was driven by the increased rental and occupancy rates which came in at Kshs 173 per SQFT and 75.9%, respectively in 2022, from Kshs 168 per SQFT and 75.8%, respectively, in 2021

Kilimani, Westlands and Karen were the best performing retail nodes recording yields of 9.7%, 9.0%, and 8.0%, respectively mainly attributed to the presence of quality retail spaces fetching prime rents and yields such as the Hub, Galleria Mall, Westgate Mall, and, Yaya Centre among many others.

5.1.6.1 *Kilimani*

Kilimani was the best performing node with an average rental yield of 9.7% in 2022 from 9.0% recorded in 2021 due to the improved rental rates by 5.8% points to Kshs 182 per SQFT in 2022 from Kshs 172 per SQFT in 2021. Additionally, there was improved demand for spaces from retailers leading to the occupancy rates coming in at 85.0% in 2022, 1.4% points higher than the 83.6% recorded in 2021

5.1.6.2 *Westlands*

Westlands was the second-best performing submarket within the Nairobi Metropolitan area recording an average rental yield of 9.0% in 2022, driven by an increase in the average asking rent, which came in at Kshs 215 per SQFT from Kshs 209 per SQFT resulting from the additional high-end malls such as GTC. Consequently, with the addition of new malls, the average occupancy rate in the area declined by 7.5% points to 72.9% in 2022, from 80.4% that was realized in 2021

5.1.6.3 *Karen*

Karen recorded an average rental yield of 8.9% against the market average of 7.8% mainly attributed to the presence of high-quality shopping malls such as the Hub and Galleria Malls among others which in turn fetch high rents. In light of this, Karen recorded an average rent per SQFT of Kshs 205 compared to the market average of Kshs 172 in 2022. Notably, this was a 2.4% decline from the Kshs 214 that was recorded in 2021 because of some property owners extending and offering substantial rent discounts to attract tenants

5.1.6.4 *Ngong and Lang'ata Roads*

Ngong and Lang'ata Roads recorded declines in the average rental yield by 0.3% points to 7.5% in 2022 from 7.8% in 2021, following a slight decline in the average asking rents which came in at Kshs 169 per SQFT, 3.3% from Kshs 175 per SQFT that was recorded in 2021

5.1.6.5 *Mombasa Road*

Mombasa Road realized an increase in the overall rental yield to 7.3% in 2022 from the 6.0% that was recorded in 2021, following the completion of the Nairobi Expressway, which enhanced the appearance, and accessibility of the area, while also driving its rental and occupancy rates in an upward trajectory. Some of the retailers that have opened new outlets along Mombasa Road include Naivas supermarket, which has opened its outlet at Katani along Mombasa Road.

5.2 Demand Analysis for the AMECEA MUD Complex

5.2.1 Trade Area Delineation

A trade area delineates a geographic area that generates the majority of repeat customers who frequent a certain retail location or cluster. It is typically defined by distance, access, and neighborhood or physical boundaries, and by the location of retail competitors. Based on the behavior of shoppers observed at retail projects, the primary trade area is not expected to extend beyond a 1.5 Km radius from the site. The distance is typical for people who are willing to either walk or use public transport when shopping for groceries or other daily items.

Zone 4 Trade Area has been delineated as the basis of the proposed AMECEA Commercial Complex Trade Area. This is guided by the nearby shopping Centers' attraction, accessibility, the road network, existing and proposed competition, prospective customer distribution, physical and psychological barriers, shopping habits and patterns, dining-out patterns, as well as the consultant's experience in evaluating shopping centers and other commercial developments.

The Trade Area for the Subject Site is depicted in ***Figure 5.1*** below. By definition, Trade Areas account for approximately 85 percent of the anticipated business. Because of visitors, businesspersons, people passing through, and others, it is difficult to identify the last 15 percent. Distances traveled and visitor infrequency make it uneconomic to attempt to define the last 15 percent, as well as prepare accurate demographics. The Trade Area, as defined, represents the geographic area from which most of AMECEA's commercial complex will be derived.

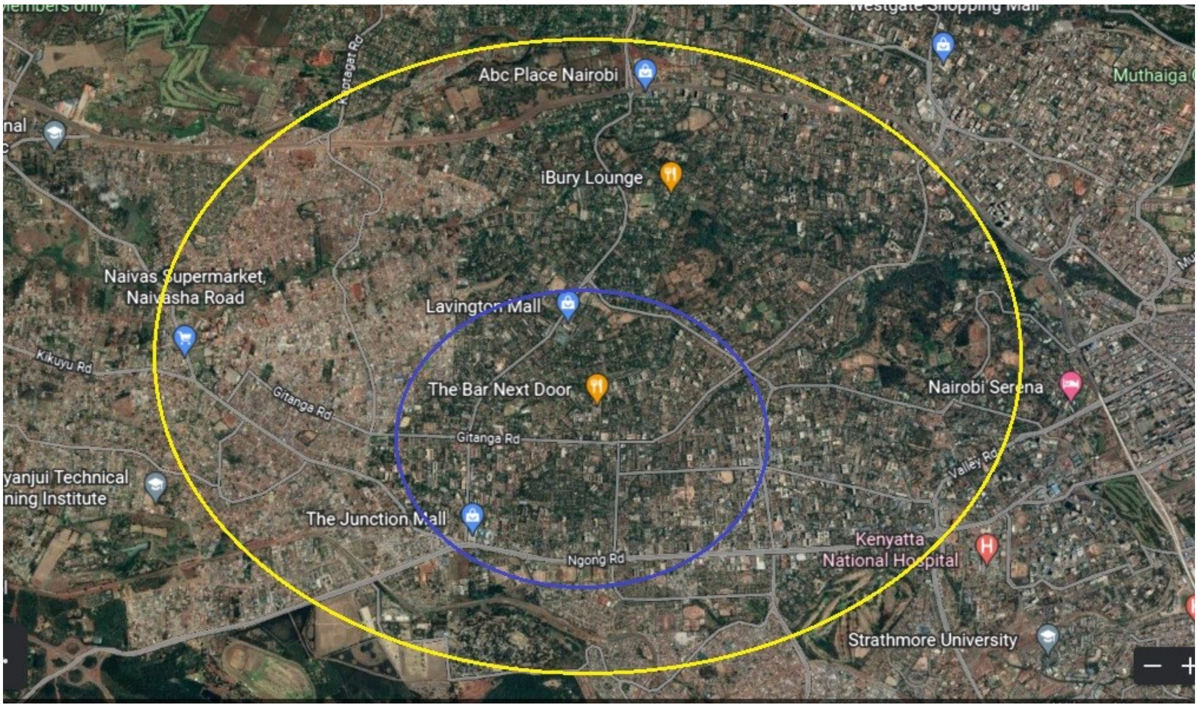
Figure 5:1. The Primary Trade area for the AMECEA complex

Adopted from Google Earth, 2023

The Primary Trade Area has been delineated to include the geographic area from which the most frequent users and customers reside. Approximately 60 to 75 percent of the consumer expenditures, which will be spent at AMECEA, will originate from the Primary Trade Area. Generally, the Primary Trade Area extends northward to Olenguruone road in Lavington. Eastward, the Primary Trade Area extends to Kilimani and Hurlingham. Yaya Centre, along Argwings Kodhek proscribes the Trade Area in that direction. Southward, the Primary Trade Area includes Kilimani, Jamhuri and Woodley estate. The Junction Mall, the Green House Mall and Adams Arcade Mall serve this area, on the westward, the Primary Trade Area extends to Kawangware, which is a low-income area and is currently served by Naivasha Road Mall with Naivas Supermarket as the Anchor Tenant.

The Secondary Trade Area has been delineated to include the geographic area indicated in ***Figure 5.2*** below and marked with a yellow concentric circle. The Secondary Trade Area represents the geographic areas from which consumers will originate on a less frequent basis. Approximately 15 to 20 percent of the consumers will be generated from the Secondary Trade Area. The map indicates that the Secondary Trade Area is limited to the west, because this area is not served by any major real estate developments or major retail outlet. To the east, the Secondary trade area is limited because the area is served by very many retail outlets and it is in a close proximity to the CBD. To the south, the Secondary Trade Area is also limited because of the number of mixed use developments located along Ngong road, i.e. The Junction, The Greenhouse, Adams Arcade, Prestige Plaza, (former Uchumi Hyper,) and to the North it extends to Waiyaki way, where the ABC Place along Waiyaki way serves the Trade Area in that direction. To the west, the Secondary Trade Area extends to Kawangware.

Figure 5:2. The Secondary Trade Area



Adopted from Google Earth, 2023

5.2.2 Trade Area Market Support Factors

The demographic characteristics of the Trade Area were delineated and evaluated. Population, households, average household income, income structure, age structure and other key demographic data have been evaluated for the Primary and Secondary Trade Area segments and the larger Nairobi Metropolitan area.

The Primary Trade Area contains a population of 3.17 persons in 155,089 households in 2019. By 2025, the population is forecasted to increase to 190,548 households. The ratio of male to Female is 98:100.

5.3 Supply Analysis

The competitive retail concentrations located both in and outside of the delineated trade area are discussed in the following paragraphs. Many of these facilities provide some level of direct and indirect competition to the proposed MUD commercial complex.

The International Council for Shopping Centers defines a shopping mall as one or more buildings forming a complex of shops representing merchandisers, with interconnecting walkways enabling visitors to walk from unit to unit. Other establishments including movie theaters and restaurants are also often included.

The primary competitive shopping mall to the proposed Commercial Complex is The Junction Mall. This is because the anchor tenant -Carrefour Stores, is one of the leading supermarkets in Kenya. The Varley Arcade Center is located in close proximity (about 1.Km) to the proposed Commercial Complex. This mall also serves a majority of the households within the primary trade area of the proposed mall.

A supermarket is a large, low cost, low margin, high volume, self-service retail shop that carries a wide range of groceries and household products (Kotler & Armstrong, 2001).

Supermarkets is a term used broadly for all service retail outlets meeting minimum size criteria of (150m^2 in the case of Kenya), and with food lines representing an important percentage of sales (>50%). Supermarkets as a mode of retailing in Kenya are not a very recent development and it dates back over four decades. This retail industry is very dynamic with supermarkets ranging from sole proprietors (Ebrahims, Jack n Jill), partnerships, and limited liability companies (Nakumatt Holdings, Tuskys, Naivas, Chandarana and Ukwala) to public owned companies (Uchumi Supermarket ltd).

5.3.1 Major Commercial Complex Projects in Nairobi.

A number of commercial complex projects have come up across the Nairobi city county which would likely offer competition to the proposed AMECEA complex. The projects that have positively affected the real estate market in Nairobi City include the following;-

5.3.1.1 *The Junction*

This mall is located along Ngong Road at the roundabout of Ngong road, King'ara road and Naivasha road. The shopping mall is about 30 minutes' drive from the Central Business District. There are three entry points to the mall; the first one is along Ngong Road; the second one is along Riara Road and the last one is along Kingara Road. The junction mall has an estimated area of about 256,000 square feet of floor space.

Parking is available at the Basement, first and 2nd floor; giving about 630 parking spaces. Carrefour Supermarket is the anchor tenant for this mall. Other tenants include Bata shop, KFC, Nairobi Java House, Imperial bank, Standard Chartered, Mr. Price, Safaricom, Skye Dental Clinic, CBA, Levis, Woolworths, Sir Henry's, Galitos etc. As at the date of this study, the mall was fully occupied.

Comparative advantage.

The three access points mentioned earlier is a great advantage in the management of traffic within the mall. The mall also provides ample parking with the completion of the construction of the additional four storey-parking silo. The high traffic along Ngong road offers increased demand for space within this mall.

5.3.1.2 *Valley Arcade*

Valley Arcade is located along Gitanga road within Thompson estate in Nairobi. It is accessed mainly through Gitanga road. Nairobi Java House is the anchor tenant for the Valley Arcade shopping mall. Other tenants include Karen hospital, Pharmaceutical Shops, Suzie Beauty Salon, Party Sore, Ozone lounge, Monikos Ltd, Chinese restaurant, Grocery store, Store 66, Timeless Tours and Travel, ATM's, Gateway Supermarket etc. The mall has a total lettable area of about 23,500 square feet and 222 parking spaces. The mall was fully occupied as at the date of this study.

During the study period, it was reported that the visitors come as far as Lavington, Kilimani, Kileleshwa, Runda estate, Ridgeways, Langata and Karen estate among other high-income residential estates. Majority of the visitors prefer the Java House at Valley Arcade compared to the other java outlets because of the privacy of the place. The Java house has two eating spaces and many prefer the Inner space due to the privacy. This is compared to the other Java's at Yaya Center and Junction Mall and Adams Arcade, which are along the traffic to the mall or open to various customers. The visitors also attributed their attraction to the Valley arcade to be due to the less traffic along Gitanga road as compared to Ngong road and Argwings Kodhek and ample parking at the mall as to reason why many prefer the Valley Arcade mall.

There is less traffic along Gitanga road as compared to Ngong road and Argwings Kodhek road. Another advantage is the ample parking provided within the mall. Within the Valley Arcade shopping complex, there are residential apartments of various sizes.

5.3.1.3 *Prestige Plaza*

Prestige Plaza is located off Ngong road. The mall features dozens of shops and eateries, 3 banks, a Hyper Market and 2 Cinemas and it is approximately 180,000 square feet. The anchor tenant is Naivas supermarket, which occupies approximately 50,000 square feet. Other tenants include Prestige Health and Fitness Centre, Life Fitness (suppliers of fitness equipments), Craydon Fashion, KCB, DTB, NIC, Agha Khan Hospital, Silver Bird Cinema, Urembo Hair and Beauty Centre, Barton Collection Ltd, Forex Bureau, Tana Communication Ltd, Kasap Butchery, Pharmat Chemist, Clean Point Dry Cleaners, Sherlock's Den, Flowers by Cathy, UAP Insurance etc. The mall has approximately 345 parking spaces.

5.3.1.4 *Yaya Center*

Yaya Center is located approximately 5km from the city centre along Argwings Kodhek road. The centre is minutes away from Ngong Road, Hurlingham, Kileleshwa and Kilimani. The tenants within this mall include Chadarana Supermarket, Barclays Bank, Java House, Homecare and Hardware, Little Red, Tune Inn Music Store, Bata, Healthy You, Book Stop Limited, Office Mart, Toy World, Forex Bureau, Post Office, Fujifilm, Woolworths, Palacina Interiors, Kiko Romeo, and Pc World among others. The commercial complex is the centre of traffic attraction within Kilimani and Hurlingham areas. The mall has a plinth area of approximately 230,000 square feet and about 540 parking spaces. The mall was fully occupied as at the date of this study.

The complex is located at the junction of Argwings Kodhek and Ring road Kilimani hence the traffic attracted to the mall offers good returns for the mall. It is also in the middle of high-density commercial areas i.e., Ngong road, Hurlingham and Kilimani areas, which are characterized by several office blocks.

5.3.1.5 *Adlife Plaza*

Adlife Plaza is situated at the heart of Kilimani Estate. It is a premier business centre with executive offices, retail store, restaurants as well as various specialty shops for business mix. Adlife Plaza offers retail and office space, sizes from 344 Square ft. to 20,000sq ft. The mall has approximately 70,000 square feet and approximately 150 parking spaces. The anchor tenant is Chandarana Supermarket. Other tenants include Prime Bank, Big Square, and City Walk, Laundry services, a Pharmacy, a Restaurant, Shoe shops, a Photo studio, an Eye Centre, Ladies Textiles, Man’s shop and an Ice cream parlor among others.

5.3.1.6 *Lavington Curve*

The Lavington Curve mall is located along James Gichuru Road within the middle and high-income residential suburb of Lavington. The mall has a plinth area of 86,000 and has 81 No parking spaces. The mall has Naivas supermarket store as the anchor tenant. Other tenants include Adega restaurant, Big Square Casino, Crown Paints and Tazama Digital studios. At the time of this study, this mall was 93% occupied.

5.3.1.7 *Lavington Mall*

Lavington Mall is located along James Gichuru Drive with easy access to Westlands and Kilimani. The anchor tenant in this mall is Chandarana supermarket. Other tenants include Healthy U, Co-operative Bank, Art Caffe, Bikes and Sports Limited, Kengele's, and City Walk. The complex has a gross lettable area of 61,558 square feet and 150 parking spaces on two No. basement levels. The mall was 60% occupied as at the date of this study.

5.3.1.8 *ABC Place*

ABC Place is located off Waiyaki way. It has 2 level parking with a total of 300 parking spaces, 4 high speed lifts, 2 cargo lifts, 3 fiber connections, Digital fixed lines and 100% waste water recycling. The tenants include Chandarana Supermarket, Grocery store, Java, Barclays Bank, Eye Care Consultants Limited, Hass Consult, Let’s Go Travel, Fina Bank, Toyworld, Tintoria Limited, Nairobi Java House, Blue Rhino, Seven Sea Food & Grill, Mercury Lounge, Gilani Butchery, Simply Books Arts, Teriku’s Saloon, KPMG, ABC pharmacy, onyx jewelers and Caramels restaurant and lounge among others. The mixed used development was fully occupied as at the date of this study. The complex is located along the busy Waiyaki way and this generates a lot of traffic into the mall. It is also along the commercial corridor of Westlands.

5.3.1.9 *The Green House*

The Greenhouse is located along Ngong road within Woodley Estate. The mall has a total lettable area of 146,000 square feet and 410 parking spaces. The anchor tenant is Naivas supermarket, which occupies approximately 12,000 square feet. Other tenants include Brick Phamacy, North Pole College, Car Spare Parts Store, Terry Designs, Banks, Dameca Restaurant, Lords Collection, Grocery Store, etc. This mall was fully occupied as at the date of this study. The mall has adopted green building standards by using indoor vegetation, natural lighting, plated glass walls, which enhance visibility, open spaces etc.

5.3.1.10 ***Adams Arcade***

Adams Arcade is located along Ngong road within Woodley Estate. The mall has a total lettable area of 40,000 square feet and 130 parking spaces. The tenants within the mall include Carrefour supermarket, which occupies approximately 3,000 square feet, Java, Mc Fries, Miss Fashion, Posta, Deacons, Sunrays Solar, Jamret Restaurant, Nikon studio, Smart Scents, Optician and private offices. This mall was 90% occupied as at the date of this study.

Analysis of the comparables

It can be concluded from the market research undertaken in this node that market rentals within this trade area currently vary between Kshs. 55 /per sq ft at Junction Mall and Kshs. 110 per sq ft at Capital Center for anchor tenant accommodation, excluding service charge normally payable by the tenant. On the other hand, the market rentals for other tenants vary from Kshs 350 and Kshs 120 per square foot in the shopping mall around the trade area. However, it must be noted that these rental rates are reliant on whether the property offers sufficient on-site parking, the condition of the improvements and the extent of the gross rentable area of the improvements. This market rental range also often includes properties of varying physical attributes and location characteristics.

Table 5:4 Snapshot of the comparables complex within Trade area

No.	Mall	Lettable area in Sq. Ft.	Anchor tenant	Area occupied by Anchor tenant	Rent for Anchor tenant p.s.f	Other Tenants	Rent paid by other tenants p.s.f
1.	The Junction Mall	56,000	Carrefour	9,000	55	Bata shop, KFC, Nairobi Java House, Imperial bank, standard Chartered, Mr. Price, Safaricom, Skye Dental Clinic, CBA, Levis, Woolworths, Sir Henry's and Galitos	280-350
2.	Valley Arcade	40,000	Nairobi Java House	10,000	-	Karen hospital, Pharmaceutical Shops, Suzie Beauty Salon, Party Sore, Ozone lounge, Monikos Ltd, Chinese restaurant, Grocery store, Store 66, Timeless Tours and Travel, ATM's and Gateway supermarket	180- 280
3.	Prestige Plaza	180, 000	Naivas	50,000	65	Prestige health and fitness centre, life fitness (suppliers of fitness equipments), Craydon Fashion, KCB, DTB, NIC, Agha Khan Hospital, Silver Bird Cinema, Urembo Hair and Beauty Centre, Barton Collection Ltd, Forex Bureau, Tana Communication Ltd, Kasap Butchery, Pharmat Chemist, Clean Point Dry Cleaners, Sherlock's Den, Flowers by Cathy, UAP Insurance	120-150
4.	Yaya Center	230, 000	Chandarana		78	Barclays bank, Homecare and Hardware, Little Red, Tune inn music store, Bata, Healthy you, Book stop limited, Office Mart, toy world, forex bureau, Post office, Fujifilm,	100-250

						Woolworths, Palacina Interiors, Kiko romeo, PC world and Nairobi Java House	
5.	Lavington Curve		Naivas	10,000	55	Adega restaurant, Big Square Casino, crown paints and Tazama Digital studios	180-220
6.	Lavington Mall	61,558	Chandarana	12,000	75	Healthy U, Co-operative bank, Art Caffe, Bikes and Sports Limited, Kengele's, and City Walk	160-250
7.	ABC Place		Chandarana	4,000	65	Grocery store, Java, Barclays bank, Eye care consultants limited, Hass Consult, let's go travel, Fina bank, Toyworld, Tintoria limited, Nairobi Java House, Blue rhino, seven sea food & grill, Mercury lounge, Gilani butchery, simply books arts, Teriku's saloon, KPMG, ABC pharmacy, onyx jewelers and Caramels restaurant and lounge	-
8	The Greenhouse	146,000	Naivas	12,000	85	Brick Phamacy, North Pole College, Car spare parts store, Terry Designs, Banks, Dameca restaurant, Lords Collection and Grocery store,	280
10	Adams Arcade	40,000	Carrefour	3,000	65	Nairobi Java House, Mc Fries, Miss Fashion, Posta, Deacons, Sunrays Solar, Jamret Restaurant, Nikon studio, Smart Scents, Optician and private offices.	-

5.3.2 Commercial Office Space

Many businesses are relocating and establishing their headquarters toward the outskirts of the Central Business District. In the outskirts, land is relatively cheaper, and available in large quantities therefore, better facilities could be developed and maintained easily. Major areas that are currently experiencing a significant growth in companies and office space include the Upper Hill, Ngong road, Westlands and Kilimani areas, which are located a few kilometers from the Nairobi City Central Business District. Other areas with expansion of major commercial offices include places along Mombasa Road, Langata road, Hurlingham, Argwings Kodhek, Limuru road at Gigiri near the United Nations Office in Nairobi and Village Market as well as along the Thika Superhighway.

Companies that have moved from the Central Business District to these places include; Avic International, KPMG, Microsoft – Google offices, I & M Bank, Citibank, CFC Stanbic, CIC insurance, KCB Bank, Eguity Bank, Britam Group and Coca-Cola among others. Among the larger office developments in this area is the Rahimtulla Tower, Britam Towers, UAP Tower, GTC Towers, Equity Headquarters, Prism Tower, and One Africa Tower among many. The World Bank which was earlier located in the Nairobi Central Business District is now located in Upper Hill at Hill Park Building. The International Finance Corporation – part of the World Bank Group focused on private sector development – is also located in Upper Hill at the CBA building.

Classification of commercial offices

- **Class A** – This comprises of Office buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality, and in some buildings, one-of-a-kind floor plans. These buildings contain modern mechanical systems, and have above-average maintenance and management as well as the best and high quality finish-materials and exceptionally great workmanship in their trimmings and interior finishes. They are generally the most attractive and eagerly sought out for by investors willing to pay a premium for quality.
- **Class B** – This is a classification used to describe buildings that generally qualify as a more speculative investment, and as such, command lower rents or sale prices compared to Class A properties. Such buildings offer utilitarian space without special attractions, and have ordinary design, if new or fairly new; good to excellent design if an older non-landmark building. These buildings typically have average to good maintenance, management and attract medium tenants. They are less appealing to tenants than Class A properties, and may be deficient in a number of respects including exclusive floor plans, maintenance and repair conditions and facilities. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

- **Class C** – A classification used to describe buildings that generally qualify as no-frills, older buildings that offer basic space and command lower rents or sale prices compared to other buildings in the same market. Such buildings typically have below-average maintenance and repair conditions and basis management, and could have mixed or low tenant prestige, inferior elevators, and/or mechanical/electrical systems. These buildings lack prestige and must depend chiefly on a lower price to attract tenants and investors.

To accommodate the large demand for rental floor space in Nairobi, various commercial projects have been constructed. Business parks such as the Sameer Business Park and Karen Office Park have come up away from the Central Business District, High-rise buildings including the KCB building, Equity Centre at upper hill and Delta and One Africa in Wetlands. An analysis of some of the Commercial Office developments is outlined and discussed here below;

A. The Global Trade Centre, Nairobi

The Global Trade Centre – GTC Nairobi is located in Westlands, Nairobi. This is the latest office tower and on the fast-changing skyline of the Kenyan capital city. GTC Nairobi, includes the 184m-tall GTC Tower, was opened to the public on December 23, 2021 by Former President Uhuru Kenyatta. Sitting on 7.5-acre, the GTC Nairobi comprises of six imposing towers: block A of 43-level 3A Plus Office Tower, a 35-level Hotel Tower that will host the star-studded US chain JW Marriott hotel and four residential apartment towers of 24 to 28 levels. Through Avic International Real Estate Kenya, the firm built a one-of-a-kind project in East Africa along Chiromo/Waiyaki Way and Chiromo lane and Westlands Road in Westlands.

B. KCB Plaza in Upper Hill

This is a brainchild of the KCB pension fund currently being used as the headquarters for the Kenya Commercial Bank that houses a state-of-the-art banking hall, personal banking facilities, administrative offices and conference facilities for meetings, conventions and workshops.

C. UAP Tower.

The UAP Tower is a Grade A office development located in Upper Hill, an area earmarked for the new Nairobi financial hub, away from the congested Central Business District. The UAP tower has incorporated Green-building features in the design of the building including natural ventilation, lighting control with motion and occupancy sensor. The development came on the high demand for Grade A offices by multinationals in Nairobi, which is becoming a regional business hub.

i. Rent: per square foot Kshs.110 per month
ii. Estimated Service Charge: Kshs 25 Per square foot
iii. Services and accommodation include; 2 No. 900KVA back-up generator; 8 High speed passengers lifts; Air handling; Car parking ratio; Disability access and facilities provisions; Provision of ICT and optical fiber backbone infrastructure;

5.4 Residential Apartments

5.4.1 Residential apartments comparables

Kilimani Area is one of old and prominent estates in Nairobi city, which is generally considered as bedroom estate for the Upper Mid End population. As such, there is a strong development history of residential apartment units mainly for rental purposes with a good number being on offer for sale and outright purchase.

The area is under rapid regeneration into High-rise buildings, with the majority "single unit" residences, rapidly giving way to more, high-density (typically +50 units) residential apartment complexes.

Further, out, we see strong evidence of a graduation to mixed-use developments of commercial and residential apartment in each compound. In the immediate area, to the property, a majority of the developments offer high-density residential developments and estates. Below is a brief snapshot of such developments:

5.4.1.1 *Lamuria Gardens, Off Denis Pritt*

The Lamuria Gardens Apartmentis a unique development comprising of highly luxurious apartments built on 5 levels with each unit consisting of; One and Two 2 bedroom (all ensuite) Furnished and Unfurnished Apartments. The apartments are fully fitted with wardrobes, lightings, cupboards etc. and have spacious lounge, spacious balcony, and kitchen with granite counter top & customized cabinets, pantry, laundry, and ceramic tiling & car park areas. The apartments are located along on Kitale Lane off Denis Pritt Rd in Kilimani, a highly exclusive estate. Social, recreational and shopping amenities are available from Yaya Centre, Hurlingham Shopping Centre, Nairobi hospital, Arboretum Park, State House Primary & Girls School, Milimani primary school, St. Georges School and the State House –all further enhancing the project's value and prestige. The rental charges are; Kshs 130,000 per Month for Furnished 2 bedroom, Kshs 100.000 per Month per for Unfurnished, and Kshs 75,000 per Month for One Bedroom Unfurnished

5.4.1.2 *The Enclave - Kilimani Kitale Lane*

The Enclave is a two Bedroom residential development enveloping an artistic courtyard decked with a hoard of entertainment trimmings. The Enclave Apartments located just off Kitale Lane, which is off Dennis Pritt Road within Kilimani area. Residents here enjoy access to a resident's lounge with a coffee shop on ground level, a spectacular rooftop with swimming pool, gym, aerobics, fine dining, serenity gardens, business center and children's play area. The rental change is Kshs 100,000 per Month for unfurnished 2-bedroom apartment.

5.4.1.3 *Eldon Villas - Ngong Road*

Eldon Villas are Premier Furnished Apartments in Nairobi's Ngong Road opposite Kenya Science Teachers College. Eldon Villas is comprised of 38 architecturally intricate residences, each offering living and entertaining spaces designed to suit individual lifestyle. The rental charges are; Kshs 8,000 per day for studio or Lofts, Kshs

10.000 per day for standard One Bedroom, and Kshs 12,000 per day for the two Bedroom apartment.

5.4.1.4 *Stunning Homes – Kilimani off Lenana Road*

The stunning homes are modest 2bedroom furnished apartment all en-suite. It is located in a prime serene location within Kilimani off Lenana Road near South African Embassy with amenities within a walking distance. The unit boasts of exemplary finishes and fittings. The rental charge is Kshs 110,000 per Month for unfurnished 2-bedroom apartment.

5.4.1.5 *Palms Paradise – Kilimani, Likoni Lane.*

The Palms Paradise are Luxurious furnished and serviced Studios, 1- & 2-bedroom apartments with exclusive Penthouses (apartments). The development is located in a prestigious location along Likoni Lane off Denis Pritt Road in Kilimani near Yaya Centre. This property is tastefully designed with Swahili furnishings and fully equipped kitchens, personalized homely service, free personal laundry, gym, sauna, steam room, swimming pool, Jacuzzi, direct telephones with data ports, internet access, electric fence & alarm back up, satellite TV, standby generator, DSTV channels, 24hr. security, secured parking. The units are available on monthly, quarterly or yearly terms.

The rental changes are;

- Studio – Daily Rates Ksh. 7,000 – Monthly Rates Ksh. 90,000 Per Month
- V.I.P. Studio – Daily Rates Ksh. 6,000 – Monthly Rates Ksh. 100,000 Per Month
- One bedroom – Daily Rates Ksh. 7,000 – Monthly Rates Ksh. 120,000 Per Month
- Two bedroom – Daily Rates Ksh. 12,000 – Monthly Rates Ksh. 160,000 Per Month
- Penthouse – Daily Rates Ksh. 20,000 – Monthly Rates Ksh. 200,000 Per Month

5.4.1.6 *Legacy Apartment – Lavington*

Precision and outright opulence blend seamlessly at this nostalgic 1-bedroom apartment located at Legacy Apartment, in the heart of Lavington. The master ensuite unit boasts the comfort of a prestigious enclave while encompassing the lifestyle of the heart of the city. The unit features a modern fully fitted open plan kitchen finished to perfection, a spacious lounge, dining area, a very modern kitchen fitted with cooker, oven and a microwave, in-built wardrobes, and guest washroom, a laundry area, ample parking space and connected WI-FI. The Legacy apartment has community and relaxation at its heart; a place where the utmost importance is given to the public realm and facilities – from lifestyle to entertainment and education. The rental change is Kshs 45,000 per Month for unfurnished one bedroom.

5.4.1.7 *CRYSTAL SPRINGS: in Lavington*

Located in a tranquil environment in Lavington, is this elegantly designed 3-bedroom apartment, two ensuite + DSQ. Combining tasteful designs and modern amenities, the apartment boasts of a spacious lounge with a balcony overlooking the swimming pool and clubhouse. The unit sits with proximity to social amenities such as the Junction Shopping Mall and Lavington Mall, among others. The rental charge is Kshs 85,000 per Month for unfurnished apartment.

5.4.1.8 *BAY HILL Apartments – Mawensi Road, Upper Hill*

Experience the finesse of modern-luxury in this 4-bedroom unfurnished apartment in a family orientated suburban location that is peaceful and secure. The unit boasts of a spacious lounge opening to the balcony, a separate dining, fitted kitchen with pantry, and a master bedroom with Jacuzzi. Extra amenities include a gym, swimming pool, sauna, and ample parking space among others. The rental change is Kshs 140,000 per Month for unfurnished apartment.

5.4.2 Serviced apartments

According to The Global Serviced Apartments Industry Report of 2014, the term 'serviced apartment' is described as an apartment alternative to hotel accommodation for long stay leisure or business travelers. However, there are three types of accommodation to describe the serviced apartment, with an ever-growing list of sub-categories.

5.4.2.1 *Extended stay hotels*

Extended stay hotels are mainly studios, one bedroom with a few two-bedroom apartments typically found in urban locations, ranging in standard from budget to deluxe. All are fully furnished and include:

- En-suite bathrooms
- Fitted kitchen or kitchenette
- Lounge/dining area sometimes including a sofa bed or pull -down bed.
- Working area, desk, office chair, internet access & direct telephone line.

The hotel services usually available from extended stay hotels include:

- Reception desks – some manned, 24hrs, others on limited hours
- Daily or weekly cleaning & laundry service. (Most properties have either a shared laundry facility or an in-apartment

5.4.2.2 *Serviced apartments vs. Hotels*

For business users in particular, serviced apartments offer tangible, quantifiable benefits over traditional hotels. These competitive advantages can be summarized as follows.

i. **Cost** – for stays of a week or more, serviced apartments can be significantly cheaper than hotels because their costs are lower and extras such as room service, hotel restaurants and bars do not apply in the serviced apartment model. Many corporates will measure these savings as 'total cost of stay' including car parking, Wi-Fi, food, beverage and so on.

ii. **Environment** – a secure, home-like environment whilst away on business – especially for long periods – makes the traveller relaxed, and more productive. This is part of corporate statutory Duty of Care to their employees.

iii. **Cooking** – although hotel rooms are often equipped with microwaves and coffee makers, apartments are usually equipped with fully functioning kitchens, enabling the traveller to entertain and the company to control food budgets.

iv. **Personalized** – serviced apartments allow guests to customize the service they require, e.g., laundry and so on.

5.4.2.3 *Corporate residential housing*

Corporate housing is typically residential apartments up-graded for stays of 30 days or more and packaged together with services such as:

- Furnishings
- Weekly cleaning
- Utility charges
- Local municipal taxes
- Telephone, WiFi and TV channels
- Guest services - telephone support for maintenance issues etc.

This type of product - also referred to as suite living and residence living – works as company apartments either for regular visitors or for those on-extended projects. There are two main types of corporate housing services offered:

- Apartments rented and maintained by the operator on an on–going basis
- Those rented specifically for a particular housing requirement and length of time, after which they are handed back to the owner. This is also referred to as virtual housing.

5.4.3 Serviced apartments comparables

Table 5:5: Serviced apartment within the trade area

1	**Property Address:**	**Waridi Paradise Apartment Hotel Nairobi**
	Location	Rose Avenue off Argwings Kodhek Road,
	Accommodation	Executive 1 Bedroom Apartment Executive 2 Bedroom Apartment
	Amenities:	Furnished and fully serviced apartments with GYM Backup generator, Adequate and treated water, Wireless internet access (WI-FI), Secure and ample parking facilities, Personalized service in luxurious amenities, Access to DSTV channels in the apartments, Professional round the clock security guard(s), Swimming at our sparkling clean and centrally placed.
	Rent:	1 B/R @ Kshs. 220,000 p.m ; 2 B/R @ Kshs. 260,000 p.m

2	**Property Address:**	**Palacina Residential Hotel & Suites**
	Location	Kitale Lane, off Dennis Pritt Road State House Area
	Accommodation	1, 2 & 3 Bedroom apartments 140 square meters in size, with its own living room,
	Amenities:	furnished and fully serviced apartment's
	Rent:	1 B/R @ Kshs. 270,000 p.m ; 2 B/R @ Kshs. 350,000 p.m 3 B/R @ Kshs. 430,000 p.m
3	**Property Address:**	**Batian's Peak Apartments Nairobi**
	Location	Argwings Kodhek Road Kilimani area of Nairobi
	Accommodation	One Bedroom with One Bath-Room 50 Square Meters One Bedroom with One Bath-Room 80 Square Meters Two Bedrooms with Two Bath-Rooms 100 Square Meters
	Amenities:	Furnished and fully serviced apartment's
	Rent:	1 B/R @ Kshs. 160,000 -200,000p.m ; 2 B/R @ Kshs. 250,000 p.m
4	**Property Address:**	**Elia Homes & Apartments**
	Location	Kilimani Road off Menelik Road, Ngong View apartments
	Accommodation	1, 2 & 3 Bedroom apartments
	Amenities:	Furnished and fully serviced apartments with Breakfast, CD Player, High chairs, DVD Player, Kitchen(ette), Swimming pool, Information desk, Cable/Satellite TV, High-speed Internet, Daily House Keeping, Personal Laundry service, Free Safe Secure Parking, Babysitting / Child Services.
	Rent:	1 B/R @ Kshs. 257,000 p.m ; 2 B/R @ Kshs. 356,000 p.m 3 B/R @ Kshs. 455,000 p.m
5	**Property Address:**	**Hamptons Serviced Apartments Nairobi**
	Location	Oledume road off Arwings Kodhek Road in the up market Kilimani area,
	Accommodation	Executive 1 Bedroom Apartment Executive 2 Bedroom Apartment
	Amenities:	Furnished and fully serviced apartment's with GYM Backup generator, Adequate and treated water, Wireless internet access (WI-FI), Secure and ample parking facilities, Personalized service in luxurious amenities, Access to DSTV channels in the apartments, Professional round the clock security guard(s), Swimming at our sparkling clean and centrally placed.
	Rent:	1 B/R @ Kshs. 130,000 p.m ; 2 B/R @ Kshs. 170,000 p.m
6	**Property Address:**	**Heri Heights Serviced Apartments Nairobi**
	Location	Kolobot Drive, off Arboretum Road,
	Accommodation	Deluxe 1 Bedroom

		Executive 2 Bedroom Superior 3 Bedroom
	Amenities:	Furnished and fully serviced apartments with Shower over bath, Separate toilet, King beds, Balcony/patio, Self-catering, Tea and Coffee Facilities, Wi-Fi, No Smoking in Rooms DStv and Television
	Rent:	1 B/R @ Kshs. 220,000 – 250,000 p.m; 2 B/R @ Kshs. 300,00 - 350,000 p.m 3 B/R @ Kshs. 425,000 p.m
7	**Property Address:**	**King Post Apartments Nairobi**
	Location	Rhapta Road Westlands Nairobi
	Accommodation	1, 2 or 3 bedroom apartments
	Amenities:	furnished and fully serviced apartment's
	Rent:	1 B/R @ Kshs. 190,000 p.m ; 2 B/R @ Kshs. 260,000 p.m 3 B/R @ Kshs. 350,000 p.m
8	**Property Address:**	**Clarence House Hotel & Apartments Nairobi**
	Location	Nairobi Westlands School Lane 8
	Accommodation	2 Bedroom Apartments
	Amenities:	Furnished and fully serviced apartment is with Facilities for the disabled. Fitness and health center, Internet – wireless, Internet is Complimentary, Ironing facilities, Kitchen facilities, Laundry facilities, Mini bar, Refrigerator, Restaurant, Safe in rooms, Sauna and Shower
	Rent:	2 B/R @ Kshs. 370,000-400,000 p.m
9	**Property Address:**	**Reata Apartments**
	Location	Ralph Bunche Road, off Valley road
	Accommodation	3 Bedroom Apartment 1 Bedroom Apartment
	Amenities:	Furnished and fully serviced apartment's Internet access, satellite television, and a fully-equipped kitchen in each apartment, to calming showers and cozy bedrooms when you need to freshen up and relax
	Rent:	1 B/R @ Kshs. 220,000 -250,000p.m ; 3B/R @ Kshs. 360,000 p.m
10	**Property Address:**	**Royal Apartments -**
	Location	Kolobot Drive off Arboretum Drive, off State House Road near YMCA Nairobi,
	Accommodation	1-2-3 bedroom apartments
	Amenities:	Furnished and fully serviced apartments. easy access to most amenities such as shopping malls, schools, churches, and temples, police station, hospitals, and a short jump to the city center

	Rent:	1 B/R @ Kshs. 140,000 p.m ; 2 B/R @ Kshs. 160,000 p.m 3 B/R @ Kshs. 200,000 p.m
11	**Property Address:**	**Samra Apartments | Hurlingham**
	Location	Argwings Kodhek Road, Next to Nairobi Women Hospital - Nairobi
	Accommodation	1, 2 & 3 Bedroom apartments
	Amenities:	furnished and fully serviced apartment's
	Rent:	1 B/R @ Kshs. 95,000 p.m ; 2 B/R @ Kshs. 120,00-135,000 p.m 3 B/R @ Kshs. 145,000 p.m
12	**Property Address:**	**Wasini Luxury Homes & Apartments**
	Location	Church Road off Wayaki way, Westlands Area
	Accommodation	2 Bedroom Apartment 1 Bedroom Apartment
	Amenities:	Furnished and fully serviced apartments. Fitness and health center, Internet – wireless, Internet is Complimentary, Ironing facilities, Kitchen facilities, Laundry facilities Mini bar, Refrigerator, Restaurant, Safe in rooms, Sauna and Shower
	Rent:	1 B/R @ Kshs. 270,000 p.m; 2 B/R @ Kshs. 320,000 p.m

Analysis of comparable rents:

It can be concluded from the market research undertaken that the market of rentals serviced and furnished apartments are currently varying between Kshs. 95,000 – Kshs. 270,000 for one bedroom furnished and fully serviced apartments; Kshs. 120,000 – Kshs 370,000 for two bedrooms furnished and fully serviced apartments; and Kshs. 145,000 – Kshs 455,000 for three bedrooms furnished and fully serviced apartments. However, it must be noted that these rentals are reliant on the services offered and the maximum number of guests per apartment. The rental fees also depend on other services offered to the guests like sufficient on-site parking, catering services and leisure. The condition of the improvements and the available amenities within the apartment and its neighborhood also influence the rents payable. This market rental range also often includes properties of varying physical attributes and location characteristics.

We are of the opinion that a rental fee for the serviced and fully furnished apartments be adopted at Kshs. 200,000 per month for two bedroom, and Kshs. 250,000 per month for three bedroom apartments. Rent is increased at a rate of 5% per annum depending on market assessment recommendation at the end of the year. These rates are inclusive of service charge, which is an expense normally meant for facility and property management.

5.4.4 Real Estate Developments in Kilimani Area

5.4.4.1 *Market Performance and Outlook*

The mixed-use development comprising of commercial office retail space and Residential apartments has been proposed for the site. This option considers factors affecting the long-term standing of Thompson Estate by being the first of its kind in the immediate environs. These options offers the maximum most diverse development option, as it leverages the strengths of the different forms of development, as cure and outweighs the weaknesses of the other factors as discussed in the SWOT Analysis section of this report.

This development model has successfully been implemented in multiple developments of varying scales across the Nairobi County and around the world. This proposal is influenced by the available demand availed by the ever-growing and projected population within Nairobi City County which is predominantly within the middle class and high-income earners as well as the increased need for high quality commercial offices.

The commercial and office sectors are supported by a growing and existing demand, with factors such as the ongoing investments in major infrastructures like roads, Sewer line, Airport as well as the SGR all contributing to the growing fortunes of the Nairobi City at large.

In terms of overall market performance, the residential sector in Kilimani Estate is relatively within the average for Upper Mid End. On the other hand, the commercial sector has relatively higher yields within Kilimani at 7.1% compared to 6.2%. The commercial sector also attracts a higher occupancy rate of 79.8%, which makes it the preferred development option in the area.

We have analyzed and identified the investment opportunity in Kilimani Estate in Nairobi City, based on 2022 performance as shown in table 5.6 below;

Table 5:6; Market Performance and Outlook

Theme	Performance	Investment Opportunity
Residential	The Residential sector in Kilimani for Upper Mid-end realized an improvement in its overall performance in 2021, with the average rental yields coming in at 6.2%, which higher than the average yield Of Nairobi at 5.2%. The average occupancy rates for Kilimani Estate increased as well to 85.7% in 2021.	The opportunity in the sector lies in, 2 Bed and 3-bed apartments in both the high end and mid end segment in areas such as Kileleshwa, Kilimani, Upperhill. The Apartment units in Kilimani Estate record average yields at 6.2%, which is above the average yield for higher than the market average upper Mid -end of 5.2% with relatively high rental, rates and level of occupancy.
Commercial Offices	The Commercial Office sector realized an improvement in its overall performance in 2021, with the average rental yields coming in at 7.1%, from 7.0% recorded in 2020. The average occupancy rates for Nairobi increased as well by 0.2% points to 77.9%, from 77.7% recorded in 2020. At an average rent of Kshs. 93.0 per SQFT and average price of Kshs 12,280 per SQFT for the office space recorded in Nairobi.	Our outlook for commercial office spaces is positive given the high yields and occupancy rates of on average 7.0% and 77.9%, respectively. Kilimani has an average rental yield of 7.1 with high occupancy rate of 79.8%, which was higher than as CBD and Upperhill with 6.8% and 7.0% respectively.
MUD	MUDs recorded an average rental yield of 7.2% in 2021, 0.7% points higher than the respective single use themes which recorded average rental yield of 6.5% in the similar period. Moreover, MUDs recorded a 0.1% y/y increase in the average rental yield to 7.2% in 2021, from the 7.1% realized in 2020. Retail spaces in MUDs have high yields of 8.5% compared to 6.1% and 7.0% for residential and commercial office themes in MUD. At an average rent of Kshs. 181.0 per SQFT and Kshs 106.0 per SQFT for retail and commercial office	Our outlook for MUD is positive with retail uses and commercial office themes given the higher yields and occupancy rates as compared to such occupancies such as the Commercial Space alone with lower yields and low occupancy

	respectively. The residential sector in MUD reported an average sell price of Kshs 18,933 per SQFT as compared to 12,995 per SQFT for the commercial offices in Nairobi.	
Retail Space	The retail market within Nairobi city recorded an average rental yield of 7.8% in 2022, 0.3% points higher than the 7.5% that was recorded in 2021. The performance was driven by the increased rental and occupancy rates which came in at Kshs 173 per SQFT and 75.9%, respectively in 2022, from Kshs 168 per SQFT and 75.8%, respectively, in 2021 Kilimani, Westlands and Karen were the best performing retail nodes recording yields of 9.7%, 9.0%, and 8.0%, respectively mainly attributed to the presence of quality retail spaces fetching prime rents and yields such as the Hub, Galleria Mall, Westgate Mall, and, Yaya Centre among many others	Our outlook for the retail space is positive given the high yields of 9.7%, within Kilimani as compared to entire Nairobi metropolitan area that have average rental yields of 7.8 Kilimani was the best performing node with an average rental yield of 9.7% in 2022 from 9.0% recorded in 2021 due to the improved rental rates by 5.8% points to Kshs 182 per SQFT in 2022 from Kshs 172 per SQFT in 2021.
Land	Land in Nairobi and Kilimani Estate in particular has decreased in value by 2.5%, in the last one year. Land price has moved from average of Kshs 388.7M per acre in 2020 to Kshs 379.1M in 2021 (Cytonn 2022).	The opportunity in the sector lies in the high land value, High demand and its proximity to services and infrastructures.

5.5 Retailers Surveys

To obtain a better understanding of the benefits and challenges of operating a business in the area, we conducted a number of interviews with property developers, Property managers and Estate agents, Residents and Customers in retail properties within the catchment areas.

Fourteen out of the twenty-eight respondents were residents for major residential developments identified in the ‘competitive environment’ section of this study while five were Estate Agents based within the trade area, the rest were either customer and visitors for mixed use properties within the trade area.

The information collected were further categorized into three sections: business operations, such as store square footage, apartment type (serviced, Rental or apartments on offer for sale), customer profile on the possible and target clients; and neighborhood and business environment, such as crime, safety, and other challenges faced in residing and conducting business in the area.

5.5.1 Business Operations

The retailers’ surveys revealed a wider range of shops and supermarket sizes within the trade area. Stores in the trade area have lettable space of about 3,000 to 90,000 square feet. Most are located in buildings designed and built for commercial use with larger footprints. The typical retailer acted as the anchor tenant and let the space in these buildings. Twenty-two out of the twenty-eight respondents were of the opinion that the visitors and residents in the trade area is diverse in culture and earnings and with no personal relationship that the developers had with the customers. Eighteen out of the twenty-eight respondents were of the opinion that tenants had strong opinions on the quality and level of finishes of the apartment, which informed most of their decisions on either to consider purchasing or opting to rent the property. The majority of the respondents were of the opinion that most tenants prefer apartments next to major facilities like retail mall, schools and social amenities. “Some roads such as Ngong Road are prone to heavy traffic and thus people tend to shop at outlets that are closest to their homes” – said one of the respondents.

5.5.2 Customer Profile

All the respondents were of the opinion that most of the customers at the retail spaces within the primary trade area are of the upper and upper middle-income class. Additionally, they were of the opinion that most of the residents have offices or work in areas within Nairobi City like; Upper Hill, Ngong Road, Hurlingham, Westlands, Lavington and The CBD, with some diplomats working at the United Nations Office in Nairobi (UNON) within the Gigiri area. Ten out of the twenty-eight respondents argued that most of the tenants in the area in making a choice of where to get a suitable residence took into consideration such factors like the house rent, quality of fittings/fixtures and the array of amenities nearby. They also argued that larger retail malls such as the Junction and Prestige, Lavington Mall were preferred because of the ancillary facilities they offer that range from entertainment centers, cafés and food courts, and fitness centers among others.

5.5.3 Neighborhood and Business Environment

Majority of the retailers surveyed (Nineteen out of twenty-eight), particularly within the proposed site, described the area as a good place for business because of the human traffic. While cases of security were minimal, some of the respondents, (ten out of twenty-eight) had concerns over cases of attacks within apartments. They also noted that some property owners had taken more security measures that include extra surveillance and liaising with the local police from time to time.

5.6 Tenant mix

Tenant mix is well recognized to be one of the very important elements for the success of a shopping mall; however, there is no scientific models for determining tenant mix in a Retail, including how many different trades and the distribution of lettable area to different trades. In practice, gut feeling and experience determine these parameters.

The Commercial Complex is the agglomeration of selected multiple retailers, commercial offices and commercial service apartments within a well-planned, designed and managed building or a group of buildings as a unit (Urban Land Institute 1999; ICSC 2002). Within the Commercial complex, tenants are able to receive mutual benefits, not only from other individual stores and residents but also from the collective advantages of the whole shopping Centre. For instance, small tenants depend on the strong customer drawing power generated by anchor stores and the "spill-over" of their customers to these smaller tenants (Benjamin, et al. 1992). At the same time, the mixture of commercial tenants provides variety and supportive services for the whole complex.

In addition to the mixture of tenants, strong brand name retailers and other popular offices spillover their sales efforts to other tenants (Miceli and Sirman 1995), establishing the positive image of the mall. Furthermore, the tenants also share their obligations in the provision of quality public services and facilities, which would not be available if they were scattered as single- free-standing stores. By sharing the total costs of the public services and facilities through service charge, these tenants obtain the collective benefits of higher quantity and quality of services and facilities to be able to draw and serve more customers in a complex.

The proposed AMECEA Complex intents to have a retail space of about 70,000 sq. ft of retail floor space. The intended anchor tenant shall be a reputable supermarket, which will occupy about 30,000 sq. ft. of floor space. This shall be on the two levels i.e. ground, and first floors. The remaining floor space of about 40,000 sq. ft, shall be used for non-anchor tenant. The possible non-anchor tenants shall include but not limited to: Financial Institutions like Banks, Sacco and Micro-finance and ATMs; restaurants and Lounge like Nairobi Java, Art Caffe, or Dormans Coffee House; fashion shops like Mr. Price, Levis, Woolworths, Sir Henry's, Galitos; Chemist and health clinics like Karen Hospital, Nairobi Hospital and Pharmaceutical Shops; Saloon and Beauty Shops; and Tour and Travel shops among others.

5.7 Conclusion for proposed complex

5.7.1 Conclusion

The level of building and construction within a country is a clear indicator of its economic condition. The Kenyan Government, parastatals, and county governments continue to invest heavily in the provision of road and rail transport networks and housing for its residents.

5.7.2 Commercial offices

We are of the opinion that a rental range of Kshs. 100 - 200 per square foot (depending on the floor occupied and locality) for the tenants is realistic with regard to the proposed commercial space. Rent shall escalate at a rate of 5% per annum. The rate for service charge shall be at range of Kshs 30 per square foot, which is an expense normally paid by the tenant to appointed managers for the services rendered to the commercial facility, which shall invariably be annually audited and reviewed for any future variations.

5.7.3 Residential apartments

It can be concluded from the market research undertaken in this node that market rentals within this residential area are currently varying between Kshs. 45,000 – Kshs. 60,000 for one-bedroom apartments; Kshs. 50,000 – Kshs. 120,000 for 2 bedrooms apartments; and Kshs. 85,000 – Kshs 150,000 for three bedrooms apartments.

However, it must be noted that these rentals are reliant on the support amenities offered. Rent shall escalate at a rate of 5% per annum. The rental fee also depends on other services like sufficient on-site parking, the condition of the improvements and the available amenities within the apartment and its neighborhood. This market rental range also often includes properties of varying physical attributes and location characteristics.

5.7.4 Serviced Apartments

From the analysis of comparative environment, the rental fee for the serviced and fully furnished apartments ranges from at Kshs. 100,000 to Kshs 180,000 per month for One Bedroom; Kshs. 150,00 to Kshs 220,000 per month for 2 bedrooms, and Kshs. 200,000 to Kshs 300,000 per month for 3-bedroom apartments. We propose Kshs 150,000 for One Bedroom; Kshs 200,000 for 2 Bedroom and Kshs 280,000 for 3 bedrooms. Rent shall escalate at a rate of 5% per annum. These rates are inclusive of service charge, which is an expense normally paid by the property owners for running the particular property management services and the facility maintenance.

5.7.5 Retail Development

From the analysis of comparative environment, the rental fee for the retail space varies depending on the location of the space and development. The Anchor tenants pay rents in the range of Kshs 55 to Kshs 120 per square foot per month. The other tenants equally also pay rental fees in the range of Kshs 85 to Kshs 250 per square foot per month exclusive of service charge. We therefore recommend the rental income of Kshs 120 per SQFT per month for the anchor tenant and Kshs 150 to 200 for other retail spaces exclusive of the Service charges. We also recommend an initial service charge of Kshs 30 per square foot per month. The fee is subject to review as per the recommendation of the annual audit property management reports.

6 FINANCIAL ANALYSIS

6.1 Introduction

Development cost is one of the key elements in calculating profitability, return on Development cost is one of the key elements in calculating profitability, return on investments, payback period and the net present value of the project. Therefore, it is important to determine the possible costs of constructions, planning, professional services including architectural, engineering, quantity surveying etc. and other related services as accurate as possible. In general, we have adopted the construction cost of **Kshs 60,180,** for all the uses including Commercial Office, Retail and Residential apartments respectively. In our opinion, these costs are inclusive of professional costs and Contingencies costs in our analysis; we have therefore taken into consideration and slightly reduced appropriately the actual construction cost applied in our financial analysis. These costs are in line with the construction costs in December 2022 as shown in the attached copy of the Nairobi's Projects – Building Rates per Square Meter. These costs are in line with the guidelines by the Kenya National Bureau of Statistics (KNBS) and the Joint Building and Construction Council (JBCC) and the State Department of Public works.

Please note, the rates are shared from industry experience, we anticipate that once the report is acceptable for implementation, the actual values will be subject to the Final Architectural Designs and Costing from the Project Quantity Surveyor.

6.2 Option One: Financial Feasibility

6.2.1 Assumptions for development

1) Development cost of Kshs 60,180 per SQM inclusive of Professional fees, Legal fees, and Contingencies among others.
2) Plot coverage of 75% and Plot ratio of 447% of building size on 12 levels.
3) Apartment sale shall be estimated at 75% of the developed units.
4) Interest Rate = 20%
5) Inflation rate = 9.6%, thus discount rate applied 11.5%
6) Residential sections purchases running concurrently in the 8 years
7) All Cost of Construction and Fees are VAT Inclusive
8) External **financing to cover 80% cost of construction**.
9) 2 years moratorium on interest payments over construction period 2023 -2025.

6.2.2 Project Costs

Table 6:1- The projected construction costs

Details	Area (m²)	Total Area (m²)	Cost per m²	Construction Cost
Mall space	4,000.00	8,000.00	51,000.00	408,000,000.00
Offices	4,000.00	8,000.00	51,000.00	408,000,000.00
Two Bedroom	100.00	6,600.00	51,000.00	336,600,000.00
Three Bedroom	140.00	3,920.00	51,000.00	199,920,000.00
Parking space	4,450.00	8,900.00	40,000.00	356,000,000.00
Totals		**26,520.00**		**1,352,520,000.00**
Contingency			7.50%	101,439,000.00
Total Professional Fees			10.00%	135,252,000.00
Marketing Costs (Publicity)			0.50%	6,762,600.00
TOTAL CONSTRUCTION COST				**1,595,973,600.00**
COST OF LAND				
Land Value		1.47	350,000,000.00	**513,100,000.00**
TOTAL DEVELOPMENT COST				**2,109,073,600.00**

Table 6:2: Financing Structure

FINANCING				
Owners' Equity	Land	513,100,000.00		
Self-financing (AMECEA)		319,194,720.00		832,294,720.00
Debt Financing @ 80%				1,276,778,880.00
Interest and Fees		**Debt Amount**	**Rate**	**Total Interest**
Interest Paid		1,276,778,880.00	20%	255,355,776.00
Debt Financing & Associated Fees			2.50%	31,919,472.00
Total Interest and Fees				**287,275,248.00**
Total Amount Payable to Finance				***1,564,054,128.00***
Total Cost Of Project				1,883,248,848.00
Project Value				**2,396,348,848.00**

6.2.3 The Expected Revenue

The proposed development when in operation and occupied will yield the following projected rental collection.

6.2.3.1 *Rent revenue*

***Table 6:3: Expected revenue (commercial spaces* & serviced apartments)**

Details	Units (No.)	Lettable Area (m²)	Rent Rate /ft²	Gross Monthly Rent	Gross Annum Rent
Offices	4,000.00	6,600.00	100.00	7,108,200.00	85,298,400.00
Mall space	4,000.00	6,800.00	150.00	10,985,400.00	131,824,800.00
Two Bedroom	16.00	1,360.00	200,000.00	3,200,000.00	38,400,000.00
Three Bedroom	8.00	1,020.00	280,000.00	2,240,000.00	26,880,000.00
Parking	260.00	-		1,040,000.00	12,480,000.00
Totals		**15,780.00**		**24,573,600.00**	**294,883,200.00**
GROSS DEVELOPMENT VALUE				**24,573,600.00**	**294,883,200.00**
			Rate (%)	**Total Fees**	
Sales & Marketing Fees (Commission)				1 Month Rent	23,533,600.00
Total				**23,533,600.00**	**271,349,600.00**

6.2.3.2 *Sales Revenue*

Table 6:4: Sales Revenue for apartments

Housing Sales	Units (No.)	Area (m²)	Sales Rate / m²	Sales Prices	Gross Sales
2 Bedroom - 100sqm	50.00	5,000.00	150,000.00	15,000,000.00	50,000,000.00
3 Bedroom - 140sqm	20.00	2,700.00	150,000.00	21,000,000.00	420,000,000.00
Parking spaces		90.00	750,000.00	67,500,000.00	67,500,000.00
Totals			-	**103,500,000.00**	**1,237,500,000.00**
Development Fees				**Rate (%)**	**Total Fees**
Sales & Marketing Fees				1.5%	17,943,750.00
TOTAL REVENUE					**1,219,556,250.00**

6.2.4 Cash Flow analysis post construction

- As illustrated in the cumulative cash outlay for this project does not exceed the financial resources available for the project. This means that the project is profitable and is able to carry the additional financing required by the client.
- As per the financial cash flow, the occupancy level is projects at **50% for the years 1 to 3, at 60% for the year 4-6, at 70% for year 7-10 and 80% beyond year 10**. This will also affect the level of revenue collections
- Inflation rate was recorded at 9.6% in October of 2022, from 9.2% in September, thus we adopted a discount rate of 11.5%
- The project shall incur financing interest **rates of 20%** as expenses and it shall incur 10% of inflow as expenses including 6% towards operational cost and 4% as management cost.

- It is also evident that the Payback Period for the project **is at year 11**; however, this payback period is within the acceptable range of 12 years.
- The Terminal Value for the proposed commercial development at the end of the 13-year forecasting period has been estimated at Kshs. **1.932** billion.
- From the analysis below, it is evident that the project has an IRR of ***1.421%*** and a Net Present Value of Kshs **49,283,246.22.** The project therefore posts a positive NPV and an IRR, which is above the cost of funds.

Table 6:5: Revenue inflow analysis

Year	Occupancy level	Gross income	Sales Revenue	Rate of sales	Total Income
1	50%	147,441,600.00	121,955,625.00	10%	269,397,225.00
2	50%	147,441,600.00	243,911,250.00	20%	391,352,850.00
3	50%	147,441,600.00	243,911,250.00	20%	391,352,850.00
4	60%	185,776,416.00	182,933,437.50	15%	368,709,853.50
5	60%	195,065,236.80	182,933,437.50	15%	377,998,674.30
6	60%	204,818,498.64	121,955,625.00	10%	326,774,123.64
7	70%	250,902,660.83	60,977,812.50	5%	311,880,473.33
8	70%	263,447,793.88	60,977,812.50	5%	324,425,606.38
9	70%	276,620,183.57			276,620,183.57
10	70%	331,944,220.28			331,944,220.28
11	80%	304,973,752.39			304,973,752.39
12	80%	365,968,502.86			365,968,502.86
13	80%	336,233,562.00			336,233,562.00
14	80%	403,480,274.41			403,480,274.41
15	80%	370,697,502.11			370,697,502.11
16	80%	444,837,002.53			444,837,002.53
Total		**4,377,090,406.30**	**1,219,556,250.00**	**100%**	**5,596,646,656.30**

Table 6:6: Cash Flow analysis post construction

Year	Total Income	Operation costs (10% of rent)	Net Revenue	Loan Payment
1	269,397,225.00	14,744,160.00	245,487,915.00	195,506,766.00
2	391,352,850.00	14,744,160.00	358,278,390.00	195,506,766.00
3	391,352,850.00	14,744,160.00	358,278,390.00	195,506,766.00
4	368,709,853.50	18,577,641.60	336,384,486.90	195,506,766.00
5	377,998,674.30	19,506,523.68	344,744,425.62	195,506,766.00
6	326,774,123.64	20,481,849.86	297,127,123.78	195,506,766.00

7	311,880,473.33	25,090,266.08	282,207,632.25	195,506,766.00
8	324,425,606.38	26,344,779.39	293,498,251.99	195,506,766.00
9	276,620,183.57	27,662,018.36	248,958,165.21	
10	331,944,220.28	33,194,422.03	298,749,798.26	
11	304,973,752.39	30,497,375.24	274,476,377.15	
12	365,968,502.86	36,596,850.29	329,371,652.58	
13	336,233,562.00	33,623,356.20	302,610,205.80	
14	403,480,274.41	40,348,027.44	363,132,246.97	
15	370,697,502.11	37,069,750.21	333,627,751.90	
16	444,837,002.53	44,483,700.25	400,353,302.28	
Total	**5,596,646,656.30**	**437,709,040.63**	**5,067,286,115.67**	**1,564,054,128.00**

6.2.5 Internal rate of return (IRR) and Net Present Value (NPV).

Table 6:7: Analysis of the NPV and IRR

Year	NET Income(Kshs)	Df@11.5%	NPV	Cumulative Flows
		1.00	(1,883,248,848.00)	
1	254,653,065.00	0.90	228,388,399.10	228,388,399.10
2	376,608,690.00	0.80	302,928,826.24	531,317,225.34
3	376,608,690.00	0.72	271,685,045.95	803,002,271.29
4	350,132,211.90	0.65	226,533,584.94	1,029,535,856.23
5	358,492,150.62	0.58	208,020,106.35	1,237,555,962.58
6	306,292,273.78	0.52	159,399,456.98	1,396,955,419.56
7	286,790,207.25	0.47	133,856,740.71	1,530,812,160.27
8	298,080,826.99	0.42	124,777,161.94	1,655,589,322.21
9	248,958,165.21	0.38	93,465,765.69	1,749,055,087.91
10	298,749,798.26	0.34	100,590,958.60	1,849,646,046.50
11	274,476,377.15	0.30	82,886,047.72	**1,932,532,094.22**
12	329,371,652.58	0.27	89,204,715.04	2,021,736,809.26
Total	**4,061,824,314.53**		**138,487,961.26**	
NPV		**49,283,246.22**		
IRR		***1.421%***		

6.3 Option Two: Financial Feasibility

6.3.1 Assumptions for development

1) Development cost of **Kshs 60,180 per SQM** inclusive of Professional fees, Legal fees, and Contingencies among others.
2) Plot coverage of **75%** and **Plot ratio of 447%** of building size on 12 levels
3) Apartment sale shall be estimated at 75% of the developed units.
4) Interest Rate = 20%
5) Inflation rate = 9.6%, thus discount rate applied 11.5%
6) Residential sections purchases running concurrently in the 8 years
7) All Cost of Construction and Fees are VAT Inclusive
8) External **financing to cover 100% cost of construction**
9) 2 years moratorium on interest payments over construction period 2023 -2025.

6.3.2 Project Costs

Table 6:8: The projected construction costs

Details	Area (m²)	Total Area (m²)	Cost per m²	Construction Cost
Mall space	4,000.00	8,000.00	51,000.00	408,000,000.00
Offices	4,000.00	8,000.00	51,000.00	408,000,000.00
Two Bedroom	100.00	6,600.00	51,000.00	336,600,000.00
Three Bedroom	140.00	3,920.00	51,000.00	199,920,000.00
Parking space	4,450.00	8,900.00	40,000.00	356,000,000.00
Totals		**26,520.00**		**1,352,520,000.00**
Contingency			7.50%	101,439,000.00
Total Professional Fees			10.00%	135,252,000.00
Marketing Costs (Publicity)			0.50%	6,762,600.00
TOTAL CONSTRUCTION COST				**1,595,973,600.00**
COST OF LAND				
Land Value		1.47	350,000,000.00	**513,100,000.00**
TOTAL DEVELOPMENT COST				**2,109,073,600.00**

Table 6:9: Financing Structure

FINANCING				
Owners' Equity	Land	513,100,000.00		
Debt Financing @ 100%				1,595,973,600.00
Interest and Fees		**Debt Amount**	**Interest Rate**	**Total Interest**
Total Interest Paid		1,595,973,600.00	20%	319,194,720.00
Debt Financing & Associated Fees		2.50%		39,899,340.00
Total Interest and Fees				359,094,060.00
Total Amount Payable to Finance				***1,955,067,660.00***
Project Value				**2,468,167,660.00**

6.3.3 The Expected Revenue

The proposed development when in operation and occupied will yield the following projected rental collection.

6.3.3.1 *Rent revenue*

***Table 6:10: Expected revenue (commercial spaces* & serviced apartments)**

Details	Units (No.)	Lettable Area (m²)	Rent Rate /ft²	Gross Monthly Rent	Gross Annum Rent
Offices	4,000.00	6,600.00	100.00	7,108,200.00	85,298,400.00
Mall space	4,000.00	6,800.00	150.00	10,985,400.00	131,824,800.00
Two Bedroom	16.00	1,600.00	200,000.00	3,200,000.00	38,400,000.00
Three Bedroom	8.00	1,080.00	280,000.00	2,240,000.00	26,880,000.00
Parking	260.00	-		1,040,000.00	12,480,000.00
Totals				**24,573,600.00**	**294,883,200.00**
GROSS DEVELOPMENT VALUE				**24,573,600.00**	**294,883,200.00**
			Rate (%)	**Total Fees**	
Sales & Marketing Fees (Commission)				1 Month Rent	23,533,600.00
Total				**23,533,600.00**	**271,349,600.00**

6.3.3.2 *Sales Revenue*

Table 6:11: Sales Revenue for apartments

Housing Sales	Units (No.)	Area (m²)	Sales Rate / m²	Sales Prices	Gross Sales
2 Bedroom - 100sqm	50.00	5,000.00	150,000.00	15,000,000.00	50,000,000.00
3 Bedroom - 140sqm	20.00	2,700.00	150,000.00	21,000,000.00	420,000,000.00
Parking spaces		90.00	750,000.00	67,500,000.00	67,500,000.00
Totals			-	**103,500,000.00**	**1,237,500,000.00**
Development Fees				**Rate (%)**	**Total Fees**
Sales & Marketing Fees				1.5%	17,943,750.00
TOTAL REVENUE					**1,219,556,250.00**

6.3.4 Cash Flow analysis post construction

- As illustrated in the cumulative cash outlay for this project does not exceed the financial resources available for the project. This means that the project is profitable and is able to carry the additional financing required by the client.

- As per the financial cash flow, the occupancy level is projects at **50% for the years 1 to 3, at 60% for the year 4-6, at 70% for year 7-10 and 80% beyond year 10**. This will also affect the level of revenue collections
- Inflation rate was recorded at 9.6% in October of 2022, from 9.2% in September, thus we adopted a discount rate of 11.5%
- The project shall incur financing interest **rates of 20%** as expenses and it shall incur 10% of inflow as expenses including 6% towards operational cost and 4% as management cost.
- It is also evident that the Payback Period for the project **is at year 12**; however, this payback period is the acceptable period of 12 years.
- The Terminal Value for the proposed commercial development at the end of the 13-year forecasting period has been estimated at Kshs. **2.021** billion.
- From the analysis below, it is evident that the project has an IRR of ***1.315%*** and a Net Present Value of Kshs **66,669,149.26.** The project therefore posts a positive NPV and an IRR, which is above the cost of funds.

Table 6:12: Revenue inflow analysis

Year	Occupancy level	Gross income	Sales Revenue	Rate of sales	Total Income
1	50%	147,441,600.00	121,955,625.00	10%	269,397,225.00
2	50%	147,441,600.00	243,911,250.00	20%	391,352,850.00
3	50%	147,441,600.00	243,911,250.00	20%	391,352,850.00
4	60%	185,776,416.00	182,933,437.50	15%	368,709,853.50
5	60%	195,065,236.80	182,933,437.50	15%	377,998,674.30
6	60%	204,818,498.64	121,955,625.00	10%	326,774,123.64
7	70%	250,902,660.83	60,977,812.50	5%	311,880,473.33
8	70%	263,447,793.88	60,977,812.50	5%	324,425,606.38
9	70%	276,620,183.57			276,620,183.57
10	70%	331,944,220.28			331,944,220.28
11	80%	304,973,752.39			304,973,752.39
12	80%	365,968,502.86			365,968,502.86
13	80%	336,233,562.00			336,233,562.00
14	80%	403,480,274.41			403,480,274.41
15	80%	370,697,502.11			370,697,502.11
16	80%	444,837,002.53			444,837,002.53
Total		**4,377,090,406.30**	**1,219,556,250.00**	**100%**	**5,596,646,656.30**

Table 6:13: Cash Flow analysis post construction

Year	Total Income	Operation costs (10% of rent)	Net Revenue	Loan Payment

1	269,397,225.00	14,744,160.00	245,487,915.00	244,383,457.50
2	391,352,850.00	14,744,160.00	358,278,390.00	244,383,457.50
3	391,352,850.00	14,744,160.00	358,278,390.00	244,383,457.50
4	368,709,853.50	18,577,641.60	336,384,486.90	244,383,457.50
5	377,998,674.30	19,506,523.68	344,744,425.62	244,383,457.50
6	326,774,123.64	20,481,849.86	297,127,123.78	244,383,457.50
7	311,880,473.33	25,090,266.08	282,207,632.25	244,383,457.50
8	324,425,606.38	26,344,779.39	293,498,251.99	244,383,457.50
9	276,620,183.57	27,662,018.36	248,958,165.21	
10	331,944,220.28	33,194,422.03	298,749,798.26	
11	304,973,752.39	30,497,375.24	274,476,377.15	
12	365,968,502.86	36,596,850.29	329,371,652.58	
13	336,233,562.00	33,623,356.20	302,610,205.80	
14	403,480,274.41	40,348,027.44	363,132,246.97	
15	370,697,502.11	37,069,750.21	333,627,751.90	
16	444,837,002.53	44,483,700.25	400,353,302.28	
Total	**5,596,646,656.30**	**437,709,040.63**	**5,067,286,115.67**	**1,955,067,660.00**

6.4 Internal rate of return (IRR) and Net Present Value (NPV).

Table 6:14: Analysis of the NPV and IRR

Period	NET Income(Kshs)	Df@11.5%	NPV	Cumulative Flows
		1.00	(1,955,067,660.00)	
2025	254,653,065.00	0.90	228,388,399.10	228,388,399.10
2026	376,608,690.00	0.80	302,928,826.24	531,317,225.34
2027	376,608,690.00	0.72	271,685,045.95	803,002,271.29
2028	350,132,211.90	0.65	226,533,584.94	1,029,535,856.23
2029	358,492,150.62	0.58	208,020,106.35	1,237,555,962.58
2030	306,292,273.78	0.52	159,399,456.98	1,396,955,419.56
2031	286,790,207.25	0.47	133,856,740.71	1,530,812,160.27
2032	298,080,826.99	0.42	124,777,161.94	1,655,589,322.21
2033	248,958,165.21	0.38	93,465,765.69	1,749,055,087.91
2034	298,749,798.26	0.34	100,590,958.60	1,849,646,046.50
2035	274,476,377.15	0.30	82,886,047.72	1,932,532,094.22
2036	329,371,652.58	0.27	89,204,715.04	**2,021,736,809.26**
2037	302,610,205.80	0.24	73,503,885.15	2,095,240,694.41

TOTAL	**4,061,824,314.53**		**140,173,034.41**	
NPV		**66,669,149.26**		
IRR		***1.315%***		

7 SWOT Analysis

7.1 Strengths and Opportunities

Table 7:1: Analysing strengths and opportunities

Item	Description
Strategic positioning in Kilimani Estate	• Its position makes it working hub as it provides an urban working and living environment for the Nairobi City. This will ensure good traffic to the subject site. Kilimani also provides a safe landing for organizations that are implementing their expansion strategies with the perception of it being outside Nairobi CBD.
AMECEA Clientele	• AMECEA as an organization with a greater outreach of Catholic community. The positive appeal and network of the church globally is an opportunity to tap into this network for possible tenants.
Cosmopolitan Environment	• The Proposed site is at convenient distance to major residential neighborhoods as the site is also a few kilometers away from major local institutions and international organizations. • The unique nature of Nairobi County that host different people attracts investment from both domestic and foreign interest. This will ensure availability of needed investment that the site will feed on. The political stability defined in the county also attracts both domestic and foreign investors.
Prospects of growing commercial hub	• With the expansion of the Kilimani estate, this will definitely attract interest from major real commercial industry players where the site will offer alternatives for investment.
Infrastructural Development	• The evidenced development both on transport and communication network places the estate in a good position to host the proposed development. • The Nairobi City has seen increased focus on infrastructural development in the recent years with Rail and road network already developed to completion. The city is a hot bed of commercial, administrative, religious, ICT and industrial opportunities in Eastern and Central Africa thereby being able to attract more infrastructure development leading to uptake of office spaces.

Positive Demographics	• Nairobi City has a high population growth rate of on average 3.9% per annum, compared to a Kenyan average of 2.3%, which leads to sustained demand for real estate developments. Currently, Dagoretti Constituency where the proposed site lies has an estimated population of 489,835, which translates into 168,909 households. This creates demand for real estate developments, as the population seeks to earn a living within the area leading to demand for commercial and retail facilities.
Rental Income	• Rents income and occupancy level are stabilizing and soon will likely be on the increase after the economic recession due to the effect of COVID -19 pandemic.
Zoning	• Nairobi City County Government recognizes its plan to meet the Big Four Agenda No 4 on Affordable Housing Program and Kenya's Vision 2030 that needs to transform the Kenyan economy into a 24-hours- Economy. The Nairobi City County, therefore, through its urban planning initiatives has secured specific zones for various users in the real estate industry and is willing to offer user changes aimed at meeting the same.
Positive Economic Growth	• The Nairobi City County recorded a relatively high GDP growth rate driven by the industrial sector, tourism, trade, energy and agriculture, thus higher per capita income that will inevitably lead to an increase in demand for real estate in City

7.2 Threats and Weaknesses

Table 7:2: Analysing Threats and Weaknesses

Item	Description
Infrastructure Development	• Despite the growth of infrastructure and having several projects in the pipeline, some areas within Kilimani Estate are still faced with inadequate infrastructure characterized by high vehicular traffic along the roads during peak hours, occasional road flooding during the rainy seasons, and frequent water shortages and sewer systems blockages making the area unattractive for residents and businesses to develop.
Development Approval	• Kilimani area is dominated by residential developments, therefore the proposed AMECEA Complex comprising of commercial, and retail complex shall require public consultation in order to obtain permission to develop the property, which is largely a deviation from the neighbouring developments. However, their being similar development within the vicinity should be considered as an advantage for the proposed new development.
Access to Construction	• As is the case in other areas in Kenya, access to construction finance or funding for development is one of the constraints facing the real estate sector in Nairobi City. The high interest

Finance/ Funding	imposed on Commercial Bank loans significantly discourages private investors to access and borrow short-term construction finance/loans. The decline, which is attributable to structural reforms and a strict adherence to prudential guidelines in terms of commercial banks loan book quality and adequate, provisioning, has locked out a fairly large number of private sector investors and development partners and stakeholders in the real estate sector. This scenario has led to a decline in construction activities in the major urban centres across the country.
Strict Development Controls	• Inadequate planning that has been caused by limited adherence to key policies that guide planning in Nairobi City and if unchecked, this ultimately contributes to reduced maximization of sustainable land use and largely may lead to increased urban sprawl. • The Area development controls imposed by the County Planning requirements are mainly restrictive on the number of levels and the development size, which ultimately affects the level of potential returns from the development of such properties due to such restrictive development control measures.
Increased fraudulent cases	• Increased fraudulent cases of property and real estate industry has been experienced over time. There is need to carry out due diligence prior to undertaking or initiating a construction development process
High competition and property expenses	• The proposed development is a few meters away from some major commercial developments, which might offer high competition. Therefore, the development could incur more running costs in order to effectively compete with such developments. • The costs incurred in procuring estate agency and property management services especially for rental apartments are always paid out from the rental income, which ultimately leads to a reduction in the level of expected income from the development.
The rising cost of construction	• Cost of construction remains high because of outdated Building Standard Codes that regulate the type of materials and quite often impose strict rules and regulations to be adhered/followed throughout the various stages of the project implementation process. This has proved to be quite costly to most real estate developers.

8 CONCLUSION AND RECOMMENDATION

8.1 Conclusion

This Feasibility report has highlighted the potential viability of the Mixed-use complex with three different uses. The uses include Commercial offices, Residential apartments and Retail Mall with (Retails Shops, Restaurants etc.). For this proposed MUD complex, we see solid and strong numbers with positive both IRR and NPV as illustrated in the financial analysis in section 6 above. Our analysis and tentative financial figures show the strength of proposed development. Likewise, the complex offers strong prospective return position with payback periods within the acceptable range of 12 years.

Considering the market and social-economic dynamics at play in the real estate space as well as internal goals for development, we see highly profitable and viable opportunities for AMECEA to channel its investment into the proposed MUD complex comprising of; - AMECEA Offices, Professional Offices, Retail mall with shops, Restaurants, religious halls and a range of Serviced apartments and rental apartments.

8.2 Recommendations

1. The study recommends that AMECEA as the client considers the proposed mixed-use development of Commercial, Residential and Retail Mall Development as the most ideal real estate development proposal on this specific site. This option consists of: commercial offices; retail mall supermarket, shops and restaurants; and Serviced apartments. This development is projected to generate a positive IRR and NPV within the acceptable payback period. The impact of the proposed option shall be in line with the client's vision of maximizing the highest and best use of the site while adhering to the development trends in the neighbourhood and its immediate environs.
2. This feasibility study therefore recommends that for the implementation of the proposed project, the client may pursue external project financing at an interest rate of not more than 20.0%.
3. The feasibility study further recommends that a contracted professional design team of an architect and other professionals upon agreement on the final development models from the client shall carry out the actual structural and architectural designs.
4. The feasibility study recommends for the client to carry out Geo-technological analysis of the site to determine the structural designs and actual development cost.
5. The study recommends the preparation of a Master Plan for the site in order to align the current land use with the county planning regulation.

6. The study further recommends the undertaking of a comprehensive topographical survey to guide in the actual land size in addition to the geo-technological survey to guide the structural parameters and the actual architectural design process. A comprehensive integrated environmental impact assessment study will be required to ensure compliance with environmental sustainability of the entire project.

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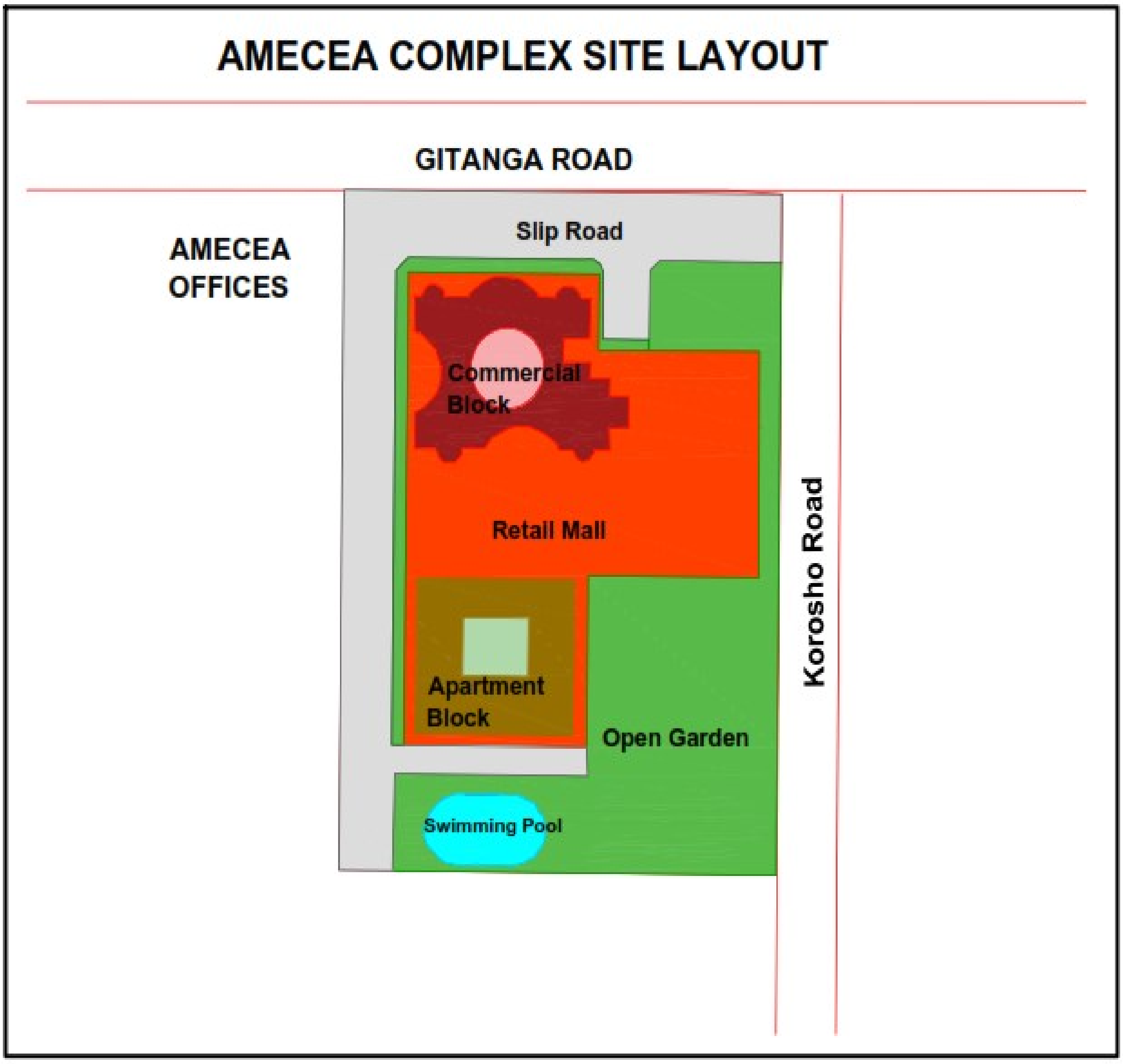
Appendixes

Site Plan



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AMECEA MUD Property Market Survey

We are carrying out a study to understand the current real estate development market within Kilimani Estate and its environs. The information provided shall be held confidential and shall not be used for any way in which it may injure the respondent.

Description of the property

1. Property Name: ____
2. Location (name of the main road/street/lane) ________________
3. When was the property developed _________________________________
4. The current land Use(s) (Residential, commercial, Retail, Administration, hotel/restaurant):

   ____

   ____

5. The plinth area/Build up area

   ____

6. The size of land? (Acres/M^2)

   ____

7. What are the comparative advantages for this property
   a) Good Access to the property
   b) 24Hr security surveillance
   c) The provision of adequate parking and loading zone
   d) Own compound and lawn area
   e) Good Street lighting
   f) Adequate supply of water and Boreholes
   g) Provision of Stand by generator
   h) Others

      ____

8. In your views what factors favored your choice of the property

   ____

   ____

   ____

   ____

Tenancy

1. How many tenants have rented the property ______________________
2. The information for all current occupants/tenants:

Occupant/Tenant Name	Size of space occupied (M^2)	Rent Paid per month	Description of Operations (In case of commercial)
1.			
2.			
3.			
4.			
5.			
6.			
7.			

Other information about the property

1. What is the state of the property in terms of the following/

a) Building safety (emergency plans, sprinklers, lifts, means of escape, escape signage, access control, etc.

____

____

b) Ventilation and lighting

____

____

2. What challenges do you experience within the Kilimani area
   a. Flooding
   b. Harassment by City County Officials
   c. Electrical black out
   d. Water rationing
   e. Sewer line failure
   f. Tenant failure to pay rent on time
   g. Traffic jam along access road
   h. High level of tenant turnover
   i. Others specify

THANK YOU FOR YOUR TIME

Nairobi’s Residential Projects – Building Rates Per Square Meter

Construction Costs in Kenya 2022

Integrum

NAIROBI/CENTRAL REGION

Residential Construction Projects

Standard bungalow	Ksh. **34, 650**	per sq.metre
Middle-class maisonette	Ksh. **38, 500**	per sq.metre
Luxurious bungalow	Ksh. **48, 450**	per sq.metre
Luxurious Maisonette	Ksh. **55, 400**	per sq.metre
Satndard Low rise apartment block	Ksh. **38, 200**	per sq.metre
Standard High-rise apartment block	Ksh. **45, 700**	per sq.metre
Luxurious apartment block	Ksh. **57, 400**	per sq.metre

Commercial Construction Projects

Standard low rise office block	Ksh. **42, 900**	per sq.metre
Standard highrise office block	Ksh. **53, 550**	per sq.metre
Luxurious Highrise office block	Ksh. **74, 000**	per sq.metre
Business Park	Ksh. **51, 600**	per sq.metre

Retail Construction Projects

Small scale shopping centre	Ksh. **39, 000**	per sq.metre
Standard Urban shopping complex	Ksh. **47, 600**	per sq.metre
All-inclusive shopping mall	Ksh. **52, 700**	per sq.metre

Industrial Construction Projects

Double storey factory	Ksh. **37, 800**	per sq.metre
High tech factory/Lab	Ksh. **60, 500**	per sq.metre
Warehouse	Ksh. **36, 000**	per sq.metre
Cold Storage centre	Ksh. **38, 700**	per sq.metre
Administration office	Ksh. **41, 400**	per sq.metre

read more at; integrum.co.ke
INTEGRUM CONSTRUCTION PROJECT MANAGERS

Architectural Drawings

AMECEA PRESENTATION DRAWING

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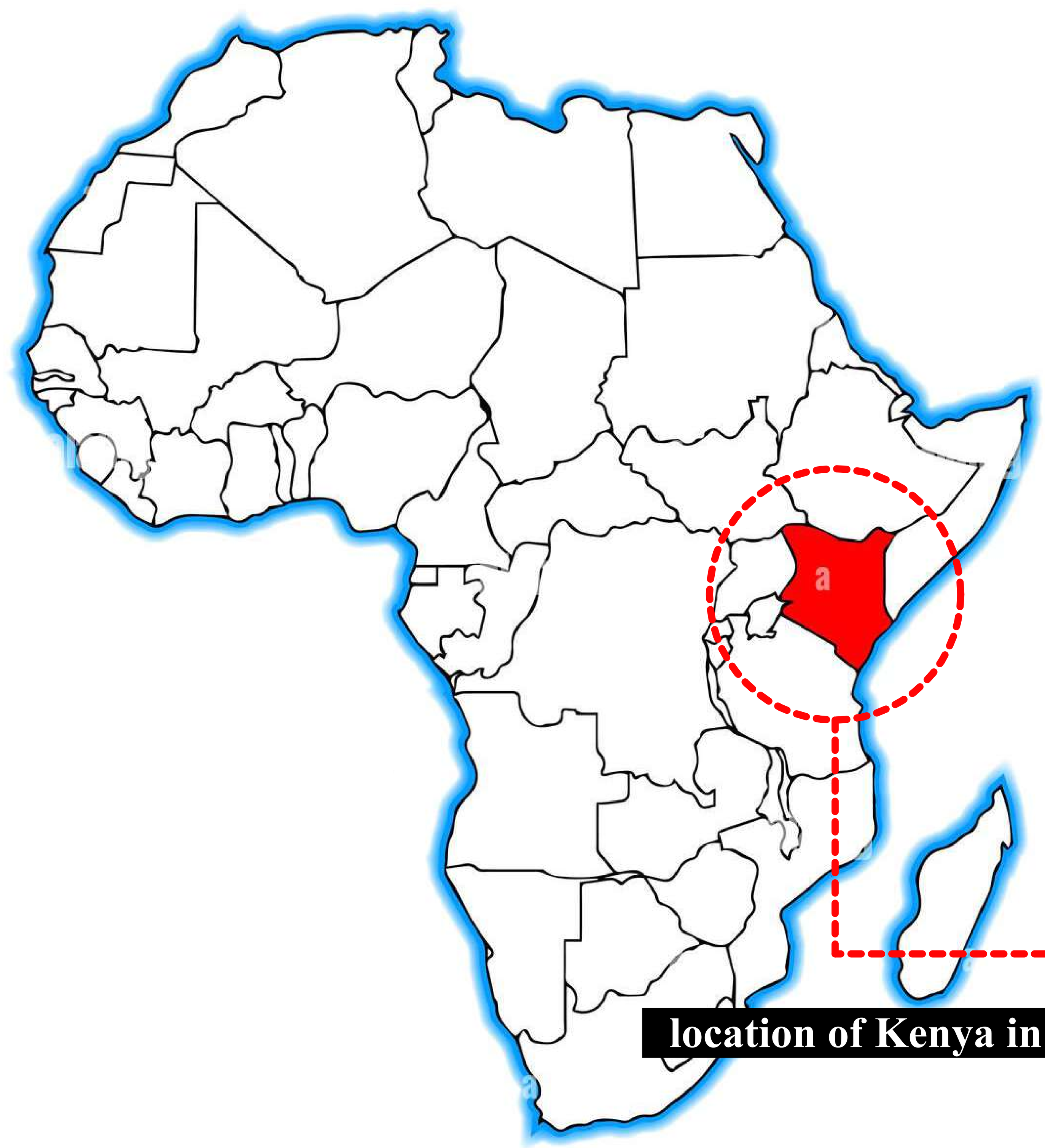
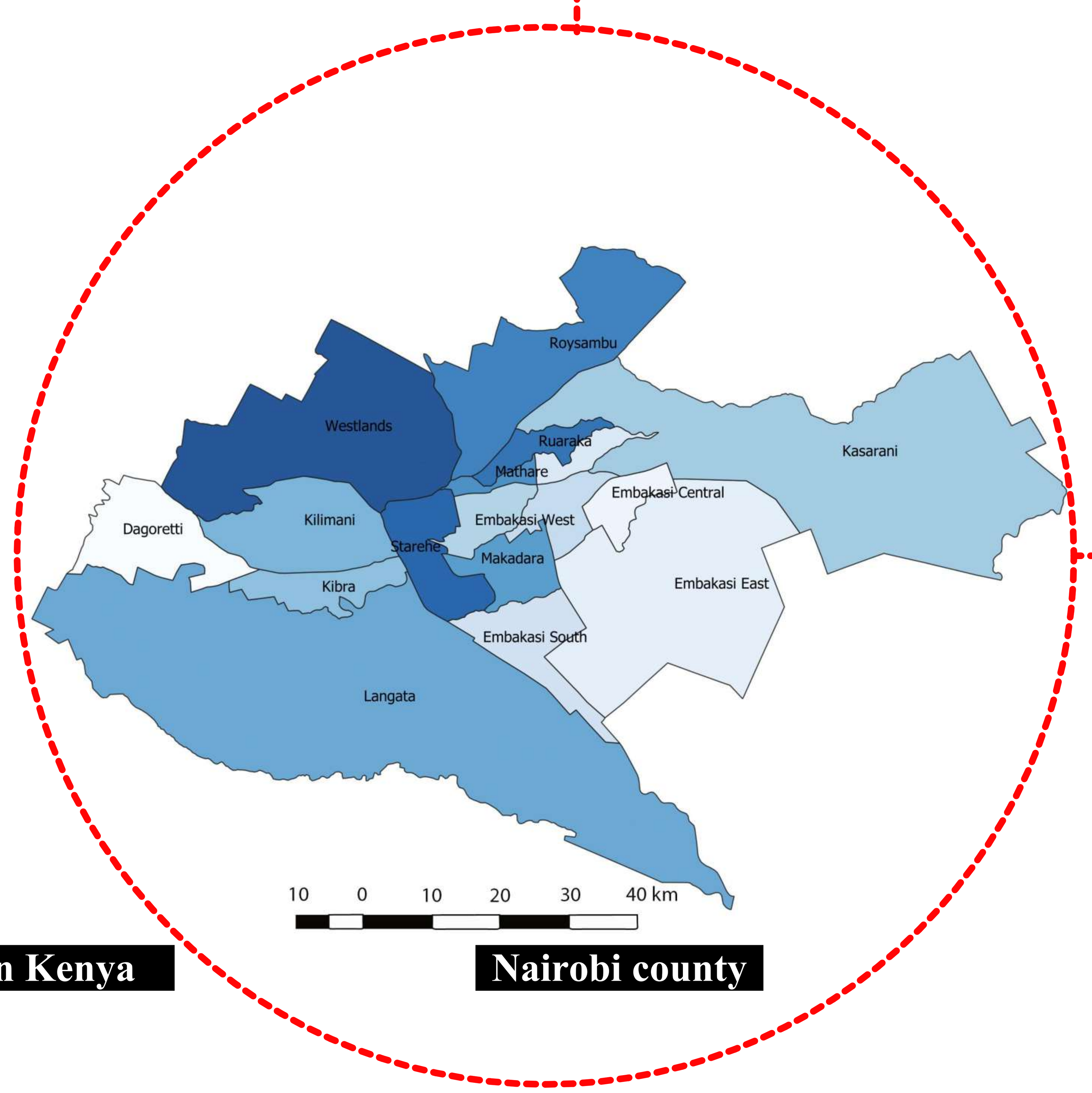
SITE ANALYSIS

PROJECT LOCATION

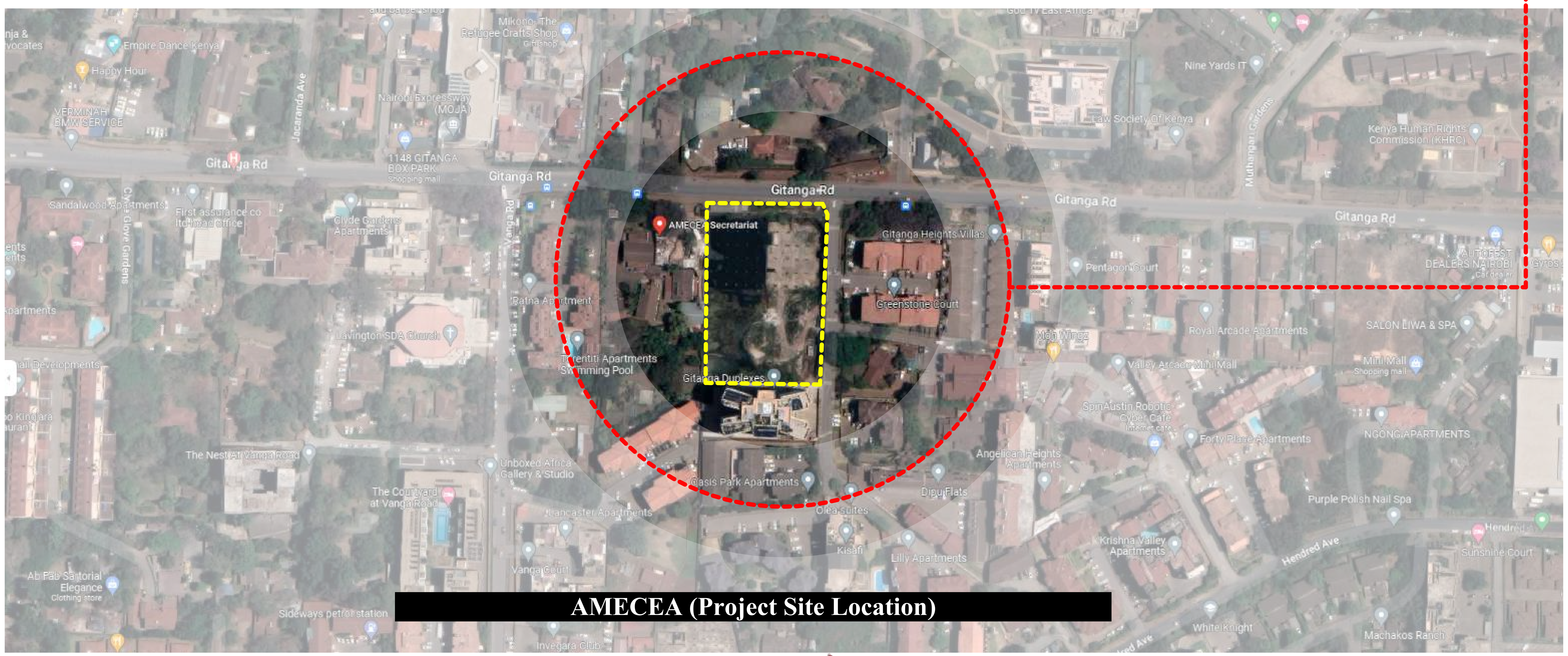


location of Kenya in Africa

location of Nairobi county in Kenya

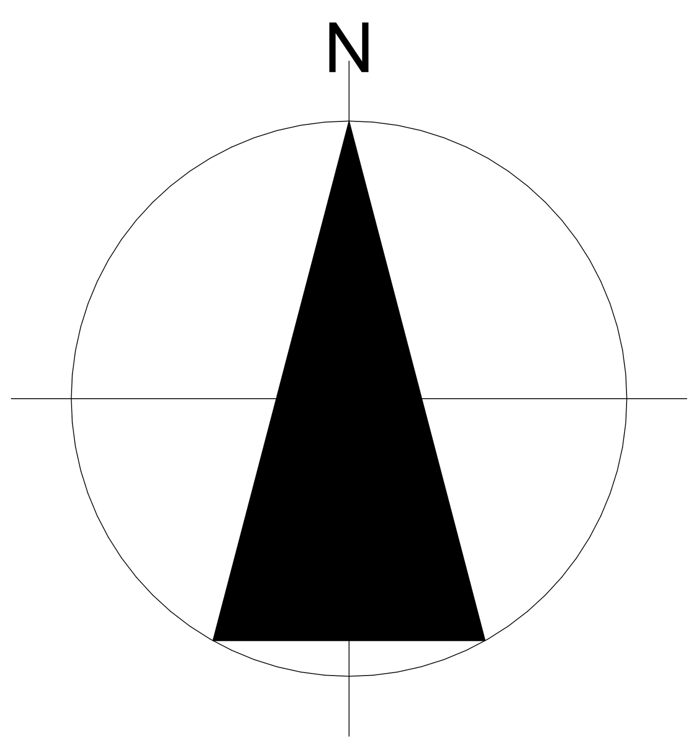


Nairobi county



AMECEA (Project Site Location)

The site is located in Kenya, Nairobi county, off Gitanga road adjacent to AMECEA Secretariat



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VEHICULAR ACCESS

The site is easily accessible off Gitanga Road by vehicular means due to the service roads connections to the site .

N

PEDESTRIAN ACCESS

The site is easily accessible throuhj and off Gitanga Road by pedestrian means.

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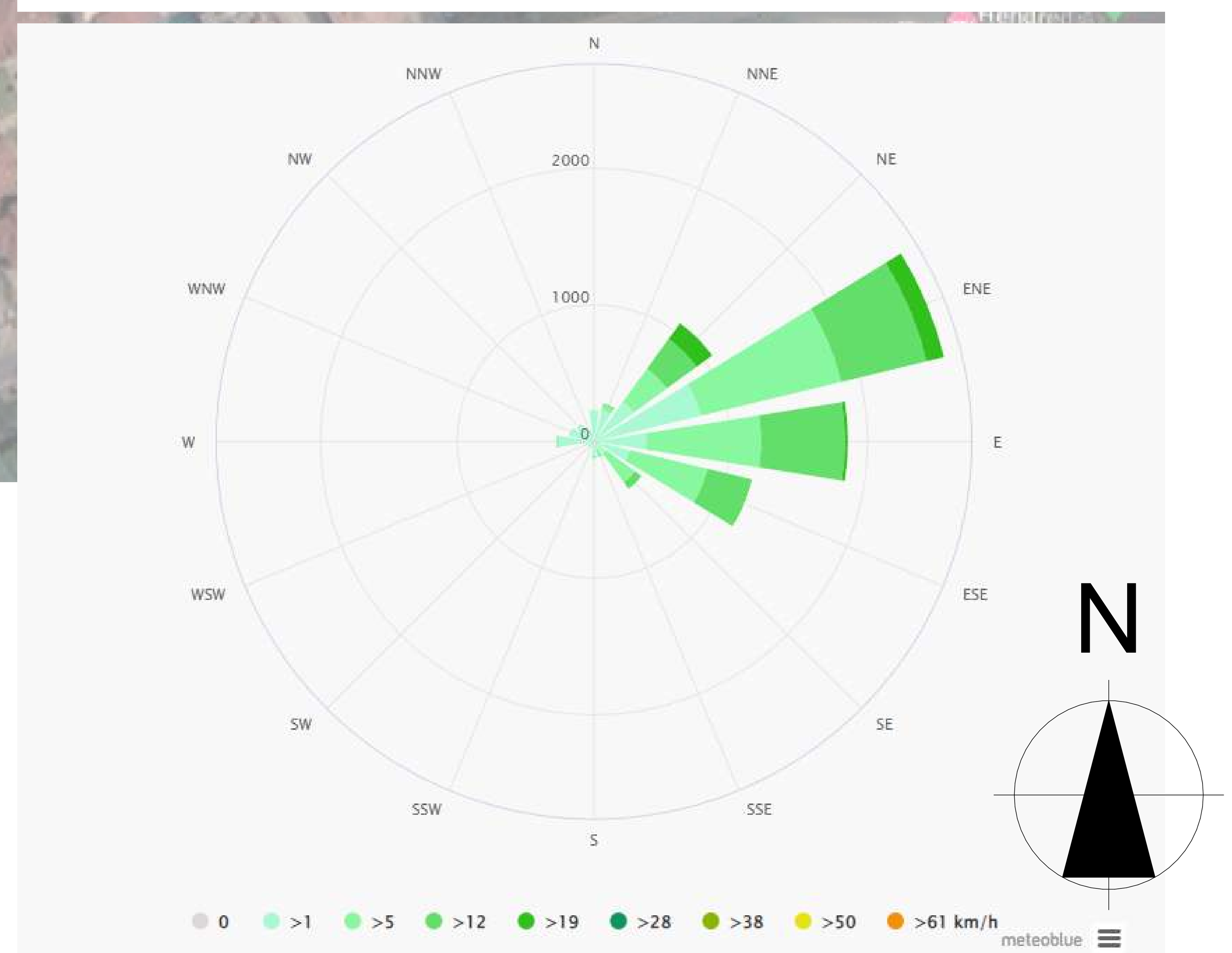
WIND &SUN PATH DIAGRAM

wind directions

WIND DIRECTION



The site is oriented in such a way that that the sun path is in line with the East West directions. This means the building's openings should be orientated in the North south directins to avoid direct sunlight.

The winds blowing on site are generally north easterlies. To permit cross ventilation within the buildings, the openings should be oriented to allow for natural ventilation.

SCHEDULE OF ACCOMODATION

PROJECT DATA SHEET

PROPOSED MIXED URBAN DEVELOPMENT

CLIENT - AMECEA

TABLE OF UNITS & ACCOMMODATION

ITEM	FLOOR	ACTIVITY	SUPERMARKET AREA (Sqm)	SHOPS AREA (Sqm)	OFFICES AREA (Sqm)		APARTMENTS AREA (Sqm)				RECREATION AREA (Sqm)	CIRCULATION	TOTAL
							2 BEDROOM		**3 BEDROOM**				
							No.	**Area**	**No.**	**Area**			
							1 Unit = 114		**1 Unit = 150**				
1.	Basement 2	Commercial Parking **(156 Cars)**											5825
2.	Basement 1	Commercial Parking **(156 Cars)**											5825
3.	Lower Ground	Residents Parking **(85 Cars)** & Shops		932								560	4856
4.	Upper Ground	Supermarkets & Shops	1622	689								534	4700
5.	1st Floor	Supermarkets, Shops & Cafe	1622	762								518	3315
6.	2nd Floor	Offices			1800	361						545	3315
7.	3rd Floor	Offices			1800	Terrace						545	3315
8.	4th Floor	2 & 3 Bedroom Apartments					8No.x 114	912	3No.x150	450	1045	425	2832
9.	5th Floor	2 & 3 Bedroom Apartments					8No.x 114	912	3No.x150	450		425	1787
10.	6th Floor	2 & 3 Bedroom Apartments					8No.x 114	912	3No.x150	450		425	1787
11.	7th Floor	2 & 3 Bedroom Apartments					8No.x 114	912	3No.x150	450		425	1787
12.	8th Floor	2 & 3 Bedroom Apartments					8No.x 114	912	3No.x150	450		425	1787
13.	9th Floor	2 & 3 Bedroom Apartments					8No.x 114	912	3No.x150	450		425	1787
14.	10th Floor	2 & 3 Bedroom Apartments					8No.x 114	912	3No.x150	450		425	1787
15.	11th Floor	2 & 3 Bedroom Apartments					8No.x 114	912	3No.x150	450		425	1787
16.	12th Floor	2 & 3 Bedroom Apartments					8No.x 114	912	3No.x150	450		425	1787
17.	13th Floor	2 & 3 Bedroom Apartments					8No.x 114	912	3No.x150	450		425	1787
18.	14th Floor	1 & 2 Bedroom Apartments					Total 20 Units		1362			425	1787
19.	15th Floor	1 & 2 Bedroom Apartments					Total 20 Units		1362			425	1787
20.	16th Floor	1 & 2 Bedroom Apartments					Total 20 Units		1362			425	1787
21.	17th Floor	Restaurant, Swimming pool, Health SPA, Gym, Washroom & Management										425	1787
22.		**TOTAL**	**3244**	**2382**	**3961**		**TOTAL UNITS = 170**				**1045**	**8,652**	**57,214**

TOTALS - Commercial parking Basement 1 & Basement 2 **(312 cars)** =

- Parking Resident Lower Ground Floor **(85 cars)** =
- Total Supermarket Area Upper Ground Floor & 1st Floor = 3244
- Total Shops Area Lower Ground, Upper Ground & 1st Floor = 2382
- Total Offices Area 2nd & 3rd floor = 3600
- Total Apartments Area 2& 3 bedroom, 4th -13th floor = 13,620+4,250 Circulation=17,870
- Total Apartments Area 1& 2 bedroom, 14th -16th floor = 4,086+1,275Circulation= 5,361
- Total Recreation Area Restaurant, Swimming pool, gym etc = 1089

PRESENTATION DRAWINGS

FRONT ELEVATION

PERPECTIVE


INFINITY POOL
GREEN ROOF TERRACE
BASEMENT AND TENANT PARKING
BASEMENT ACCESS FROM GATANGA ROAD
CAFE AREA
GATANGA ROAD

PERPECTIVE


ROOFTOP RESTAURANT
ROOF TERRACE
MAIN PEDESTRIAN ACCESS
BASEMENT AND TENANT PARKING ACCESS

PERPECTIVE FROM THE RESTAURANT

ACCESS PERPECTIVE

ACCESS PERPECTIVE

PARKING ACCESS VIEW

VIEW FROM THE GREEN TERRACE

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ROOFTOP INFINITY POOL VIEW

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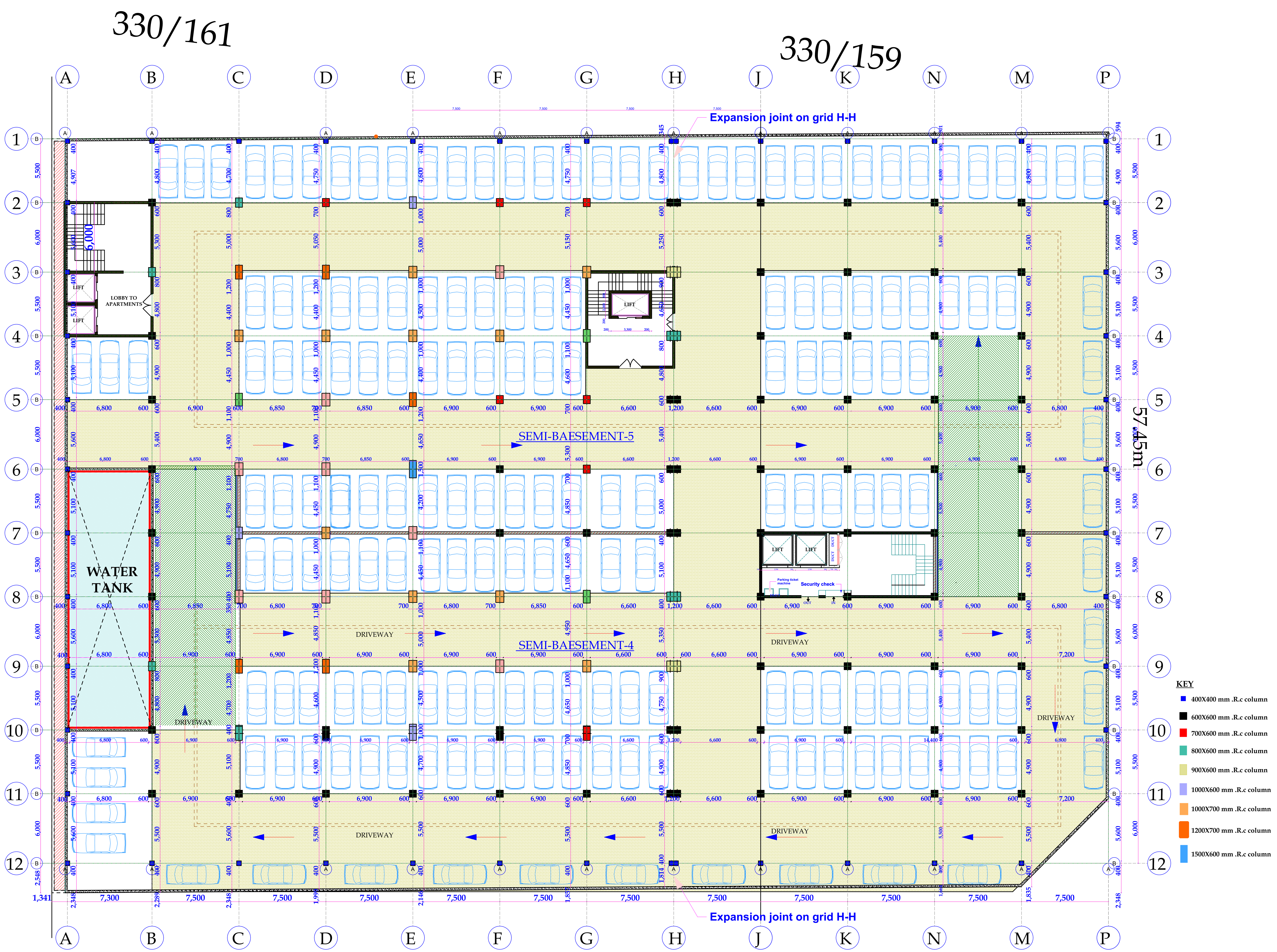
FLOOR PLANS

BASEMENT -2



BASEMENT -2 FLOOR PLAN

FLOOR AREA 5825 sqm

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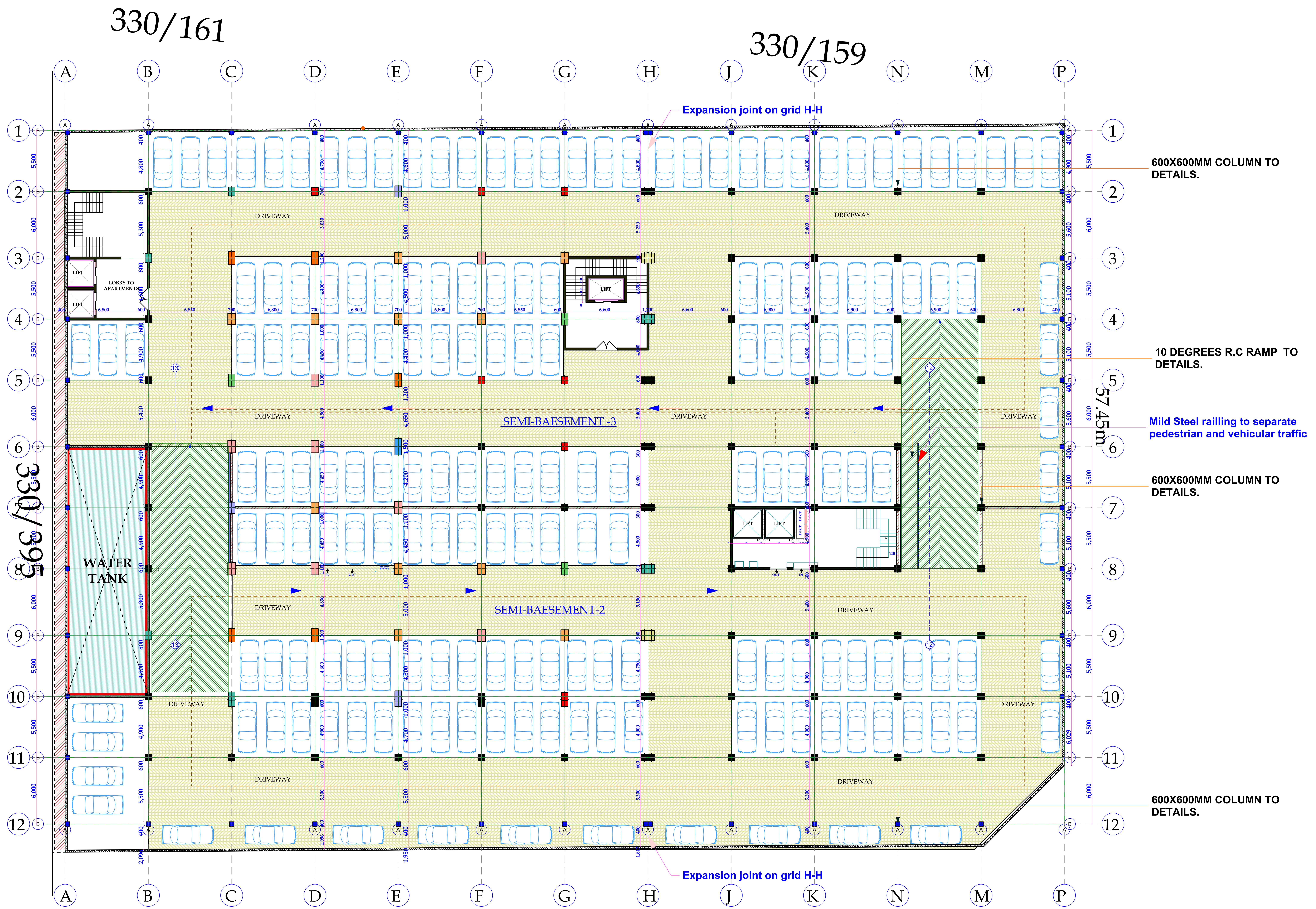
BASEMENT -1



BASEMENT-1 FLOOR PLAN

FLOOR AREA 5825 sqm

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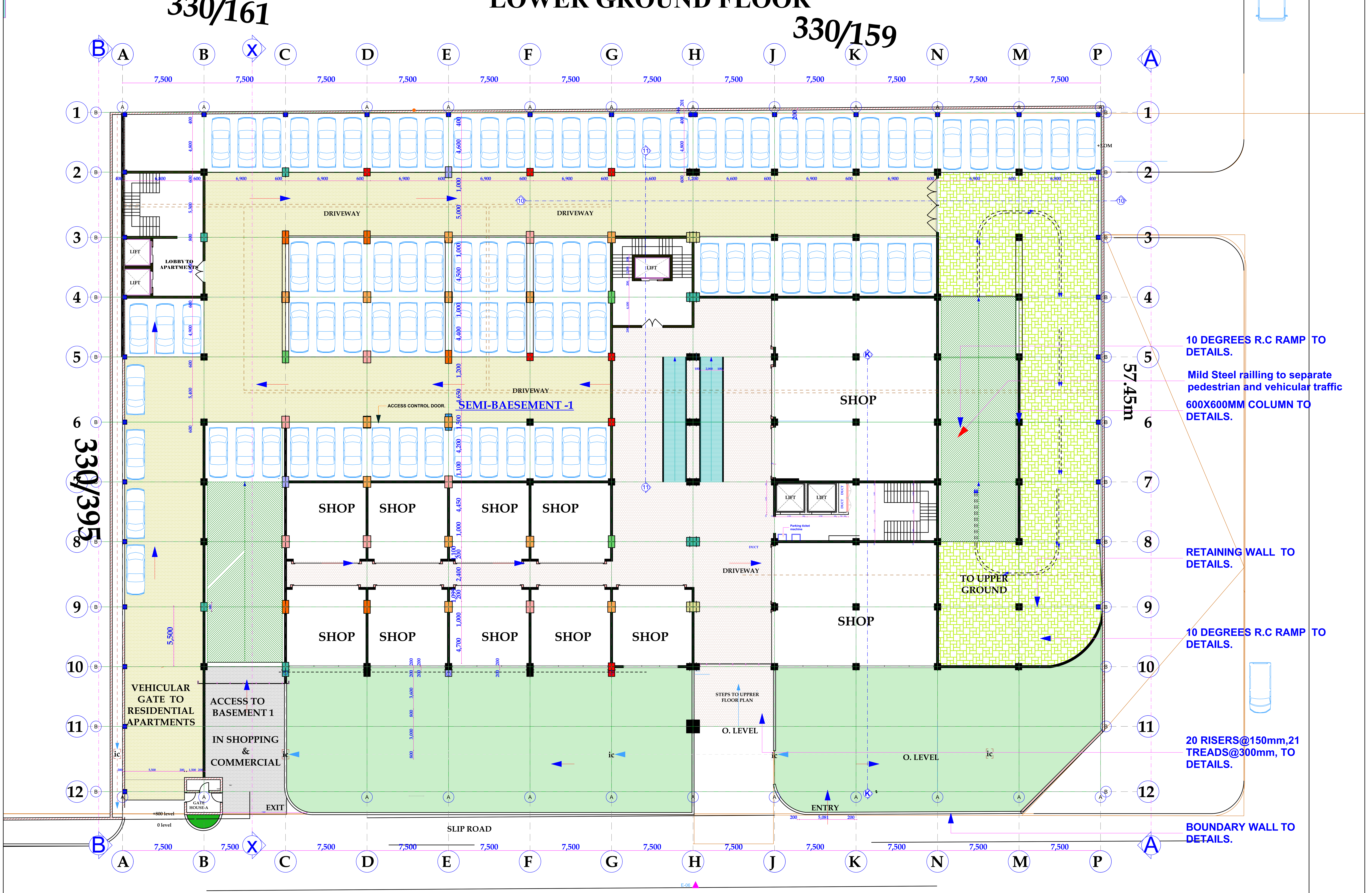
LOWER GROUND FLOOR



LOWER GROUND FLOOR PLAN

SHOPS AND RESIDENCE PARKING

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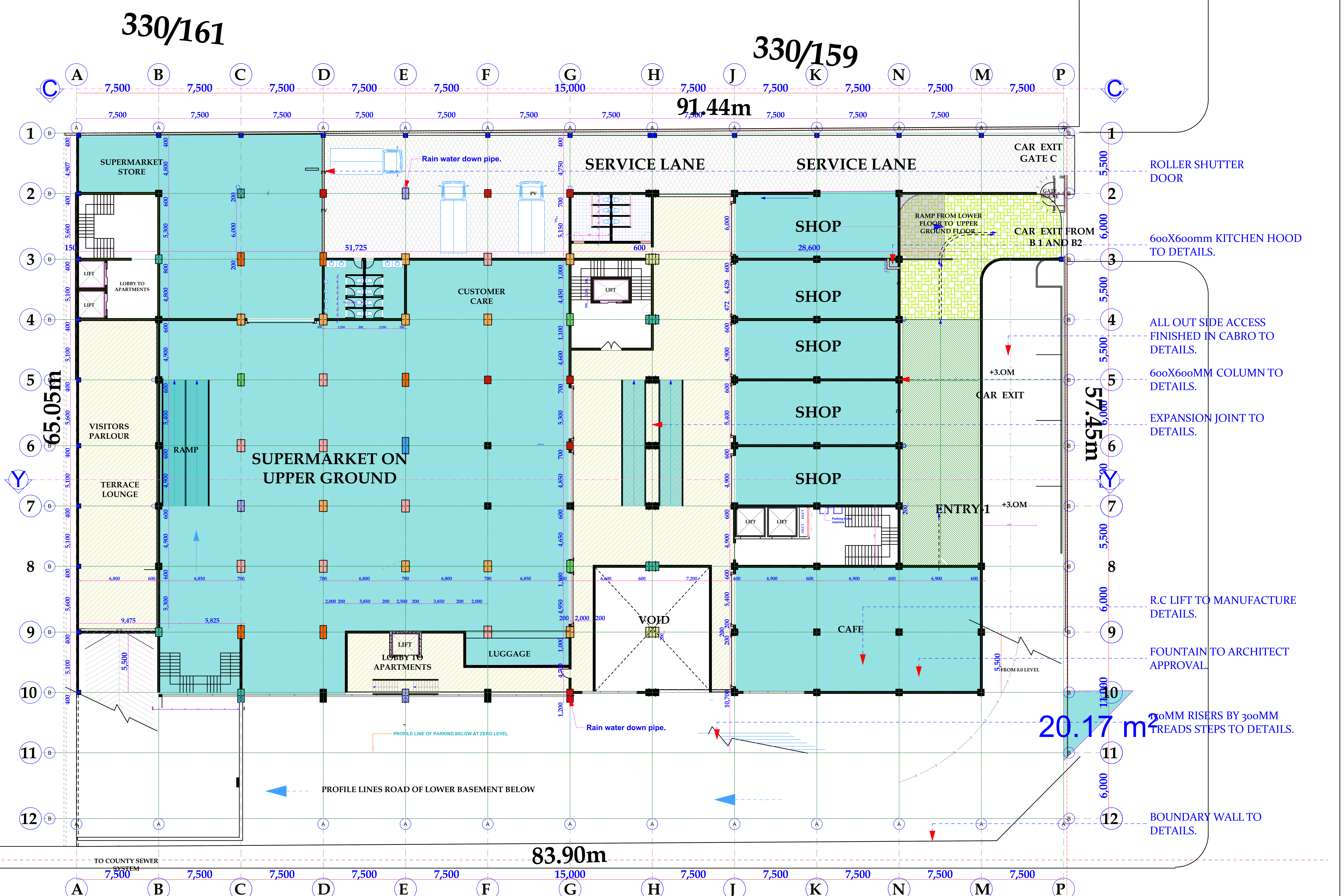
UPPER GROUND FLOOR



UPPER GROUND FLOOR PLAN

SHOPS ,SUPERMARKET ,CAFE

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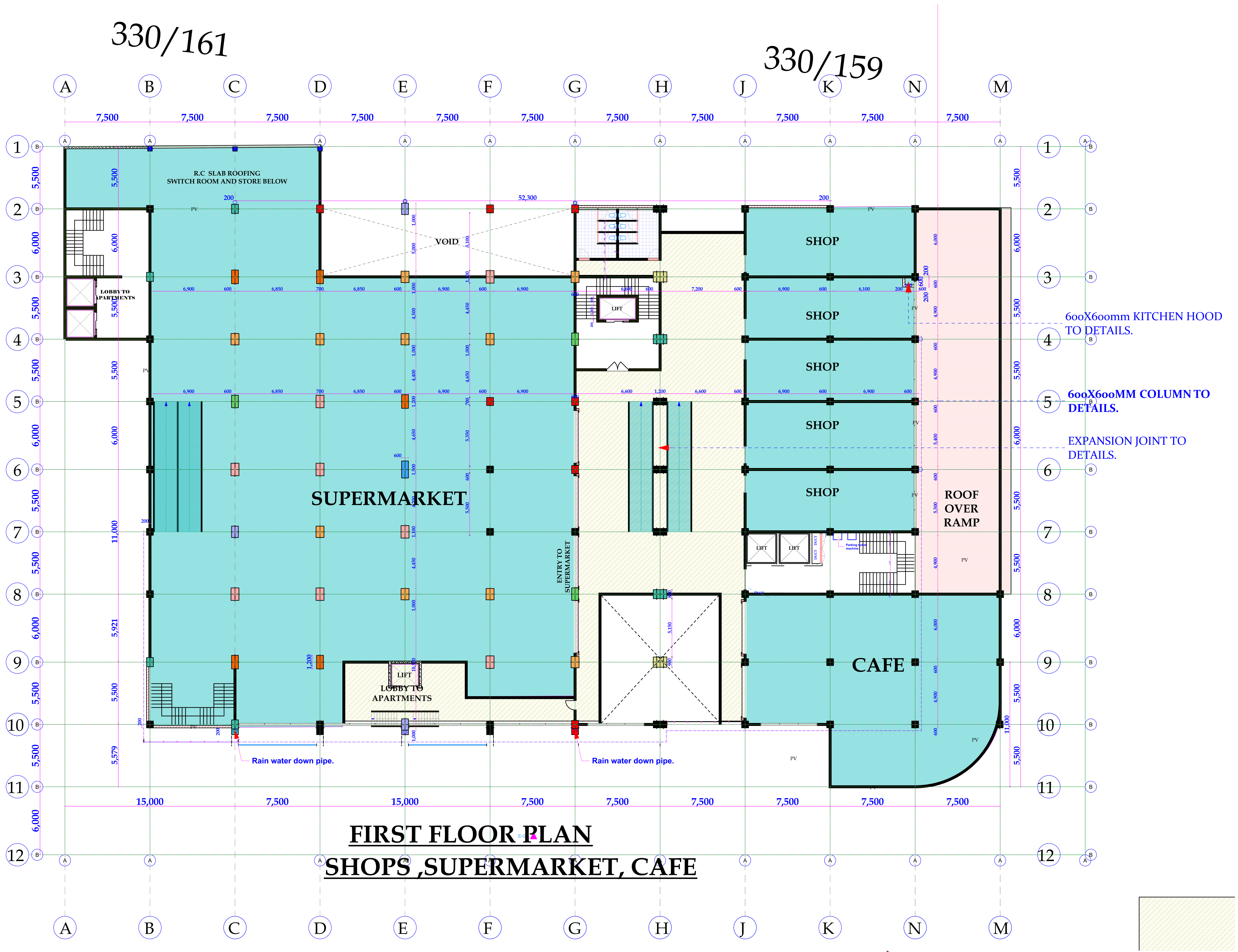
FIRST FLOOR



FIRST FLOOR PLAN

SHOPS ,SUPERMARKET, CAFE

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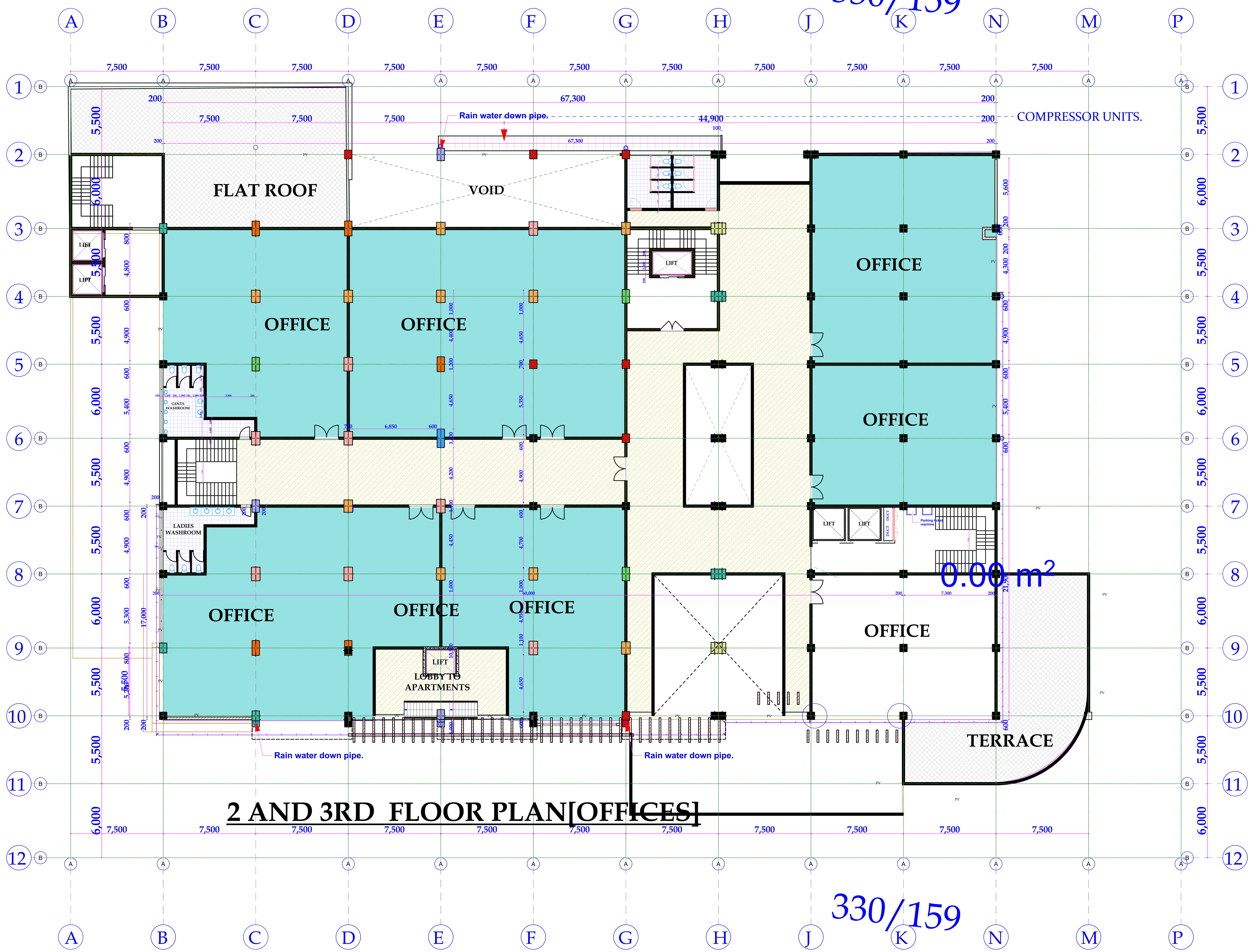
2ND AND 3RD FLOOR PLAN

330/161

330/159



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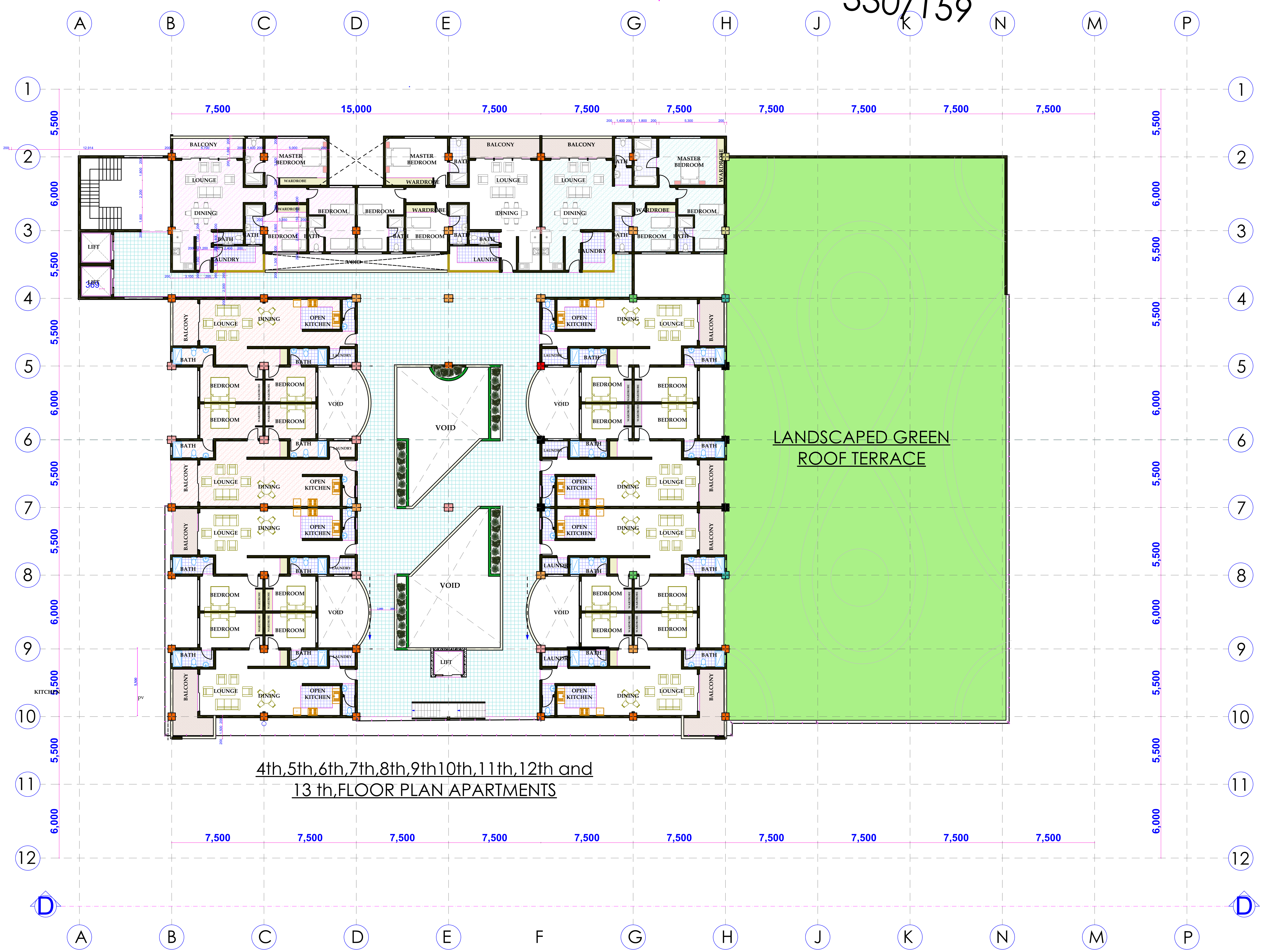

4th,5th,6th,7th,8th,9th10th,11th,12th and 13 th,FLOOR PLAN APARTMENTS

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3 BEDROOM UNIT

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2 BEDROOM UNIT

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FEASIBILITY RECOMMENDATIONS

ITEM	ACTIVITY	FEASIBILITY AREA	PROPOSAL AREA
1	PARKING		
2	COMMERCIAL/ RETAIL		
3	OFFICE		
4	APARTMENT AREA		
5	APARTMENT NO.		


THANK YOU
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