



Mentor Management

Newspaper Review

1st-14th November 2014

1.0 Money Matters& Market Trends

1.1 Kenya open talks with UK over travel alert

The Kenyan government on Monday held high level talks with United Kingdom officials in London seeking a lift of the travel advisories against resort towns at the Coast. Kandie did not disclose the names of the UK officials she held discussions with at the Foreign and Commonwealth Office in London.

<http://www.businessdailyafrica.com/Corporate-News/Kandie-holds-talks-with-UK-officials-over-travel-advisories/-/539550/2510536/-/qk6kmx/-/index.html>

Source: Business Daily, Wednesday November 5, 2014

1.2 Property conference on Africa moved to South Africa

The third edition of the annual Africa GRI event, which focuses on real estate investments and development across the continent, has been moved to Johannesburg, South Africa. Africa GRI's first two editions 2013 and 2014 were held in Nairobi. The conference is slated for end of March 2015.

<http://www.the-star.co.ke/news/property-conference-africa-moved-sa#sthash.zzQsnh1J.dpuf>

Source: The Star , Wednesday November 5, 2014

1.3 Investors eye Turkana's looming oil boom

Property developers both local and foreign are carrying out surveys on investment opportunities in Turkana with an eye on the boom expected when production of oil begins. Turkana county government says it has been approached with enquiries on how to go about investing in the region and expects some of the investments to fall through.

<http://www.the-star.co.ke/news/investors-eye-turkanas-looming-oil-boom#sthash.GWVomiFK.dpuf>

Source: The Star, Wednesday November 5, 2014

1.4 Ethiopia-link road set for completion in 2015

Tarmacking of the main road linking Kenya with Ethiopia is expected to be completed by end of next year, Marsabit Governor Ukur Yattani has said. Mr Yattani said the 505km Isiolo-Marsabit-Moyale road was 60 per cent complete and that work was progressing well.

<http://www.businessdailyafrica.com/Corporate-News/Ethiopia-link-road-set-for-completion-in-2015/-/539550/2516624/-/ugegjc/-/index.html>

Source: Business Daily, Monday November 10, 2014

1.5 Work on new airport terminal starts as lead financier is picked

The lender will be working with other financial institutions in a consortium but it will take the lead role, having a direct contract with the airports authority. Greenfield terminal was launched by President Uhuru Kenyatta last December, with clear instructions to KAA, the implementing authority, to ensure it is “completed on time, within budget and to world class standards”.

<http://www.nation.co.ke/business/Work-on-Sh55bn-airport-terminal-to-start/-/996/2516720/-/q1g5nx/-/index.html>

Source: Daily Nation, Monday November 10, 2014

1.6 Hass consult to sell land to middle-class farmers

Hass Consult has ventured into sale of farm land in peri-urban areas, inspired by the urban middle-class farmers seeking land to engage in fresh farm produce business. In the new property niche, the real estate advisory firm plans to service 25 four-acre plots in Kitengela by building an irrigation system, perimeter fences, road access networks and electricity supplies.

<http://www.the-star.co.ke/news/hass-consult-sell-land-middle-class-farmers>

Source: The Star Wednesday, November 12, 2014

1.7 Land Hitch to blame for Thika Road traffic

Competition for space among businesses and developers along the Thika Superhighway has negated its planned benefits, re-introducing the previous nightmare traffic at peak times as structures encroach on the road.

<http://www.the-star.co.ke/news/land-hitch-blame-thika-road-traffic#sthash.JITKFCYu.dpuf>

Source: The Star, Wednesday November 12, 2014

1.8 Jirongo’s 1,000 acre Ruai land set for auction

Controversial 1,000-acre piece of land owned by businessman Cyrus Jirongo in Nairobi’s Ruai area is set for auction next Wednesday. Auction was prompted by failure to service a multi-million shilling loan borrowed from collapsed Postbank Credit Limited by a firm associated with Mr Jirongo.

<http://www.businessdailyafrica.com/Jirongo-s-1-000-acre-Ruai-land-set-for-auction/-/539546/2521770/-/dm9lay/-/index.html>

Source: Business Daily, Friday November 14, 2014

2.0 Residential Property Market

2.1 Luxury property prices fall in Nairobi for the first time

According to Knight Frank's third quarter Prime Global Cities Index, prices of luxury homes in the city fell by 1.1 per cent between July and September. In the six months to September, prices dropped overall by 0.8 per cent. Luxury homes, coveted by high net-worth individuals, are estimated to cost from \$1 million (Sh89.61 million).

<http://www.the-star.co.ke/news/luxury-property-prices-nairobi-fall-first-time#sthash.7hWJRab8.dpuf>

Source: The Star, Wednesday, November 5, 2014

2.2 Young investors shun bedsitters

Well-paid young bachelors and spinsters are not interested in the small, cube-like homes with numerous creative space-saving features. Their dreams are fixed on big, spacious homes in leafy suburbs. While two-bedroom and one-bedroom apartments are proving to be an easy sale to young buyers, developers

<http://www.businessdailyafrica.com/Young-investors-shun-bedsitters/-/1248928/2513344/-/eeu6lmz/-/index.html>

Source: Business Daily, Friday November 7, 2014

2.3 Tanzania NHC seeks to attract real estate barons

NHC wants foreigners to be allowed to directly own property in the country. The corporation believes this would pull new money into the real estate sector. It's not clear how this would be achieved given that Tanzania has to date jealously guarded its land from foreigners including the East African community.

Source: The East African, November 1-7, 2014

3.0 Commercial Hotel Property Market

3.1 Indian investor sets up Sh1.3bn hotel in Westlands

Hotel Royal Orchid Azure, Nairobi, which opened its doors last week is owned by Royal Orchid Hotel Ltd, the leading hospitality chain in India. This is Royal Orchid's second hotel in Africa and adds to Royal Orchid Malaika Beach Resort in Mwanza, Tanzania, which opened in 2013.

<http://www.standardmedia.co.ke/business/article/2000140805/indian-investor-sets-up-sh1-3b-hotel-in-westlands>

Source: The Standard, Sunday November 9, 2014

3.2 South African couple takes on Branson with luxury camp

Steve Fitzgerald and his wife Nicky are building a deluxe camping facility dubbed Angama Mara made up of two camps each with 15 tented suites. Angama Mara set to open in June targets wealthy clients at Sh111, 000 a night.

<http://www.businessdailyafrica.com/Corporate-News/SA-couple-take-on-Branson-with-luxury-camp/-/539550/2508152/-/jui2fqz/-/index.html>

Source: Business Daily, Monday November 3, 2014

3.3 5-star Radisson Blu prepares for Nairobi debut

International hotel chain Radisson Blu has started hiring staff for its upcoming Kenyan unit in Nairobi's Upper Hill in readiness for opening early next year. The presence of Radisson in Nairobi raises Kenya's profile as a top investment destination.

<http://www.businessdailyafrica.com/Corporate-News/5-star-Radisson-Blu-prepares-for-Nairobi-debut/-/539550/2520382/-/2qegx2/-/index.html>

Source: Business Daily, Thursday November 13, 2014

4.0 Commercial Retail Property Market

4.1 Fusion Capital trains sights on Meru with first shopping mall

PE firm has partnered with local investors in a joint venture that will see Fusion cover the cost of putting up the project while the partners provide seven acres of land. The company has already invested in six

counties including Nairobi, Mombasa, Nakuru, Kajiado, Kiambu and Murang'a. The company's next project will be in Kisumu.

<http://www.businessdailyafrica.com/Fusion-Capital-to-build-first-Sh2bn-shopping-mall-in-Meru/-/539552/2510776/-/nx7l6c/-/index.html>

Source: Business Daily, Wednesday November 5, 2014

4.2 Naivas ups stakes with its first retail outlet in Kisumu

Naivas Supermarket has opened its first store in Kisumu in a move expected to up the battle for consumers' wallets in the lakeside town that already hosts three major retail chains. The retailer yesterday opened the doors to its new outlet on Jomo Kenyatta Road, bringing its branch network to 34.

<http://www.businessdailyafrica.com/Corporate-News/Naivas-ups-stakes-with-its-first-retail-outlet-in-Kisumu/-/539550/2510792/-/5imng6z/-/index.html>

Source: Business Daily, Wednesday November 5, 2014

4.3 Retailers dash for new commercial space in Naivasha

Retail outlets have snapped up space at Buffalo Mall in Naivasha ahead of completion of the first phase later this month, signaling growing appetite for commercial space in the town popular for corporate conference facilities and getaways. 95 per cent of the mall space has been booked, with Tuskys Supermarket being the anchor tenant

<http://www.the-star.co.ke/news/retailers-dash-new-commercial-space-naivasha>

Source: The Star, Wednesday November 5, 2014

4.4 Bata aims to stamp footprint with 25 more stores

Bata Kenya has secured 800 square metres of space in the upcoming Two Rivers and Garden City malls. Managing director Alberto Errico says the company wants to increase the number of its stores from the current 140.

<http://www.businessdailyafrica.com/Corporate-News/Bata-aims-to-stamp-footprint-with-25-more-stores/-/539550/2508176/-/eqkk9q/-/index.html>

Source: Business Daily, Monday November 3, 2014

4.5 Uchumi acquires Dar supermarket in growth drive

The latest expansion increased Uchumi's branches in Tanzania to five. This latest acquisition comes soon after rival Nakumatt Holdings bought out South African retail giant Shoprite in Tanzania at a cost of Sh3 billion. Uchumi said its Tanzania branches will not be importing products from Kenya.

<http://www.businessdailyafrica.com/Corporate-News/Uchumi-acquires-Dar-supermarket-in-growth-drive/-/539550/2509572/-/24g47z/-/index.html>

Source: Business Daily, Tuesday November 4, 2014

4.6 US fast food and food chain open in Nairobi

An American fast food chain, Domino's Pizza, and ice cream seller Cold Stone Creamery, have announced plans to open 16 Kenyan outlets in the next two years at an estimated cost of Sh445 million. The firm opened two Cold Stone outlets, one on Mama Ngina Street and another at Fortis Tower in Westlands where it also has the first Domino's Pizza store. Cold Stone Creamery is based in Arizona while Domino's Pizza is headquartered in Michigan.

<http://www.businessdailyafrica.com/Corporate-News/US-fast-food-and-ice-cream-chains-open-in-Nairobi/-/539550/2517878/-/e0nlq9z/-/index.html>

Source: Business Daily, Tuesday November 11, 2014

5.0 Commercial Office Property Market

5.1 Commercial rental market in favour of Landlords

Analysis of research published by South Africa's Broll Property Group, which has a regional office in Kenya, shows that the real estate segment is tightly gripped by landlords and high transaction costs are involved. Landlords have the most say on the leases while tenants seemingly have few options for redress, indicating the market is relatively under-supplied.

<http://www.the-star.co.ke/news/commercial-rental-market-favour-landlords#sthash.j5GO6zvj.dpuf>

Source: The Star, Wednesday November 5, 2014

6.0 Commercial Industrial Property Market

6.1 National cement plans coal fired power plant

National Cement to generate its own electricity for limestone mining, clinker manufacturing. The firm will transport the clinker to its factory in Lukenya where it produces finished cement whose capacity is being expanded to 1.7 million tonnes per annum from the current 600,000 tonnes. Cement production is a power-hungry process, making energy costs one of the largest expense items for manufacturers of the commodity

<http://www.businessdailyafrica.com/Corporate-News/National-Cement-plans-Sh1-7bn-coal-fired-power-plant/-/539550/2508306/-/aet2k6/-/index.html>

Source: Business Daily, Monday November 3, 2014

6.2 Cement production up but supply still trails demand

Cement makers revved up their factories over the nine months to September, raising production by 15.2 per cent as consumption surged by nearly a fifth over the same period. Consumption of cement rose by 19.4 per cent in the nine months to 3.69 million tonnes equivalent to total production in a similar period last year from 3.09 million tonnes. This indicates that local demand for cement is rising faster than production despite entry of new brands into the market, which are yet to match supply.

<http://www.the-star.co.ke/news/cement-production-supply-still-trails-demand#sthash.mvLlb8Bh.dpuf>

Source: Business Daily, Monday November 3, 2014