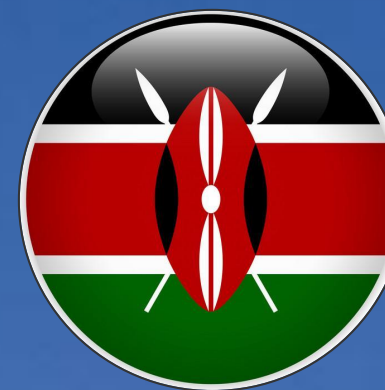




EPZA Athi River Residential Estate



MITI
MINISTRY OF INVESTMENTS,
TRADE & INDUSTRY





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Why Kenya



3rd largest

economy in sub-Saharan Africa.



US\$ 110.35 Bn

7.5% growth

Dominant economy in EAC
≈46% of EAC's GDP.



US\$ 2,081.8

+75% growth since 2010

Growing middle-class with an
increasing appetite for high-value
goods and services.



- Regional economic hub
- Host to over 200 Multinational Corporations with regional & continent-wide HQs in Nairobi
- Robust financial system
 - 43 banking institutions
 - 9 representative offices of foreign banks,
 - 13 Microfinance Banks,
 - 3 credit reference bureaus
 - 19 Money Remittance Providers
 - 73 forex bureaus

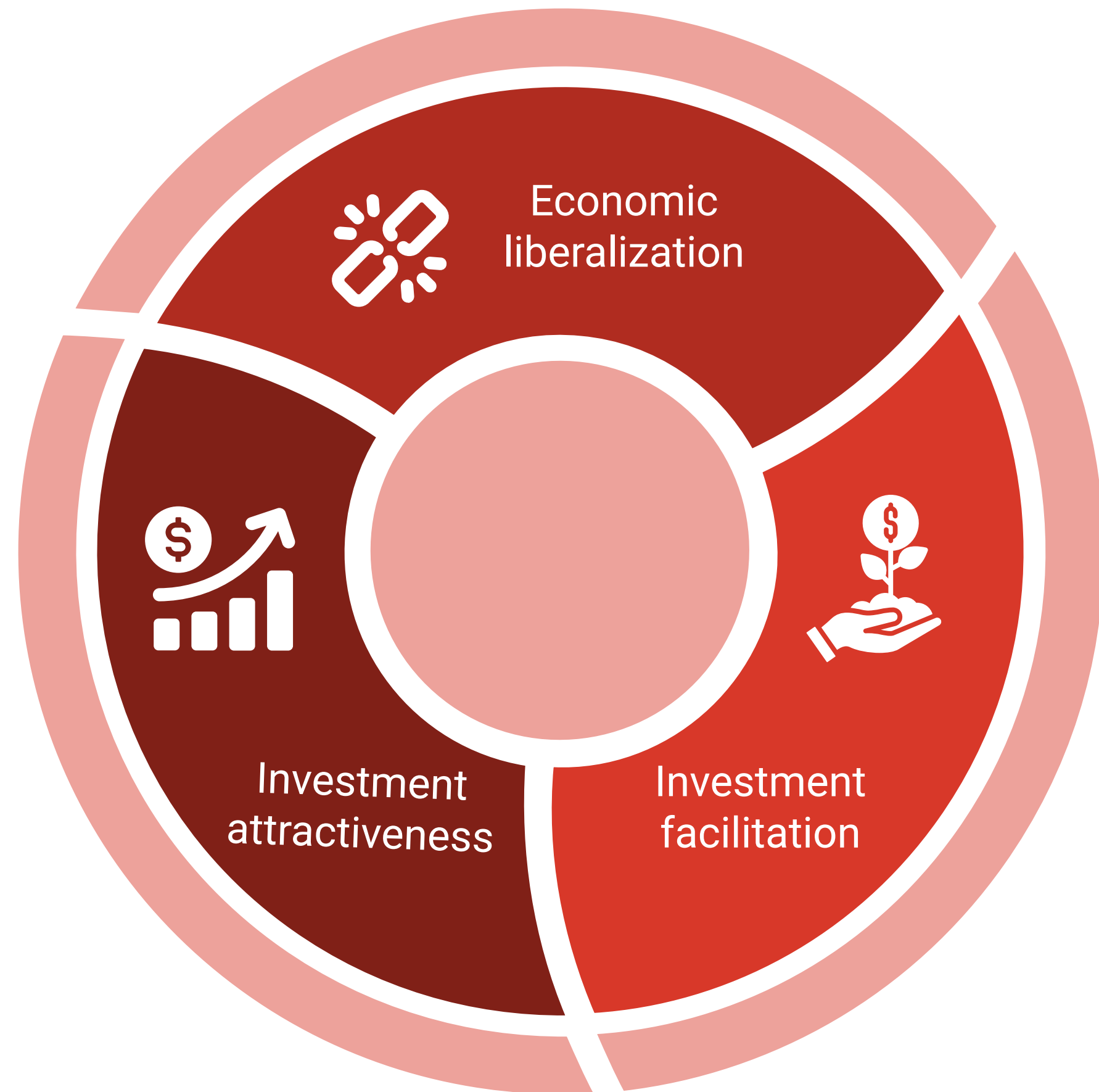


- Africa's UN HQs (UNON) which is one of four main UN secretariat duty stations globally.
- Global headquarters of UNEP and UN-Habitat, together with a joint presence of 23 other UN Agencies.



- Communications & Logistics hub of the region
- Access to regional transport corridors.
 - 4 international airports
 - 2 sea ports and 2 ICDs
 - 30-freight and 2-passenger rail services daily between Nairobi and Mombasa.

The Investment Environment is Conducive



1

- Guaranteed repatriation of capital and profits
- Constitutional protection against expropriation
- Investment guarantee against non-commercial risks: ICSID, MIGA and ATIA

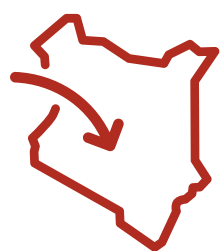
2

- One stop shop facilitation
- Periodic Presidential roundtables with private sector
- Digitization of government services
- Facilitative Industrial zone programs - EPZs & SEZs

3

- Political and macroeconomic stability.
- High labour productivity: a large pool of youthful, trainable and literate workforce
- Globally competitive:
 - 56th in the Ease of Doing Business
 - 1st for five years in a row in financial inclusion
 - 1st globally in protection of minority investors
 - Nairobi – Africa's leading business travel destination and hub for impact investors.
 - 2nd in Africa in the logistics performance index

Wide Market Access & Good Trade Relations



US\$ 17.43 Bn
Total Imports



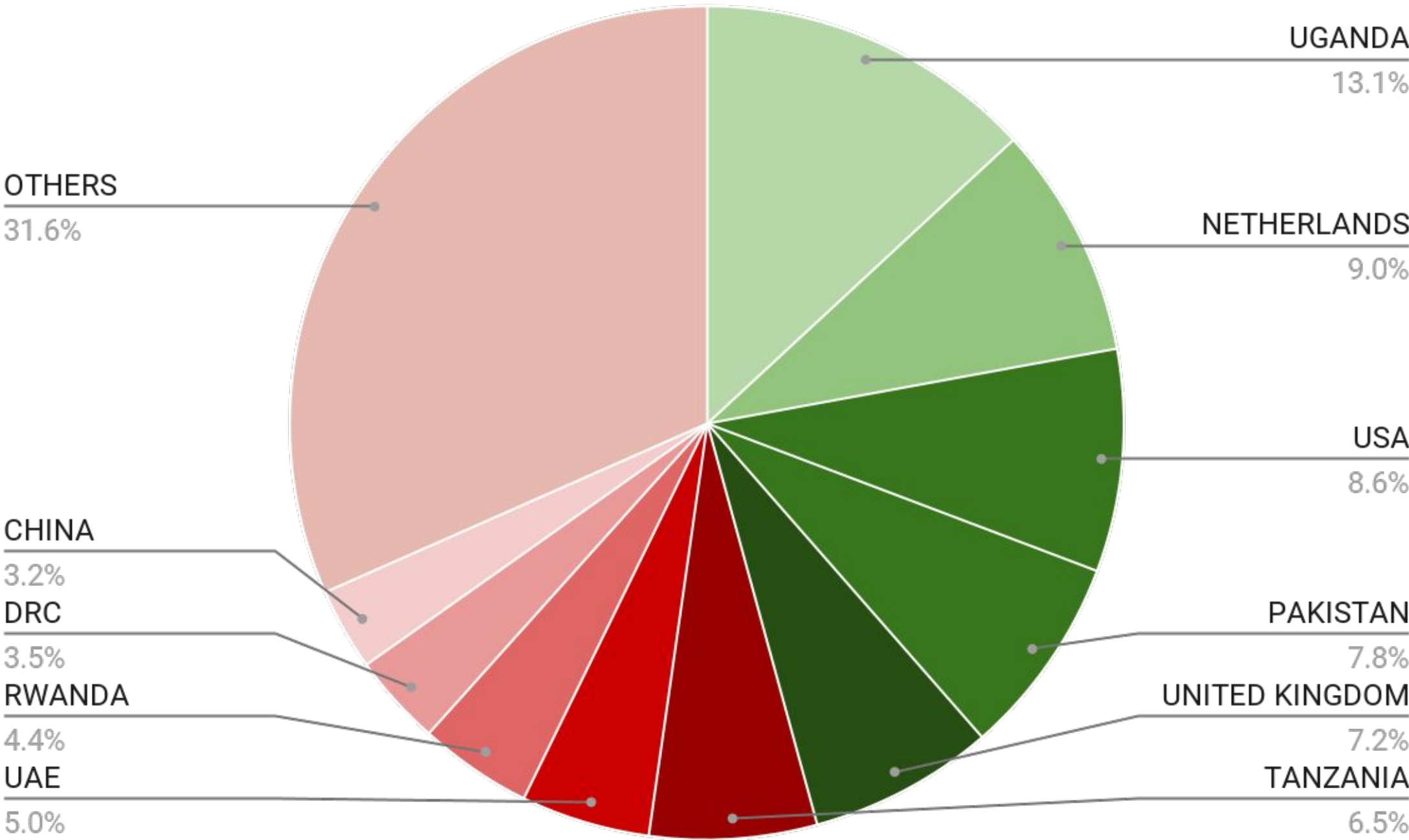
US\$ 6.09 Bn
Total Exports

Preferential Trade Agreements

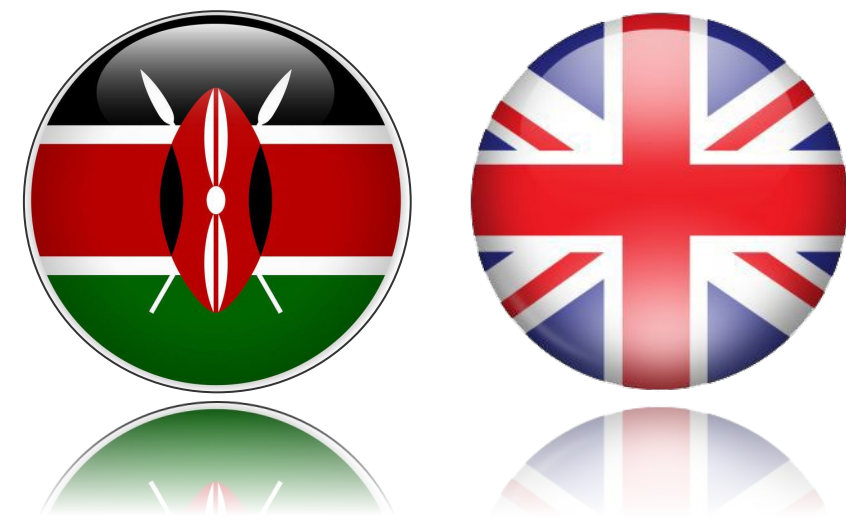
1.7Bn ~ US\$ 40Tn
Population Market value



Kenya's untapped
export potential ~ US\$ 4.1 Bn (ITC)



Existing Bilateral Trade Treaties with United Kingdom



Economic Partnership Agreement: In 2021, Kenya and the UK signed a trade agreement that seeks to deepen trade and investment ties between the two countries by providing a framework for the elimination of tariffs and non-tariff barriers.

Development Cooperation Agreement: In 2018, Kenya and the UK signed a development cooperation agreement, which aims to strengthen cooperation in areas such as health, education, governance, and security.

Double Taxation Agreement: In 1976, Kenya and the UK signed a double taxation agreement, which seeks to prevent double taxation of income earned by residents of the two countries.

Air Services Agreement: In 1967, Kenya and the UK signed an air services agreement, which allows airlines from the two countries to operate scheduled services between them.



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Executive Summary



i

The increase in operational timelines by investors has created a need for development of housing that is proximal to their manufacturing facilities both for the investors and their workers in **Athi River EPZ**.

ii

The solution is to develop a **proposed residential development** based on the **Athi River EPZ** master plan, which provides for industrial zone as the main user and, commercial and residential zones as supporting uses.

iii

The total investment requirement is **USD. 169.24 million** over a construction period of **5 years** in **3 phases** and the expected **ROI** is **10.28%**.

iv

The proposed development will create approximately **500 jobs** during the construction period and develop about **7,000 units** under the BETA.

Preamble

i

Ownership:

State Corporation under the Ministry of Investments, Trade & Industry (MITI)

ii

Management Structure:

A Board of Directors appointed by Government directs while day to day running is headed by a Chief Executive Officer

iii

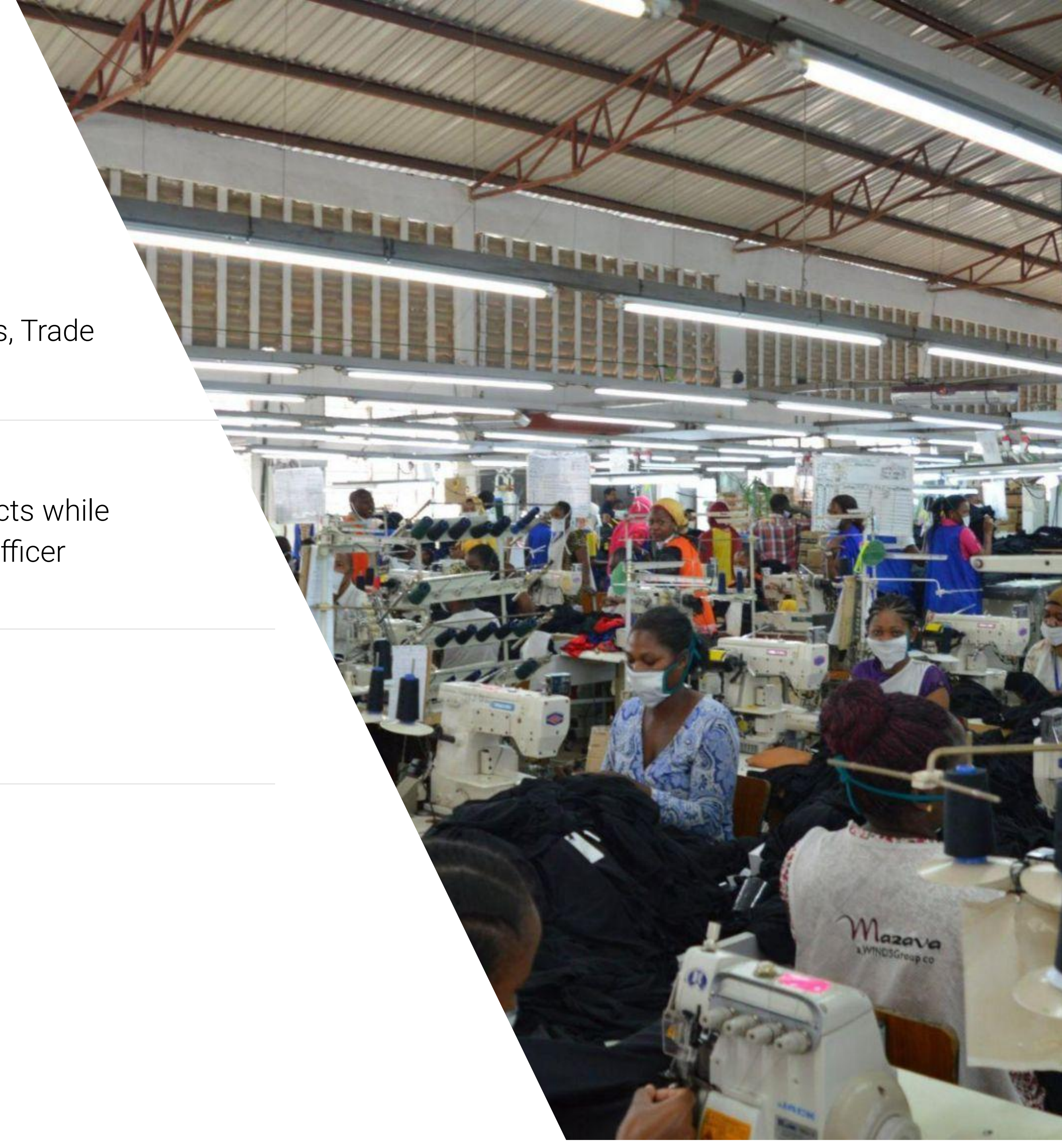
Capital Base:

USD. 105.899 million

iv

Turnover 2022:

USD. 4.442 million



Problem Statement

The development of housing within **Export Processing Zones** is an emerging need by the population benefiting from the EPZ directly and indirectly (**Investors, Employees** etc).



Solution

The Development of Athi River Residential Estate

KEY OBJECTIVE

EPZA as an export oriented industrial entity, can utilize the proposed development as a means of promoting sustainable industrialization through linkage of work, play and living areas.



Market Trend and Growth Expectations

01

Provision of serviced land and associated services by **EPZA**.

02

New Housing demand of **250,000** per year against a supply of **50,000** leading to an **80%** annual housing deficit.

03

Acute shortage of institutional housing with the need totaling over 100,000 units

04

Government is targeting to build **200,000** housing units annually targeting the low income earners.

05

Other amenities like water, Sewage treatment plant and fibre optic connection are there in the park

06

Low home ownership in Urban areas at **21.3%**.

Project Suitability / Location

✓	Site Location	Proximity to the Kenya's Capital City Nairobi (32 kms) and the growing satellite townships of Athi River (4 kms away) and Kitengela (1 km away).
✓	Ready Market	The proposed development falls within the Nairobi Metropolitan Region, which covers about 32,000 square kilometers. Accessibility is by road including an express highway and rail making it a highly attractive site.
✓	Utilities	The Athi River EPZ is supplemented by a power substation and electricity is available for connection. It is also well served by a water pipeline and a sewer system within the vicinity
✓	Soil and Drainage	1-2 feet of black cotton soil followed by a bedrock indicating minimal excavation for the substructures of buildings on the proposed site.
✓	Accessibility	Climatic conditions of Athi River are relatively stable with plenty of sunlight throughout the year.

Proposed Model

The feasibility study undertaken recommended:-

- i A Build–Operate–Transfer on a Public–Private Partnership engagement.
- ii A turnkey approach that provides opportunities for design, construction and operation.
- iii Allows the private sector partner to employ a life-cycle costing approach that factors issues such as maintenance costs, up-front.



Product

The recommended development of a high density
development of 6,934 housing units consisting of:

- Studio
- 2 and 3 bedroom Apartments
- Amenities



Financial Ask



The capital that the investor is expected to put into the project is Kshs. 169.24 Million

USD 169.24
Million



The investor will be expected to finance the project under a proposed 25 year PPP.

25 years
PPP.

Financial Projections

The Investment	Equity
Implementation	7 Years
Period of Investment	25 Years

Financial Returns

Expected Rental Income	USD. 36 Million Per Annum.
ROI	17%
IRR	10.28% (25 Years)



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Get started with KenInvest and KDC



Kenya Investment Authority

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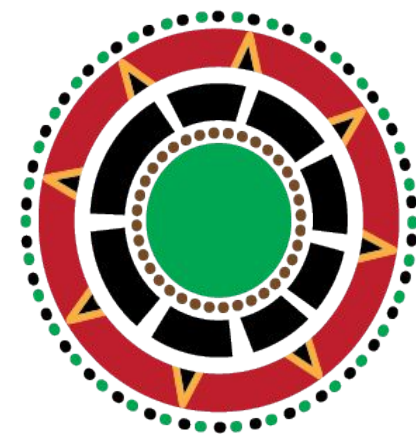


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