



**REPUBLIC OF KENYA**

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# **BUILDING AND CONSTRUCTION SECTOR**

**INDUSTRIAL PROFILES AND OPPORTUNITIES FOR PRIVATE  
INVESTMENT**

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**MINISTRY OF TOURISM, TRADE AND INDUSTRY**

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## **MESSAGE FROM THE MINISTER FOR TOURISM, TRADE AND INDUSTRY**

On behalf of the Government of Kenya, I am pleased to present to you this profile of the building and construction industry in Kenya. The sector profile has been prepared by the Ministry in conjunction with many public and private sector institutions and companies.

We sincerely hope that the profiles, although not exhaustive, will guide you and enable you to make some meaningful decision on how to invest in the industry of your choice. In this regard an attempt has been made to provide balanced information.

In most cases the most obvious investment opportunities in the various sub-sectors have been highlighted. We invite investors to carry out investment studies to determine the viability of these opportunities. We also invite the investors to identify further opportunities more suitable to their individual needs or experience.

Recently the three countries of Kenya, Uganda and Tanzania revived the East African Co-operation which aims to establish a federation in the near future to create a larger market of over 71 million people and introduce the benefits of economies of scale. We welcome foreign investors to take advantage of this larger market and invest in Kenya.

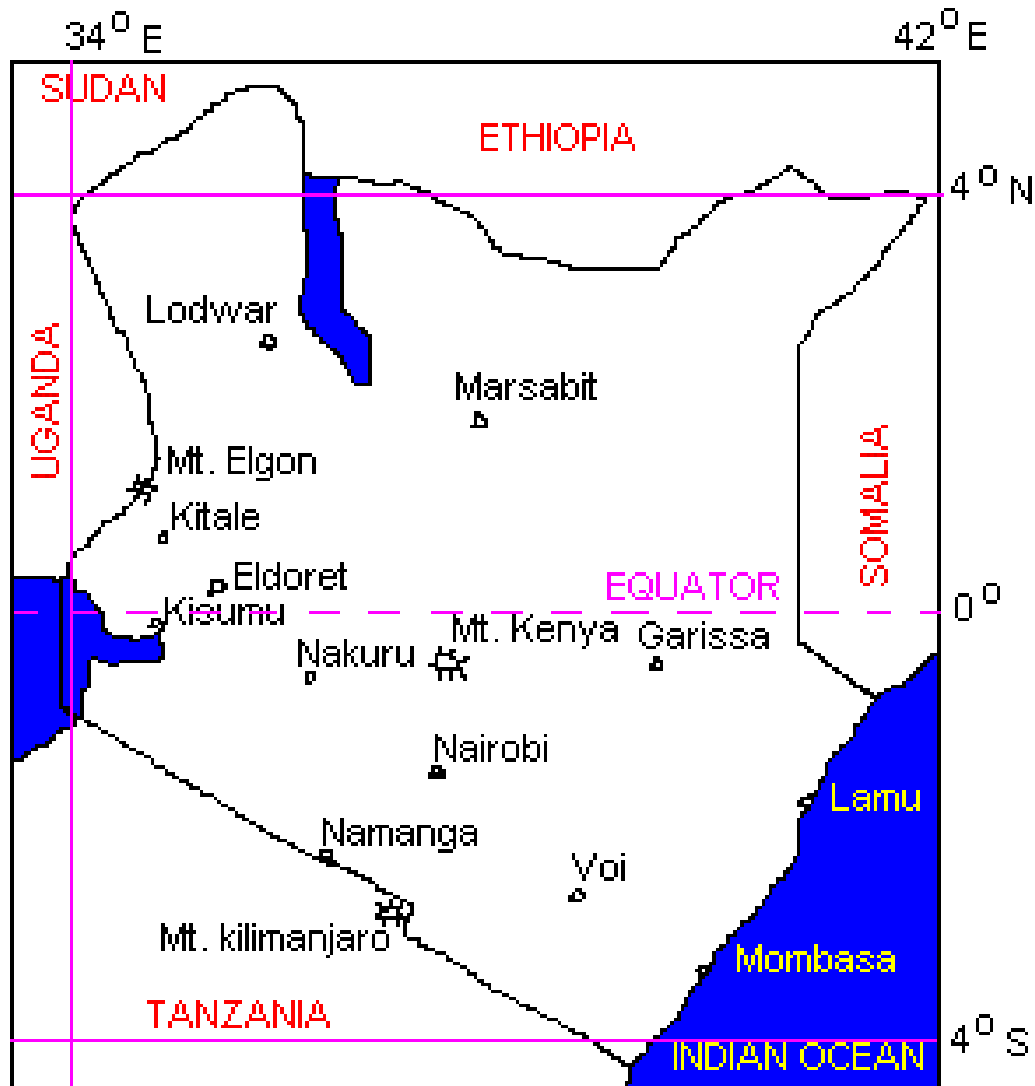
In case of need please do not hesitate to contact the Ministry, for further assistance. Visit our offices any time, ring or send us a fax.

Thank you for your interest in the building and construction sector in Kenya. We look forward to assisting you to implement your investment.

HON. KIPYATOR NICHOLAS K. BIWOTT, EGH, MP

**MINISTER FOR TOURISM, TRADE AND INDUSTRY.**

# MAP OF KENYA



# **BUILDING AND CONSTRUCTION INDUSTRY**

## **1.0 OVERVIEW**

“To safeguard the interest of present and future generations in human settlements is one of the fundamental goals of the International Community. The formulation and implementation of strategies for human settlements development are primarily the responsibility of each country at the local and national levels within the legal framework of each country, *inter alia*, by creating an enabling environment for human settlement development and should take into account the economic, social and environmental diversity of conditions in each country ...”

GOALS AND PRINCIPLES, Habitat Agenda.  
Principle IX.

“United Nations Conference on Human Settlements (Habitat II) General Assembly stressed: That the full and effective implementation of the Habitat Agenda in particular in all developing countries, especially those in Africa and the least developed countries will, require the mobilization of additional financial resources from sources at the national and international levels and more effective development cooperation in order to promote assistance for shelter and human settlement activities.”

Resolution number 32.

## **2.0 CURRENT STATUS**

Up to now the main players in housing development have been the Government and the private sector. However, recently the Government has shifted its role to that of facilitator of other players both local and foreign. The Government still has the role of developing infrastructure, upgrading slums and some rural housing improvements and planning of land use, while the private sector will promote housing for low, medium and high cost housing developments. The Government will also undertake the dissemination of information on new materials and technologies for both rural and urban housing. The Government stresses the mobilization of resources to develop housing for low income group while embracing the concepts of affordability and cost recovery. Low income housing so far has not received the investor attention it deserves.

## **3.0 DEVELOPMENT IN THE INDUSTRY**

So far both the public and private sectors do not have adequate resources to meet housing demand in the main urban centres. The current production of housing is between 20,000 and 30,000 units per year. Most of these are targeted at the middle and high-income groups which are usually the group that private developers find lucrative.

There is an estimated annual demand of 112,100 units per year by the year 2000 after which the demand might even go higher. There is, therefore, an unsatisfied annual demand of over 80,000 units per year. This demand covers the urban centres only. Lack of affordable housing in urban centres has led to overcrowding and the formation of squatters and other informal settlements.

Urbanization has lowered the standard of living to an increasing number of urban dwellers and in the meantime, housing in rural areas needs to be given attention to make them attractive and partly, therefore, address the problem of rural-urban balance. Private developers have not been very keen on rural housing developments.

Following the International Year of Shelter for the Homeless in 1987, the Government formulated a National Housing Strategy to the Year 2000. It also shifted from direct provision of housing to being a facilitator in the provision of a suitable environment for other players to provide housing facilities.

#### ***4.0 INVESTMENT OPPORTUNITIES***

There are opportunities in the provision of affordable human settlement.

#### ***5.0 KEY PLAYERS***

Housing and Financing Company of Kenya (HFCK)  
Appropriate Technology (Appro-tech)  
Shelter Afric  
Housing and Building Research Institute (HBRI)  
National Housing Corporation (NHC)

## USEFUL CONTACTS

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