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# DAILY NATION

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4 HOURS AGO

## Meru County speeds up real estate growth

Meru County is experiencing an upsurge in construction as demand for business premises and housing increases.



An artistic impression of the Meru Greenwood Park, which comprises a shopping mall, apartments and an office block and is to be built on land now occupied by the Pig and Whistle hotel, the oldest hotel in Meru Town. The hotel will be demolished to pave the way for the county's first shopping mall. PHOTO | COURTESY

### In Summary

- The hitherto quiet neighbourhoods in the outskirts of Meru Town such as Kithoka, Kinoru, Angaine, Mwiteria, Mulanthankari are becoming an investment frontier where investors are putting up the amenities to support the huge transformation.
- Fusion Capital Managing Director Luke Kinoti said counties require technical support

in partnering with the private sector in order to bridge gaps in financing large but essential projects.

- Meru county strategic positioning in connection to the upcoming Lamu Port and South Sudan-Ethiopia Transport corridor has also attracted investors.

Meru County is experiencing an upsurge in construction as demand for business premises and housing increases.

Fuelling this boom is the growing middle-income class, demand for business premises and the soaring demand for hospitality and meeting centres largely influenced by the success of the devolution.

Improved infrastructure, a rise in the number of banks and non-governmental organisations as well as institutions of higher learning have also been attributed to the booming construction industry.

The hitherto quiet neighbourhoods in the outskirts of Meru Town such as Kithoka, Kinoru, Angaine, Mwiteria, Mulanthankari are becoming an investment frontier where investors are putting up the amenities to support the huge transformation.

The vibrancy in the housing sector is also seen by the surge in building and construction over the last three years in Meru town's Central Business District (CBD). So far, the county government has embraced different innovative financing models to grow property ventures within the county.

During the recently concluded three-day county investment conference, real estate was one of the sectors that received most commitment from different investors.

The county is planning to put the 115,000 square feet, 15 storey Meru Rising Tower to deal with the acute shortage of commercial buildings and office space in the county.

The property venture will be financed using an equity financing model and is projected to be complete within two years. During the conference, Financial services firm CPF Group revealed it is ready to invest Sh1 billion in the new office complex as it seeks to grow earnings from the regional property sector.

According to Managing Director Hosea Kili, the company will partner with the Meru County government through the Meru County Investment and Development Corporation (MCIDC) as co-investor.

"Meru town is growing and is becoming vibrant and we will partner with MCIDC to reap dividends from the booming housing sector in Meru," he said.

## **PROVIDE LAND**

MCIDC Managing Director Joel Imitira said the county will provide land for the project and further capitalise the project with an additional Sh200 million. The amount will cumulatively constitute the corporations equity to the project.

The asset will be structured as a company and the rest of the financing will be sourced through public placements where organised groups of investors can take a minimum amount of equity in the investment commensurate with their contribution.

“There is a large stream of many possible tenants scouting for good office space. However, the real demand for quality office space is from the private sector as demonstrated by the list of many blue chip commercial institutions looking for space,” he said adding that the county lo about Sh1 million every month due to inadequate office space.

Mr Imitira added that the county is working on a Design, Build Operate and Transfer Model to develop properties in Angaine and Tuntu Estates, Gakoromone market and Liki market near Nanyuki.

Rent in Meru ranges from Sh70 to Sh120 per square foot. The county pays Sh120 square for the office it is renting at Ntaara Plaza, an indication that quality commercial space in Meru can attract good returns.

Ajogi East Africa Estates Ltd Managing Director Mwenda Murerwa said the firm is planning to put up a housing project in Kithoka, on the outskirts of Meru Town.

Kithoka Paradise will cost an estimated Sh300 million and will sit on 25 acres of land according to Mr Murerwa. He said the building will have a fibre-optic connection, a solar-powered common lighting system, 24-hour CCTV surveillance, secure parking, a shopping centre, a kindergarten and an exotic view of the Lower Imenti Forest.

“Due to the growth in population, there is need to move out of town. We are still in the initial stages of planning the construction but a perimeter wall to secure the property is already being put up,” Mr Murerwa said.

Fusion Capital is currently putting a Sh2 billion mall on land previously occupied by the Pig and Whistle hotel, the oldest hotel in Meru Town. Once complete, the Meru Greenwood Park is set to be one of the most attractive and prestigious commercial, leisure and residential destination in the county.

The commercial building will have a six-storey modern office block, shops, 25,000 square feet of Grade A offices, two and three bedroom apartments, exhibition spaces, supermarket and a car park with 240 bays.

Fusion Capital Managing Director Luke Kinoti said counties require technical support in partnering with the private sector in order to bridge gaps in financing large but essential projects.

Mr Kinoti lauded the county for coming up with innovative financing models. He further called for joint ventures between the county and investors in the private sector to promote investments.

## **LAMU PORT**

“This is a practice model to promote partnerships between private and public sector for sustainable development,” he said.

Furthermore, the county government is also working on a Design, Build Operate and Transfer Model to develop properties in Angaine and Tuntu Estates, Gakoromone market and Liki market near Nanyuki.

Meru county strategic positioning in connection to the upcoming Lamu Port and South Sudan-Ethiopia Transport corridor has also attracted investors.

Meru Governor Mr Munya who is also the Council of Governors chairman, pointed out that the northern part of the county neighbouring Isiolo is also an attractive location for an industrial park because of its proximity to the Isiolo International Airport. He predicted that the boom in the construction industry was going to open exciting investment opportunities for investors.

“We are ready to support those investors who are ready to start-up ventures that are likely to bring huge revenue. We are ready to provide land for long term lease to investors for any investment worth Sh50 million in agro-processing,” the governor added.

Kenya Investment Authority Managing Director Moses Ikiara cautioned investors to take a participatory approach when intending to initiate big development projects in any community.

“It is important to consult the community as they are key players in any planning of investments. You do not want a situation similar to that in Kinangop (wind power project), which is facing hurdles due to local opposition,” he said.