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Legal Aspects of Urban Living and Property Technology

*A presentation made to Metta, Nairobi on 10th
March, 2017*

Scope

- Understanding urban living and property technology
- Current trends in property technology
- Understanding the legal framework governing property and property technology
- Legal issues
- Incentives to venture into property technology
- Comparative analysis



Introduction

- Urban living - living in urban areas
- Property technology - new technologies that are now being utilised to solve a number of real estate inefficiencies



Source; www.breal.cl/single-post/2016/06/01/Proptech-concepto-y-oportunidad-de-negocio

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Current Trends in Urban Living and Property Tech

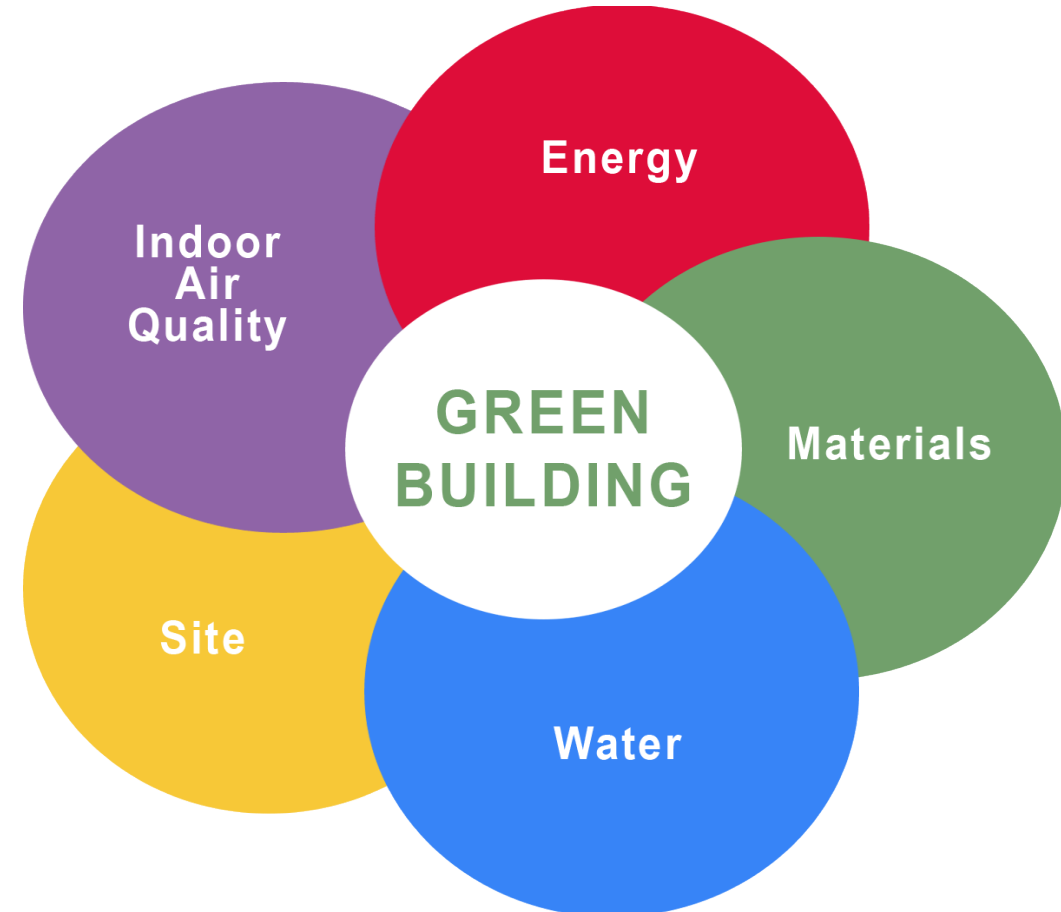
- Green Buildings
- Use of prefabricated materials
- Green financing
- Digitisation of records and online marketing



Source; www.gigabase.org/en/projects/337-mercedes-benz-business-center-for-yerevan

Green Buildings

- A green building is a structure that is environmentally responsible and resource efficient throughout the building's cycle ; from planning, design, construction, operation, maintenance, renovation and demolition.
- Attributes
 - Energy efficiency
 - Water conservation and treatment
 - Offer a healthier environment
 - Resource preservation



Source;www.floridagreenbuild.com/green.html

Green Buildings Cont.

UNEP headquarters



Source:www.un.org/apps/news/story.asp?NewsID=37958#.WOzNE4iGPIU

Green Buildings Cont.

Learning Centre at Catholic University



Source: constructionreviewonline.com/2014/06/cuea-library-building-wins-award-best-green-building-kenya

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Green Buildings Cont.

Vienna Court by PDM Holdings



Source: www.skyscrapercity.com/showthread.php?t=1728986



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Use of Prefabricated Materials

- Structures are manufactured in factories in standard sections and are transported and assembled on site.
- Materials used include polystyrene, iron sheets, fiber cement and steel.
- Advantages – reduced time for construction, use of environmental friendly materials, reduced costs



Source: africanfaders.blogspot.co.ke/2013/02/lots-of-building-going-on-in-melut.html

Green Financing

- Green Financing relates to financial investments in and lending to environmentally sustainable projects
- Usually attractive because of its attributes e.g. lower interest rates, cheaper insurance, accessible collateral, government incentives like tax exemption.
- Kenya Bankers Association (KBA) and Nairobi Securities Exchange (NSE) announced that Kenya will in 2017 float its first bank-supported green finance instrument



Source: uldissprogis.com/2013/10/30/those-who-control-the-money-supply-and-energy-sources-rule-the-world/

Digitization of Records and Online Marketing

- Digitization of records at the registries
- Property management/ marketing listings



Source; goo.gl/images/DEDppt



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Legal and Policy Framework

- Constitution
- Sector specific laws – EMCA, National Construction Authority Act, Physical Planning Act, land laws, intellectual property laws
- County by-laws
- Kenya Vision 2030 and Kenya Green Economy Strategy Implementation Plan, 2015 – key pillars include water conservation and sustainable use, environment and housing and urbanization



Legal Issues

- Technology and intellectual property issues- ownership, use & licences, protection
- Construction contracts – incorporation of green aspects in the contracts
- Purchase/tenancy agreements – covenants to provide and maintain green aspects
- Structuring of green finance products- offering documents highlighting the green aspects. Contractual obligations to deliver green aspects. May include requirement for accreditation by Kenya Green Building Society
- Laws for implementation of green aspects



Source: goo.gl/images/I2Z72A



Incentives

- Marketing – New technologies and green technology are increasingly becoming a value add in real estate
- Incentives – It is expected that green projects will eventually attract government incentives e.g. tax exemptions
- Accessible and cheaper finance – Investment funds, capital markets and banks have began focusing on green finance aimed at reducing carbon emissions.
- Low costs in the long run



Q & A



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