

ISK PRESS CONFERENCE ON LAND LEASES

Introduction

The Institution would like to commend the Cabinet for lifting the moratorium on renewal and extension of leases. We thank the Cabinet Secretary, Ministry of Land and Physical Planning for quickly gazetting the guidelines for the same. This is a welcome move that would hopefully jumpstart economic lull in the land sector.

We however note that there is still a vacuum on the new leases resulting from new grants and subdivisions of land under leasehold which has not been dealt with. Subsequently, the individuals or institutions awaiting for these leases continue to suffer.

Leases emanating from grants and subdivision:

Grants are form of land ownership in Kenya which gives individuals/institutions ownership over land for a specified period of time. In simple terms these are land leases emanating alienation of public land (land which leases have expired). These are mostly for land in urban areas.

Furthermore, individuals or companies subdivide their leasehold land on daily basis in order to meet their economic obligations. The end product of the above processes are land leases which grant ownership to land.

These two components constitute a substantial part of transactions on private land in Kenya. It also translates to billions of money into the country's economy. It also generates substantial revenue to the Country in terms of taxes.

The guidelines issued by the Cabinet Secretary are only applicable to land whose leases are due for expiry.

As we speak, the Ministry is awaiting the necessary regulations to effect the new land laws, these will inform the process of granting new leases. Given that the regulations require to go through the National Assembly for approval, it technically means that the regulations can only be tabled in the 12th Parliament most probably in September this year.

What this means is that the new leases will have to wait for at least three (3) months. Individuals and Institutions awaiting for these ownership documents will continue to suffer. Government will lose billions of money in revenue and the investment in land will shrink.

Our Recommendations:

From the foregoing, we recommend as follows;

- a) The Cabinet Secretary should put in place as soon as possible, a temporary measure to ensure that the processing of new leases continues.
- b) The Cabinet Secretary should finalize the regulations within the shortest time possible and forward them to the National Assembly.

Signed:

Chairman to the Council

Stephen Ambani

Secretary to the Council

Moses Kiambuthi

