



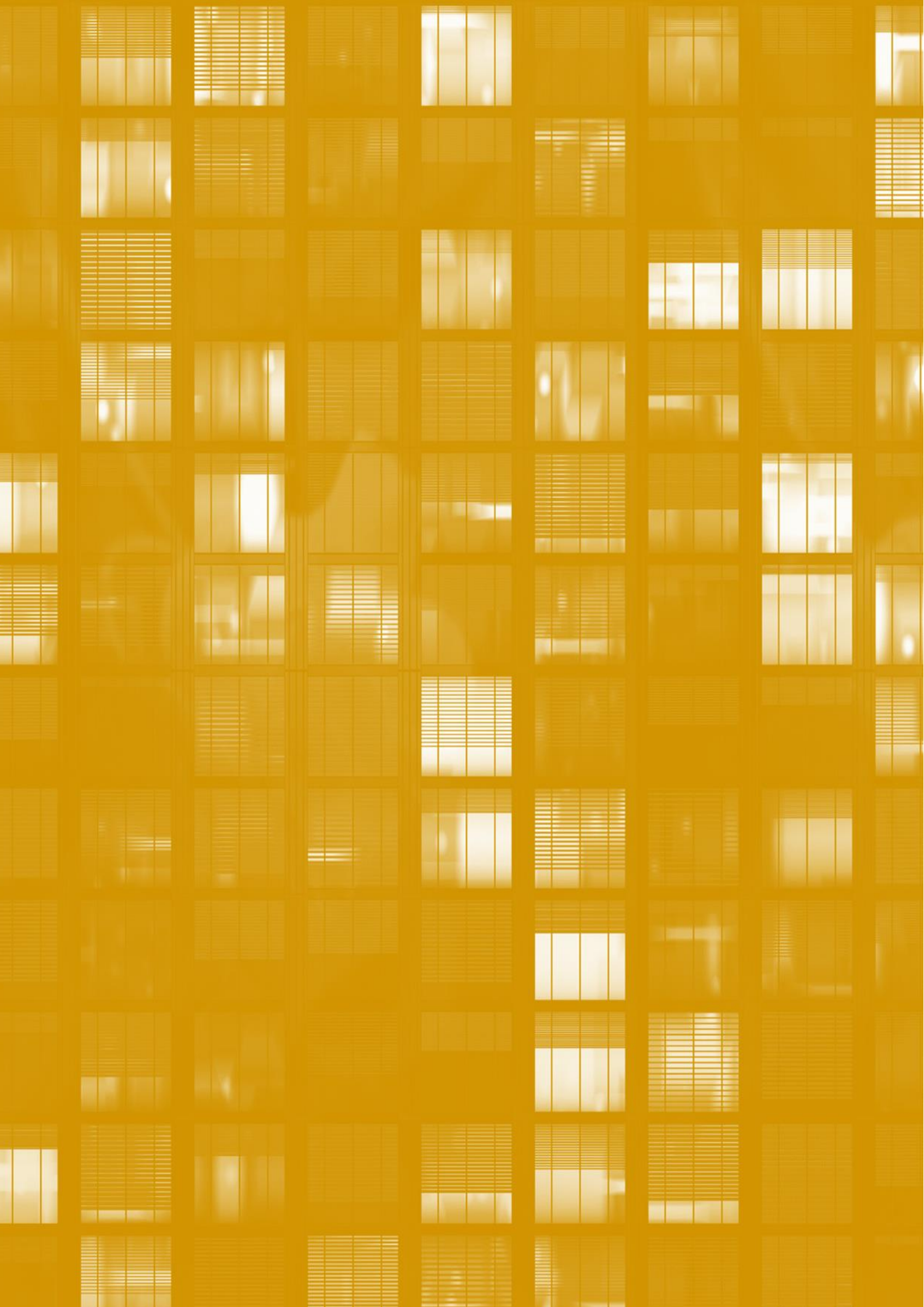
Project Information Memorandum (PIM)

Development of Purpose-Built Student Accommodation for the University of Nairobi on public-private partnership basis

Contracting authority: University of Nairobi, Kenya

March 2024





Contents

Contents	3
Background	4
About the University of Nairobi	5
Existing scenario of student accommodation at UoN	5
Need for the project	7
The Project	8
Overview of the project	9
Objective of the project	10
Project demand	10
Proposed development configuration	10
Project site	12
Scope for the project	16
Key Estimates of the Project	18
Proposed PPP structure	18
Key risk allocation	19

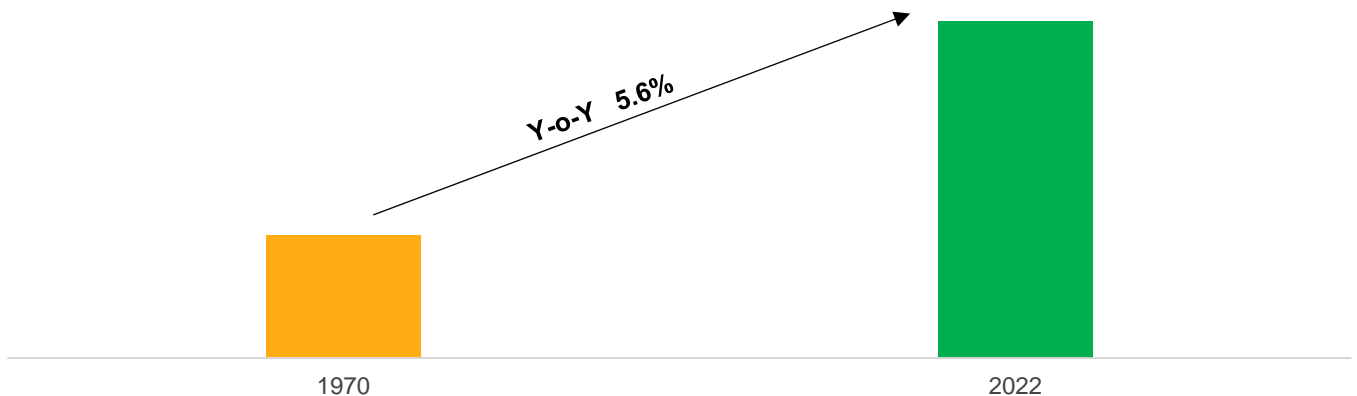
Background



About the University of Nairobi

The University of Nairobi (UoN) is the oldest, most premier and largest university in Kenya. It is mandated to provide university education and training, in addition to contributing to the discovery, transmission and preservation of knowledge. The university was originally established as Royal Technical College Nairobi. On May 20, 1964, the Royal Technical College Nairobi was renamed University College, Nairobi, and became a constituent of the Federal University of East Africa. However, pursuant to the University of Nairobi Act, 1970, the University of Nairobi was established as a university in its own right. Therefore, the Royal Technical College Nairobi was transformed into the University of Nairobi.

For a long time, the UoN has responded to the national, regional and Africa's high-level manpower training needs by developing and updating strong and diversified academic programmes in applied science, technology, humanities, social sciences, and arts. Because of this, the number of students enrolling for degree courses has increased at UoN. It has grown from a faculty-based university serving a student population of 2,768 in 1970 to a faculty-focused university serving over 47,870 students as of 2021/2022.



As of June 2023, UoN had ten faculties offering over 200 academic programmes through its

eight campuses spread across Nairobi City in Kenya.

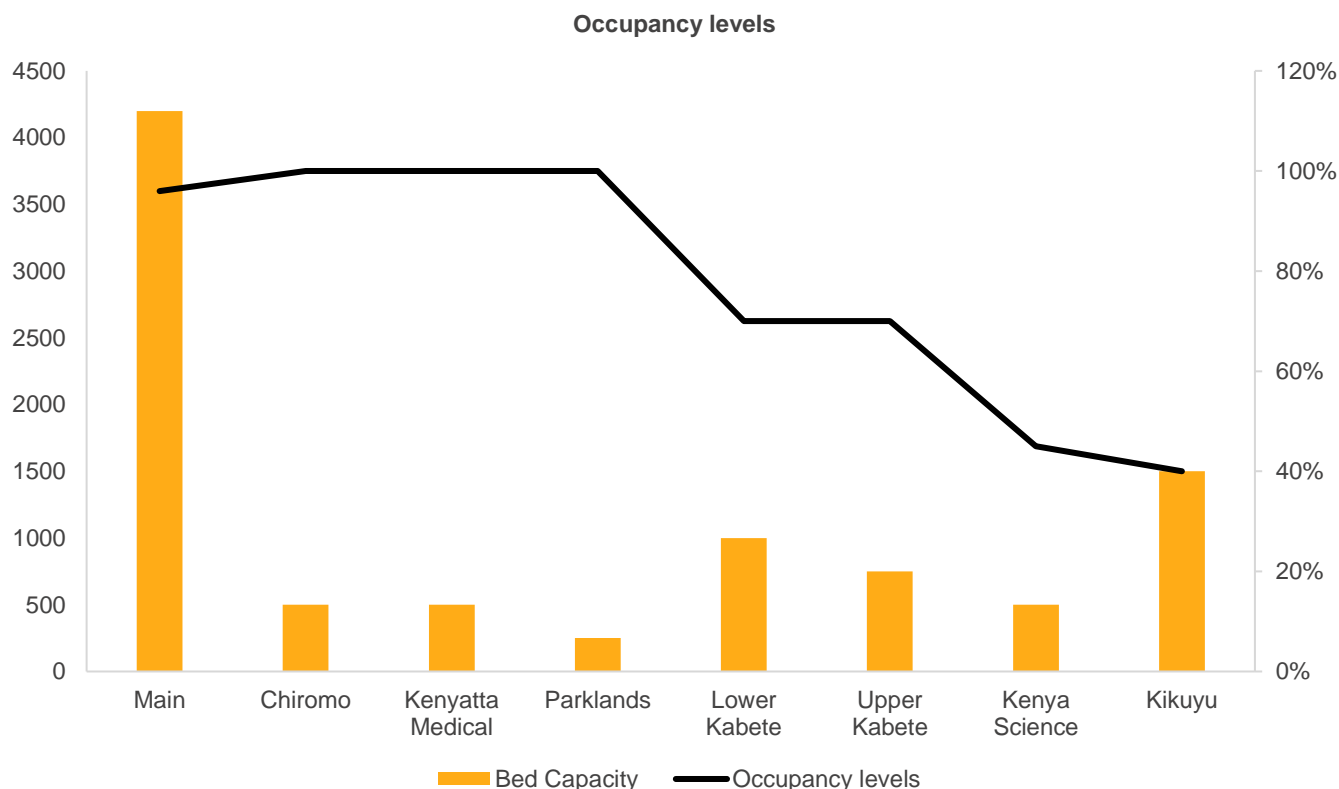
Existing scenario of student accommodation at UoN

As of June 2023, UoN has a capacity to accommodate 9,863 students in all the existing halls of residence across its eight campuses. This means that only 21% of the enrolled students can be accommodated in the university hostels; the remaining 79% students are forced to find accommodation elsewhere. Of the 9,863 beds, 5,386 beds were for male students, 3,346 for female students, and 1,131 under mixed-used

facilities (a big hostel with separate wings for male and female students). Presently, UoN offers only single and double occupancy room configurations at these hostels.

Hostel occupancy varies across campuses. Demand from three targeted campuses i.e., Main Campus,

Chiromo Campus and Kenyatta Medical Campus, has surpassed supply.



Chiromo Campus and Kenyatta Medical Campus have one hostel unit each. Main Campus has four hostel units, i.e., Upper State House, Lower State House, Women’s Hall, and Mamlaka. The structure of hostel buildings at these three campuses varies from

G+2 (ground plus two floors) to G+5 (ground plus five floors). Further details on the capacity of the halls of residence at these campuses is provided in the table below.

Campus	Number of students				Total
	Male		Female		
	Single occupancy	Double occupancy	Single occupancy	Double occupancy	
Kenyatta Medical Campus	140	304	5	170	480
Chiromo Campus	1	112	138	82	472
Main Campus	93	2,631	15	1,699	4,438
Total	234	3,047	158	1,951	5,390

As can be observed from the table, the three campuses have a cumulative bed capacity of 5,390 (majority on twin sharing), against a student strength

of more than 25,000. The shortage of student accommodation at these three campuses has prompted UoN to accept applications only from

government-sponsored students for hostel facilities. Hence, self-sponsored and surplus government-

sponsored students are compelled to look for accommodation outside UoN.

Need for the project

Focus group discussions with students and UoN staff, as well as discussions with select student leaders, revealed almost all the UoN students, including those from Nairobi City, require hostel facilities. Demand for student accommodation at UoN has increased for several reasons. University hostels provide a conducive and participatory learning environment. Additionally, their proximity to the classes/ campuses saves time and money spent on transportation. Moreover, it allows students to avoid the inefficient public transportation system and safety issues faced during daily commute.

Primary research undertaken and discussions with key stakeholders indicate the following aspects that underpin the business need for the proposed project:

- UoN is presently able to accommodate only 20% of the students studying at three targeted campuses
- UoN hostels lack modern facilities that are offered by formal student accommodation providers

- UoN hostels lack of facilities for students with special needs
- Inadequate upkeep and maintenance of the facilities being offered, resulting in those becoming unusable
- Constraints and challenges faced by students staying outside UoN campuses such as time and cost for commute, lack of hygienic living conditions, space constraints, safety and security during commute, etc.
- Additional costs to students staying outside UoN, making education even more expensive and unaffordable

To address these issues and bridge the gaps in the service delivery, UoN intends to develop the proposed project equipped with modern facilities to accommodate at least 4,000 students pursuing courses at three of its campuses, i.e., Main Campus, Chiromo Campus and Kenyatta Medical Campus.



Number of Challenges faced by students staying outside UoN in accessing facilities

145 out of 266 responses received











- Sub-standard facilities
- Inadequate number of washrooms
- Lack of sanitary and cleanliness
- Incidents of theft
- Unavailability of continuous water and power supply

The Project



Overview of the project

Considering the huge demand-supply gap of students accommodation facilities at UoN, the university is looking to develop a purpose-built student accommodation (PBSA) project on public-private partnership (PPP) basis. The proposed project is expected to provide safe, healthy and affordable hostel accommodation to at least 4,000 students studying at UoN's Main Campus, Chiromo Campus and Kenyatta Medical Campus. The project will be equipped with all modern amenities and facilities with the following bare minimum amenities/facilities.

 Premium rooms	 Economy rooms		
Bed 	Study table 	Study chair 	Large window 
Wardrobe with locks 	Basic electrical fittings (near bed as well as study table) 	En-suite washroom 	Sink 

Common

Adequate number of toilets and washrooms on each floor



Separate ablution area in washrooms and taps in water closets



Dedicated space for washing and drying of clothes



Quiet study rooms



Kitchenettes



Sitting and entertainment area



Indoor games



Outdoor games



Mess/canteen /dining halls



Preliminary medical facilities/Infirmary



Hi-speed Wi-Fi within residential blocks



CCTV camera across all common areas



Access-controlled entry to residential spaces



24X7 security guards



Adequate parking spaces for residents as well as visitors



24X7 power backup



Retail spaces



Accessible to all washrooms



Tactile paths



Braille-enabled signages



24X7 water supply



Dedicated twin-sharing rooms for differently abled students (on ground or first floor)



Ramps for better accessibility throughout the hostel premises



The project would enhance the accommodation capacity from 5,400 to 9,400 against the total demand for 25,000 beds. At least 30% of the project capacity will be created for female students and 0.15% for differently abled students. The proposed project is expected to improve the overall learning environment for the students and ease the constraints they face at present by staying outside the campuses.

The project will improve access to educational facilities and peer-based learning opportunities; provide safer, more secure and hygienic accommodation facilities, benefitting women in particular; reduce the overall cost and time incurred by students; promote student health and well-being; among other advantages.

Objective of the project

Key objectives of the proposed project are as below

- Partially address the gap in the student's accommodation capacity at UoN
- Allow UoN to offer modern facilities and amenities to the students of UoN
- Provide safe, secure and hygienic accommodation facilities to the students of UoN
- Design and develop the project in environmentally sustainable manner

Project demand

UoN's total student enrolment figure for 2021-22 stood at 47,870; of this, some 26,233 students are studying at the target campuses. Further, student enrolments are expected to increase at 2% over the next few years, which will boost student enrolments to 27,839 for the three target campuses by 2024-25.

The potential demand-supply gap, considering the existing capacity to accommodate 5,390 students at

the target campuses, is estimated at 22,449 students. Given the proposed project aims to provide modern and comparable facilities and a conducive learning environment to students at a location in vicinity of the university campus and at competitive prices, the project is projected to attract at least 40% (on a conservative basis) of the ~22,500 students. Hence, the potential bed demand for the UoN PBSA project stands at ~9,000 beds.

Proposed development configuration

UoN identified three land parcels for development of student accommodation, at **Mamlaka, Harry Thuku Road and Chiromo**. The team developed the configuration across all three sites with 50% (~2,000 students) of the total envisaged capacity at Mamlaka site and 25% (~1,000 students) each at Harry Thuku and Chiromo where unit sizes have been optimized to make units affordable for students. There is also a possibility accommodating all the 4000 beds in the

large campus of Mamlaka which is being evaluated by UoN.

The Mamlaka site has an approximate area of 14.3 acres with a developable area of around 8.72 acres. The neighbours side easements will have a 2.4 meters setback. The 18 meters Dorobo Road reserve receives a 9-meter setback while the 12 meters Mamlaka Road reserve will receive a 6 meters setback as dictated by the Physical Planning Handbook, 2002.

The Harry Thuku site has an approximate area of 3.7 acres and a developable area of around 2.1 acres. The neighbours side easements will have a 2.4 meters setback. The 12 meters Harry Thuku Road reserve receives a 6-meter setback while a 30 meters riparian reserve has been left from Nairobi River as dictated by the Environmental Management and Coordination Act 2015.

The Chiromo site has an approximate area of 8.27 acres and a developable area of around 1.92 acres.

The neighbours side easements will have a 2.4 meters setback. The 12 meters Riverside Drive Road and the access road to 14 Riverside receives a 6-meter setback while a 30 meters riparian reserve has been left from Nairobi River as dictated by the Environmental Management and Coordination Act 2015.

The room sizes of various types of student rooms are optimised to ensure affordability and are comparable to market standards.

Mamlaka Site

- 8.72 acres of developable area
- Accommodating ~2000 students

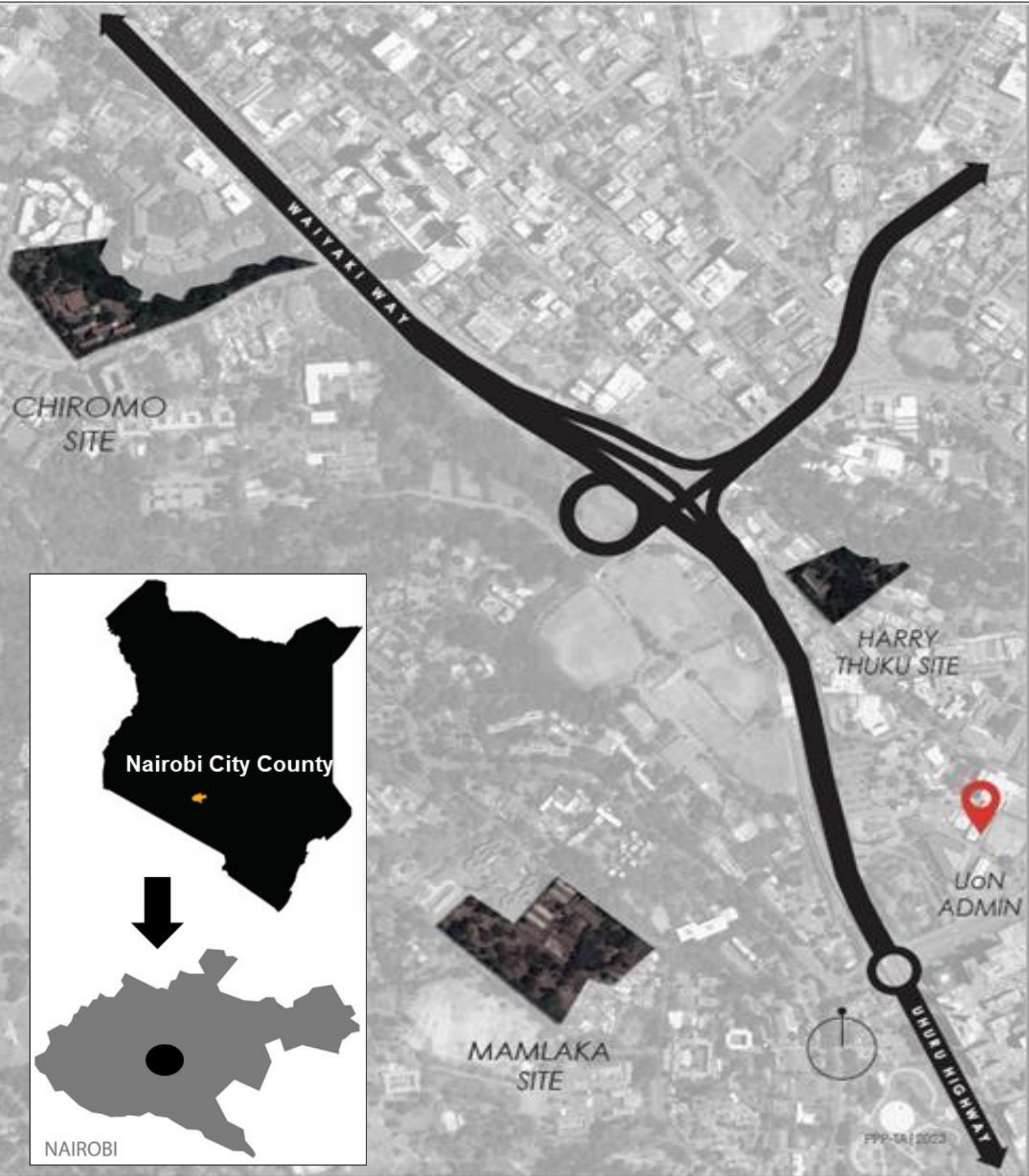
Harry Thuku Site

- 2.1 acres of developable area
- Accommodating ~1000 students

Chiromo Site

- 1.92 acres of developable area
- Accommodating ~1000 students

Project site





UoN has identified three land parcels for the proposed development at following locations

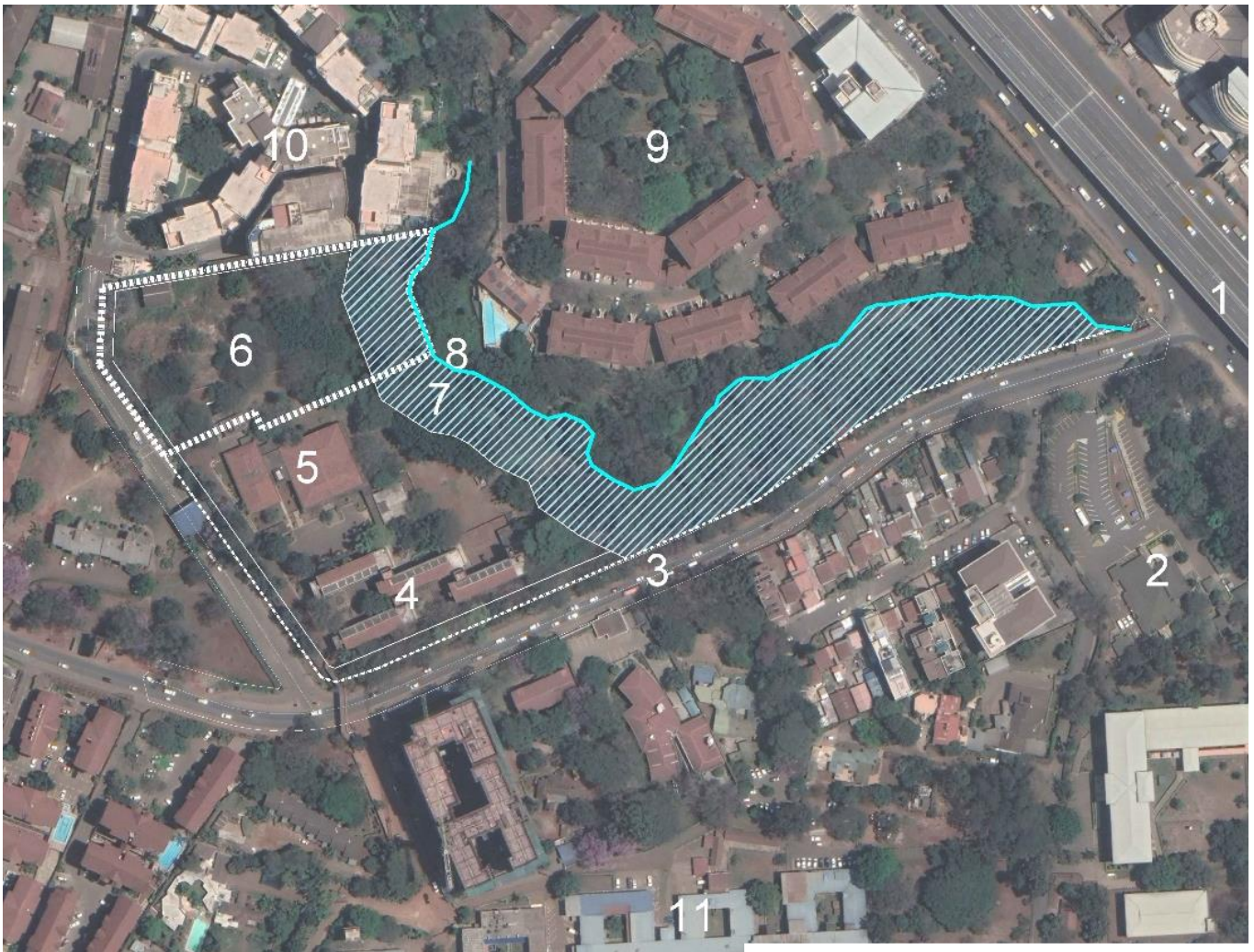
- i. **Mamlaka site** - Part of the larger plot located on the Mamlaka Road in Nairobi City, it is currently under the UoN's possession. The total area of the plot is around 14 acres, out of which UoN's hostels and ancillary facilities are set up over 3.5 areas of land, about 1 acre of land is occupied by Kenya Power and Lighting (KPLC) sub-station, and around 8.72 acres of land is available for the proposed project. The site is abutting Mamlaka Road on north-eastern side and Dorobo Road on north-western side. Students staying in the existing hostels located inside the plot prefer to walk to the Main and Chiromo campuses through Mamlaka Road, given its proximity to both the campuses. The university offers a shuttle service for students staying at this location but studying at the Kenyatta Medical Campus. An aerial view of the site is provided below:

- 1: Kivemia Road
- 2: Existing Mamlaka A Hostels and Ancillary Facilities
- 3: KPLC Substation
- 4: Mamlaka Road
- 5: Existing Prefab Hostels
- 6: Existing Standalone House along Dorobo Road
- 7: Dorobo Road
- 8: State House Road



- 1: Harry Thuku Road
- 2: Norfolk Towers Serviced Apartments
- 3: Nairobi River
- 4: Riparian Reserve
- 5: Site
- 6: Hotel Boulevard
- 7: Nairobi Expressway
- 8: Kenya Broadcasting Corporation (KBC)

ii. **Harry Thuku Site** - Located on Harry Thuku Road in Nairobi City, the site is currently under the UoN's possession. The total area of the plot is around 3.7 acres; a UoN hostel building is in this area that accommodates international students.. About 1.32 acres of the land is the riparian reserve. Around 2.11 acres of land is available for the proposed development. The site is accessible from Nairobi Expressway and University Way via Harry Thuku Road. Since the site is situated approximately 500 metres from the Main Campus, students walk to the campus. An aerial view of the site is provided below:



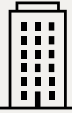
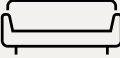





iii. **Chiromo Site** - Located on Riverside Drive in Nairobi City, the site is currently under the UoN's possession. The total area of the plot is around 8.27 acres out of which UoN's hostels and ancillary facilities are set up over 3.8 acres of land; about 2.51 acres of the land falls under the riparian reserve. Around 1.92 acres of land is available for the proposed development. The site is accessed from Nairobi Expressway via Riverside Drive. Since the site is situated approximately 1,500 metre from the Main Campus and 400 metres from Chiromo Campus, students residing at the site can walk to access these campuses.

- 1: Nairobi Expressway
- 2: UON Chiromo Funeral Parlour
- 3: Riverside Drive
- 4: Existing Hostels
- 5: Existing Dining Hall
- 6: Site
- 7: Riparian Reserve
- 8: Nairobi River
- 9: Riverside Park
- 10: Dusit D2 Hotel
- 11: UoN Chiromo Campus



Scope for the project

The overall scope of the project would be to build a modern purpose-built student accommodation, complying with international and local standards, for approximately 4,000 UoN students. In addition to being affordable, the hostel should provide a safe and conducive learning environment to the students. The developer could optimize the development of the student accommodation facilities either on one site or all of the sites or all of the sites to provide 4,000 beds to the UoN. The table below provides the minimum output specifications for the proposed project.

Facility	Output specifications
 <p>Student hostels</p>	<ul style="list-style-type: none"> • Total bed capacity to be created – at least 4,000 beds <ul style="list-style-type: none"> – Capacity of female hostels – At least 30% – Capacity for differently abled students – At least 0.15% • Minimum area of the rooms <ul style="list-style-type: none"> – Single occupancy – ensuite rooms – 9 -11 sq metre – Single occupancy – economy – 6 - 8 sq metres – Double occupancy – ensuite rooms – 11 - 14 sq metre – Double occupancy – economy – 9 -14 sq metre – Quad occupancy – economy – 10 - 18 sq metres
 <p>In-room facilities</p>	<ul style="list-style-type: none"> • 1 bed per student measuring – 3 X 6 ft • 1 set of study table and chair for each student • 1 full size wardrobe measuring – 600 mm long • Well-lit rooms with electric sockets • Curtains on the windows
 <p>Facilities for specially abled students</p>	<ul style="list-style-type: none"> • At least 0.15% dedicated twin-sharing rooms for specially abled students (preferably on ground and first floors) • Dedicated ambulant and accessible washrooms • All buildings and their designs should be disabled-friendly • Use of tactile paths across various key locations within the premises • Braille-enabled signage • Ramps for better accessibility throughout the hostel premises
 <p>Minimum facilities on each floor</p>	<ul style="list-style-type: none"> • One WC per every 15 male students • One WC per every 10 female students • One urinal per every 10 students • One handwash basin per every 10 students • One bath or shower per every 10 students • One bath or shower per every 8 female students • One drinking water fountain for every 20 students • A sanitary disposal facility • Adequate laundry and storage facilities
 <p>Other common facilities</p>	<ul style="list-style-type: none"> • A mess/ canteen facilities/ Dining hall - not less than 1.25 sq metre of floor area per student; • An indoor games and gym facility measuring at least 900 sq meter • Access-enabled hostel rooms • Security and surveillance for common areas • Courtyards, green spaces, and open spaces – at least 70% of the land area
 <p>Supporting infrastructure</p>	<ul style="list-style-type: none"> • Water supply system • Sewerage system • Drainage system • Solid waste management (SWM) • Rainwater harvesting mechanism
 <p>Compliance to IFC, EDGE and other green building regulations</p>	<ul style="list-style-type: none"> • Achieve at least Level 1 EDGE Certificate

Key Estimates of the Project

The project development options were evaluated whereby the student accommodation of 4000 beds was estimated to be developed on the Mamlaka site as well as an option for development of the similar capacity on all 3 sites. The construction period is

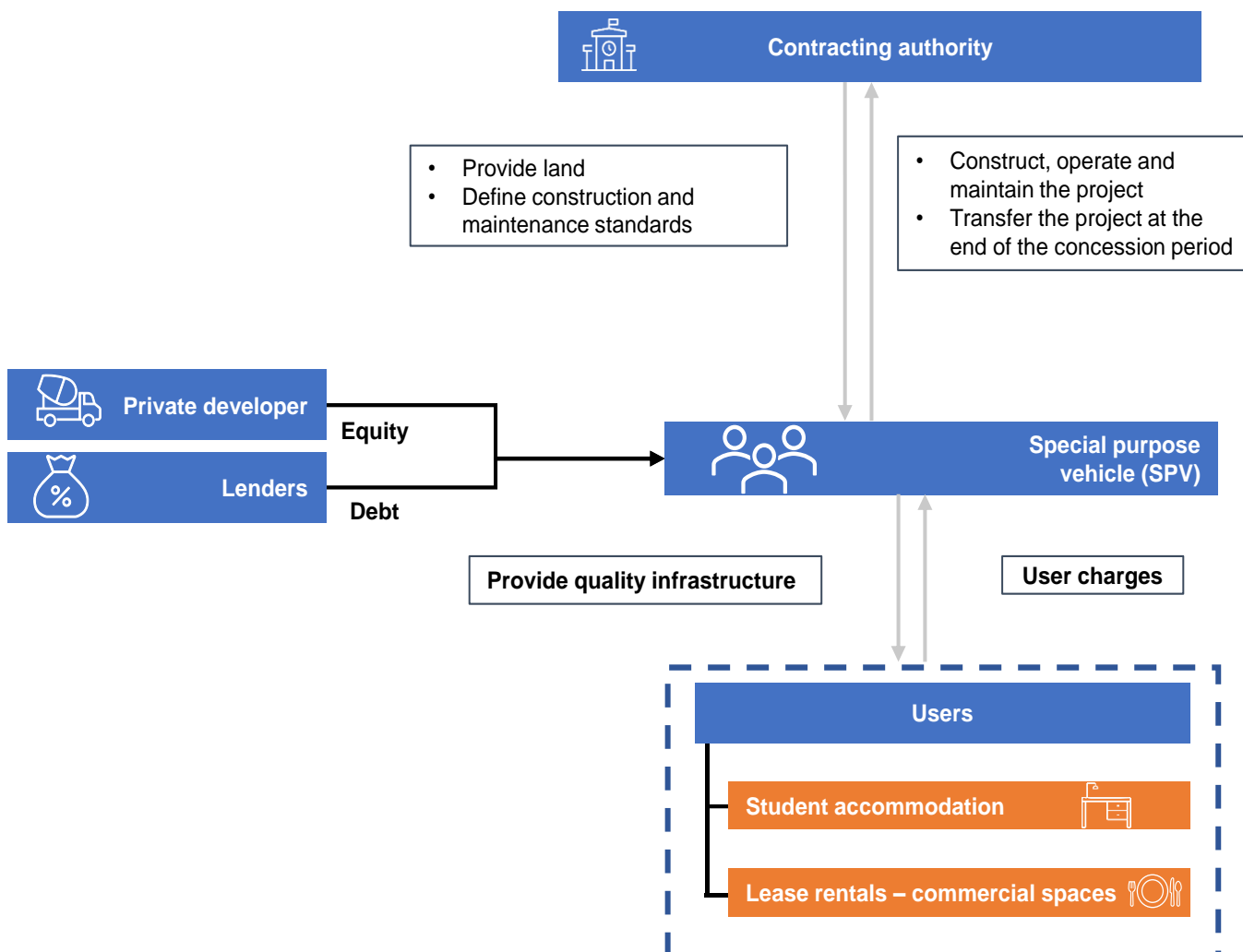
estimated to be completed in 2 years. The optimized development on the Mamlaka site results in lower construction cost and higher occupancy on account of the proximity to the admin building.

Proposed PPP structure

Based on the evaluation of various PPP models, it has been decided to structure this project on the user charge PPP model, also known as the DBFOT model. Herein, the private developer would be responsible for designing, building, financing, operating and maintaining the facility, and finally transferring the facility at the end of the concession period for 30 years

to the contracting authority. The UoN will be responsible to sub-lease the land parcel to the private developer for the duration of the PPP agreement in addition to providing support in securing the necessary approvals/ clearances/ permits and finance for the project.

The figure below provides a quick overview of the proposed PPP structure:



The notable features of the proposed PPP structure include:

- **Sources of revenue:** Two key sources of revenue from the proposed PPP project: i) user fees from the students occupying the rooms, and ii) lease rentals collected from operators of retail and commercial spaces inside the hostel complex
- **User fee for student accommodation:** The PPP agreement would clearly specify the user fees for various room categories and yearly escalations that would be charged by the selected developer. However, the selected developer would be free to decide a mutually agreeable lease rental with the operators of retail and commercial spaces.
- **Project duration:** The total duration of the proposed PPP agreement would be for 20-30 years, commencing on the effective date and subject to meeting the conditions precedent as mentioned under the PPP agreement. The

duration of the agreement is proposed to be fixed for 30 years to ensure the financial viability of the proposed project and enhance its attractiveness to private developers. The 30-year period would include construction (~2 years) as well as operations (~18-28 years) phases. This will incentivize the private developer to quickly complete the construction and start generating revenue from its operations. This will help ensure construction is completed expeditiously, and the desired facility is available for usage by the students at the earliest feasible time.

- **Minimum construction and maintenance standards:** The selected developer would need to meet at least the minimum defined construction and output specifications as defined in the technical due diligence section of this report, as well as the minimum defined maintenance standards

Key risk allocation

The table below summarises allocation of the key risks identified in the proposed project.

Key risks	UoN	Project company	Shared
Land availability	✓		
Suitability of land		✓	
Risk of securing required permits and approvals		✓	
Financing risk		✓	
Design risk		✓	
Construction risk		✓	
Operation & maintenance risk		✓	
Performance risk		✓	
Revenue risk		✓	
Environmental risk		✓	
Social risks		✓	
Force majeure risk			✓

Based on the above-mentioned development option, project structure and risk allocation along with other key assumptions related to capex, opex, revenue,

etc., the project has been found to be financially and economically viable, over a concession period of 30 years for a DBFOMT PPP structure.

