THE EFFECT OF REAL ESTATE DEVELOPMENT ON
THE GROWTH OF ESTATE AGENTS IN NAKURU
MUNICIPALITY

BY

LAWRENCE KOECH

ADM: D53/NKU/PT/21266/2010

A RESEARCH PROJECT SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS OF THE
DEGREE OF MASTER OF BUSINESS
ADMINISTRATION, (FINANCE), SCHOOL OF
BUSINESS, KENYATTA UNIVERSITY.

MAY, 2013
DECLARATION

This research project is my original work and has neither been presented to any other examination body or university.

Signature........................................ Date...........................................

Name: Lawrence K. Koech
Registration number: D53/NKU/PT/21266/2010

This research project has been submitted for examination with my approval as the university supervisor.

Signature........................................ Date...........................................

Joseph M. Theuri
Lecturer
Department of Accounting and Finance

This research project has been submitted for examination with my approval as the chairman of the department.

Signature........................................ Date...........................................

F.S Ndede
Chairman
Department of Accounting and Finance
ACKNOWLEDGEMENT

Special thanks goes to my supervisor for his positive critique of my project and for his guidance in making my project met the set standards and be a resource for the Real Estate Industry. I also appreciate the support of the Kenyatta University library staff, colleagues and my family for their assistance and providing resources in the course of doing my project.
ABSTRACT

This research project is meant to identify the impact of Real Estate Development in the growth of Real Estate Agents in Nakuru Municipality. The occupation of real estate broker or real estate agent began in the early nineteenth century. Prior to the mid-nineteenth century, most sales of real property involved lawyers and business persons but not real estate agents as we have come to know them. In some instances, parties to real estate sales had employees who handled the transactions, but those employees were not considered real estate agents or brokers. In light of this the objectives of the study was to assess the growth as well as identify services the Estate Agents offer to the public. Furthermore, limitations which restrain Estate Agents were identified as well as ascertain if their services has benefited the public. The study was also centered on factors affecting Estate Agents as well as Property Development thus giving a clear picture on their interdependence in regard to access to the Real Estate Market. The sample was selected using random technique. The study used primary data collection method via a questionnaire to collect data on impact of Property Development in Estate Agent Growth. The researcher approached the respondents and requested them to participate in the survey. The data that was collected was recorded in tables to analyze the data; average scores for the responses per item will be calculated. After completion of the research, research the findings were published and copies distributed to the university library.
LIST OF ABBREVIATION

CBD- Central Business District
CDC- Commonwealth Development Corporation
DOJ- Department of Justice
FTC- Federal Trade Commission
GAO- Government Accountability Office
GDP- Gross Domestic Product
IFC- International Finance Corporation
KPDA- Kenya Property Developers Association
MLS- Multiple Listing Services
NAR- National Association of Realtors
NGO- Non Governmental Organization
NSSF- National Social Security Fund
PIRI- Prime International Residential Index
RED- Real Estate Development
REITs- Real Estate Investment Trusts
SWFs- Sovereign Wealth Funds
U.K- United Kingdom
U.S.A/US- United States of America
UN- United Nations
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CHAPTER ONE

1.0: Introduction

This chapter of the proposal contains the background of Real Estate as well as comprehensive definition of a Real Estate Agent. It will also contain the statement of the problem, objectives, research questions, significance of the study, scope of the study and limitation of the study.

1.1: Background of the Study.

English real estate law (or 'Estate Law' as it was known back then) was imported, through colonization, into the earlier forms of law in the U.S.A., Canada, Australia and New Zealand. Many of these states, or their territories, have since modified this historical law, to varying degrees. A study of the old feudal land system of England provides us with an invaluable glimpse of legal history regulating the most valuable asset of them all: land. In medieval times, land was the sole form of wealth and it depended primarily on possession. You had it, you owned it. You wanted it, you fought for it. You found it, you kept it. There were no courts or police force ready to recognize or enforce legal rights as we know them today. All this changed with the Norman conquest of England in 1066. William decreed that he owned all of the land in England by right of conquest. Not one acre of England was to be exempted from this massive expropriation. This sudden vacuum of privately-held land was promptly filled by a variety of huge land grants given by the new King to either his Norman officers or to those of the English who were ready to recognize him as king. The device used by the King to control and administer his land was that of tenure. Tenure was the key component of the feudal system. The King struck a bargain with a Lord for a large chunk of land. The Lords that held their tenure directly from the King were called Tenants-in-chief. It was this group of
persons who formed the basis of English aristocracy and began, by the process of subletting the King's land, the implementation of the feudal system. (Luigi Frascati, 2005)

Tenures were of a variety of duration known as "estates" and the Fee Simple Estate was the most extensive and allowed the Tenant to sell or to convey by will or be transferred to the Tenant's heir if he died. In modern law, almost all land is held in fee simple and this is as close as one can get to absolute ownership in common law. It was in this context that the British began their dominion over the seas and their explorations which led to the modern nations of Australia, Canada, New Zealand and the United States of America. The concept of developing an informal association of local real estate agents originated in the United States in the 1880s, and by the turn of the century about 15 Real Estate Boards had been established. The National Association of Realtors (NAR) was formed in the U.S. in 1908 with 19 boards and one state association. Organized real estate in Canada is almost as old as the country itself. The very first Real Estate Board was set up in 1888 in the growing community of Vancouver. Back then, a commercial lot on Hornby Street near the Hotel Vancouver sold for $600. The Vancouver Board - as it was known then - was active until the start of the First World War, when operations were suspended. It resumed in 1919, and has been operating ever since. (Luigi Frascati, 2005)

Already half of the world’s population lives in urban centers and one third of them in slums. This figure is expected to increase by one billion in a decade and slums will grow at an accelerated pace unless 35 million housing units are made available annually (UN-Habitat, 2002). Virtually all this growth takes place in developing countries. Poverty and urbanization are interconnected and multidimensional. They relate with economic issues such as income, labor market; social issues like public infrastructure, shelter, environmental and physical
issues. Therefore, to end poverty and achieve sustainable urbanization, a comprehensive view and concerted action on these dimensions is necessary.

For the above reasons, rapid urbanization must have an intermediary to make access to property easy, this is where estate agents come in. Real estate brokerage firms exist to provide information to sellers and buyers. A number of studies examine the market for brokerage services and how it influences brokerage firm characteristics, such as firm size and other attributes. For example, an early study by Jud (1983) analyzes the factors that influence the decisions of home buyers and sellers to use the services of a broker. For sellers, the decision to list with a broker rather than attempt to sell by owner depends on transaction costs in the housing market, most especially the cost of the owner’s time. Sellers who plan on moving outside the local area and high income sellers are substantially more likely to use a broker than others. For buyers, the decision to consult a broker during a housing search is determined primarily by the buyer’s prior knowledge of the housing market and the opportunity cost of the buyer’s time. Buyers moving into the local area from outside and higher income buyers are more likely to consult a broker, but new home buyers are less likely to consult a broker. Jud suggests that new homes are more widely advertised by builders and thus easier to locate without broker assistance. More recent work by Zumpano, Elder and Baryla (1996) confirms that buyers with higher opportunity costs and less information about local market conditions are most likely to consult a broker during their search for housing.

Real estate developers in Nakuru have stepped up investments in commercial buildings as banks, learning institutions and the retail sector drive demand for space. Several banks, retail superstores, colleges and universities have taken up commercial space in the town and across the county in the last three years, exciting the local real estate market.
According to the recent Central Bank of Kenya (CBK) Bank Supervision Survey for 2011, Nakuru County had the third largest branch network of banks with 52 bank branches, after Nairobi’s 465 and Mombasa’s 98 branches. The bulk of bank branches are located in Nakuru town, which also had two operating Forex bureaus as at December 2011, according to the survey. The banks are competing for commercial space with learning institutions setting up mini-campuses in the town, while major retail chains have returned to the town with Uchumi, Nakumatt, Tuskys and Naivas having opened outlets within the last two years. (Damary, 2012)

Nakuru is Kenya’s third largest residential town after Nairobi and Mombasa and was rated the fastest developing town in sub-Saharan Africa in 2011 by the UN habitat. Prices for commercial space have more than doubled in the last four years with office space costing up to Sh60 per square foot from about Sh30 in 2008. The high demand has been triggered by large corporate institutions such as banks, supermarkets, universities and colleges in town which normally require huge space.

The Municipal Council of Nakuru last year issued notice to owners of old buildings in the CBD to demolish them and put up new, higher density buildings in bid to maximize use of vertical space. (Damary, 2012)

1.2: Statement of the Problem

The aim of this research is to interrogate the reasons behind the growth of Estate Agents with property development being the foundation stone. Urban areas are hubs of dynamism, change and opportunity but they are also places of exploitation, disease and unemployment. The provision of adequate shelter in urban areas is one of the most pressing challenges facing the nation in the new millennium. For the country to realise the expected future output of housing stock the Government will rally all actors in both public and private sectors. The combination
of all the factors of housing production as outlined in the review embracing finance, land, research and institutional arrangement will form basis for the preparation of housing development programmes. The Government, local authorities, NGOs, Co-operatives, Banks, Building Societies, Regional Development Authorities and individuals are called upon to step up their efforts several folds to ensure that the present untenable housing situation is contained. (Republic of Kenya, 2004)

For the above reasons Estate Agents have a huge role to play in acting as an intermediary between owners as well as investors in property development and tenants as well as potential property buyers. Due to the provision of these services it is therefore paramount to ascertain if there is any growth of estate agents firms.

1.3: Objectives of the Study

1.3.1: General objective

The main objective of this study was to determine the effect Real Estate Development on growth of Real Estate Agents.

1.3.2: Specific Objectives

i. To find out if increase in property development has lead to growth of Real Estate Agents.

ii. To indentify if there is an increase in the number of clients who want to buy newly constructed property.

iii. To find out if investment in new property development has lead to increase in the amount of rent and lease thus more commision for agents.

iv. To ascertain if the post election violence of 2007 affected the growth of estate agents.
1.4: Research Questions

This study was guided by the following research questions:-

i. Has property development lead to growth of Real Estate Agents?

ii. Have there been an increase in the number of potential buyers interested newly constructed property?

iii. Has investment in new property development lead to increase in the amount of rent and lease fees?

iv. Has the post election violence of 2007 affected the growth of estate agents?

1.5: Significance of the Study.

Management of RED will benefit from the awareness that will be created in addressing factors that affect activities of agents. This will improve the business relationship the property owners have with estate agents who are also the estate managers. The study also provides useful data to policy makers for formulating appropriate policies and programs that will benefit the fast growing property market.

Furthermore, the study will facilitate information to young and budding entrepreneurs who want to enter the RED business or rent/lease space or housing, this will in the long run increase the clientele base of agents because their business is better understood by a wider audience.

Competitiveness in agency business will also increase as the Real Estate Developers as well as potential property buyers will have an insight of how their agents run their business thus will engage with agents that have the best marketing strategies that will give them value for their investment.
An insight to operations and growth of Estate Agents will be a resource to potential to new agents who want to have more information on how to survive in the fast growing, robust and a cut throat competitive Real Estate Industry in Kenya and other similar markets globally.

1.6: Scope of the Study

The research was based in Nakuru Town (CBD) where many Real Estate Agents are set up as well as construction of new ultra modern real estate projects. The researcher determined if at all these Real Estate Ventures have played a role in the growth of these agents. The period under study to determine the growth was between 2007-2012, a span of five years.

1.7: Limitations of the Study.

The Real Estate Agents hesitated in giving some of the confidential information especially regarding their performance. This is because of the stiff competition in the property market. Furthermore some of the respondents were semi- illiterate.
CHAPTER TWO

2.0: Literature Review

This chapter will highlight on the literature of how Real Estate Development facilitates growth in the Kenyan economy as well as in the international arena. It will also focus on the property financing as well as land classifications. Most importantly literature on Real Estate Agents and its laws will be discussed.

2.1: Introduction

Real estate agents are licensed experts specializing in real estate transactions. They sell this knowledge about local real estate markets and provide services associated with the purchase and sale of properties on a commission basis. For home sellers, agents are typically involved in advertising the house, suggesting listing prices, conducting open houses, and negotiating with buyers. For home buyers, agents search for houses that match their clients' preferences, arrange visits to the listings, and negotiate with sellers. In addition, they frequently provide suggestions on a host of issues related to changes in property ownership, such as home inspections, obtaining mortgage loans, and finding real estate lawyers. (Panle and Parag, 2011)

The agent’s aim is to make a direct financial profit from the fees charged to their client (be it the developer or occupier) for carrying out a professional service. In the case of introducing one party to another they only receive a fee if the transaction is completed (e.g. the property is let) but it is nearly always related to the value of the transaction in percentage terms. They maybe instrumental in initiating the development process, either by finding a suitable site for a developer or advising a landowner to sell a particular site due to its development potential.
Unless they are retained by a developer to specifically find sites to suit a particular use, they take the initiative in identifying suitable sites and ‘introduce’ them to developers. In addition they will introduce sites to those developers who they consider have the appropriate expertise and resources to both acquire the site and complete the development. The agent will negotiate with the landowner on the developer’s behalf and then advise the developer on all matters relating to the evaluation stage. In return they may secure not only a fee for introducing the site (usually related to the purchase price) if the acquisition stage proceeds, but they may also secure appointment as post-completion letting and/or funding agent for the development scheme. Even though it can often be a lengthy and time-consuming process for the agent, the rewards can be high. If an agent acts for a landowner then they advise on both the likely achievable land value and the likely market for the site (Sara and Richard, 2008).

Agents may be used by developers to assist them in securing the necessary finance for a development scheme due to their knowledge of the requirements of the financial institutions or banks. Furthermore, many institutions retain agents to advise them generally on their property investments including development funding: they may specifically find development opportunities for their client to fund. The institution’s agent will normally advise their client throughout the process and be one of the letting agents on the scheme. Some of the larger or more specialist firms of chartered surveyors, with financial service divisions, may act as financial intermediaries arranging funding packages with banks and other institutions in return for a fee related to the size of the loan. (Sara and Richard, 2008)

Agents are widely employed by developers as letting or selling agents, where they provide that all important link between developer and occupier. In performing this role they should be
involved from the start of the development to enable them to advise the developer on the occupier’s viewpoint. However, unless they have a specialist marketing department they usually cannot give total comprehensive advice on the precise requirements of the market. A developer will need to commission market research to obtain more detailed knowledge of the specific market for the completed development. Some developers may employ an in-house team, although the advantage of the agent is their knowledge of the market in general and their contacts with potential occupiers or their agents. (Sara and Richard, 2008)

2.1.1: Property Development Impact in Economy

Kenya's economic revival has seen the construction and real estate sector grow very rapidly and the sector is projected to grow annually by 16.7 percent on average, its GDP rising from 2.3 percent in 2002 to 4.2 percent in 2007 according to the Economic Recovery Strategy for Employment and Wealth Creation government report. This growth has seen the consumption of cement and construction materials increase phenomenally. Much of the cement is used in the much-needed road construction and maintenance, with major companies such as East African Portland Cement Company (EAPC) and Bamburi Cement making strong contributions.

In recent years, the real estate market has gained more interest from investor seeking investment opportunities that offer a risk and payoff that lies between the more risky and the less risky investment segments (Jones Lang Lasalle, 2011; Geltner and Miller, 2007). Real estate has gone from being viewed as merely a space provider to being seen as a strategic resource as a result of increased global competition and IT technology and made up about 10 – 30 percent of major European and American corporations total assets in the years between 1993 to 2001 (Ali, McGreal, Adair & Webb, 2008). The retail property market offers a wide
range of investment objects, ranging from smaller retail centers to large retail complexes. The retail property market is also made up of different types of retail centers, from small neighborhood shopping centers to big outlet shopping centers. Whatever retail center the investor is interested in, the base for the payoff of all commercial real estate investments is its tenants and thus the purchasing power these are able to attract.

Thus, investing in retail property requires a wide base of knowledge that involves knowledge in the regional economy and all the locational factors that has effect on the property as well the retail specific characteristics. Thus, there are many aspects to consider when investing in retail properties, especially when considering how the retail property market is different than other investment segments. However, investment issues have arisen due to the increasing allocation to real estate in investment portfolios as there seems to be an increasing demand for more strategic and detailed analysis of real estate when making investment decisions. Lindholm & Leväinen (2006) argue that there exists a mismatch between firm’s real estate strategy and its corporate strategy, which results in weaker real estate decisions. The authors call for a more strategic planning within corporate real estate. Colavolpe (2010) further argues that understanding the retail tenants in corporate real estate activities is of utmost importance as much time and resources are being spent on evaluating potential investments. According to Colavolpe (2010), the retail tenants might differ in size, management, sales, their exposure to consumer trends and in their positions on their market and positions towards their competitors.

With the rising of these investment issues, the need for a solid and well-informed groundwork prior to investing in retail properties is, according to many of the authors above, vital for a good investment decision. The investor needs to be able to determine which factors
that affect the demand for the retail property and to be able to develop a systematic method for evaluating them.

2.1.2: Real Estate Market

A survey conducted by Hass Consultants in association with CFC Stanbic bank in the year 2010 revealed that the Kenyan real estate sector has been vibrant for the past decade between the years 2000 to 2010. The market’s resilience is in sharp contrast to international property markets; it has also survived the local and international recession unscathed. The report also revealed that capital gains from Kenyan properties far outstrip gains from US and UK properties. There has been also an increase in rental prices which are unlikely to return to the past levels in the short run. This has eventually made the Kenya real estate market to be the winner in the international property investment amidst the indebtedness in the Western countries (Mwithiga, 2010).

The property market in Kenya has grown rapidly and become an important source of economic growth. Over the last ten years between the years 2000 to 2010, those who invested in real estate earned higher returns compared to those who traded at the Nairobi Stock Exchange (NSE), meaning that for profitable long-term investments, the property sector holds key (Jivanjee, 2010). The Kenyan banks have realized this lucrative sector and are offering mortgage products to attract Kenyans. Many middle class Kenyans now prefer to purchase their own homes rather than be tenants (Mwithiga, 2010).

2.1.3: Legislative Framework of Estate Management in Kenya

The management of real estate assets is regulated by a number of statutes. These laws regulate the leasing, transfer and maintenance of real estate. This includes the following:
The Public Health Act, which relates to maintenance of property in a good habitable condition. Specifically sanitation and housing are covered under Part IX of the Act, sections 115 to 126. The workings of this Act spells out the minimum standards to keep the property in and the consequences likely due in default. Secondly, the Landlord and Tenant Act which aims to make provisions with respect to certain premises for the protection of tenants of such premises from evictions or exploitation and other incidentals. It works as a counterpart of the Rent Restriction Act Cap 296 in commercial properties. It spells out the lease terms under the Acts control, maintenance and repair roles, payment of certain charges etc. The manager should be aware of this Act so as to manipulate the lease terms in a way to avoid controlled tenancies of commercial properties. The Distress for Rent Act, which is used for the recovery of rent arrears. Other notable statutes include, The Registered Land Act, The Local Government Act, Factories Act, the Building Code, Occupiers Liability, Sectional Properties Act and the Estate Agents Act which governs the property management profession for the managers are estate agents, the principals being the property owners. (Catherine and Nicky, 2010)

The having of several laws governing property has several disadvantages, among them, transactions in property take a long time to be completed. These delays lead to buyers and sellers being penalised for non payment of rates or ground rent. Not everyone knows the laws that govern a particular property and the lay man is forced to engage lawyers and estate agents, making transaction more expensive. Some sellers take advantage of the lack of information to sometimes sell to several buyers. (Catherine and Nicky, 2010)

2.2: Theoretical Literature

2.2.1: Effect of Agency service and its Influence on Firms.

Real estate brokerage firms exist to provide information to sellers and buyers. A number of studies examine the market for brokerage services and how it influences brokerage firm characteristics, such as firm size and other attributes. For example, an early study by Jud (1983) analyzes the factors that influence the decisions of home buyers and sellers to use the
services of a broker. For sellers, the decision to list with a broker rather than attempt to sell by owner depends on transaction costs in the housing market, most especially the cost of the owner’s time. Sellers who plan on moving outside the local area and high income sellers are substantially more likely to use a broker than others. For buyers, the decision to consult a broker during a housing search is determined primarily by the buyer’s prior knowledge of the housing market and the opportunity cost of the buyer’s time. Buyers moving into the local area from outside and higher income buyers are more likely to consult a broker, but new home buyers are less likely to consult a broker. Jud suggests that new homes are more widely advertised by builders and thus easier to locate without broker assistance. More recent work by Zumpano, Elder and Baryla (1996) confirms that buyers with higher opportunity costs and less information about local market conditions are most likely to consult a broker during their search for housing.

2.2.2: Size of Estate Agency Business

The small size of most brokerage firms suggests that scale economies are lacking in the industry. Research by Johnson, Nourse and Day (1988) reveals that the individual agent is more important than the firm is to home sellers selecting an agent. Their survey of Georgia home sellers indicates that prior acquaintance with the agent is the primary factor in considering an agent. They find further that agent characteristics such as integrity, competence, knowledge of market and understanding clients’ needs are among the most important attributes to sellers. Likewise, Nelson and Nelson (1991) studied the criteria used by home buyers in Grand Forks, to select a specific real estate firm. They found that the “friendliness” of the agent was the most important attribute. It was followed by “general reputation of firm,” and “agent’s training/qualifications.” Since the principal asset of the real estate sales firm is its workforce, understanding this human capital component is vital to
the success of the firm. A unique study by Chinloy (1988) uses options theory to value the real estate brokerage firm. Estimating an income function, he finds that the maximum value of the licensee to the firm comes after two years of experience.

2.2.3: Growing Real Estate Through Finance

In any economy, long-term finance is one of the key drivers of economic growth. Long-term finance allows for the provision of affordable and adequate housing which is a major thrust of Kenya’s Vision 2030. One of the flagship projects under the “Housing and urbanization” as stipulated in the Vision 2030 is ‘Mortgage Financing Initiatives’. At an estimated annual demand of about 150,000 housing unit, the supply is barely at 35,000 leaving a gap of 115,000. The sector thus portends enormous opportunity and a major market; appropriate and innovative financing mechanisms are therefore absolutely essential. (Njuguna, 2010)

The Kenyan financial system through its intermediation role remains the key pillar in providing mortgage financing. Although there is evidently enormous opportunity in the sector, lending to the building and construction and real estate sector stands at 12.2% (Ksh 92.5 billion as at end of 2009) of the total credit by banks and mortgage finance companies. The bulk of financing, it does appear, is through households savings. This is a clear indication that financing is one of the major constraints. While most deposits are of short term nature, mortgage finance is long-term. The traditional mismatch constraint therefore comes into play. This requires a well developed mortgage market to address long-term funding requirements of the sector. (Njuguna, 2010)

2.2.4: Housing Finance in Developing Countries

Housing is a key contributor to social stability and economic development in the developing world. Therefore, the availability of properly functioning housing finance markets that increase the affordability and supply of housing to individuals is a key policy issue for many
policy-makers. Yet, many developing economies have failed to establish efficient housing finance markets, despite recognizing their importance. (World Economic Forum, 2010)

The global financial crisis, which is mainly blamed on the US housing finance market, is threatening to further delay the establishment of housing finance markets in the developing world as policy-makers grapple with lessons from the crisis to avoid a repetition in their own markets, once established. However, it is important to recognize that, despite its failings, the US housing finance market is one of the most successful and efficient markets in the world and that many lessons can be drawn from its successes and failures. (World Economic Forum, 2010)

Housing finance represents an important contributor to social stability. First, it facilitates the largest investment that most households ever make. In fact, according to the IFC, personal housing accounts for anywhere between 75% and 90% of household wealth in developing countries. It also represents 15-40% of monthly household expenditure. In addition, housing contributes greatly to family self-sufficiency and community development, both of which are critical to social stability in society. Housing finance is also a main contributor to macroeconomic development. According to the IFC, investment in housing accounts for 15-30% of aggregate investments worldwide. In addition, housing finance supports the development of the housing sector and its related industries, which account for 9% of all jobs in the world. (World Economic Forum, 2010)

2.3: General Literature

2.3.1: Competition in Brokerage Industry

The residential real estate brokerage industry has competitive attributes, but its competition appears to be based more on nonprice variables such as quality, reputation, or level of service than on brokerage fees, according to a review of the academic literature and interviews with
industry analysts and participants. One potential cause of the industry’s apparent lack of price variation is the use of multiple listing services (MLS), which facilitates cooperation among brokers in a way that can benefit consumers but may also discourage participating brokers from deviating from conventional commission rates. For instance, an MLS listing gives brokers information on the commission that will be paid to the broker who brings the buyer to that property. This practice potentially creates a disincentive for home sellers or their brokers to offer less than the prevailing rate, since buyers’ brokers may show high-commission properties first. Some state laws and regulations may also affect price competition, such as those prohibiting brokers from giving clients rebates on commissions. Although such laws and regulations can protect consumers, the Department of Justice and the Federal Trade Commission have argued that they may also unnecessarily limit competition and reduce consumers’ choices. (GAO, 2005)

The emergence of the Internet offers the potential to reduce costs by generating efficiencies and new ways of doing business. While many consumers now use the Internet to search for homes and related services, such as mortgages, Internet-oriented brokerage firms still represent a small share of the market. This has raised questions concerning potential institutional, legal, and other barriers to greater “e-commerce” in real estate. (GAO, 2005)

2.3.2: Commission to Real Estate Brokers.

Most sellers in the United States pay 6 percent commission to real estate brokers. However, under some circumstances, an individual agent may receive only around 1.5 percent out of the total commission because the seller's and the buyer's agents (if they are not the same) tend to split the 6 percent commission. Then, each agency may take half of the remaining 3 percent, leaving the individual agent, who exerts most of the effort, with only 1.5 percent.
Outside the United States, sellers' commission rates are generally much lower, often ranging from 1.5 percent to 2 percent. This may be a consequence of the fact that buyers also pay some commission to brokers. Clearly, it is a puzzle why discount real estate brokers are not observed more frequently in the United States, offering perhaps more limited services at a discount. Discount brokers are now widely observed in financial markets. Indeed, antitrust authorities have expressed many concerns that the uniform 6 percent commission rate may promote collusive behavior, FTC & DOJ (2007)

2.3.3: Estate Agents and Conflicting Interests

The idea that house sellers and real estate brokers have conflicting interests is not new. In fact, Levitt and Dubner (2005) and Levitt and Syverson (2005) test the hypothesis that real estate brokers sell their clients' homes at lower prices than the prices they charge for selling their own homes. Homes owned by real estate agents sell for about 3.7 percent higher than other houses and stay on the market about 9.5 days longer. These results support the main result that real estate brokers tend to exert pressure on sellers to price below the levels that maximize sellers’ expected gains.

The literature on middlemen has focused mainly on some aspects of incomplete markets and incomplete information. Garella (1989) and Biglaiser (1993) investigate the role played by middlemen in markets characterized by “lemon problems” and adverse selection. Biglaiser and Friedman (1994) model the role of a middleman as alleviating producers' moral hazard problem by reducing the sales of products that are found to be of a lower quality than what producers claim them to be. Hackett (1992, 1993) compares the incentives to invest in sales promotion between two types of agents: a dealer and a consignment contracted agent. Hackett (1992) demonstrates that an increase in demand variance increases the relative profitability of
agent intermediary contracts. Rubinstein and Wolinsky (1987) and Yava's (1994) describe the role of middlemen as shortening the time it takes to match sellers with buyers in bilateral search markets. Zorn and Larsen (1986), Schroeter (1987), Knoll (1988), and Carroll (1989) analyze the relative efficiency of expected percentage commission over expected fee. The basic idea is that brokers exert more effort on high-priced houses under a percentage commission arrangement than under fixed fee contract.

2.3.4: Factors Influencing Price Real Estate Properties.

Different types of real estate can have very different cyclic properties. Empirically, it is shown that they do (Bailey, 1963) and the question is posed as to what might distinguish between property markets where movements are largely stable responses to repeated economic shocks and those undergoing a continuing endogenous oscillation (Wheaton, 2003). Real estate pricing deals with the valuation of real estate and all the standard methods of determining the price of fixed assets apply (Hugh, 2010). According to David (1990), the concept of consumer surplus is key in analyzing the price theory. This answers the question; how much is it worth to me to be able to buy some goods at a particular price and how much better off am I than if the goods did not exist. From a survey done by Oward (1998), many people buy real estate because they are told that it is a good investment. They do not bother to keep track of their investment returns to determine whether their purchase was worth the price.

Real estate industry is both capital-intensive, highly related industries and industries essential to provide the daily necessities. However, the real estate pricing models and methods of research rarely receive the critical attention and development it deserves. Lack of adequate data has limited the scope of empirical research on real estate transactions. Existing data sets typically include property characteristics, time to sale, initial listing price and sale price. They do not contain information on the buyer’s side of the transaction or on the seller’s behavior.
between the initial listing and the sale of a property. This explains why most of the empirical literature on real estate transactions has either focused on the determinants of the sale price or on the role of the initial listing price and its effect on the time to sale (Huawang, 2009; Horowitz, 1992; Miller and Sklarz, 1987; and Zuehlke, 1987).

In ordinary usage, price is the quantity of payment or compensation given by one party to another in return for goods or service (Morahan, 2002). Price can sometimes alternatively refer to the quantity of payment requested by a seller of goods or services, rather than the eventual payment amount. This requested amount is often called the asking price or selling price, while the actual payment may be called the transaction price or traded price (Wales, 2009). According to David (1990), there are a number of lessons that can be drawn from the analysis of consumer choice as relates to the price. The first is that the value of something is whatever we are willing to give up for it. Two things have the same value if gaining one and loosing the other leaves one neither better nor worse off, meaning that we are indifferent between the situation before the exchange and the situation after the exchange. A second lesson is that the value of something depends not only on the nature of the goods and preference but also on how much of those goods one has. The third lesson is that the price of something is determined by the amount of something else one must give up to get it. Finally, one buys something if and only if its cost is less than its value.

Real estate in Philippines according to Cahill (2010) varies in prices due to many factors. Among these factors, there are three that have the greatest influence. The first is location. The location of real estate in Philippines has one of the most, if not the most, effect on the real estate prices. Usually, the closer the land is to commercial centers or recognized vocational spots, the more expensive the land becomes. The second one is accessibility. Roads and other
infrastructure cost a great deal of money to build and maintain which is why lands supported
with paved streets cost more than lands surrounded with dirty roads. The third is land
developer. Real estate prices are also affected by the companies that own them. The more
popular the real estate company is, the more expensive the lands are. This is because bigger
and more widely recognized realty companies invest large sums of money on quality service
and infrastructure in order to provide prime real estate and service smaller companies offer
only real estate, the bigger companies offer land, road, and other amenities. They also have a
greater amount of experience with land management and development than smaller and
newer competitors.

Taylor (2010), points out that price of real estate in Ecuador have been improving in the last
few years and the appreciation is likely to continue during the coming decade. A two-
bedroom Condo in the historic center of Quito, capital of Ecuador is normally priced below
$55,000. In the city center of Cuenca, the same type of two-bedroom property would cost less
than $40,000. This would clearly indicate that Ecuador real estate prices are among the most
attractive in the international market. A single bedroom, furnished apartment in the richest
neighborhood of Cuenca, situated along the banks of river Tomebamba would be available for
a monthly rental rate of $350. A country side land 2.5 acres with several fruit trees, fresh
water sources, and a traditional 5 bedroom house in the areas like the valley of
Longevity, was recently purchased by an international investor for $60,000 (Taylor, 2010).
This clearly proves that any investment in the Ecuador real estate for sale or Ecuador rentals is
likely to be a highly profitable venture.

South Africa for instance, has achieved many successes, including greater political stability
and greater economic freedom. Research Worldwide.com published results of its annual
survey which showed that property investments in South Africa showed an actual total return of 15.1% in 2009. South African commercial real estate outperformed sixteen other major countries (Gauteng, 2010). The real estate boom in South Africa and low interest rates continues to encourage homeowners to feel confident and spend buying those houses for sale, farms for sale and commercial property for sale (Gauteng, 2010).

In Kenya, Property Kenya, a real estate agency operates a heavy traffic of real estate listing service online with more than 31,290 registered members and 30,000 unique visitors monthly. This indicates the immense wealth in real estate (Property Kenya, 2010).

2.3.5: Estate Agents Price Determination

Real estate property buyer’s shop by comparison, they preview properties in the areas they are looking and the price range they can afford (Wales, 2010). Buyers typically base their selection of a house for instance on what’s most appealing to their personal tastes but also what they feel is the best value based on all of the houses they’ve seen (Elli et al., 2010). So it’s important to consider this when setting a list price for a house. The following additional pricing factors need to be considered as well (Hutchison, 2005); If a seller set the price too high, the house won’t be selected for showing by realtors. Even though his may be much nicer, it needs to be priced appropriately and in comparison to other houses in the neighborhood. What buyers and their agents see is a property that simply appears overpriced in comparison to other properties in the community, and too expensive to be considered. If the real estate price is too low, the seller will short-change himself. His property will sell promptly, but he may make less on the sale than if he had set a higher price and waited for a buyer who was willing to pay it.

No matter how attractive and polished a piece of real estate is (Kilpatrick, 2007), buyers will be comparing its price with other real properties on the market. The seller’s best guide is a
record of what the buying public has been willing to pay in the past few months for property in his neighborhood (Hutchison, 2005). Realtors can furnish data on sales figures for those comparable sales and analyze them to help him come up with a suggested listing price. Of course, ultimately the decision about how much to ask is always the seller’s.

2.3.6: Value Addition in Estate Agent Marketing

There are a number of possible services that real estate agents provide. The real estate agent has the ability to include a seller’s property in a large database of property for sale, called the multiple listingservice, which in conjunction with other types of advertising, can help to increase the rate of arrival of potential buyers, and/or result in arrivals of buyers who are better informed and thus better matches for the seller’s real estate property, resulting in a higher rate of offers, or higher offers or both (Gehrig, 1993). The real estate agent is an expert on conditions in the local property market, and can therefore aggregate information and provide useful information advice to a seller about what list prices are appropriate, what arrival rates of buyers to expect, and what price the seller can expect to receive from sale of their property. From the standpoint of buyers, real estate agents also provide valuable services via their access to the multiple listing services, by helping buyers to direct their search more efficiently to the property in their desired location, style and price range (Atakan, 2006).

It is possible as already presented, to quantify the impact of a real estate agent on buyer arrival rates, on offer distributions, and so forth. If it is possible to identify the causal effects; how a real estate agent affects arrival rates, offer distributions and so forth, then it is possible to estimate the value of the real estate services using the modeling approach (Atakan, 2005). In particular, the cost of a real estate agent is also known. The real estate commission is typically 6% in the U.S., and when a sale occurs between a buyer and seller who are both
represented by their own real estate agents. This commission is split 50/50 between the buying and selling agents. We can model buyers’ and sellers’ endogenous choice of whether to use real estate agents. In particular, a seller will list their property with a real estate agency only if the increase in the expected selling price due to higher arrival rates of buyers and/or higher offers due to improved matches and/or better advice to the seller on selling strategy, exceeds the 6% commission (Park, 1989).

2.3.8: Economic View of Real Estate Property

The Post-Keynesian theory of debt deflation takes a demand-side view, arguing that real estate property owners not only feel richer, but borrow against the increased value of their property, or borrow money to speculate in real estate property, buying property with borrowed money in the expectation that it will rise in value. This last view is associated with Minsky (2009) and his Financial Instability Hypothesis. When the bubble bursts, the value of the property decreases but, crucially, the level of debt does not (Patrick, 2010). The burden of repaying or defaulting on this debt is argued to depress aggregate demand and be the proximate cause of the ensuing economic slump. The mainstream economic view is that economic bubbles primarily effect first a temporary boost in wealth, and secondly a redistribution of wealth (Killelea, 2010). When prices go up, there is a positive wealth effect property owners feel richer, and hence spend more, and when prices go down, there is a negative wealth effect property owners feel poorer, and hence spend less. It is argued that these effects can be smoothed by counter cycle monetary and fiscal policy (en.wikipedia.org/wiki/Keynesian)

Secondly, the ultimate effect on owners who bought before the bubble formed and did not sell is zero throughout, they owned the property. Conversely, those who bought when low and
sold high profited, while those who bought high and sold low or held until the price had fallen
lost money, though this ultimately is simply redistribution of wealth (Jimmy, 2010) and, it is
argued, of little economic significance. In some schools of heterodox economics, notably
Austrian economies and post Keynesian economies, real estate bubbles are seen as an
example of credit bubble because property owners generally use borrowed money to purchase
property, in the form of mortgages. These are then argued to cause financial and hence
economic crises. This is first argued empirically numerous real estate bubbles have been
followed by economic slumps, and it is argued that there is a cause-effect relationship
between these (Hyman, 2009)

2.3.8: Drivers of house prices
According to Debelle (2004), investigation relates to the importance of inflation as a driver of
housing prices. On average, across countries, inflation accounts for more than half of the total
variation in house prices In the short run, the size of the impact is even larger. Debelle alludes
that its contribution nears 90% of the total price variation in the one-quarter horizon and
drops to about two thirds over the one-year horizon. This strong influence of inflation is more
important when one considers that house prices are measured in real terms. There are two
potential explanations for this finding. The first relates to the dual function of residential real
estate as consumption good and investment vehicle. As such, it is often used by households
as the main hedge against the risk that inflation might erode their wealth. The fact that the
purchase of property is typically financed with nominal debt makes it more attractive in this
respect. A high degree of inflation persistence also suggests that the effects of innovations in
inflation on house prices are likely to be felt over longer horizons. Higher uncertainty levels
about future expected returns on investments in bonds and equities associated with high
inflation also contribute to the attractiveness of real estate as a vehicle for long-term savings.
The second explanation is linked to the impact of inflation on the cost of mortgage financing and generally suggests that higher inflation would have a negative impact on house prices. If financing decisions are more sensitive to the nominal yield curve than to real rates, one would expect housing demand, and thus real house prices, to respond to changes in inflation and to expected inflation. In addition, inflation may also proxy for the prevailing financing conditions, which have an impact on the demand for real estate. High inflation and high nominal interest rates backload the repayment of the mortgage principal and increase the real value of repayment in the early part of the repayment period of the loan, thus dampening the demand for housing.

In Kenya, the housing sector has been characterized by inadequacy of affordable and descent housing, low level of urban home ownership, extensive and inappropriate dwelling units, including slums and squatters' settlements. The national housing corporation (NHC) continued to play a leading role in the implementation of housing policies and programmes through site and service schemes, rental and mortgage housing developments. In 2008, three housing projects were completed at a total cost of Ksh 194.8 million. These consisted of 16 rental flats in Woodley infill (Nairobi), 24 rental flats in Sadi infill (Nairobi) and 38 mortgage maisonettes in Kiambu (Phase III). Other six housing projects under construction as at 31st December 2008 cost a total of Ksh 1,340.3 million upon completion (Republic of Kenya, 2009). These consisted of 420 tenant purchase flats in Nairobi (Langata II and III), 6 mortgagemaisonettes in Nairobi (Dam infill), and repair of rental houses in Changamwe, Mombasa (Republic of Kenya, 2009)

2.3.9: Estate Agents and their Impact on the Housing Market
A study by Hsieh and Moretti (2003) presents evidence consistent with socially inefficient numbers of real estate agents. Using variation across 282 metropolitan areas from the 1980 and 1990 Census of Population and Housing, they document that the average earnings of real estate agents are similar despite large differences in housing prices, suggesting that agent entry dilutes rents associated with house price differences under fixed commissions. Moreover, agents in cities with high housing prices have lower productivity (measured by houses sold per agent) compared to agents in cities with low housing prices. Using the more recent five percent sample of the 2000 Census of Population and Housing, Han and Hong (2011) examine agents’ variable costs of selling houses in a static entry model. Their estimates suggest that free entry leads to a loss of economies of scale: a 10% increase in the number of realtors increases the average variable cost of selling houses by 4.8%. Due to data limitations, they assume all agents are identical and ignore the opportunity cost of entry.


2.3.10: Human Capital Model of Agents Earnings

To explain the distribution of earnings in real estate sales, a number of studies draw on the human capital earnings model developed by Mincer (1970). Studies that examine the determinants of real estate licensee income using the human capital model are presented.
The Follain, Lutes and Meier study in 1987, which uses Illinois data, is the first in a series of studies that use the human capital model to examine why some salespeople earn more than others. They find a positive relationship between licensee income and both education and experience. They also find that the number of hours worked, holding a broker’s license, the size of the firm and working in a metropolitan area have a positive effect on income. They find no significant difference, however, in income by gender.

A following study by Glower and Hendershott in 1988, using data from Ohio, finds education, experience, number of hours worked, holding a broker’s license, being an owner/manager and living in a metropolitan area to have a positive effect on licensee income. Their results show that women earn less than men and that licensees who specialize in residential sales earn less. An additional result shows decreasing marginal returns due to experience.

A study by Crellin, Frew and Jud (1988), using a nation-wide sample of realtors, shows income to be positively related to education, experience, number of hours worked, holding a broker’s license, size of the firm and living in a metropolitan area. Variables that have a negative effect on licensee income include gender (women earn less), race (minorities earn less), specializing in residential sales and being affiliated with a franchise. Age of the licensee was not significant in their study.

Combining a human capital model with a psychological factor model, Abelson, Kacmar and Jackofsky (1990) examine licensee income. Their important findings include: the number of hours worked per week have a positive effect on income; females earn more than males; and education, work satisfaction and reputation of the firm are all important in generating licensee income. Larsen (1991) compares leading agents to non-leading agents. He finds that
leading agents deal in higher valued properties, but he finds no significant strategic differences between leading agents and others.

2.4: Gap to be filled by the Study

Well managed Real Estate Agency based on sound practices play an important role in facilitating access to retail and leased properties as well as brokering buying and selling of properties. However there have been many failures:

Many Agents face non-supportive policy framework and daunting physical, social and economic challenges. In addition, Some Real Estate Agents fail to manage their funds adequately enough to meet future cash needs as a result cannot confront liquidity problem.

Many Agents are quick to collect rent from tenants but will pay little attention to poor housing conditions which may need renovations. Furthermore, If you want to use an agent, you will have to pay for their services, be it a buyer’s or a seller’s agent. Although these may seem quite substantial, they must be weighed against the cost of marketing your own home and the time spent trying to sell or buy on your own.

In some cases, agents and clients can’t really seem to see eye to eye and the property transaction turns into a traumatic experience for all involved. Personality clashes and differing expectations can cause problems. On the other hand, The Municipal Council of Nakuru does not have up to date database of Real Estate Agents in Nakuru thus its hard for interested parties to get clear information on all licenced Agents. One has to rely on online directories which may have outdated information.

Unlike Agency owners, the employees who act as agents may not have prior knowledge of the Estate Agents Act(2010) thus may end up breaking the law or mistreating tenants. Furthermore,
there have been studies done on Estate Agents but they can not be used authoritatively to explain the dynamics in a fast growing town like Nakuru in a developing country.

2.5: Conceptual Framework

In line with the objectives of the study conceptual framework will be based on the following variables;

Source: Author, 2012

The dependent variable, Estate Agents Growth, will be measured by the increase in commissions to agents, rent increase, increase in client base, increase in number of properties to be managed, influx of population in an area thus demand for housing. All these will be drawn form the independent variables, for example increase in property development will mean more returns to an agent if he gets the contract from a property owner.
Intervening variables also have a role to play. Good infrastructure will mean tenants will pay more thus more fees. Disposable income of potential buyers will also determine how much they are willing to use thus ultimately also determine remuneration of agents.
CHAPTER THREE

3.0: Research Methodology

This chapter describes the design and methodology that will be used in the study. It expounds on the study design, data sources, study area, study population, sample size and sampling techniques, research instruments used, the validity of the instruments, methods of data analysis and presentation of results and the limitation of administration of research tools.

3.1: Research Design

The research design consisted of a survey study on the Estate Agents in Nakuru Municipality. This is because the major purpose of exploratory survey is a valuable means of finding out ‘what is happening; to seek new insights; to ask questions and to assess phenomena in a new light’ (Saunders et al., 2009). The research design is appropriate because it allowed the researcher to clarify his or her understanding of the problem by allowing a search of the literature and collection and presentation of information about the Real Estate Development and Estate Agents.

3.2: Target Population

The study population was 106 real estate agents in Nakuru Minicipality.

3.3: Sample Size and Sampling Technique

The researcher used simple random sampling thus every population element had an equal and independent chance of being selected. A sample size of 30 was used, this is in reference to Stutely’s (2003) advice of a minimum number of 30 for statistical analyses provides a useful rule of thumb for the smallest number in each category within your overall sample.
3.4: Data Collection Procedure.

In collection of data, the instrument that were used include: questionnaires, observations and face to face interviews. They were used because the questionnaires alone would not have elicited all data required.

3.4.1: Questionnaires

It was both closed ended and open ended. Questionnaires are efficient as a research tool because the researcher is likely to obtain personal ideas from the respondent. Secondary data was also be obtained from published reports from Real Estate Firms, Banks and Central Bank of Kenya, while data on market variables was obtained from Government of Kenya Economic Surveys among others.

3.4.2: Validity and Reliability

Validity and reliability was established for standardization of the research instruments to be used in the study. Content validity of the research instruments was established in order to make sure that they reflect the content of the concepts in question. Reliability is the extent to which an instrument is consistent in its measurement over time and across situations (Crocker & Algina, 1986). In other words, if someone were to take the survey various times, the individual’s score should remain relatively consistent with little deviation. Systematic and random error can make scores unreliable. A high reliability coefficient signifies that there is consistency of exam scores but it does not signify the test measured the construct correctly as stated by Crocker & Algina. Thus, an instrument can be reliable without being valid but it cannot be valid unless it is reliable (Pedhazur & Schmelkin, 1991).

In order to ensure validity and reliability of the instruments, similar questions were administered to all respondents.
3.5: Data Analysis and Presentation

The questionnaire contents was first coded to ensure completeness and accuracy. Qualitative data was analyzed through segregation of field notes according to codes, categorization of codes according to similarities and organization of data according to study themes from which conclusions were dawn. Descriptive statistics was used to analyse the data using SPSS, pie charts and tables.
CHAPTER FOUR

4.0 : Data Presentation, Analysis and Findings

This chapter deals with data analysis and discussion on the research findings. All the thirty questionnaires were returned which represents 100% response rate. Demographic data was analyzed singly and results provided. Further analysis was done critical information given by agents on their growth of which results were analyzed from SPSS.

4.1: Demographic Profiles and General Information

4.1.1 : Gender Profile

Figure 4.1: Gender

(Source: Author)

The proportion of male is 93.3% and female is 6.7% thus indicating dominance of the agency business by the male gender.
4.1.2: Age Profile

Figure 4.2: Age

![Pie chart showing age distribution.](image)

(Source: Author)

Respondents between the ages of 18-30 are 13.3%, whereas those above 44 years are only 20%.

Most agents are between the ages of 31-43 years with a huge proportion of 66.7%. This indicates young agents below thirty years are not as many and do not engage much in the agency business.

4.1.3: Education Profile

Figure 4.3: Education

![Bar chart showing education distribution.](image)

(Source: Author)
There were no respondents who had reached only primary school level of whose proportion was 0%. University graduates were only six which was a proportion of 20% whereas secondary school graduates where only seven which represented a proportion of 23.3%.

The highest respondents were college graduated who were seventeen in total thus taking a chunk of the proportion at 56.7%

4.2: Internal Agency Analysis

Table 4.1: Internal Analysis

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Leasing</td>
</tr>
<tr>
<td>Selling buying and leasing</td>
<td>21</td>
</tr>
<tr>
<td>selling and renting</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
</tr>
</tbody>
</table>

(Source: Author)

4.2.1: Services offered by Agents

From the above table, it was noted that two respondents did no answer the query on services. However from the other respondents, as many as twenty one which is a proportion of 70% provided a combination of services, that is, selling, buying and leasing of real estate. A proportion of 16.7% provided selling and renting services while leasing was only done by two respondents which translate to a valid proportion of 6.7%.
4.2.2: Initial investment in relation to Source of Finance.

Table 4.2: Summary For Investment

Case Processing Summary For Investment

<table>
<thead>
<tr>
<th>Cases</th>
<th>Valid</th>
<th>Missing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>Percent</td>
<td>N</td>
</tr>
<tr>
<td>Initial investment Financing *</td>
<td>30</td>
<td>100.0%</td>
<td>0</td>
</tr>
</tbody>
</table>

(Source: Author)

Table 4.3: Crosstabulation

Finance Source And Initial Investment

<table>
<thead>
<tr>
<th>Finance Source</th>
<th>Initial investment</th>
<th>Less than 20,000</th>
<th>20,001-50,000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>19</td>
<td>6</td>
</tr>
<tr>
<td>Savings</td>
<td>Percent</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Profits</td>
<td>Total</td>
<td>24</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>25</td>
<td>5</td>
</tr>
</tbody>
</table>

(Source: Author)

From the cross tabulation in Table 6.0, most of the agents used less than twenty thousand shillings as startup capital of which the source of finance was from savings, this represented 19 of the respondents. However only six respondents used an initial capital of between twenty thousand and one shillings to fifty thousand shillings. In total 25 of the respondents used savings as initial capital against a total of five who used profits from other businesses.
4.3: Growth Analysis

4.3.1: Growth from 2007

Table 4.4: Growth

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>24</td>
<td>80.0</td>
<td>92.3</td>
<td>92.3</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
<td>6.7</td>
<td>7.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>26</td>
<td>86.7</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Total (n)</td>
<td>30</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Source: Author)

Out of the thirty respondents, four which translate to 13.3% did no answer this question as they had started their business after 2007. A total of twenty four agents were positive which represented a valid proportion of 92.3% as compared to only two negatives which represented a proportion of 7.7%

4.3.2: Growth Influence

Table 4.5: Growth Influence

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Property increase</td>
</tr>
<tr>
<td></td>
<td>Rent/lease increase</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
</tr>
</tbody>
</table>

(Source: Author)

From Table 8.0 above, two respondents did not give a feedback. Of the twenty eight who responded, twenty six which equates to a proportion of 86.7% said growth was as a result of
increase in property development whereas only 6.7% attributed growth to increase in rent and lease charges.

**4.3.3: Employee Growth**

**Table 4.6: Employee**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-5</td>
<td>22</td>
<td>73.3</td>
</tr>
<tr>
<td>6-10</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>Total</td>
<td>26</td>
<td>86.7</td>
</tr>
</tbody>
</table>

(Source: Author)

From the table above, employees between ranges of 0-5 represented a proportion of 73.3% whereas 6-10 equated to a proportion of 13.3%.

**Table 4.7: Employees2012**

**Employees2012**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0-5</td>
<td>24</td>
<td>80.0</td>
<td>80.0</td>
<td>80.0</td>
</tr>
<tr>
<td>6-10</td>
<td>5</td>
<td>16.7</td>
<td>16.7</td>
<td>96.7</td>
</tr>
<tr>
<td>11-15</td>
<td>1</td>
<td>3.3</td>
<td>3.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

(Source: Author)

In 2012 there was a slight increase in employees, that is, an addition of 11-15 range reflecting a proportion of 3.3%. Employees in the 0-5 range decreased from 2007 to 80% in 2012 but subsequently the 6-10 range increased in proportion to 16.7% down from 15.4% in 2007. Thus in general there was an increase in employees across board.
4.3.4: Rate of Increasing Rent

**Table 4.8: Residential**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annually</td>
<td>23</td>
</tr>
<tr>
<td>After 2 years</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
</tr>
</tbody>
</table>

(Source: Author)

From Table 11.0 of residential buildings, property owners are said to increase rent charges on an annual basis, a proportion of 76.7% whereas a smaller proportion of 23.3% increase after two years.

However, as Table 12.0 indicates, a large proportion, 76.7% of property owners who own commercial buildings increase their charges after two years, whereas 20% after three years. Only a small margin of 3.3% increase annually.

4.3.5: Number of Property Managed

**Table 4.10: Property in 1st Year**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-30</td>
<td>28</td>
</tr>
<tr>
<td>31-60</td>
<td>1</td>
</tr>
<tr>
<td>Above 91</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
</tr>
</tbody>
</table>

(Source: Author)

**Table 4.11: Property Currently (2012)**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>31-60</td>
<td>24</td>
</tr>
<tr>
<td>61-90</td>
<td>5</td>
</tr>
<tr>
<td>Above 91</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
</tr>
</tbody>
</table>

(Source: Author)
Table 4.12: Descriptive Statistics For Property Managed

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property YR1</td>
<td>30</td>
<td>1</td>
<td>4</td>
<td>1.13</td>
<td>.571</td>
</tr>
<tr>
<td>Property Current</td>
<td>30</td>
<td>2</td>
<td>4</td>
<td>2.23</td>
<td>.504</td>
</tr>
<tr>
<td>Valid N (list wise)</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Source: Author)

From Table 13.0 only one respondent was managing property between 31-60 range and above 91 which was 3.3%. Furthermore range 61-90 was nil, a huge margin of property managed was between the 0-30 range which represented a proportion of 93.3%. However currently (Table 14.0) the 0-30 range is nil because of increase of property managed. This change has led to increase in range 31-60 thus a proportion of 80% up from 3.3% as well as increase of proportion of range 61-90 to 16.7%, up from 0%.

The above explanation is well manifested in Table 15.0 which shows the risk has reduced to a standard deviation of 0.504 down from 0.571 after an increase in property managed by the agents.

4.3.6: Number of Tenants

Table 4.13: Tenants in 1st Year

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid 0-30</td>
<td>26</td>
<td>86.7</td>
</tr>
<tr>
<td>31-60</td>
<td>3</td>
<td>10.0</td>
</tr>
<tr>
<td>Above 91</td>
<td>1</td>
<td>3.3</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

(Source: Author)

Table 4.14: Tenants Currently (2012)

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid 61-90</td>
<td>21</td>
<td>70.0</td>
</tr>
<tr>
<td>Above 91</td>
<td>9</td>
<td>30.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
</tr>
</tbody>
</table>

(Source: Author)
From Table 16.0 only one respondent was managing above 91 tenants which translate to 3.3% and three agents between 31-60 which is 10%. The bulk of respondents managed 0-30 tenants which represents a proportion of 86.7%. However currently (Table 17.0) no respondent manages 0-30 tenants due to increase in tenants managed thus nine agents manage above 91 tenants which reflects a proportion of 30% up from 3.3% from the first year of business. Furthermore, twenty one agents manage between 61-90 tenants up from nil in the first year of business.

Table 4.15: Descriptive Statistics For Tenants

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenants YR1</td>
<td>30</td>
<td>1</td>
<td>4</td>
<td>1.20</td>
<td>.610</td>
</tr>
<tr>
<td>Tenants Currently</td>
<td>30</td>
<td>3</td>
<td>4</td>
<td>3.30</td>
<td>.466</td>
</tr>
<tr>
<td>Valid N (list wise)</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Source: Author)

Table 18.0 measures risk in managing tenants courtesy of their numbers which reflects data from Table 16.0 and 17.0. Standard deviation currently is low at 0.466 as compared to the first year of business at 0.610.
CHAPTER FIVE

5.0: Summary, Findings and Recommendations

The purpose of this study was to determine the effect of property development on the growth of estate agents. This chapter discusses the summary of the main findings, conclusion and recommendations for further research.

5.1: Summary of Findings

5.1.1: Demographic Profiles and General Information

The study observed that the male gender dominated the bulk of respondents of which only two were female. Similarly most of the respondents were below the age of forty three as compared to only six who were above forty four years old.

On education matters a total of seventeen respondents had attended college prior to starting their agency business. However only six and seven respondents had attained university degree and secondary certificate respectively meaning that all respondents had attained at least a secondary education.

5.1.2: Internal Agency Information

Findings show that out of the services offered by agents, a total of twenty one respondents offered a combination of selling, buying and leasing of property, whereas five agents offered selling and rental services exclusively. Only a minimal number of two respondents engaged in leasing services only.

Furthermore the study also revealed from the cross tabulation in Table 6.0 the researcher found out that majority of the respondents used a startup capital of less than twenty thousand shillings and only six agents used an initial capital of between 20,001-50,000 shillings.
However in both scenarios most of the agents, totaling twenty five used their savings as startup capital as compared to only five respondents using profits from other businesses to finance the agency business.

5.1.3: Growth Analysis

The study observed that out of the thirty respondents, twenty four indicated a growth since 2007 as compared to only two in the negative. The four who did not respond said they started their business after 2007. Furthermore the study also indicated that growth was largely influenced by property development other than rise in rent charges.

Findings also show that employees have slightly increased but majority of the agency business has maintained a 0-5 range. In addition the study also observed that majority of the property owners increase rent charges for residential buildings annually as compared to commercial property, after two years or more.

The study also revealed that on the first year of business most agents managed less than thirty properties, however the numbers shot up drastically and now most agents on average manage more than thirty one properties. The study also indicated that majority of agents in their first year managed less than thirty tenants. This number increased significantly and currently majority of agents manage over thirty one tenants of which nine of the respondents manage over ninety one tenants.

5.2: Conclusion of the Research Study

Real Estate Development is the new frontier in investment even now actively competing with the Nairobi Stock Exchange. Kenya has positioned its self as the gateway to East and Central Africa thus many companies find themselves in Kenya each wanting a piece of the Action. This has also triggered a rush of land to build real estate thus driving prices for both up much
to the advantage of property developers and estate agents who eventually get a piece of the pie.

Nakuru has its own unique niche in the Kenyan market. Currently, according to the recent Central Bank of Kenya (CBK) Bank Supervision Survey for 2011, Nakuru County had the third largest branch network of banks with 52 bank branches, after Nairobi’s 465 and Mombasa’s 98 branches. Furthermore, banks are competing for commercial space with learning institutions setting up mini-campuses in the town, while major retail chains have returned to the town with Uchumi, Nakumatt, Tuskys and Naivas having opened outlets within the last two years.

In addition Nakuru is Kenya’s third largest residential town after Nairobi and Mombasa and was rated the fastest developing town in sub-Saharan Africa in 2011 by the UN habitat. Prices for commercial space have more than doubled in the last four years with office space costing up.

All these are indicators that estate agents are needed more and more so as to benefit from the enormous exchange in cash by providing services relating to sell, buying, leasing and even advising on real estate investment areas as they have wide information from their work in the field.

The data in chapter five also indicates that over the last five years the agents have drastically increased their net worth which is majorly attributed to more property they manage which is increasing by the year as well as increase in the number of tenants. Furthermore property owners’ increase rent for residential houses annually and commercial property after two or more years. This coupled with the ever appreciating value of land has meant that estate agents are laughing all the way to the bank.
5.3: **Recommendations**

The County Government of Nakuru should digitize their records of all registered Real Estate Agents as well as other businesses and make them accessible to the public through their website. The county government should further team up with property developers and selected marketing companies so as to promote Nakuru County as the ultimate investors’ choice in regard to property development.

The County government should also create a taskforce to root out rouge estate agents who are mushrooming in the county taking advantage of investors or potential tenants who are new in the area and not delivering services after payment.

Commission due to estate agents should be revised so that the agents can reap more from services rendered to tenants on behalf of property owners. This means that the agents will be motivated to provide efficient and effective services, expand their business as well as adding employee salary to commensurate with tough economic conditions as well as increase in inflation.

5.4: **Suggestions for further Research**

Further research should be conducted in the booming real estate industry of Kenya by both research professionals as well as academicians. This will help ease information on the same to stakeholder especially if the research is tailor made to focus on improving fast growing towns and the newly formed county government in Kenya who are out to woo investors.

More research should also be conducted specifically on the real estate agents in Kenya as well as on their documentation so as to root out quacks who are taking advantage of naive investors to make quick cash in the ever growing property market.
Universities and colleges should also introduce courses from diploma to masters’ level on the different fields in real estate development. This will increase public knowledge on the benefits of estate development as well as introduce new norms which will facilitate effective and efficient property development.
REFERENCES


Guidelines for the Preparation, Implementation and Monitoring of Local Authority Service Delivery Action Plan (LASDAP)(2005), Ministry of Local Government


Nakuru Town Strategic Structure Plan (1999); Government of Kenya, Municipal Council of Nakuru, UNCHS (Habitat), Belgium Development Cooperation.


Njuguna, N., (2010). Forum on Growing Real Estate through Finance


APPENDIX I

QUESTIONNAIRE

My name is Lawrence Koech and I am an M.B.A student at Kenyatta University. I am conducting a research on the impact of Real Estate Development on Financial Growth of Real Estate Agents in Nakuru County and this Questionnaire will assist me in achieving that goal.

All data collected will be treated with confidentiality and will be used for research purposes only.

Tick where appropriate.

SECTION A: PERSONAL AND AGENT DETAILS

I PERSONAL

1. Gender Male [ ] Female[ ]

2. Age: 18-30 [ ] 31-43[ ] Above 44 [ ]

3. Level of Education
   Primary [ ] Secondary [ ] University [ ] College/Polytechnic [ ]
   Other (please specify) ____________________________

4. Have you had any professional training? Yes[ ] No[ ]

5. If Yes, what kind of professional training do you have?
   ____________________________________________________________

II AGENTS

1. Name of your business__________________________________________

2. What type of services do you offer?
Selling properties [ ] Buying real estate properties [ ] Leasing [ ]
Other_____________________________________________________

3. Which year did you start your business? __________

4. What was the source of startup finance for your business? Personal savings[ ] Other business profits[ ] Loan[ ] Other (please specify) __________

5. What was the reason you joined the Real Estate Agent business? Lack of enough agents [ ] Rise in property investment[ ] Low competition[ ] Other (specify)______________________________

6. How much initial investment did you use as a start up?
   Less than 20,000[ ] 20,001-50,000[ ] 50,001-80,000[ ] Over 80,001 [ ]

7. Who owns this business? Myself[ ] Family[ ] Joint Venture[ ]
   Other (specify)__________________________________________

SECTION B: GROWTH

1. Has there been any growth since 2007? Yes[ ] No[ ]

2. If Yes in 1 above, what has influenced the growth? Increase in Property Development[ ] Increase in Rent/Lease Charges[ ] Government laws/polices[ ]
   Technology (internet/cell phone) Population growth [ ] Other (specify) _______

3. Was there an increase in your client (tenants/leaseholders) base after the 2007 and 2008 Post Election Violence? Yes[ ] No[ ]

4. How many employees did you have in 2007? 0-5[ ] 6-10 [ ] 11-15[ ] Over 16[ ]

5. How many employees did you have by 2012? 0-5[ ] 6-10 [ ] 11-15[ ] Over 16[ ]

6. Have you increased your assets/ investments since you started your business?
   Yes [ ] No [ ]
7. What is your current asset/investment value? Less than 20,000[  ] 20,001-50,000[  ] 50,001-80,000[  ] Over 80,001 [  ]

8. Have you added any branches of your business between the years of 2007-2012? Yes[  ] No[  ]

9. If Yes in 8 above, how many branches have you added? __________

10. Did you make any profit in your first year of business? Yes[  ] No[  ]

11. Has your profits increased from the year 2007 to 2012? Yes[  ] No[  ]

12. Do you re-invest your profits back to the business? Yes[  ] No[  ]

13. If Yes in 13 above, please indicate how you invest your profits?

14. Has the current boom in property development increased your client (Landlords/Property owners) base? Yes[  ] No[  ]

15. If Yes in 15 above, has this lead to increase of your business returns? Yes[  ] No[  ]

16. How would you rate your growth? Slow[  ] Fast[  ] Constant[  ] Deteriorating[  ]

17. Have the Landlords and property owners increased rent/lease charges between the years 2007-2012? Yes[  ] No[  ]

18. If Yes in above, has this lead to increase of your returns? Yes[  ] No[  ]

19. How often do property owners increase rent for residential buildings?
   Semi-annually [  ] Annually [  ] After 2 Years [  ] Other (specify) __________

20. How often do property owners increase rent for commercial buildings?
   Semi-annually [  ] Annually [  ] After 2 Years [  ] Other (specify) __________

21. Recently tax on property was put into law. Will this new legislation affect you in any way? Yes[  ] No[  ]

22. If Yes in 21 above, Please state how it will affect your business?__________________________________________________________
23. How many property owners did you manage for their business in 2007? 0-30[ ] 31-60[ ] 61-90[ ] Above 90[ ]

24. How many clients (tenants/leaseholders) did you have in 2007?

0-30[ ] 31-60[ ] 61-90[ ] Above 90[ ]

25. How many property owners did you manage for their business in 2012?

0-30[ ] 31-60[ ] 61-90[ ] Above 90[ ]

26. How many clients (tenants/leaseholders) did you have in 2012?

0-30[ ] 31-60[ ] 61-90[ ] Above 90[ ]

27. Please tick where appropriate in the table below to indicate the distribution money (income) collected from services you provide

<table>
<thead>
<tr>
<th></th>
<th>0%-24%</th>
<th>25%-49%</th>
<th>50%-74%</th>
<th>75%-100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential rent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial property rent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hostels</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buying/ Selling of properties</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (please specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
28. Do you use marketing strategies to promote growth of your business? Yes[ ] No[ ]

29. If Yes in 29 above, what strategies have you used?

________________________________________________________________________

________________________________________________________________________

SECTION C: LEGISLATION/ POLICIES.

1. Are you aware of the Estate Agents Act? Yes[ ] No[ ]

2. If Yes in 1 above, has the Estate Agents Act Played a role in the growth of your business? Yes[ ] No[ ]

3. Suggest ways in which laws and policies could be amended or made so as to increase your growth rate?
APPENDIX II

THE ESTATE AGENTS (RENUMERATION)

SCHEDULE

Scale I
Sales:
On the first KSh. 100,000 10%
On the next KSh. 900,000 6%
On the residue 3%

Scale IA
Purchases:
On the first KSh. 100,000 5%
On the next KSh. 900,000 3%
On the residue 1.5%

Scale IB
On Sales of Plant and Machinery:
Ten per cent of the total value realized.

Scale IC
Sale and Purchases Effectuated by a Transfer of Shares:
Scales 1 and IA shall apply undiminished by any loan or other charges upon the property or the company’s assets.

Scale 2
Lettings
Residential:
Lease up to one year 7.5% of annual gross rent.
Lease of over one year One month’s rent.
Commercial:
Sole agency 7.5% of annual gross rent.
General agency 10% of annual gross rent.
Fees by negotiation if management services involved but not less than half scale.

Scale 3
(a) For seeking and negotiating the tenancy or lease of a property to suit a client’s requirements:
The fee payable as per the appropriate letting scale and by arrangement if negotiations abort.
(b) For negotiating the tenancy or lease of a particular property named by the client:
The fee payable shall be three quarters of the appropriate letting scale and half the estimated one month’s rent subject to a minimum of KSh. 500.

Scale 4
Management
Residential:
10 per cent of the gross rents or less according to the circumstances but not less than 5 per cent.
Commercial:
7.5 per cent of the gross rents or by arrangement but not less than 2.5 per cent

Scale 5
Mortgages:
For negotiating the terms of mortgages or charges as an intermediary between or on behalf of either of the principals:
(a) In case of a successful deal, the agent is entitled to a negotiated commission but no fees.
(b) Where agent is instructed to fund and negotiate a mortgage without handling the sale:
Fees to be not more than 0.25 per cent of the capital value of the mortgage.

Source: LAWS OF KENYA: The Estate Agents Act, Chapter 533
APPENDIX III

ESTATE AGENTS IN NAKURU, KENYA

1. Abbey Commercial Agencies
2. A B C Foods (1977) Ltd
3. Achero Commercial Agencies
4. Amber Realtors
5. Ampiva Estate Ltd
6. Anduru Construction Co Ltd
7. A N Kamau Advocates
8. Ashina Enterprises
9. Bahengo Commercial Agencies
10. Bima Plains Service
11. B.O. Akang’o Advocates
12. Bubwa Agencies Ltd
13. Buildtech Ltd
14. Business Shade Ltd
15. Chrisca Real Estates
16. Chuma Mburu Advocates
17. Dayton Property Agency
18. Flash Commercial Agencies
19. Focus Management Ltd
20. Frankana Commercial Agencies Ltd
21. G G Gachara Contractors Ltd
22. Gillettee Traders
23. Gordon Ogola Associates
24. Green Gates
25. Intercapital Managers & Consultants
26. Jagon Commercial Agency
27. Jagir Singh Contractors Ltd
28. Jakika Recoin Commercial Agencies
29. J A Wandera Advocates
30. Jodak investment Ltd
31. Johana Construction
32. Joje Commercial Agencies
33. Jojean Properties Ltd
34. Joy - Re Commercial Agencies
35. Judika Agency
36. Just For Properties
37. Kalalu Building Contractors
38. Kangei & Nyakinyua Building Co. Ltd
39. Kanyi Ngure Advocate
40. Kenya Land Alliance
41. Kimiti Lakeside Agency
42. Kingsway Agencies
43. Kiplenge Ogola Advocates
44. Kisibet Investment Ltd
45. Lawrence Commercial Link
46. Lesiolo Grain Handlers Ltd
47. Libra Construction Co
48. Lofi Enterprises
49. Mack Construction Co
50. Makao Enterprises Ltd
51. Manish Construction
52. Marya Food Products
53. Mato Commercial Agencies
54. Mawe Construction Co
55. Mbuka Ventures
56. MCA Properties
57. Mercantile Properties Ltd
58. Metrocosmo Valuers Ltd
59. Minsoj Investments
60. Mt Kenya Food Products Ltd
61. Muchamwaki Estates
62. Muigai Commercial Agencies Ltd
63. Muwaki Building Contractors
64. Nairobi Homelands Management Services
65. Nakstates Properties
66. Nakuru Urban Services Co Ltd
67. Nakstate Properties
68. Ngae's Enterprises Ltd
69. Ngotho Commercial Agencies
70. Ngware-Ini Inv Co Ltd
71. Njema Commercial Agencies
72. Norbiton Construction
73. Nyandarua Agencies Ltd
74. Ocra Realtors Ltd
75. Oson Estate Agencies
76. Pata Commercial Enterprises
77. Physical Planning Department
78. Pillar Insurance & Commercial Agencies
79. Pimka Debucon Construction
80. Point 'A' Commercial Agencies Ltd
81. Primage Micro Comm Agencies
82. Prudential Construction Co
83. Purac Commercial Agencies
84. Rank Global Management Ltd
85. Real Care Properties
86. Regent Group Limited
87. Regent Management Ltd
88. Resma Commercial Agencies Ltd
89. Rhinelands Properties & Estate Management
90. Royal Gate Ltd
91. Sheth Wathigo
92. Shimoni Commercial Agencies
93. Skylink Commercial Agency
94. S L M H Muhia, Advocate
95. S M Karia Advocate
96. Stewa Commercial Agencies
97. Twinlight Commercial Agency
98. Undugu Commercial Agencies
99. Unitex Insurance & Commercial Agencies
100. Valco International Agency Ltd
101. V T Awori Advocates
102. Wanaruona Agencies
103. Waruhiu Construction Ltd
104. Waza Investments Ltd
105. W B Waweru Advocate
106. White Stone Comm Agencies

Source: http://www.businesslist.co.ke/category/estate-agents/6/city:nakuru