

Swift progress being made with Kenya's Tatu City

Kenyan mixed-use real estate project Tatu City is rapidly taking shape, beating its own infrastructure deadlines. Located 24km from the city centre of Nairobi, Tatu City is being built from the ground up as a fully fledged city that aims to take some of the pressure off the densely populated, increasingly congested capital city, says Alex Njage, partner and head of real estate and construction at the Kenya offices of pan-African law firm Bowmans, lead attorneys for the Tatu project.



Tatu City, Kenya. Image source: [Facebook](#)

Several local and international FMCG manufacturers and logistics companies have begun construction of their plants and warehouses within the light industrial zone, and the first school has already opened its doors.

“This is intended to be a proper city, complete with its own power and water supply, and designed for mixed use – residential, commercial, industrial and recreational,” says Njage, whose team at Bowmans is handling all principal legal aspects of the project. This includes establishing the Tatu Power company, which will eventually generate all Tatu City’s power. Bowmans has advised on the best legal structure to adopt for power generation and distribution, and is in the process of handling the licensing arrangements.

High-value infrastructure investment

According to Njage, swift progress has been made with the development of the infrastructure for Tatu City including water, drainage, fencing and roads.

“This is certainly the only mixed-use development in East Africa that has invested so much capital in its infrastructure,” he says, adding that a recent Deloitte infrastructure report ranks Tatu City as one of the top five high-value infrastructure investments in the East African region. The Standard Gauge Railway in Kenya is also among the top five projects.

“Tatu City is one of only two projects that have been licensed as a special economic zone (SEZ), with cert

significant benefits for manufacturers and industrialists,” he says. “These include zero-rated value added tax which is a huge benefit considering that VAT in Kenya is 16% and 10% corporate tax for the first 10 years. The current corporate tax rate is 30%.

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