

MIND YOUR PROPERTY INVESTMENTS

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Good fencing prevents encroachment and disputes

Whenever I am on Malindi Road, North Coast, I appreciate the wisdom of one corporate firm which has fenced in its property quite well. It must take the management time, effort and quite some financial investment to ensure such pristine property maintenance. But it's absolutely worth it. Such maintenance enhances the property value and also prevents encroachment and unnecessary disputes. But it's surprising that many firms give casual attention to basic property maintenance yet continue to enter the 'assumed' asset value annually in balance sheets. But some of these, including corporate firms, state institutions and religious organizations later pay dearly for this ignorance.

Regular property inspection and policing helps

The report of the Task Force on the 'Irregular Appropriation of Public Land and the Squatter Problem in Athi River' for instance documented numerous cases of firms whose property portfolios stood uncertain for issues that could have been smartly navigated. The report cites state agencies, private companies, religious organizations and Sacco societies that have lost land to squatters and suave land grabbers over the years. Most of the encroachments and land grabs occurred since land was left idle or not fenced in for long. Reclaiming the land has now turned out into a frustrating and expensive exercise. Regular inspections and a well maintained perimeter fence, like the one I cite above, would have made it a lot harder for the offenders to encroach or irregularly sell.

The Syokimau experience remains with us. The subject land was irregularly sold and finally cost the holding State agency a lot to reclaim. Good fencing and vigilant policing would have kept speculators out and preserved the rich property portfolio of the agency. In parts of Embakasi, companies have lost high value land to squatters and land grabbers. In a bid to cut losses, some of these have resorted to negotiating with the offenders and where possible, 'regularizing' their 'ownership' at a fee. Regularizing in this context means undertaking a formal subdivision and registration of the small pieces of squatted land in the name of those to whom such portions had been irregularly sold out. Quite clearly, such 'conditional sales' never quite realize the true value of such land and besides, end up undermining corporate investment plans of the proprietary institutions. Fencing, company policing or early development of such land would have averted such eventuality.

Seek professional advise have boundaries confirmed

There are also those who invest in property without undertaking adequate due diligence. We have seen the results of such investments in circumstances where developments erected thereon have had to be brought down at great costs to the investors. Others have failed to verify the correct property boundaries, which only calls for some simple surveys, only to end up with developments encroaching on neighbouring land parcels. This calls for difficult 'give and take' negotiations or the conditional purchase of the encroached parts of the 'offended' land parcel. Where neighbours are unwilling to negotiate, such developments have had to be brought down or adjusted to fit. These are avoidable costs.

'Chamas' and Sacco Societies beware informal subdivisions

Many Sacco societies, 'Chama's' and religious organizations are today undertaking 'informal' subdivisions of their land for their individual members. Formalizing such settlements for issuance of titles at a later moment has at times proved difficult where planning laws or caveats on such properties obstruct.

Maintaining, investing in or developing property in Kenya today calls for proactive effort and good professional advise. Those venturing into any of this must therefore ensure that they are in

safe hands before committing. And public agencies and companies must ensure the unencumbered status of their property portfolios before entering this in balance sheets for public scrutiny.

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