



UNIVERSITY OF NAIROBI

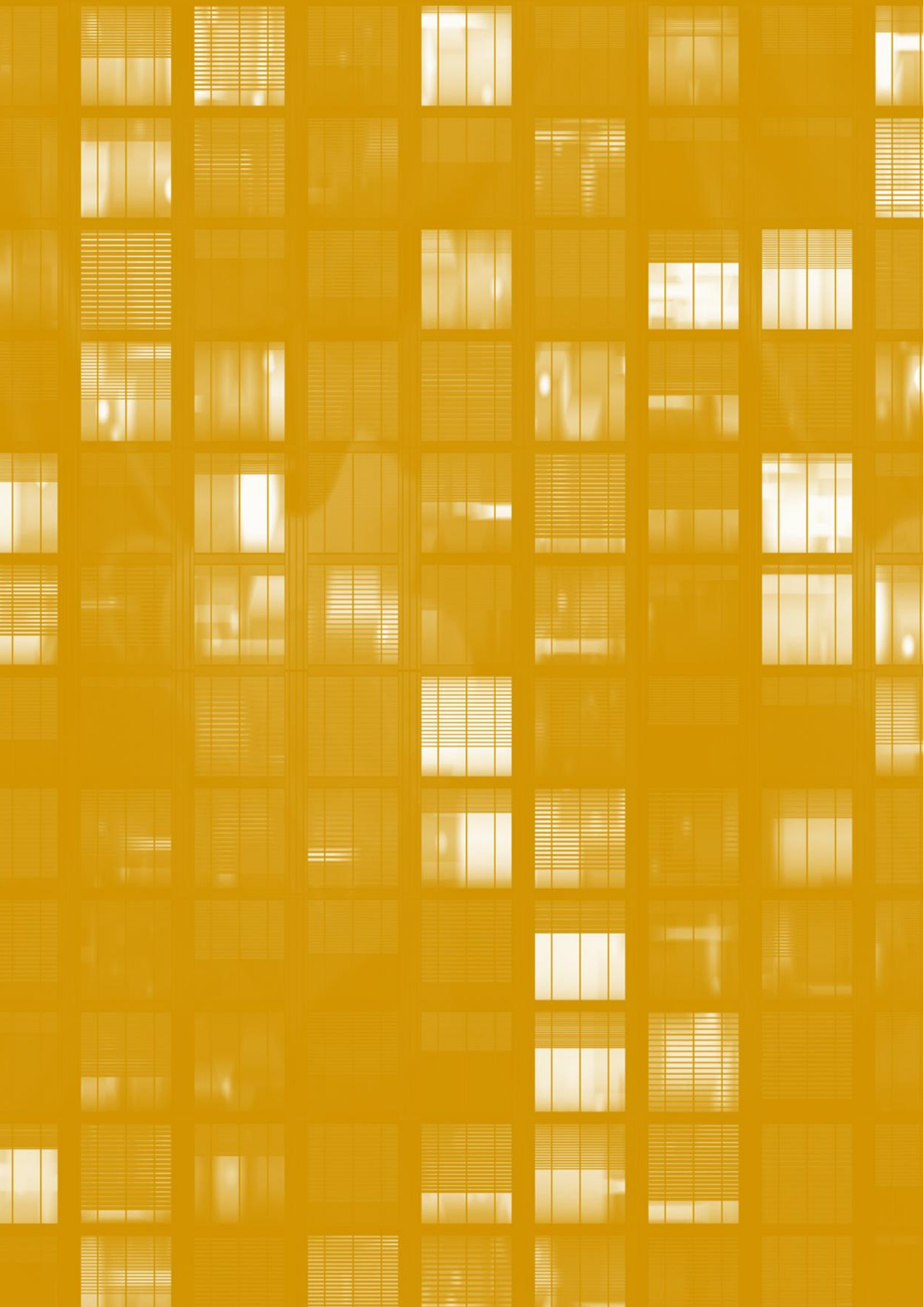
# Preliminary Information Memorandum (PIM)

Development of Purpose Built Student Accommodation (PBSA) for the University of Nairobi (UON) on a Public Private Partnership basis

**Contracting Authority: University of Nairobi**

July 2025





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# Background



## About the University of Nairobi

The University of Nairobi (UoN) is Kenya's most prestigious institution of higher learning. Its mandate is to provide university education and training, as well as to advance the discovery, transmission, and preservation of knowledge. Founded as the Royal Technical College, Nairobi, the university has a rich history spanning several decades. In 1964, the college was renamed University College, Nairobi, and became a constituent college of the University of East Africa. However, with the enactment of the University of Nairobi Act in 1970, the institution gained autonomy and was formally established as a university in its own right, marking the

transformation of the Royal Technical College, Nairobi, into the University of Nairobi.

The University of Nairobi (UoN) has a long history of addressing the high-level staffing training needs of Kenya, the region, and Africa by offering a diverse range of academic programs in applied science, technology, humanities, social sciences, and arts. This strategic approach has enabled the university to stay relevant and responsive to the changing needs of the continent. As a result, the university has experienced significant growth in student enrolment, with the student population increasing from 2,768 in 1970 to over 47,870 in the 2021/2022 academic year.

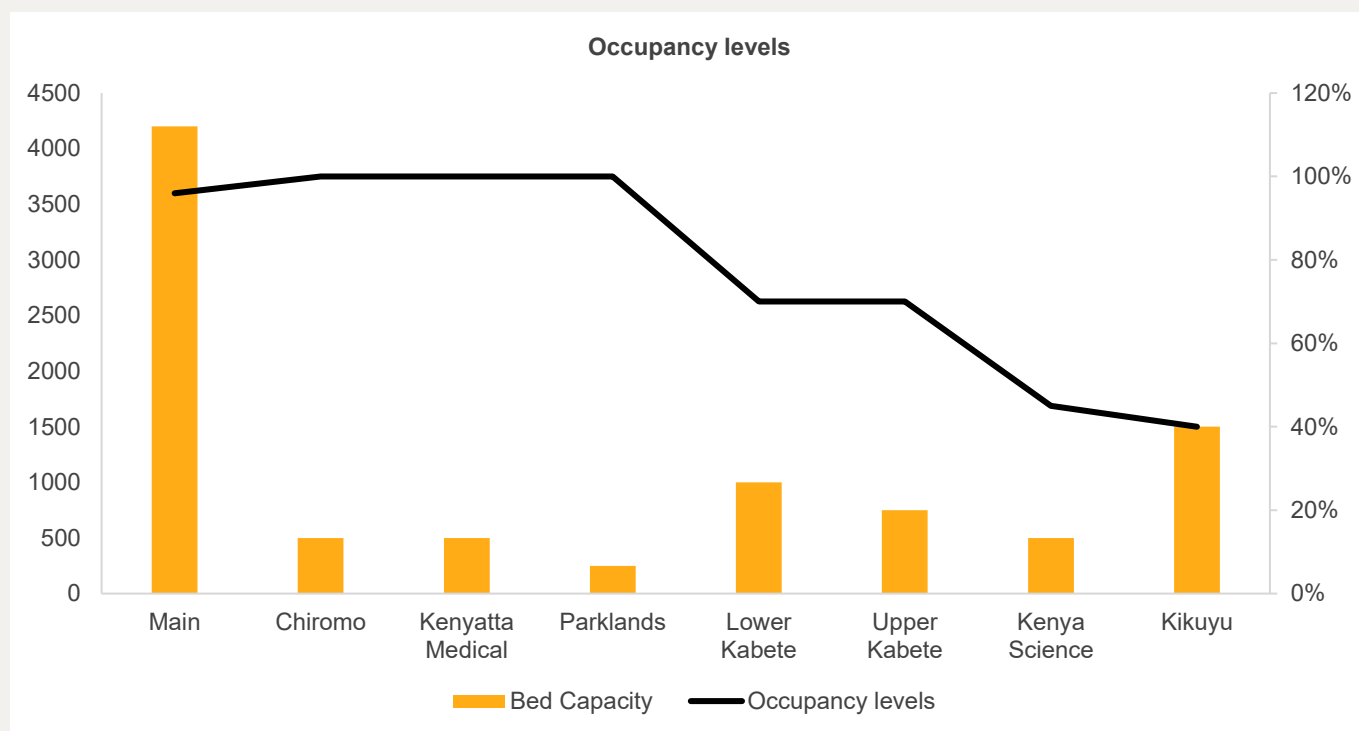


## Existing scenario of student accommodation at UoN

The University of Nairobi (UoN) currently has a total capacity to accommodate 9,863 students in its existing halls of residence, which are spread across eight campuses. However, this capacity is significantly limited, meeting the needs of only 21% of the enrolled student population. As a result, a substantial 79% of students are forced to seek alternative accommodation outside of the university's hostels. This shortage of on-campus housing has significant implications for students, who may face challenges in finding affordable and convenient accommodation in the surrounding areas.

In terms of bed allocation, the university's hostels are currently configured to provide 5,386 beds for male students, 3,346 beds for female students, and 1,131

beds in mixed-use facilities. These accommodation facilities are designed to offer separate wings for male and female students, ensuring a safe and comfortable living environment for all students. Currently, the university's hostels offer only single, double and quad occupancy room configurations, with limited common amenities which may not be suitable for all students' needs and preferences. The demand for on-campus accommodation varies significantly across the university's eight campuses. The Main Campus, Chiromo Campus, and Kenyatta Medical Campus are particularly popular, with demand for accommodation exceeding the available supply. This has resulted in a shortage of beds on these campuses, making it challenging for students to secure on-campus housing.



The three campuses, the Main Campus, Chiromo Campus, and Kenyatta Medical Campus, have a cumulative bed capacity of 5,390 (the majority of which are twin sharing), against a student strength of more than 25,000. The shortage of student accommodation at these three campuses has

prompted UoN to accept applications only from government-sponsored students for hostel facilities. Hence, self-sponsored and surplus government-sponsored students are compelled to look for accommodation outside UoN.

## Need for the project

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

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

- UoN is presently able to accommodate only 21% of the students studying at three targeted campuses
- UoN hostels lack modern facilities that formal student accommodation providers offer

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

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





## Challenges faced by students in accessing facilities



# The Project





## Overview of the project

Considering the significant demand-supply gap in student accommodation facilities at UoN, the university is looking to develop a Purpose-Built Student Accommodation (PBSA) project on a Public Private Partnership (PPP) basis.

The proposed project is expected to provide safe, healthy and affordable hostel accommodation to at least 4,000 students studying at UoN's Main Campus, Chiromo Campus and Kenyatta Medical Campus. The project will be equipped with all modern amenities and facilities, including the following minimum amenities and facilities.



**Premium rooms**



**Economy rooms**

Bed



Study table



Study chair



Large window



Wardrobe with locks



Basic electrical fittings  
(near bed as well as study table)



En-suite washroom



Sink



### Common

Adequate number of toilets and washrooms on each floor



Separate ablution area in washrooms and taps in water closets



Dedicated space for washing and drying of clothes



Quiet study rooms



Kitchenettes



Sitting and entertainment area



Indoor games



Outdoor games



Mess/canteen /dining halls



Preliminary medical facilities/Infirmary



Hi-speed Wi-Fi within residential blocks



CCTV camera across all common areas



Access-controlled entry to residential spaces



24X7 security guards



Adequate parking spaces for residents as well as visitors



24X7 power backup



Retail spaces



Accessible to all washrooms



Tactile paths



Braille-enabled signage



24X7 water supply



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



Ramps for better accessibility throughout the hostel premises



The project will enhance the accommodation capacity from 5,400 to 9,400, meeting approximately 37% of the total demand for 25,000 beds. At least 30% of the project capacity will be allocated for female students, and 0.15% for differently abled students.

The proposed project is expected to improve the overall learning environment for students and alleviate the constraints they currently face by staying outside the campus.

The project will enhance access to educational facilities and peer-based learning opportunities, and provide safer, more secure, and hygienic accommodation facilities, benefiting women in particular.

It will also reduce the overall cost and time incurred by students, promoting student health and well-being, among other advantages.

## Objective of the project

Key objectives of the proposed project are as follows:

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

## Project demand

The University of Nairobi has a significant student population, with a total enrolment figure of 47,870 for the academic year 2021-22. A substantial proportion of these students, approximately 26,233, are studying at the target campuses, which are the focus of the proposed project. Looking ahead, student enrolments are expected to increase at a rate of 2% over the next few years, which will lead to a boost in student numbers at the target campuses. By 2027-28, it is anticipated that the total student enrolment at these campuses will reach 29,168, representing a notable increase in the student population.

However, despite this growth, a significant gap remains between the demand for student accommodation and the existing supply of accommodation. Currently, the target campuses can accommodate 5,390 students, which falls short of the projected demand. As a result, the potential demand-supply gap is estimated to be approximately 23,778 students. This gap presents a significant opportunity for the proposed project, which aims to provide modern and comparable facilities, as well as a

conducive learning environment, to students at a competitive price point and in a location close to the university campus.

Given the attractive features of the proposed project, it is expected to appeal to a substantial proportion of the students who are currently not being accommodated by the existing facilities. On a conservative basis, it is projected that the project will attract at least 40% of the approximately 22,500 students expected to seek accommodation. This would translate to a potential bed demand of around 9,000 beds for the UoN PBSA project. This represents a significant opportunity for the project to provide high-quality, affordable accommodation to students, while also generating revenue for its private partners. Overall, the proposed project is well-positioned to address the demand-supply gap in student accommodation at the University of Nairobi and to provide a valuable resource for students at the target campuses.

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## Project site

For the proposed PBSA project, UoN has parceled out land at Mamlaka.







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

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


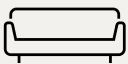







## Scope for the project

The overall scope of the project is to build modern, purpose-built student accommodation that complies with international and local standards, accommodating approximately 4,000 UoN students.

In addition to being affordable, the hostel should provide a safe and conducive learning environment for the students.

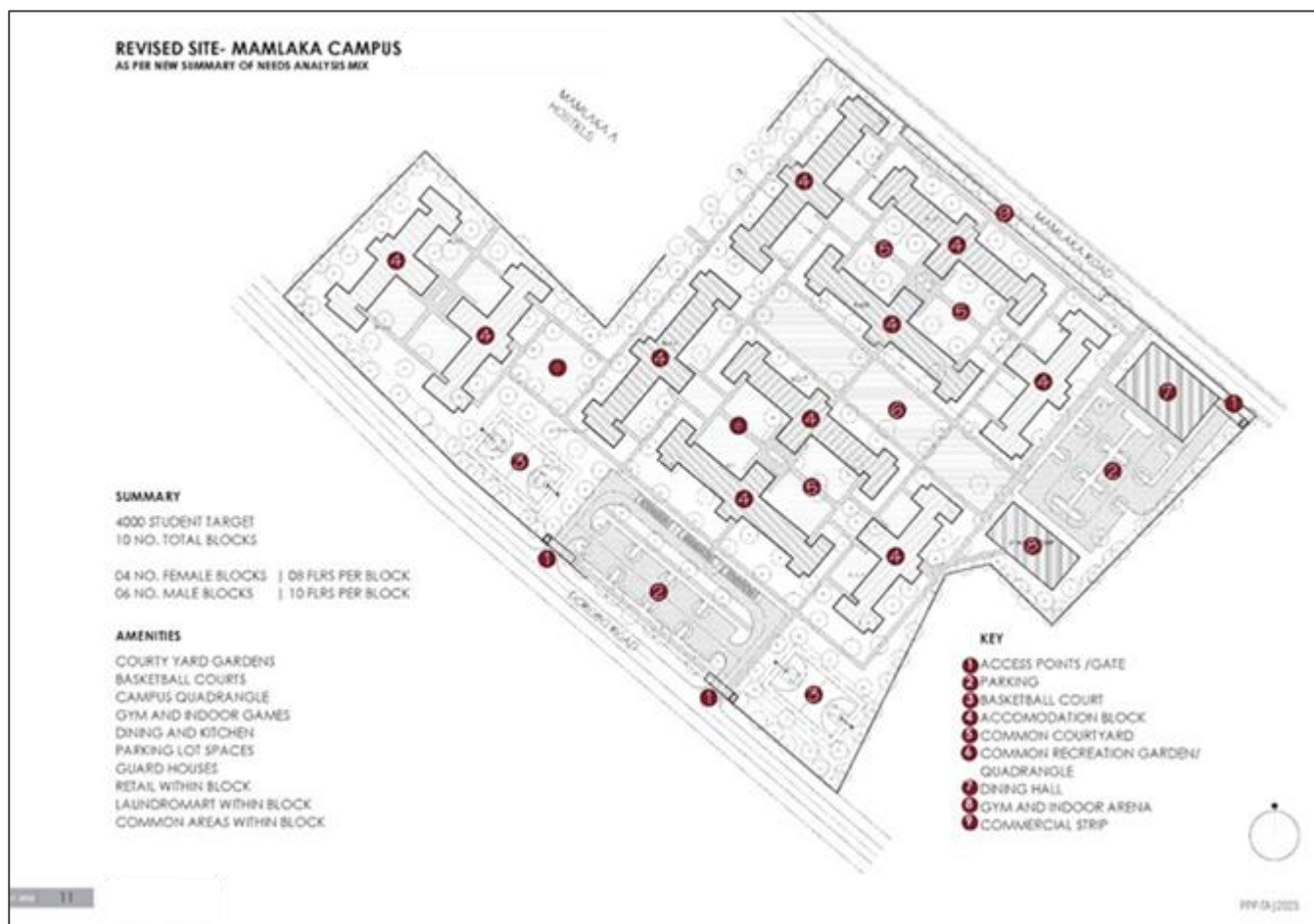
The table below provides the minimum output specifications for the proposed project, as provided by the developer.

Facility	Output specifications
 <b>Student hostels</b>	<ul style="list-style-type: none"> <li>Total bed capacity to be created – at least 4,000 beds <ul style="list-style-type: none"> <li>Capacity of female hostels – At least 30%</li> <li>Capacity for differently abled students – At least 0.15%</li> </ul> </li> <li>Types of rooms <ul style="list-style-type: none"> <li>Single occupancy – premium; Single occupancy – economy</li> <li>Double occupancy – premium; Double occupancy – economy</li> <li>Quad occupancy – economy</li> </ul> </li> </ul>
 <b>In-room facilities</b>	<ul style="list-style-type: none"> <li>1 bed per student measuring – 3 X 6 ft</li> <li>1 set of study table and chair for each student</li> <li>1 full-size wardrobe measuring – 600 mm long</li> <li>Well-lit rooms with basic electrical fittings</li> <li>Curtains on the windows</li> <li>Washroom (for premium rooms only)</li> </ul>
 <b>Facilities for specially abled students</b>	<ul style="list-style-type: none"> <li>At least 0.15% dedicated twin-sharing rooms for specially abled students (preferably on ground and first floors)</li> <li>Dedicated accessible washrooms</li> <li>All buildings and their designs should be disability-friendly</li> <li>Use of tactile paths across various key locations within the premises</li> <li>Braille-enabled signage</li> <li>Ramps for better accessibility throughout the hostel premises</li> </ul>
 <b>Minimum facilities on each floor</b>	<ul style="list-style-type: none"> <li>At least one WC per every fifteen male students; One WC per every ten female students</li> <li>At least one urinal per every ten students</li> <li>At least one handwash basin per every ten students</li> <li>At least one bath or shower per every ten students; One bath or shower per every eight female students</li> <li>At least one drinking water fountain for every twenty students</li> <li>A sanitary disposal facility</li> <li>Adequate laundry and storage facilities</li> </ul>
 <b>Other common facilities</b>	<ul style="list-style-type: none"> <li>A mess/ canteen facilities/ Dining hall - not less than 1.25 square metres of floor area per student</li> <li>Kitchenettes</li> <li>Indoor &amp; outdoor games and gym facility measuring at least 900 square metres</li> <li>Infirmery/healthcare facility</li> <li>Commercial/retail units catering to student needs, such as a Salon, Pharmacy, supermarket and other</li> <li>Access-enabled hostel rooms</li> <li>Security and surveillance for common areas</li> <li>Parking spaces</li> <li>Courtyards, green spaces, and open spaces – at least 70% of the land area</li> </ul>
 <b>Supporting infrastructure</b>	<ul style="list-style-type: none"> <li>Water supply system; Sewerage system; Drainage system</li> <li>Road, Footpath, Walkways and Landscaping (soft)</li> <li>Drainage system</li> <li>Solid waste management (SWM)</li> <li>Rainwater harvesting mechanism</li> <li>High-speed Wi-Fi</li> </ul>
	<ul style="list-style-type: none"> <li>Achieve at least Level 1 EDGE Certificate</li> </ul>



## Draft concept plan

The reference plan is provided for illustration purposes only. The project developer will be expected to conduct due diligence and optimize the entire layout of the site, provided that the design complies with the minimum requirements of accommodation facilities and allied amenities as required for the project.



## Proposed PPP structure

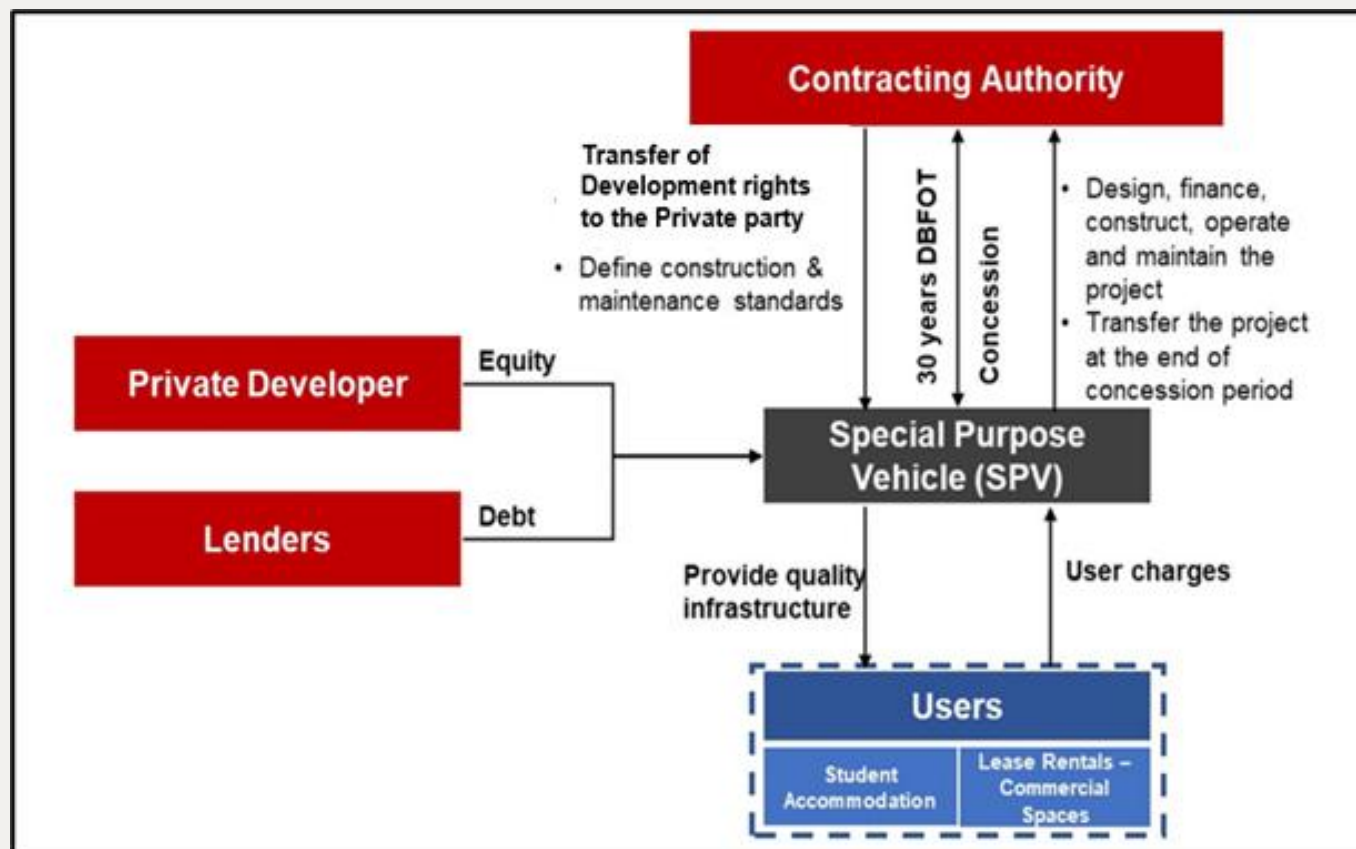
UoN has decided to structure the proposed project as a user-charge Public Private Partnership (PPP) model, also known as the Design-Build-Finance-Operate-Transfer (DBFOT) model. Under this model, the private developer will be responsible for designing, building, financing, operating, and maintaining the facility over the concession period.

The private developer will also be responsible for transferring the facility back to the Contracting Authority at the end of the 30-year concession period at no cost. The UoN, on the other hand, will be responsible for providing a sub-lease or license for the land parcel to the private developer for the duration of the Project Agreement. Additionally, the UoN will

provide support to the private developer in securing the necessary approvals, clearances, and permits required for the project. The concession period for the project has been set at 30 years, including 2-year construction period.

The DBFOT model is expected to provide several benefits, including improved efficiency, reduced costs, and enhanced quality of service, making it an attractive option for the UoN and the private developer. By partnering with a private developer, the UoN aims to leverage the developer's expertise and resources to deliver a high-quality facility that meets the needs of its students.

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



The notable features of the proposed PPP structure include:

- **Sources of revenue:** Two key sources of revenue for a private developer from the proposed PPP project: i) rent charged from the students occupying the rooms, and ii) lease rentals collected from operators of retail and commercial spaces inside the hostel complex
- **User fee for student accommodation:** The negotiated Project Agreement would specify the rent to be charged for various room categories and outline the agreed periodic escalations that the selected developer would apply. However, the selected developer would be free to decide on a mutually agreeable lease rental with the operators of retail and commercial spaces.
- **Project duration:** The total duration of the proposed Project Agreement will be 30 years, commencing on the effective date and subject to the conditions precedent outlined in the Project Agreement being met. The duration of the Project

is proposed to be fixed for 30 years to ensure the financial viability of the proposed project and enhance its attractiveness to private developers. The 30-year period is inclusive of construction period. This will incentivise the private developer to complete the construction quickly and start generating revenue from its operations. This will help ensure that construction is completed expeditiously and the desired facility is available for use by students at the earliest feasible time.

- **Minimum construction and maintenance standards:** The selected developer must meet the minimum defined construction and output specifications outlined above, as well as the minimum defined maintenance standard.

## Key responsibilities

### **The Contracting Authority will have the following responsibilities:**

- i) Provide access to land for the proposed development and its operations;
- ii) Facilitate survey, investigations and other preparatory activities at the site by providing existing information;
- iii) Transfer development rights of the project site to the Private Party for the duration of the Project Agreement;
- iv) Review of the user fees and periodic escalations to ensure compliance to the negotiated Project Agreement;
- v) Facilitate the Project Company to obtain approvals and permits that are required to construct, operate and maintain the students' hostels;
- vi) Review and provide comments on the project concept and designs;
- vii) Monitor the Project Company's performance,
- viii) Assume responsibility for the project upon handover on expiry of the 30-year concession period

### **The Private Party will have the following responsibilities:**

- i) Identify and develop an optimal design for the proposed project, complying with the standards and specifications recommended by the legal and regulatory provisions in Kenya;
- ii) Carry out geotechnical and field investigations and surveys on the project site;
- iii) Incorporate a project company for the development and operations of the project;
- iv) Obtain the required clearances, permits, and approvals for construction, operation

and maintenance of the project;

- v) Prepare ESMP document and obtain approval from the respective responsible authorities
- vi) Arrange funds through equity and debt for implementing the project,
- vii) Construct the students' hostels per the output specifications provided in the Project Agreement,
- viii) Operate and maintain the student hostels in accordance with the Project Agreement.

The Private Party shall have the right to commercial operation, i.e., the economic use of hostel operations and the collection of revenue as specified in the Project Agreement for the duration stated therein. The Project Company shall operate and manage the project for the duration specified in the Project Agreement, in compliance with the output specifications provided in the Project Agreement and existing or evolving legal and regulatory provisions in Kenya. The Private Party shall have the right to sub-contract certain aspects of the construction and operations to reputable parties, if required. The Project Company shall transfer the project assets to the Contracting Authority at the end of the Project Agreement period at zero cost. Furthermore, the Private Party shall comply with the regulatory standards and requirements applicable to university student accommodation, including Commission of Universities standards, environmental, health, and safety standards, zoning regulations, and noise pollution standards, among others. The Project Company shall establish and operate a complaint-handling and grievance-redressal mechanism.

Ownership and title over the site will vest with the Contracting Authority at all times during the term of the Project Agreement. The project company will rectify all defects in workmanship, quality of materials, design, and services identified in the PBSA Development during the Defects Liability Period, as per the Project Agreement.



## Key risk allocation

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

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

Based on the above-mentioned development option, project structure, and risk allocation, along with other key assumptions related to capex, opex, revenue, etc., the project is considered financially and economically viable, over a 30-year concession period for a DBFOT PPP structure. This is based on

conducted technical feasibility and developed shadow financial model for the proposed project.

## Project Stakeholders



The National Treasury and Economic Planning /PPP Directorate  
– Lead institution in implementation of PPPs



UNIVERSITY OF NAIROBI

University of Nairobi – Contracting Authority



Private Infrastructure Development Group



Crisil Limited –Transaction Advisor

## DISCLAIMER

This Preliminary Information Memorandum ("PIM") has been prepared by the University of Nairobi ("UoN") for the limited purpose of providing specific information about the Purpose-Built Student Accommodation Public-Private Partnership Project (the "Project") to enable the recipients/Interested Bidder(s) ("IBs") to be apprised of basic details of the Project and make an assessment in relation to the Proposed Transaction (i.e., engagement of private sector in development, operation, and maintenance of the Project).

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