

## **Bowman Gilfillan Africa Group's Kenyan office advised Old Mutual on Two Rivers Mall transaction**

Bowman Gilfillan Africa Group's Kenyan office recently advised Old Mutual Property on all legal aspects of their investment in the Two Rivers Mall, including due diligence, transaction structure, negotiations with the counterparties and all regulatory matters. UK-based Old Mutual invested KES 6.4 billion in the holding company of [Centum](#)'s Two Rivers Mall, giving it an equivalent 50% stake in the firm.

Alex Njage, partner and head of the firm's Real Estate & Construction Practice in Kenya, notes, "Old Mutual's investment is evidence of the confidence that investors have in the Kenyan real estate and construction market, especially in relation to commercial property. Kenya's rising middle class is expressing a clear preference for good quality "Grade A" commercial and retail property. The demand for quality commercial and retail property is further fuelled by the rising number of international companies setting up a presence in Kenya, which also serves as a hub for the East African region."

Richard Harney, managing partner of the firm's Kenyan office, explains that in the recent past, the country had seen investments in the real estate sector by foreign entities such as the Delta Africa Property Fund, Retail Africa and Abland – all from South Africa. AVIC of China has also invested in Two Rivers and has already started construction of their Africa Real Estate Headquarters in Nairobi. This development is poised to be the largest and tallest mixed use tower in Nairobi. In addition, the first income REIT was recently listed at the Nairobi Securities Exchange, by Stanlib, which is controlled by the Liberty Group of South Africa.

"The Kenyan Constitution, Kenyan land laws, the Kenyan Competition Act, COMESA legislation (where the target or acquirer has presence in a COMESA country) are a key part of making these deals come to fruition," states Philip Coulson, an integral member of the team.

While Njage adds, "On the construction side, various statutes such as the National Construction Authority Act, the Occupational Safety and Health Act and the Environmental Management and Coordination Act and others are also important."

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