

# **SOMALI REFUGEES AS A URBAN CATALYST**

a case study of Eastleigh

**ETH Studio Basel and Nino Soppelsa, Nicola Nett**

THE NAIROBI STUDIO

**ETHZ Studio Basel Contemporary City Institute**

Prof. Jacques Herzog

Prof. Pierre de Meuron

Manuel Herz

Ligia Nobre

Shadi Rahbaran

IN COLLABORATION WITH

**Harvard University Graduate School of Design**

and

**University of Nairobi School of Built Environment**

# **SOMALI REFUGEE AS A URBAN CATALYST**

a case study of Eastleigh











## 1. SOMALI GLOBAL DIASPORA

key actors in Somalia's civil war

refugee flow

Somali refugees in Kenya

global Somali diaspora







Dadaab refugee camps Kenya





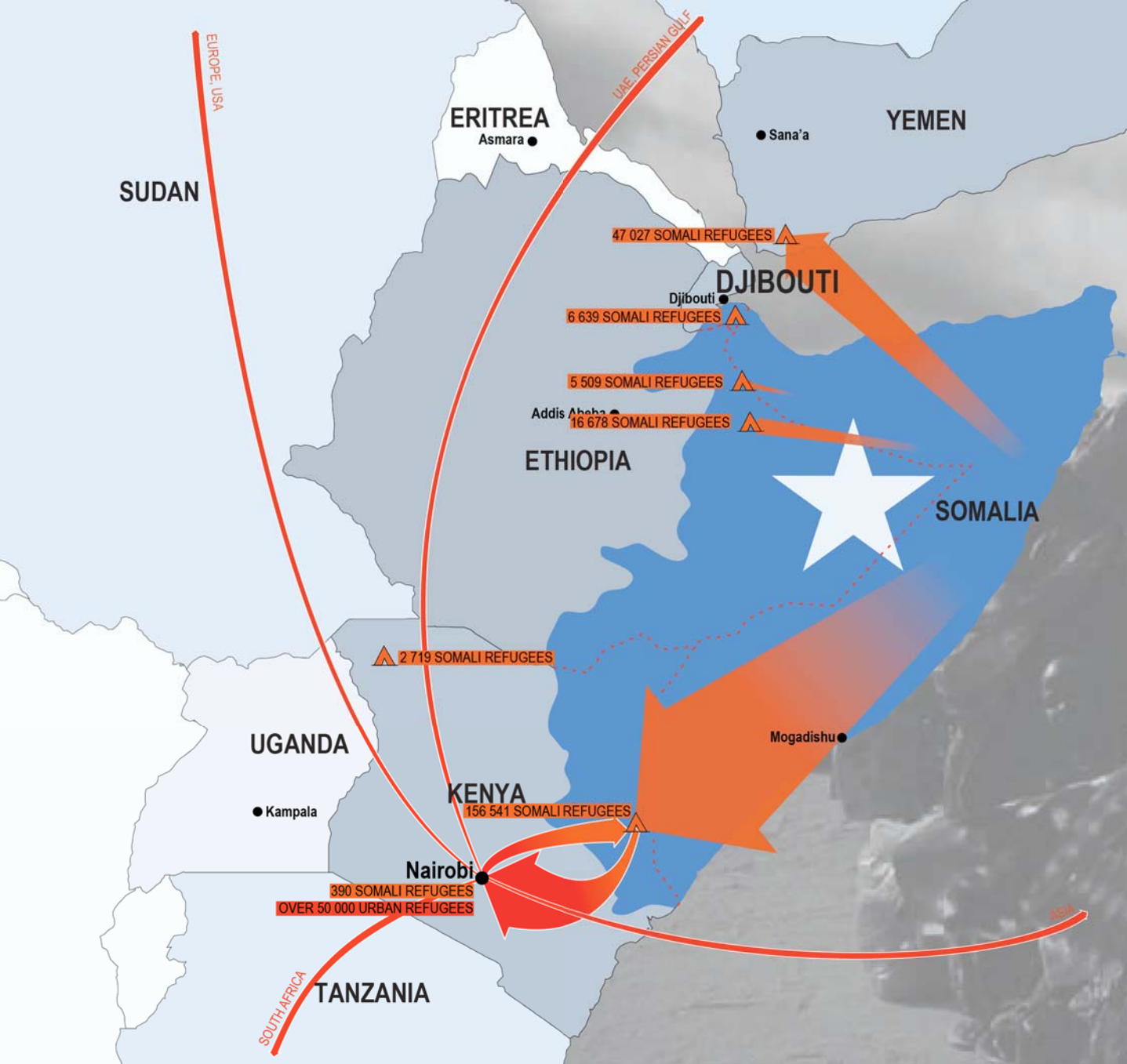
## key actors in Somalia's civil war

It is nearly seventeen years since, in early 1991, the Somali dictator Siad Barré surrendered and fled his country. The period which followed was chaotic. Parts of the country sank into violence as warlords with private armies, supported by everchanging alliances of clans fought their battle.

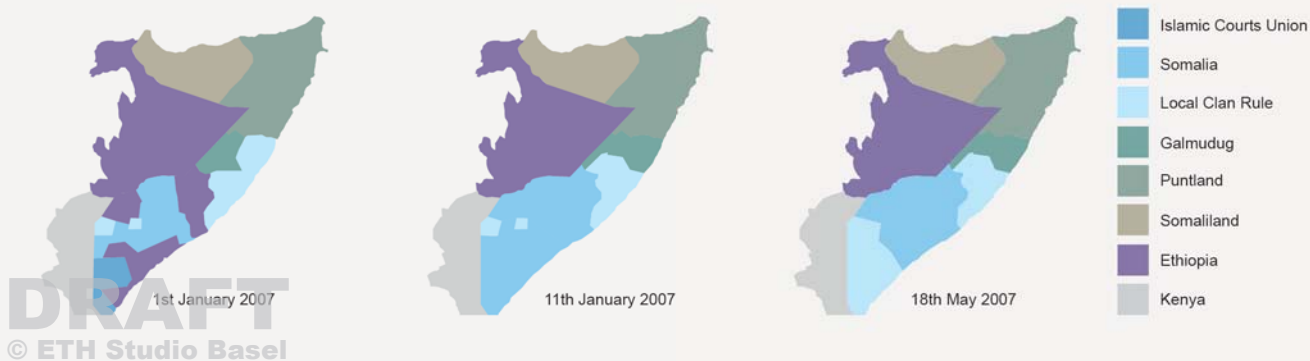
In its essence, the civil war consists nowadays of mainly two zones: while parts of the north are relatively peaceful, including much of the self-declared „Republic of Somaliland“ and Puntland, interfactional fighting flares up in many regions southwards. The mainly involved factions are Somali Transitional Federal Government forces (TFG) supported by Ethiopian troops versus the Islamist militant faction, the Islamic Courts Union (ICU).

Since troops of the transitional Somali government expelled the ICU in December 2006, the country has been suffering from a much more guerilla tactics like war in the view of Islamic groups. On the other hand, troops of the transitional government and militias of the old ruling warlords plunder and kill everyone they don't like, especially Muslim officials and intellectuals. As a consequence, people flee from the catastrophic situation seeking for better conditions...





Change of territories due to civil war



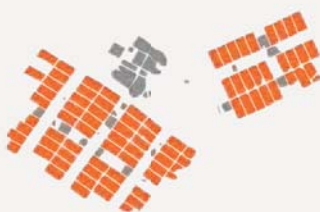
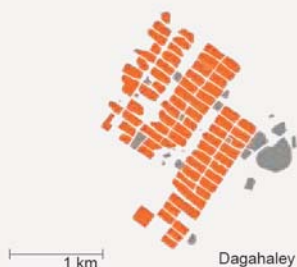




## refugee flow

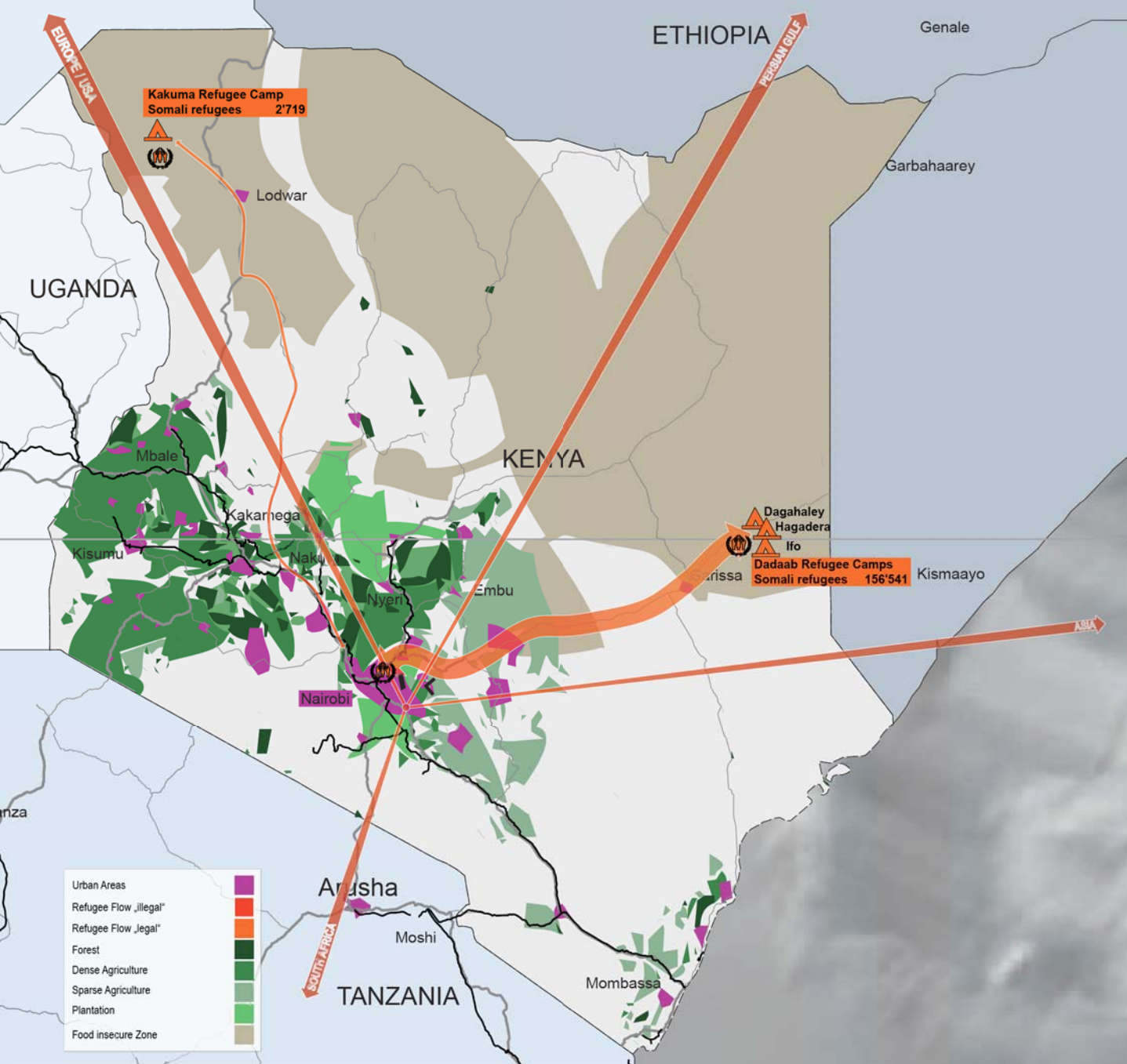
Given the prevailing insecurity in Somalia, the number of refugees or protracted people is still increasing. Refugee camps such as the Dadaab in north-eastern Kenya have been plagued by physical and material insecurity. The refugees in these camps are required to remain within the camps and are, as a result, totally dependent on international assistance. Many of them leave behind a family and community whose future is far more uncertain so that there are no prospects for their repatriation in the foreseeable future. As a result of the lack of solutions, a lot of Somali refugees made their own way to find more durable situations in other parts of Kenya...

Dadaab refugee Camps



Hagadera

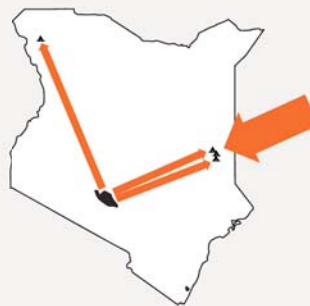




### Official Kenyan Refugee Policy



**Before 1991 - Dictatorship in Somalia**  
Warm welcome to political refugees who flee from the regime under Siad Barre in Somalia. Educated and wealthy Somali settle down in Nairobi



**1991 - Ousting of Siad Barre in Somalia**  
Somali Warlords take over control in Somalia. The country drops for decades into a civil war. A massive influx of Refugees overwhelms Kenya. Refugee Camps in the north-eastern provinces of Kenya get created to give shelter to over 100 000 Somali Refugees.

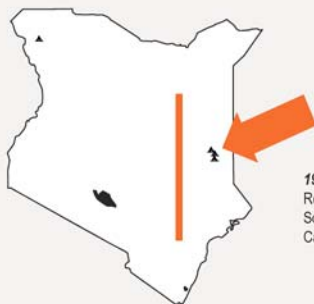


SOMALIA

Mogadishu

## Somali refugees in Kenya

Despite the Kenyan encampment policy more than 50'000 Somali urban refugees live illegally in Nairobi being exposed to a high level of insecurity and get no assistance of international aid at all. Nevertheless, urban refugees established themselves within Nairobi as a „invisible“ community. Due to their undurable situation, many of them see their presence in Nairobi as a temporary situation waiting for the right moment to go abroad...

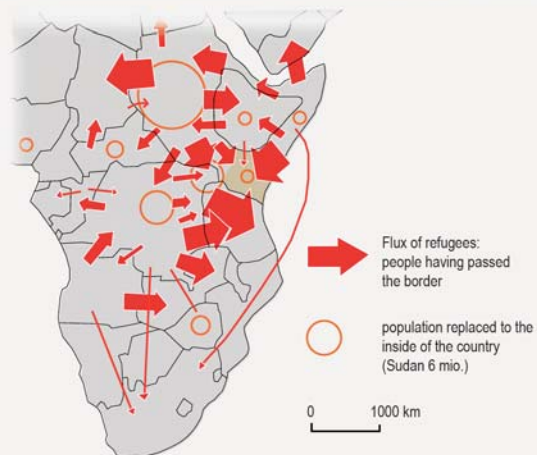
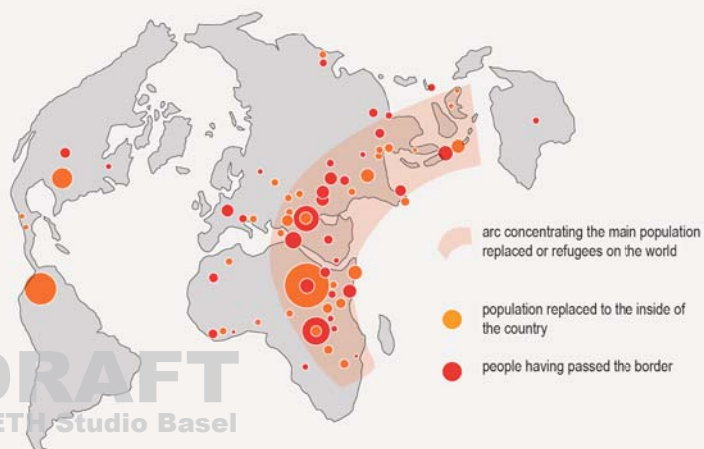
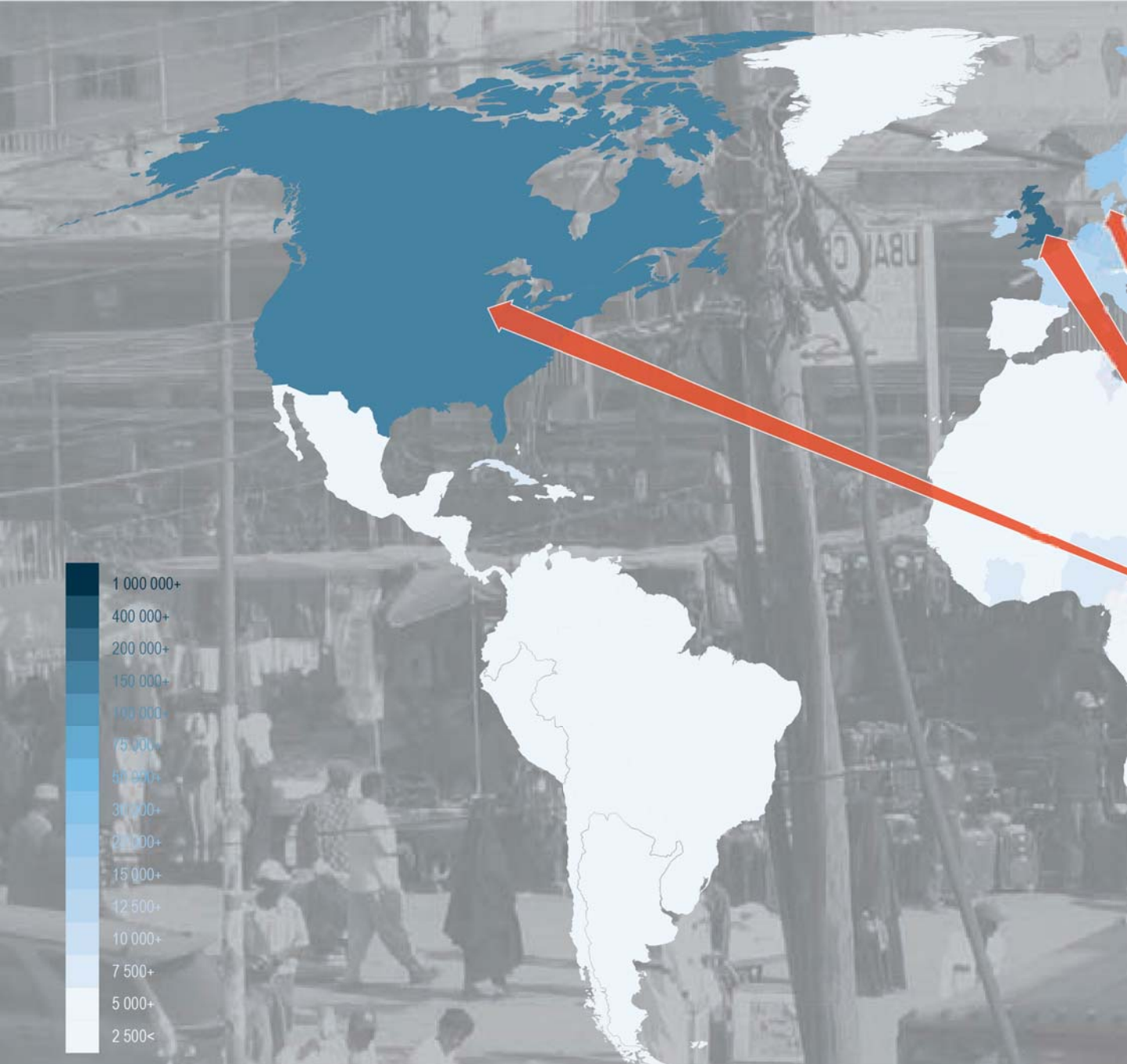


**1994 - Kenyan Encampment Policy**  
Refugees get abandoned from urban centers  
Somali refugees shall concentrate in the Dadaab  
Camps.

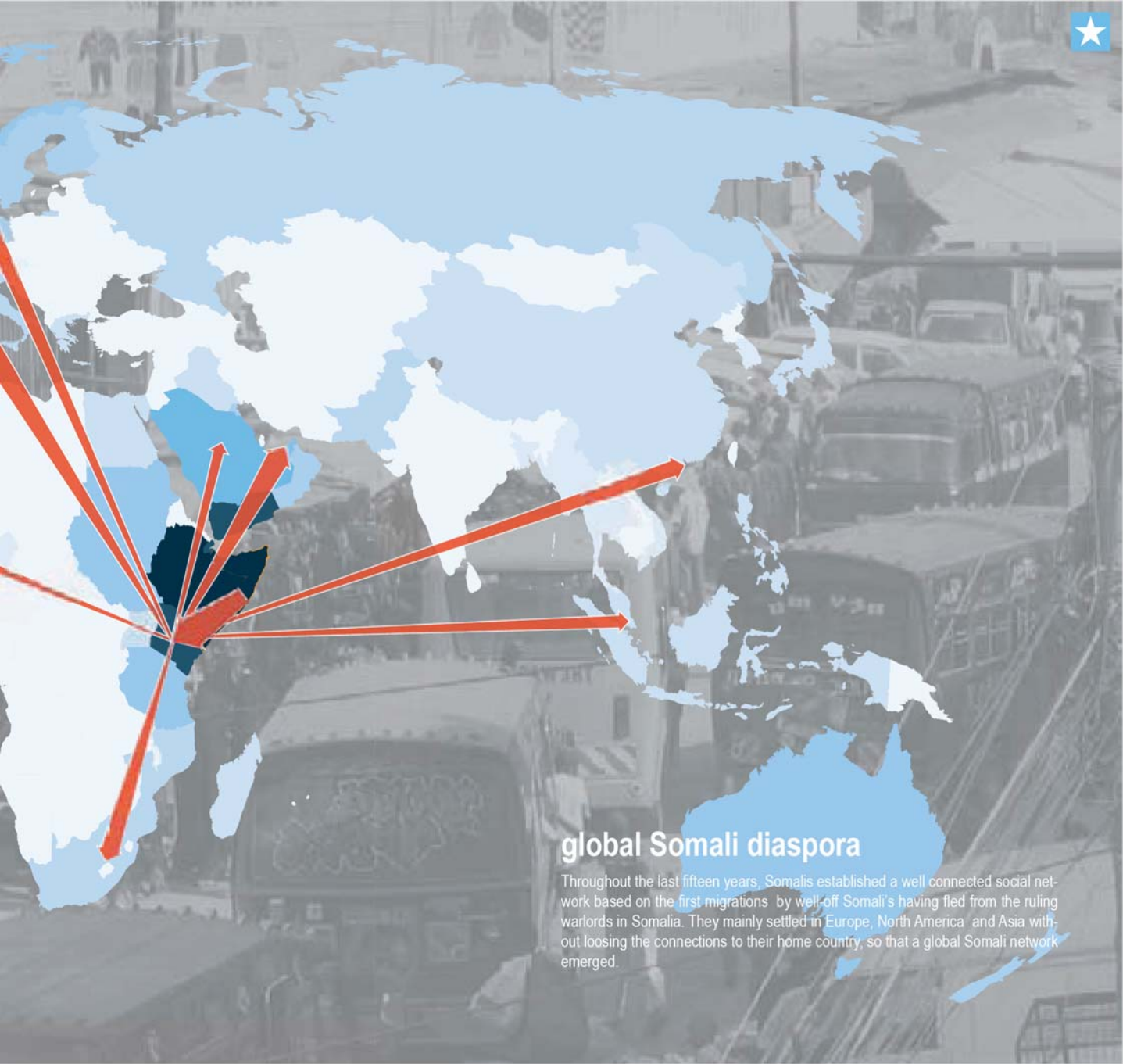


**2007 - Closed Border**  
Due to the ongoing influx of Somali refugees and the  
situation in Mogadishu getting worse, Kenya closes  
officially the border to Somalia. Dadaab Camps get  
isolated.





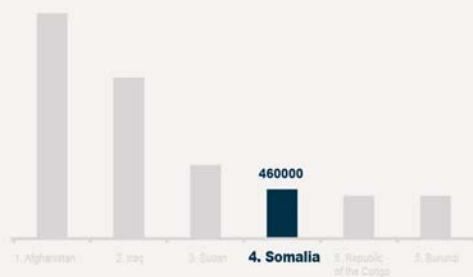




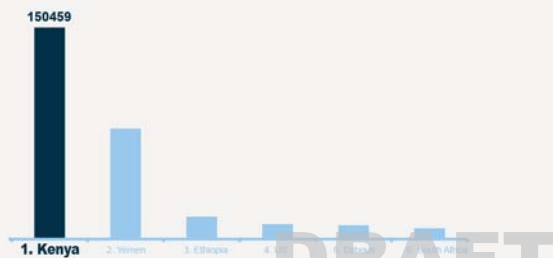
## global Somali diaspora

Throughout the last fifteen years, Somalis established a well connected social network based on the first migrations by well-off Somali's having fled from the ruling warlords in Somalia. They mainly settled in Europe, North America and Asia without losing the connections to their home country, so that a global Somali network emerged.

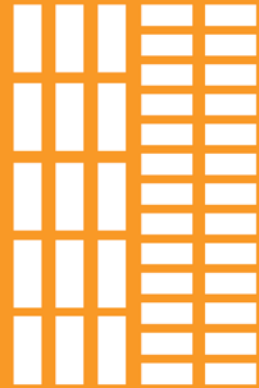
largest refugee communities



somali refugees hosting countries







## 2. CASE STUDY EASTLEIGH

Somali business models

provided goods

expressions

Eastleigh

Eastleigh's origin housing typology

urban transformation

urban analysis

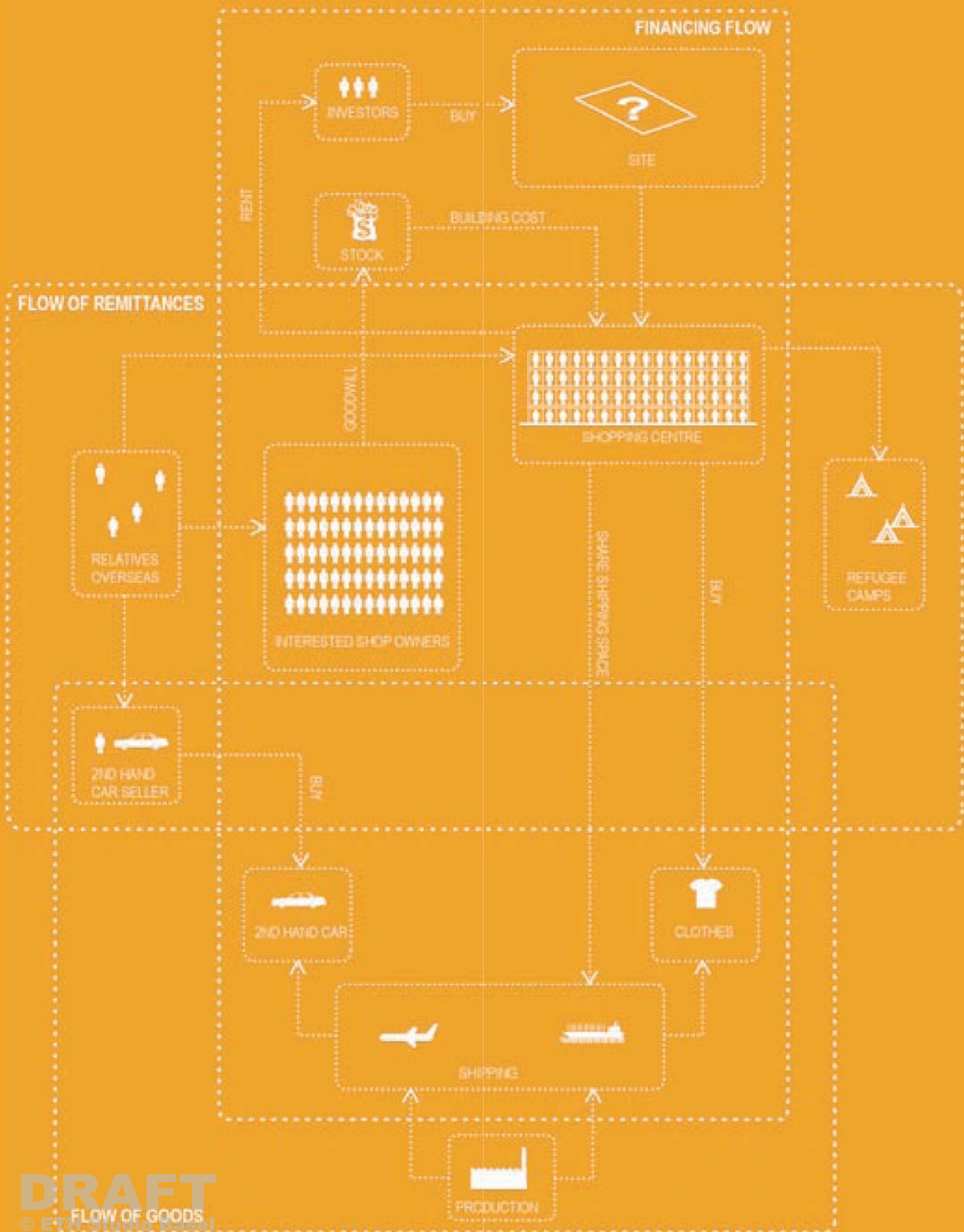
international hub Eastleigh







First Avenue Eastleigh







## Somali business models

The Somali financing system has a religious background. Somali's are using their own banking system called „Hawala money transfer system“ since they are not allowed to deal with interests:

Hawala is an informal system used to transfer funds from one location to another all over the world. The advantages of using Hawala are lower transfer commissions, better exchange rates, guaranteed anonymity and faster transactions. On the other hand it most clearly promotes black market economies and helps launder funds from illegal activities (drugs, weapons, gambling, extortion) and finance illegal activities such as terrorism.

Nevertheless, this money transfer system opens a lot of opportunities how to invest money in business ranging from trading with clothes or textiles from china until constructing entire shopping centers.







a shipping container with Chinese textiles arrived from Mombasa







“Are you from the FBI?”







## Eastleigh

Based on a classical grid, Eastleigh was planned in the late 1940's during the colonial occupation by British developers. It was meant to host Asian workers of the Railway Company - at a safe distance to the fertile Westlands, where the colonial rulers used to live. During the colonial period the Asian Community established a small trading network, profiting from the adjacency to the former International Airport Eastleigh, to the Industrial Area and to the Central Business District. After Independence, most of the properties changed from the Asians to Kikuyus. But since the Civil War broke out in 1991 in Somalia more and more Somalis moved into Eastleigh, being both interested in the local community based housing typology and strategic location of this particular urban area.



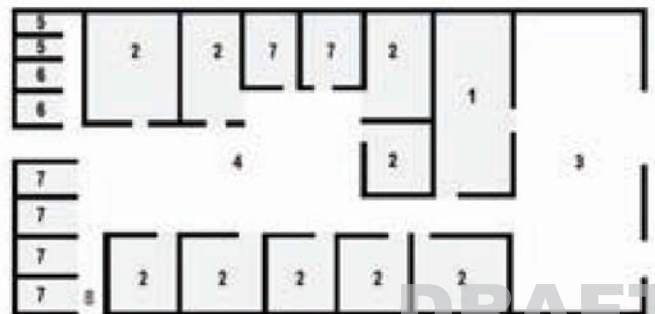


## Eastleigh's origin housing typology

Being interested in a profound social interaction within the community, Asian constructors mostly incorporated a central semi public courtyard within their residential houses. The courtyard house became Eastleighs main typology. Since Somali share a sense for the community-based living as the Asians do, the courtyard typology was for Somali immigrants one of the main attractors to move into Eastleigh.

After the ousting of Siad Barré in 1991, people started to move in masses from Mogadishu towards Eastleigh, knowing from their relatives and friends, they will meet appropriate living conditions in this area. Since the war was becoming a persistent condition in Somalia, Eastleigh's capacity of hosting residents soon got overstrained. New housing typologies needed to be built...

1. MADRASSA
2. ONE ROOM DWELLING
3. COURT YARD
4. COMMON BACKYARD
5. WC
6. BATHROOM
7. KITCHEN
8. WATER POINT







Second Avenue  
1991





**DRAFT**  
© ETH Studio Basel



First Avenue  
1991



First Avenue  
2007



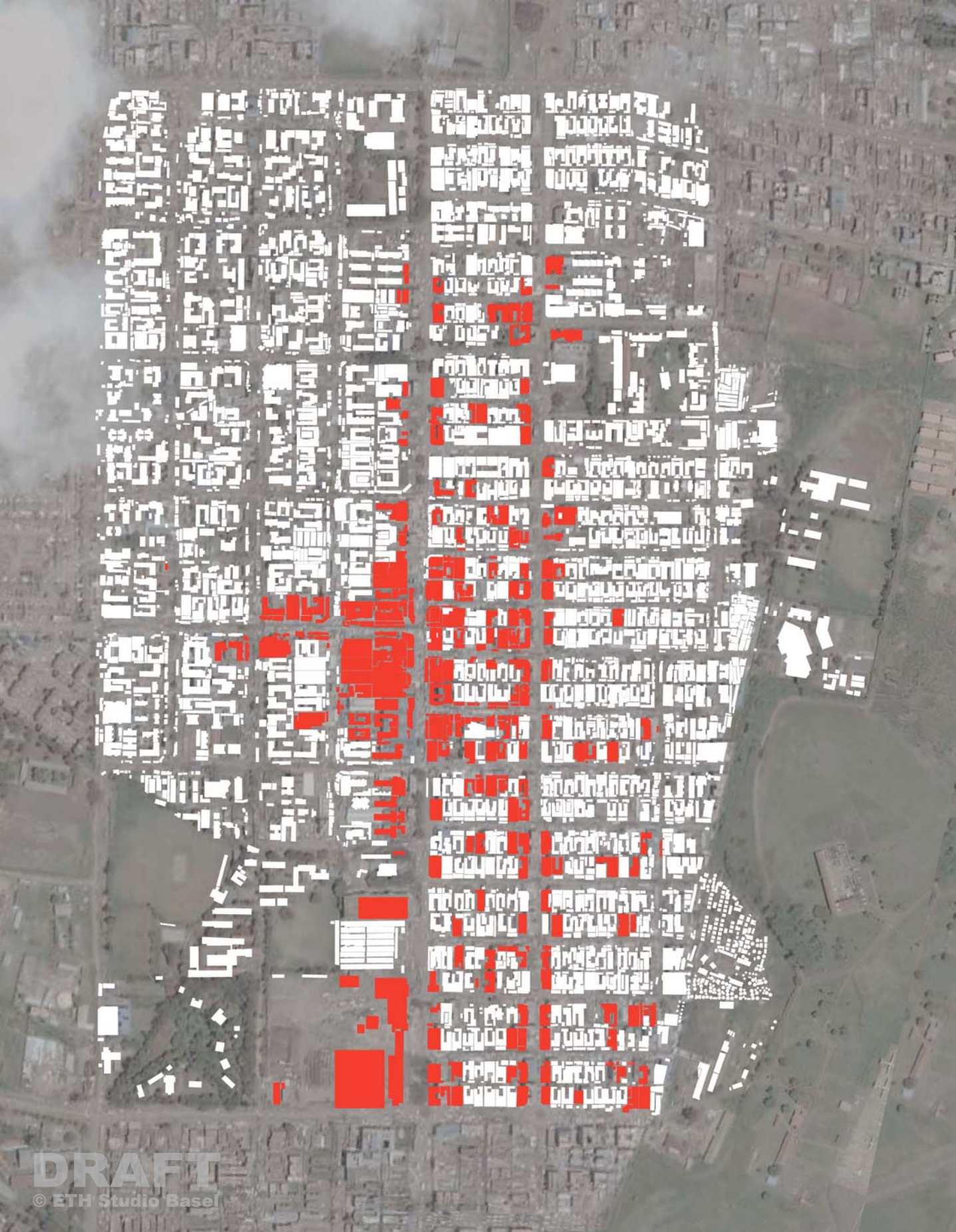


First avenue / Sixth street  
1991





First Avenue / Sixth street  
2007



**DRAFT**

© ETH Studio Basel



## urban transformation

Within 16 years - from 1991 to 2007 - the urban area of Eastleigh got redefined. Somali investor and businessmen, often officially not even allowed to live in the city, transformed large parts of Eastleigh from a mainly single-storey residential area to a multi-storey commercial zone. The still ongoing process is transforming the originally sparsely populated area into one of the most dense and vibrant places of Nairobi.

This transformation started in the Woodstreet at the Garissa Lodge where women living in lodges used their beds during the day to display and sell clothes to gain some money. Business went well and soon the lodge could not provide enough space anymore. More space was urgently needed. Nearby, at Eastleighs main street, the First Avenue, a go-down garage could get reused. Some enterprising Somali saw the potential in it and started to construct new shopping centers, along First Avenue.



to CBD

JUJA ROAD

1ST AVE

2ND AVE

MATHARE

to THIKA

JUJA ROAD ESTATE

USHIRIKA ESTATE

WOOD STREET

MOI AIR BASE

GENERAL WARUINGI STREET

PUMWANI ESTATE

to CBD

to MOMBASA

**DRAFT**  
© ETH Studio Basel



## urban analysis

As many urban areas in Nairobi, Eastleighs borders are quite clearly defined. The Moi Military Airbase, the Mathare slums and the Ushirika and Juja Road estates in the west define clear physical borders. To the south the grid continues, but the area is mostly Swahili dominated.

The First Avenue divides Eastleigh into two parts with different orientated grids. As a result of that, the area east of First Avenue has a higher accessibility while the west part has more opportunities to address the main traffic axis. First Avenue and Second Avenue run through the whole area and connect Eastleigh to the greater urban area of Nairobi.



Roundabout First Avenue

Eastleigh Shopping Mall





Commercial activities take place on two scales:  
Large shopping complexes address the First Avenue while small scale business activities spread along the sidestreets-  
Lately attempts were made more southwards at the roundabout to profit from the higher accessibility and expand the commercial zone southwards. Its economic success is not yet evident.

Since Eastleigh gets used by many Somali refugees as a temporary stay, lodges are an important asset to the economy of Eastleigh. They spread mostly along Second Avenue, occupying usually the cornerplots. Although they do not concentrate on a specific zone, they tend to be more towards the two roundabouts in the south, where busses and longdistance transport services are nearby.

Barclay Bank

Garissa 2 Shopping Complex  
(under Construction)

Eastleigh Market



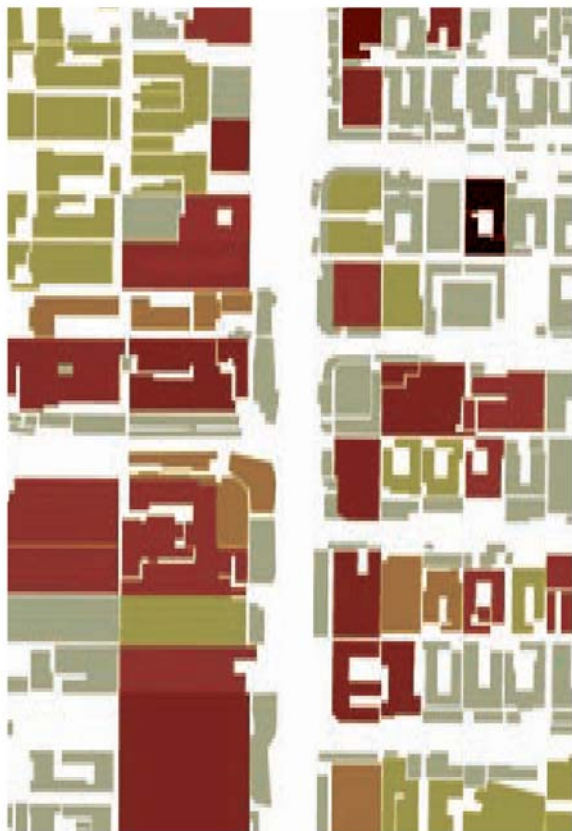




Eastleigh Market

Sunrise Shopping Center





Densifying along main axe (First Avenue)

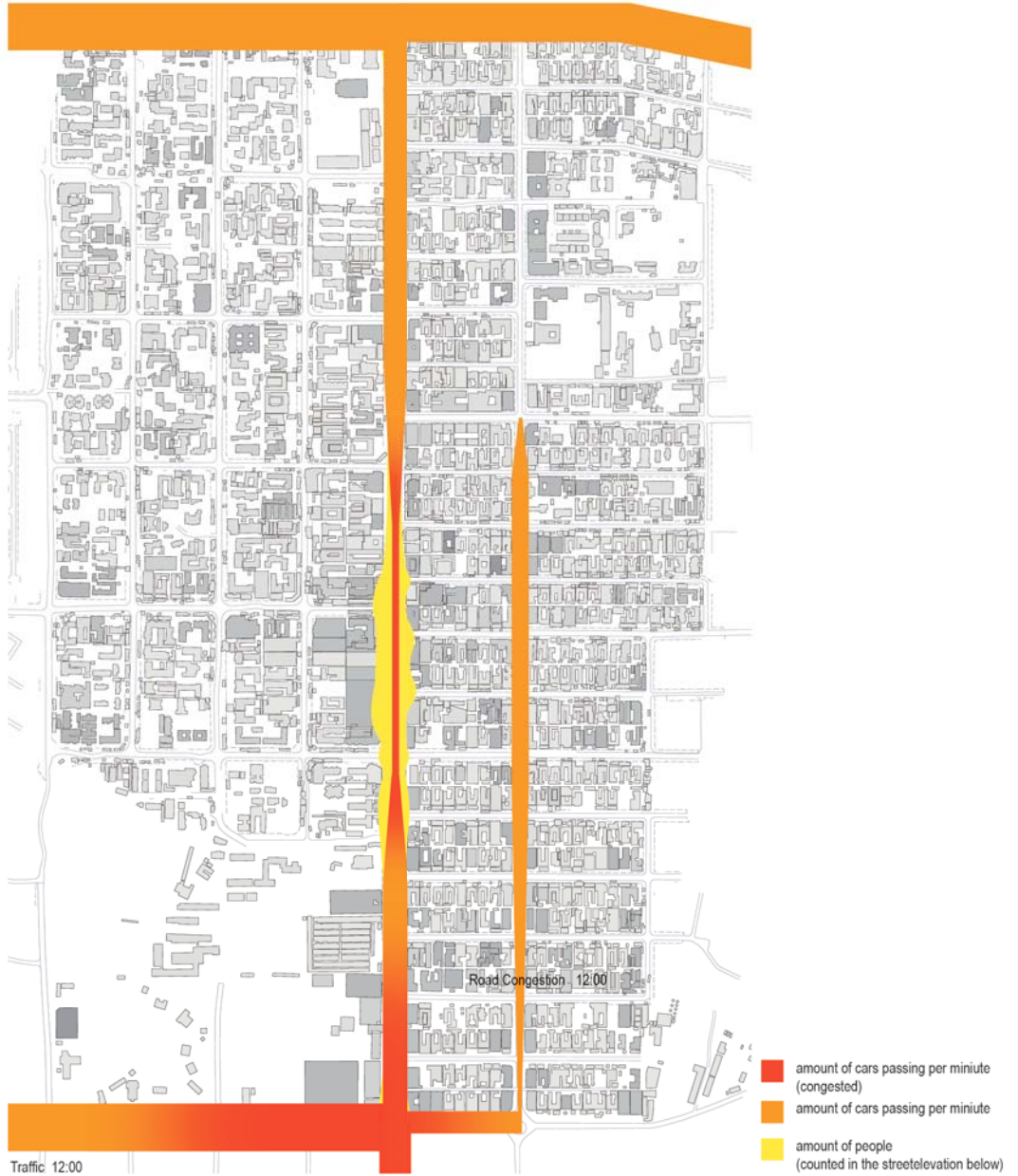


Densifying at corner plots (Second Avenue)

Chief's Office Eastleigh







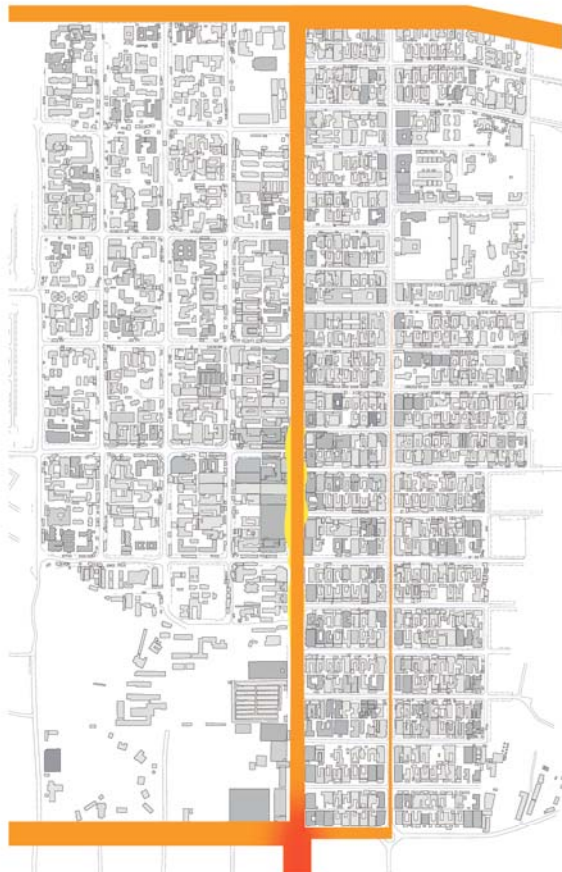
## Road Stalls Concentration



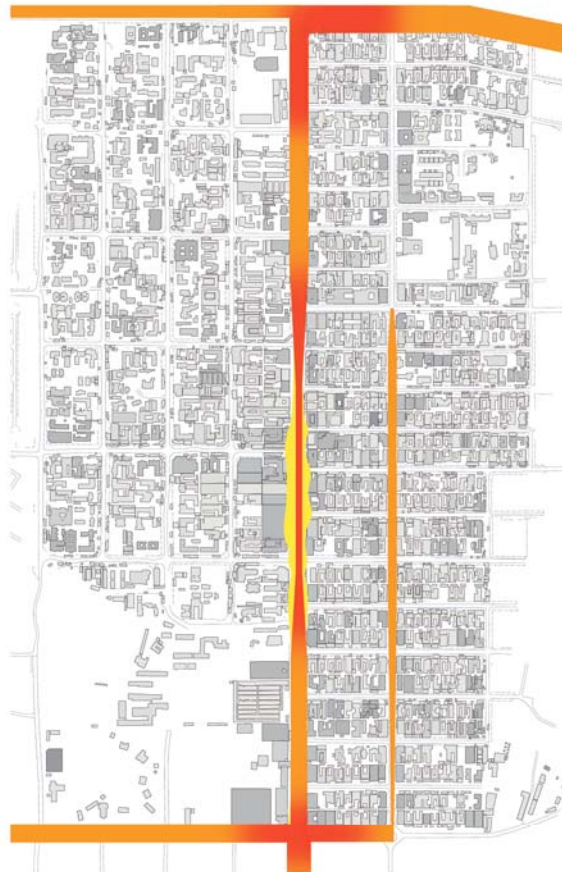
## Al-Habib Shop







Traffic 8:00



Traffic 16:00

Although Eastleigh's traffic system is based on a grid, the whole area relies on one traffic axe, the First Avenue. The Second Avenue is very badly maintained and is unpassable in the northern part.

Trailers are bringing shipping containers from Mombasa and Eldoret, Matatus are bringing in people and private cars are delivering goods out of Eastleigh by using one traffic axe. Before noon the whole traffic gets already congested in front of Eastleighs main shopping centers due to dense pedestrian traffic and offloading of goods. The main traffic node to Eastleigh, the roundabout in the south, is congested at all times limiting the accessibility to the area.



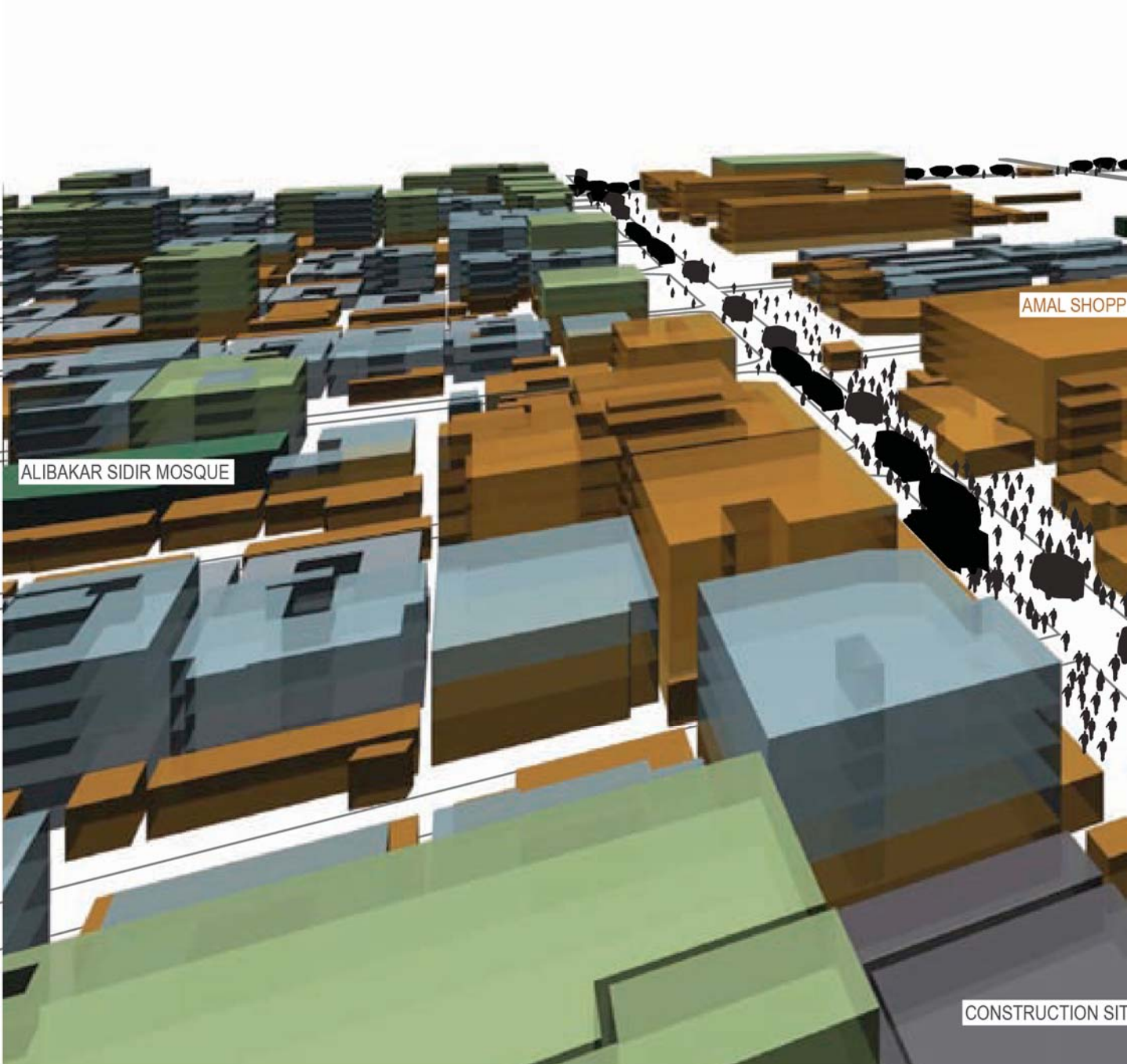
Selected points for traffic measurements.

ing Complex

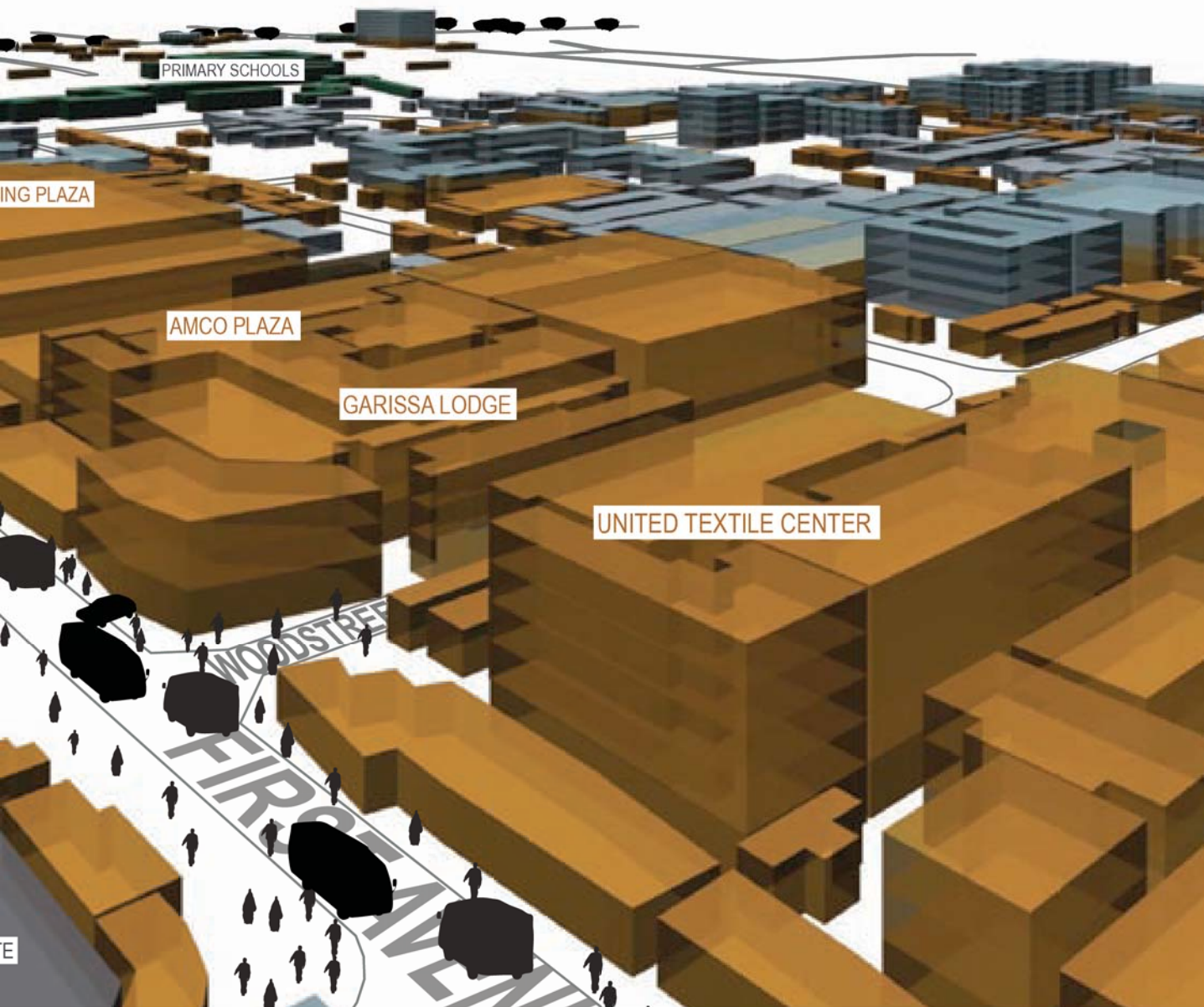
Amal Shopping Plaza



**DRAFT**  
© 2011 Studio Basel







Garissa Logde

United Textile Center







Al-Habib Shopping Mall

Baraka Shopping Complex

Residential Typology







Eastleigh Sanati House Lodge

Roadstall Concentration







bus depot

shopping center

first avenue

lodge

**DRAFT**

© ETH Zürich Basel





roadstalls

courtyard typology

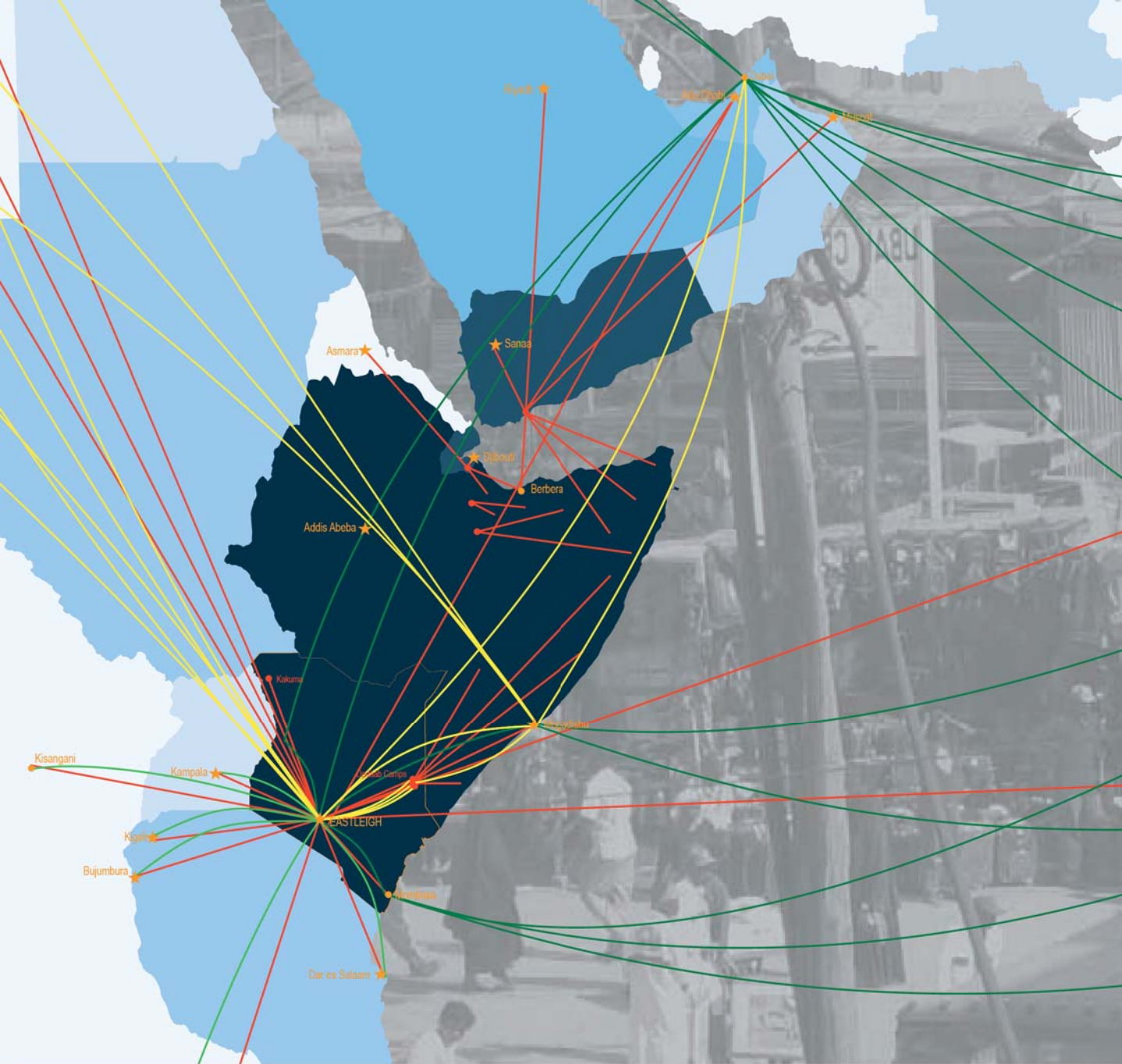
roadstalls

second avenue

new housing



**DRAFT**  
© ETH Studio Basel

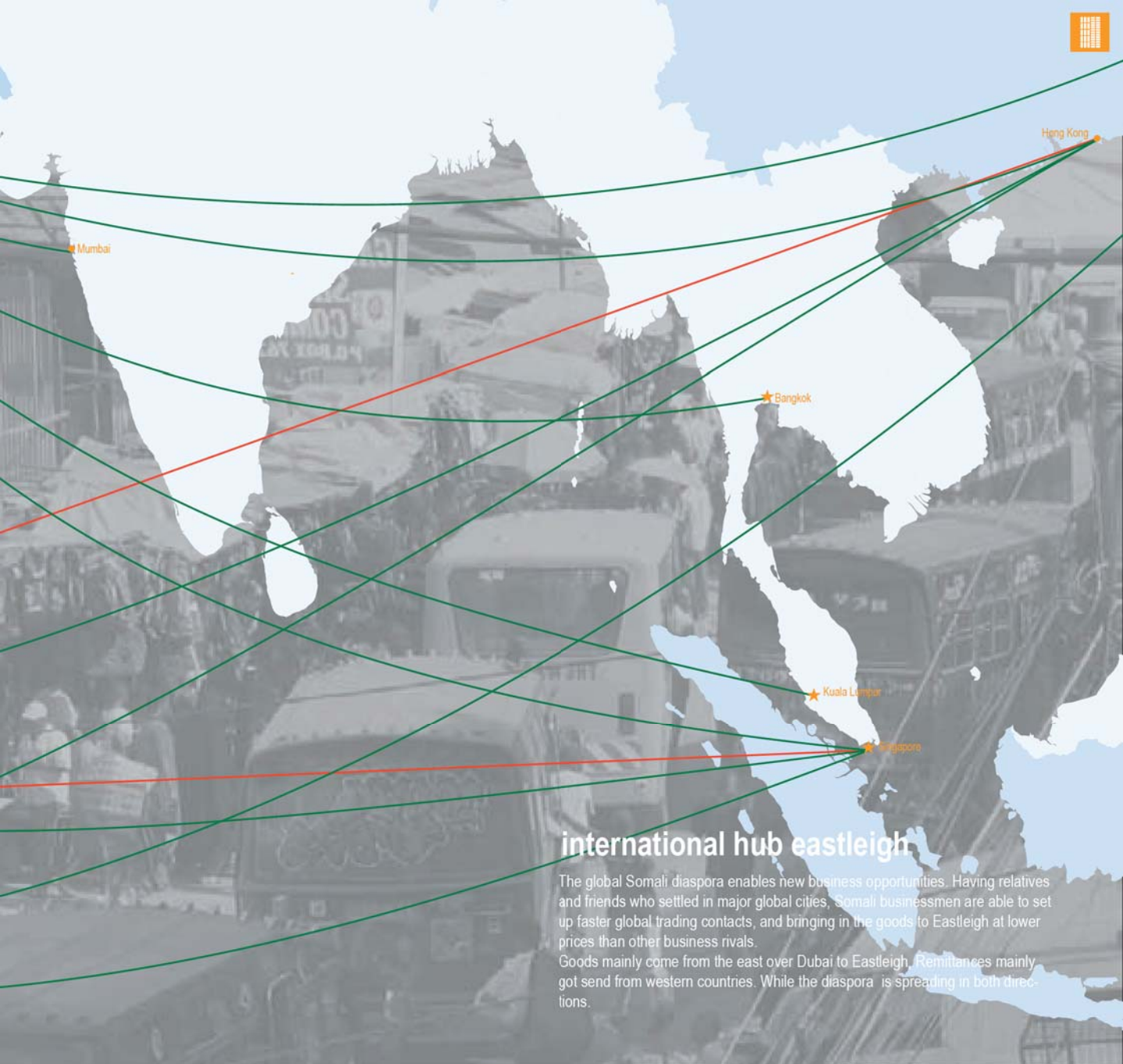


## formal economy of Kenya

In 2006 Kenya had a global trade disbalance of over \$ 1.8 bn. This mainly because the country needs to import all oil and machinery from U.A.E and U.K. The most important exports of Kenya are tea and horticulture which are going to countries as the Netherlands, Egypt and Pakistan. But even these most important goods Kenya exports create not significant more revenue than the remittances that got send into the country each year.







## international hub eastleigh

The global Somali diaspora enables new business opportunities. Having relatives and friends who settled in major global cities, Somali businessmen are able to set up faster global trading contacts, and bringing in the goods to Eastleigh at lower prices than other business rivals.

Goods mainly come from the east over Dubai to Eastleigh. Remittances mainly got send from western countries. While the diaspora is spreading in both directions.

refugee flow



most important trading partners









### 3. AMAL SHOPPING PLAZA

the Somali shopping center

architectural concept

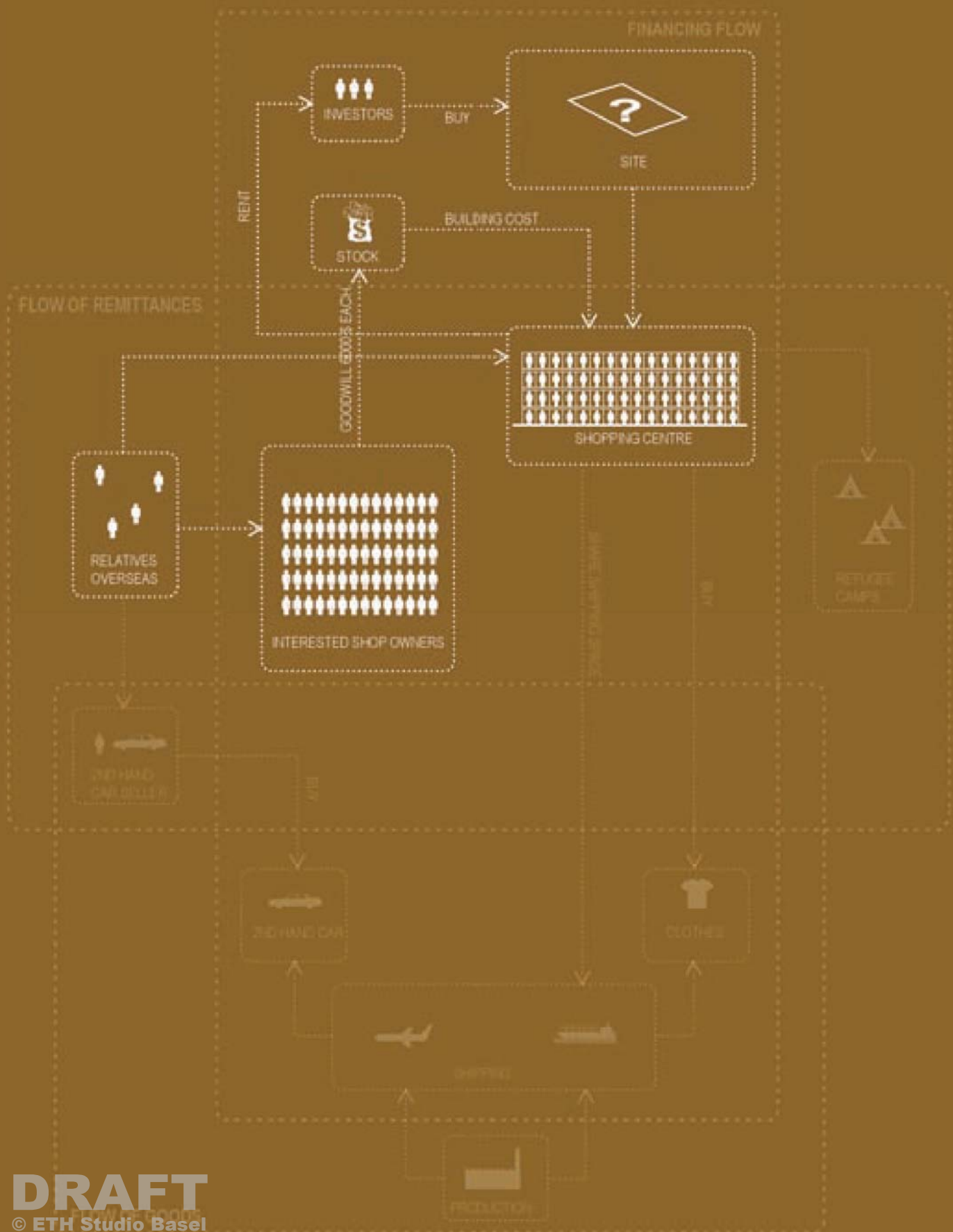
international expansion of Amal Group







Amal Shopping Center, First Avenue



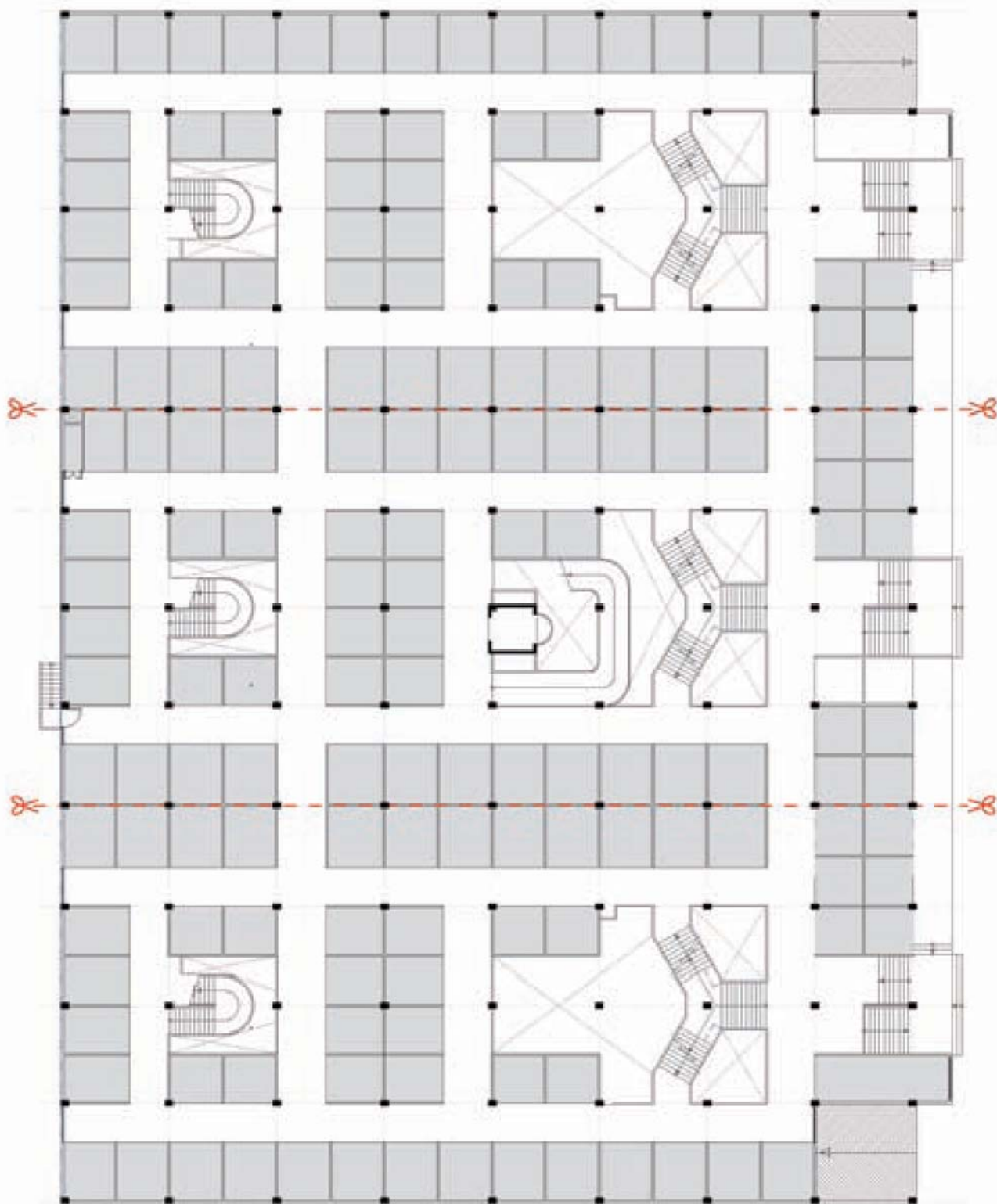


## the Somali shopping center

The Amal shopping plaza came out of a group effort, where 10 to 15 Somali refugees bought shares into a project. After having bought the three plots in 2002, they formed the Amal company and sold the idea to their community. In the meantime, interested shop owners had to pay 6'000 \$ goodwill in order to show their serious interest, so that in the end, the building costs of the shopping center were covered before they even started to build it up. The Amal Plaza was thereafter officially opened in June 2004, which was a welcome addition to the Eastleigh business community due to the state-of-the-art facilities that it offered, compared to other competitors in the property market.

Its diversity and density of goods somehow reflects what you experience on the streets on a smaller scale in an interior world full of staircases, ramps and plenty of stalls. It really seems like a microorganism of all the activities you can find in Eastleigh. With the Amal shopping plaza Somali Refugees intended to establish a world class facility which could compete on an equal footing with other major international shopping malls.







## architectural concept

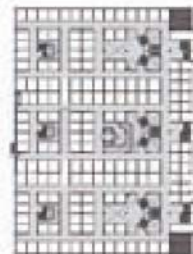
The Amal shopping plaza is one of the leading shopping centers in Eastleigh, located at the First Avenue in a prime commercial area and hosts a wide range of businesses dealing in clothes, shoes, leather products, restaurants, offices, telecommunication, electronics and other wide range of products.

The initial design idea was accessibility to the First Avenue. The clients wanted as much pedestrian movement in front of each shop as possible. Due to a strong competition between shopping centers, they were also demanded to create a lot of open space for bringing in natural light.

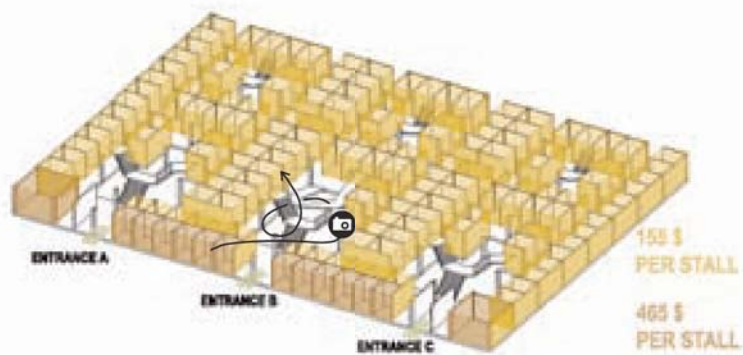
Characteristic for Amal's floor plans is the still visible impact of the three groups of interests who formed the Amal Group. The idea in the design phasis was that they could operate on their own. Though, they joined economic forces by representing one successful company.



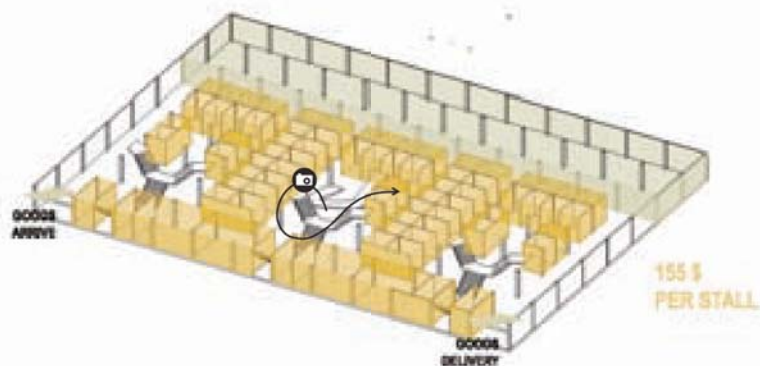
Sarit Center  
(Westlands, Nairobi)



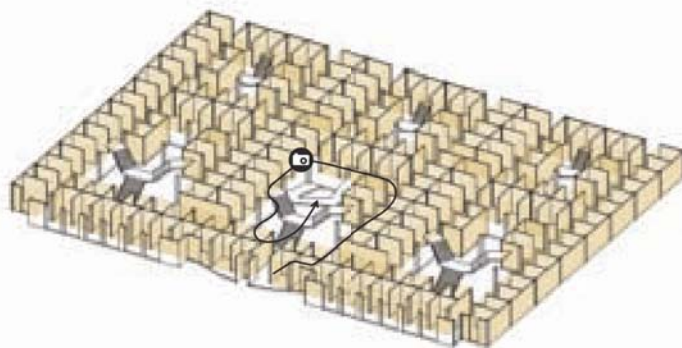
Amal shopping center  
(Eastleigh, Nairobi)





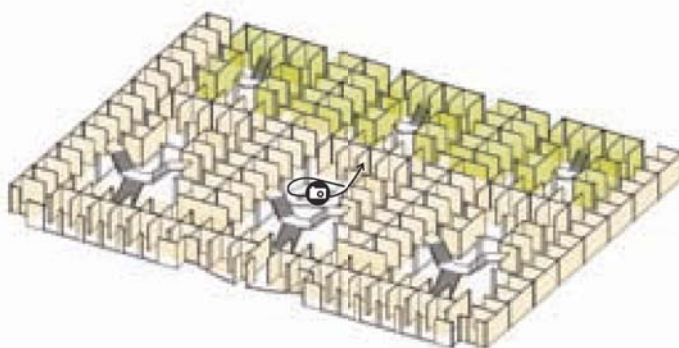


Upper ground floor



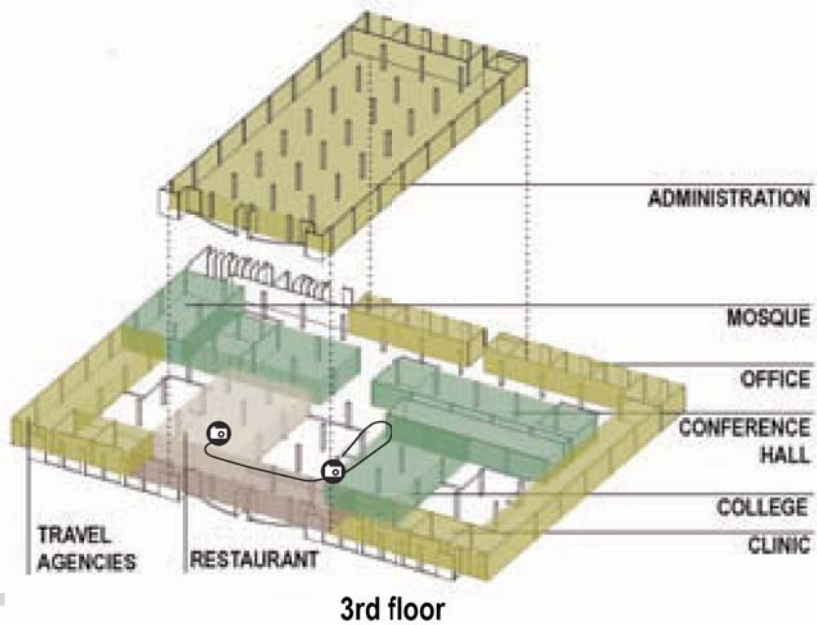
125 \$  
PER STALL

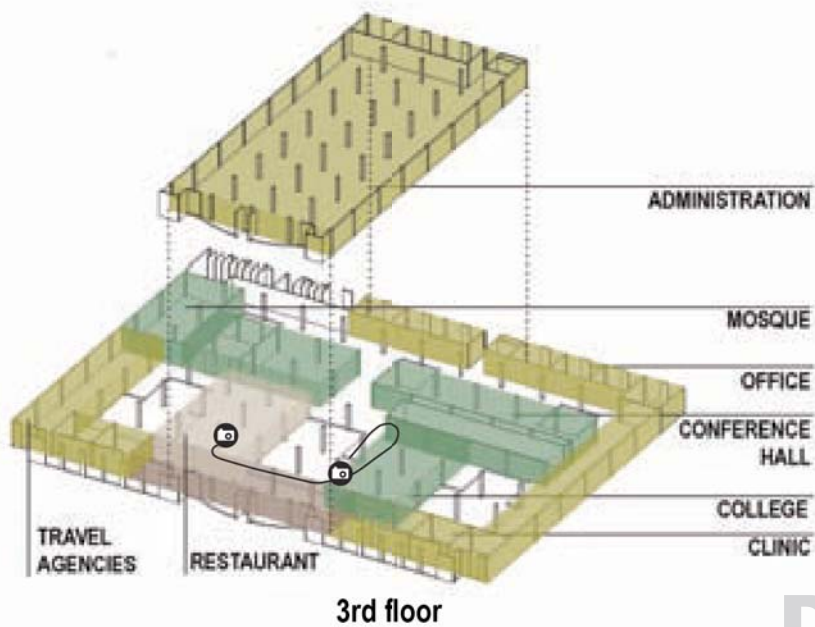




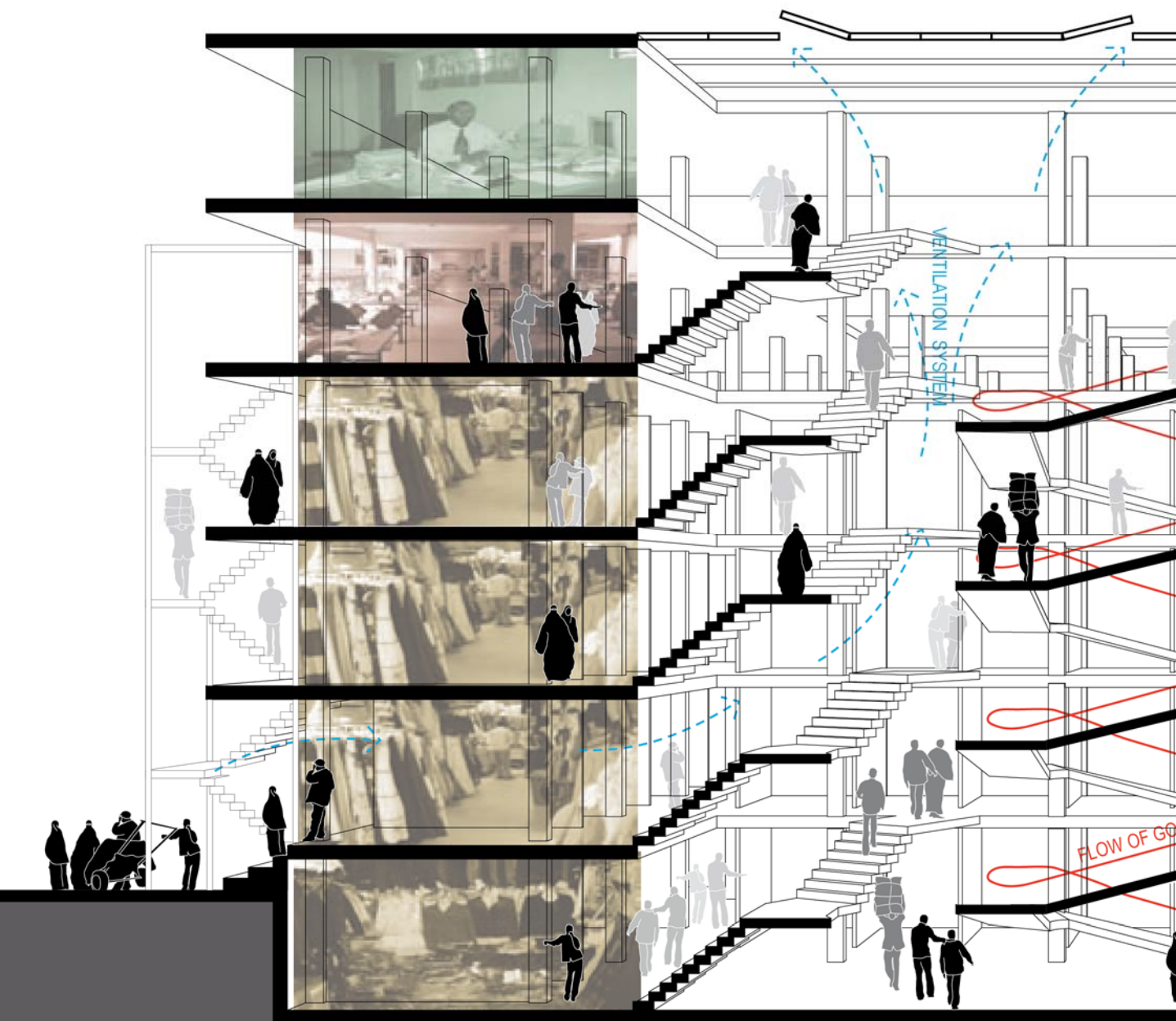
2nd floor



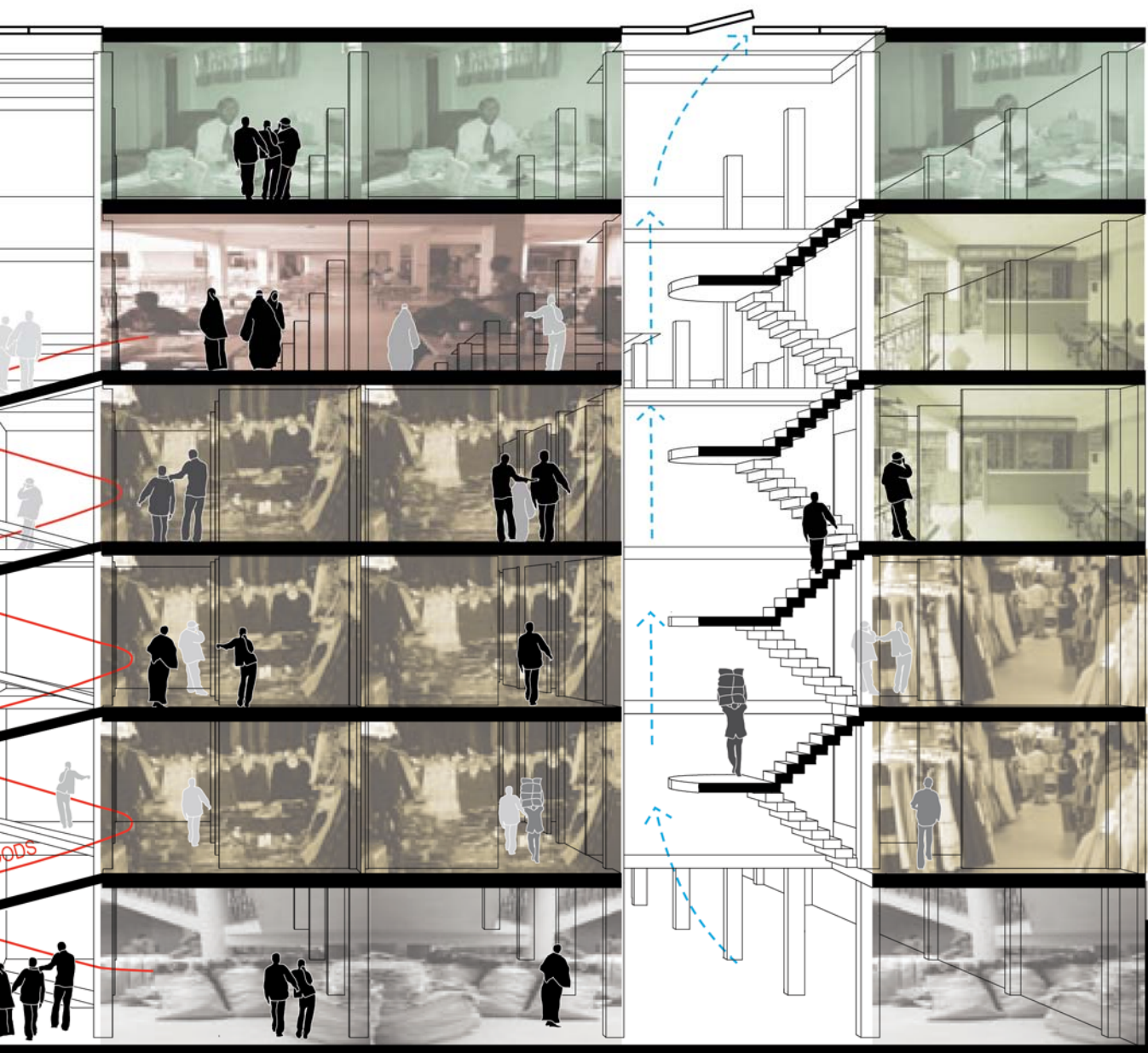














[www.amalplaza.com](http://www.amalplaza.com)



Amal Plaza is a business venture that is a subsidiary of the larger Amal Group of companies. It has established since 2002 several shopping complexes that are located in various countries in Africa including Kenya, South Africa and Somalia.

Amal Property Management personnel are specially trained and equipped to assist tenants find properties to rent that will meet their needs. They maintain a database of shop and office space available to rent and prospective tenants and their requirements. As space becomes available, their first action is to contact prospective tenants on the database whose requirements match the property.





## International Expansion of the Amal Group

The Amal Group, a cooperation which was founded in Eastleigh by Somali refugees in 2002, started to expand their businesses outside of Kenya; to Johannesburg and lately even back to their country they fled 10 years ago - Somalia.



The Amal Group in Mogadishu has one of the sole operating commercial banks in Somalia and serves as a commercial hub for the entire country. The Somalia branch of Amal Plaza is currently involved in the development of two projects in Bosaso and Galakaio.

South Africa is one of the most sought after business hubs in the world. This is why the amal Group decided to set up a shopping mall in the country. Johannesburg is a prime South African location due to its attractive cosmopolitan appeal and business influence.













**DRAFT**  
© ETH Studio Basel





**CBD**

**THE**

CBIR

MOMBASA

**DRAFT**  
© ETH Studio Basel



500 M



## potential of Eastleigh's infrastructure

### **overstrained infrastructure**

The commercial zone of Eastleigh cannot expand anymore as long as the First Avenue is the only traffic axle. To release the congested infrastructure the grid needs to be activated again.









#### **deliberating the infrastructure**

By introducing the Second Avenue as a parallel traffic axe to the First Avenue, the once concentrated traffic could be split up on both axes. The side streets in between link the two axes and create an efficient distributing system. Due to the deliberated traffic the once paralyzed commercial zone could expand freely towards and along Second Avenue.







CBD

St. Alban

CBD

MOMBAS

**DRAFT**  
© ETH Studio Basel



500 M





#### **expanding infrastructure**

Once the deliberated strip in between the two traffic axes got developed, it could expand towards south taking advantage of the strategic position inbetween the two arterial roads leading to Mombasa, providing much more flexibility to the commercial zone of Eastleigh.









Eastleigh ?





SAFARICOM



FOREX OFFICE



CYBER CAFE



## Somali businesses in the CBD

Until now not much of the improvements in Eastleigh happened. So the enterprising Somalis were looking for alternatives to do business. Therefore they established new business ideas in the Central Business District.

One of the main activities, apart from running Cyber Cafes, is the establishing of Safaricom Authorized Dealer Shops. These shops are originally meant to sell mobile phones and scratch cards. But since it is possible to do money transfers through text messages with a Safaricom mobile the Somalis became very eager to use their system to do money transaction within Kenya. A money transfer system which offers them similar flexibility as the Hawala system on a global scale does.

Since the Hawala system is not allowed in Kenya, it is a known fact that Somalis are hiding it behind the desks of Forex offices.

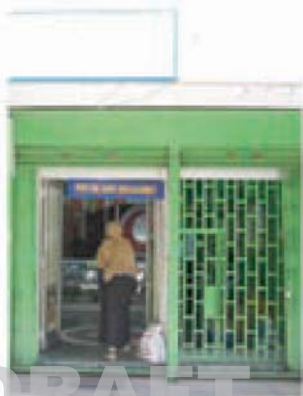
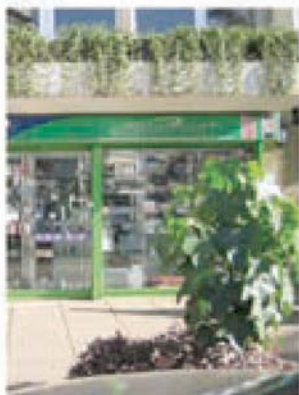




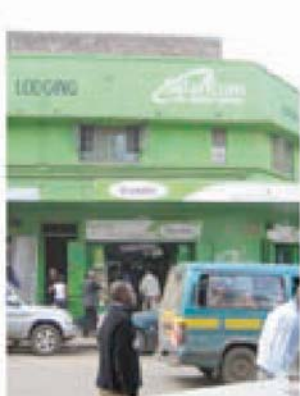












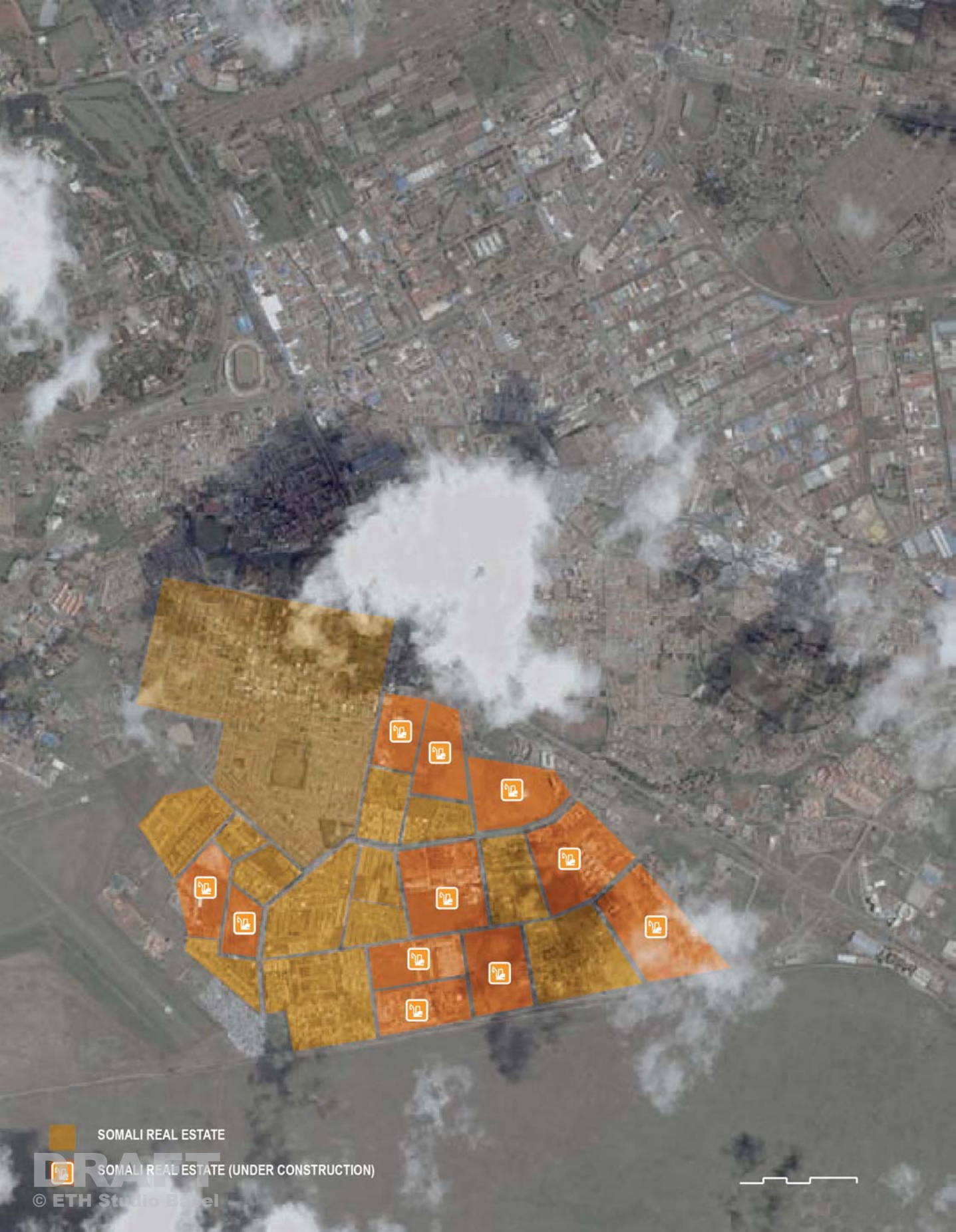






Eastleigh two decades ago ?

**DRAFT**  
© ETH Studio Basel







## somali real estate in Nairobi's south

Since Eastleigh cannot provide enough residential space for all the Somalis coming to Nairobi, alternative areas needed to be found. Again was the asian courtyard typology an initial attractor to the first immigrants.

An area south of Nairobi, close to the Mombasa Highway, seemed to meet these needs. South C quickly became a hotspot for the Somali community. This time the Somalis began to do real estate on their own to provide enough residential space. A new businessmodel emerged for them which they even applied in Dubai on their quest on new economic possibilities.














## interlinking

Looking at these three locations of Somali business activities, and having in mind how fast Eastleigh got transformed by Somalis, it seems almost obvious that Nairobi is going to be confronted with more dramatic changes...



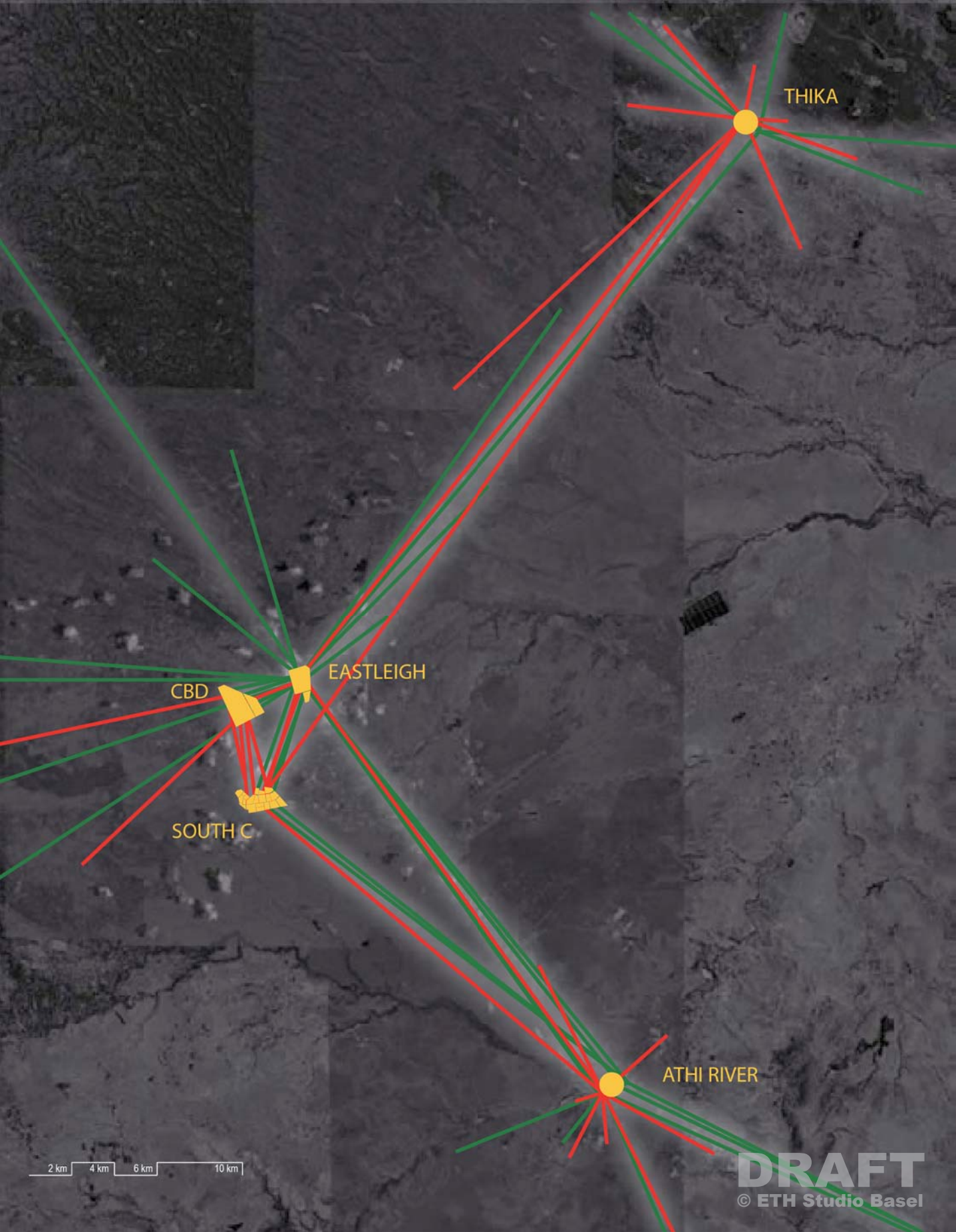
## a network of individuals

**Mr. Hassan Guleid (Eastleigh District Business Association):**

*"We were thinking about having a container depot around nairobi near athi river and having everything coming there, store there and people could get things from there after paying taxes. But people didn't like it because they had the transport already organised and didn't want to kill one sector to develop another one. They thought it's better to organize the transport on a individual basis."*

*"There are segments of business men who deal with a central distribution. But if you try to centralize then you're putting of some transporters out of businesses, and they don't want to do that. There is a chain connection all over, they depend on each other so much."*





THIKA

EASTLEIGH

CBD

SOUTH C

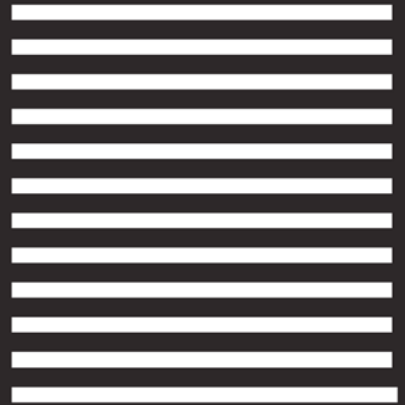
ATHI RIVER

2 km 4 km 6 km 10 km

**DRAFT**  
© ETH Studio Basel







## 5. APPENDIX

## INTERVIEW WITH MRS CALHOUN UNHCR

Urban refugees are a delicate issue here in Nairobi. UNHCR works on protection of refugees without getting in conflict with the Kenyan government. Since Kenya is a relatively stable country surrounded by unstable conflict regions, the country attracts masses of refugees. There are many refugees from Somalia, south of Sudan, Ethiopia, DAC. So there is an incredible pressure on the government and in the end aswell on the UNHCR. Since the mass influx in 1991 the government got under pressure and decided to concentrate refugees far away from urban areas in refugee camps close to the borders of Kenya. Only in Dadaab there are 157'000 refugees, 98% somalis. In Kakai, there are 60'000 refugees, 80% sudanese.

But of course these refugees are interested to move to cities to have better economic, educational and climatic conditions. Remittances allow them to do the travel. Aswell, a lot of the Somali refugees came originally from Mogadischu or other cities, so these people dont want to stay in rural camps. The UNHCR can only register people who come to us because of their precarious situation. With this registration they get a UNHCR refugee document which helps them to be protected from police harrassments, register children to school, getting licences for bank accounts and so on. But in Nairobi we dont provide any human assistance, so people who are in need for that we try to persuade them to go back to the camps.

In 2006, we did a large registration campaign to document the number of urban refugees in Nairobi. From february to june we registred refugees on three sites: Eastleigh, Karokir and Pumwani. 20'000 somalis were registred but a lot of them didnt go despite Alien ID Cards were promised since they didnt saw any reason to do so and were of course aswell suspicious about the motivation of registration. But until now these ID Cards are not yet given and anyway for a working permit you need a Class A card wich costs you 60'000 Ksh. This of course inforces again the trend of self-employment. Anyway this number of 20'000 is not reliable anymore since a lot of refugees arrived in or left nairobi since july 2006.

### **What is the status of urban refugees in Nairobi?**

Somalis and Sudanese are generally seen as refugees (following the '51 convention) while refugees from other countries (ex Ethiopia) only get a refugee document if their status is proved by the UNHCR.

### **Do you have statistics about the flow of refugees between Dadaab camp and Eastleigh?**

No, we dont have any numbers but we know there is much traffic between those destinations. Often they don't get better health support and education in the camps than in eastleigh and aswell re-registration in the camps are forcing people to move back to the camps.

### **Could you tell us more about class differentiations among and between refugee communities?**

It is almost impossible to distinguish between Kenyan Somalis and Somalian Somalis. And often Somali refugees already found a way to get Kenyan ID cards so it is hard to do any statistic about that.

### **Why are Somali refugees so well connected globally?**

In reports of the Danish refugee council and Cathy Horst you will find more detailed number about this phenomena. But basically their strategy is trying to spread the risk, so they send each son to another country and if one child finds a stable and promising place they gather there the family again.



**What is the position of UNHCR regarding the refugee situation in Eastleigh and Dadaab?**

Kenya has already a own challenge with its poverty, so 250'000 refugees are a large burden for a developing country. The UNHCR is not really well supported by the Kenyan government but we try to locate them in Nairobi in order to help them better. In the last two years we began to document refugees on a GIS map and we realized that a lot of Somali refugees live outside of eastleigh. So the question i would like to ask you is where the next Eastleigh is going to be? Since in certain areas you can lead a far better life than in Eastleigh with the same amount of money. So we are encouraging Somali refugees to move to this areas especially Somali christians as a very small group who need help from the UNHCR.

**How many refugees come to the UNHCR every day?**

There are between 300 and 400 refugees a day at our center.

**Is there a strategic reason to be located in the city center?**

We want to be accesible for all, but the question to move to Ngiri never rose.

**What kind of services do you provide in Eastleigh?**

We work together with the public health and public school facilities. In the 2nd ave/4th street people get health services from the UNHCR. The goal ist that basically everybody can access health support for a fix price of 20 ksh. Of course these services don't meet western standarts but the basic needs can get covered. We provide aswell public primary school assistance and training for the teachers so they learn how to deal better with refugee children. This are simple ways to help the refugees in Eastleigh without needing to register them. In 2006 we started a door to door campaign for pre-primary-education.

**Do Somali business men in Nairobi get naturalized Kenyan IDs after a certain while?**

There is a policy decision by the government that no Kenyan citizenship get given to refugees.

**Since the efforts of Somali refugees eastablished a self-helped-city; are there any influences on making the camps as Dadaab more self-sufficient?**

Dadaab camp is not easily accesible, and you even need a paper to get there. The journey itself includes high risks and high costs so free trade between eastleigh and dadaab is just not possible. But there are remittances in a smaller scale paid from Nairobi and Garissa to Dadaab. For example, a 12 year old girl working as a housemade in Nairobi who send 500 ksh back to their families living in Dadaab. We did remark that the number of first sons you meet in Eastleigh is higher than 50%. So families in Mogadischu often send their oldest sons to Eastleigh to establish businesses.

**Do you have contacts with business people in Eastleigh?**

We only have contacts with vulnerable people such as woman in domestic labour or ethnic minorities.

**Do you experience any suspicion in Eastleigh?**

Yes. The UNHCR has among certain groups a bad reputation. For example because we really have a low level of funding for the camps so we are not able to maintain international standards for refugee camps. Even the Oromo Somali (a tribe at the Ethiopian border) are highly mistrusting the other Somalis since there are a lot of spies in this area.

### **How do you see the future refugee flow?**

Somali situation got even worse in the last months. Officially the border is closed. So people are avoiding common routes as the way over hagadera-dadaab-garissa but bypass these refugee camps. So they can not rely on security they would get in the camps. There are no signs of improving in closer future.





## INTERVIEW WITH MR. HASSAN GULEID (CHAIRMAN OF EDBA)

### Could you tell us how it came to the founding of the Eastleigh District Business Association?

I have been exposed to the environments of Eastleigh since 1969. In these earlier days it was purely residential, inhabited by people from central province, mainly Kikuyus who owned over 80% of the building. Most houses were single storey buildings. There was a lot of space, the density of people was very low. There were not many people demanding for social amenities. And then there are the Somalis who concentrated in Eastleigh mainly in section 1, 2, and 3. And the Swahilis in Pumwani in the south of Eastleigh. The Somalis were few. Those ones who were there owned already properties, small single storey houses. In 1969 after independence the Asian community started to move out slowly and they got replaced by the Somalis who started to come in due to the first serious drought in the north of Kenya in the beginning of the seventies. There was aswell a local civil war called shifta which also brought people into Eastleigh. When they came here they disposed their livestock and started to do small small businesses in Nairobi, retail shops and small hotels. As it continued a second drought came again in the early 80s, and the number again increased. But by then the shifta activities cooled down completely and there was now proper communication between Nairobi and north eastern province, there were not much of restrictions. There were laws against refugees in Eastleigh but the government became really silent on them and people started having opportunities to come and settle down. And because there were all these earlier Somalis who settled down in Nairobi so they could give the arrivants good reception and at least they started living together. After the civil government got overthrown in Somalia in '88 people fled from the military junta and moved into the city. Those Somalis, together with their Italian partners started to move into Nairobi and started spreading all over to Tanzania and Zambia. But quite a number settled here. At that time, Kenya was worried about the Somalia military government and warmly welcomed the arriving refugees. The remnants of the civilian government came with some money and started to buy properties and established transport businesses and started to own a lot of trucks, mainly FIAT trucks because of the connection they had to the Italians. These trucks were very ideal for this country indeed. As that went on, in the early 90's, the removal of Siad Barre and his military government created a very big influx. Aswell those people who associated with the former government came to Kenya. The ones who took over never agreed to form a government, so until today there is no stable government. Those people came and the international community became very receptive on them. They encourage to settle in Europe and America, and Canada. And that encouraged again a lot of Somalis to come to Kenya. The influx was so huge, they came with everything they got, but when they came here, the invitation was not as welcoming as they thought, so quite a number went abroad, but a lot of them remained refugees in the camps awaiting to be accepted in one place. That started to take long time and since they were not used to handout as refugees they came into Nairobi and Mombasa. When they arrived they immediately set up business branches, on a very small scale. Often they could aswell rely on remittances from relatives living already in the western world. Often those people living abroad sent between 10 and 20 percent of their income back home. Since almost every Somali abroad did that, quite a lot of money started to arrive in Nairobi every week through a system called Hawala, based on trust. In the earlier days you didn't even get a receipt for the money you sent. The money arrived at the destination within hours, not even days. This system started at small scale but soon grew very big. Since there were no formal banking in Somalia all the businessmen involved in money business started settling in Nairobi and Dubai. So Dubai was a central place where all the money passed through and everybody started to have their headquarters there.



Those systems who started earlier, like el-barrakat and habdfil, grew too big and became a threat and started to attract the rough of the American government and got closed down. VERY UNFAIRLY, for no reason. They were associated with terrorism and all that but the small hawala system stood, and every young person started to deal with it, mainly for remittances. The commission coming out of it was always lucrative but much cheaper than the bank transactions so this place became the center of almost everything. Whoever was coming from Somalia ended up in Eastleigh, whatever was going to Somalia started originally from Eastleigh. As a result of that there became a demand for a commercial hub. People had to develop at least a lot of facilities to transact that. Airlines started coming in to move all this things, they started to establish shipping lines to deal with that, and road transport. This grew and grew and started to require premises. So the value of land in Eastleigh became very high. A building which was originally \$ 20 000 for the plot in 1999 became in 2004 worth \$ 1 mn. More and more Somalis started to settle in Europe, working very hard. And were able to remit money. Many Somalis refugees started venturing in business and were not depending on state funds, went into transport business, and other various services among themselves. Taxis were the most common one. When you pull all that money together, it was very huge. And the central bank for that was now the Eastleigh business center. What happened was that they tempted the landowners. In the beginning they tried to buy plots and develop them and of course try to acquire work permit. In cases where owners didn't want to sell they signed a list of 30 years and paid the gentleman 10 mn ksh, put up the structure and after the agreed time period the property rewards to the owner. That system was very attractive to many people. Then there were areas where they bought the land and developed it and within a short time they build up huge buildings. But they didn't borrow the money for that from the bank but they sold shares to people. The ones who were interested are the ones who are now in diaspora. The shares will normally range between \$ 5'000 and \$ 20'000. So with enough people coming together, they are able to raise large structures. The building gets developed within a short time. There is no bureaucracy or delays, no bank hanging on your back and within 3 years they are able to pay everybody back. In most cases they will buy properties at any cost. I've seen very small plots in Eastleigh got bought for 45 mn ksh. Which normally would have been sold for 2 or 3 mn ksh. At the time they were buying the 3 plots of the Amal shopping center they paid around 150 mn ksh. Empty plots! While the population started to increase more and more as the situation gets worse in Somalia, Eastleigh becomes richer. Eastleigh grew on the expense of Somalia. Competition started coming in. This competition now has encouraged people to diversify their businesses, they were not very well organized but they managed it. So in 1999 we realized that people started to face security problems, not coming from thieves but from the government police and other law enforcements. Demanding bribes, intimidations... that advanced to a robbery level, even violently. So we formed the Eastleigh Business Community and started to plan how to retard these problems. We started to know how to deal with the police themselves and in the end, when we succeeded identifying who are behind the problems, the crime got reduced. We became very vigilant and we put alarm systems everywhere. As a result of that, police thieves became very cautious. Temptation to avoid to pay taxes was encouraged by the police themselves, because they wanted to get the money. But that ended up in a horrible situation, whereby they all came here to fight for what is paid among themselves. So at that time people realized, by paying bribes they end up paying more and as well being exposed to more risk. So we said no more bribery. After two or three years, most of the people stopped to do bribery and the situation got under control. But then within the Somali themselves came out some criminals and they were in better situation since they were inside the society. So the next problem was how to flush out those people but we succeeded. And now you even find women on the streets who are able to sell jewellery free and without any protection. As well the currency exchange is now open. Compared to the city center where the forex center are really locked up they can trade here freely. There are incidents of mugging and snatching but there



is no robbing at all. So businessmen are not forced to arm themselves. Some of them are armed, but a lot of them manage to get licence for self protection and that has of course aswell retard the robbers as such. When the government later relaxed the forex bureaus transactions the business again now doubled. So last time we almost had a turnover in the forexes of \$ 20 mn in a month in Eastleigh. But that number we calculated in 2001 now its bigger. At that time we said us we must strenghten our association and than we registered us as a Business District Association. For a long time we concentrated on security problems, now we started to deal with the infrastructure, the roads, the garbage collection, power, water... we dont get a good political will from the government because the local delegate never wanted to support us. And he was playing a central role and being very uncooperative. Now, two months ago, to collect some votes, he started talking. Our other problem is that we are overpopulating this place. Available facilities are very insufficient to correlate the demand. Aswell rural Somalis were used to live in places were no garbage gets created. Now suddenly they create garbage living at their homes or in hotels and they have never learned the method of taking care of garbage so you find them dropping it everywhere. Right now there is no cleaning system to deal with the garbage. But we're trying to organise a private collection of garbage. But again we're not getting the proper cooperation of the city council. So now we dont know how much more it can grow. Because the business is starting to move now everywhere. They started now to move their businesses out of Eastleigh into other parts of the city. And aswell Kenyans started now to open their business and bring in clothes from Eldoret. When they began they were able to dominate the electronic and textile business here, which used to be a domain of the Asian community, because they were able to go to factories in China and far east, Korea.... and those markets were starting at the right time. And people were willing to sell Somalis their goods. So their capital input was always very low and when they come here their margin was always lower than the margin in the CBD. So they started to trade in bulks, radio, tvs, jeans... jeans they sell here for 700 ksh while you would pay in the CBD for exactly the same pair around 2 000 ksh. So everybody started to come in, from Nakuru, Eldoret, everywhere... and the place here became a very big shopping thing. Later on, among themselves, dishonest people came in and when they took merchandise in the far east or Dubai they did not returning back the money. In that sense, it started to cause a problem, so now they are able to pay cash and able to still bringin in the goods. In fact, they are even able to buy it cheaper because they dont negotiate for credits but pay cash.

**To bring you back to the Eastleigh Business Association, if you are opening a shop here in Eastleigh, are you automatically a member?**

It is not a must to become a member of the Association. But people do it voluntarily. The fee is very low, it's about 5 000 ksh for the membership and then 1 000 ksh a year. But when there is a problem or program, we raise a small amount of every shop, between 500 and 2 000 ksh. And the major businessmen and forex offices contribute generously 50 000 / 100 000 ksh. So if you want to raise 1 mn ksh we only need to tell that the traders and they organise the money within a short time. That's why we don't insist on a must. But anyone, if part of the Association or not, gets supported and protected by us.

**Do you collect certain data, turnover etc. of your members?**

No, since there is a lot of informality involved in these business, we're not able to collect such data.



**What is the relation between the businessmen here in Eastleigh? Is there a large competition or as well an attempted collaboration of the shopping centers to get some synergies?**

Both, they cooperate a lot with bringing in things. If I want to import 100 tires and I have a container I try to find other people to fill this container. Also, not all of them go there to organize that. There are those who stay there and then money is sent to them with the orders and they bring you those things or they come, assess your needs, take your money and then go and buy these things and send over. And they are doing that now in a joint venture. When things come here and sold in bulks, then there is a very stiff competition.

**Is there an attempt of the shopping centers to specialize on certain products?**

There are some you find who are specializing on perfumes or other certain items but almost all of them sell the same kind of things.

**Could you tell more about how the delivery system of arriving goods works here in Eastleigh? And on which ways they come in?**

There are airlines (DHL airlines, African Express...) old Russian aircrafts carrying 30 metric tons, 50 metric tons. The central point of collecting these things is Dubai. Almost everything gets to Dubai and then people get it or over Eldoret Airport or Jomo Kenyatta Airport and as well from Mombasa.

**In terms of amounts is it concentrating on Eldoret Airport?**

Eldoret runs the highest numbers but it got closed down once because of corruption. Sometimes it's easier for them to bring it in over Somalia. Then they even can avoid taxes, since there is no taxation in Somalia. But that stopped at the same time when Eldoret got closed down. Later on, Eldoret opened again. And as well the traders learned that in the end it's cheaper to pay the taxes. Because if you cannot prove you have paid the taxes, policemen and control post start to ask for bribes and inform each other so others can as well ask for bribes. So know most of them are paying taxes, probably not for all the good but at least for a part of it.

**Are there any future plans of organizing the goods? Any central distribution?**

There are segments of business men who deal with these things. If you try to centralise then you are putting out of some transporters out of business. And they don't want to do that. There is a chain connection all over. They depend on each other so much. We thought once to have a container depot around Nairobi near Athi River and having everything coming there, store there and people could get things from there after paying taxes. But people didn't like it because they had their transport already organized and didn't want to kill one sector for develop another one. There is no need for that. So they thought it's better to organize the transport on an individual basis.

**We have heard that Somali activities are based on clan systems, does that apply as well for business activities in Eastleigh?**

The tribal element has not affected the business at all. Not at all. They even could shoot each other, because of different friends, but on the counter they are friends.

**What is the impact of Eastleigh on whole Nairobi?**

There are shops in the CBD who started to buy goods in Eastleigh but now we started moving into the Central Business District.

### **To Luthuli Avenue?**

Almost everywhere in the city center.

### **Is there another area within Nairobi?**

For example at the Jamiat mall, it is already purely owned by Somalis. It belongs to the mosque, and it's on lease for 30 years. It will reward to the Jamiat mosque community after 30 years.

### **We are wondering, since the Somalis are very enterprenual and always coming up with new business ideas, are there any attempts to invest in NSE?**

No, stock exchange, insurances, lending money, anything of those things involve "ribba" (luck) so they don't deal with it. The stock exchange deals with a chance, so it's not predictable, and becomes "haram". And that discourage proper muslims in trading. Since you are forcing somebody to give you a profit you have not earned.

### **Are business concentrating in certain areas of the city?**

Right now a lot of people import second-hand motorcars and distribute it all over. So it depends on the type of business. Here most of the business is electronics, textiles, parfumes and household things. Other businesses are elsewhere, the hotel business.. but there is no high concentration like it is here in eastleigh.

### **Are there any non Somali investors in Eastleigh?**

Not non africans but indogenous kenyans. But mostly bars and restaurants.

### **How are the estate property relation in Eastleigh between Somali and Kikuyus?**

It's almost 50/50 now.

### **Is there any know Somali housing estates for people working here in Eastleigh apart from Nairobi South C?**

There are some residential estates popping out here in the south near Pumwani. There is a huge housing coming up. If you go to Juja Road site, there are also huge housings coming in. And what is happening now is that are new housing types coming up. All over, Nairobi South C, at Mombasa Road, Langata, new housing types get build that have a central mosque in it and aswell a school, and a clinic. Not that they discriminate other people from moving in these estates, but somehow they can be easily very selective because of the prayer convergations. And by the time you become aware of a project every space is already gone. They don't advertise.

### **How do you see the future of eastleigh?**

Our big problem is that we don't know how to expand. And we have more and more people coming in. But probably it will sort out itself, in the sense that a lot of buildings could easily get replaced if the infrastructure gets improved then you start to get more and more of highrise buildings. If they have ciwa??? And water supply perfect, than it will expand more. The future looks very good due to the increasing population and increasing demands for a lot of things and they will need to put up those facilities



**In terms of 20 / 30 years when trading gets even more global, would it be interesting to have a second center outside of the city?**

It might come up, yes, by almost yes. If the place gets full, people will set up a new place. The area which will most likely come is the area between here and Thika. On that direction and between here and Ngong. Because people have now started for residential reasons to Karen side, Langata and Wilson area. There will not be a relocation from here, but all this depends on the situation in Somalia. If Somalia gets stabilized there will be a sudden drop of everything, even people living here and doing business here will move back to Somalia. There would be no further growth and it would cool down. They really don't know how to bring peace to this place but if they do they will be comfortable to develop business there.

## **INTERVIEW WITH ?? (NEW EASTLEIGH SHOPPING MALL)**

**Since this shopping centre is now one of the most important of Eastleigh, how did it get there since its founding?**

Somali communities came to Eastleigh in the early 60ies, whereas Indians were trading textiles. Somali started different modern businesses. With small range of profit but large amount of sold goods. That's how we pushed the Indians out of business. First we rented lodges which were sleeping rooms overnight and selling space on the beds during daytime. After years we started to buy the plots to set up business properly. A pair of jeans for example costs here 650-1000 ksh while 2500 ksh or above in the cbd.

**In which international networks is this facility involved?**

Indigenous Somali went outside of Africa or Algeria or Libya. So they created their environment. 60% of Somali business men here in Eastleigh were originally refugees.

**Is there a competition between shop owners in your shopping mall and the road stalls?**

There is of course always a competition in business. Road stalls sell at lower prices but as well with poorer quality. Right now the cheapest fabrics and shoes arrive from China. The road stalls pay either the shopping centre of the city government for their spaces.

**Where are the consumer coming from?**

Basically everywhere from Nairobi, even from all regions of Kenya.

**Are you as well exporting goods to other countries?**

No there is no export done by us, although business men from all East Africa come to Eastleigh to buy their goods here.

**On which ways arrive goods to your facility?**

Directly from Dubai. But on different ways: 1. Electronics get shipped from Dubai and Singapore and loaded at Mombasa. 2. Fabrics get in via Eldoret Airport from China and from Dubai as well.

**Are foreign investors welcome in Eastleigh?**

Yes, because they have larger amounts of money available to invest but they have to adjust to the Somali society. There are already Chinese investors who have opened recently a shopping centre at First Avenue and are selling goods directly from China.

**How do you organise the renting for space?**

Each complex has its own system of organisation but basically first come first serve.

**How many people are involved in business in your facility?**

There are close to 200 shop owners, in total close to 2000 people.



**What's the rent price for a shop?**

Depending on location and size the smallest unit is 3x3 meters and costs 7000 ksh and it goes up to 150 000 ksh per month.

**Is there a waiting list for a shop to rent?**

Yes, there are many waiting for a stall. You have to put in some goodwill money to show your intention is serious. It serves us as a security issue and gets larger with the intended years you want to rent the stall but this money you won't get back. Even before we started to build up the plaza there were people putting in goodwill money to make sure they get a stall.

**How do you see the future of the shopping centre? Are there plans for expanding?**

Nakuru, Eldoret and Kisumu are linked with Eastleigh, we have small scale facilities there. In Eastleigh, there is a new shopping center with large parking space under construction. Within this new complex there will be shopping fac., banking fac., medical fac., a conference hall and a high class hotel in the third floor with 157 rooms.

**Is there a leading shopping mall in Eastleigh?**

No, they are only specialising on certain goods. But there is no collaboration in between the shopping malls.

## **INTERVIEW WITH MR. PETER MOLL(SARIT CENTER)**

Thirty years ago, In terms of where would be the best place to set up retail/shopping business, eastleigh was the number one place. Eastleigh was the prime retailing area in terms of location for surrounding people. Westlands was second. So, what's happening in Eastleigh, could have been the forecast thirty years back.

**So, this area was already transforming into a commercial area?**

Yes, it was.

**That was the time when the indians basically were there establishing businesses?**

No, they were not, because the way the asians were brought into nairobi with independence, there was this move to try to get as many indians out of the upcountry townships as possible, and to get them into nairobi where they had the finance and experience to develop larger industries. In the mid sixties, we had this move of indians from the upcountry townships where they had small termly businesses. They were moving to nairobi, and some went straight overseas anyway, because they didn't believe the country would hold together. But, those who stayed, they came to nairobi.

**What was the final decision to set up the shopping center in westlands and not in eastleigh?**

Well, i don't think we would have moved to eastleigh at that time anyway, although the attraction of eastleigh as a major business area was already there.

Because this is a family business. It's owned by to indian families who came from upcountry townships. And it resulted in the cooperation of two second generation indians and to take advantage of their move to nairobi. Building on what they already had in terms of the finance of their family businesses in those upcountry townships.

**Could you briefly summarize the history of the Sarit Center? And how it developped?**

It started quiet strangely, with one house owned by one of the family members who used to live there. So, it was one plot, and over the years, the other plots surrounded were bought by the family. 9 or 10 in total. When the decision was made to utilize this area for a shopping center they had to complete?? With all the other owners of these basically half acre or acre plots. An that all went quiet smoothly. So, when we did our first development, it was on what had been originally nine or teen small plots.

**Was there any influence in the westlands area of the indians who were more and more pushed out at that time by competing somalis?**

The catalyst for the development in westlands was actually the sarit center itself. Before we built sand opened the sarit center the rest of westlands was fairly modest. Still quiet a few small retail businesses, not very much high rise development. And it was actually the sarit center which became the catalyst for all that.

**Does the sarit center aswell export goods to other countries, such as east african countries?**

**Or, are there even trading connections which are made by the sarit center?**

Well, as the sarit management , we don't. But, some of our tenants do so, some of them joined us in 1984 when we opened. They have developped over the years and now, have become a fairly large and fairly



complex businesses. One of those is a tenant called hot print which is on our lower ground floor. So, they have developed quiet widely and also established trading connections over east africa.

**Are the tenants also themselves taking care of their imports?**

Yes. So, the tenant obviously run their own businesses. And we have no party in that. We are just landlords. What we have is our rent. But we do have a central marketing function whereby we actually promote the center on the market.

**Do you also attract international companies?**

Our catchments are the suburbs directly around us where the affluent professional business men of all races live today. Mainly Westlands and Parklands which is nowadays a well ethnically mixed area.

**From where are the goods mainly arriving?**

Most of the goods are coming from the port of mombasa. But a lot of those containers are then taken up-country by road and some by rail. But mainly by road. And they just passing by to hand out the goods.

**Since Eastleigh has developed over the last years quite fast as a commercial area, do you feel any impact on your businesses nowadays?**

Well, this is very interesting, and i think it can be best illustrated by a triangle of two different dates:

1984                      2007

What we have got now in Kenya is this widened and still growing middle income population. So, i think that's the explanation of the fact that new centers are coming up. And most of them smaller than us of course. And each one of course must have some impact but we found it to be a fairly negligible impact

Let's say three to five percent. So, even now, We have got a major new project just 400 meters down the road here. Which is actually in total area even bigger than us. So far we haven't yet seen any impact on that in terms of our shopper numbers. So, the market is wide and even growing. And it's that growing african middle class which is widening the market, which is happening in other parts of africa aswell, of course: South africa, Botswana, and other countries were reporting the same type of phenomenon.

So, it's an impact on it a little. Everyone must, we loose customers here and a few there, but our position is so good that so far, it hasn't been so significant to us.

**How many people are involved in the Sarit Center by making their own businesses?**

We have around 120 tenants in the center. The total number of people employed within the center is 1745 or something. That includes the outsourced services like security, like cleaning and so one. Because we don't employ these people directly. We outsource it to a firm which is specialized in that particular operation. We have around 40 security guards on duty 24h a day.

**What are the opening times of the shopping center?**

It normally opens nine o'clock in the morning to monday, tuesday 6.30 pm, we have late shopping on wednesdays and fridays until 8.00 pm. The supermarket has open until 10.00 pm. Of course, the food courts will remain open until 12.00pm. And around midnight the cinemas are there. We have even a bar in our center which has open until 3.00 or 4.00am.

**Is there interest of people who would like to rent space in your shopping center?**

Yes, there is actually a big interest. We never had the problem to look for shop owners, next year is our 25. birthday, and since 1985 we have been 97% full.

**Was there a addition of the building complex since its opening in 1985?**

Yes, we have done it in phases for various reasons:

Phase 1 started in 1983 and was built up in 1985, we had a second phase aswell, and right now, we got a third phase on the drawing board to be completed.

**So, are you planning to extend the shopping center?**

Oh yes, it will be much larger. We're looking 25 years down the line and what does it require? How do we retain our premier position? And, we've a very nice phase three on the drawing board, as I said, and we'll see whether we can find the money or not.

**What was the phase two exactly about?**

It was an addition which was built up with four floors next to phase 1.

**Is there any interest of setting up another shopping center in another area?**

No, we would not think about putting up another center.

**And internationally seen, do you have interests in establishing branches in other countries?**

Well, we have thought about it, in Dar es Salaam one time. But, it really comes down to the next generation of the family, and where are their interests and where are their priorities. And, what is happening within the indian families at the moment, or even over the last two decades, the girls aswell as the boys are having better educations going to the University or even abroad and gaining professional educations which perhaps their father or grand fathers never had. Many of them are up to go to the UK, or the States or Canada, or even Australia these days. So, indian families in Nairobi are at a sort of crossroad. They want to release the family businesses as such unless they grow into cooperations, professionally managed. It's difficult to see how they can grow. Or, how they will survive, you know, the next decade.

The same thing faces us here: Family members who would perhaps taking over the management are reluctant to do so, because they feel that they could be engaged in their own professions elsewhere.

**Since there is in Eastleigh a globally seen well connected community of Somali's we were wondering if there are similarities between the Somalis and the Indians in terms of approaching a more widened market?**

Well, of course, we are talking Indian business here. Of course, over the years quite a lot of Indian families have brought a large amount of their wealth overseas. And, their business advisors would be telling them today not to put too many acres in one basket. As Families, they are reluctant to overinvest as it might be in Kenya. So, this is a major consideration when we are looking at further developments which at today prices are pretty large. You know, in the old days we were thinking in terms of tens of thousands of shillings, and these days, we are thinking in terms of billions of shillings.



We do have electronical data about counting the pedestrians within the center, we have averages of 25000 people a day coming into the center. We are looking at 6000 cars arriving each day. And this is one of the busiest center in Nairobi anyway.

I can show you data of the first week of october...

**We'd like to go back to the beginning where we were talking about the 70'ies and the opportunity of Eastleigh as a commercial center. Was this a particular Nairobi Growth Strategy study that you mentioned?**

Well, not that i'm aware of. We were looking at that time at 29000 households we perceived around us as our catchment area. But, since then , what has happened of course, in the old days you had this division of the plots by the europeans subdivided from 4 acres to 2 acres to 1 acre and half an acre, with the immediate growing of Nairobi, you had these plots filled up with housings let's say of 6 to 8 families. And that was 25 years ago, right now, you can assume that these numbers are five times higher.

The most important thing for a shopping center is Location, location, location! And our location is actually superbe! We benefited in this way as well from the subdivisions and the maisonettes and housings the last 25 years. I've lived the last fifty years in Nairobi, and probably the fastest change happened the last ten or five years.

You know, at that time we were thinking about the sarit center to set up, none of us had ever experienced a shopping center, because there was no Shopping center in Kenya anyway. But, in 1976, one of the family members was in London and he went to Brent Cross, which is one of the first shopping centers in London. And it was the Brent Cross concept which he brought back and got very excited about.

When we discussed it with the architect here, it was that sort of Brent Cross type of construction and concept that we were looking to develop. But, we made a lot of mistakes. A single mistake was in servicing, in terms of what is required to service a shopping center such as literally bringing in the goods. The service corridors were not in place and the other requirement we never looked at was what we are actually building is a small scale city with 1745 people working in the Sarit Center- so we are building a small city!

And the requirements in terms of electricity, water, garbage and toilets- we did a count on our toilets: on a busy saturday, when we might have up to 27000 to 30000 people in the center we found that 6000 people were using our toilets on that saturday.

You know, when we came to design the Sarit Center, nobody had any idea about how it will develop...

**Could you briefly give us an overview of how your shopping center is organized in terms of renting the space?**

Well, the renting space varies. There was a standard unit, but they changed due to different uses by different tenants. It obviously varies by level and it might vary by user. One of the things we have done over the years is to control the tenant mix very carefully. So, we have always looked for new tenants who will complement the others in the building and not compete!

**Normally, a shopping center got one major tenant as an anchor. Is it the same in the Sarit Center?**

Yes, well of course, the hypermarket has to be our main anchor unit for the shopping center. And that attracts the majority of the shoppers. But we even have more anchor tenants such as text book centre which is a large book store and banking facilities of course. We have 8 to 10 Kenyan banks(i.e. Bank of Daroda) in our shopping center.

**So, if we are looking into the future, what will be the position of the sarit center in 20 years?**

There are major considerations in terms of parking, we were at the beginning lucky that we provided quite a lot of parking, but of course, any further developments of the centre have to take parking space into very serious consideration.

**How come it happened by accident in the beginning to provide enough parking space?**

Well, simply as I say, when we started 25 years ago, there was no charge on public roads, you could park anywhere, allday, one week or even one year. But when the City Council introduced marking charges of course, the public roads around us sees to be ours.

**When did that happen?**

It was around five years ago in Westlands.

**Do you have any economical numbers or data which you could provide for us?**

Well, basically, we don't hand out economical data, but we have been charging the last 20 years the highest rents for shops in Nairobi because the Sarit Center has an excellent location for businesses. Some of our original tenants are still with us and they've grown massively over the years.

**What are the lowest rents a tenants has to pay monthly?**

Obviously the higher floors where we have offices you pay 70 to 80 ksh per square foot per month. Prime retail space on the ground floor, you pay perhaps 250 ksh per square foot per month. And there is additionally service charge of 15 ksh per square foot per month for each shop. This covers basically the cost of electricity and some of the services for the common areas.vv





## INTERVIEW WITH RAYMOND (ARCHITECT OF AMAL SHOPPING CENTER)

Most of the constructed buildings came out of a group effort, where 10 to 15 people come together and buy shares into a project. Then they identify some land somewhere, approach the owners to be sold to that land. And then they would form a company the directors raise a bit of capital and sell the idea to their community. People would pay in advance for their shops, the goodwill. So you see their way of raising funds for building was unique.

It's not the way that you and I come up with a project and then we approach a bank to finance the project. For them it was a bit different. At Amal for example the goodwill was \$ 6 000 for each stall. And they paid in advance so they often get already enough money from these goodwills to complete the building, as it was the case at the Dubai Mall which is now the Bangkok Shopping Center. So it's like your managing community resources for them to have a project. After they finished constructing, the shopowners pay a much reduced rent, more like a service charge for stakeholders. So the rent might look small but that's because the capital expenditure and profit came out in advance. At the Amal Shopping Center, they even had already a profit when the building was finished. So we as architects were managing a process that is making money for them. But the problem is now, I guess it's a community thing, they liked to duplicate this system a lot. But now unless you are at a strategic position such as the first avenue, let's say between 4th street and 8th street, it is not working anymore. Further north than the Garissa lodge, that's the side where shopping malls are not doing very well. They duplicated too much and are now too many. Even if you look at Sunrise Center, the one of Keira, the minister's wife, like that one has a lot of empty stalls. Because they really duplicated the whole concept.

### **So you think all these centers further south, as well the New Eastleigh Shopping Complex at General Waruingi Street will not run well?**

The prime areas as the ground floors will still get tenants but the floors above won't get tenants. Since they are outside the zone of First Avenue I was talking about. Businesses, apart from lodging and pharmacies, but the markets, are really concentrating between 4th and 8th street at the First Avenue. Outside of that zone you can attract people with extra services as parking, they won't be the walk-in-walk-out-for-stalls-clientel but they are going for a different aspect of business.

### **Is Eastleigh able to expand?**

The beauty of it is, as I said the Somalis are very enterprising. Now they connected, they reorganised themselves and have their own people in Congo, DRC, Uganda, Tanzania supplying goods from here to there. So that's the way how it's going to sustain itself. Eastleigh has become more than only a market for the people living nearby, they became importers and suppliers for other places. Guys are coming from as far as Meru, Nyeri, the whole of Kenya to buy in bulks from Eastleigh. So it has become a regional market. It is actually reinventing itself.

### **In terms of area, is it possible that it is going to expand?**

In terms of area, I don't see it expanding. It might actually, this is my thought, it might expand until section 3, and as well to Second Avenue, once the road is done.

### **Now speaking about the architectural projects you have done in Eastleigh...**

We did several projects, we started with this lodge, called Alinuk Amal, then Kilimanjaro, the Amal Plaza,



Sunrise, a New Garissa 2 we are doing right now, Baraka Plaza, Baraka Bazar, Garissa Lodge, Bangkok, Hongkong, a new one we did for Sheik Bruhanu, the new Mash mall, and the one opposite of it. To the inside we have done several lodgings. Some of them are owned by a group of people but some of them aswell by individuals, or families. Especially lodgings are mostly owned by families.

**Speaking about the Amal Shopping Center you planned aswell, and working here in Nairobi, we are wondering how do you get such a project?**

We started with small projects. There is a friend of me called Dr. Issa, an engineer. And i did his first house in Karen. And at that time he already had a lodge in Eastleigh, I just opened my office when he invited me to the community telling me there are some projects going on in Eastleigh. And thats how we started with the first one, the Garissa Lodge, after it just had burnt down. While we were constructing it, the contractor of the Amal Shopping Center contacted us to overlook the design consultants did for him. They already had started with excavations, so we had to fit in and do a quick design and come up with a bill of quantities for other contractors to tender. They very much liked our new design and we quickly came up with tenders and even came up with much lower figures which even made them happier. That's how we got into Amal Shopping Center. Both with efficiency and good design. Some of them were from Dubai so they could appreciate what we were presenting to them. Actually we got into it through the contractor.

**Where you ask for a certain number of stalls of m2?**

We took them to the two centers we already did, the Garissa and the Bangkok. So we could show them the physically size of the stalls. But they had aswell a number in mind from the former project because they have already sold the concept to the people. So they had a number they were targeting because of their collected deposits, the goodwill. They wanted at least 500 stalls. So we told them we actually can go along and get 600. We excited them with numbers so they sticked with us.

**Doing the design, did you rely on shopping typologies you had already in mind?**

They told us they want a modern building. Not the usual Eastleigh buildings. That was aswell why they wanted an elevator, the first elevator in Eastleigh. So they were open to modern designs which you see in Central Business District. And that's the way we went.

**Was there a specific project you were influenced by?**

We have actually magazines of shopping malls. I guess it had a bit of here and there borrowing, but not exactly from one particular building.

**How long did it took to build the building?**

We signed the contract which is between the contrator and the client and us. The period was set to 40 weeks. But we extended to another 8 to 10 weeks.

**May we ask how much it cost to build it?**

The contract amount is 148 mn ksh. But we added an extra floor, the small middle section, so it went to about 180 mn ksh.

**Another small question about the program:**

**Was the basement from the beginning planned to be fully commercial?**

Initially the basement was planned to be parking, all of it. Then we designated parking to be only in one section at the end. So only the last row at the back should be parking. That area was supposed to be loading and offloading base. As well in terms of ventilation this parking void can bring in some fresh air from the courtyards above.

**Were there any building regulations?**

That we followed? Yes there were some which we had to follow. Through a plot coverage that's how much you can cover and plot ratio that dictates you the amount of floors you can generate.

**Speaking about the floor plans, can you tell us more about the basic idea of organizing it?**

The main selling point was accessibility. They wanted as much pedestrian movement in front of each shop as possible. And being in competition to all these other malls we were forced to create a lot of open space. Because everybody wants to be there where people are passing. A key issue that is valid in all shopping centers worldwide. So the issue of movement, the flow of pedestrian was the central thing. We wanted to make sure there is vertical movement and horizontal movement at all points in the shopping mall.

**That was as well the reason why you planned three courtyards with typical stairs?**

Yes, because we wanted as well that every stall has natural lighting, so no stall is hidden in a corner. Then you realise the center is built on three plots so they had the idea that they may eventually subdivide the building so everybody retains his own portion. When we were looking for local authority approval we had to submit it as three separated buildings on three neighbouring plots. Each building having 2 voids. This was for city council but in construction plans we interconnected the three plots. And we only gave a lift to the central plot.

**We saw that there are as well staircases outside of the building. Were they originally included in the construction plans?**

The steel staircases were later added. They are actually on the road reserve, basically illegal but they have tried to legalise them. What happened was that the guys at first floor felt that they need access to the streets. So they insisted on a direct link between them and the streets. So that's why we added the two steel staircases. We tried to avoid it at the Bangkok and the Hong Kong center by providing 2 staircases which are not additions.

**Were avoiding technical ventilation and artificial lighting central issues in the design process?**

Before they use build just go-downs. Cover completely the slab. So it's a new concept we were showing how to make it natural ventilated and natural lighted. Basically you can run here in Nairobi a building without any technical ventilation. Even Jaja Center and Sarit Center work without airconditioning in public areas. That's how our malls run here.

**Are there any future shopping centers you are going to plan?**

Yes, the guy who just called me, he is doing 2 of them now. He has become a broker. He looked for a plot, came to me to ask for a design, get the approval, then he sales approved plans plus the plot to still new commercial. Shops, offices and restaurants. You can not do residential there.



**Are you involved in projects outside of Eastleigh aswell?**

I am really working together with the community. We are doing now two or three estates for them in Nairobi South C. We still do others, housing in Karen, offices and flats in Kilimani area. One commercial central in Rongai, an outskirt of Nairobi.

## INTERVIEW SHOPOWNER IN THE AMAL SHOPPING CENTER

### **How did you start your business?**

I was employed first, then I got an own shop

### **Where is it better to have your shop inside or outside the shopping center?**

It's better inside. Outside you pay a lot, 30 000 ksh. But there is no goodwill. Here I only pay 8 000 ksh.

### **Where are the clients coming from?**

Mostly from town but not so much from eastleigh.

### **How often and from where do your goods arrive?**

Once a month from Ethiopia. I am an Ethiopian refugee and bring shoes from there to here to sell..

–TWO MANAGERS AND SECURITYGUARDS OF AMAL PLAZA ARE INTERRUPTING THE INTERVIEW. THE INTERVIEWERS GET SURROUNDED BY AROUND TEN VERY SUSPICIOUS SOMALIS. THE INTERVIEW NEEDS TO BE ENDED.–





## **INTERVIEW WITH A SHOP OWNER (KORSU)**

### **How did you start your business?**

I started with selling water in Eastleigh. With this money, I paid 10'000 US Dollar Goodwill for 10 years.

### **Do you have a connection with Safaricom? Are you offering their mobile contracts?**

No, I've my own business with mobiles and no connections with Safaricom except from advertising.

### **Where is it better to have your shop, inside or outside the shopping center?**

I like this place because in the shopping centre, it's more expensive and here, it's also better for selling electronics. I basically do smaller businesses but more rate.

### **How do the goods arrive? And from where?**

I go to town and buy it there.

### **Do you have personal connections to the place where you buy your goods?**

I mostly buy from Kenyans in town.

### **Where are the clients coming from?**

The clients are Somali from Eastleigh (Refugees).

### **Did you grow up in Nairobi? And do you also live here in Eastleigh?**

I'm an Ethiopian, but I grew up in Nairobi. Right now, I'm living in Pangani.

### **Do you have future plans regarding your own businesses?**

Here, it's a very hard business. There are a lot of enemies, especially with security. Ethiopians get harrassed more. But still, Kenya is the better country to establish businesses because of bureaucracy.

But, if the situation also in Ethiopia stabilize, i'll go back to Ethiopia.





## **INTERVIEW WITH A SHOP OWNER (AYALNE)**

### **How did you start your business?**

I came into this business because the old shop owner is my aunt. My uncle used to work here, so that I once overtook their businesses.

### **Where is it better to have your shop, inside or outside the shopping center?**

I prefer a shop on the streets because this is a killing zone, I'm selling my goods in the best zone.

### **How do the goods arrive? And from where?**

The goods come from Dubai and India and normally I order them when they run out.

### **Do you have personal connections to the place where you buy your goods?**

The owner (my aunt) goes there to buy the goods(Dubai).

### **Where are the clients coming from?**

The main customers are coming from Garissa and Kampala, and they are wholesalers.

### **Did you grew up in Nairobi? And do you also live here in Eastleigh?**

Yes, I'm living in Eastleigh.

### **Do you have future plans regarding your own businesses?**

Somali's are like birds, they like to go abroad. So it's very insecure. If we get rich here, we stay. Otherwise, we try to set up other businesses. If God's willing I want to live and work here.



## **INTERVIEW WITH A SHOP OWNER (MOSES)**

### **How did you start your business?**

Well, it's not my business, i'm just employed by the shop owner.

### **How do the goods arrive? And from where?**

I don't know but they arrive daily.

### **Where are the clients coming from?**

They are coming from all parts of Kenya: Mombasa, Garissa. They are travellers.

### **Did you grew up in Nairobi? And do you also live here in Eastleigh?**

Yes, I've grown up and still live in Eastleigh.

### **Do you have future plans regarding your own businesses?**

In ten years, i'll have my own shop in Kenya.





## **INTERVIEW WITH A SHOP OWNER (DAHEL)**

### **How did you start your business?**

I started my business two years ago, and right now, things are fine here.

### **Where is it better to have your shop, inside or outside the shopping center?**

I prefer a shop on the streets.

### **How do the goods arrive? And from where?**

Normally, each second week one container is arriving and brings goods from China.

### **Do you have personal connections to the place where you buy your goods?**

Yes. I have personal connections.

### **Where are the clients coming from?**

They are mainly coming from Garissa. And there are also families who live in Nairobi coming to our shop to buy shoes.

### **Did you grow up in Nairobi? And do you also live here in Eastleigh?**

Yes, I'm living in Eastleigh.

### **Do you have future plans regarding your own businesses?**

I'll be a well famous business man allover the world.





## **INTERVIEW WITH A SHOP OWNER (ROSA)**

### **How did you start your business?**

I started 6 month ago with 2000 Dollar as a set up.

### **How did you get into this business?**

I used to own a restaurant, after that I started this business.

### **Where is it better to have your shop, inside or outside the shopping center?**

I prefer a shop on the streets because this is a killing zone, I'm selling my goods in the best zone.

### **How do the goods arrive? And from where?**

I get it from a wholesaler in Garissa who's an Ethiopian trader. If the goods are sold out, I'll get new once.

### **Where are the clients coming from?**

Most of my clients are coming from Eastleigh.

### **Did you grew up in Nairobi? And do you also live here in Eastleigh?**

Yes, I'm living in Eastleigh.

### **Do you have future plans regarding your own businesses?**

In 10 years, if God's willing I'll be at the place where it is the best for me.

