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Driving Sustainable Futures: Stakeholder Engagement Policy and Strategic Investor Attraction in Nairobi's Real Estate Industry

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Abstract

Rapid urbanization, population growth, and sustained demand for residential, commercial, and industrial developments have positioned Nairobi's real estate sector as a major contributor to Kenya's economic growth. Despite historical real estate growth characterized by rising GDP contribution, strong investment returns, and infrastructural development, the sector has recently experienced some level of stagnation characterized by declining building approvals, reduced retail occupancy rates, prolonged approval timelines, and unmet housing demand. The study therefore sought to assess the effect of stakeholder engagement policy on strategic investor attraction in the real estate sector in Nairobi City County. The study was anchored on stakeholder theory and Signaling Theory. The study adopted positivist research philosophy and employed a descriptive research design. The target population comprised 598 real estate investors, developers, and urban planners/regulators operating within Nairobi City County. Using Yamane's (1967) formula, a sample size of 240 respondents was selected through proportionate stratified random sampling. Primary data were collected through structured questionnaires and key informant interviews. Regression analysis revealed that stakeholder engagement policy had a positive and statistically significant effect on strategic investor attraction ($\beta = 0.364$, $p = 0.002$), leading to the rejection of the null hypothesis. The findings confirm that inclusive consultations, transparent governance, and effective dispute resolution reduce investment risk perceptions and strengthen investor confidence. The study concludes that stakeholder engagement policy plays a critical role in aligning regulatory objectives with market realities and in fostering institutional trust within Nairobi's real estate sector. In view of the findings, the study recommends institutionalizing structured and outcome-oriented engagement frameworks, ensuring transparency through digitized approval systems, strengthening substantive community inclusion, streamlining dispute resolution mechanisms, and building capacity among planners and developers in participatory governance practices.

Keywords: *Stakeholder engagement policy, strategic investor attraction, real estate sector, sustainable urban development, Nairobi City County.*

1.0 Introduction

The real estate sector has experienced tremendous growth in recent years, driven by urbanization, population growth, and increasing demand for residential, commercial, and industrial properties (Ibrahim, Salama, Awwaad & Aboukalloub, 2024). Advances in technology, such as smart cities and green building programs, have transformed the industry, attracting both domestic and international investors. The sector has also benefited from favorable government policies in some instances, infrastructure development, and access to innovative financing options, making real estate more accessible (Nalbant & Aydın, 2024). In emerging markets, the sector has become a cornerstone of economic growth, contributing to job creation and development control. Globally, the focus on sustainable and affordable housing continues to reshape the industry's priorities and strategies (Ratcliffe, Stubbs & Keeping, 2021). Investor attraction in the sector has therefore become driver of economic growth and development control. According to Ngoc, Tien and Hieu (2023), the sector, known for its potential to generate consistent returns and hedge against inflation, has traditionally been a magnet for both domestic and foreign investors.

Additionally, increased investments in real estate contribute to urbanization, providing modern housing, commercial spaces, and necessary amenities that enhance the quality of life (Sukanya & Tantia, 2023). For emerging economies, attracting foreign investors introduces much-needed capital, expertise, and technological innovation, fostering industry competitiveness and boosting global standing. Furthermore, real estate investments serve as an important source of government revenue through taxes, fees, and other contributions (Almusaed, Almssad & Yitmen, 2024). Importantly, a thriving real estate sector boosts investor confidence in the broader economy, creating a multiplier effect across other industries. Thus, sustained efforts to attract investors to the real estate sector are necessary for creating economic resilience and sustainable development control (Asibey, Osei, Doe & Agyei, 2024).

The growth and attractiveness of the real estate sector are to a greater extent influenced by development control policies, which serve as a critical framework for guiding land use, zoning, and urban planning (Vogl, Orel & Appel-Meulenbroek, 2024). These policies ensure that real estate developments align with long-term urban planning goals, creating orderly growth and enhancing investor confidence. Usman, Lestari, Syofyan and Esya (2024) contend that transparent and well-enforced development control policies create a predictable environment for investors, reducing uncertainties related to project approvals and compliance. Through clearly defined permissible land use, building regulations, and infrastructure requirements, these policies streamline the development process, making it more attractive to both domestic and international investors (Yang, et al., 2024). For instance, policies that promote mixed-use developments, green spaces, and sustainable urban infrastructure encourage socially conscious investors, especially in markets where environmental, social, and governance (ESG) considerations are prioritized.

Stakeholder engagement policy provides a structured framework through which real estate firms identify, consult, and collaborate with parties affected by or interested in development projects, including communities, regulators, financiers, tenants, and investors; by formalizing processes for disclosure, consultation, grievance handling, and participatory decision-making, such policies enhance transparency, accountability, and risk management in project planning (PRI, 2024). In sustainable real estate development, engagement policy must make sure environmental, social, and governance (ESG) priorities are consistent with planning and implementation, helping to reduce social conflict, regulatory delays, and reputational risk while strengthening the project’s social license to operate (UNDP, 2023). Institutional investors increasingly assess the quality of stakeholder engagement as a key indicator of governance strength and long-term asset sustainability. Effective engagement practices correlate with greater investment inflows and lower operational risk in real estate portfolios (PRI, 2024; GRI, 2023). A well-designed stakeholder engagement policy is integral to driving sustainable futures in real estate by building trust among communities and investors and by improving the long-term value and stability of real estate assets (GRI, 2023).

1.1 Statement of the Problem

The real estate sector in Nairobi City County has experienced tremendous growth over the last two decades, with its contribution to Kenya's GDP rising from 10.5% in 2000 to 13.8% in 2016. This growth has been supported by sustained infrastructural development, consistent economic performance with average GDP growth of 5.4% over the past five years, rapid urbanization estimated at 4.4% annually, and strong investment performance delivering average total returns of 25.0%, compared to 12.4% in traditional asset classes. Despite these positive growths in the sector, recent market depicts a slowdown, as prime real estate in Nairobi has become relatively more affordable when compared to global competitor. The market has also faced structural challenges, particularly an oversupply of retail space that has led to declining absorption rates. Even so, the Nairobi Metropolitan Area achieved an average rental yield of 8.2% in 2023, marking a slight increase from 7.9% in 2022 and suggesting continued resilience within certain segments of the sector.

According to data from the Kenya National Bureau of Statistics (2023), the value of approved building plans in Nairobi declined by 12.7% from KES 129.5 billion in 2019 to KES 113.1 billion in 2022, indicating a waning developer appetite amid regulatory constraints and economic uncertainty. Furthermore, occupancy rates for retail properties in Nairobi's Central Business District dropped to 69.3% in 2023 from 74.5% in 2020, reflecting diminishing investor confidence and reduced demand. The Nairobi Integrated Urban Development Master Plan (NIUPLAN) 2014–2030 outlines a need for over 200,000 new housing units annually to match urban population growth, yet actual housing delivery has consistently fallen short, averaging only 50,000 units per year. Moreover, Nairobi's development approval process takes an average of 12–24 months, compared to under 6 months in Kigali and approximately 8 months in Kampala, indicating a significant regulatory inefficiency. These statistics depicts a serious issue: despite Nairobi's urban and economic potential, the current development control environment appears to constrain investor activity rather than enable it. In light of this, this study sought to examine the influence of stakeholder engagement policy on strategic investor attraction in Nairobi's real estate industry, with a view to determining how structured stakeholder involvement contributes to sustainable growth, investor confidence, and sustainable real estate sector growth.

1.2 Research Objective

To assess the effect of stakeholder engagement policy on strategic investor attraction in the real estate sector in Nairobi City County.

1.3 Research Hypothesis

H_0: Stakeholder engagement policy has no statistically significant effect on strategic investor attraction in the real estate sector in Nairobi City County.

2.0 Literature Review

2.1 Theoretical Framework

This study was anchored on Stakeholder Theory and Signaling Theory.

2.1.1 Stakeholder Theory

Stakeholder Theory was developed Edward Freeman (1984) and states that that organizations achieve long-term success when they create value not only for shareholders but also for all parties affected by their operations, including communities, regulators, employees, financiers, and investors. Contemporary scholarship emphasizes that effective stakeholder management enhances organizational legitimacy, reduces conflict, and improves strategic outcomes in capital-intensive industries such as real estate (Harrison, Barney, Freeman & Phillips, 2023). In sustainable development contexts, the theory aligns closely with ESG governance frameworks that require firms to integrate stakeholder interests into strategic decision-making (Freeman, Dmytriyev & Phillips, 2024).

Within the real estate sector, stakeholder theory provides a strong conceptual foundation for understanding how structured engagement policies influence investor attraction. Real estate development involves multiple actors whose interests often intersect around land use, environmental impact, regulatory compliance, and community welfare. When firms institutionalize stakeholder engagement through transparent consultation, disclosure mechanisms, and grievance handling systems, they reduce information asymmetry and perceived project risk two critical determinants of investment decisions (Harrison et al., 2023). Recent ESG-oriented investment research further shows that investors increasingly evaluate stakeholder governance quality as a proxy for long-term asset resilience and reputational stability (PRI, 2024). Thus, the theory was adopted in this study because it explains why stakeholder engagement policy functions as a strategic signal that enhances investor confidence in Nairobi's real estate market.

Stakeholder Theory was considered relevant to the study because it explains the relational mechanisms through which engagement policy influences strategic investor attraction. Unlike purely financial theories that focus on returns and risk, stakeholder theory incorporates governance quality, social legitimacy, and institutional trust as drivers of investment flows. Given Nairobi's regulatory challenges, housing deficits, and investor sensitivity to approval delays and community resistance, a stakeholder-centered framework is appropriate for analyzing how structured engagement policies can mitigate uncertainty and improve the investment climate. The theory therefore provided both normative and strategic justification for analyzing stakeholder engagement policy as a catalyst for sustainable real estate growth and investor attraction.

2.1.2 Signaling Theory

Signaling Theory was developed by Spence (1973) to explain how one party with superior information can communicate credible signals to another under conditions of information asymmetry (Spence, 1973). In management and investment research, the theory has been expanded to show that organizations use observable actions, policies, and disclosures to communicate hidden attributes such as governance quality and reliability (Connelly et al., 2011). Credible signals must be visible, consistent and difficult to imitate by weaker firms (Connelly et al., 2025). This perspective is relevant in investment environments where investors lack complete information about firm behavior and risk exposure (Ji et al., 2023). Empirical work also shows that governance-related disclosures act as important signals that shape investor perceptions and valuation decisions

Stratford Peer Reviewed Journals and Book Publishing
Journal of Strategic Management
Volume 10||Issue 3||Page 13- 27||June||2026|
Email: info@stratfordjournals.org ISSN: 2616-8472

(Ha et al., 2024). Further studies indicate that ESG-aligned signals increasingly influence how investors interpret long-term firm stability (Hamdouni, 2025). Contemporary strategic management research also links signaling mechanisms to organizational positioning and market legitimacy (McGahan, 2023).

Signaling Theory explains that stakeholder engagement policy functions as a strategic communication tool that conveys organizational credibility to investors. Formal engagement policies signal that a firm has structured processes for consultation, disclosure, and accountability (PRI, 2024). In the real estate sector, such policies reduce uncertainty related to land conflicts, regulatory delays, and community resistance (GRESB, 2024). Investors interpret these governance structures as indicators of reduced project risk and improved execution capability (Vonlanthen, 2024). Firms with transparent stakeholder practices are more likely to attract long-term capital (Ji et al., 2023). Additional research indicates that strong disclosure frameworks enhance investor trust and market valuation (Ha et al., 2024). Recent literature also demonstrates that credible governance signals improve investor confidence in capital-intensive industries (Hamdouni, 2025). Strategic signaling is therefore critical in shaping how investors evaluate project viability and organizational reliability (Connelly et al., 2025).

The theory was considered relevant to the real estate sector in Nairobi City County, where investment decisions are influenced by governance quality and regulatory certainty. The sector remains a major contributor to Kenya’s economy, with Nairobi acting as the central hub for property development and investment activity (KNBS, 2025). At the same time, policy frameworks increasingly emphasize stakeholder engagement and environmental and social safeguards in project development (Nairobi City County, 2026). International finance institutions also highlight governance transparency as a prerequisite for attracting sustainable investment in emerging markets (IFC, 2024). Stakeholder engagement is now a key metric in assessing investment readiness (GRESB, 2024). Responsible investment guidelines reinforce the importance of governance signals in shaping capital allocation decisions (PRI, 2024). Empirical studies confirm that investors rely on governance disclosures to evaluate long-term project resilience (Vonlanthen, 2024). This makes Signaling Theory suitable for explaining investor attraction within Nairobi’s real estate environment.

Signaling Theory complements Stakeholder Theory by explaining how these governance practices are interpreted by external investors (Spence, 1973). Research shows that stakeholder-oriented policies enhance organizational legitimacy and strategic positioning (McGahan, 2023). Additional studies indicate that transparent engagement practices act as credible signals of firm quality (Connelly et al., 2011). ESG-aligned governance frameworks improve investor perception and trust (Hamdouni, 2025). Evidence further suggests that structured engagement policies reduce information asymmetry in investment markets (Ji et al., 2023). Consequently, the integration of Stakeholder Theory and Signaling Theory provides a comprehensive explanation of how stakeholder engagement policy enhances strategic investor attraction in the real estate sector.

2.2 Empirical Review

Too and Noor (2024) using a descriptive design with 162 respondents drawn from 55 property development companies in Nairobi County, found strong and statistically significant relationships between planning stakeholder engagement and project performance ($r = 0.933$, $p = 0.000$), as well as monitoring and evaluating stakeholder engagement and performance ($r = 0.805$, $p = 0.000$), highlighting the central role of systematic engagement across project phases. Similarly, Osei

(2024) through an interpretivist approach and thematic analysis, developed the Stakeholder engagement framework for nature-based public spaces, demonstrating that integrating environmental, economic, and social stakeholders enhances sustainability value creation and project durability. Moreover, Oyewole, Komolafe, and Gbadegesin (2023) found significant variations among investors, contractors, and users in their willingness to adopt sustainable residential property features in Lagos, emphasizing the need for broader stakeholder sensitization on sustainability benefits.

3.0 Research Methodology

The study adopted a positivist research philosophy and applied a mixed-methods approach integrating quantitative and qualitative techniques. A descriptive and correlational research design was used to examine the relationship between development control policies and strategic investor attraction in Nairobi City County. The target population comprised 598 respondents, including real estate investors, developers, and urban planners/regulators, from which a sample of 240 was determined using Yamane's (1967) formula and selected through proportionate stratified random sampling. Primary data were collected using structured questionnaires and key informant interviews. A pilot test representing 10% of the sample was conducted to assess reliability and validity, with Cronbach's Alpha threshold set at 0.7. Data were analyzed using SPSS through descriptive statistics, correlation, regression, and ANOVA at a 0.05 significance level.

4.0 Findings and Discussion

Out of 240 questionnaires administered, 234 were returned, yielding a response rate of 97.5%. Urban planners and regulators achieved a 100% response rate, while real estate investors and developers recorded 97.4% and 96.8% respectively. The overall response rate was therefore considered adequate for analysis and generalization of findings Fincham, 2008; Fosnacht, Sarraf, Howe & Peck, 2017; Sataloff & Vontela, 2021).

Stratford Peer Reviewed Journals and Book Publishing
Journal of Strategic Management
Volume 10||Issue 3||Page 13- 27||June||2026|
Email: info@stratfordjournals.org ISSN: 2616-8472

4.1 Descriptive Statistics

Table 1 shows descriptive statistics on stakeholder engagement policy.

Table 1: Descriptive Statistics on Stakeholder Engagement Policy

Statement	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)	Mean	Std. Dev.
Public participation in planning for real estate projects in Nairobi is well-integrated.	39 (16.7%)	45 (19.2%)	56 (23.9%)	35 (15.0%)	59 (25.2%)	3.13	1.42
Decision-making processes for real estate projects in Nairobi are transparent and accessible.	40 (17.1%)	41 (17.5%)	46 (19.7%)	53 (22.6%)	54 (23.1%)	3.17	1.41
Conflicts in real estate developments in Nairobi are resolved fairly and efficiently.	29 (12.4%)	48 (20.5%)	42 (17.9%)	59 (25.2%)	56 (23.9%)	3.28	1.36
Local communities have a real say in the planning stages of real estate projects in Nairobi.	56 (23.9%)	52 (22.2%)	41 (17.5%)	52 (22.2%)	33 (14.1%)	2.80	1.39
Stakeholder consultations are genuinely considered before decisions are made in Nairobi's real estate sector.	46 (19.7%)	40 (17.1%)	45 (19.2%)	58 (24.8%)	45 (19.2%)	3.07	1.41
The government's transparency in real estate decisions builds my confidence as an investor.	35 (15.0%)	39 (16.7%)	58 (24.8%)	53 (22.6%)	49 (20.9%)	3.18	1.34
Disputes in the real estate sector in Nairobi are resolved with clear and fair mechanisms.	37 (15.8%)	40 (17.1%)	46 (19.7%)	66 (28.2%)	45 (19.2%)	3.18	1.35
Engaging stakeholders early in planning leads to better project outcomes in Nairobi.	35 (15.0%)	61 (26.1%)	41 (17.5%)	55 (23.5%)	42 (17.9%)	3.03	1.35
The decision-making process for real estate projects in Nairobi feels clear and unbiased.	40 (17.1%)	38 (16.2%)	47 (20.1%)	60 (25.6%)	49 (20.9%)	3.17	1.39
I believe stakeholder engagement in Nairobi's real estate sector creates a stable investment environment.	40 (17.1%)	42 (17.9%)	57 (24.4%)	50 (21.4%)	45 (19.2%)	3.08	1.36

Stratford Peer Reviewed Journals and Book Publishing
Journal of Strategic Management
Volume 10||Issue 3||Page 13- 27||June||2026|
Email: info@stratfordjournals.org ISSN: 2616-8472

The descriptive results on stakeholder engagement policies revealed moderate but mixed perceptions regarding the influence of stakeholder engagement policy on strategic investor attraction. Public participation in planning recorded a mean of 3.13 (SD = 1.42), with 40.2% agreeing and 35.9% disagreeing, indicating that integration exists but is not uniform. Transparency in decision-making yielded a mean of 3.17 (SD = 1.41), with 45.7% agreement compared to 34.6% disagreement. However, community inclusiveness recorded the lowest mean of 2.80 (SD = 1.39), with 46.1% disagreeing that local communities have a real say in planning stages, suggesting limited substantive involvement.

In addition the results on stakeholder engagement policies (Appendix I) show that conflict resolution mechanisms had the strongest contributor to investor confidence, with the highest mean score of 3.28 (SD = 1.36), as 49.1% agreed that conflicts are resolved fairly and efficiently. Similarly, 47.4% agreed that disputes are handled through clear and fair mechanisms (Mean = 3.18, SD = 1.35). Government transparency was perceived positively by 43.5% of respondents (Mean = 3.18, SD = 1.34), reinforcing the importance of openness in building investor trust. These statistics suggest that effective dispute resolution and transparent governance are central to maintaining investment stability.

Stratford Peer Reviewed Journals and Book Publishing
Journal of Strategic Management
Volume 10||Issue 3||Page 13- 27||June||2026|
Email: info@stratfordjournals.org ISSN: 2616-8472

Table 2: Descriptive Statistics on Strategic Investor Attraction

Statement	Strongly Disagree (%)	Disagree (%)	Neutral (%)	Agree (%)	Strongly Agree (%)	Mean	Std. Dev.
The volume of real estate investment projects in Nairobi has increased over recent years.	50 (21.4%)	40 (17.1%)	44 (18.8%)	38 (16.2%)	62 (26.5%)	3.09	1.50
The number of new investors entering Nairobi's real estate market is steadily growing.	44 (18.8%)	37 (15.8%)	35 (15.0%)	69 (29.5%)	49 (20.9%)	3.18	1.42
I am satisfied with the overall investment climate in Nairobi's real estate sector.	42 (17.9%)	38 (16.2%)	48 (20.5%)	55 (23.5%)	51 (21.8%)	3.15	1.40
The returns on real estate investments in Nairobi meet my expectations.	45 (19.2%)	58 (24.8%)	32 (13.7%)	57 (24.4%)	42 (17.9%)	2.97	1.41
The infrastructure development in Nairobi attracts more real estate investors.	37 (15.8%)	36 (15.4%)	48 (20.5%)	58 (24.8%)	55 (23.5%)	3.25	1.39
I believe that Nairobi’s real estate sector is competitive compared to other cities in East Africa.	39 (16.7%)	36 (15.4%)	50 (21.4%)	60 (25.6%)	49 (20.9%)	3.19	1.37
Real estate investment in Nairobi provides long-term financial security.	42 (17.9%)	43 (18.4%)	50 (21.4%)	53 (22.6%)	46 (19.7%)	3.08	1.38
I have observed a high level of satisfaction among investors in Nairobi’s real estate sector.	42 (17.9%)	50 (21.4%)	41 (17.5%)	51 (21.8%)	50 (21.4%)	3.07	1.42
The transparency of investment opportunities in Nairobi makes it an attractive market.	37 (15.8%)	49 (20.9%)	43 (18.4%)	60 (25.6%)	45 (19.2%)	3.12	1.36
I feel confident in the future growth and sustainability of real estate investments in Nairobi.	38 (16.2%)	50 (21.4%)	45 (19.2%)	58 (24.8%)	43 (18.4%)	3.08	1.36

Descriptive results on strategic investor attraction show that infrastructure development had the strongest driver (Mean = 3.25, SD = 1.39), with 48.3% agreeing that it attracts investors, followed closely by perceived market competitiveness (Mean = 3.19, SD = 1.37) and growth in new investors (Mean = 3.18, SD = 1.42). Satisfaction with the investment climate recorded a mean of 3.15 (SD = 1.40), while transparency of opportunities yielded a mean of 3.12 (SD = 1.36), suggesting moderate confidence in governance and market openness. However, returns meeting investor expectations recorded the lowest mean (2.97, SD = 1.41), with 44.0% expressing disagreement, indicating concerns about profitability. Overall, while respondents show cautious optimism about growth, infrastructure, and competitiveness, perceptions of financial returns and investor satisfaction remain mixed, reflecting a market viewed as promising but not fully convincing.

4.2 Inferential Statistics

4.2.1 Correlation Analysis

The study conducted Pearson correlation analysis to assess the nature and the strength of the association between stakeholder engagement policy and strategic investor attraction in the real estate sector in Nairobi City County. Table 3 shows the results.

Table 3: Correlation Matrix

		Strategic Investor Attraction	Stakeholder Engagement Policy
Strategic Investor Attraction	Pearson Correlation	1.000	
	Sig. (2-tailed)		
Stakeholder Engagement Policy	Pearson Correlation	.598**	-.458**
	Sig. (2-tailed)	0.000	0.000

** Correlation is significant at the 0.01 level (2-tailed).

The analysis established that stakeholder engagement policy has a strong and statistically significant positive association with strategic investor attraction ($r = 0.598$, $p < 0.01$). This implies that structured public participation, early consultation, and continuous engagement with affected communities and key actors enhance investor confidence in Nairobi's real estate sector.

4.2.2 Regression Analysis

The study further conducted regression analysis to determine the significance of the relationship between stakeholder engagement policy and strategic investor attraction. Tables 4, 5 and 6 shows model summary, analysis of variance and regression coefficient results respectively.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.699a	0.489	0.487	0.54231

a Predictors: (Constant), Stakeholder Engagement Policy

The results in Table 4 show a coefficient of determination (R squared) of 0.489, implying that stakeholder engagement policy explains 48.9% of the variation in strategic investor attraction in Nairobi's real estate sector. However, 51.1% of the variation in strategic investor attraction is attributed to other factors not included in the model.

Table 5: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	28.764	1	28.764	97.842	.000[b]
1	Residual	30.413	232	0.131		
	Total	59.177	233			

a. Dependent Variable: Strategic Investor Attraction
b. Predictors: (Constant), Stakeholder Engagement Policy

The ANOVA results in Table 5 show that the regression model is statistically significant. The p-value of 0.000 is less than the 0.05 significance level, indicating that stakeholder engagement policy significantly predicts strategic investor attraction. The F-statistic of 97.842 further confirms that the model provides a better fit than a model with no predictors. This means stakeholder engagement policy meaningfully contributes to explaining variations in investor attraction.

Table 6: Regression of Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	Constant	1.842	0.214		8.607	0.000
	Stakeholder Engagement Policy	0.364	0.117	0.364	3.118	0.002

a. Dependent Variable: Strategic Investor Attraction

Regression analysis findings in Table 6 show that stakeholder engagement policy has a positive and statistically significant effect on strategic investor attraction ($\beta = 0.364$, $p = 0.002$), implying that inclusive planning processes, transparent consultations, and effective conflict resolution mechanisms significantly influence investor confidence and willingness to invest in Nairobi's real estate sector. Consequently, the null hypothesis was rejected and so the study finds that there is a statistically significant effect of stakeholder engagement policy on strategic investor attraction in the real estate sector in Nairobi City County. This finding strongly corroborates the study by Too and Noor (2024), which established a significant positive relationship between stakeholder engagement and real estate project performance in Nairobi County. The findings are also in agreement with those of Osei (2024) who found that through an interpretivist approach and thematic analysis, that integrating environmental, economic, and social stakeholders improves sustainability value creation and long-term project durability.

However, the findings are contrary to those of Oyewole, Komolafe and Gbadegesin (2023) who presented a divergent perspective by identifying significant variations among investors, contractors, and end-users in their willingness to adopt sustainable residential property features in Lagos. Their findings suggest that differences in stakeholder priorities and levels of awareness can limit the effectiveness of engagement strategies if not properly managed. The findings of this study largely agree with prior empirical evidence, particularly studies that emphasize structured, inclusive, and continuous stakeholder engagement as a driver of project success and investment appeal.

5.0 Conclusion

Stakeholder engagement are significant in influencing regulatory objectives with market realities. Inclusive engagement processes improve communication between authorities, developers, and investors, reducing conflict and enhancing policy legitimacy. When stakeholders are meaningfully involved in planning and regulatory discussions, development outcomes are more likely to reflect shared priorities and realistic constraints. Engagement creates mutual understanding, enabling regulators to anticipate market responses and investors to better comply with planning expectations. Over time, this interaction supports institutional trust and supports cooperative problem-solving, both of which are key for sustainable investment momentum in an urban context.

6.0 Recommendations

In view of the findings, there is need to institutionalize structured, consistent, and outcome-oriented engagement frameworks across all stages of project planning and approval. Nairobi City County and relevant regulatory agencies should ensure there is transparency by standardizing disclosure procedures, digitizing approval tracking systems, and clearly communicating reasons for approvals or delays to reduce information asymmetry and investor uncertainty. In addition, community participation should move beyond procedural compliance toward substantive inclusion by ensuring early-stage consultations, accessible public forums, and documented integration of stakeholder inputs into final decisions. Moreover, formal dispute resolution mechanisms should be streamlined with clear timelines and enforcement protocols to reduce costly project delays and litigation risks. Furthermore, capacity-building programs for planners, regulators, and developers on participatory governance and ESG-aligned engagement practices are also necessary to enhance consistency and professionalism.

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