THE ROLE OF COUNTY GOVERNMENTS IN THE PROVISION OF AFFORDABLE HOUSING IN KENYA

(A Case Study of the Nairobi County)

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT FOR THE AWARD OF THE DEGREE IN BACHELOR OF REAL ESTATE

BY

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DECLARATION

DECLARATION BY THE CANDIDATE

I, LAIBUNI MUTUA JOSIAH, hereby declare that this project is my original work and has not been presented for a degree in any other university

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THE SUPERVISOR’S DECLARATION

This project paper has been submitted for the examination with my approval as the University Supervisor.

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DEDICATION

This project is a special dedication
To My Dear Dad and Mum,

To my brothers Ezra, Gerrisson, Elias and Eric
Your love; support, patience and encouragement gave me the will and determination to complete
my undergraduate studies.

I LOVE YOU ALL. GOD BLESS YOU
ACKNOWLEDGEMENT

This work would not have been successfully completed without the contributions of various individuals in different capacities.

I wish to express my sincere gratitude to Mrs. Catherine Kariuki, my supervisor for the patience, continuous guidance, encouragement, constructive criticism and being available any time I needed her assistance without which this project would never have materialized.

I am also indebted to the lecturers and staff of the school of the Built Environment for their selfless contribution in my entire four years training as well as their valuable ideas and inputs in this project. I also pass my heartfelt gratitude to my friends and the fourth year class of 2014 for the encouragement, support and positive criticism that led to the successful completion of this project. Much regards to friends like John Chege Macharia, David Muchoki, Ayub Naburi and Obiero Justine for their concern, insights and valuable inputs towards the materializing of this project.

Above all, am very grateful to God for making it possible for me to reach this far, it is through His unending grace and blessing.
ABSTRACT

The purpose of this study was to investigate the role the newly incorporated county governments can play in provision of affordable housing in Kenya. This is considering that the people’s expectations of affordable space, privacy, comfort and convenience availability will continue to increase among Kenyans and especially the urban poor. It is therefore important that the county governments blend in to meet these expectations through improving affordable housing supply in the country.

The study aimed at achieving three objectives which were; to determine the factors that lead to under provision of affordable housing in Nairobi County, to determine the manifestations of under provision of affordable housing in Nairobi County and to finally recommend the possible measures that the county governments can adapt to ensure provision of affordable housing.

The study adopted quantitative survey research design that entailed a simple random sampling of the population under study. The researchers’ sample size of 60 was ideal for this method of sampling. The primary data for the study was collected through oral interviews as well as structured self-administered questionnaires. The rest of the data was collected from published and unpublished sources. Data collected was then presented in form of charts, bar graphs, tables and percentages.

Findings of this study revealed that the main factors that lead to under provision of affordable housing in Nairobi County are lack of construction finance, lack of access to land and costly building materials. Most dominant manifestations of affordable housing in Nairobi County were overcrowding and sharing of inadequate services such as sanitation, informal land markets, informal settlements and poor living standards due to over expenditure on inflated rents.

The study recommends that in order to address the under provision of affordable housing in Kenya, the County Government has to play a significant role at the county level. The counties can invite housing investors, partner with National Housing Cooperation and private investors and can regulate land use and building standards within their respective jurisdiction in favour of development of low cost housing.
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CHAPTER ONE

1.0. Introduction

We cannot say what will actually happen in the far distant future about housing but we can identify parameters of the problems it presents and thus provide growth points for constructive thought about what will be needed.

Housing is one of those basic social conditions that determine the quality of life and welfare of the people and places. Affordability on the other hand implies what a household can afford to pay for either as an owner-occupier or as a tenant. To achieve affordable but tolerable living conditions for a global population of over 10 billion people within the next century is a formidable challenge. It will involve many changes in our current attitudes to the process of housing creation, and not least a radical change in housing technology. In many developing countries, housing programs often provide accommodation of poor standards in remote locations with little considerations to the resident’s lifestyle and livelihood strategies.

Borrowing from other countries, when the development of large-scale public housing projects was discontinued in the 1970s in Canada and the United States, the U.S. County government decided to rely on the private sector for subsidized rental supply and to attempt to develop a non-profit housing sector in communities throughout the United States. In Canada, a permanent stock of good-quality, non-profit social housing was created along with a growing and increasingly competent community-based housing development sector (Housing Policy Debate, 1993). The Canadian experience demonstrates that it takes time to build the capacity of the non-profit sector. The U.S. experience demonstrates that there is a great deal of community-based talent ready and willing to provide non-profit housing if reliable and adequate funding is available.

It is found that many households especially the low income group who account for over 60% of Nairobi's households and other urban areas cannot afford the conventional dwelling units in the country, and that the annual supply of housing in the urban areas barely meets the estimated housing demand (Ondiege, 1981). This study investigates the housing situation in Kenya with special reference to Nairobi County and seeks for a blend of county governments that would improve affordable housing supply in the country. This is because people’s expectations of space, privacy, comfort and convenience availability will continue to increase.
1.1. Problem Statement

In a rapidly changing and urbanizing world, the provision of adequate and affordable housing remains a key priority for all governments. This is usually aimed at realizing the increasing population’s demand for shelter within the overall needs of the society at large (Ferry 1991). However, more than one billion people in the world today are living in inadequate shelter. Almost 100 million people were homeless by the year 2001 and the number has been increasing every year. There are many more living in deplorable conditions especially in third world countries in Asia, Africa and Latin America (UN Habitat, 2010).

Populations in developed countries have housing problems too. American rural population suffers shortage of affordable housing, just like in the Metropolitan area where; one in every five households is cost burdened. This means that they pay more than the federal standard of 30 percent of their income in housing costs (Ogodo, 2012).

In the first decades, projects in America were built with higher construction standards and a broader for a range of incomes and applicants. As time went on, public housing increasingly became the housing of last resort. In many cities, housing projects suffered from mismanagement and high vacancy rates. These housing projects were seen to greatly increase poverty in a community, leading to several negative externalities. As a result, many of the housing projects constructed in the 1950s and 1960s have since been torn down. Since the early 1990s, rather than constructing large subsidized complexes, the United States County government has used funds under the hope six Program to tear down distressed public housing projects and replace them with mixed communities built in coordination with private partners. (Public housing in the United States, 2013)

In developing countries, such as Kenya however, affordable housing has yet to gain its due prominence. Given the high cost of construction and low income of most Kenyans, only a small number of households are able to construct or buy a decent house outright. This has given rise to the high demand of rental houses which is presumably cheaper in the short term as compared to outright purchase or construction of a new house.
The continuous increase in population in comparison to the number of houses that can be produced in a year has crippled the balance between supply and demand of housing in Kenya. In the recent past, the government through its various policies has clearly shown that it cannot produce all the required housing units needed by its population. There has always been a shortage of housing units in the country irrespective of which economic class you belong in. According to vision 2030, out of 150,000 housing units required annually in Kenya, only 35,000 units are produced and only 6,000 (20%) of these units will cater for the low income earners who are affected by lack of quality and affordable housing especially in the urban and peri-urban areas (GOK, 2008). The vision also points out that an estimated 20.4% of Kenya’s population resided in urban areas in 2005 and this is to reach 60% by the year 2030. To counter this, more than 12 million quality dwelling units will need to be produced by 2030.

The central government has tried to deal with urban housing problems, investing billions of shillings in housing programs over the years but its efforts have largely failed. According to UN Habitat, 2010, more than 50% of Nairobi’s population lives in informal settlements whose living conditions are not only worsening but have become unlivable for the urban poor. This makes Nairobi County home to some of the largest low income and informal urban settlements in Africa (UN Habitat, 2010).

This housing deficit derives from a number of causes that need fixing namely: low level of investment in the sector by both public and private sectors, outdated legal and regulatory framework (restrictive building code), inaccessibility to affordable housing finance (interest rates, repayment periods), high cost of construction inputs (land, infrastructure, building materials), poor governance, rapid urbanization, poor economic performance and increased poverty (Ogodo, R.O. 2012).

In Kenya, housing developers and players in the housing industry are few and there is minimal interest of the private sector to provide low income housing units. Judging from the success of the private sector developers in the middle and high income housing markets, they may have the capacity and skill set to supply the low-income housing required to improve, at least partly, the housing shortfall in the country (Hassanali, 2009). However, they have shied away from the low
income market mainly because the profitability margins are lower as compared to housing developments for the other markets.

Other factors affecting the supply of housing are high construction cost due to high prices of building materials and consultancy fees, inflexible building by laws, opportunity cost to the developer’s limited funds, in either providing middle, high or low income housing, cost of land, inadequate infrastructure and high influx of people to the city. This influx for instance, has led to the growth of the urban population at an extraordinary rate, a trend, if not checked can be replicated in county headquarters where jobs lure many from the villages (Olima, 2001). With a high urban population at the county headquarters, there is high risk that slums and informal settlements may start up and then expand.

Some of the manifestations of under provision adequate and affordable housing in the Kenyan housing sector include lack of affordable and decent rental housing options, low level of urban home ownership of about 16 percent, extensive and inappropriate dwelling units including slums and squatter settlements and poor quality housing in rural areas. Other manifestations of under provision affordable housing in Kenya include informal land markets, crime and immorality, political unrest and conflict, slums and informal settlements, diseases, homelessness and low food production (Chepkoech, A. F., 2012).

According to the Kenya Property Development Association Report of 2013, most of the low income housing provided by the government is taken up by the middle income earners. This is because the middle income earners can afford to pay for the services like water, electricity and rents unlike their counterparts the low income group. As such, the low income earners rent the houses to them.

The private developers are aware of this increasing demand for housing by the various income groups yet the government has not been able to provide for them. They have therefore taken heavy investments to supply these units as it is a market ready for exploitation. However, since private developers are profit driven, buying prices and rents of such houses are often too high for people to invest or rent. These units therefore take care of only the housing needs of the high and middle class earners. As such, many landlords have empty rental housing units in some estates,
yet many people are in search of Houses. The question is then asked, who will provide for those in the low income group?

Government housing in Kenya is carried out by the department of housing in the Ministry of Lands, Housing and Urban Development. This Ministry was formed in May 2013. The Ministry is the main actor in public housing in Kenya and is mandated to offer policy initiatives and formulation of national housing programs. With the incorporation of the new county governments, this role has been decentralized to the various housing departments of the respective County governments.

According to the fourth schedule, 2013 of distribution of functions between national and the county governments, the county governments now bares the mandate to develop, implement and coordinate the housing policy at the county level. As such, housing is now largely a county affair with the National government being in charge of the policy aspects. Currently, the Kenya devolved government consists of 47 counties (GOK, 2012). The question then arises; can the county governments deal with facilitation and provision of affordable houses to avert the housing crisis? Early indicators are not so encouraging with hardly any county making significant provisions for affordable urban housing in their 2013-2014 budgets (The star, October 25, 2013).

1.2. Research Questions

1. What are the factors that lead to under provision of affordable housing in Nairobi County?
2. What are the manifestations of under provision of affordable housing in Nairobi County?
3. What are the possible measures that county governments can adapt to ensure provision of affordable housing?
1.3. Objectives of the Study:

Main objective: To investigate the role of the newly formed county governments in the provision of affordable housing in Kenya. Other objectives;

1. To determine the factors that lead to under provision of affordable housing in Nairobi County
2. To determine the manifestations of under provision of affordable housing in Nairobi County
3. To recommend the possible measures that the county governments can adapt to ensure provision of affordable housing

1.4. Hypothesis of the Study

Alternative Hypothesis: $H_A$
County governments have a significant role in provision of affordable housing in Kenya.

Null Hypothesis: $H_o$
County governments do not have a significant role in provision of affordable housing in Kenya.

1.5. Scope of the Study

Although the study is based on provision of affordable housing in Kenya, it concentrated mainly on the role of county governments in provision of affordable housing at the county level. The study covered the geographical area of Nairobi County. Nairobi County is one of the 47 counties of Kenya and it’s also Kenya’s capital and largest city. Nairobi County faces the highest problem of housing mostly because of the unprecedented urban population growth rate. 50% of Nairobi’s population lives in informal settlements with severe sanitation problems. This makes Nairobi County home to some of the largest low income and informal urban settlements in Africa (UN Habitat, 2010). The study focused more on the low income consumers of housing in Nairobi and the county government officials of Nairobi County in the department of housing who provided the necessary information to the researcher.
1.6. Significance of the Study

Housing is one of the principal sectors that can revitalize economic growth in Kenya with shelter being recognized as one of the tools of development. Investment in housing and related infrastructure and services has effects on the national income that go far beyond the direct investment itself (Erguden, 2001).

Decent shelter is a basic human need and a human right. The Committee on Economic, Social and Cultural Rights on Adequate Housing General Comment No. 4, (1991) observed that the right to housing should not be interpreted in a narrow or restrictive sense which equates shelter to merely having a roof over one’s head or views shelter exclusively as a commodity, but rather as the right to live somewhere in security, peace and dignity.

The study will create awareness to the county governments on the causes of under provision of affordable housing in Kenya, the global experiences in regards to affordable housing in other devolved countries, the various manifestations of under provision of affordable housing and provide possible measures that Kenyan county governments can adopt at the county level in order to improve the overall Kenyan housing sector to global standards.

1.7. Assumptions of the Study

The study was based on the assumption that the area of study chosen is typical, the county chosen is a representative of others in Kenya and therefore the findings can be applied to any other county regardless of such differences as geographical location

1.8. Organization of the Study

Chapter one presents the introduction to the study, the problem statement and objectives of the study, the research questions, the scope and significance of the study, research assumptions and organization of the study.

Chapter two is an exposition of the existing literature on housing sector, the current state of housing in Kenya and other studies such as those that depict the global experiences in regards to housing especially in other devolved countries. This formed the foundation upon which data analysis was done to facilitate the interpretations of the research findings.
Chapter three discusses the study area- The Nairobi County, its historical background and development that has affected the housing sector. The chapter also includes an in-depth description of the data collection and analysis techniques that were used in this research.

Chapter four contains data analysis and interpretation. It highlights the findings of the research and reveals the various facts on the ground that can be used to draw conclusions and achieve the objectives of the study.

Chapter five presents the summary of findings, conclusions and recommendations drawings from the field data and literature review. The chapter attempts to test the hypothesis of the study. It also contains the areas of further studies.
CHAPTER TWO: LITERATURE REVIEW

2.0. Introduction

This chapter reviews literature on various housing concepts and studies which have focused on the affordable housing concept, causes of insufficiency of affordable housing, the manifestations of such insufficiency and the possible mitigation measures of the same especially in relation to counties. It aims at comparing and contrasting the different authors’ views on affordable housing, relating this research study to conclusions drawn, highlighting any gaps and summarizing on the specific gap that this research study hopes to contribute to. In order to address the housing problem, it’s important to understand the basic concepts of housing that apply in Kenya today.

2.1. Concepts of Housing

A safe and comfortable place to live is fundamental to our sense of well-being. Housing cost is the largest and perhaps least flexible component of a household budget. It is therefore important that the housing costs are affordable to those living in a particular housing unit. In order to address the housing affordability problem, it is important to understand the various housing concepts as applied by various scholars. This will help identify the socially acceptable standards of affordable housing.

Wekesa (1997) defines housing as the physical place or product, a process and a home. It is the provision of dwelling units for accommodation. It involves construction, allocation and disposal/acquisition. It is also a welfare service on which man’s happiness is dependent.

2.1.1. Housing as a Product

Housing can be termed as a finished product for shelter. Housing is a unique market product because of its special features, which include durability, fixity and heterogeneity. Its market mechanisms are different from those of other goods. Bungalows, condominium, massionette, flats and town houses complete with floors, doors, windows, roof etc. are examples. As a product, housing indicates the housing stock in a particular place to particular people. The physical housing environment also constitutes the infrastructure, the surrounding community facilities and other integrating elements that make up a settlement (Chepkoech, A. F., 2012).
2.1.2. **Housing as a Process**

Housing can be described as the act by which shelter is provided. The process includes planning for housing units, acquiring a piece of land, acquiring finance, building materials and labor, undergoing construction and finally maintenance after occupations. The process requires a lot of human organization and expertise in order to achieve the product. The housing process requires many actors such as the government and various professionals related to housing development (Post Graduate Centre for Human settlement, 1991).

2.1.3. **Housing as a Home**

Housing can be viewed as a social and cultural concept. It is a reflection of emotions and the way of life of a community. According to the Post Graduate Centre for Human Settlements (1991), ‘people express identity, search for security and hope for opportunity through housing.’ Housing therefore, is not only a home providing only shelter, but accommodating the growth and change of the family, location in proximity to jobs and friends and achievement of both privacy and community. Housing can therefore be said to be an instrument for change and development. This raises the question of access to housing. Affordability is one of the key determinants of accessibility to housing especially by the low income group.

2.2. **The Concept of Devolved Government**

Gerald, (2005) defines devolution as the transfer of rights, powers, or an office (public or private) from one person or government to another. Devolution comes in various forms depending on the context of each country. Indeed, Kenya has adopted a form that is unique to itself. It is based on Article 6(2) which describes the governments at the two levels as being distinct and inter-dependent and which conduct their mutual relations on the basis of consultation and cooperation. The Kenyan Constitution provides for 47 County governments established under Section 6 (1) with further listing of counties under First Schedule. The status, functions, and powers of County Governments are provided for under Chapter 11, Article 176, and Fourth Schedule (part 2) Article 176; which states that every County Government shall decentralize its functions and provisions of its services to the extent that it is efficient and practicable to do so. This is not based on the principle of absolute autonomy but instead, on that of inter-dependence and cooperation.
The main objective of the devolved system of governance has been the restoration of power to the people to manage their affairs, particularly, in matters of local development such as those of housing.

The post-independence governance framework was characterized by poor governance as evidenced by corruption, ethnic conflict, insecurity, political uncertainty; and poverty. Some of the negative outcomes include the alienation of large portions of society from the mainstream economy; wasteful public investments; massive poverty and ethnic animosity; and cut-throat political competition and intolerance.

The success of devolution depends on a proper architecture and design of the system. A properly designed system will have a number of characteristics. The constitution must create two or more levels of government with each having sovereignty and directly impacting upon its citizens. The Kenyan system has settled for two levels of government. Article 176(2) contemplates further decentralization below the county government, while Article 184 provides for national legislation to cover urban areas and cities.
2.3. Affordable Housing

Miles et al. (2000) defined affordable housing as a dwelling where the total housing costs are affordable to those living in that housing unit. The idea of affordable housing recognizes the needs of households whose incomes are not sufficient to allow them to access appropriate housing in the market without assistance. Thus, the term ‘affordable housing’ describes housing that assists lower income households in obtaining and paying for appropriate housing without experiencing undue financial hardship.

Generally, housing can be considered affordable for a low or moderate income household if that household can acquire use of that housing unit (owned or rented) for an amount up to 30 percent of its household income. When the monthly carrying costs of a home exceed 30-35 percent of
household income, then the housing is considered unaffordable for that household. (Gabriel et al 2005). According to the Queensland Department of Housing in Australia, there are six categories that have to be satisfied when providers deliver affordable housing, namely: appropriateness of the dwelling, housing and social mix, tenure choice, and location, quality of environmental planning, and design and cost.

In general, there are two major factors which affect the provision of affordable housing: household income and housing cost. First, household income is a primary factor in housing affordability. The most common approach is to consider the percentage of income that a household is spending on housing costs. Affordable housing should fit the household needs and should be well located in relation to services, employment and transport and the cost for housing should not be more than 30 percent of income.

Second, the global increase of material prices and construction cost hinders government from embarking new affordable housing projects. Berry (2001) suggested that, increasing the government subsidy and the involvement of the private sector and project stakeholders can be used as an approach to increase the supply of affordable housing causing the cost reduction.

In another perspective, housing affordability can be viewed as the capacity of households to consume housing services; specifically it involves the relationship between household incomes and housing prices and rents. An often-quoted rule of thumb is that households should spend no more than 30 percent of their income on housing, unless they choose to do so. Measuring housing affordability is thus complicated by the inability to determine whether households spend more than 30 percent of their income on housing by necessity or by choice.

Other measurement problems involve the definition of income (whether permanent or transitory, liquid or illiquid, personal or household) and the definition of housing expenditure (whether voluntary or involuntary, total or per unit of housing services, nominal or real rents, mortgage payments or down payments). According to Stone (1993), housing affordability can be defined in terms of the shelter poverty measure which uses a sliding scale to reflect that upper income and smaller households can afford to spend much more than 30 percent of their incomes on housing and still have enough income left over to satisfy other basic needs, whereas extremely low income households that pay even 10 percent of their incomes on housing costs may be forced to forgo essential medical care and healthy food.
In recent years, the cost of housing has emerged as an alternative to physical condition as a measure of housing problem. Households which cannot obtain housing through the private market very often spend a larger share of their income to obtain less housing than that enjoyed by households which can compete in the open market. Chester (1963) refers to this type of housing as second class housing.

2.3.1. Determinants of housing affordability

The primary components of all measures of housing affordability are housing prices, household incomes and/or interest rates (Yates and Milligan, 2007). Each of the components of housing affordability affects the remaining components. For example, interest rates and household incomes influence housing affordability both directly, through their impact on housing affordability measures that typically include adjustments for income and interest rates, and indirectly through their effect on housing demand and hence housing prices.

Chart. 2.2 Determinants of Housing Affordability

Source: Yates and Milligan, 2007
Outside these factors, strong housing demand, limited and slow to react housing supply are the most obvious and cited reason for the increase in housing prices and the deterioration in housing affordability. Underlying this market behavior are several drivers repeatedly cited in the various government and nongovernment inquiries and reports. On the demand side, these include the cost of housing finance, economic growth and population dynamics, and changes in government policy and tax incentives (Milligan, 2007).

### 2.3.2. Goals of Affordable Housing

According to a research on the positive impacts of affordable housing, the ultimate goal of an effective affordable housing policy should be housing that meets the needs of households at a cost they can afford and housing that supports and promotes healthy families and communities. This goal involves some specific policy objectives, which overlap with one another but are all prerequisites for healthy families and communities.

Effective affordable housing is one that preserves and expands the supply of good quality housing units in order to ensure the availability of decent housing for low and moderate income people. It should increase the stock of housing units that low and moderate income residents can afford and ensure that the quality of these units is adequate. Programs that build new units, improve substandard units, and prevent the deterioration and loss of existing affordable units all serve this policy objective (Bruce Katz, 2003).

Expanding the number of affordable units is not the only way to address the housing needs of low and moderate income people. A complementary goal is to make existing housing more affordable and more readily available. For example, programs that supplement what families can afford to pay for rent, or that provides down payment assistance to first time home buyers, help make existing housing stock more affordable. In addition, programs that combat discrimination or help families search for housing in the private market can make the affordable housing that already exists more accessible.

Housing policy is about more than just affordable shelter; it is also about the health and vitality of neighborhoods and access to neighborhoods of choice for low and moderate income households. When low-income households are clustered in poor or distressed neighborhoods,
their access to educational, economic, and social opportunities is severely limited. Thus, to be truly effective, affordable housing policies should promote racial and economic diversity in residential neighborhoods so that poor and minority households are not isolated from social, educational, and economic opportunities. Successful programs allow households to make meaningful choices about the kind of neighborhoods in which they want to live.

Homeownership is the primary mechanism for accumulating wealth for most middle and upper income households both in Africa and in the United States. As such, most efforts to promote homeownership among underserved populations are designed not only to expand access to affordable housing but also to help households accumulate wealth through ownership of decent housing in flourishing neighborhoods.

In addition to providing basic shelter, housing may affect the well being of families either positively or negatively. For example, programs to remove or cover lead-based paint can protect children’s health. Rent policies may encourage or discourage residents from working and earning more income. On the other hand, housing developments that offer child-care facilities and after-school programs may encourage parents to work and help families become more self-sufficient. A minimum, affordable housing program should do no harm to the families that depend on them. At best, they should strengthen families by protecting their health, encouraging family stability, and promoting income growth and self-sufficiency (Bruce Katz, 2003).

For people to benefit from affordable housing, it’s important that linking supportive services to housing such as sanitation and infrastructure are incorporated. Supportive services to housing programs are therefore another important objective. For instance, a household with a physically disabled member might need a housing unit with wheelchair accessibility or on-site staff who can provide occasional assistance. A frail elderly couple might need daily meals and health monitoring. This is due to the fact that many homeless individuals and families face multiple barriers to finding and sustaining themselves in permanent housing. Providing adequately for low and moderate income households with special needs therefore calls for programs that link housing with essential supportive services for individuals and families who need extra help.
Policies affect and take part in the composition and growth of communities and metropolitan areas. Housing policies determine where affordable housing is located, how well it is maintained and preserved, and where new housing—in all price ranges—is built. Housing policy fails if it contributes to the decline of older, inner-city neighborhoods or if it does not create housing opportunities near centers of job growth. Thus, an effective housing policy should promote balanced metropolitan growth that strengthens existing neighborhoods and ensures that affordable housing is available throughout a metropolitan area. Combination of the above overlapping objectives may make affordable housing policy a lot more complicated than it needs to be but housing is important to Kenyans primarily because of its interconnections with the composition and health of communities, access to educational and employment opportunities, and opportunities for wealth accumulation.

As a conclusion, therefore, housing should not only be linked to affordable shelter but also to goals and priorities of people who are concerned about education, the environment, working families, and community well-being.

2.4. Background to Housing in Kenya

In Kenya, the ministry of housing has been in existence though as different department of various ministries that implemented housing policies at different times. This can be traced from the 1960’s, 1970’s and the 1980’s. In the 1980’s there existed the ministry of housing and social services which later became the ministry of housing. Between 1990’s and 2004, housing was under the ministry of ‘roads, public works and housing.’ In 2004, housing was moved to the ministry of lands and settlement and the new ministry was named ministry of lands and housing. Despite the inconsistency in placement of the key docket of housing, the core functions of the departments that currently constitute the ministry of housing were to increase the annual production of housing. In December 2005, the ministry of housing was re-established. The role of the ministry of housing was to facilitate access to adequate housing in sustainable human settlement, including the management of the built up environment (GOK, 2005).

Today, government housing in Kenya is carried out by the Ministry of Lands, Housing and Urban Development. This Ministry was formed in May 2013. The Ministry is the main actor in public housing in Kenya and is mandated to offer policy initiatives and formulation of national
housing programs. These transitions have now been succeeded by the present day counties. In this regard, counties will be embraced as the new centers of power, resources and development. They will have executive roles and will receive funds depending on their developmental and other needs of the county in question, (Constitution of Kenya, Article 203 (1) (f).

It is in this light that knowledge on devolution which in essence is transformation from central governance to devolved governance Kipkori, (2009), is necessary, both to facilitate the understanding of counties and outline their role in provision of affordable housing as in the case of this study. Housing is an important investment. It generates rental income and also acts as a hedge against inflation. Construction activities aimed at provision of housing create employment in both the formal and informal sectors. Housing in this context is intended to mean more than the physical and environmental attributes of houses. It encompasses housing as an economic good, housing as social infrastructure, housing as a political object and housing as a body of knowledge. Therefore, provision of housing is crucial to a country’s economic growth and development (Ireri, 2010).

2.4.1. The Housing Market in Kenya

In the public sector, housing demand will be a key indicator for the government in the development and implementation of housing policies and for urban-planning facilities. Inadequate housing is a major problem in the life of ordinary Kenyans who traditionally concern themselves with four basic needs: housing, clothing, food and medicine. For them, adequate housing is fundamental to individual and family security. From a broader social perspective, a sufficient housing supply promotes economic stability; and good quality, affordable housing will improve health and wellbeing.

Housing provision depends on how active the housing market is. The housing market in essence, depends on the buyer’s housing need coupled with the ability and willingness to pay and the total amount of houses available to the population. Every housing transaction will depend on two factors. The first is the price that the seller is willing to agree for the property with the prospective buyer. The second is the actual price that the buyer is able and willing to pay (Bruce Katz, 2003).
However, most suppliers shy away from the low income market mainly because the profitability margins are lower as compared to housing developments for the other markets. According to Olima, 2001, factors that affect the supply of housing include, high construction cost due to high prices of building materials and consultancy fees, inflexible building by laws, opportunity cost to the developer’s limited funds, cost of land and inadequate infrastructure while demand is mostly as a result of the high influx of people to the city.

2.4.2. Policies that Apply in the Housing Market in Kenya

In the housing market there exist policies that regulate various housing transactions. Such policies include secure and freely exchangeable property rights which boost demand for housing since both buyers and sellers of property in the market feel secure to undertake costly property transactions without fear of fraud.

Housing subsidies in the form of direct financing and services also exist in the housing market which motivates investors to provide housing. Housing subsides also help cut on housing costs hence partly address the question of affordability. Land and building regulations such as the building codes lay ground rules on what is permissible or prohibited in the housing financial market.

2.4.3. Demand for Housing

2.4.3.1. Housing Need and Housing Demand

For one to come up with a good solution to any problem, it requires a clear understanding of the problem in question, its extent and its various aspects and causes. Demand for housing is a critical component to consider if the supply of affordable housing is to be enhanced.

Demand can be defined as the ability and willingness to acquire or pay for a commodity (Investopedia.com.). Ability is based on income levels and willingness is based on priorities. Willingness is subjective; for instance, are there rich families that are not willing to pay for good housing? The urban housing survey defines housing demand as the housing need coupled with the ability and willingness to pay. Housing need on the other hand is defined as the number of existing or new households requiring adequate housing. An adequately housed household is one that lives in self-contained living quarters made of permanent material. (Liu, et al. 1996)
Housing demand is characterized by ability to command a certain standard and amount of housing.

The Great Britain Department of Housing requirements (1980) suggest that housing is not a single fixed quantity but a variable that depends on housing supplied and also on other factors. It is a dynamic concept that changes with changes in income, population changes, tastes and preferences, availability of credit, employment levels etc. **Housing need** can also be described as the assessment of housing units required on the basis of population figures. It is often stated that the higher the population, the higher the need for housing. Housing need can be equated to population/occupancy rates.

2.4.3.2. Factors Affecting Demand for Housing

One of the main factors affecting demand for housing is population changes. Assessment of need and demand should put into consideration the projected future population levels. For instance, Kenya demographic profile fact book, (2013) estimates Kenya’s population as 43,013,341 as at July 2012, an increase of about 13 million from a population of 30,339,770 in the year 2000.
Chart. 2.3 Kenya’s Projected Population Growth Pattern

Population changes are triggered by factors like demographics of the region in question. An aging population for instance, ties up more of the existing housing stock. In regard to marriage and divorce rates, each marriage reduces demand while each divorce increases demand for housing. On the other hand, immigrants increase demand, while emigrants reduce demand.

Assessment of need and demand should also put into consideration the existing economic conditions in the country, income and affordability. Affordability is a function of changes in real income. Availability of mortgage finance, Interest rates and expected movements in these rates affect affordability. Changes in prices of old and new housing units and in prices of rental versus owner occupier housing also determine the affordability of the housing in question. Affordable housing will attract more demand than the un-affordable. Credit availability also has its effects.
on demand for housing. Conditions such as premium demanded, repayment periods, and interest rate charged on the amount of loan borrowed from the financial institutions and conditions of lending in the housing market determine trends in the real estate market. High cost of borrowing discourages real estate investors and developers due to associated default risk. Interest rates have a major impact on real estate markets, for instance when interest rates fall, the cost to obtain a mortgage to buy a home decreases creating a higher demand for real estate pushing prices up. Conversely, as interest rates rise, the cost of mortgage increases lowering demand and prices of real estate. Alterations in costs of borrowing either increase or decrease the demand for real estate developments depending on fall or rise of cost of borrowing respectively.

Government policies on the other hand, such as policies in regards to subsidies, legislation and provision of infrastructure affect both local and international housing market. Government financing, government ownership of property, use controls, government taxation of property, government support of social programs, political unrest, urban and industrial development and redevelopment, land and title registration system should be taken into a consideration when making real estate investment decision.

### 2.4.4. Supply for Housing

Supply can be defined as the ability and willingness to sell a commodity. (Investopedia.com.) Housing supply refers to the total amount of houses available to the population. Supply of housing mainly puts into consideration, the projected future population levels and income and affordability.

#### 2.4.4.1. Factors Affecting Supply for Housing

Higher returns or profits from sale of housing, for instance, translate to more sales while fewer returns discourage supply of housing. Returns or profits from a certain supply of housing can be arrived at as the sale or rental value less the costs. Costs may be purchase of land, construction, credit, labor etc. Costs could also be factors of vacancies in some housing tenure and current housing inventory which acts as a substitute for old housing.

Higher costs of input on the other hand translate into higher sale or rental prices. This affects demand downwards and thus inducing a drop in supply. Costs of inputs could be costs incurred
in purchase of land, construction, and interests on credit, labor expenses and other costs incurred during the supply process.

Further, availability of finance can be considered both from a government policy point of view on money markets and on conditions of finance. The supply of housing is driven by the availability of capital. Bank loans and equity are the termed as the main sources of funding a real estate development. Earnings from the ongoing businesses if affected by external factors such as economic or legal the equity structure will be affected in terms of reduced savings and in effect reduced fund to invest in housing.

Government policies play a role too in determination of supply of housing. Consideration is made on whether the government has in place mechanisms to encourage investment in housing e.g. tax rebates, waivers on building materials, processes of approval or legislation that is investor friendly. There are various government differences that affect both local and international housing market, they include: government financing, government ownership of property, use controls, government taxation of property, government support of social programs, political unrest, urban and industrial development and redevelopment, land and title registration system all of which should be taken into a consideration when making real estate investment decision (Bruce Katz, 2003).

Over the years, there has been a wide gap between supply and demand for housing in Kenya. The demand for housing especially for the low income earners exceeds supply. Smith, (1971) argues that housing’s most significant characteristic is its heavy capital. It is the most expensive single commodity which the ordinary family ever uses. The basic way to calculate number of living quarters can be expressed in the following equation from Yucun (2002).

\[ N = \frac{P}{n \times h} \]

Where,

- \( N \) = number of living quarters
- \( P \) = population
- \( n \) = number of household per unit
- \( h \) = average members per household
2.5. Factors that Lead to Under Provision of Affordable Housing

The causes of under provision of affordable housing include lack of finance, land, infrastructure, building materials and inadequate research among others. These causes are discussed in detail in the next section.

2.5.1. Finance for Housing

One of the main limiting factors to housing development is limited access to finance. According to the Kenya National Housing Policy (2004) the sources of funds for shelter are few and the lending institutions have not really reached some target groups. Qualifying terms for mortgages are still too stringent despite the fact that housing is still in short supply. Inappropriate fiscal policies on real estate financing, inability to finance house loans to groups, low affordability due to poverty, high interest rates on mortgages, absence of graduated payments of mortgages and lack of access to the large deposits of retirement benefit funds have hindered the development of the housing sector.

Currently, mortgage lending by formal financial institutions only benefits the high-income households besides being concentrated almost exclusively in the urban areas. The needs of the low-income earners and rural people with regard to borrowing have not been adequately addressed. In as far as sourcing funds for lending is concerned, the financiers have had to go to the open market and source funds at high market rates, so as to lend to housing buyers/builders, which in turn has resulted in very high house prices. Housing Development Bonds have been used by mortgage finance institutions to mobilize deposits for housing finance. Unfortunately these have been subject to taxation; hence making them less attractive to depositors. The budgetary allocation through the exchequer, including funds for rural housing loans has not only been inadequate but also declining.

2.5.2. Land for Housing Development

Land is a scarce and valuable resource that forms the basis of any housing development. In Kenya, land related matters such as use, development and control are sensitive issues with deep
socio-economic and political impacts. As such, people have recognized the special economic value in land and have therefore engaged in public land grabbing for speculative purposes which would otherwise be used for low cost housing development.

The Kenya National Housing Policy (2004) observes that land delivery mechanisms for housing development in Kenya are characterised by formal and informal sub-divisions undertaken by both the public and private sectors. Formal subdivisions follow a long process while provision of services is mandatory before registration or any transfers can be put to effect. On the other hand, informal subdivisions often fall short of planning requirements set by the approving authorities hence cannot be registered. Land provided through informal subdivisions is often short of essential services and social amenities.

Further, the consent procedures for subdivision of land for housing development are lengthy and complicated, hence causing delays in the construction of intended housing. Another problem arising from land is that the transfer, documentation, processing fees and stamp duty rates as well as concessions on land rents and rates chargeable on land for development of low cost housing are usually way beyond the reach of majority of Kenyans. This bars not only the low income group from developing their own housing but also the private sector. Land zoned for purposes of housing and human settlements, on the other hand has been reallocated for other uses hence further hitting on the already scarce land for housing development.

2.5.3. **Infrastructure for Housing Development**

The processes of opening new land for housing development or for the upgrading of existing informal settlements require installation expansion and improvement of infrastructural facilities and services. Infrastructural facilities therefore form a major and vital component of shelter provision. Lack of access to adequate urban basic services such as water, sewerage, roads, electricity, social services and security greatly obstruct people's economic capacities, health and the quality of life in general. Lack of trunk infrastructure has been a serious constraint to the private sector housing development, an indicator that the government has not adequately fulfilled its responsibility for the provision, delivery and management of these basic urban services that boost development of affordable housing (GOK, 2004).
2.5.4. Building Materials

The availability and cost of building materials constitutes one of the most important components in housing development. However, some building materials are costly due to high costs of production arising from high electricity cost. It is also costly to transport the materials to construction sites for incorporation into the housing structure. This translates into unaffordable housing products that can only be accessed by a few people while living several others homeless.

Another problem has been the existence of inappropriate standards and By-laws which have greatly reduced the range of approved materials and building technologies. This has led to the slow development of approved affordable housing and as a result, led to construction of substandard structures that are now used for shelter especially by the low income earners. On the same note, there have not been alternative locally available building materials that are aimed at reducing the overall housing development costs, another factor that has contributed to the problem of under provision of affordable housing (GOK, 2004).

2.5.5. Research on Housing

According to the National Housing Policy (2004), there has not been an extensive research on alternative locally available building materials by our research institutions. However, some research findings have been achieved through the efforts of research institutions such as Housing and Building Research Institute of the University of Nairobi and other 18 organizations. Some of the limitations of such research have been poor dissemination of the research findings and minimal application of the recommendations from the research amongst other constraints such as inadequate funding for research and dissemination. This has further derailed the development of more affordable and adequate housing to accommodate the rapidly increasing population.

According to Kenya report, 2010, other causes of under provision of housing include the shortage of both land and housing is as a result of a complicated land tenure history, inefficient regulatory frameworks, and under resourced projects to improve housing. The most affected by the lack of housing are primarily the lower income groups.
2.6. Manifestations of Under Provision of Affordable Housing

The word manifestation in this study is used to mean indicators, and therefore, manifestations of under provision of affordable housing means indicators that there is actually under provision of affordable housing. Some of the manifestations of insufficient affordable housing identified by previous researchers are as discussed below.

According to Hutton and Huller (2006), manifestations of under provision of affordable housing include; temporary structures of poor design, lack of adequate services such as roads, water and sanitation, insecure land tenure, diseases, high levels of crime, informal land markets, homelessness, diseases, political unrest and conflicts, low food production/petty commodity trade, crime and breakdown of moral fabric and growth of slums and squatter settlements.

Chepkoech, (2012) argues that manifestations of under provision of housing in Kenya include informal land markets which arise to take advantage of a situation of desperate demand for land and shelter. Informal transactions thrive in these markets leading to consequences such as insecure land tenure and evictions. Informal land markets also lead to crime and immorality which arise as some people attempt to acquire land and real property through illegal means such as through grabbing since they cannot afford it. Other manifestations of inadequate housing include political unrest and conflict, slums and informal settlements.

According to the development plan (1996), the maximum acceptable number of persons in a residential housing space in Kenya is five persons. Excess of this is a manifestation of inadequacy of housing. Overcrowding leads to increased risk of cardiovascular diseases, respiratory diseases and depression and anxiety. Infection Hazards as a result of overcrowding include poor domestic hygiene and/or pests, and poor food safety due to lack of ventilation and increased congestion. Poor sanitation and drainage may also arise as a result of sharing such few facilities. Sharing of inadequate services such as water and sanitation, poor drainage and garbage collection also increase the risk of infectious diseases.

Another manifestation of insufficient affordable housing is the high demand for the already built low cost housing schemes. This is evident in the current lengthy and stringent procedures used by the government in allocation of people to such schemes. This move is meant to sort out the
neediest from the rest amidst the overflowing demand for affordable units. Increased homelessness, as a result, has contributed to the drastic increase of slums in Nairobi County.

Since most low income families are renters, costly rents reduce their salaries to an amount that cannot sustain other basic needs of the family. This accounts for the poor living standards of the low income earners in Kenya and the increasing portion of those living in poverty which is a clear manifestation of insufficiency of affordable housing. Increased poverty accounts for the increased crime rates in Nairobi County as well as the insecurity levels identified in the foregoing discussion.

Under provision of affordable housing is also manifested through reduced levels of savings since a huge amount of money is spent on the inflated rents by the affected group. Reduced savings minimizes investments and consequently shakes the nation’s economy.

2.7. International Interventions on Housing

2.7.1. Global Strategy for Shelter to the year 2000

Following the 1987 International Year for the homeless, resolutions were made to produce, deliver and improve shelter for all. United Nations general assembly in its resolution 43/181 launched the global strategy for shelter to the year 2000. The strategy recommended that governments should play a regulatory role by providing infrastructure. The strategy also recommended governments to move from direct construction of houses to mobilizing resources of all other stakeholders to enhance provision of shelter for all through: Definition of clear and measurable objectives, gradual reorganization of the shelter sector, national mobilization and distribution of financial resources in the shelter sector and equal emphasis on production of shelter by addressing bottlenecks in land, services, finance and building materials sector Plan of action. The County governments as well as the national government have the above aspects on housing regulation to borrow from the Global strategy for shelter to the year 2000.

Global strategy for shelter also recognized that there is no standard way in approach and time frame due to the differing circumstances just as in the case of the differing county governments in Kenya in terms of resources, management and geographical location.
2.7.2. The Habitat Agenda

The Habitat agenda was adopted by 171 states at UN conference on human settlements habitat II, in Istanbul June 1996. The Agenda provides a practical road map to an urbanizing world with a view to setting out approaches and strategies towards the achievement of the two main objectives of ensuring adequate shelter for all and the sustainable development of the world’s urban areas. Provision of affordable housing is no doubt a stepping stone to ensuring adequate shelter for all as well as sustainable development.

This key commitment of the Agenda to achievement of these goals include enablement and participation by all stakeholders, gender equality, financing shelter and human settlements, international cooperation and evaluation and monitoring of progress. (Habitat implementation report, 2001) The county governments can therefore borrow the above named strategies to enable them meet the provision of affordable housing to Kenyans. The Habitat Agenda also encompassed a change in policy. This was to enable governments to play the role of regulating markets, provision of conditions for social reproduction and creation of regulatory and institutional frameworks (Habitat implementation report, 2001).

2.7.3. Agenda 21

Was adopted by the United Nations Conference on Environment and Development UNCED or (Earth Summit) held at Rio de Janeiro, Brazil in 1992. The Agenda’s theme is to examine the impact of human activities on the environment and eradicate poverty by giving poor people more access to resources they need for sustainable living. It covers three main areas; Social and economic dimensions, conservation and management of resources and Strengthening role of major groups, e.g. women, NGOs, youth and private sector. The county governments can therefore use this reference in their endeavor to provide affordable housing for all as well as in the management of environmental sustainability. Full implementation and commitment of the Rio principles was reaffirmed at the World Summit on Sustainable Development in South Africa in 2002 (UN Habitat, 2003).
2.7.4. Cities Alliance

The Cities without slums action plan was developed by the Cities Alliance in July, 1999. It was then launched at the inaugural meeting of the Cities Alliance in Berlin in December 1999. This initiative has been endorsed at the highest political level internationally as a challenging vision with specific actions and concrete targets to improve the living conditions of the world’s most vulnerable and marginalized urban residents. It has four constituencies namely; the urban poor, local authorities, national governments and multi lateral and bilateral agencies.

Its main objective is to realize the vision of ‘cities without slums’ through action plans in two areas; city development strategies and city-wide and nation-wide slum upgrading aimed at improving conditions of 100 million slum dwellers by 2020. County governments, especially the county government of Nairobi have been subjected to such housing challenges as increasing slum dwellers, homelessness and under provision of affordable housing to house the affected. This action plan is therefore a good insight and motivation to the county governments in carrying out their mandate.

2.7.5. Millennium Development Goals

Another important insight for the county governments is the millennium development goals. These goals were agreed in 2000 by United Nations with the aim of integrating sustainable development principles into country policies and to set global and date targets. Target 11 seeks to improve the lives of 100 million slum dwellers by 2020 while goal 7 seeks to halve poverty by 2015 by poor accessing sanitation and safe drinking water.

The millennium development goals are criticized due to the fact that today we estimate 924 million already in the slums while it is silent on how to reduce growth of slums whose population is expected to be 2 billion by 2030.

2.8. International Review

2.8.1. International Housing Affordability in 2013

Internationally, housing affordability deteriorated somewhat in the major metropolitan markets. The most affordable major metropolitan markets were in the United States, Ireland and Japan,
each of which had a moderately unaffordable rating (between 3.1 and 4.0). Other severely unaffordable geographies included Canada, Australia, United Kingdom, New Zealand, and Hong Kong. The most affordable major metropolitan markets were in the United States.

**Chart. 2.5 Overall Housing Affordability 2013**

![Chart of Median Multiple: Median House Price Divided by Median Household Income](image)

**Source: 10th Annual Demography International Housing Affordability Survey, 2013**

### 2.8.2. Australia

Unlike many European nations, Australia did not develop a substantial social housing sector after 1945, but has instead used a range of direct and indirect subsidies to support private investment in housing for both homeownership and private rental (Castles, 1996). County and state governments in Australia have been less engaged with providing housing for people encountering housing difficulties since the late 1970s, (Wilkinson 2005, p16). This is demonstrated by a substantial shift in government support away from the supply of affordable housing under the Commonwealth State Housing Agreement, towards the demand side rent assistance programs. Rather than providing homes, governments have turned to providing small amounts of rent assistance as a means of alleviating the accommodation difficulties of those on low incomes (Wilkinson 2005, p20).
2.8.3. United States

In the United States, most states have at least two tiers of local government: counties and municipalities. In some states, counties are divided into townships. There are several different types of jurisdictions at the municipal level, including the city, town, borough, and village. The types and nature of these municipal entities varies from state to state. Many rural areas and even some suburban areas of many states have no municipal government below the county level.

In other places consolidated city–county jurisdictions exist, in which city and county functions are managed by a single municipal government. In some New England states, towns are the primary unit of local government and counties have no governmental function but exist in a purely perfunctory capacity e.g. for census data (Habitat international, January, 2013).

Public housing in the United States is administered by federal, state and local agencies. These parties team up to provide subsidies for the low income households. Housing in the U.S. primarily consists of one or more concentrated blocks of low-rise and/or high-rise apartment buildings. These complexes are operated by state and local housing authorities who are authorized and funded by the United States government. More than 1.2 million households currently live in public housing of some type. (Public housing in the United States, November, 2013) However, about three percent of households in the United States spent more than half their incomes on housing in 1990’s. The number of these households was projected to 17 million by 2006.

The largest metro markets, such as Los Angeles, San Diego, San Jose, and New York, have an overcrowding rate twice the national average. Immigrants are more than seven times as likely to live in overcrowded conditions. Programs such as, Scattered-site housing programs in the U.S. have contributed greatly in their housing sector. These programs are run by the city housing authorities or local governments. They are intended to increase the availability of affordable housing and improve the quality of low-income housing, while avoiding problems associated with concentrated subsidized housing.

Other programs in the United States include the rental production programs which are government-sponsored programs that are intended to expand the supply of housing for low-and
moderate-income households through the construction or rehabilitation of housing units by public authorities or private developers. These programs produce houses or apartments that are earmarked for occupancy for low-or moderate-income residents. Demand-side rental programs on the other hand supplement what low-income households can afford to pay for housing that is already available from the private market.

It’s evident therefore that housing programs in the United States are tremendously diverse. Since the New Deal era, federal, state and local governments have designed and implemented innumerable variations on programs to produce affordable housing, subsidize rents and mortgage costs, encourage homeownership and make housing more accessible.

2.8.4. Canada

In Canada, a permanent stock of good-quality, non-profit social housing was created along with a growing and increasingly competent community-based housing development sector. The Housing Policy Debate (1993) on affordability of housing in Canada presents a complex paradox. Canada is considered to be among the more affordable places to live in, using a market oriented analyses of affordability. Eighty percent of Canadians are served by market based housing, which includes individual home ownership and private rental housing (Canada Mortgage and Housing Corporation, 2012). In the market based housing system individuals finance their own housing independent of government assistance.

The construction and rehabilitation of affordable rental units lost to demolition, urban intensification projects and the more profitable conversion to condominiums. Since 2005 the number of rental units declined. Since 2000, the cost of renting increased by more than 20 percent. The Canadian mortgage and Housing Corporation consider households that spend 30% or more of total before tax household income on shelter expenses, have a housing affordability problem (Carney, 2011).
2.9. Success Stories of Devolved System of Government

2.9.1. South Africa—province of Gauteng

South Africa is one of the countries that practice the devolved system of government. Regional governments in this country are headed by a premier. However, the national government retains supervisory and oversight roles of the country at large. Gauteng is one of the nine provinces of South Africa and the smallest in size with approximately 1.4% of South Africa’s land area or 16,548 square kilometers. It is considered the economic hub of South Africa. This is so because the province contributes heavily in the financial, manufacturing, transport and telecommunication sectors of the economy.

This province has been successful because it has done zoning and proper use of local resources within the various devolution levels. It has also identified key, unique municipal strengths and their use and has had a strategy for municipalities to align development plans, avoid competitive behavior, share resources and encourage idea generation to reduce poverty. Since 1994, the Gauteng Province has received an estimated 423,000 government sponsored housing units, or about one-third of total production as of 2010; This represents about one-third more than its proportionate population weight of 12 million people, or about 25% of the country’s population, but roughly equal to its property proportion; This estimate is based on formally registered properties—the actual investment is probably much higher – registering these properties instantly grows a family’s net worth (Affordable Land and Housing Data Centre, February, 2010)

2.9.2. The County of Los Angeles, California USA

Los Angeles County comprises of 88 cities within the state of California. This county has had various notable successes that can be emulated. Among the various breakthroughs is the development of complex rail road’s that helped to open up areas as nurture entrepreneurship, development of the Hollywood film industry, development of the reliable electricity to power industries, cities, businesses and homes. The county is also a melt pot of diverse cultures that pursue dreams and opportunities. The city of Los Angeles introduced an inclusionary zoning ordinance to provide affordable housing in the city. The ordinance required developers to set aside some housing units in new developments for low-income groups.
This move was supported by most housing advocates but criticized by many in the business community. Seventeen cities in Los Angeles and Orange Counties already have inclusionary housing programs (John 2006). When compared with the affordable housing produced through the Low Income Housing Tax Credits, the relative importance and magnitude of the inclusionary housing programs are more apparent.

An evaluation of the Programs in Los Angeles and Orange Counties, 2006 suggests that cities with voluntary programs are less likely to be successful in producing affordable housing. In 2003, the city amended its inclusionary housing program from voluntary to mandatory; before that, however, it was successful in producing almost 4,000 units of affordable housing.

2.9.2.1. Rental Assistance in Los Angeles California

In an effort to boost affordability of housing in Los Angeles, several programs came up, among them the rental assistance programs. As such, there are about 30 non-profits, charities and government programs in Los Angeles that provides rental assistance, eviction prevention and services related to housing aid. Most of the resources are for low income and elderly individuals who call to apply for rent help or learn of other options.

Assistance is provided to families with an eviction notice. Funds are distributed for paying security deposits and for paying ongoing monthly rent assistance. Some of the leading organizations for Rental assistance in Los Angeles are; Cathedral of our lady of the Angels Charity program, Glendora welfare association, Housing authority of the city of Los Angeles, Catholic charities, Inland valley Hope partners, Beyond shelter, among others. (www.needhelppayingbills.com)

This country however, may not entirely offer a learning experience to the Kenyan devolved system because it is a case of a successful county in a developed world. However, Kenyan Counties can emulate the historical, administrative social – economic and legal development of this county which led to the utilization of natural and human resources, focused strategic planning, resources mobilization and financial planning and management.
2.10. **Legal Framework Governing Housing Sector in Kenya**

The Housing Sector in Kenya is governed by various legislations some of which are explained as follows:

**2.10.1. Constitution of Kenya**

Chapter five of the Kenya constitution addresses matters concerning land and the environment. Article 61 provides the principles and guidelines on how the land will be held, used and managed in equitable, efficient and sustainable way. This article also provides the classification of lands as public, private or community land while article 67 allocates the National Land Commission the functions of managing land on behalf of the National government and County government amongst other functions.

According to the 4th schedule on distribution of powers between the central government and County Authorities the County government now has the authority to impose property taxes (rates), service charges or any other allowed by legislation. On the same note the constitution mandates every person, either individually or in association with others, to acquire and own property of any description and in any part of Kenya; one of those properties being land and affordable housing. Article 43 (b) on economic and social rights provides that every person has the right to accessible and adequate housing, with reasonable standards of sanitation.

**2.10.2. The Physical Planning Act Cap 286**

The Act provides for the preparation and implementation of physical development plans and purposes connected to the plan preparations. This is the act that stipulates the preparation and approval of physical and local development plans. Part five of the Act contains provisions on control of development. Section 29 empowers the county authority to prohibit or control use and development of land and buildings in the interests of proper and orderly developments of its area and to control or prohibit the subdivision of land or the existing plots into smaller areas.

**2.10.3. Urban and Cities Act 2011**

The Act provides a legislative framework to give effect to the provisions of article 184 of the constitution. Part five contains provisions on integrated urban development planning where cities and municipalities are obliged to formulate urban development plans which will constitute the
framework on which to run their affairs and delivery of services to the residents. These include services related to the housing sector.

2.10.4. Rent Restriction Act Cap 296

The act applies to all dwellings, other than: Dwelling houses which have a standard rent exceeding Kshs 2,500 per month, furnished or unfurnished; excepted dwelling houses (local authority housing, etc) and Dwelling houses let on service tenancies (employer-provided housing)

Certain sections of this Act that restrict the operations of the rental market in favour of the interests of the tenants more than the landlords, invariably discourage investment in rental housing. Under section 29 it is the obligation of the landlord of any premises to maintain and keep the premises in a good state of structural repair and conditions suitable for human habitation, it shall also be the obligation of the tenant of any premises to maintain the premises in the same state as that in which the premises were at the commencement of the tenancy.

2.10.5. National Land Policy (Sessional paper No. 3 of 2009)

The vision for this policy is to guide the country towards efficient, sustainable and equitable use of land for prosperity and posterity. The policy advocates that land in Kenya should be held, used and managed in a manner that is equitable, efficient, productive and sustainable, in accordance with the principles of; equitable access to land, security of land rights, sustainable and productive management of land resources, transparent and cost effective administration of land, sound conservation and protection of ecology sensitive areas, elimination of gender discrimination in law, customs and practices related to land and property in land; and encouragement of communities to settle land disputes through recognized local community initiatives consistent with the constitution. These principles are implemented by the national land policy developed and reviewed regularly by the National government and through legislation.

2.10.6. The Housing Act, Chapter 117

This Act of parliament is concerned with providing loans and grants of public moneys for the construction of dwellings and to establish a housing board for the above purpose. Section 3(1) of
the act stipulates the establishment of a national housing corporation which is a body corporate by that name with perpetual succession and a common seal and which shall perform the duties and functions conferred on it by the act. These duties include establishing a housing fund and providing loans to instructions such as local authorities for building purpose.

2.10.7. Vision 2030

The vision 2030 is Kenya’s development blueprint which presents the housing sector in Kenya as one of its fundamental pillars. In its appraisal, it says that Kenya has so far been unable to plan adequately in order to accommodate her increasing urban population. Its vision is therefore to provide good, affordable, adequate and quality housing.

The Vision 2030, notes that most people in urban areas live in informal settlements due to lack of affordable decent housing. These informal settlements are characterized by deplorable living conditions. This is manifested by decaying infrastructure, poor management of both household and industrial solid waste, lack of proper sanitation facilities, poor drainage systems; and unreliable energy and water supplies for home consumption and industrial production.

2.10.8. National Housing Policy

This is a regulatory government policy whose key docket is provision of shelter. The National Housing Policy was intended to arrest the deteriorating housing conditions countrywide and to bridge the shortfall in housing stock arising from demand. The first Housing Policy for Kenya was developed in 1966/67 as Sessional Paper No. 5. At that time Kenya's population was just over 9 million people growing at a rate of 3 percent per annum for the whole country and 5 to 6 percent per annum in the urban areas. The policy directed the Government "to provide the maximum number of people with adequate shelter and a healthy environment at the lowest possible cost". State interventions, provisional, regulatory and institutional mechanisms that endeavor at provision of housing were outlined. The Housing Policy, just like other policies has three dimensions. These are social or direct provision, fiscal or subsidization through tax relief and enabling provision or state services and infrastructure.

The housing policy has several targets which include: Poverty alleviation, provision of public housing, rural housing and housing of the vulnerable groups among others. Some of the inputs of
the housing policy are; land, infrastructure, building materials, financial resources for housing, institutional and legislative framework.

The housing policy has several objectives which vary on who is providing but mainly include; to facilitate right to adequate housing, promote development and ownership of functional, healthy and environmentally friendly housing, facilitate secure land and housing tenure and to ensure equity in access to shelter along gender, social, and ethnic lines. The Sessional Paper No. 3 of 2004 is the policy that is being used today.

2.11. Measures to Ensure Provision of Sufficient Affordable Housing

The comprehensive housing plan aimed at accelerating access to housing opportunities. It can assist in decreasing the housing backlog through faster construction and use of labor intensive techniques. This in turn would assist in job creation and skills transfer and offer a varied array of housing types to the beneficiaries which fall within the prescribed costs. Beneficiary education can be conducted so that the beneficiaries of the housing units could appreciate interventions and efforts made to secure their shelter.

Most established developers are not keen to enter the affordable housing market mainly because of the low returns associated with the market. Use of established developers ensures that the housing units produced are of good quality and met all the prescribed standards. (Affordable Land and Housing Data Centre, February, 2013).

Rental assistance programs can take two basic forms. Supply side and demand side. Supply side rental programs focus on producing and maintaining housing units that are earmarked for occupancy by low- and middle income households. Examples include the public housing program and local grants or low-interest loans for nonprofit organizations that build or rehabilitate affordable rental housing. The second type of rental assistance program focuses on the demand side and directly helps low-income renters obtain decent rental housing. Examples include housing vouchers, short term assistance to households threatened with eviction, and programs that help low-income renters search for affordable housing in the private market place. Some rental assistance programs provide targeted social services and supports in conjunction
with housing to serve residents with special needs, such as homeless people, seniors, and people with disabilities.

Home ownership programs are programs that seek to expand access to homeownership and like rental programs can include both supply side and demand side approaches. Supply side homeownership programs subsidize the production, rehabilitation, or improvement of for-sale housing units, often by nonprofit organizations. Demand-side programs, which are much more common, include low-interest loans, homeownership counseling, and down payment assistance programs that help make homeownership more affordable and accessible. In addition, many of the County government’s most effective homeownership initiatives have focused not only on housing units but on the availability and cost of mortgage financing.

Land use and regulatory initiatives are frequently overlooked in discussions about affordable housing policy, but their potential impact is greater than that of more conventional housing programs because they influence the location, characteristics, and costs of housing in the private market. Examples of regulatory and governance initiatives that potentially play an important role in affordable housing policy include state and local land use regulations and building codes, fair share plans, inclusionary zoning regulations, growth controls, and smart growth initiatives. Nonetheless, as local policy makers, practitioners, and advocates attempt to design housing strategies that work, they need to know how well these programmatic approaches can be expected to perform across the board, so that they can align outcomes with the set of activities most likely to produce the desired results.
Table 2.1 Showing Strategies for Affordable Housing

<table>
<thead>
<tr>
<th>Strategic objective</th>
<th>Approach/mechanism</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Increasing housing supply</strong></td>
<td>Land audit</td>
</tr>
<tr>
<td></td>
<td>Government dedication / acquisition of land</td>
</tr>
<tr>
<td></td>
<td>Land development or renewal authority</td>
</tr>
<tr>
<td></td>
<td>Land development incentives / penalties</td>
</tr>
<tr>
<td><strong>Reducing barriers to affordable housing</strong></td>
<td>Audit existing controls; assess impact of proposed regulations</td>
</tr>
<tr>
<td><strong>development</strong></td>
<td>Development controls permit diverse housing, in as many areas as possible</td>
</tr>
<tr>
<td></td>
<td>Faster approval for preferred development</td>
</tr>
<tr>
<td></td>
<td>Overcome local barriers to affordable housing</td>
</tr>
<tr>
<td><strong>Preserving and offsetting the loss of low cost housing</strong></td>
<td>Social impact framework</td>
</tr>
<tr>
<td></td>
<td>Preserving particular houses types at risk</td>
</tr>
<tr>
<td></td>
<td>Assistance for displaced residents</td>
</tr>
<tr>
<td><strong>Encouraging new affordable housing</strong></td>
<td>Gradual planning standards</td>
</tr>
<tr>
<td></td>
<td>Planning bonuses / concessions</td>
</tr>
<tr>
<td></td>
<td>Fast truck approvals for affordable housing meeting defined criteria</td>
</tr>
<tr>
<td></td>
<td>Fee discounts</td>
</tr>
<tr>
<td><strong>Securing new dedicated affordable housing</strong></td>
<td>Voluntary negotiated agreements</td>
</tr>
<tr>
<td></td>
<td>Inclusionary zoning - mandatory contributions for all identified development in the zone</td>
</tr>
<tr>
<td></td>
<td>Mixed tenure requirements - Proportion of development in new release areas must be affordable</td>
</tr>
<tr>
<td></td>
<td>Impact fees – mandatory contribution to offset impact of development on affordable housing needs</td>
</tr>
</tbody>
</table>

Source: Guran et al, 2008
2.12. Conceptual framework

The demand for affordable housing has been rising over the years and has been affected by various factors which include; increase in population, the state of the economy, abnormal increase in the cost of ownership, government interventions, demographic changes and alteration in the cost of borrowing. The players in the housing market are divided into four main groups: consumers, producers, financiers and the government. Consumers aim at maximum quality in form of standards, space, location and cost. Producers and financiers aim at maximization of profits while the Government plays the role of income distribution and preservation of standards through policies and legislation.

The public sector and government agencies ensure there is availability of the basic services needed for a decent affordable housing. These services include physical networks of the roads, sewers and other utilities provided by the county authority. It also includes operational systems of land registration, government regulation, adjudication and all forms of economic activity. They provide these services and charge the house consumers in form of tax. It also concerns with the social system where services such as health facilities and educational services are considered.

The housing production group includes the expertise or the professionals, financiers, manufacturers and distributors of the materials to the site. The financiers provide the capital required and charge interests or capital gain from the fund borrowed either by private housing investors or other bodies that provide housing. The professionals provide the necessary services in the development process. Professionals involved in the provision of housing include architects, engineers, quantity surveyors, planners among others.

The process of provision of housing experience many challenges ranging from economic, social, physical restriction, legal and institutional challenges. As such, these challenges need to be addressed by the county governments in order to achieve the affordable housing targets of the respective counties. Our governors therefore, should strain their eyes on high targets to realize the full potential of their respective counties in regards to provision of this basic need namely housing. However, the unity in performance among the various actors in the housing sector is the best practice over which the mitigation measures for the challenges facing provision of housing can be formulated.
The goal of providing affordable housing can be achieved, but the necessary ingredients have to be put in place. In the above discussion, literature has been reviewed on various concepts of housing, affordability and the devolved government. An attempt has been made to highlight the flaws made in meeting the affordability, quantitative and qualitative housing needs of the Kenyan people.

From the discussion presented, it is arguable that the Kenyan housing crisis is not deficient of solutions in practical and theoretical terms. The question does not seem to rest anymore in the search for effective, feasible and viable policies. The source of the issue seems to be in the political will, economic determination, organized and democratic approaches in the resolution of the housing crisis.

County government intervention is viable. The closer the solution is to the prevailing county realities the more positive the result of chosen policies in affordable housing development is in a dependent economy like Kenya.
Fig. 2.1. Conceptual Framework

- **Under Provision of Affordable Housing**
  - Variable 1
  - Home
  - Product
  - Process

- **Manifestations/Indicators**
  - Overcrowding
  - Informal land markets
  - Informal settlements
  - Poor living standards
  - Low savings hence slow economic growth
  - Homelessness
  - Lack of adequate services

- **The County Government**
  - Causes
    - Lack of finance
    - Access to land
    - Costly building materials
    - Research on Housing
    - Strict building rules/permits
    - Low profit margins
    - Bureaucracy/delayed permits
    - Political interference

- **Intervention S/Role**
  - Create employment
  - Lower interest rates for housing mortgage
  - Facilitate access to land
  - Provide infrastructure
  - Promote research on affordable housing
  - Invite investors
  - Reduce bureaucracy in permits for

- **Sufficient Affordable Housing**
  - Variable 2

Source: Author’s Construct, 2014
CHAPTER THREE: RESEARCH METHODOLOGY

3.0. Introduction

This chapter outlines how the research study was conducted. It describes the case study area in terms of geographical position, size and historical background. The chapter also includes the research design adopted, the target population and a description of the methods used in data collection and analysis needed to accomplish the research objectives.

3.1. Background of Study Area.

3.1.1. Geographical Position and Size of Nairobi County

Nairobi County is located 16 degrees north and 38 degrees east. It lies between the coastal part of Mombasa and the lake port of Kisumu. Nairobi lies at a latitude of 1.3 degrees south and a longitude of 36.82 degrees east. It is a hundred kilometers due south of the equator and 480 kilometers due west of the Indian Ocean. The city is bordered by Kiambu district to the north, Kajiado district to the south and west and Machakos district to the east. Nairobi County lies at an altitude of 1675 meters above the sea level and has an area of about 700 square kilometers.

Chart 3.1 Map Showing Nairobi County

Source: Google Map, 2014
3.1.2. Development of Nairobi County

The name Nairobi was coined from the Maasai words ‘Enkare Nyirob’ meaning ‘cool waters’, in respect of the cool atmosphere and its adjacency to the expansive Athi plains in the east where the Maasai grazed their herds. Nairobi is the largest city in Eastern Africa despite being the youngest, and was originally modeled on an English county borough and built out of an unabated swamp in 1899. From just one hundred settlers in 1903, the population expansion since then is startling. From 1954, over 200,000 residents migrated from their villages by the time of independence 1963, increasing the population to more than 4million inhabitants today. Of those, at least 60 percent subsist in the many squatter settlements, and expanding illegal slums (parsons, 2009).

This trend has been in existence mainly because of the shortage of adequate housing to accommodate the rapidly increasing population. Inhabitants of Nairobi are referred to as Nairobians, and the city is governed by the County Government of Nairobi, whose current governor is Dr. Evans Kidero.

3.2. Research Design

A research design is a conceptual structure within which research is conducted. Zikmund (2003) asserts that, a research design is a master plan specifying the methods and procedures for collecting and analyzing data. It consists of the blueprint for the collection, measurement and analysis of data. The choice of a research design for collecting the research is largely determined by the purpose of the research, the method of analysis and the type of research being undertaken (Dattalo,2008). As such the design includes an outline of the framework of study, availability of various data, and observations.

Yin (2003) states that the design comprises descriptive research, case study, survey, exploratory, historical research, causal comparative research, co relational and observational research. Descriptive studies are more informative and designed to describe something that is currently ongoing so as to determine and report the way things are and establish what is happening (Cooper, 2006).
This research study used descriptive research design, case study and survey. A descriptive research design was used to organize data into patterns that emerged during analysis. Survey technique was significant in gathering information from housing consumers and Nairobi county officials in department of housing, through questionnaires and interviews. The design was adopted because it allowed collection of large amounts of data from the target population as compared to other methods.

### 3.2.1. Sampling Methods and Procedures

Sampling is the process of selecting a subgroup of a population to act as a representative of the whole population. A population is a well defined group or a phenomenon that shares a certain characteristic. In this research, the residents of selected Nairobi County estates and the Nairobi County housing authorities were targeted since they are the consumers and suppliers of housing respectively.

Residents of Ngara, Kibera, Madaraka, Dandora and Eastleigh were chosen among the target population because they are mainly low income earners and the areas are marked as some of the most rapidly growing estates within Nairobi. In addition, there are constant changing dynamics of housing provisions due to the influx of the low, middle and some high income population that is moving into the areas of Nairobi.

Sampling method was adopted since there was a limitation of time, and due to the fact that Nairobi County is quite extensive, as the most appropriate for data collection. For the purpose of this study the target groups were the low income housing consumers and the county government officials in the department of housing. These were chosen because the housing consumers are the people directly affected by insufficiency of housing while the county government officials are involved in the provision and regulation of such housing units to those consumers and hence the basis of this study.

The researcher used random sampling to acquire information where every member of the population in the target groups had a known and equal chance of being selected. Borrowing from Kothari (2004), the choice of sample size ‘n’ if greater or equal to 30 satisfies the requirements for most practical purposes even when the population is finite. A sample size of n=60 from the
study area was randomly selected purposively for this research where 20 questionnaires were administered to the Nairobi county officials in the department of housing. The other 40 were administered to low income housing consumers in the selected estates, which represented the entire low income population of housing consumers in Nairobi County.

3.2.2. The Sampling Frame

Table 3.1 Showing the Sampling Frame

<table>
<thead>
<tr>
<th>Target group</th>
<th>Number of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing consumers</td>
<td>40</td>
</tr>
<tr>
<td>Nairobi county officials in the department of housing</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>N=60</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey, 2014

The data sought in this exercise included but not limited to:

- Average population per household
- Periods in which the respondents have lived in Nairobi
- Distribution of earnings per household
- Current level of insufficiency of affordable housing
- Factors that lead to under provision affordable housing in Nairobi County
- Tenant selection system in place
- General Residents’ satisfaction in terms of affordability and other services
- Characteristics of households in terms of services and other facilities available.

All these were geared towards the identification of the role county governments can play in provision of affordable housing in Kenya. Due to the data targeted as stated above, contact with the target group in the housing sector was of great importance.
3.3. Data Collection

According to Kothari (1990), research by use of a case study is designed as a form of qualitative analysis which involves careful and complete observation of the social unit. The social unit could either be a person, an institution, cultural group or the entire community. Given the sample size of 60 respondents, a survey method was best in order to obtain a representative response.

3.3.1. Primary Data

The survey instrument of collecting primary data used for this study was a structured questionnaire. The questions were designed to elicit data in accordance with the research questions. Drop and pick later method of data collection was applied. I, the researcher, visited the respondents to drop questionnaires to be filled in for collection later. The respondents filled in the questionnaires individually as they were well designed for self administration. Of the 60 questionnaires distributed, 20 to the county government authorities and 40 to the housing consumers, 37 were filled out and collected by the researcher, representing a response rate of 61.7%. These were considered adequate for the purposes of this research study as the main target group were represented. Diplomatic approaches were used in asking the questions.

Data collection tools are the instruments used to collect information in research or the methods employed to collect research data. The main data collection tools for research purposes include: questionnaires, interviews, observation techniques, conference method, Delphi technique and use of focus group discussion. The choice of the methods to use is influenced by the nature of the problem and by the availability of time and money (Zikmund, 2003). This study adopted the following tools:

i.) Questionnaires

A questionnaire is a data collection tool that is designed by the researcher. Its main purpose is to communicate to the respondents what is intended and to elicit desired response in terms of empirical data from the respondents. This helps achieve the research objectives in question (Mugenda & Mugenda, 2003). Zikmund, (2003) argues that a questionnaire is a means of eliciting the feelings, beliefs, experiences, perceptions or altitudes of some samples of individuals. They can be close ended to give direct and specific information e.g. “yes” or “no”
answers, short response or item checking. They can also be open-ended so as to elicit open responses from the respondents allowing for greater depth of response. According to Gall (1996), this method is the most convenient and suitable instrument for both surveys and statistical research. Both open ended and close ended questionnaires were administered to housing consumers and Nairobi County officials in the department of housing by hand.

ii.) Interviews

Mugenda & Mugenda (2003) defines an interview as an oral administration of a questionnaire or an interview schedule. Interviews are often used to gather detailed, qualitative descriptions of how population operate, perceive themselves or are perceived by others and are done on one-to-one basis. To obtain maximum cooperation from the respondents, the researcher must establish a friendly relationship (Miller, 2002). Unstructured oral interviews were conducted on the housing officers from the Nairobi County housing department.

The research study and data collection was carried out between November 2013 and May, 2014. The data was systematically collected and this facilitated the description and explanation of what was actually taking place at the ground.

3.3.2. Secondary Data

This included literature available in published books, journals and magazines, unpublished works such as research projects previously done, the internet and newspapers.

3.4. Data Analysis and Presentation

Data analysis involved quantitative methods. Data collected was presented in form of charts, bar graphs, tables and percentages. Analysis was then carried out on the data.
CHAPTER FOUR: RESEARCH FINDINGS AND INTERPRETATION

4.0. Introduction

This chapter gives an outline of the research findings and a discussion of the various responses gathered from the questionnaires and interviews. The research endeavored to find out the role of county governments in provision of affordable housing in Kenya through the threefold objectives of the study that included: To determine the factors that lead to under provision of affordable housing in Nairobi County, to determine the manifestations of under provision of affordable housing in Nairobi County, and to recommend the possible measures that the county governments can adapt to ensure provision of affordable housing.

The research was carried out in Nairobi County on a sample of 60 respondents. These represented 20 county Authority Officials in the department of housing and 40 consumers of Housing in the selected Estates, especially the tenants. Out of the 60 questionnaires administered, the researcher was able to successfully collect 37 questionnaires, a response rate of 61.7%. 31.4% formed the non-respondent. Mugenda (1999) indicates that a response rate of 50 percent is adequate for analysis and reporting. Therefore, a response rate of 61.7 percent in this study was considered adequate and enough to give reliable results.

The 37 questionnaires were analyzed and presented through a series of tables, pie charts and graphs depending on the type of data. The following analysis and representation is fully based on these 37 questionnaires.

4.1. Questionnaire Response Rate

The table and below shows the target and number of respondents realized during the survey for the two different categories of questionnaires administered.
Table 4.1 Showing the Distribution of Questionnaires and Percentage Response Rate

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Number of Questionnaires issued</th>
<th>Number of Questionnaires received</th>
<th>Percentage response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nairobi county authority officials</td>
<td>20</td>
<td>14</td>
<td>70%</td>
</tr>
<tr>
<td>Housing consumers</td>
<td>40</td>
<td>23</td>
<td>67.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60</strong></td>
<td><strong>37</strong></td>
<td><strong>61.7%</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey, 2014

Chart 4.1 Showing the Response Rate

Source: Field Survey, 2014
4.2. Analysis of County Authority Officials in the Department of Housing

The first question defined the official’s qualifications and positions in the county government while other questions sought to establish factors that lead to under provision of affordable housing in Nairobi County as well as the challenges they face during implementation of the government housing schemes and projects.

4.2.1. Level of Education

Table 4.2 Showing Level of Education of the County Authority Officials

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary Diploma</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td>Higher Diploma</td>
<td>4</td>
<td>29</td>
</tr>
<tr>
<td>Degree</td>
<td>6</td>
<td>43</td>
</tr>
<tr>
<td>Advanced Degree</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey, 2014

The table above shows that; 43% of the questionnaires administered were answered by officials with a degree, 29% higher diploma holders, 14% ordinary diploma holders and 14% holders of an advanced degree.

This was necessary as it shows that majority of the respondents had the required knowledge to give the information requirement for this research study.
Source: Field Survey, 2014

### 4.2.2. Number of Government Housing Schemes the Officials Have Been Engaged In

This question was administered to determine the experience of the questioned government officials in the field of government housing projects. This aided in determining the relevance and viability of the information obtained from the County Officials.

#### Table 4.3 Number of Government Housing Schemes the County Officials Have Been Involved In

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 5</td>
<td>8</td>
<td>57</td>
</tr>
<tr>
<td>6 to 10</td>
<td>4</td>
<td>29</td>
</tr>
<tr>
<td>10 and above</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey, 2014
Table 4.3 above shows that 57% of the county government officials were involved in government housing schemes and projects ranging from 1 to 5.

29% of the respondents have been involved in housing schemes ranging from 6 to 10 and only 14% of the officials have been involved in more than 10 housing schemes.

**Chart. 4.3 Number of Government Housing Schemes the County Officials Have Been Involved In**

![Chart showing the percentage of officials involved in different ranges of government housing schemes]

**Source: Field Survey, 2014**

### 4.2.3. Current Level of Insufficiency of Affordable Housing

Insufficiency of affordable housing in most parts of Nairobi County is experienced due to a wide range of factors. This question was necessary to determine whether there is actually scarcity of affordable housing and thereby give the green light to carry on with the study.
Table 4.4 Showing Presence of Under Provision of Affordable Housing in Nairobi County

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>14</td>
<td>100</td>
</tr>
<tr>
<td>No</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>14</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2014

The County government officials to whom the questionnaires were administered indicated that 100% there is under provision of affordable housing in Nairobi County. The officials attributed the under provision to the factors discussed in section 4.4.1 of this chapter.

4.3. Analysis of Consumers of Housing in the Selected Areas

The researcher felt that the research would not be conclusive without interviewing the consumers of Housing on affordability and impacts to them as beneficiaries. The Estates selected were mostly of low income residents and those with government housing schemes.

The table 4.5 below shows the target number of respondents from the estates and housing schemes selected together with the number of questionnaires that were administered and collected successfully.
4.3.1. The Selected Estates and Housing Schemes and Consumers response

Table 4.5 showing the Selected Estates and Consumers Response Rate

<table>
<thead>
<tr>
<th>Estates and government housing schemes</th>
<th>Target</th>
<th>Questionnaires collected</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kibera housing scheme</td>
<td>8</td>
<td>3</td>
<td>38</td>
</tr>
<tr>
<td>Madaraka infill</td>
<td>8</td>
<td>6</td>
<td>75</td>
</tr>
<tr>
<td>Ngara</td>
<td>8</td>
<td>5</td>
<td>63</td>
</tr>
<tr>
<td>Dandora sss</td>
<td>8</td>
<td>4</td>
<td>50</td>
</tr>
<tr>
<td>Eastleigh</td>
<td>8</td>
<td>5</td>
<td>63</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
<td><strong>23</strong></td>
<td><strong>58</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey, 2014

Chart. 4.4 Showing Selected Estates and Consumers Response Rate

Source: Field Survey, 2014
The first question sought to find out how long the respondents have lived in Nairobi while other questions sought to establish their income levels, their level of satisfaction in their current households and other possible manifestations of under provision of affordable housing.

4.3.2. Periods Which the Consumers of Housing Have Lived Within Nairobi

Table 4.6 Showing Periods Which the Consumers of Housing Have Lived Within Nairobi

<table>
<thead>
<tr>
<th>Period of living in Nairobi (years)</th>
<th>No. of people born within Nairobi</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-10</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>11-20</td>
<td>5</td>
<td>19</td>
</tr>
<tr>
<td>21-30</td>
<td>11</td>
<td>41</td>
</tr>
<tr>
<td>31 and above</td>
<td>8</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey, 2014

Table 4.8 above shows that most residents of the selected areas have lived within Nairobi for a period of 21 years and above. Other respondents have been in Nairobi for less than 20 years with the range of 11 to 20 years represented by 19% and those that have lived within Nairobi for 5 to 10 years being 11 percentage of the total number of residents questioned.

This question was Necessary as it shows that majority of the respondents had the required knowledge to give the correct and reliable information required for this research study.
4.4. Factors that Lead to Under-Provision of Affordable Housing in Nairobi County

4.4.1. Factors that Lead to Under-Provision of Affordable Housing According to County Authority Officials

Table 4.7 Factors that Lead to Under Provision of Affordable Housing in Nairobi County

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction finance</td>
<td>6</td>
<td>43</td>
</tr>
<tr>
<td>Political Interference</td>
<td>3</td>
<td>21</td>
</tr>
<tr>
<td>Bureaucracy/permits</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td>Contractual Disputes</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td>Changes in Design</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey, 2014
According to county housing officials, construction finance was the major cause of under provision of affordable housing with a percentage of 43% followed by political interference with a percentage of 21%. Sources of finance for constructing government housing schemes; according to the officials include, internal sources, borrowing from local and international financial institutions as well as contractor finance.

All the above sources followed strict and regent policies before lending thereby delaying or resulting to stagnation of proposed housing schemes. Permits and licenses are a requirement before carrying out any construction work. They stem from the central government, County government, Kenya power and lighting company, National Environmental Management Authority among others. Design changes, political interference and contractual disputes had a percentage of 7% 21% and 14% respectively. Contractual disputes arise between the client and the contractor.
Chart. 4.7 Showing Factors that Lead to Under-Provision of Affordable Housing

Source: Field Survey, 2014

4.4.2. Factors that Lead to Under-Provision of Affordable Housing According to Consumers of Housing

Table 4.8 Showing Factors that Lead to Under-Provision of Affordable Housing in Nairobi County

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of finance</td>
<td>10</td>
<td>43</td>
</tr>
<tr>
<td>Access to land</td>
<td>8</td>
<td>35</td>
</tr>
<tr>
<td>Costly building materials</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Research on Housing</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Strict building rules/permits</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>23</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey, 2014
According to the housing users, lack of finance was the major cause of unaffordable housing with a percentage of 43% followed by lack of land with a percentage of 35%. Costly building materials, little or no research on housing and strict building regulations/permit procedures had a percentage of 9%, 9% and 7% respectively. Strict building rules accounted for 7% of the respondents since permits and licenses required before carrying out any construction work are more responsible for delays in construction other than absolute lack of housing.

4.5. Manifestations of Under-Provision of Affordable Housing in Nairobi County

Manifestations of under-provision of affordable housing in this study were taken to mean the indicators that there was actually under provision of affordable housing. The study revealed the following manifestations.

4.5.1. Government House Allocation

Allocation of housing to the consumer involves determination of who is to be allocated where, which house and under what conditions. This is a necessary step so as to identify and allocate the suitable income group for which a particular housing scheme is meant for. In addition, it is a step
to sort the neediest from the large group of low income population suffering insufficient affordable housing. As such, the measure tries to address the infiltration of high and middle income groups into the low income housing schemes.

The success of reduction of the homeless in an area due to under provision of housing depends on how the allocation process is undertaken.

Table 4.9 System of Selection of Tenants Employed by the County Authorities

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date order system</td>
<td>4</td>
<td>29</td>
</tr>
<tr>
<td>Point scheme</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td>Ballot system</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Random selection</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Combined method</td>
<td>7</td>
<td>50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Field survey, 2014

Table 4.6 above shows that combined system of tenant selection was the most commonly used by the county authorities with a percentage of 50%. This is because the county authority, just like any other government institution is governed by the rule of law, hence endeavors to avoid discrimination by all means. However, the 50% of the respondents associated this method to the best way to allocate the few available affordable houses to the neediest individuals in the society; a manifestation of under provision of affordable housing.

Date order system was second most preferable method with a percentage of 29%. The four county officials who advocated for the date order system of selection argued that, due to under provision of affordable houses from the government, there was high demand and therefore, where applicants had the same qualifications; it was only fair to allocate them on first come first
served basis. The 29% of the county officials argued that, such procedure was mainly put in play due to the high demand of housing verses the insufficient affordable housing.

**Chart. 4.9 System of Selection of Tenants Employed by the County Authorities**

<table>
<thead>
<tr>
<th>System of Selection of Tenants</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date Order system</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>point Scheme</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Ballot System</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Random selection</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Combined Method</td>
<td>50</td>
<td>7</td>
</tr>
</tbody>
</table>

**Source:** Field Survey, 2014

**4.5.2. House Allocation Information Requirements, Documents and Cost Implications to the Consumer**

The analysis of the above factors was necessary to enable the researcher to get a glimpse of what the consumers feel about the methods used by the government to allocate individuals government low cot houses. Strict house allocation requirements are a manifestation of under provision of affordable housing since it’s a measure to provide housing units to only a selected few needy individuals among the many others who are homeless.
Table 4.10 Showing Information Requirements, Documents and Cost Implications to the Consumer

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very strict</td>
<td>12</td>
<td>52</td>
</tr>
<tr>
<td>Strict</td>
<td>8</td>
<td>35</td>
</tr>
<tr>
<td>Fair</td>
<td>3</td>
<td>13</td>
</tr>
<tr>
<td>Lenient</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Too lenient</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>23</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey, 2014

Table 4.9 above suggests that majority of the consumers feel that the requirements for house allocation by the government are very stringent with 53% and 35% of the respondents terming them as very strict and strict respectively. Majority of the consumers were of the opinion that the number of documents required for one to be a beneficiary to government housing was too many. However 13% of the respondents observed that the requirements were fair.

As such, 87% of the respondents termed the requirements for house allocation by the government as; very strict (53%) and strict (35%) respectively. The 87% therefore, represent the percentage manifestation that there is actually under provision of affordable housing in Nairobi County.
4.5.3. Distribution of Earnings per Household

According to the County government authorities, government houses were initially meant for the low income groups who earn an income range of 5,000 to 10,000 shillings per month. The main occupation of the low income earners interviewed, was self employment; which included carpentry, shop keeping, green vegetable and other product vendors, while others were in the general Jua Kali industry. Some low income earners were employed in the private and public sectors as primary school teachers, household attendants, messengers, watchmen and such other occupations signifying their low income earnings.
Table 4.11 Distribution of Earnings per Household in the Target Estates and Housing Schemes

<table>
<thead>
<tr>
<th>Earnings per Resident</th>
<th>No. of Respondent</th>
<th>Percentage</th>
<th>Average rent paid per income bracket in Ksh.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ksh 0 to 5,000</td>
<td>9</td>
<td>39</td>
<td>2,000</td>
</tr>
<tr>
<td>Ksh 5001 to 10,000</td>
<td>6</td>
<td>26</td>
<td>3,000</td>
</tr>
<tr>
<td>Ksh 10,001 to 20,000</td>
<td>5</td>
<td>22</td>
<td>6,000</td>
</tr>
<tr>
<td>Ksh 20,001 to 30,000</td>
<td>2</td>
<td>9</td>
<td>9,000</td>
</tr>
<tr>
<td>Ksh 30,000 and above</td>
<td>1</td>
<td>4</td>
<td>9,000 and above</td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Survey, 2014

Chart 4.11 Distribution of Earnings per Household in the Target Estates and Housing Schemes

Source: Field Survey, 2014
From the data on table 4.10 above, the main income bracket in the sampled estate is the low income group whose income range from 0 to 10,000 shillings per month. The survey indicated that only 65% of the original target group, i.e. 0 to 10,000 income brackets lives at the low cost government housing units as allocated. The rest of the occupants comprised of mainly the middle income earners who fall under the 22%, 9% and 4% income brackets as analyzed above.

The above data was necessary for the study because it implied the number of middle and high income groups who invade the government low cost housing units due to under-provision of affordable housing by the private sector. This further manifests the extent of the under-provision of affordable housing units in Nairobi County since given more affordable housing units, other income groups would not invade the low cost government housing.

4.5.3.1. Percentage of Income Paid as Rent

Affordable housing is rental housing within the financial means of those paying the rent. The concept applies to both renters and purchasers in all the income groups. According to Crowley (2008) household rent should not be more than 30% of the income. The data on table 4.10 above shows that most of the income brackets in the study areas pay less than 30% of their income as rent, that is income brackets of between 0-20,000 shilling. This is probably because they reside in low cost government housing. Those income brackets residing in private sector housing spend more than 30% of their income on rent.

Generally, 65% of the respondents earn between 0 to 10,000 shillings a month. This being only a sample group, it reflects the entire low income group population of Nairobi County. Since most low income families are renters, costly rents reduce such a salary to an amount that cannot sustain other basic needs of the family. This accounts for the poor living standards of the residents and the increasing portion of those living in poverty which is clearly a manifestation of insufficiency of affordable housing. Increased poverty accounts for the increased crime rates in Nairobi County as well as the insecurity levels identified in the foregoing discussion. Under provision of affordable housing is also manifested through reduced levels of savings since a huge amount of money is spent on the inflated rents by the affected group.
4.5.4. Satisfaction in Terms of Affordability of Housing Units

This question was meant to help the researcher determine the affordability of the existing government housing as compared to private sector housing from the respondents’ point of view. Satisfaction of the consumers would indicate that there is at least presence of a few low cost housing. Through the question, the researcher would also determine how successful the existing low cost housing schemes are in fulfilling their intended purpose of reducing housing costs of the consumer.

Table 4.12 Satisfaction in Terms of Affordability

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very satisfied</td>
<td>5</td>
<td>22</td>
</tr>
<tr>
<td>Satisfied</td>
<td>12</td>
<td>52</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>4</td>
<td>17</td>
</tr>
<tr>
<td>Very dissatisfied</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field survey, 2014

From table 4.12 above, 22% of the respondents expressed utmost satisfaction of the charges levied for use of government housing schemes. 52% were satisfied with the housing charges while 17% and 9% expressed dissatisfaction and utmost dissatisfaction respectively. This formed an average of 74% satisfaction in affordability of the already available government housing.

However an average of 26% of the respondents (a frequency of 6 of the respondents) expressed dissatisfaction. The 6 respondents fell under the private sector housing bracket where rents levied are considerably higher than those levied in government housing. This implies shortage of affordable housing to accommodate this group of residents and also calls out to the county government to build more low cost housing schemes. Given a chance, these 26% of the
respondents would opt for more affordable housing, a clear manifestation of under provision of affordable housing.

Chart. 4.12 Satisfaction in Terms of Affordability of Housing Units

Source: Field Survey, 2014

4.5.5. Household Population

Table 4.13 Household Population for Average Housing Units

<table>
<thead>
<tr>
<th>Persons per household</th>
<th>No. of respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3</td>
<td>6</td>
<td>26</td>
</tr>
<tr>
<td>4-6</td>
<td>7</td>
<td>30</td>
</tr>
<tr>
<td>7-9</td>
<td>7</td>
<td>30</td>
</tr>
<tr>
<td>9 and above</td>
<td>3</td>
<td>13</td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2014

Table 4.13 above shows that majority, a 30% of the respondents have households with members ranging between 4-6 and 7-9 members. 26% of the population houses between 1-3 members per
family while 13% of the population houses 9 and above members. Most of the houses surveyed were single room houses while a few were self contained cloakroom within the rented flats.

This signified severe overcrowding and unhealthy sharing of sanitation facilities and other basic services. According to a 1996 development plan, five persons are the maximum number of people that a formally acceptable residential housing space in Kenya should accommodate. Excess leads to diseases, overcrowding and low productivity which are manifestations of under provision of affordable housing.

**Chart. 4.13 Household Population for Average Housing Units**

![Household Population Chart]

Source: Field Survey, 2014

4.5.6. Household Characteristics

Most of the interviewed respondents were largely made up of people with families, some with large size families others small. The respondents expressed dissatisfaction in many realms ranging from economic, social, political, environmental and cultural. This adversity was reflected through the most frequent complains such as overcrowded houses, poor services such as water and sanitation, poor drainage and garbage collection, insecurity, lack of social amenities such as schools or hospitals nearby and lack of security of tenure for those who would wish to own their own houses. Further interview with the respondents revealed that more than 20 households of the surveyed households shared only 3 toilets and 2 bathrooms.
CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

5.0. Introduction

This chapter presents the summary of findings, conclusions and areas of further studies. This study aimed at investigating the role of county governments in the provision of affordable housing in Kenya. (A case study of Nairobi County)

The specific objectives were;

1. To determine the factors that lead to under provision of affordable housing in Nairobi County.
2. To determine the manifestations of under provision of affordable housing in Nairobi County.
3. To recommend the possible measures that the county governments can adapt to ensure provision of affordable housing.

The research was to address the following questions

1. What are the factors that lead to under provision of affordable housing in Nairobi County?
2. What are the manifestations of under provision of affordable housing in Nairobi County?
3. What are the possible measures that county governments can adapt to ensure provision of affordable housing?

The literature reviewed in chapter two and the data analyzed and presented in chapter four forms the basis of the summary of findings, conclusions and recommendations presented in this chapter. The chapter begins by a brief summary of the study. The chapter then gives conclusions emanating from the research findings, makes recommendations on the role the county government can play in provision of affordable housing and finally makes suggestions on areas of further study.
5.1. Summary of Findings

As a conclusion, this study has successfully identified and met the three objectives that were previously stated.

5.1.1. Factors that Lead to Under-Provision of Affordable Housing in Nairobi County

This objective has been achieved through literature review and field work. The researcher, through field survey affirmatively confirmed that the various factors that lead to under provision affordable housing, realised in the literature review actually exist in Nairobi County and are as a consequence of failure by the government to efficiently and effectively play its role.

According to the County Government housing officials, construction finance was the major cause of under provision of affordable housing with a percentage of 43% followed by political interference with a percentage of 21%. Other factors included design changes, political Interference and contractual disputes with percentages of 7% 21% and 14% respectively.

According to the housing users, lack of finance was the major cause of under provision of housing with a percentage of 43% followed by lack of land with a percentage of 35%. Costly building materials, little or no research on housing and strict building regulations/permit procedures had a percentage of 9%, 9% and 7% respectively.

5.1.2. The Manifestations of Under-Provision of Affordable Housing in Nairobi County

Manifestations of under provision of affordable housing in this study were taken to mean the indicators that there was actually under provision of affordable housing. The study revealed the following manifestations.

Although there are some indicators of few available affordable houses in Nairobi County, indicators of under-provision of the affordable houses are more magnificent. One of the indicators of availability of a few affordable houses in the County is the satisfaction levels expressed by the respondents on the rent levied in government low cost housing schemes. 22% of the respondents expressed utmost satisfaction of the charges levied for use of government
housing schemes while 52% were just satisfied with the housing charges forming an average of 74% satisfaction in affordability of the already available government housing (Table 4.12 of findings). As such, these affordable houses have only been able to successfully accommodate a reasonable percentage of the low income earners who would otherwise be homeless.

According to table 4.10 on earnings per household, 65% of the respondents earn between 0 to 10,000 shillings a month. Since most low income families are renters, costly rents reduce such a salary to an amount that cannot sustain other basic needs of the family. This accounts for the poor living standards of many residents in Nairobi County and the increasing portion of those living in poverty which is clearly a manifestation of insufficiency of affordable housing. Increased poverty accounts for the increased crime rates in Nairobi County as well as the insecurity levels identified in the foregoing discussion.

87% of the respondents termed the requirements for house allocation by the government as very strict (53%) and strict (35%) respectively. Stringent requirements for housing allocation a manifestation of insufficient affordable housing since the county authorities’ stringent measures to allocate low cost housing are meant to sort out the neediest from the rest. Increased homelessness as a result, has contributed to the drastic increase of slums in Nairobi County.

Data collected on household population indicate that a 30% of the respondents have households with members ranging between 4 to 6 while another 30% of the respondents host 7 to 9 members per household. Considering that, five persons are the maximum number of people that a formally acceptable residential housing space in Kenya should accommodate (according to the 1996 development plan) an average of 61% in the case of this study indicate overcrowding which is a common cause of spread of diseases and low productivity which are a manifestations of under provision of affordable housing.

Low levels of savings result from over expenditure on inflated rents by the affected group of residents. This is clearly affirmed by the 65% of the respondents whose proportion of rent to income doesn’t allow room for reasonable savings as shown in table 4.11 of the research findings. Reduced savings minimizes investments and consequently shakes the nation’s economy. As such, the economy may not be able to finance and deliver the aforementioned cases of missing services and amenities to the public.
The data collected on the level of satisfaction in terms of affordability of housing indicate that an average of 26% of the respondents (In Table 4.12, a frequency of 6 of the respondents) expressed dissatisfaction. The 6 respondents fell under the private sector housing bracket where rents levied are considerably higher than those levied in government housing. Given a chance, such respondents would opt for more affordable housing, a clear manifestation of under provision of affordable housing.

The survey on household characteristics in the study area indicated manifestations of under provision of affordable housing such as overcrowded houses, poor services such as water and sanitation and the fact that more than 20 households of the surveyed households shared only 3 toilets and 2 bathrooms. Such characteristics are manifestations of under provision of affordable housing.

The research therefore affirms that, the manifestations of under provision of affordable housing realized during literature review actually exist in Nairobi County. These manifestations can be summarized, as overcrowding, informal land markets, Informal settlements, poor living standards; low savings hence slow economic growth, homelessness, and lack of adequate services such as sanitation.

5.1.3. Possible Measures that the County Governments Can Adapt to Ensure Provision of Affordable Housing

Having identified the factors that lead to under provision affordable housing in Nairobi County and the various manifestations of this insufficiency, there is need to remedy them for the sake of the affected low income earners as well as a positive turning point by the newly effected county governments. Section 5.3 below discusses recommendations by the researcher on the role the county governments can play in provision of affordable housing.

The study is based on the assumption that the area of study chosen is typical, the county chosen is a representative of others in Kenya and therefore the findings and recommendations can be applied to any other county regardless of such differences as geographical location.
5.1.4. Hypothesis testing
The hypothesis of the study was;

Alternative Hypothesis: $H_A$
County governments have a significant role in provision of affordable housing in Kenya.

Null Hypothesis: $H_o$
County governments do not have a significant role in provision of affordable housing in Kenya.

The findings of the research support the alternative hypothesis that the County governments have a significant role in provision of affordable housing in Kenya. From the data collected, 100% of the Nairobi county government officials interviewed were of the opinion that the county authorities are best positioned to address problems and issues unique to their jurisdiction and as such, can play a significant role in addressing the insufficiency of affordable housing as analyzed in chapter four. From the findings, it’s evident that Consumers of housing in Nairobi County suffer under provision of adequate and affordable housing through manifestations such as overcrowding in their respective households; a docket that falls squarely under the county authority’s mandate.

5.2. Conclusion
Based on this study, it is conclusive that there is under provision of affordable housing in Nairobi County that is manifested through factors such as overcrowded rooms, characterised by sharing of basic services such as toilets and bathrooms. Such conditions expose the residents to diseases and poor sanitation, a scenario that contradicts article 43 (b) of the constitution which provides that every person has the right to accessible and adequate housing, and to reasonable standards of sanitation.

Although there has been a significant effort by both the private sector and the central government to bridge the gap between the increasing housing demand and the available residential houses, the sectors have not been able to meet the threshold of affordability due to causative factors of under provision of affordable housing such as insufficient funds, lack of low cost building materials, lack of adequate infrastructure and lack of access to land. This opens an avenue for the newly incorporated county government to step in and mitigate such scenarios at the county levels.
5.3. Recommendations

For this study to be considered complete and successful there is need for recommendations on the possible role the newly designated county governments can play to address the above mentioned inefficiencies. These recommendations are related to the research findings in the above discussion. The following are the Recommendations;

**Recommendation 1**

**Building Materials**

The County government should enable the production of low cost building materials to meet the huge demand for Nairobi County and the entire country as a whole. This would promote the development of low-cost housing units which would in turn revert the trend of high rate of proliferation of informal settlements. The county government can also establish housing technology centers in various parts of the County to increase provision and access to decent and low cost housing through promoting location specific building materials.

Building materials can be produced on site using labor intensive techniques thereby reducing overall costs. The counties can further exploit the abundant natural resources that can meet the demand for basic materials using available surplus labor in peri-urban and rural areas. A well-developed local building materials industry can provide such benefits as improved skills, greater income generation and stimulation of other sectors in the housing industry that can increase availability of affordability housing.

**Recommendation 2**

**Access to Finance**

Generate opportunities for direct and indirect employment and wealth creation to boost the ability of the low income earners to afford decent and quality housing. The county government, through coordination with the National Housing Corporation and with reference to the housing bill, can also establish or enforce already established secondary mortgage Finance Corporation to increase access to housing finance and related infrastructure. The authorities can also enforce the acceptability of securities alternative to land and tangible property for mortgage financing as provided for in the housing bill.
In addition, the county authority, through liaising with the relevant bodies, can spearhead the formulation of appropriate legislation, regulations and prudential guidelines governing mortgage finance institutions and building societies that will enhance the channeling of funds to housing for the purpose of low cost housing and slum upgrading. This includes provision of subsidies to the private investors wishing to put up low cost housing units.

**Recommendation 3**

**Access to Land**

Through coordination with the Kenya Housing Authority, the County Government can facilitate access to land for housing and human settlements development. It can seek concessions on land rents and rates chargeable on land for development of low cost housing. This will safeguard land zoned for purposes of housing and human settlements from reallocation. Also it will participate in land use planning and management. In addition, the county government can contribute land to affordable housing from the government idle land and any other land that it may find suitable.

**Recommendation 4**

**Infrastructural Facilities and Services**

Through coordination with the Kenya Housing Authority the county government can facilitate installation, expansion and improvement of infrastructural facilities and services for housing development. It can coordinate the development of infrastructural maintenance guidelines articulating roles for developers, local authorities and communities. It can also promote joint ventures between government developers and landowners in through employing re-adjustment models. The county government can as well install physical and social infrastructure in slums to formalize slums, permit construction of permanent houses and attract private investment.

**Recommendation 5**

**Research on Housing**

The County Authorities may enforce the housing bill provisions that promote research on housing, building materials and technologies. On this end, emphasis can be put on the need to collaborate with other institutions in the funding and coordination of research while making recommendations on how best housing construction costs can be reduced to achieve affordability goals. In this regard, new technologies and building materials should be tested and certified by
relevant institutions to uphold set standards while promoting wider adoption and application of building bylaws and planning regulations that are revised from time to time to incorporate not only affordability but quality in the housing sector.

In order to increase the production of affordable housing units through utilization of research findings as well as the use of innovative but cheaper conventional building materials and technology, the County Government can increase allocation of funds to research institutions to facilitate research on building materials and technologies. The county government can also mobilize all research actors to exploit and document existing locally available building materials and technologies as well as disseminate this information to the users as appropriate; promote and encourage small-scale enterprises to engage in production and application of researched materials; promote the production of innovative building designs and traditional architecture that are cost effective and compatible with the use locally available and affordable materials will be promoted as well as promote wider adoption and application of the revised Building By-Law’s and Planning Regulations.

**Recommendation 6**

**Bureaucracy/Delayed Construction Permits**

The County Government has a role in eliminating bureaucracy within its jurisdiction to fasten the permit delivery necessary by the low cost housing developers to put up new housing units.

**Recommendation 7**

**Provision of More Low Cost Housing Schemes**

The County Government should also consider constructing more low cost housing schemes in its long term goals since as the research findings imply, most low income earners are satisfied with the rent charged in such government schemes.
5.4. Limitations of the Study

The above stated findings need to be viewed with respect to certain limitations encountered while carrying out this research. Some of them include;

The response rate which was not as expected since some of the questionnaires was never returned by the respondents. Some tenants, landlords and county authority officials were suspicious of the motives of the questions being asked while others declined to answer the questions on the basis that they had nothing to gain from answering. The researcher also faced hostility from some of the respondents especially in Kibera and Eastleigh areas. Questions asked on incomes expenditure and general financial shortcomings were answered with difficulty while some declined to answer claiming they are quite personal.

There were delays in conducting interviews with the County Authority officials as a result of bureaucracy in these offices and the fact that they were very skeptic of the media personnel. The target officials for the interviews were not available most of the times Resources available for conducting the research were limited especially in terms of finance. Transport costs for moving to the various target groups was limited. Sometimes the researcher opted to walk for the shorter distances to the subject target groups to save funds for the rest of the research. There were time constraints since this research was conducted on a defined time frame. It was therefore not possible to cover a larger population size of Nairobi County target groups.

5.5. Areas of further study

1. An investigation into the effectiveness of the private sector in bridging the gap between the supply of government housing and the demand for housing in Kenya.
2. Impacts of partnerships between the County government and the various stakeholders on housing provision.
3. County government Role in improving the quality of housing.
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APPENDIX A:

QUESTIONNAIRE ADMINISTERED TO THE COUNTY AUTHORITIES IN THE DEPARTMENT OF HOUSING
Research title: **Role of county governments in provision of affordable housing in Kenya**

Dear Respondent,

I’m a fourth year under-graduate student at the University of Nairobi pursuing a Bachelor of Real Estate degree. I wish to request your assistance in data collection for my research project as titled above. Any information and data collected on this questionnaire will be highly appreciated and will be used solely for research purposes.

**Please tick or state the appropriate answer where applicable**

1. Name of County officer (optional)
   ……………………………………………………………………………………………………………………………
   ……………………………………………………………………………………………………………………………

2. What is your professional occupation
   ……………………………………………………………………………………………………………………………

3. Kindly tick the level of your education
   a.) Ordinary Diploma
   b.) Higher Diploma
   c.) Degree
   d.) Advanced degree

4. How many government housing schemes have you been engaged in since joining the housing sector in government?
   a.) 1 to 5
   b.) 6 to 10
   c.) Above 10

5. Are the current government’s housing schemes sufficient to the consumers?
   a.) Yes
   b.) No

6. If no, please tick which among the following factors may have caused the insufficiency.
   a.) Construction Finance
   b.) Political Interference
   c.) Contractual Disputes
d.) Bureaucracy/permits
e.) Changes in Design
f.) Others (specify) ………………………………………………………………………

7. Which among the following systems of selection of tenants is employed by the county authorities in allocation of government housing?
   a.) Date order system
   b.) Point scheme
   c.) Ballot system
   d.) Random selection
   e.) Combined method

8. What are the challenges faced in coming up with government housing schemes …………………………………………………………………………………………………
………………………………………………………………………………………………
………………………………………………………………………………………………

9. Has the Nairobi County Council marked any areas for new housing?
   Yes
   No

10. In your opinion, what can the county authorities do to ensure availability of sufficient affordable housing to the locals?
    …………………………………………………………………………………………………
    …………………………………………………………………………………………………

THANK YOU FOR YOUR RESPONSE

APPENDIX B:

QUESTIONNAIRE ADMINISTERED TO THE CONSUMERS OF HOUSING IN THE CASE STUDY AREAS
Research title: Role of County Governments in Provision of Affordable Housing in Kenya

Dear Respondent,

I’m a fourth year under-graduate student at the University of Nairobi pursuing a Bachelor of Real Estate degree. I wish to request your assistance in data collection for my research project as titled above. Any information and data collected on this questionnaire will be highly appreciated and will be used solely for research purposes.

Please tick or state the appropriate answer where applicable

1. Name of Respondent (optional)
   …………………………………………………………………………………………………
   …………………………………………………………………………………………………

2. Gender of person interviewed
   a.) Male
   b.) Female

3. Age of person interviewed
   …………………………………………………………………Years

4. Marital status of person interviewed
   a.) Married
   b.) Single
   c.) Separated
   d.) Widowed/widower
   e.) Others (specify)………………………………………………………………

5. Occupation
   a.) Government employee
   b.) Private sector employee
   c.) Business man /woman

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d.) Farmer

e.) Other (specify) ........................................................................................................

6. How long have you been living in Nairobi?
   a.) 1-10 years
   b.) 11-20 years
   c.) 21-30 years
   d.) 31 or more years

7. Monthly income bracket
   a.) 0-5000
   b.) 5001-10,000
   c.) 10,001-20,000
   d.) 20,001-30,000
   e.) Above 30,000

8. How much do you pay as rent?
   ...........................................................................................................................

9. How many people live in your house?
   a.) 1-3
   b.) 4-6
   c.) 7-9
   d.) 9 and above

10. How would you rate the requirement for house allocation by the government
    a.) Very Strict
    b.) Strict
    c.) Fair
    d.) Lenient
    e.) Too lenient

11. What is your view of the following issues on house allocation
    [Tick where appropriate]
    a.) Allocation information (fair) (unfair)
    b.) Document required (fair) (unfair)
12. What is your level of satisfaction in terms of affordability or the monthly rent you pay in your current house?
   a.) very satisfied
   b.) satisfied
   c.) dissatisfied
   d.) very dissatisfied

13. In your opinion, what are some of the factors that cause insufficiency of affordable housing in this area
   …………………………………………………………………………………………………
   …………………………………………………………………………………………………

14. If dissatisfied or very dissatisfied, explain why
   …………………………………………………………………………………………………
   …………………………………………………………………………………………………

15. What are some of the problems you encounter as a resident in this estate?
   …………………………………………………………………………………………………

16. In your opinion, what can the county authorities do to ensure availability of sufficient affordable housing to the locals?
   …………………………………………………………………………………………………
   …………………………………………………………………………………………………

THANK YOU FOR YOUR RESPONSE