



# **UNIVERSITY OF NAIROBI**

## **INFLUENCE OF GOVERNMENT POLICY IN PROVISION OF LOW COST HOUSING IN KENYA: the case of low cost housing in Nairobi**

**SELINA AUKO KUBUTA**

**B42/82114/2012**

A research submitted in fulfillment of the award of Post Graduate Diploma in  
Housing Administration of the University of Nairobi

**School of Built Environment**

**Department of Real Estate and Construction Management**

**OCTOBER 2013**

**DECLARATION**

I, the undersigned, declare that this research project is my original work and has not been presented for examination in any other university.

Author (sign)..... Date.....

**SELINA AUKO KUBUTA**

This project has been presented for examination with my approval as the appointed supervisor.

Supervisor (sign): ..... Date .....

**MR. DENNIS MBUGUA MUTHAMA**

## LIST OF ABBREVIATIONS AND DEFINITION OF KEY TERMS

### Definition of key terms and abbreviations

<b>ABTMs</b>	Appropriate Building Technologies and Materials
<b>CSHSF</b>	Civil Servants Housing Scheme Fund
<b>HFCK</b>	Housing Finance Company of Kenya
<b>KENSUP</b>	Kenya slum Upgrading Programme
<b>KISIP</b>	Kenya Informal Settlements Improvement Programmes
<b>KPDA</b>	Kenya Private Developers Association
<b>NEMA</b>	National Environmental Management Authority
<b>NHC</b>	National Housing Corporation
<b>NGOs</b>	Non-Governmental Organizations
<b>KNBS</b>	Kenya National Bureau of Statistics
<b>RoK</b>	Republic of Kenya
<b>UoN</b>	University of Nairobi

**“Low income earner”** means a person whose monthly gross earning amounts shillings or less.

**“Low income housing project”** means a project of not less than twenty housing units intended for low income earners.

**Land management** refers to the establishment of goals and mechanisms to influence land use to achieve desired policy objectives.

**An informal settlement refers** to occupation of land without formal recognition and that does not comply with physical and land use planning requirements.

## TABLE OF CONTENTS

DECLARATION .....	ii
LIST OF ABBREVIATIONS AND DEFINITION OF KEY TERMS .....	iii
TABLE OF CONTENTS.....	v
LIST OF TABLES.....	viii
ABSTRACT.....	x
ACKNOWLEDGEMENT .....	xii
DEDICATION .....	xiii
CHAPTER ONE .....	1
1. 0. Introduction.....	1
1.1 Problem Statement .....	2
1.2 Objectives of the study.....	4
1.3 Research Questions.....	4
1.4 Significance of the study.....	4
1.4.1 The Government .....	5
1.4.2 Housing Developers.....	5
1.4.3 Financial Institutions.....	5
1.5 Scope of the study.....	5
CHAPTER TWO .....	6
2.0. Introduction.....	6
2.1. A global review of the role of the State in housing sector policies.....	6
2.2. Kenyan Ccontext.....	10
2.2.1. Low cost urban housing theories and approaches.....	11
2.2.2. Legislative Framework .....	17

2.2.3. Institutional Framework.....	23
Figure 2. Conceptual Framework .....	30
CHAPTER THREE .....	31
3.0. Background to the study .....	31
3.1. Overview of the nature of the research.....	31
3.2. Sampling design.....	31
3.3. Methods of data collection.....	33
3.4. Analysis Techniques .....	33
CHAPTER FOUR.....	35
4. 0. Introduction.....	35
4.2. Analysis of the policy makers in the Housing Sector .....	36
4.2.1. Legislative frameworks in housing sector and how they affect development of low cost .....	37
4. 2.2. Ways of making existing legislations enabling for low cost housing delivery. ....	38
4. 2.4. Outcomes of the institutional and legislative frameworks in the housing sector.....	39
4.2. 6. Suggestions on how to improve implementation of the housing policy .....	41
4.3 Analysis of the low cost housing developers .....	42
4.3.1. Number of years in the low cost housing development sector.....	42
Table 11.Presentation of the number of years in the low cost housing development sector .....	42
4.3.2 The number of units of low cost housing developed in the last two (2) years. ....	42
4.3.3 Permitting institution before housing developments begin.....	43
4.3.4 Legislations in the housing sector .....	43
4.3.5. The outcomes of the institutional and legislative frameworks in the housing .....	44
4.3.6. Challenges hindering development of low cost housing.....	45

4.3.7. Issues to be reinforced in the housing policy for low cost housing. ....	46
CHAPTER FIVE .....	47
5.0 Introduction.....	47
5.1. Summary of Findings.....	47
5.3. Conclusion .....	48
5.4. Recommendations.....	49
5.5. Areas for further Studies .....	49
REFERENCES .....	50
APPENDICES .....	53
Appendix I: Questionnaire for the policy makers in the housing sector.....	53
Appendix II: Questionnaire for low cost housing developers.....	57

## **LIST OF TABLES**

Table 1. Number and Value of Houses completed by Province, 2006-2010 by NHC.....	26
Table 2: Sampling Frame.....	32
Table 3: Tabulated response rate of questionnaires administered .....	35
Table 4. Presentation on gender, the number of years of service in the Housing Sector and professional background of the policy makers. ....	36
Table 5.Presentation of the various legislation and their effect on production of low cost housing. ....	37
Table 6. Presentation of ways making existing legislations enabling for low cost housing delivery.....	38
Table 7. Presentation of the adequacy of institutional arrangements for low cost housing.....	39
Table 8. Presentation of the outcomes of the institutional and legislative frameworks in the housing sector .....	39
Table 9. Presentation on the most appropriate government interventions on low income housing.....	40
Table 10.Presentation on how to improve implementation of the housing policy.....	41
Table 11.Presentation of the number of years in the low cost housing development sector .....	42
Table 12. Presentation of the number of units of low-cost housing developed in the last two (2) years .....	42
Table 13. Presentation of permitting institution before housing developments begin.....	43
Table 14. Presentation on the legislation that affect development of low cost housing .....	43
Table 15. Presentation of the outcomes of the institutional and legislative frameworks in the housing sector .....	44
Table 16. Presentation on challenges hindering development of low cost housing.....	45
Table 17. Presentation of issues to be reinforced in the housing policy for low cost housing. ....	46



## **LIST OF FIGURES**

Figure 1. Institutional Framework for Ministry of Lands, Housing and urban development. ....	29
Figure 2. Conceptual Framework .....	30

## **ABSTRACT**

Housing is a right as enshrined in the Kenya Constitution, and provides for adequate, decent and affordable housing for all. Adequacy in that, there are good quality rental and owner occupier housing units for low income families. Affordable in that total housing costs are affordable to those that have low income. Decent in that it provides a foundation for good physical and mental health, personal development and fulfillment of life objectives. Affordable housing is however a major problem in Kenya. Informal settlements and slums have continued to grow and a large percentage of the urban population lives here. The slums are characterized by congested tin roofed and mud houses. There is also poor infrastructure with regards to sewerage system, electricity, clean water and access roads.

According to the National housing policy the estimated current housing needs are at 150,000 per year while the current production of new housing in urban areas is only 20,000-30,000 units annually giving a shortfall of over 120,000 units per annum. This shortfall in housing has been met through proliferation of squatter and informal settlements and overcrowding.

Kenya, like many other developing countries often come up with housing policies, plans and institutional frameworks geared towards provision of housing low income groups to alleviate the situation mentioned above.

This seeks to analyze the various legislative and institutional frameworks set by the government with special emphasis to low cost housing. The research questions include finding out the impact of the housing policies and institutional frameworks. A review of existing literature in the area of the study has also been done. Chapter three shows the design and methodology of the research. The following chapter provides an in-depth analysis of the response of both the policy makers and developers of the low cost housing on housing policies. In the findings it emerged that a lot needs to be done to improve on the legislative and institutional frameworks in the housing sector. As a result the study

had its main recommendation as the review of outdated legislation in the housing sector such as the Building Code.

## **ACKNOWLEDGEMENT**

First and foremost, the almighty God who gave me the physical and mental strength to undertake and accomplish this project in the prescribed period of time.

Secondly, I wish to extend my heartfelt gratitude to my supervisor Mr. Dennis Mbugua for his patience yet firm guidance towards this research.

Finally, I acknowledge the reference of other writers who have undertaken similar research material that have contributed to the completion of this research.

## **DEDICATION**

I dedicate this work to my friends who have always been supportive.

# CHAPTER ONE

## 1. 0. Introduction

Adequate shelter as defined in the Habitat Agenda means more than a roof over one's head. It should include;

*“...adequate privacy; adequate space; physical accessibility; adequate security; security of tenure; structural stability and durability; adequate lighting, heating and ventilation; adequate basic infrastructure, such as water-supply, sanitation and waste-management facilities; suitable environmental quality and health related factors; and adequate and accessible location with regard to work and basic facilities; all of which should be available at an affordable cost. Adequacy should be determined together with the people concerned, bearing in mind the prospect for gradual development.” (Habitat Agenda, 1996: 18)*

Despite several efforts made in the past to reduce poverty, especially in developing countries, access to basic services such as health, education and housing among others continues to be a challenge. The United Nations (UN) member states in 2000 agreed on eight specific goals to be achieved by 2015 i.e. The Millennium Development Goals (MDG's). The MDG's were revised in 2008 and four additional targets were added this include; Target 11 of Goal 7) this target calls for massive production of low cost housing for the slum dwellers.

A common challenge with many governments in sub-Saharan Africa is the achievement of the aforementioned target. The result is that many people end up with no place to live, thus settling in slums. In Kenya the result has been mushrooming of large slums in urban centres for example Kibera and Mathare in Nairobi; Kondele, in Kisumu and Langas in Eldoret- just to mention a few, these slums are indicative of the fact that provision of decent and low cost housing in the country is still a challenge.

According to Article 43 1(b) of the Kenyan Constitution, every person has the right to accessible and adequate housing, and to reasonable standards of sanitation (RoK, 2010). Commitment to a right to adequate housing should be the foundation not only for housing policy but also for a new social-economic agenda in Kenya. The call to adopt and implement the socio-economic right to housing as outlined in the Kenyan constitution not

only has an ethical basis in principles of justice but it is also based on a highly pragmatic perspective<sup>1</sup>. A host of new social relationships and economic opportunities would emerge if the socio-economic right to housing as envisioned in the constitution was realized leading to decline of extensive negative impacts of inadequate housing (Peterson, 2005).

The urban population in Kenya grows at a rate of seven percent yearly (KNBS, 2011). At such a high rate, supply of adequate and affordable housing for all Kenyans especially the lower socio-economic strata lags behind. This means home ownership remains elusive for a majority of urban settlers. The fact that nearly 60 percent of houses under habitation in urban areas are considered 'inadequate' is illustrative of inadequate and indecent urban housing (Owuor, 2012).

The housing demand for Kenya currently stands at 150,000 units per annum for urban housing (RoK, 2004) but out of this only an estimated 35,000 are produced by both government and private developers. A majority of the housing units supplied by the government and private sector is aimed at the middle class and the high strata of the socio-economic groups. these and factors such as, graft marred distribution and allocation of government funded housing projects the high cost of the privately developed housing units has meant that the delivery of housing for the low income groups continues to be low.

## **1.1 Problem Statement**

Government legislations and policies in the housing sector are designed to facilitate production and provision of adequate and decent housing for all. Where there are imperfections in the housing market the government is obligated to rectify the imperfections on both the demand and supply side.

---

<sup>1</sup> the central role that housing plays in peoples' lives i.e. personal health and safety, employment opportunities, a decent education, security of tenure, economic security

In Kenya sustainable development is premised upon a number of socio-economic rights achievements one of these is the right to adequate and decent housing. The realization of this right is important as it will lead to a healthy population. These among other essentials ensure that the population remains productive and motivated to work. However, one major problem bedeviling a large proportion of the productive population in Kenya is the lack of decent and affordable housing especially for the low income groups. The little that is available is accessible to a significantly small portion of the population.

There is a lot of concentration of property development in the high-income category although the demand for housing is most acute in the middle and low income categories. Some of the reasons behind this include availability of mortgage finance to Kenyans at the higher income end and insufficient serviced land that could be set aside for low income housing.

Most low income urban dwellers live in deplorable conditions, a characteristic of habitation in the slums, the current urban housing need is estimated at 150,000 units per annum as opposed to the current production of 20,000-30,000 units annually, the enormous deficit stands at 120,000 units per annum (RoK, 2004). The role of government in low income housing is critical as evidenced by the Kenya Constitution recognition of housing as a key constitutional right under the Bill of Rights article 43 (1) (b) (RoK, 2010).

Low income housing in Kenya has been hampered by lack of adoptive housing sector policy an example of this is in the housing financing where key financial institutions in Kenya continue to ignore provision of finance for low cost housing leaving it to secondary financial institutions such as microfinance institutions. This situation has been blamed on the lack of incentives for the financial institutions to provide financing for the low income groups, a key indication of the lack of an adoptive housing sector policy regime. To remedy this there is a need to understand how policy influences low cost



housing delivery in Kenya. This study therefore seeks to analyze influence of housing sector policies<sup>2</sup> on delivery of low cost housing to Kenyans.

## **1.2 Objectives of the study**

### **Main objective.**

- i. To examine the impact of housing sector policies on low cost housing provision.

### **Specific objectives**

- i. To identify key housing legislative and institutional frameworks.
- ii. To determine the impact of legislative and institutional frameworks in the housing sector on low cost housing provision.
- iii. To give recommendations for improvement in the legislative and institutional frameworks.

## **1.3 Research Questions**

- i. Which are the key housing legislative and institutional frameworks in Kenya?
- ii. What are the impacts of legislative and institutional in the housing sector in low cost housing provision?
- iii. What are the recommendations for improvement in the legislative and institutional frameworks?

## **1.4 Significance of the study**

The importance of this study is to analyze how housing sector policies affect the availability of low cost housing as well as impact on the growth of the housing sector in Kenya. Decent and affordable housing plays a major role in making comfortable the lives of people in any society. They determine the willingness of a population to work, earn a livelihood, save and even acquire better housing facilities for themselves, let alone other necessities and luxuries alike. This important aspect of a society's needs is not without

---

<sup>2</sup> The housing policies to be studied in this research include; Development Plans since independence on specific housing policies, National Housing Policy Sessional paper No.3 of 2004, Housing Act Cap 117, Vision 2030, National Land Policy Sessional Paper No.3 of 2009, Building Code and the Land Act, 2012.

limiting factors as to their availability which forms the basis of this study. By undertaking this study I intend to come up with a factual conclusion that can be of use for various stakeholders in the housing sector especially relating to the need for low cost housing. These stakeholders include:

#### **1.4.1 The Government**

The findings of the study will be useful for the Government to know the effectiveness of the various government policies; as a result the information will be used to enable the poor to access housing, basic services and infrastructure necessary for a healthy living environment especially in urban areas. The government can also review the current the policies to give the best services in the housing sector.

#### **1.4.2 Housing Developers**

These are the persons who undertake the various real estate projects and building different types of housing units to suit different types of home owners and tenants. This study will provide an insight to the housing developers on what government policies are on low cost housing and the various incentives available for them to take advantage of, so as to increase low cost housing delivery to cater for low income earners.

#### **1.4.3 Financial Institutions**

The study will be important for development of a housing finance product tailored for the low income earners.

### **1.5 Scope of the study**

Conceptual: the study will adopt a structural analysis of key housing sector policies in Kenya and thus its analysis will be mainly macro.

Physical: The physical scope of the project is determined by the respondents who include both policy makers at the Ministry of Housing and low cost housing.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0. Introduction.**

This chapter provides a review of various housing concepts and previous studies which have focused on government intervention in the low cost housing sector. It compares and contrasts the different authors view on low cost housing, relating this research study to conclusions drawn, highlighting any gaps and summarizing on the specific gap that this research study hopes to address.

#### **2.1. A global review of the role of the State in housing sector policies**

Creating the optimal conditions for a robust housing system is unique to each market and country as each national strategy to produce housing evolves from various practical and theoretical origins. Debate over the best approach to deliver low cost housing in the developing world has focused on the roles and relationships between the State, Market and Society in the production of housing. The negotiation among these actors requires a minimum level of institutional capacity to ensure balanced roles across sectors. In addition to this, Pugh (1999) emphasizes the need to take into account the economic, social and political factors for equitable housing production to take place (Jenkins & Smith, 2001).

In analyzing the capacity of the state to encourage housing production it is important to use a breakdown of state operations for a better understanding of where governments are changing and where new opportunities exist for the state to support the housing sector. Grindle's (1996) research into Latin America and Sub-Sahara African governments' capacity uses four dimensions of state capacity;

*Institutional capacity* describes States having authoritative and effective “rules of the game” to regulate economic and political behavior.

*Technical capacity* is the ability to create and formulate macro-economic policies. *Administrative capacity* describes effective administration of basic physical and social infrastructure – the ability to perform basic administrative functions essential for economic development and social welfare. *Political capacity* consists of effective and legitimate channels for societal demand making, representation and conflict resolution- and having responsive political leaders and administrators.

Grindle asserts that Latin America and African states have responded to economic crises of the 1980's by improving technical capacity, while in general the other capacities have deteriorated as a result of structural reforms imposed by international finance institutions.

Analysis of the State's involvement in the housing sector across the developing world shows a wide range of pros and cons, successes and failures. In one example, the state was the central driving force behind South Africa's ambitious affordable housing policy enacted in the mid 1990's by the new African National Congress (ANC) government after transition from the apartheid era. The state allocated land, established a state controlled housing finance entity and tried to recruit citizen and private sector involvement through substantial subsidies. The state commanded large resources to be applied to the housing effort, but ultimately, the overall policy failed to meet its targeted goals because of failures within the state at various capacity levels. It lacked the institutional capacity to overcome the "culture of non-payment" among the low-income groups, lacked the political and administrative capacity to overcome ideological differences with opposition parties in various provinces, leading to a failure to deliver housing in line with stated policy goals(Jenkins & Smith, 2001). Compounding this dynamic was the government somewhat hostile attitudes towards NGO's at the time, suggesting that they should just fold into government agencies to continue their work. With NGO's providing significant community organization services for the national housing policy (Jones & Datta, 2000). Despite the desire, resources and motivation to deliver housing, the State's housing policy failed to distribute accountability and

responsibility across the housing sector and compromised the ability function. The state must therefore consider the appropriate balance of influences for market and social sector actors to compliment a productive housing policy.

An alternative approach to state policy for delivering a large volume of affordable housing in the developing world came out of research done in the 1970's by John Turner. Turner's research reframed the conventional perspective about the purpose of affordable housing. He experienced the efficiency of low income individuals building houses independently, in informal communities, in Latin America and analyzed the conditions that supported this trend. Turner observed on the ground success coming from a system where the State had a very limited role in facilitating the production of affordable housing. 'In favorable circumstances, the poor could produce substantial, spacious and reasonably serviced home.' (Turner,1976). The basic circumstances Turner (1976) is referred to include; appropriate tenure, basic services, access to employment and housing finance. He believed that if these basic conditions were present, the urban poor could find solutions to their problems without the burden of State intervention.

In observing how low income people supported their families in informal neighborhoods, Turner saw the significance of housing for low income earners is not the physical characteristics of a house , but rather the function of the house provided for people who used it.(Turner, 1976). This perspective is constantly debated when searching for what is considered the appropriate minimum standard for housing to be considered safe and dignifying for low income people and highlights the tradeoffs between the cost and quality for affordable housing design. Turner (1976) saw the difference between a universal standard for housing and informal housing as stark factors in whether the housing system is functional for those living in it. The 'oppressive house' was one that had all basic services and material qualities provided by the government to achieve a minimum design standard , but the economics of the house destabilized the family living inside it because of the high cost to finance such a structure. Conversely, the 'supportive stark' was the informal house that was not built to a minimum standard, but functioned

physically and economically for the occupants who existed in the margins of poverty. (Turner, 1976). This kind of housing policy approach that balances the controls of the housing process across a wider set of actors has defined roles to manage development and impacts, but may be difficult to scale up depending on the institutional capacity of the State to fulfill its obligations in the process.

The reality for most low-income people in sub-Saharan Africa seems to suggest that housing programs whether new projects or slum upgrading of existing housing, should provide a cost effective plan to formalize informal property assets. For low income projects to be successful for increasing affordable housing stock in cities as well as impacting the challenge of urban poverty, housing policy must be just one component within a larger, comprehensive strategy to transform low-income communities across the developing world. If governments are to take this opportunity seriously, poverty transformation requires a negotiation among the State, Market and Society to ensure equitable outcomes and properly designed incentives to foster a successful and sustainable program.

Affordable housing is a specific niche of the overall housing sector that traditionally does not operate like conventional housing markets or respond to the same policies and incentives to grow. The strategies for housing construction, finance and sales differ significantly because of the income levels of the clients involved. Affordable housing policy requires the State to have an intimate understanding of the differences between informal and formal housing markets in order to coordinate support and services necessary for each market to flourish. Today, those involved with the problems and challenges found in informal urban slums are designing policy based on the perspective that if affordable housing programs can be implemented and successful models scaled up, then a robust affordable housing market can reverse the conditions that cause poverty (Pugh, 1998).

Governments lack adequate funds to finance low cost housing. This has been a major constraint in the construction of sufficient houses particularly in the developing countries.

In most developing countries, existing public financial institutions do not fulfill requirements for financial resources which are needed as critical inputs in construction. The development of institutions to provide the finance needed to build and purchase housing is closely tied to the general sophistication of a country's financial system. The latter also depends closely on the general economic development globally. The governments in developing countries apparently lack enough money for providing housing (Rubinowitz, 1974).

United Nations (1978) states that, in countries where there are comparatively well developed financial systems, the institutions in question have not evolved to serve the housing needs of the poor a fact that is true to date. Financial structures in developing countries have been designed for those with ability to repay the loans. A few financial structures have been developed for accessibility to the poor. Secondly, eligibility requirements of Housing schemes have restrictive criteria for granting loans. They require a specified minimum level of income, assurance of economic stability proved by steady employment or regular savings and provision of adequate collateral security among others. Thirdly, restrictive loan terms; mortgagors find it expensive to administer small loans. Operation costs are quite convenient to exclude the low income groups from housing scheme. Financiers require a down payment; say 10% to 20% of the purchase price which is beyond the ability of low income applicants. Interest rates in developing countries are usually high due to high demand which is coupled by low supply of funds. This makes the cost of borrowing which is unsuitable to the low income groups.

## **2.2. Kenyan Context**

Since Kenya attained its independence in 1963, the Government has addressed shelter issues through various initiatives. The key interventions for the sector included formulation of Sessional Paper No.5 on Housing Policy of 1966/67. This was the first and presented the government's aspiration to provide decent and affordable housing through both the private and public sector.

In order to meet housing needs and to stimulate the growth of the economy, an expanded programme for house building was given high priority; the Central government financial contribution towards housing was increased.

To meet the needs of the largest possible number of people, the housing programme was to be as economical as possible, i.e. emphasis was put on low-cost housing and to the largest possible extent assisted by self-help efforts. Similarly, the scarce government funds available for housing were employed in a manner to stimulate private and foreign capital and self-help efforts as effective as possible.

### **2.2.1. Low cost urban housing theories and approaches.**

Approaches on urban housing have been developed in the recent past, set within the market economy and socialist contexts. These include;

#### **The Demolitionist Approach**

This approach was developed in the 1950's. The development of informal housing in Kenya in the sixties and seventies was full of demolition. Sessional Paper No.5 on Housing Policy of 1966/67 ratified the demolition of slums. Haldane (1971) noted that the Nairobi City Council (NCC) continued reducing the number of housing units available by demolition. Despite this, more structures came up. This was a clear demonstration of the housing need, but it took the authorities too long to recognize the efforts of the informal sector. By 1970 the rationale of the policy for demolition was being questioned. It was based on the premise that the government would manage to reduce rural-urban migration and at the same time would manage to provide adequate urban housing. These desires remain unfulfilled to-date as unplanned areas continue expanding.

In the development Plan of 64/70, United Nations mission to Kenya advised the Government to do a country-wide survey to determine the need for housing, it was commissioned. This was also to advise on the formulation of a realistic housing policy.



The 1970/74 Plan, postponed slum clearance until the housing shortage was substantially reduced. In 1974/78 development plan, the government agreed that a more realistic housing policy should be pursued. In this respect, demolition of slum/squatter settlement was not only postponed but stopped. In cases where it was unavoidable, it would not be undertaken without providing the concerned households with alternatives. This was a departure from the government housing policy of 1965, and of the 1970/74 Development Plans which backed the demolition of slums. At the same time, it recognized the futility of slum demolition, an approach which had its origin in colonial development and did not take the interest of the majority into consideration. The approach was self-defeating and could not be sustained. Whereas the move to stop demolition of slums was a good policy, it has partially resulted in speculative moves by those who have learned to invest in such areas. This trend is not negative as such but contributes to the proliferation of unplanned areas and the escalation of rent. It has also partly played a role in the prevalence of more tenants than owner occupiers in such areas.

### **The Supportive Approach**

Supportive approach was advocated in the 1960's by Koeningsberger and Adams, and later in the 1970's by John Turner, viewed the solution to housing as a consensus between the state and the needs of the urban poor. Turner's approach recommended an integration of state empowerment and the self-help obligation of the urban poor, with a view that housing was not just a shelter to live in but also a means to move upward on the social ladder. However, the housing success depended predominantly on the collective efforts of the community with the state playing merely a supportive role, providing public utilities and initial funding. This approach relied heavily on political will from the state as well as institutional and structural support and thus, faced implementation difficulties in developing countries

In the 70's the government of Kenya recommended local authorities to do development of site and service housing schemes in which the local authority would equip suitable

areas with water, sewers and roads and house owners build their own homes under close control. Another approach to cost reduction was self-help housing.

Among all the development plans, the 1970/74 one had numerous housing policy directives. It was to be achieved through both NHC and HFCK. A part from this key step, the plan noted that:

*'.....The government housing policy will involve participating in the financing of private housing by business enterprises and by individuals, assistance to companies which undertake employee housing projects....research into housing markets and constraints of supply, especially in finance, contracting and building industry as well as in building codes' (RoK: 513).*

Finance was the most serious constraint preventing the housing programme expanding as fast as the Government would have wished. Even though the Government's allocation for housing was steadily being increased, it was far from sufficient to fill the gap left by the dearth of private money.

It would be the responsibility of the government, especially through the housing research and development unit at the UoN and Nairobi's low-cost housing projects, to continue intensive investigations to develop prototypes of houses that would meet the cost discipline and still provide people with a decent dwelling on a serviced plot.

In the development plan of 74-78, the shortage of low income housing and the continued existence of substandard housing were especially key problems. Housing construction was accelerated, with increasing emphasis on construction of and research into low cost housing. Site and service, and self-help schemes were seen as both methods of doing this. Tenants-purchases schemes, under which prospective owners were expected to pay an initial contribution towards building costs, were now receiving priority for government loans. One of the most promising methods of channeling private savings into investment in housing was the housing co-operative society.

In the next development plan 84 – 88, titled Sessional Paper on Economic Management for Renewed Growth (Republic of Kenya, 1986); this paper marked a departure from

previous practice of relying on the public sector, for provision of services and economic growth. In the area of housing, this paper acknowledged the importance of the informal sector and gave directions on sale, rental of housing, housing plots and to the leasing of government lands in urban areas. Following 1987 being declared *year of the Shelter for the Homeless* there was concerted efforts on the government performance towards reviewing her policies. As a result, a policy document entitled 'National Housing Strategy for Kenya' was prepared by the Housing Department. In this document, the government referred to its new directions which aimed at shifting its role from 'one of direct developer' of low cost housing involving moderate subsidies to one of working with and facilitating the development of the housing by private entities charging market prices .

Government strategies to produce low-cost urban housing for the benefit of low-income earners in this development plan were;

Settlement up-grading - of large unplanned settlements or slum areas of temporary materials without proper sanitation posing a fire and health hazard that had sprung up in major towns. Upgrade of these dwellings would involve the preparation of physical layout plans, regularization of land tenure by issuing titles and the provision of basic services to encourage beneficiaries to improve their housing structures and the environment through self-help efforts. Assistance to the slum dwellers would be offered through materials, loan, technical advice, provision of water points and toilets blocks.

Co-operative Housing - A significant proportion of undeveloped urban land was then held by co-operative societies. To promote the development of this land, National Co-operative Housing Union (NACHU) was supported in order to provide technical, financial and management assistance to both existing and new housing co-operatives as a means of accelerating housing provision through the medium of co-operative societies.

Civil Servants Housing- The civil service comprises a large part of the urban labour force. A single strategy for providing it with housing was therefore inadequate. A

combination of mortgage, pool and institutional housing strategies were adopted for this target group. Through mortgage housing, civil servants would be encouraged to own houses, care being exercised to avoid hidden or direct subsidies. The bulk of civil servant' housing would remain the pool housing programme, which provides rental accommodation to government employees. Institutional housing would remain the responsibility of those government departments whose nature and place of work require the employees to be housed within or near the institutions.

Private Sector Participation - in the past, the private sector had for various reasons concentrated its efforts on medium and high cost housing. While government did not wish to closely direct private sector investment in housing, there was ample justification for involvement of the formal private sector in the implementation of low to medium cost housing. Since enormous financial, land and management resources were held at the domestic level by the private sector the following incentives would underpin a strategy for mobilizing these latent resources and enhancing the participation of this sector in housing development: Co-operating in the opening up of either private or public land for urban development, thus curbing land speculation and also injecting long-term money into the mortgages market to stimulate and back up increased private investment into housing.

More recently, as the Government has taken cognizance of the acute deficit of housing in the lower end of the market, it has planned to improve the situation by encouraging supply, in a move towards becoming facilitator by enabling policy formulation conducive to mobilise the private sector participation in low-income housing (RoK, 1999). Some recent initiatives include the zero-rating of VAT on building materials used in the construction of 20 or more low-income housing units (RoK, 2007b) and the discussion of possible tax advantages and tax holidays for developers in the low-cost housing sector.

## **The World Bank Approach**

The World Bank approach was majorly on economic determinism and relied on affordability-cost recovery and replicability. The core approach was to achieve a full cost recovery or near to full cost recovery with hardly any subsidies. Whereas this was an appropriate approach in the absence of required local resources, it had to be supported by other programmes, especially if the interests of the low income groups had to be met. In this arrangement, developing countries obtained loans from the World Bank, invested in low-income housing schemes, delivered these units to housing dwellers and converted occupants to debtors of commercial banks, thus liquidating funds for reinvestment by the Government. This was meant to strengthen the market mechanism and minimize the bottle neck of housing deliver. The World Bank Approach, however, was criticized for an over-focus on market mechanisms, paying little attention to issues of land tenure and infrastructure.

The World Bank also introduced Structural Adjustment Programmes(SAPs) in the 80's which were very unpopular, this also made the Kenya government cut down its spending in housing as a result more informal settlements cropped up.

The World Bank and other development partners recently launched Kenya Informal Settlement Improvement Programme (KISIP) for strengthening institutions and program management, enhancing tenure security, investing in infrastructure and service delivery and planning for urban growth.

## **The Collaborative Approach**

The Collaborative Approach to housing focused on the limitation of the institution and the imperfect market, not just the participation of the urban poor. This emphasizes collaboration between the state, the market, non-governmental organizations and the community, in a set-up that would enhance the capability of the community. Good governance and state support would focus on the well-being of low-income communities, using housing as a means of social mobility. The difference from earlier

approaches was that it sought to merge the community with government interaction and support to obtain practical solutions in the community's initiative. In the development plan of 1994/1996, it was noted that the private sector contributed over 80 percent of the total number of new residential buildings reported annually. High demand for residential units in main towns, against a slow increase in housing units had the effect of raising housing rents to abnormally high level. This made affordable housing inaccessible to most low income earners.

During 2002 – 2008 Plan period, the quality of housing had become as important as ownership. During the Plan period, the following was undertaken:

- Finalization the draft National Housing Policy
- Collaborating research efforts with other organizations with an aim of increasing efficiency and effectiveness in the provision of housing
- Facilitating acquisition of land for housing the low-income group
- Identifying and develop appropriate innovative approaches for financing shelter and human settlements

The above section was to set a background for the various interventions by the government through housing policies on low cost housing.

### **2.2.2. Legislative Framework**

Kenya has several pieces of legislation relating to housing. The first set of laws, the Building Societies Act, the Housing Act, and the Sectional Properties Act provide the legal bases for financing and ownership arrangements for housing. The Building Societies Act provides for the formation and registration of building societies, while the Housing Act provides for public financing for home development as it establishes the National Housing Corporation (NHC), a parastatal organization which is charged with providing loans from public funds for the construction of private dwellings. The National Building Code regulates standards of materials used in housing developments. On the

other hand, the Sectional Properties Act provides for division of buildings into units to be owned by individuals in addition to providing a framework for the use and management of common properties. The second set of laws includes the Rent Restriction Act and the Landlords and Tenants Act. Both of these regulate relations between landlords and tenants. An associated law is the Employers Ordinance which also has provisions that require employers to subsidize their employees' housing costs.

### **Kenya Constitution 2010**

This is the supreme law in Kenya and was promulgated in August, 2010. It describes the various rights of the citizenry and the obligations to both the State and the citizens.

Article 43 1(b) recognizes that every person has the right to accessible and adequate housing, and to reasonable standards of sanitation. However, according to Article (21. 2) this right will be realized progressively.

It will be the responsibility of both the National and County Governments to ensure that the citizenry accesses adequate housing to reasonable standards. Under Schedule 4 of the Constitution, the National government is tasked with the responsibility of Housing Policy while the County Government shall do County planning and development, including—statistics; land survey and mapping; boundaries and fencing and housing.

The progressive implementation of Article 43 1(b), shall go a long way in ensuring that Kenyans enjoy adequate privacy; adequate space; physical accessibility; adequate security; security of tenure; structural stability and durability; adequate lighting, heating and ventilation; adequate basic infrastructure, such as water-supply, sanitation and waste-management facilities; suitable environmental quality and health related factors; and adequate and accessible location with regard to work and basic facilities; all of which should be available at an affordable cost especially for the low income group.

### **Sessional Paper No. 3 on National Housing Policy for Kenya, 2004**

The expansion of access to adequate and affordable housing for Kenyans has featured in all key national policy initiatives, starting with the 1966 Sessional Paper No. 5 on Housing. Subsequently, policy objectives relating to the access to adequate housing have been elaborated in various five-year National Development Plans and Poverty Reduction Strategy Papers (PRSPs). The latest addition to the housing policy framework is the Sessional Paper No. 3 on National Housing Policy of 2004.

The Policy was developed to address Kenya's growing housing needs in the context of rapid population growth, rapid urbanization and widespread poverty. The goal of this policy is to "facilitate the provision of adequate shelter and a healthy living environment at an affordable cost to all socio-economic groups in Kenya" (RoK, 2004). Some of the key objectives of the policy are to facilitate progressive realization of the right to housing by enhancing ownership of housing through expansion of access to housing finance in addition to promoting security of tenure for land for all groups, particularly low income earners. Others are to promote inclusive participation in development of public housing policy and to streamline the legal and institutional framework to promote housing development. The policy also calls for the improvement of land management and the expansion of infrastructure such as electricity and water which are crucial for adequate and affordable housing.

The implementation of the policy objectives is mainly coordinated by the Ministry of Lands, Housing and Urban Development. The policy targets include poverty alleviation, Public housing, Urban housing, Rural housing and vulnerable groups while housing inputs include; Land use planning and management; infrastructure, building material and research, financial resources for housing; management and the legislative and institutional frameworks. The Sessional Paper No. 3 on National Housing Policy of 2004 is currently under review to align it with Constitution 2010 and to incorporate the emerging issues in the housing sector (RoK, 2004).



The Housing Policy through the targets and housing inputs above is geared to produce an estimated 150,000 units per year to meet the current urban housing needs with a special emphasis on the low income group. This level of production can be achieved if the existing resources are fully utilized by the private sector with the enabling hand of the Government. It is estimated that the current production of new housing in Urban areas is only 20,000-30,000 units annually, giving a shortfall of over 120,00 units per annum. This shortfall in housing has been met through proliferation of squatter and informal settlements and overcrowding.

### **Housing Act Cap 117**

This is an Act of Parliament Cap 117 on housing which was enacted in 1967. Its principal role is in the implementation of the Government's Housing Policies and Programmes. This Act provides for the establishment and constitution of National Housing Corporation (NHC) which manages a housing fund, gives loans and grants and monitors repayment of loans for housing developments especially for the middle and low income earners. NHC also operates a housing finance institution with the power to borrow funds from the government, oversees agencies, pension and trust funds and any other institution or persons, as well as to collect deposits and savings from the public to be applied to the financing of residential housing development. The Act also provides for a civil servants housing scheme fund, to provide housing loan facilities to civil servants for the purposes of either purchasing or constructing a residential house. It also aims at developing housing units for sale and for rental by civil servants (RoK, 1967). The provision of a housing fund has seen NHC deliver housing especially for the low and middle income earners. The Corporation keeps proper books of accounts, records and vouchers in relation to its funds and activities. These are signed and transmitted to the auditor. With increased funding more housing can be constructed especially for the low and middle income earners.

## **Housing Bill, 2011**

The Housing Bill aims at providing for the effective coordination, facilitation and monitoring of the housing and human settlements sector; to provide for capacity building within the housing sector; to establish the Kenya Housing Authority and the National Housing Development Fund for the provision of the right to accessible and adequate housing under Article 43(1) (b) of the Constitution.

It provides for an Authority to be formed in consultation with County Governments and the National Land Commission which will facilitate access to land for housing, human settlements development and related infrastructure and in that regard there will be exemption from paying rents and rates chargeable on land for development of low-cost housing. Also, petition the National Land Commission for repossession of any urban land zoned for housing that remains undeveloped for a period exceeding that set in the terms of allotment and re-allocate such land to the Authority for public and social housing purposes.

A Fund to be known as the National Housing Development Fund will be established and shall be administered by the Kenya National Housing Development Fund Committee. Five percent of annual government ordinary revenue drawn from the consolidated fund for the first ten years from the date the fund becomes operational. There may be financed from the Fund any approved expenditure in respect of any of the following elements of housing development ; housing infrastructure; affordable housing ;research on appropriate building materials and technologies; slum upgrading among others.

There are also a number of housing sector incentives introduced to woo housing developers to invest in low cost housing. These incentives are deliberate fiscal, monetary, administrative and other policy instruments and measures aimed at making investments in low income housing attractive, particularly to the formal private sector. This includes tax deductibility for housing loans, incentives under stamp duty, lower taxation on housing bond among others. (RoK, 2011) The Housing Development Fund will be the

engine for the production of housing units whose annual production rate ought to be increased from 35,000 to 200,000 units per annum

### **Sessional Paper No. 3 on National Land Policy 2009**

The overall objective of the National Land Policy, Sessional Paper No.3 of 2009 is to secure rights over land and provide for sustainable growth, investment and the reduction of poverty in line with the Government's overall development objectives. Specifically the policy offers a framework of policies and laws designed to ensure the maintenance of a system of land administration and management that will provide all citizens with the opportunity to access and beneficially occupy and use land (RoK, 2009).

This policy acknowledges that rapid urbanization with general disregard for land use planning regulations and a multiplicity of legal regimes related to land. It therefore addresses the issue of housing especially with regard to informal settlements. It recommends the development of, in consultation with affected communities, "A slum upgrading and resettlement programme under flexible tenure systems." The key issues in the policy include land tenure, land use management and administration, institutional and implementation framework.

The National Land Policy is expected to enable tenure regulation and look into issues such as securing land banks for housing developments to be availed at prevailing market rates after servicing. This serviced land for housing development will also be set aside for the poor at affordable rates. This will have the impact of increasing delivery of housing especially in informal settlements and hence increased low income housing.

### **Land Act, 2012**

This Act governs all categories of land i.e. government, community and private land. To address land use planning issues, the government will provide an appropriate framework for preparation and implementation of national, regional and local area land use plans and ensure that the planning process is integrated, participatory and meets stakeholders' needs.

The Act provides for the streamlining of land settlement procedures and processes, whereby, government shall undertake acquisition of land for establishment of settlement schemes and also make equitable and accountable allocation of settlement scheme land facilitate planning of land found to be suitable for human settlement and also ensure that land subject to informal settlement is developed in an ordered and sustainable manner. Put in place measures to prevent further slum development. (RoK, 2012)

The Act will be implemented through National Commission to address land use planning issues especially in urban areas and informal settlements.

With proper land use planning, there will be controlled developments and there will be areas land marked for residential housing, there have been challenges in the accuracies with the land registries and fraudulent behavior in the registration and issuance of title deeds in Kenya. This tends to discourage investments on Housing development. The government has already taken measures to streamline and computerize land registries and to minimize fraud. This will give the housing developers confidence in construction of housing without fear of future demolition. Housing production in the three categories i.e. high, middle and low income levels will increase.

### **2.2.3. Institutional Framework**

The National Housing Policy has spelt out the institutional framework for the implementation of the policy with coordination under the Ministry of Lands, Housing and Urban Development.

#### **The Ministry of Land, Housing and Urban Development**

The Housing department implements several housing development programmes, including Kenya Informal Settlement Improvement Programme (KISIP), Kenya Slum Upgrading Programme(KENSUP), Appropriate Building Technologies and Materials and Civil Servants Housing Scheme.. Some of these programmes are implemented in collaboration with several government agencies including the NLC, Ministry of Environment as well as international actors like UN Habitat and UNDP. Actual planning

of the housing infrastructure is led by Housing department. County governments are also expected to be involved in planning and overseeing legal arrangements for housing construction in counties. The Ministry also works closely with the Housing and Building Research Institute which conducts research on housing planning and design and related issues especially for low cost housing. The Housing department also oversees private sector housing financiers, including NHC, and Kenya's numerous housing cooperative societies and non-governmental organizations (NGOs) involved in shelter development.

### **The National Land Commission**

The National Land Commission (NLC) which is a constitutional body has as its key mandate the management of public land on behalf of the State. NLC shall also provide technical support to the Ministry in-charge of land in preparation and implementation of national land use policy. Developments in urban centers are regulated through land use controls. In most developing countries, legislature has delegated the power to regulate land use to County governments/local authorities. In Kenya, this responsibility is charged with NLC

The NLC ought to bring about change in the management of land through implementation of comprehensive land use policies that do not encourage arbitrary demolitions of low income housing. This will go a long way in ensuring that in increasing housing stock of low cost housing NLC will need to prepare and implement land use policy in relation to the non-formal de facto tenure (squatting) which mostly occurs on government land and undeveloped private land, and is the dominant existing tenure system in the informal settlements.

As a result of the lack of clear titles and policy on tenure guarantees to households in informal settlements, the reach of housing finance and practice of progressive housing are limited for the low income earners who mostly reside in informal settlements. The availability of serviced, affordable land in close proximity to employment for housing remains a major hurdle in the development housing market.

## **National Housing Corporation**

National Housing Corporation is charged with the responsibility of providing subsidized housing and implementing government housing policies and programmes through tenant purchase, mortgages, rental and rural housing loans scheme. NHC was formed as part of Kenya's post-colonial housing policy underscoring the importance of providing decent shelter for all urban workers in the country. While theoretically this should have been a feasible solution, an acute problem has arisen as national government expenditure on housing has been on a consistent decline, stemming from activities of the parastatals, price controls, inappropriate building regulations and codes as well as a lack of basic planning and provision of services (Otiso, 2003).

The National Housing Corporation (NHC) is now shifting its focus to include medium sized flats<sup>3</sup> as the State-owned firm targets low-income earners with Kshs 2 million houses to be built from 2014. The corporation will build diverse property on Nairobi's Thika Road, Eldoret, Kisumu and Mombasa that will include one bedroom apartments—a shift from the three to four bed-roomed units in high-end neighbourhoods. The corporation is also looking for joint ventures with large land owners and concessionary loans from international financiers to increase smaller and cheaper units in a move that could boost home-ownership at the bottom-end of the market. (Daily Nation, 24<sup>th</sup> June, 2013)

---

<sup>3</sup> 1 bedroom flats

Table 1. Number and Value of Houses completed by Province, 2006-2010 by NHC

PROVINCE	NUMBER				VALUE (Kshs. Million)				
	2006	2007	2008	2009	2006	2007	2008	2009	2010
Nairobi	230	230	40	116	463	463	97	938	910
Coast	310				-	-	-	-	-
Eastern	-	-	-	-	-	-	-	-	-
Central	-	-	-	-	-	-	98	-	-
Rift Valley	-	-	-	-	-	-	-	-	-
Nyanza	-	-	38	-	11	11	-	-	-
Western	-	-	-	-	-	-	-	-	131
North-Eastern	-	-	-	-	-	-	-	-	-
	69	69	-	-					
	-	-	-	-					
	-	-	-	-					
	-	-	-	-					
<b>Total</b>	329	299	78	116	474	474	195	938	1,041
	390								

‘-‘ Nil or negligible

Source: Statistical Abstract, 2011

## Housing Programmes

### Kenya Slum Upgrading Programme (KENSUP)

Kenya Slum Upgrading Programme (KENSUP), initiated in 2005, is scheduled to run until 2020. The programme was conceived within the broad framework of the Millennium Development Goals (MDGs), specifically Goal No 7 Target 11 which aims to improve the lives of at least 100 million slum dwellers by the year 2020. KENSUP hopes to reach at least five million urban slum dwellers, or about 1.6 million households. Besides, the Ministry of Land, Housing and Urban Development, several government agencies including the Office of the President, Ministry of Roads, Trade and Industry, Health, Water and Irrigation among others, are involved in the planning and

implementation of this multi-sectoral programme. Other key non-governmental stakeholders include UN-Habitat, UNDP, NGOs, community-based organizations (CBOs,) various government agencies, local authorities, private sector bodies and development partners. In partnership with UN-Habitat, the government has also established the Low Cost Housing and Infrastructure Trust Fund, which is a central depository for pooling funds for slum upgrading.

Currently, the project is being implemented in Nairobi, Kisumu Mombasa and Mavoko areas. So far, 17 blocks of 5-storey flats totaling 600 three-roomed self-contained low cost housing units have been completed in Kibera in Nairobi, along with associated infrastructure that includes roads and walkways, drainage and sewerage infrastructure. An additional 405 housing units have been completed in Mavoko on 21.64 hectare space. Slums in Mombasa are also being upgraded.

KENSUP has identified the creation of housing cooperatives for slum dwellers as a key strategy for the delivery of decent housing units in informal settlements and affording slum dwellers some level of security of tenure to the homes in which they live. So far, some 26 housing cooperatives have been formed countrywide under KENSUP. Some NGOs are also involved in the housing cooperative model. For example, the Akiba Mashinani savings model offers a savings scheme for poor slum dwellers from which they can draw to make long-term investments such as buying houses and land.

### **Civil Servants Housing Scheme (CSHS)**

The government has been facilitating home ownership on tenant purchase for its employees through direct housing development and provision of mortgages at affordable cost. Through the Civil Servants Housing Scheme programme, the following projects have been completed and sold out: 50 units along Jogoo Road, 26 along Gichugu Road, Kileleshwa and 50 in Kilimani. 315 housing units at Shauri Moyo have been completed and will be retained for rental. Also completed are 130 units, Ngara Phase 1; 526 units, Ngara Phase II; and 22 units along Makueni Road, Kileleshwa. A total of Kshs. 888,



377,138 in form of loans has also been disbursed to Civil Servants. All these developments have targeted the three tier market i.e. low, middle and high income categories as per the locations above.

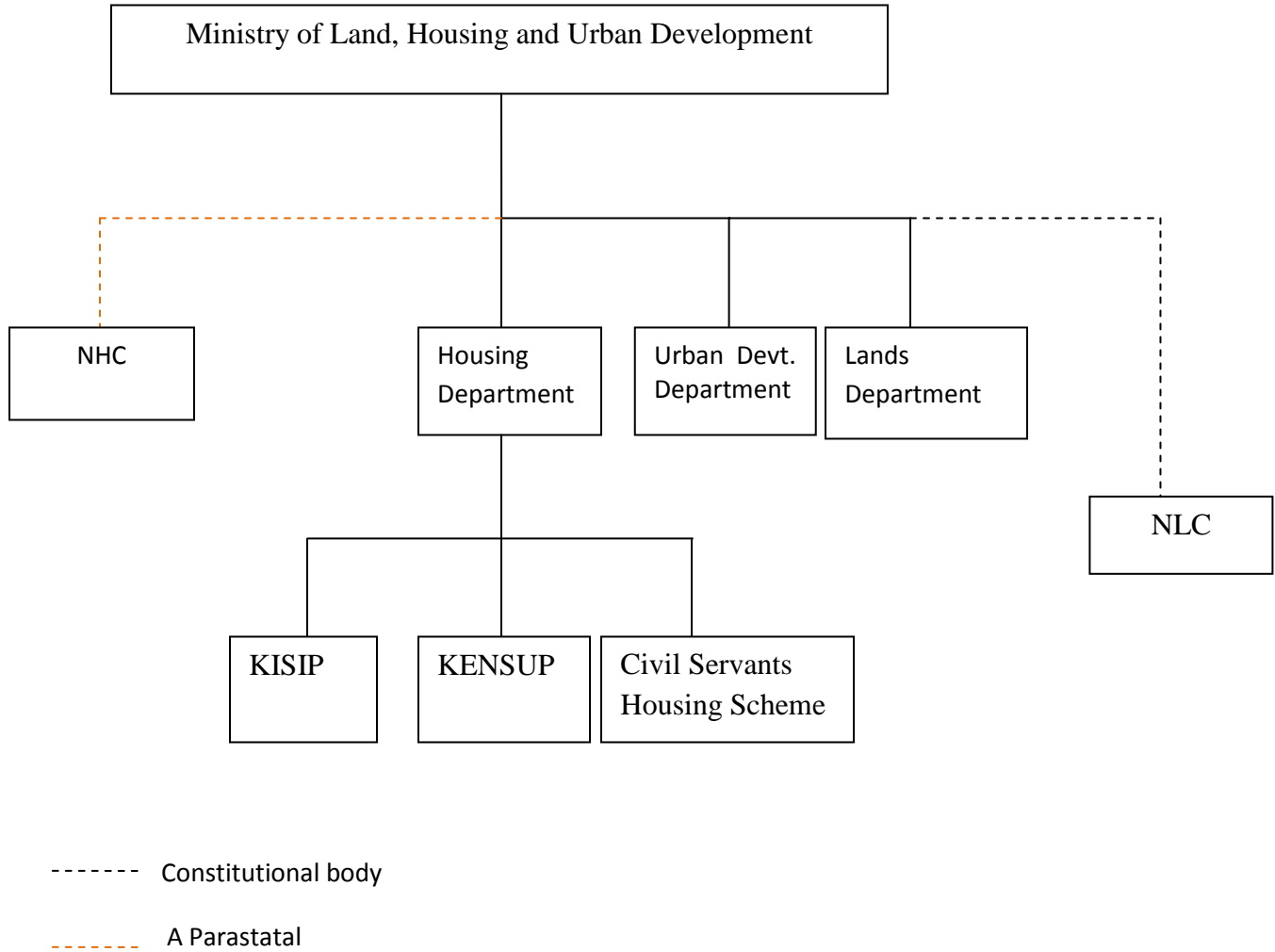
### **Kenya Informal Settlements Improvement Programme (KISIP)**

The Programme will be implemented in two phases spanning five years from 2010 to 2015 at a total cost of USD 155-160 million. Programme activities are rolled out in four components namely;

- (i) Institutional strengthening/development and program management to the Ministry of Lands, Housing and Urban Development and participating municipalities;
- (ii) Enhance tenure security to support scale up and process systemization of ongoing efforts to regularize tenure in urban slums;
- (iii) Invest in settlement restructuring and infrastructure which shall entail; unpaved and paved footpaths, bike paths, roads and vending platforms, street lighting, storm water drainage infrastructure, solid waste management and collection, water supply and sanitation infrastructure, electrification, open spaces and public parks; and, potentially community halls, and
- (iv) Planning for growth by supporting delivery of affordable housing and serviced land.

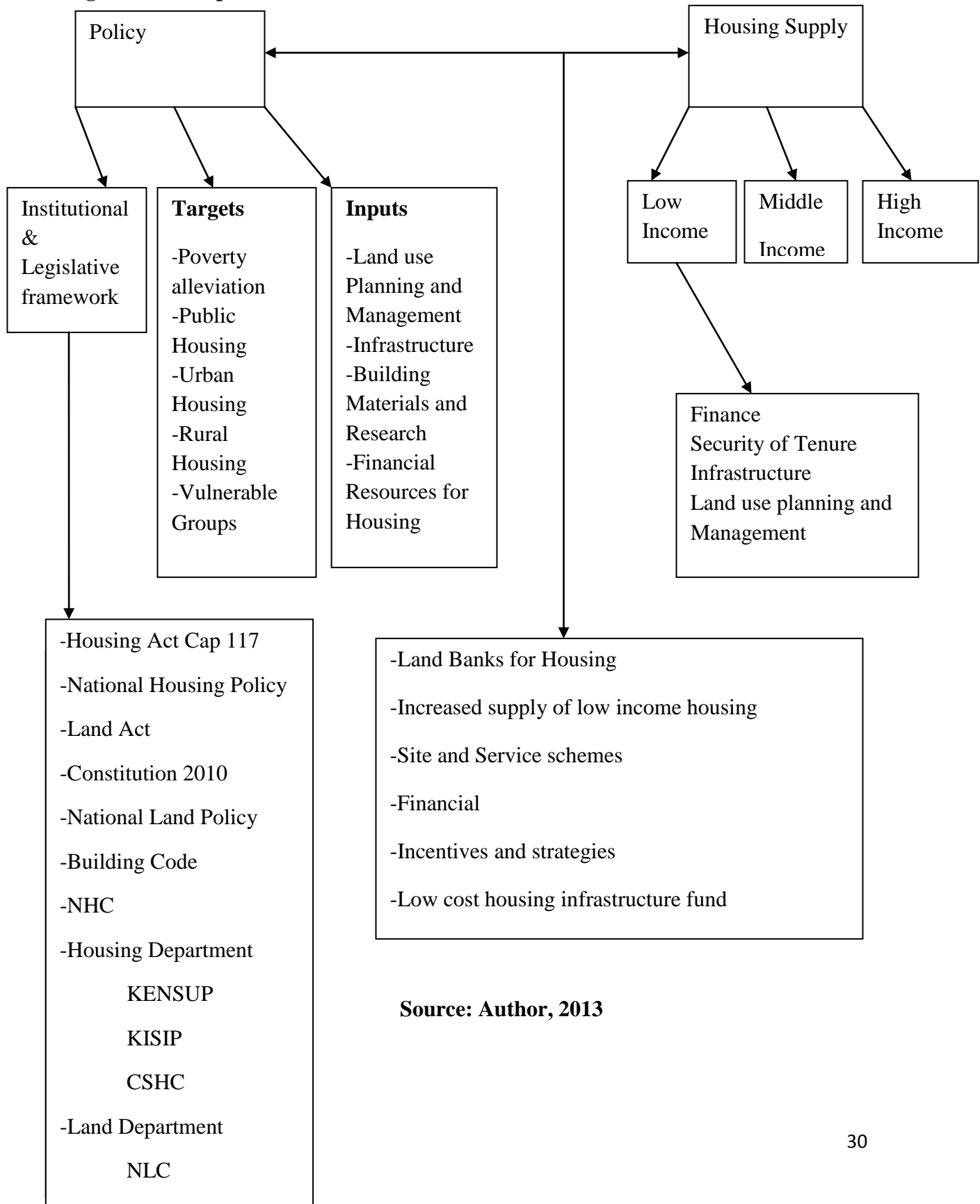
The Program activities will cover 15 municipalities each of which will benefit from investment of choice as agreed between Ministry of Land, Housing and Urban development and the municipalities.

**Figure 1. Institutional Framework for Ministry of Land, Housing and Urban development.**



**Source: Author, 2013**

**Figure 2. Conceptual Framework**



**Source: Author, 2013**

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0. Background to the study**

The purpose of the study is to find out how housing sector policies influence production of low cost housing. Chapter three elaborates the research design implemented, methods of data collection used, data analysis techniques and limitations faced in the process of collecting data

#### **3.1. Overview of the nature of the research**

The research design is the conceptual structure within which research is conducted. It consists of the blueprint for the collection, measurement and analysis of data. As such the design includes an outline of the framework of study, availability of various data, and observations, (Kothari, 2004).

Field survey and secondary data analysis research designs were used to collect data.

#### **3.2. Sampling design**

In this research study, the target population includes government agencies and private property developers that have been involved in actual development of low income houses or have facilitated such development. The government agencies include Ministry of Lands, Housing and Urban Development and National Housing Corporation. The total number of civil servants who engage in policy formulation of the housing sector in these government agencies in Nairobi made up a total 150, of these only 120 were available at the time of field survey. According to the registration rankings of the Kenya Property Developers Association, there are 17 institutions within Nairobi who carry out property development for the low income market. The total population added up to 100.

The sampling frame can therefore be presented as follows;

**Table 2: Sampling Frame**

<b>Department</b>	<b>Total in each category</b>
Ministry of Lands, Housing and Urban Development	120
Housing developers	17
<b>Total</b>	<b>137</b>

Stratified random sampling design was used to come up with a properly represented target population. The design divides the population into groups called strata, and then simple random systematic sampling is applied to each stratum. In this case, the two strata contain Civil Servants from Housing, Lands and Urban Development. The other stratum contains Housing Developers for low income housing.

The sample size was calculated by use of formula by Chava and Nachmias (1996), this is a simplified formula to calculate sample sizes.

$$n = \frac{Z^2 pqN}{e^2 (N-1) + Z^2 pq}$$

n- represents the sample size  
N- represents the population

e -acceptable error (e=0.05, since the estimated error should be true value error  
p-sample population estimated to have characteristics being measured

Z- The standard normal deviate at the required confidence level i.e. 1.96

➤ The sample size for the civil servants was given by;  
 $n = \frac{1.96^2 * 0.95 * (1 - 0.95) * 120}{0.05^2 (120 - 1) + 1.96^2 * 0.95 (1 - 0.95)}$   
n=46

➤ The sample size for the registered low cost housing developers was given by;

$$n=1.962*0.95*(1-0.95).17 / 0.052(17-1)+1.962*0.95(1-0.95)$$

$$n=14$$

$$\text{Total size}=60$$

The sample sizes help to determine the number of questionnaires sent to target population;

### **3.3. Methods of data collection**

#### **Primary data**

A questionnaire was used to collect primary data in this study. This is because, in this technique large amounts of information can be collected from a large number of people in a short period of time and in a relatively cost effective way. Also, the results of the questionnaires can usually be quickly and easily quantified by either a researcher or through the use of a software package.

The questionnaire in this study consisted both open and closed ended questions so as to get as much information from the respondents as possible and save on time. Some questionnaires were administered to the respondents face to face for ease of clarification if need arose. Drop and pick later method of data collection was applied; the respondents filled the questionnaire at their own free time. The questions were designed to elicit data in accordance with the research questions. The questionnaires were then analyzed to ensure proper tabulation, editing and coding of the research.

#### **Secondary Data**

A desk study was conducted by going through all the development plans since independence with keen interest on the housing policies and Acts in the housing sector.

### **3.4. Analysis Techniques**

Quantitative data and analysis was used, this refers to scientific method of investigation based on the use of numerical data. Data is presented in the form of numerical values, numerical levels and categories. The tables summarized information in a logical sequence

while figures were used to clarify specific points in the study. These helped in bringing out the comparison of different views clearly.

## **CHAPTER FOUR**

### **DATA ANALYSIS, PRESENTATION AND INTERPRETATION**

#### **4. 0. Introduction**

This chapter deals with presentation of the research findings. This consists of statistics generated by the analysis of data collected from policy makers in the housing sector and the developers of low cost housing synthesized from the primary and secondary data represented in form of tables, pie charts and graphs to present quantitative nature forming a basis for discussion and interpretation of the results.

#### **4.1.1. Analysis of the respondents**

The researcher gave out a total of sixty questionnaires were administered. Fifty questionnaires were answered and returned, while ten copies were not. This gave a response rate of 79.2% as shown in table 3 below. According to Mugenda & Mugenda (1999), a response rate of 50% is adequate for data analysis and reporting, 60% is good while 70% is very good. Thus the study's response was deemed adequate.

**Table 3: Tabulated response rate of questionnaires administered**

<b>Respondents</b>	<b>No. administered</b>	<b>Response No.</b>	<b>Percentage response</b>
Ministry of Lands, Housing and Urban Development	46	40	86.96%
Housing Developers	14	10	71.43%
<b>Total</b>	60	<b>50</b>	<b>79.20.%(Average)</b>

**Source; Field Survey (2013)**



## 4.2. Analysis of the policy makers in the Housing Sector

**Table 4. Presentation on gender, the number of years of service in the Housing Sector and professional background of the policy makers.**

<b>Gender</b>		
	Male	60%
	Female	40%
<b>No. of years</b>		
	0-5	17.5%
	6-10	32.5%
	11-15	27.5%
	16-20	12.5%
	21-and above	10%
<b>Profession</b>		
	Architects	20%
	Engineers	12.5%
	Physical Planners	25%
	Valuers & Surveyors	12.5%
	Economist	20%
	Environmentalist	10%

**Source; Field Survey (2013)**

The researcher found out that male respondents were very reliable making a total of 60%, while the remaining 40% being female making a total of 100%. Showing there is that 1/3 rule of the constitution on gender has been upheld.

The data from respondents was also based on the number of years in service as policy makers in the housing sector. 32.50% (06 – 10) are the most followed closely by 27.50% (11-15) indicating that most respondents have reliable experience in the issues of housing policy.

It was also found out that the staff at the Ministry have a multi-disciplinary background which was found out to be important in policy making as it ensured that all critical areas are all catered for, Physical Planners topping the list with 25% closely followed by Architects and Economists at 20% including the others.

#### **4.2.1. Legislative frameworks in housing sector and how they affect development of low cost housing**

**Table 5. Presentation of the various legislation and their effect on production of low cost housing.**

<b>Legislation</b>	<b>Frequency</b>	<b>Percentage</b>
Housing Act Cap 117	12	30
National Housing Policy	10	25
National Land Policy	4	10
Land Act	4	10
Building Code	10	25
<b>Total</b>	<b>40</b>	<b>100</b>

**Source: Field Survey, 2013**

A majority of respondents identified the Housing Act as the most influential legislation in the on issues of low cost housing at 30% this is because the Act provides for NHC which has funding and mandate to develop middle and low income housing, followed by the National Housing Policy which provides guidelines for low income housing in the housing sector and Building Code is at 25%, this legislation provides guidelines standards of materials for housing developments.

From the above findings, it can be seen that the new land sector policies are yet to have significant impact on low cost housing since they were enacted recently, in 2009 and 2012 respectively. The National Land Policy and Land Act were at 10%.

#### 4. 2.2. Ways of making existing legislations enabling for low cost housing delivery.

**Table 6. Presentation of ways making existing legislations enabling for low cost housing delivery.**

<b>Suggestion</b>	<b>Frequency</b>	<b>Percentage</b>
Review of existing policies	30	75
Strengthen implementation	6	15
Monitoring and Evaluation of the legislation	4	10
<b>Total</b>	<b>40</b>	<b>100</b>

**Source: Field Survey, 2013**

According to the research, 75% of the policy makers were of the view that the existing legislations in the housing sector should be reviewed to make them address current issues especially on low cost housing as some of them were formulated in the 60's, for example the Building Code times have changed. The Housing Bill of 2011 seeks to address some these recent concerns in the housing sector. Effective implementation was cited as another way which policy could be better enhanced to have an impact on low cost housing.e.g. The famous "Michuki policy" in the transport sector was successfully implemented the housing sector should emulate this aggressiveness in policy implementation. Strengthening the implementation of the legislation was at 15%. Monitoring and evaluation of the legislation was at 10% as there was need to get feedback on the effectiveness of the legislations.

#### 4.2.3. Adequacy of institutional arrangements for low cost housing.

**Table 7. Presentation of the adequacy of institutional arrangements for low cost housing.**

<b>Institution</b>	<b>Frequency</b>	<b>Percentage</b>
National Housing Corporation	24	60
Housing Department	12	30
Land Department	4	10
<b>Total</b>	<b>40</b>	<b>100</b>

**Source: Field Survey, 2013**

According to the respondents, NHC was found out to be the most effective institution on matters of low cost housing at 60% it have overseen construction of middle and low income housing in major towns in the country, followed by the housing department at 30% which implements low cost housing developments through it various programmes e.g. KENSUP and also formulates housing policy. Lands department at 10%, the National Land Commission was given mandate in 2012; more will be realized with time.

#### 4. 2.4. Outcomes of the institutional and legislative frameworks in the housing sector

**Table 8. Presentation of the outcomes of the institutional and legislative frameworks in the housing sector**

<b>Outcome</b>	<b>Frequency</b>	<b>Percentage</b>
Housing infrastructure fund	15	37.5
Public Private Partnerships	8	20
Tenure regularization	8	20
Low cost housing incentives	7	17.5
<b>Total</b>	<b>40</b>	<b>100</b>

**Source: Field Survey, 2013**

It was found out that the major outcome of the institutional and legislative frameworks was the housing infrastructure fund at 37.5% this is meant to open up areas for housing development by providing housing infrastructure e.g. sewer line, this was followed by tenure regularization and Public Private Partnerships which tied at 20%. Lastly was the provision of low cost housing incentives which was at 10%, the incentives are available for those constructing 20 units and above in the low income segment.

#### **4.2.5 The most appropriate government interventions on low income housing.**

**Table 9. Presentation on the most appropriate government interventions on low income housing**

<b>Intervention</b>	<b>Frequency</b>	<b>Percentage</b>
Encouraging employer employee housing facilitation	15	37.5
Sites and service schemes	10	25
Development of housing cooperatives	9	22.5
Research on ABTMs	6	15
<b>Totals</b>	40	100

**Source: Field Survey, 2013**

According to the policy makers, employer-employee facilitated housing would go a long way in delivery of low cost housing at 37.50%, The government can encourage employers in the country to build houses for their employees like it does and it's also sustainable in the sense that funds can be recouped by employers recovering the same from employees' salaries. This is followed by site and service schemes at 25%, then development of housing co-operatives especially in the low income segment at 22.50%. Research on ABTMs is also important to cut down the construction cost for housing was at 15%.

#### 4.2. 6. Suggestions on how to improve implementation of the housing policy

**Table 10. Presentation on how to improve implementation of the housing policy**

<b>Comment</b>	<b>Frequency</b>	<b>Percentage</b>
Increased sensitization of housing policy to stakeholders	8	20
Continuous M&E	7	17.5
Need for legislation to strengthen HP	25	62.5
<b>Total</b>	<b>40</b>	<b>100</b>

**Source: Field Survey, 2013**

Lack of legislation is an impediment to effective housing policy in respect to low cost housing supply. Hence it was felt that formulating and enacting legislation to support the housing policy implementation was key, this was at 62.50%, to increase sensitization among key stakeholders in the housing sector and the general public on what the policy issues are is also since a good number don't have information about the relevant legislation and institutions, this accounted for 20%. Monitoring and evaluation of the implementation of the housing policy was at 17.50%, feedback from the housing sector was important.

### 4.3 Analysis of the low cost housing developers

#### 4.3.1. Number of years in the low cost housing development sector

**Table 11. Presentation of the number of years in the low cost housing development sector**

<b>Years</b>	<b>Frequency</b>	<b>Percentage</b>
0-5	30	75
6-10	4	10
11-15	4	10
16->	2	5
<b>Total</b>	<b>40</b>	<b>100</b>

**Source: Field survey, 2013**

From the data collected, it was found out that most low cost housing developers have been mostly operating for at most 5 years; this is was attributed to high number of developers who move to development of housing to the middle and high income segment which are more lucrative. The numbers of developers reduce with the number of years. 5% accounts for 16 years and above.

#### 4.3.2 The number of units of low cost housing developed in the last two (2) years.

**Table 12. Presentation of the number of units of low-cost housing developed in the last two (2) years**

<b>Units developed</b>	<b>Frequency</b>	<b>Percentage</b>
0-50	9	90
51-100	1	10
101-150	0	0
151-200	0	0
<b>Total</b>	<b>10</b>	<b>100</b>

**Source: Field survey, 2013**

In the past 2 years, it was noted that 90% low cost housing developers had put up between 0-50 units; this can be attributed to low returns on investments in low cost housing. While 10% had constructed between 51-100 units. This is an indication that investments in low cost housing are very low.

#### 4.3.3 Permitting institution before housing developments begin

**Table 13. Presentation of permitting institution before housing developments begin**

<b>Institution</b>	<b>Frequency</b>	<b>Percentage</b>
Physical Planning Department	3	30
NEMA	5	50
County Council	2	20
Public Health Department	0	0
<b>Total</b>	<b>10</b>	<b>100</b>

**Source: Field Survey, 2013**

It was found out that most low cost housing developers sought permission from NEMA before they started construction at 50% this is a requirement by law, yet there is still slow uptake by low cost housing developers on this prerequisite, this was followed by the Physical Planning Department which was 30%, then 20% for the County Council.

#### 4.3.4 Legislations in the housing sector

**Table 14. Presentation on the legislation that affect development of low cost housing**

<b>Legislation</b>	<b>Frequency</b>	<b>Percentage</b>
National Housing Policy	3	30
Housing Act	2	20
Building Code	3	30
Land Act	1	10
National Land Policy	1	10
<b>Total</b>	<b>10</b>	<b>100</b>

**Source: Field Survey, 2013**



The Housing Act and the Building Code had a big stake in delivery of low cost this was according to 30% of the respondents this is because the Housing Act enables housing development in the low income segment while the Building Code gives regulations and standards for construction materials, followed by the housing policy which gives guidelines for the housing sector at 20% and lays special emphasis on low cost housing. The National Land Policy and the Land act at 10%, the legislations are fairly new and their impacts are yet to be felt, enacted in the year 2009 and 2012 respectively.

#### **4.3.5. The outcomes of the institutional and legislative frameworks in the housing sector**

**Table 15. Presentation of the outcomes of the institutional and legislative frameworks in the housing sector**

<b>Outcome</b>	<b>Frequency</b>	<b>Percentage</b>
Housing infrastructure fund	40	40
Public Private Partnerships	20	20
Tenure regularization	20	20
Low cost housing incentives	1	10
<b>Total</b>	<b>10</b>	<b>100</b>

**Source: Field Survey, 2013**

According to the developers in the low income segment, the institutional and regulatory frameworks had led to provision of housing infrastructure fund 40% which opened up areas for housing developments, the Tenure regularization, and private public partnerships tied at 20%. Low cost housing incentives was at 10%, this is because most low cost housing developers were yet to take up the recently introduces incentives provided for by the government.

#### 4.3.6. Challenges hindering development of low cost housing

**Table 16. Presentation on challenges hindering development of low cost housing.**

<b>Challenge</b>	<b>Frequency</b>	<b>Percentage</b>
High cost of land	2	20
Inadequate housing infrastructure	2	20
High cost of labour & building materials	1	10
Poor legislation and institutional frameworks in the housing sector	4	40
Lack of credibility of official land documents	1	10
<b>Total</b>	<b>10</b>	<b>100</b>

**Source: Field Survey, 2013**

The developers of the low income segment faced quite a number of challenges that they would like to be solved. These include poor legislative and institutional frameworks this was at 40% if improved on they would create an enabling environment for low cost provision, the Housing Bill, 2011 intends to address some of this challenges. Inadequate housing infrastructure and high cost of land was at 20% these are inputs into housing developments that tend to increase the overall costs in production of housing. High cost of labour and building materials and lack of credibility on land documents was at 10% according to the respondents

#### 4.3.7. Issues to be reinforced in the housing policy for low cost housing.

**Table 17. Presentation of issues to be reinforced in the housing policy for low cost housing.**

<b>Issue</b>	<b>Frequency</b>	<b>Percentage</b>
Incentives for low cost housing	3	30
Housing Cooperatives	1	10
Finance for low cost housing	3	30
Public Private Partnerships	3	30
<b>Totals</b>	<b>10</b>	<b>100</b>

**Source: Field Survey, 2013**

The researcher found out that issues that needed to be reinforced in the housing policy for the housing sector were; finance for low cost housing, Public Private Partnerships and incentives for low cost housing were at 30% while the housing cooperatives was at 10%. If these issues are reinforced then the delivery of low cost housing would increase.

#### 4.4. Problems encountered while conducting field survey

These difficulties include;

1. Excessive bureaucracy in the government offices, it therefore took long to get information.
2. High security of information, in some instances it was denied
3. It was also difficult to get some of the housing developers as they operate in several areas within the country

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS.**

#### **5.0 Introduction**

This chapter gives a summary of the study findings. The chapter also gives some recommendations in the formulation of the housing policy and other relevant legislations.

#### **5.1. Summary of Findings**

Government policies in the housing sector play a critical role in the delivery of decent, adequate and affordable housing in Kenya. Housing is now a right as has been enshrined in Constitution 2010, though this right is to be achieved progressively.

The main objective of the study was to examine the impact of housing sector policies on low cost housing provision; it was found out that the set out policies played a key role in delivery of low cost housing by providing guidelines for the housing sector. Also, through these policies, provisions of funds set aside for housing developments in the low income segments have been made possible. In addition, incentives as a matter of policy have also been put in place to encourage housing developers to invest in the low income segment. The government has also provided for public private partnerships to increase the production of low cost housing developments, research on low cost housing and building materials has been conducted and it's an ongoing process, improving and developing housing infrastructure has also had an impact in the development of low cost housing e.g. provision of sewer line, clean water from drinking, provision of electricity among others. Policy on land use planning and management are also crucial in low cost housing development and as such they tend to address issues on tenure regularization especially in formal settlements where low income earners reside and to also set aside land banks for housing developments.

From the responses gathered from the policy makers and the housing developers in the low income segment, it was found out that a lot still needs to be done to strengthen the

legislative and institutional framework. It was suggested that a review be done on most of the existing legislation for instance the Building Code was enacted in 1968. There are a lot of challenges that have come up since these legislations were passed, for instance Kenya's urban population has immensely increased due to factors such as rural-urban migration. The result is mushrooming of slums especially for the low income earners. There has also been a lot of advancement in technology for construction especially for low cost housing. Monitoring and evaluation of the implementation of these housing sector legislation was also key, so as to find out the key milestones achieved in the housing sector due to the available legislation and also get feedback from key stakeholders. The institutions that operate in the housing sector should be facilitated to deliver their mandate to ensure that 200, 000 units of housing are produced in line with Vision 2030.

On the low cost housing developer's side, the key challenges in low income housing are high cost of land, inadequate housing infrastructure, high cost of labor and building materials, poor legislation and institutional frameworks in the housing sector, lack of credibility of official land documents among others. All these can be counteracted with effective housing policies.

Generally, there has been an increased supply of low income housing as a result of the above efforts by the government; this provides decent and affordable housing for most people who are in the low income segment.

### **5.3. Conclusion**

From the findings it was concluded that the government policies were crucial in the development of low cost housing. The implementation of some of these policies remains a challenge due to underfunding of the housing sector and rapid urbanization which exerts pressure on the already limited supply of the housing stock. Adequate and affordable housing for low income earners has the effect of ameliorating the highly unequal income distribution in the country and thus providing improved standard of

living. This is best achieved through public sector invention. Government agencies therefore have a crucial role to play in setting standards for low cost housing and formulating policy.

#### **5.4. Recommendations**

The government should;

1. Review of the outdated legislation in the housing sector such as the National Building Code and the Rent Restriction Act
2. Increase facilitation in terms of funding to the various institutional frameworks to improve on delivery of low cost housing
3. Enforce all the existing incentives for low cost housing provided by government.
4. Encourage employer-employee housing facilitation i.e. the government as an employer should construct housing for public servants and provide them at subsidized cost. Private sector employers should also be encouraged to do the same (participate in the low income housing as a mechanism of housing their employees).
5. Increase allocation of housing infrastructure fund, this will aid in opening up remote areas for housing developments through provision of funds for facilities such as trunk sewers, access roads etc.
6. Encourage development of housing cooperatives among low income earners so that they pool resources, these resources can in turn be invested in housing.

#### **5.5. Areas for further Studies**

The research paper concentrated on how government policies influence production of low cost housing. There is room for further studies on issues such as finance for low cost housing, appropriate building technologies for low cost housing among others.

## REFERENCES

Chava and Nachmias 1996, *Research Methods in the Social Sciences*, 5<sup>th</sup> edn, St. Martin's Press

Grindle, M. 1996, *Challenging the State: Crisis and Innovation in Latin America and Africa*, London: Cambridge University Press

Haldane 1971, *Science of Human life*, Books for Libraries Press

Jenkins and Smith 2001, *Urban Development and Civil Society: the Role of Communities in Sustainable Cities*, Routledge Publishers

John Turner 1976, *Housing by People: Towards Autonomy in Building Environments (Ideas in progress)*, Marion Boyars Publishers Ltd

Jones, Gareth A. and Datta, Kavita 2000, *Enabling markets to work? : Housing policy in the 'new' South Africa International planning studies*, Volume 5, Issue 3, pp 31, Online publishers

Kothari, C.R 2004, *Research Methodology Methods and Techniques*, second edition, New Delhi: New age International Publisher

Syagga, P.M. and J.M. Kiamba 1992, *Housing the Urban Poor in Nairobi*, African Urban Quarterly, Vol.7 No.1&2 pp 79-88

Macoloo, G. 1994, *The changing nature of financing low income urban housing development in Kenya*, Housing Studies, Volume 9, Issue 2, pages 189-281.

Mugenda & Mugenda 1999, *Research Methods: Quantitative and Qualitative Approaches*, African Centre for Technology Studies Publishers

Otiso, K.M. 2003, *State, voluntary and private sector partnerships for slum upgrading and basic service delivery in Nairobi City, Kenya*, *Cities*, volume 20, issue 4, pages 221-229.

Pugh, R. (1999) *Globalisation, Social Welfare and Social Work*, University of Wales Colloquium, Gregynog.

Republic of Kenya (1999), *Analytical report on Housing Conditions and Household Amenities*, Kenya National Bureau of Statistics, Government Press

Republic of Kenya (2010), *Kenya Constitution*, Government Press

Republic of Kenya (1965-2008), *Development Plans*, Government Press

Republic of Kenya (2007a), *Economic Survey*, Kenya National Bureau of Statistics, Government Press

Republic of Kenya (2007b), *Housing Sector Incentives and Market Re – Engineering Measures*, Ministry of Housing, Government Press

Republic of Kenya (1967), *Housing Act Cap 117*, Government Press

Republic of Kenya (2012), *Land Act*, Government Press

Republic of Kenya (2004), *National Housing Policy for Kenya*, Sessional Paper No.3, Government Press



Republic of Kenya (2009), *National Land Policy*, Government Press

Republic of Kenya (2011), *Statistical Abstract*, Kenya National Bureau of Statistics,  
Government Press

Republic of Kenya (2009), *Strategic Plan (2006-2011) Ministry of Housing*, Government  
Press

Rubinowitz, L (1974), *Low-income housing: Suburban Strategies* Cambridge, Mass:  
Ballinger Publishing Company

# APPENDICES

## Appendix I: Questionnaire for the policy makers in the housing sector.

### Declaration

This is a questionnaire on how housing sector policies influence production of low cost housing in Kenya. The questions are for academic analytical purposes only. Confidentiality will be upheld.

**Instructions:** Please tick appropriately and for explanations be brief.

### SECTION I: DEMOGRAPHIC INFORMATION.

1. Name

(Optional).....

2. Number of years in service as a policy maker in the housing sector ;

0-5       6-10       11-15       16-20       20>

3. Gender

Male       Female

4. Please state your professional background.

.....  
.....

**SECTION II: PARTICULAR INFORMATION ON INFLUENCE OF HOUSING SECTOR POLICIES IN PROVISION OF LOW COST HOUSING.**

5. Do the following legislations in the housing sector affect provision of low cost housing?

Scale: 5=Strongly agree; 4=Agree; 3=Neutral; 2=Disagree; 1=Strongly disagree

<b>Legislation</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
Housing Act Cap 117					
National Housing Policy					
National Land Policy					
Land Act, 2012					

If you agree how do they affect?

.....  
 .....  
 .....

6. Suggest improvements /ways of making existing legislations enabling for low cost housing delivery.

.....  
 .....  
 .....  
 .....

7. Do you think institutional arrangements for housing planning and development are efficient? State YES/NO. Please give a brief explanation for your answer.

.....  
.....  
.....  
.....

8. According to you what have been the impacts of existing institutional and regulatory frameworks in the housing sector

.....  
.....  
.....  
.....

9. Is land use planning and management efficient and comprehensive, state YES/NO. Please give a brief explanation.

.....  
.....  
.....  
.....

10. Do you think interest rates affect real estate financing for low cost housing. State YES/NO. Please give a brief explanation for your answer.

.....  
.....  
.....  
.....

Tick as appropriate.

<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Strongly disagree</b>	<b>Disagree</b>

11. What in your opinion would be the most appropriate government interventions on low income housing?

.....  
.....  
.....  
.....

12. Give comments on how to improve implementation of the National Housing Policy?

.....  
.....  
.....  
.....

Thank you.

**Appendix II: Questionnaire for low cost housing developers**

**Declaration**

This is a questionnaire on how housing sector policies influence production of low cost housing in Kenya. The questions are for academic analytical purposes only. Confidentiality will be upheld.

**Instructions:** Please tick appropriately and for explanations be brief.

1. Name  
(Optional).....

2. For how long have you been developing low cost housing? (Years)

0-5       6-10       11-15       16>

3. How many low-cost housing units have you completed in the last 2 years?

.....  
.....  
.....  
.....  
.....

4. How do you finance your low-cost housing developments?

Source of finance	Tick appropriately
Loans from commercial banks	
Saving	
Investment Groups	

Gift or inheritance	
Installments from buyers	
Retirement benefits	

5. What challenges do you face in low cost housing development?

<b>Challenge</b>	<b>Tick appropriately</b>
Cost of land	
Availability of infrastructure e.g. sewer	
Cost of labour	
Lack of credibility of official land documents	
Poor legislation and institutional frameworks in the housing sector	

6. What incentives can be provided by the government to encourage housing development?

<b>Incentives</b>	<b>Tick appropriately</b>
Develop land banks for low cost housing	
Provision of housing infrastructure	
Streamlining building approval process	
Streamlining land administration and management	
Income tax holidays for low cost housing developers	
Reduce taxes on building materials	

7. Did you/do you seek development permission from the following institutions? If so, which ones?

Institution	Tick appropriately
Physical Planning Department	
County Council	
NEMA	
Public Health Department	

8. Do you sell or rent out the low-cost housing you produce?

.....

.....

.....

.....

9. According to you what have been the impacts of existing institutional and regulatory frameworks in the housing sector

.....

.....

.....

.....

10. What do you recommend be reinforced in the National Housing Policy?

.....

.....

Thank you