

**SUCCESS INDICATORS OF HOUSING DEVELOPERS IN REACHING  
OUT TO LOW INCOME EARNERS; A CASE STUDY OF URBANIS  
AFRICA: JAMII BORA MAKAO.**

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**DECLARATION**

I hereby declare that this research project is my original work and has not been presented for a degree in any other university.

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This project has been submitted for examination with my approval as university supervisor.

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## TABLE OF CONTENTS

<b>RESEARCH TITLE</b> .....	i
<b>DECLARATION</b> .....	ii
<b>TABLE OF CONTENTS</b> .....	iii
<b>LIST OF TABLES</b> .....	v
<b>LIST OF FIGURES</b> .....	v
<b>LIST OF APPENDICES</b> .....	v
<b>LIST OF ABBREVIATIONS</b> .....	vi
<b>ABSTRACT</b> .....	vii
<b>ACKNOWLEDGEMENT</b> .....	x
<b>DEDICATION</b> .....	xi
<b>CHAPTER ONE: INTRODUCTION</b> .....	1
1.0 Introduction .....	1
1.1 Statement of the Problem .....	5
1.2 Study Objectives .....	6
1.3 Research Questions .....	7
1.4 Study Hypothesis .....	7
1.5 Scope and Area of Study .....	7
1.6 Significance of the Study .....	9
1.7 Organization of the Study .....	11
<b>CHAPTER TWO: LITERATURE REVIEW</b> .....	12
2.0 Introduction .....	12
2.1 Affordable Housing Market .....	12
2.2 The Low Income Housing Market .....	14
2.3 Low Income Housing Demand and Supply .....	17
2.4 Measures to deal with Current Housing Situation .....	19
2.5 Low Income Housing Models .....	22
2.6 Life Style Theories .....	25

2.7 Conclusion .....	30
2.8 Conceptual Framework.....	31
<b>CHAPTER THREE: RESEARCH METHODOLOGY .....</b>	<b>32</b>
3.0 Introduction.....	32
3.1 Research Design .....	32
3.2 Population and Sampling .....	33
3.3 Data Collection .....	34
3.4 Data Analysis.....	35
3.5 Data Presentation .....	36
<b>CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS.....</b>	<b>37</b>
4.0 Introduction.....	37
4.1 Background Information.....	37
4.2 Gender of Respondents.....	38
4.3 Number of Housing Units Developed.....	38
4.4 Housing Model Adopted.....	40
4.5 Challenges that have hindered Development of Low Income Housing.....	45
4.6 Challenges faced by Jamii Bora Makao.....	47
4.7 Ways of Alleviating Challenges Faced.....	49
4.8 Summary .....	50
<b>CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS .....</b>	<b>51</b>
5.0 Introduction.....	51
5.1 Conclusions.....	52
5.2 Recommendations.....	53
5.3 Areas for Further Research .....	54
<b>BIBLIOGRAPHY .....</b>	<b>53</b>
<b>APPENDICES .....</b>	<b>60</b>
Appendix 1: Questionnaire .....	60
Appendix 2: Interview Schedule for Manager .....	64

## LIST OF TABLES

Table 2.1: Housing production (supply) and demand by income categories in Kenya.....	19
Table 4.1: Gender of respondents.....	37
Table 4.2: Number of housing units developed .....	37
Table 4.3: Challenges that have hindered development of low income housing.....	44
Table 4.4: Challenges faced by JBM.....	46

## LIST OF FIGURES

Fig 4.1: Gender of Respondents.....	37
Fig 4.2: Line graph showing trend of number of units developed.....	38
Fig 4.3: Pie chart showing the number of housing units developed .....	39
Fig. 4.4: Graph showing JBM pricing model.....	42
Fig. 4.5: Chart showing JBM mortgage provision.....	43
Fig. 4.6: Bar graph showing challenges that have hindered development of low income housing.....	46
Fig. 4.7: Pie-chart showing specific challenges faced by JBM.....	48

## LIST OF APPENDICES

Appendix 1: Questionnaire .....	58
Appendix 2: Interview Schedule.....	62

## **LIST OF ABBREVIATIONS**

AHM	Affordable Housing Management
JBM	Jamii Bora Makao
KPDA	Kenya Property Developers Association
MTEF	Medium Term Expenditure Framework
NDG	National Development Goal
UNHABITAT	United Nations Human Settlements Programme
US	United States
WUF	World Urban Forum

## **ABSTRACT**

The context of this research study is housing especially for the low income households. The problem of housing has become an everyday discussion in all quarters of the public and private sectors of the developing countries of Africa. It has become increasingly glaring that most of the urban population live in dehumanizing housing environment while those that have access to average housing do so at abnormal cost.

Housing is considered a right and therefore, an obligation of governments to provide for its citizenry. While the provision of housing is still low, the country still has provided a number of policies to provide housing for those in need. The overall demand for housing according to a UNHABITAT survey is 150,000 housing units as compared to 35,000 housing units being delivered in the market. The supply shortage has left private developers focusing on highest return market segments which are the upper income class.

It has been cited that the housing problem cannot be solved starting at the bottom because the poor will still be overshadowed. Houses meant for the lower end could still be snapped up by individuals in the higher income class thereby distorting prices and displacing the target market.

This study discusses the success indicators of housing developers in reaching out to low income earners. The success indicators include the number of housing units developed as well as the housing models used. The study further highlights the various challenges that have faced such developers within the country.

The study is organized into five chapters. Chapter one covers the introductory part of the research including: abstract, background information, statement of the problem, objectives, research questions and significance of the study. Chapter two covers the review of existing literature on low income housing as well as the various lifestyle theories as it narrows down to the study area using the theoretical framework. In chapter three, research methodology is outlined. Chapter four covers data analysis and presentation. Chapter five covers conclusions and recommendations from the research as well as a discussion of research efforts that need to be made in the future.

This research used a case study approach. It involved picking a unit that was typical to others, studying it intensely then making conclusions. Both qualitative and quantitative research design was used where data was collected in the form of numbers as well as words. A structured questionnaire was administered to respondents who were required to fill it and return. An interview was carried out with the manager to get more detailed data on the issues under study. Additional



secondary data was obtained from housing developers, agencies as well as books and journals.

From the main findings, there is still a very big deficit in the number of low income housing units developed. This therefore means that the government needs to allocate more resources to counter this deficit.

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To my friends and classmates, I say a big thank you for your constructive criticisms that opened up my mind for further comprehension of the problem under study.

Thank you.

## **DEDICATION**

This research paper is a special dedication to all developers who strive to develop low income housing within their developments.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.0 Introduction**

The right to decent housing is a Human Right that was recognized in 1948 in the Universal Declaration of Human Rights, and affirmed at the Vancouver Declaration on Human Settlements in 1976 (UNHABITAT, 2011). However, all over the world, experience has shown time and again that the realization of this right is difficult. As it has so far been experienced both in and outside Africa, easy, ready-made and generally applicable solutions of this many-sided problem are not available (Syagga, 1987). It is estimated that one-fifth of the world's population does not have adequate shelter whatsoever, while more than a million people, mainly children, die daily because of lack of adequate housing, and majority of these are found in the developing world.

Thus provision of low income housing in large scale remains a challenge to most countries, particularly those in developing world and in transition. Currently, more than 1 billion people will add to this growing demand for housing and basic infrastructure services. The situation is particularly serious in developing countries where governments at central, regional and local levels often lack the resources to adequately address this challenge. (UNHABITAT, 2011)

The alarming population growth rate especially in urban areas and cities has worsened the problem. The figures from developing countries show that town dwellers represent an average of thirty to sixty percent of the urban population. At present it is estimated that over fifty percent of the urban population live in extreme poverty, with this figure rising to as high as 79 percent in some cities. Half of the current urban population is of low-income, and over one billion urban dwellers have been counted among the urban poor (Moser & Satterthwaite, 1985).

Over the last three decades, most official housing programs in developing countries would have failed to reach considerable portions of this group, especially households in the lower twenty to forty percent of population. The search for solutions to the problem of providing low income housing therefore continues to occupy the attention of National Governments, International agencies and organizations within the voluntary sector. The problem has become particularly alarming with the rapid growth of low-income populations in cities and towns (Obudho & Mhanga, 1988).

In Africa, as in most developing regions, there are large numbers of people without any form of shelter at all or living in deteriorated or un-improvable shelter conditions. While the situation is felt by the majority of the population, the most affected are the low-income earners, the unemployed and underemployed (Hammond, 1990).

To this end, African countries, in many instances, have adopted highly mechanized and capital intensive production facilities in an attempt to meet the ever increasing demand for building materials. Furthermore, the failure of large-scale production, in many instances, to meet the rising demand and to operate efficiently, has forced many African countries to import building materials as a last resort. This unintended dependence on imported building materials and technologies has led to an excessive drain on foreign exchange and has led to serious shortages, because of the inability of Governments to allocate funds for imported materials and production inputs. This has indeed led to increased costs making housing unaffordable (Noppen, 2004).

Affordable housing is therefore essential. However, it has been very difficult to deal with this problem because affordable housing is essentially a problem of income for the individual household. The lack of adequate income to access adequate or desired housing makes the housing problem essentially a poverty problem. Housing is usually available – often with high vacancy rates – at the high quality, high cost and high-income segment of the market. The low end of the market for the poor is marked with extremely tight and limited availability, with low or no vacancy rates (UNHABITAT, 2011)

In Kenya, provision of adequate housing in sustainable human settlements is a key target to the sector. This is critical to the realization of the National Development Goal (NDG) of meeting the annual housing demand of about 150,000 housing units versus the average annual supply of about 35,000 units. This is made more urgent by the Bill of Rights in the Constitution of Kenya 2010 that provides for adequate housing as a right to all Kenyans. Undertaking activities in this sector will reduce development and mushrooming of informal settlements and slums (UNHABITAT, 2011).

This mismatch in supply and demand has led to an increase (by 100%) in housing prices since 2004. This has pushed lower income residents out of the formal market and into the slums (Noppen, 2004). Presently, More than 34% of Kenyans live in urban areas, with 71% of this living in slums; Nairobi having the highest number (UNHABITAT, 2009). This number will continue to increase unless a serious and concerted action by all relevant stakeholders is undertaken. It is noteworthy that some stakeholders have taken an initiative to deal with low income housing.

Many researchers have studied the challenges that face housing development for low income earners in Kenya. They have further recommended various action points for each player in this sector. This research therefore focused on the success indicators of the current players in reaching out to low income earners.

## **1.1 Statement of the Problem**

Housing is much more than ensuring everyone has a roof over their heads. A safe and secure place to call home gives people a strong foundation for every aspect of their lives. And we know that the vast majority of people aspire to owning their own home. They want to make sure that their children have the space they need to grow up, they want to have a sense of pride and belonging to their community, and they want to build up assets to ensure they have dignity and security in old age (Communities and Local Government, 2008).

Constitution of Kenya 2010 recognizes housing as a social right for every Kenyan and as a result, the Government is committed to making sure that this right is achieved progressively. However, the cost of living has gone up and at that rate, affordability of anything let alone housing is a big challenge. This scenario is worse especially for low income earners who find it impossible to get adequate, affordable and decent housing. In addition, housing for low income earners is alarmingly in short supply. The players in this industry are too few and there seems to be a minimal interest of other private sector housing developers to provide low income housing units. These private sector developers have done extremely well in developing housing for middle and high income earners implying that they may have the capacity and skill set to supply the low-income housing required to alleviate, at least partly, the housing shortfall in the country. But they have shied away mainly because of the lower profitability margins for



low income housing as compared to housing developments for the other markets. In addition, low income housing needs massive resources due to the high numbers which may not be available easily(Hassanali, 2009).

Even with the evidence of capacity to put up low income housing, Kenya still lags behind in providing the same. However, a few developers have developed low income housing; this is still too low. This research therefore sought to investigate the extent of development of low income housing by looking at the number of housing units put up and the housing models used; the problems faced during development; as well as recommend ways in which the Government and private developers can be able to foster development of low income housing.

## **1.2Study Objectives**

### **Main Objective**

The main objective of this study was to investigate the success indicators of the housing players in reaching out to low income earners.

### **Specific Objectives**

1. To find out the average number of low income units developed per year
2. To find out the housing model that is adopted;
3. To identify the constraints faced in developing low income housing in Kenya; and

4. To propose ways of overcoming challenges faced.

### **1.3 Research Questions**

1. On average, how many low income housing units are developed per year?
2. What housing models have been adopted in the for low income housing?
3. What are the challenges being faced by developers for low income housing?
4. What are the ways of overcoming these challenges?

### **1.4 Study Hypothesis**

Ho: There is no significant number of low income housing units developed in Kenya

Ha: There is a significant number of low income housing units developed in Kenya

### **1.5 Scope and Area of Study**

Jamii Bora Makao(JBM), a real estate company targeting the low income population in Kenya; was founded in 2007 as a subsidiary of Jamii Bora Group. The Group initially focused on Microfinance and then expanded into a full range of social services including Housing and Insurance.

Jamii Bora Makao is developing 2000 (two and four bedroom) low cost residential houses within eight neighborhoods and 1164 commercial units in

Kaputei within Kisaju Town off Namanga Road; which will eventually house 2,000 families. To date 780 houses have been built and sold. The vision for Kaputei is one of a “green” town, rich with trees and planned around socially and ecologically sound and sustainable principles.

When complete, Kaputei town will house approximately 2000 families in homes designed around a unique neighborhood concept. Each neighborhood comprises approximately 250 houses and is designed to provide features such as playgrounds for children, parks and community halls or church halls. The town also has its own borehole, and does not rely on municipal water supply. Additionally, a water recycling plant manages sewage and waste water streams making Kaputei Town a true example of environmentally sound design and development.

Kaputei is essentially an entirely new town of its own; one in which families accustomed to the harsh conditions of slums, viz. inadequate housing, deficient or nonexistent water and sanitation, lack of waste disposal services, and altogether pervasive infrastructural paucity, will be introduced to a better life. In Kaputei, they will have access to schooling and health facilities; they will enjoy a cleaner and safer environment and will be surrounded by a vibrant healthy community.

Jamii Bora Makao contributes to resolving the problem of affordable and low income housing in Kenya using the following tools:

Cross subsidization to achieve affordability through mixed income housing communities, and apply cross subsidization between middle and low income housing,

Collaboration through creating a network of partners around each project including designers, contractors, bankers, as well as financiers,

Employ beneficiaries of the low income houses in the construction process,

Integrated construction: Integrate the entire value chain and pass on saving to buyers,

Low cost of ownership: Reduce recurring cost to owner by using green technology (waste recycling, solar energy, rain water shortage etc.), and

Building at the periphery: JBM achieves affordability by building integrated housing communities with residential, economic and social amenities at the periphery of large urban centers.

[http://jamiiboramakao.co.ke/housing/?page\\_id=43](http://jamiiboramakao.co.ke/housing/?page_id=43)

### **1.6 Significance of the Study**

This research study benefitted to the following key stakeholders in the housing industry:-

## **Government of Kenya**

Efforts to provide affordable housing are occurring at a time of great change. The Kenya Constitution 2010 stipulates that Housing is a social right for all Kenyans; which should be realized progressively. This study highlighted the various housing models that the Government can use to realize this right.

## **Financial Institutions**

A significant number of low income earners are not able to afford housing finance from the financial institutions. This research highlighted key areas where the Government can collaborate with financial institutions to ensure that low income households are able to access housing finance.

## **Property Developers**

This study recommended models that can be used to develop affordable housing particularly for low income earners. With this knowledge, Kenya Property Developers' Association (KPDA), an umbrella body of property developers, can lobby for change and policy reforms as well as harness the collective strength of their developers to tap into the lower income market.

## **International Aid Agencies**

An understanding of the success indicators by low income housing developers would allow donor agencies to direct funding into projects that would stimulate

low income housing supply either directly, through funding of housing development or indirectly, through infrastructure investments.

### **Academic and Business researchers**

This study was a very sensitive one as housing has been recognized as one of the social rights that have to be realized progressively. It therefore triggered an opportunity for further research in an effort to enhance investments in provision of low income housing.

### **1.7 Organization of the Study**

The study is organized into five chapters. Chapter one covers the introductory part of the research including: abstract, background information, statement of the problem, objectives, research questions and significance of the study. Chapter two covers the review of existing literature on low income housing as well as the various lifestyle theories as it narrows down to the study area using the theoretical framework. In chapter three, research methodology is outlined. Chapter four covers data analysis and presentation. Chapter five covers conclusions and recommendations from the research as well as a discussion of research efforts that need to be made in the future.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This section provides a review of various housing concepts and previous studies which have focused on the low income housing market. It aims at comparing and contrasting the different authors' views on low income housing, highlighting any gaps and summarizing on the specific gap that this research study hopes to contribute to.

#### **2.1 Affordable Housing Market**

The term 'affordability' is concerned with the annual price or rent paid for consumption upon housing (Haffner & Boumeester, 2010). Gabriel et al. (2005) defines affordable housing as lower cost housing than prevailing market price to meet up with the minimum affordability requirements of low-income people and the affordability can be measured based on various indicators. However, Milligan et al. (2004), emphasizes that affordable housing should be built for the poor or low-income social stratum by non-governmental not-for-profit providers and affordable housing could be financed through various ways to provide low price housing. According to Affordable Housing Management (AHM), affordable housing should be defined as a kind of security housing supported by government preferential policies, which is restricted from the perspective of areas and sale price to be provided to the urban low-income people with housing difficulty and is built in compliance with normal construction standard (Mehods 2007),

Housing affordability is affected by many factors. Affordability is principally set by two main variables: capital variables (house purchase costs) and occupation variables (costs associated with keeping the house). The ability of a household to purchase a house is affected by the purchase cost (which is the sum cost of land, infrastructure, building materials and labour and profit) and the ability to finance the purchase (principally set by the finance down payment requirement and the balance of household savings) (Sector Report, MTEF 2012/13-2014/15).

While there is no universally agreed measure of what constitutes ‘affordable housing’, there are three common measures, which are associated with two components: housing costs and household income. The first is house price-to-income ratio. The ratio is calculated by dividing the median house price by the median household income. It shows the number of annual median salaries it takes to buy a median priced house. Countries that have particularly high house-price-to-income ratios are typically those with high land prices and construction costs. The second measure is house rent-to-income ratio. This ratio is calculated by dividing the median annual rent by the median annual renter household income(Sector Report, MTEF 2012/13-2014/15).

The Report further highlights that while there is no universally agreed ratio or percentage at which owner-occupied or rental housing is deemed unaffordable, the two measures enable cross-country comparisons as well as the ability to track



housing affordability. Once a house is purchased, the ability of a household to occupy and pay for the house is influenced by material inputs (land lease and rates, services costs, and building maintenance) and finance inputs (loan repayment period and interest rates, and household income minus non housing expenditure). Housing affordability, therefore, involves more than the often-used simplified conception of house purchase price to household income.

Housing affordability therefore remains a challenge and it is worsening due to, among other factors, the economic effects of the global financial crisis and the increasing severity of disasters and conflicts, which both place an additional strain on already stretched land and housing resources. Urgent measures to deal with this challenge are therefore timely.

## **2.2 The Low Income Housing Market**

Although free markets unleash productivity and innovation, they are still bound by economic laws. The most important law is that market price reflects market demand. Because half of every population is below median income, market-quality housing commands market prices. As a result, markets alone will never satisfactorily house a nation's poorest citizens (Smith, 2006).

Thus, whether people buy or rent, housing is typically affordable to only half of the population. Those citizens who flood the world's growing metropolitan areas, however, are overwhelmingly poor: they arrive in cities that were built for smaller

populations, and whose formal-sector housing producers can only build housing that these urban immigrants cannot afford. The result is a spontaneous community of self-built or informally built homes—the shanty towns, settlements, and ever-expanding slums that sprout like mushrooms on the outskirts of cities in the developing world. People who move to the city act by impeccable economic logic: they follow the money. Seeking to maximize income, these citizens willingly consume the least expensive space they can, which is often just a room in a larger informal structure. Left alone in the marketplace, the impoverished create and inhabit slums because that is their only available and economically sensible option (Smith, 2006).

The housing market is made up of sub-systems. There is a three-tiered structure of housing markets. The first is the small, well-financed upper class market which is an exclusive domain of the private sector and draws its funds from institutional finance systems. The second type is the subsidized market catering primarily for middle class workers and civil servants who benefit from public housing. Finally, there is the large and private incremental housing sub-market with no access to formal financing services and which produces housing which does not generally conform to official building codes and regulations (Renaud, 1987).

Traditionally, low income housing projects are sited in areas of low land cost and high density building permissibility. This allows reduction of the land cost

component of each residential unit, facilitating sale at lower prices. In seeking areas with lower land costs, developers have had to undertake low income housing schemes in locations that are peripheral to urban centers where benefit is gained from the proximity to cities but land costs are significantly lower (Hassanali,2009). Given the likely scale and location of any low income housing development, embedded infrastructure such as water, sewerage, roads, electricity, social services and security are a vital component of housing provision and are fundamental to the success of any housing scheme. These in turn, will greatly improve the people's economic capacities, health and quality of life in general (Nabutola, 2004).

In Kenya, the outdated 1968 Building Code that is currently in operation does not allow the inclusion of newer construction technology that is instrumental to the provision of low cost buildings. The building code requires contractors to adhere to what is now costly and time consuming building measures that are not in use in developed countries (Macoloo, 1994). Most suggested solutions for low income housing provision center on policy reform to improve the attractiveness of the sector as well as to engage government in direct supply of housing. More focus should be put on the needs of private sector developers who have the capacity and knowledge to supply housing to the low income market, yet are constrained by market fundamentals and the operating environment, thus reducing their profit taking opportunity (Hassanali, 2009). To understand the role of developers in

housing development attention must be paid to the key housing components; land, building materials, finance and construction technologies (Macoloo, 1994).

However, high purchase cost of housing is often due to high land prices, which are a result of inadequate land policies that result in insufficient available land for development. Likewise, the lack of housing finance or unsupportive finance terms (for instance, high down payment requirement, high interest rates, and short loan periods) also directly limits housing affordability especially for lower- and middle income groups (Nabutola, 2004).

### **2.3 Low Income Housing Demand and Supply**

Housing sub-sector is faced with the challenge of inadequate affordable and decent housing, extensive and inappropriate dwelling units, including slums, and informal settlements. This is due to under-investment in low-cost housing, an outdated legal and regulatory framework to support housing development, uncoordinated policy implementation, low private sector participation, and inadequate financing for planned programmes and projects. As a result of rapid population growth and rural-urban migration, the housing situation in Kenya exhibits quantum inadequacies in the urban areas and a lack of quality and basic housing infrastructure in the rural areas. According to the 2009 Population and Housing Census, the dwelling units enumerated in rural areas were more than four times the units in urban areas. The physical state of housing stock in urban areas

is better than in rural areas as reflected in the census results. The results further indicate that while only 24% of dwelling units in urban areas had earth floor, in rural areas a significant 77% of dwelling units had the same condition. Further, over 80 per cent of households in rural areas own their dwellings while less than 30 per cent of urban households own their dwellings (2009 Population and Housing Census).

According to the Sector Chapter for Population, Urbanization and Housing (2013-2017), demand for new housing units in urban areas is currently 150,000 units annually and only 23 per cent of this demand is being met. The shortfall is more acute among low-income households whose present demand is about 48 per cent of total new houses required in Kenya. Most employed Kenyans (over 70%) are in this low-income segment earning Kshs 25,000 per month or less. The low-income earners and the vulnerable groups tend to close this gap by living in slums and other informal settlements.

On the other hand, the supply for middle-income housing is not meeting the demand. This is evidenced by the fact that in the past few years most middle income housing developments have tended to be fully sold out before commencement of construction. The low and middle-income housing is therefore largely unexploited given that most houses developed in the recent times range in price from Kshs 5-7 million which meets the demand of the upper middle-income

and the high-income groups. The private developers have concentrated on this segment of housing demand due to better returns. The shortfall is therefore more acute among low-income households (see Table 2.1)(Sector Chapter for Population, Urbanization and Housing (2013-2017).

**Table 2.1: Housing production (supply) and demand by income categories in Kenya**

<b>Income Group</b>	<b>Supply %</b>	<b>Demand %</b>	<b>Surplus/Deficit %</b>
High Income	35	2	-33
Upper Middle Income	48	15	-33
Lower Middle Income	15	35	20
Low Income	2	48	46

*Source: Ministry of Housing, 2006*

#### **2.4 Measures to deal with Current Housing Situation**

With housing affordability being a major challenge world over, there is need to set out some immediate steps to help strike the right balance in responding to both current conditions and long term trends. (Flint, 2008) suggests the following measures to deal with the current housing problem worldwide:-

A new scheme to support first time buyers into affordable home ownership by renting first and buying later;

Launch of the first local housing companies, ensuring that local authorities once again play a central role in delivering new housing;

Funding pot to provide real help to councils who are taking action to meet housing needs in their area and to reward those putting plans and land allocations in place;

Confirming that more funding, beyond that already allocated to buy unsold stock from house builders for affordable homes, could be made available to house builders, for properties in the right place, at the right price, and offering good standards;

New plans to work with housing associations and local government to examine proposals for a wider role for mortgage rescue schemes; and

New consumer information for families at risk from repossession, pulling together all the practical steps homeowners can take.

With such large percentages of urban residents of many African cities living in slums and informal settlements due to the lack of affordable housing, bulldozing or forced relocation is simply not a viable option. Much as they might like to see the slums disappear, municipal authorities should have learned by now that, given the lack of alternatives, slum dwellers simply relocate nearby if their houses are destroyed.

In a paper prepared for the World Urban Forum (WUF) in 2006, (Painter, 2006) commented: “Not only is the destruction of slums fundamentally poor housing policy, it is poor economic policy as well. However appalling a slum may appear, a substantial amount of capital has been invested in its construction. Destroying capital investment... cuts off the flow of economic benefits that would have otherwise continued to contribute to economic growth.”

Experts agree that providing security of occupation is usually important to residents' willingness to invest in upgrading their housing. This does not imply that formal and expensive land titling systems must be implemented – but it does mean that governments should seek out more flexible ways of assuring slum dwellers that they are not at risk of losing their shelter. Even such “low tech” solutions such as numbering houses enable residents to feel a sense of permanency and also allows for municipalities to better recoup the costs through user charges for upgraded infrastructure. Painter has also observed that besides security of tenure, participatory planning is a key element in successful slum upgrading efforts. Unfortunately, too many African municipalities still continue with futile efforts to “rid themselves” of unsightly slums through demolition (Merill, 2007).

(UN-HABITAT, 2007) has estimated the cost of slum upgrading in Africa at less than \$550 per person. Given the cost of construction and the constraints to making suitable urban land available for new housing, slum upgrading is an infinitely



cheaper solution to the problem of providing decent shelter for the urban poor. However, support from the United States on slum upgrading in Africa over the past ten years has been virtually non-existent. Slum upgrading clearly represents the most cost effective means of improving the shelter conditions of the poor in Africa. U.S. assistance programs should therefore refocus to provide a much higher priority to slum upgrading (Painter, 2006).

### **2.5 Low Income Housing Models**

There are five models of housing development for low income housing initiatives (World Bank, 2003):

1. Sites plus development plan and gradual implementation of services: - settlements are planned and surveyed, lots allocated and occupied, and infrastructure gradually implemented.

2. Sites and services: - mass production of serviced sites in large schemes for resettlement of urban squatters, usually in peripheral land in city outskirts and with basic starter housing units. This scheme is where governments provide plots and basic services in a planned manner, but let people build their own houses on that land.

The strategy in sites-and-services is to share the responsibility for providing decent, affordable housing in the city, between the state and the people. The government agencies take responsibility only for preparing the plots and bringing in

certain basic infrastructure. The individual plots are then sold, leased or allotted to the beneficiary households, whose responsibility it is to build their own house; sometimes with soft loans, basic building materials and technical support provided by the project, and sometimes on their own. In some projects which take a cost recovery approach, the people may be expected to repay the costs of land and development gradually, but in other projects, these are provided free, as a public subsidy. How much the projects provide to the beneficiary households varies: in some, only an empty plot is provided, while in others, an already-built floor slab with utility connections, roofs or one-room “cores houses” might be provided. Utility services also vary, from communal pit latrines and shared water standpipes at the most basic, to full piped services to individual plots.

**5 ways to make sites-and-services schemes work better:**

Provide land in a good location. The location of sites-and-services projects can make it a success or a disaster. Land should be close to employment centres, in order to offer viable earning opportunities for people who live there. Land should also be close to existing infrastructure trunk grids, to reduce the costs of extending these grids to the project.

Recognize that sites don't have to be huge or at the city edge. Sites-and-services schemes are often developed on large pieces of land at the outer edges of the city, where large numbers of house plots, schools, recreational and social amenities can

be developed in a planned way. But in reality, most cities have many smaller available sites right inside the city, with easier access to existing infrastructure and services. These inner-city sites can be developed more cheaply, without having to invest in costly trunk infrastructure extensions.

Keep plot sizes small. That way, more people can be accommodated and costs kept low. When determining plot sizes, it's good to plan for meeting a variety of needs and to study how low-income households use their domestic space and how much land they need, minimally. Existing standards and bylaws are often inappropriate and have to be challenged, to make projects affordable to the poor and prevent them from being gentrified in future.

Reduce services costs through good planning. The cost of laying infrastructure within sites-and-services schemes can be greatly reduced by planning rectangular housing plots with narrow frontages. Square plots are the most uneconomical. The design of roads, lanes, water supply, sewage and electricity should be decided according to how affordable and how socially acceptable they are to the people who live there. As in all low-income housing, the key to making this happen is the full participation of beneficiaries in planning, implementation and maintenance.

Develop incrementally to reduce people's costs. One way to make sites-and-services projects more affordable and more flexible is to develop them in phases,

starting with basic infrastructure that can be improved over time. For this to work, you have to know how minimal to make your infrastructure, to ensure people's health, safety and well-being. Projects should plan for schools, clinics, religious buildings and police posts, even if they are not provided immediately. This incremental approach is especially useful in sites-and-services schemes targeting vulnerable migrants new to the city.

3. Comprehensive upgrading of existing settlements: - wide range of improvements involving different types of infrastructure according to predefined area plan; this is integrated upgrading but undertaken in one go, usually in a two year time frame.

4. Development of new housing in new settlement: - new infrastructure and housing units are built on empty land; or new housing units on available land in existing serviced areas.

5. Redevelopment of degraded existing structures: - agreement reached with building landlords for building renovation.

## **2.6Life Style Theories**

The typical approach of affordable housing research views cost reduction as one single determinant. Other crucial factors such as lifestyles of the targeted populations, people satisfaction with their current houses and residential

environments, and their aspirations and preferences in future houses are always oversimplified or superficially addressed. Understanding how the issue of affordability may relate to people preferences and lifestyles mandates an understanding of lifestyle theories that emerged from other disciplines and branches (Salama, 2006).

(Giddens, 1984) introduced the theory of structuration in his book “The Constitution of Society: Outline of the Theory of Structuration.” His theory is based on establishing a dynamic perspective of how different elements of a society interact. Such work is based on a critical understanding of people, organizations, agencies, and the power that each element of a society would have. The introduction of the theory of structuration generated an intensive debate on linking issues that pertain to the relationship between the structure of society and the physical environment, namely the concept of place. Allan Pred in his article titled: “Place as Historically Contingent Process: Structuration and the Time-Geography of Becoming Places” introduced a framework that is based on an integration of time-geography (place) and the theory of structuration. He conceptualized place as a human product as well as a set of features visible on the landscape. In essence, what should concern researchers in this regard is the term “human product”.

The views introduced by (Giddens and Pred, 1984) on the one hand, foster a deeper insight into affordable housing. For example, the assembly of buildings in a housing environment, land use patterns, and arteries of communication that constitute that environment as a place cannot emerge fully or formed out of nothingness, stop or grow rigid, or indelibly etched in the once-natural landscape; they represent a human product. In other words, such an environment is seen as a place that involves an appropriation and transformation of space and nature; processes that are inseparable from the reproduction and transformation of society. On the other hand, such views invigorate an understanding that the social aspects of everyday life can be seen as rich realm that offers valuable theoretical, epistemological, and substantive contribution to how affordable housing environments can be investigated.

Three major theories appear to have influenced recent conceptions about lifestyles and human preferences. These are of the Danish ethnologist: Thomas Hojrup; the British anthropologist: Mary Douglas; and the French sociologist: Pierre Bourdieu. Thomas Hojrup introduced the concept of life mode in his book “State, Culture, and Life-Modes: Foundations of Life Mode Analysis (2003)”. He argues that our values are constrained by cultural-relational dialectics and are product of cultural life modes. He attempted to address the problem that different cultural values conflict when they are brought together.

The three life modes he introduced are: self-employed life mode, wage earner life mode, and career oriented life mode. The preceding classification shows that based on income level, work sector, and work style of an individual, house needs and preferences vary dramatically. Putting these three life modes into a house/home, or affordable housing perspective, one could relate them as follows:

The first mode is self-employed where means of production are owned and included within the house. Therefore, the house acts as both living and working place, and no separation between working time and space time;

The second mode is wage-earner where the house is either regarded as a primary place serving recreational purposes, or as a place where important spare-time activities are undertaken; and

The third mode is career oriented where ideally the house reflects the personal progress in order to reflect position, social status, and past and recent experiences.

In 1996, Mary Douglas introduced a similar life style theory. Four different sub-cultures stem from this theory; these are: competition and individualism; isolation and avoidance of social controls; equity and negotiation; and hierarchical communities. These sub-cultures relate directly to how affordable housing environments could be understood and investigated.

Housing typology in terms of house size, house integration within the neighborhood and community, and the overall house image are important elements when reflecting this theory on affordable housing.

Pierre Bourdieu's theory corresponds with Douglas's theory since he introduced in 1984 three key concepts for understanding the concept of lifestyle; these are: habitus, position, and distinction. Habitus refers to past experiences and embedded preferences as well as socio-behavioral practices. Position means what agents have in terms of different kinds of capital and he means by agents people and institutions. Distinction involves being distinguished and being an individual. This understanding can be linked to affordable housing investigation, especially when developing mechanisms of inquiry about what housing environment people have experienced and what housing environment people would like to live-in in the future; inquiry about issues that reflect people past experiences and social practices and preferences of the future.

It is apparent that the three theories are based on different set of interests under different lifestyles aspects. Therefore, Hojrup's theory can be labeled as a work-based theory; Douglas's theory can be labeled as attitude based theory, while Bourdieu's theory can be labeled as status based theory. All are conceived to dramatically influence the understanding of affordable housing in physical and



social terms. Thus, they should be included in any inquiry aimed at knowledge production about affordable housing.

Introducing lifestyle theories can be viewed as an enabling mechanism for a deeper investigation of affordable housing in the context of Kenya. However, two additional concepts appear to be crucial when establishing a comprehensive investigatory process; these are: a) place attachment and b) home appropriation since they collectively represent a critical relationship between the physical characteristics of a housing unit (which needs to be seen from a “home” perspective), the degree of satisfaction of the existing home environment, and the preference of the home and the overall residential environment of the future. The question that can be raised at this point is how lifestyle theories and their underlying concepts can be utilized in affordable housing research.

## **2.7 Conclusion**

In his report titled ‘The ABCs of Affordable Housing in Kenya, Aden Van Noppen notes that we need more impact investors and social entrepreneurs to join us in the fight for affordable homes. Affordable housing is not easy, but it is also not impossible. It may not be as attractive as some of the other sectors where we put our time and money, but if we call ourselves risk takers who support work that will result in significant impact, even without a proven track record, we need to give affordable housing a serious look. The housing sector is in desperate need of

more entrepreneurs and investors with the patience, creativity, and risk appetite required to increase access to quality, affordable homes.

## **2.8 Conceptual Framework**

Low income housing supply remains constrained by high costs and time required for title registration, land access, construction material supply, along with cumbersome and expensive procedures for land and property transactions and the shortage of experienced private developers (Nabutola, 2004). However, there are a number of Government Ministries, parastatals and private developers in the country who have embarked on low income housing development despite the constraints. This study looked at the indicators that such developments have considered in their developments which included the number of housing units developed and the models that were used. In addition, the research will look at the constraints that they have faced as they put up low income housing.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

A comprehensive research methodology was developed to ensure that objectives of this research design were achieved. Presented in the chapter are research design, target population, instrumentation, data collection, analysis and presentation.

#### **3.1 Research Design**

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. It means the exact nature of the research work in a systematic manner (Kothari, 2004).

This research used a case study approach. A case study is an intensive investigation of a unit. It involves picking a unit that is typical to others, studying it intensely then making conclusions. A case study was used because Jamii Bora Makao is one of the organizations in the country that is doing low income housing within their developments; analysis was therefore relevant to the topic in question.

This research used both quantitative and qualitative research design where data was collected in the form of numbers as well as words. Structured

questionnaires were administered to respondents who filled them and returned. The main reason why questionnaires were used is to measure the dimensions related to different attributes (Maykut & Morehouse, 1994). Data from questionnaire were examined and evaluated statistically. Additional secondary data was obtained from housing developers, agencies as well as books and journals.

### **3.2 Population and Sampling**

The most fundamental feature of any study is selecting an appropriate sample for the work under study from which to generate results. By the term sampling, it is selecting a representative group among a population (Bryman 2001). Advantages of sampling are reduced cost, greater scope, greater speed, and greater accuracy.

The target population for this research study included all developers; private, NGOs, Government Agencies and Ministries that have been involved in actual development of low income houses or have facilitated such development. The accessible population from where the sample was drawn is Jamii Bora Makao.

The sample consisted of 25 staff of Jamii Bora Makao. A manager at Jamii Bora Makao was chosen for the interview to give an expert opinion for the questions that had been prepared for the interview schedule.

### **3.3 Data Collection**

This is the process of gathering relevant data for analysis to make informed judgments. Data gathering is usually done to obtain information to make decisions on important issues. For the purpose of this study, data was collected by the following methods:-

- 1) Review of the existing literature materials including related Journals, Magazines, end of year project Reports on low income housing, Monitoring and Evaluation Reports, world wide website, etc. Secondary data was used to get better insight on the topic. It was used as a base through which questionnaires were prepared.
- 2) Well-structured and validated questionnaires were designed so as to elicit data in accordance with the research questions. Questionnaires had both open and close ended questions. The intense literature study was used to develop the questionnaires. The questionnaires were given to the respondents who were required to fill them; the researcher then collected them in person. Secondary data was collected from journals as well as books.

Questionnaires were used because:-

They are easy to administer

They are easier to analyze

They can be stored for future use

They are less time consuming

They set the respondent free to give the correct information

3) An interview was carried out to get more detailed data. Interviews were used because:-

They provide in depth data that is not possible to get through questionnaires

They guard against confusing questions since the researcher can clarify what the question wants

They are more flexible than questionnaires

It is possible to get more information through probing.

Data collection was carried out in the month of May 2013. For validity, data was checked to ensure that it was up to date, the source and the authors chosen were valid. The relevance of the data collected was achieved by proper analysis of the obtained results.

### **3.4 Data Analysis**

Questionnaires used in the study were checked for consistency and completeness after data collection and before the data was stored. The data that was collected was edited for accuracy, consistency and completeness. It was then coded and cross-tabulated to enable the responses to be statistically analyzed.

### **3.5 Data Presentation**

Tables, graphs and figures were used in the presentation of data. These were generated from the data collected. They were used to summarize the findings in a logical sequence so as to clearly bring out the relationship between the variables.

## **CHAPTER FOUR**

### **DATA PRESENTATION AND ANALYSIS**

#### **4.0 Introduction**

This chapter outlines the research findings and a discussion of the various responses gathered from the questionnaire as well as the interview. All the questionnaires were returned and the interview with the manager was successful which showed a 100% response.

The questionnaire was divided into two parts, one and two. Part one was used to collect information on the company bio data. This addressed the name of the organization, years of operation as well as the gender of respondents. Part two addressed the number of housing units developed, housing development model used, challenges faced in developing low income housing and challenges faced by the organization in developing the units. The interview schedule gave detailed information on the history of the organization, its achievements in terms of number of housing units developed, the housing models adopted, specific challenges faced by JBM as well as ways to alleviate the challenges.

#### **4.1 Background Information**

The organization under study is Jamii Bora Makao Ltd and has been in operation since 2007.



#### 4.2 Gender of Respondents

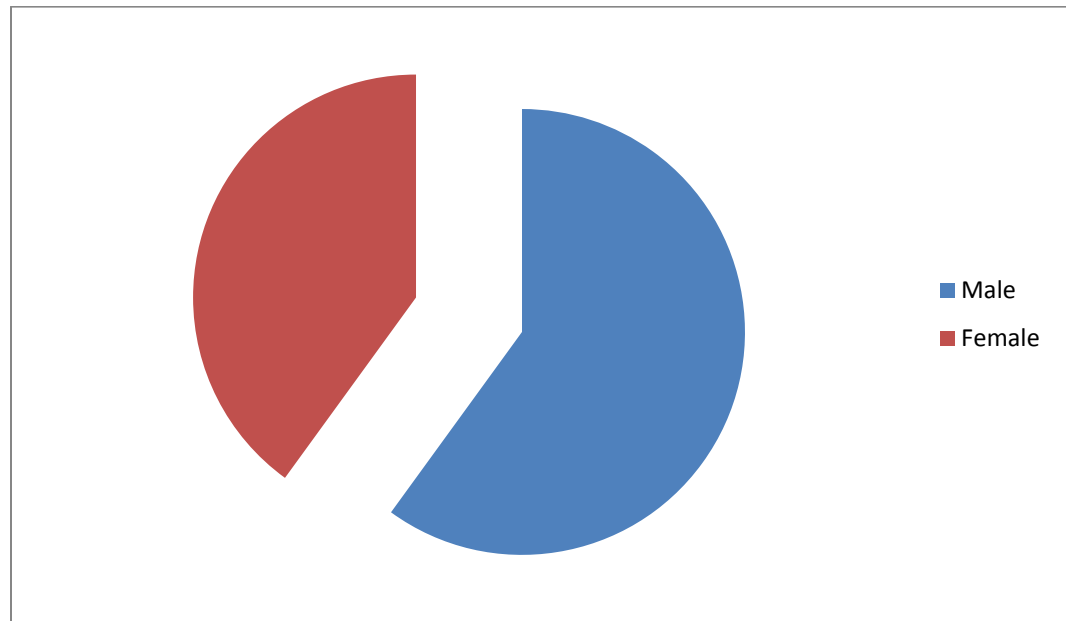
Most of the respondents (60%) were male with only 40% being female.

**Table 4.1 Gender of the Respondents**

Gender	No	Percentage
Male	15	60%
Female	10	40%

Source: Field Survey, 2013

**Figure 4.1 Gender of Respondents**



Source: Field Survey, 2013

#### 4.3 Number of Housing Units Developed

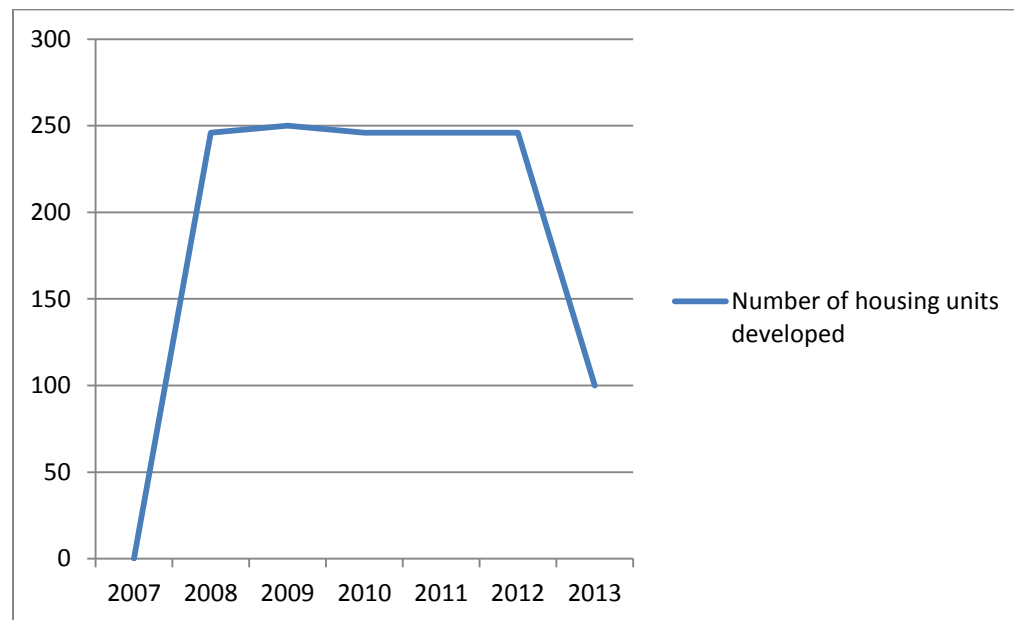
Out of the 2,000 housing units that were to be developed by 2014, a total of 1,334 units have so far been developed. Of the units to be developed in 2013, only 100 units (7.5%) had been developed.

**Table 4.2 Number of Housing Units Developed**

<b>Year</b>	<b>No of units</b>	<b>Percentage (%)</b>
2013	100	7.5%
2012	246	18.4%
2011	246	18.4%
2010	246	18.4%
2009	250	18.9%
2008	246	18.4%
2007	0	
<b>Total</b>	<b>1334</b>	<b>100%</b>

Source: Field Survey, 2013

**Figure 4.2 Line Graph showing trend of the Number of Housing Units Developed**

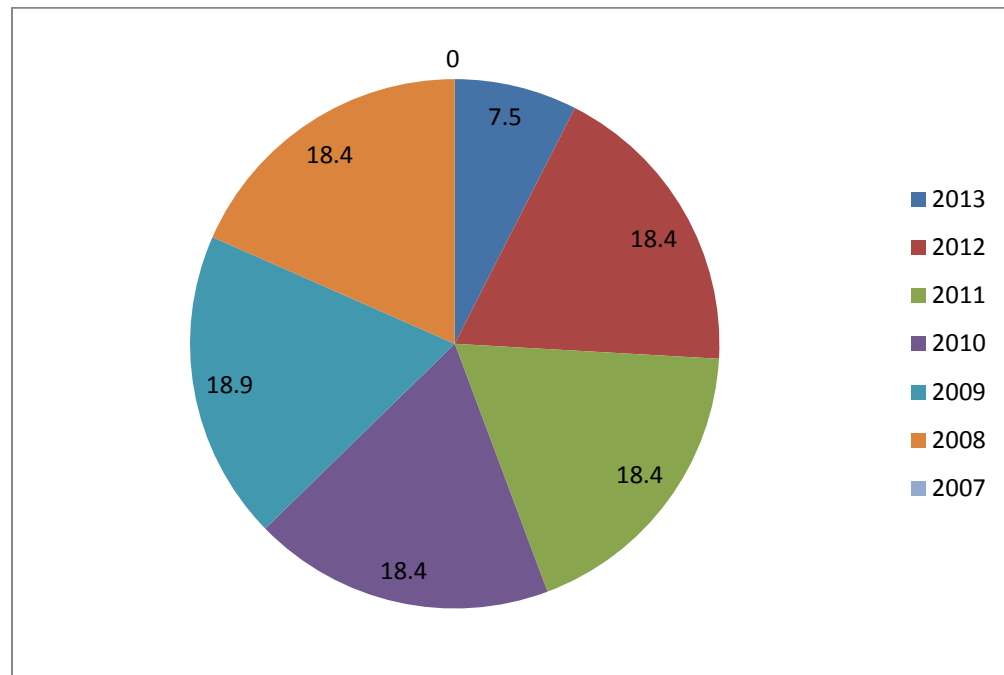


Source: Field Survey, 2013

In 2007, no housing units were developed because the change of user from agricultural to mixed use as well as the law suit took some time. In 2008-2012, an

average of 250 units was developed. By May 2013, only 100 units had been developed.

**Figure 4.3 Number of Housing Units Developed**



Source: Field Survey, 2013

#### **4.4 Housing Model Adopted**

The respondents were asked to outline the housing model that is used for their developments. The model is as shown below:-

- **Development Planning**

JBM acquired a 293 acres land 60km from Nairobi. The distance and agricultural classification allowed the land to be purchased at a discount. The change of user and statutory approval process took 3 years and included a lawsuit introduced by environmental groups. JBM won the case.

An MOU was signed with the Maasai community allowing access to construction jobs, community borehole, schooling and access to ownership in the commercial center shops.

Government participation was minimal. To the contrary, the school was donated to the state as a public school.

### **Financing the Development**

The development was financed by a combination of in-kind shareholder equity (land), grants and shareholder loans.

JBM invested the 293 acres valued at \$4.7m as equity. An additional \$2.4m in equity was invested by Jamii Bora Scandinavia.

Jamii Bora Scandinavia provided a loan of \$7m to the project (8% p.a for 10 years). The project also received close to \$5m in grants especially for electrification and social amenities

### **Property Development**

The houses are designed to be constructed using concrete blocks and concrete roof tiles. The construction process is vertically integrated in order to keep cost down. Concrete blocks and tiles are manufactured on the construction site. The factory employs residents. The simple design enables the use of relatively unskilled labour which allows the project to provide employment to residents.

### **Property Management**

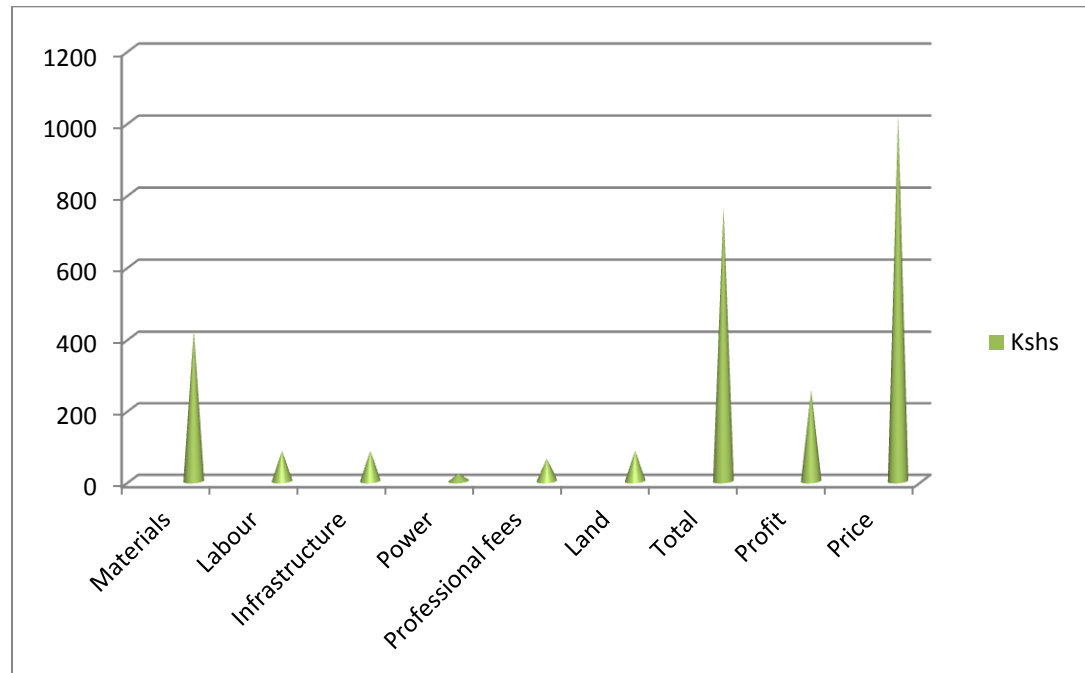
JBM has set up a property management unit that is responsible for sourcing and managing all basic services. The units provide the following: -utility management; waste collection and disposal; security; and property maintenance.

The residents are represented by an association managed and governed by elected members of the community. A property management charge of 12% per month is levied on the residents. The charge is included in the rent/mortgage payments.

### **Pricing**

The cost of the 2 bedroom unit house is Kshs. 765,000. Initially the company has been selling houses at subsidized rates. Now houses are sold for Kshs. 1,020,000 in order to remunerate capital. This cost includes the infrastructure received by the project. In the absence of such subsidies, the cost would have exceeded Kshs. 1,020,000.

**Figure 4.4 JBM Pricing**



**Source: Field Survey, 2013**

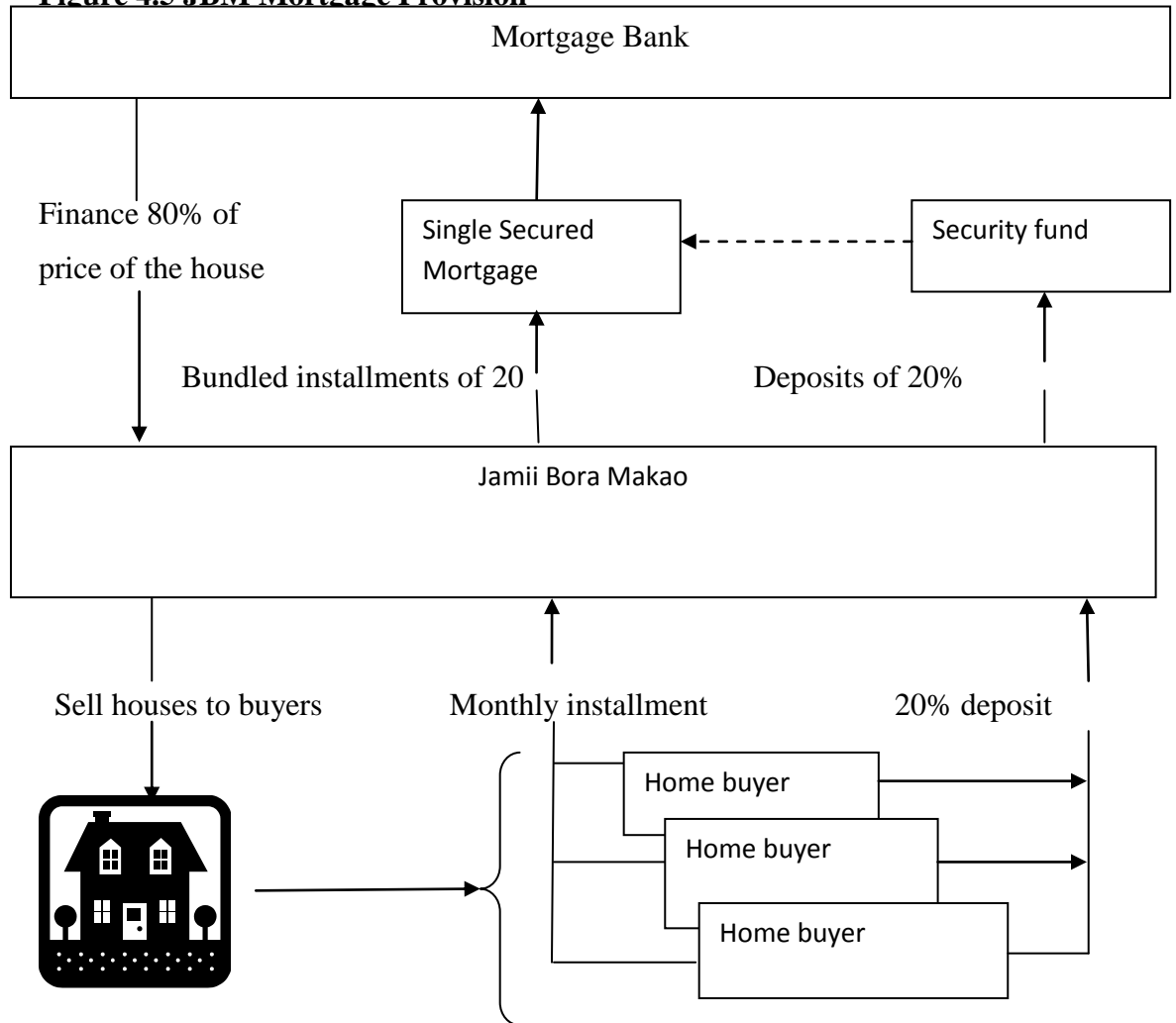
### **Sales Approach**

JBM sells houses on plan. The clients are required to save with the Jamii Bora Bank until they can afford to pay a 20% deposit on a house. The balance of the price of the house is due on delivery. Clients are offered financing solutions. The construction process is broken down by neighbourhood (230 houses). A construction phase starts construction when 80% of the houses are reserved. The average selling time for a phase is 30 days. Jamii Bora Group members are given priority in the sales process. 50% of the clients have been provided an installment sales arrangement by JBM. Payments are scheduled over 15 years. The remaining clients have either paid for the houses for cash or secured a mortgage with Jamii Bora Bank.

## Mortgage Provision

The innovative mortgage process has been mainly applied to Jamii Bora Bank but is in the process of being applied to other local microfinance and SME banks.

**Figure 4.5 JBM Mortgage Provision**



Source: Field Survey, 2013

## Housing Model

JBM develops new housing in new settlements whereby the units and infrastructure are built on empty land.

#### 4.5 Challenges that have hindered Development of Low Income Housing

Low income development in Kenya has been hindered by a number of challenges as shown in the Table 4.3.

**Table 4.3 Challenges that have hindered Development of Low Income Housing**

<b>Challenge</b>	<b>No. of respondents</b>	<b>Percentage</b>
Availability of finances	2	8%
Access to finance	3	12%
Cost and availability of Land	2	8%
Cost of Building materials	4	16%
Legal and institutional framework	2	8%
Low returns to investment in housing	12	48%
	<b>25</b>	<b>100%</b>

Source: Field Survey, 2013

From the study, 48% of the respondents agreed that low returns is the main challenge faced by developers of low income housing, followed by building materials at 16%, access to finance at 12%, and legal and institutional framework, availability of finances and land all at 8%.

Developers in the country are in the housing development for profit and therefore avoid developing low income housing. This has led to a very acute shortage of low

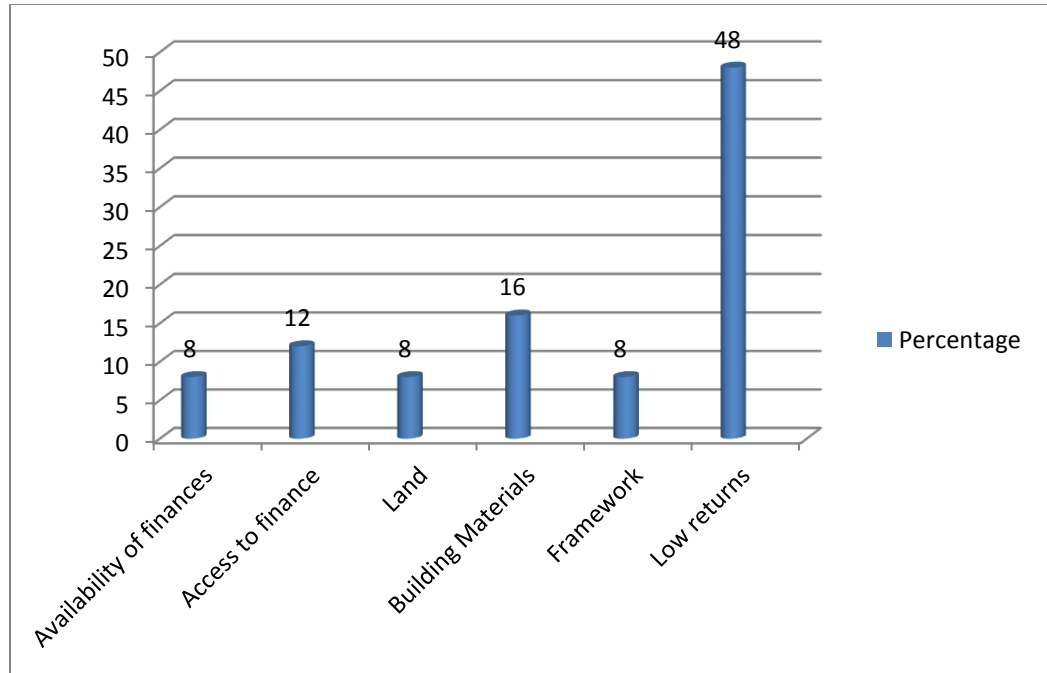


income housing leading to proliferation of slums and informal settlements in the country.

The institutional and regulatory framework in the country is also out dated and out of focus with the current realities. They specify only a certain narrow specification of materials and designs suitable for only one class of house construction. In addition, availability of suitable land at an affordable price is a major challenge in addressing housing for the low income. The implication of the high cost of land is that the prices of houses have increased significantly. This is particularly true for the urban areas because the land is highly valued and is mostly in the hands of the central government and the local authorities. The only other landowners are speculators seeking to make a quick buck. This makes land inaccessible to the majority who need it most but cannot afford its premium price.

Further, the cost of financing housing development; both long and short term, has been increasing at a very high rate. This has in turn affected the price of housing development. The cost of borrowing long term mortgage loans has also gone too high for the low income earners (Nabutola, 2004).

**Figure 4.6 Challenges that have hindered Development of Low Income Housing**



Source: Field Survey, 2013

#### 4.6 Challenges faced by Jamii Bora Makao

Jamii Bora faced a myriad of challenges while venturing into this market as shown:-

**Table 4.4 Specific Challenges faced by JBM**

Challenge	No. of respondents	Percentage
Availability of finances	0	0%
Access to finance	0	0%
Land	3	12%
Building materials	2	8%
Legal and institutional	6	24%

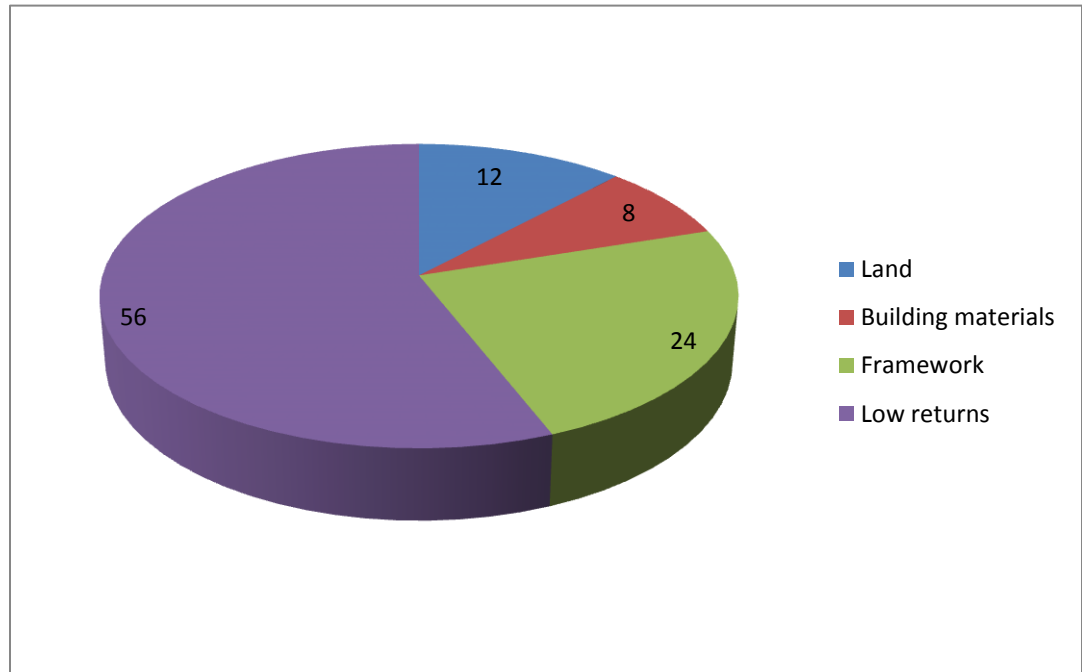
framework		
Low returns	14	56%
	25	100%

**Source: Field Survey, 2013**

The study revealed that financial constraints are not the major challenges faced by Jamii Bora Makao. 56% of the respondents said that low returns was the main challenge, 24% said legal and institutional framework, 12% land and 8% said building materials was the challenge.

Apart from the above challenges, the interview also cited other challenges which include: - limited research on low cost building materials and construction techniques; increasing poverty; lack of adequate manpower to put up the required housing units; scarcity of labour; population growth with increasing urbanization; land tenure; low incomes of prospective buyers, low priority in the housing construction sector and ineffective housing policy on issues of low income housing.

**Figure 4.6 Challenges faced by JBM**



Source: Field Survey, 2013

#### **4.7 Ways of Alleviating Challenges Faced**

From the interview schedule, the following ways were suggested to alleviate the low income housing challenges faced:-

- Reduce cost of debt financing
- Increase accessibility and availability of funds to ensure that the low income earners are able to access affordable mortgages for development of their housing
- Formulate new as well as review existing housing policies to ensure that low income housing is given priority

- Use of appropriate technology to drive supply of housing stocks in a sustainable manner. The appropriate technology should be locally available to ensure that the cost of building materials goes down
- Develop a framework for public private partnerships between government agencies and the private sector mainly focusing on affordable housing for the low income market.

#### **4.8 Summary**

From the data analysis, it is evident that provision of low income housing is a very big challenge. Very few housing units have been developed against a very large deficit of the same. This has been attributed to a number of challenges:- availability of finances, access to finance, land, building materials, legal and institutional framework and low returns.

Jamii Bora Makao is not a profit-making organization and whose mission is to provide a social benefit to its clients. The organization sells its houses on plan where the clients are required to save with the Jamii Bora Bank until they can afford to pay a 20% deposit on a house. The balance of the price is due on delivery.

## CHAPTER FIVE

### CONCLUSIONS AND RECOMMENDATIONS

#### 5.0 Introduction

This chapter contains the summary of the findings, discussions, interpretations of each result and the implications of the findings. It also puts forth conclusions and recommendations for the problem under discussion.

The study was set to investigate the success indicators of housing developers in reaching out to low income earners; a case study of Urbanis Africa: Jamii Bora Makao and the discussion centered on further elaboration of the findings to enable adequate comprehension of the problem under study in line with the objectives and study hypothesis that had been set. The objectives were: - To find out the average number of low income units developed per year; to find out the housing model adopted; to identify the constraints faced in developing low income housing; and to propose ways of overcoming the challenges faced.

The study hypothesis was: Ho: There is no significant number of low income housing units developed in Kenya. Ha: There is a significant number of low income housing developed in Kenya.

## **5.1 Conclusions**

Based on the data analysis and discussion herein, it can be rightfully concluded that low income housing development is still low in Kenya. This has been attributed by the fact that there are various challenges and problems that face the sector and which need to be addressed. Therefore, the null hypothesis that there is no significant number of housing units developed in the country was accepted.

Developers in the country are in the housing development for profit and therefore avoid developing low income housing. This has led to a very acute shortage of low income housing leading to proliferation of slums and informal settlements in the country.

The investments in the housing sector as a whole since the 1966/67 policy have been minimal and sporadic. The demand for housing still far outstrips supply. High rates of urbanization, increasing poverty and escalation of housing costs and prices have made the provision of housing, infrastructure and community facilities one of the daunting challenges in the socio-economic development of the country. Research on low cost building materials and construction techniques has been limited thus not providing viable guidance to the development of the sector. Moreover, stringent planning regulations and high infrastructural standards have been an impediment in the housing delivery system.

## **5.2 Recommendations**

- i. Reduce cost of debt financing
- ii. Increase accessibility and availability of funds to ensure that the low income earners are able to access affordable mortgages for development of their housing
- iii. Formulate new as well as review existing housing policies to ensure that low income housing is given priority
- iv. Use of appropriate technology to drive supply of housing stocks in a sustainable manner. The appropriate technology should be locally available to ensure that the cost of building materials goes down
- v. Develop a framework for public private partnerships between government agencies and the private sector mainly focusing on affordable housing for the low income market
- vi. Participation of all stakeholders in the formulation, review, repeal and amendment of the existing legal framework governing operations of the housing sector
- vii. Improvement of infrastructure such as roads, electricity, water and sewer systems
- viii. Tax rebates as well as incentives to motivate developers leading to increased investment in low income housing.



### **5.3 Areas for Further Research**

The area of housing for low income households is vast and very little research has been done especially in the Kenyan context.

One area for research would be the how effective government policies are on low income housing.

Another area would be to analyze which low income housing models have worked efficiently and effectively.

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## APPENDICES

### Appendix 1: Questionnaire

The bearer of this questionnaire is a Post Graduate Diploma in Housing Administration student at University of Nairobi who is carrying out a study on an investigation into the success indicators of housing developers in reaching out to low income households within their developments in Kajiado County.

This questionnaire is therefore intended to help collect the necessary data that will assist in achieving the objective of the study. It is guaranteed that all information gathered using this questionnaire will be treated as confidential and will not be used for other purposes other than for the study. Your assistance towards this course will be highly appreciated.

### INSTRUCTIONS

- 1) Tick the correct response.
- 2) Write your response on the spaces provided for the open – ended questions.
- 3) Please, do not write your name on the questionnaire.

### PART ONE: BACKGROUND INFORMATION

- 1) What is the name of your organization?  
-----
- 2) For how long have you been in existence?  
 0-5 years  
 6-10 years  
 10-15 years  
 over 15 years

3) Please indicate your gender

Male

Female

**PART TWO: LOW INCOME HOUSING DEVELOPMENT**

4) Have you developed any low income housing?

Yes

No

5) If yes, how many units have you developed in the last 10 years?

2012	
2011	
2010	
2009	
2008	
2007	
2006	
2005	
2004	
2003	

6) What are the housing models that were used in the developments?

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

7) What are the challenges that have hindered development of low income



housing? (Tick the appropriate option)

Challenge	
Availability of finances	
Access to finance	
Land	
Building materials	
Legal and institutional framework	
Low returns	

8) Of these, what specific challenges did you encounter as an organization?

Challenge	
Financial constraints	
Access to finance	
Land	
Building materials	
Legal and institutional framework	
Low returns	

9) What recommendations would you make to the Government concerning

development of low income housing for all?

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Thank you for your cooperation.

## **Appendix 2: Interview Schedule for Manager**

This study seeks to examine the success indicators of housing developers in reaching out to low income households within their developments.

This interview schedule is therefore intended to help collect the necessary data that will assist in achieving the objective of the study. It is guaranteed that all information gathered will be treated as confidential and will not be used for other purposes other than for the study.

Your assistance towards this course will be highly appreciated.

1. How many years have you been in operation?
2. What have been your achievements in terms of number of housing units developed?
3. What housing models have you adopted?
4. What are the challenges that you have faced as an organization?
5. Suggest ways to alleviate these challenges.