

**FACTORS INFLUENCING IMPLEMENTATION OF HOUSING
MICROFINANCE AT HABITAT FOR HUMANITY KENYA**

By

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**A Research Project Report Submitted in partial fulfillment of the
Requirements for the Award of the Degree of Master of Arts in Project
Planning and Management of the University of Nairobi**

2014

DECLARATION

This Research project report is my own original work and has not been presented for any award in any other University.

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DEDICATION

This research project is dedicated to my mother Mrs. Hellen Nyanchama and my late father Christopher Omango for the way they brought me up to be what I am today. I also dedicate this research project to my husband Tom Mong'are, my daughter Joy Nyanchoka and my son Jeremy Omango for their moral and spiritual support.

ACKNOWLEDGEMENT

This research project comes out as a result of enormous support from various people. First, I thank the Almighty for bringing me this far. I am indeed grateful to my project supervisor Mr. Evanson Mbuva who has seen me through this process of writing the research paper. His advice and support cannot go unnoticed. His time and tireless efforts in guiding me when writing this paper will always be complemented. I am also grateful to the University of Nairobi, School of Continuing and Distance Education for providing favourable space that has enabled me to achieve this type of knowledge. I also appreciate my lecturers and fellow classmates (2012-2014) who contributed to my learning at the University of Nairobi. I am so grateful specifically to Dr. Mbugua's my lecturer who also guided me throughout the project paper writing. My friends and relatives together with colleagues at work who gave me moral support during my project writing I am grateful.

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ABBREVIATION AND ACRONYMS

CHF:	Cooperative Housing Foundation
CHFI:	Cooperative Housing Finance International
CTA:	Construction Technical Assistance
HFHI:	Habitat for Humanity International
HFHK:	Habitat for Humanity Kenya
HILP:	Home Improvement Loan Program
HMF:	Housing Microfinance
IFC:	International Financial Corporation-
KFW:	Bangengruppe- a Germany Development Bank
MFI:	Microfinance Institutions
NACHU:	National Cooperative Housing Union
SACCOs:	Savings and Credit Cooperative Societies
SHGs:	Self Help Groups
SMEs:	Small and Medium Enterprises
SPSS:	Statistical software Package for Social Sciences

ABSTRACT

There have been some notable and encouraging advances in Housing Microfinance industry with a steady trickle of new commercial entrants. Banks, microfinance banks and general microfinance lenders are introducing it, in various shades, as a product within their lending portfolio. Some of these organizations are growing while others are not. Habitat for Humanity is at the forefront trying to build capacity of institutions willing to offer Housing Microfinance. Habitat for Humanity Kenya practices Housing Microfinance in various parts of the country. The purpose of this study was to examine the factors influencing implementation of Housing Microfinance at Habitat for Humanity Kenya. The study was guided by the following objectives: to determine the influence of employees level of Housing Microfinance skills on implementation of Housing Microfinance at Habitat for Humanity Kenya, to find out how housing scheme procedures influence implementation of Housing Microfinance at Habitat For Humanity Kenya, to establish the influence of land ownership on implementation of Housing Microfinance at Habitat for Humanity Kenya and to inquire if infrastructure influences implementation of Housing Microfinance at Habitat for Humanity Kenya. This research employed descriptive survey design. The target population was all 29 employees of Habitat for Humanity Kenya and 100 clients of Eldama Ravine region as at the time of study. Through purposive sampling all the 129 respondents constituted the sample size. Data was collected using structured questionnaires. The questionnaires were administered to the target population by the researcher to gather primary data. The data was analyzed using Quantitative techniques. Statistical Package for Social Sciences was used to analyze data. The data output is presented in form of tables. The research findings show that employees need relevant skills to implement Housing Microfinance. The study also found out that there are set guidelines that need to be followed when an institution is implementing Housing Microfinance, this should be followed for the program to be executed. It also emerged that land security does not have to mean full legal title. Land security was found to be the confidence that a household will not be forcefully evicted. The other thing which emerged from the study was that the target market for Housing Microfinance lives in places which are not accessible and therefore the organization needs to find means of reaching them. Finally there arose from the research findings that serious demand assessment and planning for scaling up Housing Microfinance requires further analysis of the market sub-segments among the economically active poor so that the scope and nature of potential demand is better understood. Based on the findings, the study recommended that all employees should be trained on Housing Microfinance and regular trainings given to the program people on the emerging issues on the Housing Microfinance subject, internet should be upgraded, that the organization should provide the program staff with automobiles for easy movement in the field, the institution should understand clients' needs; they are the ones who know how and where they want to live, the loan size can also be revised upwards depending on availability of capital since it was established that the amounts given are small to some clients who could afford to take more and that the institution should come up with Housing Microfinance product for the urban poor and consider introducing individual loans. The study concludes with confidence level of 95% that implementation Housing Microfinance is influenced by factors as employee skills, lending procedure, land ownership and infrastructure.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Housing Microfinance (HMF) refers to products to finance shelter that are not backed by mortgages. These loans follow the basic principles of microfinance such as small loan amounts, relatively short loan terms and alternative forms of collateral (Daphnis and Tilock, 2005). Housing Microfinance loans have some distinct characteristics: Loan evaluation examines the customer's construction proposal; the credit officer evaluates the housing project budget to verify that the customer has an accurate estimate of the amount required to complete the project so it will not be left unfinished, thus putting the repayment at risk. This is particularly important, given that the loan proceeds might not generate additional income, as is expected for other microfinance loans. The loan officer also makes a technical sketch of proposed housing modifications, which allows for future verification that the loan has not been used for a different purpose such as a microcredit loan since the interest rates for Housing Microfinance are typically lower. Loan terms are generally longer and loan sizes greater than a typical working capital loan for microenterprise; this usually allows Microfinance Institutions (MFIs) to offer slightly lower effective interest rates relative to working capital loans. Tenure security is critical; as part of the loan origination process, clients are generally required to present some type of document confirming de facto claim to the land or the property, such as a purchase deed, property tax payment or in certain cases a utility bill. Lack of legal title to the home is not a critical obstacle to MFIs providing affordable housing solutions to low-income segments, as they already have methods to underwrite credit with non-traditional forms of collateral (Merril and Mesarina, 2007).

Houston, (2010) retail lenders of HMF span three tiers, from regulated first tier organizations which can raise capital from deposits, through to cooperatives and NGOs at the second tier and finally informal third tier lenders. First tier lenders include microfinance banks such as K Rep Bank and Faulu in Kenya and commercial banks, such as ProCredit in Ghana and Mozambique and Akiba Bank in Tanzania, the latter who recently introduced home improvement loans. Second tier lenders include SACCOs (savings and credit cooperative societies), cooperatives, and micro financiers that offer HMF. These also include housing

NGOs which branched into housing microfinance lending on recognizing the demand, such as the Kuyasa Fund in South Africa. Others are microfinance institutions that have included HMF as an additional product to their microfinance lending for enterprises such as Ugafode in Uganda. The National Cooperative and Housing Union (NACHU) in Kenya is an apex SACCO formed in response to a common need for housing and has grown considerably since its establishment in 1979. Finally, there are third tier, generally unregulated HMF players who include rotating savings and credit cooperatives (ROSCAS or stokvels) and other informal lender; Bank of Tanzania (2012).

Mutero (2011) Investment into these lending operations comes from a variety of sources and with a variety of objectives. International development organisations such as Rooftops Canada and Homeless International have given explicit attention to the growth of HMF lending capacity among housing NGOs and SACCOs as part of their effort to grow scale and address housing backlogs across the continent and globally. They are in many ways the pioneers of explicit HMF investment and lending. Commercial activity in the HMF sector has been growing for some time. For example, since 2010, home improvement loans have been introduced by Akiba Bank in Tanzania, Centenary Bank in Uganda, African Bank in South Africa, and the Entrepreneurs Financial Centre in Zambia. Select Africa, possibly the leader amongst commercial providers of housing microfinance, has operations in Swaziland, Malawi, Kenya, Lesotho and Uganda, offering loans for incremental home improvement as well as for new housing construction on an incremental basis. Over the past 12 years, Select Africa has disbursed loans to the value of US\$ 153.7 million, to 53,539 clients, through a network of 10 branches. At June 2012, their gross loan book was US\$31.7m with a 5.7% provision for bad debts. It has been established as an industry norm that, in general, 30% of a micro-ender's loan portfolio is used for housing purposes. If this holds, it could suggest that US\$2.2 billion or an estimated 2.3 million loans were used for housing purposes. The possibilities of harnessing this demand with better-targeted products that support the specificity of a housing investment are significant.

Malholtra, (2003) certainly, the investment sector has noticed the potential. In the past two years, at least three new funds have come on stream with products targeting the growth of housing micro lending on the continent. The New Urban Finance Facility for Africa (NUFF) is being established as a US\$100 million facility with the intention to provide catalytic investment in affordable housing and basic services in African cities. Its investments will be

made through local banks and microfinance institutions, with the intent of encouraging lending for housing microfinance and other programs for affordable housing real estate development. Initial target countries in Africa include Ghana, Kenya, Tanzania, and Uganda. The NUFF estimates that direct investment in local commercial banks and microfinance institutions will constitute 85% of the fund, with the remaining 15% being invested in a newly established IFC-KFW credit enhancement programme for housing microfinance. Habitat for Humanity International has established the MicroBuild fund as its subsidiary, to encourage the provision of housing microfinance and associated housing support services via microfinance institutions.

.According to (Shelter, 2014) the need for adequate housing is growing; microfinance has an opportunity to adapt to the evolving needs of the poor and give them the tools they need to improve their living conditions. (Rust, 2007) suggests that Housing Microfinance lies at the intersection of formal housing finance and micro-enterprise finance and it can be sustainable with the necessary scale on an institutional basis. (Kihato, 2012) suggests that Africa still has a very high natural population growth and the majorities are involved in building their own houses incrementally. These people need to own land on which they can build their houses such that they cannot be evicted later. In East Africa however, it is hard to see the evidence that housing microfinance has come into its own. Despite several regional workshops on housing finance and housing microfinance, efforts are still scattered and are yet to reach the kind of scale that would convince financial service providers of its promise. There is still need to invest in employee skills in order to carryout HMF. (Croswell and Cutcheon, 2001) About 70% of the world's poor live in rural areas that are remote with poor infrastructure, limited service provision and far from centers of power and decision-making (Scoones and Woolmer, 2009). An estimated 1.6 billion people live in sub-standard shelter around the world, a circumstance that is compounded by dysfunctional formal housing markets that rarely include services for low-income populations. Developer-built, bank-financed homes are rare in Africa, typically serving far fewer than five percent of households in most African countries. The relevant infrastructure for HMF needs to be established. As the investor interest grows in HMF, the wider housing delivery chain is also receiving attention. At the forefront of this is Habitat for Humanity (HFH), which provides Construction Technical Assistance (CTA) to borrowers engaging with lenders offering HMF products. (The Mastercard Foundation, 2012) Habitat for Humanity International (HFHI) and The MasterCard Foundation recently announced the launch of a \$6.6 million, five-year

partnership to expand microfinance services to maintain and improve homes for disadvantaged families in three African countries. The HFHI and the MasterCard Foundation partnership will reach people in Ghana, Kenya, and Uganda who cannot access formal financial institutions. It will target (not guarantee) the building of capacity of nine local financial institutions already serving the poor to diversify their products to meet shelter-related needs. Financial institutions will offer a bundled package of financial and housing support services, a unique approach that will be tested for scale and growth. The institutions will be required to adhere to Housing schemes that have worked before. (Mango, 2009) says that based on poor housing conditions in Kenya, many housing microfinance institutions have provided good incentives, like low interest rates and longer repayment periods for housing loans to enable low income earners acquire affordable housing however, growth of HMF has seen mixed results; with others growing while others declining. Organizations as Jamii Bora, Homeless International, Makao Mashinani, Rooftops Canada and Habitat for Humanity Kenya are among the institutions having mixed results. This study is therefore interested in factors influencing implementation of Housing Microfinance at Habitat for Humanity Kenya.

1.2 Statement of the problem

Access to housing finance by low income earners is a critical development issue facing most countries around the globe. (Omollo, 2013) illustrates that the Kenya Constitution states that ‘every person has a right to affordable and adequate housing’. This in line with the Universal Declaration of Human Rights of 1948 which recognizes the right to adequate housing as an important component of the right to adequate standard of living. Government of Kenya has addressed shelter issues through various initiatives since independence in 1963. The poor households in Kenya do not have access to traditional housing finance hence providers of Housing Microfinance will play an important role in providing decent affordable shelter. Housing Microfinance institutions and NGOs like Habitat for Humanity have since recognized the need for affordable shelter financing, NewLine Advisors (2012).

Housing Microfinance being a relatively new form of lending, there is a lot of capacity building work necessary to skill organizations in its methods. Habitat for Humanity International has emerged as a key player in the capacity building arena (Kihato, 2012). Existing organizations such as Select Africa have also been expanding their operations in more and more countries. But there have been some declining trends among some of these commercial lenders. Going forward, it is important that the experiences of these commercial

lenders are monitored and highlighted to understand some key determinants of success and even potential pitfalls that cause problems for Housing Microfinance lending. Habitat for Humanity began the Housing Microfinance Program way back in 2008 (Habitat for Humanity Kenya, 2010) yet it has not grown to scale. It is on the realization of this that the study is designed to determine factors that influence implementation of Housing Microfinance with a view to suggest remedial strategies for its improvement and development.

1.3 Purpose of the study

The purpose of this research was to establish factors influencing implementation of Housing Microfinance at Habitat for Humanity Kenya.

1.4 Objectives of the study

The research was guided by the following objectives:

- i. To determine the influence of employees' skills on implementation of Housing Microfinance at Habitat for Humanity Kenya.
- ii. To examine the influence of housing scheme procedures on implementation of Housing Microfinance at Habitat for Humanity Kenya.
- iii. To find out the influence of land ownership on implementation of Housing Microfinance at Habitat for Humanity Kenya.
- iv. To establish the influence of infrastructure on implementation of Housing Microfinance at Habitat for Humanity Kenya.

1.5 Research Questions

The study answered the following Questions:

- i. How do employees' Housing Microfinance skills influence implementation of Housing Microfinance at Habitat for Humanity Kenya?
- ii. How does the procedure for a housing scheme influence implementation of Housing Microfinance at Habitat for Humanity Kenya?

- iii. How is land ownership an influence on implementation of Housing Microfinance at Habitat for Humanity Kenya?
- iv. What is the effect of infrastructure on implementation of Housing Microfinance at Habitat for Humanity Kenya?

1.6 Basic Assumption of the study

The study assumed that the information given by the respondents was in good faith without any bias.

1.7 Significance of the study

The benefits anticipated from this study to various groups are as follows:-

The study may benefit the policy makers, stakeholders, and heads of departments in gaining an understanding of the factors influencing the implementation of Housing Microfinance at Habitat for Humanity Kenya. The study may also help the government as it will give an insight as to why there is low rate of Housing Microfinance implementation by various institutions. The government can also use the findings of the study to formulate policies suitable for the implementation of Housing Microfinance among public institutions. The study is also anticipated to benefit the organizations that are interested in adding Housing Microfinance to their current product lines. It will also benefit the institutions interested in building an operation exclusively around Housing Microfinance. The study will also benefit researchers and learning institutions in suggesting areas of further research. It will form the basis of literature review for further researches. Future researchers may use this study as point of reference in solving future research problems as well as theory development.

1.8 Limitations of the study

The study had anticipated the following limitations:

Duration to conduct the research was anticipated to be limited. Cost of conducting the research was also anticipated to be high since it involved traveling to the areas of study. This however was mitigated by maximizing the available time and having a good budget and working within it.

1.9 Delimitation of the study

This study sought to identify the factors influencing the implementation of Housing Microfinance at Habitat for Humanity Kenya since the organization is at the fore front in Housing Microfinance and also because the researcher had created rapport with the organization and thus accessibility of information was be certain. The study involved all Habitat for Humanity Kenya employees plus all home owners who have benefited from Habitat for Humanity Kenya, Eldama Ravine region (Habitat for Humanity Kenya, 2010). The study involved only clients from Eldama Ravine region since it is the only Habitat for Humanity Kenya region that started purely for Housing Microfinance. All the other regions started with the old affiliate model. The study limited itself to the factors related to employees' levels' of Housing Microfinance skills, housing scheme procedures, land ownership and infrastructure.

1.10 Definitions of Significant Terms Used in the Study

According to this study, the following significant terms have the following meaning:

Collateral:	It is a borrower's pledge of specific property to a lender, to secure repayment of a loan at Habitat for Humanity Kenya.
Employee skills:	Ability of workers to perform required tasks.
Habitat:	Refer to shelter for human beings and things associated with the house.
Habitat for Humanity Kenya:	Is a non-governmental organization involved in helping the poor build homes through housing microfinance.
Housing:	Buildings or other shelters, in which people live, could also involve toilets, washrooms and pit latrines.
Housing Microfinance:	It encompasses financial services that allow poor and low income clients to build their homes through microfinance.

Housing scheme:	The housing product facilities and how they are delivered at Habitat for Humanity Kenya.
Housing scheme procedures:	The process or method to be followed in executing Housing Microfinance at Habitat for Humanity Kenya.
Implementation:	This refers to execution of a project or putting into practice what has been learnt.
Land:	A place where a building can be constructed for the home owner to use.
Land Ownership:	Having the right to use land without fear of eviction.
Microfinance:	Financial service that is provided to unemployed or low-income individuals or groups who would otherwise have no other.
Influence:	This means power to affect a situation or impact on something.
Infrastructure:	The fundamental facilities of a system servicing a place, for example water, electricity and roads.
Skills:	It is the learned ability to carry out a task with pre-determined results often within a given amount of time, energy, or both that is the knowledge and ability to carry out Housing Microfinance..

1.11 Organization of the study

This research project report consists of five chapters. Chapter one describes the background of the study, statement of the problem, purpose and objectives of the study, research questions, assumptions, significance, limitations, delimitations of the study and definition of the significant terms. Chapter two focuses on literature review, Theoretical framework and Conceptual framework. Chapter two has been organized according to the objectives of the study, theoretical framework and conceptual framework at the end. Chapter three presents research methodology used in this study. It includes; research design, target population,

sampling procedures and sample size, data collection instruments, pilot testing of the research instruments, validity of study instruments, reliability of study instruments and data analysis as well as ethical consideration and operationalization of the study variables. Chapter four presents data analysis, presentation, interpretation and discussions. Chapter five presents the summary, conclusions and recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of literature related to the factors influencing the implementation of Housing Microfinance. This section places emphasis on the numerous researches carried out and how such knowledge can be a guiding tool in analyzing the factors influencing implementation of HMF. The literature is reviewed critically by identifying the gaps and also employing lessons to inform the body of knowledge on the factors influencing HMF implementation. A conceptual frame work has also been presented and the literature gaps identified.

2.2 Employees' Housing Microfinance skills and Implementation of Housing Microfinance

Developing countries are characterized by a systematic underinvestment in human capital. This has resulted in a labor force with a skewed distribution of craft skills, career opportunities and work-places experience (Crowell and Cutcheon, 2001). Lack of technical know-how, experience and skilled personnel contributes to the inability to provide quality workmanship. (Ofori, 1991) low levels of technical and managerial skills of contractors are a major problem facing the construction industry particularly in the developing countries. Most organizations are sometimes unable to meet project deadlines making it difficult and sometimes impossible to resolve disputes with clients (Aniekwu and Okpala, 1988). If the MFI decides to include a technical assistance component, CHF International strongly recommends that at least one HILP staff member have formal training as an engineer and/or architect. All other technical staff should have a practical understanding of local construction practices (Daphnis and CHF International, 2004)

2.2.1 Management Skills and Implementation of Housing Microfinance

Lack of effective management during the early stages of a firm is a major cause of business failure. Owners tend to manage their firm themselves as a measure of reducing operation costs (Crowell and Cutcheon, 2001) Poor record keeping is another cause. This could be due to low priority during business startup and or due to lack of basic business management

skills. Most business people therefore end up losing track of their daily transactions and cannot account for their expenses and profits at the end of the month (Wijewardena, 1999). (Myres, 2004) suggested that management expertise is one of the scarcest resources in the construction industry. (Thwala, 2009) citing Holroyd (2003) asserts that success depends on competent skills, adequate resources, proper timing of activity planning and performance, teamwork, effective communication, fair dealing with people, honesty and integrity are essential. They also suggest that skills and knowledge of employees influence to a future adoption of a new concept to a large extent. Implementing a new concept needs skills and knowledge to operate in the organizations and most organizations do not implement because organizations are not familiar with the new concept. Implementing HMF necessitates knowledgeable and skilled employee, lack of such skills may cause delay in HMF implementation.

(Merril and Mesarina, 2007) in their research found out at most MFI's loan officers are responsible for marketing and evaluating both working capital micro enterprise loans and housing microfinance, given that the general characteristics and delivery methods of the loan products are quite similar. However, the two additional steps of the credit evaluation unique to the HMF product that is evaluation of project budget and sketch of proposed home improvements have discouraged active selling of HMF loan officers concerned with meeting productivity goals. MFIs fear adding steps to increase costs to the loan process. At some MFIs, this concern leads managers to set ceilings on volume or on the share of HMF in the overall portfolio with the intent to protect productivity levels of the sales force. Concerns about cannibalization of credit officers' time are common across most MFIs. (Scott and Boaz, 2012), even without such internal policies, loan officers avoid HMF product, because they have greater mastery in the more familiar product within a sales organization structured for multipurpose selling.

2.3 Housing Scheme Procedures and Implementation of Housing Microfinance

(Daphnis et al, 2004) defines Housing Microfinance as any micro financial tool to support investment in the components of housing, including land purchase or access, provision of or improvement to services, full or incremental house construction, renovation or maintenance.. Housing Microfinance encompasses financial services that allow poor and low income clients to finance their habitat needs through microfinance methodologies. It thus entails loans for relatively small amounts but which are larger than general microfinance loans typically from

US \$ 100 to US \$ 5000-US \$ 10,000 based on the clients' capacity to repay. The repayment periods are relatively short in comparison with mortgages but longer for general micro loans, (1-5 years) generally unsecured or sometimes collateral substitutes are used. The property itself is not necessary always used to secure the loan. (Merseland , 2013) says that currently many MFIs offer to finance housing, primarily in the form of short-term home improvement loans. Such loans, whether they are for salaried workers or self-employed people, are well tailored to demand because 'incremental building accounts for 50–90% of residential development in most developing-country cities' (Ferguson and Smets, 2010) gradually, as risk management in MFIs improves and longer-term funding becomes available, we can also expect that MFIs will offer traditional mortgage loans for the purchase of new and used houses.

As clients often apply for home improvement loans in addition to other informal and microfinance loans, it is important to ensure that the home improvement loan does not overburden the client. (CHF International, 2001) recommends that the total debt burden for the family, including the home improvement loan, should not exceed 40% of the household's total monthly income. Starting 2008, Habitat for Humanity Kenya (HFHK) has been implementing a Housing Microfinance (HMF) Program that targets low-income households with Housing Micro-loans to undertake either incremental housing or home improvement. HFHK adopted a modified village bank model as a primary method of operation. In this methodology 10-30 members living in a neighborhood and with a need for improved housing are organized into Self Help Groups (SHGs). These SHGs then hold weekly meetings that involve savings, book keepings and discussions about common issues. The smaller sub-groupings of five members (watano) are formed to enable smooth transactions and develop a feeling of mutual liability. Each sub-group appoints a leader who collects savings and loan payments and deposits with the larger SHG which in turn is led by a chairperson, secretary and a treasurer. All SHGs are legally registered and self-governed entities with a well-defined constitution. The groups are subjected to several orientation sessions for at least eight weeks before loan applications are accepted. Group methodology is a proven approach in microfinance all over the world, particularly in rural contexts. The model fully embraces the concept of "Incremental housing" in which it has been established that low-income housing is not product but a process that is a family builds the house in stages over a period of time. The practicability of this is that it makes it possible for the family to realistically plan for resources and borrow smaller amounts that could be easily paid back in shorter tenors.

HFHK primarily, and rightly so, supports incremental housing through HMF approach. Home improvements are also funded through this model (Habitat for Humanity Kenya, 2010).

2.4 Land Ownership and Implementation of Housing Microfinance and Implementation of Housing Microfinance

Cooperative Housing Finance International (CHFI) defines land security as the right to use a property, the assurance that the user will not be forced to vacate the property, and evidence that this assurance is supported by usual and customary local practices (CHF International, 2005). The creation of appropriate systems of land use administration management and tenure security that facilitate HMF still requires greater work and lobbying across the continent. This includes legislative and policy reform to allow for and even encourage incremental build. Threats to land security kill off any self-build and incremental housing initiatives by households. There have been some gains in removing such threats in countries such as Kenya nevertheless, the need for reform to land administrative systems around the continent to make them more credible, accurate and free from corruption remains. (Ahern, 2009) in Housing Microfinance Feasibility Analysis quotes Ferguson (2004) who argues that widespread legal and land tenure problems are a prerequisite for HMF growth. The preferred form of land security is when the borrower owns the land on which the improvement is to take place and has documented proof of ownership. In cases where ownership is not documented, the minimum threshold should be still that the borrowers have some land security. This may be determined by: A written agreement between the buyer and seller of the land, a long-term rental agreement between the homeowner and government for use of public lands, the number of years during which a family has inhabited a property without paying rent and without due notice from the rightful owner; or payment by the homeowner of taxes to the government. (Daphnis and Tillock , 2005)The operations of WAT-HST in Tanzania have noted that delays in approving the town plan drawings at the municipality level and at the Ministry of Lands, Housing and Human Settlements Development area pose a challenge to getting HMF lending going. Nevertheless, HMF lenders have adopted localized responses that help them manage these regulatory burdens for example negotiations with local authorities for approvals and appropriate standards. Select Africa for example recognizes tribal rights to land. Most dwellers have some form of tenure security to the land they hold and this is where HMF using its flexible lending methodologies and collateral substitutes fits in so well.

(CIVIS, 2003) K-Rep Development has discovered that land security is important than land title thus requiring clients to have legal title excludes too many poor households and given the high cost and uncertain rewards of selling repossessed properties does not actually guarantee the capital at risk. National Cooperative Housing Union has attempted to address the land availability and security issues in addition to providing financing and combining lending program with resettlement. NACHU's experience provides valuable insights into how creative housing finance can overcome obstacles relating to land availability, access to basic services and affordability: Progressive land acquisition and building takes time; need for follow-up construction finance is vital; individual titles are still a challenge and that potential exists for community based finance of basic infrastructure. Land security does not have to mean full legal title. Land security (the degree of confidence that a house hold will not be forcefully be evicted) can be more relevant and available for poor households than legal title deed. Also potential housing lenders can service poor households with secure tenure not based solely on full legal title.

2.4.1 Collateral Requirements.

(Dondo, 1999) observes that those in absolute poverty are always left out of microfinance programs and that microfinance development excludes the hard core poor through the dominant financial systems approach methodology. The economically active poor are the ones who benefit from microfinance. MFIs carefully screen potential consumers to ensure high repayment rates as well as high levels of participation in the programs. Risky clients are screened by the members and the microfinance staff. Those who have no property attached to their name are excluded from the scheme. (Daphnis et al, 2004) note that continued access to Home Improvement Loan Program (HILP) loans provides a powerful repayment incentive, as borrowers often aspire to secure subsequent loans to complete their homes. Nevertheless, CHF International recommends that home improvement loans be secured because the loan sizes are relatively larger than typical microfinance loans. The type of security used should help to ensure prompt and full loan repayment with minimal administrative effort and cost. Prompt repayment and minimization of administrative costs are critical due to the loan size and high cost of technical supervision associated with successful home improvement lending. Based on CHF International's experience, co-signers provide the greatest security at the lowest cost. Typically one to two co-signers are required to guarantee repayment of the full amount of the loan. Co-signers should be held to the same scrutiny as the borrowers in terms

of repayment capacity and total debt burden. Collateral, other than a house, can be an option especially with relatively large loan amounts. The value of the pledged asset should equal the value of the loan. The challenge of using collateral is securing the asset, ensuring the right to seize it should the borrower default, and liquidating the asset to repay the remaining loan balance. Many countries do not have the legal system that supports the use of collateral to secure a loan. The lack of legal regulations can make it difficult to secure and seize collateral offered (Daphnis et al, 2004).

2.5 Infrastructure and Implementation of Housing Microfinance

Infrastructure is important both for economic growth as well as poverty eradication. The World Bank points out that infrastructure are a missing link in the millennium Development Goals (MDGs) and there is only limited direct reference to it. The relationship between healthy housing markets and infrastructure is intimate. The availability of and demand for housing finance depends on matters as diverse as the price of building materials, the availability of land and labor and the availability of infrastructure. Accessible, affordable and well-functioning housing finance system is dependent on the provision of infrastructure for housing. Infrastructure provision forms an important ingredient to housing development and formal housing supply is dependent on the relevant authorities delivering sufficient infrastructure. (Chiquier and Lea, 2009) in most emerging economies, acquiring land and financing land infrastructure remains the toughest and most enduring challenge, and represents a formidable disincentive against the development of formal affordable housing units. Lack of infrastructure means insufficient financeable housing stock and it affects legality of settlements.

2.5.1 Reasons for inadequate infrastructure:

Insufficient finance for infrastructure: Provision of infrastructure for services for example water, sanitation and electricity is a role performed by municipal governments. In recent times however, it is increasingly done by national, regional and municipal owned entities. Local roads are an exception with most municipalities responsible for them. Financing of building and extension of infrastructure (capital expenditure) should be ideally through national grants and subsidies, own revenue resources, borrowing, public-private-partnerships (PPPs), donors and friendly governments while recurrent costs (maintaining and funding, day to day operations) should be ideally be funded through user charges. Increasing demand due

to rapid urbanization: The pressures of rapid urban growth are constantly creating greater demands on infrastructure finance. Most African countries do not have the ability and resources to finance infrastructure, (Kihato, 2012). Increasing responsibilities of local government: Increasing responsibility to local government, often without the requisite revenue raising capabilities hampers them to deliver infrastructure and services. Due to lack of sufficient infrastructure to support housing development, infrastructure to support housing development infrastructure development for housing becomes linked to projects. Housing actors combine housing delivery. This is done by all players in the housing delivery landscape, whether they are involved in, slum upgrading, the private sector or community based organization and housing micro-financiers.

2.5.2 Housing Microfinance and infrastructure

(FinMark Trust, Rooftops Canada and Habitat for Humanity, 2008) recognize that while HMF is not generally associated with lending beyond top structure improvements to individual households, practices are emerging for infrastructure lending as well. This is because HMF can best lead to a quality housing outcome only if the borrower has a basket of services provided for the land on which the building can securely be done without fear of eviction. (Berrisford, 2006) The demand for HMF, together with performance of existing loans, is related to the provision of basic infrastructure. HMF is increasingly dealing with both housing and infrastructure development at the project level. Many organizations involved in or considering HMF have recognized the need to either be directly involved with in other elements of the development process, including land acquisition infrastructure, savings and technical services. Traditional infrastructure delivery methods are sustainable; Project delivered infrastructure is necessary innovation but questionable sustainability. Many countries still retain high building and infrastructure standard, which act as a barrier to HMF for Zimbabwe. (Kihato, 2012) in Rwanda, the city of Kigali has adopted urban densification standards that require all buildings in the inner city core to be a minimum of four storeys. This means that the low income owners are forced to move into the urban periphery where they do incremental building but with added transport cost burden in their new location.

2.6 Theoretical Framework

The researcher adopted **Maslow's hierarchy of Human needs** which is a theory in psychology proposed by Abraham Maslow in his 1943 in his paper "A Theory of Human Motivation" in Psychological Review proposed that a human being has five categories of needs as follows: Physiological needs which are to do with the maintenance of the human body. If one is unwell, then little else matters until he/she recovers. Safety needs are about putting a roof over peoples' heads and keeping them from harm. If people are rich, strong and powerful, or have good friends, they can make themselves safe. Belonging needs introduce our tribal nature. If people are helpful and kind to others they will want them as friends. Esteem needs are for a higher position within a group. If people respect one, he/she shall have greater power. Self-actualization needs mean to 'become what we are capable of becoming', that is one's greatest achievement. The first three categories of needs are regarded as lower level needs while the last two are taken to be higher level needs. Maslow suggests that one has to satisfy a lower level need before a higher level need. (Maslow, 1943) Putting a roof over people's heads (housing) is a lower level need which must be satisfied before a higher level need is taken care of. The poor also need a roof over their heads and this can be met by Housing Microfinance. The research purpose for this study therefore looks at the factors influencing implementation of Housing Microfinance whose aim is to satisfy safety needs of the low income earners.

2.7 Conceptual Framework

This study will make use of various variables. The dependent variable in this study will be the implementation of HMF as it is affected by four key factors thus the influence of employees' level of skills; the procedures for a housing scheme, land ownership and infrastructure. This is best illustrated in fig 1.

INDEPENDENT VARIABLES

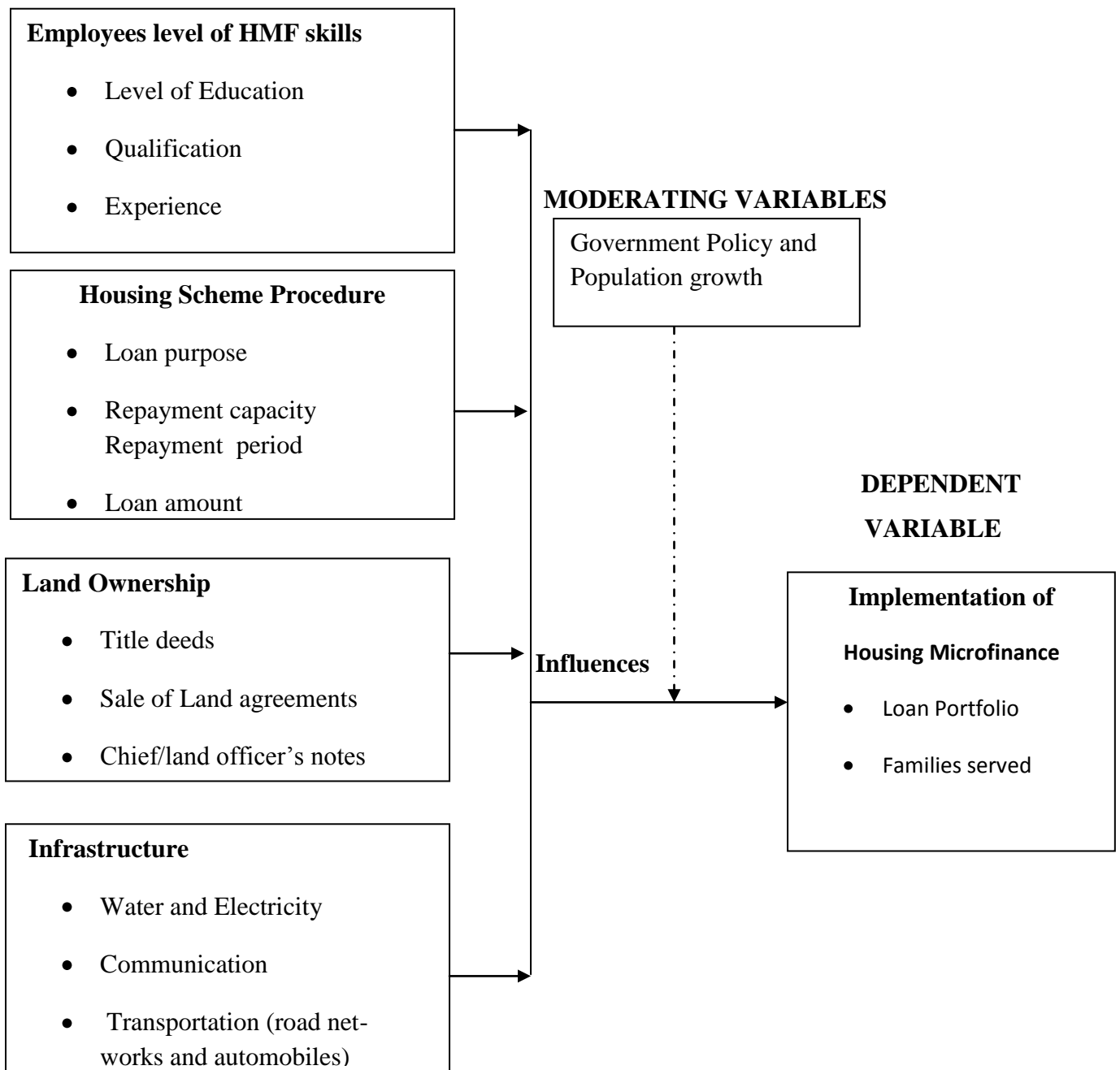


Figure 1: Conceptual Framework

According to (Mugenda, 2003) independent variables are those that cause change in the dependent variable while the dependent variable is one whose outcome depends on manipulating the independent variable.

In this study, the dependent variable was implementation of HMF. It is considered dependent since implementation of HMF system depends on the efficiency of many factors. Several

single factors acting individually have a collective impact on the success of an HMF product. The independent variables in this case were the factors that influence implementation of HMF. Several researchers such as (Daphnis et al, 2004) and (Ferguson and Smets, 2010) have come up with a number of factors that they consider are determinants of HMF implementation. Among these factors are: employee levels' of HMF skills, the procedure for housing scheme, land ownership plus infrastructure among others. These factors are the independent variables whose collective effect will lead to implementation of HMF. The level of employees' skills will affect implementation of HMF at HFHK, land ownership status will also affect implementation of HMF at HFHK since the houses need to be built on owned land, and the housing scheme procedure followed by HFHK will also affect implementation of HMF if the standards are not met. The intervening variables are Government policy and population growth. Favourable Government policies will encourage Housing Microfinance while the unfavourable will discourage the same. Population growth will mean increased demand for housing while population decline will reduce housing demand.

2.8 Knowledge Gap

(Omollo, 2013) did a study on influence of housing loan repayment on household welfare. The study was aimed at determining how loan repayment influences house hold welfare and was carried out at Habitat for Humanity Kenya, Kisii region. (Dondo, 1999) carried out a study on the status of microfinance in Kenya; it was meant to establish the status of microfinance in general and most focus was on working capital microfinance. (Ferguson and Smets, 2010) carried out a study on the current status and prospects for expansion of finance for incremental housing. It was evident from these earlier studies had their focus on HMF products, house hold welfare, the establishment and delivery of HMF plus the state of HMF. They did not specifically look at factors influencing implementation of Housing Microfinance (HMF). By representing an analysis of factors influencing implementation of HMF, this research aimed to contribute to the growing body of knowledge on HMF.

2.9 Summary of Literature Review

The above literature reviewed clearly points out factors influencing implementation of Housing Microfinance. Some of the factors include employee level of skills, housing scheme procedures, land ownership and infrastructure. Employees' skills have been cited to be a factor influencing implementation of any new concept. HMF is a new concept and so the

employees need to have relevant knowledge and ability to execute it has also been cited as a factor. The other factor suggested to affect implementation of HMF is housing scheme procedures, the process or methodology used to provide HMF determines how successful the program will be. Land ownership has also been mentioned to affect implementation of HMF since the HMF institution would not like to see the home owner being evicted at some point. Finally Infrastructure has been highlighted as a factor influencing implementation of HMF. Services as water, electricity, transport network, communication and technology have an influence on implementing HMF. The present study aimed at establishing the factors influencing implementation of Housing Microfinance at Habitat for Humanity Kenya.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology that was used in carrying out the study. It consists of the research design, target population, sampling procedures and sample size, data collection instruments, Validity, Reliability, data analysis and presentation as well as ethical considerations.

3.2 Research Design

The aim of this study was to examine factors influencing implementation of Housing Microfinance at Habitat for Humanity Kenya. The researcher employed a descriptive survey design since it describes the characteristics of a particular group. The descriptive research design enabled the researcher to probe and obtain an in-depth understanding of the subject. The research design was appropriate as detailed analysis of particular issues were required, (Schoenher, 2007). Chaffey, (2004) descriptive survey design describes the existing conditions and attitudes. Descriptive survey was helpful in describing perceptions of various respondents within the company on the factors influencing the implementation of Housing Microfinance.

3.3 Target Population

(Mugenda, 2003) and (Schoenher, 2007) describe a population as the total collection of elements about which one wish to make inferences. The target population refers to the entire group of individuals or objects to which a researcher is interested in generalizing his/her conclusions. Therefore, study population is the accessible population, in which the researcher can apply the conclusions. For this study the target population consisted of all the 29 employees of HFHK as at July, 2014, as shown in Table 3.1.and all 100 active clients (home owners) of HFHK in Eldama Ravine region as at July, 2014 as shown in Table 3.2. The home owners came from all the 10 active groups of HFHK in Eldama Ravine region.

Table 3.1: Target Population (staff)

Department	Number of Staff
Program	20
Finance	4
Human Resource and Administration	2
Management	3
Total	29

Source: Habitat for Humanity: Human Resource Report 2014

Table 3.2 Target Population (home owners)

GROUP NAME	FEMALE	MALE	TOTAL
RIZIKI	4	4	8
KAPSERET	9	0	9
GLORY	6	3	9
KAMPI YA MOTO	5	0	5
BOREI	7	4	11
BLUE GUM	6	4	10
RIVERSIDE	8	5	13
KAPSENETON	5	5	10
KEMELOI	10	6	16
TOTALS	65	35	100

Source: Habitat for Humanity: Mortgage listing Resource Report July, 2014

3.4 Sample Size and Sampling Procedure

The study was a census of Habitat Kenya staff and Habitat Ravine clients.

3.4.1 Sample Size

Since HFHK has few staff that is twenty nine, it was possible to survey the entire population and so all the twenty nine employees of HFHK constituted the sample size. The researcher also involved all the one hundred clients from Eldama Ravine region since it was the only region that was started purely for Housing Microfinance.

3.4.2 Sampling Procedure

Considering the number of employees and clients of HFHK the researcher carried out a census because the number was small and manageable. Therefore the target population was taken as the respondents in this study. Purposive sampling was used. (Tongco, 2007) this is a technique where the researcher chooses to examine the entire population that has a particular set of characteristics. The technique was preferred because the size of the population that has a set of characteristics that the researcher was interested in was very small. If some people were not included in the sample to be investigated, it could be felt that a significant piece of the puzzle was missing. The other reason why the technique was preferred was that the population shared uncommon characteristics.

3.5 Data collection Instruments

A structured questionnaire was administered by the researcher personally to gather primary quantitative data. The two questionnaires meant for staff and clients were both divided into five sections: demographic information, employee skills, HMF scheme procedure, land ownership and infrastructure issues. The Likert scale was preferred as it was able to deal with a large number of items and difficulties in eliciting specific information from the respondents (Singh, 2006).

3.5.1 Pilot testing of the research Instruments

The questionnaire was pre-tested to determine its validity. It was be piloted using the Eldama Ravine HFHK staff and home owners to test for its face validity. Insights that were obtained from the pilot survey were analyzed and used to make adjustments on the questionnaire items.

3.5.2 Validity of the research Instruments

Validity is the accuracy and meaningfulness of inferences, which will be based on the research results. It is the degree to which results obtained from the analysis actually represent the phenomenon under study, (Mugenda, 2003). Validity of the instrument was used to measure the degree to which the items will represent specific areas covered by the study. Validity of the instrument was determined by experts in the field of research who looked at the measuring technique and coverage of objectives covered by the study. The questionnaire was given to professionals in the field of research to critique it and to give suggestion on the necessary areas to change in order to establish the validity of the instrument. The corrections on the identified questions were there after incorporated in the instrument to ensure validity of the research instruments. Validity was ascertained by checking whether the questions were measuring what they were supposed to measure such as the: clarity of the wording and whether the respondents were interpreting all the questions in a similar way, (Sing and Smith, 2005). Validity was therefore established by the researcher by revealing areas causing confusion and ambiguity and this led to reshaping of the questions to be more understandable by the respondents and to gather uniform responses across various respondents.

3.5.3 Reliability of the Research Instruments

(Orodho, 2005) says that reliability of the instrument concerns the degree to which a particular measuring procedure gives similar results over a number of repeated trials. Reliability of the questionnaire items was determined using the test-retest method in which the same respondents in the pilot study were requested to provide information for the second time. The results from the pilot study were compared to check consistency of the results obtained. The results were similar thus the instrument was deemed reliable.

3.6 Data Collection Procedure

The study utilized primary data collection using questionnaires. Questionnaires were administered and followed up closely by a researcher who ensured that the study objectives were met. The respondents were given mutually accepted time limit to submit the questionnaires after completion. The phrases used in questionnaires were simple to be well understood by all respondents.

3.7 Data analysis Techniques

Field data was analyzed using descriptive statistics. The statistical tools of analysis used were: frequencies, percentages, mean and standard deviation. The questionnaire items were coded according to each variable of the study to ensure that the margin of error was minimized and to ensure accuracy during the analysis. The analysis was done with the help of statistical Package for Social Science (SPSS) program.

3.8 Ethical Consideration

To ensure that the research is done in an ethical manner according to the expectations of the authorities, the researcher informed respondents that the instruments being administered are for academic purposes and that the respondent's identity shall be kept confidential.

3.9 Operationalization of Variables

Table 3.3 gives the operational definition of variables in this study. The table has provided the indicators and measurements for independent variables namely: Employees level of HMF skills, Housing Scheme Procedure, Land Ownership and Infrastructure. The indicator and measurement for dependent variable (Implementation of Housing Microfinance) are also given. Both measurement scales and data analysis method used are also highlighted

Table 3.3: Operationalization of Variables

Objective/Research Question	Variable	Indicator	Measurement	Level of measurement	Data collection	Data Analysis
How do employees' Housing Microfinance skills influence implementation of Housing Microfinance at Habitat for Humanity Kenya?	Independent: Influence of Employees' level of skills	-Ability to perform duties -Meeting targets -Trainings	-Number of graduates -Salaries - Number of trainings	Ordinal	Structured Questionnaire	Descriptive: Frequency, Percentages, Mean, Standard Deviation and Variance
	Dependent: Implementation of Housing Microfinance	- Loan Portfolio -Families served	-Portfolio At Risk -Number of families served	Ordinal	Structured Questionnaire	Descriptive: Frequency, Percentages, Mean, Standard Deviation and Variance
How does the procedure for a housing scheme influence implementation of Housing Microfinance	Independent: Influence of Housing scheme	-Recruitment of groups -Training of groups	-Number of groups -Training manuals	Ordinal	Structured Questionnaire	Descriptive: Frequency, Percentages, Mean,

at Habitat for Humanity Kenya?	procedures	-Loaning process -presence of management	-Categories of management Portfolio At Risk			Standard Deviation and Variance
How is land ownership an influence on implementation of Housing Microfinance at Habitat for Humanity Kenya?	Independent: Influence of land ownership	-Title deeds -Sale of Land agreements -Chief/land officer's notes	-Number of people with titles - Number of evictions	Ordinal	Structured Questionnaire	Descriptive: Frequency, Percentages, Mean, Standard Deviation and Variance
What is the effect of infrastructure on implementation of Housing Microfinance at Habitat for Humanity Kenya?	Independent: Influence of infrastructure	-Water tanks, boreholes, piped water, solar panels, electricity connections -Roads -Technology Transportation	-Number of clients with water connection -Accessibility -Number of computers and internet connections	Ordinal	Structured Questionnaire	Descriptive: Frequency, Percentages, Mean, Standard Deviation and Variance

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSIONS

4.1 Introduction

This chapter presents analysis and findings of the study as set out in the research methodology. The results are presented on factors influencing implementation of Housing Microfinance based on the research objectives. The specific areas presented in this section include: questionnaire response rate, gender distribution of the respondents and age of the respondents, level of education as well as findings on the objectives of the study. There were two sets of respondents; Habitat for Humanity staff and home owners. The responses for both are presented starting with Habitat staff followed by home owners.

4.2 Response Rate

The researcher self-administered questionnaires to 29 Habitat for Humanity Kenya staff and 100 Habitat home owners respectively. The respondents were first of all called to confirm their availability in order to administer the questionnaires. Information was obtained from 119 respondents (29 staff and 90 home owners); hence the return rate was 92 percent.

4.3 Demographic characteristics of respondents

Background information of the respondents can influence successful implementation of Housing Microfinance. It was therefore important to study the background of the respondents as gender, age, academic qualification and duration they have worked in Habitat in the case of staff.

4.3.1 Distribution of respondents by gender

Each of the respondents was requested to indicate their gender as one of the key attributes of mapping out respondent's characteristics. The results in Table 4.4 show that female staff respondents dominated the study where they constituted 62% while male constitute 38%.

Table 4.4: Gender of staff Respondents

Gender	Frequency	Percent
Male	11	37.9
Female	18	62.1
Total	29	100.0

From Table 4.4 majority of the respondents (62.1%), were female while 37.9% were male. This shows that HFHK abides with the Affirmative Action as stipulated in the Kenya's Constitution which requires that at least $\frac{1}{3}$ of a public company's employees should be from one gender. The home owners' gender distribution was as shown in Table 4.5.

Table 4.5: Gender of home owner Respondents

Gender	Frequency	Percent
Male	38	42.2
Female	52	57.8
Total	90	100.0

From Table 4.5 majority of home owner respondents (57.8%) were female while 42.2% were male. This shows that HFHK does not discriminate against any gender in their service delivery.

4.3.2 Distribution of staff respondents by level of academic qualification

The staff respondents' feedback on the level of academic qualification attained is as presented in Table 4.6

Table 4.6: Level of Academic Qualification of staff Respondents

Qualification	Frequency	Percent
Diploma	4	13.8
Bachelor degree	20	69.0
Master degree	5	17.2
Total	29	100.0

From Table 4.6 majority of staff respondents were found to be degree holders at 86.2% while 13.8% had diploma qualification. All respondents seemed to understand the importance of reasearch and thus they cooperated well. This is indicative of a fair distribution of skills and qualification levels expected in most organizations.The education level of home owner respondents is presented in Table 4.7

Table 4.7: Level of education of home owner respondents

Statement	Frequency	Percent
Primary	27	30.0
Secondary	45	50.0
College/diploma	18	20.0
Total	90	100.0

From Table 4.7 half of the respondents were secondary education holders (50%), 30% hald primary school education while 20% attained either a diploma or certificate. This shows that the repondents were able to read and write hence were able to participate in the research. The researcher however had to use interpretors to the few who could not understand some questions well.

4.3.3 Distribution of respondents by age groups

The next attribute to be evaluated was the respondents' distribution according to their age and the outcome was as presented in Table 4.7 and Table 4.8 respectably.

Table 4.8: Age bracket of staff respondents

Age Bracket	Frequency	Percent
20-29 years	8	27.6
30-39 years	21	72.4
Total	29	100.0

From Table 4.8 majority of the respondents were aged between 30 and 39 comprising 72.4% of the respondents .27.6% were aged between twenty and twenty nine. None of the respondents was aged above 40 showing a young and vibrant set of employees. Age of HMF implementers is an important factor since the work entails a lot of field work with many follow-ups which may be hard for an ageing population.

Table 4.9 Age of home owner respondents

Age bracket	Frequency	Percent
20 and below	3	3.3
21-30	10	11.1
31-40	40	44.4
41-50	20	22.2
over 50	17	18.9
Total	90	100.0

From Table 4.9 majority of respondents were aged between 31 and 40 suggesting a young generation. This should be due to the fact that the Habitat housing loans are insured and insurance companies insure up to particular age bracket (Habitat for Humanity Kenya, 2010). A young generation also means energetic people who can work to earn income that can be used to pay back loan awarded. As can be verified from the table, only 3 respondents are 20 and below since home owners should be aged above 18 since a loan is a legal agreement in which minors are not allowed to enter. (Habitat for Humanity Kenya, 2010).

4.3.4 Distribution of staff respondents by number years worked

To establish the staff respondents' level of understanding of the Housing Microfinance, they were requested to indicate the number of years they have worked for the organization and their responses were as presented in the Table 4.10.

Table 4.10: Number of Years Worked

Number of years bracket	Frequency	Percent
less than 2 years	2	6.9
2-5 years	22	75.9
6-10 years	4	13.8
more than 10 years	1	3.4
Total	29	100.0

From the Table 4.10, majority of the employees 75.9% have worked between 2 to 5 years, 13.8% have worked for a period between 6-10 years, 6.9% have worked for less than two years while only 3.4% of the respondents has worked for more than 10 years. This shows that at least each staff knows what HMF is all about.

4.4 Influence of Employees' Housing Microfinance Skills on Implementation of Housing Microfinance

The researcher sought to establish the level of skills in Housing Microfinance that the HFHK staff possessed by the time the study was being carried out. Both the employees and beneficiaries of HFHK were asked to give their views. Table 4.11 illustrates the findings from staff respondents.

Table 4.11: Distribution of the staff respondents by the influence of employees' Housing Microfinance skills on implementation of Housing Microfinance

Variable	All field staff have at least diploma in business related course or social science	All Habitat staff have an Idea of Housing Microfinance	Habitat holds regular trainings on Housing Microfinance for the staff	Habitat has at least one construction expert in each region to support technical issues
N	29	29	29	29
Mean	4.34	3.55	2.59	1.66
Standard Deviation	.484	.910	1.452	.897
Variance	.234	.828	2.108	.805

From Table 4.11 it was established that the respondents on average acknowledged that all the field staff had at least a diploma in business studies or social sciences (mean = 4.34). Respondents agreed that all employees had an idea of what Housing Microfinance is all about (mean = 3.55), they were also of the idea that each region needs a construction expert to facilitate implementation of Housing Microfinance (mean = 1.66). In the aforementioned factors, the means were inclined towards 4.00 (agree). On the other hand, the respondents were unsure whether or not Habitat holds regular trainings on Housing Microfinance for staff (mean = 2.59). Majority of the statements returned standard deviations less than 1 which implied that the responses did not range from 'strongly disagree' to 'strongly agree'. From the returned means rating, it implies that employee's levels' of Housing Microfinance skills has a positive influence on the implementation of Housing Microfinance. It is evident from the responses employees need skills to implement HMF. This not only refers to academic qualification but also experience and training on HMF specifically. (Merril and Mesarina, 2007) outline that Lack of awareness of how to implement housing loan products is a barrier to implementation of HMF. Table 4.12 presents home owner responses on competence of Habitat staff.

Table 4.12: Home owner responses on Competency of HFHK staffs

Statement	Frequency	Percent
Fairly competent	3	3.3
Competent	75	83.3
Very competent	12	13.3
Total	90	100.0

From Table 4.12 majority of respondents (83.3%) said that HFHK staffs were competent, 13.3% said that HFHK staffs were very competent while only 3.3% said that HFHK staffs were fairly competent. This shows that the housing program works where staffs are competent in what they are implementing.

4.5 Influence of Housing Scheme Procedure on Implementation of Housing Microfinance

The researcher examined the influence of housing scheme procedure on implementation of Housing Microfinance. The items which were examined here are mortgage collection methods, procedure and practices, bases of screening clients, housing product features as well as Managerial performance.

4.5.1 Mortgage Collection Methods

This was an important factor because if money given out is not recovered then the organization will end up closing doors.

Table 4.13: Distribution of the staff respondents by the influence of loan collection methods on implementation of Housing Microfinance

Variable	Letters accelerates mortgage collection	Group pressure accelerates mortgage collection	Telephone accelerates mortgage collection	Personal visits accelerates mortgage collection	Legal actions accelerates mortgage collection	pressing for early accelerates mortgage collection
N	29	29	29		29	29
Mean	1.79	4.31	2.86	3.69	2.72	2.79
Standard deviation	.978	.660	.743	.850	.996	.774
Variance	.956	.436	.552	.722	.993	.599

From the Table 4.13, most respondents suggested that group pressure accelerates mortgage collection (mean = 4.31%), respondents agreed that personal visits, telephoning, pressing for early payments as well as legal actions also accelerate mortgage collection. The mean on those factors is inclined to 3 implying (effective). Letters were said to be least effective in accelerating mortgage collection. Standard deviation is less than one in all the methods implying that there were no extreme responses ranging from ‘least effective’ to ‘very effective’. The means show that most of the methods need to be employed depending on circumstances to accelerate mortgage collection. This study finding of group pressure however, is supported by (Omollo, 2013) who quoted Ghatak 1999 that group lending mechanisms enhances loan repayment since the members are given loans in group of five people. Failure by any group member to repay the loan, all the other members are liable to that loan amount.

Table 4.14 Distribution of home owner respondents on defaulted mortgage collection methods

Statement	Frequency	Percent
demand notice	4	4.4
group paid	68	75.6
home visit	16	17.8
repossession	2	2.2
Total	90	100.0

From Table 4.14 majority of respondents said that group pressure was the most efficient method of collecting defaulted payments. This agrees with what CHFI proposes in their book (CHF International, 2001). Group members are the easiest to reach to pay a defaulted loan compared to the other methods though they also work in some circumstances. 17% suggested that home visits were made for them to clear arrears while 4.45 said they were served with a demand notice. Repossession of home owner pledged items to recover loan defaulted is the least used methods according to responses as it garnered 2.2 %. This agrees with what Daphnis and Kimberly say in their book a Guide to Housing Microfinance (Daphnis and Tilock , 2005) that collateral are hard to seize since most countries do not have legal protection on seizing collateral.

4.5.2 Influence of Procedure and Practices on Implementation of Housing Microfinance

This was an important factor because if the procedure is not up to standards then the program may fail to scale up. Staff respondents were asked to indicate their level of agreement on various practices as shown in table 4.15.

Table 4.15: Distribution of the staff respondents by the influence of procedure and practices on implementation of Housing Microfinance

Statement	N	Mean	Min	Max	Standard Deviation
The Government of Kenya is aware of Habitat for Humanity operations	29	3.86	3	5	.743
Economic analysis of all clients is done before recruitment	29	3.79	2	5	.902
All clients should have some collateral for the loan before they are recruited	29	3.93	2	5	.906
All clients undergo training on recommended topics	29	3.97	2	5	.944
Members live within a radius of 5km	29	3.66	2	5	1.010
Group and officer visit homes before funding	29	3.97	3	5	.906
Clients pay required fee before funding	29	4.55	3	5	.572
Clients read and fill loan forms with the officer	29	3.90	2	5	.772
Members and officer must attend meetings	29	3.97	2	5	.944
Members co-guarantee each other	29	4.28	2	5	.649
Officer and group follow up on construction	29	3.93	2	5	.884
Default not tolerated	29	3.97	3	5	.906

From Table 4.15 it was established that most of the respondents agreed that the said practices are carried out at Habitat for Humanity Kenya, the mean is inclined to 4 (agree). There were extreme responses on the statement that members live within a radius of 5 kilometers ranging from strongly disagree to strongly agree, thus the standard deviation is greater than one (1.010). In all the other practices the standard deviation is less than one implying that responses were not spread throughout the Likert scale. Most respondents therefore regard these practices as important in implementation of Housing Microfinance.

4.5.3 Influence of client screening bases on implementation of Housing Microfinance

This was necessary because the institution should not just lend by emotions but through thorough screening of clients to ensure that services reach the intended population who are eligible and credible. Housing Microfinance is for the poor who are economically active and they must be established before funding them. Various variables were looked at as shown in table 4.15.

Table 4.16: Distribution of staff respondents on the influence of bases of client screening on implementation of Housing Microfinance

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Age	29	1	5	3.34	.974
Sex	29	1	4	1.93	.884
Marital Status	29	1	5	1.83	1.071
Income Level	29	2	5	3.72	.996
Educational status	29	1	5	2.03	.944
Land Ownership	29	2	5	4.21	.675
Economic Activity	29	3	5	4.14	.833
Assets	29	2	5	3.90	1.175
Number of dependents	29	1	5	2.66	1.143

From table 4.16 it was established that sex and marital status are least important in screening clients for funding as they have means of 1.93 and 1.83 respectively. Number of dependents and education were seen to be fairly important with means of 2.66 and 2.03 respectively. Age, income level and assets were established to be important in client screening and their means were 3.34, 3.72 and 3.90 respectively. Land ownership and economic activity were seen to be very important in screening clients before funding. This is because the home owner needs land where the housing product will be put without fear of eviction. The home owner will also need an economic activity from which he or she will earn so as to pay back the loan. Majority of the responses returned standard deviation of less than one implying that responses were not spread throughout while a few like assets, marital status and number of dependents had standard deviation greater than one implying that responses ranged from ‘least important’ to ‘most important’.

4.5.4 Influence of Product features on implementation of Housing Microfinance

The researcher sought to examine product features of housing microfinance to see if it was influencing implementation of Housing Microfinance. The respondents were asked to rate their level of satisfaction on the product features and the responses were as shown in table 4.17 and Table 4.18.

Table 4.17: Distribution of respondents by the influence of product features on implementation of Housing Microfinance

Variable	LOAN SIZE				REPAYMENT PERIOD				INCOME LEVEL				INTEREST			
	HOME OWNER		STAFF		HOME OWNER		STAFF		HOME OWNER		STAFF		HOME OWNER		STAFF	
	F	%	F	%	F	%	F	%	F	%	F	%	F	%	F	%
Least satisfied	70	77.8	2	6.9	4	4.4	15	51.7					3	3.3	1	3.4
Fairly satisfied	10	11.1	14	48.3	20	22.2	0				13	44.8			3	10.3
Satisfied	10	11.1	13	44.8	60	66.7	11	37.9	90	100	11	37	87	96.7	20	69
Very satisfied					6	6.7	3	10.3			3	10.3			3	10.3
Most satisfied											2	6.9			3	6.9
Totals	90	100	29	100	90	100	29	100	90	100	29	100	90	100	29	100

Key: F=Frequency %=Percentage

From Table 4.17 0% of staff respondents were very/most satisfied by the size loan given by Habitat for Humanity Kenya, 6.9 were least satisfied, 48.3 % were fairly satisfied while 44.8% were satisfied. Most respondents suggested that considering the economic status of the country, the size of loan given does very little especially on incremental building. As far as repayment

period is concern, 51.7% were least satisfied, 37.9% satisfied and 10.3% very satisfied while none was most satisfied. The majority were therefore least satisfied. The income level considered portrayed 44.8% as fairly satisfied, 37% satisfied, this variable seemed to be doing well 10.3% very satisfied and 6.9% most satisfied. The interest charged variable showed that 10.3% were fairly satisfied, 69.0% satisfied, 10.3% very satisfied and 6.9 most satisfied. This variable also seemed to be doing well. On the other hand majority of home owners were least satisfied (78.8%) by size of loan, 11.1% were fairly satisfied and a similar percent satisfied. On repayment period majority of home owner respondents were satisfied (66.7%), 6.7% very satisfied, 4.4% least satisfied and 22.2% fairly satisfied. All home owner respondents were satisfied with the income level considered for one to qualify for HFHK services. 96.7% of home owner respondents were satisfied with the interest charged and only 3.3% were least satisfied. This shows that HFHK charges a fair interest on their housing loans. Most of the variables considered had similar results from both respondents.

4.5.5 Influence of effective Managerial Performance on Implementation of Housing Microfinance

Respondents were asked to rate recent managerial performance of Habitat for Humanity Kenya. All the managers were involved in the study that is, the Program manager, the Finance manager and the National Director. The three responded as shown in table 4.18.

Table 4.18: Distribution of respondents by the influence of effective Managerial Performance on Implementation of Housing Microfinance

Variables	Performance	Frequency	Percentage (%)
Planning	Average	2	66.7
	High	1	33.3
	Total	3	100.0
Investigating	Average	1	33.3
	High	2	66.7
	Total	3	100.0
Coordinating	Low	1	33.3
	Average	1	33.3
	High	1	33.3
	Total	3	100.0
Evaluation	Low	1	33.3
	Average	2	66.7
	Total	3	100.0
Supervising	Low	1	33.3
	Average	1	33.3
	High	1	33.3
	Total	3	100.0
Staffing	Low	1	33.3
	High	2	66.7
	Total	3	100.0

From Table 4.18, 66.7% of the respondents rated the planning and investigating performance as average while 33.3% rated them high. Coordination and supervision ratings portrayed evenly from low, average and high respectively that is each with 33.3%. This shows that each manager had a different opinion from low to high. On evaluation, 33.3% rated it as low while 66.7% rated it as average. Finally under recruitment, 33.3% rated it low whereas 66.7 rated it as high.

4.6 Influence of Land Ownership on Implementation of Housing Microfinance

Respondents were asked to rate their level of agreement with land ownership issues at Habitat for Humanity Kenya. They came up with the responses shown in table 4.13

Table 4.19: Distribution of staff respondents on land ownership issue

Statement	N	Minimum	Maximum	Mean	Std. Deviation
All HFHK clients have title deeds	29	1	5	2.45	1.055
Most clients lack title deeds	29	1	5	3.21	1.207
Most clients with title deeds have access to the documents	29	2	5	3.31	.967
Most clients use alternative land ownership documents	29	3	5	3.86	.789
HFHK is unable to fund some clients because they lack land title deeds	29	1	5	2.83	1.284
Clients who lack title deeds often default	29	1	3	2.14	.833

From Table 4.19 it was established that most clients use alternative documents of land ownership (mean =3.86) and that those who lack titles do not necessarily default since majority of the respondents disagreed (mean =2.14). It was also established that HFHK is able to fund those who lack titles as long as they prove to own land. Also, it came out that have a title to land does not necessarily mean one will have access to it. Many times the title is kept by one of the family members who may not be present or may refuse to produce it when needed. The means are inclined to 3 (neutral) implying that most respondents were not certain about the issue. Standard deviations returned half is greater than one and the other half less than one. Where it is more than one, it shows that the responses were spread from ‘strongly disagree’ to ‘strongly agree’. Where the standard deviation is less than one, it shows that the responses were not spread throughout

the Likert scale. Home owner respondents had their responses as presented in Table 4.20 and 4.21.

Table 4.20: Home owner responses on title deed possession

Statement	Frequency	Percent
Yes	37	41.1
No	53	58.9
Total	90	100.0

From Table 4.20 58.9% of home owners did not have a title deed yet they had a loan from HFHK. They were asked to indicate alternative forms of land ownership available to them to access housing loans presented in Table 4.21.

Table 4.21 Home owner responses on alternative land ownership proof

Statement	Frequency	Percent
sale agreement	3	3.3
chief/land officer's note	78	86.7
Letter of allotment	9	10.0
Total	90	100.0

From Table 4.21 chief/land officer's note were the most common alternative forms of land ownership proof with 86.7%. This implied that most clients lived on family land and the chief/land officer could easily recommend them for housing loans. This is in agreement with what (CIVIS, 2003) that suggests that many people are left out of housing microfinance because of lack of title to their land.

4.7 Influence of Infrastructure on Implementation of Housing Microfinance

The researcher sought to find out if infrastructure influences implementation of Housing Microfinance. The respondents were asked to rate their level of agreement on particular infrastructural issues and the responses are outlined in Table 4.22; 4.23; 4.24 and 4.25.

Table 4.22: Distribution of staff respondents on influence of infrastructure on implementation of Housing Microfinance.

Variable	N	Mean	Minimum	Maximum	Standard deviation
All Habitat clients live in accessible places	29	2.52	1	4	.986
Habitat facilitates staff to reach clients effectively	29	3.09	1	5	1.602
All Habitat offices are well equipped	29	2.93	1	5	1.534
All Habitat clients have access to basic services	29	2.07	1	4	1.193
Communicating with colleagues and clients by Habitat staff is not a problem	29	3.41	2	5	1.119

From Table 4.22 most respondents disagreed with the statement that all clients live in accessible places (mean = 2.52) but agreed that Habitat facilitates staff to reach clients effectively (mean= 3.09), that Habitat has well equipped offices (mean = 2.93) and that communication is not a problem (mean = 3.41). Most respondents also disagreed with the statement that all Habitat clients have access to basic services (mean = 2.07). Home owner responses are presented on Table 4.23.

Table 4.23: Home owner responses on good roads to their homes

Statement	Frequency	Percent
Disagree	12	13.3
Neutral	10	11.1
Agree	58	64.4
strongly agree	10	11.1
Total	90	100.0

From Table 4.23 64.4% home owners agreed that roads to their homes are good, 11.1% were neutral about the issue and a similar number strongly agreed while 13.3% disagreed. The fact is that at least there are some home owners whose homes are inaccessible yet HFHK has been able to reach them with their housing loans.

Table 4.24: Home owner responses on accessibility to water, electricity and solar

Statement	Frequency	Percent
strongly disagree	60	66.7
Neutral	10	11.1
Agree	20	22.2
Total	90	100.0

From Table 4.24 majority (66.7%) strongly disagreed with the fact that they have access to water, electricity and or solar installation. 22.2% agreed while 11.1% were neutral about the issue. Indeed HFHK was giving those who lacked the basic services as home improvement products (Habitat for Humanity Kenya, 2010) such as water tanks, electric and or solar connections.

Table 4.25: Home owner responses on communication with Habitat staff

Statement	Frequency	Percent
Neutral	5	5.6
Agree	80	88.9
strongly agree	5	5.6
Total	90	100.0

From Table 4.25 majority of home owners 88.9% agreed that they easily communicate with HFHK whenever they want. This has helped HFHK serve them better both with housing loans, trainings and or technical advice.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides the summary of the findings, the conclusions and recommendations of the study based on the objectives of the study. The specific objectives of this study were: to determine the influence of employees' level of Housing Microfinance skills on implementation of Housing Microfinance at Habitat for Humanity Kenya, to examine how housing scheme procedures influence implementation of Housing Microfinance at Habitat for Humanity Kenya, to explore the influence of land ownership in implementation of Housing Microfinance at Habitat for Humanity Kenya and to investigate how infrastructure influences implementation of Housing Microfinance at Habitat for Humanity Kenya.

5.2 Summary of findings

From the analysis of all the responses received, the researcher noted the following key findings. Firstly, from the respondents' general characteristics, most of them were female and majority were between 30-39 and with working experience of between 2-5 years. To support the authenticity of the findings, most of the staff respondents (86.2%) were degree holders and the home owner respondents were also educated at least to the level of being able to read and write. It came out that implementation of Housing Microfinance is influenced by; employees' level of HMF skills, housing scheme procedure, land ownership and infrastructure.

5.2.1 Employees Level of Skills on implementation of Housing Microfinance

Employees' skills were noted to be a factor influencing implementation of Housing Microfinance. Most staff respondents agreed that those implementing the program have at least a diploma in Business studies or Social sciences; they need to understand what HMF is all about through regular trainings to catch up with the changing needs. It was however noted that Habitat

lacks construction experts who are necessary for HMF practice. Home owners responded that HFHK had competent staff.

5.2.2 Housing Scheme Procedures on Implementation on Housing Microfinance

The factors that came out under this included; loan collection methods, HMF practices, client screening as well as product features. On loan collection, group pressure came outstanding as the most effective method considering the responses though all the other methods do work depending on circumstances. Group pressure method is supported by (CHF International, 2005). Under general practices, it was noted that training of clients was key as well as following each and every procedure in carrying out HMF practice. Looking at client screening, it was established that the most important variables to look at were; land ownership, economic activity and income level of prospective clients. Land ownership proof was deemed important as it ensures that the home owner will not be evicted later on. The prospective home owner will need to repay loan and this can be only be possible if he/she has an economic activity. The income level is also essential since, each organization has a target market and if care is not taken they could serve unintended segment. HMF involves the poor who are economically active, those excluded from formal mortgage institutions and further the income will be used to calculate the debt service ratio of a client. The client should not commit more than 40% of his/her average monthly income as supported by (CHF International, 2005). Under product features, it was established that majority of respondents were least satisfied by loan size and repayment period while they were satisfied by interest rate charged and the income level considered. Management performance was found to be effective in planning, investigating, evaluation and staffing while there were major concerns on coordination and supervision since majority of respondents felt that it was low.

5.2.3 Land Ownership on Implementation of Housing Microfinance

It was established that majority of clients did not have title deeds but they were having alternative documents like land officer's note, sale of land agreement or allotment letter to prove ownership of land. Others had a signed note from local administration to prove that they hail from a particular location and that they hold particular size of land. Those who were lucky to have title deeds many at times were not in possession of the document since it was family land. It

was also established that HFHK does not have a problem lending to people with no titles as long as they can prove to own the said land and that those lacking titles do not always default.

5.2.4 Infrastructure on Implementation of Housing Microfinance

Majority of staff respondents disagreed with the statement that all HFHK clients live in accessible places, some of the clients live in very poor terrains but they need the HMF product. However, they agreed that HFHK facilitates staff to reach clients effectively. There are those who disagreed with this and said that HFHK needs to purchase field pickups and motorbikes for movement to be reliable. Majority agreed that HFHK has well equipped offices, those who disagreed mentioned that the offices lack enough computers and reliable internet connectivity as well as fire extinguishers. They however (both sets of respondents) agreed that communication is not a problem in HFHK whether with colleagues or with clients. Most respondents also disagreed with the statement that all clients have access to basic services like water, electricity and solar. Indeed where these services are lacking, the organization provides them as home improvement loan.

5.3 Conclusions of the study

This study sought to examine factors influencing implementation of Housing Microfinance at Habitat for Humanity Kenya. The research findings show that employees need relevant skills to implement HMF. The study also found out that there are set guidelines that need to be followed when an institution is implementing HMF, this should be followed for the program to be executed. It also emerged that land security does not have to mean full legal title. Land security was found to be the confidence that a household will not be forcefully evicted. This can be more relevant and available to the poor households than title deeds. The other issue which was established is that collaterals are not the most secure guarantee when financing the housing need of poor households given the instability of their incomes and weak resale market prices for repossessed properties and liquidity risks of longer term loans. Group co-guarantee however, was seen to be more effective security. The other thing which emerged from the study is that the target market for HMF lives in places which are not accessible and therefore the organization needs to find means of reaching them. Finally there arose from the research findings that serious demand assessment and planning for scaling up HMF requires further analysis of the market sub-

segments among the economically active poor so that the scope and nature of potential demand is better understood.

5.4 Recommendations to Habitat for Humanity Kenya.

From the research findings the researcher suggested the following to HFHK:

1. The researcher recommended that all employees should be trained on HMF and regular trainings given to the program people on the emerging issues on the HMF subject.
2. Though internet was not a major determinant of successful implementation of HMF, it should be upgraded by ensuring various transactions taking place online and the data associated with HMF are encrypted.
3. The researcher also suggested that the organization should provide the program staff with automobiles like pick-ups and or motorbikes for easy movement in the field.
4. The other area of improvement from the research findings is a suggestion that the institution should understand clients' needs; they are the ones who know how and where they want to live. Help them build where they want to build.
5. The loan size can also be revised upwards depending on availability of capital since it was established that the amounts given are small to some clients who could afford to take more.
6. Finally the institution should come up with HMF product for the urban poor and consider introducing individual loans.

5.5 Recommendations for further study

Taking the limitations and delimitation of the study, the researcher makes the following recommendations for future study;

1. A study should be carried out on the state of Housing Microfinance in Kenya.
2. A study should be carried out to determine the reasons why there is a high rate of employee turnover in Microfinance Institutions in Developing countries.
3. A study should also be carried out to establish the influence of Housing Microfinance on Donor effectiveness.

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APPENDICES

APPENDIX I: INTRODUCTORY LETTER TO THE RESPONDENTS

Rose Bwari Omango,

University of Nairobi

P.O. Box 2252-00100,

Nairobi.

roseomango@yahoo.com

0711493857

Dear Respondent,

RE: **Factors Influencing Implementation of Housing Microfinance at Habitat for Humanity Kenya.**

I am a postgraduate student in the department of Extra-Mural Studies Project Planning and Management, University of Nairobi. I am carrying out a research on factors influencing implementation of Housing Microfinance using Habitat for Humanity Kenya as a case study.

You have been selected to be a participant in the study and your co-operation will be highly appreciated. It is important to the success of this study that you give your genuine opinion about the organization's Housing Microfinance Practices and its challenges. Data collected from the study will not be used for any commercial activities and all information will be treated in strictest confidence and will only be used for academic purposes.

Your cooperation by answering questions raised in the attached questionnaire will be viewed as the most important contribution to support the study of Housing Microfinance in NGOs and Microfinance Institutions.

Thanks.

Yours faithfully,

Rose Bwari Omango

APPENDIX II: QUESTIONNAIRE TO BE FILLED BY HABITAT STAFF

PART A: DEMOGRAPHIC INFORMATION

Tick [✓] where appropriate.

1 What is your gender?

Male [] Female []

2 What is your HIGHEST level of academic qualification or nearest equivalent?

Secondary [] Certificate []

Diploma [] Bachelor degree []

Master degree [] PHD []

3 How old are you?

20 - 29 Years [] 30 – 39 Years []

40 – 49 Years [] 50 Years& over []

4. How long have you been working with Habitat for Humanity Kenya?

Less than 2 years [] 2 – 5 years []

6 – 10 years [] More than 10 years []

PART B: EMPLOYEE HOUSING MICROFINANCE SKILLS

I. Please rate on the 5-point Likert scale your level of agreement with the following by ticking where appropriate [✓]:

Statement	Strongly disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly agree 5
All field staff have at least diploma in business related course or social science.					
All staff have an idea of what Housing Microfinance is all about					
Habitat holds regular trainings on Housing Microfinance for the staff					
Habitat has at least one Construction Expert in each region to support on technical issues					

PART C: HOUSING SCHEME PROCEDURE

- II. Please rate on the 5-point Likert scale by ticking [✓] your level of agreement on the effectiveness of the following techniques as used to accelerate mortgage collection.

Statement	Least effective 1	Fairly effective 2	Effective 3	Very Effective 4	Most effective 5
Letters					
Group pressure					
Telephone					
Personal Visits					
Legal Actions					
Pressing for early payments					

- III. Please rate your level of agreement with the following Procedure and practices as carried out at Habitat for Humanity Kenya. (Please tick [✓] where appropriate).

Statement	Strongly disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly agree 5
The Government of Kenya is aware of Habitat for Humanity Operations.					
Economic Analysis of all clients is done before they are recruited.					
All clients should have some collateral for the loan before they are recruited.					
All clients undergo training on topics as: Meeting procedure, Record keeping, Leadership, Group Dynamics, and Savings. Leadership, Constitution making, 5Cs of					

microfinance and Loan Management) before funding them.					
All group members know each other and at least live within a radius of 5kilometres from each other.					
Group members as well as the Habitat Officer visit the prospective home owners before funding them.					
Clients pay all the required fee before funding them					
Clients read and fill loan forms with the help of the officer after assessment.					
All group members and the officer must attend all group meetings unless it is unavoidable.					
All group members co-guarantee each other.					
The officer and the group follow-up on construction of the house the loan subject.					
Default is not tolerated and when it happens, follow-up is done immediately to recover the loan(s).					

IV. Please rate your level of agreement with the following bases of screening clients for funding at Habitat for Humanity Kenya? (Please tick [✓] where appropriate).

Statement	Least Important 1	Fairly Important 2	Important 3	Very Important 4	Most Important 5
Age					
Gender					
Marital Status					
Income Level					
Educational Status					
Land Ownership					
Economic Activity					
Assets/Collateral					
Number of dependents					

V. Please rate your level of satisfaction with the following Housing Microfinance Practices as carried out by Habitat for Humanity Kenya. (Please tick [✓] where appropriate).

Statement	Least satisfied 1	Fairly satisfied 2	Satisfied 3	Very satisfied 4	Most satisfied 5
Size of loan awarded					
The payment period					
The income level of clients is considered					
The interest rate charged					

explaining work rules to subordinates; assigning work and handling complaints					
Staffing: Maintaining the work force of your organization; recruiting, interviewing and selecting new employees; placing, promoting and transferring employee					

SECTION D: LAND OWNERSHIP

I. Please rate your level of agreement with the following land ownership at Habitat for Humanity Kenya? (Please tick [✓] where appropriate).

Statement	Strongly disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly agree 5
All Habitat Clients have title deeds to their lands					
Most clients lack title deeds					
Most clients with title deeds have access to the documents and can produce a copy when needed					
Most clients use alternative land ownership documents (e.g. Letter of allotment; sale agreement)					
You are not able to fund some clients because they lack land title deeds					
The clients who lack title deeds often default					

SECTION E: INFRASTRUCTURE

I. Please rate your level of agreement with the following infrastructural issues at Habitat for Humanity Kenya? (Please tick [✓] where appropriate).

Statement	Strongly disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly agree 5
All Habitat Clients have live in accessible places					
Habitat facilitates staff to reach clients effectively					
Habitat has well equipped offices in all the regions (computers, furniture, kitchen ware etc)					
All Habitat clients have access to basic services like water and electricity or solar.					
Communicating with colleagues and clients by Habitat staff is not a problem.					

APPENDIX III: QUESTIONNAIRE TO BE FILLED BY HABITAT HOME OWNERS

Instructions to the Respondent

Please indicate the correct option by putting a tick [] against one of the given multiple Choices.

SECTION ONE: General Information

1. Indicate your Gender.

Male []

Female []

2. Kindly indicate your age bracket.

20 Years and Below [] 21-30 Years []

31-40 Years [] 41-50 Years []

Over 50 Years []

3. What is your level of education?

Prim3ry education [] Secondary []

College level/ Diploma [] Graduate [] Any other []

SECTION TWO: Influence of employee skills on implementation of Housing Microfinance

4. How do you rate the Habitat officers who work with you in the housing project?

Incompetent [] Fairly Competent [] Competent [] Very Competent []

Most Competent []

SECTION THREE: Influence of Housing Scheme procedure on implementation of Housing Microfinance

4. Please rate on a 5 point Likert scale your level of satisfaction with the following Housing Microfinance Practices as carried out by Habitat for Humanity Kenya. (Please tick [] where appropriate).

Statement	Least satisfied 1	Fairly satisfied 2	Satisfied 3	Very satisfied 4	Most satisfied 5
Size of loan awarded					
The payment period					
The income level considered					
The interest rate charged					

6. If a member of your group is not able to repay his/her Habitat loan because of one reason or the other, what does Habitat normally do?

Give a demand notice [] The Group pays and pressured the client to pay back []

Visits defaulter's home and demand full payment [] Repossess and sell defaulters items []

Any other.....

SECTION FOUR: Influence of land ownership on implementation of Housing Microfinance

7. Do you have a title deed?

Yes [] No []

8. What alternative proof do you normally present to Habitat for them to Loan you?

Sale of Land agreement [] Taxation receipts [] Chief/ Land Officers note []

Letter of allotment [] Any other.....

SECTION FIVE: Influence of infrastructure on implementation of Housing Microfinance

9. Please rate on a 5 point Likert scale your level of agreement with the following infrastructural facts (Please tick [✓] where appropriate).

Statement	Strongly disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly agree 5
The road to your home is in good condition and automobiles are available and affordable.					
You have access to water and electricity or solar installation					
It is easy for you to communicate with Habitat staff whenever you want					