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Social-Economic Characteristics of Low Income Groups in Urban Areas in relation to their Housing Demand

by

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1. INTRODUCTION

There is a continued expansion of uncontrolled settlements in all urban centres in Kenya. Estimates of new housing development in Nairobi in 1975 indicate that around 75% of this was private, unauthorized development.[1] In other towns, in Kenya, both large and small, a similar expansion of unauthorized housing construction seems to take place.

This development is clear evidence that there exists a discrepancy between the official supply of housing and the effective demand of the population. This discrepancy is most pronounced for the low-income group, who form the large majority of the inhabitants of the uncontrolled urban settlements.

A housing strategy appropriate for the low-income groups has to be based on certain generalization concerning income distribution, household size and - composition of the target population, the affordable part of the income to be spent on housing, people's preferences for buying or renting a house and their willingness to assist in the construction. All these factors contribute to the effective demand of housing for the target group.

The urban housing programme for the low-income groups, as outlined by the Government in the Development Plan and the Planning Guidelines,[2] is based on certain facts and assumptions concerning the over-all housing need (i.e. the total requirement for shelter) and the specific demand within the low-income group. The most important of these are:

- An estimate of the total quantity of housing units required,[3] based on population projections for urban centres;

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1 Nairobi City Council, Research Devision, Town Planning Section, 1976, Population, Housing and Employment in Nairobi, 1975.

2 Development Plan, 1974-1978, Republic of Kenya, Government Printer, Nairobi.

Ministry of Housing, 1974, Planning Guidelines for the Government Housing Programme 1974-1978.

3 Ministry of Housing, Economic Planning Section, 1974, Urban Housing Needs in Kenya.

- A minimum standard of two rooms and a kitchen per household, constructed in permanent materials;

- A maximum occupancy rate of 5 persons per housing unit (i.e., 2.5 persons per room). This is based on an average household size in urban areas of 4.5 to 6 persons, and assuming a stable family unit of husband, wife and children;

- An estimate of the income distribution in urban centres, based on official wage-employment figures;[3]

- An affordable expenditure on housing of 20% of the household income (in the previous plan-period this figure was 25%).

Within the restrictions of financial and manpower resources, the projected housing need has been translated into a housing strategy based on the central principle of promotion of house ownership.

- For the income group between KShs.300/- and KShs.1200/- per month the minimum form of accommodation is the "Site and Service" housing. A total of 40,000 Site and Service plots were projected for the present plan period, at an average cost of K£530[4];

- For the part of the population with a monthly income below KShs.300/- (estimated at 47%) the proposed options are to provide rooms for subletting in Site and Service schemes, or to provide them with land where they can construct their own house.[5]

In order to gain a better understanding of the factors responsible for the discrepancy between supply and demand, I intend to investigate some socio-economic variables that influence the nature of the housing demand for the low-income group.

In recent years, a number of extensive studies have been carried out in the major urban centres in Kenya, including the recent study of Low-Cost Housing and Squatter Upgrading for the Ministry of Housing and Social Services and the World Bank. However important these studies are in providing much needed basic information on the most problematic housing areas, their scope is such that it is difficult to find the detailed information required for a careful analysis. My own research of the

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4 G.M. Matheka, 1976, Low Cost Housing in the Kenya Context. Paper delivered at the Third African Conference on Housing.

5. Ministry of Housing, Planning Guidelines, ibid.

last few years has concentrated on low-rent districts in smaller towns in Kenya, namely, Machakos, Murang'a, Kericho and Kakamega; in each town detailed surveys were carried out in the traditional informal housing areas (majengo) and in one other low-cost housing area (either a formal, privately developed scheme, or tenant purchase scheme or a rental scheme). The surveys generally covered 15-30% of the total population of these towns. The range of income of tenant heads of household varied from less than KShs.100/- to about KShs.1500/- per month, the majority (80-90%) having a monthly income below KShs.500/-.

The question arises whether the population of these low-rent areas is representative of the total lowest income group (earning less than KShs.500/- per month) of these towns?
There is little doubt that my surveys adequately cover the lower income groups of the target population who are practically all living in the majengo areas in these towns. In each town one housing scheme with a slightly higher level of rents was included as well. Nevertheless there might be some underrepresentation of the higher income earners of the target population, some of whom may be living in more expensive areas, not covered by my surveys. However, within the limited scope of this paper, which does not allow an extensive analysis of this problem, we can assume that the data from these surveys, are fairly representative for that part of the population of these towns, earning less than KShs.500/- per month.

The data I will show in this paper have been drawn mostly from these studies and refer specifically to tenant heads of household, of whom an 18% random sample were interviewed in each area (a total of about 500 interviews). Owner heads of household form a minority, even in areas with high owner-occupancy. Moreover, they have very different socio-economic characteristics, which would distort the total picture when combined with tenant households.
I shall put emphasis in my analysis on heads of household rather than on the total adult population: the household is the basic unit of relevance in housing. A household is defined as a group of people with common living quarters, sharing the principle meals of the day.

Where appropriate, comparisons will be made with data available for larger towns and cities. However, due to unavoidable differences in approach, such comparisons have to be interpreted with caution.

2. SOCIO-ECONOMIC CHARACTERISTICS OF THE TARGET POPULATION IN RELATION TO THEIR EFFECTIVE HOUSING DEMAND.

Which type and quality of urban housing people want and what percentage of their income they are willing to spend to realize these ideas, depends to a large extent on their socio-economic status. Several important variables can be distinguished.

- The family situation: Does the head of household live in town together with part or all of his family; does he (she) share the house with other relatives or friends. Even considerations on future plans can be important, e.g. does he (she) plan to continue living in town and, if living alone, plan to bring the rest of the family to town at a later stage.

- The income and which part of it people are prepared to spend on housing: The priority of the quality of their housing as compared to other ways of spending the income obviously is a major determinant of their choice. It is important to realize that this priority may be very different for rented accommodation and for a house in ownership, a fact which is consistently neglected.

- The type of employment: The location of the housing area in relation to work and, for self-employed people, the possibility to carry out the work at or nearby the place of living are important. Factors such as the stability of the employment may be relevant to people's attitude towards obtaining a house of their own.

Let us now have a closer look at the information available on the inhabitants of low-rent areas in order to assess these variables.

2.1 Household size and composition

The majority of heads of household in low-rent areas are young (between 20-35 years of age) and predominantly male (70%). The average size of a tenant household in the low-rent areas in smaller towns in Kenya is 3 persons, and probably lies slightly higher for similar ares in Nairobi.[6] Since most households occupy only one room, this figure is also indicative of the room occupancy rate for these areas.

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6 -D. Etherton, 1971, Mathare Valley, a Case Study of Uncontrolled Settlements in Nairobi. HPDU

-N.O. Jorgensen, 1975, Housing Finance for Low Income Groups. Rotterdam. Chapter 3.

-N.W. Temple, 1974, Housing Preferences and Policy in Kibera, Nairobi. Discussion Paper 196, IDS, University of Nairobi.

The average household size for this income group is lower than the figure for urban households in general.[7] As a comparison, in cheap rental schemes where the majority of the population has an income between KShs.500/- and KShs.1200/- per month, the average household size is generally above 4 persons.[8]

The main reason for this difference is to be found in the large proportion of one-person households among the target population, which often is around 50%. Only about 25% of all heads of household live with their complete family in town. In contrast, in the income group above KShs.500/- per month the proportion of complete families is much higher. For instance, in a rental scheme in Kakamega almost 40% of the households consisted of complete families.

Does this finding imply that a considerable part of the population in these low-rent areas consists of people who have recently arrived in the town? This is certainly not the case for the smaller towns covered by my surveys. More than 80% of the heads of household had lived in town for more than two years and nearly 50% had lived there for 10 years or more. A similar pattern emerged from studies of Kibera, Pumwani, Mathare Valley and similar areas in larger towns.[9] Nor is it likely that this picture will change in the near future. The large majority of single heads of household who had their family living in the rural areas did not intend to bring them to town. Apparently, the cost of living in town is considered to be too high to fancy the idea of living there with all the family.

Thus, in this income group the demand for single rooms is considerable and will probably remain so. This should be an important consideration in designing a housing programme for the target group: it would be highly unrealistic to stick too rigidly to an average household size of 4.5 persons.

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7 For Towns of 5000 inh. and over an average of 4.5 pp per household is estimated; Ministry of Housing 1974, ibid.
Recent estimates for Nairobi given an average household size of 4.2 pp. CBS, Economic Survey.

8 Jorgensen, 1975; Temple, 1974, ibid; Unpublished HRDU material on Rental Schemes, 1974.

9 See references under 6 and,
Waweru and Ass. 1976.Low Cost Housing and Squatter Upgrading Study; Progress Report No. 5.

2.2. Income

Considerable differences in income are prevalent nowadays in Kenya, and, for the purpose of designing a housing policy it is obviously required to make a rather crude subdivision into major income groups. This should not obscure the fact that, even within the low-income group and, for that matter, within the bottom part of that group which is the target population of this seminar, important differentiations can be made. These differences have their consequences for people's wishes and attitudes towards the size and quality of their dwelling.

2.2.1. Income distribution of heads of household in low-rent areas.

Reliable data on income are notoriously difficult to obtain and, for this reason, I prefer to illustrate the income distribution in low-rent areas with the data collected in my own surveys in smaller towns in Kenya. Fig. 1 shows the overall income distribution of tenant heads of household in the survey areas. Nearly all heads of household had some form of regular income - only 3% were unemployed. The income includes all more or less regular incomes from employment, additional occupations, housing and leave allowances and pensions. Income of other household members and income from the shamba are not included (see below).
About 50% of all heads of household have a monthly income below KShs.250/- and more than 80% of them fall within the target group of this seminar.

It is of interest to note the relationship with the sex of the head of household. Whereas 70% of all heads of household were male, there is a strong overrepresentation of female heads of household in the lowest income groups: 85% of all female heads of household have an income below KShs.200/- per month as opposed to only 25% of the male heads of household. Indeed, the female heads of household form the majority of the group below KShs.200/- (see Fig. 1).

In agreement with findings of Jorgensen,[10] I found no correlation between income and household size, but there is an obvious correlation with the type of employment (see below).

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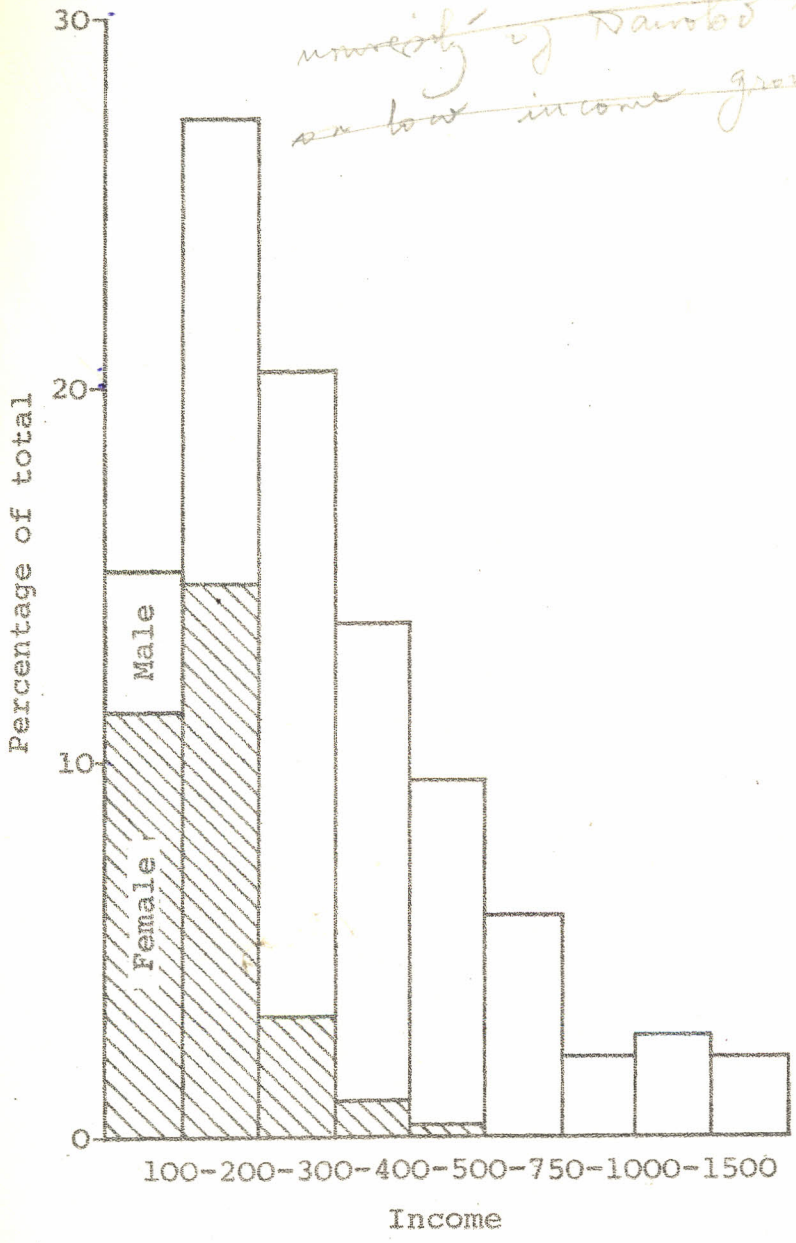
10 Jorgensen, 1975, ibid

Fig. 1. Income distribution of male and female heads of household



The income distribution shown here is in reasonable agreement with information collected in larger urban centres. An HRDU survey carried out in 1970-71 in four low-income locations in Nairobi found 84% of all heads of household with an income below KShs.500/- per month. The recent study of the World Bank group showed that 30% of the male heads of household in low-rent districts in Nairobi had a monthly income of

less than KShs.200/-;[11] this figure was around 20% for Mombasa and Kisumu (and 25% in my surveys). In a study of Kibera of 1972,[12] 63% of the respondents earned less than KShs.500/- per month and 21% was below KShs.200/-, but these data refer to the total household income, inclusive of incomes of other household members.

Since most of the other studies referred to were carried out some years before my own surveys, it is possible that comparable data for Nairobi would be somewhat higher than indicated in Fig. 1. However, it has been argued[13] that incomes for the low-income groups have not or hardly increased in recent years. Thus, it seems reasonable to regard the income distribution shown in Fig. 1 as fairly representative for the heads of household in low-rent areas in all urban centres in Kenya. This is also suggested by comparing average incomes in the lowest 20% of the population, if ranked according to income. Assuming that the low-rent areas covered by my surveys represent this lowest 20%, the average income found was KShs.326/- per month, while estimates made for 1975 for Nairobi were KShs.333/- (NCC) and KShs.347/- (Cooper & Lybrands).

2.2.2. Structure of household income

The income data shown above include the earnings from both first and second occupations of the head of household. The frequency of second occupations varied from 0 to 12% in the various areas covered, depending on the opportunities offered in the town of residence.

The income figures do not include income from other household members. However, contrary to the general opinion, the large majority (86%) of heads of household in the survey areas were the only earners in the household. This is, of course, partly related to the high percentage of single

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11 Waweru and Associates,1976, ibid, Draft Final Report.

12 Temple, 1974, ibid

13 Nairobi City Council, 1976, ibid
Cooper and Lybrands Ass., 1976,
Nairobi's Housing Needs: Meeting the Challenge
University of Birmingham.

heads of household, but only 18% of the wives living with the husband were having an additional income. This situation is likely to be different in the top half of the low-income group (between KShs.500/- and KShs.1200/- per month); in my survey of a rental scheme in Kakamega the wife of the head of household was bringing in a separate income in all households, where husband and wife live together.

Also not included in the income are the profits from shambas, which were owned by 40% of the heads of household, while many more took regular gifts in kind from the parents' shambas. Although these benefits may help considerably in alleviating food expenses, most of the shambas were small (1-2 acres) and only very few had cash profits from this source.

About 50% of all heads of household send part of their income home to their family or extended family in the rural areas, most often in irregular payments for school or hospital fees. But for 30% this does not amount to more than KShs.50/- per month.

2.3. Employment

2.3.1. Occupation and Income

It is a well established fact that in the low-income group the self-employed and informal activities are major occupations. But even within the target group there is considerable differentiation in the type of employment. In Fig. 2 the type of employment among the heads of household in my survey areas in smaller towns in Kenya is shown in relation to the income.

The majority of heads of household with a monthly income below KShs.200/- per month were engaged in informal occupations, either in informal business such as charcoal or vegetable sellers (the majority in this group are female) or as unskilled workers in the informal sector, e.g. farm labourers, casual labourer. In the income group between KShs.200/- and 300/- per month the unskilled workers in the formal sector are dominant. Typical occupations in this group are watchman, cleaner, barmaid, government labourer.

In higher income groups more skilled workers are found, both in the formal and informal sector, such as tailors, shoemakers, drivers, and contractors. Only 6% of the heads of household were engaged in professional occupations (e.g. teacher, nurse, clerk), and all of these had an income above KShs.300/- per month.

Fig. 2. Income According to Occupation.

Of the total population 46% was self-employed, mostly overlapping with business and skilled or unskilled workers in the informal sector. 51% had wage-employment and only 3% of the heads of household were

unemployed. These figures agree with the findings of the World Bank group which show that about 50% of the heads of household in low-rent areas were self-employed.

Thus, there is a major differentiation within the target group in terms of the stability of their employment: the more stable occupations are generally associated with incomes above KShs.200/- per month. As we shall discuss later, this factor may be an important determinant of people's attitude towards the possibility of obtaining a house of their own.

2.3.2. Occupation and space requirements

The attractiveness of many of the low-rent districts for the inhabitants is not only related to the low rent, but also to the opportunities they offer for informal activities within the living area. Especially in those areas where house design and location are favourable, many of those engaged in informal business or unskilled labour carry out their occupation in or around the house. Front rooms are used as duka's or workshops; courtyards and verandahs, especially in Swahili-type houses, are used for various informal activities. This is true not only in the major urban areas where opportunities are plenty (the study of the World Bank group showed that 35% of the inhabitants make their living within the residential area),[14] but also in the smaller towns which formed the subject of my own investigations.
These economic activities, closely linked to the area of living, can form a major problem when these people have to be settled in new housing areas where a strict separation of residential and occupational activities is generally required. The majority of them could not carry on with their occupation if they were to move to an officially approved workshop separated from their dwelling. This is partly due to the financial implications, but also to the scope of the informal activities, which is mostly small-scale and unlicensed and dependent on a known clientele living nearby. The problem of licencing these activities in old areas and providing special spatial provisions in new low-cost housing areas should form an important consideration in creating adequate housing facilities for the target group.[15]

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14 See also CBS, Enumerated Employment in the Informal Sector: Nairobi, 1975.

15 See papers of the Seminar on Informal Sector, IDS, Nov. 1976.

2.4. Spending Priorities and Affordability

2.4.1. Expenditure Pattern

The requirement for some sort of shelter is an obvious and undeniable fact, irrespective of people's income. However, the quality of housing can vary within wide ranges and, especially for the lower income groups, the priority given to acquiring better accommodation competes with many other expenditures in the family budget, such as food, clothing, schooling for children, transport, and payments to relatives in the rural areas.

A number of studies have investigated the variation of spending patterns with income. A good example can be found in the afore mentioned HPDU study of 1970-71 by Jorgensen in low-rent districts in Nairobi. Two basically different patterns of variation emerge. Items such as food, clothing, and payments to relatives form a constant percentage of the budget, more or less independent of the income, indicating that people with higher incomes spend proportionally more money on these items. In contrast, the percentage of the income spent on housing and schooling decreases rapidly with increasing income; they for major items in the family budget of low-income groups, but much less so for people with higher incomes. This indicates that a relatively constant amount is spent on these items, irrespective of the income. In itself such an inelastic expenditure pattern does not indicate whether people attribute a low or a high priority to these items. In the case of spending patterns for school fees, I found that, even in the lowest income group in my surveys (monthly income less than KShs.200/-), more than 50% of the heads of household with children in the school age (25% of the total) send their children to school, while in the higher income groups all children in the appropriate age group went to school. In this case we have to conclude that education of the children has a very high priority. In contrast, a similar trend in rent expenditures in the low income groups obviously implies that people who could probably afford to spend more, value the low rent more than a better quality of shelter elsewhere, and prefer to spend their money in other ways.

2.4.2. Spending on Rent

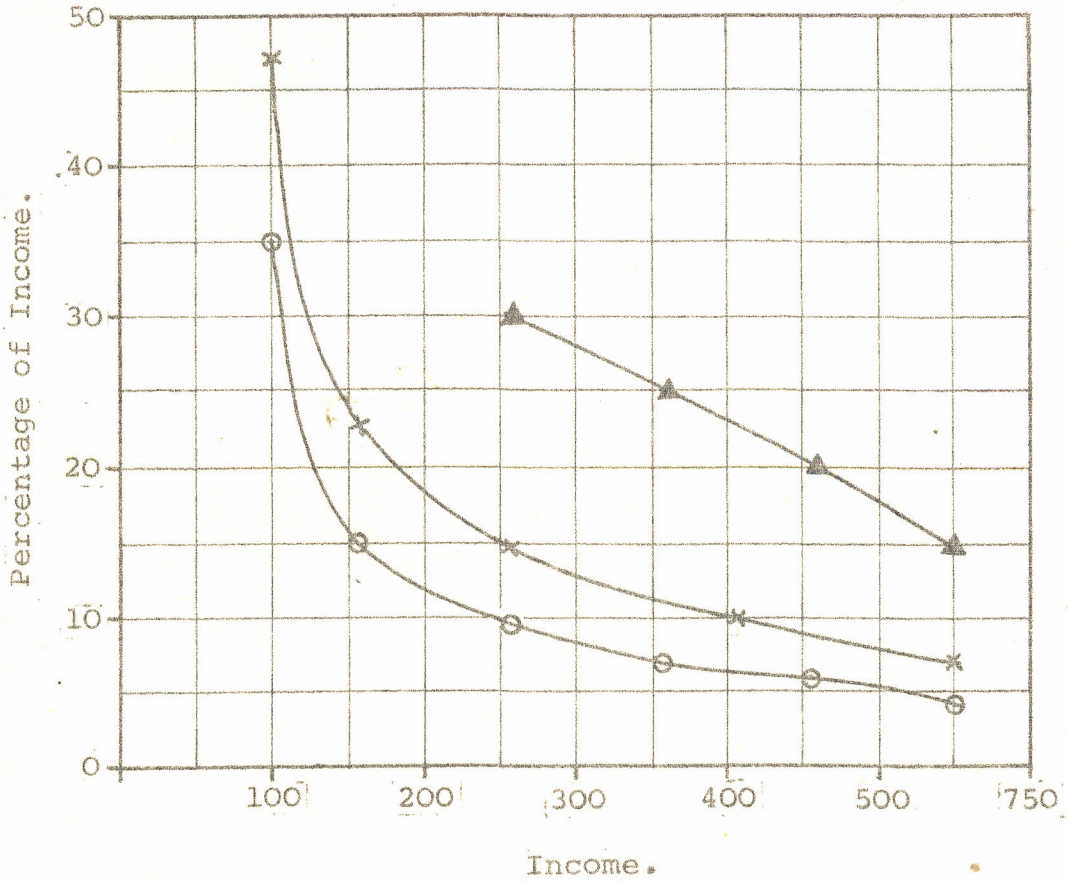
The percentage of income spent on rent by the low-income group is illustrated in Fig. 3, both for the above-mentioned study of low-rent districts in Nairobi (Kariobangi, Mathare, Mbotela, Bahati) and for my own survey of smaller towns in Kenya. Although there is a quantitative difference, related to the higher level of rents in Nairobi, the same pattern is observed in both studies.

Fig. 3. Spendings on Rent and Affordable monthly Loan Repayment.

▶ Estimated loan repayment as % of income.

× % of income spent on rent in smaller towns (1975-7

○ % of income spent on rent in Nairobi (1970-71)



Obviously, for people in the lowest income group it is essential to find some accommodation and they can not avoid paying a considerable part of their income to secure shelter. But, apparently, the priority given to the quality of their dwelling is rather low in this income group.[16] Similar trends were observed in several other studies of low-rent areas in Kenya.[17]

The importance of a low rent for people in the lowest income groups, is also illustrated by the survey of Temple[18] in Kibera. She investigated which alternative was more attractive to tenants in Old Kibera: either having a cheap room far from town, or a more expensive room close to town (i.e. to work opportunities). There was a clear preference for the cheap rooms among those with a monthly income of less than KShs.750/-; only those with higher incomes valued the shorter travelling distance more than the low rents. No relationship was observed with the type of occupation of the respondents.

2.4.3. Affordable payments for housing

The low priority given to the physical quality of rented accommodation in this income group is also evident from studies where people were asked how much more they would be willing to pay in rent. The World Bank group's study on large urban centres in Kenya indicated, for instance, that people are not prepared to pay much higher rents than they do at the moment, (only 20-40% higher), even in the higher income groups.

However, people's unwillingness to pay much more for rented accommodation does not imply that they would not want to spend more if they could buy a house of their own. In my survey of smaller towns in Kenya, it appeared that, for those income groups where buying a house is a feasible alternative (see below), people were willing to pay about three times more in monthly payments to an own house than they spend now on rent (Upper curve, Fig. 3). A percentage of the income up to 30% was considered acceptable by those earning between KShs.200/- and KShs.300/-, while this decreased to 15% for the income group of KShs.500/- to KShs.750/-.

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16 As mentioned in the introduction, the higher income group of the target population, living in higher-rent areas, might be underrepresented in these surveys, resulting in a slight under-estimation of the % of income spent on rent for that total income group.

17 Waweru and Associates,1976, ibid

18 N.W. Temple, 1974, ibid

Percentage of income spent on rent in low-rent areas (see Fig.3)

Area	Monthly income (KShs.)					
	100	101-200	201-300	301-400	401-500	500-750
Nairobi*	47	23	15	10		7
Small towns**	35	15	10	7	6	4
Percentage of income considered acceptable in loan-repayment for own house						
Small towns**	-	-	30	25	20	15

* Average of data on four low-rent areas in Nairobi from 1970-71 survey; taken from N.O. Jorgensen, 1975

** Average of data on low-rent areas in four small towns in Kenya from 1975-77; unpublished material of Hoek-Smit.

Thus, the average figure of 20% of the income to be spent on monthly payments, which the Government takes as a guideline in the present Site and Service Programme, seems to be low for those having an income between KShs.200/- and KShs.400/-, while it is rather high for those with an income above KShs.500/-. Peoples' willingness to pay comparable amounts for rented accommodation is, however, doubtful, unless there are no cheaper alternative housing options available.

2.5. Attitudes towards buying or renting

2.5.1. Buying versus Renting.

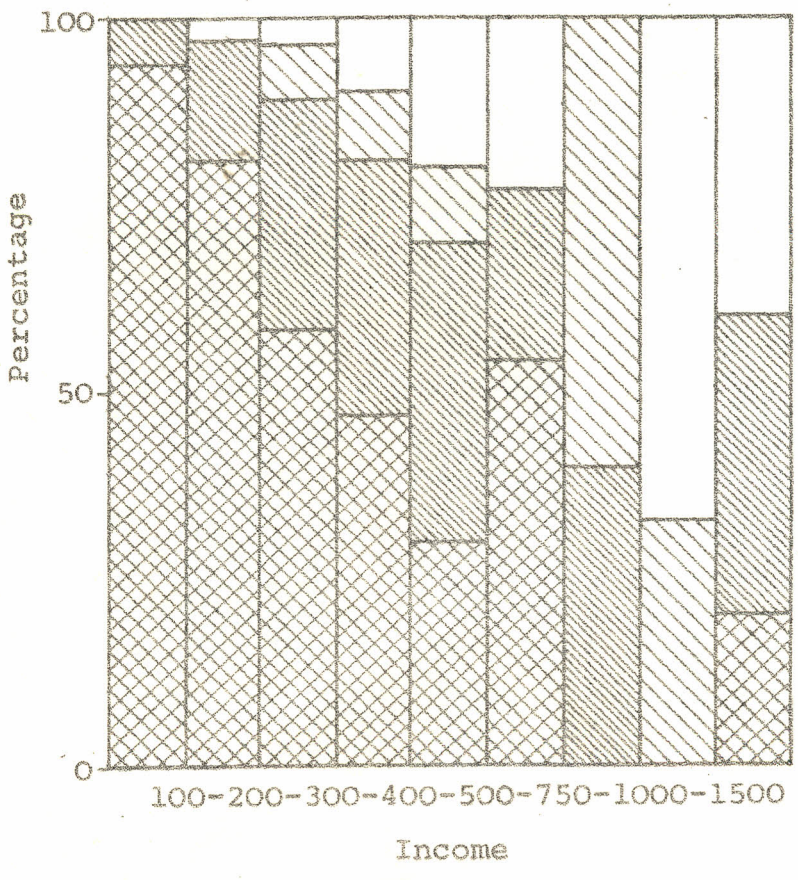
If buying a house is then considered an attractive alternative by at least part of the population within our target group, what are the factors that influence peoples' attitude in this respect?

In order to investigate this matter in my survey areas (no data are available for other towns in Kenya), I distinguished four different groups:

1.	heads of household who prefer to rent	60%
2.	those who prefer to rent, even though they think they can afford to buy	8%
3.	heads of household who want to buy a house	8%
4.	those who want to buy a house only if they could obtain a loan	24%

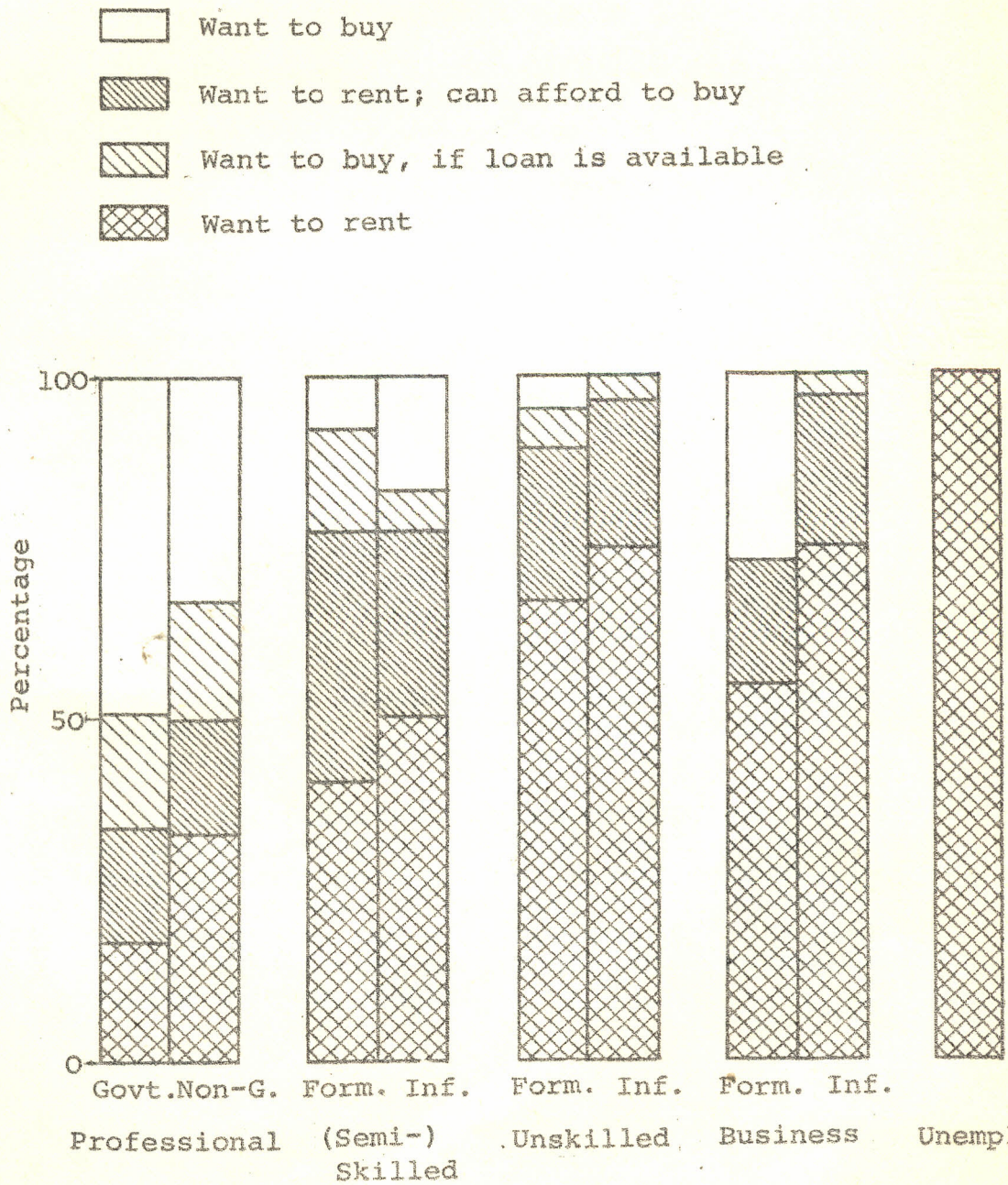
So there is a rather strong majority (68%) in this income group who prefer to rent accommodation, even when the possibility of getting a loan is pointed out to them. They feel they lack the security and the funds to cope with the monthly repayments of a loan.

Fig. 4. Attitude of respondents in different income groups towards buying/renting a house.



The preference for renting is overwhelming in the income category below KShs.300/- p.m. This trend may be emphasized by the fact that in this income group, there is an overrepresentation of female heads of household, who may be more reluctant than their male counterparts to enter into financial adventures and to accept long-term financial responsibilities.
The interest in obtaining a house in ownership increases to about 50% of the income-group between KShs.300/- and KShs.400/- p.m. and remains high at higher income-levels, despite a somewhat diffuse statistical pattern in Fig. 4.

Fig. 5. Occupation versus attitude towards buying/renting a house



The decision to buy a house is also influced by the type of occupation of the head of household, as shown in Fig. 5. This relationship can be explained partly by the effect on income levels, but there are other factors involved as well. A preference for renting was expressed most strongly by people working in business and unskilled labourers, especially in the informal sector; this is true even for those in higher income groups of the target population. On the other hand, those with professional jobs, or relatively secure wage-employment are more willing to commit themselves to buying an own house.

There are other factors that can be shown on closer analysis to have some influence on peoples' attitude towards the alternatives of buying or renting. For instance, complete families with children are more eager to buy a house in town than those in other categories of household composition. There is, however, no relationship with the length of residence in town, nor with shamba-ownership.

2.5.2. Type of House and House-Construction

When people want a house in ownership, they clearly prefer a "proper" house: Both studies by Temple and Jorgensen showed that a smaller stone building (3-roomed) was clearly preferred to a larger mud-and-wattle structure.
In this connection it is of interest to note that the idea of helping in the construction of an own house (one of the basic concepts of the Site and Service strategy) is not very appealing to prospective house-buyers in this income group. Most would prefer to hire a contractor or fundis for the construction, or leave the construction to a Government agency (similar findings were reported by Jorgensen,1975). Moreover, only very few had skills appropriate for house building.

Thus, an owner-oriented housing policy for low-income groups should be directed primarily to heads of household with more or less stable occupations, not only for reasons of security of loan-investment by the Government, but also because it is in this group that the largest proportion will be found interested in such ventures.

3.0. CONCLUSIONS

Summarizing the main aspects of the housing demand of the target population as they have emerged from this socio-economic analysis, we can conclude that:

1. The majority of the heads of household in the low income-groups is interested only in rented accommodation, especially those in the bottom-part of the income scale, and those with a lower degree of job-security. A large proportion of this group consists of one-person households. Although people with an income below KShs.200/- p.m. are by necessity obliged to spend a large propprtion of their income on rent, in the higher income groups other items on the family budget have a higher priority than the quality of the house and people confer a high value to the low rents they are paying presently. Thus, there is a high demand in the lower income groups for cheap rental accommodation, preferably as single room units. It should be a major aspect of a housing strategy for this income group to consider approaches to satisfy this demand.

   Is it realistic to expect the solution to this problem from subletting facilities in Site and Service Schemes?
   For many of the owners in Site and Service Schemes the income from subletting will be essential to enable them to afford the monthly repayments. It may be expected that the rents per room in such schemes will become relatively high, (also influenced by the high standards of infrastructural services offered), possibly too high to be attractive for those in the target-group who depend on rental housing.
   Other alternatives that may deserve serious consideration are:

   - Improvement of slum - and squatter areas. At present these areas provide the major stock of low-rent accommodation.
     If a slum-improvement strategy can be designed that can maintain the level of rents per room within acceptable limits, these areas will probably continue to be the major resort for those who depend on cheap rental housing.

   - Stimulation of private development of cheap rental accommodation. At present a considerable proportion of this development takes place unauthorized. Are there approaches possible that would bring more of these efforts within the legal framework?

- Development of cheap public rental schemes. In the official housing policy, public rental housing is held in low esteem at the moment. But if the construction of rental houses is such an attractive option for the private developer, why could it not be done profitably by the Government?
  Such an approach would be feasible only if the specific characteristics of this target group are taken into account, i.e. the fact that the average household size is much lower than the general urban average of 4.5 to 5 pp . per household, and that about half of this group is living alone. It has been pointed out above that these one-person households do not reflect a group of persons-in-transition: they are generally long-time urban residents and most of them do not plan to bring their family from the rural areas to town.

2. Among the group with a monthly income of more than KShs.300/-, there is a considerable interest in obtaining a house of their own, in particular among those with relatively stable employment and those who live in town with their complete family. Most importantly, these people are generally willing to spend a much higher proportion of their income on loan-repayments for an own house than they would spend on rented accommodation: up to 30% for the income group between KShs.200/- and KShs.300/- p.m. and decreasing to about 15% of their income for higher income groups, above KShs.500/-.
   Thus there seem to be grounds for taking a more flexible attitude towards the limit of 20% of the income, that forms the basis of the estimation of affordability, irrespective of peoples' income level.
   Is it feasible to adapt the Site and Service programme, which at present is priced beyond the means of practically the whole target population, in such a way that this becomes a realistic option for those people?

   It is on these and related questions, I hope my data have provided some background information that will stimulate a fruitful discussion.

The opinions expressed in this paper are those of the auth r and should not be regarded as representing the viewpoint of the H.R.D.U.

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