

LOW INCOME HOUSING IN THE DEVELOPING WORLD:  
THE ROLE OF SITES AND SERVICES AND SQUATTER UPGRADING.

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*Important*

PART ONE : CASE STUDIES.

CHAPTER : NAIROBI: Dandora and other projects.

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1.0. NAIROBI - URBAN CONTEXT.

- .01. Nairobi, the capital city of Kenya, is rapidly growing at an annual rate of about 7.5% per annum with a population almost reaching the 1 million mark, making it the only city of that size in the whole of the East African region.
- .02. Nairobi, which was established as the nucleus of the railway encampment between the port of Mombasa on the Indian Ocean and the town of Kisumu on Lake Victoria in 1899, has grown over the last 80 years. With a population of about 11,500 in an area of 792 hectares in 1906, the city now has a population of over 890,000 (1979 census estimates) in an area of 68,144 hectares within the Nairobi Metropolitan boundaries established in 1963 at the time of Independence.
- .03. In Kenya all settlements above a population size of 2,000 people are considered to be urban. According to 1979 population estimates the urban population is around 2 million, which is 12% of the total population of about 16 million. Forecasts indicate that at an annual growth rate of 6.2% the urban population can reach 7.1 million by the year 2000 or 9.7 million if the annual growth rate is 7.2%.
- .04. According to the 1969 census, about 82% of the total urban population is concentrated in two major cities, Nairobi (53%) and Mombasa (27%), while the remaining 28% is spread in nine other towns and several smaller urban centres, especially Kisumu and Nakuru.
- .05. The rapidly growing urban population requires such basic needs as food, shelter and jobs. The three largest urban centres, Nairobi, Mombasa and Kisumu, dominate the urban shelter problem and therefore the implementation of the urban housing policy in the country. Moreover, these cities, are also relatively more suited institutionally to undertake large scale implementation of housing programmes and projects within their own local administrations.
- .06. Nairobi, as the capital city, forms the centre of major economic, social, political and administrative activities both at the national and international level. Almost 40% of the modern sector jobs in Kenya are located in Nairobi and about 45% of modern sector incomes are earned within the city, which makes it the main natural attraction point for rural-urban migration.
- .07. Recent international economic events, especially the oil crisis and recession, have had adverse effects on the Kenyan economy in general. There has been a significant slowdown in the monetary sector of the economy from 8% in 1973 to 3.6% in 1974 and around 3% in 1975. This in turn has also resulted in the slow growth of the gross domestic product (GDP) in Nairobi. According to a report on the housing needs in Nairobi prepared in 1976, the growth rate in Nairobi's GDP can be assumed to be about 5.5% per annum upto 1985.

.08. Employment trends in Nairobi according to 1974 estimates of labour force participation show about 68% in modern sector wage employment, 8% in modern sector self-employment, 12% in informal sector employment, and 12% unaccounted for or unemployed. The informal sector has been growing at a higher rate than the modern sector employment in the past decade.

.09. Income distribution and growth in Nairobi cannot be very accurately assessed due to lack of reliable data. Different trends have been shown by different surveys and reports. According to 1977 estimates, the household income distribution for Nairobi, which have been assumed for the purposes of housing development projects being financed by the Government of Kenya and the World Bank, is as follows:

Table 1.0. Nairobi Household Income Distribution, 1977.

Cumulative % of Families	Monthly Household Income Range	
	K.Shs.	US\$
0 - 20	0 - 500	0 - 66
21 - 40	551 - 1,050	67 - 126
41 - 60	1,051 - 2,000	127 - 240
61 - 80	2,001 - 4,000	241 - 482
81 - 100	over - 4,000	over - 482

.10. The above figures show that there is a substantial group of households with incomes below the poverty level, estimated at K.Shs.1,080 (US\$144) per annum per capita in 1977. The pattern of income distribution as in 1977 is unlikely to change drastically over the next few years upto 1985. However, with the increasing cost of living in Nairobi many households in the lower income groups will continue to experience financial constraints, especially the lowest two quintiles being unable to afford single family occupation of a complete house.

.11. Existing housing available to the low income groups is provided through the public, the private formal and the private informal or popular sectors. The informal or popular housing activities in the uncontrolled and squatter settlements are a response to the failure of the public and the private formal sectors to supply enough housing at affordable prices to met the needs of the low income households. These low income settlements, which are located mainly in the eastern and western outskirts of the city, provide shelter for over one-third of the city's population.