

THE ROLE OF NATIONAL HOUSING CORPORATION
IN THE PROVISION OF HOUSING IN KENYA

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DECLARATION

This thesis is my original work and has not been presented for a degree
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ABSTRACT

Countries all over the world have housing problems in one form or the other. However, the magnitude, the dimension, the scope, the fundamental causes vary from country to country. Kenya, like other countries, has come to realise that housing is an issue that is too complex in nature and that is too central to national development to be left solely to private initiatives. As such the government is very much involved in providing solutions to the problem of housing.

In this study the author has outlined the government housing policy and programmes in general, and the role of the National Housing Corporation in particular from the time of its inception, that is, 1967, up to the present time. The study reveals that the government so far has undertaken a series of constructive, progressive and far-reaching actions to combat the housing problem. However, the approach to the problem has a number of glaws. A housing policy that is not spelled out in specific plans and programmes by and large, tends to become just empty phrases of good intentions. Many plans falter because the policy is too ambitious and also because the strategy devised to carry out the plan is wrong so that the money available is exhausted on the more expensive dwellings before any low-cost housing is built. One therefore finds that the housing policy tends to favour the middle and high income groups; the National Housing Corporation, therefore is involved in building symbolic housing schemes which are claimed to be low-cost housing projects but are usually quite outside the means of the very poor.

A good deal of what is wrong with these low cost housing schemes lies in faulty conceptualization of realistic housing standards. In a few words, most low cost houses are too expensive for the people for whom, at least in theory, they are designed. To a large measure, this phenomenon was created during the colonial era when planning standards were introduced which did not recognize local conditions and encouraged segregation among income groups and races.

In an attempt to house the low income earners in separate areas the corporation in a sense encourages the grouping of people into social classes along economic status resulting in one-class nature of the schemes. One therefore finds that in its present form the housing policy in general encourages separate development through deliberate

divisions in the form of housing schemes; this makes any form of integration simply difficult to achieve.

Furthermore, people with low incomes are usually housed at the periphery of the towns. Here the densities are in most cases extremely high and the distances to cover everyday to places of work are quite great. In Nairobi for example one finds that most of the low income people live in Kawangware, Kibera, Kariobangi and Kangemi; in Eldoret township, they live in a place like Shauriyako; and in Embu town they live in places like Matakari and Majimbo, which are about miles away from their places of work. This is so because these places offer accommodation which quite a number of people in the group can afford.

The National Housing corporation has also the tendency to accord sewers and main roads first priority in all residential areas; but this puts social services lower in the priority list. Since implementation of social services tends to be delayed for several years this acts as a barrier to people who want to move into the schemes. This is therefore poor planning. Families with children would usually like to stay where schools, hospitals and shops are accessible.

One intriguing aspect about these housing standards is that health and safety factors have tended to be put first, and the basic factor of affordable monthly payment is given little consideration. This leads to squatting for what is supposedly sound in health terms implies higher standards and higher payments. It is found out therefore that the existing standards tend to delay possible developments and make building too expensive for the majority of Kenyans. By implication the standards therefore miss the flexibility of meeting rapidly changing demands of the population.

National Housing Corporation was set up to provide housing units costing less than K£1,200. But with increased construction costs it is not unusual to see a house costing K£1,800 being termed as low cost. In the past the corporation has concentrated funds on the upper bracket of the low cost housing, i.e. constructing houses with an average of K£1,200 per unit, and so paying little attention to units costing less than K£1,200.

In the 1974/1978 Development Plan, the corporation was instructed to provide 56% of the total planned units at a cost equivalent to not more than K£750 per unit.

This was supposedly an attempt to make the corporation provide more units for the lowest income groups and therefore shift to providing more site and service schemes. The challenge to pursue this method has not been taken up vigorously and the corporation has been underspending on housing relative to approved funds. The underspending on low cost housing has meant that the corporation has experienced excess finance which is compounded by its revolving fund. This excess finance is used as bridging finance for medium and high cost mortgage housing. Succeeding in this manner enables the National Housing Corporation to earn higher returns, and therefore making the corporation a profit making body.

The study has shown that the corporation is bedevilled with problems related to allocation procedures, house plans, rents, housing standards, maintenance of shared facilities, political pressure, financial sources, organisational framework and the planning implications; solutions to the respective problems have already been suggested particularly in the last chapter. However, it is worth adding that housing requires efficient administration, whether it is predominantly public or private construction. Considering that the National Housing Corporation serves the whole country, it needs quite a large number of staff to deal with different towns. The centralized position of the National Housing Corporation means that it is far from its areas of operation. The bureaucratic framework of the corporation coupled with distance causes delays in dealing with schemes located away from Nairobi.

Allocation of housing schemes particularly the site and service schemes has been grossly misdirected. The site and service projects have tended to end up in the hands of a much higher income group than originally planned for. This is due to malpractices or cases of corruption. Allocation of plots to the wrong groups of people leads to high cases of absentee landlordism. This in turn leads to the problem of poor maintenance of houses and general lack of improvement.

In conclusion, it is worth noting that the study focuses on the role of the major government housing agency, that is, the National Housing Corporation; it looks at the nature of the corporation's activities in the field of housing in Kenya, and to what extent are such activities adequate and appropriate in the light of the nature, scope and dimension of the housing problem plaguing the Kenyan society. It is the

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CHAPTER ONE: INTRODUCTION

Introduction

One of the social problems facing civic authorities in the developing countries is the provision of low-cost shelter for the urban poor. The traditional arguments for according low priority to housing are no longer valid as without appropriate investments in public health education, housing, etc. economic development itself can not be sustained.⁽¹⁾ Improvement of housing is an input to economic development because the output of a person can not be raised beyond a certain level without simultaneous improvement in the housing and environmental conditions. Housing is a very durable asset and builds capital for the country.

A positive housing policy can therefore make a substantial contribution to economic development and social welfare. The relationship of housing to employment, social services, recreation and other aspects of urban life is spatially important. Access to employment for several members of a family is particularly important for the poor, and so is access to other urban facilities, particularly education. High transport costs, or a long time taken in walking or otherwise travelling to and from work, can negate the advantages of cheap housing on the outskirts of a town⁽²⁾. Therefore a positive housing policy can be a useful tool for influencing the efficiency and equity of urban areas.

The importance of housing stands in contrast to current conditions in most cities of developing countries. Solutions to housing problems differ greatly among cities and countries. However, in most countries, the adherence to unrealistically high standards for new housing construction and the refusal to accept existing low-quality dwellings, even as an interim solution, are the principal obstacles to better housing. The result is a cycle of construction and demolition. The poor, unable to construct or purchase dwellings of acceptable standard, are pushed to ever more distant peripheries.

Kenya's housing situation does however reveal similarities to those in other developing countries. There is the same migration to towns from the rural areas, the pressures of overcrowding and housing shortage; lack of capital with which to build houses and disparities between what the average urban family can pay for its shelter and the cost of producing it⁽³⁾.

In so far as the economics of housing is concerned, one finds that the supply of housing is inelastic for a number of reasons:

- (i) Land is expensive and limited in supply and, in addition, it takes a rather long time to negotiate and come by good title to land;
- (ii) The inherent immobility associated with housing means that local shortages cannot be easily relieved by transportation from other places;
- (iii) Building operations require long periods for completion and new production takes a long time to adjust itself to variations in demand conditions.
- (iv) Building operations involve large initial capital investment which is usually not within the capability of many people. Therefore although supply can be increased, the expenditure involved usually may not warrant the resultant increase in returns. Production tends to be small and dependent not so much on price or demand changes as on availability of resources.

The pattern of housing market in Kenya tends to be also characterised and dominated by the following features:

- (i) In recent years there has been a marked transition from a rural agricultural economy to an industrial economy. Large industrial projects in the towns such as Eldoret, for example, have resulted in big immigration to urban centres and this, in turn, has changed the pattern of population distribution and hence the pattern of housing needs.
- (ii) Increased industrialisation has resulted in increased standards of living and, consequently, not only the quality but also the quantity of houses needed has also increased considerably in recent years.
- (iii) Thirdly, there has been the tendency to discard old traditional methods of building, for modern conventional ones which have proved expensive in terms of the type and nature of the economy of a developing country like Kenya. Old buildings have been neglected and the general effect is a decrease in supply.
- (iv) There is too much reliance on government efforts and less on the efforts of individuals and private institutions to provide houses.

- (v) There is reason to believe that the various existing agencies, both private and public, (e.g. National Housing Corporation), concerned with housing are not operating as efficiently as they should. A series of technical incompetence, bureaucratic inefficiency and sometimes naked corruption have made the solution of the housing problem virtually impossible in some cases.

Having looked generally at the problem and its causes, it is now appropriate to examine some of the contributions the government, through the National Housing Corporation, has made towards the solution of the housing problem.

The Kenya government has always placed a high priority on the rapid improvements of housing standards in Kenya, as it has always been appreciated by those who are responsible for national policy that good housing is one of the vital necessities for ensuring a stable contented and healthy people⁽⁴⁾.

The Ministry of Housing and Social Services deals with housing development through a number of institutions. These include the National Housing Corporation, the Housing Research and Development Finance Company of Kenya, Limited.

Besides there are several others which also play an important role as agencies in the housing sector and include local authorities.

That the demand for housing far exceeds the supply is a fact best illustrated by the great number of applications far in excess of the available houses in any new scheme that comes up, especially in Nairobi and other major urban centres throughout the republic.

In 1975, for example, the Commonwealth Development Corporation, the developers of Buruburu housing estates in Nairobi, advertised for 600 houses in Phase II of the project for which a total of over 8,000 applications were received⁽⁵⁾.

Although even the colonial government was aware of the housing problem and enacted a housing act in 1953 there was no real serious move to modern housing until 1967. That was when the government after independence established the National Housing Corporation to facilitate rapid housing development for various categories of people.

Originally, the corporation supported and financed all sorts of housing schemes but this has since changed with the emphasis now being on site and service schemes.

The aim here is to assist the lowest income groups in Kenya who are unable to afford conventional housing.

Under the new policy on housing, adopted in the current development plan (i.e. 1974 - 1978), it was estimated that about 110,000 housing units were required in the plan period in urban areas to house the increase in population plus a further 50,000 units to meet the short fall as at the start of 1974.

During the 1970 -1974 Development Plan period, an estimated 20,000 housing units were completed in urban areas at a total cost of £24.4 million financed mainly by the government. A further 5,000 units built at a cost of £21.4 million financed by private funds were also completed during the plan period⁽⁶⁾.

Under the 1974 - 1978 Development Plan, the 110,000 units planned for consisted of 44,000 units each costing £300, 17,000 units each costing £750, 19,000 units each costing £1,200, 20,000 units each costing £2,250, and 10,000 units each costing £4,500 and above. All the housing units provided for under the plan period were estimated to cost a total of £130 million.

The National Housing Corporation lends or grants money to any local authority to put up houses. Apart from local authorities, the corporation also makes loans to companies, societies or individuals and housing organisations to put up houses.

The extent to which the National Housing Corporation can be involved in local authority housing schemes, is dependent on the technical resources of the authority concerned. Until fairly recently, the corporation's activities were confined to the consumption of low-cost rental and tenant purchase housing schemes.

It has also built mortgage housing in Woodley, Moi, Ngei, Kapiti Road and Kyun estates in Nairobi with several others in the other towns such as Thika, Nakuru, Kisumu and Kericho.

Under the new site and service schemes the corporation is to construct 38 such projects throughout the republic. This, the corporation plans to do through external financial assistance. Of its various activities, the rural housing loans to individuals have proved most popular with the people.

To implement part of the countrywide site and service scheme, the corporation recently received a five million dollar loan from the Federal Home Loan Bank of the United States to finance the construction of about 1,400 low cost houses in 12 major urban centres outside Nairobi to be sold on tenant purchase terms.

Since independence, the National Housing Corporation has been responsible directly or indirectly for the construction throughout Kenya of about 24,000 houses at a total cost of more than £24 million with an average unit cost of £1027. In addition, as at December 1976, about 2,270 units and serviced plots were under construction at a cost of about £4.1 million.

At the same time, schemes at planning stage embraced over 20,000 houses and serviced plots at an estimated cost of £20,580,800. Since 1969, rural housing loans totalled £1,016,000 have been advanced to 1527 individuals with an average money advanced to the individual being £665⁽⁷⁾.

1.2 The Problem

A serious shortage of housing, particularly for the low income persons presently exists in the rapidly expanding urban centres. Housing shortage became acute especially after independence because prior to that (i.e. in colonial period) Africans' movements into towns were controlled because the colonial administrators saw towns as essentially non-African areas, in which Africans came only temporary as unskilled labourers⁽⁸⁾. Since independence the rapid urbanisation, the increase in population growth (i.e. natural increase, and particularly rural-urban migration since in this period Africans were allocated into towns), improvement in general prosperity, coupled with the relatively high pace of industrialization has increased, to a large extent, housing problems both in quantitative and qualitative terms. All this has resulted in an increase in housing demand which cannot be matched by supply.

Kenya is a rapidly developing country. About 10% of the population is urban now; and with urbanisation has become a tremendous need for housing. At the moment it is estimated that as a result of population growth urban centres require about 30,000 houses per year to meet the requirement arising out of the population growth. And an additional requirement will be necessary to offset overcrowding and maintenance.

Towns like Nairobi, Kisumu, Eldoret, Embu, Mombasa, just to mention a few, are facing acute housing problems. Among the symptoms of housing problem in these towns are: spiraling rates of rents, unhealthy residential environment and congestion; high proportion of poor quality houses; overcrowding; high land prices; long journeys to work; very difficult mortgage facilities; highly competitive and tight housing market; very ugly, unpleasant and unhealthy emergence and spread of poorly constructed shanty buildings; and absence of inadequacy of basic facilities and social amenities in a very substantial proportion of the existing housing stock.

1.3 Aim and Objectives of the Study

The aim of the study is basically to analyse and evaluate the role of the National Housing Corporation and to suggest how its activities can be enhanced in order to minimize the problems of housing.

Also, to provide remedial measures to increase the efficiency of the National Housing Corporation in providing houses for the majority of people of Kenya.

And lastly, to come up with proposals through which the government can improve her performance in the area of housing policy, programmes, and research.

1.4 Scope

The housing problem is a multi-faceted one, whose solutions should be found through a comprehensive examination of various factors (e.g. legal, institutional, technical and socio-economic factors) which contribute to the problem. Among other things the study will focus on Kenyan housing policy and programmes. In particular it will intend to:

- (i) determine and characterise what roles the government, through the National Housing Corporation, has been playing in the area of housing;
- (ii) identify the effectiveness and the likely consequences of such a role;
- (iii) Characterise the focii of past and current activities, the achievements of these activities and it will identify the areas of housing needs that are hitherto neglected or given low priority; and
- (iv) come up with proposals and suggestions through which the government can better

use her effort and improve her performance in the area of housing development.

1.5 Limitations

The study had several limitations. In the first place the main limitation was the inaccessibility of classified data.

It was difficult to get official data from the office of the National Housing Corporation itself; the author was not allowed to look at the corporation's files which contain most of the essential documents of the corporation. This limited the study to mainly depending on the annual reports and monthly progressive reports as the major sources of secondary data. Another serious limitation was time. Due to time limitation the author could not interview all the staff from statutory bodies and related ministries which deal directly with the National Housing corporation, such as local authorities, municipalities, the Housing Finance Company of Kenya Limited and the Ministry of Housing and Social Services. Also, due to the same limitation it was not possible for the author to visit and collect data from all the places in Kenya where the corporation has constructed housing projects.

There was also a negative attitude among some senior members of the National Housing Corporation in connection with the interviews, as such some literally refused to be interviewed. There were cases also when the appointments for the interviews were unsuccessful because the interviewees were too busy to be interviewed; in most cases also very little time was spared for the interviews.

A third limitation was finance. There was not enough money which the author could use in travelling to most of the places where the corporation constructed housing projects. There were not enough funds also to purchase most of the documents needed for the study; also there were problems in obtaining layout plans and type plans from the corporation simply because they are very expensive. Nevertheless, within the available time and funds, the study may be regarded as a prelude to yet a more comprehensive research to be carried out by different scholars in this field.

1.6 Research Methodology

For the purpose of this study both primary and secondary sources of data were

used and the methodology used was as follows: first and foremost it was established that Kenya has a serious housing shortage which is both qualitative and quantitative.

Secondly, it was pertinent to look at the housing needs and demand. Determination of housing need and demand, involved expressing need in terms of a housing standard, and expressing demand in terms of the proportion of income families can, or will, devote to shelter; this gives rise to a housing gap. After establishing that there is a housing gap, the next step was to find out how the government is trying to bridge this gap, through her housing policy and programmes.

So the housing policy was studied in detail and all the agencies both private and public charged with the responsibility of solving the housing problem were studied, this included the agencies such as the Housing Finance Company of Kenya Limited, East African Building Society etc.

Since the main government's agency for the implementation of housing policy is the National Housing Corporation, the study was solely focused on the role of the corporation in the provision of housing in Kenya. The aims and activities of the corporation were therefore looked into. With respect to this the assistance given by the corporation such as technical, construction, financial, monitoring, tendering, and planning were evaluated. Also, an inventory of all houses built directly/indirectly the corporation was made and an attempt made to find their average costs; the building standards used and whether these houses reach the people they are intended for; whether they are planned appropriately, that is whether the houses are located near community services such as schools, hospitals, markets, major roads and employment areas.

A special effort was made to find out why some of the housing schemes built by the corporation such as site and service schemes fail; this involved some site and service case studies, and in general this revealed some mistakes involved in the planning of these schemes, for example, and in most cases this entailed poor site analysis and poor marketing analysis just to mention a few.

After identifying the problems facing the role of the corporation some solutions to these problems were then recommended.

Most of the data, and layout maps were collected from the office of the National Housing Corporation. Most of information and data on the housing policy and programmes were collected from the Ministry of Housing and Social Services library. Most of the data on the policy implication and recommendations were collected from the some senior staff members of the corporation, and some senior executive officers from the Ministry of Housing and Social Services.

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CHAPTER TWO: HOUSING POLICY AND PROGRAMMES FOR KENYA

Introduction

Kenya government has expressed its policy regarding housing as a way of improving living standards: "The prime objective of government policy in housing is to move towards a situation, where every family in Kenya will live in a decent home, whether privately built or state sponsored, which provides at least the basic standards of health, privacy and security⁽¹⁾." It is the government's policy to reduce the shortage in housing stock as rapidly as possible, and therefore the main emphasis has been given to new development.

The policy also states that it is the government's aim to house every family. In other words, the government makes no distinction between the rich and the poor. Since the rich are in a position to help themselves, the government puts main emphasis on the poor members of society.

Lastly the objective states that the public as well as the private sector will contribute to the construction of the houses. The ultimate aim is that the private sector can help themselves. In the light of this the government stimulates the self-help aspect of housing.

The government considers the minimum requirement for a decent home to be a two habitable roomed house constructed of permanent materials with a separate kitchen and basic sanitary facilities such as toilet and showers compartment. The space requirements are laid down in the Building code, constituted by Local Government Adoptive Building By-laws, while the density requirements are determined by the Physical Planning Department of the Ministry of Lands and Settlement.

The main policy on housing was first issued in "Sessional Paper No.5 of 1966/67(2)." This paper set out the government's views on housing problem and how the programme for its solution should be planned and administered under 5 main headings:

Urban Housing, Rural Housing, Finance for Housing, Aided Self-help, Research and Education.

Given the present level of resources that are directed to the housing sector, and the constraints in planning, administration and supplies of various technical skills, it is impossible for the government to provide every family with anything like a structure of a house. Consequently the government policy is then to utilize all the resources that can be made available in a manner which will achieve maximum possible improvement in the quantity and quality of housing.

The government's policy is thus:

- i) To undertake direct construction of housing where local authorities cannot cope;
- ii) To support financial institutions giving loans to individuals for housing.
- iii) To assist companies which undertake to build employee housing;
- iv) To assist in land consolidation and settlement schemes;
- v) To construct pool housing and institutional housing for civil servants;
- vi) To support research into improvements in design, materials and finance.

Also, among others, the government's Housing objectives for present plan period are ⁽³⁾:

- (a) To enforce rent control measures.
- (b) To promote self-help in housing construction in urban and rural areas.
- (c) To intensify the use of local materials and increase employment opportunities in the housing sector.

Kenya is experiencing a serious housing problem particularly in its cities. The natural increase in population, accentuated by the migration into the cities, has put a burden upon the housing agencies which has stripped their capacity to meet it.

At the same time, low incomes and unemployment have put a brake on the ability of people to afford better housing. There is overcrowding and unauthorized construction of unplanned dwellings built of unsuitable materials and without proper sanitation. A lack of basic infrastructure, such as water supply, sewerage and roads in unauthorized building areas has prevented any significant improvement.

The housing shortage is also the cause of exorbitant rents. In Nairobi, for instance, a shortfall of between 25,000 and 30,000 housing units, approximately equals 25% of the city's existing housing stock. Shortages of similar proportions exist in other larger towns.

In the rural areas there is no shortage of houses as such, but there is a need for up-grading. There is also a trend towards a demand for modern housing by rural dwellers. The government tries to overcome this problem by issuing rural housing loans to individuals.

2.2

Population Growth

Between 1969 and 1974, the total population of Kenya increased from 10,942,705 to 12,934,000 people, i.e. at an average annual growth rate of 3.5% as shown in Table 2.1.

Table 2.1

A table showing Kenya's Population growth and the rate of annual increase

Year	Population	Average annual growth rate shown
1948	5,405,966	3.2
1962	8,636,263	3.4
1969	10,942,705	3.5
1974	12,934,000	

Source: Development Plan 1974-78 PART I P.99.

The rapid rate has been caused mainly by significant advances in public health and overall improvement in the standard of living. These have resulted in a rapid decline in the death rate, especially of children, while fertility has remained constant. Kenya's rate of population growth is among the highest in the world⁽⁵⁾, being 3.5%.

2.3 Migration

In Kenya, like many other developing countries, modernisation has resulted into the concentration of job opportunities apart from farming in a few urban areas. Migration into urban areas continues to grow at 7% per year. To date, about 15% of Kenya's population live in towns⁽⁶⁾. The rate of population growth in urban areas is twice the national average or about 7% mainly because of the migration from rural areas; this means that the urban areas have to be developed in order to accommodate such a huge number of people.

Table 2.11

Urban Growth in Kenya: Projected 11 principal towns by 1980

Town	1948	1962	1969	1980 Population ('000)		
				Urban	Rural*	Total
Nairobi	119	347				
Nairobi	119	347	509	1098	-	1098
Mombasa	75	180	247	447	-	447
Nakuru	18	38	47	79	4	83
Kisumu	11	24	33	124	66	190
Thika	4	14	18	50	-	50
Eldoret	8	20	18	42	10	52
Kitale	6	9	12	23	2	25
Nyeri	3	8	10	26	15	41
Kakamega	5	4	6	17	14	31
Embu	1	5	4	4	5	19
Meru	2	3	5	12	68	80
TOTAL	252	652	907	1932	184	2116

*Rural Population - included in municipal boundaries but not yet urbanised.

Source: Ligale, Andrew, N. Criteria of Evaluation of Deliberate National and Regional Plans: Experience of Kenya paper prepared for Habitat A/CONF - 70/RPC/14P/6, 1975

During the past 70 years, urban infrastructure, throughout Kenya has developed to accommodate and provide facilities for approximately 1 million urban inhabitants. During the next 25 years, however, towns will need to be developed not only to serve a much greater rural population but to accommodate an estimated 9 million people. The problems associated with such a rapid pace of urbanisation centre around the creation of an excessive demand for housing in the urban centres to which migrants are attracted. This lack of adequate housing tends to resolve itself physically by the poor migrating into the slum areas of towns. Slum areas, thus, tend to be the natural response to the requirement of shelter by lower-income families, and although these areas frequently lack many urban amenities and living conditions, resulting in housing quality being often very unsatisfactory, slum areas provide living space for the urban poor and at a price which they are able to pay.

Closely related to the slum problem is the number of people in the low-income group living in squatter settlement and in villages. The majority of buildings in those areas are poorly designed and ill-constructed and the environments in most cases lack the basic infrastructure and community facilities for decent living.

Past and Present Housing Programmes

The history of housing development since urbanisation and industrialization started taking place in Kenya reveals that various institutions, agencies and individuals have made significant attempts in the provision of housing and related facilities. Government institutional and pool rental housing, private employers housing, local Authorities housing, private investment into housing sector - all of these housing programmes have contributed into the present housing stock. But, there having been no proper national analysis of the nature and causes of the housing problem that these housing programmes were intended to solve one can conclude that their preparation and implementation was done on an ad-hoc basis.

A close look on the type and location of houses built those days indicates that the main emphasis was to provide shelter for workers as a way of improving their employment conditions⁽⁷⁾. Infact the government attitude towards the African housing was naive; it stipulated that only those Africans who had come for the legitimate purposes of employment or trade should be allowed to live in towns and therefore could be provided with accommodation. The priority that should have been given to housing in relation to other investments was thus inadequate.

This deficiency was only recognized by government immediately after independence in 1963 and the first serious study on Kenya's Housing problem was sponsored by government and carried out by the United Nations Mission to Kenya on Housing in 1964. After the survey the Mission expressed the overcrowding situation, as at 1962 period, as follows:-

"Even at the extremely high ratio of three or more persons per room, 49% of all urban African households are overcrowded. Overcrowding is even higher in one room units"⁽⁸⁾.

The data provided by the Mission indicated that Kenya would need approximately 44,000 additional housing units per year from 1962 to 1970 in order to keep up with household growth, internal migration and taking into account of estimated out-migration. Of these units, about 7,600 would be needed in urban areas, inter alia. These figures under-estimated the situation as the number of housing units required to be built were only supposed to satisfy the need arising from population increase and migration only. But, even with this under-estimation of the housing needs the survey had already set a base for the preparation of a realistic housing policy and programme.

Since then population development and urbanisation has continued having its impact on the housing requirement. Over and above the natural increase there is the problem of influx of population into the urban towns thus not only increasing the number of towns with a population of 5,000 persons and above but also requiring an

The first of these is the fact that the Government of Kenya has been unable to provide a satisfactory explanation for the delay in the implementation of the programme. It is also clear that the Government has not been able to provide a satisfactory explanation for the delay in the implementation of the programme.

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increased population. This in turn has created need for more housing. At the moment it is estimated that as a result of this population growth urban towns require about 30,000 houses per year to meet the requirement arising out of the population growth. And an additional requirement will be necessary to offset overcrowding and maintenance⁽⁹⁾.

2.5

Programme Implementation And Institutional Framework

The preparation of housing programme to implement a housing plan is not adequate without the establishment of a technical, financial, administrative and legal institutional framework for the implementation of the programme. Such a framework is necessary so that funds are made available to the designers, builders and purchasers of the houses in an adequate amount when needed, where needed and in a form that would secure optimum results. And in order to avoid uncertainty, misunderstanding or frustration there must be a legal system of property in order to ensure the existence of harmonious transaction.

Chart I indicates the National and Local Financial and Administrative framework in Kenya. Other agencies and institutions which also play a role in the housing sector are:-

- (a) the Ministry of Works in the provision of housing for government staff and in the organization of building industry generally.
- (b) The larger Municipal Councils, e.g. Nairobi, in research, planning and implementation of housing schemes particularly in the low-cost brackets.
- (c) the Department of urban and Rural Physical Planning in the preparation of housing estates through the country.
- (d) the National Christian Council of Kenya in assisting in the research and formulation of solutions in connection with the low-cost housing and the general environment of housing estates.

PUBLIC SECTOR (Domestic)

TREASURY

LOANS AND GRANTS

MINISTRY OF HOUSING

DEVELOPMENT FUNDS

LOANS AND GRANTS

M O W

M O H

CONSTRUCTION OF INSTITUTIONAL HOUSING RENT HOUSING

POOL HOUSING CIVIL SERVANTS MORTGAGE HOUSING

INDIVIDUALS RURAL AREA

RURAL HO

in the period between 1968-1973, unlike Defence, Health, Agriculture which to

2.6

Housing in National Development Plans

Housing is very low on the scale or priority of the government; it does not receive its deserved attention in national development plans, as the following table will indicate. Perhaps there has been over-emphasis on the expected contribution of the private sector which, as has already been mentioned, has not so far played a significant role in the housing of low income groups in urban areas particularly where adequate infrastructure is required.

Table 2.III

Comparison of Central Government total Expenditures 1968/69 - 1972/73 (ACTUAL) and 1973/74 - 1977/78 (PROPOSED)

	1968/69 K£'000	1972/73 %	1973/74 K£'000	1977/78 %
1. Office of the President	31,378	4.8	45,856	3.6
2. The State House	441	0.0	749	0.1
3. Ministry of Foreign Affairs	6,679	1.0	9,729	0.8
4. Office of the Vice-President and Ministry of Home Affairs	57,265	8.9	78,029	6.1
5. Ministry of Finance & Planning	22,556	3.5	54,484	4.2
6. Ministry of Defence	37,549	5.8	76,180	5.9
7. Ministry of Agriculture	73,269	11.3	176,837	13.7
8. Ministry of Health	49,421	7.6	97,895	7.6
9. Ministry of Local Govt.	15,583	2.4	28,110	2.2
10. Ministry of Works	114,561	17.8	183,622	14.2
11. Ministry of Power & Comm.	10,689	1.7	33,590	2.6
12. Ministry of Labour	7,511	1.2	10,778	0.8
13. Ministry of Lands & Settlement	23,942	3.8	36,679	2.8
14. Ministry of Housing	14,911	2.3	35,070	2.7
15. Ministry of Education	123,507	19.1	292,756	22.7

Source: National Development Plan 1974/78, P. 172. With reference to the above table, the Ministry of housing took only 2.3% of the central Government's expenditure in the period between 1968-1973, unlike the Ministries of Finance and Planning, Defence, Health, Agriculture which took 3.5%, 5.8%, 11.3%, respectively.

Looking at the 1970/74 Development Plan, 25,000 housing units were completed in urban areas during the plan period, but this was only half of what was being expected. The following points could perhaps explain why this was so:

- i) a shortage of skilled personnel to plan and research into housing in the lowest cost category.
- ii) delays caused by poor organization, poor policy and lack of finance.
- iii) local authorities do not always initiate housing schemes particularly in the low-cost brackets as promptly as required mainly because of lack of funds and qualified staff.
- iv) rapid increase of building costs.
- v) delays in land acquisition and carrying out necessary survey work slows down the pace at which sites could be identified for planning and for the issue of title deeds.

Grand housing schemes are proposed for the 1974/78 Development Plan period. For example it's estimated that about 110,000 housing units are to be built in the urban areas during the plan period, plus over 50,000 units to meet the current fall. The majority of the units in the shortfall to cost K£1200 or less; and the estimated total cost for the entire 160,000 units is approximately K£130 million. Experience has demonstrated that allocation of money for a particular scheme does not necessarily ensure that such a scheme will materialise; and if it does, it does not guarantee its successful completion. We should resist the temptations to see the monetary side of things; the government should ensure that most of government housing policy objectives are implemented.

Moreover, while the Kenya housing policy says that every family should live in a decent home which provides the basic standards of health, privacy and security,

the housing agencies have not been able to achieve this target. The houses constructed have been far beyond the economic ability of the majority of the Kenyans, and thus unrealistic. But, perhaps if funds are directed appropriately to housing units in all cost brackets, as shown in the table below, probably the housing deficit can be done away with. But at the moment the capital outlay for housing at a minimum acceptable standard has proved to be too high for most people in urban areas.

Table 2IV

Distribution of Available Funds for Urban Housing (1974/- 1978) into Cost Categories

Assumed Income Shs. per month	Average cost/ Loan per Unit	No. of Units and Available Funds	
		Units (iii)	Value K£m (iv)
(i)	(ii) K£		
200	300	61,860	18.6
500	750	9,890	7.4
800	1,200	6,570	7.9
1500	2,250	13,840	31.1
3500	4,500	3,460	15.6
TOTAL		95,620	80.6

Source: Kenya Development Plan 1974-78 Part I

One of the features of the Kenya's five-year Development Plans is that they contain projections for number of housing units to be built but hardly ever contain a section on urban land policy. Yet the land question is at the crux of orderly urban expansion. In most towns e.g. Embu, Kisumu, Kakamega, just to mention a few, the acquisition of urban land for development being either private or public parties is a very difficult process in terms of administrative delay and usually involves a high compensation cost.

Limitations of Current Government Policies

The response of the government to the problems of urban settlement of lowest-income people leaves a lot to be desired. The common trend with regard to the government policy is a feeling that the solution to the problem of lowest-income people in the urban areas rests in stopping them from living in the urban areas by controlling migration, reducing the natural increase, isolating them through use of police power, and then clearing the areas and rehousing the poor in low income public houses. These policies need a brief review:

(a) Rural development as Reducing Migration

In Kenya one of the reasons given for emphasis on rural development is reduction of migration to urban areas. It is believed that rural people will be content to remain in the country-side if the quality of rural life can be improved through higher incomes, better education, health and housing and if better communication, transportation, and power are available. Experience has shown that this is will not be the case for a number of reasons:

1. The gap between rural and urban incomes is too great to be closed by a strategy of rural development alone. A greater impact could be made on reducing rural-to-urban migration by lowering urban wages than by attempting to increase rural wages. Since one main reason for migration is the migrant's perception of a potentially higher income, there is little likelihood that possible small increases in rural incomes will materially affect his decision.
2. The availability of land is a crucial factor in stabilizing rural development. Yet even in countries with a low overall population density, acceptable land for agriculture can be a problem.
3. Modernization of agriculture tends to reduce the labour required per unit of production. Thus the introduction of mechanization is bound to work at cross purposes with a desire to retain the rural population in the countryside.

4. The introduction of better education, communication and transportation also tend to increase migration potentials. Migrants in Kenya tend to be the younger educated individuals⁽¹⁰⁾.

(b) Decentralization of Work Opportunities to Rural Areas

Decentralization of economic development can only play a marginal role in diverting migration at the present time. First there are only a limited number of jobs that can be created in this manner because of the overall constraints operating against the rapid development of an industrial base in most service centres in Kenya. Second, the labour force required must be trained and skilled and these persons are in short supply in the rural areas. This is a vital policy idea which should be pursued and in the long term is vital in establishing a meaningful hierarchy of towns, but such a policy is an approach to a long-term solution.

(c) Family Planning and Population Control

Family planning cannot affect urban growth rates substantially over the next few years, and thus does not offer any short-range solutions to problems of lowest-income people in the towns.

(d) Use of Police Power to Control Squatter Housing

National pride has often moved our government to act with police power to destroy the growth of shanties. To some extent the government or the local authorities concerned still view the physical characteristics of the shanty as the problem. They have tried to eradicate the shanties through slum clearance only to find new and larger ones spring up elsewhere. They have tried to prohibit their expansion. They have, in some cases, gathered up the people and repatriated them back to the rural area. All of these methods have failed to stop the formation of shanties. The solution must be found in positive programs.)

(e) The use of subsidized Public Housing

The idea here is to subsidize the rents charged so that the family can occupy a house which it should not otherwise afford. This program cannot succeed to solve the overall problem because Kenya as a developing country simply does not have the money required to provide the subsidies on a large scale.

2.8

SUMMARY

Housing policy begins with an increasing awareness of the existence of housing problems and the consciousness that without countervailing measures the situation will steadily worsen. But if a Housing Policy is not spelled out in specific plans and programmes it tends to become just empty phrases of good intentions. In Kenya today there is a housing threshold below which neither government nor the private sector can provide standard housing. The challenge is to design a programme which will respond to the needs of the lowest-income people within these problem constraints. Such a problem should take into serious consideration the following; preservation of existing housing stock, the vital role of the private sector; and the importance of land tenure and supply.

The importance of land tenure should be seriously recognized in government policy objectives. It would be much more realistic than the sweeping objectives stated for housing standards. For example, the five-year Development Plan of 1974/78 stipulates that the prime objective of the government's policy in housing is to move towards a situation where every family in Kenya will live in a decent home, whether privately built or state sponsored, which provides at least the basic standards of health, privacy and security, inter-alia.

Such an objective is unrealistic in Kenya today or even in many years to come. There is no way that enough resources can be diverted from other essential development projects to build the amount of housing required to achieve the objective. It is therefore only a statement of good intentions, a hope, which is of no practical value in development planning.

The prime objective of government policy might better be to provide every household the opportunity to purchase, rent or lease sufficient land at reasonable rates to meet their minimum requirements for living space at locations which are convenient to their needs and upon which they may build or rent a house with their own resources.

Such an objective offers a prospect of achievement is therefore more modest than a commitment to housing. It makes no commitment to finance or subsidize either the land or the housing which would follow. It implies the need for the individual citizen to take the responsibility of providing his own resources. Yet it holds out the goal that each individual can obtain adequate living space which is the first priority⁽¹¹⁾.

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3.0

CHAPTER THREE: ACTIVITIES OF NATIONAL HOUSING CORPORATION

3.1

Historical Background

The National Housing Corporation was preceded by the Central Housing Board which began to function in June 9th, 1953. Briefly, the functions of the Central Housing Board were as follows:

- (a) To build housing directly⁽¹⁾.
- (b) To make loans for housing to other than Local Government Authorities.

The Board assisted the local authorities with the preparation of plans and documents and with the supervision of work on the ground⁽²⁾. The Board tended to favour tenant-purchase schemes, in which the houses were built by the Local Authority and the tenants purchased them from it over a period of years.

The biggest demand on the Boards funds was for loans for rental housing, and it was the aim of the Board to keep building costs at as small a figure as was compatible with sound design and construction in order that economic rents for them might be as low as possible and within the means of the lower income group.

The Board also made loans to Local Authorities for site and service schemes so that they might develop a site into plots with roads, sewerage and individual water supply, on which individuals could build houses themselves, or through a contractor, to approved plan and repay to their share of the cost of the site development.

Other loans made by the Board to local authorities were for relending to employers to enable them to build housing for their employees.

After recommendations by the United Nations Mission to Kenya on housing in 1964, the Central Housing Board was transformed to the National Housing Corporation as of July, 1967. The principal reason for the transformation was that the latter should be a separate corporation more independent of the Ministry of Housing, and able to give support to a wider field than just to local authorities and to undertake projects of its own.

3.2

Aims and objectives of the National Housing Corporation

The National Housing Corporation is the government's main agency under the Ministry of Housing and Social Services charged with the implementation of government housing policy through undertaking the following activities:

- (a) The corporation acts as an agency for transmitting loans from the Ministry of Housing and Social Services to Local Authorities for the development of low cost housing in town and to individuals in the rural areas for the development of housing in their farms and homes.
- (b) It provides technical assistance in the form of designing, tendering, and supervising construction for those local authorities inadequately staffed with the necessary technical personnel.
- (c) In a number of cases the corporation develops and manages housing either in order to supplement the capacities of the Local Authorities concerned or meet the demand for houses in areas where Local Authorities are not able to initiate and/or manage housing estates themselves.
- (d) In conjunction with the Ministries of Housing and Social Services, and Works, the corporation supports and encourages the development of housing research through the Housing Research and Development Unit at the University of Nairobi.
- (e) The corporation also, in close liaison with the Ministry of Housing and the Housing Finance Company of Kenya Ltd., undertakes to stimulate greater participation by the private sector by developing mortgage housing estates with mortgage loans being provided by Housing Finance Company of Kenya Limited. In this manner it acts as an estate developer for mortgage housing schemes which are designed to meet the demand for housing for the middle income groups of the population which is not catered for by the private sector.

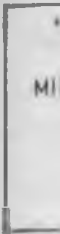
It is a public corporation with legal identity which, while most of its capital and loans are from the government, also has received loans from commercial banks, and grants from the USAID, and loans from the commonwealth Development Corporation, as the following table shows:



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THE
STATI



RURAL INDIVIDU
HOUSES
FINANCED
BY NHC

Table 3.1 : National Housing Corporation Capital Funds

	K£
Grants from Kenya Government	400,000
Loans taken over from Local Government Loans Authority	207,382
Dagoretti Loan Waived	47,000
Grants from USAID	125,000
Contribution - Ministry of Housing	8,609
Accrued Surplus on Income and Expenditure	
Account at 31st December 1970	305,732
	K£ 1,093,723

Source: draft of the 1971 Annual Report

3.3

National Housing Corporation's Projects

The very broadly formulated purpose of the National Housing Corporation provides plenty of scope for activities, but in practice it has done very little in solving the housing problem for the urban poor. The allocated funds for housing has been more or less devoted to construction of tenements of such standards which make the cost so high that it has been possible to construct only a few units of such standards so far. For example the government's aim in the last plan period was at least to build 10,000 new housing units in towns each year. Unfortunately the corporation only managed to construct an average of 2550 houses per year, so there was a serious yearly short fall of about 7550 units. Even in the current plan the performance of the corporation has fallen far below target, construction costs have escalated rapidly - and the houses built have been much too expensive to be afforded by the urban poor even at heavily subsidized rents. In the current development plan approximately 110,000 housing units are required in urban areas to house the increase in population, plus over 50,000 units to meet the current shortfall. Within this same period, that is, from 1974 to April, 1978, the corporation has managed to construct 11,406 units only. Therefore the current housing shortage in the urban areas should be in the order of 148,594 houses. This figure excludes of course those houses built by the private sector. The highest incidence

of shortage of urban housing is in low income categories. The contribution of the public sector to the housing stock used by these categories is not significant.

Since independence, for instance about 24,000 houses have been built directly or indirectly by the corporation at a total cost of K£24 million and at an average cost per unit of K£1027 inter alia. The majority of the people staying in urban areas cannot afford to pay for such costly houses. About 80 - 90% of the population of smaller towns like Kakamega, Machakos, Muranga and Kericho earn below Shs.500/=⁽⁴⁾ and they cannot afford to pay for houses costing K£1027 given that they have to spend about 20% of their income on rents.

Moreover, between 1970 and 1973, about 80% of the housing units completed by the corporation cost more than K£2000 each, suggesting that the emphasis was on housing for higher income earners, as this table will show.

Table 3.11: Value of Houses in K£ 000 completed: 1970 - 1974 by N.H.C.

Province	1970	1971	1972	1973	1974
Central	337	-	6	37	184
Coast	179	198	1119	486	290
Eastern	60	-	16	44	88
Nairobi	1617	1526	3042	899	1396
North-Eastern	-	14	29	13	-
Nyanza	30	17	44	77	41
Rift Valley	147	117	169	89	408
Western	72	30	-	500	47
TOTAL	2442	1902	4425	2145	2454

Source: Economic Survey: 1975 PP.145-146

The following table shows that from 1966 to 1976 the National Housing Corporation and its predecessor the Central Housing Board financed about 20,103 units at a total cost of K£23,828,669. During the period from 1967 to 1968 after the formation of the corporation volume tripled, then the following year doubled again to 1972.

Table 3.III : Houses completed indirectly or directly by NHC 1966/67 - 1976

Year	Total No. Units Completed	Average cost per unit in K£	Value of project in K£
1966/67	337	1919	671,514
1967/68	818	1730	1,413,996
1969	1920	1370	2,648,246
1970	2340	1060	2,480,690
1971	3202	691	2,214,133
1972	4598	960	4,390,288
1973	1190	1816	2,160,602
1974	1441	1717	2,474,900
1975	2474	1570	3,884,300
1976	1783	836	1,490,000
	20,103		23,828,669

Source: Progress Report: 1966 - 1976 NHC

A closer analysis of the above table reveals that since about 89% of the urban population cannot afford a house costing more than K£1200, and even then only a few can afford to complete house at the minimal official standard of 2 rooms; over 90% of the houses built by the corporation are out of reach of the majority of the urban population. Suffice it to say therefore that a great part of the urban population cannot afford the housing being provided by the National Housing Corporation.

The same thing happens also in the rural areas; where rural housing loan scheme tends to favour the rich in rural areas. Under the rural loan scheme, loans can be granted to applicants who are credit worthy; the rate of interest is 7% per annum; in the case of unemployed applicant, repayment is restricted to not more than 5 years and the applicant must, in addition to producing a land title, also produce someone of means and good reputation whose annual income is not less than half of the amount of money borrowed, to enter into the Loan Agreement as the applicant's surety. The maximum loan is K£1,000 or 50% of the estimated cost of the house,

whichever is the less; the applicant must be able to amortize the entire loan before the age of 55. The applicant is required to have carried out construction to the extent of a minimum of 30% of the estimated cost of the house before any part of the loan may be released; the successful applicant has to pay a fee to cover legal and inspection costs. One therefore finds that a great percentage of the rural population cannot secure a loan from the corporation because of any or a combination of the following reasons:-

- (a) inability to afford the necessary downpayment;
- (b) low income, or low earning power, which makes it impossible for the people to afford the monthly repayment rates;
- (c) inability to provide a reliable surety or guarantor acceptable to the corporation;
- (d) age limitation and
- (e) absence of loan for sufficiently lengthy amortization period.

In reality the loan scheme is out of the reach of the common people. It has become, by design and by default, a loan scheme for the middle and upper classes.

Table 3.IV: Housing Loans Advanced to Individuals in Rural Areas

Year	No. of Persons	Total Amount Advanced K£	Average Advance per person K£
1967/68	9	5,636	626
1969	5	4,145	829
1970	31	42,635	1,375
1971	61	45,269	730
1972	75	43,945	585
1973	148	88,534	599
1974	310	169,357	547
1975	476	237,490	499
1976	412	378,778	919
Total	1,527	1,015,789	665

Source: NHC Annual Report, 1975 - P.38

The rules guiding purchase of the corporation's houses such as site and service schemes, rentals, tenant-purchase schemes and mortgages are equally as stringent and as restrictive to the common people as the rules guiding the rural housing loan scheme. A brief account of these schemes will show this clearly.

(a) Tenant-Purchase housing

The local authority or National Housing Corporation plans, constructs and finishes the scheme. The public can purchase the units from the local authority over 20 years. Cost per unit is about K£1800. The purchaser has to pay 10% deposit. Payment of the rest is over 20 years. Interest rate $6\frac{1}{2}\%$.

(b) Rental housing

Local authority or National Housing corporation plans, constructs and finishes the scheme. The separate units are let to the public; the cost of each unit is about K£1800 - 2000. Payment is over 40 years. Interest rate is $6\frac{1}{2}\%$. The lending policy in this case favours the rental housing (40 years) and discourages tenant-purchase schemes (20 years) where the opposite should have been the case. But rather than differentiating between schemes the incentives should be for low-cost housing and the disincentives for high cost.

(c) Site and Service Schemes

The local authority or National Housing corporation prepares the plan for the scheme, divides the area into plots and provides them with services, such as watersupply, sanitation and access roads. The local authority lets the plots to persons, who build their own houses in accordance with an approved plan. The cost of the serviced plot is £700; and the down payment is Shs.700/-. Repayment is over 20 years. Interest rate is $6\frac{1}{2}\%$.

On the basis of a capital cost of KShs.14,000 the monthly repayment is approximately Shs.150.including loan charges, maintenance, insurance, land rent, etc. Assuming that a person's expenditure on housing should not exceed 20% of his income then only people with a minimum income of Shs.750/- per month are in a position to afford the repayments. According to the 1973 distribution of income, only 27% of the urban population are in this position. Therefore people who can afford to have such schemes are definitely middle income earners.

The allocation of the site and service plots is usually done perfectly but the problem comes when construction begins and the plot allottees are impelled to complete the buildings with permanent materials. Most of these schemes never serve their purpose because the building standards are set too high relative to the allottees incomes; so they end up by selling the plots to the richer men who are able to afford permanent building materials. Usually the plot sizes of these schemes are too big, unnecessarily. The standard size of 12.5 m x 23.5 m is just too big and should be reduced. The plot size should allow less than 6 rooms, instead of 6 as is the case now.

Therefore in practice the site and service schemes do not always go to the people who deserve them; and the schemes fail due to lack of funds for house construction; too high construction standards required; lack of administrative procedure and delays in cadastral survey.

(d) Mortgage housing schemes

National Housing Corporation or the owner plans, constructs and finishes the house. The public can purchase houses. They have to pay a deposit of 10% and apply for a mortgage from the Housing Finance Company of Kenya limited for the rest of the money. Cost per unit is usually over £9000. Repayment of the rest is over 20 years. Interest rate is 8½%.

Evidence points to the fact that rentals, tenant-purchase schemes, site and service schemes and mortgages are meant equally for the middle and upper income-groups, to the total exclusion of the low-income groups which form the majority of the Kenya's people. The Corporation declares that it's intention to provide houses for low income workers, unfortunately what one discovers is that these houses are actually occupied by middle income people. In all cases the middle income and high income groups have the advantage of securing the houses. One major reason for this is the requirement that a certain percentage of the cost of the houses provided has to be paid as deposit before the mortgage facility is extended to clients. Such initial deposits are found to be too high for the low income workers, who, because of their low level of incomes are not in a position to make any savings. Consequently, those who could afford to purchase such houses and in most cases the middle and high income earners, sublet them at fantastically high rents

to the low income group. The objective for the exercise therefore appears defeated.

Even by the period of 1970/1974 the corporation was mainly engaged in providing the houses for the middle and high income earners. The next table indicates that the greatest percentage both of the number of units built and the total cost was for houses in the K£900 - 1200 bracket, and most of these cost just under K£1200. It was the government intention to build houses costing under K£1200 then. Despite the statistically average K£691 house built in 1971, the corporation was working at the upper brackets of this unit. Even the K£1200 level was difficult to reach with rising costs and the high building standards often required.

Table 3.V Cost Brackets of Houses completed by the National Housing Corporation in 1970 and 1971

Number of Units built				Total costs of Units built					
1970		1971				1970		1971	
No.	%	No.	%			K£	%	K£	
81	3.5	600	18.8	Under K£ 249		15,640	0.6	69,000	3
242	10.3	935	29.2	K£250-599		95,515	3.9	269,463	12
765	32.7	253	7.9	K£600-899		609,650	24.6	220,170	9
1,070	45.7	868	27.1	K£900-1200		1,186,390	47.8	983,000	44
182	7.8	546	17.0	OverK£1200		573,495	23.1	672,500	30
2,340	100.0	3,202	100.0			2,480,690	100.0	2,214,133	100

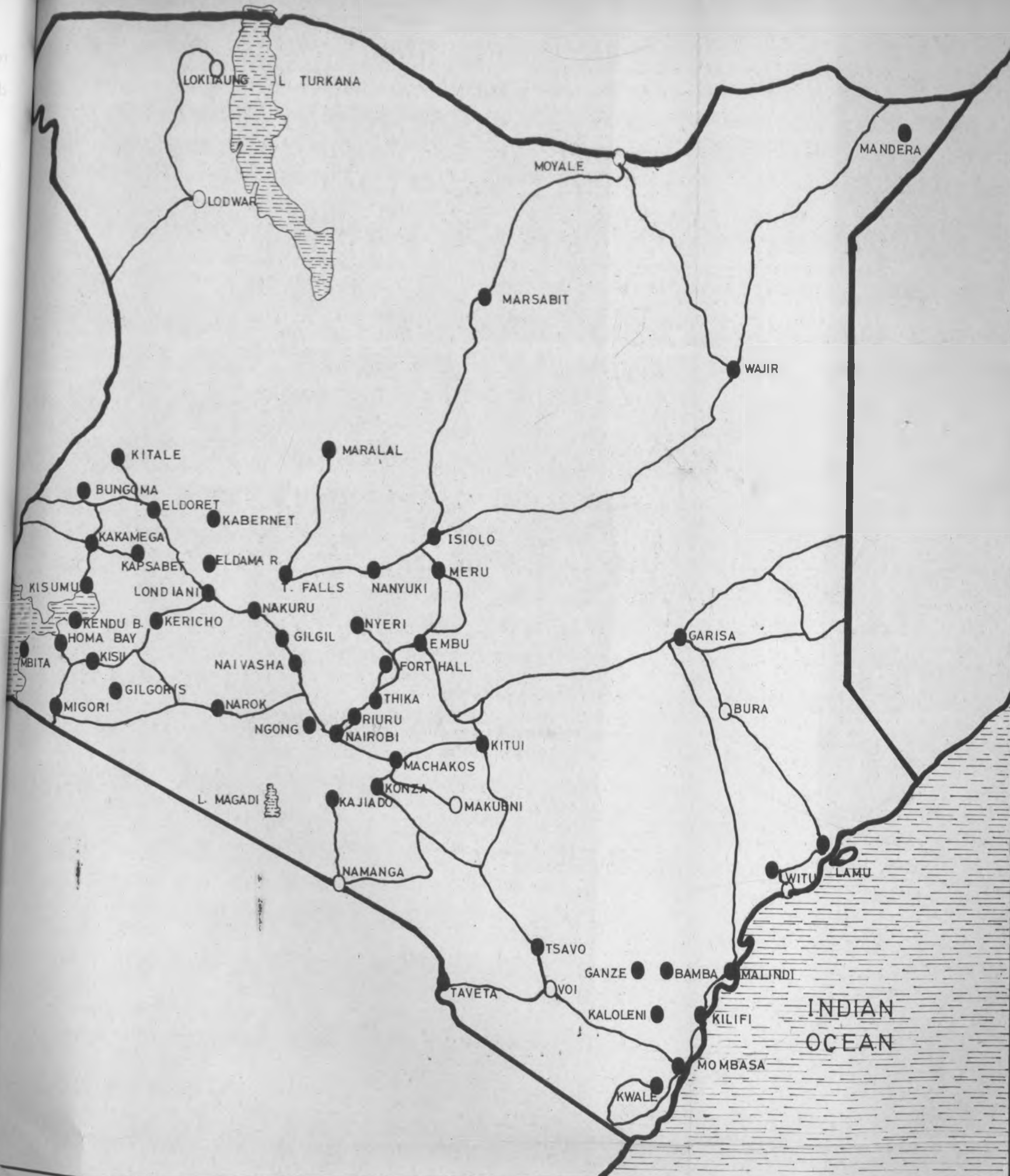
Source: 1970 Annual Report and draft of 1971 report.

3.4


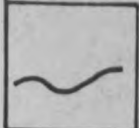
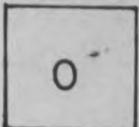
Distribution of Houses completed by the National Housing Corporation

A large number of schemes have been built in central province but the majority are in Nairobi. In 1970 and 1971 approximately 2/3 of the completed houses were located in Nairobi. But, between 1970 and 1976, about 41% of the projects were located in Nairobi.

GEOGRAPHICAL DISTRIBUTION OF URBAN HOUSING PROJECTS BUILT BY NHC



LEGEND

-  HOUSING PROJECTS
-  ROAD
-  CENTRES WITHOUT NHC PROJECTS



THESIS MAP NO. 1







SCALE: 1: 4 000 000

OGUTU F.
M.A URBAN & REGIONAL
PLANNING DEPARTMENT
UNIVERSITY OF NAIROBI
YEAR 1977 - 1978



GEOGRAPHICAL DISTRIBUTION OF NHC HOUSING PROJECTS IN THE CITY OF NAIROBI

LEGEND.

-  MORTGAGE SCHEMES
-  RENTAL SCHEMES
-  SITE AND SERVICES SCHEMES
-  TENANT PURCHASE
-  CORE-HOUSING
-  AIDED AND SELF HELP HOUSING



THESIS MAP NO 2

SCALE: 1:20 000

ROLE OF NATIONAL HOUSING CORPORATION IN THE PROVISION OF HOUSING IN KENYA

OGUTU F.
M.A. URBAN AND REGIONAL PLANNING
DEPARTMENT,
UNIVERSITY OF NAIROBI. 1977/78

A drastic fall was recorded in the number of dwelling units completed by the National Housing Corporation in 1976. The number of units fell from 1651 in 1975 to 326 in 1976. The bulk of the units completed were in Coast province where 1216 units worth K£272,000 were constructed in Buxton estate, Mombasa. Actual government expenditure on housing declined from K£4.86 million in the financial year 1974/1975 to K£.44 million in the financial year 1975/1976.

The least served province is North-Eastern.

Table 3.VI National Housing Corporation Projects by Province 1970-1976

Province	1970	1971	1974	1973	1974	1975
Central	220	-	6	34	168	232
Coast	174	208	589	257	300	20
Eastern	50	-	16	34	71	79
Nairobi	1341	1290	1505	302	432	166
North Eastern	-	8	26	6	-	-
Nyanza	4	20	42	70	25	107
Western	85	34	-	238	32	350
Rift Valley	192	177	313	153	413	697
TOTAL	2066	1737	2497	1094	1441	1651

Source: NHC Progress Reports. 1970-1976

3.5 The Single Housing Schemes

(a) Procedure from Inception to Finalising

The corporation's building process can be divided into the following

PREPARATION PERIOD

- Site accepted for the use in Master plan.
- Ownership ensured (land acquisition)
- Investigations of site.
- Ensuring of funds.

DESIGN PERIOD

- Layout plan
- Working Drawings
- Preparing loan application

APPROVAL PERIOD

- Technical examinations
- Economical Examinations
- Preparation of specifications

TENDERING PERIOD

- Invitation of Tenders
- Preparation of tenders
- Acceptance of tenders.

CONSTRUCTION PERIOD

- Contractor work
- Supervision
- Completion of work

FINAL PERIOD

- Occupation of the houses
- Claim lists
- Final certificate
- Final payments

(b) Time Schedule

The different periods of the total process can also be set up in a time schedule giving in time the length of each period. The time will often change depending on the type of scheme.

- i) The length of the Preparation Period can be from 1 month up to 3-4 years.
- ii) The time for detailed planning including Design Period, Approval Period and Tendering Period is seldom under one year.?
- iii) The construction period can be from 4 months up to 2 years.
- v) The Final Period usually is 4 to 6 months.

TIME SCHEDULE FOR THE PRODUCTION OF A SMALL HOUSING SCHEME

INCEPTION STAGE	9 MONTHS			16	24	29	32	MONTHS
1 Collection of Arch ⁹ Brief 2 Land allocation and soil survey 3 Collection of information on servises and survey 4 Topographical survey 5 Cadastral survey								
OUTLINE PROPOSALS			3 MON.					
1 Prep. of sketch plans, sketch layout plans and estimates 2 Approval of sketch plans 3 Preliminary submission to town councils								
DETAILED DESIGN				5 MONTHS				
1 Preparation of working drawing and detailed drawing 2 Design of engin. services 3 Prep. of working layout servises 4 Loan sanction issued 5 Specification 6 Approval by local author								
TENDER ACTION TO COMPLETION						12 MONTHS		
1 Prep of Bills of Quantities 2 Advertisement 3 Preparation of tenders 4 Construction period 5 Preparation of final account 6 Final inspection 7 Final payment								

- v) Some of the functions placed under the Preparation Period are often done so late in the process that it gives delay and unforeseen expenditures. Therefore it is necessary to synchronize the case work on the applications in the Ministry of Local government and the National Housing Corporation to avoid delay.

Water mains, main sewers and access roads are in some cases not constructed when the houses are built. These are services where other bodies are involved; an arrangement should be made therefore to ensure that they are constructed earlier.

One other observation is that the Local Authorities draw their loans at a different time in relation to the normal time schedule for a scheme. In this way it is somewhat difficult to coordinate the physical planning and the economical planning or programming in time. It therefore simplifies the planning or programming work of the corporation, if the local authorities had to follow the same time schedule as to when they should draw their loans.

Lastly, the general impression is that it would be profitable for the single scheme if it was placed in a long term, say a 5 years programme so it could be easier seen when to start the different operations at the right time. See the chart showing time schedule for production of small Housing Scheme.

3.6 Layout Plans of National Housing Corporation's site and service schemes

Evidence points to the fact that site and service projects have not been very popular. They are characterised by the following problems:

- i) lack of funds for house construction;
- ii) too high construction standards required;
- ii) lack of administrative procedures;
- iv) slow development of the plots;
- v) criticism of house design;
- iv) delay in cadastral survey. (9)

Among other things, some fail because of poor planning techniques. Some site and service projects constructed by the corporation are discussed below and their weaknesses and successes pointed out.

(i) Site and Service Scheme, Phase 1, BIAFRA THIKA TOWN

The scheme is located on land owned by the Municipal Council near Industrial area. There are about 42 plots, each plot is 298m^2 and density per hectare is about 144. Roads are tarmac with surface drains and water born sanitation, to main sewer is provided on plots in publicly built sanitation blocks comprising 1 WC and 1 Shower compartment.

Analysis of this scheme reveals that the layout was bad and none of the plot-holders had followed the type plan. There were many alterations and in cases the 3-roomed flat was divided into separate rooms, so that all rooms in the dwellings have independent access. This scheme is a failure because it never reached the target population, viz. there are so many absentee land-lords. The cost of building was too high for the plot allottees consequently many sold their plots to the richer men.

The residents abhor the scheme because of high rents, poor conditions of roads, along distance to shops and poor condition of toilets. The alterations of the type-dwelling, from a family-dwelling with three lodgers rooms, to a house consisting of 6 separate rooms, indicate, however that the scheme is not being used as intended.

(ii) Langa-Langa site and service scheme PHASE II NAKURU TOWN

The scheme was completed in 1973. It is situated on land near employment areas and next to a centre comprising shops, church, nursery school and primary school. There are 96 plots occupying a total area of 7 hectares and each plot has an area of 558m^2 ; the plot dimension is $36.6 \times 15.2\text{m}$, density, plots per hectare is $13\frac{1}{2}$ and lastly the density rooms per hectare is 121.

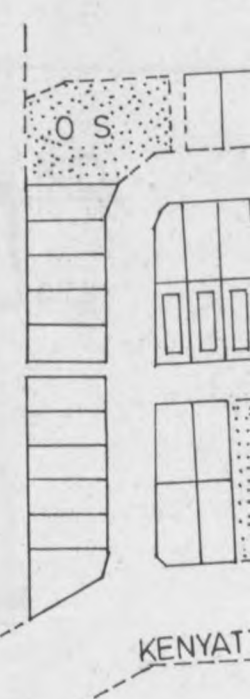
Each plot is planned for three self-contained dwellings with water borne sanitation to septic tanks per plot. The problems with the scheme is that the 3-roomed type plans being feasible only for family occupancy indicates that the scheme is intended for people of middle or higher income groups. Subletting is made as inconvenient as possible, especially in the detached type, where the possible access to bedroom,

Among other things, some for site and service projects constructed their weaknesses and success points

(i) Site and Service Scheme, Pt. 1
 The scheme is located on land area. There are about 42 plots, roads. Roads are formed with surface. It provided on plots in public compartment.

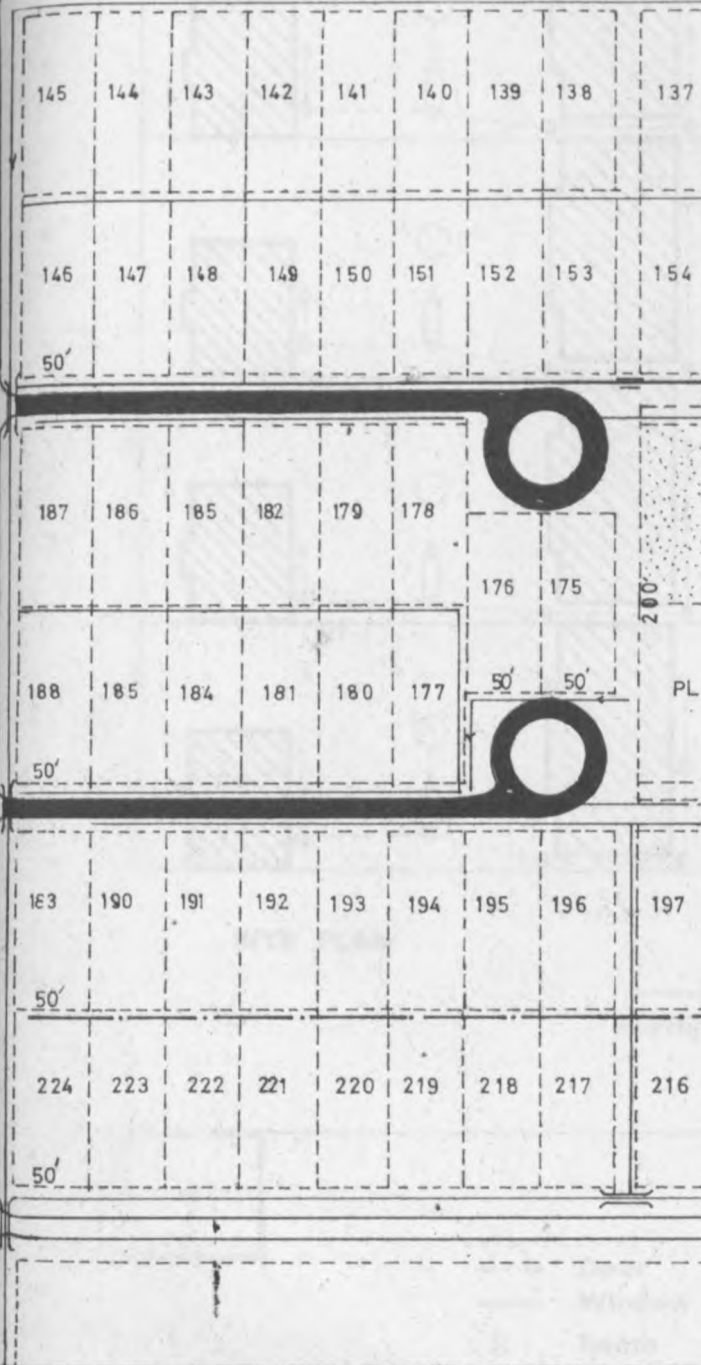
Analysis of this scheme revealed that the type plan. 3-roomed flat was divided into separate independent access. This scheme is population, viz. there are so many high for the plot allotted correspond. The residents about the scheme along distance to shops and public dwelling, from a family-dwelling to separate rooms, indicate, however.

(ii) Langa-Langa site and service
 The scheme was completed in and next to a centre complete school. There are 98 plots occupying an area of 588m², the plot dimensions and lastly the density rooms per. Each plot is planned for three sanitation to septic tanks per plot type plan being feasible only for people of middle or higher income, especially in the developing

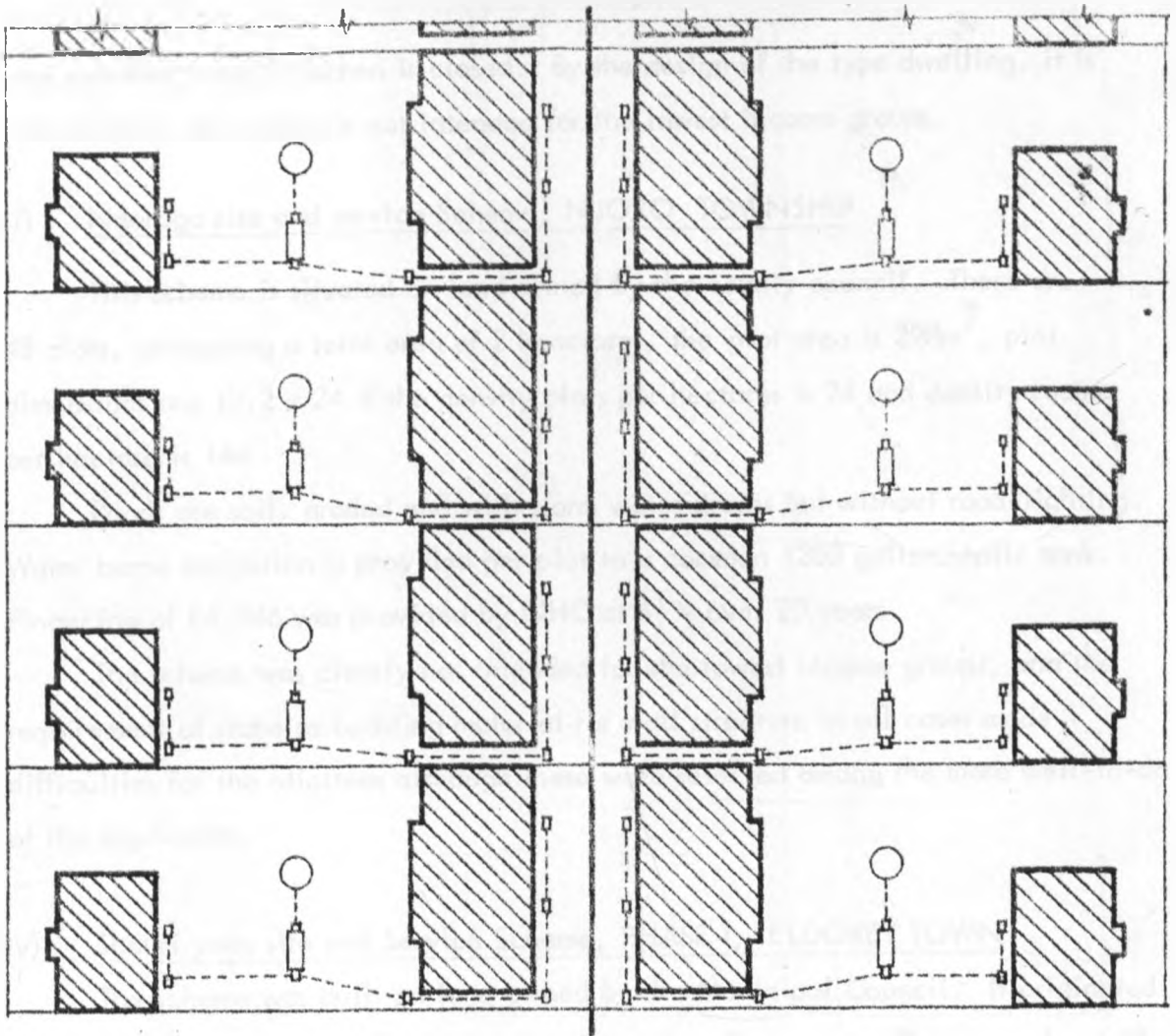


THE ROLE OF NH OF HOUSING

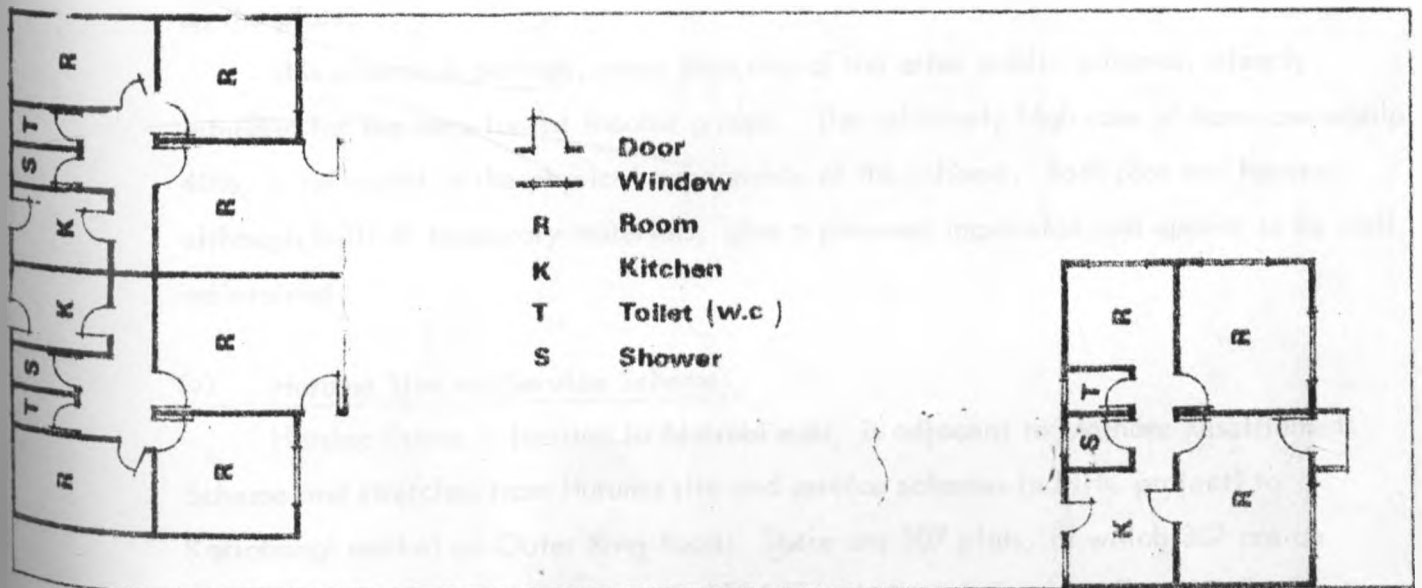
KANU STREET



THE ROLE OF NHC OF HOUSING



SITE PLAN



LANGA LANGA PHASE II

TYPE PLAN

NDARUGU SITE & SERVICE SCHEME, NJORO TOWNSHIP

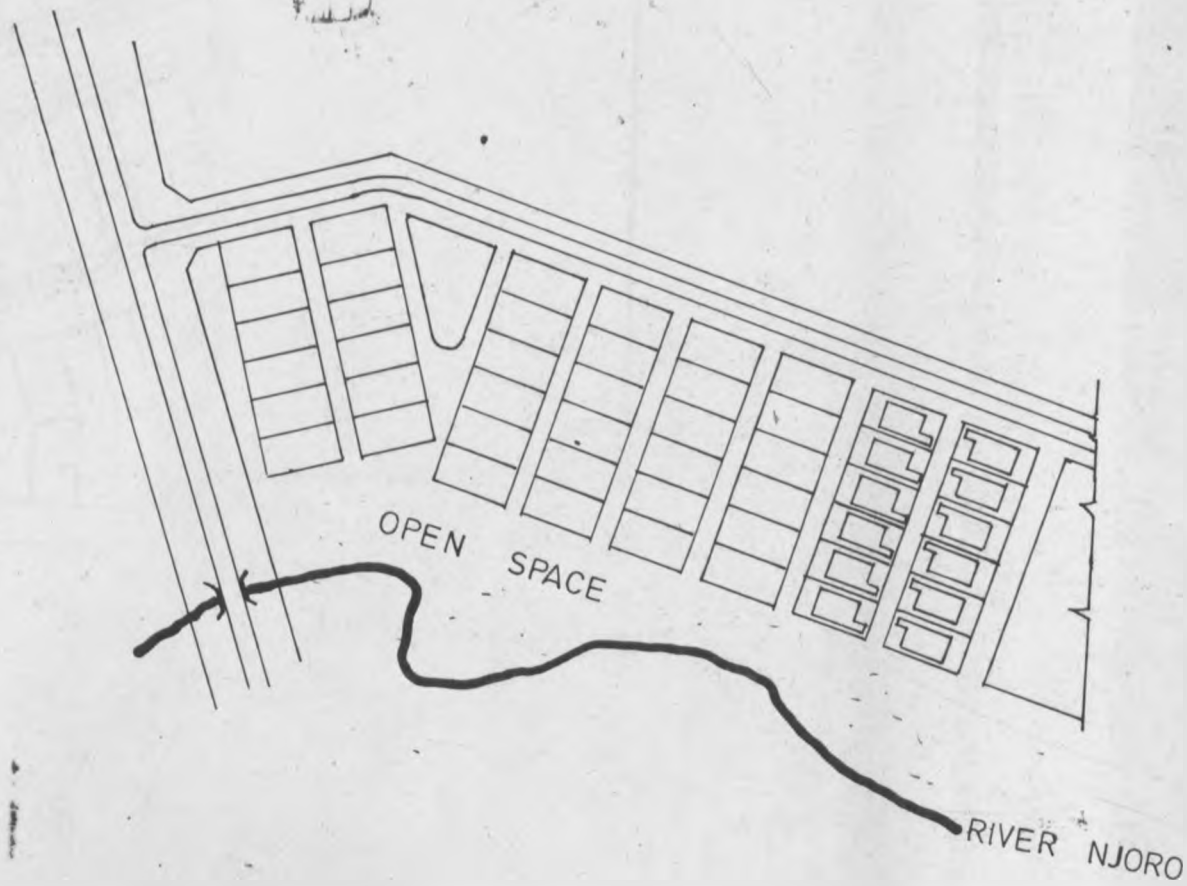
LEGEND



BUILT UP AREA OR PLOT



UNBUILT UP PLOT



THESIS MAP NO 5

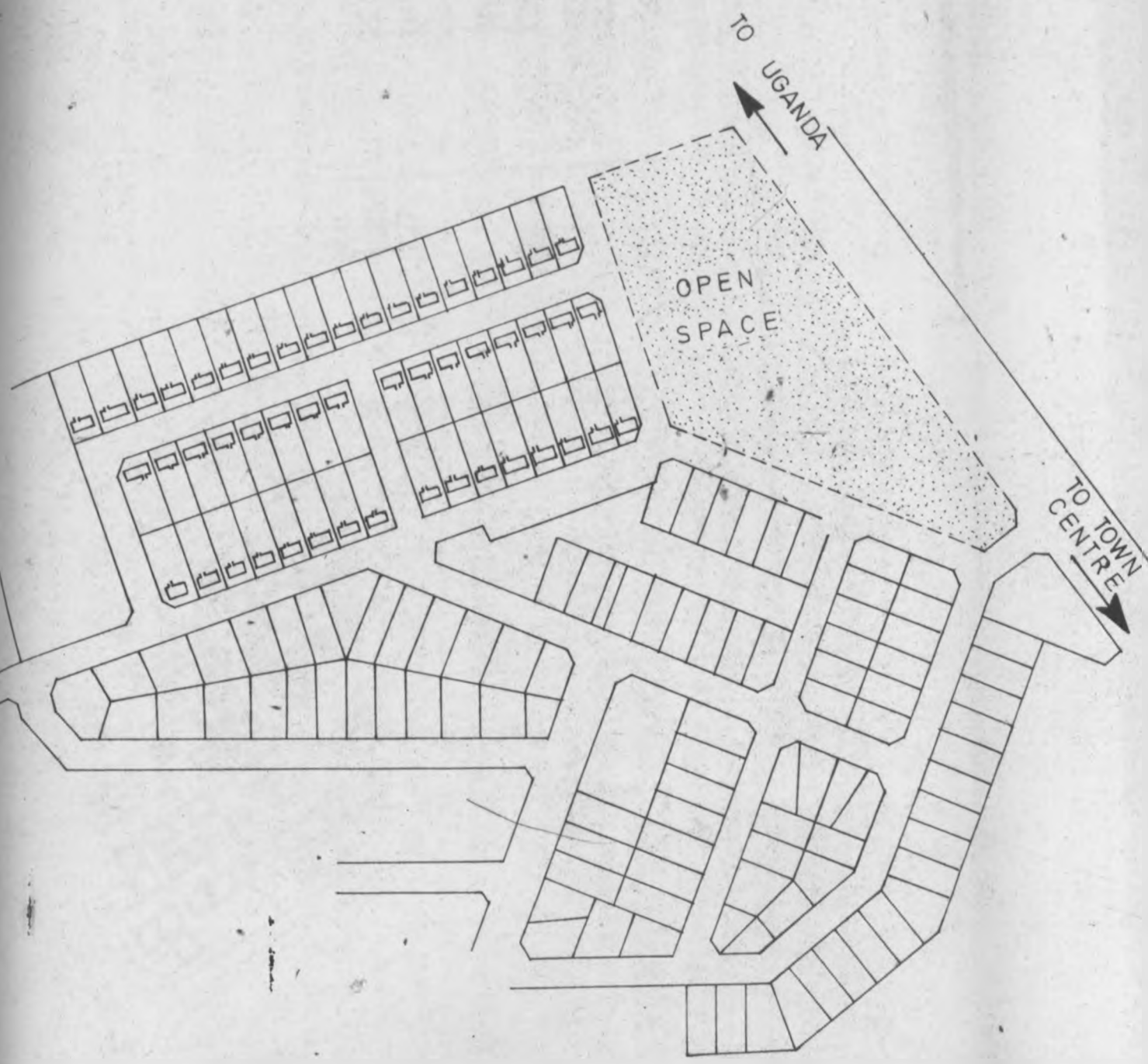
SCALE: 1: 2 500



6

THE ROLE OF NHC IN THE PROVISION
OF HOUSING IN KENYA

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UNIVERSITY OF NAIROBI
YEAR 1977 - 1978

THE MUNICIPAL COUNCIL OF
 ELDORET; SHAURIYAKO SITE
 AND SERVICE SCHEME PHASE 1
 ELDORET TOWN



-  BUILT UP AREA
-  UNBUILT UP AREA

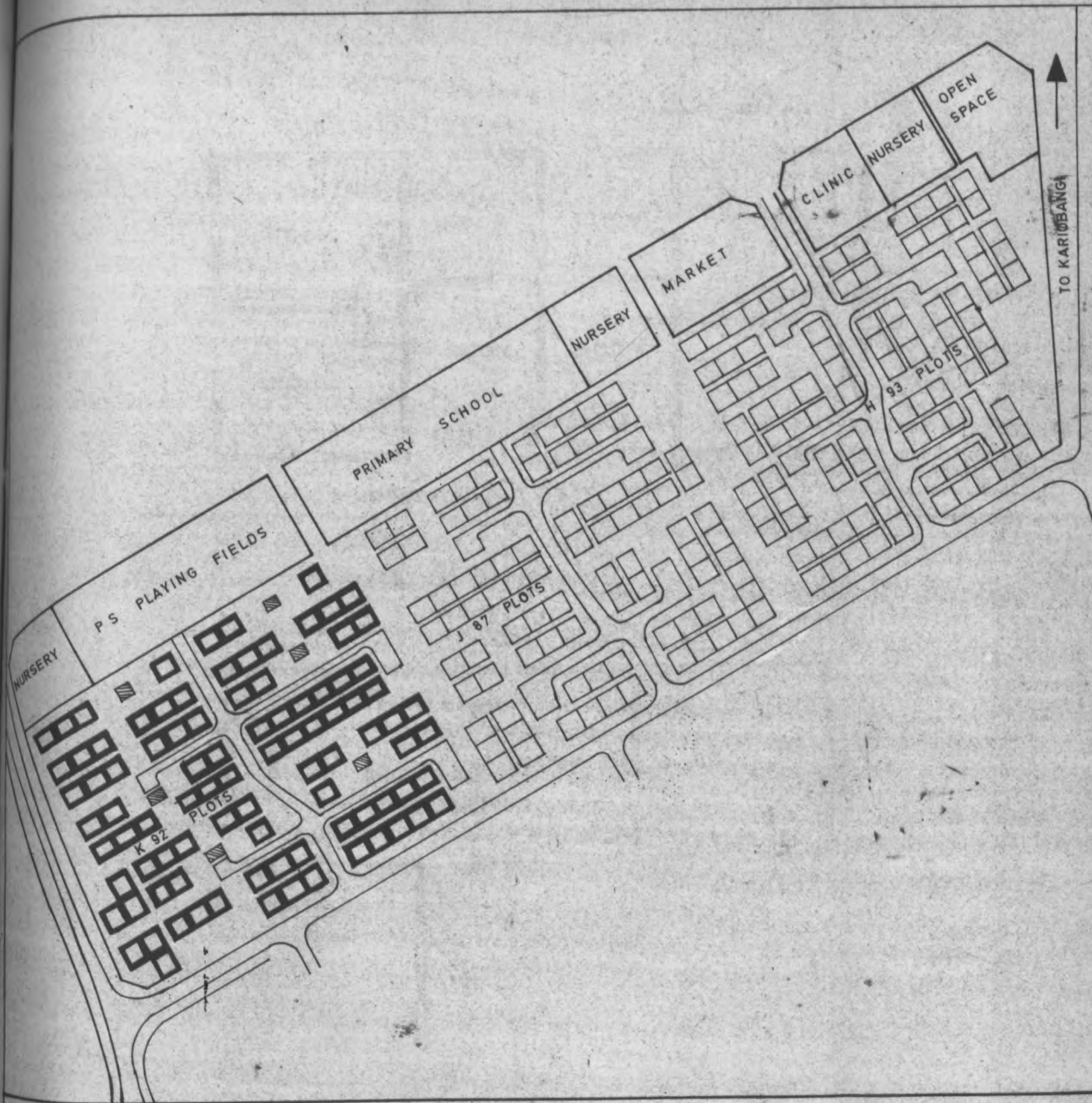


THESIS MAP NO.6

SCALE: 1:2500

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 YEAR 1977 - 1978

THE ROLE OF NHC IN THE PROVISION
 OF HOUSING IN KENYA



HURUMA SITE AND SERVICE SCHEME ; N A I R O B I

LEGEND



TOILET BLOCK



PLOT SHOWING BUILT AREA



UNBUILT UP PLOT



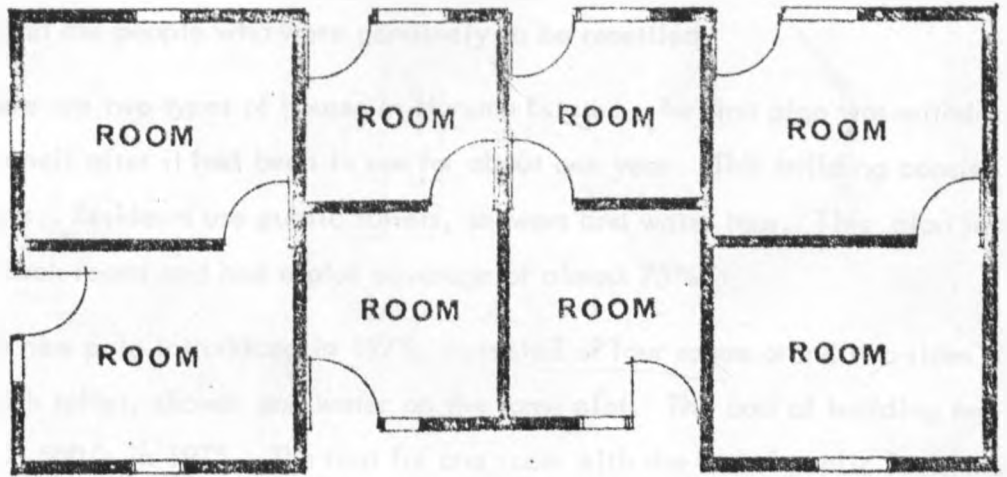
THESIS MAP NO 7

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THE ROLE OF NHC IN THE PROVISION OF HOUSING IN KENYA

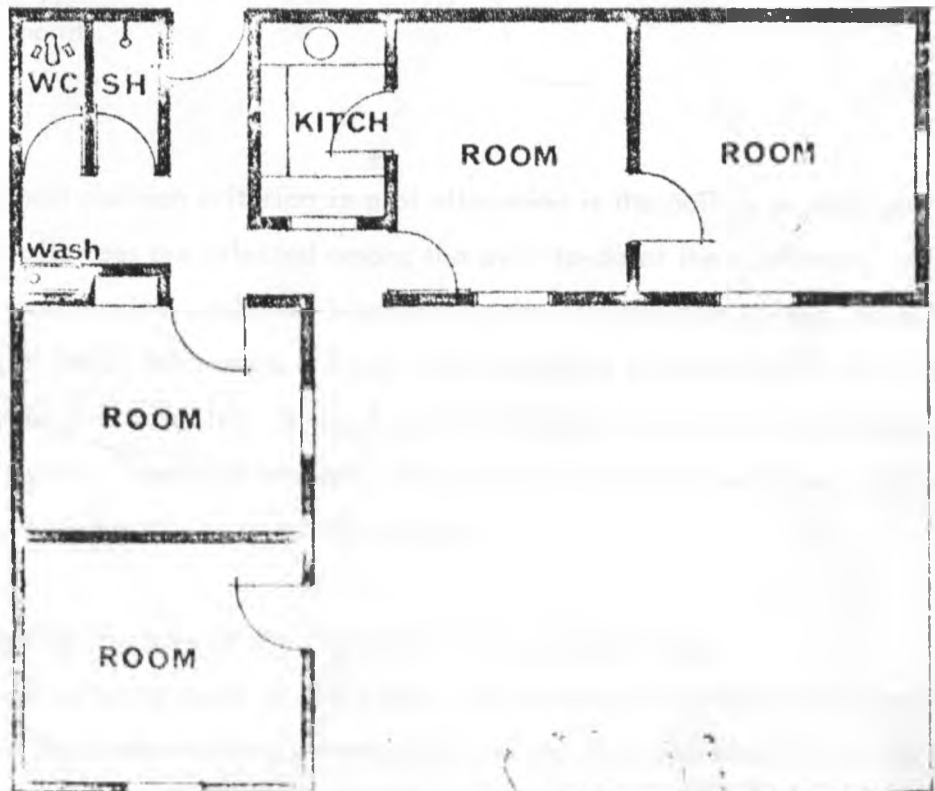
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PLANNING DEPARTMENT
UNIVERSITY OF NAIROBI
YEAR 1977 - 1978

HURUMA ESTATE TYPE PLANS



HOUSE PLAN TYPE 1

Scale 1:100



HOUSE PLAN TYPE 2

the south side are mostly for ex-kibera and ex-mathare valley people. On this side a certain number of wealthy businessmen and city politicians have also obtained plots. Because of their better financial position they were able to develop their plots more quickly than the people who were genuinely to be resettled.

There are two types of houses in Huruma Estate. The first plan was withdrawn by the council after it had been in use for about one year. This building consists of eight rooms. Residents use public toilets, showers and water taps. This plan featured back-to-back rooms and had a plot coverage of almost 75%.

The new plan introduced in 1975, consisted of four rooms around two sides of a plot, with toilet, shower and water on the same plot. The cost of building two rooms was Shs. 7,500/- in 1975. The rent for one room with the use of public facilities was in January 1977 between Shs.100/- and Shs.150/- per month. The rent for one room with use of facilities on the plot was between Shs.200/- and 220/- per month.

The land use is mainly residential and commercial; the plot size is 12 x 10.5 metres; housetype is lodger-type single room accommodation. The majority are owner-occupiers; they are mostly self-employed or unskilled employed earning less than Shs. 500/- per month.

Summary

The most common criterion in plot allocation is the ability to develop, which means that allottees are selected among the well-to-do of the applicants. One failure of the site and service schemes is caused by the original plot holders' resale of their plots to better-off people. Some of the problems experienced by the residents are condition of toilets, high rents, lack of road lighting, distance to shopping, distance to work, condition of roads, poor transport, lack of security, poor water supply, lack of electricity and lack of space.

3.7 Problems facing the Role of the National Housing Corporation

The effort so far made by the public sector through the National Housing Corporation has produced only a meagre part of the total requirements of the housing in the country. This is evidently due to a number of factors.

(a) Finance

In the public budget housing completes with all the other sectors for funds; but it is evident that housing sector has not received sufficient attention in the past, as such the corporation usually has little money to spend on housing.

Table 3.VII Recurrent and Development Expenditure on main Services

	1972/73	1973/74	1974/75	1975/76	K£ million 1976/77
1. Administration & foreign Affairs	12.06	12.96	15.06	18.70	21.15
2. Law and Order	15.76	18.08	20.94	24.33	24.12
3. Defence	11.95	14.26	19.01	20.59	42.43
4. Agriculture & Veterinary	14.22	19.17	28.45	33.01	37.51
5. Game & National Parks	2.95	3.05	4.15	4.50	6.70
6. Water Works	4.12	4.80	7.41	13.09	19.63
7. Commerce & Industry	9.30	8.72	13.35	31.63	22.03
8. Education	40.38	46.12	61.74	71.83	83.34
9. Health	12.77	14.43	20.35	23.92	30.16
10. Others (Labour, Housing, Community)	9.54	10.88	13.01	14.80	12.93

Source: Economic survey: 1977. P.56.

The above table shows that housing sector has been receiving very little attention as far as recurrent and development expenditure on main was concerned. Since the activities of the corporation require substantially more capital in order to make a considerable impact on the solution of the country's housing problem it is necessary for the government to commit more money to the National Housing Corporation than at present. At the moment the corporation is financially weak to discharge its duties efficiently. The total allocation of funds for housing programmes has been so meagre that it cannot produce enough dwelling units.

Also, with the present income levels, it is difficult for the poorest segment of the population to be reached by the corporation's projects which are built according to the stipulated acceptable standards.

The building standards are set so high that the majority of the people cannot afford the houses. One therefore finds that financial assistance goes mostly to lower middle and middle income groups, rather than lower-income groups.

(b) Shortage of Staff

There is a shortage of both professionally trained and experienced staff; and the staff is also temporary. At the moment there are about 200 employees, and there is a shortage of staff in the Accounts and Finance department where there are only 22 employees instead of 27. Also, the technical branch needs about ten employees. There are 10 building supervisors instead of 16; and there are only 4 site and service field officers, who are supposed to run or supervise all the site and service schemes under construction in the whole country. These four officers are definitely being overworked, as they complain of too much work and travelling. Shortages of staff cause unnecessary delays in construction of houses.

(c) Designing

Designing strictly in accordance with the building code's requirements leave a lot to be desired. The existing building codes are providing a relatively high level of services and basic accommodation and it is this initial construction that takes up a high proportion of a building cost. The design standards are so high that that only the higher income earners can afford them.

(d) Supervision

The corporation lacks supervisors and as a result many houses are not properly supervised. Lack of supervision has resulted into some schemes having cracks in the walls simply because the builders failed to use the required building materials.

According to the General Manager of the corporation⁽⁶⁾ the corporation is experiencing difficulties because some inspectors are rather negligent and do not carry out their duties properly to ensure that houses were built according to the specified standards. This was a significant point because those who invest large sums of money in purchasing a house need the assurance that the house is built to the highest possible standards. Some of the houses that have only recently been completed have already begun to show dangerous cracks on walls, and roads leading to some newly constructed estates develop ugly potholes in a matter of months. It means that some

contractors are making huge profits at the expense of the people, taking advantage of the people's faith in their desperate need, but really undermining the long-range confidence of the people in their government.

There are detrimental political interferences in the operation of the corporation. There are big shots who put pressure on officials of the corporation to allocate to them more than their legal share of publicly financed houses⁽⁷⁾. There are cases when people have applied for more than one loan to build one house. These people use different names each time they apply for a loan.

According to the General Manager⁽⁸⁾ of the corporation and I quote "when a person applies for a loan from us, our inspector goes to examine the house for which loan has been applied. I then wonder how if an inspector goes to the same house for the second time he cannot remember that it was the same house he had visited earlier. They should carry out their duties diligently, honestly and without any influence from the people in power who are always fighting to satisfy their own ends".

(e) Shortage of building materials

Chronic shortage of many critical building material and the dependence of builders on hand labour tend to affect the rate of production of housing units. Shortage of building materials are acute during the rainy season when the movement on untarmac roads is difficult.

Also the prices of building materials have gone up so high that houses have become extremely costly that the physical targets can not be reached. For example, when the development plan was drafted, it was thought that the minimum cost of a site and service plot could be K£300, and it was anticipated that approximately 68,000 could be developed over the 1974-78 plan period with the planned allocated funds of approximately K£24 million. However, due to the rise in building prices and the introduction of a materials loan in order to complete at least the initial stage of construction, it was found that only 40,000 plots at an average cost of K£430 could be developed during the plan period.

(f) Management

The housing projects built by the corporation has been so scattered all over the country that there are difficulties in their management. Some of these houses

lack the basic services like piped water and good ventilation. This is so because the corporation is merely after quick profits. There is a need in planning maintenance and repair for the houses so that they can last for along time.

(g) Coordination

There is weak coordination between the corporation and other statutory bodies. For example the corporation being under the Ministry of Housing and Social Services the latter has no means of assuring that the corporation implements the housing policy both in spirit and to the letter; even if the corporation deviates, there is very little the Ministry can do.

In general the corporation is handicapped by operational difficulties:

1. Financial resources are inadequate.
2. The loan term is too short.
3. Personal savings are not commensurable with the schemes' requirements.
4. Technical staff is inadequate to manage large scale building operations.
5. The amount of funds allocated to the corporation for its operational schemes is very limited.
6. There are detrimental political interferences in the operation.

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PLATE No.1: Thika Mortgage Housing Scheme



PLATE No.2: Huruma Rental Scheme when it was under construction

III



PLATE No.3: Thika Mortgage Housing Scheme

IV



PLATE No.4: Busia Rental Housing Scheme

V



PLATE No.5: Ngei Phase II Mortgage Housing Scheme

VI



PLATE No.6: Webuye Housing Scheme. A satellite town of shanties can be seen mushrooming on top of the hill behind NHC houses



VII

PLATE No.7: Kibera site and service scheme still under construction



VIII

PLATE No.8: Kibera site and service scheme still under construction

4.0 CHAPTER FOUR: POLICY RECOMMENDATIONS AND STRATEGIES

The following suggestions are offered in order to improve the performance of National Housing Corporation in the area of housing.

4.1 Design Criteria and Standards

In Kenya, as in all the former colonies it is apparent that the standards set for housing bear some resemblance to those prevailing in Europe several decades back⁽¹⁾. For instance the Building Code has been in operation for 9 years, while the city council Building By-laws have been in operation for 29 years. Our legal basis for development control therefore predates any awareness or response to the relatively recent problem of low cost urban housing on a large scale⁽²⁾, according to the planning strategy for the city council of Nairobi if an individual wants to build on his piece of land which may be initially was being used for agricultural purposes, he/she has to make certain that the area in question is zoned for two hectare development. A two-hectare subdivision is usually acceptable subject to the access roads being a non-adoptive standard. Smaller subdivision are allowed down to one-hectare provided the roads can be to an adoptive standard. But what is amazing is that little information is known of the origin or the rationale behind the two-hectare size. It does not appear to represent either an ideal plot size for a single family dwelling, or an area that relates to adequate on-site drainage for any given soil condition; or the most economic use of trunk infrastructure. The building standards and building codes are therefore appear to be at least in some cases irrelevant standards are well above what they need be; this results into high costs of building and rules out the low income.

Building standards and building codes should therefore be reviewed; in particular, the plot sizes are unnecessarily big and should be reduced. For instance, with regards to the 'planning strategy' of the city council of Nairobi, a two-hectare subdivision is found to be very uneconomic. Subdivision into smaller units than one hectare down to say 0.2 hectare, taking into account the soil condition of the area, will be economic because it will decrease the shared infrastructure cost per house. There is no need therefore of providing big plots, because usually only a small portion of the site is built up and the rest remains undeveloped and become overgrown with weeds, sometimes they attract charcoal vendors and other squatters. The National

Housing Corporation should thus adopt the policy of high density residential areas; as opposed to the low density residential areas.

The idea of locating a smaller house on a two-hectare site on the assumption of future sub-division, itself places severe constraints in the physical and financial planning. The cost of infrastructure to service the plots is expensive. The truck services through under utilisation, start deteriorating and will be 10 to 20 years old when their use is maximized. In low density residential areas with the two-hectare divisions one finds that the maintenance costs to the council for servicing (i.e. collection of refuse, etc) is extremely uneconomic and represents public subsidy to the occupants relative to higher density development elsewhere. It is therefore necessary for the corporation to try and minimize wastage of plots. Given the soil condition in any particular location, it should be possible to establish an adequate size of say 0.1 or 0.2 hectares per dwelling.

The approval for sub-division should be given to a portion of the site only that can be efficiently developed and serviced at the higher densities. All the services including roads and street lighting should be developed to the council's adoptive standards thus obviating the need for future up-grading and increasing the rates income to the council immediately. This approach make maximum use of land, mazimize the cost of services and reduce the long term run of the council's management, technical and financial resources. It would also enable housing at an affordable cost to be constructed and would maximize the use of long-term finance for the great number of citizens.

It is recommended therefore that the same approach should be extended to the periphery areas, that is, the high densities should be built by providing initially ecologically sound sewage treatment works which discharge after primary treatment - oxidation ponds directly into 'park land' until such time as trunk services are available in the future. One other important point is that the housing schemes should be constructed in such a way that there is economic use of the community facilities, like water, supply, roads, hospitals, shops, markets etc., for if these facilities are spread out so much it would be a costly exersive to provide them. Therefore the sprawling or spreading of settlements be discouraged, instead the high density residential areas be encouraged and this could be done by limiting the sizes of the

plots, and even building high rising housing projects.

Even among the site and service schemes, it is found that the plot sizes are unnecessarily big. According to the National Housing Corporation site and service guidelines, the standard set for the plot size is 293.75 sq.m; and the plot dimensions are 12.5 x 23.5 metres, and the plot proportions (width/depth) is 1/1.9; the low density (habitable rooms/hectare net residential land) is about 150⁽³⁾. In the light of this, it is recommended that the density regulations be directed towards population densities and, instead of being based on numbers of plots, be based on number of specified numbers of habitable rooms.

Also, the legal requirement for a habitable room stipulates that a minimum area per person should be 3.72m², (40 sq.ft)⁽⁴⁾, but one finds that a 7m² room can accommodate 2 beds accordingly, although it does not fulfill the requirement of 3.72m² floor area per person. Thus the present requirement of 3.72m² be changed to 3.50m².

Minimum standards used in isolation are dangerous because they suggest a definite low level which one must satisfy and do not usually encourage the development of efficient or good design. Fixed measurements in standard codes are usually necessary if the code is to be administered easily and effectively.

But these areas should relate more to activities rather than rooms or persons. A room in any case is a collection of activities and may be used in different ways by different families. Thus standards based on persons are unrealistic and not rational in terms of use of space. The following table shows the prevailing standard for, residential plot sizes.

Table 4.1

Densities	Plot size	Plot shape 1:2
High	250 sq m	11 m x 22 m
Medium	400 sq m	14 m x 28 m
Low	100 sq m	22.5 m x 45 m
	1500 sq m	27.5 m x 55 m
	2000 sq m	30 m x 65 m

Source: Physical Planning Department, Circular TPA, 316 of 4 January 1971.

By high density areas is also implied site-and-service areas. The current plot size is fairly large as Langa langa site and service scheme, Phase 1, in Nakuru, and Biafra Phase 1 in Thika uses plot area of 464m^2 and 298m^2 respectively⁽⁵⁾. With regard to the plot shape, 1:3 is the ideal ratio for a rectangular plot. If the plot becomes smaller there will be difficulties with the siting of the house. If the plot becomes wider the infrastructural will increase.

Therefore the high building costs which tend to hamper the corporation's effort in building more houses should be reduced, this will imply reducing the building standards and this can be conducted in the following manner:

- i) Interior living space should be reduced by having a minimum area per person being 3.50m^2 instead of 3.72m^2 inter alia.
- ii) Indigenous materials like rough stones, which are still not being sold but given free in some regions in Kenya, should be substituted for higher cost materials, like cement blocks.
- iii) Less expensive building materials like lime should be used instead of cement.
- iv) Permitting a lower quality of finish, e.g. plastering only the inner walls; providing communal rather than private plumbing and sanitary facilities; and providing higher density construction with less land per swelling unit.

Certainly therefore standards should be reduced because as in the case of low-cost small plots the building standards are set too high for the plot allottees to meet with his limited income; or will be forced to sell his plot for a price legally or illegally to someone who can afford to comply with the rule but not one, for whom the scheme was intended⁽⁶⁾.

Layouts for all the housing projects should be simple for economic construction and servicing. Provision should be made for vehicular circulation throughout the site allowing easy access to residential community facilities, and the main road network should protect the neighbourhoods from excessive through traffic. A safe, convenient network of footpath should also be provided to link plots to public areas and the transport system. Community facilities should be grouped to take advantage of their interrelationships and permit multiple use of the buildings and surrounding areas.

The basic design unit should be the total neighbourhood unit. The priority should be placed on the elements which make up the total living environment. Foremost among desires of the people is adequate water supply and sanitation, followed by such things as good streets, street lighting, schools, medical facilities etc. inter alia.

As far as the site and service schemes are concerned, the design standards for the basic infrastructure should be such that the per plot costs can be afforded by households at the lower end of the household income scale. Provisions should be made, however, for future improvements to roads and drainage and for the installation of individual house connections for water and electricity, as household incomes permit. Each site should have a network of access, primary, secondary, and pedestrians roads. Access roads could be macadam surfaced, suitable for bus traffic, whereas primary roads be gravelled to provide vehicular access to the neighbourhoods.

4.2

Land Acquisition

One of the intriguing features of the five-year development plans is that they contain projections for the number of housing units to be built but hardly ever contain a section on urban land policy. Yet the land question is at the crux of orderly urban expansion, inter alia. Only a few cities such as Karachi, Pakistan enjoy the favourable position of having large amounts of public land available for development⁽⁷⁾. In most of the towns the acquisition of urban land for development by either private or public agencies is a very difficult process in terms of administrative delay and usually involves a high compensation cost. In areas where the land required may be owned by very influential people it is usually very difficult to get it.

It is therefore recommended that the government should have an active land policy, which also in regard to housing spells out what can and will be done. Thus there should be no difficulty, other than one of funds, to acquire the land needed by the corporation for housing and in the case of private developments here again government may have to buy the area needed for low-cost housing and lease the serviced plots to developers. Otherwise a private plot owner will hold on to the

for as long as he can while it is still increasing in value.

The rationalization of land policy should thus be a matter of urgency in order to guarantee a constant supply of land ready for development at reasonable prices. Land within existing town limits is usually very costly, but peripheral land can often be purchased a head of the use at the low cost.⁽⁸⁾

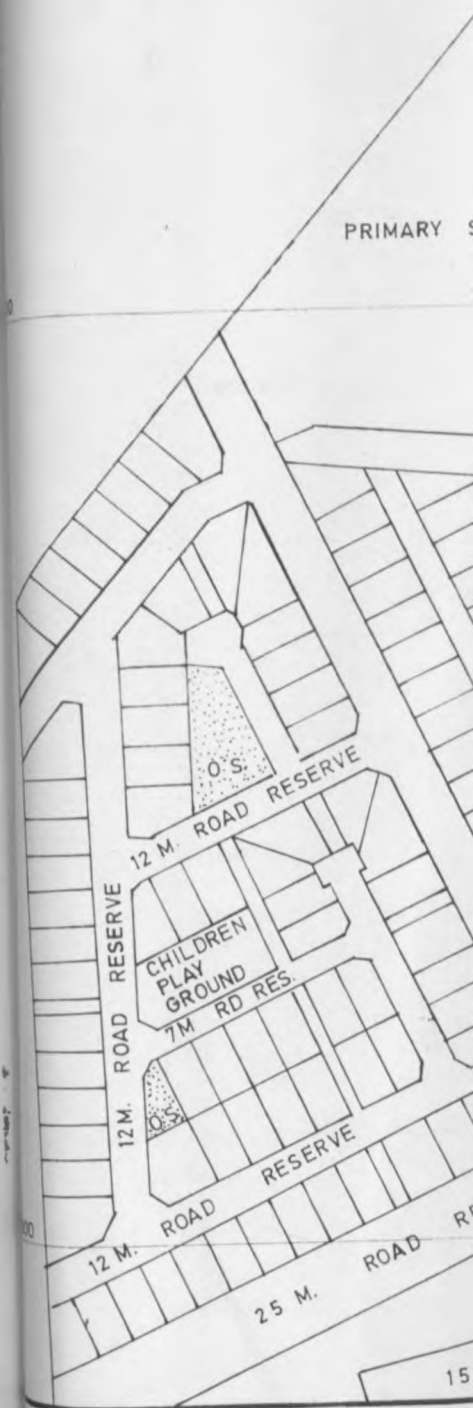
4.3 Planning

Some of the housing projects, especially the site and service schemes, e.g. Biafra site and service scheme, in Thika township, fail because of poor planning. In such cases the projects are located further from the employment areas, schools, hospitals and recreational facilities. Usually there is poor market analysis and poor site selection. In Nairobi, Huruma site and service project is considered a failure because the lowest income people do not stay on site, choosing instead to sell the rights to their plots to middle - and upper-income people. In part this can be explained because the project is about five miles from the city, without employment opportunities.

Map No.9 shows some housing projects built by the National Housing Corporation in Kakamega town. The location of Amalemba Estate site and service scheme is particularly important. The Amalemba site and service scheme which is the site and service Phase 1, is built right at the periphery of the town, just within the boundary of the old town. It has about 86 housing units. As far as the site selection is concerned the Amalemba Estate is conveniently placed near the employment areas since industrial zone is just nearby, it is located very close to hospital and educational facilities, and recreational facilities.

So perhaps the only problem here concerns the sprawl of the settlement; the plot size is about 12.5 x 23.5 metres and since there are about 86 units, these plots have taken a fairly big area. If the plot sizes were reduced to say, 0.2 hectares, inter alia, the residents will maximize the use of land, the cost of infrastructure to service the plots will be less expensive and the maintenance costs to the municipality for servicing, i.e. collection of garbage, will be more economic. It is appropriate therefore that the corporation makes such a scheme high density by reducing the plot

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THE ROLE OF PROVISION

size in order to make the use of the community facilities more economic; in some cases some high rise flats should be preferred to having only one singly housing unit in a plot covering 293.75 sq metres, as in the Kakamega case.

It is also recommended that in planning the site and service projects the corporation has to take into consideration the following aspects, as shown in the diagram.

1) Market Analysis

The starting point for a site and service project is a careful market analysis. It is important to know for whom the particular project is designed, the residents capacity to pay, their locational and design preferences, the number of households in the market. This information is needed if the resulting project is really going to serve the needs of a particular group of families. The experience of the Biafra scheme, in Thika township could have been avoided, for example, if better market analysis had been carried out. Market analysis has a direct effect on site selection, the physical plan, the financial plan, the project marketing strategy⁽⁹⁾.

2) Site Selection

Good site selection is crucial to the success of the project. If the site is not acceptable to the people to be served, the families simply will not stay there. This has been illustrated over in Langa Langa site and service scheme, and in the Kariobangi project of Kenya, and in the Jhuggi Thonphri scheme of India, and in the resettlement schemes of Manila, Phillipines⁽¹⁰⁾. The site must service the needs of the lowest-income people, which means it must be located convenient to mass transportation, or preferably within walking distance of major employment sources. It must also be located within a short travel distance to the centre of the town. Many of the lowest-income people depend on casual self-employment as their source of employment, which means day work at a variety of locations around the town.

The physical site for the corporation's projects should be acceptable to meet the immediate building requirements. The site ought to be reasonably flat and have good soil so that the cost of storm water drainage and foundation costs are kept to a minimum.

the soil must be permeable in case pit latrines or septic tanks have to be used; the site must be served with water and, preferably, in addition to that serviced with a sewer. A sewer is cheaper than a septic tank. Furthermore, whilst the septic tank needs extra space, a sewer does not, thus allowing for higher density. In case no future sewer has been planned, a site can be chosen nearest to the direct line between the planned water tank and the planned treatment area. (11)

3. Physical Standards and Planning

There should be no minimum physical standards which are suitable for all site and service projects. The actual standards selected for each project should be based on the ability of residents to pay.

- (a) The plot sizes selected should be of minimum size sufficient to provide a living space acceptable to the potential residents.
- (b) If pit latrines or septic tanks are to be used, the plot must be of sufficient size to absorb the effluent without creating a health hazard. This may be established through soil tests on site.
- (c) Research has to be carried out to show the actual patterns of living space required by each household. For instance, it is traditional to live in a joint family situation? take in renters? or will there be a large number of singlemen?
- (d) Site design should establish an acceptable balance between a minimum cost layout for services installation (which means minimum frontages to plots, minimum road rights-of-way, large blocks of regular shape, etc) and natural forms of settlement consistent with local desires.
- (e) The site must be conveniently connected to the main road system of the town. Roads should be kept a minimum length in the project and still provide access close to each plot. Perhaps only a few residents may be able to own cars so it would not be necessary to provide road access to each plot; but as incomes improve over time more cars will be found within the project areas, and therefore provision should be made for the eventual parking of cars in convenient locations. The rights-of-way should be sufficient to allow eventual construction of the road to the minimum standard of the town in which it is located.

- (f) Water supply is of vital importance to the project; and should receive the highest priority.
- (g) Electricity is important within a project. Street lighting is desirable because it adds to neighbourhood security and provides a gathering place for night-time social contact.

4. Socio-economic Programmes

Usually planning of site and service projects has been thought of mainly in physical terms, primarily of infrastructure and residential plots. Very little concern has been given to the socio-economic institutions of the residents. Yet among the residents themselves there may be a number of voluntary organisations which may represent a big potential force for neighbourhood improvement. Examples of such groups are Maendeleo ya Wanawake, the Harambee groups, and in Kawangware, in Nairobi we have the Muslim Village Association. The latter has built a number of houses and churches in Kawangware. The role of the government should be to harness these hidden potentials and provide an institutional environment within which they can develop naturally.

The majority of lowest-income people are unskilled and ill-prepared for urban industrial jobs.¹² In any case, industrial jobs cannot be created in numbers sufficient to absorb the rapid increase of the labour force in most towns. There is a need therefore for the corporation to locate some projects close to the town centre where some casual employment is generated.

5. Financial Plan

Costs of the project should be estimated and the sources of revenues should be known in advance. The financial constraints will mainly do what is possible in the physical plan and the quality of the infrastructure to be provided. There should be close interaction between the financial plan and the physical plan. These two activities should be undertaken simultaneously and should have a close feedback relationship.

6. Land Acquisition

This should start as soon as the site has been selected as possible.

7. Relocation

An effort should be made to make a fair relocation plan prepared concerning where the people will go and how much they will be compensated.

8. Legal land Survey

Immediately the land has been acquired and rough clearing accomplished, the legal land survey of plots and street rights-of-way should be taken up according to the plan. Speed is important here because it may be invaded by squatters if it appears that the corporation is not proceeding with a given project in a reasonable length of time.

9. Infrastructure Development

The financial budget should determine the standard of infrastructure to be developed initially, and the physical plan and to determine its location.

10. Project Marketing

Project marketing is not done in most projects. Frequently the demand for plots and/or houses is so far beyond the available supply that it is not uncommon to have many times the number of applications as plots available. For example, in March 1976, Kitale Municipality invited applications for those who wanted sites and service plots; there were 55 plots in total, and the number of applicants were about 623.¹³ If the site and service program is to be designed to achieve the objective of meeting the total needs of the urban population for living space as advocated here, then it should be necessary to have a definite marketing promotion program. Such a program should be geared to making the lowest-income people aware of the site and service programme and to instruct them in the opportunities and responsibilities which are involved.

11. Serviced Plot Sales, Leases or Rentals

The final step in the project is the distribution of plots to the future residents. This step will also require planning. The policies governing the decision to sell, rent or lease should be properly thought out and reflect local conditions and

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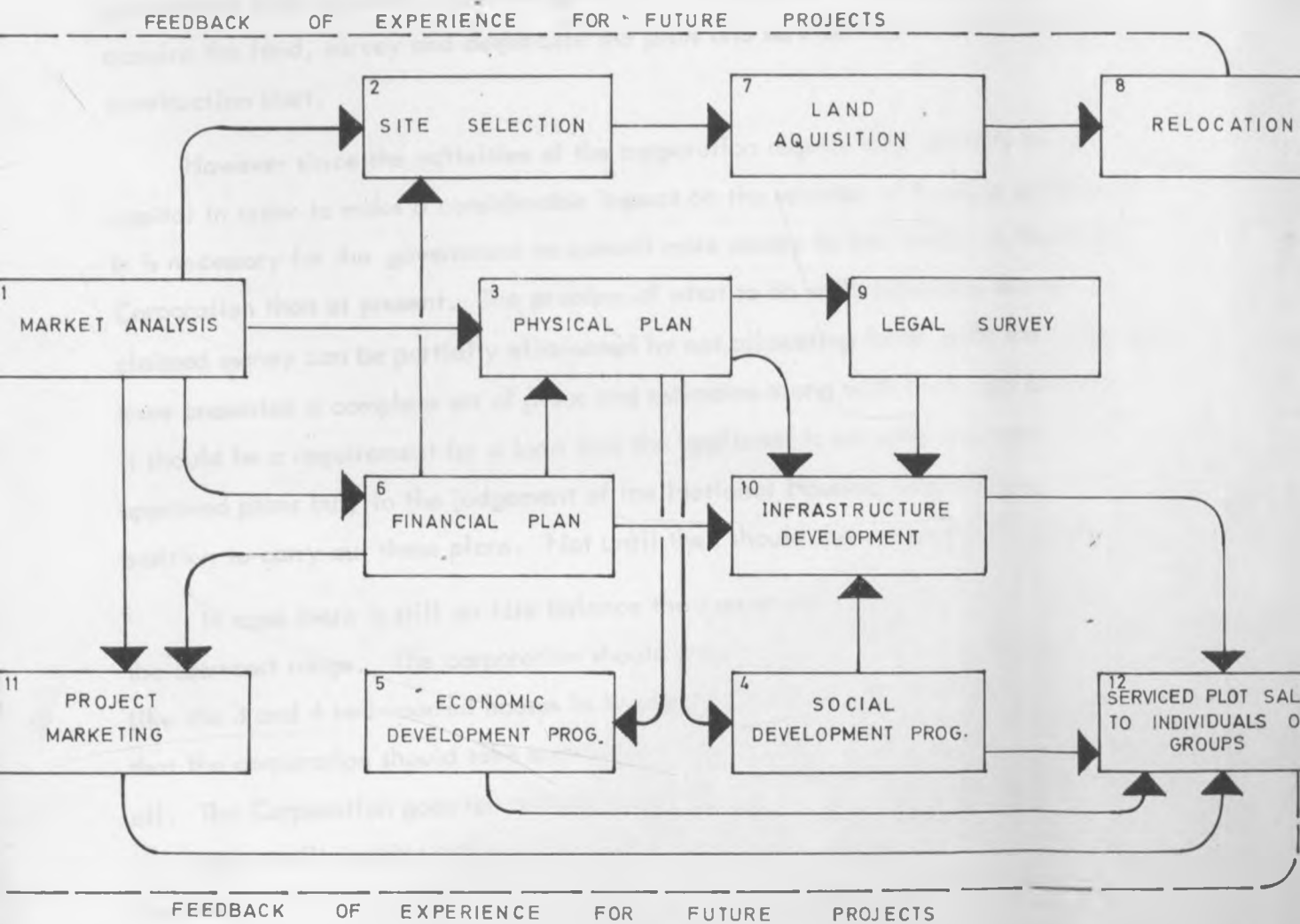
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PLANNING SITES AND SERVICES PROJECTS

SOURCE: VANHUYCK ALFUD PHYSICAL PLANNING FOR SITES AND SERVICES SCHEMES PROGRAMES PAGE 36

desires of the target group. The planning for this step should be started well in advance of the actual time the project is completed.

4.4

Finances

As stated in the last chapter, the National Housing Corporation has very limited sources of funds; and it is not possible that all the funds wanted can be made available as housing competes with all other sectors of the economy for budget funds. But there are ways in which whatever funds are available can be allocated in order to achieve the nearest to the objectives of the plan. It is thus recommended that since the private sector is expected to contribute a big part of the structures then they should be encouraged by making serviced plots available, and also by financing a part of the total value of the structure. Therefore it is important that the government funds be used to provide plots, i.e. to prepare the physical plans, acquire the land, survey and demarcate the plots and service them. Only then can construction start.

However since the activities of the corporation require substantially more capital in order to make a considerable impact on the solution of housing problem, it is necessary for the government to commit more money to the National Housing Corporation than at present. The problem of what to do with allocated but not yet claimed money can be partially eliminated by not allocating funds until the applicants have presented a complete set of plans and estimates along with their application. It should be a requirement for a loan that the applicant is not only equipped with approved plans but, in the judgement of the National Housing Corporation, is in a position to carry out these plans. Not until then should the money be allocated.¹⁴

In case there is still an idle balance the corporation should use such funds in the low-cost range. The corporation should stop building costly mortgage housing like the 3 and 4 bed-roomed houses in Kyuna Estate and Loretsho. There is no way that the corporation should take such business and it should not be in that market at all. The Corporation goes for such projects simply because it is sure of getting profit; it is not a profit-making body and therefore should not indulge itself into such businesses.

In other words, the corporation should not engage itself in such activities as 'builder' of high cost profit making houses or flats in order to create an income for itself. This taxes resources, especially funds and power, to such a degree that there is seldom much left over for the concerted effort in low-cost housing.

It is also recommended that the corporation should channel anything to do with money through the Housing Finance Company of Kenya Limited, for instance in helping the local authorities in constructing their housing schemes, the corporation should channel the funds through the Housing Finance Company of Kenya Limited.

Usually the loan terms for the corporation's projects are too short. The way interest rates and repayment terms are applied at present favour rental schemes (40 years) and discourages tenant purchase schemes (20 years) where the opposite should have been the case. But rather than the difference being between the schemes the incentives should be for low-cost housing and the disincentives for high cost. Instead of the corporation amortizing its projects for a 15 or 20 year period, it should consider a 30 or 40 amortization period. This will reduce the size of the monthly payments. Interest rates should also be reduced because lower interest rates would reduce the size of monthly payments as the following table will show.

Table 4.11 Amortization of loans

Amount in K£	6% K£	8½% K£	4% K£	6½% K£	8½% K£	4% K£
4000	294.33	363.03	422.68	202.09	282.77	253.83
2000	243.16	181.51	211.31	101.05	141.39	170.76
1000	73.53	90.76	105.67	50.5	70.69	88.38
5000	36.79	45.39	52.26	25.26	35.55	44.19

Lastly, the corporation presently lends money to both individuals and local authorities. It would be advisable that the corporation stops giving individuals loans and instead lends it to the local authorities in order to build houses. Giving loans to individuals gives rise to nepotism, corruption and irregularities; that is, the corporation will now stop to give loans to friends and relatives.

Tanzania's National Housing Corporation has been quite successful in this respect; it does not give loans to individuals nor does it lend or grant money to local authorities for approved housing schemes. It only constructs rental houses and carries out approved housing schemes.

Summary

As mentioned earlier, the building standards being used in Kenya are too high relative to the incomes of the majority of people, and create frustrating obstacles and economic hardship. The road widths, building lines and densities, catchment areas for schools and so on, if rigidly adhered to would make it impossible to include the majority of people to be catered for. There is a need therefore to modify or relax standards. For example in the low income areas the corporation should ensure that roads are faced with murrum and avoid the more expensive bitumen surfacing until such a time that more funds are available.

By the far the most common constraint is that of land. Availability of land and its topography determine the success and affordability of a scheme. The land for roads, paths and community facilities must be made available within the area. This implies acquisition where the land is privately owned or granting by the government where publicly held. Way leaves and rights of way for services must be secured.

Also, to find the most appropriate housing solutions for low-income families, and for efficient urban development, it is necessary for the National Housing Corporation to consider the trade-offs between the costs of transport and housing, including land and utilities. Low-income families ability to pay for housing and transport is very limited. It is therefore necessary for the corporation to develop low-cost land on or near the periphery. To bring the costs of such housing within reach of low-income groups would require higher-density housing. Where land values at intermediate locations are relatively low and underemployed labour can be mobilized at low opportunity costs, the construction of two-storey row houses with the maximum of self-help may be the preferred solution.¹⁵ In other large town situations, a conjunction of land, construction opportunities to the periphery, may require the construction of multistoried buildings of various heights to economize on the use of high-priced land. These could be four-to six-storey walk-ups.

For instance, in Ghana, the state Housing Corporation and the Tema Development Corporation which construct rental units usually subsidized by the government, have their type houses ranging from four-storey walk-up flats to one-storey row housing.¹⁶

Above all, employers should be encouraged to provide housing for their employees; this could be possible with big companies like the B.A.T.; the Firestone, Copper Motors Company, and so on.

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APPENDICES

SOURCES OF FUNDS FOR HOUSING FINANCE IN KENYA

The following table, which is reproduced from the Housing Chapter of the Kenya Development Report, 1974, gives a summary of the Domestic Sources of funds for housing finance in Kenya.

PLANNED ALLOCATION OF DEVELOPMENT FUNDS BY PUBLIC AND PRIVATE SECTORS

Ministry of Housing	INSTITUTIONS		1973/74	1974/75
	N.H.C	Rural Housing		100
	Urban Housing		2,960	3,550
	Housing Research & Experimental projects		25	30
Central Government Staff Housing	Pool Housing		650	400
	Mortgage Housing (staff)		190	200
	HFCK (Loans for medium and high cost housing)		1,775	1,688
	TOTAL		5,700	6,016
	Institutional Housing		1,500	1,620
	TOTAL CENTRAL GOVERNMENT		7,200	7,638
Other Public Sectors	East African Community		200	210
	Local Authorities (from own income, other local sources and foreign aid)		800	875
	TOTAL PUBLIC SECTOR		8,200	8,723
	PRIVATE SECTOR		5,400	5,950
	GRAND TOTAL		13,600	14,673

APPENDIX B QUESTIONNAIRES

1. What are the aims and objectives of the corporation?
2. How does the Ministry of Housing and Social Services ensure that NHC implements the housing policy, both in spirit and to the letter?
Suppose it deviates, what does the Ministry do in this particular case?
3. How is the corporation related to other statutory bodies and other ministries?
4. Where does the NHC get its funds?
5. What are the regulations governing the use of funds?
6. What are the housing types built by the corporation?
7. i) Who get the houses; and what kind of profits do they make? Do they pay cost price or market price?
7. What criteria does the corporation use in allocating funds to the local authorities?
8. What does the corporation do with the unspent funds?
9. How many employees are there in the NHC?
i) Is there any shortages of staff? If yes, which ones?
10. Are there any problems that the NHC is experiencing? If yes, which ones?
11. In what ways has the NHC tried to keep in line with the main principles outlined in Housing Policy for Kenya, namely:
 - a) Urban and Rural Housing policy
 - b) Finance for housing Development and housing programme.
 - c) Administration Organisation
 - d) Land policy for housing
 - e) Research and Education?
12. Is it possible to produce houses with standardized building components, such as windows, kitchen? If yes, do you do it?
13. From the analysis of types and costs of houses produced, which cost bracket do most people come in?
 - i) £100 - £250 per unit
 - ii) £250 - £500 "
 - iii) £500 - 600 "
 - iv) £600 - £900 "
 - v) £900 - £1200 "
 - vi) Over £1200 "

14. Are there any difficulties the NHC encounters in supplying the schemes with the following services:
 - i) Access roads, service roads and footpaths.
 - ii) Main sewers, sewerage disposal and local sewerage connections
 - iii) Water mains?

15. What are the loans sanctions from the Ministry of Housing and Social Services to local government?