

**AN ASSESSMENT OF THE ADEQUACY OF EMPLOYER ASSISTED HOUSING  
MODELS IN SELECTED INSTITUTIONS WITHIN ELDORET TOWN**

**BY**

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## **Declaration**

I declare that this project is my own original work and to the best of my knowledge has not been presented to any other University for any award.

Signed .....

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## **Supervisor**

This work has been submitted for examination with my approval as the University supervisor.

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## Abstract

Eldoret town being one of the fastest growing agricultural and industrial town continue to face housing problems. This is evidenced in the proliferation of unplanned settlements within the town which are used to house migrants from the rural areas or other towns in search of formal employment, or those in employment but cannot afford better housing. Throughout its growth and development, the town has benefitted from many subsidized housing schemes including; NHC housing programmes, defunct Kenya Railway rental houses, Postal corporation housing schemes, site and service housing scheme, to mention just a few. Employers provided some of the best known housing subsidies in the Country through rental housing and other models to their employees.

With increased urbanization, high cost of construction and high cost of housing finance, the employer housing benefits have dwindled; adequate and affordable housing for rental and purchase has remained merely a dream to majority of employees in formal employment within Eldoret town. Because of its growth rate and location, the town has attracted both investors and workers alike. Many studies have been conducted on housing in Kenya, in the African region and globally. However, these studies do not provide sufficient information on the adequacy of housing in Eldoret town and Kenya at large. It is against this background that this study was conducted to seek to find whether the employees in formal employment in Eldoret town both in the public and private sector were adequately housed, through different models of employer housing within the town and identify the challenges and opportunities in employer housing.

The study, which used a descriptive survey, had 20,829 residents of Eldoret town as the target population. A sample population of 384 respondents was calculated and stratified sampling method used to obtain the respective number of respondents in each stratum. The respondents from each stratum were selected using simple random sampling. Data was collected using a semi structured questionnaire which was pre-tested for reliability and validity during a pilot test. The data was analyzed using descriptive statistic and content analysis. The study found out that there are not only challenges in employee housing in Eldoret but also opportunities. The employer housing are affordable to most employees, but in many cases not adequate. The study recommends the national policy implementation and adherence to set standards and laws in housing construction and maintenance.

## **Acknowledgement**

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## **Dedication**

To my parents; my late father's memory; and mother who has soldered on for the past twenty three years since he passed on.

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## **Abbreviations and Acronyms**

RA- Research Assistant

KM- Kilometres

UN- United Nations

UNCHS- United Nations Commission on Human Settlement

GOK- Government of Kenya

HRDU- Housing Research Development of University of Nairobi

NHC- National Housing Co-operation

HFCK- Housing Finance Company of Kenya

NGO- Non Governmental Organization

WWI- World War I

UK – United Kingdom

## Operational Definition of Terms

1. **Adequacy** ; For the purpose of this work it will refer to house size that meets minimum required room numbers of two rooms with sanitary facilities, built using permanent building materials to meet building by-laws and standards, together with other basic infrastructures.
2. **Affordability**; In relation to a household's income percentage spent on rent, what is affordable must not be more than thirty per cent of one's income.
3. **Decent Housing**; Two rooms, a toilet and a shower and a kitchen, UN-habitat standard house
4. **Employer**; Refers to either public or the private sector/institution, a body corporate, that has engaged the services of persons through a contract or specified terms at a specified monthly pay/ benefits including housing. The employee is the person providing these services.
5. **Housing**; An end product of many activities, a process and a cultural reality to those occupying it.

# CHAPTER ONE

## INTRODUCTION

### ***1.1 Background of the Study***

Since the beginning of industrial era, and thereafter the two World wars, employers have been involved in the provision of housing for their workers. Motivation ranged from practical necessity to altruism. As early as 1896s, in the west, a housing report, referred directly to the need for more aid to housing in order to “enable the worker to keep his foothold in the struggle for existence,” to keep away from the bar, and from crime, to rehabilitate family life and to increase health and labour force participation (Harloe, 1995:710)\*. In the US, there have been historical examples where workers’ housing was the provision of dormitories for mill workers. Although the popularity for employer assisted housing faded in the 20<sup>th</sup> Century, economic and labour market developments over the past few decades have led to its re-emergence as an economic development tool (Deyo, 1991). In other examples; high housing costs are reported to be hurting employers in almost every region in the US, causing or exacerbating labour shortages and driving up wages, (Schwartz and Hoffman, 1989). As the housing prices escalate in and near urban employment centers, employees move further out from places of work to find affordable housing. Increase in commuting time and distance have resulted in diminished employee productivity. Employers are consequently seeking to solve these problems by offering housing assistance as personal benefit.

The world is experiencing rapid urbanization, with the proportion of the people living in concentrated settlements designated as cities, towns and urban areas increasing at a fast rate. It is

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reported that 50 per cent of humanity now lives in urban areas compared to 33.7 per cent in 1975(UNCHS, 2008). Globally, the urban population is expected to double to more than five billion people in the next 35 years, with 90 percent of this growth taking place in developing countries (World Resources Institute, 2003).

Before the European settlers, most Kenyans were rural dwellers and many urban centres were founded in the late 1800 and set aside for exclusive British habitation. Africans were excluded from urban areas through legislation and coercion and directly through harassment(Otiso, 2005).The history of employer housing in the Country dates back to the colonial rule in 1895, when the Country became British East Africa Protectorate(Syagga, 1979).Formal/informal employment of Africans started in the white farms, and during the construction of “Uganda Railway” in 1896. The British Government extensively invested in railway construction for the white farmers in the inland to enable them transport their cash crops and in return pay the government revenue. The white farmers who were to invest in different crop production such as sisal, tea, coffee and pyrethrum, needed cheap labour in their farms which only the Africans could provide. Those employed required some form of shelter away from their homes while working in either the farms or railway construction. At the beginning, the colonial authorities refused to provide housing to Africans because they were officially supposed to be peasant farmers, herdsmen or hunters and gatherers, besides being the most transitory resident in need of no permanent dwellings (Otiso, 2005).Due to pressure this later changed and various housing models were introduced including rental rooms/hurts within and outside the work places as we shall see in the later chapters.

## **1.2 Problem Statement**

Housing today is a right embedded in the Kenyan Constitution and subsequently employer housing must take centre stage as one way of addressing the housing problem in the Country. A clear picture of how serious the problem is can be attested to by the ever growing number of informal and slum settlements in our urban centres, some built of mud and wattle or shacks. Besides, some of the well known employer rented houses such as GOK, the former Postal Corporation, Kenya Railways and Eldoret Municipal Council within the town have deteriorated due to age and low maintenance. Further no employer has constructed any rental or subsidized housing in the recent time in the town. Employer rented housing provided relief to employees through subsidized housing to workers in most towns, including Eldoret and all over the World. With increased urbanization, high cost of construction and high cost of housing finance, adequate and affordable housing for rental and purchase has remained merely a dream to majority of employees in formal employment within Eldoret town who earn on average below or just above minimum wage. Because of its growth rate and location, the town has attracted both investors and workers alike. Some of the employers within the town include Raiply Company Ltd, the Civil service, Eldoret Municipal Council, various Banks, Tertiary colleges and Universities, Moi Referral Hospital among many others.

The study will seek to find whether the employees in formal employment in Eldoret town both in the public and private sector are adequately housed, through different models of employer housing within the town and identify the challenges and opportunities in employer housing.

## **1.3 Research Objectives**

### **1.3.1 General Objective**

The main objective of the study was to evaluate the adequacy of different models of employer housing in Eldoret Town.

### **1.3.2 Specific Objectives**

- i) To establish the challenges and opportunities in employer housing.
- ii) To determine the different employer housing policy and models in Eldoret town
- iii) To make recommendations/proposals based on the findings for policy and decision making.

## **1.4 Research Questions**

What is the orgs policy regarding employee housing?

Why are employees housed?

How are employees housed?

Are employer housing adequate?

What is the cost of employer housing?

## **1.5 Study Hypothesis**

Employer assisted housing models to employees in Eldoret town are ensuring adequate housing.

## **1.6 Significance of the Study**

Adequate housing has been identified as one of the challenges facing the Country. Researchers, employers, employees and the Government are keen on finding solutions and appropriate policies to rampant housing problems, in both the small and big towns. Today housing is a Constitutional right. Besides, the different functions of housing (social, political and economical), cannot be overemphasized. It is also indirectly related to the achievement of other human needs such as good health, and to a large extent economic productivity of every household. Several policies have been adopted in housing provision since independence. They range from government providing, subsidizing, to Government enabling. These policies have been influenced by various development paradigms in other parts of the World, at different times such as neo-liberalism, sustainable development and sustainable poverty elimination. The World Bank and its member Countries were instrumental in influencing the policy direction one after the other (Harloe, 1995). Developing Countries became victims of these policies since any development aid/assistance was tied to the implementation of the said policies. Housing problems have continued, more especially in the urban areas and the search for a permanent policy solution continues.

The study aims at making significant contribution in the search for solution to the challenges and opportunities to the age old problem of employee housing within Eldoret town and similar towns within the Country, and sharing its findings with policy and decision makers such as the County Government of UasinGishu.

## ***1.7 Scope of the Study***

The study was conducted in Eldoret town, with its residents as the target population. Eldoret being one of the fastest growing urban centres in the Country has played a very important economic role not only to the region but also to the Country. It is an important urban centre whose hierarchy began to emerge in the 1970s when it was chosen together with Kisumu, Nakuru, Kakamega, Kitale, Meru, Embu, Nyeri and Thika for intensified infrastructure development under the Growth Centre Policy. This policy aimed at redirecting urban population away from the main centres in Nairobi and Mombasa. As a result, the population of Eldoret has been growing fast and the town is currently the 5<sup>th</sup> largest town in Kenya by population after Nairobi, Mombasa, Kisumu and Nakuru (Okalebo et al, 2009). The growth of the town needs to be matched with adequate housing and plans for the residents of the town and the County.

The selected study area has similarities with other towns within the country to a large extent. The problem of employer housing in most towns is evident and hence the ability to replicate findings and recommendations to other towns.

## ***1.8 Limitations***

The choice of study areas was targeted at making it as inclusive and representative as possible of both public and private employers within the town. While interviews with public employees and their employer representatives could be granted after several persuasion and visits, some staff especially the lower cadre were not willing to be interviewed since they did not see any immediate benefit from the interview, they would instead ask for some “lunch” in return. This was time wasting and could compromise information provided and the outcome of an interview.

In most public offices, it was not possible to find especially senior (field) officers in their offices, in many cases the researcher had to follow them in order to administer the questionnaire while they were in the field.

In the private sector, the researcher had to go out of the way in order to meet the required conditions to be able to be granted an interview, not to mention the fact the time available to carry out the project was less than two months. Many times when contacted, the private employers acted with suspicion and were not readily willing to be interviewed.

## **1.9 Research Project Structure**

This work is structured in five chapters, chapter one contains an introduction, which gives a brief of the study background; the problem statement; hypothesis, study objectives; research questions, significance of the study; scope of the study; and limitations of the study and is intended to acquaint the reader to the study.

Chapter two contains review of various theoretical and empirical literature relevant to this study. The study reviewed empirical literature which was about past studies found useful to the present study. The theoretical framework helped to develop a conceptual framework to the present study. The research methodology is contained in chapter three and contains; study site, research design, target population, sampling and data collection, operationalization of the study, data analysis and ethical considerations.

Chapter four of the study is the research results and findings of the study. These are classified into descriptive analysis and content analysis, which were analyzed based on the study objectives. The study contains summary of findings, Discussions, conclusions and recommendations in chapter five.

# CHAPTER TWO

## LITERATURE REVIEW

### **2.1 Introduction**

This chapter on literature review is intended to acquaint the reader with theoretical framework and empirical review of past studies carried out by other researchers in adequacy of housing. It dwelt much on the theoretical and empirical literature on adequacy of housing, highlighting the past research and author's own findings. It also identified gaps in the past research that have not been tackled so that a solution for the same might have been sought. It also helped shed some light on important areas that have been ignored by previous researchers in adequacy of housing.

Housing is a verb and a noun (Turner, 1977), which shifts focus from the built artifact to how people are housed and different roles played by different stakeholders in the delivery process. Latter definitions have summarized and even expanded Turner's definition. Housing has been defined as a physical product, a process and as a cultural reality (UN-Habitat, 2002). While the product refers to the physical structure/built form integrated with the neighborhood through road infrastructure, the process involves carrying out of activities and decisions such as organizational arrangements related to planning for a house (getting a loan, buying land for housing), culturally housing is a source of joy, pain, identity, security and accommodates family's life cycle. Both Turner and UN are referring to adequate housing. Adequate housing must therefore include adequate; privacy, space, physical accessibility, security of tenure, structural stability and durability, infrastructure including water supply, and sanitation, adequate and accessible location with regard to work and basic facilities, all these at an affordable cost. Employer assisted

housing on the other hand will be used broadly to refer to any housing program, rental or homeownership that is financed or in some way assisted by an employer(Haughey, 2002).Employee in this case is referring only to those in formal employment and permanent basis or some specified contract that should be not less than five years.

In most Western nations, the state actively intervened through direct social solutions to housing problems. Housing assistance to individuals and households was the responsibility of the government, this expanded rapidly after 1945, in response to post-WWII housing shortages (Jago, 2007). Highrise public housing subsequently became a prominent feature of many European and US cities from the 1940s to the 1970s. But as the costs of this programmes started to escalate from the late 1960s, and absolute shortages were also reducing, critics of these policies began to argue that they were no longer fiscally and socially sustainable.

Different housing policies have been adopted at different times, but mostly historical events such as industrialization, the two World Wars and later urbanization; both in the West and in Africa have dictated the policy approach or change that is taken. Housing however is not a discrete entity(Shlomo,2000). Its production is a part of the construction sector, housing investment is a part of overall capital formation and residential development is also part of urban development. Housing policies should matter to dwellers/ employees, builders, lenders, employers e.t.c and even government agencies concerned with housing.

## **2.2 Theoretical Framework**

Two theories/conceptswere looked at and related to in this research; enabling and that of sustainable development. Whereas enabling refers to the role of the state through different policies to make housing available and the markets to work, sustainable development is a

universal term used in almost all spheres of economic, social and political development in including housing.

### **2.2.1 Enabling Approach**

Advocates of this approach in housing provision policy were aiming at making the markets work and at the same time protect the markets from failure. The interventionist debate was the focus of discussion by World Bank and IMF during the 1980s, for the liberalization of African economies through shrinking public spending, privatizing public enterprises, removing price controls, reducing rampant subsidies and increasing the capacities of governments for managing market-based economies, i.e. the role of the state is to create enabling environment for the market to work by relinquishing control over the economy. Housing markets fail because; housing is also a basic necessity that all must have regardless of income; the markets alone will not take care of everyone; the effects of externalities; the danger of unacceptable risks on others; there is lack of appropriate markets to insure against risk. Markets left to themselves will not ensure that everyone is housed at an acceptable level and bad housing affects another's well being. The ideal enabling should be guided by basic and minimal set of well-understood rules that are invented in response to needs of different actors, established in law, and gradually reviewed over time, Shlomo (2000). While enabling policies give rise to institutions that take care of the performance of the housing sector as a whole, and monitor its performance (effects on policies and the necessary interventions), the non-enabling housing institutions will focus on a segment of the sector and ignoring the other interventions that affect the performance of the sector as a whole. Enabling mortgage finance and subsidy policies for instance on; adjudication of property

rights in land and housing; development and regulation of housing finance institutions; and regulation of land and housing, will increase the demand for housing

An enabling approach/ policy framework will require government to facilitate provision of adequate shelter to individual households, groups and the private sector (GOK, 2004). This will require creating institutions and providing certain incentives for the realization of the importance of the sector as a major economic sector.

### **2.2.2 Sustainable Development**

The World Commission on Environment and Development, (1987), described sustainable development as development that takes care of the needs of the present without compromising the needs of future generations. The environment, where we live and what we do cannot be separated. In housing provision, the concept relates to issues of affordability, housing quality, type of materials used and fairness in accessibility. Meeting housing needs should not therefore compromise that of the future generations. The cost of meeting housing needs should not be at the expense of other household needs such as health and education. Housing needs however varies and are quite dynamic, but at the same time must provide households with the basic housing needs such as comfort, shelter, and against harsh conditions to avoid the creation of informal settlements and slums. Affordability should be in relation to a percentage of a household's gross income, not more than 30 per cent, (UN-Habitat,2003). The amount of money spent on housing should not exceed the 30percent of the gross income. When a household spends, for example up to 50 per cent of their income on housing, then other needs such as health and education cannot be met. Sustainability in housing thus means securing a given standard of housing at a price or rent without imposing unreasonable burden on other basic needs.

## **2.3 Housing and settlement Policy framework in Pre and Post**

### ***Independence Kenya***

The colonial Government extensively used legislation to exclude Africans from urban areas. The legislations included 1930 public health Act and the vagrancy Act of 1922 and 1944. The main purpose of the Acts were to protect European health, safety and for political control, (Otiso, 2005). One of the consequences of these Acts was the segregation of all aspects of urban life in Kenya into three areas; European, Indian and Africans, with the quality of housing highest in the European, followed by the Asians and poorest in the African areas. The same can still be seen in our present set ups, for instance Westlands, Parklands, and Eastlands areas of Nairobi City. This was also repeated in other towns across the country. Some of the characteristics of African locations were dark streets, poor sanitation, no water and “one lavatory was used by over one thousand people,” (ibid: 84).

By 1930, the African cost of living was rising faster than the wages, dissent exploded to strike actions and productivity and control were threatened. A housing policy became inevitable to focus on the construction of more public housing for Africans as the most effective means of responding to Africans needs; maintaining segregation and public health standards and above all, avoid drastic increase in urban wages (Stren, 1977). Housing, especially built and rented at subsidized rent to employees close to or within work place was in this context merely used to the advantage of the employer, to increase productivity and profit maximization. Other forms of employee housing which later followed such as house allowance became popular and were considered to provide employees freedom of choice. To date, depending on an organization’s business, many employers have diversified the types of employee housing. While most banking

and financial institutions provide subsidized housing loans, others like the Government and parastatals give what are popularly considered market rate house allowance, rented accommodation, subsidized loan facilities and mortgages (GOK 2004).

Provision of accommodation however poor, was the responsibility of all employers, this was the colonial government's policy (Employment of servants Ordinance, section 31), and the housing Ordinance of 1941, which also set up a Central Housing Board, with funds from Government to be lent to local Authorities for housing provision,( Syagga, 1979). This was the beginning of public rental housing in several urban centres, including Eldoret town. By this time the movement of labour to towns increased and the government began to reassess the financial basis for providing new African estates, including encouraging Africans to acquire their own homes, that heavy public subsidization was financially impossible.

East Africa Railways and Harbours was one of the first employers in the region and its housing policy is always referred to (Choka, 1987). The Railways housing policy included; rental housing which were houses built and managed by the corporation; house allowance, and owner occupier house allowance, an allowance given to employee who owns a home or house; leased houses, houses hired from the open market for the railway employees by the corporation and railway employees living in hotels, boarding houses, hostels etc. Through the history of urbanization and industrialization in Kenya, housing has all along never been accorded the rightful place in national development issues (Syagga, 1979). This has changed and is expected to improve with the implementation of the Kenya Constitution, 2010 which recognizes access to housing as a Constitutional right.

Since independence, the government has been able to put together a number of policy documents designed to guide housing decisions and activities: Sessional Paper No. 5 of 1966/7 (Housing Policy for Kenya), Development Plan 1971-74, Development Plan 1974-78, Development Plan 1979-83, Development Plan 1984-88, Development Plan 1989-93, National housing Strategy for Kenya, 1987-2000, National Housing Development Programme 2003 – 2007.

The first comprehensive Housing Policy for Kenya was developed in 1966/67 as Sessional Paper No. 5. At that time Kenya's population was just over 9 million people growing at a rate of 3 percent per annum for the whole country and 5 to 6 percent per annum in the urban areas. The annual housing requirements then were 7,600 and 38,000 new units in urban and rural areas respectively GOK (2004). The policy directed the Government "to provide the maximum number of people with adequate shelter and a healthy environment at the lowest possible cost". The policy advocated for slum clearance and encouraged mobilization of resources for housing development through aided self-help and co-operative efforts. Emphasis was placed on enhanced co-ordination to increase efficiency in programmes and projects preparation. Other areas addressed in the policy paper included increased research in locally available building materials and construction techniques, and housing for civil servants through home ownership schemes in urban areas as well as institutional and pool housing schemes for rentals, in remote stations.

The Development Plan of 1971 to 1983: Was geared towards improving housing for the entire population and reducing acute shortage in urban housing especially low income areas. Some of the projects included; grants to housing research and development (HRDU) of University of Nairobi; Staff mortgage housing; Provincial pool housing, Airport housing, Kileleshwa re-development among others. The Development Plan 1989-93 document recognized that public

projects meant for low income had benefited the rich and not the poor. Emphasis was therefore placed on housing finance to ensure adequate funds for housing development. These were done through various institutions such as NHC, HFCK, Savings and Loans, etc. Co-operatives and Savings and Credit schemes, which were to be strengthened, availability of land in urban areas were to be reviewed through a proposed commission, provision of infrastructure was to be increased and laws affecting housing development reviewed (GOK, 1971).

The National Housing Strategy for Kenya, 1987-2000 set the stage for a strategy that gradually shifted the role of the government from one of a direct developer of housing for low-income households to one of working with and facilitating the development of housing by private entities. National Housing Development Programme 2003 – 2007 sets out to operationalise the proposals contained in the new Housing Policy by spelling out priority programmes, identifying key activities within each programme, providing budgetary estimates, laying out the implementation timetable and committing to a set of monitorable indicators.

Sessional Paper No. 3 (2004); National Housing Policy for Kenya.

The broad objective of the policy is to facilitate the provision of adequate shelter and a healthy living environment at an affordable cost to all socio-economic groups in Kenya in order to foster sustainable human settlement development. The basic objectives are; to assist low income earners and economically vulnerable groups in housing improvement and production; improve the quality of existing housing stock of housing; streamline legal and institutional framework to promote housing development and lastly to promote inclusive participation of the private sector, public sector, community based organizations, NGO, cooperatives, communities and other development partners in planning, development and management of housing programmes.

## **2.4 Types of employer Assisted Housing Models and Actors in Shelter Delivery**

Housing providers in Kenya can be easily divided into the following categories: Private Institutional, Public institutional, and Private non institutional. Private Institutional housing includes companies that develop housing for rental, for sale or for occupancy by employee. They also include insurance companies, religious institutions and private learning institutions they have been able to provide only 3% of the housing stock (Masinde, undated).

Public institutional includes both central government and local authorities. While government provided mostly housing for civil servants, site and service schemes and squatter/settlement upgrading, the local authorities provided rental units for their residents through the National Housing Co-operation (NHC). Other public institutions that have been involved in housing provision include the National Social Security Fund, Kenya Reinsurance Company, Kenya Power and lighting, Postal Corporation, Kenya Telecom etc. Private non institutional includes individuals and investors providing housing for sale, rental or own occupation. Other providers such as SACCOs, credit associations and Housing Cooperatives fall under this category. Private non-institutional housing providers have been able to provide at least 93% of the total housing stock in Kenya (Masinde, undated).

### **2.4.1 Rented Housing**

Rented housing can be very diverse and takes several forms in different parts of the World, it's however the occupation and use of someone's home at an agreed fee by a tenant. In developed Countries most forms of renting are subject to legal processes, whereas in most developing Countries this is not the case (UN-HABITAT, 2003). The diversity of rental housing is in terms

of location, size, construction, quality, ownership (public/private/government or employer), legality, level of services and rent/profitability. The following are some of the forms of rental housing as listed by UN-HABITAT (ibid); rooms in subdivided inner-city tenements, rooms in custom-built tenements, rooms, beds or even beds rented by the hour in boarding or room house, cheap hotels or pensions, rooms or beds in illegal settlements, shacks on rented plots of land, rooms in houses or flats in lower or middle income areas, accommodation provided by employers, and public housing. Rented housing provided by employers will be the focus of this study.

In both developed and developing Countries, except for Western Europe, the private sector has dominated in the provision of rented housing. There is a well developed and formal private sector that serves the higher end of the market and operated by rental agencies; there is also a formal market that serves the middle income. (UN-Habitat, 2003) also notes that the bulk of private rental accommodation accommodate low income families especially within informal settlement. In Kenyan urban areas, 76% of the poor n 80% of the non poor rent their dwellings. Over 47 % of Kenyan urban dwellers seek shelter in informal settlements and are in areas of high unemployment and high crime rates (GOK, 2008). In the informal settlements, there is also prevalence of renting of structures although the structure owners may not own the piece of land on which the structure stands, this is a very common practice in most of our towns including Eldoret. Majority of those employed and on salaried employment within Eldoret town can be categorized as being on average within middle to low income bracket.

## **2.4.2 Owned housing**

Owners are those with the legal right to occupy, let, use or dispose of their dwelling. Ownership also relates to tenure of a dwelling and can be leasehold, or freehold. It has varied rights, ranging from settlement on informal/squatter land, to full title in formally built housing. They are also those with some right to live on plot of land as owners (UN-Habitat, 2003). Ownership may also mean owning the structure but not the land and at the same time pay land rent. It can be in formally built and serviced housing or in self-help accommodation lacking any kind of services or legal rights (ibid). Certain settlements may begin as illegal, informal and even lacking services, but gradually transit to formal and legal with essential services. Ownership can be by government institution, a cooperative, private institutions or an individual. Most governments all over the world have encouraged homeownership through different policy interventions. In Western Europe for example, after WWI, the UK deliberately encouraged people to buy their homes and home ownership shot from 10 per cent in 1914 to 64 per cent by 1986, (ibid: 11). In developing Countries, in spite of the government's efforts, remarkable increase in formal home ownership is yet to be seen. In Kenya for instance, UN-Habitat (ibid) reports that rental accommodation is being associated with low-income households, but it has also become the main form of housing for middle-income households and new urban residents of all income level.

## **2.4.3 Public Rental Housing Schemes**

These were programmes undertaken by various state agencies in the Country as an effort by the state to find a lasting solution to affordable rental housing especially to the low income. They were mainly developed by Local Authorities in liaison with the National Housing Corporation.

The scheme indeed added to the housing stock in nearly all the major towns in the Country, including Eldoret. It was unfortunate however that while the houses were subsidized as intended, the targeted beneficiaries never occupied them. At present, most governments including Kenya have resorted to the policy of enabling other actors, such as the private sector and civil society, to improve the housing situation. The private sector however is mainly interested in investment for higher income group and not the low income. Government policies need to be balanced and realistic if housing problems are to be adequately addressed, more especially rental housing which is considered most affordable by majority who cannot own.

**Table 2.4.3.1 Reported Completion of Buildings(Residential) for Private Ownership in Various Towns**

<b>Details</b>	<b>Nairobi</b>	<b>Mombasa</b>	<b>Nakuru</b>	<b>Eldoret</b>	<b>Kisumu</b>	<b>Thika</b>	<b>Others</b>	<b>Total</b>
No of New Buildings (2006)	872	245	458	196	43	-	164	1978
Floor Area	289	126	28	16	28	-	29	516
No. of New Buildings (2007)	1151	253	516	208	62	-	160	2350
Floor Area (SqMtres)	274	124	28	25	28	-	82	561

**Source: KNBS Statistics Abstract 2008**

From the above figures, during 2006/2007 the numbers of residential buildings for private ownership developed in Eldoret town were (9.9% and 8.9%) while those developed in Kisumu were only 2.2% and 2.6%. This shows a high the growth rate of the town which compares well to bigger towns. The floorarea of the houses however suggest very small units compared to other

towns, that is, these are most likely the size of houses in demand for letting or rentals, and those also investing in housing can afford to build within Eldoret town.

#### **2.4.4 Site and service schemes**

This was a World Bank funded housing project to the developing Countries in the 1970s and 1980s. It involved more than 100 demonstration projects in over 50 Countries. The programme targeted harnessing self-help and mutual aid in house construction through the provision of serviced sites and affordable mortgaged loans. The scheme also targeted the poor who were not able to afford decent public housing whereas they were able to build houses in squatter settlement. The projects had aimed at providing housing to the low income, by reducing subdivision, infrastructure (including roads, drainage and sewerage, sites for schools), and by not providing completed housing, that is “provision of bare essentials” (UN-Habitat, 1987: 143). It was also thought that the program would be adopted and funded by the private sector and be replicated on large scale. Kenya was a beneficiary and some of the estates that benefited from the programme include Umoja, Dandora estates in Nairobi and Huruma estate in Eldoret, to mention a few. Like in the case of rental housing, the scheme did not succeed in enabling the intended beneficiaries own houses and consequently, there were defaults and were never replicated. Syagga (1995) identified the following as the reasons for the failure of the two programmes;

- The low income targeted to benefit could not afford to pay for the costs involved including mortgage servicing, professional and statutory fees. The middle and the high income instead became the beneficiaries. The plots were only developed after ownership changed from the targeted beneficiaries.

- Lack of finance or access to adequate credit facilities; the available financial institutions in the country could only lend to more formal housing projects.
- Corruption, inappropriate policy framework and security of tenure

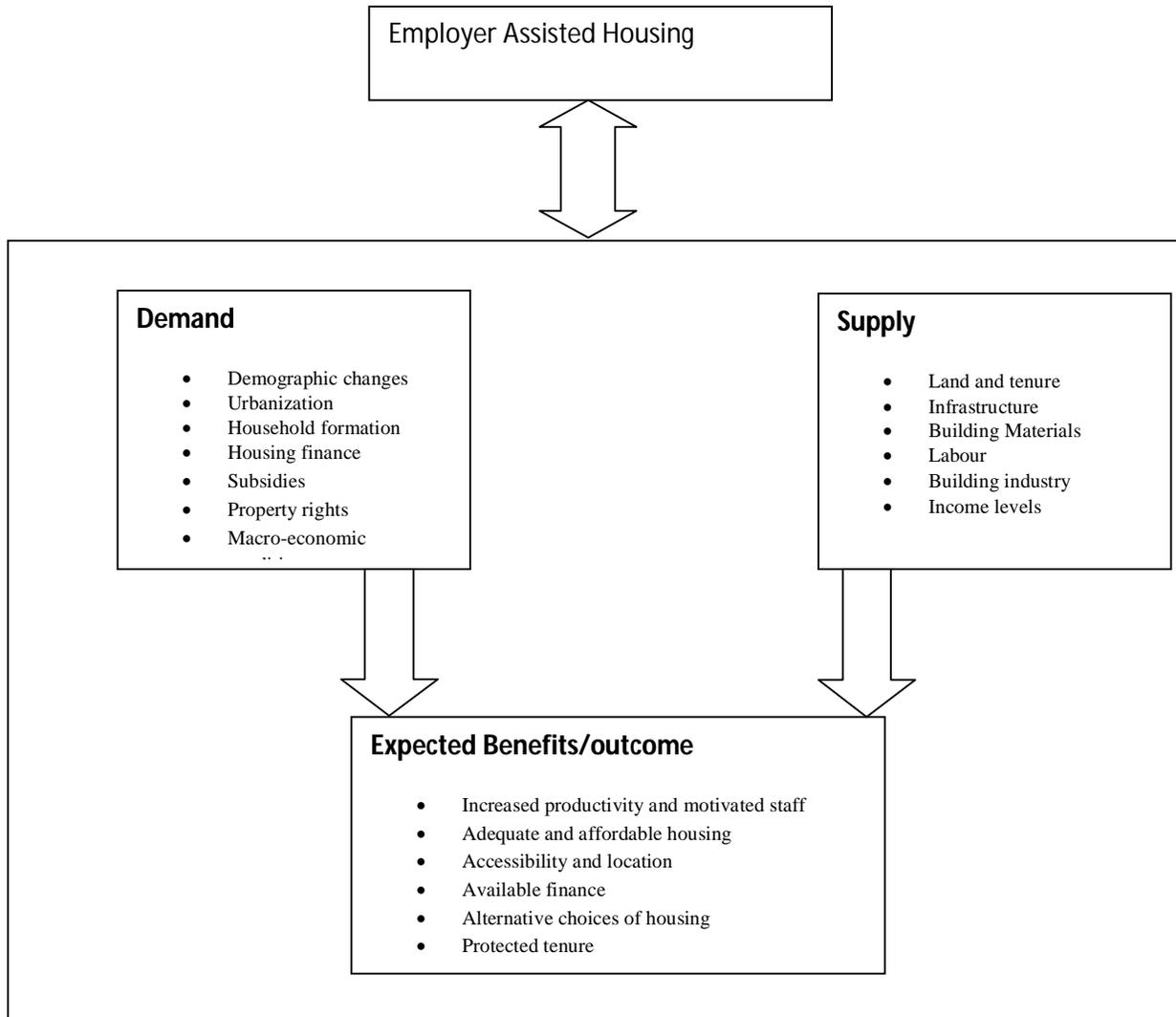
Many of the problems experienced during the implementation of site and service schemes are still with us, and any housing development targeting affordable rental and home ownership may need to address issues to do with affordable finance for housing, lengthy planning regulations and sometimes ambiguous tenure regime. What therefore are the available alternatives to employers and employees in Eldoretown are they renting or owning, affordably.

#### **2.4.5 Civil Servants Housing Scheme**

The Government of Kenya as an employer has an obligation to provide descent accommodation to her employees through various means such as payment of market responsive house allowance, develop and properly maintain public housing and assist those wishing to buy or build houses for home ownership, through tenant purchase and mortgage financing (GOK,2004). Like many government funded programmes the funding of the scheme has not been adequate and as such the numbers of beneficiaries are very minimal; In the following period, 2008 and 2013, the scheme sold 126 housing units in jogoo road, Kilimani and Kileleshwa; 1,033 on Nyeri road, Kileleshwa, Ngara and Shaurimoyo; Ksh 743 million was advanced as loans to civil servants for purchase or development of residential houses, (GOK, 2010). Apart from the fact that the numbers are very low, the concentration of development is mainly in Nairobi and not the smaller towns within the Country such as Eldoret Town.

## 2.5 Conceptual Framework

Figure 2.4



Source: Author, 2013.

The models discussed above; rental housing and owned housing through different ways such as site and service schemes, civil servants housing scheme and public rental housing by former municipalities, have been aimed at achieving affordable and adequate housing to either the

members of the public in general or to employees. Employers on the other hand aim at achieving employee satisfaction, increased productivity and profit maximization.

## **2.6 Challenges and Opportunities; Assessment of Adequacy in**

### ***Employer Housing***

One aspect that is significant and key to the performance of housing sector or any housing policy is the issue of subsidies or taxes. The decision to have subsidies is usually politically made by those in power. When pressed for and supported, in most cases they are aimed at probably to achieve some political mileage, they will be there and when not supported, they will be withdrawn without any opposition (Shlomo, 2000). Subsidies essentially are one of the supports required to make the housing sector work efficiently and equitably and to overcome market and policy failures. It is also a challenge to ensure that the housing subsidies are efficient, equitable and be able to establish a feedback required to modify them when and if they do not meet their intended objective. The above examples; civil servants housing scheme/fund is a good example of such government underfunded subsidized housing programmes. The scheme gives loans at a subsidized interest rate of 5%, from the figures shown above (Ksh743 million) as the amount provided, this means that not all who qualify for a loan may get it. The following table shows how much was spent on the sector within the period between 2007/8- 2011/12, in all the housing programmes by the exchequer;

**Table 2.6.1 Approved and Actual Central Gov't Expenditure on Housing, 2007/08-2011/12**

Year	Approved	Actual	Actual Exp as % of Approved
2007/8	3,130.1	2,853.5	91.2
2008/9	3,781.6	3,333.8	88.2
2009/10	2,082.0	1,863.6	89.5
2010/11	2,840.9	2,829.5	99.9
2011/12	4,025.5	.....	.....

Source: Ministry of Housing

Typical examples of market failures that may require intervention through subsidies from the state can be; chronic housing shortages which will require increased production and will entail more resources needed; unaffordable housing will require increase in affordability and the construction of low-cost housing or supplementing housing expenditure, and sub-standard housing will require improved housing conditions through support of rehabilitation or new construction, supplementing of housing budgets of households or promote home ownership. These market failures touches on three distinct policy goals some of which are non housing and can be met by other policy goals; these goals often drive subsidy campaigns, for example creating employment, income distribution, and political stability and maintaining peace, slum clearance and redevelopment, economic growth and re-jumpstarting the economy or reducing deficits and balancing budgets. Housing subsidies can be said to be as a result of response to a confusing array of both housing and non housing goals, this makes it very difficult to gauge their effects, (Shlomo, 2000). These goals can also be achieved through other policy instruments without

necessarily resorting to giving subsidies; affordability for instance maybe more of a poverty issue or that subsidies will redistribute income and reduce social inequality.

Site and service scheme of the 1970 and 1980 was a good example of subsidized housing programme that should have helped in alleviating housing problems especially above the urban poor in selected developing countries including Kenya (Umoja, Kariobangi, Huruma in Nairobi and Eldoret). The scheme had had interest-rate subsidies as well as supply-side subsidy; less expensive land, free technical assistance, among other benefits. But the projects were never replicated as was expected by both the private sector and the governments (ibid). Controls discourage private lenders, low interest loans such the above civil servants housing loans, are constantly in short supply.

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Introduction

This chapter contains the research design, target population, sampling procedure, research data collection instruments and procedures, how data was analyzed, and ethical considerations. It explains why specific techniques and methods were used in design, analysis and data collection.

#### 3.2 Study Site

Eldoret town is located in western Kenya and currently falls within Eldoret West, Eldoret East and Wareng Districts. It is the administrative centre of UasinGishu County. Its geographical coordinates are 0° 31' 0" North, 35° 17' 0" East. Eldoret is currently the 5th largest and the fastest growing town in Kenya and its population stood at 289,380 in 2009 (KNBS, 2009). This makes the town vulnerable with regard to inadequate housing. The growing population necessitates all stakeholders to work together in a coordinated manner to adequately house all the residents of the town.

Eldoret is currently home to a large population;Moi University and Eldoret International Airport, Moi University, with a student population of 14,855 as of 2006, (Okalebo et al, 2009);Eldoret is also surrounded by a very rich agricultural area, and for this reason is home to many farmers, some of whom carry a lot of political and economic clout; and agriculture related industries (milk processors, maize and wheat). The above requires suitable environment for implementation of adequate housing policies.

Today Eldoret's industrial prospects have grown notably. GOK helped in setting up many industries and encourages international and private investments. National Cereals and produce Board and Kenya Grain Growers Cooperative Union is the base for granary of Kenya. Eldoret has developed vastly in industrial field. Kanval (2008) documented that notable industries are: New Kenya Cooperative Creameries, Unga Mills, Maize Limited, Cheese Factory, Raymond Woolen Mills, Rift Valley Textile Limited (Rivatex), Rupa textiles, Ken-Knit (K) Limited, Rai Plywood Factory, Rift Valley Bottlers, Arkay Oil Mills, Eldoret Oil Mills Limited, Corn products, Highland Paper Mills Limited, Tyre Retreading Plants and Eldoret Steel Mills Ltd. These industries have attracted a large number of works, especially casual labourers who have settled in the low income areas of Eldoret where basic services and sanitation are inadequate. The continued growth of industries and consequently rapid population influx, housing services will continue to be strained.

The main electricity supply of Eldoret is the Sosiani Power station located 25KM west of the Town on River Sosiani. The station was commissioned in 1955 with a total installed capacity of 400KW. KENGEN has automated the station over the time by replacement of a manually operated main inlet spear valve with a motorized one, installed Modern Control panels which ensures automatic synchronization of the units to achieve a plant availability factor of over 95% annually with a steady annual generation of over 2,800,000 KWH.

### **3.3 Research Design**

The study used descriptive survey method in soliciting information on adequacy of housing in Eldoret Town. Descriptive survey design was used since it provided insights into the research problem by describing the variables of interest. It helped in defining, estimating, predicting and

examining associative relationships. This enhanced in provision of useful and accurate information to answer the questions based on who, what, when, and how in the study (Kombo&Tromp, 2006). Historical research was also used to relate events that had occurred in the past to prevailing events on adequacy of housing, which enabled the study to relate the research problem to the missing gaps of other research work's which had been done. It also showed what the other researchers had over looked.

### **3.4 Target Population**

According to Mugenda&Mugenda (1999), this is the entire group of individuals or objects to which a researcher is interested in generalizing the conclusions. The target population in this study includes residents of Eldoret town who are employed and the employers. They include Raiply Kenya Limited, Eldoret Municipal Council and Civil Servants, Moi Referral Hospital, Moi and Chepkoilel (now Eldoret) Universities, Banking Institutions, Kenya Pipeline, Private Universities, Kenya Co-operative Creameries, Unga Mills Limited, Cheese Factory, Raymond Woolen Mills, Rift Valley Textile Limited (Rivatex), Rupa textiles, Ken-Knit (K) Limited, Rift Valley Bottlers, Arkay Oil Mills, Eldoret Oil Mills Limited, Corn products, Highland Paper Mills Limited, Tyre Retreading Plants and Eldoret Steel Mills Ltd. Out of these Raiply, Eldoret Municipal Council and Civil servants were randomly selected as the sampling frame owing to the fact that they have reasonable number of employee population. Raiply Kenya limited is selected to represent the private sector employees.

**Table 3.1 The population of employees in Eldoret Town**

<b>Institution</b>	<b>Number of Employees</b>
Eldoret Municipal Council	1,129
Raiply Kenya Ltd	2500
Civil Servants	2500
Moi Referral Hospital	5000
Chepkoilel/Eldoret University	1500
Moi University	5000
Other private Universities	100
Tertiary Colleges	200
Rift Valley Bottlers	300
Textile Industries	1500
Kenya Pipeline	500
KCC	200
Corn Products	100
Unga Mills	100
Others	200
<b>TOTAL</b>	<b>20,829</b>

Source: The researcher, 2013

### **3.5 Sampling Procedure**

The study used the Fischer method to obtain the sample size;

$$n = \frac{z^2 pq}{d^2}$$

$$d^2$$

According to Mugenda&Mugenda (1999), to calculate a 95% confidence interval  $z$  that is expected to be 50% ( $p$ ) within the expected margin error  $d$  of no more than 0.05 and where  $q$  is

(1- $p$ )

$$n = \frac{z^2 pq}{d^2}$$

$d^2$

$$n = \frac{(1.962)^2 (0.5)(1-0.5)}{0.05^2}$$

0.052

$$= 384$$

The study used stratified sampling to determine the number of respondents from each stratum.

The respondents from each stratum were selected using simple random sampling, which ensured that there was equal representation for entire population.

The sample population is captured in Table 3.2

**Table 3.2 Sample Population**

Institution/Employer	Population	Sample size
Eldoret Municipal Council	1,129 (18% of total population)	70
Civil Servants	2,500 (41% of total population)	157
Raiply Kenya Ltd	2,500 (41% of total population)	157
<b>Total</b>	<b>6,129</b>	<b>384</b>

Source: Researcher's Own Calculation (2013)

### 3.6 Data Collection

The study collected data from both primary and secondary source.

### **3.6.1 Data Collection Instruments**

Primary data was collected using a semi structured questionnaires, interview guides, and observation schedules for the Civil Servants working in Eldoret sampled from 11 out of the 18 Government Ministries, Eldoret Municipal Council and Raiply Co. The data included the opinion of the beneficiaries of employer housing in Eldoret town and their proposals on effective implementation of employer housing and general social economic data that was relevant to the study. The structured questions allowed the respondents to reply to the same questions in a defined manner and the unstructured questions gave the respondents complete freedom of response and encourage them to offer explanation. This saved time and did not disturb the respondents, who could fill the answers at their convenience. The researcher provided guidance and clarifications on how to answer the questions.

Secondary data was obtained through reviews of relevant information and reported data and documentary analysis focusing on published government statistics, documents and annual reports, and academics. Major sources of this information included; Ministry of Housing, University of Nairobi library, the internet, Municipal Council of Eldoret reports, journals, textbooks, newspapers and magazines, published and unpublished reports, conference proceedings, dissertations and theses on related topics and any other literature that was relevant to the study. Secondary data was to give an insight into the research topic and facilitate for comparisons of a variety of researches on employer assisted housing for both public and private institutions in other towns in Kenya and other developing countries.

### 3.6.2 Data Collection Procedures

The study employed the services of a Research Assistant (RA) to help collect data effectively. The RA was adequately trained to understand the questionnaire before commencement of the data collection. Before the data was collected, the study first conducted a pilot test on the research tool where data for testing was collected from respondents who were not allowed to participate in the data collection for the study. During data collection, the researcher visited the respondents and requested them to allow for the administration of the questionnaire. Arrangements were then made on when and how to conduct the data collection. When collecting primary data, the researcher assisted the respondents to fill the questionnaire and at the end they confirmed any issues arising out of the data supplied.

### 3.7 Operationalization of Study Variables

The nature of data collected is based on a clear understanding of employer assisted housing models / approaches; key variables and the regulatory framework locally available. The data to be collected and the key sources are indicated in table 3.1 below.

**Table 3.3 Operationalisation of Variables**

Nature of data	Key variables	Source of data	Method of data collection
Models/Types of employee housing	-Rental housing assistance to employees; Direct housing, house allowance, owner occupier, leased houses, hotels and hostels home ownership assistance; -loan,	<b>Secondary</b> <b>Primary</b> -Employers in Public Institutions,	Key informant interview Photography and

	<p>mortgage.</p> <p>- Affordability</p> <p>Level of fairness in obtaining these benefits</p> <p>Number of beneficiaries</p>	<p>Private</p> <p>-Raiply Company, Eldoret Municipal Council and Ministry of Housing,</p>	<p>documentary where possible</p>
<b>Adequacy of Employer assisted housing</b>	<p>-Size of the houses, security ,physical accessibility, security of tenure for both renters and buyers, structural stability(material for construction), adequate basic infrastructure, water and sanitation and waste management facilities, accessibility to work, schools</p> <p>-Policies, laws, plans and strategies governing employee housing.</p>	<p><b>Secondary-</b> policy framework,</p> <p><b>Primary-</b>Ministry of Housing, Municipal Council of Eldoret, Raiply Company Eldoret</p>	<ul style="list-style-type: none"> <li>• Key informant interviews</li> </ul>
Opportunities	<p>- Staff motivation and satisfaction</p> <p>-Staff retention and recruitment</p> <p>- Work efficiency</p>	<p>Ministry of Housing, civil servants, Municipal Council of Eldoret,</p>	<p>Institutional and employees interviews</p>
Challenges	<p>-Sources of funding</p> <p>-Cost of construction</p>	<p><b>Secondary-</b> policy framework,</p> <p><b>Primary-</b>Ministry</p>	<ul style="list-style-type: none"> <li>• Document review</li> <li>• Institutional</li> </ul>

	- Management and institution policy	of Housing, Municipal Council of Eldoret, Raiply Co.	and employee interviews
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**Source: Researcher (2013)**

### **3.8 Data Analysis**

After data was collected, it was checked for errors of omission and commission. The data collected was then classified, measured, analyzed and interpreted to establish how it determines the provision of adequate housing. Analysis was based on the study objectives. The study used both descriptive (for quantitative) and content (for qualitative) analysis techniques. Descriptive analysis was carried out for each variable to establish how it best explains provision of adequate housing. This provided a convenient way to producing the most useful statistics. The data was presented in frequency tables. Quantitative analysis was done out using Statistical Package for Social Science (SPSS) version 17.0. Qualitative analysis on open-ended questions was achieved through content analysis.

### **3.9 Ethical Considerations**

The study obtained a letter from University of Nairobi allowing carrying out the research for the post graduate project course. During data collection, the study ensured confidentiality and security of data gathered from the respondents. In this regard, all the data collected was kept in safe custody. The respondents were not required to write their names on the questionnaire to avoid exposing who gave what information. A letter of request to participate in the study was

addressed to the respondents. This was a show of courtesy to the respondents as well as a mechanism of ensuring informed consent to participate in the study.

## CHAPTER FOUR

### RESEARCH FINDINGS PRESENTATION AND ANALYSIS

#### 4.1 Introduction

This chapter contains the analysis and presentation of the collected data. The study conducted quantitative analysis and qualitative analysis which was done using descriptive statistics and content analysis respectively. Data is represented diagrammatically by use of frequency tables for easier understanding. Further, a brief summary of the observations (interpretation) is given.

#### 4.2 Respondents Background

The study obtained information based on the category and mode of housing provided by employee and employer. The results obtained were captured accordingly.

***Table 4.2.1 Analysis by Category***

Category	Frequency	Percent
Upper	32	8.30
Middle	136	35.40
Lower	216	56.30
Total	384	100.00

Source: Researcher (2013)

The results obtained showed that most of the respondents, who made up 56.30% of the total respondents, were from the lower job group in the organization they worked in. They were followed by those in the middle job group, who formed 35.40% of the total response. Those who were in the upper job group form a simple 8.30% of the total respondent.

**Table 4.2.2 Years of Work in the Current Employment**

Years of work	Frequency	Percent
Less than year	6	1.60
1.0	21	5.50
2.0	33	8.60
2.5	5	1.30
3.0	43	11.20
4.0	62	16.10
5.0	31	8.10
6.0	22	5.70
7.0	28	7.30
7.5	3	.80
8.0	14	3.60
9.0	8	2.10
10.0	32	8.30
11.0	4	1.00
12.0	39	10.20
13.0	2	.50
14.0	2	.50
15.0	16	4.20
17.0	2	.50
19.0	3	.80
22.0	3	.80
25.0	3	.80
27.0	2	.50
Total	384	100.00
<b>Statistics</b>	<b>Years</b>	
Mean	6.7	
Mode	4.0	
Minimum	Less than year	
Maximum	27.0	

Source: Researcher (2013)

The results showed that the respondents had worked with the organizations for less than 1 year to 27 years. Most of the respondents, who formed 16.10%, had worked with the organizations for four years. The respondents had worked for an average of six point seven (6.7) years, approximately seven (7) years. Majority of employees therefore had not been in employment for long, are young and not saved to qualify for the house loans, but can acquire long term loans.

**Table 4.2.3 Analysis by Distance from Place of Work**

Distance from Work		
Place(km)	Frequency	Percent
1.0	100	26.00
1.5	1	.30
2.0	117	30.50
2.2	1	.30
2.5	2	.50
3.0	38	9.90
4.0	24	6.30
5.0	48	12.50
6.0	15	3.90
7.0	11	2.90
8.0	7	1.80
9.0	5	1.30
10.0	10	2.60
12.0	1	.30
14.0	2	.50
15.0	1	.30
20.0	1	.30
Total	384	100.00
<b>Statistics</b>		
<b>Distance from Work Place</b>		
Mean	3.20	
Mode	2.00	
Minimum	1.00	
Maximum	20.00	

Source: Researcher (2013)

Most of the respondents, who made up 30.50% of the total response, lived two (2) km from their places of work. The results showed that respondents stayed for between one (1) and 20 km from their places of work. The average distance that the respondents lived away from their places of work was 3.20km.

**Table 4.2.4 Analysis by Model of Housing Access**

Mode of housing	Frequency	Percent
Rental	53	13.80
House allowance	173	45.10
Owner occupier	46	12.00
Lease	98	25.50
House loans	5	1.30
Any other	5	2.30
Total	384	100.00

Source: Researcher (2013)

From the results, most of the respondents, who made up 45.10%, showed that they were paid house allowance for their housing. It was also shown that 25.50% of the respondents indicated that they lived on leased housing. These were followed by those who showed that they lived in rental house (13.80%). The results also indicated that 12.00% of the total response lived in owner occupied houses. 2.30 % showed they lived in other form of house model (not listed), one point three (1.3)% showed that they had house loans.

### **4.3 Adequacy of Houses**

The study obtained varied information based on number of rooms occupied per a household, physical accessibility to the houses, security within and around the houses, structural stability, availability of basic housing infrastructures and security of the tenancy whether rental or owned.

**Table 4.3.1 Analysis by Number of Rooms**

number of rooms	Frequency	Percent
1	183	48.00
2	144	37.80
3	31	8.10
4	13	3.40
5	10	2.60
Total	381	100.00

Source: Researcher (2013)

The results obtained showed that most of the respondents, who formed 48.00%, lived in one (1) room houses. It was followed by those who lived in two (2) room houses, who made up 27.80% of the total response. Next was the set of respondents, who lived in three (3) room houses, who formed 8.10% of the total response. 2.60% showed that they lived in four (4) room houses, two point six (2.60) % showed that they lived in five (5) room houses.

### **4.3.2 Physical Accessibility**

**Table 4.3.2 Analysis by Physical Accessibility**

physical accessibility	Frequency	Percent
Very good	177	46.10
Good	144	37.50
Poor	58	15.10
very poor	5	1.30
Total	384	100.00

Source: Researcher (2013)

The results obtained showed most of the respondents, who formed 46.1% indicating that the physical accessibility of the houses they lived was very good. From the results, 37.50% showed that the physical accessibility of the houses they lived was good as 15.10% showed that physical accessibility was poor and one point three (1.3)% showed that it was very poor.

**Table 4.3.3 Analysis by Adequate Security**

Adequate security	Frequency	Percent
Very good	139	36.20
Good	124	32.30
Poor	115	29.90
very poor	6	1.60
Total	384	100.0

Source: Researcher (2013)

The results obtained showed a majority of 36.20% of the respondents indicated that the security of the houses they lived in was very good. They were followed by those who showed that the

security of where they lived was good. However, 29.90% indicated that the security of where they lived was poor and one point six (1.6)% indicated that it was very poor.

**Table 4.4.3 Analysis by Structural Stability**

Structural stability	Frequency	Percent
Very good	165	43.00
good	139	36.20
poor	75	19.50
very poor	5	1.30
Total	384	100.00

Source: Researcher (2013)

According to the results obtained, most of the respondents, who formed 43.00%, showed that the structural stability of their houses was very good. Those who showed that the structural stability of their houses was good formed 36.20%. from the results, 19.50% showed that structural stability of their houses was poor as the remaining 1.30% showed that it was very poor.

**Table 4.3.5 Analysis by Basic Housing Infrastructure (water, electricity, roads)**

Adequate basic infrastructure	Frequency	Percent
Very good	148	38.50
good	111	28.90
poor	123	32.00
very poor	2	.50
Total	384	100.00

Source: Researcher (2013)

From the results obtained, most of the respondents, who formed 38.50%, showed that the basic infrastructure of the houses they lived in was very good. It was also found that 32.00% of the

total response showed that basic infrastructure of the houses they lived in was poor, 28.90% showed that the basic infrastructure was good. However, 0.50% showed that basic infrastructure of the houses they lived in was very poor.

### **4.3.6 Tenancy**

**Table 4.3.6 Analysis by Period Stayed in the House**

Time lived (in years)	Frequency	Percent
.20	2	.50
.30	13	3.40
.40	5	1.30
1.00	46	12.00
1.50	6	1.60
2.00	85	22.10
2.50	9	2.30
3.00	62	16.10
3.50	5	1.30
4.00	45	11.70
5.00	46	12.00
6.00	19	4.90
7.00	6	1.60
8.00	4	1.00
10.00	17	4.40
12.00	14	3.60
Total	384	100.00
<b>Statistics</b>	<b>Time lived</b>	
Mean	3.60	
Mode	2.00	
Minimum	.20	
Maximum	12.00	

Source: Researcher (2013)

The results obtained showed majority of the respondents, who formed 22.10% showed that they had lived in the houses they were in for two (2) years. The results showed that respondent in the

houses they were in that time for between .20 years to 12 years. The average period of stay in the house they were in was 3.6 years. These shows the employees prefer employer housing and remain in them for a long period because they are cheap.

#### **4.4Affordability**

**Table 4.4.1 Analysis by Monthly Payment spent on housing**

Payment per month	Frequency	Percent
Less than 30% of income	329	86.60
more than 30% of monthly income	51	13.40
Total	380	100.00

Source: Researcher (2013)

Most of the respondents, who formed 86.60%, showed that they paid less than 30% of monthly income towards housing. These were mainly employees in lower to middle cadre, who stayed in mainly one to two room houses and they have also been in employment for between 2-7 years. The remaining 13.40% showed that they paid more than 30% of income towards housing. They paid towards own housing or housing loans and were the higher cadre category or due to preference for better accommodation in the open market.

**Table 4.4.2 Analysis by Affordability**

House Affordable	Frequency	Percent
Yes	239	62.20
No	145	37.80
Total	384	100.00

Source: Researcher (2013)

As concerns affordability, the results showed a majority of 62.20% showing that the houses were affordable as the remaining 37.80 showed that the houses were not affordable.

## ***4.7 Opportunities and challenges in Employer housing models***

**4.7.1 The Opportunities**The following were mentioned by both employees and the employers as opportunities in employer housing models within Eldoret town; Good work attitude, good communication skills, employees can invest somewhere else, good relationship, good houses are given, assurance of accommodation, employees retained by the company for long, less problems paying rent, substitutes housing costs, cheaper housing, mortgage facilities, more investment, encourage employees to buy houses near work place, proximity to place of work while working in odd shifts; the employer is able to save on costs, it is economical and work efficiency is achieved.

Two different employer housing policy approaches that have been adopted from independence in the country had aimed at addressing acute housing shortage at independence; the first policy required employer to build/provide affordable and decent housing and clear all the slums as discussed earlier. The employee was to be given subsidized rental housing in most cases within the workplace and therefore a sustainable housing. This became unsustainable to the employer and as population grew with no enough resources to match, there was need for change in employer housing policy; the second employer housing policy approach was and still is that of employer facilitating and enabling employees to access housing through various models (GOK,2004). The models as discussed earlier included; market rate house allowance to employees, owner occupier, loans for housing developments and rental housing.

The adequacy of the above models of access to employee housing is the biggest challenge to both the employers and the employees that the policy need to address; majority live in 1 and two room houses without separate cooking area or the toilets are shared.

#### **4.5.2 The Challenges**

The respondents identified the following challenges in employer housing; one can be forced to live in poor managed houses and environments, limited choices of where to live, congestion-too many people living in one area, no family privacy, high cost of construction and land, house allowance too little, very high interest on loan repayment and can be shifted at short notice, insecurity, lack of access roads and other facilities, limited accommodate space that may not accommodate a bigger family, water shortage, pollution, poor sanitary facilities in most bigger house (house allowance not enough),poor maintenance of houses provided by employer, no modification allowed in employer provided house.

The above observations further confirm the inadequacy of employer housing access models and policies in Eldoret town. Where there are affordable houses, they are mainly single or double rooms with shared and poor sanitary facilities; available loan facilities also charge high interest rates which majority of employees living in Eldoret town cannot afford, this explains the low number of employees who have taken house loans and developed their own houses to live in.

An enabling policy approach is both good to the market and the consumers, that is, all actors in the housing sector. There will be some balance of interest with no monopoly by any actor to act outside the established rules; this is what is still lacking in the employer housing provision in the country and in Eldoret

## **CHAPTER FIVE**

### **SUMMARY, DISCUSSIONS, CONCLUSION & RECOMMENDATIONS**

#### ***5.1 Introduction***

This chapter provides a summary of findings of the study and answers the research objectives. It also contains the discussions and conclusions reached from the study findings as well as the recommendations based on the findings. It further highlights the research gaps the researcher felt should be filled by further research.

The results are summarized based on the following objective;

1. Available employee housing models in Eldoret town
2. Adequacy of the available models
3. Benefits and challenges of employee housing

#### ***5.2 Summary of Findings and Discussions***

All the respondents interviewed were provided with some form of housing by their employers, mainly house allowance at 45.1 per cent. Majority of those employed are however falling within the lower cadre at 56.3 %, whereas only 8.3 % are in the upper cadre. This explains why most of those interviewed occupy one room at 48.0 %, compared to 2.6 % and 3.4 % occupying 5 and 4 rooms respectively. This further explains why most employees live in either rented or leased housing with only 12.00 % in owner occupier and 1.8 % having house loans. The lower cadre employees who form the bulk of those employed cannot afford the house loans and mortgages. Only very few can afford the housing loans and develop their own houses. The houses occupied

by employees in Eldoret town are affordable in relation to the house allowances paid by the employers at 86.60 %, paying less than 30 % of their income, this is sustainable. The structural stability, security, infrastructure and distance from house to work place were considered as adequate to the employees and thus sustainable.

The benefits and challenges of employer housing from the above are many and varied both to employers and employees. The policy of the government of providing decent and affordable housing through enabling policy environment should be able to address the challenges to both the employers and the employees. This does not seem to be the case even for the governments' own employees.

### **5.3 Conclusions**

Employer housing has not only evolved with time, it has become more relevant in an effort to achieve both employer objectives and goals and for the employees to be able to achieve job satisfaction among many other benefits. Since adequate housing is a Constitutional right and internationally it is a human right, adequate and affordable employee housing in Eldoret town can be one way of providing for this right. Drastic measures must be put in place in terms of practical policies and laws for both the public and the private sector in order to be able to achieve adequate housing for all levels of employees. Paying house allowance is good but it must also consider individual needs and other circumstances, such as need to invest in home ownership through provision of affordable house loans and mortgages. Employers, especially the national and now county governments need also to draw proper management programmes for the maintenance and care of their estates and even invest more in enabling policies for affordable and adequate rental houses for their employees.

## **5.4 Recommendations**

1. Employers should provide the recommended minimum house size of two rooms, cooking area, and sanitary area for every household. Most of the lower cadre employees interviewed were occupying single rooms with no cooking area and shared sanitary areas, especially in government and Council housing quarters within Eldoret town.
2. Provide flexible housing loans and alternative models to enable employees leave comfortably or own houses. Majority of those interviewed expressed desire to invest in their own houses but could not due to high cost of loans and the absence of affordable mortgage from the market and by their employers.
3. Develop maintenance and care of housing policy. Houses provided by employers were reported to be lacking frequent maintenance and care
4. Continuously review employee house allowances. A number of employees reported that the house allowances the employers paid was not adequate to enable them find better housing elsewhere.

## **5.5 Suggestions for Further Studies**

One of the areas the researcher recommends for further research is the management and maintenance of employer built housing estates for employees in Eldoret town.

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# Appendices

## Appendix I: INTERVIEW SCHEDULE

UNIVERSITY OF NAIROBI

DEPARTMENT OF REAL ESTATE AND

CONSTRUCTION MANAGEMENT

**INTERVIEW SCHEDULE FOR INSTITUTIONS/EMPLOYERS WITHIN ELDORET  
TOWN**

Dear Sir/ Madam,

I am Linnet Nyakiti, a post graduate diploma student at the University of Nairobi carrying out a research on '*An assessment of Adequacy of employer assisted housing models in selected institutions within Eldoret Town*'. As an important stakeholder, your institution has been selected to participate in the study by answering the following questions. Information provided will be treated with confidentiality and used for academic purposes only.

Questionnaire No .....

Date.....

Name of the institution/Organization/Company .....

1. Which Year did the Institution begin its operation in the town/ For how long have you been operating in the town?
2. What are the Organization's core mandates/ objectives?
3. How many employees do you have working for the organization?
4. What are the institution's policy regarding the following;
  - a. House renting to employees
  - b. House allowance

- c. House leasing
  - d. Owner Occupy
  - e. Housing loans
  - f. Housing Development
5. Please give reasons for the policy choice in 4 above?
  
  6. How do employees benefit from institution's housing policy? Please consider the following aspects in your answer;
    - Affordability compared to their income
    - Access to other services, schools, Hospitals
    - Location or distance to place of work
  7. How does the institution/company benefit from this kind of housing policy or employee assisted housing programmes?
  
  8. How much do you spend on housing aspects stated in question 4 above or any not mentioned for your employees in any given year?
  
  9. What are the sources of your funding for staff housing programmes?
  10. List the challenges you face with regard to employee housing?

## Appendix II QUESTIONNAIRE

UNIVERSITY OF NAIROBI

DEPARTMENT OF REAL ESTATE AND CONSTRUCTION MANGEMENT

### EMPLOYEE QUESTIONNAIRE

**Dear Sir/ Madam,**

I am Linnet Nyakiti, , a post graduate diploma student at the University of Nairobi carrying out a research on '*An assessment of adequacy of employer assisted housing models in selected institutions within Eldoret Town*'. As an important stakeholder, you have been selected to participate in the study by answering the following questions. Information provided will be treated with confidentiality and used for academic purposes only.

QUESTIONNAIRE NUMBER.....

Date .....

Name of the Institution/Employer

1. What is your grade/job group/cadre within the organization
  - a. Lower
  - b. Middle
  - c. Upper
2. How many years have you worked with the organization?\_\_\_\_\_
3. Where do you live and how far from your place of work?  
\_\_\_\_\_
4. What is the mode of housing provided by your employer;
  - a. Rental
  - b. House allowance
  - c. Owner occupy

- d. Lease
- e. House loans
- f. None
- g. Any other

5. How adequate is the choice provided in the list above in terms of;

a. Space, e.g number of bedrooms	<input type="checkbox"/>	cooking area	<input type="checkbox"/>	sitting room	<input type="checkbox"/>
	Very Good	Good	Poor	Very Poor	
b. Physical accessibility,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
c. Adequate security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
d. Structural stability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
e. Adequate basic infrastructure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

6. List benefits of employer provided/assisted housing that you can think of?

- a.
- b.
- c.

7. How long have you lived in your present house?\_\_\_\_\_

8. a)How much do you pay per month for your house?

of my income      re than 30% of my monthly income

b) Can you say it is affordable considering your other needs and income?

9. What are some of the challenges you encounter living in houses provide by employer

- a.
- b.
- c.
- d.

THANK YOU FOR YOUR CO-OPERATION