



UNIVERSITY OF NAIROBI  
HOUSING RESEARCH AND DEVELOPMENT UNIT

ROOM-BASED HOUSING COOPERATIVES

- an Alternative Approach to Low-income  
Housing Cooperatives

Discussion Paper

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Date: May 1978

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This paper presents a short discussion of the possible advantages of individual ownership of rooms, as opposed to individual plot ownership, by members of low income housing cooperatives.

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1. OUTLINE

1.1. Financial Constraints of Existing Housing Cooperatives.

A recent survey report on Housing Cooperatives in Kenya<sup>(1)</sup> points to the lack of financing as a major constraint in the cooperatives' potential and performance:

"....Pooling the resources of members through the purchase of shares in the society and through regular contributions, cannot be sufficient to build houses for all members. The societies need an extra source of funds in the form of construction loans. At present no loans are available to housing cooperatives which build complete or partial houses.....and which need a repayment of at least 15 years." (5.3).

"....Some Societies consider it as a solution to increase their capital by increasing their membership.....The Societies may, however, create another problem for themselves if the purchased land cannot accommodate all members of the society." (4.7).

The report concludes that the few successful housing cooperatives have taken too long to build the planned number of houses, and questions the role of housing cooperatives in achieving the Government's aims. In the final chapter certain alternatives to housing cooperatives are mentioned, such as 1) smaller self help groups or 2) larger centralised organisations which can render technical and organisational assistance to any cooperative efforts among the target population. As examples of the latter are, among others, mentioned the Housing Project Unit in Lusaka and the Dandora Development Project in Nairobi.

1.2. An Alternative Approach.

An early survey report on Site and Service Schemes in Kenya<sup>(2)</sup> dealt tentatively with the role of housing cooperatives and pointed to a possible solution to some of their problems, aiming at a more successful development within the existing framework of housing cooperatives:

"RECOMMENDED: that plots are not allocated to individuals who cannot afford to develop, but that, in the catering for this group of people, the principle of allocation by the room is

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- (1) Housing Cooperatives in Kenya, M.S. Muller, HRDU, May 1978.
- (2) Site and Service Schemes, Analysis and Report, P. Houlberg, N.O. Jorgensen, R. Steele, HRDU, May 1971.



pursued by the allocation of parts of the schemes to groups with common bonds, i.e. to people who are already organised as cooperatives, companies or affinity groups." (26.01)

This recommendation was based on the findings of the survey:

- (i) that 75% of the tenants in the existing site and service schemes occupy one room only, in general giving higher priority, for example, to their children's education than to the occupancy of a second room;
- (ii) that site and service plots allocated to the lowest income groups often are either resold or very slowly developed;
- (iii) that local authorities have an administrative interest in allocating to people with the 'ability to develop' who, being above the target income group, eventually become absentee landlords; and
- (iv) that the negligence prevailing in absentee landlord owned tenements cause deterioration of houses, plots and general environment.

The aim of the recommendation was to use the cooperative method to provide small-scale homeownership for people in the lowest income brackets who, lacking the necessary funds to become homeowners, normally have no choice but to become tenants, renting at market rent.

Communal ownership of the land, by the cooperative, and individual ownership of the rooms, was therefore seen as a basic strategy in the sense that each share in the cooperative should entitle the holder to the occupancy of one room plus the use of the communal facilities, including on-plot waterborne sanitation. Once allocated, the room, or rooms, should become the shareholder's legal property which could, at a later date, be sold to another cooperative member or to an approved potential member of the society. If a shareholder should wish to expand his holdings with another room, he could do so by purchasing another share and either take over<sup>a</sup> neighbouring room when vacant or move into a new house built by the cooperative.

The advantages of room allocation, as opposed to plot allocation, would be:-