

**SESSIONAL PAPER**

**ON**

**NATIONAL HOUSING POLICY FOR KENYA**

# TABLE OF CONTENTS

TABLE OF CONTENTS .....	(iii)
EXECUTIVE SUMMARY .....	(v)
CHAPTER ONE .....	1
HOUSING PROBLEMS AND CHALLENGES.....	1
1.1 INTRODUCTION.....	1
1.2 HOUSING PROBLEMS AND CHALLENGES.....	2
CHAPTER TWO.....	3
GOALS AND OBJECTIVES OF THE HOUSING POLICY .....	3
2.1 THE GOAL.....	3
2.2 OBJECTIVES .....	3
CHAPTER THREE .....	5
ELEMENTS OF THE HOUSING POLICY .....	5
3.1 ELEMENTS.....	5
3.2 POLICY TARGETS.....	5
3.2.1 POVERTY ALLEVIATION.....	5
3.2.2 PUBLIC HOUSING .....	6
3.2.3 URBAN HOUSING .....	6
3.2.4 RURAL HOUSING .....	8
3.2.5 VULNERABLE GROUPS.....	8
3.3 MAIN HOUSING INPUTS.....	9
3.3.1 LAND USE PLANNING AND MANAGEMENT.....	9
3.3.2 INFRASTRUCTURE.....	11
3.3.3 BUILDING MATERIALS AND RESEARCH.....	12
3.3.4 FINANCIAL RESOURCES FOR HOUSING.....	13
3.4 MANAGEMENT.....	16
3.4.1 ESTATE MANAGEMENT AND MAINTENANCE.....	16
3.4.2 DISASTER MANAGEMENT AND ENVIRONMENTAL IMPACT ASSESSMENT.....	17
3.4.3 HUMAN RESOURCE DEVELOPMENT.....	18
3.4.4 MONITORING AND EVALUATION.....	19
3.5. LEGISLATIVE AND INSTITUTIONAL FRAMEWORK .....	20
3.5.1 LEGISLATIVE FRAMEWORK.....	20
3.5.2 INSTITUTIONAL FRAMEWORK.....	22
CHAPTER FOUR.....	27
CONCLUSION .....	27

## EXECUTIVE SUMMARY

This National Housing Policy is intended to arrest the deteriorating housing conditions countrywide and to bridge the shortfall in housing stock arising from demand that far surpasses supply, particularly in urban areas. This situation has been exacerbated by population explosion, rapid urbanization, widespread poverty, and escalating costs of providing housing. The shortage in housing is manifested in overcrowding, proliferation of slum and informal settlements especially in peri-urban areas. In the rural areas the shortage manifests itself in the poor quality of the housing fabric and lack of basic services such as clean drinking water. The policy aims at:

- Enabling the poor to access housing and basic services and infrastructure necessary for a healthy living environment especially in urban areas.
- Encouraging integrated, participatory approaches to slum upgrading, including income-generating activities that effectively combat poverty.
- Promoting and funding of research on the development of low cost building materials and construction techniques
- Harmonising existing laws governing urban development and electric power to facilitate more cost effective housing development
- Facilitating increased investment by the formal and informal private sector, in the production of housing for low and middle-income urban dwellers.
- Creating a Housing Development Fund to be financed through budgetary allocations and financial support from development partners and other sources

The Economic Recovery Strategy for Wealth and Employment creation launched by the Government in June 2003 is intended to off-set the negative effects and impacts to the vulnerable groups of our society created by reforms and liberalisation programmes in the economy. In it's commitment to improved housing the Government introduces a National Housing Policy that comprehensively addresses the shelter problem. This Sessional Paper comprises four elements. Element one is on policy targets and highlights urban housing, rural housing, slum upgrading and vulnerable groups; and proposes solutions, which include poverty alleviation. Element two is on main housing inputs and addresses ways of managing the housing inputs namely land, infrastructure, building materials, building technology and finances. Element three covers estate management and maintenance necessary to ensure long lifespan for housing stock, disaster management, environmental impact assessment for major housing projects, human resource development and monitoring and evaluation. Element four deals with legislative and institutional framework and assigns specific roles to various stakeholders. Under this element the policy also proposes enactment of a Housing Act to strengthen the role of the Ministry in-charge of housing in regulating housing development.

# CHAPTER ONE

## HOUSING PROBLEMS AND CHALLENGES

### 1.1 INTRODUCTION

1. Since the early times, man has made relentless efforts to obtain food and shelter. The struggle for these basic needs has increased progressively as the human race advances in numbers and cultural diversity. The Universal Declaration of Human Rights of 1948 recognizes the right to adequate housing as an important component of the right to adequate standard of living. This has been further reaffirmed by subsequent various international instruments including the International Covenant on Economic, Social and Cultural Rights of 1966, the Istanbul Declaration and Habitat Agenda of 1996 and the Declaration on Cities and Other Human Settlements in the New Millennium. In all these instruments, housing is understood in the broader context of the shelter fabric together with the living environment.

2. Improvement of housing for the Kenyan population is a major concern to the Government. This concern has been influenced by the fact that the improvement in housing stock is a strategically important social and economic investment. In addition, well-planned housing and infrastructure of acceptable standards and affordable cost when combined with essential services affords dignity, security and privacy to the individual, the family and the community as a whole. Adequate shelter also prevents social unrest occasioned by depravity and frustrations of people living in slums and informal settlements. Besides this social function, housing is also an investment good contributing both directly and indirectly towards poverty reduction through employment generation, raising of incomes, improved health and increased productivity of the labour force.

3. Having regard to these important functions of housing, it is the Government's long term objective to move towards a situation where every individual or family lives in decent affordable housing whether publicly or privately developed to meet the necessary requirements of security, health and privacy.

4. The delivery of housing and associated facilities, however, entails the usage of scarce resources such as land, building materials, labour and finance. Efficient utilization of these scarce resources requires the formulation of an effective housing policy that sets out goals and objectives for all the actors in the entire housing delivery system. However, such a policy must be continuously revised and monitored, as and when necessary to conform to the changing circumstances.

#### Policy Evolution

5. 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 pre annum in the urban areas. The annual housing requirements then were 7,600 and 38,000 new units in urban and rural areas respectively. The policy directed the Government "to provide the maximum number of people with adequate shelter and a healthy environment at the lowest possible cost".

6. 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 in remote stations.

## 1.2. HOUSING PROBLEMS AND CHALLENGES

7. The investments in the housing sector since the 1966/67 Policy have been minimal and sporadic. The demand for housing still far outstrips supply. High rate of urbanization, increasing poverty and escalation of housing costs and prices have made the provision of housing, infrastructure and community facilities one of the daunting challenges in the socio-economic development of the country. Research on low cost building materials and construction techniques has been limited thus not providing viable guidance to the development of the sector. Moreover, stringent planning regulations and high infrastructural standards have been an impediment in the housing delivery system.

8. The high level of poverty has rendered access to decent housing an elusive dream to the swelling ranks of people living below the absolute poverty line. The problem in urban areas is mainly that of acute shortage in the number of habitable dwellings, inadequate infrastructure, community facilities and services, overcrowding and extensive slums and squatter settlements. The situation has been aggravated by recently initiated socio-economic reforms especially the Structural Adjustment Programmes (SAPs). On the other hand, the major problem in rural areas is mainly that of poor quality of the shelter fabric and limited access to safe drinking water.

9. The estimated current urban housing needs are 150,000 units per year. This level of production can be achieved if the existing resources are fully utilised by the private sector with the enabling hand of the Government. It is estimated that the current production of new housing in urban areas is only 20,000-30,000 units annually, giving a shortfall of over 120,000 units per annum. This shortfall in housing has been met through proliferation of squatter and informal settlements and overcrowding.

10. The institutional housing situation for public servants, especially for the Police and Prisons staff has greatly deteriorated over the years. It is alarming that currently a section of the uniformed forces live in deplorable conditions with up to four families sharing a house meant for only one family thereby compromising everyone's privacy.

11. Various interventions and strategies have been introduced in the past to alleviate the above situation. For instance following the International Year of Shelter for the Homeless in 1987, the National Shelter Strategy to the Year 2000 was formulated to advocate a change in policy. Since the public sector was unable to meet the challenge through direct provision of housing, the solution had to be sought within an enabling approach, where the Government facilitates other actors to invest in shelter. In 1990, the process towards housing policy review was initiated and the same objective was pursued. It has therefore become necessary to have a critical look into present and future performance of the entire housing sector and formulate a new policy and strategies that will guide the preparation and implementation of future housing programmes. The review of the housing policy is intended to provide a guide in this direction as Kenya, along with other members of the international community, implements the Habitat Agenda and the National Plan of Action on Shelter and Human Settlements to the year 2020. This policy has adopted an enabling strategy, guided by the principles of partnership and participation by all partners in accordance with their comparative advantages.

## CHAPTER TWO

### GOALS AND OBJECTIVES OF THE HOUSING POLICY

#### 2.1 THE GOAL

12. The overall goal of this Housing 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 settlements. This will minimise the number of citizens living in shelters that are below the habitable living conditions. It will also curtail the mushrooming of slums and informal settlements especially in the major towns.

#### 2.2 OBJECTIVES

13. The basic objectives of the policy are: -

- a) To facilitate progressive realisation of the right to adequate housing by all;
- b) To promote the development of housing that is functional, healthy, aesthetically pleasant and environmentally friendly;
- c) To earmark and set aside land for public housing development in urban areas;
- d) To facilitate access to land and security of tenure for all socio-economic groups;
- e) To eliminate legal and customary barriers, where they exist, to women's equal access and control of land and finance;
- f) To increase the proportion of the exchequer allocation for housing delivery and human settlements facilitation;
- g) To facilitate greater access to funds from the domestic markets by housing developers and to promote innovative ways of mobilising finances by the vulnerable groups;
- h) To assist the low-income earners and economically vulnerable groups in housing improvement and production;
- i) To improve the quality of existing stock of houses;
- j) To encourage research and popularise the use of appropriate building materials that are locally available and low cost building technologies to reduce the cost of housing;
- k) To contribute in the alleviation of poverty by creating employment among the poor through building material production and construction processes as well as promote income-generating activities within the built environment;
- l) To provide and improve infrastructural facilities in both the rural and urban areas so as to improve human settlements and living environments;

- m) To protect the environment of human settlements and of ecosystems from pollution, degradation, and destruction in order to attain sustainable development;
- n) To mobilise resources and strengthen capacity building in order to facilitate increased investment in the housing sector;
- o) To streamline the legal and institutional framework to promote housing development;
- p) To promote inclusive participation of the private sector, public sector, community based organisations, Non-Governmental Organisations, co-operatives, communities and other development partners in planning, development and management of housing programmes.

## CHAPTER THREE ELEMENTS OF THE HOUSING POLICY

### 3.1 ELEMENTS

#### 14. The major elements of the housing policy are:

- a) Policy targets including,
  - (i) Poverty alleviation;
  - (ii) Public housing;
  - (iii) Urban housing
  - (iv) Rural housing
  - (v) Vulnerable groups
- (b) Housing inputs including,
  - (i) Land use planning and management;
  - (ii) Infrastructure;
  - (iii) Building materials and research;
  - (iv) Financial resources for housing;
  - (v) Management;
  - (vi) Legislative and institutional framework.

### 3.2 POLICY TARGETS

15. Based on the 1999 National Population and Housing Census there are about 3 million people in urban areas and about 6 million people in rural areas in urgent need of proper housing. Given the average household size of 4 persons from the census, there are about 750,000 households in urban areas and 1,500,000 households in the rural areas that need to be housed. The Government will facilitate an annual output of 150,000 housing units in urban areas and 300,000 units in rural areas in the next five years in order to be able to meet that demand. This excludes additional housing needs arising from increased household formations as well as housing that will become dilapidated from the existing stock.

#### 3.2.1 POVERTY ALLEVIATION

16. Poverty has been a major limiting factor in development. In rural areas, the majority of the population is unable to meet their basic requirements. It is estimated that over 50% of Kenya's urban population live in very poor neighbourhoods and about 60% of these are estimated to be absolutely poor. The influx of rural youth to urban areas where there are limited employment opportunities has compounded the level of urban poverty on one hand, and rural poverty on the other. As such, rural areas are being deprived of their active and more productive labour force. There is therefore a need for social safety nets in various areas including housing delivery to cushion the vulnerable groups.

17. The Government recognises the ingenuity exhibited by poor people in their quest for shelter. It will continuously revise by-laws, standards and regulations relating to planning, building and environmental management to ensure that the poor urban citizens will have access to their most basic needs including access to shelter, food, infrastructure, water, health and other basic services; and be engaged in activities that can sustain their livelihoods.



18. The Government will promote small-scale building materials industry and encourage labour intensive construction techniques to foster income generation. Special areas within informal settlements will be earmarked for *Jua kali* activities and support activities, which target poverty alleviation particularly among the vulnerable groups.

19. The poor people's pragmatic approach to housing will be harnessed and put to maximum utility by community-based organisations through effective and well-defined popular participatory approaches. Community involvement as a planning tool will be advocated in all housing programmes targeting the poor.

20. The Government recognises that security of land tenure as well as availability of adequate quantities of land in suitable locations at affordable prices is a central requirement for clearing the backlog of housing demand for the urban poor. Housing programmes for the poor will be pursued at a scale, which is commensurate with need and availability of resources.

21. In recognition of successful programmes from other communities within and outside the country, the Government will adapt, where appropriate, concepts, which have made a breakthrough in alleviating shelter problems of the poor. The Government will develop and support approaches, which focus on community organisations and personal empowerment in ensuring creation of small-scale economic activities and promoting innovative ways of mobilising finance.

### 3.2.2 PUBLIC HOUSING

22. Public housing refers to housing development undertaken by public institutions and the Government. Most of the public houses are in poor physical conditions arising from lack of regular maintenance. They are normally few and thus benefit only a few people in comparison with the people to be served.

23. The Government will develop and properly maintain public housing for civil servants especially in remote areas. It will also carry out periodic rental valuations for all existing public housing stock as a basis for determining the economic rents payable. All tenants in public housing will be required to pay economic rents. In this regard, the Government will pay, where feasible, market responsive house allowances to civil servants.

24. The Government will assist civil servants wishing to buy or build houses for home ownership. An optional Tenant Purchase scheme for civil servants will be introduced to assist them to have homes to retire to.

### 3.2.3 URBAN HOUSING

25. The phenomenon of rapid urbanisation being experienced world-wide has brought about many challenges, the most critical being a general deterioration of the living standards of an increasing majority of urban dwellers. In Kenya, the problem of urban housing is characterised by an acute shortage in the number of dwellings, overcrowding in the existing housing stock as well as the existence of sub-standard human settlements such as extensive slums and squatter settlements. The acute shortage in housing supply has led to high rents being charged by landlords. The majority of the people in urban areas do not own homes as the level of owner-occupancy has been declining. The provision of infrastructural facilities has not adequately satisfied the demands of the growing population. The Government is committed to addressing this situation through the following strategies:

- a) Development of urban middle-income and low-income housing; and
- b) Upgrading of slums and informal settlements.

#### **Urban Middle-income Housing:**

26. Urban middle-income housing is in this context, regarded as housing accommodation comprising a minimum of three habitable rooms, kitchen, bathroom and toilet, for each household with physical infrastructure and services conforming to the provisions of the building code. Urban middle-income is divided into Upper middle -income and lower middle -income. Upper middle -income is deemed to cover a minimum gross floor area of 120 square metres whereas lower middle- income is deemed to cover a minimum gross floor area of 80 square metres for each household. Appropriate home ownership schemes for the middle-income groups will be introduced with a review of the fiscal policies affecting housing delivery. The need to provide middle-income housing through the National Housing Corporation, Local Authorities and other agencies cannot be overemphasized. These agencies will work closely with the Ministry in-charge of housing in formulating programmes that are appropriate and affordable to the target groups. The Government will in this connection re-capitalise the Housing Fund under National Housing Corporation and re-structure the Corporation to enable it develop affordable housing. The Government will set up a Civil Servants Housing Scheme to cater for the special housing needs of civil servants under the Housing Fund.

27. The Government will enact legislation to direct statutory pension funds, commercial banks, insurance companies and similar institutions to invest a percentage of their funds into middle-income housing development.

#### **Urban low-income Housing:**

28. Urban low-income housing is in this context regarded as housing comprising a minimum of two habitable rooms, cooking area and sanitary facilities, covering a minimum gross floor area of 36 square metres for each household with physical infrastructure and services of standards not lower than those stipulated in the revised adoptive by-laws in force. While considerable effort has been put to provision of housing in urban areas through increased public and private investment, the escalating housing cost has tended to push prices steadily beyond the reach of the majority of urban dwellers. Emphasis will continue to be placed on the provision of housing for low-income earners who are the majority of urban dwellers. The Government will institute machinery, which will allow for the mobilization of housing finance from the public sector, private sector, local communities and from international agencies. In this regard, the National Housing Corporation, Local Authorities and other agencies will facilitate the provision of planned, surveyed and serviced plots for new residential areas as Site and Service schemes.

29. The Government will give tax incentives such as investment allowances to individuals and institutions who invest directly or through an approved housing finance system in actual low-income development. A proportion of provident and pension funds will be directed by the proposed legislation towards low-income housing as a viable and secure investment on behalf of the contributors.

#### **Upgrading of Slums and Informal Settlements**

30. Upgrading of slum areas and informal settlements will be given high priority. It will be undertaken with minimal displacement to cater for proper planning and provision of necessary infrastructure and related services. Appropriate upgrading measures will be instituted for

existing slum areas taking into account key upgrading components that cover security of land tenure, provision of basic infrastructural facilities and services, improvement of housing structure and the socio-economic status of the target community.

31. The Government will streamline acquisition of land for housing the poor, adopt appropriate tenure systems, planning standards to suit given slum settlements and prevent unwarranted destruction of existing housing stock and displacement of the residents. Upgrading will be integrated to take into account socio-economic activities that improve livelihoods of target communities. Employment and income-generating activities that address poverty alleviation will be enhanced.

32. The Government will also facilitate slum upgrading through integrated institutional framework that accommodates participatory approaches involving relevant stakeholders, particularly the benefiting communities while enhancing co-ordination at national level. Upgrading will take into account factors of ownership of land and structures, age of settlement, and affordability. Appropriate compensation measures will be instituted for disposed persons where necessary.

33. In order to improve the living conditions of a large proportion of the populations in urban areas, appropriate slum upgrading measures will be instituted for each slum/informal settlement, taking into account the above main components and factors. To further address proliferation of slums and informal settlements, the Government will ensure supply of minimally developed but incrementally upgradable low -income housing.

#### 3.2.4 RURAL HOUSING

34. Rural inhabitants have always provided their own shelter using local available building materials. In this regard, the use of locally available building materials and the application of appropriate technologies will be aggressively disseminated. This implies publicizing the advantages of using these technologies, utilizing locally produced building materials and encouraging traditional methods of construction, which have been proved to be technologically sound. The enabling strategy, which advocates for the participation of a cross-section of actors in the shelter sector, will be combined with the use of appropriate technologies and programmes in advocating for rural shelter.

35. The Government will promote a sustainable process of shelter improvement and maintenance in the rural areas. The Government, together with other partners, will strive to alleviate rural poverty (a major bottleneck being access to credit) and increase rural incomes through the introduction of rural industry and through the establishment of non-agricultural small and medium scale enterprises (e.g. manufacturing of building materials). At the institutional level, the dependency of the rural poor on informal credit mechanisms will be supported by the introduction of innovative ways of mobilizing savings from the communities. This will be achieved by encouraging rural-based Non-governmental organizations to work closely with community based-organizations.

#### 3.2.5. VULNERABLE GROUPS

36. The Government's Economic Recovery Strategy for Wealth and Employment creation launched in June 2003 is intended to off-set the negative effects and impacts to the vulnerable groups of our society caused by reforms and liberalisation programmes in the economy. The vulnerable groups cover the poor, women, children in difficult circumstances, the

handicapped, the elderly and the displaced persons. The Government recognises and appreciates the fact that housing programmes are much more effective when they take into account the different roles and needs of their targeted population consisting of men, women and youth. Therefore, the Government will endeavour to achieve the following:

- a) Involve all the targeted groups at all levels of project planning processes. This will create ownership and, therefore, sustainability in the programmes/projects;
- b) Facilitate the creation of credit institutions and lending mechanisms that will be accessible to all vulnerable groups, particularly the women, the handicapped and the displaced. Housing Co-operatives will be supported and encouraged to initiate community-based credit systems. The Government, therefore, anticipates that through the co-operative movement vulnerable groups both in rural and urban areas will be able to tackle their shelter problem more effectively and that they will be able to improve their bargaining power through collective effort;
- c) The Government will further encourage vulnerable groups to participate actively in housing by strengthening relations with Community-Based Organisations and by promoting the formation of self-help groups;
- d) In order to ensure a conducive environment for the physical and psychological growth of children, the Government will use housing as an entry point in breaking the vicious cycle of poverty which all too often forces poor children out on to streets. Through Community-Based Organizations and Non-governmental Organizations working in the poor neighbourhoods, home-based activities will be upgraded and their operations expanded. In due course these activities will evolve into micro-enterprises. This will empower poor families financially and therefore reduce the incidence of parents withdrawing their children from school in order to join them in lowly paying activities like street hawking to supplement their incomes. The Government will also facilitate the provision, maintenance and safeguarding of playgrounds and open spaces for recreation;
- e) In order to cater for the shelter needs of elderly persons, the Government will encourage the establishment and maintenance of elderly people's homes. Currently, the few existing homes are inadequate and the private sector will be encouraged to establish more homes;
- f) New public buildings and facilities, public housing and transport systems will be required to put in place measures that ensure access by elderly and disabled persons. Similar measures will be encouraged during renovation of existing buildings whenever feasible.

### **3.3 MAIN HOUSING INPUTS**

#### **3.3.1 LAND USE PLANNING AND MANAGEMENT**

##### **Issues:**

37. Land is a scarce and valuable resource. Land and land related matters including use, development and control are sensitive issues with deep socio-economic and political impacts. Land holds a special and enviable position of an invaluable economic asset associated with an intricate chain of interests. Thus, a number of people having recognised the special economic value in land engaged in public land grabbing for speculative purposes.

38. Lack of a comprehensive land use planning and management policy has led to development of substandard settlements with inadequate infrastructure, services and open spaces. Land supply/ delivery mechanism for housing development is characterised by formal and informal sub-divisions undertaken by both the public and private sectors. Formal subdivisions follow a long process whereby provision of services is mandatory before registration and necessary transfers can be effected. On the other hand informal subdivisions often fall short of planning requirements set by the approving authorities hence cannot be registered. However purchasers of such parcels receive share certificates as ownership documents awaiting issuance of land title deeds once legal transfers are effected. In some cases land is availed through illegal occupation and informal settlement by squatters. Land provided through informal subdivisions is often short of essential services and social amenities.

39. The approval/ consent procedures for subdivision of land are lengthy and complicated, as there are too many statutes, which control and regulate subdivision and change of use.

40. The transfer, documentation, processing fees and stamp duty rates are still way beyond the reach of majority of Kenyans

#### **Policy Statements:**

41. The supply of serviced land at affordable prices in suitable locations is one of the critical inputs for housing development. The Government will provide facilitation as follows: -

- a) Ensuring that legislative and regulatory instruments governing land-use planning, administration and management are regularly reviewed and harmonised to promote housing development;
- b) Encouraging innovative partnerships at local levels between the public sector agencies and private developers to provide serviced land for housing development. The Ministry in charge of Local Authorities will facilitate this initiative by drawing standard agreements for such partnerships;
- c) Establishing a land bank for public housing through purchase or compulsory acquisition of land that is not fully utilised;
- d) Formulating comprehensive plans in land administration in order to develop and institute appropriate mechanisms for land information and land banking systems to facilitate land market operations for sustainable housing development programmes in future;
- e) Encouraging increased involvement of licensed private developers in land development, construction and infrastructure provision with adequate safeguards to protect consumers and increase the supply of developed land for lower-income groups by giving incentives to private developers to cross-subsidise them;
- f) Imposing a progressive tax over and above the current land rents and rates on vacant urban land after reasonable notification to help curb speculative activities and release land for development;
- g) Increasing the accessibility to affordable and serviceable land, while providing legal security of tenure to the poorer sections of society, women and vulnerable groups especially in areas located near their work place;

- h) Providing incentives to squatters to buy the land they occupy at subsidised rates for shelter development through waiver of land alienation expenses;
- i) Decentralising land management and land allocation responsibilities in urban areas and providing local capacity building programmes that encourage community participation in the decision-making processes of the central and local governments, where appropriate;
- j) Encouraging participatory planning by involving communities in preparation and implementation of part development plans so that the public can be aware of intended new developments;
- k) Encouraging where possible settlement patterns that minimize the cost of providing infrastructure and other services;
- l) Re-planning and re-development of existing housing estates that do not provide for maximum permissible or highest and best use of land.

### 3.3.2 INFRASTRUCTURE

#### Issues:

42. The opening of new land for housing development or the upgrading of existing informal settlements require installation and maintenance of infrastructure such as such as water, sewerage, roads, electricity, social services and security. Infrastructural facilities therefore form a major and vital component of shelter provision. Accessibility to adequate urban basic services will greatly improve people's economic capacities, health and the quality of life in general.

43. Lack of trunk infrastructure is a serious constraint to the private sector housing development. The Local Authorities have not adequately fulfilled their responsibility for the provision, delivery and management of these basic urban services.

#### Policy Statements:

44. Action to expand and improve infrastructural facilities and services will be undertaken through the following: -

- a) Encouraging local authorities to enter into joint venture with land-owners in peri-urban areas and employing land re-adjustment models, which ensure that both parties gain from such partnerships; in principle landowners may surrender part of their land to the local authority in exchange for infrastructural services;
- b) Embracing the reforms in Local Government aimed at improving the financial capacity of local authorities and other local agencies; and enhancing their ability to maintain and extend infrastructural services;
- c) Facilitating community groups willing to contribute their labour and resources towards the improvement of on-site infrastructure, for example, by community labour contracting for small infrastructure development and maintenance works;

- d) Establishing a Slum Upgrading and Low-cost Housing and Infrastructure Fund under the Ministry in-charge of Housing financed from the exchequer and development partners for funding shelter related infrastructure;
- e) Ensuring that private developers participate in developing infrastructure in rural and urban areas through their own initiative in collaboration with local authorities on a cost-reimbursement basis by way of issuance of debt instruments such as municipal bonds;
- f) Ensuring that private developers are reimbursed by power distribution company for electricity capital costs up to the meter board if electricity connection is undertaken through their own initiative with the approval of the company;
- g) Advocating use of construction technologies, which are cost effective, incrementally up-gradable and environmentally sound with emphasis on labour intensive technologies;
- h) Local Authority will provide trunk infrastructure and funds collected for provision of the services to be ploughed back for further provision of the services.

### 3.3.3 BUILDING MATERIALS AND RESEARCH

#### Issues:

45. The building materials and construction industry constitutes one of the most important sectors in Kenya's economy. Some of the materials, which are produced in some large-scale industries, end up being costly due to high costs of production arising from high electricity cost. It is also costly to transport the materials to construction sites for incorporation into the housing structure. The materials can be produced on site using labour intensive techniques thereby reducing overall costs.

46. Kenya is endowed with abundant natural resources that can meet the demand for basic materials using available surplus labour in peri-urban and rural areas. There are extensive deposits of limestone, gypsum, clay, coral, forest and agricultural fibre and wastes that can increase the supply of building materials and substitute current imports. A well-developed local building materials industry can provide such benefits as improved skills, greater income generation and stimulation of other sectors.

47. The existence of inappropriate standards and By-laws has greatly reduced the range of approved materials and building technologies. There has not been extensive research on alternative locally available building materials by our research institutions. Though some research findings have been achieved through the efforts of research institutions including Housing and Building Research Institute (HABRI) of the University of Nairobi and other organizations, dissemination and use has been minimal due to inadequate funding for research and dissemination.

#### Policy Statements:

48. In order to increase the production of housing units through utilisation of research findings as well as the use of innovative but cheaper conventional building materials and technology the Government will: -

- a) Increase allocation to research institutions to facilitate research on building materials

- and technologies, and also consider imposing a research levy on the building construction industry;
- b) Review from time to time the taxation levels on building materials so as to reduce the housing construction cost arising from the building materials component. ;
  - c) Establish a National Research Coordination Secretariat within the Ministry in charge of housing to coordinate and disseminate research findings;
  - d) Require all research actors to harness and document existing locally available building materials and technologies as well as disseminate this information to the users as appropriate;
  - e) Promote and encourage small-scale enterprises to engage in production and application of researched materials;
  - f) Promote the production of innovative building designs that are cost effective and compatible with the use locally available and affordable materials will be promoted;
  - g) Stimulate the production and availability of conventional building materials like cement, steel and stones as part of the industrial policy;
  - h) Promote wider adoption and application of the revised Building By-Law's and Planning Regulations;
  - i) Encourage the public, private and voluntary sectors to utilize the research materials in their housing and other development programmes;
  - j) Promote intensified training in requisite skills and construction technologies through Youth Polytechnics, Women and Youth Groups, Community-Based Organizations and Appropriate Technology Building Centres.

### 3.3.4 FINANCIAL RESOURCES FOR HOUSING

#### Issues:

49. Limited access to finance is a major limiting factor in housing development. The sources of funds for shelter are few and the lending institutions have not really reached some target groups. Qualifying terms for mortgages are still too stringent despite the fact that housing is still in short supply. Inappropriate fiscal policies on real estate financing, inability to finance house loans to groups, low affordability due to poverty, high interest rates on mortgages, absence of graduated payments of mortgages and lack of access to the large deposits of retirement benefit funds have hindered the development of the housing sector

50. The housing finance sector is faced with the challenges of a complicated three-tier market that is served by an elaborate financial system. At the top of the hierarchy are households that can afford housing of high quality. In the middle category fall the middle-income groups, which are predominantly composed of wage and salaried workers as well as the self-employed. This category is not adequately catered for in the provision of housing and as a result they are relegated to housing targeted for low-income earners. The third category which forms the majority of households is the low-income earners. They are the most affected by the housing problems



arising from inadequate housing and the displacement brought about by insufficient housing facilities for the middle-income earners.

51. Currently, mortgage lending by formal financial institutions only benefits the high-income households besides being concentrated almost exclusively in the urban areas. The needs of the low-income earners and rural people with regard to borrowing have not been adequately addressed. The Commercial banks and non-banking financial institutions are restricted from investing in housing by the provisions in the Banking Act.

52. In as far as sourcing funds for lending is concerned, the financiers have had to go to the open market and source funds at high market rates, so as to lend to housing buyers/builders, which in turn has resulted in very high house prices. Housing Development Bonds have been used by mortgage finance institutions to mobilize deposits for housing finance. Unfortunately these have been subject to taxation, hence making them less attractive to depositors.

53. The budgetary allocation through the exchequer, including funds for rural housing loans, has not only been inadequate but also declining.

#### **Policy Statements:**

54. In order to increase availability and access to finance for housing:

- a) The Government will harmonize the Banking Act, the Building Society Act, the Insurance Act and the various Acts relating to land and housing development and amend the sections in these Acts that have so far proved to be a hindrance to the sourcing of housing finance;
- b) Legislation be proposed to amend the Retirement Benefits Authority Act, to recognise retirement benefits for workers as a suitable security against mortgage. The investment guidelines of the Retirement Benefits Authority also be amended to permit holding of mortgage backed securities by pension funds;
- c) The amount of public funds allocated to the Housing Department will be increased to strengthen its capacity to effectively play its role in the field of shelter development;
- d) The Government will urgently facilitate the establishment of a Secondary Mortgage Market in order to mobilize additional resources for housing development to overcome the constraint in the primary mortgage market;
- e) Legislation be proposed to allow 10% of statutory and pension funds such as NHIF and NSSF to be lent out directly to low-cost housing developers against collateral security;
- f) Legislation be proposed to compel banks to give out 5% of their lending portfolio to low-cost housing against appropriate collateral security;
- g) The full interest charges on all home ownership loans be allowed as a deduction from taxable income as tax relief and be subject to review every 3 years. This shall apply to the institutions that have the necessary administrative structures in place to ensure that such loans are applied to housing projects for which they are advanced;
- h) First time homebuyers be exempted from payment of stamp duty;

- i) The Government will review the current withholding tax of 10% on interest payable that is, a qualifying interest (lower rate) up to Kshs. 1,000,000 so as to make the Housing Development Bonds more attractive. This will apply to deposits placed for a term of not less than six months;
- j) There will be a single business licence for housing finance institutions issued by the central Government;
- k) Low-cost housing developers in all regions will be given a 100% investment deduction on tax payable in line with other investment incentives existing in the Tourism and Manufacturing sectors;
- l) The Government will in addition to creating the Slum Upgrading and Low-cost Housing Infrastructure Development Fund re-activate the statutory Housing Fund in the existing Housing Act to broaden the base of housing finance sources;
- m) Employers will be encouraged to facilitate acquisition of funds to their employees by way of loans either directly or indirectly through the existing network of mortgage finance institutions for the purpose of acquiring residential properties;
- n) Offshore short-term borrowing finance for housing will be encouraged by the Government to check high rate of interest on mortgages.

55 To encourage development and financing of rural housing, the following steps will be taken: -

- a) The Government will set up a mortgage guarantee scheme to be administered by National Housing Corporation or other agency through which guarantees may be given to financial institutions as an alternative security. The major beneficiaries would be the low-income earners and those living in the rural areas who would otherwise not qualify for loans from formal financial institutions due to lack of established track record or lack/inadequate security;
- b) Borrowing criteria will be liberalized to take cognisance of the special constraints of borrowers in rural areas. In particular, the repayment terms set by lending institutions will be reviewed to allow for part lump-sum payments of loans by the borrowers commensurate with their levels of incomes;
- c) Financial institutions advancing mortgage loans to rural borrowers will be encouraged to work out lending mechanism which will take into consideration the plight of the family; so that for instance, where the value of the land exceeds the amount of loan in default; the family should be allowed to sub-divide the land so that only part of the land can be sold to clear the outstanding loan;

56 To assist the low income groups:

- a) The low - start mortgage scheme or the graduated payment mortgage will be encouraged. This method allows low initial repayments, which rise at a fixed normal rate over the life of the loan. The loan repayments during the early years allow a wider

band of low-income households to qualify for loans than would be the case under the conventional mortgage;

- b) Micro financing and informal funding mechanism will be encouraged and harnessed for the delivery of housing for the very low income groups especially in the informal settlements;

### 3.4 MANAGEMENT

#### 3.4.1 ESTATE MANAGEMENT AND MAINTENANCE

##### **Issues:**

57. Lack of proper management and maintenance reduces quality of housing stock and adversely affects the built environment including infrastructural facilities and other services. Communities have not been provided with opportunities to make their own contribution in terms of self-help management and maintenance initiatives; and to develop credible local governance in their neighbourhoods that would be effective tools in solving community problems especially in informal settlements. Moreover there has been a gap in cooperation between the Government and neighbourhood associations.

58. The physical conditions of housing for civil servants and that provided by local authorities have greatly deteriorated over the years due to lack of maintenance.

##### **Policy Statements:**

59. To address this situation: -

- a) National guidelines on estate management and maintenance will be prepared and implemented. The guidelines will cover all modes of housing and will address such aspects as funds mobilization, design and construction materials, community participation, management committees, data collection, capacity building and the required standards for maintenance of houses and buildings. Organizations involved in housing development will be required to retain the services of estate management consultants for advice on maintenance requirements;
- b) Standards will be formulated for acceptable maintenance status of the built environment in which planned preventive and corrective maintenance works will meet legally enforceable requirements;
- c) Preparation and submission of approved "as-built" drawings and maintenance manuals for each new building developed will be made a pre-requisite for obtaining a "Certificate of Occupancy" by the Development Control Agencies;
- d) A procedure be put in place to require all buildings to be re-inspected every ten years by the Development Control Agencies and re-renewal of "Certificate of Occupancy";
- e) Public education and sensitisation on the need to keep the built environment clean and in habitable condition will be undertaken and appropriate sanctions will be put in place for offenders as provided for in the Public Health Act and other relevant legislative instruments;

- f) Emphasis will be placed on conservation and increasing of the housing stock by encouraging upgrading activities as opposed to demolitions in unplanned settlements. Units that accommodate fewer households will be gradually replaced with more units that can accommodate more households.

### 3.4.2 DISASTER MANAGEMENT AND ENVIRONMENTAL IMPACT ASSESSMENT

#### Disaster Management

##### Issues:

60. Disasters are events that seriously disrupt the functioning of a community, inflicting widespread human, property and environmental losses which exceed the ability of the affected community to cope using its own means. Disasters, natural or man-induced, and depending on causal factors, can be either slow or sudden.

61. Many Kenyans are exposed to a wide range of hazards in the natural or man-induced environment, which adversely affect their lives and property. The range of disasters includes drought, desertification, soil erosion and landslides, deforestation, epidemics (human and livestock)-especially HIV-AIDS, refugee influx and internally displaced persons, and unplanned urbanisation and settlements among others.

62. Human induced disasters related directly to human actions include fires, mining collapses, industrial pollution and construction structure failure. The latter has generated a lot of concern owing to increasing incidents, which lead to loss of human life and property.

63. The most devastating impacts of disasters are in human settlements, especially those of the poor and disadvantaged communities where the state of preparedness and relief are lowest.

##### Policy Statements:

64. The following measures will be put in place to strengthen the country's mechanism to manage disasters: -

- a) Identifying and setting aside land banks for the purposes of meeting urgent shelter requirements of refugees, returnees and internally displaced persons, including as appropriate, the construction of temporary housing with basic facilities, taking into account gender-specific needs;
- b) Undertaking delineation of high-risk regions for different disasters for hazard mapping;
- c) Developing procedures for safe development of hillsides and application of environment impact assessment (EAI);
- d) Promoting research in alternative, less flammable building materials;
- e) Promoting hazard resistant building designs and construction in zones prone to earth movement and flooding by enforcing building specifications and regulations;

- f) Promoting disaster prevention through timely and continuous maintenance of such services as storm drains, fire alarm systems etc., to reduce the impacts of disasters.
- g) Establishing data banks and information systems on disasters and developing appropriate dissemination channels to enhance community preparedness;
- h) Building capacity on disaster management by training planners, designers and engineers in human settlements to promote disaster-conscious land-use management in the development and implementation of land use plans;
- i) Undertaking monitoring and evaluation as a means of response; and using lessons learnt from past disaster audits to take preventive measures that minimize negative impacts.

### **Environmental Impact Assessment**

#### **Issues:**

65. Environmental Impact Assessment is a formal study whereby information on likely environmental impacts, possible alternatives, and mitigating measures of a given proposed project are determined.

#### **Policy Statements:**

66. To ensure sustainable human settlements development the following measures will be necessary:

- a) Environmental Impact Assessment will be applied on sources of building materials, such as quarries to check against negative impacts on the environment;
- b) Developers will be required to submit an EIA report together with the development proposals. Where in the opinion of the approving authority, the development activity is likely to have injurious impact on the environment; such a development will not be approved unless remedial measures are appropriately put into place.

### **3.4.3 HUMAN RESOURCE DEVELOPMENT**

#### **Issue:**

67. There is insufficient capacity and institutional development that allows for the devolution of decision making and resource allocation to those key actors at the lowest administrative levels to ensure client-oriented, demand based, timely and responsive delivery of housing facilitation services.

#### **Policy Statements:**

68. The Ministry in-charge of Housing recognizes the role of human resource development in shelter development and will therefore address the following issues appropriately: -

- a) Facilitate capacity building within the Housing Department, other public sector organizations and partners in the Housing Sector so as to maintain a flow of activities, programmes and projects;

- b) Establish a learning centre for the Housing sector;
- c) Promote continuous and sustainable training and reorientation of architects, engineers, planners, administrators and other related professionals on recent approaches to Shelter and Human Settlements development, especially the adoption of low-cost and cost effective approaches;
- d) Update facilities in vocational and tertiary institutions involved in training professionals in shelter development;
- e) Provide non-formal training to facilitate maintenance and improvement of housing stock;
- f) Decentralise widely formal and non-formal training facilities to upgrade social and managerial skills of construction workers, artisans and small-scale contractors;
- g) Promote indigenous contractors engaged in the construction industry.
- h) Ensure improvement of the working conditions for construction workers including safety, general working environment, wages as well as their access to affordable housing;
- i) Encourage greater involvement of NGO's and the private sector in the training of construction workers both in the formal and informal sectors; and assist urban self employed to organise themselves in order to upgrade their skills and get better access to working space, credit and marketing channels.

#### 3.4.4 MONITORING AND EVALUATION

##### Issues:

69. The performance of the Housing sector has not been effectively monitored and evaluated through regular assessments of progress towards the objective of facilitating provision of adequate shelter. Monitoring and evaluation are important in programme implementation process. There is therefore, absence of a dynamic monitoring and evaluation process that will feed back into policy formulation, programmes and projects in order to respond, in a timely manner, to any constraints that may be identified.

##### Policy Statements:

70. The key actors, in Central Government, Local Authorities, Co-operatives, Private Sector and other Institutions will develop and implement Action Plans to suit local needs in consultation with the relevant stakeholders. The Action Plans will cover a time frame of one year for time bound implementation as well as incorporation into the National Development Plan. Respective plans of actions and short-term plans will be formulated by taking into account the following factors: -

- a) Use of Shelter Sector Performance Indicators especially, Housing and Urban Indicators, Survey Statistics to guide the construction of housing both by the private and public sector on the units to be offered in the rental market;

- b) Carrying out separate surveys and projections for rural and urban housing needs, including resources required for each sector;
- c) Continuing to undertake comprehensive housing census concurrently with the National Population Census;
- d) Develop an appropriate management information system on housing and urban services at various levels of Government under the supervision of an Inter-Ministerial Monitoring Committee;
- e) Ensure that a multi-sectoral and integrated development takes place in the implementation of the National Housing Policy by considering and including complimentary and other related national and global policies;
- f) Review the National Housing Policy every 10 years in the light of emerging needs of different sections of the population and the demands of the changing socio-economic conditions in the country.

### 3.5. LEGISLATIVE AND INSTITUTIONAL FRAMEWORK

#### 3.5.1 LEGISLATIVE FRAMEWORK

##### Issues:

71. The successful implementation of this housing policy will depend on the existence of a conducive legal framework and availability of adequate resources and capacity at all levels of implementation.

72. There are no legal tools for the establishment of a secondary mortgage market and innovative financing mechanisms to meet the needs of the poor and the disadvantaged.

73. While Section 22 (2) of the Building Societies Act restricts the resource mobilisation capability of Building Societies to 2/3 of their mortgage portfolio, Section 24 (1 and 2) dictates the type of security that Building Societies may take to secure their lending. Section 24 (3) further restricts the amount that the Building Societies may lend to each individual borrower.

74. Rent Control is a tool for regulating rents for both public and privately owned housing and for providing a legal framework for landlord/tenant relationship. People who invest in rental housing do so with the intention of getting profit just as other people who invest in other sectors. If they are subjected to rules that deter them from achieving their objective, then they will be discouraged from investing in this sector. Certain sections of the Rent Restriction Act that restrict the operations of the rental market in favour of the interests of the tenants more than those of landlords, invariably discourage investment in rental housing.

75. The Building regulations and infrastructural standards are still too restrictive to enable the use of appropriately functional materials.

76. The present Housing Act Cap 117 only covers the operations of National Housing Corporation. The actions of the Ministry in-charge of housing development matters are limited due to absence of legal authority.

## Policy Statements:

77. To make existing legislation enabling for housing delivery:
- a) The existing **Housing Act** will be renamed **The National Housing Corporation Act**;
  - b) An all-encompassing **Housing Act** will be enacted to strengthen the role of the Director of Housing in facilitating various stakeholders to increase housing production;
  - c) The standards governing housing development will, where applicable, be performance oriented allowing enough flexibility to suit the various socio-cultural, economic and climatic situations of different local regions as stipulated in the Reviewed Building By-laws and Planning Regulations;
  - d) A permanent consultative body known as Building By-laws Review Board will be operationalised to review and update housing standards and regulations on a continuous basis, taking into consideration technological and socio-cultural values;
  - e) **The Sectional Properties Act**, which governs ownership of shared property to enhance security of tenure, will be popularised to facilitate investment in housing;
  - f) The Government will review the **Rent Restriction Act** and the **Landlords and tenants Act** to make them conducive to investment in rental housing without compromising the interests of the tenants and those of the landlords. The upper limit of housing rent falling within the jurisdiction of **Rent Restriction Tribunal** of Ksh. 2,500 per month will be revised upwards to cover all current low-cost housing by considering the current cost of construction and price of land;
  - g) Alternative dispute resolution mechanisms other than litigation such as Arbitration that are cheap, quick and effective will be popularised;
  - h) The Government will facilitate both public and private sectors to assist their employees to acquire housing in accordance with the **Employers Ordinance CAP 109 Sec 41**, and in recognition of the fact that adequately housed labour-force generates higher productivity.
78. The Government and the private sector will pay adequate, market responsive house allowances to employees to enable them secure their own accommodation. In this connection: -
- a) The Government will, in collaboration with housing finance institutions, establish low interest mortgage schemes, which will be open to all categories of civil servants. This scheme will enable civil servants to acquire houses at affordable repayment rates;
  - b) Provision of institutional housing will be limited only to those institutions whose nature of service demands such housing;
  - c) Pool housing will only continue to be developed in parts of the country where stocks of housing have not been presently constructed in adequate quantities. This arrangement will cease to operate progressively as the market economy flourishes when such housing



can then be disposed off;

- d) The Government will facilitate access to serviced land for realization of the housing programmes outlined above.

### 3.5.2 INSTITUTIONAL FRAMEWORK

#### Issues:

79. Successful implementation of this policy requires co-operation and co-ordination of all actors and stakeholders involved and interested in housing development. The current institutional arrangement for housing planning, development and management is fragmented, inconsistent and characterised by overlapping of roles and lines of accountability.

80. The portfolio of housing has over the years, been moved from one Ministry to another making it difficult to carry out its functions effectively.

81. The roles of the public and private sectors have in the past not been clearly defined. The Department of Physical Planning has performed detailed planning functions, which should have been done by local authorities owing to lack of qualified personnel in local authorities

82. Local Authorities have not been able to mobilise resources from developers for service provision in all residential areas. Stakeholders such as the private sector, professionals, the NGOs and CBOs, co-operatives, communities and international organizations have not been sufficiently mobilised and organised to play their role in harnessing individual resources for housing development

83. The huge potential of the co-operative movement in mobilising resources has not been fully exploited. Experience has shown that the movement can be an effective tool in mobilising people and their resources especially the vulnerable groups, women, the elderly, the handicapped and displaced in both rural and urban areas.

84. Professionals in the building industry may have been an impediment to the development of affordable shelter due to their insistence on rather complex designs and costly specifications of construction materials and techniques.

#### Policy Statements:

##### The Government

85. The Government will provide the enabling hand in housing by forging partnerships with the private sector, community and other actors at different levels. In this connection: -

- a) The Government, in collaboration with local authorities will be responsible for mobilising resources from potential developers for financing the provision and maintenance of housing, services and infrastructure;
- b) The Government will review existing laws in order to remove inconsistencies;

- c) The Government will promote an optional Tenant- Purchase Scheme for public servants. Those willing to pay rent for the Government houses they occupy or for privately rented houses in decent localities will be encouraged to do so;
- d) The Government will develop Institutional housing of socially acceptable space standards especially for the disciplined services;
- e) The Government will forge partnerships with other development partners in the exchange of information on shelter and human settlements issues such as identification, documentation and dissemination of Best Practices on the one hand and evaluation of housing development activities on the other. This will help to build capacities through exchange of experiences;
- f) The Government will undertake maintenance of public buildings including institutional and pool housing;
- g) The rural housing improvement programme will be reactivated to provide access to housing finance for the rural areas.

86. In order to facilitate successful implementation, the main actors in the implementation of this policy and their respective roles will be as follows:

#### *The Ministry in charge of Housing*

87. The Ministry will:

- a) Formulate and review the housing policy to cater for the diverse needs and resource endowments of different regions of the country;
- b) Facilitate a systematic and appropriate increase in the national allocation of the state budget to housing development;
- c) Initiate the establishment of a funding framework of housing development;
- d) Be responsible for overseeing and co-ordinating activities of national statutory and facilitating institutions including the National Housing Corporation, NGOs and housing co-operatives;
- e) Account to Parliament for the performance of the Housing Sector against set targets and efficiency parameters;
- f) Create conditions favourable to both men and women in exercising their rights and responsibilities through effective participation in housing. These conditions should cater for all vulnerable groups;
- g) Undertake regular monitoring and evaluation of national, regional, and local performance of housing delivery in order to evaluate impacts of projects and identify bottlenecks;
- h) Co-ordinate research and training as well as promote the development of the housing finance sub-sector;

- i) Encourage decentralised execution of housing schemes in urban and rural areas, under local institutions while directing housing agencies to act as promoters of housing activity rather than builders of houses. It will concentrate on the supply of developed land and infrastructure, assist people in construction and house upgrading, extension of appropriate technology and dissemination of information on housing schemes.

### ***Local Authorities***

88. Local authorities will:

- a) Undertake land-use planning and administration, provision of infrastructure and low-cost housing for sale or rent at economic rate;
- b) Set aside properly secured land bank for housing development purpose;
- c) Provide and maintain infrastructural services intended to open up land for housing development in collaboration with prospective developers;
- d) Enforce settlements development conditions, standards and regulations;
- e) Collect data on housing development;
- f) Motivate and support key actors seeking to improve shelter through upgrading, extension of basic services, income generation and environmental conservation;
- g) Set up and manage the site and service schemes with support from the National Housing Corporation by providing infrastructure and services to enable developers and individuals to construct houses.

### **The Private Sector**

89. Private Sector will be an anchor to housing development by participating in the construction of housing for all categories of the population either for rental or for sale. In this connection the private sector will: -

- a) Participate in the manufacture and supply of building materials in the housing construction sector;
- b) Participate in infrastructure development for human settlements;
- c) Encourage and enter into joint ventures with public sector in housing developments programmes;
- d) Encourage communities improve their living environment through community participation in projects.

### **Financial Institutions**

90. The financial institutions will: -

- a) Develop a Secondary Mortgage Market;
- b) Encourage investment in low cost housing;
- c) Provide mortgage finance for housing development and house purchase;
- d) Establish mechanisms for the creation of seed capital to assist developers involved in housing delivery.

### **Co-operatives**

91. It will be necessary to take full advantage of established and upcoming co-operatives to serve as a vehicle for mobilising both the people and finance for housing. This is particularly so for those in the low and middle income brackets as well as the vulnerable groups.

### **Professionals**

92. Professionals will be prevailed upon to facilitate shelter delivery process by: -
- a) Being sensitive to the people's limitations, especially the disadvantaged and offer pro-bono professional services where necessary;
  - b) Involving end-users in the design process to ensure that the end product incorporates their values;
  - c) Building on existing initiatives in the use of building materials and construction techniques;
  - d) Upholding professional integrity, charge reasonable fees and instil unquestionable ethical standards;

### **The Non-governmental Organisations (NGOs) and Community Based Organisations (CBOs)**

93. NGOs and CBOs can contribute to the development of housing through informing and mobilizing communities among whom they work with a view to improving their housing and living environment. They will be expected among other things to: -

- a) Encourage community savings for housing construction;
- b) Promote small-scale building materials industries;
- c) Organize seminars/workshops on housing development issues;
- d) Promote proper book keeping and accounting systems;
- e) Assist members to acquire land for housing development.

## **International Agencies**

94. The country has in the past benefited from international co-operation in the development of housing. The following important aspects of this policy will require support and collaboration with the international community:

- a) Research and dissemination of appropriate building materials and technologies;
- b) Training and capacity building;
- c) Exchange of experiences and Best Practices;
- d) Partnerships and access to financial resources.

## **Research Institutions**

95. Research is an important ingredient to housing and building sectors to which it provides timely data to facilitate decision-making. Housing and Building Research Institute (HABRI) of the University of Nairobi in conjunction with the Ministry in charge of housing as well as other research institutions will undertake the following:

- a) Initiate, encourage, promote and conduct research related to planning, design, construction and performance of buildings;
- b) Explore social, economic and technical problems of housing and community planning and to help establish appropriate standards;
- c) Conduct research in the use and development of indigenous and innovative building materials and construction techniques;
- d) Provide reference and documentation services to parties interested in housing and building research and development;
- e) Provide research-based advisory services to the Government on research, training and innovative development work conducted by the Institute and other bodies.

## CHAPTER FOUR

### CONCLUSION

96. This National Housing Policy addresses most of the pertinent Issues relating to housing delivery in the country. It proposes measures that will tackle housing problems in both the rural and urban areas; offers special attention to vulnerable groups and provides measures towards attaining a conducive environment for improved housing delivery.

97. It is indisputable that the Government alone cannot provide adequate shelter to its needy citizens. Future projections on housing needs indicate that this should be catered for by a proportionate increase in investments in housing and infrastructure so as to meet current housing requirements of 150,000 units in urban areas and 300,000 units in the rural areas per annum, respectively.

98. Urban areas are hubs of dynamism, change and opportunity but they are also places of exploitation, disease and unemployment. The provision of adequate shelter in urban areas is one of the most pressing challenges facing the nation in the new millennium. For the country to realise the expected future output of housing stock the Government will rally all actors in both public and private sectors. The combination of all the factors of housing production as outlined in the review embracing finance, land, research and institutional arrangement will form basis for the preparation of housing development programmes. The Government, local authorities, NGOs, CBOs, Co-operatives, Banks, Building Societies, Regional Development Authorities and individuals are called upon to step up their efforts several folds to ensure that the present untenable housing situation is contained.

99. The Ministry in-charge of housing will prepare and publish National Housing Programmes based on information realised from surveys and analysis of data from the National Population and Housing Census. All the above actors will be given opportunities to execute their mandates under the Housing Development Programmes that will be published.