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Report of the Twitter Spaces held on 30th August 2022: Affordable Housing Under the Big 4 AGENDA; Lessons for the New Government

Rapporteur- Cynthia Nthenya Musyoka

The session was opened by Michelle Ouma, AAK Research Officer. She introduced the session by highlighting the #KenyaWeWant campaign from which the Twitter space session was based. The #KenyaWeWant campaign by AAK, is conducted every electioneering year as an avenue to present issues within the built environment that the incoming governments; at both county and National levels need to look into.

The opening remarks for the session were given by Arch. Maryln Musyimi, Honorary secretary, Architectural Association of Kenya. She highlighted that:

- ❖ Shelter is a basic need and the backdrop against which all our activities and living are usually staged. This has influenced political rallies in different countries; including the USA and Kenya, through promises on the provision of housing. However, the provision of affordable housing is never achieved.
- ❖ Between 2009 and 2012, the first medium plan of the vision 2030 provided for a target of from 35,000 units to 200,000 units annually. However, according to the 2017 World Bank Economic update, it gave a score of only 3,000 units delivered between 2009 and 2012.
- ❖ In Kenya, the out-going government came up with the BIG 4 AGENDA, which targeted provision of 500,000 affordable homes between December 2017 and June 2022. In 2022, the State of Housing Report by the Economic and Social Rights Center-HakiJamii gave the score at 13,529 units against the target of 500,000. This was done with a minimal delivery on social housing
- ❖ **Affordable housing-** housing given to a broader range of household incomes whose needs are not met by the market. It can be provided by the government and/or incentivized private sector. **Social housing** is specifically provided to households least able to fund themselves. Usually provided by national and local governments on rent basis to the users. Ownership is maintained by the government.

Arch. Marylyn indicated that the session targeted to hold the government accountable on matters of affordable housing and give recommendations based on lessons learned to the incoming

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government.

Plenary Session:

The plenary session was moderated by Arch George Arabbu, chapter chair, Architects Chapter-AAK.

Panelists for the session included:

1. Mark Okundi- Communication and Advocacy Officer, Habitat for Humanity Kenya
2. Prof. Alfred Omenya- Eco Build Africa
3. Arch. Etta Madete- Architect, BuildX Studio.
4. PS. Charles Hinga- Principal Secretary of the State Department of Housing and Urban Development
5. Florah Muthaura -Head of Risk and Compliance, Kenya Mortgage Refinance Company
6. Scholastica Chepkoech- Credit Officer, Kenya Mortgage Refinance Company
7. Sandra Oyombe- Economic and Social Rights Center- Haki Jamii

Discussions are as summarized below.

Arch. Etta Madete:

Critical Design Elements that provide inclusivity and Health in Mass Housing- Are the available regulations and by-laws sufficient enough for inclusive and healthy homes?

To respond to her topic of discussion, Arch. Etta focused on the approaches to inclusivity and sustainability of affordable housing and the limitations that exist. Key points from her discussion include:

- Inclusivity in affordable housing encompasses the entire broad spectrum from ensuring financial access (by neglected and marginalized communities) to physical access (ensuring spaces are designed for all).
- Inclusivity does not begin at construction stage, rather it begins at the designing process by ensuring that a people design is adopted as well as products used for housing
- Mapping of stakeholders required in the space is the first step to inclusivity followed by assessing the team working on the project and the end user of the space.
- Dealing with social housing should look into inclusivity and sustainability- which should be included in the initial feasibility and financial model.

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- Building regulations mainly look at the “WHAT” based on the technical specifications. This limits disability inclusivity to the physical access of developments.
- Gender inclusivity should look at- security, physical disability, visibility and safety.
- An inclusive construction process should also be highly considered in all projects eg have a prayer room for some of the people involved in the construction of the project
- Inclusivity should also be mainstreamed and considered in building regulations, that is, it should be done in a language that is understandable by all- especially in informal areas.

To the New Government;

Arch. Etta indicated that globally, housing is a major issue to be addressed by all governments, however, how its provision is approached is a challenge. Bundling housing with other things is detrimental . When bundling it with technical sectors such as manufacturing you end up getting statistics and forget the people. We must understand the people to truly have inclusive affordable housing

PS. Charles Hinga

What Lessons have been learned from the BIG 4 AGENDA on affordable housing? What policies and incentives the government, developers and buyers have taken up in the sector?

PS Hinga highlighted that the government had made an achievement where the first MTP of vision 2030 showed that 100,000 had been done in the first 3 years. In the BIG 4 AGENDA, he indicated that the biggest achievement in the first 7 months was bringing order to the project, including: development guidelines approved by cabinet, adequate public participation and also legislations guiding the project being passed by the parliament.

He indicated that the main lesson learnt was that it was hard to achieve the 500,000 units target per year in comparison to the 100,000 units provided in 3 years. The sector was already reeling from systemic failure facing issues such as land, cost of construction, cost of processes and cost of financing on both supply and demand side plus other factors. He indicated that these issues were the 4 key areas identified as drivers of the project.

Specifically, PS Hinga indicated that: Nairobi has the most expensive land in the continent, the cost of construction was as high as 70,000 per square meter and there was a need to adopt industrial

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techniques for mass housing to save up to 15 percent of the cost. The construction process in Kenya is derailed where building permits by NCA, NEMA take too long and contribute to almost 15% of a project.

Looking / benchmarking at countries that addressed affordable housing and it was clear that they had a rich saving culture for example, China, Nigeria and Singapore. PS Charles indicated that the reason Kenya is crumbling was due to the low GDP and the burden of affordable housing which has led to the government either to over tax or over borrow.

What was lost - Looking at the aggregation of the 6m Kenyans who were to mandatorily save for housing, it would amount to 9b which would turn the nation to a massive construction site. However, after it was made voluntary, the government collected slightly below 2b for all those months compared to 9b per month. He indicated that the state department gets funds from the allocated budget, which is not adequate enough for such projects. Without the funding there is no available money hence making it impossible to achieve the 500,000 households.

Prof. Alfred Omenya

Is it possible that the department would have focused on enabling the environment rather than what they undertook? Who are the people that can afford housing?

He highlighted that one of the issues that we need to engage with as a country is to ask the questions rather than rush to the solutions. Some of the questions that need to be answered include: What is housing? Can it be solved by simply delivering units? What is social housing? What is the housing problem in Kenya and the deficit? Do slum dwellers, people in rural areas and renters afford housing? Looking at housing from these perspectives then we can generate different solutions.

Housing provision involves improving people's living conditions significantly without necessarily building homes. A large percentage are renters with a small margin willing to go from rent to own hence trying to change that to people embracing home ownership might/ will be a challenge as already experienced with the BIG 4 AGENDA. Ownership looks bleak.

The only way to solve the housing problem is to understand who is building, how to partner with them, what can the government do?

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The government needs to look into the problem of the model of delivery and how best to improve the situation. For example, Kenya lacks a housing policy which has led to haphazard housing provision in most of our urban areas. A multifaceted Housing Policy will assist in addressing challenges of housing by looking at issues like: site and services, slum upgrading, security of tenure and titling, rental housing and capital subsidy.

There is a need for having designated planned areas for social and affordable housing. This calls for a link between planning and housing provision in various areas.

PS Charles Hinga

Housing vs Manufacturing

PS Hinga indicated that the reason governments place housing as a key pillar is based on the fact that the built environment sector at large has more economic capacity compared to other sectors in terms of job provision. Housing and built environment sector is one of the most affected by economic decline and pandemics. However, it always bounces back faster than other sectors. . Delivery of housing is not just about 4 walls and a roof, but looking at its contribution to the sector, it assists in solving issues and challenges. This is because the housing sector is labor intensive.

Housing and manufacturing go hand in hand especially looking at the materials used in construction. On the issue of renting and owning houses, the government needs to come up with ways and solutions that will aid in assisting Kenyans avoid renting houses.

Sandra Oyombe

status of Land Tenure and Evictions cases in the last 10 years. Is it possible to plan for future cities without displacing people?

Ms. Sandra looked at the legislations and policies (legal and policy framework) that govern land tenure and eviction in regards to meeting and achieving the right to housing in Kenya. Her discussion is as highlighted as below:

Kenya has over the past ten years developed quite progressive policies that have addressed the different typologies of land tenure systems in Kenya and issues of forced evictions. The legal and

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policy framework include: The National Land Policy, The Constitution of Kenya 2010, Land Registration Act, Community Land Act and the Land Laws Amendment Act among others

These policies and legal frameworks address issues such as: security of land rights, legal ways of conducting evictions, right to adequate housing, security of land tenure through land registration, principals and objectives of governments in land registration and illegal and unlawful occupation of community or public land among others

Flora Muthaura

Looking at issues of low supply of units by government and private developers and intended beneficiaries not being served, what are the challenges faced by your organization in regards to affordable housing and any other mass housing provision in Kenya?

Ms. Flora introduced her discussion by highlighting that so far something has been done. Through the BIG 4 AGENDA we can pick important lessons which can be incorporated in future projects. Key points from her discussion were:

- Affordable housing was to be achieved on both demand and supply facesates. KMRC focuses on the demand side including steps from financing to the end borrowers. Studies done prior to the KMRC institution indicated that there was insufficient long-term finance to the primary institutions which underwrite mortgages.
- Historically, the mortgage market was largely exclusionary mainly favoring upper middle and high end markets and neglecting middle lower and lower income markets
- The key lever in the push to increase ownership of homes in Kenya is mainly based on increased supply of affordable housing finance through primary institutions.
- KMRC focuses on long term mortgage finance to primary mortgage lenders- banking institutions, Microfinance institutions and theSACCOs. KMRC financing is fixed and for a longer period of time.
- So far 6.9 billion has been disbursed to institutions for such projects

some of the challenges faced by the institution in regards to driving long term mortgages for affordable housing

- Lack of awareness of available opportunities in terms of how and where to access finance. Public awareness campaigns through the media have been actively used to counter this

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challenge.

- Skepticism on mortgages due to the variable interest rates and incidental costs a client occurs in order to acquire the mortgage.
- Lack of adequate supply of funding towards housing?

Scholastica Chepkoech

**Why is the risk of investing in social and affordable housing deemed as very high in Kenya?
What needs to be done?**

In regards to barriers to housing, KMRC has come in handy to offer solutions through provision of liquidity toward availability and affordability of housing.

Risks currently perceived to affect social and affordable housing in Kenya include:

- Slow and unguaranteed uptake of the housing market.
- Bureaucracy in administrative procedure mostly in securing building permits and required documentation.
- Cost of housing- with land being the main factor (60% of home ownership); others include building materials.
- Titling procedures are slow, lengthy and costly.

However, the risks cannot outweigh the benefits that come with home ownership.

How to free up capital- developers should leverage on KMRC funding, government accelerating digitization process at the Ministry of lands, government to actualize incentives that have been put across.

Mark Okundi

Challenges being faced on issues of growth of informal settlements and rise in numbers of economically disadvantaged communities. What is the area the government should partner with HFHK to address challenges of the Urban Poor?

The main area of focus for HFHK is ensuring that low income and vulnerable populations have access to decent and affordable shelter. The main focus is on: financing owner led construction and settlement best practices by addressing social, economic and environmental intervention.

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Some of the challenges faced in their role of providing and advocacy of affordable and decent housing include:

1. High demand- There is high demand for affordable housing as there are many vulnerable people that need housing and HFHK may not meet all their needs.
2. Increase in the cost of construction- Until March 2022, the cost of construction of a unit by HFHK was estimated at Ksh 750,0000 which has increased to an estimated Ksh 950,000.
3. Land and Tenure Security- Most of the target beneficiaries do not have land ownership documentation such as title deeds which alters processes such as acquisition of loans for such projects.
4. Policies and Legislation that govern vulnerable communities- Many policies have been made to cater for these communities but are yet to be implemented.

In urban areas, slums and informal settlements are growing rapidly without provision of basic infrastructure and facilities, leading to insecurity and indecent housing. In this regard, the following recommendations were given by Mark

1. Need to have policies addressing needs of vulnerable people when it comes to housing.
2. Pending policies need to be implemented.
3. Align the national and county policies.
4. Increase funding towards affordable housing to help the vulnerable and poor to access decent housing.

SUMMARY OF RECOMMENDATIONS

- a. There is need to continue drive initiatives that facilitate home ownership through financing at both supply and demand levels
- b. There is need to unlock housing incentives in Kenya
- c. Stamp- duty waiver should be given to first time borrowers
- d. Government should take housing as a key driver to the other sectors other than it being bundled with other sectors.
- e. Prefabricated components of housing initiatives should be adopted for affordable housing.
- f. Private Sector Organizations need to work together to realize that working together as a sector will improve the sector.
- g. The person amidst all the policies should be keenly looked at. Ensure that we understand the target audience, answer the necessary questions such as who and how we can ensure the delivery is inclusive and sustainable. Ensure that the voices of the people are not abolished

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in the housing delivery.

- h. Government should enhance links to external markets
- i. More committed to making decent and affordable housing a reality.
- j. Public participation- which brings everyone to the table should be incorporated

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