Renting and sharing: Insights from housing in urban Kenya
Ownership is favored by most governments and households with a strong cultural bias.

However:
- A functioning rental sector is necessary to address **affordability** and **mobility** challenges.
- Rental costs are more adaptable to life cycle, employment volatility, and financial capacity.

Rental is needed for:
1. Households with low or irregular income
2. New families, migrant workers, students
3. Those with transitional events, and those who do not want to own.
STUDY
15 cities
15,000 Households

Demographics
HH Size: 3
Avg. Age: 34
LIVING CONDITIONS DIAMOND

INFRASTRUCTURE

UNIT

TENURE

NEIGHBORHOOD & LOCATION
86% Renters

- Nairobi: 91%
- Thika: 90%
- Nakuru: 88%
- Mombasa: 86%
- Eldoret: 86%
- Naivasha: 84%
- Kericho: 78%
- Kisumu: 73%
- Embu: 70%
- Garissa: 70%
- Nyeri: 68%
- Kakamega: 67%
- Malindi: 66%
- Machakos: 61%
- Kitui: 36%
Home Ownership Rate

Source: World Atlas
Indonesia: Susenas BPS 2016
Malaysia: Khazanah Research Institute, Making Housing Affordable
Maldives: HIES 2016

Jakarta: 46.2%
Kuala Lumpur: 53.5%
Land Access
Is Key Constraint
Tenure: Mobile tenants, no formal contracts

Duration of stay in housing unit:
  - TENANTS: 3.9 years
  - OWNERS: 14.5 years

Rent as % of HH Income: 25% (mean); 16% (median)

Formal rental contract: 28%

Rent increased last year: 34% of HH’s
Feel Tenure is Secured
62% (T); 90% (O)
in spite of informality of contract
INFRASTRUCTURE: Are they being served?
"Effective" access: It works & is used

- Electricity: 52% Nominal, 33% Effective
- Water: 48% Nominal, 52% Effective
- Toilet: 48% Nominal, 52% Effective
- Garbage Collection: 38% Nominal, 33% Effective
- Street Lights: 32% Nominal, 33% Effective
- Public Transport: 52% Nominal, 33% Effective
- Access roads: 33% Nominal, 52% Effective
- Sewage disposal: 48% Nominal, 52% Effective

Legend:
- Orange: Nominal
- Dashed Orange: Effective
3

HOUSING UNIT
Housing types

- Single Family: 50%
- Compound: 28%
- Dorm: 12%
- Multi-Story Apartment: 10%
Single room, shared or no facilities

60%  Single room (68% Tenants, 9% Owners)

48%  Share facilities or house

20%  Self-contained units (kit+toilet)

2.1  People per room

67%  Permanent walls
Example of A Compound in Kenya
A Dormitory in Nairobi
Ho Chi Minh City, Vietnam
Indonesia Kos-kosan

3 X 3 Single Room with Shared Facilities
San Francisco

Bay Area Cooperative Association

Dorm Living for Professionals Comes to San Francisco

By Nellie Bowles
March 4, 2018

Housing

Co-op Living
Imagine living in a mansion with all your best friends and having big communal dinners every night! Living in a co-op, you'll share a house with anywhere from a few to over a hundred people. Food, housework, and decision making is generally shared. Also known as shared housing or collective housing.

Cohousing
Want the privacy of your own unit but community as well? Cohousing is a model where residents live in individual apartments or houses, but share some meals, activities, and management duties. Both rental and ownership options available. Cohousing can range from rural ecovillages to urban apartment complexes to retrofit cohousing made up of several adjacent houses in an existing block.
RENTAL MARKET: HOW MUCH DO PEOPLE PAY & FOR WHAT?
Responsive Rental Market?

- Multi-Story Apartment
- Dorm
- Single-Family
- Compound

Rent per month (USD 2012)
What impacts rents?

City effect ... Location

Large impact:
• Kitchen, electricity
• Number of rooms

Neighborhood safety, no flooding, trash collection

Schools, street lights not significant
IMPLICATIONS:
HOW TO IMPROVE LIVING CONDITIONS?
Spectrum of “housing” interventions:
Renting and sharing key for low income households

- Slum Upgrading
- Shared Housing
- Serviced Sites
- Public Housing

Living Conditions Diamonds
Public housing: this type is least affordable?
Improve living conditions, not just the unit
Units: more affordable, better facilities

Need new affordable housing products

Affordable at Ksh 2500-4500/mnth
- Unit of Ksh 204,000, if 75% loan to value, 18% interest p.a., 15-yrs, payment of Ksh2500/mnth

Cooperative compounds?
- Single room with shared facilities, to own

Small plots, incremental housing

Need innovation by both public and private sector
Support & upgrade rental stock

Find ways to improve rental housing quality
- Program to encourage investment by landlords
- Water & toilets program for compounds & dormitories
- Check structural safety of dormitory housing
- Reduce taxes and penalties for rental income

Bring rental out of shadows & incentivize
- Can’t focus only on housing for ownership

Aim for better mix of tenancy & ownership
Living Conditions Diamond: Kenya

**INFRASTRUCTURE**
Index: Avg % with access to 8 services

- 46.9%
- 67.3%

**UNIT**
% have permanent walls
67.3%

**TENURE**
% own homes
12.8%
63.7%

**NEIGHBORHOOD & LOCATION**
% feel safe
46.9%
Questions:

• What is the right level of home ownership for your country?
• Is “Home Ownership for All” a right housing policy target?
• How can rental be supported to meet SDG goals?
Thank You

“A Sharing Economy? Unpacking demand and living conditions in the urban housing market in Kenya”
Authors: Sumila Gulyani, Debabrata Talukdar, and Ellen Basset
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