

Finding a place in Kiambu



29 November 2016

Outline

- ✓ **Finance team Objectives**
 - ✓ Building knowledge
 - ✓ Modelling a special housing fund
 - ✓ Policy briefing
- ✓ **Three profiles of the Kiandutu resident**
 - ✓ Unemployed
 - ✓ Business Person
 - ✓ Casual worker
- ✓ **Key numbers to consider**
 - ✓ Reasons for moving to Kiandutu
 - ✓ Tenancy & Rent
 - ✓ Income levels
- ✓ **Issues to consider**
 - ✓ What is affordable?
 - ✓ Need for subsidies
 - ✓ Chronic poverty

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Overall Project Objective > Mapping

- ❑ To enhance the knowledge base that informs the development of solutions for addressing disparities between the informal and formal city. *Special housing fund, stylized financing characteristics for low income households*
- ❑ To demonstrate, through two preparatory projects, mechanisms for unlocking the poverty penalty *Special housing fund, testing bankability*
- ❑ To build, through the use of research, and stakeholder engagement policy recommendations for informal settlement upgrading. *Special housing fund and supporting justifications*

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Profiles of Kiandutu resident: Unemployed



Measure	Finding
Frequency	15%
Mean age	25
Average income	KES 3,385
Length of stay	75% less than 5 years
Land ownership	25%
Tenancy	72%
Rent	Appr. 1,000
Coping with calamity	9% borrow
Chama participation	25%
Chronic lack of food	18%

Profiles of Kiandutu resident: Business Person



Measure	Finding
Frequency	25%
Mean age	33
Average income	KES 6,057
Length of stay	60% over than 5 years
Land ownership	30%
Tenancy	50%
Rent	Appr. 1,000
Coping with calamity	11% borrow
Chama participation	50%
Chronic lack of food	13%

Profiles of Kiandutu resident: Casual worker

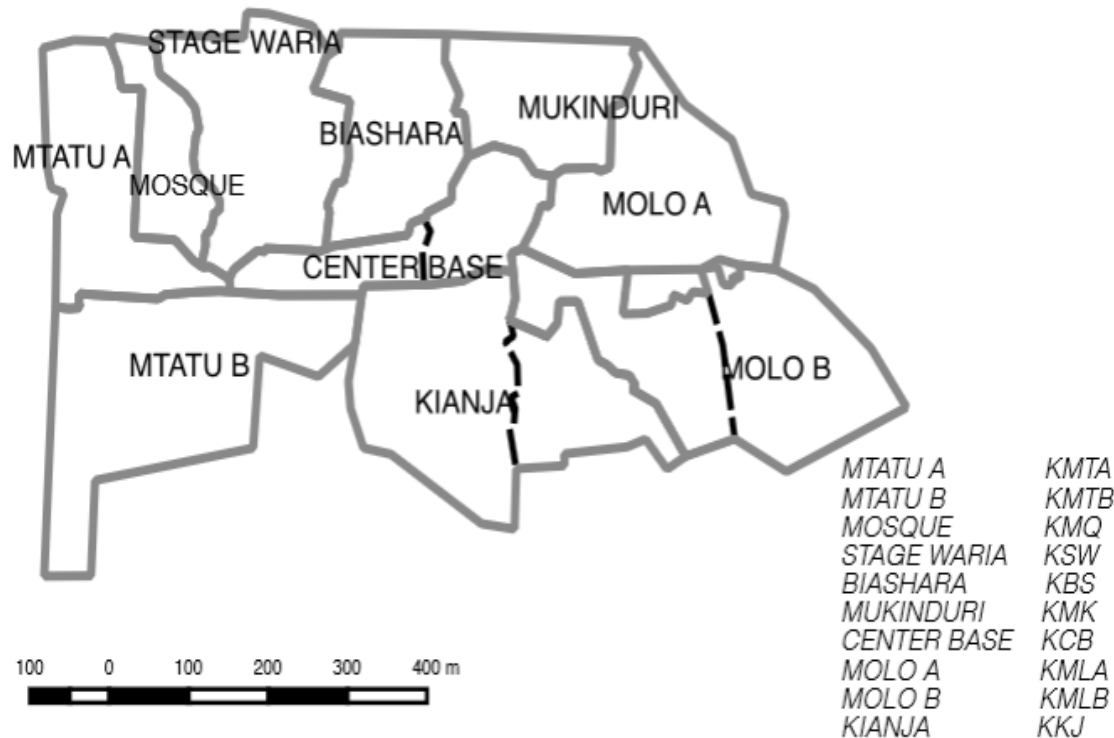


Measure	Finding
Frequency	24%
Mean age	34
Average income	KES 4,800
Length of stay	65% over than 5 years
Land ownership	20%
Tenancy	70%
Rent	Appr. 1,000
Coping with calamity	30% borrow
Chama participation	30%
Chronic lack of food	21%

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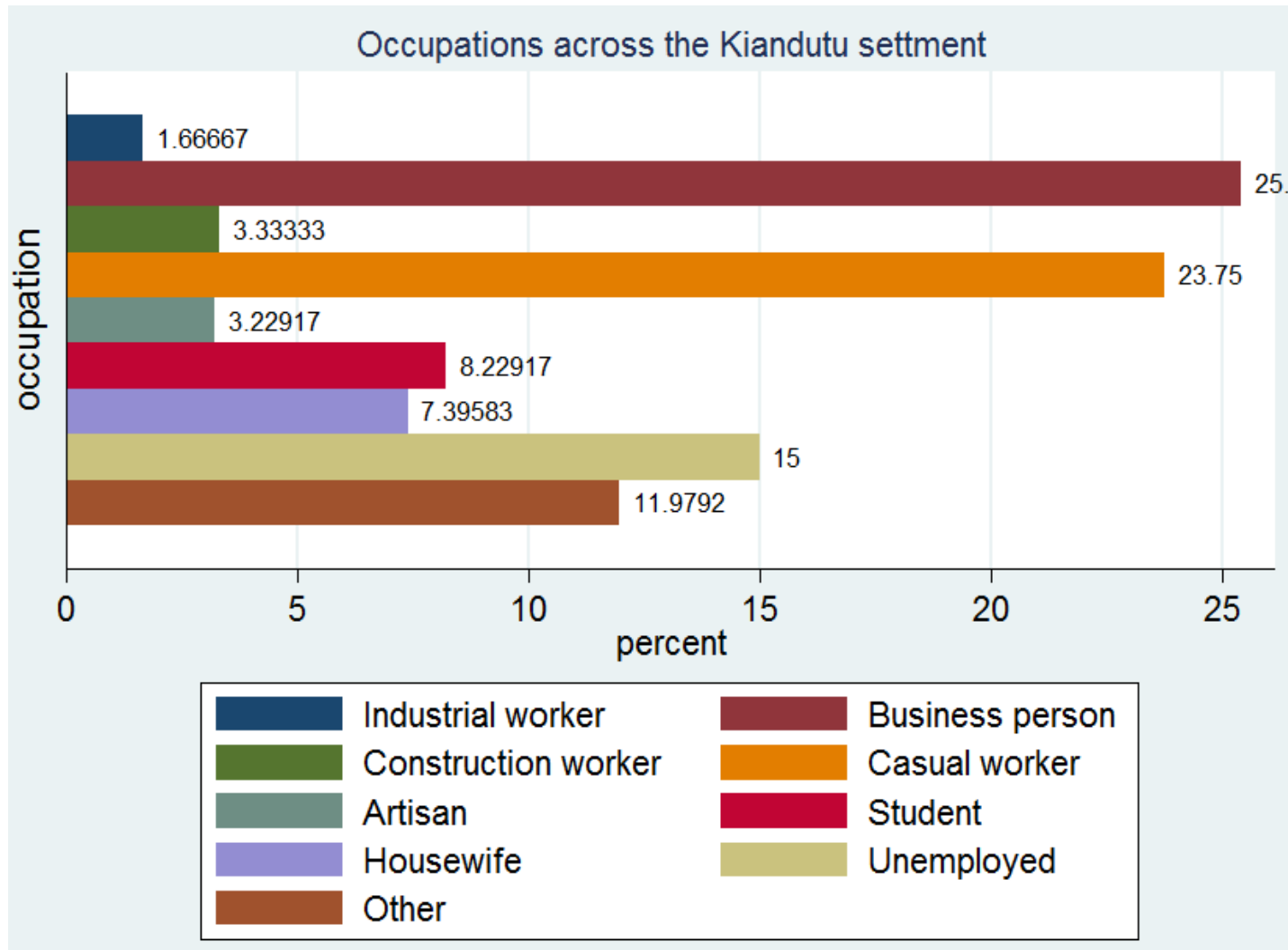
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Basic profile



- ❑ Area: 118 acres
- ❑ Households: 6,100
- ❑ Persons: 14,800
- ❑ Average income per household per month: KES 5,500
- ❑ Estimated annual average: KES: 400 million

Occupation and Income levels



Occupation and Income levels

Occupation	Frequency (%)	Monthly Average Income
Business person	22.75	6,057.37
Construction Worker	3.69	2,628.52
Casual Worker	21.80	4,803.79
Professional Worker	2.16	4,039.17
Artisan	3.57	5,916.40
Student	8.36	6,272.52
Housewife	5.99	2,520.04
Unemployed	13.25	3,385.36
Other	11.70	4,511.16
Monthly Average Income		5,504.17

Rents

monthly_rent_range	Freq.	Percent	Cum.
< KES 500	98	15.91	15.91
KES 500 -1,000	326	52.92	68.83
KES 1,001 -1,500	124	20.13	88.96
KES 1,501 -2,000	35	5.68	94.64
KES 2,001 -2,500	7	1.14	95.78
KES 2,501 - 3,000	12	1.95	97.73
KES 3,001 -4,000	4	0.65	98.38
KES 4,001 -5,000	6	0.97	99.35
KES 5,001 -6,000	1	0.16	99.51
KES 6,001 -7,000	1	0.16	99.68
KES 7,001 -8,000	1	0.16	99.84
KES 15,001 -20,000	1	0.16	100.00
Total	616	100.00	

Mean rents across villages

Village/Area	Mean
Biashara	875
Centre Base	863.20755
Kianjau	1046.1538
Mikinduri	876.81159
Molo A	1009.6154
Molo B	870.96774
Mosque	1042.7632
Mtatu A	1547.8723
Mtatu B	819.76744
Stage Waria	983.33333
Total	993.11183

- Molo B a flood point
- Mtatu A highest point
- Centre base – very low toilet access. Oldest organic settlement?

A typical Kiandutu homestead



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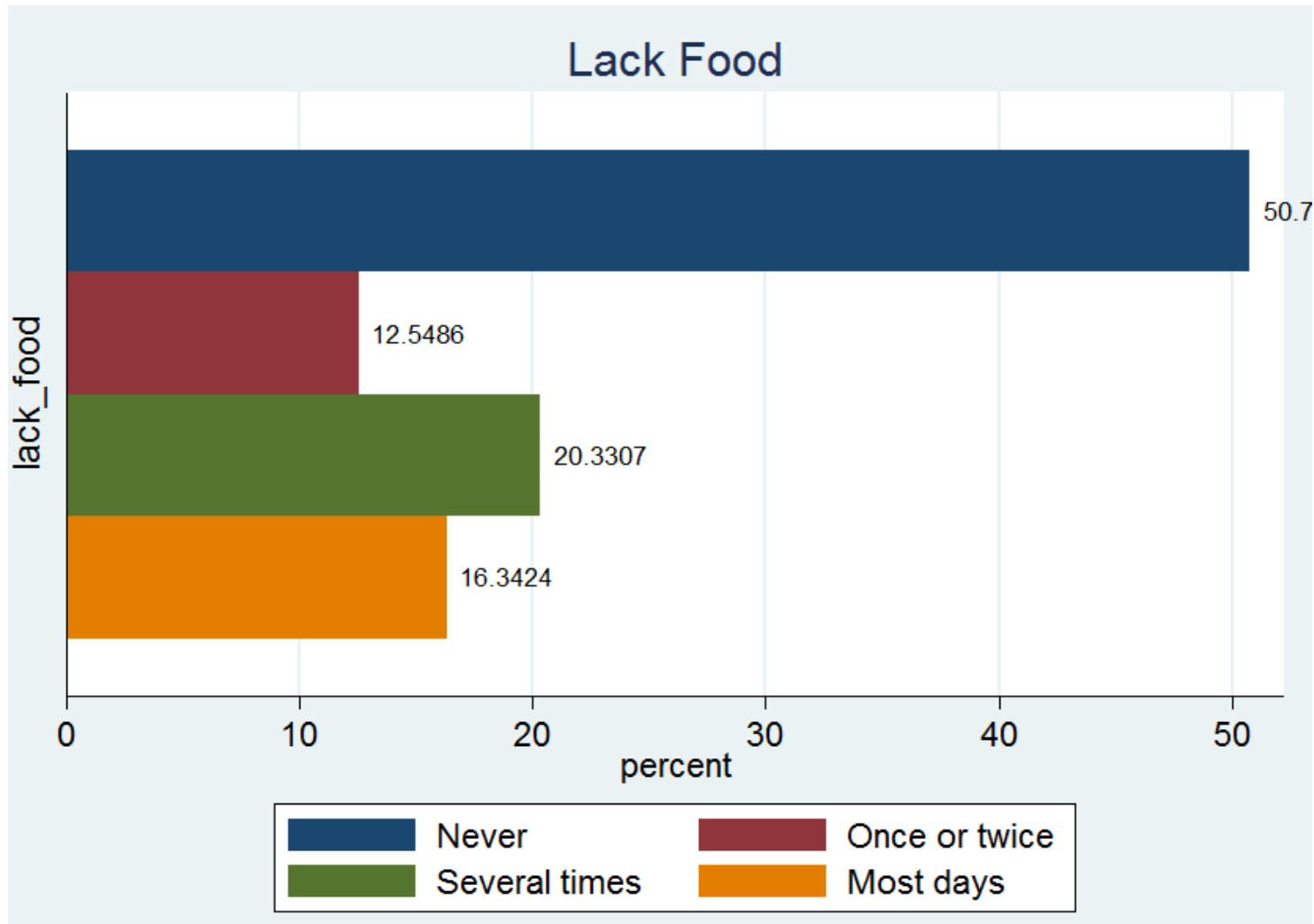
What is affordable?

	Ideal	Rent proxy	Third rule proxy
Cost per unit per household	750,000.00	144,805.5	265,428
Assumed interest rate to household	3%	3%	3%
Assumed term of loan in years	15	15	15
Recomputed Monthly repayment	5,179.36	1,000.00	1,833.00

Need for subsidies

- Capital / land subsidy
- Mortgage financing subsidy
- Cross subsidies

Lack of basic needs



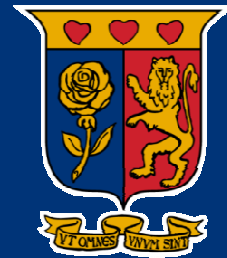
Chronic Poverty

We identify a demographic of approximately 12% of residents in the informal settlement exhibiting chronic poverty

- *Sporadic source of income*
- *Shack ownership*
- *Older age group*
- *No land or minimal household assets*
- *Persistently go without food*

Thank you!

*Questions
&
Comments?*



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