

Renting and sharing: Insights from housing in urban Kenya



WORLD BANK GROUP
Social, Urban, Rural & Resilience

Why Rental is Needed

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



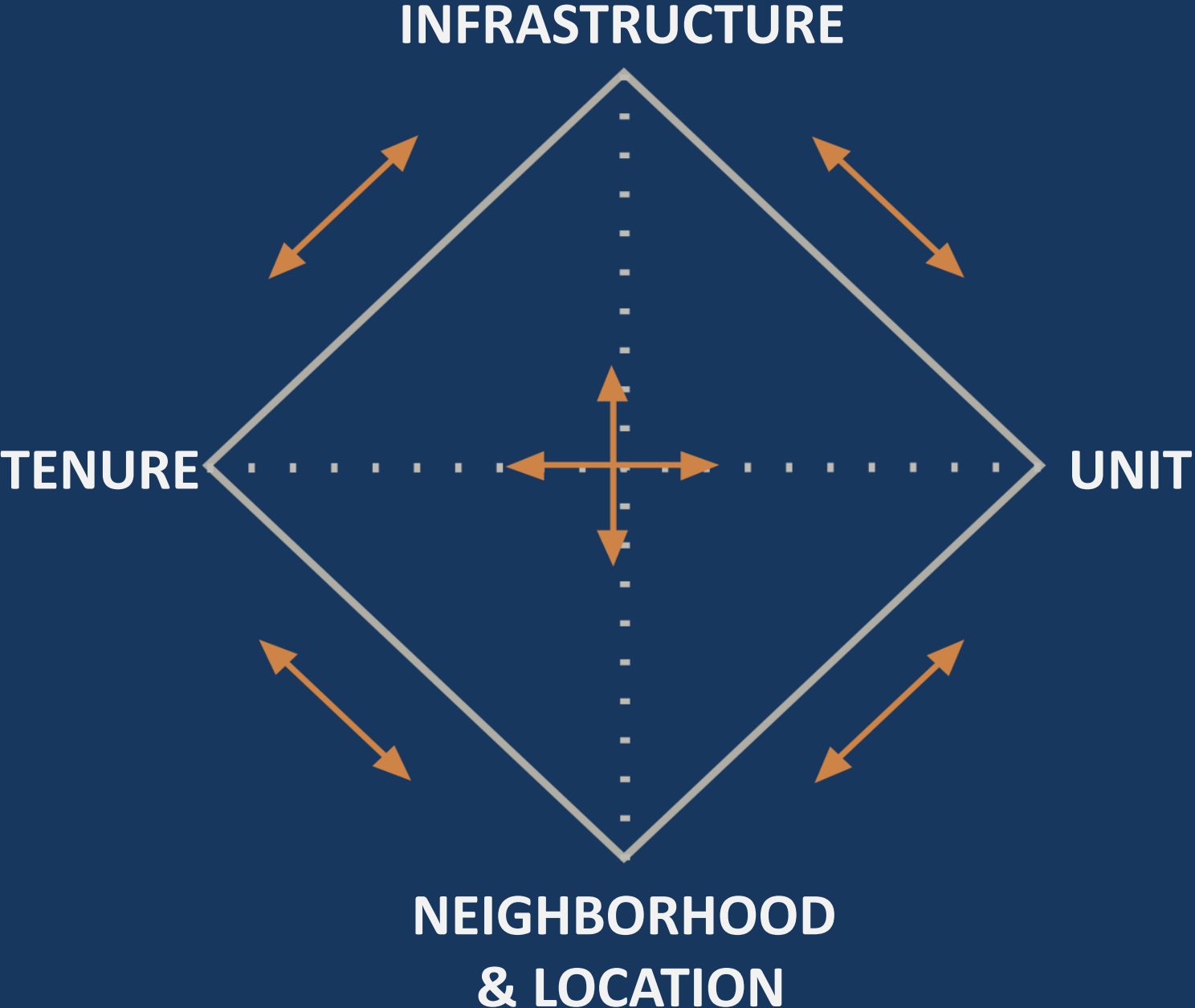
Demographics

HH Size: 3

Avg. Age: 34

Avg. Monthly Income: \$89 p.c.

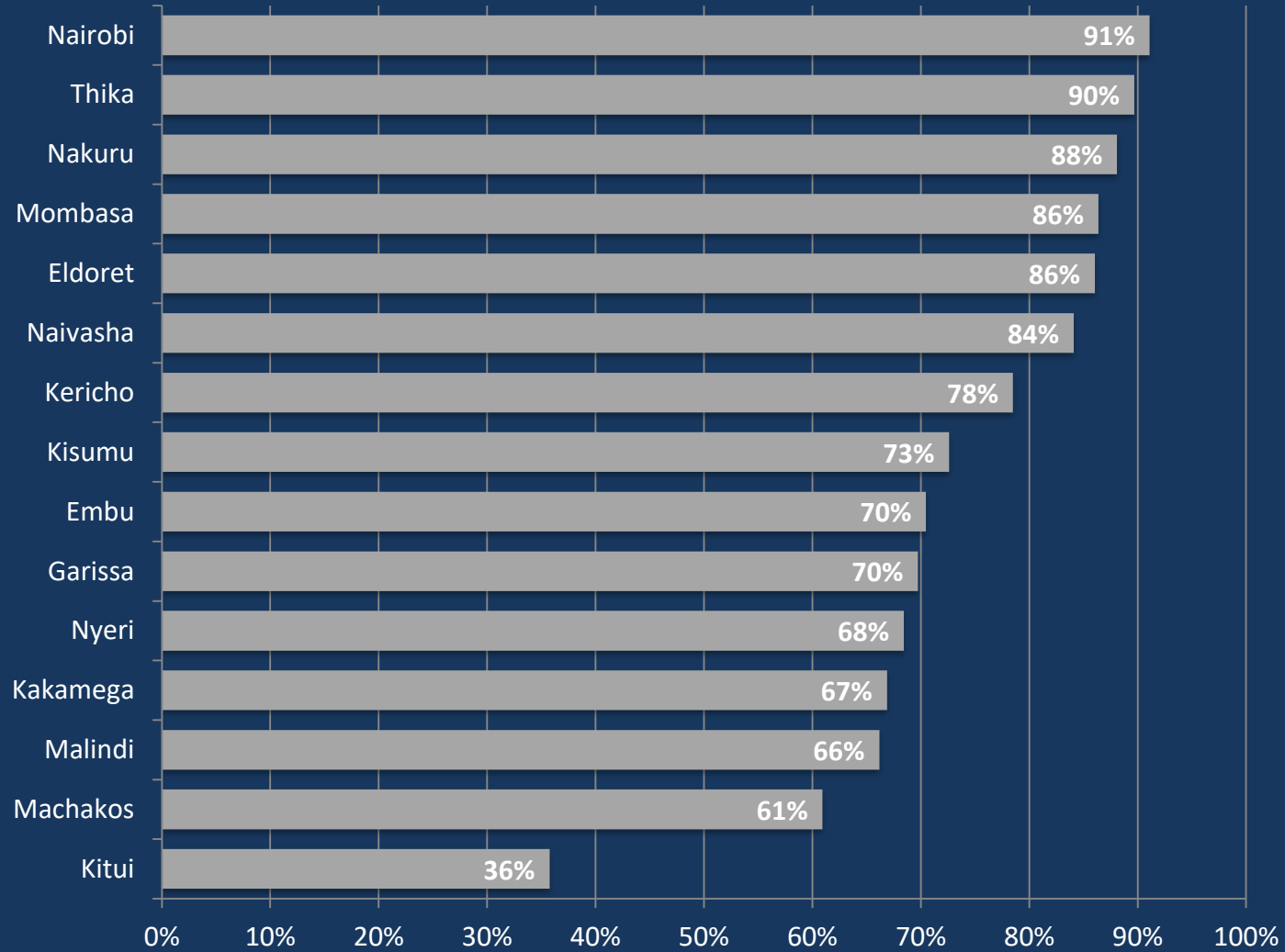
LIVING CONDITIONS DIAMOND



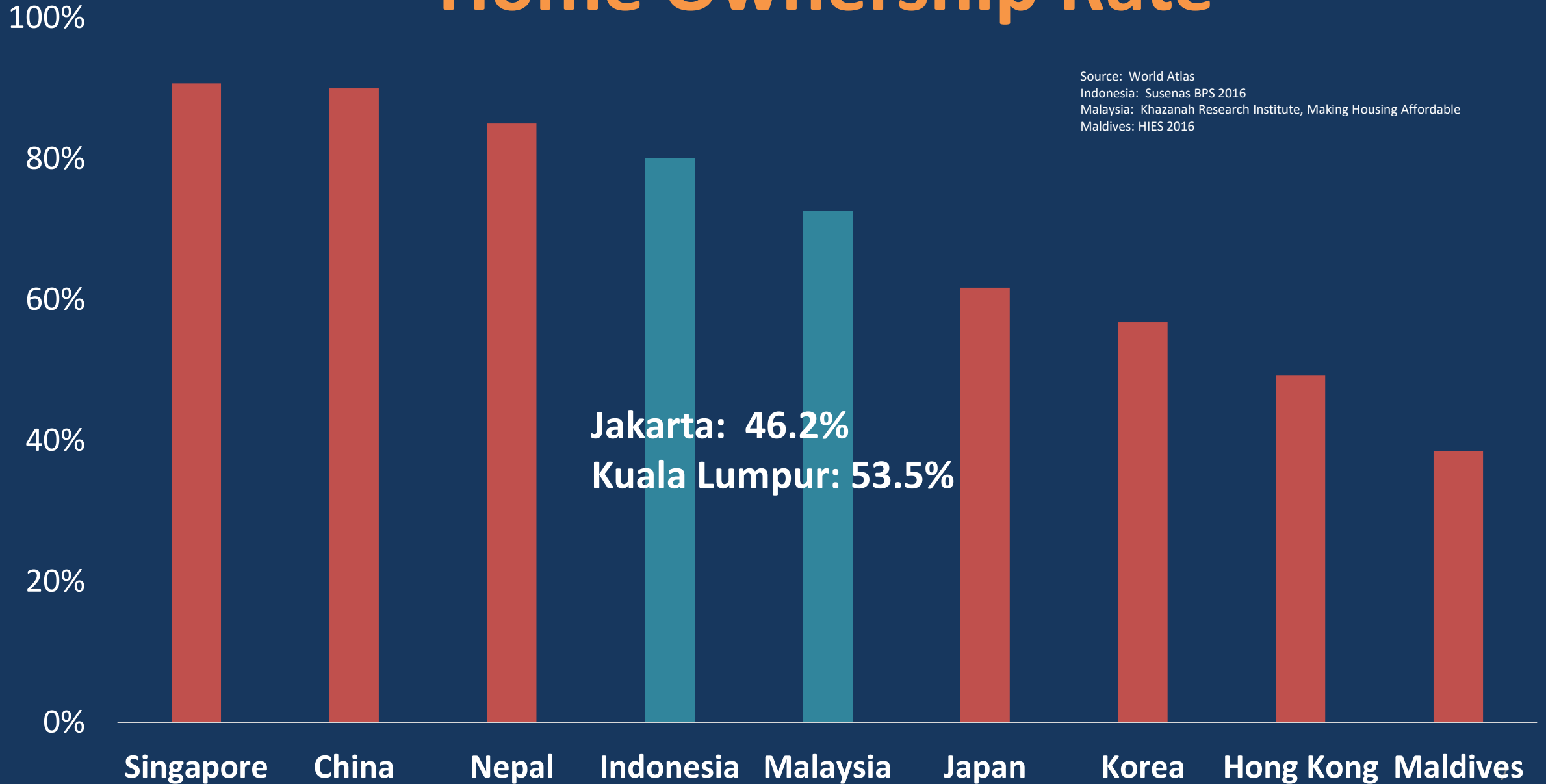
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TENURE

86% Renters



Home Ownership Rate



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)

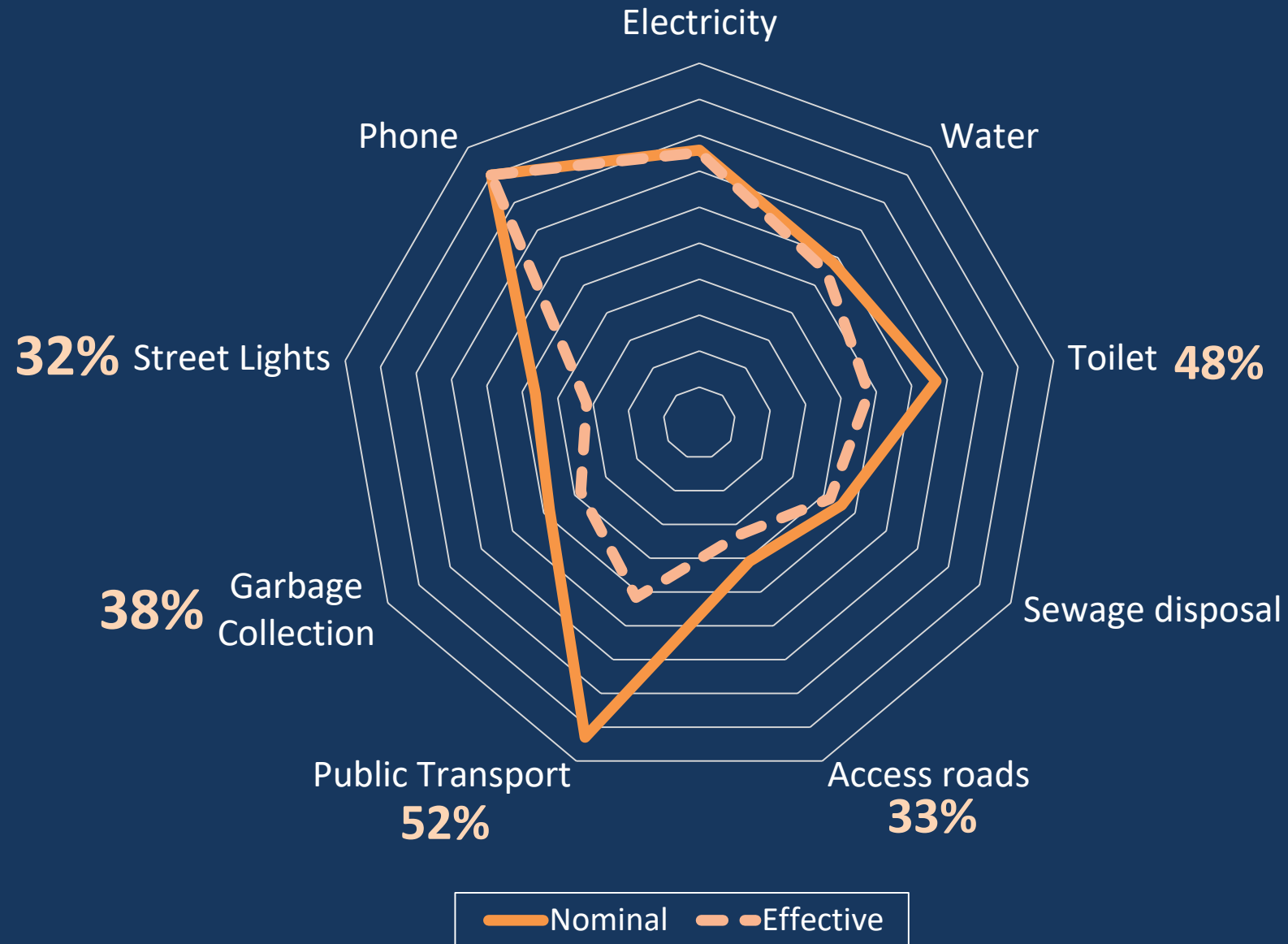
in spite of informality of contract

2

INFRASTRUCTURE:

Are they being served?

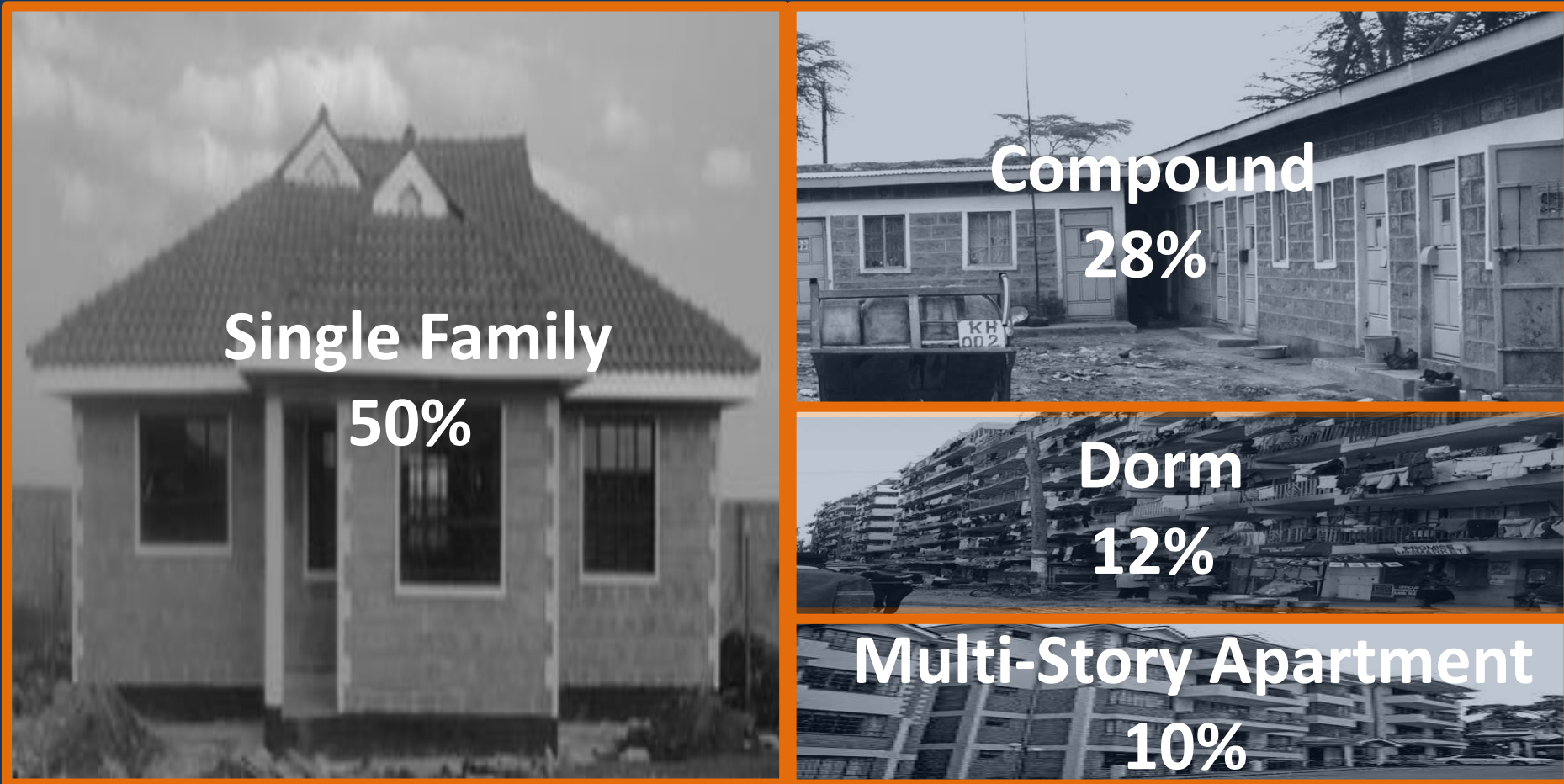
"Effective" access: It works & is used



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HOUSING UNIT

Housing types



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



Delhi, India



**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

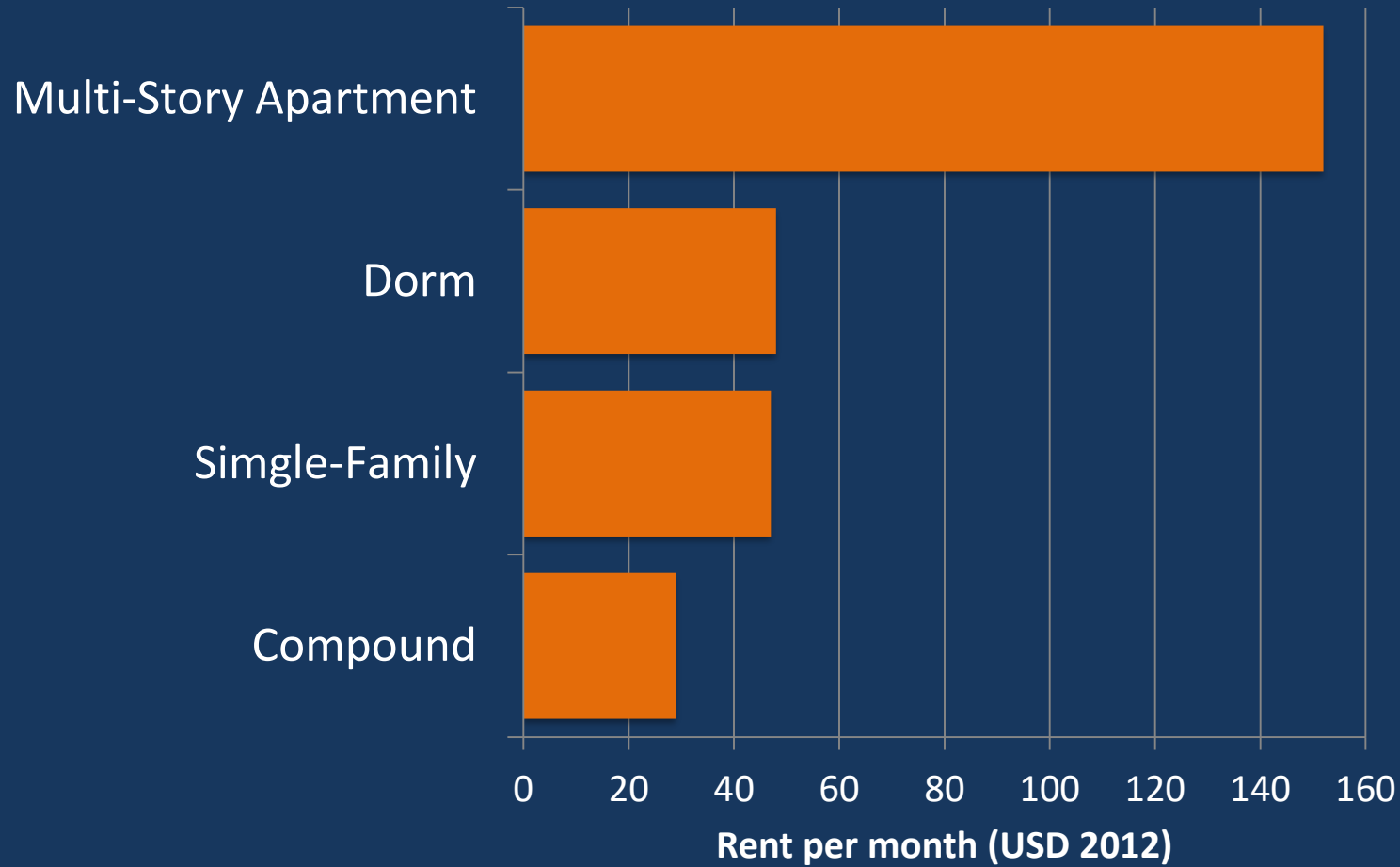
Want the privacy of your own unit but community as well? Cohousing is a model where residents live in individual apartments or houses, but share some meals, activities, and management duties. Both rental and ownership options available. Cohousing can range from rural ecovillages to urban apartment complexes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

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RENTAL MARKET:

HOW MUCH DO PEOPLE PAY & FOR WHAT?

Responsive Rental Market?



What impacts rents?

City effect ... Location

Large impact:

- Kitchen, electricity
- Number of rooms

Neighborhood safety, no flooding, trash collection

Schools, street lights not significant

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IMPLICATIONS:

HOW TO IMPROVE LIVING CONDITIONS?

Spectrum of “housing” interventions: Renting and sharing key for low income households

Slum
Upgrading

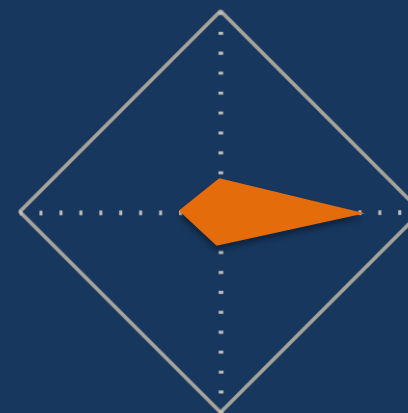
Shared
Housing

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

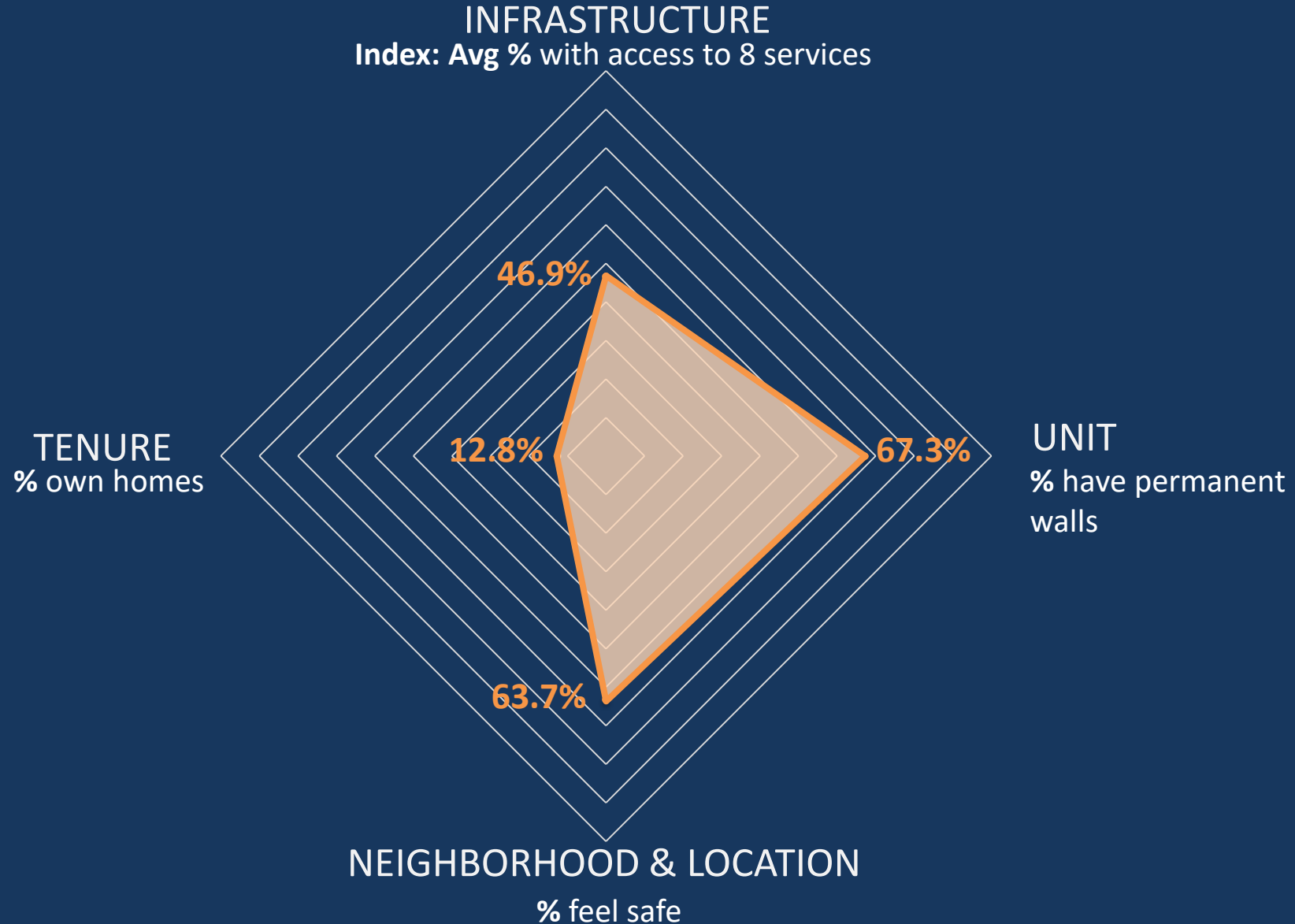
- Program to encourage investment by landlords
- Water & toilets program for compounds & dormitories
- Check structural safety of dormitory housing
- Reduce taxes and penalties for rental income

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



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”

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