

Affordable Housing Hinges On Alternative Building Technology

As construction costs soar in cities, Real estate companies and governments should focus more on alternative building technology to deliver mass housing faster.

BY JOSEPH MUTHAMA

In the recent years, property companies have become ubiquitous in this country. Consequently, media houses are awash with bait and switch advertisements for real estate properties. The country has become an arena of cut-throat competition for real estate companies; each trying to get a share of the pie of the burgeoning demand, for example, of affordable housing. Kenya's annual population growth rate is approximated at 2.2 per cent while, on the other hand, global average stands at 1.2 per cent. According to Plan International, 5 million people are migrating to urban areas every year in developing countries. Undoubtedly, rapid urbanisation of 4.3 per cent has profoundly contributed to high demand for houses hence countrywide land price surge. One of the most prominent characteristic of urban areas is lack of affordable, modern and decent houses.

According to Shelter Afrique, a Pan-African housing agency, Kenya faces a constant shortage of over 300,000 homes annually with the government and developers providing about 30,000 houses only. The Jubilee administration aims to deliver one million units over the next 5 years out of which 20 per cent will be social housing while 80 per cent will be affordable housing. Kenya has a housing deficit of 2million housing units per year. Demand for affordable and quality residential and commercial houses has outstripped the supply in urban areas.

Impediments to affordable housing

Figures from Kenya National Bureau of Statistics indicate that there are 10,000 real estate companies operating in Kenya and out of this number only 6,000 are officially registered thus 4,000 are not registered. This calls for due diligence when it comes to investing in real estate. Hundreds of thousands of Kenyans have become easy prey for unscrupulous and treacherous people who masquerade themselves as real estate dealers.

In November 2019, President Uhuru Kenyatta signed into law the controversial Finance Bill 2019, thus repealing Section 33B of the Banking Act and rendering capping of interest rates null and void. Certainly, Affordable Housing Initiative under Big Four Agenda has been hampered by astronomically high interest rate, inaccessible mortgage financing, skyrocketing land costs among other factors. Low disposable income across households occasioned by economic hiatus in the country culminated in delinquent real estate borrowers. Little wonder that in outskirts of major towns are synonymous with Dickensian buildings, makeshift houses, shanties and tents. Thankfully, the Kenyan government through collaborative efforts with private sector, while using a supportive policy, has lowered the affordability gaps in the housing market and improved financing for developers and users.

Cytonn 2020 Market Outlook dated January 12, 2020 cited the some factors that are expected to hinder real estate development in Kenya such as delay in processing of construction permits, oversupply in select sectors, inaccessibility and unaffordability of off-take financing, ineffectiveness of Public-Private Partnership (PPPs) for housing development and restrictive capital market structure. Needless to mention, delay in processing of construction permits in some counties has become a fertile ground for corruption and bribery. Thankfully, in the course of this month, the Architectural Association of Kenya (AAK) launched a new portal to enhance building permits and planning approvals in counties. During the launch, AAK President Mugure Njendu said, "undertaking a con-

struction project in Kenya is still marred by unclear government approval processes.” Without doubt, bureaucratic bottlenecks and labyrinthine policies are to blame. Centralised Electronic Development Application Management system for building plans approval as well as geotechnical, soil analysis and structural approvals is the way out this quagmire. Electronic system goes a long way to mitigate unnecessary delays and weed out predatory cartels and brokers.



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Technology in house construction

Over the years, many Kenyans have used medieval and traditional way of constructing permanent, semi-permanent and temporary houses. The National Construction Authority (NCA) has earmarked several buildings in urban areas as inhabitable. Kenyans are accustomed with collapsing and caving in buildings heralded by poor architecture and shoddy workmanship. Condemned houses are synonymous with major towns due unimaginative housing policies.

Admittedly, house construction goes beyond fixing walls and a roof.

Jomo Kenyatta University of Agriculture and Technology, for example, has embraced smart home technology in its curriculum where trainees are equipped with cutting-edge practical and theoretical knowledge and skills on concrete technology. In order for the government to deliver one million affordable housing by the year 2022, it must address the persistent problem of historical land injustice and leverage on architectural technology. Modern architecture coupled with the information, communication and technology is attributed to the various styles and designs of building that are mushrooming in this country like apartments, terraced houses, maisonettes, bungalows, duplex, mansion, row houses, condominiums, chateau among others.

According to George Wachiuri, Optiven Real Estate Chief Executive Officer, “the government needs to adopt prefabricated house technology be-

cause this takes a shorter period to complete, offers flexible way of being creative with regards to building quality houses.” He further says, “When compared to traditional methods of construction, prefabs slash on costs, proving to be more cost-effective.” Non-traditional method of building houses can offer a sustainable and lasting solution to the debilitating housing problem in Kenya. Millions of Kenyans are in dire need of low-cost, long-lasting, quality and affordable turnkey houses. Therefore the need to leverage on sustainable technologies, creativity and innovativeness in the construction industry cannot be overemphasized.

Joseph G. Muthama is a Full Member of KIM, lecturer and is the author of *Leadership Defined and Excellence in Leadership* books.
Email: josephmuthama05gmail.com