STRATEGIC DRIVERS TO RESIDENTIAL HOUSING ACQUISITION IN URBAN SETTLEMENTS: THE CASE OF NAIROBI COUNTY

BY
ANNE W. KIMANI

UNITED STATES INTERNATIONAL UNIVERSITY

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BY
ANNE W. KIMANI

A Project Report Submitted to the Chandaria School of Business in Partial Fulfilment of the Requirement for the Degree of Masters in Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY

SUMMER 2014
STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than United States International University, Nairobi for academic credit.

Signed: ___________________________ Date: ___________________________
Anne Kimani (ID 633680)

The project has been presented for examination with my approval as the appointed supervisor.

Signed: ___________________________ Date: ___________________________
Dr. Timothy C. Okech (PhD)

Signed: ___________________________ Date: ___________________________
Dean, Chandaria School of Business
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ABSTRACT

The purpose of the study was to investigate the strategic drivers to urban housing acquisition in Kenya. The study was guided by the following research questions; what are the physical factors driving urban housing acquisition in Kenya? What are the economic factors driving acquisition of housing in urban areas in Kenya? Are there socio-cultural factors driving acquisition of housing in urban areas in Kenya?

Descriptive research design was adopted. The population of the study was 212,417 households in Nairobi North, Nairobi County. The target population comprised of middle income households living in owned homes or rental flats in eight selected estates in Nairobi North, namely: Kasarani, Garden Estate, Zimmermann, Kahawa, Githurai, Kariobangi, Muthaiga and Safaripark view estate. Disproportionate stratified sampling technique was used to select 96 households to which a structured questionnaire was administered. Data was analysed to obtain descriptive statistics as well as inferential statistics. Descriptive statistics were in terms of frequency tables, charts, mean, histograms among others, while inferences statistics were mainly Chi-square.

The findings showed that in terms of the physical factors driving urban housing acquisition, availability of transport scored the highest mean followed by social amenities and structural design in that order for all categories of housing tenure. The findings revealed land tenure was important to home owners who bought their house and somehow important to those who built, whereas it was least important to households who were in rental houses.

With regards to economic factors driving urban housing acquisition, income scored the highest mean income, followed by price, transport cost and transfer cost in that order. Interestingly, the study established that respondents living in rentals had the highest mean rating of the importance of transfer cost compared to home owners who bought their current residence and owner-occupiers who built their own houses. The findings also revealed that transport cost consideration was most important to all the respondents irrespective of their housing tenure.

Concerning the socio-cultural factors driving urban housing acquisition, safety and security topped the list followed by environmental sensitivity, education and career, family considerations, type of neighbourhood and socio-economic class. The study
established that in terms of respondents’ rating of the importance they attached to family, homeowners who bought their current house recorded the highest mean score, followed by homeowners who built and lastly, respondents on rental housing. The study established low aggregate mean score concerning the degree of importance respondents attached to their origin, implying that generally, respondents’ origin was a least important consideration in housing acquisition decisions.

The study recommended that, in order to improve the state of urban housing and acquisition, focus should be directed at the development of proper policies and planning of residential estates. In order to address the prevailing mismatch between demand and supply, the government should be more aggressively involved in the promotion of low income housing development. This can be achieved by offering tax incentives to private developers for a specific duration of time. Urban residential housing development should foster a sense of safety and security by encouraging controlled development and the promotion of gated communities as security has been seen to be a most important consideration from this study.
ACKNOWLEDGMENT

First and foremost, I thank the Almighty God for the sufficient grace and strength throughout this journey from inception to culmination of this project.

Secondly, I greatly remain indebted to my supervisor, Dr. Timothy C. Okech who has indefatigably devoted a lot of his time to supervise the writing of this project, through his guidance, encouragement and constructive criticism and appraisal that I was able to complete this onerous undertaking.

Thirdly, I appreciate my husband Mr. Eric Odoyo and my friend Mr. Sylvance Mboha for their peer review, proof reading and critique to this research project.
DEDICATION

To my loving parents, Joseph Kimani and Elizabeth Njeri, for the effort they put in laying a firm foundation of hard work towards education and training me to be a resilient individual in order to achieve goals in life.

To my beloved husband and friend Eric Odoyo, daughter Abigail Amor and son Jonathan Jakwath for your prayers and giving me more reasons to work exceptionally just to give a better life for you all. You are the best!
TABLE OF CONTENTS

STUDENT'S DECLARATION ........................................................................................................ ii
COPY RIGHT .............................................................................................................................. iii
ABSTRACT ................................................................................................................................. iv
ACKNOWLEDGMENT ............................................................................................................... vi
DEDICATION ............................................................................................................................. vii
TABLE OF CONTENTS .......................................................................................................... viii
LIST OF TABLES ...................................................................................................................... xi
LIST OF FIGURES .................................................................................................................... xii
LIST OF ABBREVIATIONS ....................................................................................................... xiii

CHAPTER ONE ......................................................................................................................... 1

1.0 INTRODUCTION .............................................................................................................. 1

1.1 Background of the Problem ............................................................................................ 1

1.2 Statement of the Problem .............................................................................................. 5

1.3 Purpose of the Study ...................................................................................................... 6

1.4 Research Questions ....................................................................................................... 6

1.5 Importance of the Study ................................................................................................ 6

1.6 Scope of the Study ......................................................................................................... 7

1.7 Definitions of Terms ..................................................................................................... 7

1.8 Summary ....................................................................................................................... 8
CHAPTER TWO ................................................................................................................. 10

2.0 LITERATURE REVIEW................................................................................................. 10

2.1 Introduction................................................................................................................ 10

2.2 Physical Factors Driving Urban Housing Acquisition............................................. 10

2.3 Economic Factors Driving Urban Housing Acquisition........................................... 15

2.4 Socio-Cultural Factors Driving Urban Housing Acquisition.................................... 20

2.5 Chapter Summary.................................................................................................... 25

CHAPTER THREE ........................................................................................................... 26

3.0 RESEARCH DESIGN AND METHODOLOGY ......................................................... 26

3.1 Introduction............................................................................................................... 26

3.2 Research Design...................................................................................................... 26

3.3 Population and Sampling Design ........................................................................... 26

3.4 Data Collection Methods ........................................................................................ 29

3.5 Research Procedures............................................................................................... 30

3.6 Data Analysis Methods............................................................................................. 30

3.7 Chapter Summary.................................................................................................... 31

CHAPTER FOUR ............................................................................................................. 32

4.0 RESULTS AND FINDINGS....................................................................................... 32

4.1 Introduction............................................................................................................... 32

4.2 Response Rate and Background Information......................................................... 32

4.3 Physical Factors Driving Urban Housing Acquisition.............................................. 35

4.4 Economic Factors Driving Urban Housing Acquisition.......................................... 38
CHAPTER FIVE

5.0 SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

5.2 Summary

5.3 Discussions

5.4 Conclusion

5.5 Recommendations

REFERENCES

APPENDICES

Appendix 1: Introduction Letter

Appendix 2: Housing Acquisition Survey Questionnaire
LIST OF TABLES
Table 3.1 Sample Size Distribution .......................................................... 29
Table 4.1 Distribution of Respondents by Gender .................................... 32
Table 4.2 Distribution of Respondents by Age .......................................... 33
Table 4.3 Marital Status of the Respondents .............................................. 333
Table 4.4 Distribution of Respondents by Level of Education .................... 34
Table 4.5 Distribution of Respondents by Employment Status .................. 34
Table 4.6 Distribution of Respondents by Household Income Range ........... 35
Table 4.7 Distribution of Respondents by Housing Tenure ....................... 35
Table 4.8 Mean Rating of Importance of Accessibility to Land by Type of Tenure .... 36
Table 4.9 Mean Rating of Importance of Land Tenure by Type of Tenure ...... 36
Table 4.10 Mean Rating of Importance of Social Amenities by Type of Tenure .. 37
Table 4.11 Mean Rating of Importance of Availability of Transport by Tenure .... 37
Table 4.12 Mean Rating of Importance of Structural Design by Type of Tenure .. 38
Table 4.13 Mean Rating of Importance of Price by Type of Tenure ............... 38
Table 4.14 Mean Rating of Importance of Income by Type of Tenure .......... 39
Table 4.15 Monthly Household Income Range and Housing Tenure Cross-tabulation ... 39
Table 4.16 Chi-square Test of Income and Housing Tenure ....................... 40
Table 4.17 Mean Rating of Importance of Maintenance Cost by Type of Tenure .... 40
Table 4.18 Mean Rating of Importance of Transport Cost by Type of Tenure .... 41
Table 4.19 Mean Rating of Importance of Transfer Cost by Type of Tenure ....... 41
Table 4.20 Mean Rating of Importance of Safety and Security by Type of Tenure .... 42
Table 4.21 Mean Rating of Importance of Family by Type of Tenure .......... 42
Table 4.22 Rating of Importance of Education and Career by Type of Tenure .... 443
Table 4.23 Mean Rating of Importance of Socio Economic Class by Type of Tenure .. 443
Table 4.24 Mean Rating of Importance of Origin by Type of Tenure ............... 44
Table 4.25 Mean Rating of Importance of Neighborhood by Type of Tenure .......... 44
Table 4.26 Mean Rating of Importance of Environmental Sensitivity by Tenure ... 44
Table 4.27 Satisfaction Rating and Housing Tenure Cross-tabulation ............... 46
Table 4.28 Chi-Square Tests .................................................................. 46
LIST OF FIGURES

Figure 4.1 Respondents’ Satisfaction Rating with Place of Residence..........................45
Figure 4.2 What Respondents Liked most about Current Place of Residence ..............47
Figure 4.3 What Respondents Liked most about Current Place of Residence ..............47
Figure 4.4 What Respondents Liked improved about Housing in Nairobi ..................48
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
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<tr>
<td>CBD</td>
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<td>HFCK</td>
<td>Housing Finance Company of Kenya</td>
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<td>IDTG</td>
<td>Intermediate Development Technologies Group</td>
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<td>KNBS</td>
<td>Kenya National Bureau of Statistics</td>
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<td>NGO</td>
<td>Non Governmental Organization</td>
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

Strategic management focuses on an organization’s systematic analysis of their external and internal environments as a means of formulating effective strategies (Richard and Clark, 2009). Within the housing sector, strategic planning can be described as determining how many homes are required, when and where (Reeves, 2013). According to Mwakali (2006), housing development is strategically an important socio-economic investment to a country and its people. Furthermore, comfortable housing is necessary for good living and this will generally constitute well planned/designed housing and infrastructure of acceptable standards and affordable cost which when combined with essential services affords dignity, security and privacy to the individual, family and community at large. Adequate availability of quality and affordable shelter also reduces proliferation of slums and informal settlements as well as prevent social unrest occasioned by depravity and frustrations of people living in poor housing settlements.

Everyone should have access to decent housing, defined as one that provides a foundation for, rather than being a barrier to, good physical and mental health, personal development and the fulfilment of life objectives (Njathi, 2011). It serves as a commodity that offers social status as well as financial security, an investment that could offer prospects of lucrative returns. It is said to account for over 60% of the total assets of the limited income families, constituting the largest item of non-food household expenditure and also the most valuable asset possessed by the low income household (United Nations Human Settlement Programme (UN-Habitat), 2008). Housing plays a huge role in revitalizing economic growth in any country, with shelter being among key indicators of development (Ireri, 2010).

The United Nations Statistics division defines tenure as the arrangements under which the household occupies all or part of a housing unit. The UK Housing Tenure Trends Report (2011) describes housing tenure as the legal status of and the rights associated with
different forms of housing ownership and occupancy. The most frequent forms are tenancy, whereby the landlord may be a private individual, a non-profit organization such as a housing association, or a government body i.e. public housing and owner occupancy whereby one owns the house or the house is mortgaged.

According to the UK Housing Tenure Report (2011), these tenure trends have been the result of a combination of political, economic and social drivers that acted over both the short and long term. Political changes, such as support for local authority provision and later the right to buy, interacted with economic cycles and social changes such as wars and changing attitudes to different tenures. There are important regional and national differences in tenure trends.

In UK, the relative size of the owner occupied sector has declined and the private rented sector has increased significantly. This trend is due to the absolute number of households in owner occupation and the social rented sector remaining relatively stable whilst the number of households in the private rented sector increased by one million households between 2005 and 2009. If recent trends persist, the private rented sector would be larger than the social rented sector by 2013 and by the end of the decade; one in five households could be private renters (UK Housing Tenure Report, 2011).

Comparatively, the situation in Eastern Africa, described as a rapidly urbanizing region where projected estimates indicate that by 2025 approximately half of the African population will be urban (UN-Habitat, 2008), is entirely different. This outstanding demographic shift on the African continent, and particularly Eastern Africa, presents current and future challenges for urban and regional planning (Lwasa, 2008). Furthermore, according to the UN-Habitat State of the World’s Cities Report (2006/7), rapid urbanization in Africa has occurred in the absence of a stable economic base though recent economic experiences show averagely high GPD rates for various countries.

In Kenya, it is projected that by the year 2030, more than half of the population will be residing in urban areas (Mumma and Smith, 2012). However, according to Mwakali (2006), the situation for the majority of Kenya’s population as far as adequate housing and comfortable housing provision is concerned, which represents the situation in most
African countries, is still far from good. In urban areas, the majority of homes are made of stones/concrete, however, there are areas commonly referred to as ‘slums’ whose housing structure are temporary as they are made of mud and or iron sheets.

Mwakali (2006) notes that the period between the year 2001 and 2010, the annual demand was estimated at 150,000 units per year, representing an annual increase in demand for housing of about 67%. According to the Ministry of Lands and Housing (2004), there are about three million people in urban areas in need of proper housing. Based on the censuses of average household size of 4 persons, there are about 1,500,000 households in urban areas in need of housing.

However, Mumma and Smith (2012) reveals that only an estimated 30,000 to 50,000 was expected to be contracted, representing an estimated 20 percent of the total number of new urban households required. Wong and Yuen (2011) notes on the overall that the gap between supply and demand for housing has been widening for all income and social groups in the last four decades. Particularly in the urban areas of Kenya, demand for housing has always outstripped supply, creating an acute shortage of habitable dwellings, overcrowding and extensive slums and informal settlements (Mumma and Smith, 2012).

Kenya’s population, which was seven million at the time of independence, is currently estimated at 44 million with an annual growth rate of 4.4% (Statistics report, 2010). Although it is still largely rural, the country has experienced rapid urban population growth because of rural-urban migration. According to the 2009 census report, 53.7% of the population is aged below twenty years. 32.7% of the population resides in the urban areas (Bureau of Statistics, 2010).

Nairobi, the capital city, accounts for a quarter of the country's urban population. The city has a population density of 3080 persons per sq. km compared to 50 persons per sq. km. countrywide. This has put a strain on an already stretched urban infrastructure, housing stock and services, leading to the growth of informal settlements and slums. Sixty percent of the population lives within the informal settlements occupying 5% of the land designated for the residential purposes (Statistical Abstract, 2008).
The housing market in Kenya has over the years faced a huge supply challenge for both
government and private sector players. With availability of about 35,000 housing units in
urban areas, the deficit remains huge from a growing demand of 150,000 units every year
(Bonyo, 2010). The situation has been partially alleviated through the activities of the
private sector housing developers, who have been a key supplier of housing, particularly
in Nairobi (Hassanali, 2009). In the year 2007, the private sector commenced construction
of housing units worth Kshs. 9.8 billion and registered growth of 6.9% over the previous
year (Statistical Abstract, 2008).

According to a UN-Habitat (2008) report, 20% of the population in Nairobi occupies 8%
of residential land, indicating that there is limited land available for the majority of the
population, including the poor. The rules and fees for sub-division, development and
registration are cumbersome and expensive. They act as hindrance for supply of land at
affordable sizes within municipal limits in Nairobi. As a result, many developers are
forced to look for land outside of municipal limits at much lower costs.

Private developers, consisting of firms and individual builders, produce the bulk of formal
housing in Kenya’s urban centres (Mutero, 2007). Over the years, the government has
played a limited role in housing development. Its two main institutions for housing
development have been the National Housing Corporation (NHC) and the Housing
Finance Company of Kenya (HFCK), of which the government had majority share
ownership until 2000. The contribution of housing by the two institutions has had only a
partial impact on growing demands in the housing sector. Since its establishment in 1967,
the NHC has constructed 40,000 housing units for low and middle income at a cost of 4
billion Kenya shillings. In recent years, the Government budgetary allocations for
housing have also come down (Statistical Abstract, 2008).

In Kenya, initiatives have been made to come up with what is termed as low cost housing
(Mwakali, 2006). An example is the use of Stabilised Soil Blocks and Ferro cement
construction in the Pumwani high-rise experiment in Nairobi promoted by Intermediate
Development Technologies Group (IDTG) an international NGO in conjunction with the
National Housing Corporation. In the year 2004, a national housing policy was approved
by parliament. The policy proposed the facilitation by the government of an annual
delivery of 150,000 housing units in the urban areas and quality improvement of 300,000 units in the rural areas (Matindi, 2008). For example, NHC has expanded its output recently and, in 2006, it had 230 units of mortgage flats under construction in Langata, Nairobi at a cost of KShs 462.8 million (USD 6.3 million) and 69 units of tenant purchase bungalows in Mamboleo, Kisumu at a cost of KShs 11.0 million (USD 150,000). Over the same period NHC planned for the construction of 2,800 units across the county at an estimated cost of KShs 5.1 billion (USD 69.4 million), out of which 96 units have already gone to tender (Mutero, 2007).

In addition, part of the response by the Kenyan government manifests in the roll-out of a policy blueprint known as Vision 2030; which aimed at turning Kenya into a middle income country by 2030. The country has also embarked on the development of a National Human Rights Policy to provide direction to state policy making and has developed policies in the areas of housing and land. The Economic and Social Rights centre asserts that, rapid urbanization is shaping the question of adequate housing in Kenya (Bureau of Statistics, 2010).

1.2 Statement of the Problem

In Kenya, housing is a major problem especially in Nairobi city where there are millions of people living in the sprawling slums and also in other informal settlements around Nairobi. Informal settlements and slums in Nairobi have continued to grow at an alarming rate in number as well as in population. Demand for housing far surpasses its supply in Kenya, especially in urban areas that have for long suffered from poor planning, resulting in an increase in informal settlements with poor housing and little infrastructure services (UN-Habitat, 2008). Statistics revealed by Matindi (2008) indicated that the housing shortage for the low and middle income households is particularly acute in urban areas, with only an estimated 6,000 units which translates to 20% of all houses produced catering for this group. According to Matindi, 77% of households in urban areas live in rental housing.

According to Downs (2004), the purpose of the housing market is not simply to add units. Housing markets should add the right kind of units at the right time and in the right places. If the type, quality or timing is off, shortages and surpluses are likely to emerge.
for certain kinds of housing. This situation seems to be the case in Kenya and has sparked off what is known as property bubble debate. An analysis by Wanyiri (2013) indicated that many new developments are springing up each and every day majority in all upmarket areas creating a mismatch between demand and supply of housing in the country. This suggests that property developers are not informed by clear drivers of housing demand in the country. However, despite this information gap in the real estate sector, research investigating the apparent mismatch between demand and supply in Kenya is sparse.

Karoki (2013) investigated the determinants of real estate prices in Kenya based on monthly secondary data for a period of eight years spanning from 2005 to 2012. Her study showed that there are significant negative relationship between residential real estate prices and interest rates, and positive relationships with GDP, and level of money supply. Thus, the study focused on the supply side without a corresponding investigation of the demand side factors. Therefore, this study sought to close the information gap by investigating the drivers of urban housing acquisition in Kenya from the demand side.

1.3 Purpose of the Study
The purpose of the study was to investigate the strategic drivers to urban housing acquisition in Kenya.

1.4 Research Questions
1.4.1 What are the physical factors driving urban housing acquisition in Kenya?
1.4.2 What are the economic factors driving acquisition of housing in urban areas in Kenya?
1.4.3 Are there socio-cultural factors driving acquisition of housing in urban areas in Kenya?

1.5 Importance of the Study
1.5.1 City Planners
An understanding of the challenges faced by developers and would be home owners to allow city planners to plan and be involved in projects that directly, through funding of housing developments or indirectly, through infrastructure investments.
1.5.2 Housing Social Enterprises
This research highlights key areas of opportunities in Kenya for innovation and potential challenges to new social entrepreneurs venturing into this market allowing them early opportunities to overcome these obstacles in order to succeed in the housing market.

1.5.3 Mortgage Financiers
The study would inform mortgage financiers on competitive development projects they can undertake by assessing how well they meet the critical success factors discovered in the report.

1.5.4 Academicians and Business Researchers
The study of the low income housing market is a very vast one and this research gives rise to key areas of weakness where there will be significant opportunity for further research in an effort to enhance investments in provision of low income housing.

1.6 Scope of the Study
The study was carried out in the Nairobi County targeting middle income earners of ages between 25-60 years old during summer 2014. The study had anticipated limitations including getting incomplete forms or forms with false information, lack of co-operation from the interviewees, challenges of getting access to interviewees especially in gated communities. To mitigate these limitations, the researcher went through the questionnaire, which was accompanied by a letter explaining the purpose of the study, with the interviewees to ensure that all the questions were answered and used the funnel type of questioning. In addition, contact was made with care-takers and home-owners to explain the project and gain access to the gated communities. Wherever this was difficult, other interviewees were sought.

1.7 Definitions of Terms
1.7.1 Strategic Drivers
Refer to critical objectives or reasons that determines the success or failure of an organisation’s strategy (Tomlinson, 2008).
1.7.2 Acquisition
This is the act of obtaining ownership of an asset through purchase, trade, or gift (Aluko, 2011).

1.7.3 Socio-Cultural Factors
These are factors involving both social and cultural issues. Social issues are those that are outside the control of the individual in the immediate social environment i.e. poverty, violence, justice, equality, crime etc. Cultural issues encompass the set of beliefs, moral; values, traditions, language, laws held in common by a group of people (Tomlinson, 2008).

1.7.4 Physical Factors
Physical or structural factors refer to the services and facilities necessary for an economy to function. It refers to technical structures that support a society such as water, roads, electricity grids, telecommunications, sewer etc (Carroll and Buchholts, 2002).

1.7.5 Economic Factors
This is the cost incurred by the consumer to acquire tenancy for a house or ownership of a home as owner occupancy tenure (Department for Communities and Local Government, 2010)

1.7.6 Housing Tenure
Housing tenure describes “the legal status under which people have the right to occupy their accommodation. The most common forms of tenure are home-ownership: this includes homes owned outright and mortgaged or renting which includes social rented housing and private rented housing” (UK Housing Tenure Committee, 2011, p. 22).

1.8 Summary
This chapter gave an introduction to the research paper. It highlighted the problem of housing in the urban areas in the world and in Kenya. It has also stated the problem, the purpose of the study as well as the research questions. Further, it has explained the study
scope, defined operational terms and explained the significance of the study. Chapter two reviews literature on urban housing and on other studies that have been carried out on the research topic. Chapter three details the research methodology that was used. Chapter four presents the analysis of findings and lastly, the results are discussed in chapter five wherein conclusions and recommendations are provided.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
This chapter reviews literature pertinent to the study and explores the various theoretical frameworks underpinning housing studies. The chapter discusses previous work and empirical research on strategic drivers to housing acquisition within the urban area framework. The main variables explored in the chapter are: physical factors, economic factors and socio-cultural factors.

2.2 Physical Factors Driving Urban Housing Acquisition
2.2.1 Location
According to Blaauboer (2010), where and how a person lives, in what type of environment and dwelling, strongly influences the quality of that person’s life. Different residential locations offer different facilities, services, and housing-market characteristics, and thus different opportunities and constraints. Aluko (2011) defines location as the specific placement of a house which affects housing choices. A home is part of a neighbourhood and should be viewed in the community setting. Each occupant has needs which must be met in the larger community. Facilities for education, transport, worship, health care, shopping and recreation are factors to be considered when making location decision for housing choices. Location choices also range from urban to suburban to rural. A home that takes advantage of its surroundings reflects the character of the area.

The foregoing discourse is supported by empirical results by Townshend (2005) in which reaction to questions about perceptions of the words ‘city’, ‘inner city’ and ‘suburbs’ most participants began with predictable, but nevertheless interesting ‘gut reactions’ to these terms. Suburban locations were primarily associated with physical attributes like “peace and quiet” and “access to the countryside”. On the other hand inner cities were generally negatively associated with social and economic problems. Therefore, location was a very important construct in defining what was is labelled as ‘inner city’.
Following from the empirical study by Townsend (2005), it can be argued that social and economic problems that determine location choices manifest in varied forms. For example, a study by Marans and Stimson (2011) established that the attributes believed to be stressful to neighbourhood residents were noise level, degree of crowding, amount of traffic and maintenance levels for homes and yards. Consistent with this finding, Jansen (2011) avers that differences in location might influence aspects such as social status, the consumption of private goods, the availability of public goods, jobs and other desired destinations, therefore making location an important determinant of housing quality and household welfare.

Also associated with location choice for housing acquisition is convenience (Wells, 2009). Iman (2011) states that one of the considerations in accessibility involves convenience due to time and transport cost savings associated with specific locations. Among the household level commute variables, commute time is negatively associated with residential location choice suggesting that individuals generally try to locate within close proximity of their workplace. However, this tendency appears to be less pronounced for higher income households and more pronounced for lower income households, perhaps because of the ability of the higher income households to afford higher transportation costs (Curtis and Montgomery, 2006).

Mungai (2014) observed that many people who work in Nairobi and business districts in the periphery such as Westland, Upper Hill and Parklands prefer to rent houses on Thika Road due to improved accessibility after the road was expanded to eight lanes. Jansen (2011) adds that the differences in location might influence aspects such as social status, consumption of private good, jobs and other desired destinations, therefore making location an important determinant of housing quality and household welfare.

The possibility of using the house for income-generating activities has also been found to influence the choice of residential location in developing countries in that, households which, use their homes for income generation are less likely to move because of the customer base they have created (Sinai, 2001) or they may choose a location that has a good business environment for rental housing (Payne, 2002; Sheuya, 2004) or for urban farming (Lupala, 2002).
2.2.2 Land Tenure

According to Sifuna (2009), there are three major land tenure systems in Kenya: communal, private ownership and public ownership. The author notes that while a substantial portion of land in the country is either under communal tenure or under public ownership, most of the land in the country is under private tenure on freehold or leasehold terms. Land tenure defines the social relations between people in respect of the land and the methods by which individuals or groups acquire, hold, transfer or transmit property rights in land.

Customary tenure refers to unwritten land ownership practices by certain communities under customary law. Under statutory tenure there is freehold tenure which confers the greatest interest in land called absolute right of ownership and leasehold tenure where there is interest in land for a definite term of years and may be granted by a freeholder usually subject to the payment of a fee or rent and is subject also to certain conditions which must be observed such as relating to developments and usage. Public tenure refers to land owned by the Government for her own purpose and which includes unutilised or unalienated government land reserved for future use by the Government itself or may be available to the general public for various uses (Sifuna 2009).

Mutarugaba (2011) provides a case in point such as Rwanda where land belongs to the public although the government can possess it in the interest of national development. For the city to plan to provide housing alternatives for low income families, the city needs to invest in acquiring land near amenities and services, or provide amenities and services in urban peripheries. These are all costly alternatives. Serviced land is more expensive than raw land. For instance, in sites and services schemes, before installation of services and infrastructure, poor households may afford to live there but once the raw land has been serviced, it may become too expensive for these families.

According to Montgomery and Curtis (2006), tenure does not just affect the frequency of household movement but it also impacts upon housing location choices in important ways. In a study of housing location choices in Australia’s two largest cities for example, the authors reported that inner urban areas are dominated by mobile renter households and that renters placed a much greater emphasis on reducing travel time to work than
other tenure types. They found that a large proportion of households moving to the outer or fringe areas were first homebuyers for whom affordability was the overriding concern in dwelling and location choice. When asked about compromises made in their housing decisions these households frequently reportedly compromised access to work in order to achieve home ownership.

2.2.3 Social Amenities
Dowding and John (2002) listed services thought to be evaluated by households when choosing a residential location as follows: public libraries, health services, education, refuse collection and street cleaning, leisure services (including parks and sports facilities), social services and law enforcement. In a study carried out in Guangzhou, China, it was established that public transport network, medical and health facilities, educational facilities and proximity to the work place were some of the features constituting a large percentage of the young consumers’ consideration for housing acquisition (Wu, 2010).

A study on knowledge workers reported by Yigitcanlar (2010) indicates that many knowledge-workers seek residential environments that offer intellectual vitality and stimulation for them and their children, as well as networking and collaboration opportunities and the capability to access and join knowledge hubs. As a result, they are attracted to municipalities that offer a variety of excellent higher education facilities, schools and kindergartens.

The same study indicated that knowledge-workers who frequently engage in cultural activities prefer by large to reside in the metropolitan core and the inner ring. Knowledge-workers who actively participate in sports also prefer to reside in the core and inner ring. Probably, these findings are related to the abundance of fitness centers, the proximity to the sea shore and the metropolitan park located in the core. In contrast, knowledge-workers who lead a home-oriented activity pattern exhibit growing preference for the middle and outer ring, likely related to the serenity involved in residing in suburban communities.
2.2.4 Availability of Transport

A study by Pinjari et al. (2013) investigating the nexus between land use and transportation recognized that these two entities are inextricably linked together in a cyclical relationship. They note that planners have strived to influence travel demand through the implementation of policies that promote compact and mixed land uses, walk- and bicycle-friendly neighbourhoods, and transit-oriented developments. These strategies attempt to influence people to adopt more sustainable (energy and environmentally friendly) transportation choices by modifying the urban activity-travel environments in which they exercise their choices.

Pinjari et al. (2013), suggest that it is possible that individuals and households make a multitude of choices, including the choice of locations to live and work, choice of how many vehicles to own, and the choice of their daily activities and travel, as part of an overall lifestyle package rather than as independent choices exercised in a sequential fashion. Mobility and accessibility influence the residential location choice of knowledge-workers, as they prefer locations that are highly accessible to both their workplaces and the metropolitan core. In dual-career households of knowledge-workers, both workplaces are considered.

Pinjari et al. (2013) notes that households residing in zones with higher fraction of single family dwelling units are likely to own more cars. With respect to commute-related variables, as expected, as the household-level commute time increases, auto ownership increases. However, for lower income households, for whom the transportation costs typically constitute a significant portion of their income, higher auto commute costs are associated with lower auto ownership. Low income households may typically own cars for commuting purposes, among other reasons that necessitate the use of cars. Thus, when the commuting costs are higher, these households may tend to use alternative means of transport and stay in a low-car ownership segment to reduce their transportation costs. Further, higher modal accessibility provided by transit and bicycle is associated with lower levels of auto ownership.

According to the research on the knowledge workers by Benditt et al. (2013), morning peak-hour commuting time by car to the workplace is negatively correlated to the
residential location choice of knowledge-workers. Namely, knowledge-workers prefer to reside in proximity of their workplace location. Interestingly, the preference to reside in the outer suburbs and the metropolitan fringe (middle and outer rings) increases when the spouse's workplace is located there.

2.2.5 Structural Design of the House
According to Lee (2008), residents housing is a function of physical characteristics of housing environment such as density, site layout, dwelling size. In a study conducted by Lee (2008), respondents frequently cited that a newly built, clean apartment was their priority in choosing their current apartment because the building structures as well as home appliances in their previous apartments were outdated and shabby. Spacious interior space was also one of the most frequently cited housing attributes in choosing their current apartments.

Townshed (2005) notes that physical criteria also include public and private spaces and floor plans. More residential post-occupancy research has suggested that people are willing to live at high density areas in a variety of forms in popular locations, but that this needs to be combined with factors such as generous internal spaces, insulation against noise interference between and within properties and an adequate sense of privacy. Aluko (2011) argues that the materials used to build the structure as well as the furnishings used to decorate the interior can be affected by the location.

2.3 Economic Factors Driving Urban Housing Acquisition
Literature suggests that the choice of residence is a function of a myriad of economic factors (Steiner & Butler, 2012). Reviewed in this section included factors such as price, income, maintenance cost, transport cost and transfer cost.

2.3.1 Price
Housing research by Benditts et al. (2013) indicated that housing price and housing preferences play a central role in the residential location choice especially those who seek to be home-owners or to reside in larger apartments. Townshend (2005) argues that the most significant factor influencing housing choice is affordability and value for money. In a study by Knox and Pinch (2000), it was established that individuals compete for
favourable locations within the city depending on the rent they were willing to pay for different sites and locations. They concluded that the price of housing (or the unit price of land) will decrease with increasing distance from the CBD.

Jones, White and Dunse (2012) explain that in order to be able to economise on housing costs in the face of rising prices, people have three choices: limit the amount of space they use, accept worse quality accommodation or move to cheaper locations. A study carried out in Australia by Kupke and Rossini (2011) showed that it became increasingly difficult to own a home for single income households of moderate income. As such, for many, buying a home on a single income would become virtually impossible unless they are willing to live quite some distance from the central business district.

There are important trade-offs, that households make when paying for housing, because housing constitute a complex bundle of attributes (Jones, White & Dunse, 2012). The physical qualities of the surrounding structures, the social status and safety of the neighbourhood, the level of public service and access to local shops are all key factors affecting housing prices and rents (Tsenkova, 2008). Dwelling space, dwelling and public amenities and location are the main determinants of the relative differences between house prices. People can economize, or spend more, by altering all or any one of those characteristics. In order to be able to economise on housing costs in the face of rising prices, people have three choices: limit the amount of space they use, accept worse quality accommodation or move to a cheaper location (Jones et al., 2012).

2.3.2 Income

Generally, the demand for housing is assumed to be positively affected by the well being of the society, which is approximated by a measure of economy-wide real income (Bandt, Knetsch, Penalosa & Zollino, 2010). Access to capital is necessary to buy a home and the price of this capital and the distribution of capital costs over time have great importance for running costs. Costs of renting are usually to a greater extent a mirror of actual housing consumption, while costs of owning can have quite a different distribution over time than actual consumption. Especially in economies with higher inflation, costs tend to be much higher in the first years of owning. This is often in conflict with the development
over time of housing needs and incomes among families during the life cycle (Andersen, 2011).

The ability of people to pay for housing is determined by their income and wealth (Clapham, 2005). In turn this is influenced by a wide variety of factors such as labour market conditions. Tsenkova (2008) argues that housing choices are linked to affordability and tend to be broader in a housing system with greater tenure diversity. He further notes that choice in market place is determined by the ability to pay for housing services and private sector provision may be highly constrained due to low income. Kelley (2009) explains that managing housing for low-income residents is different from and can be more demanding than managing apartments occupied by those more able to afford their housing expense. For a low income, a house is a house, and there are few differences between the costs of producing and operating one house unit versus another. Amenities and large rooms targeted to the middle or upper-middle-income groups might add a 30 percent premium to the cost of producing a rental unit that is part of a low income development.

### 2.3.3 Maintenance Costs

Reed (2001) observes that housing is not only a once-off purchased asset, but also an asset worthy of maintaining and renovation. Thus, there exist post-occupancy changes and modifications, such as additional rooms, shaded patios, balconies, among others, added by the present homeowner and previous ones (Etzion et al., 2001). Whether such maintenance and other costs are lower or higher in rented housing depends on the extent to which landlords are more efficient than individual owners in generating maintenance and management because of greater professionalism and economics of scale (Skifter Andersen, 2008).

Among the components of environmental quality that influence the user’s satisfaction and post-occupancy changes in dwelling units, Sungur and Cagdas (2003) list such elements as housing system, greenery, cleanliness, quality of construction, landscape view, location and low traffic level. Ralid (2003) suggests that, the postoccupancy evaluation method may assist in the design of future projects, such as renovation and upgrading of existing neighborhoods.
Housing deterioration often stems from neighborhood social and environmental factors, such as crime, the concentration of low-income population groups, poor environmental design and a lack of open spaces. These linkages point out at limited longitudinal benefits of physical improvements of housing stock through investment program, without addressing relevant social and environmental improvements in the neighborhood, that might encourage the residents to invest in the repair, maintenance and improvement of housing (Cole & Reeve, 2001).

Etzion, et al. (2001) attribute post-occupancy housing changes and modifications to the inadequacy of the original design, and poor performance of buildings under location-specific climatic conditions, acknowledging, however, that microenvironmental externalities may also affect the household’s motivation either to initiate such changes or to refrain from them (Portnov, Odish & Fleishman, 2005).

According to Jansen (2011), housing is interwoven with family life and related to other domains of life such as social life, work and education. Housing changes and additions may be more frequent in single-family housing than in multi-story development, where housing changes and modifications must often be implemented simultaneously by several homeowners. As another example, the owners of apartments located in the first floors of multi-story buildings may find it easier to make external modifications of their properties than homeowners whose apartments are situated in the middle floors of such multi-story structures.

2.3.4 Transport Costs
Transportation studies are increasingly investigating residential location choices because of their interdependence with daily travel choices (Bhat and Guo, 2004; Cao, Mokhtarian, and Handy, 2006). Krizek and Waddell (2002) have emphasised the need to recognise the integrated nature of household decisions regarding residential location and travel behaviour. They assert that long-term decisions about residential location and short-term decisions about travel behaviour are interlinked and mutually reinforcing. Numerous transportation studies have found that residents of neighborhoods with higher building
densities and more mixed land uses tend to drive less and walk more than inhabitants of lower-density, single-use neighborhoods (Schwanen and Mokhtarian 2005).

Jae Hong Kim, Pagliara and Preston (2005) reported a study exploring residential location choice behaviour in Oxfordshire, UK, which found that transport factors were important determinants of housing movement and location choice. The study found that an increase in travel time or cost to work or shopping was a good predictor of household movement. According to Kulish, Richards and Gillitzer (2011), the effect of poor transport infrastructure and higher transport costs is that households spend more of their resources commuting, live in smaller homes and face higher average housing and land prices. By contrast, they hypothesised that well-directed investment in transport infrastructure makes it more feasible to live further from the CBD and thereby reduce the cost of housing.

2.3.5 Transfer Costs

Bouillon (2012) observes that residential mobility is important. Family circumstances or income may change or labour market or opportunities may require households to move to different cities or neighbourhoods. If the housing market works well, households should be able to change the place where they live easily.

According to Andersen (2011), the cost and efforts associated with a move from owner-occupied housing are substantially greater than those moving from rented housing. Moving costs are the same, but for owner-occupation there can be large costs and efforts associated with buying and selling property. It is much easier to leave a rented dwelling. The consequence of this is that a house hunter’s expectations of how long they will stay in a given property affect the choice of tenure. Young families who are very mobile, because of their rapidly changing housing needs, will therefore be relatively more interested in rental housing, compared with more established families.

Montgomery et al. (2006) argued that tenure type has an impact on how mobile people are in the housing market and where they choose to live. As renters generally have lower relocation costs some writers have theorised that this makes them more ‘foot loose’ in the housing market so able to move more frequently than owner occupiers. Andersen (2011),
also reiterates that households in owner-occupied housing are in a much better position than tenants to adapt the dwelling for their own needs.

Owners will therefore be able to achieve a qualitatively better housing consumption than the tenants can. At the same time owners have the opportunity to regain their investment in the dwelling because a higher quality often results in a higher sales value. The tenants usually lose their investment when moving away.

2.4 Socio-Cultural Factors Driving Urban Housing Acquisition

2.4.1 Safety and Security

Safety and security is considered as an important factor affecting housing choice and is depicted in the choice of a specific neighbourhood (Cho, Newman and Wear, 2004). Neighbourhood factors often include personal assessment of different aspects of their neighbourhood, including relations with neighbours, neighbourhood’s appearance and other issues such as noise and safety (Lee, 2008). In the housing sector, a lower crime rate attracts more demand for housing; both in urban dominated communities and rural-dominated communities (Cho et al., 2004) indicating that safety of the community is common concern of urban and rural households.

Li (2009) reported a study done in Hong Kong which found two significant variables which have an impact on residents’ attachment to their community. These include the degree of safety of the community and the sense of belonging. Curtis and Montgomery (2006) speculated that this feeling of security connected with homeownership may also be consistent with the possibility of modifying actual housing costs by reallocating maintenance and capital expenditures over time. Thus, one can thus expect a lower demand for rental housing where there is less security in the rental housing market against termination of tenancies and against extraordinary rent increases.

2.4.2 The Family

According to Marzluff, Shulenberger, Endlicher, Alberti, Bradley, Ryan, ZumBrunnen and Simon (2008), housing mobility is likely to vary substantially over the lifecycle of a household, with newly formed young households experiencing relatively high rates of mobility compared to elderly households. This tendency is compounded by consideration
of the effect of housing tenure. Renter tenancy requires relatively low transaction cost to move, whereas the relocation costs for homeowner involve substantial transaction and search costs, both in selling and buying a new home.

Drawing from the family life-cycle model, Jansen (2011) asserted that the family is one of the most important models to explain housing choice. According to the family life-cycle model, different stages of nuclear family formation, expansion, contraction and dissolution lead to changes in the size and composition of households as well as their residential preferences and needs. A transition into a new stage in the cycle may lead to a mismatch because housing characteristics, such as the number of bedrooms, might no longer meet the needs or preferences of the family. Family size and structure change the demand of housing environment in different household life cycles.

Consistent with the family life-cycle model, Kelley (2009) argued that empty-nesters are married couples who already have raised their children – perhaps in single family homes – and subsequently have chosen the carefree way of apartment living. They invest in furnishings to provide for their comfort and convenience. They pay the rent promptly, live in peace and harmony with neighbours, and pose few management problems. As the most selective of all renters in choosing their living quarters, they insist on quality in their housing, services and management. Before renting they shop around, since they are looking for accommodations that will remain satisfactory for the long haul. They seek – and are willing to pay a premium for quality, value and service.

Kim, Horner and Marans (2005) found that people in the non-child bearing group especially if they are young and unmarried, select their residential location based on their job location because they place importance on their career and they are sensitive to commuting costs due to limited disposal income. In constrast, people in the child bearing stage who have young children value residential amenities such as large gardens, school quality over accessibility to jobs. But as they grow older and children become independent, job accessibility is valued more.

Mwabimba (2012) also agrees with Kim et al.’s (2005) view and adds that factors such as commuting (to work), individual characteristics, neighbourhood preferences and
environment effectuate decisions differently based on people’s life cycles especially couples with children. The mobility trends appear obvious but in a situation where households are constrained by incomes; an expanding household may not afford to move to a bigger room or house; or households aspiring for homeownership.

A study undertaken by Guo and Bhat (2006) found that households tend to locate themselves close to the work locations of the workers in the household. In particular, households locate themselves close to the workplace of female workers in the household. However, Plaut (2006) contradicted this view through his study which established that commute decisions in dual-income households operated as complements rather than substitutes; that is in residential selection commute trips are jointly chosen to be either longer or shorter for both spouses.

On the other hand, Boyle et al. (2001) are of the view that because his location preferences are likely to be considered of more importance than hers, a woman is more likely to be a trailing spouse or tied migrant than a man is: households tend to move or stay for the benefit of his occupational career even if that might harm her career. This situation may result in inequality in the extent to which the residential preferences of the male and female partner are met. Bouillon (2012) also argued that males generally demand less housing (smaller and lower quality houses) than females, while married couples and more educated heads of households demand more from housing.

2.4.3 Education and Career

Blaauboer (2010), noted that, enrolment in higher education triggers the transition to leaving the parental home, because higher education is almost always located in a city. For the less-well-educated, finishing education and starting the occupational career often triggers leaving home. When one moves, the location and house one chooses, are related to events occurring in and the characteristics of one’s other life course careers.

Brun and Fagnani (1994), note that cities provide more job opportunities, both for highly- and poorly-skilled people. The start of the occupational career, is often associated with a preference for urban living. Changing jobs or searching for a new job can trigger subsequent moves to locations with a suitable job market. Attaching great value to the
development of the occupational career is thus likely to lead to residential choices that facilitate this development.

The value attached to different life course careers may differ according to the phase of the life course a person is in (Bootsma, 1995). On completing education, the occupational career may be more important than the family career, which may lead to a preference for living in close proximity to job opportunities. When forming one’s own family, the value attached to the family may become stronger and residential preferences may change from wanting to live close to work to favouring a single-family dwelling in a child-friendly area (Bootsma, 1998).

2.4.4 Socioeconomic Class
A focus on how people from different social classes consume houses on a practical level such as buying, selling or living in them, provides a way into understanding processes of class formation in the housing field (Allen, 2008). Past studies in housing research have shown that social stratification and homogeneity is important to residential location choices (Sirgy, Grzeskowiak & Su, 2005). Gou and Bhat (2006), for example, showed that in the US households tend to locate in an area with a high proportion of other households with a similar household structure and household size as their own.

Benditt (2013), in his study of knowledge workers, noted that the residential location choice of knowledge-workers is positively related to the land use dedicated for culture and education facilities, thus confirming the hypothesis regarding the importance attributed by knowledge-workers to cultural, higher education and children’s education amenities as reflected by the amount of developed land for these facilities.

2.4.5 Origin
Kinship and social ties dominate location decisions particularly in developing countries (Kapoor et al., 2004). Migrants to the city preferred to settle close to friends or relatives, or in areas where the majority of households are of the same ethnic background. Lupala (2002), also reported similar findings in Dar es Salaam in Nyantira, a peri-urban informal settlement that continues to attract migrants from the same ethnic group who support each other economically and socially.
This is perhaps explained by the fact that social relations, social structure, value, norms, customs, rules, the conceptions of equity, and life style are either affected by or part and parcel of a culture (Chiu, 2004). The author has distinguished two dimensions of elements that determine culture: the social dimension including kinship, family structure, social network, identity, status and so forth; and the ideological dimension encompassing values, ideals, images, norms, standards, expectations or rules.

2.4.6 Neighbourhood

Aluko (2011) defines neighbourhoods as geographic units within which certain social relationships exist. He continues to say that initially the neighbourhood unit was both a social and planning concept. On one hand, it had to provide convenience and comfort and direct, face-to-face contact in order to restore some sense of community that has been disturbed or destroyed by the specialization and segmentation of urban life. On the other hand, it was to constitute a special sub-part of a larger, more complex totality. The role of neighbourhood in the residential choice process comes out independently as important in the choice process.

Colwell et al. (2002) explored the connection between preferences for recreation (particularly outdoor activities dependent on sites outside urban areas such as skiing, scuba diving or rock climbing) and the tendency for people to choose a residential location in close proximity to the recreation site. They claim that consumer preference for recreation does exert influence over residential location; the stronger taste for recreation the more likely a person is to locate close to recreation sites.

2.4.7 Environmental Sensitivity

Environmental status was described in terms of the amount and quality of green space. Clarke, Duerloo and Dieleman (2003), demonstrated that apart from mobility being about improving the dwelling quality and housing consumption, neighbourhoods did matter in the choice process. They found that households who had moved had deliberately made improvements in the socio-economic status of the neighbourhood and the environmental quality of the area they live in without a significant gain in size of the dwelling or change in tenure from renter to occupier. While this shows the influence of a good environment,
it also suggests that trade-offs can be made in terms of tenure where households need not become homeowners to improve their residential choice.

A review of the literature also shows that people may be attracted to a particular place because some neighbourhoods provide satisfaction or dissatisfication due to the presence or absence of good quality schools, friendliness of people, noise, crime, social interaction and community spirit (Parkes, Kearns and Atkinson, 2002; Galster and Santiago, 2006). For instance, in China homebuyers are willing to pay more for reputable districts and for areas where the quality of neighbourhood in terms of security, image, accessibility and convenience is high (Wang and Li, 2006).

The environmental conditions in residential neighborhoods and the neighborhoods’ population dynamics may also closely be linked (Yizhak, Portnov & Meron, 2003). Thus, for instance, unfavorable environmental conditions in a neighborhood may lead to a higher turnover of its housing stock, and to a gradual drop in the socio-economic status of its residents. In contrast, favorable environmental conditions are likely to lead, ceteris paribus, to a lower turnover and to gradual strengthening of the neighborhood’s population. In particular, low-income groups (who cannot afford investing in their properties, but can get better prices for their existing apartments and houses) may gradually abandon the neighborhood (Curtis & Montgomery, 2006). Studies of home buyer attitudes in Detroit, Michigan, have provided some evidence that the desire to be ‘close to nature’ plays a significant role in housing decisions for households locating on the urban fringe (Kaplan & Austin 2004; Vogt & Marans 2004).

2.5 Chapter Summary
This chapter has reviewed literature pertinent to the topic of study. The chapter has presented a review of both theoretical arguments as well as empirical literature drawn from the works of past scholars on the possible drivers of urban housing acquisition generally. The next chapter describes the methodology that was adopted.
CHAPTER THREE

3.0 RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction
This chapter describes the research methodology and procedures that the researcher used to collect and analyse data in the study. The research design selected is described as well as the population, sample size and the sampling procedures. The research procedures, data collection methods as well as data analysis techniques are explained.

3.2 Research Design
Research design is defined as the framework, organization, or configuration of relationships among variables of a study and the plan of investigation used to obtain empirical evidence on those relationships (Cooper & Cooper, 2008). The study used descriptive research design which according to Cooper and Scindler (2008), is concerned with description of phenomenon or characteristics associated with a subject population.

This design was suitable for the research since according to Saunders, Lewis and Thornhill (2009), it allows the collection of data from a large number of potential respondents at relatively low costs, saves time, the amount of quality information yielded is valid and interviewer bias is reduced because participants complete identically worded self-reported measures. The dependent variable was housing acquisition decision whereas the independent variables were: physical factors, economic factors and socio-cultural factors.

3.3 Population and Sampling Design
3.3.1 Population
According to Cooper and Schindler (2008), a population is defined as the total collection of elements about which we wish to make some inferences. The population must be accessible and quantifiable and related to the purpose of the research. Based on the definition of the middle class offered by Africa Development Bank (2011), the middle class refers to individuals with annual income exceeding $3,900 (which translates to an
average monthly income of Ksh.28,500). According to the Kenya National Bureau of Statistics economic survey undertaken in the year 2013, the middle class in Kenya accounted for 24 percent of the population, which in Nairobi, translates to approximately 1 million (Nyabiage & Were, 2014).

For the purpose of this research, the target population comprised of middle income households living in owned homes or rental flats in eight selected estates in Nairobi North. These are: Kasarani, Garden Estate, Zimmermann, Kahawa, Githurai, Kariobangi, Muthaiga and Safaripark view estate. Given that existing statistics report data on the population of the middle class in percentage (Okoth-Kombo, 2011; Shikwati, 2014), the exact population within these estates cannot be estimated. Therefore, 212,417 households in Nairobi North, at five persons per household, based on the 2009 Kenya Population and Housing Census (National Bureau of Statistics, 2010) was used as the study population.

3.3.2 Sampling Design
According to Troichim (2005), sampling is the process of selecting units from a population of interest so that by studying the sample the researcher may fairly generalize the results back to the population from which they were chosen. Sampling design is a working plan or structure, which specifies the population frame, sample size and sample selection and how the sample size was estimated (Komp & Tromp, 2006).

3.3.2.1 Sampling Frame
The sample frame is defined as the listing of all population elements from which the sample will be drawn (Saunders et al., 2009). In this study, individuals who have attained majority age (that is, 18 years and above) residing in Kasarani, Garden Estate, Zimmermann, Kahawa, Githurai, Kariobangi, Muthaiga and Safaripark view estate constituted the sampling frame.

3.3.2.2 Sampling Technique
This is the procedure a researcher uses to gather people, places or things to study (Orodho & Kombo, 2002). In this study, stratified sampling was used. Stratified sampling refers to the technique in which every member of the population has an equal chance of being selected in relation to their proportion within the entire population (Denscombe, 2007). In order to make comparisons between sub-groups, disproportionate stratified sampling was
used as recommended by Marsden and Wright (2010) who argue that, in this case, the optimum sample is one in which each sub-group has the same sample size which minimizes the standard error of group differences thereby increasing statistical power.

3.3.2.3 Sample Size

The sample size refers to the number of elements actually selected from the sampling frame using the appropriate sampling techniques (Saunders et al., 2009). Mugenda and Mugenda (2003) recommend a formula to arrive at an adequate sample size:

\[ n = \frac{Z^2pq}{d^2} \]

Where:
- \( n \) = the desired sample size (if targeted population is greater than 10,000).
- \( Z \) = the standard normal deviate at the required confidence level
- \( p \) = the proportion in the target population estimated to have characteristics being measured
- \( q = 1 - p \)
- \( d \) = the level of statistical significance set.

Mugenda and Mugenda (2003), assert that if there’s no estimate available of the proportion in the target population assumed to have characteristics of interest, 50% should be used. This study accepted an accuracy of at least 90%. Therefore, the sample size is calculated as below:

\[ n = \frac{(1.96)^2(0.5)(1-0.5)}{(0.1)^2} \]

\[ n = 96 \text{ households} \]

Nabutola (2004), provided that home owners made up 19% of the population whereas renting households contributed 81%. Table 3.1 below shows the stratification of the respondents by tenure:
Table 3.1 Sample Size Distribution

<table>
<thead>
<tr>
<th>Stratification</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
</tr>
<tr>
<td>Home owners</td>
<td>18</td>
</tr>
<tr>
<td>Renting</td>
<td>78</td>
</tr>
<tr>
<td>Total</td>
<td>96</td>
</tr>
</tbody>
</table>

3.4 Data Collection Methods

The research relied on primary data that was collected using a predetermined questionnaire. The questionnaire was accompanied by a letter from the university administration explaining the purpose of the study. A questionnaire is a general term including all data collection techniques in which each person is asked to answer the same set of questions in a predetermined order (Saunders et al, 2009).

The questionnaire method of collecting data was favourable for the study because it allows the researcher to receive the responses in a manner that is unlikely to be contaminated through variations in the wording as the variables are clearly spelt out. The method also allowed for easy coding and manipulation of data. The method is useful when the information is needed from many respondents who can read and write or can understand the language used (Cooper & Schindler, 2005).

The structure of the questionnaire was such that it was divided into three major sections representing the research topics covered in this research and it begun with the closed questions and build towards the open ended. The first section sought respondent’s demographic profile such as gender, age, marital status, level of education, employment status, household income and housing tenure. The second section addressed the physical factors driving urban housing. The third section comprised of questions related to the economic factors driving urban housing acquisition. The fourth section was made up of socio-cultural factors driving urban housing acquisition. The last section sought the personal opinions of the respondents.

In this study, closed-ended questions were used to obtain factual data from the respondents such as their demographic profiles. Open-ended questions allowed the
respondents to express themselves thus providing qualitative data that captured their various opinions regarding key drivers to their housing acquisition.

3.5 Research Procedures

Research procedures refers to a clear and concise description of all the steps undertaken in the study for the purpose of replicability (Cooper and Schindler, 2008). The research was conducted over a six weeks period during the 2014 Summer semester over the weekends when the respondents were available and more relaxed to go through the questionnaire. The researcher sought authorisation from the university to collect data in form of a letter that accompanied the questionnaire.

The researcher then conducted a face to face interview with the respondents which gave it a personal touch and which also enabled the researcher to clarify phrases used in the questionnaire so as to get the required responses. Prior to that, the questionnaire was pre-tested to ensure that a high quality questionnaire that is easy to follow is used. According to Stangor (2010, p. 100), “pre-testing involves trying out a questionnaire on a small group of individuals to get an idea of how they react to it before the final version is created”. This was done on a sample of 10 respondents. The idea was to ensure that the items in the questionnaire are stated clearly and have the same meaning to all respondents (Mugenda and Mugenda, 2003).

To ensure a high response rate, the researcher physically administered the instrument through face to face meetings with the respondents. This encouraged respondents to participate in the study as well as enabled the researcher to clarify on questions that may be considered ambiguous or sensitive to the respondents.

3.6 Data Analysis Methods

Data analysis refers to the act of organizing and summarizing a mass of raw data into meaningful form (Healey, 2011). The data that was collected for this study was measured and analysed using the Statistical Program for Social Scientists (SPSS) for statistical analysis. Prior to entering the data into the system, a codebook was prepared to give questionnaires a reference number for easy tracking. Kumar (2005), defines the codebook as a set of rules for assigning numerical values to answers obtained from respondents.
Both descriptive and inferential statistical techniques were used to analyse the data. Descriptive statistics allow the researcher to summarize large quantities of data using measures that are easily understood by an observer (Healey, 2011). It consists of graphical and numerical techniques for summarising the data such as mean, median, variance and standard deviation. In this study, the descriptive statistical techniques used were percentage frequencies, the mean and standard deviation.

Inferences were drawn using Chi-square technique. According to Mugenda and Mugenda (2003), Chi-square ($\chi^2$) is a statistical technique which attempts to establish relationship between two variables both of which are categorical in nature. It is a form of count occurring in two or more mutually exclusive categories. The technique compares the proportion observed in each category with what would be expected under the assumption of independence between two variables.

3.7 Chapter Summary
This chapter has described the methodology that was used to conduct the study starting with the design, target population and sample frame. These were then followed by sampling techniques, sample size, data collection and design. The next chapter provides the study findings whereas chapter five provides the discussions, conclusions and recommendations.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction
This chapter presents the analysis and interpretation of the research findings. The chapter is divided into four sections. The first section analyzes the demographic profile of the respondents. The second section presents an analysis of the physical factors driving urban housing. The third section analyses and interprets the economic factors driving urban housing acquisition. The last section presents the analysis and interpretation of the socio-cultural factors driving urban housing acquisition.

4.2 Response Rate and Background Information
4.2.1 Response Rate
All the questionnaires administered were successfully filled. This represents 100% response rate, which was good.

4.2.2 Background Information
Respondents’ background information is provided in the sub-section. The information provided related to gender, age, level of education, employment status, approximate monthly household income and housing tenure.

4.2.2.1 Gender of Respondents
The distribution of respondents as presented in Table 4.1 shows that majority (60.4%) of the respondents were male and 39.6% of the respondents were female.

Table 4.1 Distribution of Respondents by Gender

<table>
<thead>
<tr>
<th>Gender of respondent</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>Male</td>
<td>58</td>
</tr>
<tr>
<td>Female</td>
<td>38</td>
</tr>
<tr>
<td>Total</td>
<td>96</td>
</tr>
</tbody>
</table>
4.2.2.2 Age of Respondents

Table 4.2 shows the distribution of respondents according to their age brackets. The results show that 39.6% of the respondents were in the age group of between 30-39 years. This was followed by 35.4% of the respondents aged between 40-49 years. Respondents aged 20-29 years were 12.5% whereas those aged 50 and above also accounted for 12.5% of the respondents.

**Table 4.2 Distribution of Respondents by Age**

<table>
<thead>
<tr>
<th>Age bracket</th>
<th>Distribution</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-29 Years</td>
<td></td>
<td>12</td>
<td>12.5</td>
</tr>
<tr>
<td>30-39 Years</td>
<td></td>
<td>38</td>
<td>39.6</td>
</tr>
<tr>
<td>40-49 Years</td>
<td></td>
<td>34</td>
<td>35.4</td>
</tr>
<tr>
<td>50 Years and above</td>
<td></td>
<td>12</td>
<td>12.5</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>96</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.2.2.3 Familial Status

The study sought to determine the marital/familial status of the respondents. Table 4.3 shows that married respondents accounted for the majority (67.7%) of the sample. Single parents were 19.8% and singles were 12.5%.

**Table 4.3 Marital Status of the Respondents**

<table>
<thead>
<tr>
<th>Marital/familial status</th>
<th>Distribution</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td></td>
<td>12</td>
<td>12.5</td>
</tr>
<tr>
<td>Married</td>
<td></td>
<td>65</td>
<td>67.7</td>
</tr>
<tr>
<td>Single Parent</td>
<td></td>
<td>19</td>
<td>19.8</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>96</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.2.2.4 Level of Education

The distribution of respondents by their highest level of education is shown in Table 4.4. The table shows that majority (60.4%) of the respondents, attained middle level education. Twenty five (25%) of the respondents had acquired degree level of education,
while 13.5% had post-graduate degree. However, some 1% of the respondents attained secondary level of education.

**Table 4.4 Distribution of Respondents by Level of Education**

<table>
<thead>
<tr>
<th>Level of education</th>
<th>Distribution</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Percent</td>
</tr>
<tr>
<td>Secondary Education</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>Middle level college</td>
<td>58</td>
<td>60.4</td>
</tr>
<tr>
<td>University education</td>
<td>24</td>
<td>25.0</td>
</tr>
<tr>
<td>Post graduate degree</td>
<td>13</td>
<td>13.5</td>
</tr>
<tr>
<td>Total</td>
<td>96</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**4.2.2.5 Employment Status**

The study sought to determine the employment status of respondents. Table 4.5 shows that majority (62.5%) of the respondents were permanently employed whereas 37.5% were in temporary employment.

**Table 4.5 Distribution of Respondents by Employment Status**

<table>
<thead>
<tr>
<th>Status of employment</th>
<th>Distribution</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Percent</td>
</tr>
<tr>
<td>Permanent</td>
<td>60</td>
<td>62.5</td>
</tr>
<tr>
<td>Temporary</td>
<td>36</td>
<td>37.5</td>
</tr>
<tr>
<td>Total</td>
<td>96</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**4.2.2.6 Household Income**

The distribution of respondents by household income range is given in Table 4.6. The table shows that the majority (94.8%) of the respondents earned less than Ksh.100,000; out of which 50% of the respondents earned between Ksh.50,000-100,000 and 44.8% earned less than Ksh.50,000. Only 5.2% of the respondents earned between Kshs.100,001-200,000 whereas no respondent earned more than Ksh.200,000.
Table 4.6 Distribution of Respondents by Household Income Range

<table>
<thead>
<tr>
<th>Income range</th>
<th>Distribution</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Percent</td>
<td></td>
</tr>
<tr>
<td>Less than KSh. 50,000</td>
<td>43</td>
<td>44.8</td>
<td></td>
</tr>
<tr>
<td>KSh. 50,000-100,000</td>
<td>48</td>
<td>50.0</td>
<td></td>
</tr>
<tr>
<td>KSh. 100,001-200,000</td>
<td>5</td>
<td>5.2</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>96</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

4.2.2.7 Housing Tenure

The distribution of responents by housing tenure is shown in Table 4.7. The table shows that 81.3% of the respondents rented their houses and 18.8% were owner-occupiers comprising of 11.5% who built their houses and 7.3% who bought.

Table 4.7 Distribution of Respondents by Housing Tenure

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Distribution</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Percent</td>
<td></td>
</tr>
<tr>
<td>Rent</td>
<td>78</td>
<td>81.3</td>
<td></td>
</tr>
<tr>
<td>Own (Buy)</td>
<td>7</td>
<td>7.3</td>
<td></td>
</tr>
<tr>
<td>Own (Built)</td>
<td>11</td>
<td>11.5</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>96</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

4.3 Physical Factors Driving Urban Housing Acquisition

The physical factors assessed in this section are: accessibility to land, land tenure, social amenities, and availability of transport and structural design of the house.

4.3.1 Location of Land.

The study sought to establish the importance respondents attached to accessibility to land when making a choice of their housing. Table 4.8 compares the mean scores by tenure of housing. The table shows that in terms of the importance respondents attached to accessibility to land, respondents who purchased their house scored the highest mean (M=4.1429, SD=.69007); followed by home owners who built their houses (M=3.4545, SD=.1.43970). Respondents who rented their housing scored the lowest mean (1.0641, SD=.24652). This implies that accessibility to land was important to home owners who
bought their house and somehow important to those who built, whereas this factor was least important to households who rented their house.

**Table 4.8 Mean Rating of Importance of Accessibility to Land by Type of Tenure**

<table>
<thead>
<tr>
<th>Housing tenure</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renting</td>
<td>1.0641</td>
<td>78</td>
<td>.24652</td>
</tr>
<tr>
<td>Own-occupier (Bought)</td>
<td>4.1429</td>
<td>7</td>
<td>.69007</td>
</tr>
<tr>
<td>Own-occupier (Built)</td>
<td>3.4545</td>
<td>11</td>
<td>1.43970</td>
</tr>
<tr>
<td>Total</td>
<td>1.5625</td>
<td>96</td>
<td>1.18599</td>
</tr>
</tbody>
</table>

### 4.3.2 Land Tenure

Respondents were asked to rate the importance they attached to the land tenure when making housing acquisition decision. Table 4.9 shows that respondents who purchased their house scored the highest mean (M=4.1429, SD=.69007); followed by home owners who built their houses (M=3.3636, SD=1.36182). Respondents who rented their housing scored the lowest mean (1.0641, SD=.24652). This means that land tenure was important to home owners who bought their house and somehow important to those who built, whereas it was least important to households who rented their house.

**Table 4.9 Mean Rating of Importance of Land Tenure by Type of Tenure**

<table>
<thead>
<tr>
<th>Housing tenure</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renting</td>
<td>1.0641</td>
<td>78</td>
<td>.24652</td>
</tr>
<tr>
<td>Own-occupier (Bought)</td>
<td>4.1429</td>
<td>7</td>
<td>.69007</td>
</tr>
<tr>
<td>Own-occupier (Built)</td>
<td>3.3636</td>
<td>11</td>
<td>1.36182</td>
</tr>
<tr>
<td>Total</td>
<td>1.5521</td>
<td>96</td>
<td>1.15958</td>
</tr>
</tbody>
</table>

### 4.3.3 Social Amenities

The study sought to determine the level of importance households attached to social amenities when making housing acquisition decision. Table 4.10 shows that the mean score for owner-occupiers who bought their house was the highest (M=4.2857, SD=.75593), followed by those who built (M=4.1818, SD=.75076). Similarly, the mean score of respondents who rented their house was equally high (M=4.0513, SD=.91022). The findings imply that social amenities were an important factor influencing housing choice of all respondent categories.
Table 4.10 Mean Rating of Importance of Social Amenities by Type of Tenure

<table>
<thead>
<tr>
<th>Housing tenure</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renting</td>
<td>4.0513</td>
<td>78</td>
<td>.91022</td>
</tr>
<tr>
<td>Own-occupier (Bought)</td>
<td>4.2857</td>
<td>7</td>
<td>.75593</td>
</tr>
<tr>
<td>Own-occupier (Built)</td>
<td>4.1818</td>
<td>11</td>
<td>.75076</td>
</tr>
<tr>
<td>Total</td>
<td>4.0833</td>
<td>96</td>
<td>.87860</td>
</tr>
</tbody>
</table>

4.3.4 Availability of Transport

The study sought respondents’ rating of the importance they attached to availability of transport when considering the house they currently lived in. Table 4.11 shows that the mean score for respondents who bought their house was the highest (M=4.8571, SD=.37796), followed by respondents who built (M=4.7273, SD=.46710). The mean scores for respondents on rentals was also high (M=.4.6667, SD=.55048). On a scale of 1 to 5, the mean scores were very high across the respondent categories implying that availability of transport was most important to all the respondents.

Table 4.11 Mean Rating of Importance of Availability of Transport by Tenure

<table>
<thead>
<tr>
<th>Housing tenure</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renting</td>
<td>4.6667</td>
<td>78</td>
<td>.55048</td>
</tr>
<tr>
<td>Own-occupier (Bought)</td>
<td>4.8571</td>
<td>7</td>
<td>.37796</td>
</tr>
<tr>
<td>Own-occupier (Built)</td>
<td>4.7273</td>
<td>11</td>
<td>.46710</td>
</tr>
<tr>
<td>Total</td>
<td>4.6875</td>
<td>96</td>
<td>.52940</td>
</tr>
</tbody>
</table>

4.3.5 Structural Design of the House

The importance respondents attached to structural design of the house when making housing choice was rated by respondents as scored in Table 4.12. Owner-occupiers who bought their house had the highest mean score (M=4.1429, SD=.69007), followed by those who built their own houses (M=3.7273, SD=1.48936) and lastly, respondents who lived on rentals (M=.3974, SD=1.16596). The mean scores indicate that both categories of homeowners attached a high importance to structural design of the house compared to respondents on rentals to whom structural design of the house was somehow important.
Table 4.12 Mean Rating of Importance of Structural Design by Type of Tenure

<table>
<thead>
<tr>
<th>Housing tenure</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renting</td>
<td>3.3974</td>
<td>78</td>
<td>1.16596</td>
</tr>
<tr>
<td>Own-occupier (Bought)</td>
<td>4.1429</td>
<td>7</td>
<td>.69007</td>
</tr>
<tr>
<td>Own-occupier (Built)</td>
<td>3.7273</td>
<td>11</td>
<td>1.48936</td>
</tr>
<tr>
<td>Total</td>
<td>3.4896</td>
<td>96</td>
<td>1.18761</td>
</tr>
</tbody>
</table>

4.4 Economic Factors Driving Urban Housing Acquisition

The economic factors analyzed in this section are: price, income, maintenance costs, transport costs and transfer cost.

4.4.1 Price

The mean distribution of the importance respondent attached to price when considering the house they currently lived in is represented in Table 4.13. The table shows that the meanscore was highest to home owners who bought their current residence (M=5.00, SD=.0000). Relatively, the mean score for respondents on rentals was similarly very high (M=4.6923, SD=.46453) and homeowners who built their current residence (M=4.6364, SD=.50452). The very high meanscores suggest that price was an important consideration accross all the housing tenure categories.

Table 4.13 Mean Rating of Importance of Price by Type of Tenure

<table>
<thead>
<tr>
<th>Housing tenure</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renting</td>
<td>4.6923</td>
<td>78</td>
<td>.46453</td>
</tr>
<tr>
<td>Own-occupier (Bought)</td>
<td>5.0000</td>
<td>7</td>
<td>.00000</td>
</tr>
<tr>
<td>Own-occupier (Built)</td>
<td>4.6364</td>
<td>11</td>
<td>.50452</td>
</tr>
<tr>
<td>Total</td>
<td>4.7083</td>
<td>96</td>
<td>.45692</td>
</tr>
</tbody>
</table>

4.4.2 Income

The importance that respondents attached to income when making housing acquisition decision is analyzed as given in Table 4.14. The table shows that the meanscore for owner-occupiers who bought their house was the highest (M=5.0000, SD=.0000). Likewise, respondents who rented their dwelling place scored a very high mean (M=4.8205, SD=.38624) as well as owner-occupiers who built their houses (M=4.5455,
SD=.52223). The very high mean scores across the board imply that income was a most important consideration in choosing their current house.

**Table 4.14 Mean Rating of Importance of Income by Type of Tenure**

<table>
<thead>
<tr>
<th>Housing tenure</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renting</td>
<td>4.8205</td>
<td>78</td>
<td>.38624</td>
</tr>
<tr>
<td>Own-occupier (Bought)</td>
<td>5.0000</td>
<td>7</td>
<td>.00000</td>
</tr>
<tr>
<td>Own-occupier (Built)</td>
<td>4.5455</td>
<td>11</td>
<td>.52223</td>
</tr>
<tr>
<td>Total</td>
<td>4.8021</td>
<td>96</td>
<td>.40052</td>
</tr>
</tbody>
</table>

The significance of income was further analyzed by cross-tabulating the housing tenure by income range. Table 4.15 shows that 100% of the respondents who earned less than Ksh.50,000 rented their houses and a majority (72.9%) of the respondents who had income in the range of Ksh.50,000-100,000 also lived on rentals. On the other hand, 100% of the respondents who earned between Ksh.100,001-200,000 were homeowners. The percentage distributions suggest that the more the income, the more likely households were owner-occupiers.

**Table 4.15 Monthly Household Income Range and Housing Tenure Cross-tabulation**

<table>
<thead>
<tr>
<th>Approximate monthly household income range</th>
<th>Housing Tenure</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Owner-occupier</td>
<td>Renting</td>
</tr>
<tr>
<td>Less than KSh. 50,000</td>
<td>Count</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>% count</td>
<td>.0%</td>
</tr>
<tr>
<td>KSh. 50,000-100,000</td>
<td>Count</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>% count</td>
<td>27.1%</td>
</tr>
<tr>
<td>KSh. 100,001-200,000</td>
<td>Count</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>% count</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>% count</td>
<td>18.8%</td>
</tr>
</tbody>
</table>

The relationship between income and housing tenure was tested by running a Chi-square test whose results are shown in Table 4.16. The table shows that there was a statistically significant difference between housing tenure and household income range, \( \chi^2(2)=33.778 \), \( p=.000 \). This implies that the choice of housing tenure varied by income range.
Table 4.16 Chi-square Test of Income and Housing Tenure

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>33.778(a)</td>
<td>2</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>36.583</td>
<td>2</td>
<td>.000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>28.975</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>96</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A 2 cells (33.3%) have expected count less than 5. The minimum expected count is .94.

4.4.3 Maintenance Costs

Respondents were also asked to rate the importance they attached to housing maintenance costs when considering their current house they occupied. Table 4.17 shows that owner-occupiers who bought their current house scored the highest mean (M=3.8571, SD=.37796), followed by home-owners who built (M=3.0000, SD=1.48324). Respondents on rentals scored the lowest mean in terms of the importance they attached to maintenance cost (M=2.6538, SD=.89482). The mean scores imply that maintenance cost was an important consideration to home-owners who bought their current residence and somehow important to homeowners who built. However, maintenance cost was least important to respondents living on rentals.

Table 4.17 Mean Rating of Importance of Maintenance Cost by Type of Tenure

<table>
<thead>
<tr>
<th>Housing tenure</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renting</td>
<td>2.6538</td>
<td>78</td>
<td>.89482</td>
</tr>
<tr>
<td>Own-occupier (Bought)</td>
<td>3.8571</td>
<td>7</td>
<td>.37796</td>
</tr>
<tr>
<td>Own-occupier (Built)</td>
<td>3.0000</td>
<td>11</td>
<td>1.48324</td>
</tr>
<tr>
<td>Total</td>
<td>2.7812</td>
<td>96</td>
<td>.99687</td>
</tr>
</tbody>
</table>

4.4.4 Transport Costs

Respondents were asked to rate the importance they attached to transport cost considerations in making housing acquisition decision on their current house. Table 4.18 shows that transport consideration was most important to all the respondents irrespective of their housing tenure. The mean scores were as follows: Owner-occupiers who bought (M=4.5714, SD=.53452); respondents living in rental housing (M=4.5256, SD=.63908) and owner-occupiers who built (M=4.4545, SD=.61523).
Table 4.18 Mean Rating of Importance of Transport Cost by Type of Tenure

<table>
<thead>
<tr>
<th>Housing tenure</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renting</td>
<td>4.5256</td>
<td>78</td>
<td>.63908</td>
</tr>
<tr>
<td>Own-occupier (Bought)</td>
<td>4.5714</td>
<td>7</td>
<td>.53452</td>
</tr>
<tr>
<td>Own-occupier (Built)</td>
<td>4.4545</td>
<td>11</td>
<td>.52223</td>
</tr>
<tr>
<td>Total</td>
<td>4.5208</td>
<td>96</td>
<td>.61523</td>
</tr>
</tbody>
</table>

### 4.4.5 Transfer Costs

The mean distribution of respondents’ rating of the importance of transfer cost considerations is shown in Table 4.19. The table shows that respondents living on rentals had the highest mean rating of the importance of transfer cost (M= 3.9231, SD=1.04159). However, home owners who bought their current residence (M=2.8571, SD=1.06904) and owner-occupiers who built their own houses (M=2.9091, SD=.70065) had a relatively lower mean rating in terms of transfer cost considerations. The results suggest that households on rentals considered transfer cost of importance whereas homeowners regarded transfer cost as somehow important.

Table 4.19 Mean Rating of Importance of Transfer Cost by Type of Tenure

<table>
<thead>
<tr>
<th>Housing tenure</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renting</td>
<td>3.9231</td>
<td>78</td>
<td>1.04159</td>
</tr>
<tr>
<td>Own-occupier (Bought)</td>
<td>2.8571</td>
<td>7</td>
<td>1.06904</td>
</tr>
<tr>
<td>Own-occupier (Built)</td>
<td>2.9091</td>
<td>11</td>
<td>.70065</td>
</tr>
<tr>
<td>Total</td>
<td>3.7292</td>
<td>96</td>
<td>1.08073</td>
</tr>
</tbody>
</table>

### 4.5 Socio-cultural Factors Driving Urban Housing Acquisition

This section analyzes socio-cultural dimensions potentially driving urban housing acquisition in Kenya. The factors under review include: safety and security, family, education and career, socio-economic class, origin, neighbourhood and environmental sensitivity.

#### 4.5.1 Safety and Security

The degree of importance of safety and security considerations when making housing acquisition decision was rated by respondents as presented in Table 4.20. The table shows that the mean rating by homeowners who bought was the highest (M=5.000, SD=.0000), followed by home owners who built (4.7273, SD=.46710) and lastly, respondents living...
on rentals (M=4.6538, SD=.47882). On aggregate, the high mean score (M=4.6875, SD=.46595) on a scale of 1 to 5 implies that security was a most important factor considered across all categories of respondents.

### Table 4.20 Mean Rating of Importance of Safety and Security by Type of Tenure

<table>
<thead>
<tr>
<th>Housing tenure</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renting</td>
<td>4.6538</td>
<td>78</td>
<td>.47882</td>
</tr>
<tr>
<td>Own-occupier (Bought)</td>
<td>5.0000</td>
<td>7</td>
<td>.00000</td>
</tr>
<tr>
<td>Own-occupier (Built)</td>
<td>4.7273</td>
<td>11</td>
<td>.46710</td>
</tr>
<tr>
<td>Total</td>
<td>4.6875</td>
<td>96</td>
<td>.46595</td>
</tr>
</tbody>
</table>

#### 4.5.2 Family

Respondents were asked to rate the importance they attached to family as a factor that influenced their choice of current housing. The findings are shown in Table 4.21. The table shows that homeowners who bought their current house recorded the highest mean score (4.8571, SD= .37796), followed by homeowners who built (M=4.45, SD=.82020) and lastly, respondents on rental housing (M=3.8333, SD=1.02459). The high mean scores suggest that family considerations was a most important factor to homeowners while it was important to households living on rentals.

### Table 4.21 Mean Rating of Importance of Family by Type of Tenure

<table>
<thead>
<tr>
<th>Housing tenure</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renting</td>
<td>3.8333</td>
<td>78</td>
<td>1.02459</td>
</tr>
<tr>
<td>Own-occupier (Bought)</td>
<td>4.8571</td>
<td>7</td>
<td>.37796</td>
</tr>
<tr>
<td>Own-occupier (Built)</td>
<td>4.4545</td>
<td>11</td>
<td>.82020</td>
</tr>
<tr>
<td>Total</td>
<td>3.9792</td>
<td>96</td>
<td>1.01545</td>
</tr>
</tbody>
</table>

#### 4.5.3 Education and Career

In terms of rating of the degree of importance of education and career, Table 4.22 records the highest mean for respondents living in rental housing (M=.40769, SD=.71658), followed by homeowners who purchased their current house (M=3.6364, SD=.1.12006), and lastly, owner-occupiers who built their residence (M=3.6364, SD=1.12006). The high aggregate mean value (M=4.0104, SD=.77453) suggest that education and career was an important factor when considering the house they currently lived in.
Table 4.2 Rating of Importance of Education and Career by Type of Tenure

<table>
<thead>
<tr>
<th>Housing tenure</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renting</td>
<td>4.0769</td>
<td>78</td>
<td>.71658</td>
</tr>
<tr>
<td>Own-occupier (Bought)</td>
<td>3.8571</td>
<td>7</td>
<td>.69007</td>
</tr>
<tr>
<td>Own-occupier (Built)</td>
<td>3.6364</td>
<td>11</td>
<td>1.12006</td>
</tr>
<tr>
<td>Total</td>
<td>4.0104</td>
<td>96</td>
<td>.77453</td>
</tr>
</tbody>
</table>

4.5.4 Socio Economic Class

Respondents were asked to rate the importance they attached to socio-economic class as a factor they considered when deciding about their current housing. Table 4.23 shows the the owner-occupiers who bought their house scored the highest mean rating (M=4.1429, SD=.69007) followed by respondents living on rentals with relatively lower meanscores (M=3.7564, SD=.72409) as well as homeowners who built their houses (M=3.7273, SD=.64667). On aggregate, socio-economic class was an important consideration made by the respondents.

Table 4.23 Mean Rating of Importance of Socio Economic Class by Type of Tenure

<table>
<thead>
<tr>
<th>Housing tenure</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renting</td>
<td>3.7564</td>
<td>78</td>
<td>.72409</td>
</tr>
<tr>
<td>Own-occupier (Bought)</td>
<td>4.1429</td>
<td>7</td>
<td>.69007</td>
</tr>
<tr>
<td>Own-occupier (Built)</td>
<td>3.7273</td>
<td>11</td>
<td>.64667</td>
</tr>
<tr>
<td>Total</td>
<td>3.7813</td>
<td>96</td>
<td>.71382</td>
</tr>
</tbody>
</table>

4.5.5 Origin

Respondents rating of the importance of origin as a factor they considered when acquiring their current house is represented in Table 4.24. The table indicates that this factor scored low mean rating from homeowners who bought (M=2.0000, SD=.57735), owner-occupiers who built their houses (M=1.9091, SD=.53936) as well as respondents living on rentals (M=1.5513, SD=.52815). The low aggregate mean score (M=1.6250, SD=.52815) suggests that generally, respondents’ origin was a least important consideration in housing acquisition decisions.
Table 4.24 Mean Rating of Importance of Origin by Type of Tenure

<table>
<thead>
<tr>
<th>Housing tenure</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renting</td>
<td>1.5513</td>
<td>78</td>
<td>.50058</td>
</tr>
<tr>
<td>Own-occupier (Bought)</td>
<td>2.0000</td>
<td>7</td>
<td>.57735</td>
</tr>
<tr>
<td>Own-occupier (Built)</td>
<td>1.9091</td>
<td>11</td>
<td>.53936</td>
</tr>
<tr>
<td>Total</td>
<td>1.6250</td>
<td>96</td>
<td>.52815</td>
</tr>
</tbody>
</table>

4.5.6 Neighbourhood

Respondents were asked to rate the degree of importance they attached to the type of neighbourhood when deciding on their current residence. Table 4.25 shows that the mean rating by home-owners who bought their house was the highest (M=4.5714, SD=.82300), followed by the rating by owner-occupiers who built their house (M=3.9091, SD=.70065) and that of respondents living on rental housing (M=3.8462, SD=.82300), respectively. The mean scores imply that the choice of neighbourhood was a most important factor considered by homeowners who bought their house and important to respondents who built their houses and those living on rentals.

Table 4.25 Mean Rating of Importance of Neighborhood by Type of Tenure

<table>
<thead>
<tr>
<th>Housing tenure</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renting</td>
<td>3.8462</td>
<td>78</td>
<td>.82300</td>
</tr>
<tr>
<td>Own-occupier (Bought)</td>
<td>4.5714</td>
<td>7</td>
<td>.78680</td>
</tr>
<tr>
<td>Own-occupier (Built)</td>
<td>3.9091</td>
<td>11</td>
<td>.70065</td>
</tr>
<tr>
<td>Total</td>
<td>3.9062</td>
<td>96</td>
<td>.82178</td>
</tr>
</tbody>
</table>

4.5.7 Environmental Sensitivity

The degree of importance of environmental sensitivity when considering the house respondents currently lived in is reported as provided in Table 4.26. The findings show that homeowners who bought their current house rated environmental sensitivity the highest in terms of degree of importance (M=4.8571, SD=.37796), followed by owner-occupiers who built theirs (M=4.5455, SD=.68755). The high mean rating by homeowners imply that environmental sensitivity was a most important factor whereas the same was an important factor to respondents living on rental housing.
Table 4.26 Mean Rating of Importance of Environmental Sensitivity by Tenure

<table>
<thead>
<tr>
<th>Housing tenure</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renting</td>
<td>4.2692</td>
<td>78</td>
<td>.71483</td>
</tr>
<tr>
<td>Own-occupier (Bought)</td>
<td>4.8571</td>
<td>7</td>
<td>.37796</td>
</tr>
<tr>
<td>Own-occupier (Built)</td>
<td>4.5455</td>
<td>11</td>
<td>.68755</td>
</tr>
<tr>
<td>Total</td>
<td>4.3438</td>
<td>96</td>
<td>.70827</td>
</tr>
</tbody>
</table>

4.5.8 Satisfaction Levels with Current Place of Residence

The study sought to determine the level of satisfaction respondents had with their current place of residence. Figure 4.1 shows that 40% of the respondents were very dissatisfied and 13% were dissatisfied with their current place of residence. However, 36% and 11% of the respondent were satisfied and very satisfied, respectively. On aggregate, respondents who were dissatisfied were the majority (53%).

![Figure 4.1 Respondents’ Satisfaction Rating with Place of Residence](image)

The study further sought to determine whether respondents’ level of satisfaction varied by housing tenure. Table 4.27 indicates that majority (94.4%) of the respondents who were satisfied with their current place of residence were homeowners compared to respondents living in rental houses (37.2%). On the other hand, the majority (62.8%) of the respondents who registered dissatisfaction with their current place of residence were renters.
Table 4.27 Satisfaction Rating and Housing Tenure Cross-tabulation

<table>
<thead>
<tr>
<th>Please rate your level of satisfaction with your current residence</th>
<th>Housing Tenure</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Homeowner</td>
<td>Renting</td>
</tr>
<tr>
<td>Very Dissatisfied</td>
<td>Count</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>% count</td>
<td>5.6%</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>Count</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>% count</td>
<td>.0%</td>
</tr>
<tr>
<td>Satisfied</td>
<td>Count</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>% count</td>
<td>44.4%</td>
</tr>
<tr>
<td>Very Satisfied</td>
<td>Count</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>% count</td>
<td>50.0%</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>% count</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Chi-square test (Table 4.28) shows that there was a statistically significant difference between housing tenure and level of satisfaction with current residence, $\chi^2(3)=38.357$, $p=.000$. This suggests respondents’ level of satisfaction varied by type of housing tenure.

Table 4.28 Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>38.357(a)</td>
<td>3</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>35.347</td>
<td>3</td>
<td>.000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>32.160</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>96</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2 cells (25.0%) have expected count less than 5. The minimum expected count is 2.06.

4.5.9 Positive Things about Current Residence

The study sought to establish what respondents liked most about their current residence. Six common themes were ranked by order of their frequency as shown in Figure 4.2. The figure shows that convenient access topped the list (47%) followed by environmentally friendly neighbourhood (15%) and access to social amenities like clean water, electricity
(12%). Also mentioned frequently was availability of cheap transport (10%), good security (10%) and affordable housing (7%).

![Figure 4.2 What Respondents liked most about Current Place of Residence](image)

4.5.10 Negative Things about Current Residence

In terms of the things respondents like least about their current place of residence, six issues were common across the respondent categories. As shown in Figure 4.3, the first one was poor infrastructure (22%), followed by poor drainage (17%) and scarce social amenities (17%). In addition, respondents were not happy about the state of houses because of poor maintenance, high rent values (14%) and rising insecurity (13%).

![Figure 4.3 What Respondents disliked most about Current Place of Residence](image)
### 4.5.11 Respondents’ Suggestions for Improvement

Respondents were asked to recommend what could be changed about the way housing in Nairobi is done. Figure 4.4 shows that majority (28%) of the respondents would like more affordable housing as well as proper housing policies and planning. Respondents would also like better maintenance of the residential houses by the landlords (15%), de-congested residential areas (14%), controlled rent (9%) and minimization or abolishing landrates (6%).

![Figure 4.4 What Respondents would like Improved about Housing in Nairobi](image)

#### 4.6 Chapter Summary

In the chapter the results and findings have been provided in terms of the research questions. The next chapter provides the summary, discussions, conclusions and finally recommendations.
CHAPTER FIVE

5.0 SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
In the chapter, the summary of the findings are provided, followed by discussions, conclusion and finally recommendations. Recommendations are provided in terms of recommendations for improvements and recommendations for further research.

5.2 Summary
The purpose of the study was to investigate the strategic drivers to urban housing acquisition in Kenya. The study was guided by the following research questions; what are the physical factors driving urban housing acquisition in Kenya? What are the economic factors driving acquisition of housing in urban areas in Kenya? Are there socio-cultural factors driving acquisition of housing in urban areas in Kenya?

Descriptive research design was adopted. The population of the study was 212,417 households in Nairobi North, Nairobi County. The target population comprised of middle income households living in owned homes or rental flats in eight selected estates in Nairobi North, namely: Kasarani, Garden Estate, Zimmermann, Kahawa, Githurai, Kariobangi, Muthaiga and Safaripark view estate. Disproportionate stratified sampling technique was used to select 96 households to which a structured questionnaire was administered. Data was analysed to obtain descriptive statistics as well as inferential statistics. Descriptive statistics were in terms of frequency tables, charts, mean, histograms among others, while inferences statistics were mainly Chi-square.

The findings showed that in terms of the physical factors driving urban housing acquisition, availability of transport scored the highest mean followed by social amenities such as clean water, education facilities etc and structural design in that order for all categories of housing tenure. The findings revealed land tenure was important to home
owners who bought their house and somehow important to those who built, whereas it was least important to households who rented their house.

With regards to economic factors driving urban housing acquisition, income scored the highest mean income, followed by price, transport cost and transfer cost in that order. Interestingly, the study established that respondents living on rentals had the highest mean rating of the importance of transfer cost whereas home owners who bought their current residence and owner-occupiers who built their own houses had a relatively lower mean rating in terms of transfer cost considerations. The findings also revealed that transport cost consideration was most important to all the respondents irrespective of their housing tenure.

Concerning the socio-cultural factors driving urban housing acquisition, safety and security topped the list followed by environmental sensitivity, education and career, family considerations, type of neighbourhood and socio-economic class. The study established that in terms of respondents’ rating of the importance they attached to family, homeowners who bought their current house recorded the highest mean score, followed by homeowners who built and lastly, respondents on rental housing. The study established low aggregate mean score concerning the degree of importance respondents attached to their origin, implying that generally, respondents’ origin was a least important consideration in housing acquisition decisions.

5.3 Discussions

5.3.1 Physical Factors Driving Urban Housing Acquisition in Kenya

The findings revealed land tenure was important to home owners who bought their house and somehow important to those who built, whereas it was least important to households who rented their house. The results therefore mean that land tenure potentially had a significant influence on urban housing acquisition in Kenya. The findings agree with past studies on the importance of land tenure as reported by Montgomery and Curtis (2006) who averred that tenure does not just affect the frequency of household movement but it also impacts upon housing location choices in important ways.

In Kenya, it is important to note the different land tenure regimes and how they fuse in to the strategic drivers of urban housing acquisition. Drawing from the discussions made by Sifuna (2009), the question of land tenure is reasonably important to homeowners.
because of the rights of ownership that it confers since homeowners, by definition, also lay claim to the piece of land the home occupies. On the other hand, the question of land tenure is of least concern to households living on rentals since there is no direct interest that they can draw from the land by virtue of their tenancy.

The findings however showed that social amenities were an important factor influencing housing choice of all respondent categories. An examination of the mean values implies that the importance respondents attached did not vary significantly between homeowners and households on rentals. The findings are unsurprising, given that social amenities are basic needs to all households irrespective of their economic status. These results agree with the findings of studies done in other countries such as China (Wu, 2010) and by proxy, are a representative summary of the social amenities discussed in literature by Dowding and John (2002) as forming core consideration for urban housing acquisition. Common to the list of social amenities, as identified in this study include clean water as well as proximity to medical and educational facilities. These facilities become relatively more important to homeowners because of the little flexibility that is characteristic of owning a home unlike renters who can simply relocate if such social amenities become a problem.

The findings also showed the importance respondents attached to availability of transport when considering the house they currently lived in returned very high mean scores across the respondent categories implying that availability of transport was most important to all the respondents. This was surprising, since homeownership among the urban middle class is expected to be associated with households of a higher economic status that often confers ability to afford private means of transport such as a family car. The findings may be explained by the fact that majority of the respondents earned less than Ksh.100, 000. With this level of income, when other factors such as the rising cost of living are factored into the equation, it is possible that availability of transport becomes an important consideration even for homeowners since their disposable income is constrained and as such, would want to make do with public means of transport. This perspective is consistent with the argument put forward by Pinjari et al. (2013) who asserted that when the commuting costs are higher, these households may tend to use alternative means of transport and stay in a low-car ownership segment to reduce their transportation costs. In
such a case therefore, it makes economic sense for homeowner respondents in this study to regard availability of transport a most important factor in making urban housing acquisition decision.

The study established from both categories of homeowners (built/bought) that they attached a high importance to structural design of the house compared to respondents on rentals to whom structural design of the house was somehow important. These results agree with the findings of a study undertaken by Lee (2008) which suggested that the structural design was a significant driver to urban housing acquisition as residential housing is a function of physical characteristics of the housing environment and households make a clean, newly built house their priority in choosing their current apartment. For the homeowners in this study who built their houses, the factor is equally an important consideration, more so because they have greater control over the kind of structural design they wish to live in. Often, owner-occupiers who opt to build, make the built home their retirement home. Therefore, the structural design of the house becomes an important consideration as the home becomes a long term investment for which adequate forethought is paramount.

5.3.2 Economic Factors Driving Urban Housing Acquisition

The study established very high meanscores across the board with regards to the importance that respondents attached to income when making housing acquisition decision. The findings imply that income was a most important consideration for the respondents. The role of income as an economic driver of urban housing acquisition is starkly depicted in implied correlation between level of income and homeownership as all the low income earners in this study lived in rentals and all the high income earners were homeowners. This was confirmed by a statistically significant different (p=.000), meaning that the choice of housing tenure varied by income range. Clearly, income determines urban housing acquisition, consistent with the claim made by Clapham (2005) that the ability of people to pay for housing is determined by their income and wealth.

Related findings showed that on aggregate, the mean score of the degree of importance of price was very high across all housing tenure categories. This resonates the findings of a previous study by Benditts et al. (2013) which indicated that housing price play a central
role in the residential location choice especially those who seek to be home-owners or to reside in larger apartments.

The findings also suggest that while price was an important consideration across all the housing tenure categories, it was a most important consideration to homeowners who bought their houses perhaps due to the issue of mortgage which, in Kenya, is characterised by low uptake due to prohibitive interest rates (Mburu & Ka’kumu, 2013). Since the proportion of homeowners in this study who bought their houses was lower compared to those who built, it may be speculated that price affected their housing acquisition decision, given the observed statistics by Matindi (2008) which indicated that the housing shortage for the low and middle income households is particularly acute in urban areas, potentially driving prices for the few housing stock available for the middle income market upwards.

The findings revealed that maintenance cost was an important consideration to home-owners who bought their current residence and somehow important to homeowners who built but of least importance to respondents living on rentals. These disparities are reasonable since home-owners who purchase their houses have little control over the durability of house or structural quality which have implications on the cost of maintenance post-occupancy. On the other hand, since homeowners who built their house have greater control and responsibility over maintenance, maintenance cost as a factor reduces in importance. It is logical that maintenance cost was least important to households on rentals since they have the advantage of mobility, and thus, can respond both to high maintenance cost and poor maintenance by switching landlords.

The findings revealed that transport cost consideration was most important to all the respondents irrespective of their housing tenure. This may be explained by land use and pattern of housing in the respondent’s neighbourhoods. With the exception of Muthaiga, all the other seven estates namely, Kasarani, Garden Estate, Zimmermann, Kahawa, Githurai, Kariobangi and and Safaripark View Estate is characterized by high building densities and mixed land use. The findings therefore agree numerous transportation studies cited by Schwanen and Mokhtarian (2005) which have found that residents of neighborhoods with higher building densities and more mixed land uses tend to drive less
and walk more, thereby increasing their potential to use public transport, and by extension, regard transport cost an important consideration in making housing acquisition decision.

Interestingly, the study established that respondents living on rentals had the highest mean rating of the importance of transfer cost whereas home owners who bought their current residence and owner-occupiers who built their own houses had a relatively lower mean rating in terms of transfer cost considerations. The findings imply that households on rentals considered transfer cost of importance more than homeowners. The finding, by implication, contradicts the views of Andersen (2011) that the cost and efforts associated with a move from owner-occupied housing are substantially greater than those moving from rented housing. This may be explained by the importance of mobility that characterize renters compared to homeowners. While for owner-occupation there can be large costs and efforts associated with buying and selling property, this category of households often have settled and relocating housing is a remote consideration for them.

5.3.3 Socio-cultural Factors Driving Urban Housing Acquisition

The study established that in terms of the degree of importance attached to safety and security considerations when making housing acquisition decision, mean rating was very high across all categories of respondents suggesting that security was a most important factor that influenced respondents’ decision to acquire their current house. This is a reasonable outcome, since security is an essential definitive function of a house. The findings are in agreement with the observations made by Cho et al. (2004) that in the housing sector, a lower crime rate attracts more demand for housing. For homeowners, security is even more important because the house serves as a commodity that offers social status as well as financial security. Since it is said to account for majority of the total assets of the limited income families, it is logical that respondents in this study make security a most important consideration.

The study established that in terms of respondents’ rating of the importance they attached to family as a factor that influenced their choice of current housing, homeowners who bought their current house recorded the highest mean score, followed by homeowners who built and lastly, respondents on rental housing. The high mean scores suggest that
family considerations was a most important factor to homeowners more than it was important to households living on rentals. It may be argued, in keeping with these results, that homeowners are the more likely respondent category to be married and have a family. The findings are therefore resonant to the views held by Jansen (2011) who holds that housing is interwoven with family life, and, consistent with the family life cycle model, different stages of nuclear family formation, expansion, contraction and dissolution lead to changes in the size and composition of households as well as their residential preferences and needs.

Related to the foregoing findings is the results which showed that in terms of rating of the degree of importance of education and career, the highest mean was recorded for respondents living in rental housing. While the high aggregate mean value suggest that education and career was an important factor across the three housing tenure categories, the high mobility needs that characterize the pursuit of education and career make rental housing the most attractive for households. This agrees with the findings of a study by Kim et al. (2005) found that people in the child bearing stage who have young children value residential amenities such school quality, which in urban areas, may not be the most ideal place to purchase or build a home, thereby preferring rentals rather than homeownership.

In comparison, the statistics are reversed in terms of the degree of importance respondents attached to the socio-economic class considerations, whereby the owner-occupiers who bought their house scored the highest mean rating, followed by respondents living on rentals with relatively lower meanscores as well as homeowners who built their houses. The findings suggest that respondents are not willing to make the trade-offs demonstrated by Clarke et al. (2003) whose study found that households who had moved had deliberately made improvements in the socio-economic status of the neighbourhood and the environmental quality of the area they live in without a significant gain in size of the dwelling or change in tenure from renter to occupier.

Contrary to existing literature (Kapoor et al., 2004), the study established low aggregate mean score concerning the degree of importance respondents attached to their origin, implying that generally, respondents’ origin was a least important consideration in
housing acquisition decisions. These results may be explained by the cosmopolitan nature of Nairobi, accounting for the highest ethnic diversity in Kenya. Considered alongside the findings which showed that in terms of the degree of importance they attached to the type of neighbourhood, the mean rating by home-owners who bought their house was the highest, followed by the rating by owner-occupiers who built their house and that of respondents living on rental housing; the findings imply that the choice of neighborhood was a more important driver of urban housing than respondent’s origin. These factors are consistent with those listed by Lee (2008) characterizing personal assessment of different aspects including relations with neighbours, neighbourhood’s appearance and other issues such as noise and safety.

5.4 Conclusion

5.4.1 Physical Factors Driving Urban Housing Acquisition in Kenya
Urban housing acquisition is driven by two important physical factors which applied to all the three categories of housing tenure, whether renting, homeownership through building or through purchase. Top in the list is that households attach most importance to social amenities especially availability of clean running water and access to amenities such as schools and marketplaces. These two factors related to the physical infrastructure of the estate are therefore basic to households. Similarly, availability of transport is a critical consideration, making physical factors such as transportation and road network important strategic drivers to urban housing acquisition. Households generally want quick access and means to their workplace. However, structural design is an important driver for urban housing acquisition with regards to homeownership but not as much in terms of rental acquisition decisions. This is related to the relatively permanent status of this type of tenure, which makes structural design to rank high in the decision consideration of homeowner tenure type. The same applies to land tenure and accessibility to land.

5.4.2 Economic Factors Driving Urban Housing Acquisition
Economic factors driving urban housing acquisition are, by degree of importance, household income, price and transport cost. The household income determines the amount of money households allocate to housing, which in turn affect housing choice. Price comes into the equation because ultimately households want value for money, which is itself a construct conditional to an array of factors which might include
availability of alternatives as well as the opportunity cost. The three factors cut across all the categories of housing tenure. However, maintenance cost was more an important driver to acquisition of homes through purchase than it was to homeownership by building and much less, to renting households. Such costs are commonly incurred by homeowners due to ownership of title. In contrast, transfer costs were an important factor driving acquisition of rentals than it was to homeownership through purchase or by building. This is mainly because this type of tenure is characterized by commuter households whose income levels are comparatively low.

5.4.3 Socio-cultural Factors Driving Urban Housing Acquisition
Urban housing acquisition was also driven by safety and security concerns, family considerations, education and career factors, socio-economic class, neighbourhood characteristics and environmental sensitivity. This factors are primary to all categories of households because they represent the basic needs of humankind and characterize the very nature of human wants. Although these socio-cultural factors were constant across the three categories of housing tenure, slight variations are notable with regards to family considerations, whereby the family considerations is associated with homeownership more than rental housing. However, ethnic origin was not an important driver to urban housing acquisition in Nairobi.

5.5 Recommendations
5.5.1 Recommendation for Improvement
5.5.1.1 Physical Factors Driving Urban Housing Acquisition in Kenya
In order to improve the state of urban housing and acquisition, focus should be directed at the development of proper policies and planning of residential estates. Policies that promote mixed land use should be encouraged. Such policies should require freehold owners to participate in the development and maintenance of physical infrastructure such as roads within estates and drainage systems as well as make provisions for the development of social amenities such as healthcare facilities, schools and shopping centres.

5.5.1.2 Economic Factors Driving Urban Housing Acquisition
In order to address the prevailing mismatch between demand and supply, the government should be more aggressively involved in the promotion of low income housing
development. This can be achieved through government-driven public-private sector initiatives that make it attractive for private investors to target the middle and low income segments. For example, the government could offer tax exemptions to private developers for a specific duration of time.

5.5.1.3 Socio-cultural Factors Driving Urban Housing Acquisition
Urban residential housing development should foster a sense of safety and security by encouraging controlled development and the promotion of gated communities. Within these gated communities, homes can be punctuated with a few highrise flats to cater for the different needs of households along the family lifecycle. This will work towards satisfying the demand for perceived high social status, a sense of community and environmental sensitivity.

5.5.2 Recommendation for Further Research
This study established that structural design is an important driver for urban housing acquisition with regards to homeownership but not as much in terms of rental acquisition decisions. This has potential implications for the stimulation of demand for the mortgage housing market. Therefore, a future study should investigate the specific structural design factors influencing residential housing acquisition decisions among middle income homeowners.
REFERENCES


APPENDICES

Appendix 1: Introduction Letter

UNITED STATES INTERNATIONAL UNIVERSITY

Dear Respondent,

REF: STRATEGIC DRIVERS TO RESIDENTIAL HOUSING ACQUISITION IN URBAN SETTLEMENTS: THE CASE OF NAIROBI COUNTY

My name is Anne Kimani, a student pursuing Master of Business Administration at the United States International University. As part of the requirement of the fulfilment of the Degree, I am seeking to undertake a research on the topic “Strategic Drivers to Residential Housing Acquisition in Urban Settlements: The Case of Nairobi County”.

This is an academic research and the findings will be used strictly for academic purposes. I therefore request that you kindly fill in the attached questionnaire as completely and as accurately as possible. Please read the questions carefully and answer them by giving your opinion by ticking (✓) or writing the answers in the spaces provided. Any information and opinions obtained to this study are important and will remain confidential to be used only for this research. No individual responses will be reported.

Your cooperation in this matter is highly appreciated.

Yours sincerely,

Anne Kimani
(0723 862 573)
Appendix 2: Housing Acquisition Survey Questionnaire

Dear Sir/Madam,
I am carrying out a study on factors affecting Housing Acquisition in Nairobi County for my MBA project. This is a short questionnaire, divided into five sections, which will only take a few minutes of your time to fill in. Kindly respond by ticking the appropriate boxes and filling in your answers in the blank spaces provided. Thank you.

SECTION A: DEMOGRAPHIC PROFILE
1. Gender:
   Male ☐ Female ☐

2. Age bracket:
   20-29 years ☐ 30-39 years ☐
   40-49 years ☐ 50 years and above ☐

3. Marital / familial status
   Single ☐ Married ☐ Single parent ☐

4. What is your highest level of education?
   Secondary Education ☐
   Middle level College ☐
   University Degree ☐
   Post graduate degree ☐
   Others (Specify)........................................................................................................................................

5. Status of employment
   Permanent ☐ Temporary ☐

6. Approximately what is your average household net income every month
   Less than Ksh. 50,000 ☐ Ksh. 50,000-100,000 ☐
   Ksh. 100,001-200,000 ☐ More than Ksh. 200,000 ☐
7. Do you rent or own this house?

Rent   Own (Buy)   Own (Build)   

SECTION B: PHYSICAL FACTORS DRIVING URBAN HOUSING

On a scale of 1 to 5, what importance do you attach to the following statements when you consider the house you currently live in?
1= Least important and 5= Most important

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<tr>
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<tr>
<td>PF08 <strong>Accessibility to Land/House</strong> (How important was the ease of getting your current house? or ease of getting the land where you have built your current house?)</td>
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<td>PF09 <strong>Land tenure</strong> (To what extent does it matter to you that the land where your house is situated is government owned or individually owned?)</td>
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<td>PF10 <strong>Social Amenities</strong> (How important to you is the ease of having access to water and electricity and proper drainage?)</td>
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<tr>
<td>PF11 <strong>Availability of Transport</strong> (To what extent is the ease of getting a means of transport important? Or how important is the ease of getting to your house?)</td>
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<td>PF12 <strong>Structural Design of the House</strong> (To what extent is the space in the house and the interior and exterior finishing important to you?)</td>
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SECTION C: ECONOMIC FACTORS DRIVING URBAN HOUSING ACQUISITION

On a scale of 1 to 5, what importance do you attach to the following statements when you consider the house you currently live in?
1= Least important and 5= Most important

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<td>EF13 <strong>Price</strong> (to what extent does it matter how much it cost you to rent or build your house?)</td>
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<td>EF14 <strong>Income</strong> (to what extent does your income influence the area you live in and the type of house you rent or own?)</td>
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<td>EF15</td>
<td>Maintenance costs (to what extent does it matter to you that you have to keep making minor repairs to your house and that you have to incur the costs?)</td>
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<td>EF16</td>
<td>Transport costs (To what extent is the cost/fuel you incur to get to your house important to you?)</td>
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<td>EF17</td>
<td>Transfer costs (To what extent does it matter to you, the cost you will incur to move from your current house to another?)</td>
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</table>

**SECTION D: SOCIO-CULTURAL FACTORS DRIVING URBAN HOUSING ACQUISITION**

On a scale of 1 to 5, what importance do you attach to the following statements when you consider the house you currently live in?

1 = Least important and 5 = Most important

<table>
<thead>
<tr>
<th>SC18</th>
<th>Safety and security (To what extent is the importance of the safety and security of your current house?)</th>
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<tr>
<td>SC19</td>
<td>Family (To what extent does it matter whether your current house caters for the needs of your family?)</td>
</tr>
<tr>
<td>SC120</td>
<td>Education and career (To what extent is the importance of living next to people with the same education and career status as yourself?)</td>
</tr>
<tr>
<td>SC21</td>
<td>Socio Economic class (To what extent is the importance of living next to people with the same economic status as yourself?)</td>
</tr>
<tr>
<td>SC22</td>
<td>Origin (To what extent is the importance of living next to people from the same ethnic region as yourself?)</td>
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<tr>
<td>SC23</td>
<td>Neighbourhood (How important is it living next to people you are familiar with i.e. friends, friendly neighbours?)</td>
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<tr>
<td>SC24</td>
<td>Environmental Sensitivity (How important is it to you to live in a neighbourhood that is clean and people are aware of their environment?)</td>
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26. Please rate your level of satisfaction with your current place of residence?

- Very Dis-satisfied □
- Dis-satisfied □
- Satisfied □
- Very Satisfied □

27. What do you like most about your current place of residence?

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28. What do you like least about your current place of residence?

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29. If you could change something about the way housing in Nairobi is done, what would it be?

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30. Do you have any other suggestions?

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