



Original Article

## Housing the Masses: Applying Singapore's Housing & Development Board Successes to Kenya's Affordable Housing Program

Ike M. Kitili, PhD<sup>1</sup>\*

<sup>1</sup>Tianjin Normal University, 393 Binshui W Ave, Xi Qing Qu, China.

\* Author for Correspondence <https://orcid.org/0009-0002-8486-6436>; Email: [ikekitili@outlook.com](mailto:ikekitili@outlook.com)

Article DOI: <https://doi.org/10.37284/eaje.6.1.1200>

### Publication Date: ABSTRACT

04 May 2023

#### Keywords:

Kenya,  
Affordable Housing  
Program,  
Singapore,  
Housing and  
Development Board

Kenya faces several significant challenges regarding housing affordability; many of its urban population live in informal settlements, which increases the risk of infectious diseases such as malaria, cholera, and respiratory infections. In addition to diseases, there is also the issue of insecurity. Fortunately, the government of Kenya in 2017 came up with an excellent initiative to provide affordable housing to the people of Kenya called the Affordable Housing Program. In addition to Kenya, other countries are facing the same problem, some have been able to solve it, and others, such as Singapore, were once in the same situation. In addition to housing shortages, indecent housing, and disease outbreaks, the city had a high unemployment rate. When the Housing and Development Board was established, these challenges were addressed, and Singapore now has one of the best public housing systems in the world. In order to help Kenya's affordable housing program implement its strategy, this study will provide lessons from the housing and development board. The study identified two lessons Kenya could learn from the Housing and Development Board using secondary sources such as academic literature, government reports, and news articles. As a result of affordable housing programs, homeownership rates can be increased, and ethnic integration can also be facilitated. It is concluded in the paper that Singapore's Housing and Development Board can be used to promote national stability in Kenya.

#### APA CITATION

Kitili, I. M. (2023). Housing the Masses: Applying Singapore's Housing & Development Board Successes to Kenya's Affordable Housing Program *East African Journal of Engineering*, 6(1), 80-87. <https://doi.org/10.37284/eaje.6.1.1200>

#### CHICAGO CITATION

Kitili, Ike M. 2023. "Housing the Masses: Applying Singapore's Housing & Development Board Successes to Kenya's Affordable Housing Program". *East African Journal of Engineering* 6 (1), 80-87. <https://doi.org/10.37284/eaje.6.1.1200>.

#### HARVARD CITATION

Kitili, I. M. (2023) "Housing the Masses: Applying Singapore's Housing & Development Board Successes to Kenya's Affordable Housing Program", *East African Journal of Engineering*, 6(1), pp. 80-87. doi: 10.37284/eaje.6.1.1200.

#### IEEE CITATION

I. M., Kitili., "Housing the Masses: Applying Singapore's Housing & Development Board Successes to Kenya's Affordable Housing Program" *EAJE*, vol. 6, no. 1, pp. 80-87, May. 2023.

#### MLA CITATION

Kitili, Ike M. "Housing the Masses: Applying Singapore's Housing & Development Board Successes to Kenya's Affordable Housing Program." *East African Journal of Engineering*, Vol. 6, no. 1, May. 2023, pp. 80-87, doi:10.37284/eaje.6.1.1200.

## INTRODUCTION

As humans, we need housing as one of our basic needs as well as being essential to our well-being and health; housing plays a vital role in our lives and communities. Our communities benefit from affordable, suitable housing because it makes it easier for everyone to participate fully. Human rights to adequate housing are viewed by the United Nations as rights, not commodities (OHCHR, 2023). The United Nations emphasizes the importance of housing for ensuring security and stability. Apart from being a place of refuge, peace, safety, and dignity, the home is also an economic, social, and emotional centre.

Kenyan Constitution Article 43(1)(b) guarantees every citizen the right to adequate and accessible housing (Mose et al., 2017). Kenya's right to housing is one of its most fundamental and pertinent rights (The Platform, 2023). In Article 53 of the same Constitution, Article 53 provides that every child has the right to shelter. From this, we can see that Kenya's housing is essential. As described by the United Nations, housing is a right and not a commodity (OHCHR, 2023); in Kenya, it is the same thing. The purpose of this study is to discuss what Kenya's Affordable Housing Program can learn from Singapore's Housing and Development Board. As a result, public housing in Kenya will be more convenient and effective.

Five hundred thousand affordable homes are aimed to be built over the next five years through Kenya's Affordable Housing Program -- one of the 'Big Four' initiatives to provide decent and affordable housing (Kieti et al., 2022). Several projects have been launched since the initiative was launched (Maeri et al., 2022). A thousand housing units have been completed at Park Road and Pangani; the Mavoko Affordable Housing Program, River Estate Affordable Housing Program, Kakamega Affordable Housing Program, and Nakuru Affordable Housing Program are among the ongoing projects (Cyttonn

Investments, 2022). A total of five affordable housing projects have been launched in the country by His Excellency President William Ruto. Kibera, Ruiru, Ziwani, and Shauri Moyo are among them. As well as providing homes for 6.5 million Kenyans living in slums and informal settlements, these projects also provide additional benefits, and they create job opportunities for Kenyans, especially the youth and women; as part of the Ziwani Affordable Housing project, the President encouraged the use of local construction materials, which will also benefit the Jua Kali industry (The Standard Reporter, 2023).

A case study was chosen for this study because Singapore's Housing and Development Board helped solve the housing shortage after World War 2 (Folkler, 2021). As well as poor sanitation facilities, inadequate infrastructure, overcrowding, and dilapidation, the country faced other challenges. Singapore has one of the most efficient public housing systems in the world. In addition, this study chose the Housing and Development Board because it has played an important role in nation-building by promoting social interaction and ethnic integration (Sim et al., 2003). Since Singapore is a multiracial country, it was crucial for the government to develop measures that would promote ethnic integration; one essential element was housing; through its allocation and other actions, the public housing program in Singapore has ensured the integration of diverse ethnic groups by housing them in the same block of the housing and development board apartments. Since Kenya is also a multi-ethnic and multiracial society, this is an essential lesson for the Affordable Housing Program. This will promote racial integration, as the Swahili proverb says: "Umoja ni nguvu."

The other reason for using Singapore's Housing and Development Board as an example is that it has helped in promoting social interaction between people; the Housing and Development Board builds houses with recreational institutions

such as schools and other facilities, allowing the residents to mingle and interact, as well as children from different cultures attending these educational institutions to promote social interactions. The Kenyan government can use these lessons to implement its Affordable Housing program.

## **AFFORDABLE HOUSING CRISIS IN KENYA**

In this section, we will discuss the affordable housing crisis in Kenya, but first, we must understand what affordable housing means. The Economic Times defines affordable housing as housing units that are affordable by sections of society whose income is below the median household income (The Economic Times, n.d.). “From this definition, we can see that affordability is a very crucial issue that governments should consider when providing housing, but affordability here is not just an issue for households, but also for the owner and also for the government; when discussing affordable housing, both parties need to be taken into account. It is sometimes the affordability of housing that influences housing markets (Abelson, 2009); if national housing markets provide affordable housing environments for most homeowners, households will have more choices when searching for decent housing (Anacker, 2019). This environment may also encourage owners to improve their housing situations independently.

Affordable housing is not only a challenge in Kenya; some developed countries like the U.S. experience the same problem due to rising mortgage interest rates. As a result, this has become a global issue; according to a report released by the World Bank, 1.6 billion people will be affected by the housing crisis by 2025 (Masinde, 2021), and by 2030, 96000 affordable homes are needed to house 3 billion people who will require adequate housing (Masterson, 2022).

Several factors contribute to the affordable housing crisis in Kenya, including poor land governance, outdated land registries, and disagreements between national and county

governments on some policies, which pose a threat to land security; the other challenge that has contributed to the affordable housing crisis in Kenya is poor infrastructure, the government has not prioritized housing and has been mainly focused on irrigation and dam construction (Mwau et al., 2019). However, the rapid inflation rates also affect housing in Kenya because they increase the cost of building materials and land. As a result of this crisis, many people become homeless, living in slums with inadequate living conditions, lack of essential services, insecurity, a lack of proper medical care, and few education facilities; living in such conditions reduces productivity, thus affecting the economy of the country.

## **Overview of Singapore’s Housing and Development Board**

This section will briefly review the history and governance style of Singapore’s Housing and Development Board before discussing which lessons Kenya’s Affordable Housing program can learn. Singapore faced severe challenges after gaining self-government in 1959, including a high unemployment rate, rapid population growth, and a housing shortage. Most of its residents lived in slums or other informal settlements. Cholera, typhoid, tuberculosis, and even malaria were spread. Singapore’s government decided it was urgent to provide its citizens with adequate, sanitary, and affordable housing; otherwise, the problem would have worsened (Lin-Heng, 2020.).

In 1960, the newly elected government established the Housing and Development Board. The Singapore Investment Trust provided public housing to the population before the Housing and Development Board was formed. Between 1927 and 1960, it built an average of 23,264 housing units per year. As a result, the Singapore Improvement Trust was replaced by the Housing and Development Board to address the housing shortage in Singapore.

Building housing units, relocating squatters, clearing slums, planning and designing estates, providing mortgages, maintaining and conserving

existing estates, and conducting research on housing developments were the responsibilities of the Housing and Development Board. Various types of flats are available from the Housing and Development Board, such as executive, two-room, five-room, and three-generation flats (a flat for extended families). These flats can be purchased directly from the board (Joo & Wong, 2008).

Through its policies, the Housing and Development Board promotes racial harmony. As part of Singapore's Ethnic Integration Policy, racial limits were set for blocks and neighbourhoods under the Housing and Development Board. Chinese neighbourhood limits were set at 84%, Malay neighbourhood limits at 22%, and Indian neighbourhood limits at 10%. The block quotas were 3% higher than the neighbourhood limits. A particular ethnic group cannot purchase housing and Development Board flats if the quota has been reached (van Grunsven, 2000). In building its units, Kenya's Affordable Housing program can learn much from this lesson.

### **KENYA'S AFFORDABLE HOUSING PROGRAM**

Three types of housing are available in Kenya: social housing, low-cost housing, and mortgage gap housing. Accommodation at the social level is for those with a monthly income of less than \$149 (Kshs 19,999), housing at the low-cost level is for those with a monthly payment between \$150 and \$374 (Kshs 20,000-49,999), and housing at the final grade is for those with a monthly income between \$374 and \$1122 (Kshs 50,000-149,000) (Cytom Investments, 2022). Kenya's former President, H.E Uhuru Kenyatta launched this initiative in 2017 as part of his Big Four Agenda to increase home ownership and provide decent housing to Kenyans.

According to the National Housing Corporation, approximately 60 percent of urban households reside in informal settlements. The deficit keeps expanding because of fundamental limitations on both supply and demand sides. It is estimated that 200,000 homes are needed yearly, but only 50,000

are supplied (Kieti et al., 2020). In addition, 83 per cent of available housing is allocated to higher-income segments, leaving only 15 per cent and 2 per cent for parts with affordable payments. This results in a housing supply that falls short of the core goal of the initiative, which is to provide housing for people of lower-middle income. In comparison to other African countries, Kenya has low house ownership rates.

As a result of this initiative, several platforms and two organizations were established: Boma Yangu Portal, Kenya Mortgage Refinance Company, and National Housing Corporation (Cytom Investments, 2022). This contrasts with Singapore's public housing system described in the previous section. A housing and development board in Singapore provides mortgage services to home buyers through its portal. In addition to inadequate funding, unaffordable mortgages, the high cost of land, and an increase in construction costs, Kenya's affordable housing program faces several challenges.

### **HOUSING AND DEVELOPMENT BOARD IN SINGAPORE: WHAT CAN KENYA LEARN FROM IT?**

Based on the comparison between Singapore's Housing and Development Board and Kenya's Affordable Housing program, we can conclude that the Housing and Development Board is very successful and can be emulated by countries like Kenya. This section aims to examine what Kenya can learn from Singapore's public housing system.

The public housing system in Singapore has two things Kenya can learn:

In Kenya's affordable housing sector, the first lesson it can learn from the Housing and Development Board is that the Affordable Housing Program can increase homeownership rates. People who cannot afford to rent or buy a property on the open market can benefit from affordable home ownership (Hackney Council, n.d.), a financial decision that can make a significant difference in their future. A sound



financial foundation can be the cornerstone of your future financial success. It is widely recognized that home ownership is one of the best ways to build wealth in any country. As well as providing a stable base for participation and engagement in the broader community, owning a home provides a family with an asset that will appreciate over time. Various community groups and local and state governments have long promoted homeownership for these reasons and others (Curtin & Bocarsly, 2008).

To increase affordable home ownership, the Singaporean government introduced the Home Ownership Scheme in 1964 (Sim et al., 2003). Savings from the Central Provident Fund (CPF) were used to purchase Housing and Development Board flats in 1968, which led to the launch of the Home Ownership Scheme. CPF savings can be used for a 20% down payment and monthly mortgage instalments.

In most cases, a family's CPF savings can cover the cost of the flat purchased from the housing and development board without affecting their disposable income. Housing and Development Board flats are not only affordable but also priced to be readily available. Providing subsidies to families with solid nuclei fosters family formation and reinforces traditional values of caring for and supporting each other. Integrated HDB-CPF framework led to higher homeownership rates. As a percentage of GDP, housing mortgage loans accounted for only 4% in 1970, 10% in 1980, and 62% in 2000. In 2014, the ratio between housing mortgage loans and GDP in resident households was 55.5%. Between 1970 and 2000, HDB originated over 50% of all housing loans (Phang & Helble, 2016).

Kenya's homeownership rate in urban areas has remained relatively low at 22.3% compared to other developed countries like South Africa at 53.3% (Okuoro, 2021), so the government can also learn from the housing and development board's success. Kenya has a relatively low homeownership rate due to the following factors: high prices, high transaction costs, such as the initial deposit required to obtain a mortgage, the

lack of credit risk information for informal workers, high-interest rates on mortgage loans, a lack of real estate financing for significant developments, and low-income levels that have made it difficult to service loans. Kenyan home buyers have several financing options, including bank loans, personal savings, and Sacco loans. Savings from personal accounts are most commonly used. Singapore's housing mortgage financing framework has made homeownership more affordable.

Public housing can also promote Kenya's ethnic integration, just as the Housing and Development Board of Singapore did. Housing and Development Board flats introduced in the 1980s led to racial segregation. Malay households dominated Bedok and Tampines rather than Chinese households in Hougang and Bedok. The increasing resale market for Housing and Development Board flats made resale flats purchased by families of a majority race worse. As a result, the then-national development minister warned that racial interactions, mingling, and understanding would decline. Under the Ethnic Integration Policy, a racial limit was set for housing and development board blocks and neighbourhoods. Chinese, Malay, Indian, and Other neighbourhoods have limits of 84%, 22%, 10%, and 8%, respectively. A 3% block quota was set above neighbourhood limits by Phang and Helble (2016). Suppose the housing quota for a particular ethnic group has been reached for a specific block or neighbourhood. In that case, that group cannot purchase an apartment from the Housing and Development Board. The set ethnic group limits for a given block or area prevent resale flats in a particular league or community from being sold. Their sale will be to a household of the same ethnicity.

In order to develop a more cohesive and better-integrated society, Singapore's government emphasized the need to continue with multiracial policies. Racial harmony, long-term stability, and even Singapore's viability as a nation depend on it. Undoubtedly, the Housing and Development

Board has successfully integrated different races into Singapore's housing estates.

With affordable housing, Kenya can implement ethnic integration policies like Singapore, particularly in Marsabit, Turkana, Samburu, Wajir, Garissa, Isiolo, West Pokot, Baringo, and Mandera. These counties' main economic activity is pastoralism, but there have been incidents of conflict and insecurity from armed bandits and cattle rustlers to community disputes over resources; There have been exclusions and marginalization of people from these counties, as well as political power struggles between politicians that have exacerbated conflicts between communities in these counties (Mwangi, 2022). This has been a significant problem for Kenya and has instability, especially in the Northern region of Kenya. Similarly to Singapore, the government can promote integration in northern Kenya through affordable housing and ethnic integration policies.

When people of different ethnicities live together, they do not just walk the corridors and take the same elevator up and down; there needs to be an ethnic and integration policy for the north and Kenya as a whole; the kids go to the same kindergarten, the kids go to the same primary school, as young people around the world go to school very close to where they live, and they grow up together. By preserving ethnic and social harmony, the policy will increase Kenya's stability.

## CONCLUSION

The comparison between Singapore's Housing and Development Board and Kenya's Affordable Housing Program shows that the latter can learn some valuable lessons from Singapore. First, affordable housing program has the potential to increase home ownership rates and help families build wealth over time. Kenya can adopt the Home Ownership Scheme and CPF integrated financing framework to make housing more affordable and accessible for low- and middle-income families. Second, Kenya can learn from Singapore's Ethnic Integration Policy, which

promotes social cohesion among different races. Singapore has been able to integrate different races by implementing this policy effectively. For ethnic integration in Kenya, especially in counties with a history of conflict and insecurity, similar policies can be adopted.

The Affordable Housing Program in Kenya can significantly benefit from Singapore's lessons from the Housing and Development Board. In order to improve national stability, increase homeownership rates, and foster social cohesion among ethnic communities, Kenya needs policies that promote affordable homeownership and social integration. Kenya's government and stakeholders can implement these recommendations to improve the country's affordable housing program.

## REFERENCES

- Abelson, P. (2009). Affordable housing: concepts and policies. *Economic Papers: A journal of applied economics and policy*, 28(1), 27-38.
- Anacker, K. B. (2019). Introduction: Housing affordability and affordable housing. *International Journal of Housing Policy*, 19(1), 1-16.
- Curtin, J. F., & Bocarsly, L. (2008). CLTs: A growing trend in affordable home ownership. *Journal of Affordable Housing & Community Development Law*, 367-394.
- Cytonn Investments. (2022). *Affordable Housing in the Nairobi Metropolitan Area (NMA)*, & *Cytonn Weekly #01/2022 Focus of the Week*. Cytonn Investments. <https://cytonn.com/uploads/downloads/affordable-housing-in-the-nairobi-metropolitan-area-nma-cytonn-weekly-012022-vf-1.pdf>
- Folkler, A. (2021, May 2). *How Singapore Solved Their Housing Crisis After WWII*. Andrew Folkler. <https://andrewfolkler.com/how-singapore-solved-their-housing-crisis-after-wwii/#:~:text=The%20majority%20of%20citizens%20lived,The%20objective%20was%20simple.>

- Hackney Council. (n.d.). *Affordable Home Ownership*. Hackney Council. <https://hackney.gov.uk/affordable-home-ownership>
- Joo, T. T. K., & Wong, T. C. (2008). Public housing in Singapore: A sustainable housing form and development. *Spatial planning for a sustainable Singapore*, 135-150.
- Kieti, R. M., Rukwaro, R. W. & Olima, W. A. (2020). Affordable housing in Kenya: Status, Opportunities and Challenges. *Africa Habitat Review*, 14(1), 1677-1687.
- Lin-Heng, L. (2020). Public housing in Singapore: a success story in sustainable development. In *The Impact of Environmental Law* (pp. 128-153). Edward Elgar Publishing.
- Maeri, D. O., Iravo, M. A., & Muchelule, Y. W. (2022). Project scope management and performance of affordable housing program in Kenya. *International Journal of Social Sciences Management and Entrepreneurship (IJSSME)*, 6(2).
- Masinde, J. (2019). *Determinants Of Government's Supply of Affordable Housing: A Case Of The Starehe Project In Nairobi City County, Kenya*. Master's Thesis. Kenyatta University.
- Masterson, V. (2022, June 16). *What has caused the global housing crisis - and how can we fix it?* World Economic Forum. <https://www.weforum.org/agenda/2022/06/how-to-fix-global-housing-crisis/#:~:text=In%20India%2C%20a%20new%20building,India%2C%20Europe%20and%20other%20regions>.
- Mose, V., Gachanja, J., & Osiolo, H. (2017). Policy Brief No. 10 of 2017-2018 on Delivering Affordable Housing in Kenya Requires a Paradigm Shift. *Policy Brief No.10 of 2017- 2018*. Kenya Institute for Public Policy Research and Analysis (KIPPRRA)
- Mwangi, O. G. (2022, November 9). *Kenya Violence: 5 Key Drivers of the Decades-Long Conflict in the North and What to Do about Them*. The Conversation. <https://theconversation.com/kenya-violence-5-key-drivers-of-the-decades-long-conflict-in-the-north-and-what-to-do-about-them-193466>
- Mwau, B., Sverdlik, A., & Makau, J. (2019). *Towards Holistic Solutions to Nairobi's Affordable Housing Crisis*. IIED Briefing. International Institute for Environment and Development. <https://www.iied.org/sites/default/files/pdfs/migrate/17729IIED.pdf>
- OHCHR. (2023). *The Human Right to Adequate Housing*. Office of the High Commissioner for Human Rights is the leading United Nations. [https://www.ohchr.org/sites/default/files/Documents/Publications/FS21\\_rev\\_1\\_Housing\\_en.pdf](https://www.ohchr.org/sites/default/files/Documents/Publications/FS21_rev_1_Housing_en.pdf)
- Okuro, S. (2021). *What You Need to Know about Mortgage and Home Ownership*. Standard Media. <https://www.standardmedia.co.ke/dr-pesa/article/2001395718/what-you-need-to-know-about-mortgage-and-home-ownership>
- Phang, S. Y., & Helble, M. (2016). Housing policies in Singapore. *ADB Working Paper 559*. Asian Development Bank.
- Sim, L. L., Yu, S. M., & Han, S. S. (2003). Public housing and ethnic integration in Singapore. *Habitat International*, 27(2), 293-307.
- The Economic Times. (n.d.). *Definition of 'Affordable Housing*. The Economic Times. <https://economictimes.indiatimes.com/definition/affordable-housing>
- The Platform. (2023, March 1). *Protecting the Right to Housing in Kenya: An Analysis of Legal Frameworks Challenges and Recommendations*. The Platform. <https://theplatform.co.ke/protecting-the-right-to-housing-in-kenya-an-analysis-of>

legal-frameworks-challenges-and-recommendations/

The Standard Reporter. (2023, March 7). *Ruto Launches Sh20b Housing Project for Low-Income Earners*. The Standard. <https://www.standardmedia.co.ke/testbed/business/national/article/2001468453/ruto-launches-sh20b-housing-project-for-low-income-earners>

Van Grunsven, L. (2000). Singapore: the changing residential landscape in a winner city. *Globalizing cities: A new spatial order?* 95-126.