



The Role of Changing Housing Policies in Housing Affordability and Accessibility in Developing Countries: The Case of Kenya

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ABSTRACT

Rapid urbanization has led to the influx of people into urban areas as people seek better life opportunities. This migration has however largely not been planned, resulting in population explosions in the cities. Relying on existing research on the topic and government reports, this study finds that many middle and low-income families in Kenya have ended up living in informal settlements in urban areas due to housing unaffordability. The study further determines that the problem of housing is more pronounced in developing countries. Studies related to this issue establish that the housing crisis cannot only be attributed to rural-urban migration but also other factors like failed housing policies, poor housing financial systems, too much interference in the running of housing by the government and complex land tenure systems among others. This research, therefore, identifies the critical housing crisis issues, housing policy gaps in Kenya and proposes policy actions and the potential role of governments in a housing market to address affordability challenges. The study establishes the role of government and other institutions in the housing sector and proposes the land and housing reforms which can add knowledge to future research in similar areas.

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1. Introduction

Nowhere is the housing crisis so much manifested than in the urban areas of the developing countries. The greater part of the population in urban areas of the developing countries lives in informal settlements. In South Africa, more than 1.1 million households are estimated to be living in informal settlements of nine major cities (Del Mistro & A. Hensher, 2009). The condition is similar in the developing countries in Southeast Europe. In Albania, about a quarter of the population lives in the informal settlements occupying about 40% of built-up areas of the cities. The condition is similar

in Macedonia where an estimated 11% of the population live in informal settlements (Tsenkova, 2012). Millions living in these settlements don't have access to affordable and decent housing, water, sanitation, electricity, security among services essential to human wellbeing. These settlements are overcrowded thus exposing them to diseases.

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Mumbai, India is an example of cities urbanizing too fast yet the condition of living continues to deteriorate. According to McFarlane (2008), the majority of the population living in Mumbai lacks the basic security of tenure, poor houses expose them dangerously to monsoon rains, are frequently subjected to demolitions and evictions, lack adequate access to clean water and sanitation facilities thus making them vulnerable to diseases.

According to Khalifa (2015), informal settlement problem is a direct result of governments' inability to provide affordable and adequate shelter to the urban poor and should, therefore, be viewed as an attempt by the poor to seek a solution to their problems under existing difficult conditions. This problem is multifaceted and would require input from across sectors to address. To address the problem, a demand-driven approach should be taken by ensuring the participation of all stakeholders. Many scholars have since concluded that a multi-disciplinary approach in the planning process, decision making as well as implementation is critical in achieving a well thought and designed city (Lüthi, McConville, & Kvarnström, 2010). All actors including the public and private developers are key to seeking answers to these problems. Previous studies have shown how government interventions to control public housing through rent control policies have failed due to lack of participation. To solve the housing problem, the Colombian government adopted a free housing system targeting the poor (Gilbert, 2014). In some cases, policies formulated by authorities were impracticable as they were adopted from some places that do not have similar housing conditions. Also, laws adopted have proved very expensive to the investors due to the tiresome and complex approval process thus scaring them away.

Similar situations to all these processes related to housing matters have been realized in the cities of Kenya. In Kenya, the housing problems can mainly be attributed to rapid urbanization. Kenya has experienced a very high population growth rate since its independence with official figures estimating the population as 2.5 million in 1925. The population increased steadily from 2.5 million to 5.4 million in 1948 when the first official census was conducted in Kenya as a colony. In 1969, the population of Kenya was found to be 10.9 million while the 2009 census found the population as 38.6 million (Mutuku, 2013). This population is projected to reach 53.4 million by 2020 and 67.8 million by 2030 (Mutuku, 2013). Since 1969, a population census in Kenya is conducted every ten years. The rapid population growth leads to rapid urbanization with Kenya's urban population

increased from 285, 000 (5.2% of total country population) in 1948 to 12.5 million (32.4%) in 2009 (GOK, 2012). Rural to urban migration is the major cause of this massive population growth in urban areas. When the first population census was done in Kenya, there were 17 urban centres with a total population of 285,000. Since then, the number of urban centres has increased rapidly reaching 139 in 1989 and 230 in 2009. Meanwhile, the proportion of the urban population to that of the country population also increased from 5.3% in 1948 to 18.1% in 1989 and 31.3% in 2009. Such rapid urbanization has led to increased demand of housing while the supply has stagnated. Many low-income earning families have therefore not been able to access housing thus settling in the slums.

2. Critical Global Housing Crisis Issues

Housing and construction sectors are the driving engines of an economy as they employ millions of people. These sectors also do use inputs from many other sectors and, any problem in the housing sector is likely to affect the overall performance of an economy. The sector, however, experiences key problems that need to be addressed.

2.1. Squatting and Invasion of Land

Due to rural-urban migration, groups of people have occupied and developed pieces of land in the urban areas without entering into any agreement with the owner. According to Wakely (2014), this massive invasion may happen on a large swathe of land by a group having common leadership and being controlled by political groupings responsible for managerial and technical processes of settlement. These vacant lands being invaded may be located at the peri-urban, within the inner city on major infrastructure land reserves like railways, designed open spaces or even places that have been deliberately been left undeveloped due to unstable geology thus exposing occupants to some dangers.

Most of the invaders are the urban poor who can't afford the expensive houses in the leafy suburbs around the city or the transportation cost between areas of residence and the city. As such they settle too close to the city where they can walk to work. This, in turn, leads to the development of illegal housing structures within the city.

The informal land markets in the peri-urban areas are also cheap, unserviced and accessible to the poor. Therefore, these lands are subjected to unapproved land use activities and informal settlements by those not able to access the formal yet expensive urban land and housing markets (Lombard, 2016). Lack of administrative clarity, land tenure regulations and uncontrolled actors in

these areas have often led to land conflicts in these areas.

2.2. Globalization and Rapid Urbanization

Globalization has significantly contributed to the urbanization of cities. It relies on human capital moving from beyond the countries and local market borders into the global and international markets leading to international investments (Malik & Wahid, 2014). Globalization leads to urbanization as people move into urban centres due to new opportunities created by urban areas. Whereas the urbanization process has many positive outcomes including development of information technology, media innovations, development of new architectural designs and expansion of transport infrastructure, it has also led to negative conditions in the cities due to the development of slums and informal settlements, squatters and generally deplorable living conditions.

Rapid urbanization has led to not only a steady rise in demand for land for development but also an increase in housing demand which is too high to be met by the existing housing supply levels. The effect of rising land prices to levels that are unaffordable by the low and middle-income earning groups of citizens. The situation has further been aggravated by land speculation and tenure systems in the city which are complex and expensive to process. This, in turn, has contributed to housing problems in the cities as the overall cost of land acquisition and construction of houses has been very expensive.

2.3. Illegal Sub-Divisions and Development of Lands

Illegal subdivision of vacant lands for settlement especially at the peri-urban is a common occurrence in the developing countries. The lands originally meant for agriculture and other uses are being converted into small plots residential zone without approval by the authorities. This practice is very common as lands that have been rendered available in this manner are usually affordable to the low-income groups. However, they are considered illegal as they violate the original master plans that do the land-use zoning and that have designated those places for different use. The buildings are erected as well as the subdivisions taking place in those places do not conform to the set planning standards and regulations and the transfer of ownership from the owner to the buyer does not always follow the required processes.

The overall impact of this is the reduction in agricultural productivity as agricultural lands are being converted into residential areas. Also, the

communities are living under constant threats of eviction and demolition of their structures as they are deemed illegal.

2.4. The Politics in Housing

One of the main setbacks to efforts of solving the housing crises in the third world countries is political involvement in housing policy formulations and executions. Housing policies are formulated with political impacts in mind. According to Gilbert (2014), the decision by Colombia president to introduce free housing policy was not only influenced by a desire to help the poor but also to secure his re-election for the presidency. Such populist policies are always not implementable in the long-term. Owners of lands and other properties in the cities have vested political interests and will, therefore, oppose any idea aimed at reforming the housing sector as this threatens their source of income. They, therefore, offer the public cheaper houses for renting but with compromised standards of services like water and buildings stability. According to Clarke and Ginsburg (1975), key players in housing sectors like building materials industries were actively participating in politics and even succeeded in persuading the authorities to make policies that do favour them like rezoning of building lands.

Such political interference in policy formulations and implementations have had an adverse effect on the supply of affordable and quality housing. Many informal settlements in the cities have experienced tragedies of buildings collapsing due to planning standards and approvals not being adhered to. Some of these buildings are linked to individuals who are politically connected in the country and therefore able to bypass the set laws. Political interference on land market issues is not limited to politicians and business investors only, the government through a corporate governance system can also implement a policy of dominance aimed at securing the support of major players of the land sector like industrial workers. In Mexico for instance, the government that existed before the 2000 democratic election encouraged a corporate governance system aimed at ensuring political and social control in both rural and urban areas (Assies, 2008). Such control if extended to land matters may lead to access to the land by the political elites at the expense of other citizens. In Kenya, for instance, upon the attainment of independence, the regime in the 1960s and 1970s encouraged the formation of private land buying companies to be able to purchase lands from the white settlers. These lands were then to be divided into individual shareholders (Boone, 2012).

3. Housing Crisis in Kenya

The population of Kenya increased steadily from 2.5 million in 1925 when the first census was conducted, rising to 5.4 million in 1948. In 1969, the population was estimated to be 10.9 million while the latest census put it at 38.6 million (Mutuku, 2013). It is projected to reach 53.4 million by 2020 and 67.8 million by 2030 (Mutuku, 2013). The growing demand for housing made the government formulate the national housing policy in 1966/1967 to address the housing problems both in rural and urban areas (ROK, 2004). During that period, the housing demand was 7,600 and 380,000 new units in urban and rural areas respectively. The housing deficit has expanded at a high rate recently due to population increase. According to a report of Habitat for Habitat-for-Humanity (2018), the housing deficit in Kenya was 2 million in 2012 and the number has been growing at a rate of over 200,000 units a year. This has led to the growth of informal settlements in Kenya as 60% of the population stays in the informal settlement. Consequently, many families live in overcrowded and poorly ventilated houses exposing them to risks of diseases like cholera, respiratory diseases, malaria among others. According to Dennis (2017), less than 50,000

housing units are produced every year falling below the annual demand thus an upward push against affordability. Article 43 (1b) of the constitution of Kenya (GOK, 2010) provides for the right “to accessible and adequate housing, and to reasonable standards of sanitation” to Kenyans. Besides, the devolved units (County governments) have a role to play in the provision of housing as outlined in the Fourth Schedule of Constitution (GOK, 2010). Despite all attempts made by the government to address the accessibility and affordability of housing in Kenya, many people still do not have access to modest housing.

3.1. Rapid Urbanization and Housing Crisis in Kenya

At the time of the first population census in Kenya, there were only 17 urban centres with a total population of 285,000. This represented 5.3% of the total Kenya population. The number rapidly increased reaching 139 in 1989 and 230 in 2009. Meanwhile, the proportion of the urban population to that of the country population also increased from 5.3% in 1948 to 18.1% in 1989 and 31.3% in 2009. The urbanization process and trends are summarized in table 1 below:

Table 1. The Trend of Urbanization in Kenya (1948-2009)

Year	Total population	Number of urban Centres	Urban Population	Percentage of Urban Population to total Population	Intercensal Growth Rate (%)
1948	5,407,599	17	285,000	5.3	
1962	8,636,263	34	747,561	8.7	6.3
1969	10,956,501	47	1,076,908	9.8	7.1
1979	15,327,061	91	2,315,696	15.1	7.7
1989	21,448,774	139	3,878,697	18.1	5.2
1999	28,159,922	180	5,429,790	19.3	3.4
2009	3,8412,088	230	12,023,570	31.3	8.3

Source: (GOK, 2012)

The influx of urban population led to increased housing prices thus making it unaffordable to the low- and middle-income earners. According to Njaramba (2017), the housing prices more than tripled between 2000 and 2014 as shown in the figure below. The rapid growth after 2005 could be attributed the expansion of the middle-income population in the urban areas (Vuluku & Gachanja, 2014). It is this influx in price that Vuluku and Gachanja (2014) identify as the major cause of housing unaffordability that has led to many settling in informal settlements. The result has been spread of slums and other social ills related to it including insecurity and poor standards of living.

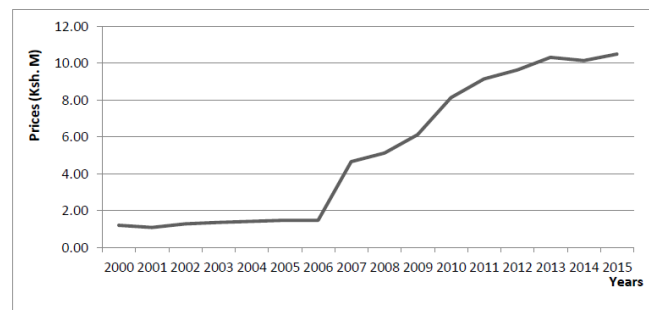


Figure 1. Average Housing Prices Growth in Kenya (2000-2015) (Njaramba, 2017).

The trend is even more in the major cities due to rural-urban migration. Major cities like Nairobi have slums mushrooming due to increased population and have some of the biggest slums in Africa like

Kibera. The slums are therefore very congested. According to UNHP (2003), slum areas have 250 units per hectare density compared to 25 units and 15 units per hectare in middle and high-income areas respectively. (UN-Habitat, 2015) also attributes the slum growth to rapid urbanization that is 4.5% annually and with 56% of the urban population living in slums. The urbanization trend in Nairobi is summarized in figure 2 below:

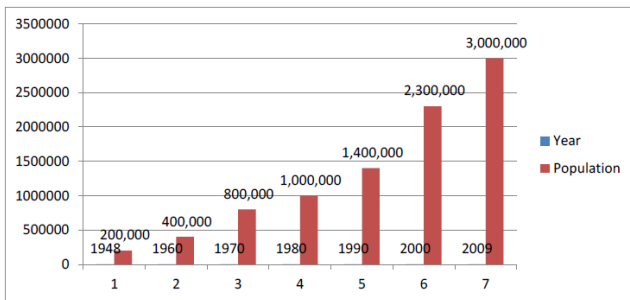


Figure 2. The urbanization trend in Nairobi (Akelola, 2016)

3.2. Housing Affordability and Financial Mortgages

According to Bujang, Zarin, and Jumadi (2010), housing affordability is the ability of a person to pay for housing. However, Gan and Hill (2009) give it a broader view encompassing the ability to purchase (household can borrow enough funds to purchase a house and repay affordability (the burden imposed on a household of repaying the mortgage). In Kenya, the levels of income and the mortgage interest rates are factors that are directly contributing to the housing crisis. In 2012, an average of 18% interest rate was charged on mortgages while in 2013 it was 16.89% in average (CBK, 2013). The high-interest rates discourage households from borrowing thus affecting homeownership as 30% of households in Kenya depend on a financial mortgage to acquire homes (GOK, 2012). With the high-interest rates in Kenya, it would take a Kenyan on minimum wage salary (US dollar 162) the equivalent of about 9-year salary to completely service the loan for the cheapest house (Kieti, 2015). Besides, access to mortgage has been limited to the high-income earners who have collaterals for the mortgage and due to high interests, it accrues. The poor who can only secure low mortgage have therefore been discriminated against (Akelola, 2016). In 2007, the World Bank found only 3% of the African population has an income that can afford a mortgage (World-Bank, 2007).

3.3. Forced Evictions and Slums Demolitions.

The presence of slums in a city represents the level of the housing crisis as residents with low income are unable to afford decent houses. Various governments have tried to solve the housing problems in the cities by forcefully evicting the slum

dwellers without offering an alternative affordable settlement. These evictions have mostly been carried out to upgrade the slums, urban renewal, redevelopment and to create spaces for roads, railways expansion, and construction. The policy was applied in Nairobi in 1938 when the colonial government sought to eliminate illegal settlements occupied by Africans. This policy led to the demolition of Pangani African settlement in 1938 (Mitullah, 1993).

The first National Housing Policy, Sessional Paper No. 5 of 1966/67 advocated for slum clearance as a housing strategy (ROK, 2004). According to Wafula (2004), evictions were common in the 1970s and 1980s as a response to slums development. The evictions were characterized by centralized decision making by the central government, lack of citizens participation and weak local urban governance and administration. In her research, Wafula (2004) found that negotiations with the slum dwellers were very rare and alternative resettlement sites were not offered to them. In most instances, those evicted from the slums were not offered any compensation. Whereas slum demolitions and evictions have been carried out to rid the cities of slums and prevent further proliferation, in Kenya, such evictions have resulted in more slums (Everett, 2001). Evictions have also be conducted to acquire land for the public good, provision of affordable housing, urban redevelopment and resettlement programmes and speculation purposes (Otiso, 2002).

3.4. Rental Housing

Sound rents policy can stimulate rapid investment in the housing sector. The government of Kenya, therefore, does not determine the rent levels but leaves it to the market forces of demand and supply (ROK, 2004). The government, however restricts rental increment on the rental houses meant for the poor.

The locations of rental residential housings are a big determinant in the supply of housing in Kenya, especially in major cities. Developers tend to target high-income areas that ensure lucrative returns. Upper middle, middle-income and low-income earners have therefore continued to suffer housing supply deficit while the high income enjoys a surplus. According to Akelola (2016), while the high-income earners enjoy a 60% supply of housing in Kenya, the upper-middle, middle and low-income earners suffer a 15%, 92%, and 98% housing deficits respectively.

Rental housing in Kenya also remains unaffordable due to high cost of inputs like lands, finance, and building materials. Lands in the urban areas are too expensive and lack security of tenure while the

housing finance systems remain inaccessible to the middle and low-income earners.

4. Possible Remedies to the Housing Crises

Addressing the critical housing issues in Kenya identified would require financial and general housing policy reforms discussed in this section.

4.1. Housing Financial Systems Reform

Enhancing the accessibility of the housing finance by the middle and low-income earning groups could prove to be the gateway to housing crisis solution in Nairobi. The ability to purchase a new home or even construct a new one is mainly dependent on one's ability to access the housing mortgage at an affordable interest rate. Access to credit facilities increases expenditure in the housing sector leading to an increased supply of housing. For instance, according to GOK (2017), the housing expenditure from Kshs 5.9 billion in 2014/15 to Kshs 6.0 billion in 2015/16, representing 82.2 percent utilization. This increase was attributed to an increased credit to the real-estate sectors. Currently, the commercial institutions do not offer long-term loan repayment option and charge very high-interest rates. These conditions are only suitable for the high-income earners. Besides, the middle- and low-income earners do not have the collaterals need by the financial institutions as a guarantee for loan services. The government should therefore as a matter of urgency formulate regulations to ensure that financial discrimination against the low and middle-income earners is eliminated. As Swagel (2012) points out, private sectors should supply housing capitals while the government have a role of providing secondary guarantees to ensure that mortgage-backed securities conform. In Morocco, to increase access to the financial systems by the slum dwellers, the government established FOGARIM fund which provided a security guarantee to those who borrowed from financial institutions (Bogaert, 2011).

4.2. Slum Upgrading Programmes

According to UNFPA (2007), the single and largest influence on the development in the 21st Century is the growth and development of new cities. With an increasing number of the urban population relative to that of rural areas, the world is rapidly urbanizing at a rate not experienced before. The number of people in urban areas is expected to reach 4.9 billion by 2030 while the rural inhabitants' number is projected to reduce. The urbanization rate is even higher in developing countries than the developed ones. The now developed countries had twice the number of people in urban areas than the less developed ones at the beginning of the 20th century (150 million to 70 million). The numbers have however changed

with less developed countries now having twice as much population living in urban areas than the developed countries (UNFPA, 2007).

Rural-urban migration has led to population surge in the cities with many poor families forced to live in informal settlements. The living conditions in slum areas are often deplorably characterized by poor infrastructures, exploded sewerage systems, drainage systems, and low-quality housing structures. Governments in the developing countries should implement the slums upgrading Programmes aimed at improving the dilapidated infrastructures and linking these settlements to the wider city by providing better transport networks. Kenya, grappling with a high rate of urbanization, therefore, has some of the biggest informal settlements in the world. In order to address the housing problems, the Kenya government has partnered with UN-Habitat in 'The Kenyan Slum Upgrading Programme' since 2000. The project was aimed at redeveloping the slums into orderly flats with 50 m² two-bedroom houses which are privately owned (Huchzermeyer, 2008). Similar approaches if adopted can help improve the living standards in the informal settlements.

4.3. Regularization of Land Tenure Security

Having land tenure security cushions informal settlement dwellers against threats of evictions and harassment by authorities or private developers. In Kibera, Nairobi, the slum dwellers are just but squatters without tenure security and therefore face threats of eviction without relocation or resettlement. A case example is the eviction of Kibera residents to create a way for the construction of Ngong road- Kibera-Kungu Karumba -Langata link road. Lack of land tenure security by Kibera residents meant that any compensation by the government to the victims of eviction would be a goodwill gesture but not a right to them. Fear of demolition contributes to the development of slums as the owners of slum structure refrain from erecting permanent and decent houses. This also discourages them from providing basic services like roads, drainage, sanitation thus contributing to poor conditions of the slum. As a step towards eliminating the slums, the government should consider the regularization of tenure in the informal settlement. The government should first recognize the slum dwellers as legitimate plot owners and start the process of identifying and documenting legitimate slum-dwellers and registering their rights to lands and structures they own in slums. To give a sense of security, they should be given title deeds as proof of ownership and strict adherence to planning laws and regulations for building standards be complied with. This would improve the quality of structures and infrastructure in the

informal settlements thus saving the government from the expensive initiative of slum upgrading.

4.4. Formulation of Clear Policies and Regulatory Frameworks

Too many regulations in the housing sector could also be an impediment to the growth of the sector. Some of the regulations are never applied as they were adopted from some "best practices" but are not compatible with the local needs. The absence of implementation institutions or duplication of responsibilities leads to difficulties in implementation. These rules regulate the property ownership, tenure systems, plot sizes control, building standards among others. A clear study of these regulations should be commenced and ones found to be inappropriately increasing the cost of housing, encouraging corruption and delaying implementation of important projects ought to be repealed. Some of these laws may also discourage investments in the housing sectors. In Sweden for instance, Söderholm and Wahlborg (2016) argue that the ability of government to implement social housing programs by using legislation that gave out grants and credits to contractors in the mid-1940s helped to address the housing shortage problem. Sector-wide reforms should also be implemented by the government. This is because the housing sector is very much linked to the other sectors of the economy and failure in other sectors is likely to have an impact on the housing sector. Solving the housing problem must be part of a strategy to address the social and economic challenges in the community. These reforms should target all sectors including land, finance, building materials, and other service sectors. Gilbert (2000) argues against government interventions like rent control as they may lead to a reduction of supply for the rental housing which is counterproductive.

Reforms should target the role of government in housing sectors. Excessive control of the housing sector may affect the supply of affordable houses to the public. Man (2011) established that before the economic and housing reforms of 1978, the socialist housing policies interventions in China lead to low investment in housing sectors. This led to an acute shortage in urban housing supply and substandard quality of housing. The restoration of private property rights in China due to housing sector reforms and commercialization encouraged homeownership. Many rental houses were sold to employees thus reducing cost and increasing access to affordable houses. Further reforms in the housing sector by the Chinese government reduced government interventions in policy formulations and management of housing. The government, therefore, stopped playing roles in housing production instead became responsible

for housing low-income earners (Zhou & Ronald, 2017). The housing sector like others should be allowed to regulate itself under the market forces with less restriction on ownership by authorities.

4.5. Encouraging Public Rental Housing

Much government intent to control rent in the urban areas has proven futile. It has led to a decline of investments in private renting thus affecting the supply of housing to urban poor and middle-working class who can't afford private houses. There have been few interventions by governments to supply rental housing to the citizens. In China, the government tried to eliminate social inequality in society by promoting a centralized and direct distribution of housing to the public at a lower rent. This approach to housing crisis solution, however, failed as the government could not meet demand. The cost of such distribution soon became unbearable to the government (Zhang, 2002). The government later introduced neoliberal reforms by involving various actors like property developers, banks and lenders who partnered with local government in providing housing to the public (Wang, Shao, Murie, & Cheng, 2012).

Developing countries governments should encourage rental housing by providing tax reliefs for rental incomes earned by landlords, offering good credit facilities to landlords, providing better services in low-income areas including roads, water and electricity and being a fair arbiter between landlords and tenants. Besides, tax policy also affects homeownership to a great extent. While popular discussion about tax treatment to homeowners mainly focuses on the deduction of tax on mortgage interest and property tax payments, most academic discussions emphasize exclusion of the imputed rental incomes on homes and houses owned as a tax benefit. This would encourage house ownership thus helping in alleviating the housing problems especially in urban settings (Poterba & Sinai, 2008).

4.6. Cost Subsidy for Building Materials

Building materials play a critical role in the housing sector as they determine the quantity and quality of housing. Access to these materials is important in ensuring that the supply of housing meets the demand. The cost of building materials can be a threat to housing ownership as high cost tends to discourage aspiring home-owners. In Nigeria, many housing projects initiated could not be completed on time due to the sudden increase in the cost of building materials (Akanni, Oke, & Omotilewa, 2014). High costs have a multiplier effect on the construction industry leading to the expansion of informal settlements in the cities.

Many families in developing countries do not own homes and houses due to the high cost associated with the construction of homes. According to Gilbert (2000), the overly high cost could be attributed to overdependence on imports for the building materials and monopoly in the local markets. Many developing countries tend to import building materials even when traditional materials are readily available locally. Governments should encourage local production of the building materials to reduce the cost associated with importations thus lowering the production cost. The costs for local consumers will reduce leading to increased purchases and more houses being constructed.

Besides, market liberalization should be encouraged to help increase local competition in the market. Policies must be put in place to regulate the local monopoly which often leads to higher prices of goods to consumers. If these measures are implemented coupled with new innovations, the demand-supply of houses will increase therefore alleviating the housing problems in developing countries.

5. Conclusion

The solution to housing problems in developing countries requires efforts involving actors from across sectors. Besides, drawing lessons from countries that have had similar crises could help to address the problem. Sweden was able to solve its housing problems by involving all actors like members of the public, cooperatives, private developers and government. Having clear policies for the housing sector is a critical part of housing problem solutions. Poor policy guidelines, lack of implementation institutions, duplication of policies and adoption of incompatible policies from other jurisdictions are among the causes of housing crises. Policies should not scare away investors by raising the costs of construction to high levels and delaying approval processes for projects. Reforming the housing finance system is important to make the mortgage and credits accessible and available to families with low and medium income. Currently, the existing housing finance laws in most developing countries discriminate against the poor as they attract very high interest and the repayment period is too short. The poor are therefore not able to build or purchase homes. This has forced many to settle in informal settlements with deplorable. This research also points to the critical roles of governments in the housing sectors. Governments provide grants, incentives, flexible regulations and have a direct role by building affordable housings. Rather than complete liberalization of the housing sector, this research emphasizes the important role of both government and private actors in addressing housing problems.

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The authors declare no conflict of interest

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