

GOVERNMENT POLICY AND HOME OWNERSHIP THROUGH MORTGAGE FINANCING IN NAIROBI COUNTY, KENYA.

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CITATION: Kigomo, J., R., Senaji, T., A. & Mwaniki, G., W. (2020). Government Policy and Home Ownership Through Mortgage Financing in Nairobi County, Kenya. *International Journal of Arts and Entrepreneurship*.

Vol 9 (9) pp 1 – 10.

ABSTRACT

Kenya has over the years adopted policies and programs intended for provision of housing for low income groups to ease the current poor housing supply in Kenya. Despite the policies put in place by the Kenya government the demand for bigger and better housing has been higher than the population growth. The purpose of this study was to establish the relationship between government policy and home ownership through mortgage financing in Nairobi County, Kenya. A descriptive census survey of employees in 43 mortgage lenders' banks and mortgage customers in state corporations were conducted.

Both secondary and primary data was collected. P

Primary data was collected from 92 credit managers of mortgage institutions and a sample of 393 mortgage customers. The study also collected data from a sample of 393 mortgage customers selected from a population 24,000 employees of three parastatals. Secondary data was collected from published financial statements of CBK, mortgage lenders, and Kenya National Bureau Statistics (KNBS) for the period of 30 years (1989 –2019). Data collected was both quantitative and qualitative and was analyzed using both descriptive and inferential statistics. It was found that

Government policy aspects such as creating an enabling legal framework, developing effective policies, process and cost of approvals for housing development, provision of amenities such as roads, electricity and sewerage, and involvement of the government in provision of low-cost housing could enhance mortgage uptake and hence increased home ownership by citizens . It is recommended that stakeholder in the market including the Capital Market Authority (CMA), Nairobi Securities Exchange (NSE) and the various other stakeholders develop a secondary mortgage market to improve access to these facilities.

Key Words: Legal framework, Policy effectiveness, government support, mortgage financing

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