Affordable Housing Under BETA: Institutionalising Dignity, Equity, and National Development

Part 1 of 5: The August Imperative- Moving from Planning to National Scale

As of August 2025, the Affordable Housing Programme (AHP) has entered its most critical phase yet: full-scale national delivery. With foundational policies enacted, financing mechanisms stabilised, and institutional partnerships matured, the Government of Kenya is now focused on translating its housing ambition into visible, verifiable transformation in every region. This marks a shift from strategic design to operational acceleration, that defines the second half of the 2025 calendar year.

Under the Bottom-Up Economic Transformation Agenda (BETA), housing has been elevated from a sectoral priority to a national driver of spatial equity, fiscal innovation, and community empowerment. What began as a constitutional mandate is now a fully operational public service platform.

Recent progress underscores this transformation. Over 140 projects across 35 counties are now active, with more than 120,000 housing units under construction as of August 2025. These projects are supported by dedicated infrastructure, roads, sewerage, schools, healthcare facilities, street lighting, and green spaces. In counties such as Homa Bay, Nakuru, Mombasa, and Kisumu, AHP has shifted local development patterns, attracted youth to the construction economy, and energised informal sectors such as Jua Kali and community-based SACCOs.

The passage of the Affordable Housing Act, 2024, and implementation of the Affordable Housing Levy, have eliminated historical uncertainty surrounding funding and compliance. The National Housing Fund (NHF), now legally constituted and independently audited, has collected more than KSh 40 billion, with growing monthly inflows that will sustain delivery beyond the current financial year. Importantly, the Fund is an instrument for fiscal discipline, investor confidence, and end-user affordability.

The program’s focus has evolved. From simply addressing the housing gap, the government is now advancing housing as a unifying framework for economic participation. It links TVET graduates to site-level employment, connects small-scale manufacturers to large-scale demand, and creates direct and indirect jobs across every county where a project breaks ground. This integration of labour, land, law, and livelihoods defines AHP as a nation-building instrument.

With Boma Yangu approaching one million active users, the State is also institutionalising digital participation in housing allocation. The portal, (integrated with eCitizen and accessible nationwide), has shifted housing from backroom allocation to frontline transparency. The public can now monitor their application status, track payments, and engage through SACCOs, Huduma Centres, or employer-led housing schemes.

Looking forward, the program is transitioning from standalone projects to city-shaping urban clusters. Initiatives in Nairobi (Mukuru Met, Shauri Moyo, Ziwani), Mombasa (Buxton Point), Kisumu (Makasembo), and Nakuru (Bondeni and Pipeline) are no longer viewed as pilot estates. They are becoming urban nodes for inclusive growth, built with vertical efficiency, energy resilience, and integrated services. Smart density and planned layouts are now the baseline, disorder and displacement are no longer accepted as inevitable features of urbanisation.

At a governance level, this phase of AHP delivery is marked by greater inter-ministerial cohesion. Ministries responsible for lands, infrastructure, education, water, youth affairs, and finance are working from a common delivery calendar, coordinated through the State Department for Housing and Urban Development. County governments have assumed centre stage, with 43 formal implementation agreements signed to fast-track land provisioning, planning approvals, and local labour mobilisation.

Part 2 of 5: Coordinated to Deliver – How Kenya is Scaling Affordable Housing Under BETA

1. Delivery as a National Operating System

Kenya's Affordable Housing Programme (AHP) has now evolved into a fully operational, nationally coordinated delivery system. Anchored in the State Department for Housing and Urban Development, AHP is governed by standardised frameworks, cross-agency collaboration, and joint county-national implementation. What began as a flagship initiative is now a well-defined national service, planned, costed, audited, and monitored in real time.

This architecture is designed to deliver not just quantity, but equity, ensuring that affordable housing reaches every county, accommodates all income bands, and connects seamlessly with public services and local economies.

2. Four-Pillar Framework for Seamless Execution

The delivery of AHP is structured around a replicable four-pillar model that ensures coherence across all counties:

a) Land Provision and Site Readiness
Counties, parastatals, and national agencies provide land strategically located near existing infrastructure. Parcels are vetted for suitability, digitised, and aligned to county spatial plans. As of August 2025, over 500 hectares have been committed by counties for AHP rollout.

b) Developer Engagement via PPPs

Private developers are competitively procured under the Public-Private Partnerships (PPP) framework. Each contract includes risk-sharing terms, social housing quotas, performance timelines, and local content requirements. 43 housing PPPs have been signed, with more in the pipeline.

c) Infrastructure Enablement
Government finances the enabling infrastructure; access roads, sewerage, drainage, water supply, power, and public lighting. These investments reduce delivery costs, make projects viable for developers, and ensure livable estates. For example, in Bondeni, Nakuru, infrastructure funding reduced the developer's total outlay by over 18%.

d) End-User Access and Financing
Kenyans access units through structured financing models: rent-to-own, tenant purchase, SACCO-led schemes, and employer housing arrangements. Unit pricing is aligned to income brackets and subsidised where necessary using the National Housing Fund.

3. Counties as Co-Architects of Delivery

Counties are now central to housing rollout as active implementation partners. The signing of 43 Memoranda of Understanding (MoUs) has given county governments a direct role in:

• Identifying and securing land
• Fast-tracking approvals and permits
• Embedding housing in County Integrated Development Plans (CIDPs)
• Mobilising local contractors and labour
• Providing last-mile support infrastructure

This model ensures national standardisation without undermining county autonomy. Counties like Homa Bay (Makongeni), Mombasa (Buxton), Kisumu (Makasembo), and Kakamega (Milimani) are now referenced as model implementers.

4. Digitally Enabled Programme Management

All project data is hosted on a central digital management system, linked to Boma Yangu, the State Department's programme dashboard, and the eCitizen backend. This includes:

• Real-time tracking of construction progress
• Digital workflow for land vetting, approvals, and payments
• Automated reporting for Treasury, Parliament, and Auditor General
• Citizen-facing updates on allocation and delivery timelines

These systems are reducing bureaucracy, increasing visibility, and closing historic gaps in project monitoring and contractor performance.

5. Legal and Regulatory Reforms Driving Efficiency

The housing delivery environment has been made faster, leaner, and more investor-friendly through key legislative changes:

• The Affordable Housing Act, 2024 provides a clear legal basis for programme funding, delivery, and oversight.
• The PPP (Amendment) Regulations, 2023 have simplified project approvals and made housing PPPs more attractive to investors.
• National and county governments have reduced the average construction permitting time from 68 days to 21 days.
• Land registration and digitisation have been prioritised in 24 counties aligned with AHP rollout.

Together, these reforms have cut red tape, accelerated project take-off, and aligned housing delivery with global best practices.

6. Housing Typologies for All Income Segments

To ensure every Kenyan is included, the AHP classifies housing units across three segments:

Category	Monthly Income Band	Features
Social Housing	Less than KSh 20,000	Heavily subsidised, 1–2 room units
Affordable Housing	KSh 20,000–150,000	Rent-to-own, 1–3 bedroom units
Market-Rate Housing	Above KSh 150,000	Developer-financed, cross-subsidised

All estates are mixed-income by design. This avoids ghettoisation and promotes social cohesion, while cross-subsidising lower-income units through commercial margins on premium allocations.

7. National Institutions Working in Lockstep

The national rollout of AHP is powered by a web of institutional coordination:
• The State Department for Housing leads planning, supervision, and policy direction.
• The PPP Directorate supports developer onboarding, transaction advisory, and contract structuring.
• The National Housing Corporation (NHC) participates in build-and-transfer projects and direct delivery.
• The Kenya Mortgage Refinance Company (KMRC) provides long-term liquidity to financial institutions offering affordable mortgages.
• TVET institutions supply trained artisans and link trainees to on-site placements.
• SACCOs and trade unions are being onboarded as buyer mobilisers and co-financing partners.

This whole-of-government, whole-of-society approach is what allows the programme to scale without collapsing under its own ambition.

8. Transparent, Accountable, and Citizen-Centric

Public accountability is a key component of BETA's housing strategy. All applicants can:
• View available projects by county and income category
• Apply digitally and track allocation status
• Participate in barazas, surveys, and stakeholder forums
• Access project grievance redress mechanisms

AHP is co-created with citizens, and designed to uphold trust, inclusion, and value-for-money.

9. The Outcome: A System Ready to Deliver at Scale

With institutional structures harmonised, counties onboarded, funds flowing, and contractors at work, Kenya's housing system is now built for scale. The Government's focus for the remainder of 2025 is to:
• Finalise delivery of ongoing units for the first batch of allocated beneficiaries
• Expand the project pipeline to achieve 1 million housing starts by 2027
• Deepen employer and SACCO partnerships to expand end-user affordability
• Maintain public transparency and inter-agency coordination

Part 3 of 5: Building While Empowering – The Economic Impact of BETA Housing

1. Housing as an Economic Multiplier

The Affordable Housing Programme (AHP) is now one of Kenya's most powerful economic engines. As a flagship pillar under the Bottom-Up Economic Transformation Agenda (BETA), the programme is catalysing mass employment, stimulating industrial activity, and expanding revenue streams across sectors.

It is converting investment in shelter into income-generating opportunities for ordinary Kenyans.

Unlike conventional infrastructure, housing delivery is deliberately labour-intensive, supply chain-sensitive, and highly localised, making it ideal for inclusive economic growth. Every estate built under AHP is also a platform for livelihood creation and grassroots productivity.

2. Over 120,000 Construction Jobs and Counting

By August 2025, over 120,000 direct construction jobs have been created on AHP sites across 35 counties. These include roles in:
• Masonry and bricklaying
• Carpentry and roofing
• Electrical installation and plumbing
• Site supervision, logistics, and security

Projects such as Mukuru Met in Nairobi, Pipeline in Nakuru, and Buxton in Mombasa are employing thousands of youth, with over 70% of workers drawn from local communities under contractor agreements.

The site-level labour model also prioritises gender inclusion. In Kibra and Shauri Moyo, women-led teams have been contracted for finishing works, landscaping, and site catering, ensuring that women benefit meaningfully from the programme.

3. TVET Integration: From Training to Tools

AHP has been intentionally linked to Kenya's Technical and Vocational Education and Training (TVET) ecosystem. In partnership with county training institutions and the Ministry of Education, the State Department for Housing has created an absorption pathway for recent graduates.

By August 2025:
• Over 18,000 TVET graduates have been deployed to construction sites across Kisumu, Machakos, Uasin Gishu, and Kilifi.
• Young artisans are gaining structured work experience in plumbing, tiling, welding, and site engineering.
• Contractors are incentivised to allocate quotas for TVET interns, with work tools provided through SACCO-based credit lines.

This direct linkage between classroom skills and on-site application is improving graduate employability, formalising artisanal trades, and standardising workmanship across AHP projects.

4. Local Supply Chains and County-Based Manufacturing

The economic benefits of housing under BETA extend far beyond construction. Across the country, the programme has created strong forward and backward linkages with small-scale producers and local industries. These include:
• Jua Kali artisans supplying metal doors, gates, and window grills
• Community cooperatives providing sand, ballast, and quarry stone

• SMEs and SACCOs scaling up timber, cement blocks, and water tanks
• County-based manufacturers supplying EPS panels, tiles, roofing sheets, and paint

In Kakamega, Kitui, Murang'a, and Homabay, local micro-enterprises are experiencing record demand, with many accessing credit facilities to meet contractual volumes. These linkages are revitalising informal businesses, creating tax-compliant supply networks, and decentralising industrial activity.

5. Surging Demand in Transport, Logistics, and Informal Services

Every AHP site functions as a dynamic economic hub. The scale of movement, of materials, workers, and services, has led to a rise in demand for:
• Short-haul transport (pickups, boda bodas, tippers)
• On-site food services and mobile catering
• Safety gear supplies and construction wear
• Water vendors and mobile toilet units
• Equipment leasing and repair services

In Nakuru, boda boda SACCOs have doubled income by transporting labourers and supplies. In Kisii, a single estate project has created steady business for 45 informal vendors. In Laikipia, fuel stations near AHP sites have reported a 30% sales uplift attributed to ongoing construction logistics.

6. Fiscal Contribution and Formalisation of the Construction Sector

The fiscal benefits of housing under BETA are now visible in national accounts. According to the 2025 Economic Survey:
• Construction sector contribution to GDP rose to 6.4%, up from 5.7% in 2022
• Real estate-linked revenue collections by the Kenya Revenue Authority (KRA) increased by KSh 19.4 billion between 2022 and 2024
• Over 47% of all public construction activity in 2024 was attributable to AHP

This growth reflects formalisation. Contractors are now registered, VAT-compliant, and bound by structured procurement. Workers are captured in NSSF/SHA systems. Small suppliers are transitioning into tax-paying, digitally documented enterprises.

7. A Platform for Local Investment and Community Wealth

Housing under BETA is not just creating jobs, but is also opening new frontiers for local investment. Community groups are forming cooperatives to:
• Pool savings for tenant purchase schemes
• Invest in SACCO-owned construction firms
• Lease tools and equipment to contractors
• Offer transport and catering services on contract

In Machakos, a youth-led SACCO now supplies construction aggregates. In Embu, a group of women entrepreneurs has established a mobile kitchen unit serving three AHP sites. These grassroots investments are turning housing into a tool for community wealth-building.

8. Financing Ecosystem Feeding National Resilience

The economic impact of AHP is also visible in Kenya's financial system. The Affordable Housing Levy has introduced:

- A predictable monthly fiscal inflow that supports infrastructure investment without debt
- A ring-fenced fund that crowds in private capital and institutional investors
- A platform for blended finance, attracting diaspora contributions, Islamic finance, and pension fund allocations

This ecosystem supports macroeconomic stability while addressing historical barriers to housing finance, particularly for lower and middle-income earners.

9. Housing as a Career Path for the Next Generation

Perhaps the most important economic contribution of AHP is cultural. The program is transforming how youth view construction, as a long-term career. With TVET linkages, stable wages, and guaranteed demand, more young Kenyans are choosing construction as a profession. This cultural shift is redefining what it means to build the nation.

Part 4 of 5: Urban Equity and Spatial Justice – Restoring Dignity Through Planned Housing

1. From Informal Settlements to Integrated Communities

For decades, Kenya's cities have expanded under pressure, resulting in widespread informal settlements, infrastructure strain, and spatial inequality. By 2025, over 15 million Kenyans reside in urban areas, and more than 60 percent of them live in unplanned neighbourhoods. These areas lack essential services such as clean water, sanitation, public lighting, and organized transport. The consequences include increased vulnerability to disease, fires, insecurity, and generational poverty.

The Affordable Housing Programme (AHP), under the Bottom-Up Economic Transformation Agenda (BETA), is reversing this legacy. Rather than treating informality as a temporary inconvenience, the Government has adopted a structural response, redeveloping, re-planning, and reinvesting in neglected spaces to restore dignity and functionality in urban life.

2. Housing as a Driver of Spatial Inclusion

Through AHP, housing has become an instrument of spatial justice. The Government is using planned housing developments to:

- Reclaim deteriorated public estates and convert them into high-density, serviced communities
- Replace informal settlements with secure, in-situ redeveloped housing
- Extend critical infrastructure into areas historically left out of national planning
- Reinforce urban order and land-use discipline, while protecting tenure rights

The overarching objective is not just to provide shelter, but to integrate the urban poor into the formal economy and city governance systems. In every project, the guiding principle is inclusion without displacement.

3. Strategic Redevelopment of High-Priority Zones

Since 2022, the State has prioritised redevelopment in zones where housing and infrastructure decay had reached unsustainable levels. Notable projects demonstrating this new approach include:

Mukuru Met, Nairobi
Kenya's most ambitious informal settlement regeneration project. Over 13,000 housing units are being constructed alongside paved roads, solar-powered street lighting, markets, schools, and healthcare centres. Beneficiaries are drawn from the local tenant population, maintaining community continuity.

Shauri Moyo, Pangani, and Ziwani
Historical housing estates in Nairobi are being reconstructed into high-rise, mixed-income residential developments. The design incorporates green space, modern stormwater systems, and public service hubs.

Buxton Point, Mombasa
The county's oldest council estate has been replaced with modern housing for more than 2,000 families. The development includes walkable street networks, designated business zones, public plazas, and reliable utility systems.

Bondeni, Nakuru
This fully serviced estate of 605 units demonstrates what a county-led renewal model can achieve. It integrates clean energy systems, play areas, internal roads, landscaping, and secure community spaces, without gentrifying the target population.

These projects are proof that low-income households can be served with the same level of architectural excellence and infrastructure commitment as middle- and high-income earners.

4. Designing Mixed-Income Communities, Not Economic Islands

A key principle of AHP is the integration of income segments within each development. Every estate is designed to accommodate:
• Social housing units for low-income households earning below KSh 20,000 per month
• Affordable housing for middle-income earners up to KSh 150,000 per month
• Market-rate units for higher-income households and professionals

This model eliminates class-based segregation and encourages diverse communities. Shared schools, clinics, parks, and public transport infrastructure ensure that all residents, regardless of income, benefit from the same quality of life.

5. Full Integration of Public Amenities

The Affordable Housing Programme is not merely building residential units; it is constructing fully integrated urban settlements. Each site is planned with embedded amenities to support real-life use, including:

• Early Childhood Development (ECD) centres and public schools
• Dispensaries, maternity clinics, and emergency service points
• Markets, boda boda sheds, and micro-enterprise stalls
• Water and sewer networks, electricity access, and drainage infrastructure
• Recreational spaces and public green zones
• Roads, footpaths, and public lighting systems

For example, the Makongeni project in Homa Bay combines more than 1,000 units with a central market, early childhood centre, vocational offices, and transport staging areas. This ecosystem ensures that residents participate in communities.

6. Formal Tenure and Secure Ownership

Security of tenure is central to restoring dignity in urban housing. The AHP under BETA provides formal documentation to beneficiaries through:
• Title deeds for freehold or leasehold property where applicable
• Long-term tenancy agreements in rent-to-own schemes
• Cooperative-based land and unit registration for grouped beneficiaries

In Mukuru, over 5,000 households will receive legally recognized ownership documents through structured tenant purchase. Similar approaches are underway in Kakamega, Embu, Kilifi, and Kisumu, eliminating the risk of eviction and unlocking collateral value for households to access credit and invest.

7. Smart Density and Urban Resilience

As urban land becomes increasingly scarce, AHP is deploying smart design principles to maximise land use while maintaining safety, liveability, and environmental sustainability. These include:
• Mid-rise buildings of four to eight storeys, optimising both vertical and horizontal space
• Use of climate-resilient building materials such as EPS panels and eco-bricks
• Rainwater harvesting systems and solar-powered lighting
• Structured waste collection points and fire response infrastructure
• Compliance with Kenya Building Research Centre (KBRC) standards and National Construction Authority (NCA) codes

These features ensure every AHP estate is built to last, resilient against climate risks, efficient in utility usage, and adaptive to future growth.

8. Public Participation and Localised Design

BETA's housing model is rooted in community engagement. Beneficiaries are not passive recipients but active participants in design, oversight, and implementation. Participation channels include:
• County-level stakeholder barazas during the planning phase
• SMS surveys and digital feedback systems through Boma Yangu
• Inclusion of tenant associations in grievance redress and project supervision
• Local contractor engagement to reflect community priorities

In Mombasa, Kisumu, and Nairobi, residents have influenced estate layouts, inclusion of laundry zones, food stalls, communal halls, and religious spaces, ensuring developments are culturally relevant and socially anchored.

9. A National Response to Urban Exclusion

Kenya's housing challenge is structural. Informality, congestion, and spatial marginalisation have long shaped who benefits from the urban economy. Through AHP under BETA, the State is implementing a national correction.

Every project reflects a re-commitment to equitable development. Every unit built is an affirmation that dignity, order, and public investment must reach all communities, not just those with purchasing power.

Conclusion: Housing as the Foundation of an Inclusive Nation

The Affordable Housing Programme (AHP), under the Bottom-Up Economic Transformation Agenda (BETA), has redefined how the Kenyan State delivers dignity, equity, and opportunity to its citizens. What began as a policy ambition in 2022 is now a nationwide infrastructure of transformation, legally established, financially structured, institutionally coordinated, and visibly underway across counties.

The program has succeeded in moving housing from the periphery of public planning into the heart of national development. It is creating jobs at scale, revitalising local industries, reordering urban settlement patterns, and bringing security of tenure to families long excluded from formal living. Its design is deliberately inclusive, its execution is data-driven, and its impact is both social and economic.

As the Government accelerates towards the goal of delivering over one million housing units by 2027, the imperative is now to sustain momentum. This requires unwavering policy consistency, strict adherence to performance benchmarks, and continued citizen participation at every level. The Affordable Housing Act, the National Housing Fund, and the Boma Yangu platform have laid the foundation. What remains is disciplined execution at scale.

Ultimately, housing under BETA ireflects the belief that every Kenyan deserves to live in a safe, serviced, and secure environment. It affirms that urban dignity is not a privilege of the few, but a right of the many. And it proves that when public intent is matched with institutional will, even long-standing inequities can be reversed, one home, one community, one county at a time.