



**NATIONAL HOUSING CORPORATION**

**STRATEGIC PLAN**

**2019-2023**



## *Vision*

“A decently and sustainably housed nation”

## *Mission*

“To efficiently provide and facilitate access to innovative housing solutions”

## *Core Values*

Professionalism

Integrity

Innovation

Environmental Sustainability

Team Work and Team Spirit

Commitment

Equity

Customer Focus

## FOREWORD

According to the Third Medium Term Plan (MTP III) 2018-2022 which is the implementation plan for our country's long-term development blue print, the Vision 2030; Kenya's population is projected to increase to 50.8 Million by 2022. The population of those whose age is less than 15 years is estimated at 20.3 Million and is expected to increase to 21.5 Million by 2022 while youthful population is expected to increase from 17.5 Million to 19.3 Million by 2022. The population of the elderly (over 65 years) is estimated at 1.4 Million and is projected to increase to 1.6 Million by 2022. To cater for the increased population, it is estimated that over 240,000 additional housing units are required annually to satisfy the unmet need for decent and affordable housing. However, persistent low output of houses results in an annual shortfall of 132,000 houses for urban residents.

The Government has identified housing as one of the "Big Four" initiatives and endeavours to facilitate construction of at least 500,000 affordable and decent houses in this plan period. This will be achieved through strategic partnerships between the Government, private sector, co-operatives, the financial sector, development partners and foreign investors. The delivery of 500,000 housing units is expected to provide decent homes for Kenyans, create an additional 350,000 jobs, provide market for manufacturers and building materials suppliers, and raise real estate and construction sector GDP contribution to 14% by 2022. NHC being the principal government-implementing agency in housing in this country is expected to play a leading role in this endeavour. In view of this huge responsibility, NHC has prepared a Corporate Strategic Plan through a consultative process with many of its stakeholders.

This Strategic Plan outlines the Corporation's Vision and Mission thus directing us in defining where we are and where we would like to be in the next five years through implementation of various strategies. The Corporation will embark on an ambitious journey where it expects to deliver a total of 185,000 units through direct construction and strategic partnership with public and private players. The houses will include rental units, tenant purchase and outright sale for the working population and students in our country. NHC will also play a leading role in the promotion of alternative building technologies through the manufacture of EPS panels and the continued provision of housing loans. Whilst NHC earnestly collaborates with private players, we endeavour to continue promoting devolution through enhanced collaboration with County Governments.

The NHC Board of Directors has pledged its commitment to the realisation of the goals and objectives set out in this plan. The Board acknowledges the need to promote the core values through professionalism, integrity, innovation,

environmental sustainability, teamwork and team spirit. Further, NHC endeavours to strengthen its internal business processes and develop its financial, human and technological capacity. More specifically, NHC will automate key processes in order to enhance efficiency in all operations.

I look forward to continued collaboration from all our stakeholders and partners in order to realise our Vision of attaining “a Decent and Sustainably Housed Nation”

**Eng. Stephen Ngare**  
**Chairman, Board of Directors**

## **PREFACE**

The mandate of the NHC as set out in the Housing Act (Cap 117) is an attestation that housing is a basic right for all Kenyans as entrenched in the Constitution of Kenya 2010. This Strategic Plan is being developed at a time when the Government has identified housing as one of the “Big Four” initiatives and targets to facilitate construction of at least 500,000 affordable and decent houses. This plan is aligned with the specific plans for housing under the Social Pillar in the Third Medium Term Plan (MTPIII) of Kenya’s Vision 2030.

This Strategic Plan reflects the aspirations of the National Housing Corporation in delivering its mandate. It draws together the Vision, Mission and Values that drive the work of the Corporation and sets out the strategic themes, objectives, strategies and priority activities for the period 2019-2023. The Plan sets out the strategic direction for the Corporation for the entire period. It will guide the Corporation’s Management in ensuring effective and efficient utilization of resources.

Since 1953 when the colonial Government of Kenya created a Central Housing Board through the Housing Ordinance, the Corporation has transformed over the years and made commendable contributions towards ensuring that the citizens are decently and sustainably housed. It will continue building upon its past achievements and ultimately provide more value to Kenyans.

As the Corporation carries out its mandate, it faces numerous challenges. Key among them is budgetary constraints and increased competition from public and private developers. Whereas NHC’s mandate is broad, the provision of loans, grants, alternative technology, partnerships and applied research has been partially realized.

It is against this background that the Corporation has developed this Strategic Plan. The Plan will guide the Corporation in addressing existing and emerging trends; ultimately enhance the growth of Kenya’s housing sector.

The Corporation reaffirms its commitment to the success of the affordable housing agenda by remaining true to its mandate of housing the nation.

**Mr. Patrick Bucha**  
**Ag. Managing Director**

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## ACRONYMS AND ABBREVIATIONS

ABT	-	Appropriate Building Technologies
AHP	-	Affordable Housing Programme
CBK	-	Central Bank of Kenya
CHRO	-	Chief Human Resource Officer
CS	-	Corporation Secretary
DOSH	-	Directorate of Occupational Health and Safety
EPS	-	Expanded Polystyrene
GDP	-	Gross Domestic Product
GHS	-	Global Housing Strategy
GMBD	-	General Manager Business Development Division
GMCS	-	General Manager Corporate Services Division
GME	-	General Manager Estates Division
GMF	-	General Manager Finance Division
GMT	-	General Manager Technical Services Division
GoK	-	Government of Kenya
ICTM	-	Information and Communication Technology Manager
KEBS	-	Kenya Bureau of Standards
KSh	-	Kenya Shillings
KMRC	-	Kenya Mortgage Refinancing Company
MTP	-	Third Medium Term Plan
NHC	-	National Housing Corporation
NPO	-	Not for Profit Organization
NSUPP	-	National Slum Upgrading and Prevention Policy
SACCO	-	Savings and Credit Corporative Organization
sBSC	-	Sustainability Balanced Score Card
SDG	-	Sustainable Development Goals
SMART	-	Specific, Measurable, Achievable, Relevant & Time-bound
SWOT	-	Strength, Weaknesses, Opportunities and Weaknesses
TPS	-	Tenant Purchase Scheme

## EXECUTIVE SUMMARY

National Housing Corporation is a State Corporation established under Section 3 of the Housing Act Cap 117. The mandate and core functions of National Housing Corporation are set out under Sections 7, 8, 9, and 10 of the Housing Act. Kenya's population is projected to increase to 50.8 million by 2022 from 45.9 Million. The population of those less than 15 years is estimated at 20.3 Million and is expected to increase to 21.5 Million in 2022 while youthful population, aged between 15-35 years, is expected to increase to 19.3 Million in 2022 from 17.5 Million.

The population of elderly (65+ years) is estimated at 1.4 Million and projected to increase to 1.6 million by 2022. To cater for the increased population, it is estimated that over 240,000 additional housing units are required annually to satisfy the unmet need for decent and affordable housing. However, persistent low output of houses results in an annual shortfall of new units for urban residents by about 132,000 houses.

The Government has identified housing as one of the "Big Four" initiatives and targets to facilitate construction of at least 500,000 affordable and decent houses in this plan period. NHC endeavours to deliver 185,000 units under this initiative, through strategic partnerships between the Government, private sector, co-operatives, the financial sector, development partners and foreign investors. The Corporation has an important role to play in realising the aspirations of Kenyans as identified in the Vision 2030, the Medium-Term Plan III (2018 - 2022), the Constitution of Kenya, 2010 and the SDGs.

In order to achieve this aspiration, the Corporation will need to address various critical issues that have affected the housing sector in the recent past. With this in mind, the Corporation developed this strategic plan (2018/19-2022/2023). It builds upon the success of the previous Strategic plan. The Strategic Plan charts the way forward for NHC over the next five years. It is worth noting that the Corporation commenced the strategic plan formulation in 2019 and started implementing the draft strategic plan the same year. The draft strategic plan was then reviewed and approved by the Board of Directors in June 2021. This has been done by articulating the Vision, Mission, Core Values, Strategic Themes, Objectives and Strategies of the Corporation.

**Vision:** "A Decently and Sustainably Housed Nation".

**Mission:** "To efficiently provide and facilitate access to innovative housing solutions".

**Core Values:**

Professionalism  
Integrity  
Innovation  
Environmental Sustainability  
Team Work and Team Spirit  
Commitment  
Equity  
Customer Focus

The Corporation has adopted 5 Strategic Themes namely: Housing Economy, Internal Business Processes and Systems, Stakeholder Focus, Human Capital and Corporate Governance and Environmental Sustainability. On the basis of the identified strategic themes, various strategic objectives and implementation initiatives were identified. The first strategic objective involves growing the Corporation's business by 144%. This will be achieved through implementation of various strategies which include: development of 1,000 housing units directly, develop 24,000 housing units internally towards Affordable Housing Project in identified sites across the Country, collaboration with housing institutions and County Governments to develop 64,000 housing units, delivery of 10,000 units of student accommodation, growing EPS panel sales to KSh. 1 Billion by 2022/23, increasing rental yield to at least 5%, growing the Corporation's loan allocations by KSh 50 Million, mobilisation of KSh 313.4 Billion for housing and amortization of the Corporation's long-terms loans. The Corporation will undertake various initiatives such as resolving outstanding land issues, building a large sizeable land bank, enhancing the application of EPS technology, reviewing estate management and lending policies among others.

The second strategic objective will involve implementation of 185,000 housing units under the AHP in the next five years. The strategies for realising this objective will include identification of partners to collaborate with in the development of the AHP housing units and mobilisation of KSh. 826.78Billion for construction of affordable housing units. These strategies will be realised through pursuing KSh.18.78 Billion in development grants from the GoK and KSh. 808 Billion through engaging with prospective financiers and providing linkages to approved developers to access financing for AHP.

The third strategic objective will involve the expansion of business activities to include service delivery. The strategies for realising this objective will include lobbying the National Government to re-categorize NHC as a Service Corporation, undertaking institutional restructuring to create a financial subsidiary and creating a budget line for social housing. These strategies will be realised through preparing

concept papers on the re-categorisation of NHC to a Service Corporation and the institutional restructuring, presentation of the papers to the National Government, presentation of the new budget line to the National Treasury and preparation of projects pipeline for social housing.

Full implementation of Affordable Housing Program will be the fourth objective. Development of a criteria/framework on AHP house allocation and development of project delivery ecosystem will be the key strategies for realising the fourth objective. Key initiatives under this objective will include transparent and all in-inclusive house allocation, development and presentation of a concept paper for project delivery ecosystem to the relevant government agencies, procurement of service providers and development and maintenance of Boma Yangu Portal.

The fifth strategic objective will involve re-engineering internal business processes in line with best practices. Development of efficient internal processes and procedures within the plan period and automation of the same are the key strategies for realising this strategic objective. NHC will seek to certify internal processes, enhance risk management in the organisation, adopt new technologies in survey and property management as well as in other areas such as use of analytics and artificial intelligence, mobile applications, support for sending/receiving digital picture from sites, use of cloud infrastructure and implementation of an ERP in order to realise the adopted strategies.

The sixth strategic objective will involve enhancement and implementation of NHC's business continuity in COVID-19 times and/or during any other pandemic and risk. Key strategies for the realisation of this strategic objective will involve enhancement of the current Covid-19 pandemic management strategies and the development and implementation of a post COVID-19 continuity strategy. Key initiatives under this objective will involve development and implementation of a framework on working from home, identification of operations that can be implemented offsite and promotion of remote working through text and video platforms such as email, WhatsApp, Zoom and Microsoft Teams.

Continuous improvement of stakeholder satisfaction during the plan period is the seventh strategic objective for the Corporation. This will be realised through identification, mapping and promotion of stakeholder engagement, which will involve conducting a baseline survey and implementing survey findings. Other initiatives will include undertaking monitoring and evaluation activities on the implementation of the stakeholder engagement activities, implementation of Citizen's Service Charter and timely resolution of customer complaints. The eighth strategic objective will involve improvement of customer satisfaction from the current 67% to 77% through carry out customer satisfaction surveys every two years and promotion of communication to customers/clients. Key initiatives will involve

creation of a detailed database for all customers/clients, undertaking data mining through online surveys, creation of interactive website, ensuring aggressive online presence, holding open days, implementation of a Citizen's Service Charter, ensuring prompt resolution of customer complaints.

Enhancement of the institutional capacity of the Corporation to carry out its business will be the ninth strategic objective for the Corporation. This will be realised through re-engineering the human resource capacity, efficient utilisation of institutional human resource and the enhancement of NHC's corporate governance. Key initiatives for realisation of these strategies will include alignment of the Corporation's organisational structure, recruitment, redeployment and matching of skills to jobs in order to address identified human resources skills gaps, human resource development and training as well as automation of human resource processes. Other initiatives will also include development of a corporate succession plan, implementation of Mwongozo guidelines as well as training the Board and Management on corporate governance among others.

Lastly, NHC will carry out its business in a manner that protects and promotes environmental protection and sustainability. The main strategy for realising this objective will involve mainstreaming environmental protection and sustainability in all business activities. Key initiatives under this strategy will include review and implementation of a CSR policy, development of internal corporate health, safety and environmental policy and the implementation of a corporate environmental sustainability policy. Other initiatives will include implementation of appropriate building technology, implementation of statutory workplace inspections, annual fire and safety audits etc.

## **CHAPTER ONE: INTRODUCTION**

### **1.0. Overview**

The development of this Strategic Plan for the National Housing Corporation (NHC) has taken cognizance its mandate as contained under the Housing Act Cap. 117 Laws of Kenya. This chapter presents the background of the Corporation. It also provides the role of NHC's role in Kenya's development, the background and performance of the housing sector, the various dynamics in the housing sector, key players and competition in the sector. Lastly, the chapter further outlines the big 4 agenda on affordable housing.

### **1.1 Background of the National Housing Corporation**

The National Housing Corporation (NHC) has its origins in 1953 when the colonial Government of Kenya created a Central Housing Board through the Housing Ordinance. The Board was the principal medium through which the colonial Government could promote the development of houses for Africans. In 1959, the Board's activities were extended beyond the promotion of African housing in order to cater for Europeans and Asians. In 1965, the Board decided to undertake direct construction of dwelling in areas where Local Authorities were unable or unwilling to do so. The Board became NHC in 1967 following the enactment of the Housing Act Cap. 117 Laws of Kenya.

The Corporation was mandated to continue discharging the functions of the Board, with wider powers to promote low-cost houses, stimulate the building industry, encourage, and assist housing research. NHC became the Government's main agency through which public funds for low-cost housing would be channelled to Local Authorities, and for providing the technical assistance needed by those authorities in the design and implementation of their housing schemes.

In pursuit of its mandate, the Corporation offers the following products and services:

1. Rural and peri-urban housing loans;
2. Tenant purchase houses;
3. Rental housing;
4. Houses for outright sale;
5. Site and service scheme;
6. Project and estate management;
7. Consultancy services; and
8. Manufacture of Expanded Polystyrene (EPS) panels

### **1.2 NHC's Role in Kenya Development**

The Kenya Vision 2030 strategies aim at transforming the country into an industrialised middle-income economy providing high quality life for all the citizens

by the year 2030. The Vision is anchored on three key pillars (economic; social; and political) and the Enablers. The social pillar contains strategies aimed at building a just and cohesive society that enjoys equitable social development in a clean and secure environment.

The Vision 2030 social pillar has identified seven sectors that will drive the transformation of the society. These sectors are education and training, health, water and sanitation, the environment, population, housing and urbanization, gender, youth and vulnerable groups and, equity and poverty elimination. The Vision has specified the overall goal and key strategies for each of the sectors. For the housing sub-sector, the overall goal is an adequately and decently housed nation in a sustainable environment. This is to be achieved by focusing on the following key strategic factors in the sub-sector:

1. Increasing annual production of housing units from the current 35,000 to over 200,000;
2. Undertaking an initiative of high-quality urban planning starting with adequate housing for those in informal settlements and better development of, and access to affordable and adequate housing for the rest of the population;
3. Enhancing access to adequate finance for developers and buyers; and
4. Targeting reforms to unlock the potential of the housing sector through private public partnerships.

The implementation of the Vision 2030 is in phases of five years. The Third Medium Term Plan (MTPIII) guides the third phase in the implementation, 2018-2022, which identifies specific goals and the resulting flagship projects. To cater for the increased population, it is estimated that over 240,000 additional housing units are required annually to satisfy the unmet need for decent and affordable housing. However, persistent low output of houses results in an annual shortfall of new units for urban residents of about 132,000 houses.

The Government has now identified housing as one of the “Big Four” initiatives and targets to facilitate construction of at least 500,000 affordable and decent houses by 2022. MTPIII has already been aligned with the “Big Four Agenda”, which is a four-point agenda by President Uhuru Kenyatta, outlining what he will be focusing on in his last presidential term to improve the living standards of Kenyans, grow the economy and leave a lasting legacy. This will be achieved through strategic partnerships between the Government, private sector, co-operatives, the financial sector, development partners and foreign investors.



The delivery of 500,000 housing units is expected to provide decent homes for Kenyans, create an additional 350,000 jobs, provide market for manufacturers and building materials suppliers, and raise real estate and construction sector contribution to GDP from 5% in 2016 to 14% by 2022. National Housing Corporation will play a key role in the attainment of the medium- and long-term goals of the social pillar of the Vision 2030 by effectively executing its functions and positioning itself as the lead housing development facilitator for the planned projects.

In recognition of the importance of housing, Chapter four, Article 43 of the Constitution of Kenya, 2010 states that every person has the right to accessible and adequate housing, and to reasonable standards of sanitation. The Corporation's core function is to implement the housing policy on behalf of the Government.

The Global Housing Strategy (GHS) was set to propel housing development as identified in the Sustainable Development Goals (SDGs). The GHS envisions promoting housing development in attainment of SDGs through:

- i. Sustainable urbanization prerequisites at the national level;
- ii. Sustainable urbanization prerequisites at the city level;
- iii. Housing development prerequisites;
- iv. Sustainable housing; and
- v. Housing governance and management.

The Corporation therefore has an important role to play towards the realisation of these strategies through participation in the various initiatives identified in the Vision 2030, the Medium-Term Plan III (2018 – 2022), the Constitution of Kenya, 2010 and the SDGs.

### **1.3 Background and Performance of the Sector**

Access to decent affordable and adequate housing is globally recognised as a basic human right. Sustainable Development Goals, (SDG II) implores the Nations of the World to make cities and human settlements inclusive, safe, resilient and sustainable<sup>1</sup> and in the Constitution of Kenya 2010 Chapter Four, that entrenches the right to housing, Article 43 states that every person has the right to accessible and adequate housing and reasonable standards of sanitation.<sup>2</sup>

According to the UNHABITAT, in the world today, the majority of people live in Cities and approximately 1 billion live in the Informal settlements, mostly in Cities in

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<sup>1</sup> UNHABITAT, 2015. *SDG 11: Sustainable cities and why they matter*. Retrieved online on 13 July 2019 at: <http://www.un.org/sustainabledevelopment>

<sup>2</sup> Kenya, Republic of. 2010. "Constitution of Kenya, 2010, Article 43." Nairobi: Government Printer.

the developing world.<sup>3</sup> In Kenya 22% live in Cities and our urban population is growing at a rate of 4.2 % every year.<sup>4</sup> With this rate of growth the Country requires at least 500,000 new housing units in the next five years to meet this demand (MTP III, Agenda Four).

Over the same period in the past Nairobi, required at least 120,000 new housing units, yet only 35,000 were built leaving a deficit of 85,000 units.<sup>5</sup> The consequence of this mismatch between supply and demand is increased housing prices that push the lower income residents out of the formal market and into the informal settlements, aggravating the informal settlement situation in many urban areas in Kenya.

It has been argued that Kenya can make housing affordable to many more Kenyans, and in turn create new channels to boost overall economic growth both at the national and county levels. Consistent with Cytonn Investment review of real estate in the year 2017/18, the Kenyan real estate market has grown exponentially as evidenced by its contribution to the country's GDP, which grew from 10.5% in 2000 to 12.6% in 2012 and 13.8% in 2016.<sup>6</sup> The growth was driven by:

- i. Infrastructural developments such as improved roads, utility connections, upgrade of key airports;
- ii. Stable GDP growth which has averaged at 5.4% over the last 5 years against a Sub-Saharan average of 4.1%;
- iii. Demographic trends such as rapid urbanization at 4.4% p.a. against the world's 2.5% and population growth averaging at 2.6% p.a; and
- iv. High total returns averaging at 25.0% against 12.4% in the traditional asset classes.

With a rapidly growing population and more so, an increasing middle class, the residential sector has recorded the highest demand with the nationwide housing deficit standing at 200,000 units annually and an accumulated deficit of over 2 million units.<sup>7</sup> However, the largest demand has been for affordable housing to cater for the 61% of urban dwellers who live in informal settlements and shortage in youth accommodation accounting for 40% of the deficit<sup>8</sup>. Therefore, Kenya has witnessed more developers increasingly applying low-cost housing construction methods such

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<sup>3</sup> UNHABITAT, 2018. *World Urbanization Prospects. The 2018 Revisions (Key facts)*. Economic and social affairs. UN. Accessed on 25 March 2019 at:

<http://www.un.org/en/development/desa/population/theme/urbanization/index.shtml>

<sup>4</sup> Kenya National Bureau of Statistics (KNBS), 2019. *Economic Survey 2018/19*. Nairobi: Government Printer.

<sup>5</sup> Ibid

<sup>6</sup> Cytonn Investment. 2018. *Review of real estate in the year 2017/18*. Cytonn Investment, Nairobi.

<sup>7</sup> Ibid

<sup>8</sup> Kenya National Bureau of Statistics (KNBS), 2019. *Economic Survey 2018/19*. Nairobi: Government Printer.

as alternative building technologies which are known to reduce construction costs by as much as 50%.<sup>9</sup>

Housing is however one of the Key Sectors in construction industry and contributes significantly to the development process in Kenya. According to Turner and Townsend report of 2017/18, the real estate and construction sectors continue to be key drivers of economic growth in Kenya, as they have been for the last five years, and the Kenyan construction industry contributes 7 percent of GDP.<sup>10</sup> Data from the Kenya National Bureau of Statistics (KNBS) the construction industry grew by 9.2 per cent in 2017/18 from an expansion of 13.9 per cent registered in 2015/16.<sup>11</sup> Hence, it was noted that increased activity in the construction of roads and development of housing also translated to an increase in employment in the sector from 148.6 thousand jobs in 2015/16 to 163.0 thousand jobs in 2017/18.<sup>12</sup>

#### 1.4 Addressing Housing Dynamics

There are many strategies through which to address the housing dynamics in Kenya. However, the National Government has embarked on five key strategies: Increased supply of housing units, facilitating effective demand for Mortgage uptake, promoting appropriate and alternative technologies, and improving project and facilities management.

The housing sector received a major policy focus from the Government making the sector a key pillar in Kenya as a way of addressing social concerns among the citizenry. The sector targets to develop 500,00 housing units in 5 years, estimated cost is KSh. 2.3 Trillion in the five-plan year period (MTP III, Agenda Four ).<sup>13</sup> The mass housing is aimed at developing affordable housing for the low-end segment that is normally priced out by the private developers. It has the potential to attract many investors thereby driving growth. Further, the affordable housing programme is likely to unlock public land which have been under developed thereby possibly lowering land prices for housing development.<sup>14</sup>

The National Government is facilitating key players in the housing sector through policy, legal and institutional reforms. These include: -

- i. Kenya Mortgage Refinancing Company (KMRC). The KMRC is established under the Companies Act, licensed by the CBK to conduct mortgage refinance

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<sup>9</sup> National Housing Corporation, 2019. *Kenya housing annual report*. NHC, Nairobi.

<sup>10</sup> Turner D. and Townsend S. 2018. *Key drivers of economic growth in Kenya report of 2017/18*.

<sup>11</sup> Kenya National Bureau of Statistics (KNBS), 2016. *Economic Survey 2015/16*. Nairobi: Government Printer.

<sup>12</sup> Kenya National Bureau of Statistics (KNBS), 2018. *Economic Survey 2017/18*. Nairobi: Government Printer.

<sup>13</sup> Kenya, Republic of. 2018. *"The Agenda four (MTP 111, Agenda Four 2018-2022)." Nairobi: Government Printer.*

<sup>14</sup> National Land commission (NLC). 2019. *The affordable housing programme unlocking public land*. Nairobi: Government Printer.

business according to CBK (Mortgage Refinance Companies) Regulations 2019, which provide framework for governance and management as well as reporting requirements of MRCs generally. KMRC has a refinancing agreement governing the lending operations between the mortgage refinance company and the participating primary mortgage lenders, and KMRC does not grant direct finance to any primary mortgage lender of amounts exceeding 25.0% of core capital. Additionally, KMRC operates two credits types:

- Credit type one: Has provisions of up to KES4M for Nairobi Metropolitan and KES3M for other regions, under the affordable housing program. This facility is supported by WB, GoK and Shareholders. The target distribution is 80 % of funding for low, and medium income housing, and 20 % for high income housing.
- Credit type two: Support from AfDB is applicable through-out the country and there is no regional distinction. Has provisions of up to KES5-8 M for all regions assigned 60% of the fund and KES3.5-4.5 M, under the affordable housing program 40% for all regions.

There is potential in developing a strategic partnership between KMRC and NHC. The objectives would be:

- Increasing Capital available for mortgage lending by NHC
  - Developing an inclusive all-purpose (Supply and Demand) project ecosystem, that will enhance sustainable mortgage uptake and delivery of Affordable housing.
- ii. Reorganization of National Housing Corporation & Housing levy: Promotion of Voluntary contributions and housing loans through National Housing Corporation for development of or improvement of housing (MTP III, Agenda four).<sup>15</sup>
- iii. The Land Laws (Amendment) Act, 2016. AN ACT of Parliament to amend the laws relating to land to align them with the Constitution, to give effect to Articles 68(c)(i) and 67(2)(e) of the Constitution, to provide for procedures on evictions from land, and for connected purposes ENACTED by the Parliament of Kenya.<sup>16</sup>
- iv. National Slum Upgrading and Prevention Policy (NSUPP, 2016): The Ministry in charge of housing is still in the process of developing a National Slum Upgrading and Prevention Policy.<sup>17</sup> NSUPP's objective is to upgrade the

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<sup>15</sup> Kenya, Republic of. 2018. *"The Agenda four (MTP 111, Agenda Four 2018-2022)." Nairobi: Government Printer.*

<sup>16</sup> National Land commission (NLC). 2019. *The affordable housing programme unlocking public land. Nairobi: Government Printer.*

<sup>17</sup> Kenya, Republic of. 2016. *"National Slum Upgrading and Prevention Policy of 2016". Nairobi: Government Printer.*

existing informal settlements as well as suggests mechanisms to prevent the development of more of these settlements. The draft policy also addresses issues relating to infrastructure provision, social exclusion, tenure security and participation of all in sustainable urbanization process.

- v. Low-Cost Building Materials and Appropriate Technologies (ABTs): The Government is promoting the use of locally available low-cost building materials and appropriate technologies (ABTs) in order to reduce the cost of housing. To date, there are eighty-one technology centers established in various constituencies and the regional centre at Mavoko. The centers are used to disseminate and train on all existing and new technologies that enhance affordability of housing.<sup>18</sup> Moreover the Ministry also reviews new technologies introduced from outside the country with a view to disseminating the acceptable ones to the stakeholders and users.<sup>19</sup>

### 1.5 Improving Access to Housing Finance

Numerous benefits can be attributed to improving access to housing finance, including economic growth, job creation, and deepening of the financial sector. There are various global examples supporting the “housing multiplier effect” as every dollar spent directly on a housing unit results in various indirect benefits to the country. Kenya has the right fundamentals in place to achieve results on a significant scale. Collaborative efforts between the Government and the private sector are required, and a supportive policy and regulatory environment strengthened so that tools like the ones below can be leveraged:

- i. Narrow the affordability gap in the housing market and improved financing for both developers and users. The inaccessibility of affordable housing finance is highlighted by the fact that there are fewer than 25,000 mortgages outstanding. Mortgage debt in 2015 represented 3.15% of GDP, substantially lower than in developed countries. Banks have limited access to long-term funding and few institutions have accessed capital markets to fund mortgages. Kenya ought to explore the role of SACCOs to help bridge the gap in the housing finance market.
- ii. Explore financing solutions that can play a catalytic role in stimulating the supply and demand of affordable housing, and create momentum for other underlying reforms. Such solutions have been used in other emerging markets, including the creation of Mortgage Refinance Companies (MRCs), the

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<sup>18</sup> Ministry of lands housing and urban development, 2019. *Low-Cost Building Materials and Appropriate Technologies (ABTs)*. Nairobi: Government Printer.

<sup>19</sup> *ibid*

provision of Housing Finance Guarantees, and developing Public-Private Partnerships (PPPs) for Affordable Housing.

- iii. Innovative financing instruments must be accompanied by policy reform to be effective. Such reforms include the standardization of mortgage contracts, the establishment of appropriate mortgage foreclosure regulations, a clear legal and regulatory framework for mortgage-backed securities and covered bonds, and the creation of an environment conducive to mobilizing long-term domestic capital. Underpinning these is the inclusion of cooperatives and SACCOs.
- iv. The Government of Kenya could rely on the private sector to provide financing for affordable housing, with the Government actively supporting the sector by creating the right environment for lenders and developers. Such support can come in the form of working with the private sector to attract financing through financing instruments, improving access to land, providing basic infrastructure, and improving the efficiency of accelerating mortgage registration and title transfers.

## **1.6 Key Players and Competition**

The key public and private sector players are NHC, NSSF, National and County Governments in public sector and Kenya Private Developers Association (KPSDA). Professionals in the sector led by Architects, Urban Planners, Engineers, Quantity Surveyors, Land Economists, Lawyers, Suppliers of building materials such as cement, timber, paint, roofing and plumbing and Financial Institutions.

## **1.7 Customers, Beneficiaries and Income Levels**

The property market is well developed particularly for the middle- and upper-income segment. However, there is need for more social housing rather than conventional product being offered by the Corporation. Social housing requires investments from the Government which has not been forthcoming in the last thirty years. In this period, the Corporation has also developed housing, which is out of reach of the low-income segment of the population. The Corporation is competing in the market and does not enjoy any advantage over the private sector players.

Kenyans from all walks of life locally and in diaspora are the key purchasers of the Corporation's products and services. The Corporation is therefore expected to compete in the market with aggressive marketing like any other player in the sector to attract buyers of its product and services. AHP is meant to cater for income levels categorized as follows;

- Social from KSh.0-19,999.00



- Low cost from KSh. 20,000-49,999.00
- Mortgage gap from KSh. 50,000.00 - 149,999.00

The first two income groups will be financed through tenant purchase scheme (TPS) over 25 year's period at between 3% - 7% interest. Those earning 150,000.00 and above are categorized upper middle income whose housing needs will be financed through affordable mortgages in the open market with the intervention of KMRC. Rural housing loans will be offered at 7% interest for those wishing to self-build in rural and peri-urban areas. The AHP will only benefit registered and active members through online applications and allocations on a web-based housing portal.

### **1.8 The Big 4 Agenda (Affordable Housing Programme)**

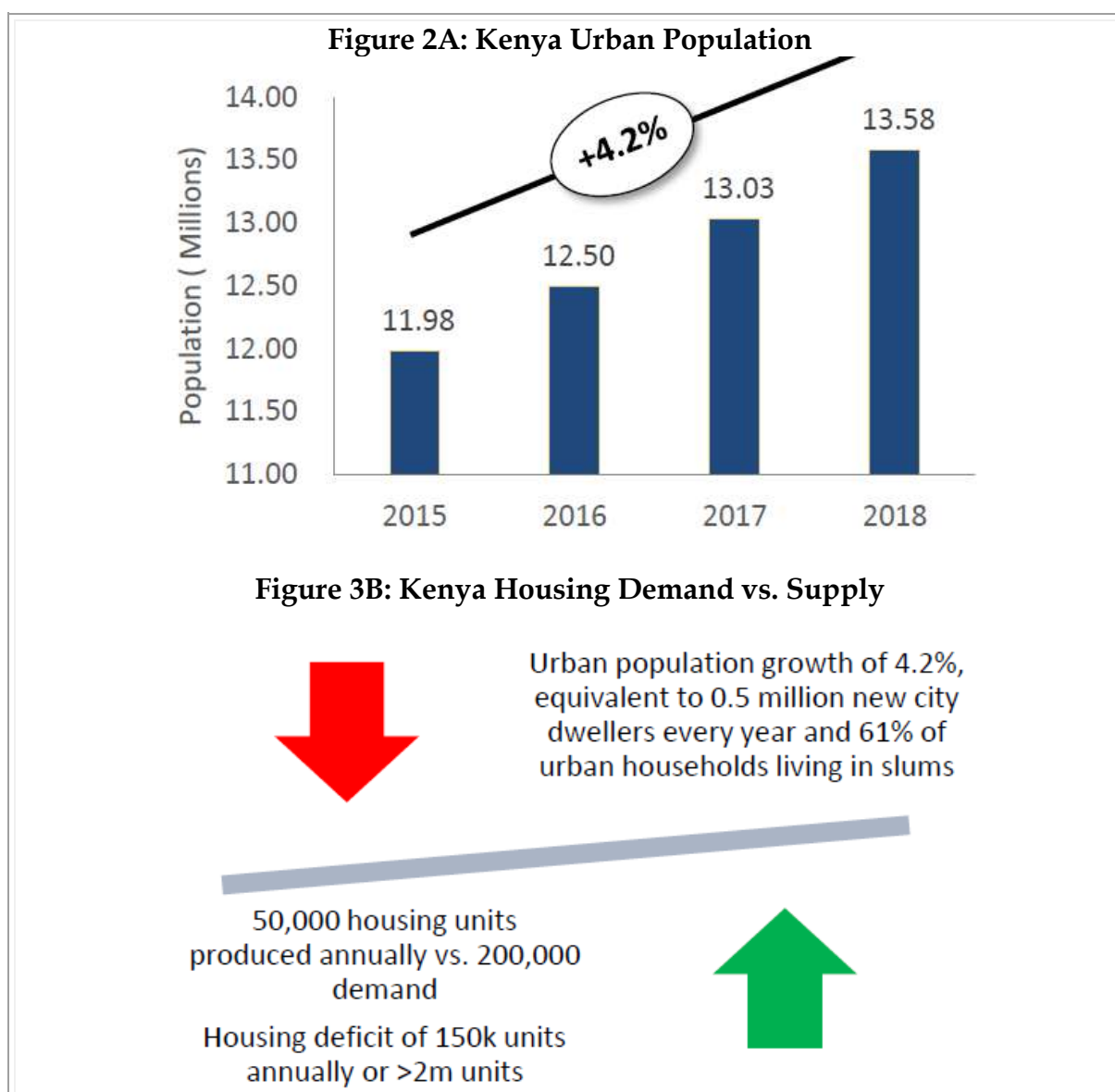
The Kenya Big 4 Agenda (2018-2022), prioritizes affordable and decent housing, affordable healthcare, food and nutritional security, and manufacturing. Focusing on, affordable Housing Programme. Affordable housing can be defined as adequate and decent housing provisions to the low- and moderate-income segments of a population who would otherwise be unable to access directly from the market. The housing should be affordable to enable the income group meet other basic needs such as food, clothing, education and health care. Ideally the total costs spent on housing should not exceed 30% of the household incomes and not cause undue income pressure and cost burden in occupation.

According to KPDA, in 2018 about the estimated population of Kenyans living in urban areas stood at 13.58M. This is equivalent to about 22% of the total country's population. On average the Kenya's urban growth rate is increasing at an annual rate of 4.2% every year (figure 1A)<sup>20</sup> with projections estimating by 2020 the Kenya urban population to reach about 28%. From this statistic, it is estimated that the current housing deficit stands at 2 million houses with nearly 61% of urban households living in informal settlements. This deficit continues to rise due to fundamental constraints on both the demand and supply side and is exacerbated by an urbanization rate of 4.2%, equivalent to 0.5 million new city dwellers every year (Figure 1B).

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<sup>20</sup>KPDA .2018. *Affordable Housing in Kenya: Investment cases for developers building affordable homes*. Nairobi, Kenya.

**Figure 1: Kenya Urban Population versus Housing Demand/Supply**



With this level of growth, Kenya requires approximately 200,000 new housing units annually to meet demand, yet only 50,000 homes are built, leaving the housing deficit growing by 150,000 units per year. The deficit of 2 million affordable houses countrywide with annual production standing at a mere 50 thousand, which is way below the required 250,000 to meet demand (Table 1.1) and stem growth of sprawling informal settlements according to GoK, State department for Housing, 2019.

According to the GoK, State department for Housing, 2019, the above deficit in affordable housing can be attributed to:

- i. Detailed urban development plans and infrastructure services: Few urban centers have implementable urban development plans and a large number of



land parcels are un-serviced, forcing developers to incur an additional infrastructure cost when constructing. Average land and infrastructure cost in Kenya make up 10% to 35% of the total cost of development (Land Act 2016, Physical planning Act, CAP 286, Urban areas and cities Act, 2011).

- ii. Low supply of quality affordable units: The sector has historically developed high priced units targeted at the upper income segment of the market, given the high cost of construction. According to recent research, Kenya has one of the highest costs of construction in Africa.
- iii. Adverse construction finance terms: Construction finance loans are challenging for developers to obtain, particularly since the interest rate cap and the bank's investment in government securities. Developers incur high financing costs during the period and consequently price this cost in when selling property.
- iv. Unaffordable and inaccessible mortgages: Mortgages are difficult to obtain for the average Kenyan household, given mortgages are short term in duration, making them expensive, and that they require formal employment. In addition, the process to obtain a mortgage can take significant time and funds are not released until the titling process is complete.
- v. Inefficient Titling Process: According to the 2017 Doing Business Survey, Kenya has a ranking of 121 out of 190 with respect to property registration. It takes 9 procedures and an average of 61 days to register property in Kenya. The registration process is further complicated by devolution with different counties showing different levels of efficiency.<sup>21</sup>
- vi. High incidental costs: There are hidden costs in real estate development, including an additional 6% needs to be added to the unit cost for incidentals, including stamp duty, legal fees and valuation fees, or facilitation fees.

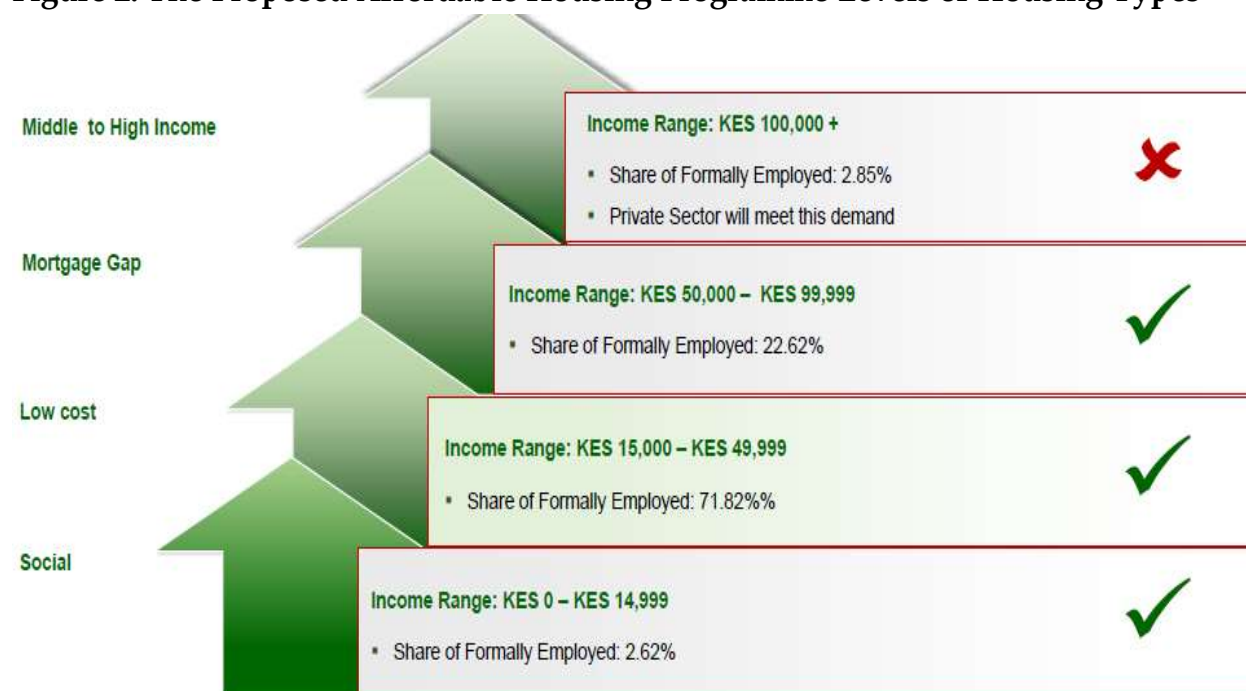
The Government has prioritized affordable housing in its 5-year, 3<sup>rd</sup> medium term plan 2018 to 2022. The AHP is targeting the low- and middle-income segment of the population to access adequate and decent housing. Objective of the programme is to deliver 500,000 housing units by 2022 to be financed and built by private developers on both public and private land across the 47 counties.

The delivery will be phased starting with flagships projects comprising 100,000 units. To enhance program segmentation AHP defines four levels of housing types with only three (3) being the focus of the program as illustrated in figure 2 below:

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<sup>21</sup> National Land commission (NLC). 2019. The affordable housing programme unlocking public land. Nairobi: Government Printer.

**Figure 2: The Proposed Affordable Housing Programme Levels of Housing Types**



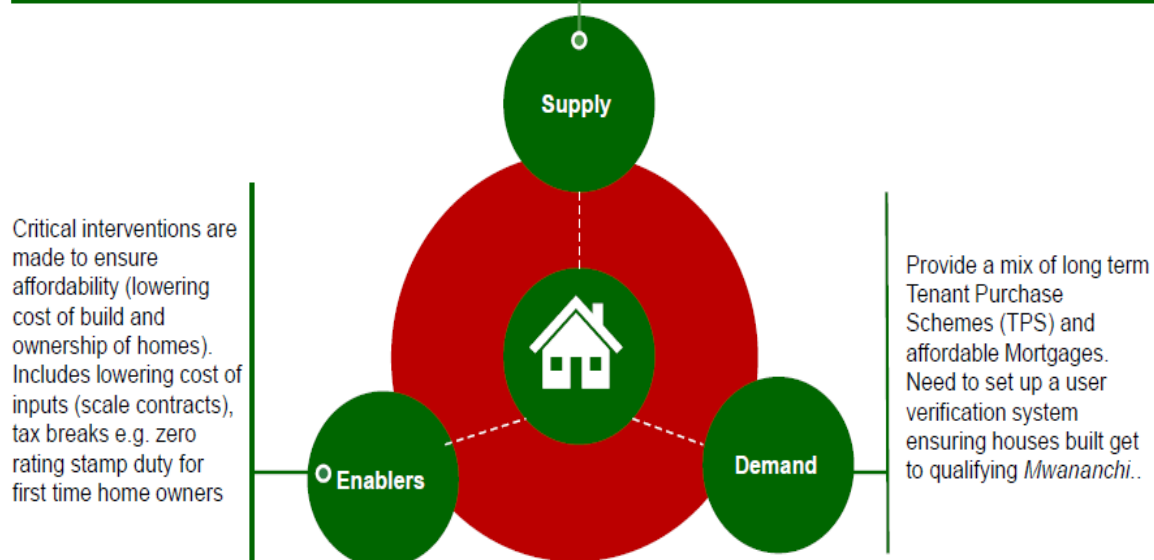
**Source: GoK, State department for Housing, 2019**

The Government will implement the AHP through physical and soft interventions. Physical interventions will include provision of subsidized public land, laying of trunk infrastructure which includes power connection, water supply, sewer, access roads and networks. Soft interventions will include tax incentives to purchasers of the units and Waiver of stamp duty. In summary, the delivery of the 500,000 homes programme will be defined by supply, demand and an enabling environment as illustrated in figure 3 below:

### Figure 3: Affordable Housing Programme supply, demand and an enabling environment

Ensuring that the houses are built based on a **proven demand master plan and mega city approach (along an identified segmentation)**, **mixed use developments with provision of social infrastructure, affordable developer financing, and in the right economic and political nodes (achieving equity)**. Maximise use of private-sector financing with government support on land, bulk infrastructure and other incentives.

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Source: GoK, State department for Housing, 2019

From figure 4, the AHP funding model will entail initial capital injection by the Government to be supplemented by voluntary and statutory contributions. The statutory contributions will be a levy on salaries paid by both employees and employers. Other funding sources include grants and donations from development partners, rental revenues from existing stock of Government housing, returns from investments in the programme and investment by other investors. In summary under the AHP financing framework:

- i. The National Housing Development Fund (NHDF) is the bulk housing aggregator and off-taker. Undertaking for off-take will be provided by the NHDF.
- ii. The online housing demand portal will mitigate developer market risk, which would significantly boost the supply of housing units at scale and lower developer financing costs.
- iii. The sale of homes by the National Housing Development Fund to buyers will take three forms: a tenant purchase scheme, cash and mortgage buyers.
- iv. Through the NHDF, pension funds and institutional investors will mobilize long term local and international pension funds and institutional financing for bulk off-take of houses and/or investment in issued securities.

- v. Sizeable construction finance from offshore lenders for onward lending to project developers will be mobilized.
- vi. Local banks will maximize their development, home loan lending, construction finance and custodial services businesses and capabilities in the delivery of affordable housing at scale.
- vii. The programme will leverage the Government's limited financial support without further increases to government debt.

**Figure 4: AHP Financing Framework**

Principle
National Housing Development Fund (NHDF) as an aggregator
Housing purchase options/developer exit
Bulk housing off-take
Off-shore lending for developer finance
Role of local banks
Leverage limited government finance

*Source: GoK, State department for Housing, 2019*

### 1.8.1 Housing units Under AHP

Housing units to be built under the AHP are defined with predetermined prices as below;

- i. Social housing (1-3 room units 20-35sm): KSh. 600,000- 1,350,000.00
- ii. One bedroomed (30sm): KSh. 1,000,000.00
- iii. Two bedroomed (40sm): KSh. 2,000,000.00
- iv. Three bedroomed (60sm): KSh. 3,000,000.00

However, NHC will undertake market analysis and provide competitive pricing.

### 1.8.2 Role of NHC in Delivery of Affordable Housing

The Corporation can play a leading role in AHP in three areas namely housing supply, housing demand and housing enablers.

- i. Voluntary contributions and housing loans capped at 7% will address the housing finance gap. Other partnerships in innovative finance with public and

private financial institutions to provide both short term and long-term funding for affordable housing.

- ii. The Corporation will promote delivery of AHP through direct construction of dwellings by adopting innovative project management and facility management methods that reduce construction time and guarantee quality.
- iii. Further the Corporation will be involved in strategic partnerships with National Government and other State Agencies to unlock land for affordable housing. Redevelopment of existing old NHC housing stock. The stock of old rental units spread across the country which are due for redevelopment. The low-density single storey units to be redeveloped into medium to high density high-rises to supply more affordable housing units to the market.
- iv. NHC will serve as a demand aggregator i.e. The Corporation can fill this void by promoting off take of affordable units at pre- agreed terms with developers thereby stimulating housing supply.
- v. NHC will facilitate AHP through supply of appropriate building technology and materials. Technology for affordable housing using factory engineered panels manufactured by the Corporation's EPS factory significantly reduces construction time and costs. The technology has the added advantage of being versatile for faster delivery and installation in addition to being environmentally friendly.

## **CHAPTER TWO: SITUATIONAL ANALYSIS**

### **2.0. Overview**

This chapter begins by providing review and assessment of key achievements, challenges and lessons learnt during the implementation of the previous strategic plan of the Corporation. This review of the past performance is followed by undertaking an environmental scan. An analysis of the Corporation's environment was undertaken to provide information on how environment impacts its operations. An environmental analysis reveals issues and trends or concerns that the Corporation will watch and respond to over the plan period. The environmental scan of the Corporation is undertaken first using PESTEL analysis and then the SWOT analysis. The environmental scan is concluded by undertaking a stakeholder analysis and lastly a competitor analysis.

### **2.1. Review of the Previous Strategic Plan Implementation**

In the previous strategic plan (2013/14-2017/18), five strategic themes were identified for action: These were:

1. Business Growth
2. Efficient and Effective Estate Management
3. Efficient Operation Management
4. Resource Mobilization; and
5. Corporate Governance and Human Resource

These five strategic themes have served the Corporation over the last five years, strengthening it in key areas of its operations by enabling it to register several achievements. Despite the achievements, however, there were various challenges encountered while implementing the strategic plan. Some of the notable achievements, the challenges encountered and the key lesson learnt over the last strategic plan (2013/14-2017/18) period have been presented in this chapter.

#### **2.1.1. Achievements**

Several objectives and strategies were identified that were to be carried out to address each of the strategic themes. Although a large part of these were not met, there were significant milestones which came from either partial or full achievement on the activities and programmes during the planned period. Notable achievements during the period 2013/14-2017/18 included the following:

1. The total average turnover per year for the plan period was KSh. 942 million with an average of KSh. 300 Million profit before tax.

2. The Corporation developed a total of 465 housing units in the plan period and a total of 5,365 units were sold.
3. A total of KSh. 15 Million was raised from consultancy services.
4. A total of KSh. 440 Million worth of construction was done through contractor financing.
5. The Corporation effectively managed all its properties at 100%.
6. The average collection from tenant purchase and rental units was 90% while the average occupancy in rental schemes was 95%.
7. The average EPS revenue for the period was KSh. 201 Million while EPS market share was at 8%.
8. The staff establishment by the end of the plan period was 222 with an average of five (5) training man days per employee with an employee satisfaction index of 76%.
9. The Corporation collected an average of KSh. 40 Million per year from County Government debts.

It is worth noting that the achievements reported were mainly on strategic themes two, three and four. The major reason for this was that the three themes required internal actions that were heavily within the control of the Corporation and did not require much from the external environment of the Corporation. Since these activities are important for improved performance of the Corporation, they will be carried forward to the next plan period with directed revisions to make them more specific. The objectives set in other strategic theme areas were largely not achieved with the major reason being dependency on external approvals as envisage in the parent Ministry, technical and legal restrictions, and limited funding. These activities will be carried forward to the next plan period.

### **2.1.2. Challenges**

As NHC continues doing business, it has faced various challenges. These have to be addressed to assure continued success. Among the notable challenges that the Corporation faces are: -

1. Application and execution of the Mandate as spelt out in the Housing Act (CAP 117) of 2018. Some of the mandates appear to be cross cutting and this occasioned operational bottlenecks.
2. The Kenyan Housing sector is evolving so rapidly and has attracted very many players each seeking increased market share. This continues to place pressure on NHC thus requiring it to deploy strategies for sustainable competitive



advantage. Various factors have however continued to delay this from being achieved.

3. The Corporation has been financially constrained and at the same time been limited to the extent of financial independence. This has challenged areas of Research and Development, and also the establishments of new units.
4. Although the Corporation has large tract areas of land, the development process has been delayed as these land parcels largely have no title deeds and therefore ownership is not established as per law. These encumbrances on land remain a big challenge even as NHC continues to try and build sizeable land banks.
5. The Corporation faces challenges with its internal processes mainly application and use of technology alongside innovative processes. There has also been the challenge of employing efficient utilization of the institutional human resources.

As part of the measures to overcome the above challenges and for the Corporation to grow and remain relevant within its mandate as spelt in Housing Act (CAP 117) these challenges have to be addressed. The current strategic plan (2018/19-2022/23) is intended to guide the Corporation in tackling these challenges as well as exploiting opportunities to achieve exemplary performance.

### **2.1.3. Lessons Learnt**

Several lessons have been drawn from the lapsed Strategic Plan (2013/14-2017/18) that will greatly inform the successful implementation of the current Strategic Plan (2018/19-2022/23). Among the key lesson learnt that were identified are;

1. The Strategic Plan, themes, objectives and objectives require to be aligned to NHC's mandate as spelt in the Housing Act.
2. There is need to implement the Strategic Plan fully and extract the measurement parameters for assessing the performance out of it. This includes the Performance Contract (PC) with the National Government, The Institutional Annual Work Plans (AWP).
3. There is need for regular periodic reviews of the Implementation plans within the Strategic Plan and developing of a strong and robust Monitoring and Evaluation Plan to support this activity.
4. Strategic themes, objectives and activities need to be SMART and even go beyond that while ensuring that Strategic Plan ownership is achieved within the Corporation.



## **2.2. Environmental Scan**

### **2.2.1. PESTEL Analysis of the Corporation**

An analysis of the Corporation's environment was undertaken to provide information on how environment impacts its operations. An environmental analysis reveals issues and trends (concerns) that the Corporation will watch and respond to over the plan period.

This analysis was conducted using the PESTEL analysis which presents the broad political, economic, social, technological, ecological and legal issues which may affect the implementation of the strategy. These trends provide the planning premises (assumptions) underlying the strategic plan. The outcome of PESTEL is an understanding of the overall picture surrounding the Corporation as outlined below:

#### **2.2.1.1. Political Factors**

The political factors that are likely to determine the business of the Corporation will include: -

1. Change in national policies such as the President's Big 4 Agenda (AHP) that provide ready business for the Corporation.
2. Sustained war on corruption will continue.
3. Housing will remain a key priority area for the current and future Governments.
4. There will be continued political stability over the plan period.
5. Development of closer ties within the East African Community will continue.
6. Devolution will continue to be strengthened.

#### **2.2.1.2. Economic Factors**

NHC will operate in an environment driven by the following economic factors:

1. Stable macro-economic environment which encourages more investors/partners in the housing sector will persist.
2. Sustained economic growth that will lead to improvement of borrowing power thus our customers can afford financial facilities for our products.
3. Demand for housing will continue increasing with the increasing need for housing in Kenya.
4. Interest rates will remain favourable throughout the strategic planning period.
5. Economic growth will continue at 6.5% p.a. and above.

#### **2.2.1.3. Social Factors**

The social factors that may affect the operations of the Corporation include:

1. A growing middle-income class.
2. Improvement of the livelihood of the people.
3. 70% of the population is below the age of 35 years which comprises of student populations and young adults who have various needs e.g., student hostels.
4. Rural-urban migration will continue.
5. Population growth will remain high.
6. Poverty levels will remain high.
7. Demand for decent housing will remain high.

#### **2.2.1.4. Technological Factors**

The technological factors that are likely to determine the operations of the NHC include:

1. Adoption of technology to enhance research, development and innovativeness in the housing sector.
2. Advancement in ICT e.g., cloud computing, mobile technologies etc.

#### **2.2.1.5. Environmental Factors**

The environmental factors that are likely to affect the business of the Corporation include:

1. Concern for environmental sustainability will escalate.
2. Awareness of environmental issues will continue to increase i.e., environmental protection, degradation etc.
3. There will be business to conduct their activities in environmentally friendly ways

#### **2.2.1.6. Legal Factors**

The following legal factor may affect the operations of the Corporation:

1. Recognition of housing as a right in the Constitution of Kenya 2010.
2. AHP policy and regulations.
3. Legal environment will remain favourable.

### **2.2.2. SWOT Analysis**

SWOT analysis provides an appreciation of the capabilities of an organization and the external factors that affect it. This analysis results in the identification of strengths, challenges, opportunities and threats (SWOT). These provide a good indication of what the future strategies will be. The results of the SWOT analysis are outlined below:

#### **2.2.2.1. Strengths**

The strengths of the Corporation include:

- A rich experience in the housing industry;
- An enabling legislative framework;
- Trusted brand name with a reputation of providing quality and affordable housing;
- Good relationships with stakeholders;
- National presence;
- Government owned hence strong shareholder support;
- Strong asset base;
- Having an extended variety of products suitable for the market;
- Customer focused organization;
- ISO 9001:2015 Certified Organization, and
- Good governance structure which includes professional and supportive Board.

#### **2.2.2.2. Weaknesses**

The weaknesses of the Corporation include:

- Inadequate ICT infrastructure;
- High portfolio of bad debts from customers;
- Lack of synergy in internal business processes;
- Lack of a land bank policy;
- Weak partnerships with County Governments in the delivery of houses
- Monitoring and evaluation of challenges;
- Human resources structural and capacity inadequacies;
- Standard none appealing designs;
- Aging workforce;
- High EPS production cost;
- Houses unaffordable for low-income groups;
- Delayed handing over of management companies for closed out projects;
- Unfavourable regulations on Rural Housing loans;
- Project time and cost overruns;
- Poor brand visibility, and
- Custody of land without titles.

#### **2.2.2.3. Opportunities**

The opportunities available to the Corporation include: -

- Affordable Housing Programme in the Big4 Agenda;
- Support by Government given the current focus on the housing sector;
- Collaboration with new players such as Kenya Mortgage Refinancing Company and Public Private Partnerships;
- Unmet Housing Demand in Kenya;
- Growing number of students without accommodation/Hostels creating new housing demand;
- National Housing Development Fund by Government which includes voluntary and non-voluntary contributions;
- Construction of houses for SACCOs;
- Good will of the people/public because of the quality of houses;
- Availability of partners in housing sector applied research;
- Amendment of the Banking ACT, 2016 – Capping of Interest Rates;
- Availability of public private partnerships in the local and international markets;
- Avenues for capturing Diaspora market for housing;
- Devolved system of governance provides opportunities for collaborations;
- Entrenchment of the right to housing in the Constitution of Kenya, 2010;
- Rapid Urbanization;
- Release of public and institutional land for housing development;
- Exploiting the existence of the East Africa Common Market Protocol;
- Leveraging on huge asset base, and
- Redevelopment of the old houses.

#### **2.2.2.4. Threats**

The threats to the Corporation include:

- Government policy shifts that may not be aligned to NHC's plans;
- Capping of interest rates;
- High construction costs;
- Competition from private developers, institutions and other state agencies;
- High land costs;
- High unemployment;
- Rigid Procurement Laws which often increase the prices for goods and services in the public sector;
- Insufficient suitable land to put up houses;
- Expensive project capital;
- Insufficient water supply;

- Devolution of the Housing Function by the current Constitution;
- Inadequate skilled artisans;
- Unpredictable financing costs;
- Macro-economic instability;
- Increased tenant's advocacy (haki yetu);
- Land encroachment by squatters;
- Inadequate housing infrastructural services;
- Bureaucratic Land Registration Processes;
- Political interference and lack of project funding from the Government;
- Changing technology in the built environment;
- Covid-19 pandemic resulting into: -
  - reduced funding;
  - disruption of supply chains;
  - decline in effective in housing demands; and
  - reduced domestic and foreign investment.

### 2.2.3. Stakeholder Analysis

Corporations such as the NHC operate within a political context which comprises various stakeholders. It is important to understand these stakeholders and their stake (expectations). To be successful in implementing the Strategic Plan, NHC will require the goodwill, support and cooperation from all stakeholders and particular strategic partners. It will additionally require that NHC is perpetually active in building mutually beneficial partnerships with like-minded organizations and inviting businesses to work with itself.

Stakeholders can support or impede efforts of a company to implement its strategic plan. To be successful in implementing the Strategic Plan, NHC will require the goodwill, support and cooperation from all stakeholders and particular strategic partners. During the Strategic Plan period, the Corporation identified several key stakeholders. They have various interests (stakes) in the Corporation as outlined in Table 1.

**Table 1: Stakeholder Analysis**

Stakeholder	Stakeholder expectations	NHC expectations
1. Land owners	<ul style="list-style-type: none"> <li>i. Purchase land from them</li> <li>ii. Partner with them to develop their land</li> <li>iii. Provide information on housing</li> <li>iv. Consultancy services</li> <li>v. Timely completion of the purchase process</li> </ul>	<ul style="list-style-type: none"> <li>i. Competitive prices</li> <li>ii. Genuine title deeds</li> <li>iii. Provision of suitable land</li> <li>iv. Non fraudulent deals</li> <li>v. Commitment to timely completion of the purchase process</li> </ul>
2. Financiers	<ul style="list-style-type: none"> <li>i. Timely settlement of obligations</li> <li>ii. Continued development of houses</li> <li>iii. Provision of correct information for successful partnerships</li> <li>iv. Fast tracking the approvals of the financing process</li> <li>v. The Corporation will be a going concern</li> <li>vi. Disclosure of all terms and conditions</li> <li>vii. Timely completion of the transaction</li> </ul>	<ul style="list-style-type: none"> <li>i. Timely release of project funds</li> <li>ii. Long term financing</li> <li>iii. Competitive terms and conditions</li> <li>iv. Disclosure of all terms and conditions</li> <li>v. Commitment to timely completion of the transaction</li> </ul>

Stakeholder	Stakeholder expectations	NHC expectations
3. KMRC	<ul style="list-style-type: none"> <li>i. Steady supply of houses by NHC</li> <li>ii. Creation of a subsidiary financial institution by NHC</li> </ul>	<ul style="list-style-type: none"> <li>i. Strategic partnership</li> <li>ii. Access to KMRC database</li> <li>iii. Enhance mortgage uptake</li> <li>iv. Introduction of offtake arrangements</li> </ul>
4. Contractors, Suppliers and Other Service Providers	<ul style="list-style-type: none"> <li>i. Equity in pre-qualification</li> <li>ii. Integrity in contract awards</li> <li>iii. Competence</li> <li>iv. Timely payment</li> <li>v. Honouring of the contract agreement</li> <li>vi. Professional management of projects</li> <li>vii. Adherence to the existing laws and regulations</li> <li>viii. Competitive sourcing</li> </ul>	<ul style="list-style-type: none"> <li>i. Timely project delivery</li> <li>ii. Quality service delivery</li> <li>iii. Competence</li> <li>iv. Value for money</li> <li>v. Honouring of the contract agreement</li> <li>vi. Integrity in delivery of the project</li> </ul>
5. Statutory regulators (NEMA, CMA, KRA, NCA etc.)	<ul style="list-style-type: none"> <li>i. Compliance to regulations</li> <li>ii. Payment of statutory fees on time</li> </ul>	<ul style="list-style-type: none"> <li>iii. Prompt approvals</li> <li>iv. Equity in regulation application</li> </ul>
6. Customers	<ul style="list-style-type: none"> <li>i. Affordable, quality, adequate and inclusive housing</li> <li>ii. Functionality: To meet expectations and circumstances</li> <li>iii. Equity in house allocation</li> <li>iv. Good and prompt customer service</li> <li>v. Public participation before project implementation</li> <li>vi. Provide innovative solutions to housing</li> <li>vii. Seek and obtain all the necessary approvals before project commencement</li> </ul>	<ul style="list-style-type: none"> <li>i. Feedback on service delivery</li> <li>ii. Loyalty</li> <li>iii. Meeting their obligations promptly e.g., payment</li> <li>iv. Good relations and cooperation</li> <li>v. Provide correct information before service delivery</li> <li>vi. Honesty</li> <li>vii. Adherence to the terms and conditions of engagement</li> </ul>
7. Professional Associations	<ul style="list-style-type: none"> <li>i. Support e.g., memberships, sponsorships, trainings</li> <li>ii. Strategic partnerships within built industry</li> </ul>	<ul style="list-style-type: none"> <li>i. Professional support and guidance to members who are NHC staff</li> </ul>

Stakeholder	Stakeholder expectations	NHC expectations
	<ul style="list-style-type: none"> <li>iii. Ethical practice</li> </ul>	<ul style="list-style-type: none"> <li>ii. Recognition of affiliation</li> <li>iii. Strategic partnerships</li> <li>iv. Lobby and train members on innovative solutions</li> </ul>
8. Training and Research institutions	<ul style="list-style-type: none"> <li>i. Sponsorship of research</li> <li>ii. Utilization/implementation of research findings</li> <li>iii. Continuous Investment in research initiatives</li> <li>iv. Provision of resources for research</li> <li>v. Conduct research in various areas</li> </ul>	<ul style="list-style-type: none"> <li>i. New ideas on new developments in the sector</li> <li>ii. Training of professional staff</li> <li>iii. Provision of resources for research</li> <li>iv. Dissemination of research findings and other relevant industry information in good time</li> <li>v. Well trained professional staff</li> </ul>
9. Certification bodies (KEBS, SGS, Green Building Council)	<ul style="list-style-type: none"> <li>i. Adherence to certification requirements</li> <li>ii. Certify all new products</li> <li>iii. Standardized designs</li> </ul>	<ul style="list-style-type: none"> <li>i. Timely certification</li> <li>ii. Timely feedback</li> </ul>
10. (National and County Governments)	<ul style="list-style-type: none"> <li>i. Increase in the stock of affordable housing</li> <li>ii. Dividends to National Treasury</li> <li>iii. Employment creation</li> <li>iv. Environmental sustainability</li> <li>v. Compliance with the law</li> <li>vi. Good corporate governance</li> <li>vii. Implement the Government's policies/ agenda on housing matters</li> <li>viii. Forge partnerships with private and public bodies to facilitate housing development (PPP)</li> <li>ix. Review and recommend changes to existing legislation and laws to align to best business practices</li> </ul>	<ul style="list-style-type: none"> <li>i. Availing land</li> <li>ii. Availing of funds</li> <li>iii. Partnerships in housing development</li> <li>iv. Enact facilitative legislation</li> <li>v. Repeal and amend non-facilitative legislation</li> <li>vi. Fast track necessary approvals as and when sought</li> <li>vii. Provide clear guidance on matters policy</li> <li>viii. Realignment of the role of NHC and the Parent Ministry</li> <li>ix. Provision of infrastructure and services</li> </ul>



Stakeholder	Stakeholder expectations	NHC expectations
11. Media	<ul style="list-style-type: none"> <li>i. Patronizing advertisement services</li> <li>ii. Facilitating access to relevant information</li> </ul>	<ul style="list-style-type: none"> <li>i. Positive publicity</li> <li>ii. Fair and affordable rates</li> </ul>
12. Board of Directors	<ul style="list-style-type: none"> <li>i. Implementation of developed policies</li> <li>ii. Achievement of the Corporation's objectives</li> </ul>	<ul style="list-style-type: none"> <li>i. Policy direction</li> <li>ii. Support in resource mobilization</li> <li>iii. Oversight</li> <li>iv. Good corporate governance</li> </ul>
13. Staff	<ul style="list-style-type: none"> <li>i. Good human resource management practices</li> <li>ii. Conducive work environment</li> <li>iii. Appropriate remuneration</li> <li>iv. Equity and fairness</li> <li>v. Continuous professional development and facilitation</li> </ul>	<ul style="list-style-type: none"> <li>i. Dedication and commitment</li> <li>ii. Professionalism</li> <li>iii. Loyalty</li> <li>iv. Creativity and innovation</li> <li>v. Productivity, Efficiency, Integrity</li> </ul>
14. General public	<ul style="list-style-type: none"> <li>i. Effective discharge of NHC mandate</li> <li>ii. Good corporate citizenship</li> </ul>	<ul style="list-style-type: none"> <li>i. Goodwill and general support</li> <li>ii. Law abiding</li> </ul>
15. Utility Service Providers (KPLC, KCAA, Water Service Providers)	<ul style="list-style-type: none"> <li>i. Timely applications and submission of relevant documents</li> <li>ii. Timely payment of expected fees</li> <li>iii. Submission of all the relevant documentation in support of the application</li> </ul>	<ul style="list-style-type: none"> <li>i. Timely processing and approval of the applications</li> <li>ii. Certificate issuance in good time</li> <li>iii. Timely provision of the service(s) requested applied</li> </ul>

### 2.2.4. Competitor Analysis

NHC operates in an environment full of different types of competitors for its different types of products. The competitors include private developers, manufacturers of EPS panels, commercial banks, SACCOs, national and county governments. Most of the competitors are located within Nairobi and its environments and compete directly with the NHC. The competition dynamics are further outlined in the Table 2:

**Table 2: Competitor Analysis**

Competitor	Products	How they Compete with us	Competitive Analysis
1. Cytonn Investment	<ul style="list-style-type: none"> <li>Real estate</li> <li>Education services</li> <li>Kenya Diaspora Investment</li> </ul>	Directly	<ul style="list-style-type: none"> <li>Targets high income bracket</li> <li>Targets Diaspora market</li> <li>Gives mortgage shorter payment period compared to NHC</li> <li>NHC targets low- and mid-income bracket and provision of social housing</li> </ul>
2. Erdemann Properties	Real estate	Directly	<ul style="list-style-type: none"> <li>Developer targeting mid-income bracket</li> <li>Company has capacity for mass housing development</li> <li>No tenant purchase facility</li> <li>NHC has tenant purchase facility</li> </ul>
3. Shelter Afrique	<ul style="list-style-type: none"> <li>Social Housing</li> <li>Institutional lending</li> <li>Equity Investment and Joint Ventures</li> <li>Trade Finance</li> <li>Advisory services</li> </ul>	Directly	<ul style="list-style-type: none"> <li>NHC does social housing</li> <li>NHC is an independent organization and offers housing solutions directly on behalf of the government</li> <li>NHC does project supervision</li> </ul>
4. Hass Consult	<ul style="list-style-type: none"> <li>Asset Valuation</li> <li>Property sale and letting</li> <li>Property and facilities management</li> <li>Development and concept design alignment</li> </ul>	Directly	<ul style="list-style-type: none"> <li>Hass Consult targets high-end and middle-income earners</li> <li>NHC targets low income and social housing</li> <li>NHC manages properties</li> </ul>

Competitor	Products	How they Compete with us	Competitive Analysis
	<ul style="list-style-type: none"> <li>Joint venture and finance structuring</li> <li>Property market research</li> </ul>		
5. Housing Finance Corporation	<ul style="list-style-type: none"> <li>Financing</li> <li>Investing</li> <li>Housing development for sale</li> <li>Insurance</li> </ul>	Directly/Indirectly	<ul style="list-style-type: none"> <li>HFC is the banking and property finance subsidiary of HF Group</li> <li>It offers fully-fledged commercial banking and property finance solutions.</li> <li>These competitive solutions are customized to meet the unique needs of our customers. These include Retail Banking, <ul style="list-style-type: none"> <li>Trade Finance,</li> <li>SME banking,</li> <li>Asset Finance &amp; insurance Premium Financing,</li> <li>Plot loans,</li> <li>Construction financing,</li> <li>Home loans,</li> <li>Project finance and equity release solutions</li> </ul> </li> <li>NHC does construction of houses for sale and letting. Also gives Rural housing loans on interest rate of 13%</li> <li>While HF is a private enterprise, NHC is government owned.</li> </ul>
6. Brick and Mortar Construction	Bricks	Directly	<ul style="list-style-type: none"> <li>Cost of construction per unit of wall using brick and mortar has proven to be lower than EPS Construction.</li> <li>However, the construction of EPS slabs has been proven more cost effective than traditional remedial construction slabs.</li> </ul>

Competitor	Products	How they Compete with us	Competitive Analysis
			<ul style="list-style-type: none"> <li>• Construction time is overall almost double the EPS building construction time.</li> <li>• Structure is heavier than EPS structures.</li> <li>• More popular due to millennia of use and more widely known than EPS Technology.</li> <li>• Commands a larger market share than EPS due to EPS technology's more recent entrance into the market.</li> <li>• Readily available locally for most property developers and labour is readily available for undertaking the actual construction.</li> <li>• NHC's main competition.</li> </ul>
7. Boleyn Magic Wall Panels Ltd	EPS Panels	Indirectly	<ul style="list-style-type: none"> <li>• Factory located in Kitengela area 35km from Nairobi central business district, on Namanga road.</li> <li>• Manufacture EPS panels mostly for own contracts consumption.</li> <li>• Rarely sells panels to the public, instead preferring to construct for clients.</li> <li>• Products slightly different in mesh and wire size to the NHC EPS products.</li> <li>• Market share is much smaller than NHC EPS's.</li> <li>• Panels sold at lower price than the NHC products.</li> </ul>

Competitor	Products	How they Compete with us	Competitive Analysis
8. KOTO Housing Limited	EPS Panels	Indirectly	<ul style="list-style-type: none"> <li>• Factory located at Mlolongo, 20km from Nairobi CBD just off Mombasa Road.</li> <li>• Different type of EPS technology from NHC EPS as they do not use galvanized steel like the NHC Panels.</li> <li>• Mostly construct the houses for clients directly rather than sell EPS panels.</li> <li>• Construction system differs from NHC system.</li> <li>• Do not sell the panels public.</li> </ul>
9. C-MEX Holdings Ltd	EPS Panel	Directly	<ul style="list-style-type: none"> <li>• Factory Located at Clay works area, 18 km from Nairobi on Thika Super highway.</li> <li>• Competes directly with the NHC EPS Panel.</li> <li>• Panels offer the same qualitative advantages to NHC EPS panels.</li> <li>• Panel profiles are similar to those of NHC.</li> <li>• Lower specification in size of steel and mesh for their EPS panels.</li> <li>• Smaller manufacturing plant than the NHC EPS plant hence lower output capacity.</li> <li>• Panels offered to the market at lower price than the NHC EPS panels.</li> <li>• Panels are mostly not for structural use contrary to those of NHC which are structural.</li> <li>• Panels sold directly to the public but also used for any contracts they win.</li> </ul>
10. Haven Heights Ltd	Panels	Directly	<ul style="list-style-type: none"> <li>• Factory located in Ruiru town, 25km from Nairobi CBD.</li> <li>• Compete directly with the NHC EPS Panel.</li> <li>• Panels offer the same qualitative advantages to NHC EPS panels.</li> </ul>

Competitor	Products	How they Compete with us	Competitive Analysis
			<ul style="list-style-type: none"> <li>Panel profiles are similar to those of NHC.</li> <li>Significantly Smaller manufacturing plant than the NHC EPS plant hence lower output capacity.</li> <li>Panels offered to the market at slightly lower price than the NHC EPS panels.</li> <li>Production is mostly for internal projects with some sales to the public.</li> </ul>
11. Banks	Loans in form of mortgage	Directly	<ul style="list-style-type: none"> <li>Offer loans for construction</li> <li>Interest rate for NHC Rural Housing Loans is controlled at 13% per annum. This gives NHC a competitive advantage</li> </ul>
12. SACCOS	Loans	Directly	<ul style="list-style-type: none"> <li>Offer loans for construction</li> <li>One has to be a member to benefit</li> <li>Loans pegged on member contributions</li> <li>NHC Rural loans available for all Kenyans who meet the loan requirements.</li> </ul>
13. National Government	Housing development	Directly	<ul style="list-style-type: none"> <li>Development of Civil Servants Housing scheme thus taking a portion of the Corporation 's potential market</li> <li>Slum upgrading programme taking another portion of NHC's market</li> </ul>
	Collaboration with County Governments	Indirectly	Taking over the possibility of joint ventures with the County Governments in housing development
14. County Government	Housing development	Directly	Housing development/redevelopments within their areas of jurisdiction

## CHAPTER THREE: STRATEGIC MODEL

### 3.0. Overview

The Strategic model; aims at providing structure, processes and outputs that facilitate an organization in fulfilling its mandate and justifying its existence and thus continue to make contribution to economic and social development of the country as well as providing desired returns to its shareholders. NHC needed a clear strategic direction which required an articulation of its purpose, business and what it intended to accomplish. This was done by specifying its Vision, Mission and Core Values. This chapter further focuses on functional analysis by presenting the strategic themes, strategic objectives, strategies (key initiatives) and activities that define the strategic model of the Corporation.

### 3.1. Mandate

The mandate and core functions of National Housing Corporation are set out under Sections 7, 8, 9, and 10 of the Housing Act (CAP 117) as follows:

1. Control and application of the National Housing Development Fund.
2. Recovery of loans given out of the National Housing Development Fund and carrying the same to the National Housing Development Fund.
3. From the National Housing Development Fund: -
  - a) Lend or Grant money to any Local Authority for housing purposes,
  - b) Make loans to any company, society or individual for housing purposes,
  - c) Make loans to organizations established for promoting the development of housing,
  - d) Construct dwellings, carry out approved schemes and lay out and provide services for approved schemes,
  - e) Acquire any land or building or estate or interest for any of the purposes connected to Housing,
  - f) Maintain any land or building or estate or interest therein for any of the purposes connected to housing,
  - g) Appoint and employ on such terms and conditions such officers and servants as may be necessary,
  - h) Pay such allowance to members of the Corporation as the Minister may, in writing, approve.
4. To guarantee the repayment of the principal money and interest and other charges in respect of any loan which has been made to a person for the purpose of enabling him to buy or construct approved dwelling or approved scheme.
5. To undertake and encourage research and experiment in housing related matters, and undertake and encourage the collation and dissemination of information concerning housing and related matters.

6. To take part in housing exhibitions and other forms of publicity.
7. To undertake and encourage the provision of training in furtherance of housing purposes and provide training for members of its staff.
8. To operate a housing finance institution with powers to borrow funds from government, overseas agencies, Pension and Trusts Funds and any other institution or persons, as well as to collect deposits and savings from the public to be applied to the financing of residential housing development and related matters.
9. To establish, promote or aid in establishing or promoting, constitute, form or organize companies, syndicates or partnerships alone or in conjunction with any other person or institution for the carrying out of any such functions as the Corporation is empowered to carry on under the parent Act.

### **3.2. Vision**

*“A Decently and Sustainably Housed Nation”*

### **3.3. Mission**

*“To efficiently provide and facilitate access to innovative housing solutions”*

### **3.4. Core Values**

#### **i. Professionalism**

The Corporation will uphold professional approach in all its operations in order to deliver superior quality products and services.

#### **ii. Integrity**

In discharging its functions, the Corporation will consistently uphold the highest ethical standards, demonstrating honesty and fairness in all operations at all levels of the organization.

#### **iii. Innovation**

The Corporation believes the way forward in attaining sustainable growth and realising its mandate is through generation of creative and innovative ideas. It will therefore, welcome and support creativity and innovation.

#### **iv. Environmental Sustainability**

The Corporation values the environment and will ensure that all activities are not only compliant with laws but also friendly to the environment.

#### **v. Team Work and Team Spirit**

The Corporation will continue to value teamwork and team spirit and this will be articulated in its processes, people and systems.



**vi. Commitment**

The Corporation will remain committed to its purpose, people and stakeholders in all its operations.

**vii. Equity**

The Corporation will remain committed to impartiality irrespective of gender, region, socio-cultural background and marital status in dealing with all its stakeholders.

**viii. Customer Focus**

The Corporation is committed to achieving the highest levels of customer satisfaction through continuous improvement of products and services with high regard for its customers and stakeholders.

**3.5. Strategic Themes**

The strategic themes (strategic issues) are the focal points of strategic planning process. They are derived out of the key opportunities and challenges that face an organization. These themes have to be addressed if the organization has to succeed. The themes address both the core and support business of an organization. If these strategic themes are not addressed the organization can be adversely affected. It is around the strategic themes that the objectives and corresponding strategies are set. The Sustainability Balanced Scorecard (sBSC) was applied in the development of the strategic themes and objectives.

**3.6. Objectives**

Objectives indicate what an organization sets out to accomplish in its business. They are important in assessing the performance of that organization. If objectives are not set it will be difficult to determine the progress the organization is making. These objectives are set around the strategic themes of the organization. The Balanced Scorecard was used in setting corporate objectives for NHC. By achieving these objectives, the projected performance will be achieved.

**3.7. The Proposed Strategic Themes and Objectives**

After conducting a comprehensive strategic analysis for the Corporation, five (5) strategic themes were identified as follows:

- i. Housing Economy
- ii. Internal Business Processes and Systems
- iii. Stakeholder focus
- iv. Human Capital and Corporate Governance
- v. Environmental sustainability

In addition, specific objectives and key initiatives for each of the themes and their accompanying strategies were identified.

The five strategic themes identified along the sustainability Balanced Scorecard (sBSC) were matched with corresponding objectives and strategies. The key initiatives were also formulated along each of the specific strategies. Table 3-outlines the strategic themes, objectives, strategies and key initiatives that NHC has to address over this strategic plan period if it has to remain relevant and successful.

**Table 3: Strategic Themes, Objectives and Key Initiatives**

Objectives	Strategies	Key Initiatives
<b>Theme 1: Housing Economy</b>		
1. To grow the Corporation's business by 144%	i. To deliver a total of 99,000 units to the market as follows: a. Develop 1,000 housing units directly. b. Develop 24,000 housing units internally towards Affordable Housing project in identified sites across the Country c. To collaborate with housing institutions and County Governments to develop 64,000 housing units. d. To deliver 10,000 units of student accommodation for universities	i. Resolve the outstanding issues on NHC land. ii. Identify sites across the country iii. Build a sizeable land bank. iv. Offer competitive pricing while maintaining superior quality v. Process title deeds vi. Resource mobilization to fund the delivery of the houses
	ii. To grow EPS sales to KSh 1 Billion	i. Enhance application of EPS on NHC projects to reduce costs, pricing and speed up delivery ii. Have a house type plan with schedule of materials on EPS iii. Train, empower and facilitate accredited contractors iv. Develop a marketing strategy for EPS Panels v. Develop and implement a marketing plan for EPS Panels vi. Enhance digital marketing for EPS Panels
	iii. To increase rental yield from 2% in 2017/2018 to 5% per annum	i. Review of Estate Management Policy and Housing Policy

Objectives	Strategies	Key Initiatives
		<ul style="list-style-type: none"> <li>ii. Implement the provisions of the Estates Management Policy on maintenance</li> <li>iii. Enhance rental reviews</li> </ul>
	iv. To grow the Corporation's loan allocations by KSh. 50 Million per annum	<ul style="list-style-type: none"> <li>i. Review the Corporation's lending policies</li> <li>ii. Improve the Marketing effort for the product</li> </ul>
	v. To Mobilize KSh 313.4 Billion for housing	<ul style="list-style-type: none"> <li>i. Develop Resource mobilization policy/framework</li> <li>ii. Engage strategic partners to raise KSh. 305 Billion</li> <li>iii. Borrow KSh.2.2 Billion in construction financing from financial institutions</li> <li>iv. Mobilize KSh.3Billion from internal resources for housing construction</li> <li>v. Pursue equity injection of KSh. 3.2 Billion for housing construction</li> </ul>
	vi. Amortise the Corporation's long-term loans	The Corporation to partner with primary lending institutions who have subscribed to KMRC
2. To implement 185,000 housing units under AHP	i. Identify partners to collaborate with in the development of the AHP housing units	Prequalify potential partners
	ii. Mobilize KSh. 826.78 Billion for construction of Affordable housing units	<ul style="list-style-type: none"> <li>i Pursue KSh. 18.78 Billion in development grants from the GoK</li> <li>ii Engage with prospective financiers and provide linkages to approved developers to access financing for AHP Projects</li> </ul>

Objectives	Strategies	Key Initiatives
		(KSh. 808 Billion)
3. To expand the business activities to include service delivery	i Lobby National Government to re-categorize NHC to a Service Corporation	i. Prepare a concept paper on re-categorization of NHC ii. Presentation of the concept paper to National Government
	ii Undertake institutional restructuring to create a financial subsidiary	i. Prepare a concept paper on institutional restructuring to create a financial subsidiary ii. Presentation of the concept paper to the relevant National Government agencies
	iii Create a budget line for social housing	i. Present the new budget line to National Treasury ii. Prepare projects pipeline for social housing
4. To fully implement Affordable Housing Program	i Develop criteria/framework on AHP house allocation	i Transparency in the management of AHP project ii Transparent and all-inclusive house allocation
	iii To develop project delivery ecosystem	i To develop and present a concept paper for project delivery ecosystem to the relevant government agencies ii Procure service providers iii Develop and maintain Boma Yangu portal
<b>Theme 2: Internal Business Processes and Systems</b>		

Objectives	Strategies	Key Initiatives
1. To fully re-engineer internal business processes and systems in line with the best practices	i. To improve efficiency of internal processes and procedures	<ul style="list-style-type: none"> <li>i. Continual implementation of ISO 9001: 2015 Quality Management System</li> <li>ii. Prioritize research and development</li> <li>iii. To continuously undertake benchmarking exercise</li> <li>iv. Enhance enterprise risk management</li> </ul>
	ii. Automation of the Corporation's key processes to improve efficiency	<ul style="list-style-type: none"> <li>i. Adopt GIS/Satellite Technology to survey and manage NHC properties</li> <li>ii. Construction of Intelligent/Innovative Houses</li> <li>iii. Adoption of Analytics and Artificial Intelligence</li> <li>iv. Utilize mobile apps, support for send/receive digital picture from sites</li> <li>v. Implement cloud infrastructure</li> <li>vi. Application of efficient construction technology</li> <li>vii. Develop NHC App that will be used for various functions at the Corporation</li> <li>viii. Identify and implement ERP system and automate various functions within the Corporation - (Recruitment, Appraisal, performance management, project supervision, filing system among others.</li> <li>ix. Activate Online access to NHC digital files</li> </ul>

Objectives	Strategies	Key Initiatives
2. To enhance and implement NHC's business continuity in COVID-19 times and/or during any other pandemic and risk	<ul style="list-style-type: none"> <li>i. Enhance the current COVID -19 pandemic management strategies</li> <li>ii. Developing and implement a post covid-19 continuity strategy</li> </ul>	<ul style="list-style-type: none"> <li>i Develop and implement framework on working from home</li> <li>ii Identify operations that can be implemented offsite.</li> <li>iii Promote remote working through text and video platforms such as email, WhatsApp, Zoom and Microsoft Teams etc.</li> </ul>
<b>Theme 3: Stakeholder Focus</b>		
1. To continuously identify and map out the Corporation stakeholders	Identify, map and promote stakeholders	<ul style="list-style-type: none"> <li>i. Undertake continuous stakeholder identification and mapping</li> <li>ii. To monitor and evaluate the stakeholder engagement</li> </ul>
2. To improve customer satisfaction from the current 67% to 77% (10% improvement)	<ul style="list-style-type: none"> <li>i. Carry out customer satisfaction surveys every 2 years</li> <li>ii. Promote communication to customers/clients</li> </ul>	<ul style="list-style-type: none"> <li>i Create a detailed database for all customers/clients</li> <li>ii To undertake data mining through Online surveys e.g., Customer satisfaction survey</li> <li>iii Create an interactive website</li> <li>iv To promote aggressive online presence</li> <li>v To schedule and hold interactive open days</li> <li>vi Implement Citizen's Service Charter</li> <li>vii Ensure prompt resolution of customer complaints</li> </ul>
<b>Theme 4: Human Capital and Corporate Governance</b>		

Objectives	Strategies	Key Initiatives
To enhance the institutional capacity of the Corporation to carry out its business	i. To attract, develop and maintain an adequate workforce for the Corporation.	<ul style="list-style-type: none"> <li>i. Undertake recruitment and redeployments.</li> <li>ii. Undertake Human Resource Capacity Development and training.</li> <li>iii. Identify and review internal Human Resource Policies and Procedures.</li> <li>iv. Carry out employee satisfaction baseline survey.</li> <li>v. Conduct an assessment on organisational culture.</li> <li>vi. Design a change management process.</li> <li>vii. Continuously sensitize staff on the Vision, Mandate, Core Values and Objectives.</li> <li>viii. Improve internal communication in the Corporation.</li> <li>ix. Promote virtual trainings, workshops and meetings/engagements.</li> </ul>
	ii. To efficiently utilize institutional human resource framework	<ul style="list-style-type: none"> <li>i. Develop a performance management framework.</li> <li>ii. Automate/upgrade Internal Human Resource Management Processes.</li> <li>iii. Develop a Corporate Succession Management Framework.</li> </ul>



Objectives	Strategies	Key Initiatives
	iii. To enhance Corporate Governance	<ul style="list-style-type: none"> <li>i. Implement the Mwongozo guidelines.</li> <li>ii. Continuously train the Board and management on Corporate Governance.</li> <li>iii. Mainstream the National Cohesion and Values into governance of the Corporation.</li> <li>iv. To review the existing Organizational Structure.</li> </ul>
<b>Theme 5: Environmental Sustainability</b>		
To comply with all laws, regulations, policies and guidelines that protect and promote environmental sustainability	i. To mainstream Environmental Sustainability in all business activities	<ul style="list-style-type: none"> <li>i. Review and implement a Corporate Social Responsibility policy.</li> <li>ii. Support Environmental activities as part of CSR, for example National tree planting initiatives.</li> <li>iii. Develop and implement internal Corporate Health, Safety and Environment Policy.</li> <li>iv. Implement environmental sustainability regulations and frameworks.</li> <li>v. Adopt and implement Appropriate Building Technology.</li> <li>vi. Undertake quarterly statutory workplace inspections.</li> <li>vii. To fully implement the OSHA Act.</li> </ul>
	ii. Mitigate risk at the workplace	<ul style="list-style-type: none"> <li>i Form, develop and operationalize the Crisis Management Committee</li> <li>ii Observe high levels of hygiene (e.g., Provide sufficient sanitary spaces,</li> </ul>

Objectives	Strategies	Key Initiatives
		<ul style="list-style-type: none"><li>common room for exercise, lactation room for breastfeeding moms etc)</li><li>iii Carry out regular fumigation of NHC House and regional offices</li><li>iv Ensure regular disinfection of working areas, elevators and railings.</li><li>v Provide sufficient working space.</li></ul>

## **CHAPTER FOUR: IMPLEMENTATION AND COORDINATION FRAMEWORK**

### **4.0. Overview**

This Strategic Plan will deliver expected results if it is successfully implemented and therefore it will require that the Corporation carry out several related activities. The Corporation shall implement this Strategic Plan by undertaking various activities. Various activities are outlined in this chapter.

### **4.1. Strategy Implementation**

#### **4.1.1. Implementation Matrix**

The Corporation's implementation matrix indicates the actions to be undertaken, by whom, when and with what expected results. It represents a commitment to implement the Strategic Plan. The Corporation's implementation matrix is presented in Appendix 1.

Successful implementation of the Strategic Plan will however require that there exists congruence between the various internal dimensions of an organization. Key among these dimensions is the 7S elements as proposed by McKinsey namely the strategy, structure, systems, styles, skills, staff and shared values. These elements must be well aligned to create a "fit" so as to support the Corporation's strategic plan being implemented.

#### **4.1.2. Annual Work Planning**

The Corporation's Annual Work Plan (AWPS) provides specific details about what will be done during a given year. It is more specific and more detailed than the implementation matrix. In implementing the five-year action plan, the Corporation will have to develop five (5) annual work plans. The AWP's are prepared every year on the basis of intended outcomes, strategies and budget in line with the Government guidelines and they must reflect achievements and lessons learned in previous years. The annual work plan for the first year of operation (FY 2019/2020) will be developed and then subsequent ones will follow being developed in the same manner.

#### **4.1.3. Budgeting**

The Corporation will develop an annual budget which will be linked to the Strategic Plan and the Annual Work Plan. The AWP should ideally be completed before the budget for the year is drawn up. It is important in budgeting to ensure that there is an alignment between Corporate Budget and the Corporate AWP in the first year of the Strategic Plan. In subsequent years then the Annual Work Plans should be developed ahead of the budgeting cycle so that the annual budgets are driven by the

priorities in the strategy. This means that the budget will be reviewed to fund the prioritized strategic activities.

#### **4.1.4. Communication of the plan**

This Strategic Plan shall be communicated to all the Board Members, Management and the Corporation's Staff. Through such communication, the Board, Senior Management and the staff of the Corporation will understand what is expected of them. It is important that sensitization of all staff members is done on the key highlights of the Strategic Plan being implemented and clearly, they are informed of what is expected of them.

#### **4.1.5. Financing the plan**

The Corporation plans to finance the plan from voluntary contributions; Strategic partnerships (e.g., Equity funding); Internal Reserves; Debt Finance; Grants from Partners and National Government. Given that there are several assumptions in the financing of the plan, the Corporation is encouraged to find innovative ways of generating new revenue while containing costs. These will include resource mobilization from other sources to fund specific strategic initiatives.

#### **4.1.6. Cascading Framework**

The performance of NHC will be because of the performance of all employees as everyone has a role to play. The desired Corporation's outcomes will be realised only if they are translated to key results of Divisions within NHC and those of teams and individual staff members. There must be a focus across all levels of NHC that is consistently aligned to the Corporate Strategy.

NHC will embrace a cascading frame work that extends from the corporate work plan that defines the top-level strategy, with the implementation matrix forming the basis for the corporate score card. At the lower tiers (Divisions, Units and Departments) their extended Annual Work Plans will be derived from the corporate plan, with additional and relevant implementation details and activities incorporated that are aligned to the corporate strategy.

Employee performance appraisal instruments embodied in the employees' personal objectives and defined by their descriptions and work assignments shall be clearly aligned both individually and collectively to the employees' Division/Departmental plans. As employees meet their personal objectives and perform their duties, their Division/Departmental performance targets and objectives shall equally be met. This shall ensure that the overall Corporate Objectives and outcomes are realised.

## 4.2. Structure of the Corporation

The Corporation has been in the process of undertaking various human resource reforms. Part of the outputs for the reforms includes a New Organisational Structure that is aligned to the needs of the strategic needs of the organisation. The current organisation structure, which is under review, is presented in Appendices III and IV.

It remains critical that NHC reviews her Organizational Structure and aligns it to the Strategic Plan for increased implementation success of this Strategic Plan and the affordable housing programme. There is need to audit the current Organization Structure with a view of identifying issues with structural implications.

## 4.3. Staff Establishment by cadre, establishment, in-post and variance

The Corporation has a staff establishment of **320** members of staff. However, only **189** positions are occupied leaving a staff variance of **41%** percent (Table 4). The Corporation shall therefore endeavour to fill the vacant staff positions to enable effective delivery of its mandate. Appendix V provides more details on the establishment.

**Table 4: Staff Establishment as at 30th June 2020**

Department	Establishment	In Post	Variance	Percentage Variance
Office of the Managing Director	4	2	2	50%
Business Development	9	7	2	29%
Finance Division	49	31	18	37%
Technical Division	64	29	35	55%
Estates Division	32	15	17	53%
Corporate Services	54	41	13	24%

### 4.3.1. Human Resource Development Strategies

Human resource management and development will be aligned to overall strategy of the Corporation by developing plans to support all the strategic objectives and the initiatives. Deploying staff in the right numbers with the right skills and in the right place is fundamental to success of this plan. The Corporation will undertake a comprehensive skills gap analysis and training needs assessment not only to identify the skills required to meet the organization goals but to also inform future staff recruitment, deployment, training and development programs.

The Corporation will review and if applicable revise the Scheme of Service for Staff within the planned period to facilitate career progression. The scheme will provide

Career Guidelines to meet both organizational goals and individual aspirations of staff. This is important for the Corporation given that one of the weaknesses was the stagnation of staff and increased number of staff serving in acting positions without confirmation for prolonged periods.

NHC shall strive to improve and increase skills and competencies among the personnel through training and development. It has to embrace professionalism as bedrock of a competent and a successful organization. In this respect NHC will offer adequate support to its staff so as to be equipped with skills and competences for effective service delivery. Similarly, talent management initiatives will be applied to manage the ability and competency of staff within the Corporation.

NHC will achieve better results from each individual staff by managing performance within the agreed framework of planned goals, objectives and standards. The Corporation will inculcate core values into officer's behaviours and beliefs through induction, orientation, training and sensitization programs so as to develop an organizational culture which will enhance public confidence and promote effective service delivery. To this end NHC shall implement the PSC Succession Management Strategy (2017) to address the challenges of the aging workforce. Mentorship and coaching programs will be institutionalized to ensure adequate supply of competent and skilled officers to take over leadership positions.

It was proposed that there is need to have a gradual annual recruitment to meet the staffing gaps. As such the Human Resource requirements will be rationalized and informed by Capacity Assessment Rationalization Program Report (CARPS: 2015) and the Job Description as recommended by the Salaries and Remuneration Commission (SRC: 2015).

#### **4.4. Financial Resources**

Adequate financial resources are a requisite component for the realization of this plan. The Key Result areas identified will be accomplished through activities which shall be allocated resources as required by the Public Finance Management Act (PFMA) 2012.

##### **4.4.1. Financial Resource Requirements**

The financial resource requirements for this strategic plan are outlined per the strategic themes in **Table 6.6**

**Table 5: Financial Resource Requirements**

Strategic Issues	Resource Requirements in Kes. "Millions")					
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Economic Perspective	235,388	241,475	248,147	257,058	263,184	1,245,251
Internal Business Processes Perspective	108	563	156	108	102	1,039
Stakeholder Focus	-	-	3	5	5	13
Learning and Growth Perspective	59	60	67	65	69	320
Environmental Sustainability	3	3	3	5	10	24
<b>Total</b>	<b>235,558</b>	<b>242,101</b>	<b>248,376</b>	<b>257,242</b>	<b>263,370</b>	<b>1,246,647</b>

#### 4.4.2. Financing the Strategic Plan

The financial resource requirements outlined in table 6.6 will be financed by from various sources outlined in table 6

**Table 6: Financing the Strategic Plan**

Financial Year	Y1	Y2	Y3	Y4	Y5	Total
Strategic Plan Requirements as per table 6.6	235,496	242,038	248,303	257,167	263,286	1,246,290
<b>Financing the Plan</b>						
GoK -Equity	438	656	875	1,094	136	3,198
GoK-Grant	4,848	5,250	5,688	6,125	7,000	28,910
AHP Financiers - Internal Projects	51,813	56,494	61,643	67,307	72,117	309,374
AHP Financiers (Facilitation projects)	161,875	161,875	161,875	161,875	161,875	809,375
AHP Financiers (Loans)	4,000	4,000	4,000	4,000	4,000	20,000
Internal Sources	4,648	5,495	5,540	7,215	8,784	31,682
Borrowings	7,875	8,269	8,682	9,550	9,375	43,751
<b>Total Income</b>	<b>235,496</b>	<b>242,038</b>	<b>248,303</b>	<b>257,167</b>	<b>263,286</b>	<b>1,246,290</b>
<b>Surplus/Deficit</b>	<b>62</b>	<b>63</b>	<b>73</b>	<b>75</b>	<b>84</b>	<b>357</b>

#### **4.4.3. Resource Mobilisation Strategies**

The Corporation will pursue various resources in resource mobilisation. Specific strategies will include but not limited to the following:

- i. The Corporation will develop a resource mobilization strategy.
- ii. The Corporation will follow up the remainder of Equity injection from GoK of KSh. 3.2Billion.
- iii. The Corporation will follow up of Grant Funding from GoK of Kshs.29Billion.
- iv. The Corporation will also obtain authority to borrow for the specific projects in each year.
- v. NHC will engage strategic partners with a view to collaboration on housing projects.
- vi. The Corporation will provide linkages to prospective AHP financiers and developers to actualize AHP projects.
- vii. The Corporation will mobilize internal funds for projects and prioritize capital projects in corporate spending.

In addition to the specific strategies identified by NHC, it is envisaged that the Corporation can benefit from the following general measures which the Government of Kenya is putting in place:

- i. Provision of support towards Leveraging PPP arrangements to finance housing development; the PPP targets to unlock at least KSh. 200 Billion in the next 12 months in new development capital for priority projects in these sectors
- ii. The National Treasury through the Monetary Policy Committee; lowering of the Central Bank Rate (CBR) to 7.0%, and, lowering of the Cash Reserve Ratio (CRR) by 1% to 4.25%. This is an indirect measure expected to increase the available cash for on lending;
- iii. The Tax Laws (Amendment) Act 2020 amendment to the Retirement Benefits Act, which will allow the use of pension savings towards purchasing a residential home in addition to securing a mortgage loan, at a time when household incomes have been adversely affected by the economic downturn;
- iv. Support Micro, Small and Medium Enterprises (MSMEs) through the operationalization of Kenya Credit Guarantee Scheme to facilitate provision of affordable credit in an efficient and structured manner.
- v. Establishment and capitalization of the Kenya Mortgage Refinancing Company (KMRC) with the principal function of enhancing mortgage affordability by enabling long-term loans at attractive market rates through provision of affordable long-term funding and capital market access to primary mortgage



lenders. The National Treasury the National Treasury has mobilized additional KSh 35 billion from partners to support the company's operations. This will help maintain adequate liquidity to keep the housing finance and housing market functioning even in the wake of Covid-19 Pandemic, which has affected the business environment.

#### **4.5. Risk Analysis and Critical Assumptions**

The successful implementation of this Strategic Plan is premised on certain prevailing conditions and assumptions; hence lack of the same could derail the organization from the charted course. Central to the effective implementation of the strategy is management's discipline to execute chosen strategies and remaining focused on the mission.

Risks (identified during plan formulation) that would hinder plan implementation or reduction of the positive effect of a plan are important to identify to enable mitigation. The potential risk factors and events which, if they occurred, would threaten attainment of NHC's planned strategic objectives were identified through environmental scanning to enable preparation of mitigation plans.

The Corporation must upscale its appetite for risk management, which is generally a continuous process and must be carried out throughout the life of the plan. Strategies to handle specific risk events must be developed by management along the strategic plan objectives.

## CHAPTER FIVE: MONITORING, EVALUATION AND REPORTING

### 5.0. Overview

Monitoring will be undertaken at different frequencies to track the implementation of the Corporation's work plans while evaluations will be aimed at measuring effectiveness, impact and sustainability of the Institute in meeting its mandate and strategic priorities. Through M&E activities and reports, the Corporation will consistently document its activities, resources, outputs, measure the impacts on expected outcomes, and provide management with information for decision making and resource allocation. This calls for routine, guided data collection and analysis for tracking purposes. The Corporation will therefore appropriately monitor the implementation of the Strategic Plan; strengthen the Corporation's monitoring and evaluation function; and entrench an evaluative culture in the Corporation to enhance efficiency and effectiveness of NHC's operations. Salient aspects of the Corporation's monitoring, evaluation and reporting arrangements are outlined in this chapter.

### 5.1. Monitoring and Evaluation Plan

Monitoring can be defined as the process of continually tracking the implementation of planned programmes or activities to assess their progress and performance. It entails supervising activities in progress to ensure they are on course and on schedule in meeting the objectives and performance targets.

Whereas Evaluation is the determination of to what extent set objectives have been successfully met. Monitoring and Evaluation (M&E) provide regular and timely information in support of evidence-based decision-making serving as a key driver towards the realization of an organization's goals. Hence, the information prepared includes progress made; challenges encountered and identified emerging issues. The information collected can be used to promote a culture of learning and application of lessons learned.

This Strategic Plan 2018/19-2022/23 shall employ best practice principles that call for use of indicator identification, frequency of data collection; responsibility of data collection; data analysis and use; reporting and dissemination to guide the monitoring process; assessment of progress towards achieving plan outcomes; evaluation focused on why results are being achieved, or not; clear logical pathways where results from one level flow towards the next level and so on leading to the achievement of the overall goal.

The Monitoring and Evaluation (M&E) shall be managed by the Business Development Division. The M&E of the plan shall be integrated with performance

contracting process to eliminate duplication of effort and to make the process more effective. The integrated framework shall contain the following key elements;

- i. All Divisions of NHC shall be expected to set performance targets as part of their annual work plans at the start of each year, derived from this plan and their cascaded Division plans.
- ii. On regular basis, all Divisions shall monitor their performance to establish if performance targets are being met; to act as early warning system for detecting potential difficulties; to assist in addressing any difficulties during the plan implementation and to provide feedback for the next implementation phase.
- iii. All Divisions shall monitor the implementation of their annual work plans through regular meetings.
- iv. The evaluation of the Division plans shall be carried out quarterly and annually both at the Division and Corporate level.

Details of the M&E process shall be developed and outlined in the Monitoring and Evaluation Plan 2019 - 2023 including templates for quarterly and annual performance evaluations.

This Strategic Plan 2018/19-2022/23 shall employ best practice principles that call for use of indicator identification, frequency of data collection; responsibility of data collection; data analysis and use; reporting and dissemination to guide the monitoring process; assessment of progress towards achieving plan outcomes; evaluation focused on why results are being achieved, or not; clear logical pathways where results from one level flow towards the next level and so on leading to the achievement of the overall goal.

A detailed monitoring and evaluation framework for the Corporation is outlined in **Appendix II**.

## **5.2. Review of the Strategic Plan**

**Mid-term review report:** Given the dynamic nature of the housing sector, implementation of the plan will require a comprehensive review to capture the emerging sector issues for implementation. The mid-term review report will inform any requisite changes required in the programmes and projects for the remaining plan period.

**End of plan period report:** At the end of the Strategic Plan period, there will be an end plan review to identify achievements against each set targets, with an overall

assessment of performance. The review will also identify challenges encountered and make recommendations to inform the next review and planning process.

**Reporting:** The Strategic Plan will be implemented through the annual work plans. The reporting shall therefore include the quarterly reports and annual performance reports.

The Head of Strategy and Planning Department will prepare quarterly and annual reports, which will be submitted to the Managing Director for discussion by Management. The Managing Director will prepare periodic progress reports to the relevant Committee of the Board, and thereafter the full Board.

## APPENDICES

### APPENDIX I: Implementation Plan Matrix

#### Strategic Theme One (1). Housing Economy

#### Objective One (1): To Grow the Corporation's business by 144%

Strategy	Key Initiatives	Expected Outcome(s)	Indicator(s)	Time Frame	Implementing Champions
<p>To deliver a total of 99,000 units to the market as follows:</p> <p>i. Develop 1,000 housing units directly.</p> <p>ii. Develop 24,000 housing units internally towards Affordable Housing project in identified sites across the Country</p> <p>iii. To collaborate with housing institutions and County Governments to develop 64,000 housing units.</p> <p>iv. To deliver 10,000 units of student accommodation</p>	Resolve the outstanding issues on NHC land.	Land free of encumbrances	List of land parcels	Continuous	GM-T
	Build a sizeable land bank.	Adequate Land bank	Size of land acquired	2021/2022	GM-T
	Offer competitive pricing while maintaining superior quality	Increased demand for NHC products	Product prices reviewed	2019/2020 and Continuous	GM-T/ GM-F/ GM-E
	<p>i Identify sites across the country</p> <p>ii Process title deeds</p>	Adequate and free land for housing	Number of housing units delivered to the market.	2019/2020 and Continuous	GMT/GMF
	Resource mobilization to fund the delivery of the houses	Engage strategic partners to raise Kshs.86 Billion	<ul style="list-style-type: none"> <li>Number of partners identified.</li> <li>Amount of resources mobilized.</li> </ul>	June 2020 and continuous	GMT/GMF

Strategy	Key Initiatives	Expected Outcome(s)	Indicator(s)	Time Frame	Implementing Champions
To grow EPS sales to KSh 1 Billion	Enhance application of EPS on NHC projects to reduce costs, pricing and speed up delivery	Higher efficiency in house delivery	Number of houses built using EPS panels	2020/2021 and continuous	GM-T / GM-M
	Have a house type plan with schedule of materials on EPS	Increased use of EPS products	Number of brochures/pamphlets prepared	2019/2020	GM-T / GM-M
	Train, empower and facilitate accredited contractors	Enhanced market demand and confidence	Number of Vocational technical trainings on use of EPS seminars held	2019/2020	GM-M
	Develop a marketing strategy for EPS Panels	Marketing strategy approved	Approved marketing strategy	April 2021	GMM
	Develop and implement a marketing plan for EPS Panels	Marketing Plan approved	Growth in sales	May 2021 and continuous	GMM
	Enhance digital marketing for EPS Panels	Enhanced online presence	Improved market share	Dec 2020 and continuous	GMM
To increase rental yield from 2% in 2017/2018 to	Review of Estate Management Policy and	Efficient Estates management	Reviewed policies in place	2019/2020	GM-E

Strategy	Key Initiatives	Expected Outcome(s)	Indicator(s)	Time Frame	Implementing Champions
5% per annum	Housing Policy				
	Implement the provisions of the Estates Management Policy on Maintenance	Better maintained rental houses and offices at NHC House	Annual maintenance plan prepared	2019/2020 – 2022/2023	GM-E
	Enhance rental reviews	Relevant house rental rates	Reviewed rental rates	Continuous	GM-E
To grow the Corporation's loan allocations by KSh. 50 Million per annum	Review the Corporation's lending policies	Appropriate lending policies	Improved loan turnaround time	2019/2020	GM-F
	Improve the Marketing effort for the product	Increased demand for the loans	Improved Loans Book	Continuous	GM-F/ GM-E
To mobilize KSh. 313.4 Billion for housing	Develop Resource mobilization policy/framework	Implement the framework/Policy.	Funds mobilized	Continuous	GM-F
	Engage strategic partners to raise Kshs.305Billion	KSh. 305Billion Mobilized by strategic partners	Funds mobilized	Continuous	GM-F
	Borrow KSh. 2.2Billion. In construction financing from financial institutions	KSh. 2.2Billion Borrowed from financial institutions	Funds borrowed	Continuous	GM-F

Strategy	Key Initiatives	Expected Outcome(s)	Indicator(s)	Time Frame	Implementing Champions
	Mobilize KSh. 3 Billion from internal resources for housing construction	Funds raised internally	Projects constructed using internal funds	Continuous	GM-F
	Pursue equity injection of KSh. 3.2Billion for housing construction	KSh. 3.2Billion GoK equity funds received	Amount of funds received	Continuous	GM-F
Amortise the Corporation's long-term loans	The Corporation to partner with primary lending institutions who have subscribed to KMRC	The Corporation to partner with primary lending institutions who have subscribed to KMRC	<ul style="list-style-type: none"> <li>i. Concept paper done and forwarded</li> <li>ii. Availability of additional cash-flow</li> </ul>	July 2021 and continuous	GMF



**Objective Two (2): To implement 185,000 housing units under the Affordable Housing Programme**

Strategy	Key Initiatives	Expected Outcome(s)	Indicator(s)	Time Frame	Implementing Champions
Identify partners to collaborate with in the development of the AHP housing units	Prequalify potential partners	Prequalified list of partners	Number of partners identified	Continuous	GM-F / GM-T / GM-BD
Mobilize KSh. 826.78 Billion for construction of Affordable housing units	Pursue KSh.18.78 Billion in development grants from the GoK	KSh. 18.78 Billion in grants received	Grants Received	Continuous	GM-F
	Engage with prospective financiers and provide linkages to approved developers to access financing for AHP Projects (KSh. 808 Billion)	Affordable housing Units delivered	<ul style="list-style-type: none"> <li>• Framework for engagement developed</li> <li>• Meetings held</li> <li>• Number of partners identified and linked</li> <li>• Number of active engagements</li> <li>• Number of Affordable housing Units developed</li> </ul>	Continuous	GM-F Ag. GMBD Ag. GMT Ag. CS

### Objective Three (3): To Expand the Business Activities to Include Service Delivery

Strategy	Key Initiatives	Expected Outcome(s)	Indicator(s)	Time Frame	Implementing Champions
Lobby National Government to re-categorize NHC to a Service Corporation	Prepare a concept paper on re-categorization of NHC	Reduced profits projections	Concept Paper forwarded to National Government	December 2019	GMBD
	Presentation of the concept paper to National Government	Categorization of the Corporation from Commercial to Service Corporation	Communication from SCAC on re-categorization	June 2020	MD/CS
Undertake institutional restructuring to create a financial subsidiary	Prepare a concept paper on institutional restructuring to create a financial subsidiary	Concept paper prepared	Prepared concept paper	June 2022	MD/CS
	Presentation of the concept paper to the relevant National Government agencies	Concept paper presented to relevant national government agencies	Presentation of the concept paper	June 2022	MD/CS
Create a budget line for social housing	Present the new budget line to National Treasury	Support from Exchequer for social housing	New budget line	July 2020	GMF
	Prepare projects pipeline for social housing	Reduced housing needs	Increased number of social housing units	2020/21-2022/23	GMT

#### Objective Four (4): To fully Implement Affordable Housing Program

Strategy	Key Initiatives	Expected Outcome(s)	Indicator(s)	Time Frame	Implementing Champions
To develop project delivery ecosystem	To develop and present a concept paper for project delivery ecosystem to the relevant government agencies	Concept note for project delivery ecosystem developed and presented	Approved concept note	June 2022	GMT
	Procure service providers	Service providers procured	Service providers procured	June 2022	SPROC
	Develop and maintain Boma Yangu portal	Portal developed	Operational Boma Yangu Portal	June 2022	ICTM
Develop criteria/framework on AHP house allocation	<ul style="list-style-type: none"> <li>i. Transparency in the management of AHP project</li> <li>ii. Transparent and all-inclusive house allocation</li> </ul>	Approved framework/criteria	Transparent/efficient house allocation process	June 2020 and continuous	GME

## Strategic Theme Two (2). Internal Business Processes and Systems

### Objective Five (5): To fully re-engineer internal business processes and systems in line with the best practices

Strategy	Key Initiatives	Expected Outcome(s)	Indicator(s)	Time Frame	Implementing Champions
To improve efficiency of internal processes and procedures	Continual implementation of ISO 9001: 2015 Quality Management System	Functional Quality Management System	ISO 9001:2015 Certification	June 2019- June 2023	GMBD/ ALL
	Prioritize research and development	A reservoir of project ideas that stand the test of time	Research and development policy	Continuous	MD
	To continuously undertake benchmarking exercise	Benchmarked activities	Number of benchmarking activities conducted	Continuous	MD
	Enhance Enterprise Risk Management	Improved Risk Management	Risk Management framework in place	June 2019	MD
Automation of the Corporation's key processes to improve efficiency	Adopt GIS/Satellite Technology to survey and manage NHC properties	Improved Property management	Accurate property register	Continuous	ICTM
	Construction of Intelligent/Innovative Houses	Houses with intelligent features constructed	Improved management of properties	Continuous	ICTM

Strategy	Key Initiatives	Expected Outcome(s)	Indicator(s)	Time Frame	Implementing Champions
	Adoption of Analytics and Artificial Intelligence	Improved predictions and decision making	Efficient decision making	Continuous	ICTM
	Utilise mobile apps, support for send/receive digital picture from sites	Improved speed and ease of doing business	No. of apps in use	Continuous	ICTM
	Develop NHC App that will be used for various functions at the Corporation	Improve service	No. Of services provided by the application	Continuous	ICTM
	Identify and implement ERP system and automate various functions within the Corporation	Automated processes and improved efficiency in service delivery	Level of Automation	Continuous	ICTM
	Implement cloud infrastructure	Improved data security and storage	Cloud storage acquired	2019/2020	ICTM
	Application of Efficient Construction Technology	Improved construction speed	Number of Houses Constructed	Continuous	GM-T
	Activate Online access to NHC digital files	Reduced staff-files contact	Service efficiency Zero infections	Dec 2020 and Continuous	ICTM

**Objective Six (6): To enhance and implement NHC's business continuity in COVID-19 times and/or during any other pandemic and risk**

Strategy	Key Initiatives	Expected Outcome(s)	Indicator(s)	Time Frame	Implementing Champions
Enhance the current Covid -19 pandemic management strategies	Implement government guidelines on Covid-19 containment measures	Minimize Covid-19 infections	Zero infections	March 2020 and Continuous	CHRO
Developing and implement a post Covid-19 continuity strategy	<ul style="list-style-type: none"> <li>i. Identify operations that can be implemented offsite.</li> <li>ii. Develop and implement framework on working from home</li> <li>iii. Promote remote working through text and video platforms such as email, WhatsApp, Zoom and Microsoft Teams etc.</li> </ul>	Minimize Covid-19 infections	Zero infections	March 2020 and Continuous	CHRO

### Strategic Theme Three (3). Stakeholder Focus

#### Objective Seven (7): To continuously identify and map out the Corporation stakeholders

Strategy	Key Initiatives	Expected Outcome(s)	Indicator(s)	Time Frame	Implementing Champions
Identify, map and promote stakeholders	Undertake continuous stakeholder identification and mapping	Identified needs, influence and interest of stakeholders.	<ul style="list-style-type: none"> <li>• List of stakeholders</li> <li>• Stakeholder mapping matrix</li> <li>• Create a detailed database for all customers/clients</li> <li>• Data mining through Online surveys e.g., Customer satisfaction survey</li> <li>• Create an interactive website</li> <li>• Aggressive online presence</li> </ul>	June 2019- June 2023	GM-BD

Strategy	Key Initiatives	Expected Outcome(s)	Indicator(s)	Time Frame	Implementing Champions
	To monitor and evaluate the stakeholder engagement	Stakeholder engagement monitored and evaluated	<ul style="list-style-type: none"> <li>Reports on stakeholder monitoring and evaluation</li> </ul>	Dec 2019- June 2023	GMBD/ ALL

**Objective Eight (8): To improve customer satisfaction from the current 67% to 77% (10% improvement)**

Strategy	Key Initiatives	Expected Outcome(s)	Indicator(s)	Time Frame	Implementing Champions
Carry out customer satisfaction surveys every 2 years	<ul style="list-style-type: none"> <li>i Create a detailed database for all customers/clients</li> <li>ii To undertake data mining through Online surveys e.g., Customer satisfaction survey</li> <li>iii Create an interactive website</li> <li>iv To promote aggressive online presence</li> <li>v To schedule and hold interactive open days</li> </ul>	Customer satisfaction survey report	Customer satisfaction survey index	Every 2 years	GMBD



Strategy	Key Initiatives	Expected Outcome(s)	Indicator(s)	Time Frame	Implementing Champions
Promote communication to customers/clients through online services	Implement Citizen's Service Charter	Assessment of the turnaround time	Implementation report	June 2019-June 2023	
	Ensure prompt resolution of customer complaints	Number of complaints resolved	<ul style="list-style-type: none"> <li>Complaint resolution report</li> <li>Ombudsman report</li> </ul>	June 2019-June 2023	GM-BD

#### Strategic Theme Four (4). Human Capital and Corporate Governance

##### Objective Nine (9): To Enhance the institutional capacity of the Corporation to carry out its business

Strategy	Key Initiatives	Expected Outcome(s)	Indicator(s)	Time Frame	Implementing Champions
To attract, develop and maintain an adequate workforce for the Corporation.	Undertake recruitment and redeployments	Recruitments and deployments	No. of staff recruited and deployed	March 2020	CHRO
	Undertake Human Resource Capacity Development & training.	<ul style="list-style-type: none"> <li>Capacity Development &amp; Training</li> <li>Promote virtual trainings, workshops and meetings/ engagements</li> </ul>	<ul style="list-style-type: none"> <li>No. of staff trained</li> <li>No of virtual training/ workshops and meeting engagements</li> </ul>	July 2019 - June 2023	CHRO
	Identify and review internal Human Resource Policies and Procedures	Revised Policies and Procedures	No. of Policies and Procedures revised	Dec 2019	CHRO
	Carry out employee satisfaction baseline survey	Employee satisfaction survey report and recommendations for implementation	Employee satisfaction index Implementation of survey findings	Dec 2021 and every 2 years	CHRO
	Conduct an assessment on organizational culture	Baseline survey	Baseline survey report	June 2022	CHRO
	Design a change management process	Change management process	No. of staff trained on culture change	July 2022- June 2023	CHRO

Strategy	Key Initiatives	Expected Outcome(s)	Indicator(s)	Time Frame	Implementing Champions
	Continuously sensitize staff on the Vision, Mandate, Core Values and Objectives.	Staff sensitization forums	No. of staff sensitized	June 2019- June 2023	ALL
	Improve internal communication in the Corporation	Internal communication improved	Number and frequency of internal communications	June 2019- June 2023	ALL
	Promote virtual trainings, workshops and meetings/engagements	Virtual trainings, workshops and meetings promoted	Number of virtual trainings, workshops and meetings	June 2020 to June 2023	ALL
To efficiently utilize institutional human resource framework	Develop a performance Management framework	Efficient Utilization of the human resource capital base	Performance Management framework	June 2020	CHRO
	Automate/upgrade Internal Human Resource Management Processes.	Internal Human Resource Management	Automated HR System in place	June 2021	CHRO
	Develop a Corporate Succession Management Framework.	Corporate succession management framework	Report	June 2020	CHRO
To enhance Corporate Governance	Implement the Mwongozo guidelines.	Improved Corporate Governance	Level of implementation	June 2019- June 2023	CS
	Continuously train the Board and Management on Corporate Governance.	Increased appreciation of good Corporate Governance	<ul style="list-style-type: none"> <li>Training needs assessment</li> <li>No. of trainings conducted</li> </ul>	June 2019- June 2023	CS

Strategy	Key Initiatives	Expected Outcome(s)	Indicator(s)	Time Frame	Implementing Champions
	Mainstream the National Cohesion and Values into governance of the Corporation.	Increased understanding and application of National Values	<ul style="list-style-type: none"> <li>No. of staff sensitized</li> <li>Annual reports submitted</li> </ul>	June 2019- June 2023	Chair National Cohesion and Values Committee
	To review the existing organizational structure.	Existing organisation structure reviewed	Report on the review of the existing organisation structure	June 2022	MD/CS/CHRO

### Strategic Theme Five (5). Environmental Sustainability

#### Objective Ten (10): To comply with all laws, regulations, policies and guidelines that protect and promote environmental sustainability

Strategy	Proposed Actions	Expected Outcome(s)	Indicator(s)	Time Frame	Implementing Champions
To mainstream Environmental Sustainability in all business activities	Review and implement a Corporate Social Responsibility Policy.	Reviewed CSR Policy	Policy in Place	June 2020	CCO
	Support Environmental activities as part of CSR, for example National tree planting initiatives.	Environmental activities	National tree planting initiatives	July 2019 - June 2023	GMBD/CCO
	Develop and implement internal Corporate Health, Safety and Environment Policy.	<ul style="list-style-type: none"> <li>Corporate health, safety and environment Policy</li> <li>Environmental Sustainability</li> </ul>	Policy in Place	July 2020 - June 2023	GMBD
	Implement environmental sustainability regulations and frameworks.	Environmental sustainability	Number of items complied with	June 2019 - June 2023	GMBD
	Adopt and implement Appropriate Building Technology.	Appropriate building Technology	Report on implementation of Appropriate building Technology.	June 2019 - June 2023	GMT GMM

Strategy	Proposed Actions	Expected Outcome(s)	Indicator(s)	Time Frame	Implementing Champions
	Undertake quarterly statutory workplace inspections.	Environmentally sustainable workplace	Reports submitted to DOSHS	June 2019 - June 2023	Chair OSH Committee
	To fully implement the OSHA Act.	Safe work environment	Reports	June 2019 - June 2023	HODs
	Undertake statutory Annual Fire Safety Audit for NHC house and EPS.	Annual Fire and Safety Audit	Reports submitted to DOSH	June 2019 - June 2023	GMBD
	Registration of all NHC offices as workplace with DOSH.	Offices registered	Valid Registration certificate	Dec 2019	Chair OSH Committee
Mitigate risk at the workplace	Form, develop and operationalize the Crisis Management Committee	<ul style="list-style-type: none"> <li>Formation of a Crisis Management Team that cut across all functional areas</li> <li>TORs developed and approved and committee operationalized</li> </ul>	TORs developed and approved and committee operationalized	Continuous	MD, Chair and committee members
	Observe high levels of hygiene (e.g., Provide sufficient sanitary spaces, common room for exercise, lactation room for breastfeeding moms etc)	Provision of the following; <ul style="list-style-type: none"> <li>Sufficient office space</li> <li>Common room</li> </ul>	Provision of the following; <ul style="list-style-type: none"> <li>Sufficient office space</li> <li>Common room</li> </ul>	June 2021 and continuous	GME/CHRO

Strategy	Proposed Actions	Expected Outcome(s)	Indicator(s)	Time Frame	Implementing Champions
		<ul style="list-style-type: none"> <li>Lactation room etc</li> </ul>	<ul style="list-style-type: none"> <li>Lactation room etc</li> </ul>		
	Carry out regular fumigation of NHC House and regional offices	Fumigation undertaken	Fumigation report	May 2020 and continuous	GME/CHRO
	Ensure regular disinfection of working areas	Disinfection of working areas on a regular basis undertaken	Reports on disinfection	Disinfection reports	June 2020 - June
	Provide sufficient working space	Sufficient office space provided	Amount of space	June 2020 and continuous	GME/CHRO

## APPENDIX II: Monitoring and Evaluation Framework

Key Result Area	Outcome	Key Performance Indicator	Baseline	Target	
				Mid-Term Period Target	End of Plan Period Target
Strategic Theme One (1). Housing Economy					
1. To grow the Corporation’s business by 144% in the next 5 years	Land free of encumbrances	List of land parcels	List available - to be updated	List of land parcels	To deliver a total of 99,000 units to the market in the next five years as follows:  v. Develop 1,000 housing units directly. vi. Develop 24,000 housing units internally towards Affordable Housing project in identified sites across the Country. vii. To collaborate with housing institutions and County Governments to
	Adequate Land bank	Size of land acquired	N/A	Size of land acquired	
	Increased demand for NHC products	Product prices reviewed	Done two-yearly	Product prices reviewed	



Key Result Area	Outcome	Key Performance Indicator	Baseline	Target	
				Mid-Term Period Target	End of Plan Period Target
					develop 64,000 housing units. iii. To deliver 10,000 units of student accommodation
	Adequate and free land for housing	Number of housing units delivered to the market.	280 completed 334 ongoing	Number of housing units delivered to the market.	
	Engage strategic partners to raise Kshs.86 Billion	Number of partners identified. Amount of resources mobilized.	N/A	Number of partners identified. Amount of resources mobilized.	
	Higher efficiency in house delivery	Number of houses built using EPS panels	2018/19 Total EPS sales KSh. 211,314,424	To grow EPS sales to KSh. 500,000,000	To grow EPS sales to KSh 1 Billion by 2022/2023
	Increased use of EPS products	Number of brochures/pamphlets prepared	1000	Number of brochures/pamphlets prepared	
	Enhanced market demand and confidence	Number of Vocational technical trainings on use of EPS seminars held	539 Trained on use of EPS	Number of Vocational technical trainings on use of EPS seminars held	

Key Result Area	Outcome	Key Performance Indicator	Baseline	Target	
				Mid-Term Period Target	End of Plan Period Target
	Marketing strategy approved	Approved marketing strategy	Draft	Approved marketing strategy	
	Marketing Plan approved	Growth in sales	N/A	Growth in sales	
	Enhanced online presence	Improved market share	N/A	Improved market share	
	Efficient Estates management	Reviewed policies in place	3.5%	Reviewed policies in place	To increase rental yield from 2% in 2017/2018 to 5% per annum by 2022/2023
	Better maintained rental houses and offices at NHC House	Annual maintenance plan prepared	Done	Annual maintenance plan prepared	
	Relevant house rental rates	Reviewed rental rates	Reviewed two-yearly	Reviewed rental rates	
	Appropriate lending policies	Improved loan turnaround time	15 days average turn-around time between receiving properly filled loan application form to analyzing and giving feedback to the customer	Improved loan turnaround time	To grow the Corporation's loan allocations by KSh. 50 Million per annum for plan period.
	Increased demand for the loans	Improved Loans Book	In 2018/19, KSh. 132.01 worth of loan disbursed	Improved Loans Book	

Key Result Area	Outcome	Key Performance Indicator	Baseline	Target	
				Mid-Term Period Target	End of Plan Period Target
	Implement the framework/ Policy. KSh. 305Billion Mobilized by strategic partners	Funds mobilized	N/A	Funds mobilized	To mobilize KSh. 313.4Billion for housing
	KSh. 2.2Billion Borrowed from financial institutions	Funds borrowed	N/A	Funds borrowed	
	Funds raised internally	Projects constructed using internal funds	190 housing units	Projects constructed using internal funds	
	KSh. 3.2Billion GoK equity funds received	Amount of funds received	N/A	Amount of funds received	
	The Corporation to partner with members subscribed to KMRC to access affordable funding for AHP	Availability of additional cash-flow	N/A	Availability of additional cash-flow	Amortize the Corporation's long-term loans
2. To facilitate 185,000 housing units under the Affordable Housing Programme in the next five	Prequalified list of partners	Number of partners identified	N/A	Number of partners identified	Identify partners to collaborate with in the development of the AHP housing units.
	KSh. 18.78 Billion in	Grants Received	N/A	Grants Received	Mobilize KSh.

Key Result Area	Outcome	Key Performance Indicator	Baseline	Target	
				Mid-Term Period Target	End of Plan Period Target
years.	grants received				826.78 Billion for construction of Affordable housing units
	Affordable housing Units delivered	<ul style="list-style-type: none"> <li>Framework for engagement developed</li> <li>Meetings held</li> <li>Number of partners identified and linked</li> <li>Number of active engagements</li> <li>Number of Affordable housing Units developed</li> </ul>	N/A	<ul style="list-style-type: none"> <li>Framework for engagement developed</li> <li>Meetings held</li> <li>Number of partners identified and linked</li> <li>Number of active engagements</li> <li>Number of Affordable housing Units developed</li> </ul>	
3. To Expand the Business Activities to Include Service Delivery	Reduced profits projections	Concept Paper forwarded to National Government	N/A	Done	NHC re-categorized
	Categorization of the Corporation from Commercial to Service Corporation	Communication from SCAC on re-categorization	N/A	To seek guidance from Board on re-categorization	
	Support from Exchequer for social housing	New budget line	Budget line provided but no funds received	Amount of money accessed for social housing	Create a budget line for social housing

Key Result Area	Outcome	Key Performance Indicator	Baseline	Target	
				Mid-Term Period Target	End of Plan Period Target
	Reduced housing needs	Increased number of social housing units	N/A	Number of houses constructed under social housing	
To fully implement Affordable Housing Program	Transparent and efficient service delivery	Timely project completion	N/A	Procure service providers	Database for service providers
	Efficient in-service delivery	Streamlined service delivery	N/A	Develop and maintain Boma Yangu portal	Functional Boma Yangu service
<b>Strategic Theme Two (2). Internal Business Processes and Systems</b>					
To Re-Engineer Internal Business Processes in Line with Best Practices	Functional Quality Management System	Certifications attained	Institution is ISO 9001:2015 Certified	Continual improvement maintained	To improve efficiency of internal processes and procedures within the plan period.
	Functional Quality Management System	Efficient service delivery	N/A	Online System installed	
	Improved Risk Management	Risk Management framework in place	Draft	Implementation of Risk Management framework ongoing	
	Improved Property management	Accurate property register	Register in place - to be updated	Accurate property register	Automation of the Corporation's key processes to improve efficiency
	Houses with intelligent features constructed	Improved management of properties	N/A	Improved management of properties	
	Improved predictions and decision making	Efficient decision making	N/A	Efficient decision making	
	Improved speed and	No. of apps in use	N/A	No. of apps in use	

Key Result Area	Outcome	Key Performance Indicator	Baseline	Target	
				Mid-Term Period Target	End of Plan Period Target
	ease of doing business				
	Improve service	No. Of services provided by the application	N/A	No. Of services provided by the application	
	Automated processes	Efficient service delivery	G-Client in place	Efficient service delivery	
	Improved data security and storage	Cloud storage acquired	N/A	Cloud storage acquired	
	Improved construction speed	Number of Houses Constructed	190 housing units completed	Number of Houses Constructed	
	Improved efficiency in service delivery	Level of Automation	52%	Improved Level of Automation	
	Reduced customer traffic to NHC offices	Service Efficiency	N/A	Service Efficiency	
	Reduced staff-files contact	Service efficiency Zero infections	N/A	Service efficiency Zero infections	
To enhance and implement NHC's business continuity in COVID-19 times and or during any other pandemic and	i. Developing a post covid-19 continuity strategy	Approved strategy	N/A	Implementation of strategy	Continuity of service provision at the Corporation
	ii. Develop a framework on working from	Frame on working from home developed	N/A	Implementation of framework	

Key Result Area	Outcome	Key Performance Indicator	Baseline	Target	
				Mid-Term Period Target	End of Plan Period Target
risk	home  i. Promote remote working through text and video platforms such as email, WhatsApp, Zoom and Microsoft Teams etc.				
<b>Strategic Theme Three (3). Stakeholder Focus</b>					
To continuously identify, map out, satisfy and communicate with Corporation Stakeholders	Identified needs, influence, and interest of stakeholders.	<ul style="list-style-type: none"> <li>List of stakeholders</li> <li>Stakeholder mapping matrix</li> </ul>	List available - needs updating  N/A	Updated List  Mapping matrix in place	Identify, map, and promote stakeholder engagement.  77%
	Carry out customer satisfaction surveys every 2 years	<ul style="list-style-type: none"> <li>Customer satisfaction Index</li> </ul>	67%	70%	

Key Result Area	Outcome	Key Performance Indicator	Baseline	Target	
				Mid-Term Period Target	End of Plan Period Target
	Survey findings	Number of interventions undertaken	N/A	Implementation of survey finding ongoing	
	Assessment of the turnaround time	Implementation report	N/A	Turn-around-time index	
	Number of complaints resolved	<ul style="list-style-type: none"><li>Complaint resolution report</li><li>Ombudsman report</li></ul>	90%	Continuous handling of customer complaints	
	Maintain an updated detailed client database	Enhanced email and bulk SMS engagement with clients	N/A  N/A	Enhanced email and bulk SMS engagement with clients	
Strategic Theme Four (4). Human Capital and Corporate Governance					
To Enhance the Institutional Capacity of the Corporation to Carry out its Business	Aligned and functional structure	<ul style="list-style-type: none"><li>Organizational structure</li><li>Optimum establishment</li><li>Gap analysis report</li></ul>	Done	Carry out the following; <ul style="list-style-type: none"><li>Structure review</li><li>Optimum establishment</li><li>Gap analysis</li></ul>	Re-engineer the human resource capacity
	Recruitments and deployments	No. of staff recruited and deployed	Done on need basis	No. of staff recruited and deployed	
	<ul style="list-style-type: none"><li>Capacity Development &amp;</li></ul>	<ul style="list-style-type: none"><li>No. of staff trained.</li></ul>	80% of staff	<ul style="list-style-type: none"><li>No. of staff trained.</li></ul>	



Key Result Area	Outcome	Key Performance Indicator	Baseline	Target	
				Mid-Term Period Target	End of Plan Period Target
	Training				
	<ul style="list-style-type: none"> <li>Promote virtual trainings, workshops, and meetings/engagements</li> </ul>	<ul style="list-style-type: none"> <li>No of virtual training/workshops and meeting engagements</li> </ul>	N/A	<ul style="list-style-type: none"> <li>No of virtual training/workshops and meeting engagements</li> </ul>	
	Revised Policies and Procedures	No. of Policies and Procedures revised	1 -HR Policy	No. of Policies and Procedures revised	
	Carry out employee baseline satisfaction survey during the plan period	Employee satisfaction report	Satisfaction Index	Baseline index	
	Baseline survey	Baseline survey report	N/A	Baseline survey report	
	Survey Findings	Implementation report	N/A	Implementation report	
	Desired culture	Culture change program	N/A	Culture change program	
	Change management process	No. of staff trained on culture change	N/A	No. of staff trained on culture change	
	Staff sensitization	No. of staff sensitized	N/A	No. of staff sensitized	

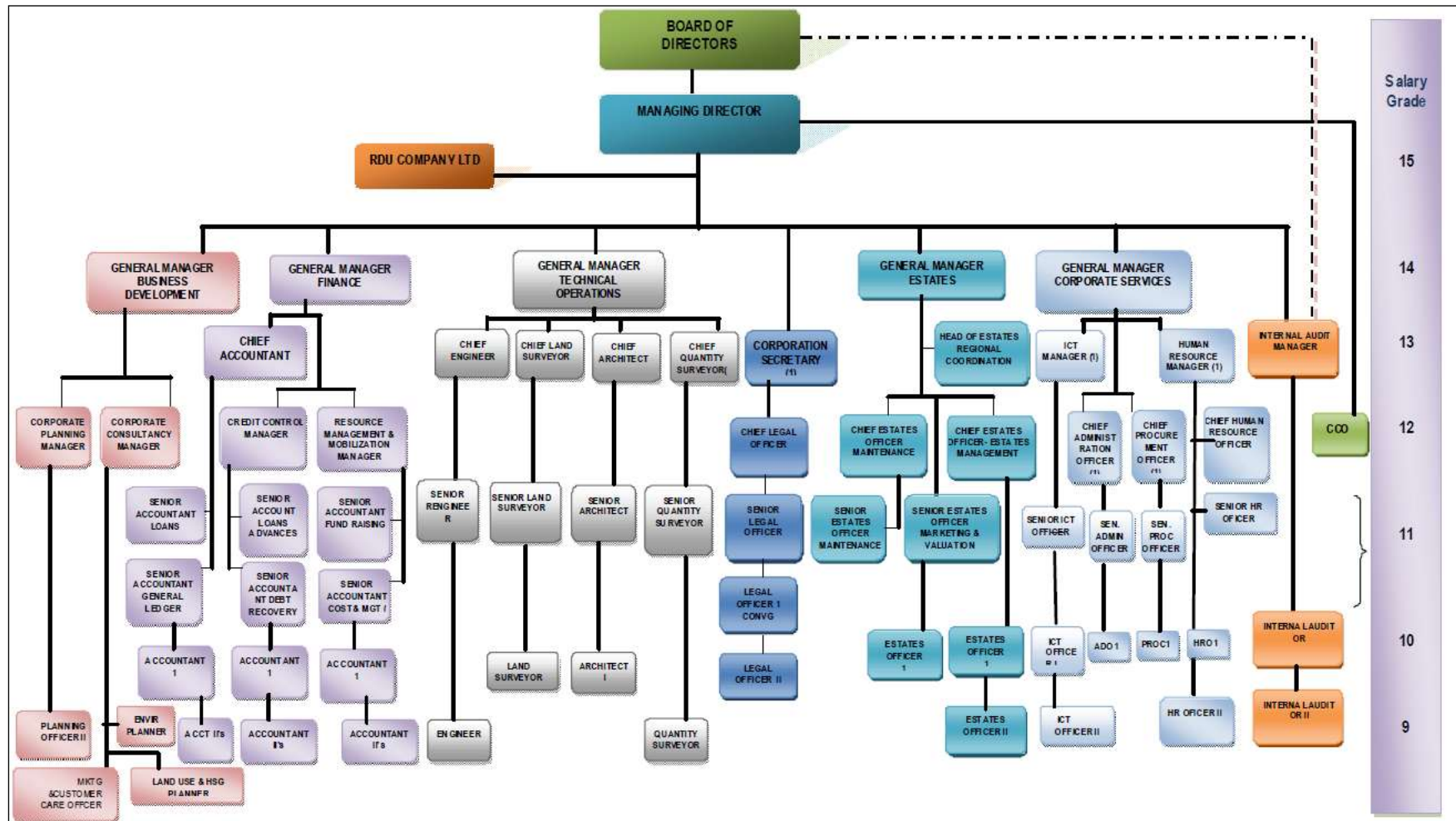
Key Result Area	Outcome	Key Performance Indicator	Baseline	Target	
				Mid-Term Period Target	End of Plan Period Target
	forums				
	Staff engagement in meetings	No. of staff engagements	N/A	No. of staff engagements	
	Efficient Utilization of the human resource capital base	Performance Management framework	Draft		Efficient utilization of institutional human resource
	Quality Management System	ISO 9001:2015 Certification	Done	Continual improvement of QMS for ISO 9001:2015	
	Internal Human Resource Management	Automated HR System in place	The following functions were automated; -Leave application -Recruitment process	No. of HR functions automated	
	Corporate succession management framework	Report	N/A	Corporate succession management framework in place	
	Improved Corporate Governance	Level of implementation	Trainings done	No. of staff trained	To enhance Corporate Governance
	Increased appreciation of good Corporate	<ul style="list-style-type: none"> <li>Training needs assessment</li> <li>No. of trainings</li> </ul>	Training done	<ul style="list-style-type: none"> <li>Training needs assessment</li> <li>No. of trainings</li> </ul>	

Key Result Area	Outcome	Key Performance Indicator	Baseline	Target	
				Mid-Term Period Target	End of Plan Period Target
	Governance	conducted		conducted	
	Increased understanding and application of National Values	<ul style="list-style-type: none"><li>No. of staff sensitized.</li><li>Annual reports submitted</li></ul>	70%  Done annually	Sensitize remaining staff  Submit annual reports	
	Automate the functions	No. of functions that can be implemented offsite	N/A	No. of functions that can be implemented offsite	Business Continuity
	Framework approved	Implement framework	N/A	Implement framework	
	Strategic Theme Five (5). Environmental Sustainability				
To comply with all laws, regulations, policies and guidelines that protects and promotes environmental sustainability	Reviewed CSR Policy	Policy in Place	Draft		Mainstream Environmental Sustainability in all business activities
	CSR Policy implemented	Implementation report	N/A		
	Environmental activities	National tree planting initiatives	Done annually as part of CSR		
	Corporate health, safety and environment Policy	Policy in Place	Draft		
	Environmental Sustainability	Number of items implemented	NEMA regulations complied with		
	Appropriate building Technology	Report on implementation of	Production and use of EPS		

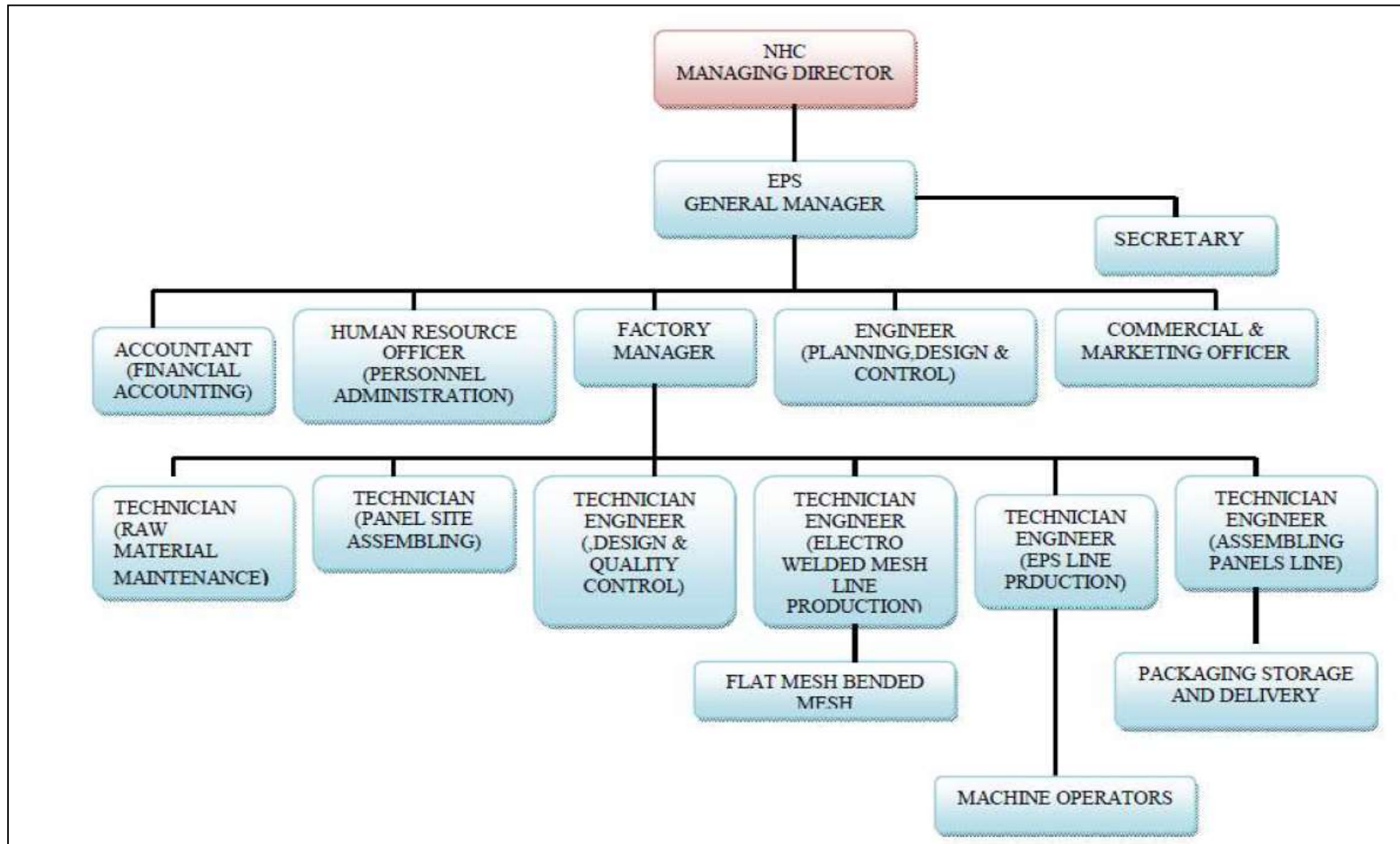
Key Result Area	Outcome	Key Performance Indicator	Baseline	Target	
				Mid-Term Period Target	End of Plan Period Target
		Appropriate building Technology.	Technology		
	Environmentally sustainable workplace	Reports submitted to DOSHS	Done quarterly		
	Safe work environment	Reports	Done quarterly		
	Annual Fire and Safety Audit	Reports submitted to DOSH	Done annually		
	Offices registered	Valid Registration certificate	Done		
	Formation of a Crisis Management Team that cut across all functional areas	Committee appointed	N/A		
	Develop TORs for the Crisis Management Committee and Operationalize the Crisis Management Committee	TORs developed and approved, and committee operationalized	N/A		
	Observe high levels of hygiene (e.g., Provide sufficient sanitary spaces,	Provision of the following: <ul style="list-style-type: none"> <li>Sufficient office space</li> </ul>	N/A		

Key Result Area	Outcome	Key Performance Indicator	Baseline	Target	
				Mid-Term Period Target	End of Plan Period Target
	common room for exercise, lactation room for breastfeeding moms etc.)	<ul style="list-style-type: none"> <li>Common room</li> <li>Lactation room etc.</li> </ul>			
	Regular fumigation of NHC House and regional offices and common areas (elevators, lift rails etc.)	Fumigation report	N/A		
	Provide sufficient office space for staff	Suitable work environment	N/A		

### APPENDIX III: NHC Organization Structure



#### APPENDIX IV: EPS Factory Organisation Structure



## APPENDIX V: Staff Establishment

Designation	NHC Job scale	Authorized optimum establishment (A)	In Post (B)	VARIANCE (B-A)
<b>MANAGEMENT</b>				
MANAGING DIRECTOR	15	1	1	0
SENIOR ADMINISTRATIVE ASSISTANT/ EXECUTIVE ASSISTANT	9	1	0	1
CORPORATE COMMUNICATIONS OFFICER	12	1	1	0
ASSISTANT PUBLIC RELATIONS OFFICER	8	1	0	1
PUBLIC RELATIONS ASSISTANT	6	0	0	0
<b>BUSINESS DEVELOPMENT DIVISION</b>				
GENERAL MANAGER BUSINESS DEVT.	14	1	0	1
SENIOR ADMINISTRATIVE ASSISTANT	9	1	0	1
CORPORATE PLANNING MANAGER	12	1	0	1
PLANNING OFFICER CORPORATE & LIAISON	9	1	1	0
PLANNING OFFICER MONITORING & EVALUATION	9	1	1	0
BUSINESS LIASON MANAGER	12	1	0	1
ENVIRONMENTAL PLANNER	9	1	1	0
LAND USE & HOUSING PLANNER	10	1	0	1
MARKETING & CUSTOMER CARE OFFICER	9	1	0	1
SALES REPRESENTATIVES (TEMP)	6	0	4	4
<b>FINANCE DIVISION</b>				
GENERAL MANAGER FINANCE	14	1	0	1
SENIOR ADMINISTRATIVE ASSISTANT	9	1	0	1
CHIEF ACCOUNTANT	13	1	0	0
RESOURCE MANAGEMENT & MOBIL MGR	13	1	0	1
CREDIT CONTROL MANAGER	12	1	0	1
SENIOR ACCOUNTANT	11	6	0	6
SENIOR RURAL LOANS OFFICER	11	0	0	0
ACCOUNTANT I	10	9	4	5
ACCOUNTANT II	9	7	5	2
ACCOUNTANT III	7	10	4	6
ACCOUNTS ASSISTANT	6	6	12	6
ACCOUNTS CLERKS	4	0	1	1
MAIN CASHIER	6	2	2	0



Designation	NHC Job scale	Authorized optimum establishment (A)	In Post (B)	VARIANCE (B-A)
PETTY CASHIER	5	1	1	0
REGISTRY SUPERVISOR(RURAL)	7	1	1	0
REGISTRY CLERK (RURAL)	3	0	1	1
STORE KEEPER	4	2	0	2
<b>TECHNICAL DIVISION</b>				
GENERAL MANAGER TECHNICAL SERVICES	14	1	0	1
SENIOR ADMINISTRATIVE ASSISTANT	9	1	0	1
CHIEF ENGINEER	13	1	1	0
PRINCIPAL ENGINEER	12	1	1	0
SENIOR ENGINEER	11	2	0	2
ENGINEER	10	4	3	1
ASSISTANT ENGINEERS	8	3	2	1
ENGINEERING ASSISTANT I, II, III	7	4	1	3
ENGINEERING DRAUGHTSMEN	7	2	0	2
CHIEF ENGINEERING DRAUGHTSMAN	9	1	0	1
SENIOR ENGINEERING DRAUGHTSMAN	8	1	0	1
CHIEF QUANTITY SURVEYOR	13	1	1	0
SENIOR QUANTITY SURVEYOR	11	1	0	1
QUANTITY SURVEYOR I	10	3	3	0
ASSISTANT QUANTITY SURVEYOR	8	4	0	4
QUANTITY SURVEYOR ASST 1 & 2	7	0	1	1
CHIEF LAND SURVEYOR	13	1	1	0
SENIOR LAND SURVEYOR	11	1	0	1
LAND SURVEYOR	10	1	0	1
ASSISTANT LAND SURVEYOR	8	1	0	1
SENIOR LAND SURVEY ASSISTANT I, II	8	2	0	2
SENIOR CARTOGRAPHER	8	1	0	1
CARTOGRAPHERS I - III	7	2	1	1
CARTOGRAPHER ASSISTANT	6	0	0	0
JUNIOR LAND SURVEY ASSISTANT	5	1	3	2
LAND SURVEY ASST I, II, III	6	0	2	2
CHIEF ARCHITECT	13	1	0	1
SENIOR ARCHITECT	11	2	2	0
ARCHITECTS	10	4	1	3
ASSISTANT ARCHITECT	8	2	1	1
SENIOR ARCHITECTURAL ASSISTANT I & II	8	2	1	1
ARCHITECTURAL ASSISTANT 1, II, III]	6	4	1	3
SENIOR BUILDING SUPERVISOR I, II	8	2	0	2

Designation	NHC Job scale	Authorized optimum establishment (A)	In Post (B)	VARIANCE (B-A)
BUILDING SUPERVISOR I, II, III	7	5	3	2
PLAN PRINTER / MACHINE OPERATOR	5	2	1	1
CLERK OF WORKS	6	1	1	0
<b>ESTATES DIVISION</b>				
GENERAL MANAGER ESTATES	14	1	0	1
SENIOR ADMINISTRATIVE ASSISTANT	9	1	0	1
CHIEF ESTATES OFFICER	13	2	1	1
CHIEF ESTATES OFFICER/HEAD REGIONAL COORDINATOR	13	1	0	1
SENIOR ESTATES OFFICER	11	1	0	1
ESTATES OFFICER I	10	1	1	0
ESTATES OFFICER II	9	1	1	0
SENIOR BUILDING SURVEYOR	9	1	0	1
ASSISTANT ESTATES OFFICER	8	2	1	1
JUNIOR BUILDING SURVEYOR	6	1	0	1
ESTATES ASSISTANT III/HSG ASST	6	1	1	0
SENIOR ARTISANS /BUILDING SUP MAINTENANCE (Plumbers, electrician carpenter, mason)	6	5	1	4
ARTISANS/ (plumbers, electrician carpenter, mason)	4	14	9	6
<b>CORPORATE SERVICES</b>				
GENERAL MANAGER CORPORATE SERVICES	14	1	0	1
SENIOR ADMINISTRATIVE ASSISTANT	9	1	0	1
CHIEF ADMINISTRATION OFFICER	12	1	0	1
SNR ADMINISTRATION OFFICER	11	1	0	1
ADMINISTRATION OFFICER I	10	1	1	0
SENIOR ADMINISTRATIVE ASSISTANT	7	1	0	1
ADMINISTRATIVE ASSISTANT	6	1	0	1
SECRETARIAL STAFF(OVERALL)	8	30	16	14
CLERICAL OFFICERS UPTO SNR CO*	4	16	23	7
TELEPHONE SUPERVISOR	7	1	1	0

## **APPENDIX VI: Strategic Plan Development Team**

### **NHC Management**

- |                          |  |
|--------------------------|--|
| 1. Mr. Patrick Bucha     | - Ag. Managing Director (appointed in May 2021)                  |
| 2. Mr. Andrew Saisi      | - Managing Director (exited in May 2021)                         |
| 3. Mr. Robert Ambuku     | - Ag. General Manager Manufacturing (appointed in February 2021) |
| 4. Ms. Nancy Ochego      | - Ag. General Manager Finance (exited in July 2019)              |
| 5. Mr. Joel Gatune       | - General Manager Finance (joined in November 2020)              |
| 6. Mr. John Agutu        | - Ag. General Manager Estates                                    |
| 7. Mr. Jackson Mwaura    | - Ag. General Manager Business (exited in September 2019)        |
| 8. Mr. Kepher Manani     | - Senior Architect (redeployed in July 2019)                     |
| 9. Mr. William Keitany   | - Ag. Company Secretary  |
| 10. Eng Thomas Ofwa      | - Ag. General Manager Technical (appointed in February 2021)     |
| 11. Mr. Anthony Thiong'o | - Chief Human Resource Officer                                   |
| 12. Mr. Ken Mochire      | - ICT Manager  |
| 13. Mr. Edwin Njeru      | - Internal Audit Manager (joined in January 2021)                |
| 14. Mr. Richard Gichuki  | - Senior Procurement Officer                                     |
| 15. Ms. Jackline Karuri  | - Corporate Communication Officer                                |
| 16. Mr. Anthony Omtatah  | - Planning Officer (Corporate Liaison)                           |
| 17. Ms. Moraa Ongeru     | - Planning Officer (Monitoring & Evaluation)                     |

### **UNES Consultancy**

- |                         |   |
|-------------------------|---|
| 1. Prof. Evans Aosa     | - Project Team Leader and Principal Strategic Planning Consultant |
| 2. Dr. Kennedy Ogollah  | - Strategic Planning Lead Consultant                              |
| 3. Arch. Erastus Abonyo | - Architect, Member   |
| 4. Mr. George Ogari     | - Financial Specialist, Member                                    |
| 5. Mr. Raymond Muteti   | - Management Consultant, Member                                   |
| 6. Ms. Gertrude Surrumo | - Projects Officer, Secretariat                                   |

### Effective Date of Strategic Plan

APPROVED by the Board on this..... day of .....Two  
Thousand and Twenty-One

SIGNED .....

Date .....

**MANAGING DIRECTOR**

SIGNED .....

Date .....

**CHAIRMAN OF THE BOARD**